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Rotunda Building, P J Towers,
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National Stock Exchange of India Ltd.
Listing Compliance Department
Exchange Plaza, Bandra Kurla Complex,
Bandra(E), Mumbai 400 051

May 16, 2024
Sc no - 18273

Dear Sir/Madam,

Sub: Transcript of the Earnings Discussion/Conference call for the quarter and financial year ended March 31, 2024

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with further reference to our letter bearing sc no. 18240 dated April 25, 2024, enclosing herewith the transcript of the earnings/conference call for the quarter and financial year ended March 31, 2024 conducted after the meeting of Board of Directors held on Friday, May 10, 2024.

The transcript of the earnings/conference call is available on the website of the Company at www.tatamotors.com

This is for your information and records.

Yours faithfully,
Tata Motors Limited

MALOY KUMAR GUPTA
Digitally signed by MALOY KUMAR GUPTA
Date: 2024.05.16 16:52:10 +05'30'

Maloy Kumar Gupta
Company Secretary

Encl: as above

TATA MOTORS
Connecting Aspirations

Tata Motors Limited
May 10, 2024

Tata Motors Group
Q4 FY24 earnings call transcript

MANAGEMENT: **MR. PB BALAJI – GROUP CFO, TATA MOTORS LIMITED**

MR. ADRIAN MARDELL – CEO, JAGUAR LAND ROVER

MR. GIRISH WAGH – EXECUTIVE DIRECTOR, TATA MOTORS LIMITED

MR. SHAILESH CHANDRA – MD TMPVL AND TPEML

MR. RICHARD MOLYNEUX –CFO, JAGUAR LAND ROVER

MS. NAMRATA DIVEKAR – HEAD, TREASURY, IR, M&A, TATA MOTORS LIMITED

Presentation

Anish Gurav

Good day, and welcome to Tata Motors Q4 and Full Year ended FY 2024 Earnings Call. With me today are P.B. Balaji; Group CFO, Tata Motors; Mr. Girish Wagh, Executive Director, Tata Motors; Mr. Shailesh Chandra, MD - Tata Motors Passenger Vehicles Limited, and Tata Passenger Electric Mobility Limited; Mr. Adrian Mardell, CEO, Jaguar Land Rover; Mr. Richard Molyneux, CFO, Jaguar Land Rover and our colleagues from the Investor Relations team. Today we plan to walk you through the results presentation followed by Q&A. As a reminder, all participant lines will be in listen-only mode and we will be taking the questions via the Team's platform, which is already open for you to submit your questions. You are requested to mention your name and the name of your organization while submitting the questions. I now hand over to Balaji to take this forward.

Over to you, sir.

P.B. Balaji

Thanks, Anish. Good evening everybody and good morning wherever you are from. Standard safe harbor statement coming up, nothing new to report here. Next.

I think it's a year which has been pretty intense at all ends, be it on the business side or the corporate actions side. And I'd particularly like to call out in the CV side, the BS VI Phase 2 transition that has been a roaring success for us in terms of product delivery and market share pickup. We also had a very good work happening on Fleet Edge in terms of connecting almost 600,000 vehicles. And on the EV side, host of actions and particularly to call out the new EV dedicated stores that are starting to open up and of course, launch of the next architecture in our framework, the Pure EV architecture, and of course commencing of production on the new facility in Sanand and the rest is there for you to see. So a very satisfying year from a product and the business side as well.

Going on to JLR, equally intense actions at their end, where of course performance from a financial perspective has really picked up and there's a level of stability into the performance coming through. And Reimagine Transformation which Richard and Adrian are going to talk about is progressing quite well. And we also announced, I think the big one was announcement of the Agratas battery manufacturing setup which will be a very key vendor to JLR. And of course, the products continue to do exceedingly well. And with the kind of cash that got generated, more than GBP 1.8 billion of debt has been repaid out of operating cash flows in JLR. Next slide, please.

The corporate action side of course, equally intense there. The ADRs have been delisted, Tata Technologies had a very successful IPO. We picked up 27% stake in Freight Tiger, all of which you are well aware of. Additional one is the DVR EGM, where we had greater than 99.5% majority of minority approval for the scheme. It just tells you how well it has been received by the shareholders of both the “A” Ordinary and the Ordinary shareholders. And of course, on the demerger, we are working at frenetic pace to bring the scheme to the Board for approval. Next slide.

Moving on to financials, really a satisfying and a very pleasing performance after many years of challenging performances. And finally, on a full - year basis, revenue grew almost 27% with an EBITDA of 14.3% and an EBIT of 8.3%. In quarter, of course, it was Rs. 120,000 Cr of revenue. On a full-year basis, we're now touching the Rs. 4.4 lakh Cr of revenue, almost $50 billion of revenue starting to come through in this business. And call out your attention on the PBT numbers of before exceptional item of almost Rs. 29,000 Cr for the year, with the highest ever that we have done and I will talk about the numbers in context in a little while and of course, the reasons being the volume ramp up in JLR, as well as, India. Pricing actions across the board are done in a surgical manner and of course, mix continuing to play a very big role for this. And with Auto Free cash flow of almost Rs. 14,000 Cr for the quarter, another Rs. 27,000 Cr for the full year, that managed to help reduce the automotive debt. Next slide, please.

Thanks to this performance, the Board has recommended a dividend of Rs. 3 for the ordinary shareholders, Rs. 3.1 for the DVR shareholders, which is the normal dividend and there is also a special dividend in lieu of the successful TTL IPO of Rs. 3 per share for Ordinary and Rs. 3.1 for the DVR holders. So together is about Rs. 6 and Rs. 6.2 resulting in a cash flow of almost Rs. 2,300 Cr, the highest ever dividend that Tata Motors has paid out. Next slide.

This is just to summarize of our performance, the slides are there for you to see, but maybe the next slide brings it alive even more. Why? This is really a year for all of us in Tata Motors to be satisfied. Revenue at its highest ever, EBITDA now touching Rs. 63,000 Cr of EBITDA in a year, and an EBIT of 8.3%. And if you see the prior high achieved, there's still some distance to go and therefore our journey continues. And PBT (bei) at the highest ever of Rs. 29,000 Cr. The second section is even more interesting because we did our highest ever investment spend of Rs. 42,000 Cr and still delivered our highest ever free cash flows after investment and after interest cost of Rs. 27,000 Cr. And thanks to this, now the ROCE is really starting to switch gears and ended the year at an 18.7% ROCE. So this, in a nutshell, is the performance and the rest of the slides basically bring this alive as to how we managed to do it. Next slide, please.

So a 13.3% growth for the quarter came from volume and mix as a lead at 9.3% and translation of 3.4%, every business contributed to the improvement in profitability as you can see in the numbers. And automotive debt is now Rs. 16,000 Cr, of it Rs. 7,300 Cr is the external debt and Rs. 8,700 Cr is financial leases. And split differently, the India business is now Rs. 1,000 Cr positive cash. JLR and Singapore are the two places where we have the debt to be knocked out, and the plan is to ensure this year we take that out completely. Obviously at a gross level and then the individual line items will be there, because Singapore may take slightly longer to take out, but between TML,JLR, overall we should be moving into net cash. Next slide, please.

Let me now hand it over to Richard to take you through the JLR performance. Richard, over to you.

Richard Molyneux

Okay, thank you. Go to the next chart, please. Right. So look the headline is we've continued to perform very strongly, both financially and operationally. Q4, if you look at the shaded section in the middle, is the best quarter of a very successful year. In fact, every metric is higher than each of the previous four quarters. So just a couple of highlights. Record revenue in the quarter of GBP 7.86 billion, that's up 11% year-on-year. Full-year revenue also a record. EBIT, 9.2% in the quarter and 8.5% full-year, that's in line with our updated and increased guidance at the end of H1. And free cash flow, GBP 892 million (Q4) or GBP 2.27 billion for the full year that's a record for JLR and a record by a large margin. And that has allowed us to exceed our net debt commitment and bring net debt down to a closing value of GBP 732 million at year-end. And that's from GBP 3 billion a year ago. Next, chart.

So I won't go through this in detail, I'll cover the majority of the points through the rest of the presentation. However, I did want to reference the point at the bottom around deferred tax asset. So after a series of significant UK PBT losses in the FY 2019 to 2022 period, we demonstrated sustainable profitability and this triggered a review resulting in a UK DTA of GBP 1 billion being recognized on the balance sheet. It means the profit after tax in the quarter was GBP 1.4 billion, and the full-year profit after tax GBP 2.6 billion. Next, chart.

So, to go through the wholesales, in each quarter and you'll see at the top, each of our brands is improving, allowing us to get to 110,000 wholesales in the quarter. And if you look annually on the bottom side of the chart, Range Rover is up 27%, that's driven by progressive improvements in both our production system and those of our suppliers, allowing us to move up capacity levels in our Solihull plant. That level of 201,000 units is a record sales for the Range Rover brand. Also Defender, 115,000 units, that's in its fourth year, it is up 32%, which is an exceptional performance. That 115,000 is the highest sales level for Defender ever in its 76 years of history, since 1948. Next, chart.

This looks at the same thing regionally. Seasonally Q4 is always strong in the UK and a little bit weaker in China, largely due to Chinese New Year timing. But it's also typically strong sales performance for us in North America, even though that number was impacted right at the very end of the quarter by the Baltimore Bridge disaster. If you look annually on the bottom of this chart, every region is up, the UK, the U.S., and overseas, by about 30%. Even China which is almost certainly the most competitive car market in the world at the moment, was up 17% year-over-year and actually up 27% on FY 2022. Next, chart.

This looks at our PBT walk from Q4 FY 2023 to Q4 FY 2024, where we delivered the GBP 661 million. You can see a large part of it is volume, we did sell 16,000 units more than we did in the same quarter last year. Also see interestingly, there is some price pressure in the market, price is now a negative in this walk, whereas historically for the last few quarters, it's been positive. That is due to slow increases in our VME rates from 0.5% a year ago to 3%, that 3% is still very light in comparison to many others in the market. Those increases in VME have however been more than offset by material cost improvements versus a year ago. About half of that GBP 267 million is related to raw materials, which were quite benign in terms of cost in the fourth quarter. The other half relates to a non-repeat of costs from a year ago, where we were having to spend very heavily on both semiconductor supply and supplier volume claims. Within the structural cost element, you can also see we are spending more in terms of FMI & selling. That is, trying to make sure that we generate the orders going forward. So you can sort of see that in combination with the VME as being an increase in our costs to acquire customers, which we are offsetting through our own contribution costs. FX and commodities, not a major element in this walk, Sterling moved from about 1.24 against the dollar at the end of FY 2023 to 1.27. So a small adverse for us, but our hedging policy managed to protect us from most of it. Next, chart.

The top half of this takes the same PBT GBP 661 million and walks it to free cash flow. You can see within that cash profit after tax of GBP 1,357 million. That is a record for us. And even with very high investment spending required to deliver our cycle plan over the next couple of years, it still allowed us to generate free cash flow of GBP 892 million. A part of that was very favorable working capital, we do expect that to be a little bit seasonal, so to reverse back out in Q1, however, in Q4 it was very helpful for us. Bottom half of the chart looks at the same thing on a full-year basis, essentially says the same story, so I will not go through it again. Next, chart.

This looks at our total investment level. The total investment for the year was just under GBP 3.3 billion, of that GBP 2.3 billion was engineering. Engineering is in the hot phase of developing all of the future vehicles. Over time, that number will come down a little bit and the capital investment required to actually produce those vehicles will increase. Within our total engineering, 62% of it was capitalized, that is fairly stable as we've gone through this year. I also expect it to be relatively stable in the next few quarters. Next, chart.

All right, we go into the business update. So, next page.

So something's coming. Range Rover Electric, it is coming. We're doing it differently, this is not a BEV which is going to get sold as a Range Rover. This is the Range Rover with a BEV powertrain. And BEV happens to give the exact combination of power, quietness and serenity that is perfect for the Range Rover brand. So this will be the top end of Range Rover. This will not be any other thing than probably the best performing Range Rover that you can get. We have opened a waiting list for this vehicle, as of earlier on today there were 33,000 people who have signed up to that waiting list. In the middle, we will keep developing our SV offerings on Range Rover and Range Rover Sport. We are continuing to push price points up in that sector. So, for example, Range Rover SV doubled its volume in FY 2024 with an average sales price of GBP 202,000. And actually within that, there were 30 SV Bespoke Sadaf editions which were sold at over GBP 330,000 each. On the right-hand side, Defender OCTA, which will get launched later this year. This is the ultimate still with everything on every terrain that a Defender can do, but with the fastest and most powerful Defender that there is. I've seen this car and it absolutely passes the *I really want one* test, this will be a big success for us. Next, chart.

Takes us to our look ahead. fSo we expect EBIT margin for this year to be around the level of FY 2024. We do expect to have to spend a little bit more in terms of demand generation, and we will offset that operationally with cost reduction. We expect investment spend to be around GBP 3.5 billion, and we are holding our target to be net debt zero by the end of this financial year. However, I did note that with the reversal of some of the working capital effects that we've seen in Q4, Q1 cash flow will be broadly breakeven. Our priorities, we've written customer love to be at the heart of what we do, and we don't just mean this as words on a page. This will actually guide us in what we do and how we prioritize our time this year. It is crucial for us that we focus on this element of our strategy. We will continue to focus on brand activation to maintain our order bank and we will deliver our cycle plan.

With that, thank you very much for your time. I'll hand back to Balaji.

P.B. Balaji

Thanks, Richard. Let's get on with commercial vehicles. Next slide, please.

On the market shares, I think it's starting to stabilize with the trucks continuing to do well and the intermediates also starting to do well. And there are green shoots starting to emerge in a small commercial vehicle space as well, which is something that we said, we will continue to work upon. So it's going to take a few more quarters, but it's nice to see this now starting to turn, and it is seen to have bottomed out. Next slide, please.

Overall numbers, it's been again a very strong year, there's a highest ever revenues, highest ever profits as far as this business is concerned as well. And we ended at Rs. 78,800 Cr revenue with a double-digit EBITDA that we had committed. And for the quarter the EBITDA came in stronger at about 12%, and overall the business generated a PBT (bei) of almost Rs. 6,000 Cr. And it also delivered about $1 billion of EBITDA, which is also a new high for this business. And as we demerge this business, you will start hearing more and more granular details about this as we go forward. Next slide, please.

Source of margins, we specifically called out the pivot towards a demand-pull strategy and improving realization that's exactly what is you see in the numbers. So the English and the math are in tandem. Next slide, please.

Girish, you want to cover this.

Girish Wagh

Thanks, Balaji. So I think the wholesale volumes grew by 14% over Q3. However, as we had indicated, there was a decline of 7% in Q4 and almost 4% on an entire year basis. Balaji spoke I think highest ever quarterly revenue also in Q4, surpassing the previous high which was in Q4 of FY 2023. On the shares, I think we improved the market share quarter-on-quarter. SCV pickup I think seems to have bottomed out in Q3 and we started the movement up. The transformation in SCV pickup is underway and we should start seeing results as we go ahead. In the non-vehicle business, we grew the revenue by 13% in Q4 and almost 17% on a year-on-year basis. And we've also seen a healthy growth in the annual maintenance contracts, which is an attractive business. Some of the bright spots, I think heavy commercial vehicles grew 5% Y-o-Y. Passenger carriers grew once again 26% Y-o-Y. And just in Q4, I think we had 38% growth, so the capacity increase actions that we have taken, have also started panning out. Going ahead on the customer sentiment index, I think they have remained firm and in fact, slightly grown in the Tipper segment, remained firm in ILCV. They dropped marginally, which is seasonal for HCV Cargo and SCV. Happy to report that the percentage of digitally generated leads and the sales grew to almost 26% now in Q4. So this is becoming a significant part of our lead generation mechanism and we will continue to ramp this up. I think this is giving a significant convenience to the customers. Net promoter score continued to improve and is now at a highest-ever level of 72, so we'll continue to maintain and grow this. During the year we launch more than 140 new products, more than 700 variants, and we will continue the same momentum. We saw in the commodities, the ferrous metals had some softening, while barring aluminum which has gone up, I think all other non-ferrous metals have stabilized. And I think the cost optimization efforts and realization improvement have helped to improve the margins. I think, during the year the fleet utilizations also improved, freight rates also stabilized. I think so we actually exited the year on a strong note. Going ahead we will continue our agenda of driving realization improvement by delivering more value to the customers and thereby have growth in the Vahan share. I think the demand generation, as we have been saying now will have a judicious mix of ATL, BTL and Digital, with digital becoming a key part of our demand generation. In electric vehicles, we are now looking at generating the demand in the post FAME environment, in the sense for ACE kind of a segment. There is a pause in the FAME incentives. And to address that we've actually launched a new variant of ACE EV which can carry a payload of 1 tonne. So the price in the hands of the customers will be around 17% more without FAME for a 1 tonne variant as compared to the earlier 600 kg variant which had FAME incentives and it will deliver almost 30% better TCOs. So it's far better business proposition for the customer. So we were preparing for this post FAME environment and have launched an exciting range of products. In the downstream business, we will continue the growth with increase in the spares and service penetration which has been continuously growing now for the last four years. Value added services penetration continues to grow and that will be our focus now. Essentially it also delivers higher customer value and also therefore helps us to improve the realizations. International markets, I think while the top line has remained flat, we have been able to maintain the market shares and in fact improve profitability quite a bit and we will also continue to maintain the health of the channel in these countries. Next, slide.

Coming to the Electric Mobility, I think during FY 2024 we deployed more than 1,700 electric buses, so now we have more than 2,600 electric buses on the road covering more than 140 million kilometers cumulative. ACE EV, we improved the retails month-over-month during the year, and overall we have now more than 4,300 vehicles plying on the road. Here we have clocked more than 16 million kilometers, so strong set of experience under the belt. In Q4 you will see the retails were at a high of 2,115, so good numbers on retail. In the market, the vehicle is delivering more than 99% uptime and happy to let you know that we are getting a large number of repeat purchase orders. I spoke about this higher payload variant being launched and it becomes a better business proposition for the customers despite the FAME incentive being paused for some time till we get to know about FAME III. Smart city, I spoke about the buses covering more than 140 million kilometers and consistently delivering more than 95% uptime. We continued to deploy the buses in CESL tender in Delhi, Bangalore. In addition, we have also started in Jammu and Srinagar now, where 150 buses have been operationalized. Going ahead, we continue the engagement with the government agencies. Happy to note that payment security mechanism is mostly in place. We are now working on options for the asset-light business model. And I think with this you should see us participating in the future tenders. On digital, Balaji spoke on the first slide itself. Fleet Edge has now more than 600,000 vehicles on the platform and it's amongst the top three globally in terms of customers on platform. In our quest to keep on introducing value-added options, we launched a machine learning-based model which gives live inputs to the drivers and the owners about fuel efficiency. We have branded it as *Mileage Sarathi* and I think it is giving a very good fuel efficiency improvement in real-life operating conditions. Fleet Edge now is providing a lot of contextual insights to both the drivers and the customers about vehicle health, driving behavior, as well as overall operations and thereby enabling them to improve the business. We also completed integration of Fastags, so we finally want Fleetedge to become a one-stop shop for managing the entire logistics business. *E-Dukaan*, which is our online marketplace for spare parts, grew a very healthy 3.8 times in revenue, and we have onboarded many more customers as well as retailers on the platform. So the convenience being provided by this platform is actually enabling us to improve the penetration of the spare parts. During the year, we also launched the online sales platform for vehicles. I'm very happy to tell you that we had total retail on the platform of almost 24,000. And just platform generated retail was almost 9,000 commercial vehicles. So I think on digital also, we are moving pretty well and we are committed to accelerating the pace of deployment as we go ahead.

Balaji, back to you.

P.B. Balaji

Thank you. Girish. Moving quickly on to Passenger Vehicles. Next slide, please.

I think the real heartening feature is a consistency in share improvement that you see. And second half actually at 14.3%, we were the number two player in the market for a good six months, which is nice to be. And other piece that's striking is the level of, I mean Shailesh had talked extensively about the multi-powertrain strategy. You do see it exactly playing out in the numbers. With petrol at 58%, diesel at 13%, 13% EVs, and 16% CNGs, so we are playing all the powertrains and it's coming through very nicely. And that has ensured those green emissions friendly vehicles also mean that our CAFE headroom that we have is substantial at this point in time, and well-prepared for the next phase of CAFE introductions as well. Next slide, please.

On the EV side, it's a slight disappointment when it comes to the 73,800. We would love to do something more on that, but that's fine, because markets do stabilize a bit and pull forward thereafter. So we just redoubled our efforts to bring in the early majority of people coming in. So therefore the charging network is a big piece of work that's underway. 10,000 chargers have come in, another 22,000 charges coming in the next 18 months which we are working with the various charge point operators. On the market share at 73% needs to be seen in the context of 14 models having coming in. And that's actually welcome news because more and more models coming in, the EVs become more and more dinner table conversations, which is what we would like to see. Next slide, please.

Financials, strong set of numbers coming through on the revenue line, close to now almost Rs. 52,000 Cr is the size of this business now or selling 573,000 vehicles. EBITDA at 6.5%, I'll peel it out for you in terms of PV and EV, because the mix of PV, EV as it changes, that is something that we will play out. And despite all the investment we are making in EV, the business is now comfortably profitable and doing well. Next slide, please.

A very important slide in terms of the split between PV and EV. Firstly, is a significant achievement for the PV business to become double-digit EBITDA. You recollect not so long back we were looking at EBITDA breakevens in this business and we have really come through a long way. The team has really put in a stupendous effort to bring this double-digit EBITDA business. And the business is now comfortably generating Rs. 1,800 Cr of profit, which is substantial. On the EV side, we are continuing to improve our profitability. You will notice that this is a quarter, we also took price cuts to pass on the benefits of the battery price reduction, some of them. And that's the reason you will see the EBITDA starting to increase now at 1.1% after we remove the PDE expenses, and PBT(bei) negative about Rs. 100 odd Cr, which is extremely manageable in the grand scheme of things that we're taking there. More importantly, the revenue is now almost Rs. 9,000 Cr, which not so long back was the size of the PV business itself. So we have created a new PV business out of this EV. Next slide, please.

Let me now hand it to Shailesh to give you a sense of the market and the performance of TML.

Shailesh Chandra

Thank you, Balaji. First, I would like to start with the first comment that you see on the table that we witnessed highest ever wholesale and Vahan in Q4 as well as in FY 2024. So happy to share that two of five highest-selling models were Tata PV cars. Starting with also the key highlights on industry, it was the highest ever wholesale, which was 4.2 million with a growth rate of 8.6%. However, the Vahan growth was slower at 6.1% and that really led to addition of channel inventory last year. SUVs further strengthened, we have been seeing this segmental shift, and that trend continued in FY 2024, the share increasing now to 51% at the cost of hatches of course, which fell down to 28%. But the other main observation was that the emission-friendly vehicles, mainly CNG and EVs, contributed to significant growth in the last financial year.

Coming to Tata Motors, this was the third successive year of posting highest ever wholesale, 573,000. And Balaji already spoke about, we being ranked 2 in second half of FY 2024 in terms of Vahan with a 14.3% market share. EV volumes grew by 48% and also we crossed the milestone of 1.5 lakh EV production cumulatively since the time we started selling EVs. Also Balaji talked about the double-digit EBITDA margin in Q4 for the PV business and this has been driven by a richer mix, structural cost reduction actions and of course, the operating leverage that we got in quarter four because of the increase in the sales volume. Coming to bright spots for the industry, I think, SUV is continuing to do very well and there is a huge traction that we see for the new launches, especially in the 4.3 meters segment and the subcompact category. As I mentioned about CNG and EV volumes, in terms of number it has grown by 55% and 70% respectively, in a market which has grown otherwise at 8.6%. So which clearly shows that the growth will be driven in future by the emission-friendly vehicles. And therefore for PV and EV business, it means that with the leverage that we will have of having a wide range of products in CNG and EV portfolio, it will really be upon us to capitalize upon. Good thing is also that all our products in the seven products that we have in our portfolio, most of them are in top two in their respective segment and therefore the traction for all the products continue for us. Also, we are going to introduce the new nameplate later in this calendar year which is *Curvv*. This is one segment where we had not been present, which is the 4.3-meter mid-size SUV segment. Last year if you see this was a segment which grew very strongly by 42% and therefore this would be the product which would be helping us get into this high-growth segment. Talking in terms of challenges for the industry, after triangulating the projections from multiple places, we clearly see that the industry will moderate and grow less than 5%, given that the pent-up demand has got exhausted, the channel inventory is high and in the first quarter, we will face certain factors like that of elections, heat wave which might dampen the demand temporarily for quarter one, I would say. For us, you know, we would be focusing on driving higher penetrations of EVs and CNG. And here we are actually focusing on certain cities which we have identified where EVs and CNG have a greater propensity of selling. And we are also coming with exciting product interventions. In the next month, you will see one of our cars coming with what we call as the New Forever intervention. So this will continue for other models also. To drive the charging infra growth and I think we have been doing this for the last six months and it is working out to be very well in terms of accelerating the growth of charging infra through the charge point operators and oil marketing companies, the latter being more aggressive, I would say. And that has ensured that in the second half of the last financial year, we have doubled what was done in the first half of the last financial year. So going forward this is going to accelerate much faster. The public charging infra has already crossed 12,000, and we intend to further increase with this partnership through the open collaboration route that we have taken to increase it by 20,000-22,000 numbers in the next 18 months. And of course, the razor-sharp focus on profitability is going to remain through the structural cost reduction initiatives.

So back to you, Balaji.

P.B. Balaji

Thanks, Shailesh. Quickly wrapping up the rest of the slides.

Overall, CV, PV, the main one to call out is, Capex is well funded by the operating cash, and nothing abnormal there. And the investment spending, we ended the year at Rs. 8,300 Cr. There are some sure questions, I already see what is likely to be JLR's investment and what is ours - about GBP 3.5 billion in JLR and broadly similar lines for Tata Motors. So that's what our Capex for next year is also going to be. So I think we have stabilized broadly on our capex spends. Next slide.

And on Tata Motors Finance, let me quite quickly take that, we don't comment on market rumors that have come in this morning, but more importantly the performance of this business, underlying performance is starting to do good. Prudent sourcing and the concerted collection effort, the teams have been over the last 18 months working to get their house in order and accordingly work the system, resulting in very healthy early delinquency rates that we are seeing today. Collection efficiency continues to improve and that's why GNPA has now reduced to 5.6% and NNPA is 3.2%. So from that perspective, the portfolio is back under control. And therefore we are now focusing on profitable growth in a steady manner, that's how we want to build this business, and disbursals are starting to pick up. And also a fair amount of asset diversification underway in terms of used vehicles, structured financing, all this starting to improve the mix and support the NIMs as well. Capital adequacy and liquidity both adequate. No trouble there. Next slide, please.

So on the ratings, we are there. So nothing further to add other than we'll continue to work with the agencies to explain our performance and keep improving this number even further. Next slide.

Overall, outlook we remain cautiously optimistic on the domestic side, particularly in the first half, and do expect premium luxury demand to be relatively resilient. But of course, there are emerging concerns in the overall demand, which I'm sure Adrian and Richard will be talking about, but nothing that is going to affect as far as continuing to deliver a strong financial performance. But I think the business is now structurally different to what it was earlier. And therefore, the resilience built-in each of the businesses. JLR on the breakeven, CV on each and every vertical starting to work, PV delivering double-digit EBITDA. So there is a fundamental correction that has happened to this business and therefore expectation of a strong financial performance to continue is absolutely natural. These are the priorities for the business. I won't talk through them, you can read it for yourself. But overall a pleasing set of numbers coming through after a long time. So pretty happy about it.

With this happy to take any questions that have come through. There are already about 21 of them that have come through. Let me start and I'll probably mix it up between JLR, PV, and CV. And let me probably start with PV, Shailesh

Questions and Answers section

P.B. Balaji

Let's talk about demand. This is coming from Kapil Singh, Nomura. What are the negative factors which are affecting your demand? And the SIAM seems to be even below GDP growth. So can you give a sense of how demand is planning to play out?

Shailesh Chandra

Yeah. Thanks, Balaji. So as far as PV demand is concerned, I already mentioned that this is going to be less than 5%. So that's right, that it is going to be less than GDP and mainly because it has been two very strong years of growth. Just remember, three years back the demand or the sales of industry was at 2.73 million and this has grown to 4.2 million. So it is natural that the growth will moderate to some extent. Also because the possibility of further refilling the channel is low this year because already the channel inventory is high. So, therefore, it will be all about creating demand every month and then selling. So this will remain slightly low this year. But going forward, as we have always seen that secular growth trend for the passenger vehicle industry has been in the 6% to 8% zone. So it is coming to that level. It is slightly lesser than the secular growth rate because of two very steep growths that we had seen in the previous two financial years.

P.B. Balaji

Thanks, Shailesh. Richard, this is coming your way, again a lot of questions on this front in terms of margins. One, which started by talking about, I think it came from Goldman Sachs, Chandramouli. We went from 6% guidance to an 8% guidance and delivered that. So why is a flattish guidance of 8.5%? And what is your roadmap to the 10% in FY 2026? What should be the margin drivers that will make this change from 8.5% to 10%?

Richard Molyneux

Okay, so let me cover that sequentially. So if I look from the year that we've just reported into our current year. On the one side, the downside we will spend more in terms of variable marketing expense and FME, not a lot more than we spent in Q4 in terms of VME. But we will have to invest in demand generation. Offsetting that, we've said in these meetings previously, we've been growing during the course of the year, our production capacity on Range Rover and Range Rover Sport. Obviously, now we have got that capacity close to where we want it to be. So we'll get a full year of production of Range Rover and Range Rover Sport, and that we're anticipating will offset any effects that we've got in terms of extra spend on demand generation. So that's at a very top level, what we're expecting to happen during the course of this financial year. Moving then up to 10% in FY 2026. FY 2026 is the year when our new product starts to hit. So we will have Range Rover BEV in the market by then and other products as well. So at that point in time, we start to replace some of the vehicles on which we make less money with brand-new vehicles, which normally helps EBIT levels. We will also continue to focus on the next 18 months in terms of making sure our cost base is appropriate, both in terms of material cost and structural cost. So we're going to focus operationally and we have new vehicles to deliver, and that should enable us to get up towards the 10% number that we committed beforehand and are still committing to now.

P.B. Balaji

Thanks, Richard. Then I probably move back to PV because another burning question that is there. Amyn Pirani, J.P. Morgan. Does your India business PV plan include launches of strong hybrid? Given there's a lot of noise of regulation change favoring hybrids, how would you prepare for such an outcome?

Shailesh Chandra

Yeah, so thanks for the question. I think, we have been very clear, one, that this is a speculation that the hybrids are going to get any benefit from a GST perspective because we have seen that government has been firmly behind EVs, given most of the issues that the country is facing in terms of acute pollution or import dependence on fossil fuel. And also given that there is a net carbon zero stand that the country has taken, and therefore it's an imperative to accelerate EV adoption. And that is how we have been seeing the government considering the GST rates for EV's being lower, and that has only been for EV. And also the recent discussions that we are having with the government bodies, you know when we talk about CAFE-III and CAFE-IV. Right now we are in CAFE-II regime. It becomes imperative to have a certain percentage of vehicles that you need to have as EVs. So, therefore, the direction seems to be very clear that EV will have to be accelerated. For us, as Balaji had already shown in one of the charts, that there is a significant headroom that we have right now in the CAFE-II regime. And we are going to study and keep a very close watch, whether there is a need for additional emission-friendly or a fuel efficiency improvement tech to meet the stringent future CAFE norms based on what our growth plans are. So far, we don't even see the need of that even with CAFE-III regime. Also we'll watch the competitiveness of our products in each of the segments in which we operate. But I think there should be no confusion, we have the ability to develop any technology which will be needed in future. But as of now, we are very sharply focused on electric vehicles because we feel that, that's the destination technology in the auto industry.

P.B. Balaji

Thanks, Shailesh. Just staying on, this came from Gunjan. In terms of EV volumes, seem to have taken a hit in India particularly this was April. Is it a slowdown? How should we see this evolving?

Shailesh Chandra

Yeah. I think I know where this question is coming from, all the negative commentary on gloom and doom around EVs globally, as well as then being picked in Indian media also, but let's talk based on the facts.

You know, we just saw, in the charts that I presented, that while the PV industry just grew by 8.5%, the EV industry grew by a whopping 70%. And one can say that it was for the full year, maybe it was in the first half of the year, but even if you see quarter four, the growth rate was 40% for electric vehicles. So this is significantly higher than where the PV industry is. But it's all around this negative commentary which is being driven by certain section which unfortunately is confusing the customers and all the stakeholders and readers who are reading those news articles. We must know that the barriers to adoption actually has been reducing, earlier there were lack of choices in electric vehicles, today you have 14 models as Balaji had shown in one of the charts. The charging infra from nothing has gone up to more than 12,000 now, in these three, four years. And earlier, the car prices were very high if you had to buy an electric car, it used to be at Rs. 20 lakhs or so. Now you get cars, you know, starting at Rs. 8 lakhs, Rs. 12 lakhs, Rs. 15 lakhs, and so on. So you have multiple cars available. So, therefore, if the commentary rather was on how the barriers to adoption is being reduced, the perception would have been different. And therefore I would say, it is more to do with the negative commentary rather than the fact saying whether it is slowing down or not. So I clearly see a strong growth, and if I were to talk about the future also, we are going to see slew of launches coming in the current financial year also and beyond that, by not only Tata Motors but other players also. So there will be intensity of pitch in favor of electric vehicles. The charging infra growth has significantly stepped up after the open collaboration that we have started. And as I said, these products which are going to get launched are going to come with significantly higher range also, crossing 400 kilometers real range and also 500 kilometers real range. So therefore the barriers to adoption will even further go down. So I believe that the story of electric vehicles will really accelerate fast. We should definitely not compare with what is happening in the U.S. or anywhere else, because those are for other factors which is not applicable to India. So that would be my response.

P.B. Balaji

Thank you. I think the next set of questions, Richard, probably coming your way. In terms of the demand situation in U.S., Europe, China, there is a clutch of questions around that. And therefore linking that to the order book of 133,000. How do you expect to see that rundown? And in this, the implication on VME, FME, could you just cover this in the entire arc of these questions?

Richard Molyneux

Yep, sure. And I'll do some of it in reverse. So we did end the year with an order book of 133,000 units, that includes orders for SV vehicles that does not include the 33,000 people I mentioned to have signed up to the waiting list on Range Rover BEV. Pre-COVID, our order bank sort of averaged a normalized level, of around 110,000 units. So we're still operating 25,000 or so higher than what we would consider to be our natural level, which allows us to still build that down over the coming months. In terms of demand situation, we're very much a pull organization in terms of demand. We are not going to oversupply the market. But at the moment, we do see that some of the markets are struggling a little bit, probably Europe, and we have some issues in the UK that we are very much on top of resolving. Other markets Overseas and North America are still remaining strong, and China, in the sections in which we operate from an import business, is also strong. I mentioned we're up 17% year-over-year and 27% up versus FY '2022. So still fairly stable in China. So one of the advantages that we've got is we do have a situation where our sales are fairly flat across our five regions. We are not overly dependent on any one of them. And there is always going to be a situation where some are stronger than others and we have the ability to flex between that. So I think that's probably the important point. Every year, you're going to have winners and losers in terms of demand, but we've got the structural setup to be able to cope with that.

P.B. Balaji

Okay. Thanks, Richard. Moving on to CVs. M&HCV trucking demand, can you talk about that?

Girish Wagh

Okay. So I think, as we have said in the last analyst call, we expect Q1 to be a bit slow and then the demand to pick up very well from second half of Q2. And I think as we see right now, actually the first month of Q1 has panned out well. So we expect, I think, the same way to continue. But I think overall, for the whole year, as we had said earlier, we remain cautiously optimistic. I think we will see a flat to maybe a slight decline in the overall volumes for the year. That's what we see. But otherwise, I think most of the parameters do remain healthy in terms of the sentiment index, the freight index, and the usage per month while it has gone down seasonally but I think it remains at a good level.

P.B. Balaji

Just a double-click on that. I think over the next three years, if you look at it, there's a strong, we just see the up elevators, down elevators, it's coming from Nishit. The strong economic cycle and the pickup in Capex cycles are positive. But then, of course, there's DFC and others that are also there. And with the pluses and minuses that we expect the cycle to be less prominent this time compared to the earlier cycles.

Girish Wagh

So, Nishit, I think this is a very good question. And I think let us look at some of the factors which can impact the demand. First of all, I think, for next three years, there is no major regulation or regulatory change on the horizon. Even if BS VII comes, I think probably it will be closer to the end of this decade. So I think it appears there is no uncertainty there. And I think that has also led to ups and downs in the past five, six years because we went through two big changes. Second, macro I think as you rightly put, there is a good infrastructural growth which is happening due to the government's intervention and investment. Consumption continues to do well, and another engine which seems to be ticking now is the manufacturing. I think increase in manufacturing is leading to good demand and therefore that should help. I think beyond this, what we need to keep a watch on is not just overall GDP growth, but I would also say, generally the fuel prices, which has a significant impact with 50% of the cost is from the fuel. The freight rates which I think have been continuing to do well over 18 months, I would say. And the utilizations which are also doing well over 18 months. So finally it appears that all these parameters are doing well and therefore with this kind of a macro picture, I think yes, the cycle should be less fluctuating one. As far as the dedicated freight corridor is concerned, I think, the way we have been saying, the Northeast corridor is not likely to have such a large impact because the Northeast corridor has a large amount of transportation of minerals and coal which anyway goes on train. So I think the regular route material will move to dedicated freight corridor. And on the Northwest corridor it is likely to impact, we have a lot of container traffic on this, especially supporting trade, that is export import. But it appears that with the export-import anyway going up and growing much faster, while the dedicated freight corridor may take some demand from the road, still we will see growth happening on the road freight. So I think overall it should do well. And needless to add, railways are all said and done, hub-to-hub. I think for first-mile, last-mile, we do need ILCVs and SCVs. So growth in dedicated freight corridor will actually lead to higher growth in ILCVs and SCVs. I think that's how I will sum up, Balaji.

P.B. Balaji

Thanks, Girish. Richard, a different topic coming your way. One is what will be the dividend paid by JLR to TML this year, one. And two, the tax rate, what we should assume for next stable ETR that you will have. And is there any further tax credits that you are expecting?

Richard Molyneux

Okay. So, yes, there will be a dividend paid by JLR in the region of GBP 400 million, and that is being transacted pretty much as we speak. Second question in terms of guidance for reported tax. So the advantage of putting the DTA back on the books is our tax profile becomes a bit more predictable. We would expect it normally to be in the range of 25% to 29%. Actually, if you were just out for the DTA in FY 2024, it was 28.5%. And we will be working overtime through particularly the UK patent box strategy to see if there is anything that we can do to get that towards the lower end of the range. We paid cash tax, GBP 333 million quid in the year.

P.B. Balaji

Super. Just mixing it up a bit again now. Shailesh, coming your way. And then, Richard, back to you. Product launch timings. What should we assume for Curvv and Sierra in India? And Richard, at your end, I think a little bit more color on the Range Rover Electric. What does that waitlist mean? How much of deposit are you taking? When should we expect the launch to happen? Is it going to be mix accretive?

So, Shailesh, you want to go first, and Richard next.

Shailesh Chandra

Yes. Curvv is going to be launched in the second half of this calendar year, and Sierra will be launched in the second half of 2025.

Richard Molyneux

Okay. So, yeah, we have a large number of product launches coming our way. So let me focus on the Range Rover BEV first. So those vehicles are up in the Arctic Circle testing as we speak. So we're in sort of prototype build. We will expect to take those people who have signed up to the waiting list into orders early next year and then to deliver, start delivering the vehicles during the course of next year. We will start, also up in the Arctic Circle, the first of our vehicles of our EMA electrical-only architecture. They will also start towards the very end of next year. And then finally, Jaguar. So we're going to probably put a little bit more prominence as to what we're doing in terms of Jaguar now. As we're actually going to launch the completely reimagined brand this summer. And towards the end of the year, we'll reveal a design vision, possibly in the states not decided yet, but we'll reveal that vision. And then you'll be able to see what we've been up to in terms of reimagining that brand as exuberant, progressive, fearless, and a copy of no other. So, yes, a lot coming our way.

P.B. Balaji

Yeah. Thanks, Richard. In terms of quick clarification on what does a waitlist mean, do you take a deposit?

Richard Molyneux

Well, we haven't decided whether we're going to take a deposit yet or not. We have 33,000 people signed up to the waitlist, we will turn those waitlists into orders very early next year.

P.B. Balaji

Got it. Girish, coming your way on small commercial vehicles, especially EVs is a B2B play versus B2C model. How does this influence your product offering and the business proposition? Will you be expanding to E-3 wheeler as well, considering the B2B aspect coming from there?

Girish Wagh

So, I think this question is from Pramod, right?

P.B. Balaji

Yeah.

Girish Wagh

So, thanks, Pramod, I think it's a very good question. And first of all, I must say, I think SCV electric vehicles is indeed higher B2B percentage. From whatever we sold, 80% of the sale has been B2B. But I will, you know, qualify it is actually more of B2B to B2C, in the sense we have to convince a corporate, kind of a customer, but almost half of their purchase actually is then given to retail customers only. But the benefit is that, once this customer is convinced, then I think the follow-on purchase is quite fast. And we are working with more than 45 such brands who have already purchased our vehicles, 45 corporates or brands who have purchased the vehicles. And all of them are quite keen to progress towards their net zero goals. And decarbonizing their logistics helps them to reduce their Scope 3 emissions. So I would say that, the discussions are at higher level in our organization as well as customer organization, it becomes probably tough during negotiations, but once convinced, I think the order pipeline is quite good. But I must also add, Pramod, that there is a good pull, which is happening even in the retail customers. And whether it is, for example, carrying milk, one of the examples. I mean, these segments are also doing well and customers are actually enjoying the benefit of lower operating costs. And once they get confidence in the range, the load it can carry, and that the vehicle can be charged every night, overnight at their home, I think a lot of customers are coming there also. So that's how we are looking at the ACE EV market.

Your question about electric three-wheeler, I would say that, since the BS VI transition, I think the electric three-wheelers have become more relevant. Till the BS VI transition happened, I think electric three-wheeler rather three-wheeler market cargo was going down and electric three-wheeler has started bringing it back. So we are working on two fronts. One is how do we make ACE a much better business proposition as compared to a three-wheeler. But beyond that, yes, we continue to track every segment, even if it is adjacent to our current commercial vehicle portfolio, and we keep on analyzing as we go ahead. Balaji.

P.B. Balaji

Thanks, Girish. Richard, there's one question that is available, you have answered the remaining. This is on CJLR. CJLR has seen a sharp improvement in margin, despite considerably lower volumes. What is driving this improvement? And how do you see the volume shaping up for CJLR?

Richard Molyneux

So, CJLR, we sold around 45,000 units in the year. It did achieve profitability, both at the EBITDA and EBIT level. But it does operate in some segments in China which are more price competitive than the vehicles which we import from outside of China. So we have done a lot over the last three or four years. Three or four years ago, the JV was losing money. So we have focused a lot on operational efficiency and the distribution systems through China to be able to get that back to profitability, even at 45,000 unit volume. So at the moment, we're expecting it to stay there. But as I've said before, particularly in some of those lower segments, China is an extraordinary positive market at the moment.

P.B. Balaji

Thanks, Richard. Shailesh, this one coming in. You talked about good response to the upgraded Harrier and Safari, but this hasn't yet translated in any material uptick in volumes. Is there any capacity constraint leading to higher orderbook? That's one. And another question on PV is also any update on the incentives under PLI. And when are we starting to claim them?

Shailesh Chandra

Balaji, so thanks for the question. There's no name, so I can't thank the person by his name. So, see Harrier and Safari, if you would have seen, we launched the car in October, the facelift version of Harrier and Safari. When I see the average volume per month of Harrier, Safari in the first half of the year, which was before the facelift, it used to be about 3,500. And in H2, the average has been 4,500. So roughly 30% more. So it's really doing well, I would say. And remember that we are still present only in the Diesel segment here. We have not unleashed the multi-power train strategy here as yet. But as we had also shared externally that we are going to come with a petrol version and that comes in 2025 and additionally the EV version also comes. So the growth of Harrier, Safari is going to come in the coming quarters and years. And from a capacity perspective, we are fully geared up to meet the requirement of growth that will come, with the current phase of diesel version, as well as the future versions of petrol etc.

P.B. Balaji

Thanks. PLI, would you want to quickly cover?

Shailesh Chandra

Yes. So, PLI, so far we have got the certificate for Tiago EV. And right now the SOP for disbursement is being finalized. And we are hoping that in the second half of this financial year, we may start getting the disbursement. We are also going to apply for additional two products in Q1 and for the additional one product in Q2 also.

P.B. Balaji

Got it. And there's another question on the TPG monies that have come in. How much of it has been deployed? So far about 35% odd has been deployed so far, 35% to 40% has been deployed so far. So, question on commodities coming, Girish coming your way. How do you see them and how do you intend to plan for any commodity inflation that's coming through?

Girish Wagh

Okay. So I think if you look at Q1 and maybe the entire year, we do see some commodity increases happening this year. In Q1 itself, we are seeing some increase in casting, forgings, aluminum, tires. Forex will also have some impact. So, yes, Balaji, I think we will have some impact due to commodities, which we will pass through appropriate price increases at the right time.

P.B. Balaji

Yeah. Got it. Shailesh, speaking of the pace here, in terms of network how big is the network for Tata Motors versus market leader, and what are the network expansion plans?

Shailesh Chandra

Yeah, I think, first I would like to thank Kapil for congratulating us on Punch. And I think the question is, in that context, yes, we are one-third of the network that the market leader has. So we do take pride, you know, of the multi powertrain strategy on Punch really playing out well and creating that kind of impact. So our network size is today about 1,450 outlets on the sales side, and this compares to 4,000 that the market leader has. See, we are very cautiously increasing the network because we want to see the combination of profitability of our dealers. But we plan to increase by a couple of hundreds in this financial year because we are also going to come with new products. So it's a balance of profitability of our dealers versus network. But we do rigorous mapping of our competition network, as well as the need from a market share perspective in different territories. So that is a very well-managed network expansion plan that we have.

P.B. Balaji

Thank you. Richard/ Oliver, one coming in a bunch of questions around debt maturities. And is there any plans you have for any fundraise?

Oliver Wolfensberger

Thank you for the question. At the moment there are no plans to access the bond markets, but in due course, we will of course do funding again, but no direct, no immediate plans.

Richard Molyneux

And our next maturity is in November.

P.B. Balaji

Yeah. Okay. I think I'm now running out of questions. Let me quickly run through that. Give me a minute, guys. Battery costs, I think this is one coming your way, Shailesh. Are you seeing a trend of battery costs coming off and how do you see it going forward?

Shailesh Chandra

So far, you know, we have been seeing the battery prices still coming down. We have secured the best possible battery costs from our supplier. Going forward, I think this is going to still go down to some extent, but I think this would be more or less reaching the level of what we can think as the best possible reduction of sale prices. But this quarter onwards, I think we should be getting better realizations of the reduction that we have achieved.

P.B. Balaji

Got it. I think there is a bunch of questions around breakup of gross debt between CV and PV. We had about Rs. 6,000 Cr odd as debt in the CV company, offset by about Rs. 7,000 Cr of cash between PV and EV, and therefore net number of about Rs. 1,000 Cr odd. So that's a broad number there.

Then in terms of battery prices we talked about, what else do we have?

Shailesh Chandra

I just want to …

P.B. Balaji

Go for it.

Shailesh Chandra

I did not see three, four years. I was just saying for this cycle of where we are seeing the sell prices for three, four years, definitely the trend is going to be a similar reduction in cost. I just saw the three – four year timeframe.

P.B. Balaji

Okay. so much of repetition, I was trying to call out the repetition in that is there. Markets we've talked about, I think, Richard, we had generated about GBP 300 million FCF every quarter last year. Why do you expect to see only a breakeven cash flow in Q1 this year? Is it lower volumes, working capital, or higher Capex?

Richard Molyneux

It's largely working capital. As I've said in Q4, we had a large pickup in working capital. A chunk of that will reverse out in Q1 just naturally as a result of our timing of our wholesales and our production systems.

P.B. Balaji

Yeah. And this next one, Shailesh, again coming your way. Where are we at the ramp- up of the new Sanand facility and its margin impact? And I think we didn't talk about the EV customer, anything has changed from your previous characterization.

Shailesh Chandra

So, you know, Sanand facility, we started in Jan, we did about less than 1,000 production in Jan, but we have progressively ramped up. And last month we crossed 6,000, to be specific, 6,500. And soon the production ramp-up is going to attain a level of 10,000. And going forward then, you know, further improvement up to 15,000 to 16,000 numbers. So that's the progress as far as Sanand is concerned. As far as margin is concerned, a lot of cost was already factored in the last year itself. But because the utilization of the factory is going to happen this year, so it should be better from a margin perspective.

What was the next question, Balaji, on the profile of EV?

P.B. Balaji

Yeah, EV customer.

Shailesh Chandra

So, we are seeing more first-time buyers coming in, more professionals after the launch of Punch, I would say, because we had seen earlier, more richer people with luxury cars buying Nexon. And then we had on the other extreme, Tiago EV which was being bought as the second - third car in the family. But Punch because of delivering 400-kilometer range below 13 lakh, it has really opened up the segment of professionals and small family, which now sees the freedom of not only using EVs as their intra-city used car but also inter-city. So we are seeing change in profile, but broadly otherwise the profiles have been a lot of doctors, businessmen, sales professionals, homemakers. You know, cars being used for dropping school kids also like Tiago. And also these are the mix of customers that we have seen.

P.B. Balaji

Thanks, Shailesh. Girish set of questions, even in the other ones which we have covered. One is on the whole e-buses portfolio. How are you seeing it? What is the situation? Tenders? What are your open orders, one space.

The other is on non- vehicular business, the growth that you are likely to see, maybe we want to combine the two in terms of also your plan on volatility.

Girish Wagh

Okay, so let me take the electric bus one first. As I said earlier in the presentation, we have now more than 2,600 buses deployed, more than 140 million kilometers experience. As far as the tender orders in hand, we have around 1,200 more buses to be supplied this year. In the last year we have not participated in any new tender, we have clarified our position, we've been looking for two things. One is the payment security mechanism and second is the possibility of an asset- light business model. The payment security mechanism has been addressed. I think we are now in the last lap of resolving the requirement of asset-light business model. And with this, I think you can see us participating in some of the future tenders. I must say, that while this has been happening, there is completely new set of capabilities that the organization has developed. And a good amount of operational excellence is being developed in this Smart City business. A digital infrastructure backbone is being rolled out which will give us significant capabilities. So I think we are well placed to participate in future orders. In addition to that, we are focusing on customer acquisition in the retail space. And when I say retail, it is more of the corporate employee travel. So there is a lot of interest which is being seen there. Again, I think these corporates want to accelerate their journey of Scope 3 greenhouse gas emission and reduction. And therefore they are looking at their employee travel being moved to electric buses. So we have been engaging with quite a few corporates. There is one order which we've already packed, there are quite a few in the pipeline. So we are looking at even this side of the business to do well. So that's about the electric buses. Second part of the question, Balaji, you asked about the non-vehicle business. I think let me qualify this as the vehicle business in India being cyclical. I think we have been intentionally and consistently trying to increase share of business beyond the domestic vehicle businesses. I think last year we have reached a good healthy level of around 20%. So that's all the non-domestic vehicle businesses. We will continue to grow this with higher rate of growth in these non-vehicle businesses. And in fact when we see some kind of a downturn in the vehicle business if at all, whenever it happens, I think we will be even better placed because this business being linked to more the part size and not the volume for that year, the percentage will actually increase. So I think we seem to be on the right track in terms of the non- vehicle business. Balaji?

P.B. Balaji

Maybe one final question to you.

Girish Wagh

Yeah.

P.B. Balaji

In terms of M&HCV, do you hold on to the tonnage growth to be similar or lower than unit growth?

Girish Wagh

So I think actually the movement towards higher tonnage vehicles continues to be there. I think last we spoke I had mentioned about more of 48 tonne multi-axle vehicles growing at a faster rate with a lot of movement happening there. In addition to that, we are also now seeing movement happening towards 55-tonne tractors. So I think this movement does continue towards the higher tonnage vehicle and I believe this is how it will continue going ahead. Needless to say, I think there will be many applications which will need specific vehicles, either two-axle, three-axle, four vehicles, multi-axle vehicles. So that will also continue to grow, but we will have higher growth in higher tonnage vehicles. Balaji?

P.B. Balaji
Got it. I think one question about the interest cost at a consolidated level has not seen a significant reduction despite gross debt coming off. There is on a year-on- year basis also a fair amount of translation coming through in the P&L and that's what you're seeing there. But once that stabilized, you could see the reduction in gross debt translating in interest cost.
I think with this we have covered more or less all the key questions that are coming up there, and of course, there are some specific questions that are there, feel free to reach out to the Investor Relations team. We'll be able to address them as well.
Once again, thanks to all of you for your patient listening and your probing questions as always. We do have the Investor Day coming up in Tata Motors and JLR. Look forward to seeing you there on June 11 in Tata Motors in India. And JLR is on the 19th at Gaydon. So look forward to seeing you there.
In the meanwhile, thanks once again, and of course, thanks to the team here in Mumbai, as well as the JLR team out there. Have a nice weekend guys. Take care. Bye-bye.