Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg,
Worli, Mumbai 400 018 India

Tel: +91 22 2490 1441
Fax: +91 22 2490 0833
www.mahindra.com

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Sub: Transcript of the Analyst/Institutional Investor Meet

Ref:
- Pursuant to Regulation 30 (read with Para 15(b)(iii) of Part-A to Schedule III) and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")
- Intimation of M&M Analyst/Institutional Investor Meet Q2F27 dated 15th October 2026
- Submission of Presentation for M&M Analyst/Institutional Investor Meet Q2F27 vide letter dated 5th November 2026
- Submission of Audio-Video recording of M&M Analyst/Institutional Investor Meet Q2F27 vide letter dated 5th November 2026

Dear Sir/ Ma'am,

In continuation of our letters referred above, we hereby submit the Transcript of the M&M Q2F27 Earnings Conference Call held in hybrid mode in Mumbai on 5th November 2026 with Several Funds, Investors and Analysts, with respect to the Unaudited Standalone and Consolidated Financial Results for the second quarter and half year ended 30th September 2026.

The aforesaid Transcript is also available on the Company's website and can be accessed at the following Link: M&M Q2F27 Analyst Meet -Transcript

Please note that only publicly available documents were referred to during the discussion and that no unpublished price sensitive information was shared during the aforesaid Earnings Call.

You are requested to kindly take the same on record and treat it as compliance with the applicable provisions of the SEBI LODR Regulations.

Yours sincerely,

For **Mahindra & Mahindra Limited**

Sailesh Kumar Daga
Digitally signed by Sailesh Kumar Daga
Date: 2026.11.11 18:17:05 +05'30'

Sailesh Kumar Daga
Company Secretary
FCS: 4164

Encl.: as above

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London Stock Exchange Plc
ISIN: USY541641194

"Mahindra & Mahindra Limited Q2 FY27 Analyst Meet"

November 5, 2026

MANAGEMENT: DR. ANISH SHAH – GROUP CEO & MD, MAHINDRA & MAHINDRA LIMITED
MR. RAJESH JEJURIKAR - ED AND CEO, AUTO AND FARM SECTOR, MAHINDRA & MAHINDRA LIMITED
MR. AMARJYOTI BARUA - GROUP CFO, MAHINDRA & MAHINDRA LIMITED

Divya Gulati: Good evening everyone, request you to settle down please. A very warm welcome to the Quarter 2 Analysts' Meet of Mahindra and Mahindra Limited. For the main presentation today, we have with us our group CEO and MD - Dr. Anish Shah, ED and CEO of our Auto and Farm business - Mr. Rajesh Jejurikar and our Group CFO - Mr. Amarjoti Barua. Once the presentation concludes, we will commence with the Q&A session.

For the purpose of completeness, I wish to read out the safe harbor. Certain statements in this meeting with regard to our future growth projects are forward looking statements, which involve a number of risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements.

With that, now I hand over to Dr. Shah for group overview.

Anish Shah: Thank you, Divya. And good afternoon, everyone. It's great to have you here with us. And good morning, afternoon, and evening to folks online as well.

The keyword for this quarter is resilience. And you'll see that as we talk about what each of our businesses has done. I guess all of you have seen the results already by now. So, we start with the headline results, revenue up 25%, profit after tax up 25%, and ROE at 21%. In some cases, this might sound as business as usual for us.

But this quarter has been a tough one. It has been one where we've seen multiple issues from commodity prices to geopolitical issues to monsoon deficits and various other things. And therefore, resilience has been really the center of focus for us and for each of our businesses.

There have been multiple proactive actions that businesses have taken that have helped drive these numbers, and we'll talk about them. And while everyone's so focused on the short term, we also want to take a step back from that and talk about the momentum that we still have for what we promised you a couple of years ago, and where are we on that momentum to be able to build businesses at scale with a significant level of profitability. So that's what we'll talk about today as well, which is beyond what we usually talk about around the short term only.

Starting with consolidated results, revenue at ₹57,553 crores, up 25%. Profit after tax, ₹4,588 crore, 25% as well. Also, an important number on the bottom right-hand side of the screen, which is year-to-date profits up 29%. So, a good start in the first half of the year, again, despite multiple challenges that we've seen.

Where has this come from? And this is the one other important aspect of performance is that multiple businesses have driven this. And that's what you're starting to see over the last few quarters, is that it's not just the Auto and Farm business, which has always driven profits for us, but multiple businesses are now playing an important role in driving profit.

Growth Gems are up again 3X, as they were last quarter.

This time we've got logistics playing a significant role. A huge turnaround in logistics, up to a very good level of profitability as compared to where it was in fact loss-making last year.

We have Accelo up 70% as well, and their steel prices have had some role to play for Accelo's growth.

Mahindra Finance up 61%, following the previous quarter where it was up 55% as well. So last two quarters, Mahindra Finance has been on a very strong track, driven operationally, driven by lower asset quality, tech and data making a huge difference. Back to growth now, and I'll talk a little more about Mahindra Finance in subsequent pages.

Auto up 55%, SUV volume, demand continuing to be strong, PLI plays a role in this number also and offset by commodity inflation.

Tech M on track with the plan that we've outlined, and that's driving good growth and profits up 33%.

Farm down 9%, but given everything that's happened in this industry, we'll take this number. And in addition to it, it's also something which Farm has solved for many international issues and therefore is in a better place today than it was even a quarter ago.

What you also see is we did not have any monetization this quarter, but we did last year, and therefore there is some takeaway in a sense from investments, which in the overall scheme of results is not a bad thing as the operating company is driving performance rather than any monetization that's driving performance.

What we have always said is 15% to 20% EPS growth and 18% RoE. You've seen a broader version of this chart, we've decided to just keep three years now here, and you see a 34% compounded annual growth for EPS, RoE we are at 21%. I will repeat what I always say is 18% is still our target. We may go slightly up, we may go slightly down, but we will stay with 18 as a target. We will continue to stay with these commitments, even in tough environments. 15% to 20% EPS growth and 18% RoE is what we continue to stay as a commitment.

Resilience. Let's take a few businesses as examples here. Our Auto business, commodity and supply chain constraints, both playing a key role. The offsetting factors were the actions taken by the team on pricing, on hedging, on product mix. Diversifying the supplier base, increasing capacity, we will be up 27% by the end of this year.

On the Farm side, in addition to inflation, it's monsoon deficit and international demand being off quite significantly. There again, pricing, product refresh, accelerating exports in some areas, completing some exits that we had to make internationally.

So, as we look at this combined, here's a view on what we've seen for commodity and in some ways forecasting your question on what do you see for this quarter, what quarter three and what do you see for next year? We haven't put numbers for inflation because you have them across multiple commodities, but the 5 key areas that we see are around steel and base metals, rubber, precious metals, currency and oil prices. We have increased prices in Auto by 5%, in Farm by 4%. We have taken cost actions as well as leverage from an operating standpoint that's benefited us and that's helped us control the inflation aspect and be reasonably close in terms of where we wanted our margins to be. Yes, we are obviously lower as everyone is, but we are much less lower as compared to anyone else in our respective industries.

As you look at Q3, we do see some marginal upticks possibly on steel and possibly on rubber, but we do see precious metals coming down. They already have started coming down quite significantly.

Currency can't forecast. We're seeing some strength over the last day, but not really going to forecast currency, but we don't expect it to get much weaker.

Oil prices, you've seen a significant gain over the last 24 hours and therefore, we at least feel that oil prices will be in a better zone at this point in time. Most of this page except for the oil price downward arrow was done 48 hours ago and that's the one thing that we changed in the last 48 hours. Therefore, Q4, we had expected normalcy even before what's recently happened.

What we see overall is consolidated Auto and Farm continue to be strong because of international Farm playing a big positive role.

And core tractor, we'll see some pressure in Q3 based on the last 24 hours. Maybe it's less pressure than we expected. We may see improvement in Q4 and normalcy in F28.

Resilience for other businesses, Tech M - large deal wins and a strong pipeline, accelerating AI adoption. Mahindra Finance - changing the business mix, expanding ROA, digital first, tech and data playing a big role. Our Growth Gems just focus on execution and very disciplined capital deployment. These are the factors that are driving performance in all of these businesses.

So, let me then pivot to a longer-term view and we'll come back to the short term as Rajesh comes and talks about Auto and Farm and we'll cover that in questions as well. But I do want to share this perspective on longer term.

You've seen us at our investor day talk about targets that we've taken for each business. And you saw us take a target 2 years ago for Auto business to be 8X this decade. Starting from ₹29,000 crores in F20, we had set up an 8X number. We have reached 4X already. And you may rightly ask the question, why only 2X more over the next 4 years? I asked that question of our businesses as well. So, hopefully, we'll get to a better number. But for now, we are staying with the 8X number that we have.

Key growth vectors, strengthen SUV presence. We'll play in a much bigger way in sub 4 metres as well for SUVs with NU_IQ platform. EV leadership, we're starting to see greater tailwinds for EV and global. These are going to be the three big growth drivers.

We do have to address our capacity constraint problems. And therefore, you see capacity being outlined here starting this year at 64.5, ending this year at 82, 92 for next year. And then as our new plant comes upstream, 132 by F31. So, that's the plan we have for capacity. If we need more along the way, we'll find ways to put more. We are going into the new plant with the ability to expand as well. And therefore, the quicker expansion will be possible if required. That'll be a great problem to have. And that is beyond what's in these numbers right here. And there are multiple proof points on each of these, which I won't go through in detail at this point.

Farm, we've promised a 3X growth from our 21,000 number, ₹21,000 crore number at the start of F20. We have achieved 2X already. Key growth drivers here, domestic leadership, which continues to be very strong, international. Farm machinery, which you've seen continued growth in the 30% plus range, and a tech ecosystem, which is going to start adding a lot of value, both domestic and internationally. And here again, there are very specific proof points that we've seen that give us confidence that we can be able to drive further growth in a Farm business, in an industry where domestic growth may be single digits, possibly high single digits, longer term, we can drive much higher growth than that.

Financial services, this is for assets under management. ₹65,000 crore was a starting point. We are at ₹1,30,000 crore plus now, promise of 4 to 5X in this decade. And beyond AUM growth, it's diversification, it's tech and AI driving efficiencies, as well as customer experience and asset quality and control that should be very stable. Business on a very solid track right now. We've seen some very strong performance from an operating standpoint. Team that is doing extremely well. So, everything we set for Mahindra Finance, we've delivered. And we're on a stronger track than we had expected to be at this point in time.

Truck and bus, our target is 10 to 12% market share for the end of this decade. Higher after that, we started at 2%. Products, synergies from the SML acquisition and various other things around cross badging, etc., that we would do, we'll start driving greater value.

Last Mile Mobility, you see a different set of numbers here. The goal here was 25X from what we started this decade with. We've achieved 7.5X already. Here again, you may have the question of why only 3X from here? Fair question. We'll address that as we go forward.

Lifespaces, looking at pre-sales, the promise is 14X for this decade. We've achieved 5X already. And beyond the number on pre-sales alone, the various aspects that go into it have been addressed. GDV has been growing at a very rapid pace. And not just GDV, it's about how we do these projects also. Our Bhandup project is over 35, 37 acres of land. We're doing multiple projects now over large plots of land and really redefining how Mahindra Lifespaces is placed. And it's become a much, much stronger player in the market today. And very profitable as well. So, profitability has been a key part. We did not put capital till we were certain that there was profitability that would come in with this business.

Aerospace is flying. Here you see a 50X growth in orders, which essentially puts us at a target of a billion orders, billion dollars of orders per year by F30. At this point, we've achieved 28X already. So that gives us credibility that we can go forward and complete the remaining 2X that we need. And hopefully again, we will go higher than that. And this has been driven very simply by delivering high quality on time. As we do that, the global OEMs value that a lot. They see the ability for us to do a lot more. We built new capabilities. And we're starting to get in very significant amounts of business as a result of that.

That's just a snapshot of our companies, a few of them. In summary, very strong momentum for scale. You've seen some aspiration numbers that we had presented 2 years ago. And it sounded fairly high flying at that point in time. Today, we can come back and tell you that we are on track for each of these as you've seen what we've achieved so far. In many cases, not only on track, but looking at can we even grow faster than what we promised here.

So that's the perspective from a longer-term picture. Because sometimes we get too focused on the short term and all the challenges in the short term. And therefore, I wanted to highlight the resilience in the short term, as well as the promise for the longer term that's coming together to help us build a very strong set of businesses here.

You've seen this page before multiple times. I will continue putting it there. We have said no to

many things, but we will continue to look for one new opportunity. We will go into it only if we feel that we have a strong right to win, it has meaningful potential for scale, we can generate returns that are outsized compared to others, and we can execute that very well. So, wherever we feel we can do that, we will look at entering one new area.

And in summary, therefore, strong quarter, much stronger than what I would have expected at the start seeing all the challenges. And kudos to all our businesses for really driving that performance. Businesses are on a strong track, proactive actions that has really helped us be resilient and continued momentum as we look at a longer-term perspective beyond what's happening in this quarter alone.

So, with that, I'm going to invite Rajesh to come up and talk more about Auto and Farm.

Rajesh Jejurikar: Thanks, Anish. Hi, everyone. Good morning. Good evening. I'm going to go quickly through the charts, there are many and so that we have enough time for Q&A. I think most of you would have read already, I guess on what we are going to show here. So, I'm going to go quickly through it.

On the Farm, you've seen Quarter 2 go down. One of the primary reasons is season shift. There are some other factors as well. We'll talk about that. Market share continues to be strong and robust and we've maintained the high trend of share that we've been on. Farm machinery is grown. We've beginning to gain share in a segment in which we've been very weak, the harvester segment. We have multiple actions in play on what we need to do on harvester. That's a high value chunk of the Farm machinery business and we were under penetrated there. So that's been a focus area for us and we're seeing some momentum on that.

The consolidated margins, you've seen the numbers. I'm not going to read them all out. Anish spoke about the international subs turning around. I'll talk a little about that. But you can see that process in play and that's why as you start looking at consolidated PBIT, the drop is not as much year on year, but is actually an improvement Q-on-Q. And that's because we're seeing improved performance in international as we've exiting companies.

The core tractor margin, if you compare it with, we all know last year was a very high Quarter 2. Season had started last year; commodities were still benign. If you look at it compared to F25 Q2, you actually see the drop is not as much. An indication of the fact that we manage pricing well, taken price increases on time in tractors, but also in Auto and we talked about Auto. And that's helped us stay at a very healthy level of margin relative to the size of the downscaling of industry that's happening. And this chart is something that we often show you to kind of demonstrate this capability. I'll skip on this.

Three companies have been restructured. They were draining our performance. Sampo, we had said we were exiting, that's complete. Erkunt Foundry is complete. And the Mitsubishi Mahindra Ag Machinery in Japan is also in final stages. By Quarter 4 of the fiscal year we should be done with the closure of that as well.

The 3 subsidiaries that we have, there is stress on that from an industry standpoint. They are strategic markets, so there is no intention to exit. They are large chunks of the global tractor market. We have a good presence there. Brands have been well established, channel is strong, but there is stress as you're seeing in the US minus 15, Brazil minus 18 and in Turkey minus 36. So, three of our global subs are seeing a big industry slowdown.

We've reduced the outlook for the year. This is a question all of you had. This is for the full year to clarify. It's not for the second half. It's a full year instead of 5, we're reducing it to flattish. The key drivers of that are 2 or 3 things. One is the level of monsoon deficit is much worse than what was projected in July. As you can see, you know, it's 90% of LPA then and it's now 87%. Two states are in bad drought. Maharashtra, of course, had subsidy last year, but on top of that subsidy going away, there is a very bad drought in Maharashtra. It's a big market for the industry. Karnataka as well. The northern markets are doing well relatively.

The reservoir level is also not at a good level. So, while Kharif sowing acreage is not so bad. The expected yield is expected not to be so good. Rabi sowing is a bit delayed but that maybe too early to worry about because there has been a delay in harvesting, so it could pick up. It is just, we have got to watch how it is going to be over the next few weeks.

Keeping that in mind we have kind of decided to move Plus 5 to flattish. The festival season is not yet over as you all know. Dhanteras is tomorrow, the Diwali days are coming up and there is a delay in harvesting. So, the buying season may extend beyond the festival as well till the third

week of November. So, it's too early to call.

And you know, we all know things swing quickly. So, let's wait and watch. But this is our current outlook.

On the auto side, in Quarter 2, we've seen strong growth in SUV. We've seen strong growth in LCV as well. For the first half, again, you see strong numbers.

Qualitatively, I want to add here 2-3 things. One is all our brands are in very strong demand. What you are seeing right now is a function of the constraint we have over the capacity.

Many of you would have watched our October numbers. So, if you look at our ICE capacity of 61, which is what we said we'll be at by end September, at the 8000 of EV where that makes it 69, we actually did over 70, we did 73,000 odd numbers. So, some of that was out of inventory, but also kind of operating on the full capacity that we've set up.

So, any, you know, kind of reflection on the fact that our growth numbers are a reflection of the demand. I just want to set that right. Demand for all our brands at the moment is extremely strong, EV and ICE.

Physical stocks of everything at dealers are at very, very low levels.

LCV as well is seeing very strong demand and everything that we are producing is selling. We have a capacity of pickups Plus Supro of about 30,000 and that's the level at which we are operating right now.

So, what you are seeing in our growth numbers is a function of the capacity that we have at the moment. Skip this.

The EV momentum has been very strong. In the first half we were revenue market share one. Penetration of EV as a percentage of total SUVs has been 12% for us. So that's a pretty, pretty healthy penetration. We have not been able to fully leverage the opportunity because we had a capacity constraint at 8,000. As we've said earlier, that will go up by about 4,000 as we get to Feb-March, by 4,000 as we get to Feb-March, which will be then a substantial capacity of 12 and there are plans to increase that further.

Someone pointed out to me that in spite of 59 being written here, I read 49. So, I am correcting myself to say we have set up 59 ultra-fast charging stations. And I thought this was some very interesting data. So, while you see 59 may not look like a large number, it's actually covering 12,000 kilometers of highways. And on those 12,000 kilometers of highways, you get a charging point every 200 kilometers. So, with a vehicle which has a range of about 500 kilometers, you're actually pretty secure in doing long distance drive if you're on literally anything from the south up north. Not as strong on the UP to east side yet. But as we start ramping up that and target to get to 250 charging stations by the end of next year, we'll see a substantial change on how this map looks.

I thought this was a very interesting number, which is 4 million units of kilowatt hours that were dispensed translates to 2.5 crore kilometers of driving. So, you know, that also kind of indicates that it's not just that charging stations are there, but they are creating meaningful impact.

Significant thing, two points on this chart. One is that 9S continued to be the highest selling EV in Quarter 2 as well, in spite of its price point. And secondly, we are seeing very good momentum on BE 6 Sporteq after we introduced that in August, on August 15. So, both of these have kind of strengthened the EV portfolio and momentum. We've sold cumulatively more than a lakh vehicles.

LCV I spoke about, very strong demand at this point of time. And we are constrained by capacity.

Trucks and buses and SML saw good growth of 37% in the quarter. The BLAZO i-TRK was a very, very significant launch done very well by the team. One major launch, mega regional launches, and the feedback we had many, most of the top fleet owners attend the launch centrally and regionally. And that has built a lot of confidence in the product. And we've seen very good momentum already starting to translate into market share and absolute bookings that we have on the ground. So, this has been a very, very good launch so far. Feedback on downtime guarantee that we're given is very good. Nothing has been, you know, utilized yet from the offer that we had made. So, you know, this launch has gone very well. And in a segment where many feel it's

not easy to gain, we're already seeing share gains happening in the heavy truck segment.

Last mile mobility, we continue to do very well. Unfortunately, you know, the capacity is capped. We've seen significant growth in volume in the last 8-9 months. And you can see a very large portion of the quarter numbers now are all electric, that 45,000 blue represents that. And we are taking multiple actions to increase capacity here as well.

We have 4 lakh vehicles, electric three wheelers on the road. And the electric last mile mobility business has been selected as a finalist on a very prestigious Earthshort Award. And, you know, it's a very, very prestigious award with a very prestigious global jury for the impact that they're creating on clean air.

You've seen this margin chart. So, let me just go to this where you can see it all together.

There was a question last time on whether we will improve sequentially our margins from Q1 to Q2. I think the question was more on whether we will maintain and you can see we've improved from 8.9 to 9.8 and consolidated as well from 7.7 to 8.8. While we've come down a little bit year-on-year, but much lesser than what I think all of you would have expected keeping commodity increases in mind.

So, few points on as we think about the way forward.

One is we are fully on track on executing all the capacity expansions that we had spoken about. I just spoke about what we had said till exit of first half.

By Feb-March, we would have added the additional NU_IQ related capacity of approximately 8,000 in Chakan and another 4,000 of EV capacity taking totally EV to 12. So, you have all the numbers, but all of that is on track.

We are also fully on track for Nagpur project. We've acquired the first phase of land that we needed to get going. So, we are fully into execution of the project now.

We launched the Scorpio Lifestyler as you all know on 14th August. Very good feedback that's come from international markets because we had international media with us at the launch as well and as they have gone back, plus from Indian consumers who are all waiting eagerly, we believe this will create a new category. It will be a white number plate launch as many of you would have picked up. So, it will go in the personal segment, will be positioned as an SUV offering, not as a CV, even in India.

These two refreshes, I just spoke about BE 6.

The CNG was a gap we had in a way in our portfolio. We had always said that we will, if we were to do a CNG, we would do one which does not compromise on the brand DNA and the product team has really done a great job to create a CNG. We call it ZNG because it has the Zing. It does not take away from the brand DNA of power and performance. And I think that's been a highlight. Many people have also appreciated the fact that we have not lost the boot space. So, you know, all in all, this has come out to be a very good product and we are already seeing very good traction around it as we are starting to ramp up.

We launched the Scorpio Refresh.

We also launched the Thar Refresh called the Thar OG. Again, got very good feedback. We also put out a new TV commercial. If you want to take a look, I'm not showing it here. It just got out yesterday. But probably if you go to see Ramayan on the weekend, you will probably see it in one of the cinema halls.

We launched a new version of the Veero. Again, very good feedback on that.

Five big launches by the end of June '27.

So, the first of the NU_IQ, all new product on INGLO, the Lifestyler, one significant refresh and one LCV. So, we have a lot of excitement in store. It will all happen. All of this will happen before June of 2027.

So, there's a lot in the pipeline on top of a portfolio which is already very strong. We believe this will strengthen us further.

To summarize the outlook on tractors, we've talked about the industry, flattish for the full year.

For SUVs, Mahindra outlook, mid to high teens, we maintain that.

LCVs, we are increasing it slightly to double digit for the industry, based on the fact that first half has been better than what we thought it would be.

So, with that, I will hand over to Amar. Thanks.

Amarjyoti Barua: Okay, I'll sum up the quarter in three sentences.

Number one, very strong performance, given the amount of challenges that the teams had to deal with.

Number two, when you think about the challenges the team had to deal with, the fact that we could achieve these results came as a result of proactive actions.

Number three, those challenges are not out yet. We hope they will get better.

We actually feel quite good that with some of the trends we are seeing and some of the changes that are happening around us, the trends will reverse as we get through time and we are well prepared to deal with that.

So, underlying this 25% growth was significant inflation as you all know. There was, just to throw out three numbers there to give you a sense of how dramatic the inflation has been. Steel is up 17% year-over-year, copper is up 42%, rubber is up 40% and I can just go on. I don't think there's any commodity in the commodity basket today which hasn't seen significant and outsized inflation compared to the past. So, these are, no easy way to say this, these are trying times from a commodity inflation standpoint, but the team has shown its resilience by taking proactive actions and will continue to do so through the second half of this year.

This shows the contribution of various components of the Group. Anish pointed this out. We are very proud of the fact that the Group now continues to see contributions from every part.

You can see that besides auto, a lot of contribution from Tech M this quarter, Mahindra Finance, the Growth Gems, and you can see we actually didn't have any monetization during the quarter. So, all of that kind of year-over-year drag was offset through operating performance.

And the farm performance, while you might see a 9% decline, you all know that there was a significant festive shift. And what we believe is very, very important, the actions we took last year on the international side will pay a lot of dividends as we go into the second half of this year, because that entire drag in the second half of last year is not going to be there this year.

And I'm also very pleased to let you know that the team has actually executed the exits faster than what we had initially contemplated. So, that should set us up for a good performance in Q3 from the international subsidiary standpoint, as well as going into Q4, which should help farm consolidate a lot.

You know the standalone results, I won't delve on them, but I think this is an important chart.

Cash continues to build because of the strong operating performance. And you are all aware, we will continue to look at opportunities to deploy this and the capacity enhancement in auto as well as farm is going to be a big part of it. And, you know, we'll continue to find the right opportunities to deploy the cash. But I think what is impressive is, despite a record dividend payout, we grew our cash balance through the first half.

Okay, with that, we can open it up for questions.

Divya Gulati: Just give us a minute to complete the setup.

Amarjyoti Barua: With last quarter, we started having some of our leaders over, so this time as well, which is why you see larger number of chairs than the three of us, and you'll get to speak to some of them. So if we can just have Velu, Vijay, Amit, Vinod, if you could please come forward and Suman.

Divya Gulati: We can begin with the Q&A session. We can start with Kapil of Nomura.

Kapil: So, I'll ask the question, first question to Rajesh.

Sir, you know, it's almost been a year, it's more than a year actually of the GST cut now. So, I'd just like you to take stock of, you know, how the demand is shaping up now we've had those pent up and one-off impacts through.

Are you seeing both in terms of powertrains and in terms of larger SUVs, smaller SUVs, compact cars, you know, what has been the change in consumers' behavior after the GST cut now that we have the base of the data visible? What we saw is that, or it appears that M&M has outperformed through the festive season, so some color on that as well will help. And you can talk through the powertrains as well, you know, diesel, petrol, EVs and now CNG as well.

Rajesh Jejurikar: Yeah. So, Kapil, firstly, GST drop was a big enabler for the whole industry. I mean, there's no question or I don't think anybody can dispute that it has propelled the economy, it has propelled the sector and has led to turnaround on categories which were not doing well. LCV was certainly one which kind of just completely switched post GST drop. So, we've seen that through.

Now, if you have to really evaluate that, you need a like-to-like environment, right? Because the environment till two or three months back was very different than the environment in which we are operating today, or hopefully things will ease off now with crude dropping and all of that. And these are all negative sentiments weighing in. In spite of that, I think demand has been very robust. And I mentioned that as well. Certainly, for us, more in the greater than 4 meter vehicles of the larger SUVs. But even in, you know, Thars, Boleros, all of these have been very strong.

We've not seen a slowdown in SUVs, even in rural markets, as we've gone through the festival season. Maybe a little bit regional because of South, but not rural urban. So, I think demand has stayed very robust.

From a powertrain mix point of view, there has been a definitive shift from petrol to CNG and EVs across all categories. I think that is one very visible trend, surprisingly to diesel as well. So, there are a whole bunch of customers who have moved into diesel where diesel options were available. So clearly, gasoline as a powertrain option has come down. And that's possibly because of the increase in fuel price, you know, CNG and EVs became very viable options for people as they're more sensitive about the fact that, you know, fuel inflation is not as much as the crude inflation has been, but people were expecting that story to play out. So, I think people have been cautious and moved to CNG and EV and that was a definitive trend. So, that's on the powertrain.

On festival season, our momentum, yeah, I mean, on Vahan, we are the fastest growing brand and the category on Vahan like-to-like for festival is not, is almost like a flat to minus. It's too early to know what to read into because multiple people have had shortages in the festival season. So, you know, I don't want to kind of read into it that demand has slowed down because we do know our competitors who are stretched on many of their products as well. So, I think it's good that the overall industry is robust and doing well. We are happy we are doing better than that. And hopefully, we'll continue this momentum. I don't know if I covered all your points.

Kapil: And if you could also talk us through in terms of capacity, which products are there where significantly more capacity is required as you go forward or, you know, order bookings are much more than what you are able to produce right now.

Rajesh Jejurikar: Scorpio portfolio, mainly N a very, very strong demand and completely out of capacity. 7XO has huge waiting period still, 5, 6, 7 months. So, when you look at it, both are bigger products are completely in that mode. Thar OG after launch, Roxx. So, actually, if you really look at our whole portfolio, it's in a very, very high level of demand.

Velusamy R: So, the electric, the pickup, all of them, the Camper, the high load tonnage, 2 ton, all of them, Electric 9S, all of them have a very high demand.

Kapil: Sir, in light of this, you know, what we have observed in the last six years is that every year sort of we have been short of capacity, which is a good problem to have. But possibly do we need to… you know, Anish, maybe you can comment on this, but do we need to think bigger in terms of capacities? Because even if… are we planning for 100% utilization every year? Are we planning for 80% utilization? Because some of these will get utilized. We are a growing market. So, why not think of much bigger expansions?

Anish Shah: Yeah. So, Kapil, very fair point. We were at 17,000 at the starting point five years ago. Today at 66,000, so 4x. We'll close this year at 82. So, almost 5x capacity. For a couple of years, we did have constraints in adding capacity because of semiconductor issues right around the COVID timeframe. Since then, we've had the ability to increase capacity. But I would say that the demand for our products continues to surprise us at this higher level. We are now going ahead with a very large plant at Nagpur, and we have actually committed to buy close to 1,500 to 2,000 acres of land. So, the ability to expand quickly will be very fast as well beyond that. So, we are effectively doubling capacity from where we stand right now, and have the potential to increase a lot more very quickly. We also have bought land for a supplier park to help our suppliers come in and expand rapidly as well. And that should give us the breathing room going forward.

But this is a problem, yes. Could we have foreseen it? Possibly. But it's just been every single product operating at a level that's far higher than what the industry has seen before in many cases for products of this size, and that's what's contributing to it. So, that's where we are, and we fix that going forward.

Kapil: What I meant is, is there anything possible in the near term to kind of expand capacity and service this demand which is already there, in the next one year or so?

Anish Shah: So, at this point, as I mentioned, 27% growth this year to go to 82 and then to 92. We will look at is there any other room that we have to be able to grow beyond that. But we are moving very rapidly on creating the new plant also. So, hopefully that should come in and give us enough breathing room at that point in time.

Kapil: Sure. Thanks.

Divya Gulati: Yogesh from HSBC and Binay, then I'll come to you.

Yogesh: Hi. Just a couple of questions. Firstly, on electric vehicles, Rajesh, you mentioned there was a good spike after the fuel price hikes a few months back. So, now are EVs driven by the fuel prices? Because if the crude falls again, will we have a pause or there is a network effect now?

Rajesh Jejurikar: Yeah, Yogesh, I think, you know, an inflection point for a category development is very, very important, and there could be different kinds of inflection points. In this particular case, the war turned out to be an inflection point. It got large number of people into EVs. When large number of people come into a new category, and their barriers get addressed, you then have broken that barrier resistance to try a new category. Today, there are enough people who each of us know who are EV owners. And their experiences and their word-of-mouth help others make an EV oriented decision.

So, irrespective of whether the fuel price is X or 10% more than that, the saving today for customers is real and measurable. So, if you basically have an ability to charge your vehicle, there is no doubt that you're going to save 1.5 to 2 lakh a year on an average driving cycle and you have a 4 or 5 lakh saving in a three-year period that is proven and that is established. So, once that is done, then you know, people are jumping on to it. Because that saving… you know, all Indians irrespective of how much wealth you have are very saving oriented and people don't want to pay for something that they feel they don't need to pay for. And you're hence seeing even in the large car category, where people have the money to spend on fuel, it's not like spending Rs. 10,000 a month or Rs. 15,000 a month. That's a big deal. But for people like okay, if you can save that with a good car driving experience, why spend it.

And I think the other thing we are noticing and this is even based on data, not just anecdotal of vehicle driving experiences, people are starting to use the cars much more, and people are taking more trips and driving out longer when they own an EV, because you're suddenly less conscious about the fact that it's costing you money. So, the driving habits have also changed as people are owning EVs. So, I don't think it's a trend which is reversing because of a drop in crude. And it's not a drop over what it was pre-Feb. I mean, it's a drop over the inflated level. And I don't think crude prices, I mean, the petrol pump prices in India are going to drop because oil companies will honestly have to recoup everything that they've subsidized in the last few months. So, I don't think the prices on the pump will drop anytime soon.

Yogesh: Okay. So, just to extend it from a 3 to 5 year perspective. So, what are your thoughts now on localizing the powertrain, especially the batteries? I'm sure you would have considered some penetration levels in 3-4 years. Will it still be import dependent or what are the in general thoughts around localization?

Rajesh Jejurikar: The battery and the battery pack is already localized, Yogesh. So, it's only the question of the cells. Yeah, there's a question of cells. So, I think that's a conversation that we will keep evaluating on and who is the right partner to work with. As long as cells are available, and we find a way to de-risk, which is what we're looking at, then you don't necessarily want to put capacity in India if you're getting cells at a good price from overseas. But that's a make versus buy evaluation that we are doing and we will continue to do.

Anish Shah: Yeah, that's what we've been doing over the last few years as well. And in hindsight, glad that we did not get into cell manufacturing. We did not need to. Prices continue to drop, and we'll keep monitoring it. Given that cells are easier to procure from multiple places around the world, we're not as worried about it. If at some point we see the need to secure a captive supply, then we will get into it. And it's just a function, as Rajesh mentioned, of make versus buy. We don't see a compelling reason to make ourselves. So, it goes back to the same approach around capital discipline and what we talked about in getting into a new area. If it makes sense, we'll do it. If it doesn't make sense, we won't. But at least so far, we feel secure that we don't need to, at this point in time.

Yogesh: Just lastly, just a more theoretical question on tractors. The second half guidance doesn't look very bad considering some of the states will be down quite a bit. So, just next year, let's say the first half of next year, does it depend on what is happening right now in rural incomes or it depends on what will be the monsoon forecast early next year for next year? Thank you.

Rajesh Jejurikar: You want to take that?

Veejay Nakra: So, I think a couple of things on this. First, I know some of you all have gone through the recently published report by NOAA. And they've called out saying that their hypothesis at the moment is that it's a nine-month cycle, and they have already put out saying that normal monsoon probability next year is already above 70%. Number one. Number two, just we've also looked at last 20 years data of the deficit monsoon year, severe monsoon year correlation, with tractors, etc. And in the last 20 years, it's only been two years where back-to-back there has been severe rainfall deficit. So, I think these are two things that we should keep in mind as we start talking about next year.

I think the third part that I would like to talk a little bit about is, with the rain probability being normal next year, what will probably happen is, the monsoons will give us a reasonable first half of next year. And then with the reservoir levels moving back to normalcy during the year, will give us a better second half. So, there could be some flow through from this year into early part of next year. But by and large, we see normalcy returning over next year.

Anish Shah: And I shared this in the press meet earlier. Even in a year with a very strong El-Nino forecast and very reasonable or rather unreasonable monsoon deficit, we are forecasting the industry to be flat. So, while there is some element, obviously, that will impact the industry, the impact is really not that high overall.

Divya Gulati: Binay, please proceed.

Binay: My question is on the automotive margins. Very impressive performance given the challenges we've been seeing. In fact, I think your auto margin could be one of the highest globally in this quarter. Incrementally, when you think of this margin and if you focus on mix, how would you look at the role of mix on margin? The reason I'm asking is because we have one electric vehicle coming up, which EVs tend to be a bit margin dilutive. And then we also have more subcompact SUVs coming in, which is a very competitive category. So, any comments on how do you see mix changes impacting margins incrementally?

Rajesh Jejurikar: Yeah, Binay. So, firstly, we are showing you EV versus non-EV separately. So, you don't need to mix the two. I mean, because you see that separately, right? So, we're showing you SUV and LCV separate, we're showing you EV separate. We've removed the conversion cost impact that was there on margin from the ICE side and put it, merged it into the EV side. So, just in your mind, don't take the mix effect of ICE and EV because you are able to see that separately and then, you know, you can derive your own takeaway out of that.

On the less than four metre and more than 4 metre question, less than 4 metre is a significant part of our portfolio today. You know, many people tend to think that we don't have a strong less than 4 metre portfolio, but about 45% of our portfolio, at least 40% is less than 4 metre because all Boleros, all Thars, 3-door and 3XO are all part of their weighted margin. So, I think we shouldn't reach a conclusion for our kind of products that less than 4 metre are necessarily low margin.

So, I think going forward, it's a function of how we are positioning a product rather than the derivative length or depending on the length definition. In our mind, we don't separate the way we position from the length. Products are positioned around the value that they can create the customer, and hence are positioned aspirationally. So, even Bolero is aspirational for a rural customer and Thar 3-door is aspirational for the Thar buyer and so on. So, that is what is allowing us the price leverage and that's what you've seen play out. So, we've been most aggressive in taking prices in the last four months; not reckless, I think, but most aggressive. And that's not had a demand impact as you've seen through the festival Vahan as well.

Binay: Just a follow up, what is the PLI incentive for this quarter?

Amarjyoti Barua: Total, we booked around 1,000 crores of PLI within the quarter.

Binay: And just one second on last mile mobility, where do we see industry three-wheeler electrification going in our estimates, you know, which we have about 2030, and how are we tracking on capacity, profitability? If you could share some numbers on how things are tracking.

Suman Mishra: So, we have gone now to 45 to 50 percent electrification depending on… if you see SIAM and Vahan. This is already two years before what we had earlier projected. So, right now my best estimate is at least 70% electrification in the L5M category and closer to 50% in the N category. The cargo will be a little bit behind, passenger is going to be 70% or more. So, practically, we're looking at doubling of the potential volumes in this category. You can see the steadily increasing market share if you see the three-wheelers as a whole. In the cargo also, because of the four-wheeler cargo, we are also seeing increase in the electrification, but it's only around 12%. So, there I expect it to touch around 30% by 2030. So, all in all, there is a lot of growth opportunity.

Now, from a financial perspective, if you remove the impact of subsidy, because we had a lot of subsidy impact, demand side and supply side subsidy, because of the scale efficiencies, we have shown steadily improving EBITDA margin year-on-year, quarter-on-quarter. And as the scale increases, I do expect it to continue going and be quite profitable in the next few years.

Binay: Broadly, where will we be? Like, what is the capacity scale up plan?

Suman Mishra: Yes. So, because we already added 25% capacity over the last year and a half, but still we ran out of it. We are again adding some short-term capacity for the next financial year. But fundamentally, we are also looking at a large-scale capacity expansion. I put it out in the media that we're currently scouting for locations and discussing with multiple states on what is the best option, but that would be a full new platform. So, at least double the footprint.

Divya Gulati: Thanks. Rakesh, please go on. Just pass on the mic.

Rakesh: Hi, thank you. My first question was around the SUV portfolio. So, when you are struggling with supply, typically neither the retail number nor wholesale number does the justice of showing how strong the brand is doing. So, would you be able to share some context around how your order book is doing, say, at June and September and today? How's that trending? And maybe if you can share how your monthly order intake has been trending, to give us a better sense of how the demand scenario has been.

Rajesh Jejurikar: Yeah, one reason is, if you remember, we were sharing order position every quarter, but then you have to get into net orders. You know, there is a normal cancellation and we kind of decided that that's not a really good practice to keep sharing order book on an ongoing basis. I think right now, what we should take away out of the demand is, all products are on very strong demand. Order book is robust. The longest order book by way of waiting period is 9S as, Velu said, 7XO, both of these are on the longest waiting period. For most of the other products, I would put the waiting period as one and a half to two months.

Rakesh: Got that. And second question on the tractor side. So, you spoke about the flattish volume for this year, which would imply about 10% decline in second half. Is there not a risk that this spills over in the first half of the next year as well? And an extension of that question is how do you see the industry's inventory level, both your and industry level? Do you see any risk from inventory clearing going on in this period?

Rajesh Jejurikar: Yeah, I think the first part of the question, which is this year versus next year, one of the enabling factors for next year is the Navratra shift, the March to April. And that is what is affecting this year's second half partly as well, because last year it was in Q4 and this year is moving to Q1, which is affecting this year's Q4. And that's not insignificant. Those 10 days in northern markets

does have an industry size of 40,000-50,000 at least. So, it does make a tangible difference and that does spill over into Q1, which will help next year's Q1 irrespective of… as Vijay has replied on the… you know, whether there is the rainfall is normal and when at what time does it come in and so on. So, I am just parking the kind of Q4 versus Q1 discussion because there will be many factors that shape that.

On the second part, I think your question is around, will it be worse than minus10? Is that…?

Rakesh: Not exactly worse than minus 10, but can we get surprised from industry going into inventory clearing, beyond the fundamentals?

Rajesh Jejurikar: Do you want to take that?

Veejay Nakra: You know, I think we shouldn't compare it too much with last year because last year saw surge that came in with the GST reduction in the second half of the year, and inventory levels by and large were low for most of the year. Because if you see Quarter 3 growth, the industry grew, I think 23-24% and in Quarter 4 it was 30% plus. So when you look at this year versus a normal year, which could be sort of 2025-24, I don't think there is too much of abnormality in terms of the inventory level in the industry. And like we mentioned earlier, that it may be a little too early to look at… with the shift in season and also with harvesting not completed, part of the demand we believe could flow through into the latter part of this month. So, I think Quarter 3 we will see inventories coming back to normal.

Rajesh Jejurikar: The inventory is not… compared to times when we have seen industry down cycles, the inventory in the system for us and competition is not that high. Some inventory correction will need to be done in Quarter 4, I think everyone will do that. But we are kind of factoring that into these estimates. The actual retail/delivery slowdown is probably not as bad as -10. So, -10 does factor some inventory correction.

Rakesh: Thanks. Just one clarification from Amar on the profitability of the international businesses. So, we have exited that. So, the entire quarter profitability of the rest of the businesses is what is showing in this quarter, or there is something more which shows up in the next quarter?

Amarjyoti Barua: Yes. So, next quarter, you might recall, the exit costs that we booked between 3Q and 4Q last year were quite substantial. And so, we will not have a repeat of that. And we will not have the… So in addition to the exit costs, we also had the ongoing losses of those businesses. So, both of those will go away. And as a result of it, the international businesses will help significantly in the overall consolidation margins of Farm.

Rakesh: Thank you.

Divya Gulati: Thanks. Gunjan. Then Raghu and then…

Gunjan: Thank you. Just a couple of follow-ups from my side. I think just continuing with the Farm topic, I think you did call out the terms of trade have turned negative, and there is monsoon which is in deficit. Now, I am not trying to get to a number on Tractor, but I am just trying to understand that is it a sentiment softening on Agri which is more broad based, or is it that it is few specific states where there is deficit is where we are seeing the stress? And if we are seeing more broader softening, what does it mean for the rest of the portfolio beyond Tractors as well to LCVs to part of the SUV that comes from rural. So, a bit more color on… because you guys are more close to the market, so a bit more color on what we are seeing on rural.

Rajesh Jejurikar: Gunjan, a lot of the slowdown is south to Maharashtra, and more so Karnataka, Maharashtra. North is actually not showing a sign of slowdown, and especially UP in particular, which is a very big market. Haryana, Rajasthan are all reasonably strong, and they're large market. So, we are not seeing an all pervasive slowdown that is happening.

I think what has changed with time, I am kind of trying to take the non-Tractor question and then let Veejay add anything more if he wants on tractors. What has changed with time is a lot of rural income comes from non-agriculture. So, you know, there is not just an inherent dependence on a Farm output for rural income. A rural household income probably has a share of Agri is about 25-30% now compared to maybe 10 years back when there was 40-50%. So, there is services income and many other things that are happening, which hence does not necessarily stop purchase of other goods, just because Agri output has been strong or prices are low.

What does happen though is to take the example of LCV, for example, *Mandi* arrivals is a big

determinant of demand for LCVs, or infrastructure creation is a demand driver for LCVs. So, as long as those are okay, the demand for that category stays robust. So, it is not only linked to… whereas Tractor is now primarily an agricultural instrument. So, if there is a slowdown in agricultural sowing, then there is a postponement of purchase. So, it's not necessarily a rural stress impacting everything else as we see it. Veejay, you want to add anything? Or Velu, you want to add anything too?

Veejay Nakra: I'll just add one more thing on tractor and then maybe Velu can talk on auto. I think the other important thing to keep in mind when we've spoken about this earlier is that the level of mechanization is going up. So, while there are some of these challenges that play out, the farmers looking at availability of labour in rural India and the cost that has been going up in that area, a lot of the farmers are moving to mechanization we are seeing. And we've seen even in Quarter 2, if you look at the average horsepower point, we are seeing the 46 to 50 horsepower category has gone up by 2 percentage points. So, these are also indicators that we will continue to see some of these shifts going forward.

Velu: We also see large projects, developmental projects, construction projects are undertaken by several states as well as national governments. And the e-commerce is picking up heavily, very heavily. That is leading to huge demands on these things.

Gunjan: The second was the follow up on the EV business. You did mention demand being far ahead of supply. Can you give us some sense on where the underlying demand for, let's say, 9S or the rest of the model is, if you were to sort of give a sense on where the demand is in terms of volume? And the margin on EV business is closer to 9% if I recall correctly. Is that the number that we anchor around? There's a PLI contribution here, but is that a number that we anchor around as a sustainable margin for the business as well, from a mid-term perspective?

Rajesh Jejurikar: So, Velu to take the first one and let Amar take the second one.

Velu: So, where the demand is coming from is the question. So, we see across the urban, the tier 1, tier 2, tier 3. I was talking to the Head of Sales and he was telling me, each dealer in tier 3 cities, they are able to sell 10 vehicles. Earlier, they will say, don't sell EVs. Now, they are saying as soon as the production is being made, vehicle is on the way to the dealership and that gets retailed. That's the condition today.

Now, one of the stories that he told me is like for Rs. 500, one charge, you travel 500 kms. in the EV. But in the ICE vehicle, for the same 500 kms., you end up in spending Rs. 5,000. So, this starts to play around and you see lot many EVs on the road, it has built the confidence. The tunneling effect has happened, which means the barrier walls have been crossed already in the customer's mind. There is no fear now. So, they feel the EV is like any other vehicle I can take and go. Once this tunneling effect is there after 10 or 11% of industry penetration, now Mahindra is leading with 12.7% penetration, and imagine Mahindra has sold already 1 lakh EVs in the EVs that we operate, the bigger EVs. And the demand for 9S continues to surprise us. As we make and dispatches, it gets sold. It has the lowest, I mean, all the EVs in our portfolio has the lowest stockpile.

So, I think there is a clear shift that is happening in customers. One is the fuel price, but beyond the fuel price, that is the experience of the product itself. And as Rajesh pointed out, Indian by nature, they wouldn't want to spend money if they don't want to, correct? And that is playing out.

Amarjyoti Barua: Gunjan, I'd like you to think of the EV margins more as a journey. We've talked about this before. See, the EV business has to be treated like a startup. It's got volume that will come in, which will allow us to spread a lot of the depreciation amortization costs over a much larger revenue base. The second thing that will happen is we'll get a lot of leverage in negotiations with suppliers, etc. Because today what has happened is we had to wait to see what the response is before you can commit volumes. And as you commit volumes, suppliers give you better rates, etc. So, there's a lot of leverage that will come into this business with volume coming in, which is why the primary focus of the business is on getting volume in.

The other thing that will happen is as this category becomes more mainstream, you'll also get pricing power in the product. So, the journey is going to be PLI is what is getting you to 9% today. PLI, at some point will go, will be replaced by operating leverage to a certain extent. And then over time, pricing power will come in, which should help you get back to similar kind of margins. It will be a longer journey than ICE to get to ICE kind of margins for the simple reason that we have talked about before, which is the average selling price is so much higher. But there is a path, as you can see globally from some of the examples, to get there, it will take, it will be

a journey.

Rajesh Jejurikar: I'll just add a couple of points to what Amar said. Directionally, just wanted to add the point on localization first. So, I think localization will be a key lever in improving profitability. We would expect the per vehicle profitability to be in line with ICE in the very near future; it's already pretty close. What I think we are going to have to live with a little bit for a while is the depreciation. Because there have been investments that have been made and they are going to pay off over a period of time. Whereas in ICE, quite a few of our products have gone through a high level of depreciation already. So, we have a mix in the portfolio of products which are older and products which are newer. Whereas when you are looking at EV, everything is new and there is a depreciation burden that is going to take time to be spread over a period of time. So, even when you want to look at it, Gunjan, I think you may here want to look at EBITDA to kind of understand operating performance, and then separate that from bottom line to see the depreciation effect.

Gunjan: One if I can squeeze for Suman. There is a lot of shift from e-rickshaw to the three-wheeler category. Is that a regulation led shift that we are seeing that is driving the explosion in the three-wheeler electrification, or is it genuinely the acceptance of the three-wheeler electric product that we are starting to see? The reason I am asking this, three-wheeler as a category itself is surprising. Forget the electric. I mean, even ICE is growing mid-teens now. So, is it some regulation? What is really happening to the e-rickshaw that has shrunk a lot?

Suman Mishra: Yeah. So, the e-rickshaw has been really governed by regulation. There was one MOT regulation in April 2026 and there is a very strong regulation effective April 2027, after which lead acid e-rickshaws will no longer be allowed to ply in the country. And the safety and regulatory standards have been lifted significantly to be almost at par with the L5 category. Because of these two shifts, you are seeing a decline in the number of e-rickshaws and therefore, the customer, if he wants to be able to ply the vehicle on the road, he has to switch to the L5.

Now, on the EV of the L5 category, there is also a very large vehicle park, which we seem to… we do not really consider that when we are thinking about the annual sales volume. So, there is a 10x more vehicle park of old ICE vehicles, which is just waiting to be converted to EV. That is why the EV growth has been very significant. It's not just the new sales, but a lot of the park conversion is also happening. And you can see with some of the permit regimes, which are no longer allowing the ICE permits, that is going to only accelerate. So, there is a huge upside there in just the EV volume. And e-rickshaw for sure has to be regulated, and they have already done it.

Anish Shah: We will just go out of syllabus and jump in with an answer without a question. I wanted to just have Vinod and Amit share a little about aerospace, something about new orders that we've gotten recently. What are those orders? Vinod, if you can do that and then Amit, if you can talk a little about the level of focus on operations and how that is meeting or exceeding what our OEMs would want. Vinod, you can also introduce Amit.

Vinod Sahay: Amit is our new CEO for Mahindra Aerostructures Limited. Amit is an old hand in the Group. He was previously part of Velu's team leading product development of ICE range and prior to that, he was leading product development of small commercial vehicles. And before that, he was in my Mahindra truck and bus. So, that is a short introduction, you can do longer.

Talking about the orders, as Anish said, the order book is going, has been doing quite well. Our most recent win has been what we announced, I think one and a half months back, which was a very large package we won from Airbus, where we have now gone into the mainstream skin fuselage for our section for the tail of the largest family of aircraft, which Airbus makes, which is the A320neo family, which is a very long term contract because this is the aircraft where the order book is right now around 10 to 12 years waiting period with Airbus. Structurally, we are moving very upwards. So, we are not just winning orders, but we are moving up the value chain from retail parts to assembly, and now to full fuselages. Just to remind you that we did get the full fuselage of helicopter. The order pipeline is very significant.

Anish Shah: And the helicopter was single source globally now for two helicopters for Airbus.

Vinod Sahay: Yes. So, what we will be supplying, we will be the single source of supply the fuselage for all the assembly lines of Airbus for these helicopters. Unlike the FAL, which has come in India, which is only for India, our fuselage goes across the world. The order pipeline, as I was saying, is very strong because this industry is having a very high need for increasing the aircraft output because the industry is sitting on a very high-volume order, which is the industry outlook till 2050 is very bright. The challenge is supply chain is not coping up, existing supply chain, and

hence they are looking at players like us who have established credentials. So, hopefully going forward, we will have more news. And I will request Amit to talk about the industrialization of these packages, as well as the operating efficiency which we are driving.

Amit Kumar: So, order book is definitely there, but the most exciting part is demand is not a problem. For all the OEMs, it's the execution of how you will do the demand, how you meet the demand, that is what is causing all the supply chains to get reconfigured. And India plays a major portion in that. So, if you look at Airbus and Boeing, approximately 25% more outsourced in the next three years. So, as I said, demand is not a problem, it's how we will execute the orders that we have won is going to be more important. And as Vinod said, it's just not the order book, it's the quality of the order book that has become more complex, and hence more and more focus around execution is what we are doing.

So, we have about five major projects. We were earlier doing a lot of detailed parts, but now we have five major assemblies. Skins is one of them, fuselage is another one of them, we got some road forming projects also from Airbus. So, the focus is on getting all these projects industrialized in a very efficient way. And somewhere towards the end of next financial year, we'll start seeing them coming into the picture and possibly seeded production in the next financial year. So, that remains a very solid focus.

However, we know that the aerospace industry in India is also pretty nascent in terms of the workforce that is trained in that kind of nature of work. So, a lot of focus is getting around how do we develop our capabilities on the talent side for these people. Plus, we will also be looking, going forward… today we are doing manufacturing engineering for most of the parts that come from Airbus and Boeing, but we will definitely look at can we go up the supply chain, up the value chain in terms of helping and designing the parts for these OEMs. So, that's the focus, the execution focus and the future focus for the operating organization for Mahindra Aerostructures.

Anish Shah: And, on a lighter note, coupled in line with your question on capacity, we recently met the CEO of one of the large global OEMs in aircraft. And he asked us, "Are you ready for expansion?" And Vinod's response was, "We have our second plant up and running already. We've got a third plant coming up. And we are ready for plants four, five, six, seven and eight, as soon as you want us to have them."

Amit Kumar: And one more point I would just want to add is the business that we are getting is on the reputation of quality performance that we have built in. We are among the top four in the world. We are very small in size, but we are top four in the world in aero excellence maturity awards. And that is not given by a single customer, that's an industry standard, which actually takes an industrial maturity into account. And that gives us the confidence, that also gives the customers the confidence that the ability to scale up is very high with the group. And that's what we will keep on engine on with our customers.

Anish Shah: We can go back to the questions. I know we have a couple of questions waiting. Let's go there before we close. Raghu, go ahead.

Raghu: Thank you, sir. And wishing a very happy Diwali.

Anish Shah: Thank you. Happy Diwali to you as well and everyone.

Raghu: Sir, the next catalyst for the industry is expected to be the pay commission for government employees. In terms of we getting ready for it, how do you see, you know, a higher capacity, the NU_IQ platform, the expansion into CNG powertrain? How would you be better positioned in terms of meeting that demand?

Anish Shah: We should get one of Vinod's plants and get it over here.

Velu: The NU_IQ, we already told that one of the product is coming and that will have 10,000 volume per month added. So, the 68 will go to 84 with another 4,000 coming from electric. We don't comment on the powertrain because if we reveal everything now, so you will have boring launch. So, we want you to get excited during the launch. But we won't disappoint you. So, that's NU_IQ. Every year we will have a product from the NU_IQ and the corresponding capacity is being commissioned accordingly.

Raghu: And Velu sir, the draft notification for BS7, any initial thoughts in terms of timeline, the stringency, the cost impact and how would you compare it compared to the previous transition of 4 to 6? This will be easier for you?

Velu: Worldwide, you know, after Euro 6 or BS6, everything is stabilized. It is making the control stricter and tolerances stricter. The draft content has come, our team is studying it. We don't expect a major impact on to the products.

Raghu: And lastly, Vinod sir, any progress on the inorganic side vis-a-vis the strong organic growth?

Anish Shah: Which segment are you asking him for? Because Vinod has three segments. So, we continue to look at various options. We do have a high bar. And at this point in time, there's nothing that we can share. But as we do, we'll come and talk about it. It's something that we will do only if there's a very strong support from OEMs in terms of ensuring that whatever we do gives us a level of profitability that we want.

Divya Gulati: I just have time to squeeze in one online question. This is from ICICI Prudential AMC. This is on the Lifestyler. Can you please indicate what kind of capacity could we be planning for the Lifestyler? Is it part of the 82,000 volumes per month? And is it for the export market, but also for the domestic market?

Rajesh Jejurikar: It's the easy part of the question is it's for export and domestic. What is the capacity? I don't think we will want to share product specific capacities at this stage.

Divya Gulati: Perfect. Thank you, everyone. We are above time. On behalf of M&M, thank you for joining us today. Please join us in the adjoining room for snacks. Thank you.

Anish Shah: Thank you.

END OF TRANSCRIPT