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National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra(E), Mumbai - 400 051

February 11, 2026
Sc no. - 18869

Dear Sir/Madam,

Sub: Transcript of the Earnings/Conference call

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the earnings/conference call conducted after the Meeting of Board of Directors held on February 5, 2026 on the Audited Standalone Financial Results and Unaudited Consolidated Financial Results of Tata Motors Passenger Vehicles Limited (*formerly Tata Motors Limited*) ('the Company') for the third quarter and nine months ended December 31, 2025.

The same is also available on the website of the Company at <https://cars.tatamotors.com/investors/financial-information/quarterly-results.html>.

This is for information of the Exchanges and the Members.

Thanking you.

Yours faithfully,

Tata Motors Passenger Vehicles Limited
(*formerly Tata Motors Limited*)

Maloy Kumar Gupta
Company Secretary & Chief Legal Officer

Encl: as above

TATA MOTORS PASSENGER VEHICLES LIMITED

Formerly known as **Tata Motors Limited**

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Tata Motors Passenger Vehicles Group Q3 FY26 earnings call transcript

MANAGEMENT:

MR. SHAILESH CHANDRA – MD & CEO, TATA MOTORS PASSENGER VEHICLES LIMITED

MR. PB BALAJI – CEO, JAGUAR LAND ROVER

MR. DHIMAN GUPTA – CFO, TATA MOTORS PASSENGER VEHICLES LIMITED

MR. RICHARD MOLYNEUX – CFO, JAGUAR LAND ROVER

Presentation

Anish Gurav

Good day and welcome to Tata Motors Passenger Vehicles Limited Q3 FY26 Earnings Call. Today we have with us Mr. Shailesh Chandra, MD and CEO, Tata Motors Passenger Vehicles Limited; Mr. P.B. Balaji, CEO, Jaguar Land Rover; Mr. Dhiman Gupta, CFO, Tata Motors Passenger Vehicles Limited and Mr. Richard Molyneux, CFO, Jaguar Land Rover and we also have our colleagues from the Investor Relations team. Today we plan to walk you through the results presentation followed by Q&A. As a reminder, all participants will be in listen-only mode and we will be taking the questions via Teams platform. The same is already open to you to submit the questions. You are requested to mention your name and the name of organization while submitting the questions.

I now hand over to Mr. Dhiman Gupta to take over. Over to you, sir.

Dhiman Gupta

Thank you, Anish. Safe Harbor statement, nothing material to report here. Our reporting segments remain the same. Commercial vehicle business is out I think last quarter post the demerger, everything else is the same. Next slide please.

In terms of key business highlights for the quarter, the domestic business has had a pretty busy launch calendar over the last couple of months, started with the launch of the Sierra, which got a phenomenal response. Punch, which is the leader in the subcompact SUV segment, received a phenomenal response in January. In between, we also had the launch of the 1.5 litre Petrol engine for Harrier and Safari, in addition to the diesel and Harrier.ev versions we already have. We also crossed 2.5 lakh EVs on road, that's another milestone. And a lot more exciting stuff that Shailesh is going to touch upon in the later half of the presentation. For Jaguar Land Rover, the topmost agenda for the quarter was to normalize the production post the cyber incident, but in between, there were also couple of exciting events, which showed the resilient and strength of its brand. The Defender won the Dakar Rally in its debut, in its class. We also had very positive reviews from the first media drive of the new Jaguar on the media platforms. Next slide, please.

In terms of consolidated financial performance, obviously tempered by the continued impact of the cyber incident at JLR, where we lost almost a month of production in Q3. Consolidated revenue came in at ~Rs. 70,000 Cr, 26% down year-on-year, and slightly declined quarter-on-quarter. The JLR

incident offsetting some of the strong robust topline growth that we saw in India post the GST rate cuts. And the EBIT margin still in the red. It was negative 4.7% for the quarter, slight improvement quarter-on-quarter, both at JLR and for the domestic business. The loss before tax for the quarter before exceptionals came in at ~Rs. 3,100 Cr. I would like to call out that this excludes exceptional for Rs. 1,600 Cr: Rs. 800 Cr at JLR - additional impact because of the cyber incident, Rs. 400 Cr one-time Wage bill impact for India business, and another Rs.400 Cr provision we have taken for the stamp duty impact. FCF for the quarter was at negative ~Rs.18,000 Cr, largely because of adverse working capital movement and operating profits at JLR. The cumulative cash outflow for the quarter is about ~ Rs. 37,000 Cr and that reflects in the consolidated net debt as well. Next slide please.

Already spoke about profit before tax for the quarter at negative ~Rs.3,000 Cr. The cumulative decline being ~Rs.9,000 Cr, almost all of it at JLR. The profit before tax for the India business flat on a year-on-year basis. Consolidated net debt for the group stands at ~Rs.39,000 Cr. The India business is cash positive at ~Rs.5,000 Cr, while JLR is at net debt of ~Rs.39,000 Cr. Next slide, please.

Richard, over to you, take through the JLR business.

Richard Molyneux

I'll pause on this picture for a second, because although it wasn't a quarter full of highlights, this was definitely one. So, as Dhiman said, Defender won the Dakar Rally. It's the world's most grueling off-road endurance race, and to win it at our first attempt shows the true class of the Defender vehicle. So, we're proud of that. We move on to the next page.

So, the financial summary is shown here. The cyber event cost us around 50,000 units of production, and that led to a wholesale result of 59,100 units in the quarter. The retails were almost 80,000 units. This drove revenue to GBP 4.5 billion, with average revenue per car, however, still rising. So, average revenue was GBP 76,000 per car, despite a weaker dollar environment. EBIT was minus 6.8%, better than Q2, though this is largely the effect of inventory build-down in Q2, relieving the balance sheet of some manufacturing costs, and that effect reversing in Q3. I have already seen a couple of questions on this, so I will explain a little bit more later on. I mentioned at the end of Q2 that the main cyber-related cash burn would be in Q3, and it was. So, lower sales combined with recovering systems that allowed us to pay overdue invoices from the cyber stoppage, and we also settled and paid most supplier claims before their December year ends, which amplified our cash burn in December. On a year-to-date basis below, including the effects of U.S. tariffs and cyber, we were minus 2.9% EBIT and negative just over GBP3 billion operating cash. As our plants are now back to operating at full pace, we will look to build this position back in Q4 to end the year within our guidance levels. Next chart.

As per usual, I won't cover this. I have covered all the points in it during my comments, and this is for your reference.

Next chart.

Wholesales by brand is shown here, all impacted by cyber, but the relative performance is largely driven by the ramp up sequence of our plants, with Nitra, the home of the Defender, being the first that ramped up, and Halewood and the Velar lines starting last. Hence, Defender wholesales were actually up on Q2, whereas Range Rover was down. On a full-year basis, Range Rover as a brand was down 25%, although that is led by the Evoque, which was down 41%. Defender is down less, and you

can see the effect of our run out of legacy Jaguar production as we turn full attention to the pre-production testing of the upcoming amazing cars. Next chart.

From a regional perspective, I referenced in Q2 that the long lead markets, especially overseas and China, had been protected from the immediate effect of cyber as they already had cars on the water. It was the UK and Europe that took the brunt of the hit in Q2, and therefore in Q3, this naturally normalized, with Europe and the UK both rising quarter-on-quarter, whilst China and overseas suffered from the hole in their inbound shipments. So, it's best to look at the year-to-date numbers where the UK and overseas have outperformed the U.S. and China on a relative basis. This reflects the pressures of tariffs in the U.S. and industry overcapacity, retailer margins, and luxury pushback in China. These are the two biggest car markets in the world, so when they both suffer simultaneously, the OEM's world gets very difficult. Next chart.

Walking from the same quarter last year when we made a profit before tax of GBP 523 million, so volume is the biggest element, 45,000 fewer units sold at 59,000 versus 104,000 last year. Duties continue to be year-over-year negative, cumulatively now with GBP 410 million adverse in the first nine months of the year, and this is only partially offset year-to-date by emissions. In the third bar, VME continues to grow as we try and secure order intake in retails in a very competitive environment. Retail incurred rates was 7.7% in Q3 versus 4.2% last year, with the biggest deterioration being in China. Whilst we continue to make some progress on material costs, we had two significant warranty bookings for campaigns and buybacks that drove warranty higher, as you can see here. In structural costs, I mentioned the P&L effect of restocking, and finally dollar weakness continued in the quarter, and it combined with an upward re-rating of key raw materials. Though hedges offer short-term protection to these trends, if they turn structural, then that is another challenge for us to face. Next chart.

Walking from EBIT through to cash, we delivered GBP 166 million cash profit after tax. Investment spending rose versus artificially low Q2 number as we paid invoices that were stuck through the cyber incident and made accelerated capital payments to a series of suppliers ahead of their financial year ends. Working capital was significantly negative from the inventory build-up and the lower volume quarter. Cumulative year-to-date working capital is c. GBP 1.25 billion negative, although a proportion of that will reverse in Q4. Next chart.

I mentioned investment earlier. And we are still in a heavy investment spend period as we build-up to multiple product launches over the next 24 months. Engineering capitalization ratio at 60% is lower than recent quarters, and that is due to the effect of cyber, meaning engineers were not able to progress work on vehicle programs that have passed their capitalization hurdles. This will grow back from Q4. Capital, I have already referenced, was above trend levels in the quarter, but will also revert back to normal in Q4. Next chart.

So, to the business update.

Again, next chart. Looking forward, we have to face reality. The environment in which we are operating has changed rapidly and almost universally in an adverse direction. We recognize this will require us to adjust our business model, and we will share much more on this in our Investor Day in June.

In terms of the main issues, the first nine months of our financial year saw us pay an additional GBP 410 million in tariffs, and a bout of dollar weakness reduced the sterling value of the remaining dollar revenues. In the same months, we paid GBP 375 million more on sales allowances to drive order intake and retails. Emissions regulations outside the U.S. keep biting harder and harder year after year, and the UK government restricted on the spend side are significantly increasing the tax burden.

And finally, in China, we have seen a 26% reduction in volume year-over-year, more of which on the next chart. Combined, this picture is not a very constructive business environment for JLR to operate in. Next page.

For China specifically, here is a little bit more background. On a market, it's highly dynamic and has spillover effects on almost all global markets other than the U.S. It's the biggest car market in the world, and at the premium end is shrinking, as you can see down 21% year-over-year, with luxury taxes hitting the very top end and domestic new energy vehicles attacking the bottom. A slowing market and rapid capacity build out has also led to a supply-demand imbalance in the market that is driving thousands of retailers into insolvency. You can see 5,000 there last year alone. This is not a short-term boom-bust cycle. This is structural and permanent in China, and JLR has until very recently weathered the storm well with volume reductions lower than the market. But in recent months, we've suffered more severely. Our plan is simple. Manage retailer inventory to protect sales quality, drive demand through brand development, and leverage the run-out of our locally produced cars to focus purely on profitable imported models, with our JV leveraging Freelander in the more mainstream market segments. So the final chart.

Thank you. For the balance of the year, we have got 53 days to go. And whilst it's true that I can see more risks than opportunity as of today, we are reconfirming our guidance of greater than 0% EBIT and free cash flow in the range of negative GBP 2.2 billion to negative GBP 2.5 billion. We'll give you an update on FY27 and beyond at a later date, and that is another really good reason to attend our Investor Day that is going to be held in mid-June.

For now, that's all from me. I'll hand you back to Dhiman and Balaji. Thank you very much for your time.

Dhiman Gupta

Yeah, Anish, next slide.

Moving on to the domestic business, I think the first half of the year was a challenging time when we had seen demand slowdown, especially in the less than 4 meter segment and our market share had reflected that - as shown in the graph over FY25, as that's the segment that we had the maximum exposure to. Post the GST cuts, we have seen a continuous strong rebound in our market share, which has improved about 1.5% from Q1 FY26. We are mostly in the best position from a CAFE mix perspective, with a very balanced exposure towards petrol, diesel, EV, and CNG. Penetration in EV and CNG continues to improve, and in the year-to-date FY26, the penetration of EV and CNG stood at 43%. Next slide please.

In terms of the electric vehicle business, very strong growth year-on-year, about 50%, with volumes moving on from 16,000 per quarter to 24,000. There was a slight concern on the sustainability of EV demand, because the GST rate cuts made the TCOs adverse, but the early signs are that our demand still remains stable. Our strategy of having EVs at various price points, plus all the value enhancements we are doing, as well as the lifetime warranty, has played out very well in the last couple of months and we have seen almost a 10% market share gain since Q1 FY26. Next slide please.

In terms of financial performance, 24% topline growth. This was on the back of the record offtake volumes of 170,000 that we had in Q3 FY26. Demand continues to be very strong and we're looking for a positive end to this year. I think Shailesh is going to cover it. EBITDA margin and EBIT margin for the quarter stood at 7% and 1.2%, respectively, about a 1% gain on a quarter-on-quarter basis. Profit before exceptional items and tax stood at Rs.300 Cr flat on a year-on-year basis. Next slide please.

As I mentioned, our PBT (bei) year-on-year was flat about Rs. 300 Cr. We saw significant gains coming through from volume and mix on back of the rising demand. We also had about Rs.178 Cr of increase coming in from incentives. Our incentives for the quarter stood at Rs. 361 Cr and accruals for the year stood at Rs.573 Cr. The accruals for PLI, I guess the obvious question is, what would be the steady state quarterly rate of PLI, but that's difficult to comment, because the accruals end up being a little volatile depending on when we receive the incentives and the certifications for our products. The gains that we had on PLI and volumes were partially offset by adverse realizations year-on-year, the high fixed marketing expenses that we had to sustain for a very busy launch calendar, the D&A year-on-year was also about Rs.120 Crs higher. Largely because we hit the SOPs of Sierra, Punch MCE, and Harrier, Safari petrol engine in November-December itself so that we are ready for supplies in January. But the quarter-on-quarter impact next quarter will be much lower. Moving on to the next slide. Shailesh?

Shailesh Chandra

Thank you, Dhiman. So starting with the industry, in Q3, the PV industry saw the highest ever offtake of nearly 13 lakh. This was on the back of festive period and GST tailwinds. The industry has been growing at a strong double-digit pace post GST 2.0, and that has been around 20% growth year-on-year in quarter three. Also, because retails were significantly higher than offtakes in Q3, channel inventory reduction has also been significant across OEMs and roughly 10 to 15 days of reduction one would have seen in quarter three. Also post GST 2.0, there has been secular growth across segments. Almost all vehicle segment and sub-segments have grown double-digit. In particular, few segments have grown sharply, which include the compact SUV, sub-compact SUV, mid SUV, and a few more. Coming to EVs, the EV industry has been growing sharply in FY26. And the growth was sustained in quarter three with 76% growth year-on-year. And this growth has been a result of new launches and a general positivity on EVs. Talking about Tata Motors performance, we recorded our best ever quarterly performance with a wholesale of ~171,000 and retails crossing for the first time 2 lakh mark, a growth of over 22% compared to quarter three of the previous year. The momentum sustained in Jan-26, where we achieved all-time high monthly sales of 71,000 units, reflecting a 47% year-on-year increase. As per Vahan data, we rose to the number two position in the Indian market with a 13.8% market share, which was an improvement of 100 bps versus Q2 of this financial year. In EVs also, we achieved our highest ever retails in Q3, driven by over 10,000 retails in the month of December. We also saw an improvement in our market shares in EVs with an exit market share of about 46% in December. Among our products, Nexon saw very strong demand of over 63,000 in Q3, emerging as the highest selling model in India. Punch also featured among the top three SUVs with the strong demand momentum post GST. Next slide.

Over the past few months, we have had several critical launches that will be key growth drivers for the business in quarter four and beyond. The highly anticipated Sierra launched to a very positive response. It secured 70,000 bookings on the first day and continues to see strong booking momentum. As we ramp up production for Sierra over the coming months, we will be able to serve this demand pipeline. And this will be a key growth driver for us. The launch of Punch facelift will strengthen traction for what has already been a very popular product. With the fresher aesthetics and enhanced competitiveness, Punch already recorded its highest ever volumes in Jan-26, backed by robust customer demand. Introduction of petrol variants for Harrier and Safari has widened our reach in the segment, enabling us to cater to a broader set of customers. We are seeing strong initial response for the petrol variants in the key markets. We also re-entered the fleet segment with petrol and CNG versions of Xpres, which will help us tap into the growing fleet segment. The key focus areas going forward, we are optimistic that industry will continue to witness sustained positive demand

trends and Tata Motors PV is well-positioned to maintain its growth momentum, supported by a healthy order book for current models, disciplined inventory levels, and incremental volume from recent introductions. In terms of EVs, growth will be sustained on the back of a reinforced portfolio and focused efforts on mainstreaming, including the charging infra. We will scale up production for Sierra to meet the strong customer demand, and from a profitability perspective, we will improve profitability through operating leverage from higher volumes, a richer product mix on the back of Sierra, Harrier, Safari interventions, and sustained structural cost optimization to offset commodity headwinds and enhance contribution.

So, back to you, Dhiman.

Dhiman Gupta

Moving on to the free cash flows for the domestic business, we have seen it about Rs. 300 Cr. The cash profit after tax less investment spend was adverse by about Rs.200 Cr, but there were positive working capital changes in the quarter on the back of high demand, resulting in FCF of ~Rs. 300 Cr. Next slide please.

Our total investment spending year-to-date is about Rs.3,800 Cr, running at a steady rate, and total Capex investments year-to-date has been about Rs.3,100 Cr. We expect to end the year somewhere around Rs. 4,200 Cr to Rs. 4,300 Cr for the full year. Next slide please.

Moving on to the outlook for the businesses of the Group, obviously it has been a very challenging last couple of quarters for the Group on the back of the U.S. tariff in Q1, followed by the cyber incident. H1, was also pretty weak for the domestic business when there was a demand slowdown. However, we plan to end the year on a strong footing with the JLR production normalizing, a very strong demand recovery in India, and the JLR brand remains strong and resilient, which is very critical as it navigates all the geopolitical uncertainties as well as executes its enterprise missions. In India, the refreshed portfolio and the new nameplate is introduced on the back of a very strong demand recovery. This serves very well to leverage the demand fully, as well as we are going to accelerate our structural cost reduction programs that Shailesh mentioned to improve on our profitability. Thank you.

I would also like to mention that we have our Investor Day sometime in June 2026, and just wanted to give that heads up so that you keep a look out for the dates that we will separately intimate

Question And Answer

Dhiman Gupta

Moving on to the Q&A section, a couple of questions already lined up. Richard, the first set of questions coming your way. First one is, where is the breakeven in FCF for JLR in terms of wholesales per year? I believe it used to be around 325,000 units per year. Is that the case? How is your order book at the end of Q3? VMEs have significantly increased year-to-date, reaching 7.7%. Where and when do you see them reaching peak levels?

Richard Molyneux

Okay, so let me go through that set of questions. So, it's fair to say that this year our cash breakeven is significantly above 325,000 units, but that's a metric that's best used prospectively to judge how well the business is performing rather than retrospectively. Prospectively we will give you a proper update on FY27 and the years beyond in our Investor Day in June, so probably defer further

conversation of that until then. Our order bank is in a decent place at the end of Q3 and is higher than it was at the end of September, so we are building order intake relatively strongly. And I think the power of our brands is our biggest advantage, and I did mention the Dakar win early on, we are already seeing a direct influence of that on the order intake on Defender. So, Defender order intake is now around 10,000 units a month from the global press coverage and brand enhancement that things like Dakar have. So, we will focus on continuing to grow our brand and use that to pull through some of the problems that we face. But we will keep needing to spend money on VME, that's the third part of this question here. It did reach 7.7% in Q3. I expect it may go up marginally in the next six months, but after that point in time when we have run through the Jaguar's and we're starting to think through launching new vehicles, I would expect that to cap and start to come down. So, the peak level relatively close to that 7.7%. And in terms of your fourth part of your question, in the bond market, look, we're assessing it. I don't have anything to announce at this stage, but we're definitely looking at it.

Dhiman Gupta

Okay. Richard, can we take up a second question also from Kapil. JLR gross margins can you please explain the sharp improvement quarter-on-quarter, even high VME, what is the outlook on account of commodities and semiconductor prices?

Richard Molyneux

Okay. So, look, gross margins, the explanation is simple and complex at the same time. Whenever you build down inventory, you take manufacturing cost out of your balance sheet and charge it through the P&L. Whenever you build up in inventory, the reverse happens. So, in Q2, we destocked massively, because we weren't producing any cars. So, that meant that the P&L took a charge from the balance sheet for fixed manufacturing and other overheads. In Q3, that reversed. That's the main cause of the difference in gross margin. It's simply a timing effect and the stocking cycle. You can see the flip side of that in our working capital numbers, because our working capital grew rapidly in Q3.

P.B. Balaji

So, just to support it – take a look at the EBIT bridge that Richard has called out. It actually teases out the various line items in greater detail. What's it on mix, what's it on emissions, what's it on warranty, what's it on the labor and overheads that Richard just referred to. I think that will give you a good color on how the flow is happening. And beyond EBIT, we also have the impact of the currency as well. So, I think as you understand that sheet better, I think it'll give you all the answers that you're looking for.

Dhiman Gupta

Next set of questions from Jinesh, Richard, sending it your way. How do you see increasing competition from local brands in the luxury car segment? JLR debt has increased substantially due to operational disruptions. Do you expect to go back to net cash position in the next two-three quarters? How has tariff transmission strategy evolved considering demand, environment, and production disruption? I think VME, you kind of already explained, you can skip that. Given the transitory and structural challenges, is there a case to revisit your Capex guidance? FCF guidance implies 4Q, FCF for 0.5 billion to 0.8 billion. Does it imply that 4Q production, wouldn't it have to be normalized?

Richard Molyneux

Okay, I'll start at the top. Well, in China, there is definitely a squeeze on the luxury segment, and that

is a squeeze from below in terms of the local new energy vehicles, but also a squeeze from above in terms of a general move away from luxury by the Chinese authorities, which is evidenced partly by their increase in luxury car tax thresholds in July, where they basically levied an extra 10% duty on all cars with a transaction price between RMB 0.9 million and RMB 1.3 million. So, there is a bit of a squeeze going on, and you can see that in all OEMs data in relation to China. We are going to make sure, as I referenced earlier, we do not overstock that market and that we rely on the power of our brands to pull through sales. Accepting that in the short term, that is going to mean that we hurt a bit in China, but we will protect that market for its long-term abilities to grow. Our debt has increased. It will certainly not get back to net cash over the next two or three quarters. That is going to be something that takes a little bit more time. You can see from the fact that we started the year with GBP 250 million roughly of net cash. We will lose in our guidance between GBP 2.2 billion and GBP 2.5 billion FCF and additionally paid a dividend of circa GBP 450 million during the year. So, you can work from that where we will end up this year; and then, as I said beforehand, we will give you guidance on FY27 and beyond in our investor day, but is not something that is going to disappear over the next two to three quarters. It is more embedded than that. Tariff transmission strategy, it's a good question, but one that is really difficult to answer. So, we did increase our prices in the U.S. and we increased things like delivery charges and various other mechanisms to try and recover some of the duties. Market forces then overtake and what you find is we are probably compensating a fair amount of that now in terms of increased VME, as all manufacturers globally suffering in China and some other markets, look at those markets, which are still robust and try and push sales. So, it's a really good question. It's not quite so easy to answer in terms of how much of our price increases from the tariff changes have actually stuck and how much have been compensated by other market forces. Next one, yes, it was partly due to the Jaguar phase-out. So, the only vehicles in Jaguar that we are currently producing, and that's only for another few weeks, is the F-Pace, where we are building some stock for the U.S. market. Other than that, we are literally in the run out of all old Jaguars. I have mentioned VME before. Capex guidance, I think, will be GBP 3.6 billion, GBP 3.7 billion from what I can see today. And your point around FCF is correct, that GBP 0.5 billion to GBP 0.8 billion positive is where we are heading and what we need in order to meet the numbers that we have committed to, and Q4 production has normalized. So, the majority of our business is focused on Range Rover, Range Rover Sport and Defender. Those vehicles, the first two were produced in Solihull. The last one is produced in Nitra. All of those plants are now back fully running at capacity and there are no residual cyber issues in those two plants. So yes, Q4 will return to normal. I mentioned beforehand that we took exceptional charges related to cyber in Q2 and Q3. We will not do so in Q4.

Dhiman Gupta

Thanks, Richard. Moving on to the next set of questions on JLR, how do you see CY26 outlook for North America, Europe, U.K. and China? Can you indicate launch timelines for RR EV? Can you indicate Q3 production of factory inventory, and is the production going to be around 110,000 and I think some commentary around incentives in the U.S.?

Richard Molyneux

So, I've tried to cover demand generally. China is definitely the most challenging market at the moment. The rest of them are okay, but not a lot better than okay. I think I would say. Where's that question disappeared to? Sorry, if you could keep it up on screen that would really help me.

Dhiman Gupta

Just hold on Richard. Just a minute.

Richard Molyneux

Okay. Well, I'll tell you what, let me go into product launches. No, here we go. I'll wait.

PB Balaji

One second, Richard. Just hold on now.

Richard Molyneux

That's all right. I'll hold it. I'm trying to see if I can find any questions for Shailesh and Dhiman.

Dhiman Gupta

I'll take the next question.

P.B. Balaji

Yeah, go for it. Pick it up.

Dhiman Gupta

Shailesh, the next question coming your way; for India, how much was the commodity impact expectation for Q4? What was the blended price hike in January? Can you indicate the blended discounts for per vehicle in Q3? What is the current outstanding volumes for Sierra and what would be the current capacity? Will March capacity be at 15,000 units?

Shailesh Chandra

There are multiple questions. Can you just -- just go one by one, please?

Dhiman Gupta

First question, how much is the commodity impact expectation for Q4?

Shailesh Chandra

So, we can't give guidance of what the commodity expectation was for Q4, but generally we have been seeing even in the last few quarters it has been about 1.7% to 2% of our revenue. We are still assessing what is going to be the impact in Q4. What was the next question?

Dhiman Gupta

What was the blended price hike taken in January?

Shailesh Chandra

We haven't taken any price hike in January. We are yet to take, but in February, we are going to take. The exact percentage increase we are going to announce whenever we take it.

Dhiman Gupta

Can you indicate blended discounts per vehicle in Q3?

Shailesh Chandra

Blended discount would be, somewhere around 3.5% to 4% of our revenue.

Dhiman Gupta

And also, that's not all the consumer discount, it also includes the industrial deals.

Dhiman Gupta

What is the current outstanding booking for Sierra? What would be the current capacity and will we be increasing the capacity to 15,000 units a month by March?

Shailesh Chandra

Yes, we can't share with you the current status of the bookings, but I can clearly tell you that 70,000 is what we had announced on 16th December. It's, of course, in six digits. As far as the capacity is concerned and ramp up, I think in Jan we were able to supply about 7,000 units and the deliveries started only from 16th Jan. So, we are clearly in a ramp up phase and the first, even before I talk about in-house ramp up, the first level problem is, on the supply ramp up from the suppliers itself. And also, there is a clear signal that one is seeing that industry volumes have also increased from 350,000 to nearly 420,000 a month in the last three-four months we have been seeing. And therefore, at Tier 1 to Tier 3 supplier level, especially, let's say, for example, castings and all, we are seeing that there is general capacity constraint that is coming. So, we are working on enhancing the capacities and ramping up the supplies from the suppliers. In-house capacity ramp up is happening to the extent of capacity, which has been dedicated to Sierra in our Sanand 2 factory. But we are also increasing the capacity further in two phases in the next five to six months. And therefore, the waiting period, which today would be, say, around six to seven months, should progressively come down as we ramp up and further ramp up with the enhanced capacity in the next five to six months. So, that's broadly the commentary on the status of Sierra, bookings and capacity ramp up.

Dhiman Gupta

And move on to the next question. That's from Kapil. How much PLI was accounted in the quarter and what was the percentage of the portfolio getting PLI?

So, Kapil, I think we put that in the IR deck, the total PLI for the Q3 was about Rs. 361 Cr and Rs. 573 Cr for year-to-date in the first nine months. And about 40%-45% of our revenues are eligible for PLI incentives and that's what we are accruing and that should go up even more when we move to Harrier docking.

Shailesh, I'll direct the next question to you as well, I think current booking numbers, I think Shailesh already answered the question on bookings and capacity for Sierra. The next question is on how to look at guidance for demand on Harrier and Safari volumes post the 1.5 litre petrol launch, how are we thinking on Curvv volumes post the Sierra launch? And how do you see growth outlook for domestic PV industry and Tata Motors for next quarter and FY27, how does the product pipeline post Sierra look like?

Shailesh Chandra

Okay, the first question was on?

Dhiman Gupta

First question was on how do you think of the demand for Harrier

Shailesh Chandra

Harrier, so yes, Harrier, I think petrol is going to - indications basis, the bookings that we have, which has been flowing is about 30% to 35% of our volume should come from petrol. Right now, we are

again on the ramp up phase, because as I said that there is common engine sharing between Sierra and Safari, so we are distributing in a balanced way the engine supply. So, again it's more of capacity side issue, which I think we will be able to overcome in the coming months. So, strong bookings, extremely strong, strong bookings we are getting for Harrier and what we are realizing that these customers were only looking for petrol, there is no overlap with diesel or electric is what we see. As far as Curvv is concerned, there are certain interventions that we are taking on the product and we are particularly seeing, December onwards we saw that there has been uptake in the demand for this Rs.15 lakh to Rs.20 lakh segment of EVs in which Curvv.ev falls and we have seen a significant spurt of demand there. And I would say that Curvv is a car, where it's a unique design, first time being seen in India and therefore, it's going to take time just like we had seen for Nexon, when you bring a new design, it takes time for design to be assimilated and accepted in the market, so we are quite optimistic about Curvv going forward progressively increasing in volumes. What was next question, Dhiman?

Dhiman Gupta

So, the next question was how are we looking at demand?

Shailesh Chandra

Yes, 2026 and Q4.

Dhiman Gupta

Yeah.

Shailesh Chandra

So, the first month of quarter four was about 14% growth for the industry, we were at about 46%, we clearly see that the growth of industry in Q4 will be around 13% to 14% kind of a zone. We should be 40%, roughly that kind of a growth rate. So, we expect that for FY26, therefore, the industry would grow by about 8% to 9%, rough estimate, I would say. Whereas for us, we should be somewhere in mid-teens. So, it would be a double-digit industry-leading growth for us.

Dhiman Gupta

Okay. And if you could take the last question, Shailesh, how does the product pipeline look post-Sierra?

Shailesh Chandra

Yeah. So, I think this is something which you will have to wait for. There are clear nameplates, three nameplates that we have talked about in the next 4-5 years. But beyond Sierra, we are also going to get a lot of refreshes, model-year interventions, and also the mid-cycle enhancements for the current portfolio also. And of course, there are EVs, which are going to come, this Punch EV, which is going to come very soon. You have Sierra EV, which is going to get launched. And as I said, mid-cycle enhancements and new launches, which we'll talk about later on.

Dhiman Gupta

Okay. Shailesh, one last question before I move back to Richard. How do we assess EU trade deals implications for the India auto sector? Does it potentially cap Tata Motors premiumization trajectory in the UV segment? And conversely, are we revisiting localization strategies for the JLR portfolio?

Shailesh Chandra

Okay. So, first part I'll answer. We have very less details about the European trade deal. But basis, whatever we are reading and whatever information we have, we clearly see that it's not going to impact in any big way as far as our strategy and journey of premiumization is concerned. Any player,

who has to compete effectively in India will have to localize with whatever we are reading in terms of the duty rates, which will still remain. So, there's no impact immediately for sure. But over a period of time also, not localizing in India will have a difficult strategy from a strategy perspective for any player. By just exporting, it will be very difficult. But yes, it does give, some flexibility for big players from Europe to experiment with few models in India before they commit to investments here, is what we would say.

P.B. Balaji

Building on Shailesh's point as far as JLR localization strategy is concerned, you recollect we already have localized Range Rover and Range Rover Sport here in India in terms of CKD manufacturing. That strategy, obviously, from a commercial perspective, whatever makes sense is what we will do. So, we will continue to see how the thing evolves. Before the EU deal does anyway, there's already the UK deal. That's what the first one that's primacy for us, which we need to see how best we can leverage it to the best of our ability. So, very much work in progress on that front and we'll talk more about it in the Investor Day.

Dhiman Gupta

Yes. I think moving on to the next question, I will go back to Richard. any insight on product launches along with rough timelines in FY27 for JLR, especially Range Rover EV, and Jaguar ramp-up.

Richard Molyneux

Yes. Of course. So, look, plans are always adjusting, but as of now, we're going to launch the Range Rover Electric this year and start delivering to customers. And we'll also unveil the new production Jaguar car this year. And finally, also unveil the first car off our EMA platform. That's a unique new model from the Range Rover family that's going to get built at Halewood. So, we are approaching a really, really busy launch period for JLR in the next couple of years. Again, we'll give you more details on timings etc. at the Investor Day.

Dhiman Gupta

Yes. Moving on to the next question from Binay. I think some of these questions have already been taken up by Richard. Our next quarter is going to be a normal quarter for JLR. I think on PLI incentives accrued for the quarter and year-to-date have also been answered. I think a few questions from Binay and Gunjan on EV margins. I think the EV margins move up and down depending on the rate at which PLI is being accrued. And it's not a normal rate. So, I will kind of request you to reach out to the IR team and we can take you through the details.

Yes. Richard, next question, I think you've partly answered, but if you could take this up on, can you cover how we should think about VME and warranty costs, which have continued to go up?

Richard Molyneux

Yes. So VME, I think, is an industry trend at the moment. As I have mentioned, there are, the China market is shrinking for many OEMs and that is increasing pressure in other markets for all OEMs to try and access the sales. So, I mentioned beforehand, I do think it is near peaking, but it may have a little bit further to go over the six months. So, nothing more to say other than that at this point.

Dhiman Gupta

Okay. Next question from Nishit, how are the dealer inventory levels across markets? Are they much below normal given that we've not been able to supply? Next question, I think VME questions, you

have already answered a couple of times. Warranty expenses remained high at 7.7% of sales, any quarterly related one-offs there? And how could you sustain it in the next one or two years? And the last question, how should one look at sustainable EBIT margin levels between FY27 and FY28?

Richard Molyneux

Okay, so I'll try and cover this. Dealer inventory levels, certainly in some markets such as the U.S. are fairly low at the moment. I was in the U.S. earlier this year and there are large numbers of dealers, who normally would have vehicles all over their front lots, where it was fairly empty. So, dealer inventory in the U.S. is tight. We are filling it now, but it has been fairly tight as we work to basically refill our supply chain following cyber. That is temporary and it will relieve itself during Q4. There was a question I can remember on warranty, and yes, there were one-offs in this quarter to the tune of c. GBP 100 million related to one-offs in campaigns and buyback provisions in the USA. So, we are not running at a normalized rate of 7.7%. It is a lot lower than that and we intend these one-offs to stop as quickly as we can.

Dhiman Gupta

Moving on to the next question, I think from Rakesh, I think first half of the question is kind of already taken. Moving on to the next part, can you please update on Freelander rollout plan? It appears it is going to be sold outside China as well, and which all markets and the royalty income arrangement?

Richard Molyneux

Okay, so Freelander is also going to start production I think this year. It will be initially for China only, but when we announced Freelander, we did say it would be available for global rollout over time, and that I think is still the case. It will be managed by our joint venture in China between ourselves and Chery, and look, obviously there is a royalty arrangement within that. I am absolutely not going to comment on what that is. However, we are very much expecting that vehicle to be, or that vehicle and vehicles, because it won't end up as being just one to be a big success.

Dhiman Gupta

Okay. Thanks, Richard. The next question, also your way, EBIT margin guidance was 5% to 7% before the cyber-attack. What would the range be possible ahead? Our key models, Range Rover, Range Rover Sport, and Defender are in niche premium categories. Its competitive intensity from Chinese OEMs high in these categories in North America, Europe, and China, and media reports indicate Chery Automobile is in early-stage negotiations to use JLR production capacities in UK and any comment on that?

P.B. Balaji

So, the second one. The second one, we don't comment on speculative reports, so wouldn't want to comment on that. Richard, the first one, I'll give it back to you.

Richard Molyneux

Yeah, so absolutely right on that. So, EBIT margin 5% to 7% before the cyber-attack. Always difficult to say. I would suspect we would have been close to the bottom end of that range before cyber. The fact that foreign exchange, a little bit of VME etc have moved to adverse to us quite significantly over that period means I think we would have been around the bottom end of that. In relation to Range Rover or Range Rover Sport and Defender, look, Chinese OEMs are coming, and they're coming globally. So far outside of China, there hasn't been that much of an impact in terms of the segments of the markets in which we operate. Because the one thing Chinese OEMs do not have is brands. And brands is where we are focusing, our unique selling point, along with the capabilities of the

vehicles, which sort of emphasize those brands. So, there's two choices. Either the world goes completely protectionist, in which case they're protected from Chinese cars, but with considerable disadvantages, or it goes free trade. JLR prefers a free trade model. It is a better model for JLR, and we welcome competition. It will force us to be better. So, are we concerned? Yes. Are we paying close attention? Yes. Are we frightened? No.

Dhiman Gupta

Okay. Shailesh, next question from Kapil, your way. We mentioned that margins will improve from Q4 FY26, led by Sierra launch and price hike in Jan-26. How much price hike have we taken? Can you please give an update if you are on track to improve margins in light of commodity pressures?

Shailesh Chandra

So, as I said in one of the earlier replies that we are going to take price increase this month. And we will be able to tell you the extent of price increase whenever we take it. Sierra, of course, has enhanced our margin. Also, the VME, which was very high in earlier quarters, has come down. So, you can clearly see while the commodity price pressure remains. But as a result of all these actions and the tailwinds that we have in quarter four with very low inventories at the start of quarter four, so you can definitely expect a much better margin as compared to what you had seen in Q3..

Dhiman Gupta

Thank you. And Shailesh, I'll hand it back over to you to take the last question for the day. From Kapil, is there a big change in first-time buyers for Tata Motors and for the industry after GST cut, which segment of cars are first-time buyers going for more?

Shailesh Chandra

I cannot give you offhand what has been the increase in first-time buyers, but yes, there is a delta increase that we have seen in first-time buyers. Maybe separately we can ask the Investor Relation team to give that information to you. But the segments which have really responded well, post-GST 2.0, I also mentioned it seems, is the subcompact SUV and the compact SUV segment, which has seen growth much higher than the average growth that we have seen of 20% in this segment. Maybe these two segments would be more upwards of 30%, or maybe 25%, 26% or so. So, these are the two segments, which I'll say in the less than four-meter category which has seen significant traction. Post GST 2.0, I think mid-size SUV segment also has seen a growth better than the average growth of the industry, but that is also to do with the new launches. So, it's a combined effect of new launches as well as general reduction in GST rate.

Dhiman Gupta

Thank you. Thank you, Shailesh, and that brings us to the end of the Q3 FY26 call. See you on the call next quarter, and in between, you should hear from us informing you about the details of the Investor Day in June. Thank you and have a good evening.

Note – this transcript has been edited for readability & any inadvertent errors.
