

August 06, 2025

**Online intimation/submission**

**The Secretary**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001  
Security Code: 505200

**The Secretary**  
**National Stock Exchange of India Ltd**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No.C/1,  
G Block, Bandra Kurla Complex, Bandra (E)  
Mumbai-400 051  
Symbol: EICHERMOT

**Ref: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015 - Transcript of conference call**

Dear Sir/Madam,

Further to our letter dated July 23, 2025 intimating the schedule of the conference call, held on Thursday, July 31, 2025, please find attached transcript of the aforesaid conference call, held *inter-alia* to discuss financial results for the first quarter ended June 30, 2025, pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015. The same is also available on the website of the Company [www.eichermotors.com](http://www.eichermotors.com).

The conference call started after the conclusion of the Board meeting of the Company.

You are requested to take the same on your records.

Thanking you,  
For **Eicher Motors Limited**

**Atul Sharma**  
**Company Secretary**

Encl.: As above



“Eicher Motors Limited  
Q1 FY26 Post Results Conference Call”  
July 31, 2025



**MANAGEMENT:**    **MR. B. GOVINDARAJAN – MANAGING DIRECTOR – EICHER  
MOTORS LIMITED AND CHIEF EXECUTIVE OFFICER –  
ROYAL ENFIELD**  
**MS. VIDHYA SRINIVASAN – CHIEF FINANCIAL OFFICER –  
EICHER MOTORS LIMITED**  
**MR. ANUBHAV BAJPAI – INVESTOR RELATIONS – EICHER  
MOTORS LIMITED**

**MODERATOR:**    **MR. MUKESH SARAF – AVENDUS SPARK**

**Moderator:** Ladies and gentlemen, good day, and welcome to Eicher Motors Q1 FY '26 Post Results Conference Call. 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 presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch tone phone.

I now hand the conference over to Mr. Mukesh Saraf from Avendus Spark. Thank you and over to you, sir.

**Mukesh Saraf:** Thank you, Bhavya. Good evening, everyone. Mukesh Saraf here from Avendus Spark. Appreciate everybody logging in to this first quarter FY '26 Earnings Call of Eicher Motors. From the management team, I'm pleased to host Mr. B. Govindarajan, MD, Eicher Motors Limited and CEO Royal Enfield; Ms. Vidhya Srinivasan, Chief Financial Officer, Eicher Motors and Mr. Anubhav Bajpai who leads Investor Relations.

I'll now hand over this call to Mr. Govindarajan for his opening remarks, post which we'll open it up for Q&A. Over to you, sir.

**B. Govindarajan:** Thank you. Hello, everyone. Thank you for joining Eicher Motors Limited Earnings Call for the quarter ended June 30th, 2025. After a strong finish of FY '24-'25, we began the new financial year on an equally promising note, delivering strong volumes and healthy growth. It has been a quarter of meaningful progress across both Royal Enfield and VE Commercial Vehicles and we'll walk you through the highlights shortly.

Earlier this week, we also released EML's annual integrated report for FY '24-'25. We hope you had a chance to go through it. Along with our performance highlights, the report outlines our ESG vision and the steady progress we are making towards it. I'll first begin with a broad summary of the overall financials coming to EML consolidated financials for the first quarter FY '25-'26.

Our revenue, EML, clocked best ever Q1 revenue at INR5,042 crores, marking a growth of 14.8% over INR4,393 crores from Q1 last year. Our EBITDA is about INR1,203 crores versus INR1,165 crores in Q1 last year. PAT at INR1,205 crores, up by 9.4% from INR1,101 crores in Q1 last year. Please note PAT includes the share of profit of VECV, which for Q1 stood at INR157 crores.

The strong performance was a result of an all-round growth at both Royal Enfield and VECV. I'll first begin with the business highlights of Royal Enfield and then followed by the updates from VECV. At Royal Enfield, the new financial year for Royal Enfield has started on a solid ground, building on an exceptional performance last year.

Let's look at the performance of the quarter. During this quarter, we sold 2,61,326 motorcycles with a growth of 14.7% as against 2,27,736 in Q1 of FY2025, out of which in India, we sold

2,28,779 motorcycles with 11.8% growth from last year. We continue to gain market share across both, particularly in the middle-sized motorcycle segment where Royal Enfield has been able to continue its dominance at 87.3% exit market share.

Our focused strategy, combined with a strong product portfolio, marketing activations have helped us deepen our presence in the markets. Now about our international markets. Our volumes stood at about 32,547 units, marking a growth of 41.2% over the last year. In the backdrop of an uncertain macroeconomic scenario, we were able to maintain the growth momentum for our retail volumes in the international market specifically.

We also continue to strengthen our international footprints by deepening our presence in key global markets and responding swiftly to the evolving consumer needs. In the LATAM region, demand for Royal Enfield motorcycles continued to rise, particularly in Brazil where we have set up a second CKD, enhancing product availability and responsiveness in that region.

In the SAARC region, the markets like Nepal and Bangladesh continued to perform very well for us. In both these markets, we have received an exceptional response for our motorcycles. This quarter we introduced a new Classic 350, which has been produced exclusively at our CKD facility in Nepal.

Together, these expansions are the key part of our broader strategy to build Royal Enfield as a truly global motorcycle brand with deeply local relevance. Now I'll just give you some updates on the products during this Q1. This quarter, we launched 2025 new Hunter 350, a refreshed and future pack upgrade of our hugely popular urban Roadster with the new color ways and enhanced features, the updated Hunter 350 has already witnessed a healthy traction across markets and it is bringing in a wave of new and young riders into the global community.

The new Hunter was launched at the HunterHood, our first street culture festival, which was hosted in two cities across India, which blends the culture and the community, bringing together about 5,000-plus attendees to these functions, celebrating the Hunter 350 in true Royal Enfield spirit.

We are now gearing up for the upcoming Chennai edition of the festival part in the month of August. After making a global debut at EICMA, we also brought our Flying Flea to India, a series of immersive showcases in Delhi, Mumbai and Bangalore. The showcases have generated quite an excitement among our communities, and we are super excited about the launch of our very first electric motorcycle under the Flying Flea brand for City and City+.

We continue to create memorable riding experiences for our community. We concluded the 21st edition of the Himalayan Odyssey, one of our most iconic and enduring rides. For over 20 years, the Himalayan Odyssey has been a symbol of adventure and discovery, taking riders through the stunning landscapes of the Himalayas.

This year, 77 riders set out on a journey through the world's highest motorable pass celebrating endurance, exploration and spirit of the motorcycling community. Equally important to us, as you all know, is our commitment to social and environmental responsibility. We are also proud to share that today, 84% of our operational electricity is sourced from renewable sources at

2.4x leap from the previous year, which is a clear marker of our progress towards a sustainable future.

We have brought down our emission intensity by 51% from 0.06 metric tons of CO2 equivalent for motorcycles to 0.03 metric tons of CO2 equivalent per motorcycle over the last 1 year. We also sustained our benchmark of water positivity, replenishing our 4x the water we consume with a water positivity index of 4.3.

This approach where energy emissions and resources are viewed as one interconnected system has helped us to build future-ready operations in the true sense. Now I will take you through the business highlights of VECV. VECV sustained volume growth with a focus on future-ready, efficient mobility, reinforcing our commitment to shape the next chapter of commercial transportation in India.

We remain sharply focused on long-term value creation through product excellence, global ambition and deep customer engagement. I'm happy to share that the VECV, we recorded a quarter sales of 21,610 units, exceeding our previous record of 19,702 units in Q1 of FY '25. VECV continues to maintain its growth momentum in the CV industry with its first quarter milestone across all segments.

Eicher HD Trucks, the first quarter sales of 4,580 units and FY '25 Q1 was 4,689 units with a market share of about 8.8%. LMD Trucks, first quarter sale of 8,610 units against 7,842 units of Q1 with a leading market share of about 34.45%. Our Bus division, our sales stood at about 6,000 units in the first quarter against last quarter -- last first quarter of 5,232 units with 21.5% market share.

Exports in Q1 grew to about 1,436 units, registering a robust growth of 20% over Q1 of FY '25. Now coming to VECV financial performance in the first quarter of FY '25-'26. Our revenue from operations for Q1 FY '26 is INR5,671 crores against INR5,070 crores last year. EBITDA for VECV Q1 FY '26 is INR511 crores, 33% higher versus INR385 crores last year.

Our EBITDA margin for Q1 is about 9% against 7.6% last year same quarter and PAT for Q1 is at INR289 crores as against INR321 crores last year same time. Thank you all for being with us on this call today. Now we can open to Q&A.

**Moderator:**

Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press “\*” and “1” on their touch tone telephones. If you wish to remove yourself from the question queue, you may press “\*” and “2”. Participants are requested to please use handsets while asking a question. Ladies and Gentlemen, we will now wait for a moment while the question queue assembles. The first question is from the line of Chandramouli Muthiah from Goldman Sachs. Please go ahead.

**Chandramouli Muthiah:**

My first question is just on capacity. So it looks like now we are heading towards sort of early to mid-80% capacity utilization on our operations as we sort of head into north of 1 million kind of territory in annual volumes. So just want to understand how you're thinking about capacity as you look to grow the business over the next three to five years?

**B. Govindarajan:**

Chandramouli, it is -- our capacity stated is with both the plants, which is Oragadam and Vallam, which is where we are manufacturing all our motorcycles for across the globe. We have stated a capacity of almost about 1.2 million. And currently, you are right, we are operating at almost about 90% of that.

We also mentioned during the last quarter call about our capex, which is actually going in terms of fulfilling some of the gap in taking the capacity further up, which is required. As we mentioned, our capacity build up will take place in modules. We don't need to actually go in for a heavy capacity enhancement. Focus on the capex is more on the new products. And we have cracked the code of the modular capacity enhancement, and we will go in that way for any capacity enhancement in future.

**Chandramouli Muthiah:**

Got it. That's helpful. My second question is just around the Hunter 350 refresh, which happened in the month of May. So if I were to just contrast versus the bullet, which was refreshed last year in September, of course, maybe different products and different segments. I think the bullet had between sort of 10,000 to 15,000 units of growth Y-o-Y on a quarterly basis for the past three quarters.

Hunter, maybe still early days, but it looks like it's relatively flat quarter-on-quarter even post the college buying season. So I just want to understand, are there any capacity constraints around the Hunter because of rare earth and so on or how do you think about the outlook for the Hunter as you get in potentially to festive season?

**B. Govindarajan:**

Well, look, the new Hunter 350, we launched it around the 27th April, which is with a full refresh and with USB added and flashy colors, which are added into this, and it is targeted towards the youngsters. That's what is the positioning which we brought in when we launched even in August '22.

So these new colors and the features addition, including the suspension improvement, which we have done. We launched it in the HunterHood, the street culture festival to celebrate the music, art, dance and lifestyle of urban cities. So far, we have seen very good traction and the market pickup is good. There is a good inquiry, and it's off to a very good strong start with an inquiry and as I mentioned, and the booking.

And Hunter, as of now, if I have to tell you, it is coming around 17,000 to 17,500 numbers per month, which is slightly lower and especially the new colors, which is actually gaining a very good traction. So it's very early days, but we are committed to build this brand further, and HunterHood will be the platform through which Hunter will be further marketed, positioned and the positioning will be cemented.

**Chandramouli Muthiah:**

Got it. That's helpful. And my last question is just around as some of your new models and refreshes cost maybe one year post launch, there might be opportunities to take cost out as you have much more stable supply chains from your suppliers on committed volumes. So I just want to understand how you think about the Bullet refresh and the Classic refresh from last September, October time frame, which have done very well for the company.

In the back half of this year, do you see opportunities for margin to pick up as a result of cost takeout initiatives there, just given that our strategy now seems to have shifted to volume over margin. Does that reverse a little bit in terms of cost opportunities in the back half of the year?

**B. Govindarajan:**

Thanks for, Chandramouli, you are iterating the point that growth is important that the margin, glad that you guys are also seeing it as the right strategy. I think you rightly asked what it means in terms of the cost reductions and all. As I mentioned, value engineering, the pipeline has been set.

But you all know there is a commodity inflation pressures, availability of steel pressures. So our supply chain team is also quite busy in solving all those things, including the rare earth which we'll talk about. But, yes, value engineering has started coming in, which will help in the future.

**Chandramouli Muthiah:**

Got it, Thank you very much, and all the best.

**Moderator:**

The next question is from the line of Kapil Singh from Nomura.

**Kapil Singh:**

Good evening Sir, Congratulations on the strong performance and the strategy of volumes seems to be working well. Just want to understand that since we changed this strategy last year, have you -- the new buyers who are coming, have you seen -- is there any change in profile? What is attracting them? Any color on maybe age profile or rural urban profile, that would be really helpful?

**B. Govindarajan:**

Look, I think Hunter, as I mentioned, the age profile is about 24 to 26, so young audiences are actually liking motorcycles. And that is why we also brought the motorcycle, the silhouette, the color combinations, the CTGs, all those things. And the positioning itself, as I mentioned, it is through the Hunter, which is the street festival, which is a platform where the community, artists, young hustle guys who all want to come together and express themselves.

And that is the platform, which will get extended across all cities and some of the rural markets, too. So that's what the young customers are looking at. Second, our Continental GT, which has been growing at a very good rate is also now the demography is actually coming down. Even that is almost about 26 to 27 is an age for Continental GT. So some of our products are attracting young customers, and that is what we want.

And all other products, it has a specific experience and demography is slightly different for different products. But our endeavor has always been how do we get the young audience more and more into the Royal Enfield brand through the various products and the marketing initiatives, which we are doing.

**Kapil Singh:**

Sir, my question was more on Bullet where we have seen a large increase in volumes, almost 10,000 to 15,000 a month, right? So there, what are you noticing on the profile as these new customers are coming in?

**B. Govindarajan:**

Well, Bullet last year, actually, first, we opened up in the bastion market. In fact, in Q1, we sold about 50,000 units of the Bullet. That's what -- that's the number. It has received a very

solid response from the customers. This product was done based on the customer feedback and because as a company, we had a deep connection with the community and with our riders.

So they said that the product had to have some changes. Can you make it? We made it. We went to the market. The acceptance was very good. And last year, festive period, it actually helped us in Punjab, Haryana, UP, et cetera. Post that, when we started opening to the other markets, where also people started enjoying the Battalion Black.

In terms of demography, if I have to tell you, yes, Bullet has an age group of somewhere around 30 to 34. But in some markets in the South, we are seeing even the young audience are also enjoying the Battalion Black.

**Kapil Singh:**

Great, sir. And the second question was on exports. Again, seeing strong growth in numbers there, particularly some key markets like Brazil, for example. Any insights you could share like what is working well in those markets? What are the learnings you are taking from there as you enter other markets?

**B. Govindarajan:**

Look, I think international markets, as I mentioned last time also, we are cautiously optimistic. We are putting our bets on some key markets where the macroeconomics are good, especially a market like Brazil where we feel that there is a huge potential for us to grow because it's a good 2-wheeler market. CKD facilities have to be in place. So we have two assemblers. Now we are also thinking of how do we expand in that area of having a control on that.

There in the Brazil market, we wanted to have a product which is at a very accessible price point. In fact, Vidhya and team are actually working on the finance scheme in those markets. What do we have to do tying up with the bank so that the customer experience is seamlessly given to them to acquire Royal Enfield Motorcycles. That's in Brazil. So there's a good market.

We are slowly opening up the retail outlets. CKD facilities are getting in place for the volume. And our brand building exercise has also started yielding results. In fact, I was also there during the Interlogos and almost 1,500 riders came together to ride on the circuit for about half an hour ride, but everybody came, and that's allowed the brand is getting in the Brazil market. So we are very bullish about that market.

As far as U.K. is concerned, there, as I mentioned last time, there will be preregistered motorcycles. It is still there. So there, the growth is slightly muted. Europe is doing well. We have taken our distribution of our own and all the back ends which are to be fixed are getting fixed. The floor funding is being fixed in that area.

So operationally, whatever is required for the rest of Europe, those operations are done. So we'll once again see good growth there. Australia is doing well for us. The Thailand market has its own pressure point, but Indonesia is doing well. So that's on the other side of the markets. In SAARC, both in Bangladesh and in Nepal, we have been doing very well and our products are accepted very well, and both our CKD plants are fully in operation.

So what is required for future growth in the international markets, I think last 1.5, 2 years, we have been spending time fixing the basics and preparing ourselves for growth in those markets.



And once the market opens up, as I mentioned last quarter also, we are ready to take on that growth wave.

**Kapil Singh:** Thank you so much, for the detailed answer.

**Moderator:** The next question is from the line of Amyn Pirani from JPMorgan. Please go ahead.

**Amyn Pirani:** Hi, thanks for the opportunity. First, just a follow-up on the export breakup that you just gave. Currently, ASEAN as a market would be approximately what percentage of your exports? And potentially, how big can that market become? Because you mentioned that Indonesia is doing well. And as a 2-wheeler market, it is one of the largest markets in the world after China and India. So what can be a potential volume, say, two, three years down the line there?

**B. Govindarajan:** Amyn, there is -- for our brand and our kind of a motorcycle, especially in the ASEAN market, which you are asking, there is acceptance because if you remember, our strategy had been one store and in a key city, let the brand get pulled and we will not do a push-operations. That is what is fundamental with which we went into the market.

And now all the products which are relevant to the markets, we are ready. Because as I mentioned, the macros are not so, so good, we also have been going cautious in opening up further distributions and all those things. Wherever the market, there is a confidence that, yes, we can open because we are very sensitive to our channel partners' profitability.

And wherever the market is okay, now the product acceptance is there, that is where our focus is. ASEAN is also an important market for us, and we are focusing on developing that market over a period of time.

**Amyn Pirani:** Okay. And just a question on Himalayan and the entire models on that platform. While in the export market, this product has done extremely well. And even in the first quarter, I think it has almost doubled on a Y-o-Y basis. On the domestic side, it seems that the volumes have actually stagnated at that 3,000 per month or kind of a number for the last several quarters.

So any color you can give as to what is happening on the domestic differently from exports? And are there any interventions or anything that we can do to increase that in the domestic market as well?

**B. Govindarajan:** First and foremost, I think I just have to bring in the rare earth materials color now because in the first quarter, we had that issue in those products. So there is a bit of a problem on production because those are all performance platforms. In the performance platform, rare earth materials were used in gear sensors, in alternators and other areas. So we had a bit of a pressure point, and we have to stop it, then we have to start with alternative materials.

So the team had done a very good job of bringing it back. Having said, our Scram was not available for some point of time. So that also now it is available. And you would have seen on the 450 Guerrilla platform, once again, there are activities which we are doing it on the market, on the ground. And now we are bringing the focus back on to the Sherpa engine platform, where the Himalayan and Guerrilla products are there.

- Amyr Pirani:** Okay. That's helpful. But since you mentioned the rare earth thing, so broadly at a company level, where are we in terms of mitigating that? And is there a risk that this rare earth thing impacts other models in the coming quarters, especially your EV launch, which is also, I think, two or three quarters down the line. Where are we in terms of managing this risk?
- B. Govindarajan:** So it is a risk which we anticipated some time ago. So we started working on the alternative material for that at least about three, four months back. That's why I mentioned that currently, we are back on production with the alternative material, which we have protected. Now that alternative material import is not a major issue for us. We are out of that situation of that challenge.
- Amyr Pirani:** Thank you, I will come back in the queue.
- Moderator:** Thank you. The next question is from the line of Gunjan from Bank of America.
- Gunjan:** Hi, Thanks for taking my question. I just wanted to shift the conversation a little bit to the margins again. Good to see the stabilization coming through of some sorts in this quarter. I'm just specifically looking to understand how should we think about various levers now? Are we at a level where marketing spend activation is a point where it remains more or less stable. There's no further big change in terms of percentage of revenues that we sort of intend to spend.
- Some thoughts on value engineering, pricing interventions because it's been almost, I think, now almost a year back we made this pivot. Are we getting to a level where we can say, okay, that reset is now in the base and some of those investments should stabilize now? Some color around that?
- B. Govindarajan:** I will also shift the conversation towards the growth, Gunjan. Growth is the focus. I think percentages, in fact, I don't want to even process it because that's not the way the organization should think. Absolute profit, absolute growth number, absolute EBITDA, that's what is the understanding and all of us are driving and that too also retail focus.
- So let's pivot the whole organization around that, what is right, that is what we will do. That is what is right for us for the long term. Having said some of the things which you actually specifically mentioned about the marketing activation, growth -- if it is coming, every brand, especially Hunter, which is new, we have to support. Guerrilla, it's just a 1-year brand, we have to support it extensively.
- We have some new products which are going to come or refreshes which are going to come, we have to support. So the marketing activations through like the HunterHood and all those things, which will continue. But there is no big, big launch expenses which are there in this year. That's one.
- Second is pricing intervention. We have taken a pricing increase in the month of April and now because of the inflationary pressure, to some extent in the first month of July. But having said, once again, the pivoting is we want to add value on the product. So it may not be exactly we'll

pass on and then take the cream out of it. We will continue to keep our product at an accessible price point, and we wanted to grow.

**Gunjan:** Okay. Got it. And the second question is on the festive in second half. Now clearly, the market setup has been a bit soft. How are you thinking about the growth into the festive? Of course, last year, we did have the Bullet and the base effect, which is quite favorable. But do we feel confident that there should be -- that growth outperformance sort of sustains going into the second half as well when some of the bullet numbers are in the base for last year?

**B. Govindarajan:** Festive, all of us are very bullish about festive. We are building ourselves for the festive season. And honestly, a few things are going to work in favor, I'm expecting, and I'm very positive about it. Hunter is new, it has just come in. And we are going to have something around the Meteor. So that is coming in. And we have some colors which are also going to come in around that time.

So some of the launches, some of the CTGs, we are trying to actually align it to the auspicious times and the festivities, which really helps to bring a momentum into this. That is also being planned Gunjan in this. That's why I'm saying I'm positive about the festive outlook.

**Gunjan:** Okay. And lastly, can you share the rural salience in the mix? Like is there a big change with the sort of launches or changes we are making with the product interventions we are making on the product side? Has the rural salience changed in the last few years? And what is it now?

**B. Govindarajan:** Saying something, you Vidhya?

**Vidhya Srinivasan:** No, no. I'm just saying that I think rural has done very well for us in the last few quarters. And one way you could think about it is we don't specifically classify a town or a city as a rural town or a city, but we looked at rural states and urban states.

And one way to look at it is that potentially the mix of rural states used to be about 30% of our sales, and now it's closer to 50% of our sales. So even therefore, there is increased sales, which is happening predominantly on the back of some of our more accessible products which are coming.

**B. Govindarajan:** I'm sure you guys are better. You can also guide us because the rural market in India has been growing and urban has been slightly tepid. In the first quarter, at least, I'm seeing for our kind of a product, even the urban market has shown a growth. There is a green shoot. First time I'm seeing after a long time that the urban markets are also growing for us.

**Gunjan:** Okay got it. Thank you so much, this is helpful.

**Moderator:** The next question is from the line of Pramod Kumar from UBS Securities.

**Pramod Kumar:** Hi, Govind, My question is linked to what Gunjan asked the rural salience. I'm just trying to understand because rural is typically not kind of, what do you say, linked to premium demand, premium motorcycle demand as generally seen as a more committed market. So if you can just help us understand a bit in more detail the kind of growth you're seeing in the rural markets.

Any geographical spread north versus south and within particular states like UP, which have become very large for you, what are the trends you're seeing? What is the kind of customer profile who's walking in? How many of them are led by financing penetration improving or how many of them are just skipping categories altogether and coming from 100 cc to you.

So if you can just help us understand this trend on rural customers gravitating towards premium motorcycles because at the same time, we are also seeing scooters taking off in rural India. And if you look at the Vahan data, the three big winners on market share this year is Hero, TVS and Suzuki, either scooter or premium franchises.

So if you help us understand the nuances a bit better, Govind. And whether as you look at festive and rural coming back or rural getting stronger, is it premium will again outperform the broader categories in rural?

**B. Govindarajan:**

Yes. So it's a very strategic question which you have asked from most. So let me try to answer it one by one. First and foremost, for us, to have a bit more focus -- last year, we have actually added one more zone, which is the central zone. So that has helped us to go very close to the market. We have put the structure around that. The central market includes the UP areas, some areas. So the team is working on -- continue to focus on growing that.

In the first quarter, our retail has been very good. So that helps in creating a momentum. Especially in the rural market, Bullet Battalion Black is available, number one. And on a product level, I'm just saying. The second single-channel Classics, which we are bringing in with the color, which is available.

As I mentioned, some market which was actually giving traction even in Meteor, and that is going to be a new thing which will be there. Hunter is a new refresh colors, the young audience in the rural markets, they were really, really liking it. Now the HunterHood, which we are focusing only on the major urban towns. Now we are also looking at some of the smaller towns in the rural markets, we should go and do.

So that activation is going to take place. That's from a product angle. The second for the rural market, especially finance availability for the dealers at last year, we have understood that if in case we give support to them, it will really help them during the festive time. So we started working on and the floor financing help. No recourse to such as a company.

It will be completely between the bank and the dealers. However, we took the responsibility of talking to them and floor financing, which has been made available for all. I think almost about some 575 dealers already have signed up for floor financing. And majority is the rural customers -- I mean, sorry, rural dealers more because that is where the finance availability was a bit tough for them.

So they also have come on board, and now they are seeing traction. So it will help us for them also to churn during the festive season. So the focus is going to be more on those sorts of markets where there is growth. Having said, as I mentioned, even the urban centers are showing some amount of a green shoot for us.

So some of the products like Guerrilla, as Aryn was asking about the Himalayan and some new products which we will be coming up with and some colors, we will equally focus on the urban market also. Once again, the marketing and the marketing activations will be aggressive even in the coming quarters.

**Pramod Kumar:**

Second question, forgive me if it was not expected, but the market has been expecting a 250 cc foray by Royal Enfield. So what are your thoughts there? Because you always call yourself as a middleweight motorcycle there, which is 250 to 750, we've kind of straddled the upper end of the segment quite well of that bank. So what are your thoughts on a potential 250cc foray by Royal Enfield?

**B. Govindarajan:**

So I think we have been maintaining the middle weight is the focus. We are a very focused company, less is more as a fundamental philosophy. We don't want to do too many things. And currently, our J-Series, which is there in 350 cc, Sherpa, which is on a 450 cc and the twins on a 650cc, all the products which we have launched, these are all showing growth for us, and there is a huge potential which is there.

I'm very confident that with the kind of a premiumization, which is continuing and our support on the marketing activations and the floor financing, which we are doing, even the products which are already there has a potential for us to grow. We have been always maintaining the middle weight is 250 cc to 750 cc. That's where our focus is going to be there, Pramod.

**Pramod Kumar:**

Fair enough Govind, thanks a lot. Wishing you all the best. Thank you

**Moderator:**

The next question is from the line of Raghu Nandhan from Nuvama Research.

**Raghu Nandhan:**

Thank you Sir, and Congratulations on strong volume performance. Sir, firstly, on Classic 650, how has been the acceptance so far? Would you be increasing your marketing efforts going ahead? And can you share the volumes for Q1?

**B. Govindarajan:**

Classic 650, I mean, honestly, it is a product which we all have been looking forward that it should go to the market. The acceptance is really good, really, really good. I'm not saying because it has come into the market or something of that. It is also showing a traction on the upgrade cycle slightly. It is too, too, too early for us to conclude anything, but it is showing some good traction, which I'm just seeing it. People are loving the product.

They're all saying it is very authentic. It is classic. It is on 650cc. So it is definitely going to add more volume in India, and it has a huge reception in the U.K., Europe, in all those areas also. So I'm just seeing these three variants and the four colors which we have brought in, in the Classic 650 it is going to give us some good traction in the volume in time to come.

**Raghu Nandhan:**

And would you have the Q1 volume handy in the domestic export market?

**B. Govindarajan:**

Maybe I can share it with you later, Raghu.

**Raghu Nandhan:**

No problem, sir. Sir, secondly, on commodity cost, how was the impact in Q1? And what is the impact expected for Q2? Steel prices, precious metals have been trending higher?

- Vidhya Srinivasan:** Yes. I think for us, I think steel has kind of hit a little earlier. And therefore, we've got impacted by steel as well as aluminium. I think the way I'd like to say is that this quarter, we've had an impact of about 50 bps. Out of that, we've got an offset because of VAVE, which was mentioned earlier of about 20 bps. So net impact is about 30 bps -- and to some extent, the price increase obviously helped offset that impact overall.
- B. Govindarajan:** Raghu, there is a slight headwind on the commodity. I'm just seeing it. But I think currently, we are all looking at availability has to be seen. So that is what we are ensuring. We are happy that the rare earth material, at least we don't have a pressure point. We have come out of it, and we will also manage with different interventions and all those things. That's where we are. It will take another about a month or so for us to clearly understand where it is heading and what is that we have to do.
- Raghu Nandhan:** Thank you Sir, In terms of VAVE benefit of 20 bps and you are working on projects for material cost reduction. So how much can be the benefit in coming quarters?
- Vidhya Srinivasan:** We don't give guidance.
- Raghu Nandhan:** Fair point. Sir, recently, Volvo that is about two weeks ago, Volvo cut India growth estimate for MHCV to 3% in CY '25 versus 8% in the previous quarter. Any comments on why growth expectations are being lowered for the MHCV space? Of course, you are doing much better than the market, but generally for the industry?
- B. Govindarajan:** We don't see it like that. And we see that there is a strong growth possibility which is there. Higher payload trucks, mining operations, all those things are continuing. So there is nothing which we are seeing that there is some correction which is taking place in the market.
- Raghu Nandhan:** Got it sir, thank you very much.
- Moderator:** The next question is from the line of Kumar Rakesh from BNP Paribas.
- Kumar Rakesh:** Hi good evening, Thank you for taking my question. Govind, my first question was around growth, which you are prioritizing now since late last year when we started focusing on it. Our domestic monthly volume has been around 80,000 monthly volume. Now post September quarter, we'll be lapping over that volume. So what do you think will help you to push or inflect the volume higher from here to keep the growth focus ahead?
- I understand that you have highlighted multiple initiatives that you guys are taking, but a couple of them which you think can materially help in pushing your volume higher from here on?
- B. Govindarajan:** Well, Kumar, it's this. First of all, what is happening is this has to be seen from the context of the whole industry. The Indian 2-wheeler industry per se, it's not in the growth path. It is -- in fact, in the first quarter, it is lower than what it was actually envisaged. And even the 125 cc market also hasn't grown much. Only the middle weight, which has grown, and that's where we are. So the focus, which is there, the middle weight, that is what we are growing.

Our assumption had been when the market opens up and the overall pool increases, we have to be focused on growth, our volume also increases. But on the contrary, the market is not growing, but we are growing. It does mean the products acceptances are very good. The brand is being recognized very well and the brand track study says we are way ahead of the rest of the brands.

So if buoyancy comes in, in the market and the kind of an activities which I was mentioning with the new products, our floor funding, which we are doing and doing a correction in the retail outlets and optimizing it because some places, the geography has changed.

So we are now focusing on changing those where there is a potential. And all those things are the point which are showing that, yes, our growth trajectory, which we wanted to work on is working, and we will continue to push and support through the aggressive marketing activations. That's what I feel that will help us to grow, Kumar.

**Kumar Rakesh:** Great that you brought in the industry context. Historically, we have seen that the middleweight segment, especially the customers that you cater to, has a significant overlap with the passenger vehicle industry. And over there, we don't have a lot of optimism or growth expectation. However, you have been seeing pretty strong growth, at least in the recent months.

So do you see there is some segregation which has happened in terms of the addressable market or there is a risk that eventually these two growths will again converge the way it used to be earlier?

**B. Govindarajan:** Good angle, Kumar, because I haven't brought it into that angle. Maybe I'll also study and we'll see. Because as far as -- because I always look at it how the middle SUVs are growing, the middle size and the higher-end cars and SUVs are growing. If that premiumization is continuing, where we are, that's what it is because we are a premium product. I haven't seen that entry-level car and how it is and where it is. I have to study a bit more. Honestly, that's what I have it as an answer for you.

**Kumar Rakesh:** Thanks a lot.

**Moderator:** The next question is from the line of Devender Wadhwa from Value Prolific Investment Advisory.

**Devender Wadhwa:** Can you please walk us through the company's pipeline of new LNG projects and development? Hello? Am I audible?

**Moderator:** Yes, sir.

**Devender Wadhwa:** Sir, can you walk us through the company's pipeline of new LNG truck projects and development?

**B. Govindarajan:** Yes. VECV is actually working on LNG and CNG, which is in that. Just give me a second, maybe. See, currently, we have a full range of products on ICE, electric, CNG and LNG. And



in all the segments wherever there is a requirement for an LNG specific to the usages or to the geography, our platform is good enough to adopt all those things. So it's not a new, new development wherein it is going to take a longer period of time. It will be faster for us to adopt to any products which are required.

**Devender Wadhwa:** Okay, Thank you Sir.

**Moderator:** Ladies and gentlemen, this was the last question. I now hand the conference over to the management for the closing comments. Thank you, and over to you, sir.

**B. Govindarajan:** Thank you very much. It's been wonderful having you all in the Q1 call of Eicher Motors Limited. See you all in the next quarter. Thank you. Good night.

**Vidhya Srinivasan:** Thank you.

**Moderator:** Thank you. On behalf of Eicher Motors Limited, we conclude this conference. Thank you for joining us and you may now disconnect your lines.