Maruti Suzuki India

Operator: Ladies and gentlemen, good day and welcome to the Maruti Suzuki India Ltd. Q1 and FY27 investor conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Pranav. Thank you, and over to you, sir.

Pranav: Thank you, Danish. Ladies and gentlemen, good afternoon once again. I welcome you all to the Q1 FY27 earnings call. May I introduce you to the management team from Maruti Suzuki India Ltd.? Today, we have with us our Chief Investor Relations Officer, Mr. Rahul Bharti, and our CFO, Mr. Arnab Roy.

Before we begin, may I remind you of the safe harbor? We may be making some forward-looking statements that have to be understood in conjunction with the uncertainties and risks the company faces. I would also like to inform you that the call is being recorded, and the audio recording and transcript will be available on our website. Please note that, in case of any inadvertent error during this live audio call, the transcript will be provided with the corrected information.

The conference call will begin with a brief statement on the performance and outlook of our business by the CIRO and Senior Executive Officer, Corporate Affairs, Mr. Rahul Bharti, after which we will be happy to receive your questions. I would now like to invite our Chief Investor Relations Officer, Mr. Rahul Bharti. Over to you, sir.

Rahul Bharti - Chief Investor Relations Officer: Thank you, Pranav. Good evening, ladies and gentlemen, and thank you for joining us today. Before I go to the financial results, let me first provide a broad perspective.

For the first time in many, many years, every aspect of our business seems to be highly positive. One, after the GST reduction, we have seen strong demand momentum. Two, for Maruti Suzuki India Ltd., small cars have come back with a bang. Our small car sales grew 34% in the quarter year-on-year. And not just small cars; three, SUVs grew by 44.6%, and we are close to SUV leadership in absolute numbers. So, we grew in all segments and, obviously, as a consequence, our domestic market share increased by 2.3 percentage points in this quarter to 41.2%.

And not just domestic; the fourth factor is that exports grew by 28% in the quarter. Five, though sales grew after the GST reduction last year, we did not have sufficient capacity to meet demand. So, in Q1, we commissioned one plant in Kharkhoda, and another in July in Q2. Yesterday, we announced a second plant in Gujarat in close succession, with both adding about 500,000 units of installed capacity. Of course, there is a ramp-up involved.

What gives us even greater confidence is the underlying strength of the business. It is not often that we see so many growth drivers coming together at the same time, and therefore we look at the future with considerable optimism and confidence. In line with this, we continue to expand capacity to support future demand.

Of course, because of the West Asia crisis, there were some increases in commodity, energy, and logistical costs during the war, but that is a temporary phenomenon. To fully appreciate the financial performance of the quarter, it is important to understand the circumstances that prevailed during this period. As you are aware, the conflict in West Asia created significant uncertainty across global supply chains. For Maruti Suzuki India Ltd., operating at a scale of over 2.5 million units per annum and working with nearly 450 tier 1 suppliers and close to 2,000 tier 2 suppliers, ensuring continuity of supplies was challenging and became our highest priority.

The company responded swiftly and worked closely with its supplier partners to assess vulnerabilities and implement dynamic countermeasures across the supply chain. The sudden and steep increase in commodity and energy prices did create some working capital pressure for several suppliers. To support suppliers and ensure uninterrupted production, the company temporarily revised the settlement cycle for certain commodities, such as aluminum, plastics, and rubber, from a quarterly lag to a monthly lag basis.

This was an extraordinary one-time measure taken in response to extraordinary circumstances. While I discuss the detailed financial impact shortly, the temporary change in the settlement cycle adversely impacted profitability during the quarter. In simple terms, the company faced a double impact: one, from higher commodity prices; and two, from an accelerated pass-through of these higher costs to our quarterly results. However, these measures enabled the company to maintain production continuity and meet customer demand without disruption.

The company wanted to preserve the demand momentum, and so we implemented two calibrated price increases. Most of the benefit of these price increases would flow to us in the second quarter. With this, the company recorded quarterly wholesale volume of over 534,000 units in the domestic market in Q1, representing growth of nearly 33% year-on-year.

The growth was broad-based, supported by healthy participation from first-time buyers. The company's portfolio in the 18% GST slab, the lower slab, comprising small cars, grew by about 34% year-on-year, while the portfolio in the upper GST slab, the 40% GST slab, grew by nearly 28% year-on-year. In both these categories, the company's growth exceeded that of the industry. The company's EVs also recorded healthy growth during the quarter.

Retail demand remained equally strong. Retail sales during the quarter were broadly in line with wholesale dispatches, resulting in dealer inventory of around 13 days at the end of the quarter, which is much below our optimum level of approximately one month's inventory.

The pending customer order book remained healthy at about 130,000 units at the end of the quarter. Demand continued to remain strong across both urban and upcountry markets.

Alongside delivering strong business performance, the company continued to strengthen its long-term growth drivers through product interventions and capacity expansion. I am happy to share that, in the fast-growing SUV segment, the company recently introduced the new Brezza with a one-liter turbo petrol powertrain and several customer-focused enhancements, including ADAS features, an underbody CNG variant, and a five-star Bharat NCAP safety rating in both adult and child occupant safety.

The new powertrain configuration positions the vehicle in the 18% GST bracket and enhances its competitiveness in the compact SUV segment. Customer response to both the turbo petrol and underbody CNG variants has been encouraging, and we remain optimistic about further strengthening Brezza's position in this important segment. I am also happy to share that many of the aspects built into this Brezza came from feedback from our investor partners.

On the manufacturing front, the company commenced commercial production at the second plant of its Kharkhoda facility in Haryana during May 2026, adding annual production capacity of 250,000 units. In addition, as announced yesterday, commercial production has also commenced at the fourth manufacturing line of the Hansalpur facility in Gujarat, adding another 250,000 units of annual capacity.

With these additions, the company's total annual production capacity across Haryana and Gujarat has increased to approximately 2.9 million units. Both facilities will ramp up progressively in due course.

Coming to exports, despite the geopolitical challenges and disruptions in the Middle East region, the company maintained its strong export momentum. Export volumes during Q1 of the financial year grew by approximately 28.6%. In comparison, exports of passenger vehicles by the rest of the Indian industry declined by 8.4% during the same period.

The company continued to be India's leading passenger vehicle exporter and contributed more than 55% of India's total passenger vehicle exports during the quarter. It is heartening that your company, just one company out of 17 car manufacturers in India, is exporting more cars than the other 16 car manufacturers put together.

While exports to some markets in the Middle East were affected by the conflict, the company's long-term strategy of diversifying exports across nearly 120 countries helped mitigate the impact. During the quarter, South Africa, Japan, and Europe emerged as the leading export destinations.

The conflict also resulted in logistical disruptions and volatility in shipping schedules. Therefore, I would encourage analysts and investors to look over a broad-based period such as a quarter instead of monthly figures, because monthly movements may be affected by temporary logistical factors.

I now come to the financial results. During the first quarter, the company recorded net sales of Rs {? 409.6 billion ?} compared with Rs 366.2 billion in the corresponding period of the previous year. Net profit for the quarter stood at over Rs 33.5 billion compared to Rs 37.6 billion in the same period last year.

Since investors typically also look at sequential performance, let me provide that perspective. On a sequential basis, while overall sales volume increased by about 1%, net sales remained broadly flat. Operating profit, or EBIT, declined to 5.1% of net sales compared to 8.8% in Q4 FY26.

The decline in profitability was primarily driven by commodity-related pressures in the context of the West Asia conflict. Commodity costs had an adverse impact of approximately 300 basis points. Importantly, nearly 110 basis points of this impact was attributable to the temporary change in the commodity settlement cycle from a quarterly lag to a monthly lag basis, which I explained earlier.

As conditions normalize, we expect to gradually move back to the quarterly lag settlement cycle over the next few quarters, and hence some of the benefit will flow back.

Apart from commodities, there were several other adverse factors during the quarter. Higher gas costs impacted margins by approximately 20 basis points. Unfavorable fixed-cost absorption due to inventory depletion impacted margins by about 30 basis points. Adverse foreign exchange impacted margins by about 30 basis points. Employee costs were higher by about 40 basis points, largely due to Q1 seasonality. Depreciation increased by about 20 basis points, primarily on account of the new Kharkhoda facility.

These adverse factors were partially offset by lower other expenses of about 30 basis points and higher operating income of about 30 basis points. Because of higher non-operating income, the company achieved profit after tax of over Rs 33.5 billion.

As I mentioned earlier, the company took a conscious decision during the quarter to prioritize supply continuity and support its supplier ecosystem during an extraordinary period of uncertainty. While this decision had an impact on profitability, it enabled uninterrupted production and helped us achieve record sales.

Let me also share some perspective on the outlook. The company continues to strengthen the foundation for its next phase of growth. We are strengthening our product portfolio, expanding manufacturing capacity, pursuing a multi-powertrain technology pathway, and enhancing our competitiveness across segments.

With healthy demand fundamentals and multiple growth drivers coming together, we believe the company is entering a phase of renewed growth momentum, giving us confidence in our ability to deliver sustainable, healthy growth and create long-term value.

We will also be issuing our annual report very soon for the last financial year, and some of these messages can be found in the annual report. Thank you very much, and we are now happy to take your questions.

Management: We thank you for that, and we are now ready to take your questions, your feedback, and your observations.

Operator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question.

Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Raghunandan NL from Nuama Research. Please go ahead.

Raghunandan NL – Nuama Research: Thank you, sir, for the opportunity, and congratulations on the strong volume performance. Starting with the sales performance and demand side, can you indicate the demand outlook for domestic and export markets for the remaining part of the year? Can the growth be higher than the initial expectation of 10%?

Management: We had mentioned at the beginning of the year that, most likely, our sales this year would be constrained by the supply side rather than the demand side. The demand side seems to be healthy.

From a supply-side perspective, we see headroom for about 10% growth. However, we have established two plants. Along the way, we will see how much ramp-up of these two facilities we are able to achieve and how much volume we are able to generate from these two plants, as well as from the existing plants.

As of now, we have not issued any new demand outlook. We continue with the earlier figure.

Raghunandan NL – Nuama Research: Noted, sir. And congratulations on the recent Brezza launch. Can you indicate the booking numbers? Also, there is no automatic option in the turbo engine powertrain models. Maybe you can shed some light on whether that will be added in the coming months.

My last question is, can you indicate the commodity impact for Q2? How much price increase has been taken so far, and can you indicate the quantum of under-recoveries that need to be addressed?

Management: Thank you for your comments on the new Brezza. We have an automatic version with the higher engine-CC variant option, and we are receiving a very good response. Bookings are about 2,000 a day.

Of course, these are the initial days, so as of now, we still do not have a figure for the monthly outlook, but the response from the market has been extremely positive.

For your second question on the outlook, as you know, we implemented our first price increase from June, to the tune of about 50 basis points. We have announced the next one from August. We are yet to provide the details of that, so you will come to know in the next couple of days how it is coming through. That is expected to flow in the coming quarter.

As far as the commodity outlook is concerned, we will have to see because it is fluctuating on a daily basis. We will have to monitor it. You and I read the same newspapers, so we will keep seeing how it moves.

Raghunandan NL – Nuama Research: Hopefully, it comes down soon, sir. Lastly, if you could share the export discount and CNG share, I will fall back to the queue. Thank you.

Management: Sorry, I did not get your question.

Raghunandan NL – Nuama Research: If you can share the export numbers, discounts, and the CNG share.

Management: CNG share is about 40%. Exports are about 11,500 crores. Discounts were flat, almost at similar levels to the previous quarter.

Raghunandan NL – Nuama Research: Thank you so much, sir. I will fall back to the queue.

Operator: Thank you. Our next question comes from the line of Amin Pirani with JP Morgan. Please go ahead.

Amin Pirani – JP Morgan: Hi. Thanks for the opportunity. My question is somewhat related to what Raghu alluded to. Given that you have inventory of just about 13 days and retail momentum in the market is still in double digits, as we look into the second half, is there an opportunity for you to increase shifts and try to grow higher than 10%?

It appears that, for the industry, the earlier expectation was that we would grow at high single digits, with double-digit growth in the first half and perhaps low single-digit growth in the second half. However, the momentum seems to be surprising everybody. Is that your opinion as well?

Amin Pirani – JP Morgan: Is this better now? Sorry.

Amin Pirani – JP Morgan: I was saying that, given that your inventory levels at the dealer are at 13 days and retail momentum, at least for now, seems to be in double digits, is there an opportunity in the second half to increase shifts and try to grow higher than 10%?

It appears that, for the industry, the earlier expectation was that we would grow at high single digits, with double-digit growth in the first half and perhaps low single-digit growth in the second half. However, the momentum seems to be surprising everybody. Is that your opinion as well?

Management: We had predicted this momentum, and that is why we tried to expedite the commissioning of both plants. So yes, there is an ongoing effort to determine how to ramp up the new plants.

We will obviously be making our best efforts to maximize supplies. If the customer is waiting, it is our duty to deliver cars.

Amin Pirani – JP Morgan: That is helpful. I will come back in the queue.

Operator: Thank you. Our next question comes from the line of Arvind Sharma with Citi. Please go ahead.

Arvind Sharma – Citi: Good evening, and thank you for taking my question. The first one would be on the Brezza. The turbo engine has been very aggressively priced. According to you, who will really opt for the larger engine? Is it just the automatic transmission that would attract people, or is there something that we could see in terms of the pricing of the turbo engine going forward? That is my first question. I will ask the second question later.

Management: I would say it is not just the pricing. The response of the engine, its peppiness, the features, the ADAS, the infotainment features of the car, and the five-star safety rating in both adult and child occupant safety make the whole package very exciting.

The automatic transmission is also available in the higher-variant option. So, it is a very strong combination.

Arvind Sharma – Citi: Exactly. My point is that, when you have a turbo at a lower price, what would push a customer to buy a higher-priced non-turbo variant?

Management: There are takers in every segment and for every feature. For example, there is the automatic transmission and the underbody CNG. There are so many aspects of the car that could appeal to different segments of customers, and we have takers for every subsegment and every variant of the car. It has been carefully planned and designed that way.

Arvind Sharma – Citi: Thank you for that. My second question is on your raw material procurement policy and the change in the policy. Why is it very different from that of other peers? A large proportion of the gross margin decline can be attributed to this new policy. Why is it so different, and when does it normalize?

Management: First, let me share that there was no disruption. We did hear of disruption in the industry owing to gas, energy, or commodities, but with such a large and well-spread value chain, we did not have any disruption.

Secondly, let us keep in mind that it is a temporary phenomenon. In the next couple of quarters, we will bring it back. One needs to be agile to meet extraordinary circumstances. That is flexibility and agility.

Arvind Sharma – Citi: So, this downward pressure on margins will continue until this policy is discontinued?

Management: What we did was, for example, in aluminum, where prices were rising steeply, that if we continued on a three-month average quarterly cycle, suppliers would be impacted. Their current cash flows would not be able to support it, particularly in processes where the raw material-to-conversion ratio is high.

So, temporarily, we moved to a monthly settlement cycle and then we will come back to a three-month cycle. I just want to address the second part of your question, regarding whether it will continue or not. It is simple mathematics. It is a temporary difference. You are moving from a three-month cycle to a one-month cycle, so you are bringing forward the impact. However, if the commodity continues at that level, everybody will have to catch up.

The reversal will happen only when commodity prices change, in either direction. So, it is not that the impact will continue. The impact has already occurred.

Arvind Sharma – Citi: Understood, sir. Thank you very much for taking my questions. That is all from my side.

Operator: Thank you. Our next question comes from the line of Chandramouli Muthiya with Goldman Sachs. Please go ahead.

Chandramouli Muthiya – Goldman Sachs: Good evening, and thank you for taking my questions. I also have a follow-up question on the Brezza. The 2022 Brezza model was refreshed. I think that, at that point, the way you had planned the {? BOM ?} cost, it was a margin-accretive product.

With a somewhat different situation now with the new Brezza launch, where I think we have increased the range of engine capacities available on this model, I want to understand how you have planned the {? BOM ?} cost on this one. Would you think that this is also potentially a margin-accretive opportunity for the company in the form of the new Brezza that has been launched for customers? I have a follow-up question.

Management: Product-specific margins, you would agree with me, are too confidential a business matter to be shared publicly. However, rest assured that when we plan a product, we keep every stakeholder in mind, including the customer and the investor.

Fortunately, if volumes come, everybody is happy. You would have seen this in so many of our SUVs and so many of our other products. Rest assured, we have taken care of all aspects in the design and planning of the product.

Chandramouli Muthiya – Goldman Sachs: That is helpful. My second question is related to the volume growth that you have been able to achieve. I want to understand the current utilization rate at the new line in Kharkhoda, which was commissioned in the previous quarters.

Also, if you could provide some updated details on your buyer demographic mix, including first-time buyers, replacement buyers, and additional buyers, as well as the information you have previously provided around salaried employees, government employees, self-employed individuals, business owners, and so on.

Management: Regarding the new plant in Kharkhoda, let me mention that the ramp-up typically happens over a 4- to 6-month period to reach full capacity. In the intermediate phase, it is a very dynamic figure that does not provide any meaningful conclusion. We hope to reach full capacity in about 4 to 5 months.

The 10% figure that we gave at the beginning of the year was based on this ramp-up assumption.

Regarding your second question, there has been some change in the customer profile. Our first-time buyer percentage improved significantly from 51% in Q4 to about 54% in this quarter. It has improved significantly within just one quarter, which can also be corroborated by the steep increase in small car volumes.

Regarding the other customer profiles, salaried customers account for about 40%, business customers account for about 34%, and self-employed customers account for about 20%. This is a very broad customer profile.

Chandramouli Muthiya – Goldman Sachs: And could you also share the government employee percentage?

Management: About 15%.

Management: It is the same, at around 15%.

Chandramouli Muthiya – Goldman Sachs: That is helpful. Thank you very much, and all the best.

Management: Thank you.

Operator: Our next question comes from the line of Kumar Rakesh with BNP Paribas. Please go ahead.

Kumar Rakesh – BNP Paribas: Good evening. Thank you for taking my question. Apologies in advance; there could be background noise, as I am at the airport.

I have two clarifications. First, on the demand side, we spoke about the order book being at 130,000 units this quarter, and retail and wholesale volumes being largely similar. I recall that, last quarter, we had spoken about the order book being approximately 190,000 units.

While retail and wholesale volumes were similar, it seems that the order book has come down. Inventory days were also largely similar, at 12 and 13 days. Can you help me reconcile whether I am missing something and explain where the gap of 60,000 units in the order book has gone?

I understand that this is June quarter-end data and would not include the Brezza bookings. Could you share any latest order book data as a follow-up to the margin question?

Management: Normally, on the first day of every month, we have a sales call. We announce that data on the first of the month.

I also have to mention that supply is increasing at a very fast pace. We have pending bookings, and it is not a good idea to keep customers waiting for a long time. We have healthy growth, still constrained by supply, and we hope to leverage this growth during the year.

Kumar Rakesh – BNP Paribas: Understood. On the margin side, I understand that there was accelerated absorption of aluminum price increases. Hypothetically, if prices start falling swiftly, will we follow the same approach for the reversal as well? Will we accelerate the price reduction passed on to the supplier?

Management: You are talking about commodity prices?

Kumar Rakesh – BNP Paribas: Yes, commodity prices, especially aluminum, which you referred to.

Management: Aluminum has already started showing a reduction from its peak. From aluminum, we should get a reduction back, since we are following that cycle and also have to correct that cycle. At least for this particular commodity, we should get a reduction back. There are also some other commodities that may move along with aluminum.

Kumar Rakesh – BNP Paribas: Understood. And would this happen at a similarly accelerated pace, without waiting for the quarter-end?

Kumar Rakesh – BNP Paribas: In the same way that, on the upside, we absorbed the price increases on a monthly basis, on the downside would we also absorb or receive the pass-through on a monthly basis?

Management: Two things will happen. First, since the commodity index or indices themselves are coming down, that reduction should flow back to that extent. Second, we will correct the cycle as well and return to the earlier cycle.

One can expect that, between Q2 and Q3, whatever benefits have to come will come.

Kumar Rakesh – BNP Paribas: Understood. Thanks a lot for answering my question.

Operator: Thank you. Our next question comes from the line of Amit Hiranandani from PhillipCapital India Private Limited. Please go ahead.

Amit Hiranandani – PhillipCapital India Private Limited: Thanks for the opportunity. From a 2- to 3-year perspective, we want to understand the company's strategic initiatives to address competition and where you see white spaces and sustainable differentiation versus the existing SUV peers.

Rahul: This is what keeps management busy all the time. As I mentioned in my opening remarks, management is strengthening the business of the company across several fronts.

One is exciting new products with powerful features and performance that are compelling propositions for our customers. You can see this with a relatively small number of SUV models, with which we are close to SUV leadership. Within the top 10, for example, many times six or seven models are from Maruti Suzuki. Volume per model is also high, which means volume per unit of investment is high.

Then we invest in multiple clean technologies for carbon reduction. We ensure that the cost of carbon reduction as a portfolio is the lowest for Maruti Suzuki and that we are also de-risked in the process.

Management is also concerned all the time that all of our tier 1, tier 2, and tier 3 suppliers maintain high quality, because we have a very high presence in exports and in highly demanding quality markets such as Japan and Europe. Quality is one aspect.

Then, of course, we take extreme care to ensure that our dealerships, including sales and service, are extremely customer-friendly. All these measures help us maintain our leadership position, achieve higher volumes, and generate higher profitability. This is where we concentrate our efforts.

If there is any specific area you wish me to address, I can focus on it.

Amit Hiranandani – PhillipCapital India Private Limited: We just wanted to understand whether you see any white spaces in the SUV segment.

Rahul: There are always white spaces. Let me mention that, by the end of the decade, we will have many more products. Within SUVs, we had announced eight products, out of which Victor has already been launched.

We will have many more SUVs in the next few years. Obviously, we will target some white spaces where we can achieve good volumes per model. Within the SUV and premium segments, we will have launches.

Amit Hiranandani – PhillipCapital India Private Limited: Noted, sir. My second question is, how much price increase do you expect for end customers due to CAFE 3-related upgrades? Lastly, regarding capex, I want to understand what percentage of capex over the next 5 years is allocated toward EVs, ICE, and hybrids. That is all from my side.

Rahul: I missed the last part of the question. Regarding ICE, EVs, and hybrids, what aspect are you asking about?

Amit Hiranandani – PhillipCapital India Private Limited: What percentage of capex are we allocating over the next 5 years toward ICE, EVs, and hybrids?

Rahul: For example, yesterday we announced the fourth line at the Hansalpur plant, which makes the Hansalpur plant one of the largest car plants in the world, within the top 10, let me say. This fourth line is predominantly an EV line, and the capex was about 3,900 crores.

In addition, we have spoken about our second EV display at the Bharat Mobility Show early next calendar year. There is also a series of EV launches. We are working on hybrid technologies as well. There is even a research project on hydrogen, so we are working on multiple powertrains.

What was the question before this one that I missed?

Amit Hiranandani – PhillipCapital India Private Limited: There was one question on how much price increase you expect for end customers due to CAFE 3-related upgrades.

Rahul: Due to what-related upgrades?

Amit Hiranandani – PhillipCapital India Private Limited: CAFE 3, such as the exhaust system and other related upgrades.

Rahul: CAFE 3 is close to finalization but is still not final. We will work on our strategies. It will differ from model to model and even from variant to variant. Perhaps in the next few quarters, we will be better equipped to answer this question.

Amit Hiranandani – PhillipCapital India Private Limited: All right, sir. All the best. Thank you, sir.

Operator: Thank you. Our next question comes from the line of Ashish Jain with Macquarie. Please go ahead.

Ashish Jain – Macquarie: Good evening, sir. Continuing on the commodity comment, if I look at aluminum prices, they were close to 3,700 dollars in the first week of June, and now they are at 3,100 dollars.

Is it safe to assume that this 3,700-dollar spike has already been reflected for us in Q1? When you say real-time or one-month lag, I just want to be clearer because the commodity price has fallen very sharply in the last 20-odd days. That is why I am probing this a little further.

Management: To be prudent, we will have to watch how the commodity trend fluctuates. It is subject to many global factors. We cannot really, with a crystal ball, gauge how it will look in the next month or even in the next couple of weeks.

Your current number is correct, and we also have an average number and an outlook. We have already given you the outlook regarding the quarter-to-month delta; Rahul has already called it out.

However, going forward, we will have to wait and watch how the rates fluctuate. Sitting here today, we cannot say what will happen next month.

Ashish Jain – Macquarie: I apologize, sir, but I am not looking for a forward-looking comment. I am just saying that this commodity peak of 3,600 to 3,700 dollars is behind us, right? It is already reflected in our Q1 P&L. Is that a safe assumption to make?

Management: If the rates stay where they are, your comment is right. If the rate changes tomorrow, we will have a new normal to discuss.

Ashish Jain – Macquarie: Understood. Secondly, Rahul sir, earlier on the call, you spoke about Maruti and industry growth in the 18% GST and 40% GST categories. Is it possible for you to share the absolute volumes for those categories, both for Maruti and for the industry?

Rahul: Certainly. In the 18% GST bracket, let me provide the industry growth. Please give me a second while I refer to my sheet.

Maruti did about 359,000 cars in Q1 in the 18% GST bracket, compared with industry volumes of approximately 734,000. In the 40% GST bracket, Maruti did about 161,000 cars, and the industry did about 470,000 cars in Q1.

Ashish Jain – Macquarie: That is helpful. Thank you very much.

Operator: Thank you very much. Ladies and gentlemen, that was the last question for today. With that, we conclude today's conference call. On behalf of Maruti Suzuki India Ltd., we conclude today's conference call. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.