Tata Motors Limited (Formerly known as TML Commercial Vehicles Ltd)

Q2 FY27 Earnings Call transcript

Management:

- MR. GIRISH WAGH, MD & CEO, TATA MOTORS LIMITED
- MR GV RAMANAN, CFO, TATA MOTORS LIMITED

Presentation

Sneha Gavankar
Good day and welcome to Tata Motors Limited Q2 FY27 Earnings Call. I have with me today Mr. Girish Wagh, Managing Director and CEO; Mr. GV Ramanan, CFO and the Investor Relations team. Today we'll walk you through the results presentation followed by Q&A. As a reminder, all participants will be in listen-only mode and we will be taking questions by the Teams platform. The same is already open to you for submitting questions. You are requested to mention your name and the name of your organization while submitting the questions. With that, I now hand over to Mr. GV Ramanan. Over to you.

GV Ramanan
Thank you, Sneha. Good evening and welcome to Tata Motors Q2 FY27 Earnings Call. Thank you for joining us today. I'll be taking you through our financial performance for the quarter and the half-year ended September 30, 2026.

Safe harbour statement. This is the regular statement that we have given, and like last quarter, our primary numbers represent the standalone financials, which include the joint operations with Tata Cummins. Consolidated results follow later in the deck. There is no change in the reporting parameters versus this quarter. Freight Tiger continues to be consolidated as a subsidiary, as it was in Q1. With that, let me take you through the highlights of the call.

On products, at Prawaas 5.0 we unveiled our next-generation passenger mobility solution, including the launch of new Ultra Prime and Starbus Prime range. We also showcased our next-gen aggregates portfolio at Bauma CONEXPO India 2026. We were crowned the Best Truck of the Year at the Logistics and Transport Award 2026 in the UAE, a recognition that comes alongside a very strong quarter of export, which I will cover under the volume section. Signed MoU with Drivn to offer innovative leasing and financing solutions for our electric commercial vehicles, easing the total cost of ownership conversation for fleet customers. We collaborated with Petronas to pilot a scalable used-oil recycling model, extending the circular economy work we began with HPCL last quarter. During the quarter, we also partnered with Welspun Renewable Energy to develop a 86-megawatt wind-solar hybrid project.

A quick update on IVECO transaction, which has progressed in line with the timeline we shared last quarter. We obtained all required regulatory clearances, completing the condition to launch the offer. Consequently, the acceptance period opened on 7 September 2026 and will close on 26 October 2026. On 9 October, we increased the offer price from EUR14.10 to EUR14.40 per share in consideration of the slight

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delay in completing the offer relative to the original timeline. This was a goodwill gesture from the company, and EUR14.40 has also been declared as a best and final offer. On 16 October, IVECO EGM approved all offer-related resolutions. As of 22 October, approximately 35% of shares have been tendered. As typically seen in the tender offer process, a significant portion of shares tend to be tendered towards the very end of the acceptance period, particularly in the final 24 to 48 hours. We therefore remain confident of a successful completion of the open offer. Subject to the offer conditions being met, settlement is expected on 30 October 2026, when Tata Motors will pay the offer price for the shares tendered. We will come back to you with an update on IVECO once the offer is settled.

Q2 wholesales were at 1,35,100 units, up 42% year-on-year and up 24% sequentially. Growth was once again broad-based, with every segment in double digits. HCV was up 41%, ILMCV was up 24%, small commercial cargo and pickup was up 27%, CV passenger up 31%, and international business was up 177%, close to 2.6 times over last year. The step up in international business that you see is driven by the Indonesian order, where deliveries ramped up sharply during the quarter on top of the steady export trajectory we built through FY26.
For the half year, wholesales were at 2,43,800 units, up 35%. HCV up 32%, ILMCV up 20%, small commercial pickup, again a double-digit growth of 30%, and CV passenger was up 26%, and the international business was up 114%.

The next few slides cover the standalone business, including the joint operations with Tata Cummins.

The Financial Highlight. This slide summarizes the standalone financials, including the joint operations with Cummins. Volume momentum translated into 42% revenue growth. Revenue for Q2 was ₹23,900 crores. EBITDA was about ₹2,800 crores, up 31% at a margin of 11.7%. While EBITDA margin was down 90 basis points YoY, it held flat sequentially despite a commodity headwind intensifying further during the quarter. I will take you through the margin walk later.
EBIT margin was at 9.7%, down 50 basis points YoY. EBIT at ₹2,300 crores. The profit before tax, before exceptional items, was at ₹2,700 crores, up 51%. So, an absolute profit growth has again outpaced volume growth. Free cash flow was at ₹4,600 crores against ₹2,200 crores in Q2 last year, an improvement of ₹2,400 crore, which I'll walk you through shortly. With that, the net cash stood at ₹11,300 crores as at September 30 against ₹7,500 crores at March and ₹7,100 crores at June end, and this is after the dividend payout in Q1.
The Auto ROCE was 65% on a trailing 12-month basis against 68% at the end of Q1, a moderation largely reflecting the lower margins over the last 12 months. Investment spends was ₹600 crore for the quarter against ₹700 crore in Q2 last year, and this is in line with the plan.

Coming to the Q2 EBIT walk. This is the walk from PBT before exceptional items of ₹1,757 crores in Q2 FY26 to ₹2,660 crores in Q2 FY27, with the EBIT margins bridge shown underneath. Volume and mix contributed to around ₹1,159 crore, with an improved net realization of further ₹1,017 crores. Together, these added 230 basis points to EBIT margin. Variable cost, with the principal headwinds at ₹1,416 crore, 590 basis point impact. This is the commodity inflation which was flowing into the material cost. Other cost contributed positively at 280 bps. Even though they were higher in absolute terms by ₹214 crores,

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depreciation, product development were favourable by ₹13 crores, employee cost was higher by ₹88 crores, and other expenses by ₹139 crores. This is operating leverage on a 42% larger revenue base. FX and other items added 30 basis points, or ₹350 crores. Other income of ₹118 crore, lower finance cost of ₹134 crores, and a Forex gain of ₹24 crores, and ₹80 crores of other items, including PLI incentive. Net of all this, EBIT margin moved from 10.2% to 9.7%. To summarize, a 590 bps commodity headwind has been almost entirely offset by operating leverage, cost efficiency, and improved realization.

Coming to the free cash flow for the quarter, FCF was at ₹4,600 crores against ₹2,210 crores in Q2 FY26 and ₹5,721 crores for the half year. If we look at the Q2 walk, PBT before exceptional items stood at ₹2,660 crores and non-cash items was around ₹389 crores. Tax was ₹762 crores against ₹337 crores in Q2 last year. And as I said, at the full-year results, tax is now a recurring item for us, and it will scale with profit. That gives us a cash profit after tax of ₹2,287 crores for Q2, which is up 26% YoY. Capex was ₹483 crores, broadly in line with last year and with plan. Working capital released ₹2,679 crore in this quarter. With that, payable and acceptances released around ₹4,786 crore on the back of a strong volume ramp-up, while inventories absorbed around ₹1,717 crore and receivable around ₹622 crore, both of which reflect the build for the Indonesia order and the higher run rate going into the festive season. I would want to mention here that part of this working capital release is timing-related and will partially reverse as payables normalize as we move forward.

Investment spending. Total Investment spending in Q2 was ₹597 crores against ₹686 crores in Q2 FY26, taking the half-year to around ₹1,112 crore. Research and development in Q2 was ₹339 crores, ₹209 crore capitalized and ₹130 crore expensed. For H1, R&D was ₹616 crores. Capital and other investments were ₹258 crores in Q2 and ₹496 crore for the half year. At approximately 2.5% of revenue, this remains comfortably within our guided range of 2% to 4%, and we continue to invest steadily in line with plan.

Coming to consolidated financials. The consolidated revenue for Q2 was ₹25,300 crores, up 36% YoY. EBITDA was ₹2,800 crores, up 31% at a margin of 10.9%, down 40 bps. EBIT margin was 8.9%, up to 20 basis points. So, at the consolidated level, we have actually expanded EBIT margin supported by operating leverage and share of profits from JVs and associates. Profit before tax before exceptional items was ₹1,800 crores against a loss of ₹550 crore in Q2 FY26. The comparison is distorted by the mark-to-market on our investment in Tata Capital. Excluding the mark-to-market, underlying PBT grew strongly and in line with the standalone trend.
Consolidated free cash flow was ₹3,000 crores against ₹2,000 crores in Q2 FY26. Net cash stood at ₹15,900 crores as at September 30 against ₹13,700 crores at March end, which includes Tata Motors Finance Holding gross debt net of the market value of its investment in Tata Capital. This puts us at a very strong liquidity position going forward in H2 FY27.

With that, let me hand this over to Girish to take you through the business update. Over to you, Girish.

Girish Wagh
Thank You, Ramanan. Let me begin with the market share story. So overall, our H1 VAHAN market share stands at 36.2%, which is 110 basis points higher than the FY26 level, reflecting an improvement in overall market position on a YoY basis. In Heavy Commercial Vehicles, we continue to maintain a strong leadership

position in H1 market share at 55.7%, improving by 50 basis points over FY26. In ILMCV, H1 market share stands at 36.3%, and a good part of this also has been due to supply chain constraints in this particular segment. Then coming to SCV pickups, the trajectory has been positive, with H1 market share improving to 27.6%. So, it is an increase of 130 basis points over FY26. CV Passenger registered H1 market share of 41.1%, up 500 basis points over FY26, reflecting a strong momentum across the segment. Overall, we have gained market share, and our focus in H2 will be to improve on these gains.

Moving on. Regarding fleet utilization, this is our internal data using the Fleet Edge, and fleet utilization remained broadly stable to improving gradually during the quarter, indicating sustained operating intensity across the fleet. The freight rates also strengthened during Q2, providing support to transporter economics. From our discussions with the transporters, the profitability had seen some pressure at the beginning of the quarter post the diesel price increase, but gradually through the quarter it has started to recover. So, looking at all these together, the utilization, freight rates, and the recovery in transporter profitability indicate a relatively stable operating environment for the fleet operators.

Let me now talk about the industry. Q2 saw healthy momentum in the Commercial Vehicle industry with industry offtake growing 28.4% year-on-year while our volumes grew at 30.5%. Freight activity remained robust through the quarter, recovering from the monsoon-led slowdown in July, supported by stronger infrastructure execution, improved mining output, festive inventory stocking, and automotive dispatches. The broader operating indicators remain supportive, with healthy E-way bill generation reflecting increased goods movement and consumption demand, and the fleet utilization improved progressively through the quarter.

As we enter H2, the underlying demand environment still remains healthy, supported by, of course, at an overall level, the GDP growth, but therefore that leading to increased freight availability, stable fleet utilization, infrastructure activity, and consumption-led movement. Beyond the near term, we remain positive on the structural outlook of the CV industry, which is supported by the economic growth and therefore increasing road freight, infrastructure development, and the replacement demand.

Talking of the specific businesses. So, the key takeaway from Q2 is that the growth momentum was broad-based across the portfolio, with healthy performance across trucks, the passenger carriers, and small commercial vehicles, alongside strong progress in our international business as also the downstream businesses. International business was a strong growth contributor during the quarter, with volumes growing 177% year-on-year, mainly supported by the Indonesia order as well as the momentum across our other international segment.

In Parts & Services, we continued the healthy trajectory, sustaining growth in the aftermarket business, improving spare parts penetration, and strengthening the customer uptime proposition. Our digital business is also progressing well with FleetEdge renewal rates improving, thereby strengthening the recurring digital revenue opportunity. The e-bus operations in Smart City also continue to scale while maintaining more than 95% fleet uptime across the major operating fleets, demonstrating the progress we are making in building this business.

Coming to sustainability, the EV momentum built further and remained strong in Q2 with overall EV volumes growing 143% year-on-year. Within this, the small commercial vehicle EV retails crossed 4,400

units in Q2, registering a 2.9 times year-on-year growth, and this was also constrained by the supply chain and availability of some of the imported aggregates. Otherwise, it could have been more.
EV Trucks continue to see improving customer traction and adoption. In e-buses, as I mentioned in Smart City, the operations continue to do well with more than 95% uptime, and we have now covered more than 64 crore green kilometres since inception. So overall, the quarter saw broad-based momentum across the core vehicle businesses, international business, downstream businesses, and EVs, with the focus remaining on disciplined execution and profitable growth.

Now looking ahead in Q3 and maybe beyond, our priority is to leverage the healthy demand momentum while balancing pricing, cost efficiency, and supply readiness to drive profitable growth. In trucks, we will capitalize on healthy demand through portfolio actions focused on improving customer productivity, payload, and the total cost of ownership.
In CV Passenger, we will capture opportunities across institutional and passenger mobility, including state transport, school and staff transportation, while progressively scaling electric buses. In SCV pickups, we will build on the portfolio enhancement and increasing EV adoption supported by resilient last-mile and e-commerce demand. In Parts & Services, the priority is to build a larger and more resilient aftermarket business by improving customer uptime offerings and expanding service reach.
In international business, we will continue to diversify and scale across geographies while maintaining disciplined execution across channels, products, and markets while navigating geopolitical volatility. On IVECO, consolidation will begin next quarter, with immediate priority being to ensure a seamless transition. Overall, the Q3 agenda is about sustaining growth momentum while maintaining discipline on profitability, execution, and readiness for the next phase of the business.

Thank you.

Questions And Answers

Sneha Gavankar
Yeah. So, we'll get into Q&A now, but a couple of questions which are common across which maybe I'll start off with that. So, one question is how much more of commodity pressures expected in the next quarter. And if you could talk about the price hikes that we've taken so far.

Girish Wagh
Yes. So, commodity inflation actually continues to be a major headwind. And beyond that, of course, we keep monitoring the oil prices, but commodity inflation has already been played out over Q1, Q2, and even in Q3, we see that happening again. And on a YoY basis, the commodity cost impact has been almost 540 bps. On a quarter-on-quarter basis, from Q1 to Q2, it has been 200 bps. We expect a further commodity cost increase in Q3 in the range of around maybe 150 to 200 bps, depending upon where some of the major commodities do settle.
Within that, I would say steel and rubber will continue to be the largest driver. Steel, in fact, all of you know, that is already at a 52-week high with almost 40% growth on a YoY basis. Rubber, this remains the

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input we expect to stay elevated for some time. Supply is tight and crude-linked synthetic rubber costs are also increasing. So, we are watching it closely and factoring it in our planning.

On pricing, as you are aware, we have taken already four pricing actions during the year, around 1% in January, around 2% in April, 2.5% in July, and then from 1 October, we have taken another 1% to 2% increase depending upon the segment. There has been a significant amount of price increase that has been taken through the year. It certainly doesn't cover the commodity increases that we have seen. But as we have been saying, I think our first line of action has always been to see what we can do on the cost side, which is what we have been doing, and we are trying to balance this demand momentum with very measured pricing actions. I think that's where we are from an overall basis.

If I may also upfront address the demand question, because quite a few of them have asked about demand. I think we are now into maybe three weeks of October, and the demand momentum continues. But as we have been saying, the YoY growth rates will taper now. Because post-GST rate rationalization, the demand had picked up in last year third quarter. Last year, third quarter saw 21.5% growth on a YoY basis. Now, we expect that even this Q3, it appears that we will see a very high single-digit or beginning of double-digit kind of growth. For the overall quarter, maximum growth within this is likely to be in intermediate light to medium commercial vehicles, certainly double-digit. CV passenger also will see a double-digit growth, but heavy commercial vehicles and small commercial vehicles are likely to now see a single-digit growth, but even that on the higher single-digit side. So, I think that's what we see as the likely demand growth.

However, I must say that we have to closely monitor both the demand headwinds as well as tailwinds. I think on the headwinds, as I said in the beginning, diesel prices will continue to be a very important monitorable, as also the interest rates. I think a 25-basis point hike has already been taken. This, of course, will not dent the demand much, but it remains an important monitorable. So sorry, a longish answer, but it probably addresses some of the underlying questions.

Sneha Gavankar

So, getting to the more specific questions. This one is from Kapil, Nomura. On the Indonesia order, what is the delivery plan for FY27-FY28? And is there any visibility if there will be repeat or newer orders in FY29, or there may be a decline in LCV exports after FY28?

Girish Wagh

As we have said in the last analyst call also, Indonesia order to a large extent will be delivered over two years, so this financial year and the next financial year. And currently, we are supplying at the rate of anywhere between 4,500 to 5,000 a month. The total order is almost of 70,000. We are, of course, using this opportunity to see how we can strengthen our presence in this market because 70,000 is a significant opportunity.

So, a lot of actions are being taken on retail financing tie-ups, distribution, and service setups. And like you have asked, yes, we will certainly leverage this opportunity to bring in some of the other segments.

What I would also like to mention is the international business, from Q1 to Q2, the non-Indonesia business has also seen healthy growth, and this has been because some of the markets, especially Sub-Saharan Africa, Nepal, and Sri Lanka, I think these stabilized post the immediate impact of the geopolitical issues,

which was seen in Q1. So, we will continue to leverage some of these demand hotspots to see to it that even the non-Indonesia side of the business continues to grow.

Sneha Gavankar
Thank you. Next question is from Raghu, Nuvama. Congratulations on strong results. For IVECO, do you see any hurdle to reach the 80% threshold?

Girish Wagh
See, let me give a larger perspective on this IVECO transaction. So, the whole of IVECO transaction continues to progress well and in line with our expectations. We have put forward our best and final offer of EUR14.40 per share and have been encouraged by the positive and constructive engagement with the key stakeholders. The recent extraordinary general meeting of IVECO Group shareholders, at which all resolutions proposed by the Board were approved, represents another important milestone in the process.
As is typically seen in tender offer processes, a significant proportion of shares tend to be tendered towards the very end of the acceptance period, particularly in the final 24 to 48 hours. We therefore remain confident of a successful completion of the acquisition and look forward to bringing Tata Motors and IVECO Group together. So that I think should give you a fair bit of understanding of where does the whole transaction lie now. Sneha?

Sneha Gavankar
Yeah. Next question again from Raghu. Fleet utilization levels are lower on a YoY basis in HCV trucks, ICV cargo, and SCVs. Do you see any concern on transporter sentiment?

Girish Wagh
See, actually, the fleet utilization started on a weaker side in Q2, but through the quarter, the fleet utilization has consistently improved. And therefore, while there was a sense of heightened attention on this factor at the beginning of Q2, the gradual increase during the quarter has given sufficient confidence that utilization remains in a good place.

Sneha Gavankar
Just give me a second. Again, from Raghu; in EVs, after factoring the PLI benefits, how are margins different from ICE?

Girish Wagh
I think we have answered this question in the earlier calls also. And after the PLI, we are happy with the margin structure currently, but we continue to improve on these further because we certainly want to get prepared for the post-PLI environment.

Sneha Gavankar
Are export margins accretive? There is a sharp increase in export share in the product mix.

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Girish Wagh

So, our international business is certainly margin accretive. However, the Indonesia business is more related to the light commercial vehicle and below portfolio, and therefore it is more of ASP dilutive, right? That is average selling price dilutive. But overall, our international business remains margin accretive.

Sneha Gavankar

Why were ASPs flat? And what are the average discounts in Q2 versus Q1?

Girish Wagh

Yeah, okay. So see our domestic ASPs have gone up on a Q-on-Q basis as well as YoY basis. The reason why you see the ASPs flat is, as I mentioned, is the higher amount of light and small commercial vehicles being exported as a part of the Indonesia order. So, the increase in domestic ASP was, in a manner of speaking, compensated by the higher volume percentage of light and smaller commercial vehicles in Indonesia.

Sneha Gavankar

We also have some more questions on email. So, this one is from Amyn Pirani. How is the financial health of the truck operators? Some CV financial NBFCs have highlighted deterioration in asset quality and credit costs in the truck segment as well as challenges in MSME segments in rural. Are we witnessing anything at our end?

Girish Wagh

So, Amyn, with whatever interactions we have had, we have not heard of any concern in this regard. But of course, it's not that we have engaged with all the financiers of late, but most of them otherwise with whom we have engaged, I think they are in a good place. Regarding the transporter profitability, as I said, quarter two started on a weaker wicket in the sense the transporter profitability did drop because of the diesel price increase, but gradually it has got passed through, depending upon the kind of contracts the transporters will have, and gradually during the quarter, the profitability has also picked up.

Sneha Gavankar

This one is from Gunjan of BofA. How are we placed on capacity? Is there any need to add capacity for trucks, LCVs, or buses, given that the growth has been quite strong?

Girish Wagh

Right. So, see, this capacity question should be looked at from two fronts. One is the in-house capacity, which you have probably alluded to, but it is also about the supply chain capacity. And I think the larger bottleneck has been the supply chain capacity, the reason being significant growth in demand across most of the segments, be it two-wheeler, three-wheeler, four-wheeler, cars, commercial vehicles, tractors. So, across I think we have seen increase in demand, and therefore, for some of the common commodities like castings, machining capacity, sheet metal stamping, I think these are some of the capacities which have become short.

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I would also add that, in case of some proprietary items, there has been a shortfall one has seen in Q2. And the third category, of course, is the imported aggregates, especially the electric vehicle aggregates. And within that, I would say the battery cells and batteries have been constrained by capacity. Now, each one of these, we have seen actions being taken by the suppliers. And I must say, I think the overall supply chain and the supplier partners have responded with a lot of agility, looking at the rate at which the demand has gone up across all the segments, and they have tried to fulfil the demand to a large extent. But despite that, I think we have lost some demand, especially in the ILMCV and in electric small commercial vehicles.

Now, coming to the second part of your question of in-house capacity. So, we have done very specific and targeted debottlenecking actions. So yes, I think some of these actions are those which were not anticipated at the beginning of the year. But we have gone ahead with those actions during Q2. Some of the actions will also happen in Q3. This is in anticipation of the kind of demand which one may see in Q4, although the growth rate will taper down. So that's where we are on the capacity side. I think a lot of actions still continue, and I believe that they will continue through Q3 and maybe a few in Q4 also.

Sneha Gavankar

Thank you. Next question from Sushrut of Ambit. Could you guide us, what was the revenue contribution from non-vehicular business and how has this changed?

G.V. Ramanan

Sushrut, I think, as we had shared earlier, our non-cyclical business, if you look at it on an overall basis, would approximately be around 20% of the revenue. And this is an area, as we kind of even laid it out during the Investor Day, a clear focus area which we want to kind of keep growing because this becomes a natural hedge to the cyclicality that the CV industry generally faces.

Sneha Gavankar

Next question. What is the potential cost increase that we can expect due to the ADAS regulations next year, and what do you think about passing these through?

Girish Wagh

We still continue to be in the few last laps of development of this technology, and therefore still not in a position to indicate the exact cost impact, which we will see. But as I have said earlier also, apart from trying to minimize the cost impact, we are also looking at what is the value that we can add to customers, and it therefore doesn't become just a regulatory introduction.

Sneha Gavankar

Next question from Sridhar Kalyani, Antique Stock Broking. Q2 FCF of ₹4,600 crore included a ₹2,700 crore working capital release, mainly from payables acceptances. How much of this reverses in H2? What would be the normalized FY27 FCF we should consider?

G.V. Ramanan

See, historically, Sridhar, if you would have seen, our pattern of FCF used to be largely a burn in Q1 and Q2. Q3 and Q4 used to be where the working capital used to reverse. And I think given all the focus that we have had on working capital management, we have brought in a lot of consistency in terms of cash delivery. We had a Q1 where it was cash positive. Q2 continues to be positive. So, we would see Q3 and Q4 also to be continuously positive because generally Q4 is a very, very strong quarter. So that's what I would want to respond to your question.

Sneha Gavankar

Thank you, Ramanan. Kapil of Nomura. On steel prices, are there any discussions through SIAM or otherwise with government to review the safeguard duty on steel? Would appreciate if you can share your view on this.

Girish Wagh

Yeah. I mean, see the kind of hit that the auto industry, and within that, the CV industry has had because of the steel prices, we have certainly put forward our request to look at this and expect that this is seen favourably.

Sneha Gavankar

Another question from Kapil only. On EVs, what can be the EV penetration in SCVs by next year? What is our EV capacity and new launch plans? Can you please share cost outlook for EVs on factors like drop-in EV platforms cost with scale and battery cell costs?

Girish Wagh

The EV salience in the quarter gone by in SCV pickup was around 12%, and we expect this to go up in Q3 because some of our supply chain debottlenecking actions will come to fruition, and we expect this to go up further in Q4 in lieu of the regulation introduced in Delhi and NCR region, where only EVs will be allowed to be registered from 1st January. So, I do see a potential of the EV salience reaching easily up to 20%. And I think we should then touch base again in Q4 to understand what is the actual level in Q4, looking at both from the demand side as well as the supply side, and then try to provide an outlook for what it could be in the next year, that is FY28. The rest of the questions, Kapil, maybe we'll have to have offline conversations because these call for more detailed discussions.

Sneha Gavankar

Next question. What steps are we taking to improve margins from here on, and do you have any targets for FY28 and any further price hike can impact demand?

Girish Wagh

So, I mean, the third question, let me answer first. As I said, we are taking very calibrated price increases, and we will continue to do that. Our focus does remain to ensure that the demand momentum is not

derailed. Point number two, I think steps to increase margins is what is controllable for us is the cost, and we are trying to put in our best to ensure that we deliver more on the cost efficiencies. We are also trying to do some of the other actions which was also asked as a question earlier in terms of that safeguarding duty. And I must say, I think the increasing top line because of the demand increase is also something which is bailing out in this kind of unprecedented commodity inflation that one has seen.

Sneha Gavankar
So maybe a question on the longer term. As the automobile industry is very cyclical, what is your take on the coming one or two years for the industry?

Girish Wagh
I think we have answered this question quite frequently. It should go along with the overall economy and the GDP growth.

Sneha Gavankar
Kindly allow me a minute to go through any questions that remain unanswered. I think with that we have answered almost everything that we had here. And thank you for joining the call today. And with that, we can conclude. Good night.

Girish Wagh
Thank you.

G.V. Ramanan
Thank you.

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