

Management Discussion

Pranav Ambaprasad - Assistant General Manager - Investor Relations, Maruti Suzuki India Limited

Thank you, Danish. Ladies and gentlemen, good afternoon once again. Welcome you all to the Q1 FY '27 earnings call. May I introduce you to the management team from Maruti Suzuki. Today we have with us our Chief Investor Relations Officer, Mr. Rahul Bharti, and CFO, Mr. Arnab Roy. Before we begin, may I remind you of the safe harbor. We may be making some forward-looking statements that have to be understood in conjunction with the uncertainty and the risks that the company faces. I also like to inform you that the call is being recorded and the audio recording and the transcript will be available at our website. Please note that in case of any inadvertent error during this live audio call, the transcript will be provided with the corrected information. The con call will begin with a brief statement on the performance and outlook of the business by CRO and Senior Executive Officer, Corporate Affairs, Mr. Rahul Bharti, after which we'll be happy to receive your questions. I would now like to invite our Chief Investor Relations Officer, Mr. Rahul Bharti. Over to you, sir.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Thank you, Pranav. Good evening, ladies and gentlemen, and let -- and thank you for joining us today. Before I go to the financial results, let me first provide a broad perspective. For the first time in many, many years, every aspect of our business seems to be highly positive. One, after the GST reduction, we've seen strong demand momentum. Two, for Maruti Suzuki, small cars have come back with a bang. Our small car sales grew 34% in the quarter year on year. And not just small cars. Three, SUVs grew by 44.6% and we are close to SUV leadership in absolute numbers. So, we grew in all segments, and obviously as a consequence, our domestic market share increased by 2.3 percentage points in this quarter to 41.2%. And not just domestic, the fourth is exports grew by 28% in the quarter. Five, though last year after GST reduction sales grew up, but we didn't have sufficient capacity to meet demand. So, in Q1, we've commissioned one plant in Kharkhoda and another in July in quarter two, which happened yesterday, we announced a second plant in Gujarat in close succession, both adding to about 500,000 installed capacity. Of course, there's a ramp-up involved. What gives us even greater confidence is the underlying strength of the business. It is not often that we see so many growth drivers coming together at the same time, and therefore we look at the future with considerable optimism and confidence. And in line, we continue to expand capacity to support future demand. Of course, because of the West Asia crisis, there were some commodity and energy and logistical cost increases during the war, but that is a temporary phenomenon. To fully appreciate the financial performance of the quarter, it is important to understand the circumstances that prevailed during this period. As you are aware, the conflict in West Asia created significant uncertainty across global supply chains. For Maruti Suzuki, operating at a scale of over 2.5 million units per annum and working with nearly 450 Tier 1 suppliers and close to 2,000 Tier 2 suppliers, ensuring continuity of supplies was challenging and became our highest priority. The company responded swiftly and worked closely with its supply -- supplier partners to assess vulnerabilities and implement dynamic countermeasures across the supply chain. The sudden and steep increase in commodity and energy prices create -- did create some working capital pressure for several suppliers. To support suppliers and ensure uninterrupted production, the company temporarily revised the settlement cycle for certain commodities such as aluminum, plastics, and rubber from a quarterly lag to a monthly lag basis. This was a kind of an extraordinary one-time measure taken in response to extraordinary circumstances. While I discuss the detailed

financial impact shortly, the temporary change in the settlement cycle adversely impacted profitability during the quarter. In some simple terms, the company faced a double impact: one from higher commodity prices, and two, from an accelerated pass-through of these higher costs to our quarterly results. However, these measures enabled the company to maintain production continuity and meet customer demand without disruption. The company wanted to preserve the demand momentum, and so we did a calibrated two-step price increases. Most of the benefit of these price increases would flow to us in the second quarter. With this, the company recorded quarterly wholesale volume of over 534,000 units in the domestic market in Q1, representing a growth of nearly 33% year on year. The growth was broad-based, supported by healthy participation from first-time buyers. The company's portfolio in the 18% GST slab, the lower slab comprising small cars, grew by about 34% year on year, while the portfolio in the upper GST slab, the 40% GST slab, grew by nearly 28% year on year. In both these categories, the company's growth exceeded that of the industry. The company's EV also recorded healthy growth during the quarter. Retail demand remained equally strong. Retail sales during the quarter were broadly in line with wholesale dispatches, resulting in dealer inventory closing of around 13 days at the end of the quarter, which is much below our optimum level of approximately one month inventory. The pending customer order book remained healthy at about 130,000 units at the end of the quarter. Demand continued to remain strong across both urban and upcountry markets. Alongside delivering strong business performance, the company continued to strengthen its long-term growth drivers through product interventions and capacity expansion. Happy to share, in the fast-growing SUV segment, the company recently introduced the new Brezza with a 1-liter turbo petrol powertrain and several customer-focused enhancements including ADAS features, an underbody CNG variant, a 5-star Bharat NCAP safety rating in both adult and child occupation safety. The new powertrain configuration positions the vehicle in the 18% GST bracket and enhances its competitiveness in the compact SUV segment. Customer response to both the turbo petrol and underbody CNG variants has been encouraging, and we remain optimistic about further strengthening Brezza's position in this important segment. I'm also happy to share many of the aspects built into this Brezza had come from feedback from our investor partners. On the manufacturing front, the company commenced commercial production at the second plant of its Kharkhoda facility in Haryana during May 2026, adding annual production capacity of 250,000 units. As you are aware, the conflict in West Asia created significant -- sorry. In addition, as announced yesterday, commercial production has also commenced at the fourth manufacturing line of the Hansalpur facility in Gujarat, adding another 250,000 units of annual capacity. With these additions, the company's total annual production capacity across Haryana and Gujarat has increased to approximately 2.9 million units. Both facilities will ramp up progressively in due course. Coming to exports, despite the geopolitical challenges and disruptions in the Middle East region, the company maintained its strong export momentum. Export volumes during Q1 of the financial year grew by approximately 28.6%. In comparison, exports of passenger vehicles by the rest of Indian industry declined by 8.4% during the same period. The company continued to be India's leading passenger vehicle exporter and contributed more than 55% of India's total passenger vehicle exports during the quarter. It's so heartening that your company, just one company out of 17 car manufacturers in India, is exporting more cars than the rest of 16 car manufacturers put together. While exports to some markets in the Middle East were affected by the conflict, the company's long-term strategy of diversifying exports across nearly 120 countries helped mitigate the impact. During the quarter, South Africa, Japan, and Europe emerged as the leading export destinations. The conflict also resulted in logistical-related disruptions and volatility in

shipping schedules. Therefore, I would encourage analysts and investors to look over a broad-based period like a quarter instead of monthly, because monthly movements may have some temporary logistical factors. I now come to the financial results. During the first quarter, the company recorded net sales of INR499.6 billion compared with INR366.2 billion in the corresponding period of the previous year. Net profit for the quarter stood over INR33.5 billion compared to INR37.6 billion in the same period last year. Since investors typically also look at sequential performance, let me provide that perspective. On a sequential basis, while overall sales volume increased by about 1%, net sales remained broadly flat. Operating profit, or EBIT, declined to 5.1% of net sales compared to 8.8% in the fourth quarter of financial year '25-'26. The decline in profitability was primarily driven by commodity-related pressures in the context of West Asia conflict. Commodity costs had an adverse impact of approximately 300 basis points. Importantly, nearly 110 basis points of this impact was attributable to the temporary change in the commodity settlement cycle from a quarterly lag to a monthly lag basis, which I just explained earlier. As conditions normalize, we expect to gradually move back to the quarterly lag settlement cycle over the next few quarters, and hence some of the benefit will flow back. Apart from commodities, there were several other adverse factors during the quarter. Higher gas costs impacted margin by approximately 20 basis points. Unfavorable fixed cost absorption due to inventory depletion impacted by about 30 basis points. Adverse foreign exchange by about -- impacted by about 30 basis points. Employee costs were higher by about 40 basis points, largely due to Q1 seasonality. Depreciation increased by about 20 basis points, primarily on account of the new Kharkhoda facility. These adverse factors were partially offset by lower other expenses of about 30 basis points and higher operating income of about 30 basis points. Because of higher non-operating income, the company would achieve a profit after tax of over INR33.5 billion. As I mentioned earlier, the company took a conscious decision during the quarter to prioritize supply continuity and support its supplier ecosystem during an extraordinary period of uncertainty. While this decision had an impact on profitability, it enabled uninterrupted production and helped us achieve record sales. And let me also share some perspective on the outlook. The company continues to strengthen the foundation for its next phase of growth. We are strengthening our product portfolio, expanding manufacturing capacity, pursuing a multi-powertrain technology pathway, and enhancing our competitiveness across segments. With healthy demand fundamentals and multiple growth drivers coming together, we believe the company is entering a phase of renewed growth momentum, giving us confidence in our ability to deliver sustainable, healthy growth and create long-term value. We'll also be issuing our annual report very soon for the last financial year, and some of these messages you can find in the annual report also. We thank you with that, and we are now ready to take your questions, your feedback, your observations.

Questions & Answers

Operator

Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. [Operator Instructions] Our first question comes from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

Raghunandhan NL - Analyst, Nuvama Institutional Equities

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

of 10%?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So, we had mentioned in the beginning of the year that this year most likely our sales would be constrained by the supply side rather than the demand side. The demand side seems to be healthy. From our supply-side perspective, we see a headroom of about 10% growth, but we have put up two plants. So, along the way, we'll see how much ramp-up of these two facilities we are able to do and how much volumes we are able to generate from these two plants, as also the existing plants. So, as of now, we have not issued any new demand outlook, so we continue with the earlier figure.

Raghunandhan NL - Analyst, Nuvama Institutional Equities

Noted, sir. And congratulations on the recent Brezza launch. Can you indicate booking numbers? Also, there is no automatic option in the turbo engine powertrain models. Maybe you can throw some light if that will get added in coming months. And my last question is, can you indicate commodity impact for Q2? How much price hike taken so far? And can you indicate quantum of under-recoveries that need to be addressed?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So, thanks for the message on the new Brezza. We have an automatic version. This is with the higher engine cc powertrain option. And we are receiving very good response. Bookings are about 2,000 a day. Of course, these are initial days, so as of now we still don't have a figure on the monthly outlook, but extremely positive response from the market.

Arnab Roy - Chief Financial Officer, Maruti Suzuki India Limited

Yeah, on your second question on the outlook part of it, as you know, we did our first price hike from June, which was to the tune of about 50 basis points. The next one we have announced from August. We are yet to give the detailings of that, so you will come to know by -- in the next couple of days how it is coming. So that's expected to flow in the coming quarter. As far as the commodity outlook, I think we'll all have to see, but it's fluctuating on a daily basis. So, we'll have to see. You and I read the same newspapers, so we'll keep seeing how it moves.

Raghunandhan NL - Analyst, Nuvama Institutional Equities

Hopefully it comes down soon, sir. And lastly, if you just share the export discount and CNG share, I'll fall back to the queue. Thank you.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Sorry, I didn't get your question.

Raghunandhan NL - Analyst, Nuvama Institutional Equities

If you can share the exports number, discounts, and the CNG share.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Okay, CNG share is about 40%. Exports were about INR11,500 crores, and discounts were flattish, I mean, almost similar levels as the previous quarter.

Raghunandhan NL - Analyst, Nuvama Institutional Equities

Thank you so much, sir. I'll fall back to the queue.

Operator

Thank you. Our next question comes from the line of Aryn Pirani with J.P. Morgan. Please go ahead.

Aryn Pirani - Analyst, J.P. Morgan

Yes. Hi, thanks for the opportunity. My question is somewhat related to what Raghu alluded to. Given that you have an inventory of just about 13 days and retail momentum in the market is still in double digits, as we look into the second half, is there an opportunity for you to maybe do some extra share [Speech Overlap]

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

We're losing your audio signal.

Aryn Pirani - Analyst, J.P. Morgan

Is this better now? Sorry.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Now, yes.

Aryn Pirani - Analyst, J.P. Morgan

Yes. No, I was just saying that given that your inventory levels are just at 13 days, it's at the dealer, and retail momentum at least for now seems to be in double digits. In the second half, is there an opportunity for you to increase shifts and try and grow higher than the 10%? Because it appears that for the industry, the earlier expectation was that we will grow at high single digits with double-digit in first half and maybe low single digit in second half. But the momentum seems to be surprising everybody. And is that your opinion as well?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So, we had kind of predicted this momentum, and that is why we try to expedite the commissioning of both the plants. So, yes, that's an obvious effort to how to see how to ramp up the new plants. We'll obviously be making our best efforts to have maximum supplies. If the customer is waiting, it's our duty to deliver cars.

Aryn Pirani - Analyst, J.P. Morgan

Okay, that's helpful. I'll come back in the queue.

Operator

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

Arvind Sharma - Analyst, Citigroup Inc

Yeah, hi. Good evening, sir, and thank you for taking my question. The first one would be on the Brezza. The turbo engine has been very aggressively priced so according to you, who will really opt for the larger engine? Is it just the automatic transmission that would lure people out there, or is

there something that we could see in terms of pricing of the turbo engine going forward? That's first. I'll ask the second question later.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

I would say it's not just the pricing, the response of the engine, the peppiness, the features, the ADAS, the infotainment features of the car, the 5-star safety rating both in adult and child occupant safety. So, the whole package is very exciting. And the automatic transmission is also available in the higher option. So, it's a very strong combination.

Arvind Sharma - Analyst, Citigroup Inc

Yes, exactly my point, that when you have a turbo at a lower price what would push a customer to buy a higher-price non-turbo variant?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

See, there are takers at every segment and every feature. So, something in the -- for example, automatic transmission, so the underbody CNG. So, there are so many aspects about the car that could appeal to different segments of customers, and we have takers at every sub-segment or every variant of the car. So, it's been carefully planned and designed that way.

Arvind Sharma - Analyst, Citigroup Inc

Sure. Thanks, sir. And second question on your raw material procurement part, the change in the policy why is it very different from other peers? Because there's a big proportion of gross margin decline that can be attributed to this new policy. So, why is it so different, and when does it kind of normalize?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So, first, let me share that there was no disruption. We did hear of disruption in the industry owing to gas or energy or commodities, but with such a large spread-out value chain, we did not have any disruption. Secondly, let's keep in mind it's a temporary phenomenon. In the next maybe couple of quarters, we'll bring it back. So, one needs to be agile to meet extraordinary circumstances. That's flexibility and agility.

Arvind Sharma - Analyst, Citigroup Inc

Sure. So, this kind of downward pressure margin will continue till this policy is out there.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

See, what we did was, for example, in aluminum, instead of -- aluminum prices were rising steeply. Now, if we continue on a three-month average quarterly cycle, then suppliers get impacted. Their current cash flows are not able to support it, particularly in processes where the raw material to conversion ratio is high. So, temporarily we move into a monthly settlement cycle and then come back to a three-month cycle.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Just want to complement on your second part of the question, whether it will continue or not. It's simple mathematics. It's a temporary difference. You are moving from a three-month to one-month, so you are kind of preponing the impact. But then if the commodity continues at that level, everybody will have to catch up. So, the reversal will only happen when the commodity prices change, or either way. So, it's not that it will continue, the hit is already done.

Arvind Sharma - Analyst, Citigroup Inc

Got it. Thank you so much for taking my questions, sir. That's all from my side.

Operator

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

Chandramouli Muthiah - Analyst, Goldman Sachs

Hi, good evening and thank you for taking my questions. I also have a follow-up question on the Brezza. So, the 2022 Brezza, when it was refreshed, I think at that point the way you had planned the BOM cost, it was a margin-accretive product. This is sort of a different situation where I think we have increased the range of what the engine capacities are on this model. I just want to understand that way you've planned the BOM cost on this one, would you think that this is also potentially a margin-accretive opportunity for the company in the form of the new Brezza that's been launched to customers? And I have a follow-up question.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Thanks. But product-specific margins, you would agree with me, is too confidential a business information that can be shared publicly. But rest assured, when we plan a product, we keep every stakeholder in mind, the customer and the investor alike. So, unfortunately, if volumes come, everybody is happy. So -- and you would have seen it in so many of our SUVs, so many of our other products. So, rest assured, we have taken care of all aspects in the design and planning of the product.

Chandramouli Muthiah - Analyst, Goldman Sachs

Got it. That's helpful. Second question is just related to the volume growth that you've been able to achieve. Just want to understand what is the current utilization rate at the new line in Kharkhoda, which was commissioned previous quarters? And also, if you could sort of give us some of the updated details on your buyer demographic mix around first-time, replacement, additional, as well as in the past you have given sort of color around salaried, government employee, self-employed, business, and so on.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So, see, regarding the new plant in Kharkhoda, let me mention to you that the ramp-up typically happens over a four- to five- to six-month period to full capacity. So, in the intermediate phase, it's a very dynamic figure that does not give any meaningful conclusion. So, we hope to reach full capacity in about four to five months. And -- but the 10% figure that we gave in the beginning of the year was keeping this ramp-up in mind. That is one. Your second question, yes, there has been some trend in the customer profile. Our first-time buyer percentage has improved significantly from 51% in the quarter four to about 54% in this quarter. So, just within one quarter it has improved

significantly, which can also be corroborated with the steep increase in small car volumes. And the other customer profiling -- so salaried is about 40%, business would be about 34%, self-employed about 20%, very broad profiling for customers.

Chandramouli Muthiah - Analyst, Goldman Sachs

And then government employee, if you could share that as well.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

It's the same at around 15%.

Chandramouli Muthiah - Analyst, Goldman Sachs

Got it. That's helpful. Thank you very much and all the best.

Operator

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

Kumar Rakesh - Analyst, BNP Paribas

Hi, good evening, and thank you for taking my question. Apologies in advance, there could be background noise. I'm at the airport. Two clarifications. First, on the demand side, so we spoke about the order book is at 130,000 this quarter, and retail and wholesale were largely similar. I recall last quarter we had spoken about order book to be about 190,000. So, while retail and wholesale were similar, it seems like order book has come down. Inventory days also are largely similar, 12 and 13 days. So, can you just help me reconcile if I'm missing anything in there, that where the gap of that 60,000 of order book is going? And I understand this would be June quarter-ending data, would not be including the Brezza bookings. So, any latest order book data you could share as a follow-up on margins?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So -- normally, so the first of the month, every month, we have a sales call. We announce that data in -- on the first of the month. And I have to mention that supply is also increasing at a very fast pace. So, we have pending bookings, and it's not a good idea to keep customers waiting for a long time. So, we have healthy growth, still constrained by supply, and we hope to leverage this growth in this year.

Kumar Rakesh - Analyst, BNP Paribas

Got it. And on the margin side, so I understand there was an accelerated absorption of aluminum price increases. Hypothetically, if the prices start falling swiftly, will we be following the same on the reversal as well, that we'll be accelerating the price set as we discussed?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

You're talking about commodity prices?

Kumar Rakesh - Analyst, BNP Paribas

Yes, commodity prices, especially aluminum, which you referred to.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So, aluminum actually has already started showing a reduction from the peak. So, from aluminum, we should get -- since we are following that cycle and we have to correct cycle also. So, at least on this particular commodity, we should be getting a reduction back.

Kumar Rakesh - Analyst, BNP Paribas

Got it.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

And similarly, some other commodities also, along with aluminum.

Kumar Rakesh - Analyst, BNP Paribas

Got it, Rahul. And on a similar accelerated pace, not waiting for the quarter end?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Sorry?

Kumar Rakesh - Analyst, BNP Paribas

And similarly, the way on the upside we have absorbed the price increases on a monthly basis. On the downside, I feel we would be absorbing or getting it passed through to us on a monthly basis.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So, we can expect -- so two things will happen. One, of course, since the commodity index or the indices are themselves coming down, to that extent they should flow back. Second is we'll correct the cycle also, we'll come back to the earlier cycle. So, one can expect that between Q2 and Q3, whatever benefits have to come will come.

Kumar Rakesh - Analyst, BNP Paribas

Got it. Thanks a lot for answering my question.

Operator

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

Amit Hiranandani - Analyst, PhillipCapital (India) Pvt. Ltd.

Yeah, thanks for the opportunity. So, from a two- to three-year perspective, we just need to understand the company's strategic initiatives to address the competition and where do you see white spaces and sustainable differentiation versus the existing SUV peers?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

So, this is what keeps the management busy all the time. We -- and I -- as I mentioned in my opening remarks, the management is strengthening the business of the company across several fronts. One is exciting new products that have very powerful features, performance, that are compelling propositions for our customers, which you can see with very less number of SUV

models, we are close to SUV leadership. So -- and within the top 10, for example, many times six or seven models are from Maruti Suzuki. So, volume per model is also high, which means volume per unit investment. Then we invest in multiple clean technologies for carbon reduction. And we ensure that the cost of carbon reduction as a portfolio should be least for Maruti Suzuki, and we should be de-risked also in the process. So, then management is concerned all the time that all of our Tier 1, Tier 2, Tier 3 suppliers keep quality high because we have a very high presence in exports and to very demanding quality markets like Japan or Europe. So, quality is one aspect. Then of course we take extreme care that our dealerships, the sales and the service are extremely customer-friendly. All these measures help us get our leadership position, get us higher volumes and higher profitability. And this is where we concentrate our efforts on. Any specific area, if you wish, I can focus on.

Amit Hiranandani - Analyst, PhillipCapital (India) Pvt. Ltd.

No, we just wanted to understand, like, is there any white spaces you see in the SUV spaces?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

There are always white spaces. Let me mention to you that by the end of the decade we'll have many more products. Within SUVs, we have announced -- we had announced eight, out of which Victoris has already been launched. So, we will have many more SUVs in the next few years. Obviously, we will be targeting some white spaces where we can get good volume, volumes per model. So, within the SUV and the premium segments, we will have launches.

Amit Hiranandani - Analyst, PhillipCapital (India) Pvt. Ltd.

Noted. Sir, my second question is basically like how much price increase you expect for end customers due to CAFE 3-related upgrades? And lastly, on the capex, if you can -- I wanted to understand what percentage of capex over the next five years is allocated towards EVs, ICEs, and hybrids. That's it from my side.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

I missed the last one question. ICE, EV, and hybrids, what aspect [Speech Overlap]

Amit Hiranandani - Analyst, PhillipCapital (India) Pvt. Ltd.

Like what percentage of capex we are putting over the next five years towards ICE, EV, and hybrids?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

See, for example, the fourth -- yesterday we announced the fourth line at Hansalpur plant, which makes Hansalpur plant one of the top largest within the top 10, let me say, largest plants, car plants of the world. Now this fourth line is predominantly an EV line. And the capex was about INR3,900 crores. In addition, we have spoken about our second EV display in Bharat Mobility Show early next calendar year. So -- and there's a slew of EV launches. We are also working on hybrid technologies. Even hydrogen, there's a research project going on. So, multiple powertrains we are working on. And the question before this I missed.

Amit Hiranandani - Analyst, PhillipCapital (India) Pvt. Ltd.

Sir, there was one question: how much price increase you expect for end customers due to CAFE

3-related upgrades?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Due to what related updates?

Amit Hiranandani - Analyst, PhillipCapital (India) Pvt. Ltd.

CAFE 3, like exhaust system and all.

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

3? So, CAFE 3 is close to finalization, still not final. We will be working our strategies. It will differ from model to model, even variant to variant. So, maybe in the next few quarters we'll be more equipped to answer this question.

Amit Hiranandani - Analyst, PhillipCapital (India) Pvt. Ltd.

All right, sir. All the best. Thank you, sir.

Operator

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

Ashish Jain - Analyst, Macquarie Capital Securities (India) Private Limited

Hi, sir. Good evening. Sir, just continuing on the comment on commodity, given like if I just look at the aluminum prices, they were like close to \$3,700 in first week of June and now they are \$3,100. So, it's safe to assume that this \$3,700 kind of spike is already there for us in 1Q already? I mean, when you say real-time or one-month lag, just want to be a bit more clear because commodity has fallen very, very sharply in the last 20-odd days. That's why I'm kind of probing into this a bit.

Arnab Roy - Chief Financial Officer, Maruti Suzuki India Limited

See, to be prudent, we will have to watch how the commodity trend fluctuates. It is subject to a lot of global factors. So -- and we can't really -- I mean, with the crystal ball, gauge that in the next month or even in the next couple of weeks how it is going to look like. Yes, your today's number is right. Average number also, we have an outlook. We have already given you the outlook that quarter to month there is a delta. Rahul has already called it out. But going forward, how the rates will fluctuate, we'll have to wait and watch. Today's sitting, we can't say what is this.

Ashish Jain - Analyst, Macquarie Capital Securities (India) Private Limited

I apologize, but I'm not looking for a forward-looking comment. I'm just saying that this peak of commodity, like \$3,600, \$3,700, that is past us, right? That is already there in our 1Q P&L. Is that a safe assumption to make, or [Speech Overlap]

Arnab Roy - Chief Financial Officer, Maruti Suzuki India Limited

If the rate stays where it is, your comment is right. If tomorrow the rate changes, we will have a new normal to talk about.

Ashish Jain - Analyst, Macquarie Capital Securities (India) Private Limited

Okay, okay. Okay, got it. Secondly, Rahul sir, earlier on the call you spoke about Maruti and industry growth in 18% GST and 40% GST. Is it possible for you to share the absolute volumes for those categories, both for Maruti and the industry, if possible?

Rahul Bharti - Chief Investor Relations Officer and Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Limited

Sure, sure. So, in the 18% GST bracket, this is industry growth, right? Let -- kindly give me a second when I refer to my sheet. So, this is industry. Okay, Maruti did about 359,000 cars in Q1 in the 18% GST bracket against industry of 734,000 approximately. In the 40% GST bracket, Maruti did about 161,000 cars, and industry did about 470,000 cars in Q1.

Ashish Jain - Analyst, Macquarie Capital Securities (India) Private Limited

Okay, okay. That's helpful, sir. Thank you so much.

Operator

[Operator Closing Remarks]