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THE WORLD'S FAVOURITE INDIAN

12 August 2025

To, Corporate Relations Department **BSE Limited** 1st Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street Mumbai 400 001	To, Corporate Listing Department **National Stock Exchange of India Ltd.** Exchange Plaza, 5th Floor Plot No.C-1, G Block Bandra-Kurla Complex Bandra (East), Mumbai 400 051
BSE Code: 532977	**NSE Code: BAJAJ-AUTO**

Sub: Transcript of Conference Call held in respect of the Company's Q1-FY26 results

Dear Sir / Madam,

Please find enclosed the transcripts of the conference call held on 06 August 2025 in respect of the Company's Q1-FY26 results.

The transcript will also be hosted on the Company's website at
https://www.bajajauto.com/investors/financial-and-operational-performance

Kindly take this on record.

Thanking you,

For **Bajaj Auto Limited**

RAJIV NATVARLAL GANDHI
Digitally signed by RAJIV NATVARLAL GANDHI
Date: 2025.08.12 17:06:48 +05'30'

Rajiv Gandhi
Company Secretary & Compliance Officer
ACS 11263

Encl: as above

"Bajaj Auto Limited
Q1 FY '26 Results Conference Call"
August 06, 2025

MANAGEMENT: **MR. RAKESH SHARMA – EXECUTIVE DIRECTOR – BAJAJ AUTO LIMITED**
MR. DINESH THAPAR – CHIEF FINANCIAL OFFICER – BAJAJ AUTO LIMITED
MR. ANAND NEWAR – HEAD, INVESTOR RELATIONS – BAJAJ AUTO LIMITED

Moderator: Ladies and gentlemen, good evening, and welcome to Q1 FY '26 Results Conference Call of Bajaj Auto Limited. My name is Avirat Jain, and I'll be your moderator for the day. 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 initial remarks from management. Should you need assistance during this conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anand Newar, Head, Investor Relations from Bajaj Auto Limited. Thank you, and over to you, sir.

Anand Newar: Thank you, Avirat. Good evening, everyone, and thank you for joining us for the call today. Welcome to Bajaj Auto's Q1 FY '26 Earnings Conference Call. On today's call, we have with us Mr. Rakesh Sharma, Executive Director; and Mr. Dinesh Thapar, Chief Financial Officer. We will begin our call with the opening remarks from Rakesh on the business and operational performance for the quarter; followed by Dinesh, who will take you through the financial highlights. We will then open the forum for Q&A. Over to you, sir.

Rakesh Sharma: Thank you, Anand. Good evening, ladies and gentlemen, and thank you very much for joining us. I think this time we are having the call at a decent time. I'm sure you will give us some credit for that.

I'm delighted to say that financial year '26 has commenced on a strong note with the overall performance in quarter 1, delivering a robust set of financials. We closed the quarter with a top line of over INR12,500 crores, EBITDA of almost INR2,500 crores and a PAT of approximately INR2,100 crores. These results were delivered against a backdrop of a volatile and intensely competitive environment. The quarter for us was powered by several top-notch performances. In exports, actually, we achieved the highest ever retails outside of Nigeria. And in commercial vehicles exports, we achieved the highest ever retails in quarter 1. Highest ever premium bike sales, e-auto leadership and a surging EV business whilst improving profitability and yet again, a solid performance by the spares BU.

Let me now get into the business unit level performance, beginning with exports. The BU grew volumes by 16% in Q1 as exports recovered. Our premium brands, Dominar and Pulsar continued to enrich the mix with Pulsar growing at over 21%, delivering obvious benefits to revenue and EBITDA performance.

As you know, we monitor the top 30 overseas markets very closely as they collectively account for over 70% of the emerging market opportunity. Of these top 30, in 25 markets, the industry grew collectively by 17% in Q1, signalling a continued revival. In these very important markets, Bajaj outpaced the industry growth and grew by 27%. LatAm and Asia are firmly on the growth path. There are countries in Africa, particularly the largest market of Nigeria, where trading environment remains uncertain. And there, we need to avoid any unnecessary buildup of stock.

Sales in Bajaj Brazil again touched 7,000 units in this quarter. With production capacity set to get expanded in Q2, higher sales will get unlocked. We are on track to expand capacity to 50,000 units per annum this year. The new Pulsar portfolio, Pulsar 400 NS, the new 150s and the new 125s were all launched in key markets around the world in quarter 1 to a very good reception, and they hold the promise of accelerating growth for us in their segments.

The global tariff issue did not have any significant direct impact on us as exports to US, which would be vulnerable to higher tariffs are mainly the KTM and Triumph brands and constitute less than 1% of our total revenue. Business operations, including production had commenced at KTM Austria. This has also unlocked the export of KTM motorcycles from India to KTM's overseas markets. These used to constitute about 5% to 6% of our total exports and had dropped to nil. Given this performance of the emerging markets, our strengthening competitive position and the return of KTM exports, overall, we expect to continue to maintain the growth tempo in the coming quarters at similar levels as has been achieved this quarter and previously.

Now coming to domestic motorcycles. The motorcycle industry performance in quarter 1 on a Y-o-Y basis was flattish. The 125cc plus segment continued to perform better than the 100cc segment. Geographically, the Southern and Eastern parts of the country declined. The West was flattish, while the North and Central regions grew. Advancement of monsoons, high levels of inflation, particularly in big urban areas, dampened the industry performance. Through the quarter, we witnessed strong tactical countermeasures by all companies, particularly in the entry-level segment.

Our approach in Q1 continued to differentiate between segments. Given the slim profitability of the entry-level segment, our tactical actions were underweighted in the segment, resulting in a loss of market share of about 2 percentage points compared sequentially with Q4. As stated previously, our strategic focus has been and is the 125cc plus segment. Here, we had experienced a loss of market share in the period of Q3 of the previous financial year and early parts of Q4. Provoked by that, product and pricing interventions were initiated towards the end of Q4 in February and March, and they have started to show positive results with a sequential improvement in market share in Q1 of about 3 percentage points in the 125cc plus segment, resulting in an overall market share of 15% in Q1, which is a slight improvement sequentially over Q4.

We will remain focused on growing our share in 125cc plus segment through concentration of our resources and efforts, driving both product interventions and tactical support as needed in this segment. In this regard, the new thematic TV campaign for Pulsar has already commenced and some of you may have seen it during the final test match. The 100cc segment will be supported basis the impact on absolute profitability. Hence, we expect the construct of market share progression to remain similar to Q1. We will advance in 125cc plus segment, perhaps a decline in the 100cc segment based on competitive intensity and therefore, a slightly slower advancement on the overall motorcycles market share.

Coming to commercial vehicles, our 3-wheeler BU. The industry saw strong growth of 11% in Q1 on a Y-o-Y basis, driven by an almost doubling of e-auto volumes with the E segment also growing at 11%. Our business continues to perform strongly in ICE; high levels of 75% market share were maintained. In the EV segment, we achieved the pole position in Q1 with an over 35% market share in the e-auto segment.

The leap forward was powered by the highly successful introduction of the 7012 variant, a wide-body 3-wheeler with best-in-class range, specifically tailored for the large ticketing segment in semi-urban and rural areas. This has lifted both the ASPs and profitability of the EV segment. The mobility needs of middle India are expanding furiously, and we expect the category to grow and for us to outpace the industry.

We have maintained a 100,000 plus unit run rate for eight consecutive quarters in our 3-wheeler business, anchored by our undisputed leadership in ICE and the steady scale-up of our electric portfolio. We will further advance this position on the e-rickshaw front. Our product has now completed extended testing and will be launched in a few key markets by middle of August itself. This will give us the entry into a very large segment of over 40,000 units per month. Our approach would be to start small and observe the dynamics closely so that we may craft the playbook to upgrade the large low-quality lead acid-based e-rick to our superior solution, but at premium pricing.

On electric 2-wheelers in Chetak, the industry continues to average close to 100,000 units per month, growing over 30% year-on-year with penetration in scooters reaching to 20% plus levels. Our Chetak has more than doubled its volumes over the same period and contributed nearly 50% to the industry's overall incremental volumes. As a result, our market share for the quarter rose to 21%, up from 12% in Q1 FY '25.

This has been driven by a broader product portfolio and expansion of the exclusive Chetak network as well as other points of sale. This quarter, we expanded the Chetak 35 series, offering larger boot space, higher range and faster charging. Now the industry split between products priced at INR1 lakh above and below INR1 lakh is 40-60, 40% of the industry is now products which are priced above INR1 lakh and 60% below INR1 lakh. But for us, it is 85%-15%.

Our market share in the above INR1 lakh segment is now at 31% plus, which is in top position. Higher volumes, a better mix and new products have not just expanded market share and customer franchise, they have positively impacted both revenue and profitability. However, as we all know, we are facing supply chain headwinds due to the HRE magnet issue. Non availabilities have begun to compromise production in June itself, resulting in some shortfalls in deliveries to dealers in June. July has seen a 50% shortfall. While we expect production in August to be better than July, we may still see a shortfall of similar levels of 50% in this quarter in Chetak and about 25% to 30% or so in e-autos.

Multiple options, both short term and long term are being pursued at the same time, ranging from simply working with authorities to reopen the flows of HRE magnets as well as to developing alternate sources and alternatives to HRE-based components. The situation is evolving every day. And as can be imagined, this is an area of very high focus for resolution, and we expect the issues to be indeed resolved in the short term, restoring the industry-leading momentum that our EV portfolio has achieved. While complete restoration should happen by end of the quarter, we are keen to derisk the supply chain of this important segment, and that complete derisking should take about six to nine months.

Coming to Probiking, our premium motorcycle BU comprising KTM and Triumph brands. Together, the two brands built nearly 26,000 units in the domestic market during the quarter, marking a strong 20% year-on-year growth and a gain in market share within their respective segments. The steady growth is an outcome of our strategy of launching authentic and purposive products, building the brand through curated top-class activation and continuous expansion of the network, particularly for Triumph, which is now available in 80 cities through 130 stores.

Triumph expanded its portfolio with the launch of the all-new Triumph Scrambler 400XC with its category-leading combination of performance, specs and finish infused with Triumph's iconic scrambler DNA and real-world adventure capability, it further builds on the success of the modern classic 400cc proposition in India. On the KTM side, we introduced the Enduro 390 R, a bike engineered for true dual sport performance. It sets a new benchmark in this segment for on- and off-road versatility. In both brands, a special effort is being made to develop the big bike business, which should dramatically differentiate our brands, aligning them closer to their original DNA besides creating new business opportunities. We have continued to invest in top class activation as a key route to build both KTM and Triumph brands through curated experiences such as distinguished gentleman rides and other thematic rides for Triumph. And in KTM, these programs known as Pro XP continue to deliver ready-to-race outings, an example being the Great Ladakh tour, now in its fifth season, fully booked within 48 hours of opening registrations, reflecting the brand's strong emotional connect with the adventure riders in the country.

Finally, a couple of quick updates. Foremost, our 100% subsidiary, BACL, Bajaj Auto Credit Limited, had an excellent quarter with penetration scaling to 40% plus levels. It has now acquired 1 million customers with an AUM of INR12,000 crores and built a business driven by the twin pillars of digital first and robust operational efficiencies, thus delivering a PAT of INR102 crores in quarter 1. Secondly, as I mentioned, spares, this highly profitable business grew by 19% on the back of better distribution and portfolio management and looks set to maintain the growth tempo.

Looking ahead, our key focus areas remain unchanged. We focus on six things: competitive growth in the strategically important 125cc plus segment in domestic motorcycles, sustained export momentum with big emphasis on building superior positions in the better markets amongst our portfolio, resolve the EV supply chain issues with speed to regain the momentum in the EV segment, steadily grow KTM and Triumph business through product activation and network management, drive profitability and growth, balancing them in the most optimal way through robust operations and continue to establish and build capability in BACL to ensure sustainable class-leading performance.

With that, let me hand it over to Dinesh for an update on the financial performance.

Dinesh Thapar: Thank you, Rakesh. Good evening, everyone, and thank you for joining us on the call this evening. Before I get into the specifics of our financial performance, let me start by saying we continue to deliver very resilient financial results with consistent revenue and profit growth in tandem. This quarter, both revenue and EBITDA came in strong at INR12,500 crores and INR2,500 crores, respectively, making it amongst our top three results in terms of size. What makes the performance noteworthy is the context in which it has been delivered. We navigated through a quarter that saw domestic demand softening and unfavorable currency environment for much of the period, some constraint on our electric vehicle supplies and a partial offset of commodity inflation through pricing in what continued to be a very highly competitive marketplace.

Rakesh has already spoken to you about the markets in some detail in the business and industry context. So, to leave you with time for questions, I'll confine my remarks here specifically to the commodity and currency before moving to the numbers. As you may recall, in our May earnings call, we had indicated that given the dollar weakness, the INR was getting stronger, and therefore, foreign exchange realization was emerging to be a headwind for the quarter. We had closed at that point of time, quarter 4 dollar realizations at INR86.5. Through April and May, realization dropped even further to INR85.5 and INR85.2, respectively, in keeping with the update that we have shared with you. However, the trend reversed somewhat in June with realizations coming back to the INR86 levels. As a result, the average realization for the quarter for our exports stood at INR85.6, about INR1 lower than the previous quarter, translating into a modest drag on both sequential revenue and margins.

On the commodity side, we had expected for a potential cost impact of close to 100 basis points. That was factoring in inflation on aluminum, firmness in steel and ABS and the additional cost impacting the rollout of the OBD II-B norms. If you recall that is what I had signaled at that point of time. However, as the quarter progressed, we had some relief coming from cost savings initiatives and better steel settlement rates later in the quarter. This has helped cushion the impact to an extent. In the end, overall material cost pressure, inclusive of the regulatory cost increases, landed in the range of about 70 basis points relative to the 100 basis points that we had originally estimated, and that flowed through into the reported margins as well.

Let me now turn to the financial results, starting with the volumes. Overall volumes for the quarter were about flattish compared to a year ago. Much of the revenue growth, therefore, of 6% has come from mix. Underlying this is double-digit growth on premium motorcycles, commercial vehicles and Chetak, which has driven the highest ever quarter 1 revenue on the domestic front. And this has more than made up for the domestic motorcycle performance, which although has improved over the previous quarter, has had a subdued effect on the overall enterprise growth.

Exports continue to be a story of recovery and resurgence. Even though volumes are still 20%, 25% lower than the FY '22 levels, the revenue from exports have reached an all-time high. This is the result of better realizations coming in from the dollar and a richer product mix. Latin America, which we've been calling out for several quarters now, has continued to perform very well. And Africa, on the other hand, has trended upwards. Total realization on exports came in a tad north of $500 million for this quarter. Spares revenue closed at close to INR1,600 crores, continued to grow very well and has now gone past the earlier peak of the last quarter.

The other notable highlight for the quarter was the continued strong performance of our electric portfolio as seen over the last few quarters, where we gained leadership in electric 2-wheelers. This quarter, we attained leadership in the electric 3-wheeler category. Overall, electric vehicles contribute more meaningfully, now accounting for a tad over 20% of domestic revenue. And in this quarter, despite the fact that given the rare earth magnets issue that we had, we had supplies only to the extent of 60% of our plans on e-2-wheelers and 75% in electric 3-wheelers for June month.

That said, more importantly, with the recent launch of the Chetak 30 series, the new affordable variant, now the entire Chetak portfolio has made a shift to the new floorboard battery platform, which essentially offers a far superior functionality, better performance and much better unit economics over the earlier models. In all, our EV portfolio profitability has improved significantly. From the red ocean we were in, not too long ago, to now getting to EBITDA margin for the entire portfolio, very close to double digits. So between electric 2-wheelers and electric 3-wheelers, the electric portfolio is now very close to double-digit EBITDA margin. Thanks to the work done on R&D, localization and procurement, this is now landing well and yielding benefits. Of course, the profitable electric 3-wheelers make up for Chetak but the unit economics of Chetak per se have improved over time, and we now have some of the models already clocking in EBITDA positive. The drag at the enterprise margin level, therefore, has reduced, allowing us to expand now more sustainably.

Let me now turn to EBITDA. At INR2,482 crores, EBITDA grew 3% year-on-year. Margins for the quarter came in at 19.7%, a sequential moderation of about 50 basis points that I had cued, if you recall, almost entirely on account of the adverse dollar realization that played out mainly through April and May. Price versus cost came in broadly in line with what I had mentioned on our last call. Inflation arising from commodity cost and the impact of the OBD II-B norms came in at close to 70 basis points that I just mentioned. On pricing, we were very selective with our approach, taking price up in parts of the portfolio while dropping prices in parts of the motorcycle business to revive its competitive growth momentum. In net terms on pricing, the ups and downs almost balanced out each other through the quarter. The net inflation in turn then was made up by a richer-than-anticipated mix. A key factor leading to this was the revival of KTM exports.

You might recall that when we last spoke, we had mentioned that we suspended exports to the KTM business through quarter 4, and that was fundamentally because we had anticipated a risk on our receivables through dependency of the restructuring process. With that having been resolved in May, we resumed exports, and that in turn has helped both the exports performance and margin delivery.

On a year-on-year basis, margin performance was similar with 50 basis points drop in margins, but the contributing factors were slightly different. Unlike the sequential trend where adverse currency weighed margins, the year-on-year picture was aided by a favorable currency movement. However, the benefit was offset by the increase in other expenses that you will see on account of a variety of factors as the business has grown.

Moving to profit after tax, At INR2,100 crores, profit were up 5% year-on-year, marking the second highest PAT delivery to date. The peak was in quarter 3 of FY '25, which was at INR2,109 crores, which was supported by the festive season tailwind and therefore, to have delivered a PAT nearly at par with that benchmark in a quarter without the seasonal lift reflects the underlying resilience of our earnings.

Our balance sheet continues to remain strong, backed by continued free cash flow generation. This quarter, we added about INR1,200 crores in free cash, taking our surplus cash position to a tad under INR17,000 crores, well managed and available to be strategically deployed across growth vectors. Capex during the quarter stood at approximately INR100 crores, which will progressively go up to about INR600 crores, INR700 crores for the rest of the year, with spend split almost equally to support EV capabilities and ICE innovation.

A quick word of consolidated results. Consolidated revenue was up 10%, while consolidated PAT came in at INR2,210 crores, up 14% year-on-year, driven in a large part by the strong performance of BACL that you just heard, which continues to scale up rapidly. You recall that in the same period last year, the business was still in the early ramp-up mode, expanding its front-end footprint and building back-end capabilities. This quarter, it has delivered a PAT in excess of INR100 crores, which is essentially nearly double its full year profit of the last year. We remain optimistic about the growth in this business and have infused INR300 crores into BACL this quarter, taking our cumulative investment to INR2,700 crores. AUM now stands to INR12,000 crores as of June end.

Looking ahead into the next quarter, we are beginning to see some cost pressures across commodities, notably in aluminum, platinum, copper and rubber. That said, our ongoing cost reduction program will continue to deliver benefits, and we've taken some pricing actions that is broadly expected to offset the inflation. So, in net terms, we are expecting it to be a flat cost versus price quarter. The currency has been very volatile off late, but I expect it to be a tailwind for the quarter given the levels at which it's currently trending. And where operating leverage will finally settle for the quarter will be a function of how much supply we are able to pull through on the electric front.

You've just heard, our most recent estimate looks like we would be able to deliver anywhere between 50% to 60% of our plans on the electric two-wheelers and anywhere between 70% to 80% on electric 3-wheelers, right? But that situation is fluid and evolving by the day. That said, it appears that we should see margin trending back towards the FY '25 average levels, even as we look to invest some of the tailwinds that's coming through on account of the dollar realization into competitive actions.

Before I close, let me spend a minute on KTM. While I will not get to the details of the transaction, as there's enough and more on the public domain and there's a postal ballot that's currently out with sufficient detail. We had discussed that KTM is uncharted territory in some ways, but we believe it's a space with significant synergy and long-term promise. As for the insolvency process, the creditors had a period of 2 weeks post the 23rd of May deadline hearing at which an order was passed. There were no objections that were raised during the 2-week period. And therefore, the insolvency court in Austria through its orders of 16th of June 2025, confirmed the restructuring plan that was proposed by KTM. And therefore, the entire restructuring proceedings now have been concluded, and the business is back in many ways outside of that legal process. The orders are binding, and no further appeals can be made against them. Having been through that process, we have, therefore, progressed substantially on seeking regulatory approvals, essentially from four fronts: from the Austrian Takeover Commission, the Austrian and the EU Foreign Investment Control, the EU foreign subsidies control and merger control authorities across six countries, all of which would hopefully be done in a couple of months.

We've already received approvals from the investment authority in three of the six markets in which merger controls have been filed, and we expect to be able to conclude the rest of them, all going well, over the next couple of months. Upon successful completion of the regulatory approvals, we plan therefore take more control position and exercise the call options and then start to work very closely and constructively to restore financial discipline and reposition the business for sustainable value creation and growth.

With that, let me hand the call back to Anand and open up the floor for questions. Thank you.

Anand Newar: Thank you, Dinesh. With this, we can open the forum for Q&A please.

Moderator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question, may press * and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Kapil Singh from Nomura. Please go ahead.

Kapil Singh: Good evening sir and congratulations on a good performance for the quarter. My first question is on the domestic 2-wheeler market. I would say, year-to-date market has been a bit soft. So what is your understanding of what is driving this weakness? Is it coming from urban or rural markets and what is your new launch pipeline for the domestic industry?

Rakesh Sharma: So, over the last couple of quarters, you're right the market has been flattish, if not slightly negative, particularly in quarter 1 after some good growth in April, which is driven by concentrated dates in the April and early May period. I think one of the factors which is happening is the advancement of the monsoons. Usually, we never see monsoons in so many parts of the country in June. But this time, there's not just monsoon, but a heavy monsoon in many, many parts of the country. Secondly, there is no doubt that some parts of the large urban markets are experiencing a greater slowdown than rest of the market. And this is largely because of inflation. While I know that the overall inflation numbers are low, but relevant inflation like rental, etcetera have reduced the purchasing power, and we do pick up feedback from customers saying that they're postponing the purchase. They're not cancelling it.

When we do loss sale analysis, we find that there are some postponements which are specific because of this reason. And thirdly, as we come closer to the season, I've noticed that the tendency to postpone purchase to the festive time becomes accentuated because that's the consumer behavior nowadays, people think that they will get better deals. And this behavior is shaped not just by us, but actually by the e-commerce companies, things like Black Friday sale type of stuff. So that shaped the consumer behavior to sort of sharpen the peaks during the festive. So these would be the three things. Now how much weight is what is very difficult to sort of separate out.

But we'll start to get some real early indication from states which have the festive before anyone else, which is Onam in South and Ganpati in Western parts. But there is nothing structurally so wrong that merits a negative outlook or anything. So I would still say, as we had said that a 5% to 6% growth is certainly conceivable going forward.

Kapil Singh: Ok sir, and on the new launches, if you could give some color on that?

Rakesh Sharma: Yes. So we have a pipeline which goes right through till April. And as you know, we introduced some five or six variants in quarter 4 itself. And, of course, this quarter, our effort is to stabilize them, make sure that they achieve full penetration across the 4,000 stores, etcetera. And as things sort of rollout, that is a very, very important lever of growth for us. We will continue to introduce new products.

Kapil Singh: We also noted that export 3-wheeler has off late picked up. So any outlook you can share on that market?

Rakesh Sharma: I can't single out any single country because the great thing about this development is that it is absolutely across the board, right from key markets of Philippines, where we're doing 2,000 units to 2,500 units per month with 19% share going down to places in Africa and more so in Latin America, etcetera. It's an all-round growth. And I think it is reflected more of a revival of the industry, revival of private financing, which is very, very crucial for 3-wheelers. The confidence that the private finances get that translates into financing of 3-wheelers, which then leads to sales for us. So I would say it is all these happy things all across the board.

Kapil Singh: Great sir. Thanks so much. I will come back in the queue.

Rakesh Sharma: Thank you.

Moderator: Thank you. The next question is from the line of Amyn Pirani from JPMorgan. Please go ahead.

Amyn Pirani: Hi, thanks for the opportunity. My first question is actually a continuation on the 3-wheeler export thing. Now several years ago, we had one large market Egypt, which was, if I remember correctly, one-third of our entire 3-wheeler exports. So Part A would be, is there any update as to what's happening in that market because it used to be a very large contributor for us in 3-wheeler exports?

And secondly, like 2-wheeler exports, which are recovering well and hopefully, you will see them go back to pre-COVID or rather historical peak soon. How should we think about 3-wheeler exports? Are there any large pockets or specific markets which could become significantly large over the next, say, 2 to 3 years?

Rakesh Sharma: See, rewinding it even a little bit more, 60%, 70% of our 3-wheeler portfolio used to be Sri Lanka and then one day Sri Lanka banned the three-wheeler, and that was the first boot on our side to get off the office table and start to develop markets. And of course, those days we used to sell 2,000 units in 3-wheelers, but then we increased it to 6,000. But over the years, I think the transformation which the team has achieved is that we have developed 3-wheelers in 23 different countries, which had never seen a 3-wheeler before. And one of them, for example, is Philippines, which I just referred to. There was no 3-wheeler over there. We went and talked to people, and it started with 100 units, 500 units. And now like I was telling you, 2,000 to 2,500 units. There are many, many such examples like Ghana, Mexico, Bolivia. There are some where we tried, but the 3-wheeler did take traction like Uganda and Nepal, etcetera.

So, this has now become a continuous exercise for the exports team. There is a continuous market development, which takes place. And right now, I can say that on 8, 10 new countries, the product is being seeded. The authorities are being engaged with, so that we have the requisite permissions, etcetera and the commercial model is being put in place. There are some which seem like stars and there are some which I think will take some more slogging, but I will hold myself back from naming these for competitive reasons.

Amyn Pirani: Sure. That perspective is helpful. Second question is actually on 2-wheelers and again, a two part question, if I may. A, you had mentioned last quarter that you are thinking or looking for a lower price or a lower segment 125cc. Is there any update on that? And would that be a Pulsar or a non-Pulsar brand?

And again, related question, we see that in the export market, it appears to me that more of your brands has had success, like a Pulsar is doing well, but a Dominar is also doing well. Obviously, KTM is there, but Boxer also does very well. Whereas in India, correct me if I'm wrong, we are becoming more and more Pulsar centric. So some comments there would be helpful?

Rakesh Sharma: Yes. So, on the first question, that project is very much on. We are early believers of the 125cc segment, even before it became big through the Discover 125 and then, of course, later also with BS VI and the other changes which happened of ABS at that time, we bet on the 125cc segment and extended the Pulsar brand and made quick entry into the top half of the 125cc segment. So, we are believers in that. We also believe that the best way to take share in the 100cc, 110cc segment in a profitable way is to upgrade the customer to an entry-level 125cc. And therefore, work is going on over there and we hope to present it to the market soon. And we'll, of course, talk to you about it. At this stage, I cannot say that whether it will be a Pulsar brand or be some other brand. I think most likely it will be a non-Pulsar brand. But these are famous last words, "things might get changed closer to the launch time also".

In terms of your observation of the brand portfolio in international versus domestic, that observation is correct. But the international markets are by the nature of their structure, they are very varied. So, you have from Haiti and from an Angola to a high paying Turkey and all that. So therefore, you get the full spectrum of segments in international markets. And it is not possible to service the entire spread of segments, which starts from a taxi driver, with one brand. Dedicated taxi driver segment is only now emerging in India, dedicated, meaning the guys doesn't use it for personal use, only using it for other means. But it has always existed in Africa and that's the main 95% of that business there. There's no personal segment in Africa, maybe 2%, 3%. But in Latin America, too, it's largely personal. The penetration of the 250cc class is in many markets of Latin America and Southeast Asia, where motorcycling is more than commuting.

I would differentiate between India and those. For example, people will not shy of buying an expensive twin-cylinder 250cc bike as to commute. But in India, people will say, for this much price, maybe I can get a car, or I can get a second-hand car, so why I should. So in India, it's more of a commuting market. In many parts of Latin America, Europe, it is more of a sports market. So therefore, you find greater traction for brands like Dominar, etcetera. We sell 4x the Dominar in Mexico than we sell in India. And that is a phenomenon of the consumer side. And that's why we've been focusing so hard. And I must also say the places like Turkey and Mexico and these places; we have gone and slogged for 5 years to build this segment in those market. I remember people never used to come for our activation. And then we all said that let's put up all women racing team and all women racing activation and started getting people, then started getting on to the bikes and then, of course, the passion starts to come across. So that's why you have a wider portfolio of brands.

Amyn Pirani: Thank you for the detailed explanation, sir. Very helpful. I will come back in the queue.

Moderator: The next question is from the line of Aditya Jhawar from Investec. Please go ahead.

Aditya Jhawar: Yes. Hi, thank you for the opportunity. So clearly a very good performance in exports. It would be great if you can throw some light on the Brazilian market. It clearly seems that from Horizon three market, it has moved to Horizon one. What is our strategy to tap that market? Are the products suitable with the flex fuel option? And what is our distribution strategy? What's the kind of volume we should expect in Brazil in '27, '28? That's the first question?

Rakesh Sharma: Okay. Yes, Brazil is amongst the top five markets in the world. It's not an easy market to crack open for two reasons. One is, of course, the manufacturing and regulatory requirements are such that it needs a certain kind of compliance. Second is the competitors are very strong. Just a couple of competitors hold 90% share. So, the competitive ratio is very, very adverse. And actually, another reason is Brazil, as you know, is a very large country, much larger than India. And therefore, distribution plays a key role. Demand is widespread and distribution plays a key role so viability of distribution. And therefore, it's a long-term game.

It's not something which you can walk in and start to build leadership, etcetera. Considering the fact, we're competing there with very evolved and mature, high-quality brands, our strategy was to enter from the top. And therefore, we entered Brazil through 400cc very conscious that this is a smaller segment than, let's say, the 150cc segment, which is the bulk of the segment. But we said that we must enter from the top and establish and there were a lot of temptation, I will tell you, the whole thing is to build scale as fast as possible, get the volumes and there are opportunities in 100cc segment, this, that, but those keep getting trashed around over there and we said no compromise. We should build a very top-class network, which is comparable to the best brands in the country, Honda, Triumph, Kawasaki, our stores should be comparable to them. And so therefore, we took the premium route in. We were fortunate that the country and the customers have accepted the Dominar brand, the Bajaj brand and the product.

Now I realize all these movie producers feel like. They make a good movie, but till the time it hits the screens, nobody knows it is going to be hit or a flop. We have done all the research this that and the other, but till the time you enter the market, you can't say. So I was pretty relieved, all of us were pretty relieved that Dominar has got accepted very well. And therefore, I said we will continue the strategy of attacking the top end of the segment. We have made a very discontinuous move last month by introducing the Pulsar 150 over there, which is aimed at the belly of the market, which is the delivery boy's segment, the commercial segment. And it's the best-in-class.

But you've got to really turn your badge over there because the delivery segment seeks reliability, zero downtime and very fast turnaround at the service centers. And therefore, we know that we will have to slog it over there, but that is the thin end of the wedge at the mass level. And at the same time, as I just said, we will be expanding the capacity to 50,000 units. It's already gone up from 20,000 to 30,000. And I think by the time we hit quarter 4, it should be into the 50,000 units. And as that expands, the further expansions planned for '27, '28 because the lead times are 6 months every time for each of these expansions. So, we are taking it in a very calibrated way. We are not going big bang. We are going the premium way. We're going calibrated way because we know that there are dealership, vendors who are now getting reliant on us. So it's not going to be a sharp curve. At the same time, we are ensuring that we deliver a positive P&L.

And I'm very happy to say that this quarter has been pretty good. We are in good green zone. So continue to expand the premium envelope, build distribution and start attacking the mass segment now onwards. And in calibrated way build the capacity of 50,000 and then 100,000 in that manner, but step by step.

Moderator: Thank you. The next question is from the line of Pramod Amthe from InCred Equities. Please go ahead.

Pramod Amthe: Yes. Hi, thanks for taking my question. I wanted to get your thoughts on the expected resolution of ABS. How do you see it technically feasible and also the supply chain, is it geared up to do the same, CBS versus ABS?

Rakesh Sharma: Putting the ABS on the 125cc and below segment is certainly going to put huge requirements on the supply chain. The estimation of the industry as a collective I'm talking about, not just as Bajaj Auto because as you can imagine, this is a very important discussion within the industry is that it could take anything between 12 to 24 months to just get the supply chain right if every single 2-wheeler has to be equipped with ABS. Second, we feel that the cost implications of this are high. And you have seen it in the past. We all know that the last peak of the Indian 2-wheeler industry was 18-19. And after that, even last year, we have not been able to reach to '18-'19 peak.

And one of the major contributory factor to this has been the cost increases which have occurred due to regulatory requirements, due to things like insurance premium and stuff like that.

And I mean, we slog it away to reduce even INR500 of cost and if suddenly costs are going to increase because of ABS, you can imagine that it will definitely have a dampening effect on demand. There are options. We are all very, very clear that, of course, the 2-wheeler rider has to be made safer. And the good thing is that the government is in discussion and dialogue with us on this and have asked us for more data, what are the other options which are more effective as well as cost efficient to deliver a safer solution. And those dialogues are on as we speak. And hopefully, there will be a good resolution to this and then we will see how exactly sort of it pans out.

Pramod Amthe: Sure. Thanks for the detailed answer. Second one is with regard to market share. Some of your new activations did yield a substantial wholesale market share jump in March and April, then it drastically fall as we got into May and June. Can you give some more color on that what has gone slow in the recent? Is it sub-segment performance or the product responses have been slower to come through because it didn't ultimately reflect in the Vahan market share. So I want to get some of depth of it?

Rakesh Sharma: See, I don't want to get into hitting the head so much because you see, you're right that every week, the traction changes. And we are now talking about a band of 1%, 1.5% movement in a few weeks. It's very, very difficult to give you an answer. I'm also seeking that answer, frankly speaking. By the way, I'm not getting convinced that this is the precise answer. For example, there is complexity. There are rates in the market. The markets where our market shares are the highest, which is generally in the South, has been in a little bit of a decline. But some part like Uttar Pradesh, and all have been in very handsome double-digit growth. Now, one way to look at it is to separate out the weight of the market. But that has another implication. So, sort of standing back and looking at it, I don't think that the product is an issue at all. Pricing here and there was an issue. There are certain gaps in our products. For example, we didn't have a single seat, which is very, very important for a commuter category. We had split seats in our higher end, I mean, in the Pulsar new series. So we brought in a single seat. We calibrated the price, equating it to competition in our high-performance NS series and that has immediately brought back the market. So there are these calibrations which are there.

So, now in April and May, for example, if I see, the market share for 125cc plus is higher than in the previous quarter. So I would rather wait for a few more, a couple of more months to see how the market share is moving. But from ground report, product acceptance is not an issue. The pricing is now well matched to competition. Activation is on stream and I think we have been making good progress in April and May, as you said. June numbers and July numbers start to get a bit obfuscated by this monsoon and this and that and the other. So we are going forward in August and all with full confidence that we should be advancing on the 125cc plus segment.

Pramod Amthe: Sure, sir. Thanks and all the best.

Moderator: Thank you. The next question is from the line of Gunjan Prithyani from Bank of America. Please go ahead.

Gunjan Prithyani: Yes. Hi, thanks for taking my questions. Just a quick clarification, firstly the 125cc affordable bike, you sort of said that we'll come back. Is it due for a launch this year or the time lines around that have been shifted?

Rakesh Sharma: The timelines have not shifted, but please give me the benefit of keeping some surprise up my sleeve. I can't be so transparent, and you know, if these transcripts are not available, I would have told you, but I think I would just refrain.

Gunjan Prithyani: Okay. Fair enough. Okay. So my question is on export business. I mean you did talk about Brazil optimism. I think Africa is another important market for us. That's really not come back in a big way yet, right? So if I just think export outlook beyond this year. I mean, this year, you've given 15%, 20% sort of guidance. But where are we on Africa, which will sort of help us extend the growth beyond this year as well?

Rakesh Sharma: Yes, it's very difficult to say. But I'm really happy about the export business delivering highest retails outside Nigeria. Nigeria was 50,000 units for us when we did 210,000, 54,000 units we were doing. Today, we are doing 14,000, 15,000. So that's almost a 40,000 gap from our highest peak, which has been covered by all other markets. This is a very important dimension for that is why we are at about 180,000 odd. If I take Nigeria out and compare the numbers, then that's what I said right in the beginning, we are clocking the highest ever retail. Nigeria itself was showing progressively growth to 30,000 units, etcetera, but I'm talking about our numbers, and we are at about 50%, 60% market share there, and it has slowed down.

I think the single biggest reason over there is the currency-led inflation, which has sort of dampened demand. Purchasing power is eroded and the ticket prices of the rides have not gone up. We monitored them closely. So, the motorcycle prices have gone up. So the payback on a motorcycle, if it is around 18 to 24 months, it's a fantastic solution for self-employment. And, of course, the mobility needs are there. But the moment it starts to go beyond that; the demand starts to get dampened. I must say that the crashing Naira's, at least that phenomena has stopped and there is some convergence of the grey market and the white market for currency. That's a very good thing. And now the inflation has to sort of ease so that these ticket prices and all can start to go up and improve the payback on bikes and people start to come back to the purchase cycle. Those are the phenomena which have to play out.

Now exactly when this will happen, etcetera, we just have to wait and watch. But our policy is don't overextend the exposure. We just keep controlling the business and be on top of it. We are trying to keep our flock of retailers. There's no other company in Nigeria by far, which has the network spread like us of 600 to 800 retailers. I mean, at its peak, it goes to 800, but right now we are at 600. There's no other company with that footprint and our objectives are those. And then as the market returns, we are confident we will get these. But it is very difficult for me to say. And you're very right in making the observation, if Nigeria starts to come back, it may give a very decisive bump up to our business. Unfortunately, there is no other market in the world which can shift the needle so dramatically in such a short period of time as Nigeria if it returns.

Gunjan Prithyani: Okay. And my second question is on the EV profitability comment that was mentioned in the opening remarks. Did I hear it right that you said that 3-wheeler electric profitability now surpasses the ICE 3-wheeler profitability and some color on that. And this whole rare earth shortage, which thanks for calling it out so transparently. Is it fair to say that when we get into the second quarter, if the EV business mix reduces, that sort of helps us in the overall profitability. Is that reading correct to have?

Dinesh Thapar: So, Gunjan, I'll take that. The comment I made in my opening remarks was that the electric 2-wheeler plus the electric 3-wheeler, so therefore, the entirety of the electric portfolio is now nearing double-digit EBITDA margin from what might have been a deep read some time back, right. That's the first thing I mentioned. The second thing I mentioned was that when you look at the unit economics for Chetak alone per se, the unit economics has moved to some of the models in the new platform that we have, which was launched in December last year. Some of those Chetak models have moved to an EBITDA positive, marginal as it might be to an EBITDA positive with the new platform. So those are the 2 comments that I made on electric profitability.

Gunjan Prithyani: Okay.

Dinesh Thapar: I hope that clarifies. We didn't make any comment at the moment on electric 3-wheelers that, by and large, continues to remain what we've said in the past, which is, give or take, it is almost at parity with the ICE CV margin with the PLI thrown in. Yes. So that remains unchanged. The point I made differently today was the entirety of the EV portfolio with 2-plus 3-wheelers coming to near double-digit EBITDA margin.

To your second point, well, if there is a mix impact and we've called it out in terms of mentioning given current visibility of about 50% to 60% on electric scooters and about 70% to 80% on electric 3-wheelers relative to our plans. And our plans, obviously, envisaged to step up because we were also planning for a big festive season. But if that currently does not play out, then I think you want to look at it from two perspectives. One is that there will be a mix benefit that will come in, obviously, because electric gets thrown out and that is lower than the enterprise margin. You also got to consider the fact that there will be an operating leverage impact that might come through. I think the point I was mentioning is that the tailwind on margin that we likely will see this time will be on account of the fact of where the rupee is currently trending, yes. And given that we are almost halfway through the quarter, we know what those levels are. So we will look, of course, to use this opportunity also to make a few competitive investments because these moments won't come always. So if that were to flow right through the quarter, of course, it will help in the rebuild of margin that we may have lost in this last quarter, but also will allow us the opportunity to make a few competitive investments.

Gunjan Prithyani: Okay. Got it. Thank you, sir.

Moderator: Thank you. The next question is from the line of Chandramouli Muthiah from Goldman Sachs. Please go ahead.

Chandramouli Muthiah: Hi. Good evening and thanks for taking my questions. I have three questions. The first one is just on the e-rickshaw launches. Just want to understand what you think could be a fair market share. I think on the ICE 3-wheelers, we enjoy close to 70%. On the electric passenger 3-wheelers, you mentioned earlier that close to 35%. The e-rickshaws is a more fragmented market. So I just want to understand what you would think over the steady-state period could be a fair market share?

Second question is just around rare earth situation. If over a three-quarter to four-quarter period, we're able to derisk and offset if we were to source some non-China sources for the entirety of our portfolio or replace HRE with rare earth or other solutions. Just want to understand what you think could be potential inflation on the BOM cost for your electric 2-wheeler/3-wheeler portfolio? And the last one is just on the new platform on Chetak. At this stage in August of 2025, what is the rough mix of the new platform, which you mentioned is this positive EBITDA margin in the Chetak portfolio? Thank you.

Rakesh Sharma: Okay. So on e-ricks, e-ricks are about 45,000, like I said, per month, and 90% of these are very cheap solutions with lead asset. Ours is, of course, a lithium-ion based build-for-purpose e-rick. And of course, it will come at a premium to the value of the market. Quite frankly, at this point of time, we have not yet got on to what will be our market share and this, that, and the other. Our immediate objective, which means for the next three or four months, is to put out the e-rick and observe its adoption and develop a playbook so that we can go and upgrade. In our 3-wheeler business, our teams are best at upgrading transferring people from one segment to the other. And I give the example of the entire diesel segment then moving into the CNG segment. So they go park by park and they have that skill and capability. But we have to really understand the context. What does it drive, how much do they drive, what are their earnings, what are their patterns of driving rules, etcetera.

So really, our first objective is to get the playbook right, make sure that the product acceptance is good. And I would say the time to talk about market shares, etcetera, will probably be for 26-27. I would say that, of course, we will grow volumes, but I think the real scale-up phase will commence a bit later, maybe, I don't know, February, March or maybe April, May or depends on how the next couple of months go.

Your next question was on the HRE. Right. So, there is, like I said, a set of three initiatives. One is, of course, to look at very simply replacing HRE with LRE based out of China. We also look at LRE type of products, but outside China and then to look at non-LRE products, the ferrite-based products, which is probably going to take some more time. Immediately, we do not see any great inflation because the component cost or just the magnet cost in the full bill of materials is not of great significance. So we have to work out what will happen when it goes to completely different alternate sources. But we are not really very concerned about it dramatically affecting the bill of materials.

Chandramouli Muthiah: Yes. Just on the Chetak new platform and what is the mix?

Dinesh Thapar: Yes. New platform, as Rakesh was calling out is we have progressed with it. The last transition that had to happen was of the affordable variant, which is the one which sells for the INR1 lakh and thereabouts. So with the launch of the 3001 that we've now put out that completes the full transition. So the whole portfolio has now with this launch, moved to 100% on the new platform, which is giving us the better economics, which I mentioned that a couple of models on the new platform have already moved to being EBITDA positive.

Chandramouli Muthiah: All right. Got it. Thank you. So could you just clarify the models that are EBITDA positive, just trying to understand what that might be in terms of percentage share in our Chetak.

Dinesh Thapar: I would not put it to unit level profitability, but to tell you that it's the first time with the new platform that we have got to EBITDA profitability on a couple of them.

Chandramouli Muthiah: Got it. That's helpful. And just wanted to check on BACL. What is the current run rate on quarterly profit after tax?

Dinesh Thapar: BACL is now running a profitable book. Its profit for the current quarter is INR100 crores, INR105 crores on a book size of about INR12,000 crores. I'm anticipating that we will end the year with a book size of anywhere between INR18,000 to INR19,000 crores. And you will clearly see the current run rate of profit being multiplied. So that's how it currently stands.

Chandramouli Muthiah: All right. Thank you very much and all the best.

Moderator: Thank you. The next question is from the line of Pramod Kumar from UBS Securities. Please go ahead.

Pramod Kumar: Yes. Thanks a lot for the opportunity. Rakesh, one question on the rural side because rural has been doing better than urban as per most of the industry participants across categories. But at the same time, you are not seeing much of a revival in the 100cc demand. So, just want to understand your perspective, whether we are seeing a bit of a, what do you say, pyramid being formed in the rural markets, as well as any one of the categories doing well and if that is the case, is it possible that such categories continue to gain more momentum rather than the 100cc kind of coming back for good? So, just your thoughts on that.

And also linked to that, electrification, are you seeing the uptake improving in the rural economy? Are the rural consumers embracing electric vehicles more and more in larger proportions going forward? Because that could be an opportunity for you. So, that is the first question, sir.

Rakesh Sharma: Okay. Pramod, I must say that your audio was a bit muffled. So, I got a gist of what you're asking, but I hope I'm answering the right question. Yes, there is a certain revival in rural demand, I would like to separate rural, frankly speaking, into two parts. One is deep rural and the second is rural. Deep rural, I would simply say is places which have got Gram Panchayat and rural is Zilla Panchayats and all. When a town or a village is run by a Panchayat, we call it rural. And Gram Panchayats are deep rural. We find that deep rural is still struggling a little bit, but the other rural, slightly larger rural, smaller towns, particularly agricultural trading towns are improving. The 100cc phenomena cuts across rural and urban. It's not that 100cc is only or largely bought in rural and not much bought in urban. That's not the case.

I think that, that segment, particularly in urban areas, that segment of our country is still very weak in the sense that it returned, but their savings have not returned after COVID. And the things like rental inflation has become very, very high. People are trying to save money for buying a home and all that. And to some extent, the private finance companies are stricter with their norms in these areas because there have been instances in many finance companies of taking multiple loans, etcetera. So, we see a little bit of tightening on the finance company front. So, these phenomena are affecting the weaker parts of sections of our society, who would generally tend to buy the 100cc. So, I say that whilst rural is coming back, I'm not seeing so much of a shift in the relative growth rates of below 100cc and 125cc plus. I'm not seeing a conversion. So it's still 125-plus cc is outpacing the 100cc for the reasons which I sort of tried to describe.

Pramod Kumar: And Rakesh on adoption of EVs. Is it seeing any uptick in rural and break it down for deep rural and rural market?

Rakesh Sharma: Yes. It is actually following the penetration of scooters, if I see. If you take a place, for example, like Bihar, where the penetration of scooters itself is low compared to, let's say, Maharashtra, you will find that electric penetration is low. And why is scooter penetration in Bihar low, because it has more intercity travel, it has not as good roads, particularly in the interior areas as Maharashtra, which means that the smaller wheel scooter is not the right solution. There are less women riders in Bihar, compared to, let's say, Maharashtra. All these phenomena partially drive the scooter penetration. And the electric adoption is actually following the scooter penetration. Wherever scooter penetration is higher, electric adoption is also higher.

Pramod Kumar: Fair enough. Sir, last question. I'm just trying to understand the domestic dealer franchise, because we have four buckets of operations, but for most of our domestic motorcycle dealers, that's only one bucket. And the market share there, hence, and the volumes that they generate on the franchise is also quite important. So, just wanted to understand your thoughts on the dealer viability for the business with market share kind of slipping closer to the 11% mark.

So, if you just can share your broad thoughts or any plan of Bajaj making a huge comeback on the domestic market share front, because we've been so successful across so many markets. So, in that sense, kind of puzzles as to why we are not able to kind of get the franchise to a higher market share. So, if you can help us understand that, that will be really helpful? Thank you.

Rakesh Sharma: Well, actually, my view is dramatically opposite yours.

Pramod Kumar: Okay.

Rakesh Sharma: You're looking at it as a dealer viability issue. I think our dealers have never had it so good. Because you are looking at it from only one lens. Our network strategy is a corporate network strategy. We are saying that when a person becomes a Bajaj Auto dealer, the person gets a potential opportunity to represent Bajaj for motorcycles, 3-wheelers, Chetak, Triumph, KTM - five businesses. There is no other company in a similar way, which can offer five very different kind of opportunities. And as a result of which, for example, Chetak, we are now at 330 Chetak Experience centers, which are exclusive Chetak network. Pardon me if my numbers are slightly amiss here and there, but I would say 80% to 90% of the Chetak Experience centers have gone to our existing dealers. Where they have not gone, it is because maybe we didn't have a dealer there or maybe the dealer didn't want it there or maybe the dealer was not good enough.

Triumph, I would say, 65% has gone to existing dealers. KTM, that started much earlier than when we put this policy in place three years, four years back, maybe 50%. So, dealers with ambition, dealers with funding and dealers with capability, Bajaj Auto is a fantastic opportunity. Because today, I mean, you take Chennai, our successful 3-wheeler dealer is now our successful motorcycle and Triumph dealer. Of course, we demand different capabilities in a Triumph and in a 3-wheeler. But I mean, these are the examples which are coming to my mind. I'm not singling out Chennai and all that. These type of examples are there everywhere. So I think we are very, very confident in engagement. We have a network team, which in a matrix way works right across the entire business units.

The second piece which you asked was about, dramatic change in market share or something like that, right? So, see, now if you say, for example, can we achieve a dramatic shift in Brazil? I don't think we can. But of course, we can create a very, very sound business, which has got a growing market share, which has got a good bottom line, which has got a good top line, which has got good brand love. I think there are many more metrics to look at beyond just a rapid acceleration of market share. And as you know, at Bajaj Auto, we like to get all faces of the Rubik's cube right, which is market share growth, profitability and all that stuff. So in a large market like this, in a competitive market like this, in a price-sensitive market like this, where we have entrenched and capable competitors, I would say to achieve a dramatic shift in market share would mean that one or two faces of the Rubik's cube will go off, and we would not like that. We've tried it many years ago, it's not sustainable. So we don't advocate that path.

Pramod Kumar: Okay. Sir, thanks a lot. I wish you all the best. Thank you.

Moderator: Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to Mr. Anand Newar, Head, Investor Relations for closing comments.

Anand Newar: Thank you, Avirat, and thank you, everyone, for joining us on the call. Thank you.

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