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Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

November 18, 2025
Sc no.- 11

Dear Sir/Madam,

Sub: Transcript of the Earnings Discussion/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 and further to our letter bearing sc no. 3 dated November 12, 2025, we are enclosing herewith the transcript of the earnings/conference call conducted after the meeting of Board of Directors held on November 13, 2025 on the Audited Standalone Financial Results and Unaudited Consolidated Financial Results of Tata Motors Limited (formerly TML Commercial Vehicles Limited) ('the Company') for the second quarter ended September 30, 2025.

The above information is also available on the website of the Company at www.cv.tatamotors.com.

This is for information of the Exchanges and the Members

Thanking you.

Yours faithfully,

Tata Motors Limited
(formerly TML Commercial Vehicles Limited)

SUDIPTO KUMAR DAS
Digitally signed by SUDIPTO KUMAR DAS
Date: 2025.11.18 12:09:33 +05'30'

Sudipto Kumar Das
Company Secretary

Encl: as above

Tata Motors Limited (Formerly known as TML Commercial Vehicles Ltd)

Q2 FY26 Earnings Call transcript

Management:

- **MR. GIRISH WAGH, MD & CEO, TATA MOTORS LIMITED**
- **MR. G.V. RAMANAN, CFO, TATA MOTORS LIMITED**

Presentation

Sneha Gavankar

Good day and welcome to Tata Motors Limited Q2 FY '26 Earnings Call. I have with me today Mr. Girish Wagh, Managing Director and CEO; Mr. GV Ramanan, CFO and the Investor Relations team. Today we'll 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 questions by Teams platform. The same is already open to you for submitting questions. You are requested to mention your name and the name of your organization while submitting the questions. I now hand over to Mr. GV Ramanan. Over to you Sir.

GV Ramanan

Thank you, Sneha. Can we go to the next page, please?

So, this is our standard safe harbor statement, and I just want to draw your attention to the accounting standards para adding the prior period financials in this presentation, they reflect the impact of the demerger as it has just been effective since the Company's incorporation that happened in June 2024. Accordingly, the Q1 numbers that are included here within H1 FY25 numbers are derived numbers. In terms of our presentation format, there are no changes to the segment definition. It remains the same as in the past, and we've listed the details clearly there. On the consolidated financial statements, they include the un-allocable and other items that are not specific to the commercial vehicle segment. These comprise largely corporate function and other subsidiary and associate companies, which are clearly listed here.

Can you go to the next page, please? The key highlights for Q2, very happy to share that we've passed the entire GST reduction benefit to customers through the price cuts. And as OEM, we were the first to kind of go off the block on this. This contributes to achieving the government's objective of accelerating economic growth. Our portfolio has expanded with new launches, especially Ace Gold+ Diesel, Wingers Plus and a couple of trucks, which clearly address diverse customer needs. We expanded mobility leadership in Sri Lanka with the launch of 10 new trucks and buses to meet the market needs. Electric mobility is a key focus area. We signed an MOU with green energy mobility solutions to supply 100 Magna EV intercity coaches. We have started delivering 148 Starbus EV buses to BMTC, supporting Bangalore's e-mobility drive. The EV ecosystem has been strengthened with over 25,000 public chargers in 150-plus cities for electric SCVs.

Next page, please. Q2 FY26 was full of significant corporate actions. We successfully completed the demerger with Effective date of 1st October. And as committed previously, we are pleased to share that the listing of the commercial vehicle business is also completed and now listed as Tata Motors Limited with the ticker TMCV on both BSE and NSE. On the Iveco acquisition, the regulatory approvals are underway and the initial funding through bridge loan has been secured. We would like to thank all our banking partners for the overwhelming response in this regard. To further reinforce our commitment to accelerate AI-led freight transformation and digital logistics, the company has invested an additional ₹134 crores in Freight Tiger, bringing the total investment to now ₹284 crores.

Next page, please. The Q2 wholesale performance. This slide provides a detailed breakdown of our wholesale across period and product lines. Q2, we had a good quarter where wholesale clocked 97,000 units, which was up 12% year-on-year with increase in volume across product lines, and we outgrew the industry. Double-digit growth in IMCV and SCV product line and demand drivers gained momentum. Exports grew by a solid 75% on a Y-o-Y basis, mainly led by the SAARC countries, especially Bangladesh, Nepal and Sri Lanka. With a quarterly volume of 7,600 units, our international business is back at pre-Covid levels of FY'20.

Next page, please. On the Vahan market share, our H1 stands at 35.3% with steady share across product lines. After a subdued Q1, trucks' market share rebound strongly from the second half of Q2. SCV, while the shares remained flat, we witnessed healthy retail growth on the back of new launches. We expect this to continue. On CV Passenger, we have a strong pipe line to recover our market share.

Next page, please. For the financial highlights for Q2, the revenue was at ₹ 18.4 crores, up 6.6% Y-o-Y, with a double-digit EBITDA at 12.2% and PBT at ₹1,700 crores.

Strong ROCE performance continues with Q2 ROCE at 45%. Margin expansion continues with EBITDA up 150 basis and EBIT up 200 basis year-on-year.

Next page, please. On this slide, you would see the EBIT walk. The PBT increased by ₹ 469 crores Y-o-Y, with EBIT margins at 9.8%, which is a 200-bps growth Y-o-Y. The higher volume and favorable realization significantly contributed to margin improvement. The savings in fixed cost led by lower D&A clearly insured cost is under control, and this has delivered an EBIT of 9.8%.

Next slide, please. Q2 FY'26 saw a strong free cash flow of ₹2,200 crores. This is led by a sustained operational performance and working capital gains owing to higher volume. H1 FCF was a record ₹417 crores. This is the highest ever with strong cash profit after tax of ₹ 4,200 crores. We expect our FCF to be consistent with the likely growth in H2 volume. Significant reduction in interest charge as a result of deleveraging, our interest cost has been kind of coming down, and you will see that quarter-on-quarter.

Next slide, please. This slide basically highlights our journey of achieving significantly higher and consistent cash flow. There have been structural shifts in business, which will continue to drive the FCF performance. The key levers for driving superior performance on FCF, as you would see the first box on the left side, the scale has gone up significantly. Our revenues are at a level of ₹ 75,000 crores, For CAGR itself over FY'22 was growing at 13%. Our absolute EBITDA has expanded 5x since FY'22, and we've delivered consistent double-digit EBITDA margins. Continuous focus on noncyclical business has helped achieve sustained cash performance and our noncyclical business is high margin and high ROCE business. Prudent Capex spends, which are well within the guidance range that we had given of around 2% to 4% of revenue. This will continue to be in this range, and we have been very prudent as majority of the spends are largely on decarbonization and circularity initiatives. Our pivot towards profitable growth cost optimization efforts and strong working capital discipline has helped achieve an FCF of 10% as a percentage of revenue in FY '25. In absolute terms, that translated to ₹ 7,400 crores. This highlights the ability of the business to deliver consistent cash even in a scenario such as FY '25 when HCV volume witnessed a drop of around 9%.

Coming to the consolidated financials. This is a clear snapshot of our consolidated financials. Our Q2 revenue was at ₹ 18,600 crores, with EBITDA at 11.4% including the impact of acquisition-related due diligence spends, and that's what you see is the reduction between Q1 to Q2. Our PBT was negative at ₹ 0.6K crores. The reported profits were adversely impacted by the mark-to-market loss of ₹ 2,000 crores on account of the recently listed investment in Tata Capital. Excluding this mark-to-market loss, the underlying PBT and net income remains strong at ₹ 1,500 crores and ₹ 1,200 crores, respectively. Strong cash performance with FCF at ₹ 2,000 crores in Q2 FY'26. At a consol level, we are net cash at ₹ 1,200 crores.

I'll hand this over to Girish now for the business update. Over to you, Girish.

Girish Wagh

Thank you, Ramanan.

Let me start with the fleet utilization first of all. I think the fleet utilizations continue to be at a good level despite heavy rains. In fact, across the segments, we have seen a year-on-year growth in utilization across HCV cargo, MCV cargo trucks, ICV and LCV and buses. I think only in HCV tipper, we had seen a bit of downside because of extremely heavy rains as compared to the previous year. But I think we have already seen the tipper utilization now ahead of the last year as we entered into the month of October. So, I think on fleet utilization, the overall scene is quite good. In terms of freight rates, we continue to remain firm. In fact, post the GST rate rationalization, since there has been an increase in consumption, it has led to increase in the freight being transported, and that has also helped to firm up some of the freight rate. So, I think overall, in a good space.

Next.

Now coming to our business for Q2. So, the industry volumes grew by 8% Y-o-Y in Q2 and the TIV industry volume actually grew across all segments, which is a good healthy sign. We transitioned the entire portfolio to the GST regime. And as Ramanan said, I think we were the first one to immediately indicate the pricing list, and therefore, the drop in prices.

In terms of heavy commercial vehicles, which is 28 ton and above, our volumes grew 5% on a Y-o-Y basis, while I think the industry volumes have grown by 2%. In ILMCV, our volumes grew by 15%, where as the industry volumes have grown by 11%. In SCV pickup, the industry volumes grew by 11%, and our volumes also grew in line with the industry. In the buses and vans segment, that is CV passenger, volumes grew by 9%. And actually, the performance was influenced by shift in salience of some of the segments, as also tender-driven business, especially the tenders which happened during the last quarter of previous financial year.

Talking about non-cyclical businesses, we have seen a consistent year-on-year growth in parts and service penetration. Over now almost three years, there has been consistent growth happening. International business during the year continues to do very well. In fact, we have seen the shipment see almost 75% growth on a Y-o-Y basis and the retails are also moving at the same rate.

In terms of the Smart City Mobility, our electric bus fleet has now cumulatively crossed 420 million kilometers. We continue to deliver uptime of 95%, and in fact exceeding the contractual requirements. In the digital business, we aligned our subscription plans to the expectations of the customers, and we actually introduced two new levels of subscription plans, light and prime and also, therefore, made it better than some of the non-OE offerings in the market, post which we have seen a good pickup in subscription renewals. And as you can see that it moved from 26% to 37% within two months. I think now it is up to us to connect with most customers and push the subscription renewal further.

Talking about electric mobility solutions, we had only 81 electric buses registered in Q2, which means a total registration of now 3,700. I think now all the tenders that we had won till now of electric buses, all the buses have been delivered. And now we are evaluating the participation in the PM E-DRIVE tender supposed to be closed tomorrow. I think this, we are participating through a consortium model. This tender also addresses the payment security mechanism and an asset-light structure. So, this meets all the requirements that we were advocating with the government, and the conditions are now favorable for us to participate in the tender.

We launched AcePro EV in the last quarter and have had a very good response. I think we've been able to increase the retails beyond 400 per month. in addition to the Ace EV that we are already selling, and we see good traction coming in across last mile distribution, FMCG and waste management. We've also been able to onboard most of the financiers to fund this product.

On our internal sustainability journey under the Project "Alingana", we have made progress in all the three areas of decarbonization, circularity and preserving biodiversity. We now have three plants certified for water neutrality, three plants, which have already achieved zero waste to landfill, and the conservation efforts on the central Asian flyway and elephant conservation are on track.

Next.

As far as digital business is concerned, we now have more than 885,000 vehicles active, out of which 75% monthly active users and 54% weekly active users on the Fleet Edge platform. Milage Saarthi continues to deliver more than 7% improvement in fuel efficiency to the customers who have onboarded themselves on that service. In our online sales platform, Fleetverse, we now have more than 22,000 platform assisted retails in the entire quarter two. In addition to that, digitally generated retails converting into final sale now is at around 27% of the total retail. E-Dukaan, our online spare part sale, we now have 10,000 customers and 33,000 retailers. But we also now started direct-to-customer delivery - last-mile delivery across eight cities in the country, which will ensure that the parts booked on the platform are delivered directly to the customers within stipulated timeline.

Next.

Going ahead, Q2, as I said, has seen good demand recovery, mostly driven by good monsoons, but more so, I would say with the positive sentiment post the GST rate reduction. We believe strongly that growth momentum will continue through the second half across the segments. I think the GST cut has boosted consumption leading to improvement in D2C or B2C kind of customers who don't take input tax credit. But due to increased consumption and utilization, it is supporting demand for medium and heavy commercial vehicles also. Mining, construction, infrastructure has restarted. And from the last month, I think one has seen good improvement in the tipper demand. In fact, towards the end of Q2, we have started seeing good improvement in tipper demand. I think for us now since we have seen a very strong growth in our trucks, market shares from the second half of Q2, we will sustain this growth trajectory. We will continue to gain share in the MCV buses, especially in private sector. And we will also start the delivery against the tenders that we won in Q2, which will help us in market share gaining back. We are currently in the process of increasing the volumes of some of the new products that we've launched and have gained traction. Of course, as Ramanan said, we will continue to sustain the profitable growth, robust financial performance, delivering double-digit EBITDA, cash flows and then strong ROCE.

So that's it, I think thank you. We will now get into questions and answers.

Questions And Answers

Sneha Gavankar

Thank You Girish and Ramanan. So, the first question is from Amyn Pirani, JPMorgan. Exports have been growing quite sharply for you as well as other CV peers. Is it just a low base effect or are there new opportunities which are opening up in terms of geographies or customer segments?

Girish Wagh

So I mean it is a combination of both, I would say post Covid, the international business was quite subdued. I think in the recent past, we've had some markets opening up. First, Nepal opened up and led to good volumes. But unfortunately, we had another level of political instability there. Therefore, Nepal is once again down. But I think Sri Lanka market has opened up now with the economy improving there. But in addition to that, we have clearly seen an improvement in Middle East as also Africa. These markets are also, therefore, leading to higher demand. So, I would say it is a combination of lower base as well as increase in some of these markets that I mentioned.

Sneha Gavankar

The next question is from Kapil Singh. What is the demand outlook for MHCVs and LCVs for FY '26? And have you seen any impact because of the GST cuts on demand?

Girish Wagh

Yes. So, Kapil, I think as I said, the GST rate cut has led to a dual impact on commercial vehicle demand. First, I would say a primary or a direct impact. So, we have those B2C customers who don't necessarily take input tax credit. For them, the reduction in GST has been a direct benefit and that has led to an increase in demand. This is applicable more in LCVs and small commercial vehicles. In addition to this, the reduction in GST on spare parts, tires, etc. have also led to a reduction in their operating expenses, which will lead to improvement in TCO by almost 1%-1.5%. That is another area which is going to help. But the secondary impact on demand is this GST rate rationalization has led to general increase in consumption in many categories, which is, therefore, leading to higher production, and therefore, higher freight available, both inbound and bond, which one can see in terms of requirement of more number of vehicles increasing utilization. This increasing utilization clearly will lead to higher demand. And with respect to this, therefore, we expect in H2, across the segments, there will be a single-digit to higher single-digit growth as we go ahead. I think the Q3 has also started on a good note. So that's how we look at the demand going ahead.

Sneha Gavankar

On the market share, another question from Kapil Singh. There is a slight dip that we've seen in the market share across segments. What are your plans to pull this back? And how do you think of discounting in a post-GST cut scenario? Has it really come down?

Girish Wagh

Yes. So, Kapil, I think yes, in the presentation also, Ramanan mentioned that we started the quarter on the subdued note in market share. But after that, I think in trucks, that is both heavy commercial vehicles, and intermediate, light, medium commercial vehicles, both these segments, I think we have rebounded very strongly. We know that we will continue this trajectory as we go ahead. We will also be launching some of our new range of products, the model year '26 in both heavy commercial vehicles as well as intermediate light medium commercial vehicles, which will further improve the competitiveness, and this will be a very, very wide range of products that we'll be launching, with which we are pretty confident that we should be able to continue with the strong trajectory of growth in the trucks share.

As far as buses is concerned, I think there are two parts to it. In the private market, actually, we have been doing well and growing market share in both MCV and ICV buses. Where we have suffered is actually some of the tender, businesses tenders that we had lost during the last quarter of previous year. But I think in the quarter gone by, we've been able to win three good tenders, and this quantity will help us to get back the market share pretty strongly in the rest of the year.

In small commercial vehicles, yes, our market share remains at the same level, at a lower level. But the good part is that after 18 months, we've been able to consistently for two months, retail almost 15,000 vehicles, which is a significant growth over otherwise what we were retailing. We're continuing this retail growth as we go ahead in the rest of the year, and this will, therefore, also lead to an improvement in share even in this segment. So that's the status on market share.

Sneha Gavankar

Next question again from Kapil Singh. We'II finish with Kapil and move on. What percentage of revenue comes from non-cyclical businesses? And what is the mix of your key subsegments and how you expect them to grow?

GV Ramanan

Kapil, thank you for that question. So, what I would say is that today the mix of noncyclical business revenue as part of the overall revenue is a healthy double digit. We expect this to grow with the growth in the digital business. I think Girish shared that as part of the business update, too. So as the digital business grows, I think this percentage only gets stronger for us.

Sneha Gavankar

Next questions are from Gunjan. There are a few questions in there. So maybe I'll just break it up. Can you talk a little more on the difference between CV segment and consol financials? And where is the electric bus business captured and are there any losses on that count? And what are the other businesses in consol?

GV Ramanan

So I think Gunjan, if you actually look at our safe harbor statement, we've called out the CV segment quite clearly there. There is no change in this segment versus what we were reporting earlier as part of the overall consolidated entity earlier. And to your second question in terms of the e-bus business, I think you're referring to the smart city operation. That is part of the Commercial Vehicle segment only.

That's the number that we kind of shown as part of Commercial Vehicle segment. What kind of comes in consol, as I had kind of shared this earlier in the safe harbor statement also; in addition to the Commercial Vehicles segment, this includes the un-allocable and other items, largely the corporate functions and some of the other subsidiaries and associates like ACGL, Freight Tiger. That kind of comprises from a consol standpoint. That also if you see the other details on the safe harbor statement, we have called them out there.

Sneha Gavankar

Another question from Gunjan. Any color on margin drivers, commodities, pricing, discounting for trucks?

GV Ramanan

I think in terms of the EBIT walk that we kind of shared if you've seen, the key driver, largely the 2% improvement in EBIT year-on-year is kind of coming from volume and favorable realization, and that's what is kind of driving the EBIT higher.

Sneha Gavankar

Sir, any update on Iveco? How is the acquisition being funded? How much debt have you taken it?

GV Ramanan

I think we are still at the stage in Iveco where we are securing the approvals, and we expect all the approvals to come through by around February-March. The initial round of funding, as I said in the earlier calls also, is going to be through a bridge loan. I think that has been completely tied up, and I had also touched upon that in the beginning to say that there were overwhelming response from the banking partners on that. So, our initial funding is going to be through bridge loan. Subsequently, for the refinancing of the bridge loan, we will evaluate all the options, equity, debt and at that right time we will kind of balance the equity and debt accordingly.

Sneha Gavankar

Sir, how are things shaping, this question is from Raghvendra Goyal of Ambit. How are things looking on

the DFC front? And do you expect any material impact on MHCVs over the next three to four years?

Girish Wagh

So I, have actually given commentary on this in the earlier analyst meets also, but I will repeat. As we see, there are two dedicated freight corridors. One is Northeast and the second one Northwest. As far as Northeast is concerned, it is fully operational. Northwest is operational in parts and should get operational fully in maybe next few quarters.

Now as far as Northeast is concerned, bulk of the transportation on this sector is more of bulk commodities, which is minerals and raw materials. And large part of this was anyway moving through rail. With this change, I think the movement will move from the main tracks to the dedicated freight corridor. So, impact on road transportation, therefore, for of the Northeast corridor is likely to be low.

As far as Northwest corridor is concerned, I think here, there is a significant amount of container traffic supporting export/import, and this container traffic, which happens on tractor trailers today, part of it is likely to move to the rail, which will then lead to some part of the tractor demand moving to railways.

Now will this lead to a contraction in tractor segment? So, the assessment currently is no. It will reduce the likely growth rate of the tractor segment. But at the same time with the dedicated freight corridor on the Northwest side and increasing trade, this will actually lead to an increase in demand for ICVs and MCVs because the dedicated freight corridor will not be point-to-point, but will be more so to hub to hub, and therefore, to support it more of ICVs and MCVs are required.

So, net-net, if one has to look at only from a volume perspective at an overall CV level, actually, DFC will lead to an increase. But within that, it will have an impact, negative impact on the tractor trailer segment.

Girish Wagh

I think Kapil has asked this, again discounting question, what is the outlook post GST cut?

Yes. Sorry, Kapil we missed it. See, so let me answer it from our perspective how we have handled the discount post GST. So, we have been very, very transparent. The next day we actually passed on the entire GST benefit. And to that extent, therefore, there was a reduction in the total discount also. So absolute amount of discount has been reduced to the extent of the percentage GST reduction. But whether this milestone or this step, did it lead to a reduction in discount as a percentage of ESP, no, not because of this milestone. That is happening, but in some segments, it is due to the inherent demand/supply situation and competitiveness of the products, okay? So, I hope I've been able to answer your question now Kapil.

Sneha Gavankar

Our next question from Aditya. Can you explain the loss on Tata Capital fair value? Ramanan, you want to take that?

GV Ramanan

Yes. Thank you for that question, Aditya. As you may be aware, Tata Motor Finance has kind of got merged into TCL and the Board approval for that merger came around June 2024. And as part of that whole exercise, the valuation was carried out, looking at comparable peers and everything and the value was fixed. Subsequent to that, October ’25 is when Tata Capital IPO happened. The listed price on the IPO turned out to be almost 20%-25% lower than the earlier expected valuation price. Hence, as per the Accounting Standards’ requirement, we had to do a mark-to-market adjustment on this. That is the reason for the ₹ 2,000 crores of loss that has kind of come through.

Sneha Gavankar

Next question from Jay Kale of Elara Capital. In MHCV a lot of replacement demand was expected to kick in and drive the industry growth. Is that really playing out? And what is your assessment of the average fleet currently?

Girish Wagh

Yes. So, see, as I've said in the past, there is not much dependable and triangulated data on this particular aspect to give you a very firm response on replacement demand and what part of the demand is due to replacement. I'll tell you the reason too. See, what happens is, especially when we entered into the BS VI regime, the retail customers, and I'm just talking of M&HCV, the retail customers, to a large extent, moved to used vehicles because they were not able to afford the new vehicles, whereas the fleet owners who buy new vehicles have been changing their vehicles in four years because of the continuous improvement in TCO of the vehicles. But will one call that as a re placement demand? No, because the fleet owners were then selling their vehicles to the retail customers. Then they were using it for their purposes.

Then from a duty cycle perspective, see generally newer vehicles during the warranty period are used on long-haul routes, whereas after, say six years or so, and when the ownership changes, then they go into a short-haul route for specific distances, and that's how the vehicle application and usage continues.

I think I would, therefore, rather answer your question by saying that overall fleet utilization is going up, which is what we are able to track on almost 0.9 million vehicles. That, in our view, is a very good sign, and this kind of utilization of the vehicles should, therefore, anyway, lead to demand for the newer vehicles. That's all we will answer your question, Jay.

Sneha Gavankar

The next question from Kumar Rakesh. Can you indicate how customer sentiment is trending? And what could be the reason it is improving or deteriorating? Some of the segments that these tippers have seen a demand impact from monsoon for the last two quarters. What was unusual this year? Do you see a risk of underlying weakness?

Girish Wagh

Yes. So, Rakesh, I think you're right, we used to share this customer sentiment data. But we are now revisiting the methodology of this data to make it more richer, and we will come back with this particular data. The second part of your question, which is tipper going down, yes, you have rightly picked it up. But Rakesh, this is absolutely seasonal. And every year I have seen in from the month of June, the tipper utilization does go down. But let me tell you, post rainy season towards the end of Q2, beginning of Q3, there is a very good improvement in tipper utilization. And actually, tipper market has picked up pretty well. That's how I will answer this question.

I think Kapil has another question.

Sneha Gavankar

Yes. So, Kapil's question is, are the e-buses like those for PM E-Drive orders eligible for PLI? If not, what is the roadmap for localization and timelines?

Girish Wagh

Yes. So, Kapil, see, I think in electric buses or electric vehicles, we have two set of incentives. One is the demand-side incentive and second is the supply side incentive. They have no relation to each other. In demand-side incentive, there are three types of incentives. First is lower GST, which continues at 5%. Second is some specific states like Maharashtra have come up with further one-time benefit and incentive. Third is the PM E-drive, which you have referred to. That incentive also continues, which earlier used to be called as FAME incentive. So, these demand-side incentives are irrespective of the supply side incentive.

The supply side incentive is the production-linked PLI incentive. Now production-linked incentive, yes, is dependent on the localization that one does. The PM E-drive incentive, although being the demand side, is also dependent on localization because both are driving localization here. And for both you have to meet different set of requirements to meet theseconditions. I think the buses that we have been supplying, we are meeting all the requirements, and therefore, getting all the incentives, both demand side and supply side. I hope, Kapil, this answers your question.

Sneha Gavankar

Let me just have a look at if there are any other questions in the queue. Just give me a moment, please.

Girish Wagh

Jay has one question. Yes. So, Jay I think you have a question on post change of forward change mechanism from 12% to 18%. Yes. There was a confusion for some time. But I think gradually, we are moving towards a new state of equilibrium. The fleet owners are also taking advice as we understand in many cases, from OEMs, from their own advisers, GST experts, etc. and they are taking their own calls in terms of what kind of mechanism, whether FCM or RCM is what they should be taking. I think there is still a difference between what they have been taking. But gradually, we are reaching a new state of equilibrium.

Sneha Gavankar

So I think that's all that we have of the questions. If you have any closing remarks, and then we can close the call.

Girish Wagh

Okay. So, thank you very much for joining the call. I know I was told that there were multiple calls today. But good that you joined. I think we had a very historical milestone yesterday of the listing ceremony of Tata Motors Commercial vehicle, which will now be named as Tata Motors. We also had a very strong listing, and we are also delighted that we have followed it up with a very strong set of results today with continued growth in margins, very robust cash flows, in fact, this is the first year where we have turned free cash positive in the H1 itself, highest ever H1 free cash flow and also a very high return on capital employed. So very happy to share those results with you. Thank you for joining. And look forward to further engagements with all of you. Thank you.