

Bajaj Auto

06 May 2026

Operator: Good day and welcome to the Q4 and FY26 earnings conference call of Bajaj Auto Limited. My name is Yashashri and I will be your operator. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the initial remarks from management. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anand Newar, Head of Investor Relations from Bajaj Auto Limited. Thank you and over to you, sir.

Management: Thank you, Yashashri. Good evening everyone and thank you for joining us for the call today. Apologies for a slight delay today. Welcome to Bajaj Auto's Q4 and FY26 earnings call. On today's call, we have with us Mr. Rakesh Sharma, Joint Managing Director, and Mr. Dinesh Thapar, Chief Financial Officer. We will begin the call with our opening remarks from Rakesh on the business and the operational performance for the quarter, followed by Dinesh, who will take you through the financial highlights. We will then open the forum for Q&A. Over to you, sir.

Management: Thank you, Anand. Good evening ladies and gentlemen and our apologies for the late timing of the call. Extra thanks to all of you for joining in. I'll keep the remarks crisp, which means I'll do some speed talking and allow more time for Q&A. Foremost, FY26 has been a defining year, as you can see, for Bajaj Auto, with record performances through the year, delivering a best-ever year driven by growth across all business units combined with robust operational management. And this against the backdrop of uncertainty and volatility. Record revenues of 58,000+ crores, record EBITDA crossing 12,000 crores for the first time with margins at 20.5%, and record PAT which was 9,800+ crores, also a new peak.

Q4 was a standout quarter with revenues crossing 16,000 crores, EBITDA at 3,300 crores, and margins at 20.8%. Total volumes reached a new high of 13.7 lakh units, growing 24% year-over-year. Given that we engage on a quarterly basis, I'll focus on the highlights of Q4 FY26 and not dwell much on the full FY26.

Exports business unit: Starting off with that, the business unit crossed the 600,000 units mark for the second consecutive quarter, clocking 25% growth year-over-year. This has resulted in the highest-ever quarterly revenue from exports. In FY26, we recorded our second highest-ever performance in volume terms, but at USD 2.2 billion, it was the highest-ever performance in revenue terms. A special point to note is that this was achieved despite Nigeria, our largest volume market, operating at 50% of its peak performance. Having said that, finally, Nigeria reached some stability in Q4 with volumes crossing 1 lakh units to deliver a full-year performance in FY26 which was equal to FY25. While volumes remain below historical peaks, the recovery is encouraging.

Our wide retail distribution footprint has given us a strong competitive edge, enabling us to maintain an overwhelming market share of 50% in retail terms. Latin America continues to outperform, delivering sustained growth for 11 consecutive quarters now and reporting another all-time high performance, driven by strong growth in almost every country. The region remains a key driver of our export performance in terms of volume, revenue, and EBITDA. Asia also recorded double-digit growth, particularly due to Sri Lanka, Philippines, and Nepal. This enabled the Pulsar brand to deliver record export volumes for the quarter. Of the top 30 markets, which account for

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almost 80% of the emerging markets industry, we grew at almost twice the rate of the industry growth in Q4.

KTM motorcycle exports from India have revived after the disruption of the past several quarters. In Q4, KTM exports from India touched nearly 17,500 units compared to nearly nil a year ago. A quick word on Brazil: Sales crossed 10,000 units during the quarter, supported by expanded manufacturing capacity which has now increased to 60,000 units per annum, successful new product introductions like the 400 NS, and wider market presence with almost 70 top-class stores. The business reached the number 5 position in April in terms of share and I believe we are the youngest company there to break into the top five. We are the youngest company in Brazil—you know the Bajaj Auto is 80 years old and in fact, Bajaj Group is celebrating 100 years on May 11, but in Brazil, we are only 3 years old.

Overall, the exports business has established a sustained growth momentum. We are looking at moving the exports needle to 220,000 units per month this quarter, up from the 200,000 levels. And this is despite some loss of business in the Gulf region—we are of course hoping that there will be no further disruptions due to the geopolitical issues in the Middle East.

Domestic motorcycles: The industry had a split trajectory in FY26 with a muted first half followed by a strong recovery in the second half. This was driven by a strong festive season and the GST rate cut, resulting in a growth of around 11% for the full year. Growth continued to be driven by the upper half of the industry with the 125cc plus segment growing faster than the 100cc segment, and in particular, the 150cc plus segment being the fastest growing.

We now see a clear turnaround in our performance in the sports segment, which is the 150cc plus segment. Sequential gains in market share are being made month-on-month driven by the performance of our refreshed Pulsar portfolio. 10 new variants and updates have been introduced in the period of October to March and they now contribute to 50% of our sales. It signals very good acceptance. The share gain over the course of the second half is remarkably secular. Every region, or let's say every state from J&K to Tamil Nadu and the Northeast to Rajasthan, has grown faster than the industry growth in their respective regions. This has been led by the N and NS series of Pulsar, which grew at almost twice the rate of the industry in Q4. We will continue to build on this momentum with further upgrades and interventions planned across the Pulsar portfolio in the 125 and 150 plus segments in the coming months, and do so in time to capture the surge in the festive season.

Probiking, which houses KTM and Triumph brands: The business continued its steep growth trajectory during the quarter. The KTM and Triumph brands delivered in combination a record domestic performance in Q4 with combined volumes of nearly 43,000 units, registering a steep 43% year-over-year growth, making it the highest-ever quarterly performance for the business. KTM growth was led by strong demand across the adventure and street portfolios, with Duke 250 leading the charge in the street segment. The adventure portfolio was further strengthened with the launch of the KTM 390 Adventure R in January, the most off-road capable adventure motorcycle in India. The more tax-friendly 350cc variants have now been introduced.

Triumph too delivered its highest-ever performance during the quarter, driven by the Speed 400. Since inception, the brand has now crossed the 1 lakh unit milestone in a short span of two and a

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half years. We have now also expanded the portfolio with the introduction of the 350cc platform, enabling customers to avail the benefit of the lower GST, and we have also launched the Scrambler 400 in Q4. It is a model which, as they say, was born in the dirt but built for the street. We continue to invest in building the performance sports category with marquee events like the widely successful KTM Cup, the Adventure Rally for KTM, and Epic Rides and the World of Triumph explores for the Triumph brand. Along with the Triumph Scrambler, the KTM and Triumph adventure bikes achieved leadership share in the highly lucrative and growing adventure segment during Q4. The rollout of our joint KTM and Triumph showrooms has progressed swiftly with 90 such showrooms already operational. The initiative is helping us drive reach while still maintaining a differentiated brand presence.

In Chetak, the electric scooter business, in Q4, Chetak crossed the 1 lakh retail mark for the very first time in a single quarter. This represents the highest-ever quarterly retails for the brand. March 2026 was the largest month with retails touching 50,000+ levels. Market share has moved up to almost 23%, a gain of 170 basis points sequentially. Consumer sentiment is again strongly shaping preference for e-scooters. The e-scooter segment grew by 40% in Q4 and has continued to grow at an even higher rate of 60%+ in April, far outpacing the growth of ICE scooters. A key contributor to the sequential share gain in Q4 has been the Chetak 290, our new variant launched to address specifically the needs of the youth for lighter, faster, and easier last-mile mobility. The 290 has been received very well, combining everyday usability with the trusted durability and build quality that Chetak has become known for. In FY26, Chetak crossed the 5 lakh unit mark and 4,000 crores in revenue. The reach of Chetak today stands at 500+ exclusive Chetak stores combined with almost 3,000+ motorcycle stores which are shared with Chetak, and this presence has expanded to over 850 cities. This gives our network a reach which is both wide and deep, as it continues to deliver the differentiated sales and service experience that the brand is built around. And in Q4, Chetak also commenced its international journey with exports to Sri Lanka, Philippines, and Nepal. These are the first steps towards what we believe can be a significant opportunity in due course.

Commercial vehicles: This has been a landmark year for the business unit. For the first time in our history, the commercial vehicle business crossed the 5 lakh units mark for the full year. It is a milestone that reflects both our ICE leadership and the scaling up of our electric portfolio. In Q4, the business delivered its highest-ever quarterly volumes, growing 28% year-over-year. The ICE franchise remains rock solid; the share in the CNG segment is close to 90%. These strong positions signal a solid brand franchise and we are conscious of this equity of trust even as we leverage it to build our electric three-wheeler business in the rapidly growing e-segment. We have maintained the number one position in electric three-wheelers throughout Q4 and in April in terms of registrations. Importantly, this scale-up has been accompanied by healthy profitability, making e-three-wheelers a strong contributor to both the top line and the bottom line.

A highlight of Q4 has been the launch of Vigo 901, the largest electric three-wheeler in the industry, powered by a 17.7 kilowatt-hour battery with advanced BMS and regenerative braking. It delivers a mega-range of 296 kilometers, the highest in its segment. On our e-rickshaws, the journey is progressing steadily with a presence now in 100+ cities. Though the e-rickshaw segment itself has slowed down due to enforcement of regulation on the streets, this is actually helping consolidate this industry in favor of the larger and better OEMs. Even so, at almost 30,000 units per month, it still offers a very large new business opportunity for us to be seized by upgrading the segment on

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the basis of quality, reliability, and a good ownership experience. In totality, our two-wheeler and three-wheeler electric business is actually now the largest in the auto industry, accounting for almost 20%+ of our domestic revenues and contributing double-digit EBITDA percentage.

Finally, I must make a brief comment on our spares business and highlight its record sales of 1,700+ crores, registering a growth of 16% and delivering a record EBITDA margin as well. As you can see, FY26 was the benchmark year setting records in volumes, revenue, and profits and business unit performance. Now we have to look forward in a changed scenario with some new challenges imposed by the war in the Middle East as the operating environment is experiencing significant change. The demand environment has softened in April due to general inflation, increased prices of our vehicles, LPG shortages, manpower migration, and the LPG shortage-led effect on the consumer sentiment. This is bound to slow down the motorcycle category from its rocking 20% growth in Q4 to an estimated 7-9% in the near term. But having said that, the great thing from our point of view is that we expect this growth to come almost entirely from the 125cc plus segment and even more so from the 150cc plus segment which should grow at twice the industry rate. Actual April outcomes point very clearly in this direction.

Secondly, the electric category in both three-wheelers and two-wheelers will witness not just continuity of growth, but perhaps a further increase in growth. Therefore, the 150cc plus segment and the electric segment, which are the absolute epicenter of our focus, mitigate the overall softening of the demand. Supply chain difficulties in terms of the LPG shortage, manpower availability, and outbound logistics to overseas markets have impaired availability to service demand by about 10-15%. Hopefully, these will start to resolve themselves over a period of time. The cost environment is seeing a potential rise during the quarter of about 3-5% driven by the metal complex. This has been partially addressed by taking up prices with effect from April 1. And of course, the USD realization rate breaching 95 has been very helpful in us managing the cost side inflation.

Keeping all the above in perspective, as also our actual April outcomes, we expect our growth tempo to actually continue in Q1 basis the strong competitive positions we enjoy in the key segments like the 150cc plus in domestic motorcycles, the EV business both in two-wheelers and three-wheelers, and the astute performance in large and stable territories like LatAm and parts of Asia. Through Q1 and the rest of FY27, the team will remain absolutely focused on the areas which I've highlighted earlier, gaining share in the 125cc plus segment, particularly in the 150cc plus segment, riding the continued industry growth. And this will be done on the basis of new product launches and brand development. In exports, we are pushing exports to the 220,000+ levels on the back of leadership in the sports segment in LatAm and a more aggressive outreach in gaining shares in commercial bikes, particularly from competitors originating in China.

In the super premium sports segment, we will accelerate growth in both Triumph and KTM basis network expansion and the launch of the more tax-friendly 350cc variants. In the electric business, we will deepen our leadership position leveraging the wider product portfolio which is already there and some new launches planned and the expansion of an exclusive network. For KTM AG, we will continue to support the management there in the turnaround which is well underway to bring back KTM in due course of time to its original performance. A key area given this environment will be to balance growth and profitability in the most optimal way through robust operational management.

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And finally, we will continue to build capability and now leverage scale in Bajaj Auto Credit to deliver an industry class leading performance. With this, let me hand the session over now to Dinesh.

Management: Thank you, Rakesh. Good evening everyone and thank you for joining us on the call and for your patience with us this evening as we delayed it. Before I get into typically talking about the results commentary, let me inform you that the Board of Directors today, on the recommendation of the NRC, approved the elevation of Rakesh to the Joint Managing Director of the company from June 1. So he will effectively speak to you the next time we get together as the company's Joint Managing Director. Congratulations Rakesh on a well-deserved elevation.

Let me now get into the financials. I want to say at the very outset and call out what has truly been an exceptional quarter. Revenue at its highest crossed 16,000 crores. EBITDA came in at 3,323 crores and margins at 20.8% sustained despite challenges in the operating environment. When you step back and look at the breadth of this delivery, it represents a strong year-over-year performance with volumes growing 24%, translating into a 32% increase in revenues and strengthening further as we move down the P&L with profits growing ahead at 36%, reflecting in many ways the underlying strength and quality of the business.

With that said, let me give you a quick sense of the context on commodities and currency and then walk you through the numbers in some detail. On commodities, the quarter was by and large characterized by inflationary pressures across the basket. Within this, noble metals, Rhodium, Palladium, and Platinum saw particularly sharp moves, firming up in the range of between 20–25%, accompanied by broader inflation across copper, aluminum, and lead as well. Commodities such as steel, ABS, nickel, and natural rubber were relatively benign or stable for the most part of the quarter, though these started to inflate and firm up towards the end of the period as well. And we're now starting to see distinct signs of very steep inflation carrying into the next quarter, which I will touch upon when I come to the outlook.

As indicated in the previous call, we were expecting cost inflation to be in the range of between 50 to 60 basis points. And I then said that we would look to cover about half of it through pricing actions. As the quarter progressed, commodities came in line by and large within that range that we had indicated. It could have been much higher given that inflation had started to set in towards the latter part of the quarter, but due to some very good work done by our purchase team, we were able to push that out and not let the impact affect last quarter's results. Therefore, net cost inflation came in at about 40 basis points. This is after taking pricing, but a part of the pricing was also offset by the absorption of the full quarter's impact of the phasing out of the PM E-Drive for electric three-wheelers. Many of you would remember that at the end of Q3, the budgetary outlay for PM E-Drive on electric three-wheelers had run out. In the spirit of trying to push for competitive growth and market share gain, we absorbed the impact of that. It was felt for a brief period in Q3 and then we've absorbed the impact of that in its entirety in Q4.

On the currency front, the story was distinctly more favorable. The rupee depreciated through Q4 with our realized exchange rate coming in at 90.6 to the dollar for the quarter compared to 88.3 for Q3 and 86.5 same time last year. The sequential and year-over-year tailwind provided support to the margin situation amidst the inflation. Turning now to the financial performance for Q4 FY26.

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Regarding revenues, building on the momentum of the previous quarter, the business continued to scale new highs with both volumes and revenues reaching their highest ever levels in a quarter. Revenue from operations came in at 16,006 crores, translating into a very strong 32% year-over-year growth. But what I find particularly heartening is the fact that the growth and performance this quarter has been truly broad-based across each of our three business segments: two-wheelers, three-wheelers, and exports. Volumes grew 20% each and revenues 30% each across all three of them. That's about as good as it gets in terms of it being as broad-based.

Revenue was further supported by a rich sales mix, driven by a strong rebound in KTM exports, a higher contribution from commercial vehicles across both domestic and international markets, and continued traction in sports motorcycles, all of which, as you'd be aware, are structurally revenue accretive. This was further aided by favorable currency movements that I spoke about earlier. In addition, spares revenue, which has now been at a steady rate of between 1,700 to 1,800 crores, provided a recurring support to overall revenues and profitability as well. Exports revenue for the quarter also reached a new high of nearly 600 million in this quarter. On EBITDA, the quarter delivered a new record of 3,323 crores, a robust growth of 36% year-over-year. Margins held steady at levels of 20.8%, and this marks yet another quarter of sustained delivery above the 20% threshold, even as we navigated various challenges.

Sequentially, we looked to hold margin flat, essentially supported by favorable currency, richer mix, and operating leverage. These tailwinds helped absorb the net commodity inflation that I just spoke about and higher discretionary spends, notably on marketing and R&D, and of course, the absorption of the PM E-Drive that I spoke about on electric three-wheelers for the entirety of the quarter. On a year-over-year basis, operating leverage and the currency tailwind led the way on delivering margin expansion of 60 basis points while managing cost inflation. Tracking revenue and EBITDA, profit after tax for the quarter stood at 2,746 crores, registering 34% year-over-year growth. The reported PAT includes an exceptional gain of about 35 crores arising on prepayment of deferral incentives and loans at the net present value.

Looking ahead to Q1, the commodity environment has moved to being sharply inflationary, almost hyper I would say, with the prospect of material availability on the aluminum alloys and polymers front also being very tight. That said, we're taking decisive actions to secure supplies. Significant inflation is now visible across almost the entire basket with not just noble metals, but also base metals like steel and aluminum participating more actively in this upswing that we're starting to see, most of it, of course, event-driven, leading to the supply shock that we're currently all aware of. The quantum of increases across key commodities has also stepped up materially compared to what we saw in the previous quarter. To put that in some context, many of you would be aware from publicly disclosed numbers, steel is almost up 15%, copper 20%, while aluminum and noble metals are all up in the range from 35 to 45%. So, it is clearly very steep and at almost unprecedented levels of inflation, but also very volatile and dynamic without knowing how long this might last.

Taken together, we're currently estimating a material cost inflation impact of approximately 3.5-4% of revenue, and this is from an overall portfolio perspective. It will, of course, vary across models and segments. But this is based on our current outlook and as you would imagine, it is very volatile and dynamic and the situation could change. So the 3.5-4% of revenue that I'm calling out at the moment is how we currently estimate it. Once again, we have taken very judicious pricing actions

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to offset about 40% of this impact so far, and given that the current situation is event-driven, we're watching the developments very closely and will be acting dynamically to manage the P&L. We're doing what most businesses would do at this point of time, which is to accelerate cost programs, look for optimization opportunities, be very mindful and judicious about discretionary spend and choiceful about what we spend and where we spend, and of course, then decide if we need to look at pricing after that as well. But we're also very conscious about the fact that currency is continuing to emerge as a tailwind and is providing some cushion to this context.

Since this is the time of the annual financial close as well, let me now spend a couple of minutes wrapping up what has truly been a landmark year for Bajaj Auto. Starting with volumes, FY26 closed with the highest ever annual volumes for the company at over 5 million units. This is only the second time that we've delivered this. The last time was in FY 2019. This was achieved across both domestic and exports, and you may recall on the domestic side the year saw a relatively subdued first half with growth accelerating in the second half aided by the impact of the GST rate rationalization and a very buoyant festive season. Commercial vehicles, the 125cc plus segment, KTM, Triumph, and Chetak all registered new highs in billing and retails. Export volumes ex-Nigeria reached an all-time high as well, and CV exports grew nearly 50% for the year. It was by the numbers, as the numbers would suggest, the most comprehensive volume performance that we have delivered in recent times. Revenue followed through at nearly 59,000 crores, up 17% year-over-year. FY26 represented the new annual benchmark for the business. And importantly, as you would have seen in our press release, across every segment cut, whether it was domestic or exports, two-wheelers or three-wheelers, ICE or electric, each one scaled to a new high. The revenue growth was primarily volume led with meaningful contributions from a richer sales mix, higher share of sports motorcycles in domestic, a sharp step up in KTM and CV within exports, and a growing contribution from the electric portfolio across two and three-wheelers. Currency with a higher average dollar realization for the year added a further fillip.

On EBITDA, we closed the year at a new high of 12,000+ crores, growing 19% year-on-year with margins at 20.5% and an improvement of 30 basis points over last year. Currency was favorable, mix was accretive, and operating leverage came through on a substantially larger revenue base. This more than offset the price versus cost equation that reflected commodity inflation through the year, most particularly in the back half of it, as well as the focus pricing interventions and investments that we took to drive competitive growth.

Underpinning the margin delivery was a significant development that we have made on our electric portfolio, which hit double-digit EBITDA margins in its entirety for the very first time in the course of this year. The improvements came on the back of rising scale of the very popular and profitable electric three-wheelers and the improving unit economics of Chetak, which has now reached EBITDA neutral as a portfolio. Profit after tax came in at 9,825 crores, nearly 10,000 crores, with a growth of 21% year-on-year, yet another record. There were two exceptional items. The first was a charge of 58 crores that we took in our Q3 numbers arising from the reassessment of employee benefit obligations given the revised definition of wages under the Labour Code. And the second is a gain of 35 crores this quarter from the prepayment of the sales tax deferral that I just spoke of. These two, as you would notice, by and large offset each other in the full year's numbers. Overall, it just wasn't the headline financial numbers; as you would have heard from Rakesh right now, across all businesses, the year was marked by a range of records and stellar performances.

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Moving quickly to consolidated results, on a consolidated basis, our reported revenue came in at nearly 63,000 crores, up 23% year-over-year, while consolidated profit after tax crossed—way crossed—the 10,000 crore mark for the year, reflecting a growth of nearly 50%. Let me now spend a quick minute on BACL and KTM. For BACL, the business has had an excellent year. It has scaled up rapidly. The customer base now stands at approximately 1.8 million customers and is supported by a very wide distribution across almost 6,200 outlets covering nearly the entirety of the Bajaj Auto retail network. On the lending side, the two-wheeler business delivered robust growth with continued strength in core motorcycles and strong traction in electric vehicles and the premium segment, notably KTM and Triumph. The three-wheeler portfolio was a standout, recording nearly 49% volume growth for BACL, led by the significant expansion in the EV segment and the introduction of new business and refinancing models. Total income for BACL crossed 3,000 crores and PAT for the year came in at 665 crores compared to 58 crores in the preceding year, a nearly 12x increase, and the business now started to hit meaningful scale. To give you a sense of numbers, AUM has reached nearly 19,000 crores, roughly doubled in the course of the year, and disbursements for the year were a tad under 15,000 crores. In the last year, the business onboarded over a million customers and asset quality remains healthy. The capital adequacy ratio remained healthy at 19.5% and the business is delivering industry-leading returns on equity of about 23% for this last past year. BACL has now moved to being a material earnings contributor within the group in a span of two years and is now firmly positioned to be a strategic enabler within the Bajaj Auto ecosystem.

On KTM, as you would recall from our last earnings call, Bajaj Auto through its portfolio and subsidiary in the Netherlands, BIHP BV, completed the acquisition of a 100% stake in Bajaj Auto Holdings AG, which was formerly called Pierer Bajaj AG, which in turn held a 75% stake in the now-named Bajaj Mobility AG, the listed holding entity for KTM. With the transaction completed on November 18, Bajaj moved from being in a minority position to a controlling stake, and BMAG and KTM are now step-down subsidiaries of the group. Before I get into the numbers, I need to spend a moment on the accounting structure. There are a few moving parts here, and I just want to make sure that the context is clear. BIH AG including the BMAG and KTM AG group publishes its results on a half-yearly basis in line with stock exchange regulations that are applicable to listed entities in Europe. What this meant in practice is that quarterly financial information was simply not available to us in prior periods. We could only access results as per that publishing calendar in Europe. As a result, in the current quarter ended March 31, 2026, the group has accounted for its share of consolidated results of BMAG KTM AG for the period of July 1 to November 18, which is really the date of the acquisition of the controlling interest. To put this in context, the last time we accounted for KTM in our results was in Q2 FY26 numbers published in November, which covered the period January 1 to June 30, 2025.

Prior to the acquisition, KTM through BIH AG was accounted for as an associate under the equity method and we recognize our share of profit or loss accordingly. Post the acquisition, which is essentially from November onwards, BMAG and KTM AG has been consolidated on a line-by-line basis from that date through to December 31, 2025. Going forward, it is our intent to move BMAG KTM AG to quarterly reporting as a voluntary action to align with Bajaj Auto's reporting calendar and as a measure of good governance and transparency. Accordingly, the results of BMAG and KTM will be consolidated into Bajaj Auto's numbers on a quarterly basis but with a one-quarter lag. Now to

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the numbers. In the current quarter, the group has recognized a net share of profit from the associate of 1,194 crores that you will see appearing on the body of our results. This is essentially made up of four components: a share of the loss of 413 crores of KTM—recognizing it was just about starting up operations after the restructuring phase—so our share of loss that we had to consolidate then was 413 crores for the period from July 1 to the date of acquisition. The second component is that we've accounted for a gain of 953 crores on re-measurement of the investments at fair value on the acquisition date, essentially representing the fair valuation of the 49.9% stake that we had already held in PBAG. The third element was a reclassification of 646 crores of the accumulated foreign currency translation gains from the FCTR reserve into the P&L, as is typical in the course of accounting for such transactions. And the fourth element is a share of profit of 9 crores from the associates of BIH AG from the date of acquisition to December 31, 2025. Net-net, these results translate into a share of profit from the associate of 561 crores for the period of January 1 through to the date of acquisition, and this is what is reflected in our consolidated profit or loss account. The acquisition has been accounted for in accordance with IND AS 103 on business combinations and with the excess of fair value over net assets and purchase consideration recognized as a capital reserve in the other equity line. We have provided a detailed note on the transaction structure this time and the accounting treatment in the press release for those of you who would like to go deeper into the specifics. I am conscious it is a very complex transaction and the accounting may need some level of understanding and therefore Anand and the team have been suitably briefed and they would be happy to provide any additional clarity if you need this offline.

As for KTM, the focus in 2026 continues to be to drive along with the executive board and through them, the broad-based turnaround plan covering workstreams on portfolio priorities, product development, go-to-market, supply chain including sourcing, organizational and structure simplification with a view to rationalizing fixed costs. I expect the results of this to start showing up in the latter part of 2026 itself. Quickly, a word on cash. We closed the year with surplus funds of over 18,000 crores after deploying capital on multiple fronts during the year, reflecting a strong and consistent cash generation. Capex for the year was approximately 500 crores split equally between ICE and EV investments. We invested over 2,300 crores between BACL and BIH PBV, the former to support the scaling of the lending book and the latter in furtherance of the KTM transaction. Free cash flow for the year was more than 8,000 crores, a reflection of the very robust cash conversion on profit, and we returned about 5,900 crores to shareholders through dividends last year in July, which pertained to the previous financial year consistent with our intention of rewarding the shareholders. Lastly, the board of directors at its meeting earlier today approved a payout of 100% of the profits that we have made last year in recognition of the 100 years milestone of the Bajaj family in India and with Bajaj Auto being the flagship company that started it all. This will be split as follows: a final dividend of 150 rupees per share that will aggregate to 4,192 crores and the balance of about 5,633 crores will be towards a buyback under the tender route at a buyback price of 12,000 rupees per share. Overall, this reflects our continued commitment to delivering healthy and consistent returns to shareholders commensurate with the growth and performance of the company. With that, let me hand the call back to Anand. Thank you, over to you Anand.

Management: Dinesh, Yashashri, with this we can open the floor for Q&A.

Operator: Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on the touchtone telephone. If you wish to remove yourself

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from the question queue, you may press star and two. Please limit yourself to one question at a time so that everyone has an opportunity to participate. If you have follow-up questions, you may rejoin the queue. We'll take our first question from the line of Kapil Singh from Nomura. Please go ahead.

Kapil Singh – Nomura: Yeah, good evening. First of all, many congratulations to Mr. Sharma. We hope to see even better performance as you assume the new role. So best wishes, sir.

Management: Thank you very much Kapil. Now this is a very big challenge which you have posed. I hope I can deal with it.

Kapil Singh – Nomura: Sir, I just want to go back to the comments you mentioned about the price hike and related impact on demand. If you could just articulate it a bit, have you seen some impact of the price hikes and in which segment? And regarding this 7–9% growth you mentioned for motorcycles, what do you expect for scooters in that case? And whether the price hikes are happening in exports and if we could see a similar impact there because exports have been on a tearing growth. So is it the market doing well or is it Bajaj Auto gaining share across the board?

Management: Well, there has been a decline in the motorcycle industry's growth between Q4 and April. And there is, of course, an April 1 onwards price hike being taken in different measures by almost all companies. We had also taken a price hike on April 1. What this means is that depending on the product group, the benefit which the GST rate cut had given to the customer—almost 30–40% of that could get rolled back. So obviously, it will have some impact on the demand. Secondly, there is already some adverse sentiment which has set in. People have become cautious. The whole LPG shortage has brought this crisis into the homes of each customer and in such times, people then tend to postpone purchases. And as I said, the 20% has already come down to 9%. But when we unbundle this 9%, we find that the upper half, particularly the upper half of the upper half, is maintaining very strong growth, which just indicates that people with stronger wallets are still coming in. We've had a very good start to the mini season which is led by marriages in the northern parts of the country. And we are seeing a fair amount of up-trading. Now we have to wait and see what happens to fuel prices, what happens to our own material costs, and how these play out in the market to see how the demand environment will get shaped. But of course, the rocking growth which we were seeing from October onwards has sort of really come down. This is for the domestic motorcycles.

In the three-wheeler segment, actually, the ICE segment has come down, but the electric segment has seen very fast growth because you see there has been an LPG shortage. There is a CNG issue there, there is a petrol price hike imminent—all these things are sort of creating a consumer sentiment which is really favoring the adoption of the electric segment. So its growth has actually strengthened in April. So the three-wheeler segment is still growing very, very strongly. Internationally, despite the environment, what has happened and what we're seeing is that the currency-led devaluation led inflation which is there in India to some extent has not yet appeared in many emerging markets. Now we don't know how that will play out, but demand has remained very healthy, particularly in LatAm. So the rapid growth which you are seeing in the case of Bajaj Auto is because we hold a very strong position in LatAm and that has really helped us because LatAm has done well and within that, the sports segment has done well. We've got great competitive positions over there and we are seeing very strong growth.

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In addition, in Africa, as I said, Nigeria has finally come to even stevens. It was on a decline trajectory, but it has come back to equaling last year and we hold a 50% market share there which is unlike our other competitors. This 50% is the outcome of a very widespread presence over there through almost 800 retail level stores. A lot of the competitors do wholesale business but for us, the majority is retail business. So Nigeria doing well is expected to continue and we've seen some good advancement against the 125cc bikes which come from China and other sources. So in Asia, Sri Lanka and the Philippines are good markets for us and continue to hold strong. Therefore, the near-term outlook for the quarter remains bullish about exports, but beyond that, let's see how the geopolitics sort of plays out.

Kapil Singh – Nomura: Thanks, sir. Thank you very much for the detailed answer. Just a quick one for Dinesh sir. Sir, can you remind us how we are placed on the currency hedging? Will we be able to realize the full tailwinds of the currency which may help offset the balance impact of the commodities for the next quarter?

Management: Yes, Kapil. The short answer to that is that we are not hedged and therefore we are realizing at market rates.

Operator: Thank you. We'll take our next question from the line of Binay from Morgan Stanley. Please go ahead.

Binay – Morgan Stanley: Hi Rakesh, congratulations on the Joint MD role and also for a very stellar set of earnings. In fact, I think your comment is interesting. So is it broadly fair to assume that for FY27, standing where we are, exports will actually do much better than domestic on volume growth?

Management: First of all, thanks a lot. You know, this is all—see most of the analysts and media people have failed to predict what was going to happen in the West Bengal elections and all that; it's a similar situation, very difficult right now to do some crystal ball gazing and say that this is how the whole year is going to pan out because there are so many variables. There are logistics issues, there's a currency issue in so many emerging markets, and therefore there's a demand issue. But I can say one thing which is that exports is on a very strong wicket because we are capturing a disproportionate share of the growth because of our retail presence and because of all the work which has gone in key markets. Luckily these key markets are bucking the trend. I mean, Mexico is doing very well and I'm hoping if the US-Mexico FTA in June-July gets signed, I think we'll see superb growth in Mexico. With our plant over there which is only 3% duty and with our 300-odd stores which is double that of any other competitor including Japanese, I think we're in a strong position. And so the situation is, for example in Colombia, in Argentina, and in Peru, we are recording highest-ever sales. So it's a combination of these markets doing well and we fortuitously being present in these markets and having done some solid heavy lifting work in terms of building the brand channel system over there. And so it is in some markets in Asia as well. Therefore, I think exports will continue to do well; like I said, in Q1 we definitely see it pushing the needle beyond 200,000 and hopefully beyond 220,000 units per month also. Regarding the domestic business, whether exports will do better than domestic or not, I cannot say that, but I think if the current pattern of growth continues—which is the top half sort of getting almost being a little bit insulated right now from all the adversities which are there—then it's very good news for us. It is especially

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good because our play in the last six months in the 150cc plus segment in the N and NS range has been very rewarding and if that continues I think we are in for a good ride. But how exactly the chips fall between exports and domestic motorcycles is difficult to say. But we're optimistic because of these reasons in both areas.

Binay – Morgan Stanley: No, that's very encouraging to know. And lastly just on the Chetak, you know we've been around this 30,000 run rate for a few months now. How are we looking at this and what steps are we taking to sort of take it to the next level? Could you talk a little bit about capacity, product action, or any other plans to take it up from here?

Management: Yes, with Chetak we have not been able to fulfill the demand that has been there for one reason or the other. Sometimes we also get exasperated that everything is not working in every department every month and therefore we have not been able to reach our potential which I think is much higher in terms of share. But things did come together to some extent towards the end of Q4 and we are looking at—we have now a capacity of 50,000 units per month. I think we will max that. I'm only hoping that all this labor issue and the availability of fuel etc. in the Tier 1 and Tier 2 vendors doesn't play spoiler and we achieve 100% utilization. We are taking steps, there is some serious work going on to see how and where we should expand capacity in a quantum manner and once we are done with that exercise we'll be happy to talk to you guys about it. But yes, we have now reached a position where we think a substantive increase in capacity in Chetak is needed.

Binay – Morgan Stanley: Great, thanks team.

Operator: Thank you. Next question is from the line of Raghunandan from Elara Research. Please go ahead.

Raghunandan – Elara Research: Thank you for the opportunity. Congratulations Rakesh sir on the Joint MD role and best wishes. Sir, on that happy note, can you provide some thoughts on the upcoming models? Can we expect the 125cc affordable motorcycle this year?

Management: That's a good try Raghunandan, but you know I'm elated by the appointment but not elated enough to start spilling the beans. But now that you've said that I'll tell you that there's going to be a stream of new products and we're trying to advance their introduction so that we've got a good refreshed portfolio in time for the season. We'll have a new range in both the 125cc and the 150cc plus range. There will be—hopefully I think we will see these new introductions hitting the market as early as July in the Pulsar brand itself.

Raghunandan – Elara Research: In the Pulsar brand the new 125cc will come, but what about the other one sir? The 125cc affordable one—you're not yet disclosing the date for that.

Management: Yes, they're very much in the cupboard but have a look at these new ones when they come; they're really looking stunning and we hope to change the game with this in both the 150cc and the 125cc segment. In the N and NS ranges there have been introductions of the NS400 upgrades and some variants which have been hugely accepted even in markets where we don't enjoy a good competitive ratio like UP and all; we're getting very good traction over there. And that is why, as I said, the N and NS range is growing at twice the rate of the sports segment growth. So yes, both these ranges will make their appearance in July.

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Raghunandan – Elara Research: Well noted, sir. Lastly to Dinesh sir. Sir, is the understanding correct that on EV revenue of 8,000 crores, the EBITDA margin is in double digits and this is despite being EBITDA neutral for two-wheelers? And also can you share the PLI incentive for the year?

Management: Yes, so I think the first piece is I had mentioned that we've got to a stage of double-digit EBITDA margin which has been true for the last two quarters on our electric business. But remember, when I talk about this it's always electric two-wheelers plus three-wheelers put together in which Chetak is EBITDA neutral. So in many ways the rising proportion of electric three-wheelers is leading to that. Regarding the PLI claim for the year, we're still aggregating it but it is in the whereabouts of about 900 crores.

Raghunandan – Elara Research: Thank you very much, sir, very helpful.

Operator: Thank you. We'll take our next question from the line of Gunjan Pratyani from Bank of America. Please go ahead.

Gunjan Pratyani – Bank of America: Yeah hi, thanks for taking my questions and congratulations Rakesh on the expanded role. Just two questions from me. Firstly, a bit of a follow-up on the exports. When you said that Nigeria is almost there at last year's level, can you give us a little bit more color on the monthly run rate? You've usually talked about the monthly run rate of 25,000 there versus the peak of 50,000—where we are and do you think that we are on the scale-up back to at least higher levels there? And regarding Brazil, again a bit more color; it's been a clearly big positive surprise market for the last two years. How much more upside do you see and where are we on market share in Brazil?

Management: Yes, for Nigeria we are now clocking a steady 35,000+ over the last 2–3 months and 5,000+ in three-wheelers. So that's very healthy and hopefully we will continue to grow, but I'm just sort of keeping a watch on Nigeria because the Nigeria fuel prices have increased substantially—almost by 30%. Though of course higher oil prices help them because they are a net exporter of crude, they don't have refining and therefore the fuel prices which affect the common man have increased. So these two things have to balance out, but for the moment we are seeing very good traction in Nigeria and we are in readiness for the season. We have stock on the ground and we have sales people who have got very strong engagement with the 800+ retailers all across. So that's a positive going forward.

Regarding Brazil, it has done quite well. At this point of time we are so small in Brazil, which is a very big opportunity as a very large country. We have taken a top-down approach; our approach has been to keep the brand forward rather than volume forward and the way it's manifesting is that we have launched our highest-end models over there first. Secondly, we've planned for very exclusive high-end stores over there because we feel that the store experience and the whole imagery around the store is essential for brand development. And in the first phase, at least for the first five years, we will really want to build our brands of Pulsar and Dominar and establish a very strong customer franchise. And I think on that score, we are moving very well. We also get limited by manufacturing capacities which have to go through step changes because for every step, the localization requirements are very different. They're different for 20,000, then they change up to 50,000–60,000 and then beyond that if you go they again change, and beyond 100,000 they again change. So it's a step change which occurs and right now, as I said, our capacity is closer to

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60,000—let's say it's 50,000 usable. So we are seeing in the next 12 months hoping to hit that kind of thing. And as we move forward and hit it by middle of the year, we will start looking at further enhancing our capacity in the fiscal year 2027-2028.

Gunjan Pratyani – Bank of America: Got it. And before I move to the second question, just clarifying, are there no container availability issues? Because that's something that's been flagged in the markets as well.

Management: Yes, that's a big nightmare, but this is where years of experience of the logistics team and the excellent work between the plant and the logistics team is really paying off. We export one container every 10 minutes; that's the scale of our operations and we have to catch four ships every day. And with all the chaos which is going on all around, a lot of out-of-the-box thinking is being done to find alternate routes and ensure container supply. I can tell you that despite all these disruptions, just on the basis of logistics in exports, we have not lost any sales. Of course, we've lost sales in the Middle East because there's nothing going over there to the Gulf countries, but that's only 5,000-6,000 units per month out of the overall 200,000+. But the team has managed the whole logistics complexity and volatility quite well. I think they are on top of this situation.

Gunjan Pratyani – Bank of America: Got it. Dinesh, my second question is to you around some of the comments you made around the 3.5-4% margin impact and the mitigating factors being price hikes and currency. But there's still a reasonable gap to cover in terms of the cost headwind we're seeing in the business. So any thoughts on our appetite to take more price hikes and what is really the tolerance level when you think about the range of margin? Is there a range of margin we sort of anchor around to manage this growth versus profitability? So some thoughts around how we think about the net impact in the business and more so on a full-year basis, rather than just 1Q because of course it's going to be a painful quarter.

Management: Yes, of course, once we get to a full-year basis—and when I mean full-year, essentially once we get to a steady state—the intention will be to continue to hold margins and drive margins the way we have. But I must tell you at this point of time that even though I'm telling you and I know that there aren't many who have put out numbers yet because it is truly volatile, when I tell you 3.5-4% of turnover is commodity inflation today, that's our view here and now, but we've had three refreshes in the last four weeks on this front itself. So it's quite a dynamic situation. Also, we're playing wait and watch because as I mentioned in my comments, a lot of the inflation is clearly event-led supply shocks. So I don't know how the turn of events will play out for the rest of this quarter. A lot of negotiation and rate locking with suppliers has now also moved to shorter frequencies and not really to the quarterly resets that might have been the norm in the past. So it's quite a dynamic situation. We're playing it month-by-month.

As I mentioned, we've taken pricing to cover 40% of the inflation from April 1. We're taking a very hard look at all costs that we are spending in this quarter and typical of really saying is it really needed, being very choiceful about all discretionary spends, as it were. That is clearly going to be able to mitigate some part of the inflation challenge. And then of course there is the currency as well, because the currency has moved from last quarter where we averaged out at close to 90.6 to hovering between 94-95 now. So let's see how that moves as well. But we are clearly playing it month-by-month and the intention will be to try and bridge as much of the material inflation as

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possible through a mix of the pricing that we've taken. I think a next round of pricing will probably be the last recourse that we will take, if at all required, being very watchful of it. We want to also protect competitive growth. But in the meantime, we want to be sure that we're juicing out all cost savings opportunities and pulling back on discretionary spends. And then after considering whatever is the currency tailwind, we will see how to manage that last bit. So it's a very dynamic situation, and refreshes are coming in far more frequently than they have ever in the past. Rate settlements and negotiations are now happening at much shorter frequency than longer frequencies, which means that tomorrow if things settle down, possibly some benefit of that can translate into costs in the nearer term. But let me leave it at saying it is quite dynamic and we're playing it dynamically. Our intention is to try and bridge as much of the impact as it currently stands.

Gunjan Pratyani – Bank of America: Got it. Okay, thanks.

Operator: Thank you. Next question is from the line of Amin Pirani from JP Morgan. Please go ahead.

Amin Pirani – JP Morgan: Yes, thanks for the opportunity and yet another congratulations going your way, Rakesh. I have two questions. The first one is on your comment on the moderation in the motorcycle growth. So just to clarify, when you say 7–9%, are you talking about what you're seeing for the next few months or is it for the full year? Because this year we also have the problem of the first half and second half looking very different in terms of growth. So I just wanted to clarify on this comment of yours.

Management: Yes, it is for the next few months. At this point of time I won't wager a full-year rate, and you're very right, there will be a base effect which will start kicking in. We were at a lower base in the first half last year and in the second half sales surged. So there will be a base effect to contend with in the second half. So a lot really depends on how inflation and pricing impact the market and how much of the GST benefits start to reverse. A lot will depend on that.

Amin Pirani – JP Morgan: Sure. And my second question was on three-wheelers. So if we just take a step back, obviously we've talked about how ICE growth has been stable to slowing, but EVs have driven the growth. But if you look at the aggregate, three-wheeler growth has actually surprised most of us. In fact, I think post-COVID it has been the best performing category within autos as a whole. This is not something that we would have thought pre-COVID. So is there anything structural happening there? How should we think about the size of the category over the next few years? Because the growth overall—we may say EV, non-EV—but overall growth has been quite surprising.

Management: Well, please go back and read my comments for the last two–three quarters. Some of you have asked where do you see growth coming for Bajaj Auto and I've been saying even though it's a humble vehicle, I've been saying that we are sitting on the threshold of very large growth in three-wheelers. And let me give you some numbers. The industry growth in three-wheelers in Q4 total was 25%+; in April it was 25%+ again. And you're very right, a lot of this was because of the EVs which are growing. But consolidated, this is being driven by the exploding requirements in the country, particularly in non-metro locations and in smaller towns. This is being driven by the huge spread of the road network. And this is being driven by people now wanting to travel between towns even for work to escape the rental requirements. It is now very possible for a person to stay

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in their hometown and work in the neighboring town and take a shared three-wheeler to commute. Or to go to the main road in a three-wheeler and take a bus and commute. They find it much better to do this rather than take a home on rental in the place of work. These things—with women coming out and traveling—these things are exploding the requirements for mobility and there is simply not enough public transport systems. This is the phenomenon which we've been witnessing for a few quarters now. And this is another area where we are now getting capacity limited and we are working to expand the capacity, particularly the larger format three-wheelers. And if you see the way we've expanded our electric portfolio, we first started with small three-wheelers and some of our competitors are only in small three-wheelers. But quite rapidly, we've gone into the 7 and the 9 series which are larger three-wheelers. Because all the growth is coming not from a contracting market where people hire a full three-wheeler, but from ticketing markets, which means people share a three-wheeler. So they will go from the railway station or bus station to another point in a shared manner. And there the larger format three-wheelers work. So I think this will continue; it's not stoppable. And of course, I must mention in this the role played by retail finance. Again, retail finance is enabling people to acquire the asset and enhance their income.

Amin Pirani – JP Morgan: Great, thanks for the color. And just one follow up from Dinesh—just a bookkeeping question. On your revenue line, the other operating income has seen a sharp jump in the last two quarters. Is there anything to call out there? Is it mainly related to export related incentives or is something else going on there?

Management: That line typically is driven by three pieces: the scale up of electric and the resultant PLI. As I recall I had mentioned this last quarter as well, as you move towards it you start to move towards the higher slabs. So that's the first one. The second is obviously with the scale up of exports, there are clearly export incentives which come in that get reported on that line. And the third is of course a fairly robust growth that we are seeing on our oils business and the royalty that we earn on that. These are really the three reasons why that line inflates. There is nothing else which is of material significance that sits in those numbers.

Amin Pirani – JP Morgan: Okay, great. Thanks a lot. I'll come back in the queue.

Operator: Thank you. Next question is from the line of Chandramouli Muthiah from Goldman Sachs. Please go ahead.

Chandramouli Muthiah – Goldman Sachs: Hi, good evening and thank you for taking my questions. Congratulations, Rakesh. I have two questions. The first question is just a clarification on the 400 basis points potential impact as a percentage of sales that you'd mentioned. Is this from January 1 onwards or April 1 onwards? I just want to understand what the timeframe is for this observation of 400 basis points potential impact on margin gross from commodity inflation. And the second question is just around the prepared remarks that Rakesh had made, that you'd hope to grow faster than the 7-9% broader motorcycle industry growth outlook. Related to that, you'd mentioned that there is a 10-15% impact on the ability to service demand because of the logistics factors, manpower factors, and shipping factors. So I just want to understand if that is something that we were able to manage through and potentially grow beyond that 7-9% that you'd guided for the broader market? I just want to understand that in better context as well.

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Management: Yes, regarding the first one, Chandru, when I mentioned that commodity cost impact is about 3.5–4% of revenue, I'm fundamentally talking Q1 over Q4. So effective April onwards.

Chandramouli Muthiah – Goldman Sachs: Got it, that's helpful. And the quantum of price hike—that's 40% of that 400 basis points—is that what we should consider to be the quantum?

Management: 40% of that impact has been taken so far starting April. And regarding growth, we are definitely looking at avenues even if the industry grows at 7–9%, which is what our current estimate is. And this estimate is really based on the April outcomes. It's not that one has anything else—we tend to just take the most recent results and try and extrapolate that. So it's on that basis. And as I said, within that, the segments we operate in are growing at almost 1.5–2 times that 7–9%. And there we have been outperforming the industry for the last 5–6 months in the 150cc plus segment. So in that way, it's good news for us.

The April performance, I would say, was impaired by 10–15%, largely because of the availability of vehicles because the vendor system did face a lot and continues to face a lot of difficulty because of manpower migration and fuel availability and stuff like that. But hopefully the manpower migration would sort of resolve itself now and people will come back to work. Regarding fuel availability, there are alternates like PNG etc., and a realignment of vendors is taking place so hopefully this will resolve itself over a period of time. So that should be out of the way, but yes, if this 10–15% impairment wasn't there, our performance would have been that much better because we've got a lot of spillover from unserved demand from March and April.

Chandramouli Muthiah – Goldman Sachs: Got it, that's helpful. And just a quick follow-up question on the buyback. I just want to understand at this stage, what are the milestones that need to be crossed and what is the timeframe that you have in mind to execute the buyback?

Management: So today is when we have announced the quantum. I mentioned that the underlying spirit was to try and ensure that we pay out 100% of last year's profit of 9,825 crores. The buyback therefore translates to 5,633 crores. We will get started straight away. For a buyback of this order of magnitude, we need to seek shareholder approval because you might be aware that any buyback which is in excess of 10% of free reserves needs to go to the shareholders. That threshold for us would be about 3,450–3,500 crores. Given that the buyback is now 5,600 crores, we will get started straight away with the process of seeking shareholder approval. And then this is essentially the process which will run now and likely culminate by the end of July with the SEBI filing. I would expect that payouts would essentially happen sometime in the second week of July, likely.

Chandramouli Muthiah – Goldman Sachs: Makes sense, that's helpful. Thank you very much and all the best.

Management: That bit of second week of July—and then of course dividend gets paid out after the AGM. That is good to note as well.

Operator: Thank you. Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to Mr. Anand Newar, Head of Investor Relations, for closing comments. Over to you.

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Management: Thank you, Yashashri, and thank you everyone for joining the call. Goodnight.

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

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