

Date: November 25, 2025

To,
The General Manager,
National Stock Exchange of India
Limited

Exchange Plaza, C-I Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051

NSE Symbol: MAHEPC

The General Manager,
BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai- 400 001

BSE Scrip Code: 523754

Sub: Transcript of Earnings Call with Analysts/Institutional Investors/Funds – pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”)

Ref: Intimation of Analyst / Investor Call vide letter dated November 14, 2025

Dear Sir,

This is further to our letter dated November 14, 2025 wherein we had given advance intimation of the Earnings Conference Call held on Thursday, 20th November, 2025 with several Analysts/Institutional Investors/Funds.

In compliance with the SEBI LODR Regulations, please find attached the transcript of the earnings conference call held on Thursday, 20th November, 2025.

We hereby further inform you that the aforesaid transcript is available on the Company's website at: <https://www.mahindrairrigation.com/wp-content/uploads/2025/11/MEIL-Earnings-Transcript-Nov20-2025.pdf>

Kindly take the same on record.

Thanking You

Yours faithfully,

For **Mahindra EPC Irrigation Limited**

Ratnakar Nawghare
Company Secretary and Compliance Officer
Membership No. A8458

Place: Nashik



**“Mahindra EPC Irrigation Limited H1 FY26 Financial Results
Conference Call”**

November 20, 2025



**MANAGEMENT: MR. RAMESH RAMACHANDRAN – MANAGING DIRECTOR,
MAHINDRA EPC IRRIGATION LIMITED**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Investors Call hosted by Mahindra EPC Irrigation Limited for H1 FY26 Financial Results.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ramesh Ramachandran – Managing Director from Mahindra EPC. Thank you and over to you, sir.

Ramesh Ramachandran: Thank you and a very good afternoon to all our investors. On behalf of Mahindra EPC, I would like to sincerely thank all of you for joining this call. Thank you very much for continuing to take a keen interest in your company.

As customary in my introduction, I will touch upon “Key Insights and Developments in the Micro Irrigation Industry, our Industry Outlook, and also Some Points on Your Company’s Preparedness to Address Opportunities.” And following this introduction, we will have a Q&A session.

So, let me start with a Macro View of the Micro Irrigation industry in India:

We all know that Agriculture continues to be the backbone of our nation, engaging nearly 65% of India’s population and contributing to around 18% of India’s Gross Value Added (GVA). According to the Ministry of Statistics and Programme Implementation, the real GVA of the Agriculture and allied sector is expected to be Rs.23.91 lakh crores in FY25 versus Rs.23.4 lakh crores in FY24, which is a growth of 3.8% on a very large base.

India is also firmly placed as a net exporter of Agri-products, with exports ranging from \$48 billion to \$53 billion annually. However, with 18% of the world’s population, India has access only to 4% of global freshwater resources. Agriculture alone consumes over 80% of India’s freshwater withdrawals. As per current estimates, per capita water availability in India is expected to drop from 1,545 cubic meters in 2011 to 1,140 cubic meters by 2050, classifying India as a potentially water-scarce nation.

Additionally, India is likely to see faster growth rates in the secondary sector, which comprises industries such as manufacturing, construction, electricity, utilities, etc., and also faster growth rates in the tertiary sector, which is mainly the services sector. Now to support the actual rates of growth and the required rates of growth in the secondary and tertiary sectors, a larger share of water available in India needs to be provided to these sectors. But since there is a natural limit on the sources of water, a lot of the water required for these sectors needs to come from a reduced water consumption in Agriculture. This reduction will come from all types of water -- surface water, groundwater conservation, recharge projects, but it will also come from what we call on-farm water management,

and that includes farm water use efficiency improvement. It is in this context that puts micro irrigation at the very heart of India's sustainability and economic transformation initiatives.

Micro irrigation, in fact, addresses three of India's core goals -- One is water use efficiency, two is productivity improvement, and three is doubling farmer income.

As I have mentioned in the previous investor calls, there are various studies that clearly prove that micro irrigation benefits the farmer by saving costs such as fertilizer, labor, electricity, all in the range of 20% to 30% savings of cost while improving the productivity by 30% to 40%.

With this background, as we look at the potential and the existing penetration of micro irrigation in India:

We see only about 18% penetration of the total identified potential for micro irrigation of about 72 million hectares. This estimated potential of 72 million hectares is based mostly on groundwater availability and some portion of surface water. If, however, most of the surface water available in India is also assumed to be available for Agriculture, then the potential for micro irrigation doubles from 72 million hectares to about 144 million hectares.

Given all this, the government of India has therefore set an ambitious target of 2 million hectares annually, aiming to cover 10 million hectares over the next five years. The commitment of the central government is evident from the fact that in the current financial year, FY26, for the first time in history, the central government has issued 43% of its annual fund allocations for the states as mother sanctions, and that too just by the month of May 2025. However, for the micro irrigation industry to fully benefit from this, it requires not just central government push and policy, but also consistent state-level execution, availability of state-level funding, and input cost-linked price mechanisms. It is, in fact, a synchronization of priorities at all levels that will help show a positive impact.

Let us now talk about the "First Half of FY26":

This year, as we know, is a year of La Nina effect, and hence the southwest monsoon we all saw, there was an above-normal rainfall, 107.9% of the long-term average. While this means groundwater availability will be better in the longer term and a better rabi season for FY26, it has, however, posed challenges for the micro irrigation business in H1 FY26. The incessant rains from May to as late as October impacted micro irrigation demand as well as installation. Hence, Q2FY26 was affected. But riding on your company's diversification into other revenue streams like irrigation projects, non-subsidy business, as well as focus on certain key states, your company's revenues grew over the previous year's first half by 17%.

In what we estimate as an industry that had a de-growth or, at best, flattish performance versus H1FY25, your company has registered a growth of around 17% with a revenue of Rs.111.6 crores versus Rs.95.3 crores over a similar period last year.

Also, the company has improved its bottom line, delivering a PBT of Rs.1.9 crores for H1FY26 versus a loss of Rs.7.3 crores in H1FY25, which is a positive swing of more than Rs.9 crores. This performance was delivered through a combination of:

1. Growth in the irrigation projects business
2. Improved performance in certain key states of opportunity
3. An improved product mix
4. Good commercial discipline
5. Good cost controls.

During this period, raw material prices were stable. That, along with our strategic sourcing initiatives, has enabled your company to deliver material cost saving of 0.4% versus H1FY25. The rest of the total 1.7% material cost saving versus H1FY25 can be attributed to the impact of a better mix, a better mix in terms of businesses, states, and products.

For Q2FY26, your company registered a flat revenue of about Rs.50 crores versus Q2FY25, which was also Rs.50 crores. However, there was good turnaround in the bottom line with the PBT for Q2FY26 coming in at Rs.0.6 crores versus a loss of Rs.3.7 crores for Q2FY25.

The receivables in H1FY26 were higher versus FY25 by about Rs.9.4 crores. This was on account of an increase in receivables during H2FY25, and the skew towards certain opportunity states with longer collection cycles, and the delayed fund release in these states also led to increased receivables. However, it is noteworthy to mention that the receivables in terms of days of sales has gone down by about six days versus FY25.

As mentioned earlier, we do think that the industry is nearing an inflection point. After the challenges and subdued growth in the last few years, some encouraging trends are visible:

1. First, a stable raw material price environment. Though these are not enough to take us to material cost levels that we have seen in the past, such as in FY20, nevertheless, they have been softer in the recent past. The only caveat we would mention here is that geopolitical events would obviously change these things going forward.
2. The second encouraging trend is that we have had successive years of good monsoons which was the case this year too. And riding on this, we do see a better rabi season ahead of us.
3. Thirdly, riding on efforts by the government and industry, as well as the visible benefits of micro irrigation, we do believe that an increased number of farmers are getting aware of the benefits of micro irrigation, which may lead to improved demand.
4. The fourth encouraging trend we see is an increasing sustainability awareness in the urban regions. And that we believe could lead to improved usage of micro irrigation, and it is likely to improve demand in retail markets as well.

5. The fifth encouraging trend is the policy environment, which is showing some encouraging signs.

Let me just list out a few of them:

- A. The Hon'ble Prime Minister is pushing for 1 crore hectares to be covered in the next five years, which translates to an average of 2 million hectares a year versus about 1 million hectares in the FY25.
- B. Key states such as Andhra Pradesh have requested additional assistance to cover larger areas under micro irrigation over the next four years.
- C. Several current active states such as AP, Telangana, Gujarat, Tamil Nadu are active, giving a positive push to the industry.
- D. The recent GST changes, i.e. the reduction of GST on micro irrigation from 12% to 5%, is likely to have a positive impact on demand in the medium-to-long-term.
- E. Finally, multiple ministries are working actively on laying a roadmap and looking at convergence of schemes and policies. For instance, groundwater use efficiency through Atal Bhujal Yojana, the modernizing of the command area development and water management for storage, recharge, and improved water use efficiency. The effect of all of this will be realized in improving area under micro irrigation in the future, and also including pressurized piping systems in the detailed project reports for major irrigation projects.

All these are early signs of a positive environment. However, to unlock opportunity, we also need strong coordination between the central government and the state governments, and we also need the regularizing of fund disbursement.

Just to note, as the business environment gets favorable, the industry does show a good growth. Example, during FY16 to FY20, the industry did register a 20% CAGR.

While that is good for the long-term prospects of our industry, how are we as Mahindra EPC gearing to tap these opportunities? As we have mentioned in the previous calls, your company is learning from the past, and it is working on shock-proofing itself by reshaping its businesses. Just in the last 18-months, the industry has seen many events that have impacted it, such as the election code of conduct, the temporary market impact of GST change, unseasonal and extended rains which imposed challenges, etc., In fact, the industry was a bit subdued and was pegged at 1 million hectares in FY25 versus 1.1 million hectares in FY24.

Despite all these odds, your company has shown a better-than-industry consistent growth, both on top line as well as on PBT. Steadily improving the consistency of the business is extremely important for us, and so we have done a lot of groundwork in the following areas:

1. In the subsidy business, we have recalibrated our presence in the various states to reduce business concentration risks.
2. As an internal effort to make the growth smoother, we have strengthened processes and defined a tighter commercial policy for optimizing revenue, profitability, and working capital.
3. We have continued to improve cost efficiency and productivity. Just to quote a few examples, manpower cost for FY25 was Rs.31.8 crores, which is a single-digit growth compared to FY20 levels, despite inflation over these six years. Also, the manufacturing rejections are at sub-2% levels, which is much better than industry average.
4. For a better control over freight and processing costs for the last few years, we have been efficiently managing distributed manufacturing with satellite units, while our main unit continues to be in Nasik. This also has improved our asset utilization.
5. We have started improving our coverage in the emerging markets, such as the north of India, and we have seen some early success in northern states.
6. We have strengthened internal capabilities to address the non-subsidy segments, such as the thin-wall business, institutional sales, and small, mid-sized irrigation projects. In fact, you will be happy to note that we have reached a 37.8% contribution of the non-subsidy business to the total business in H1 FY26, compared to a mere 3% contribution in FY20.

Today, we have got an unrecognized work order pipeline of about Rs.76 crores for irrigation projects, and besides this, we are also exploring export markets in coordination with Mahindra and Mahindra's international operations.

As we create a more stable, more consistent, and steadily growing revenue base, we will look at margins. With the improvement in the non-subsidy business, our margins will improve particularly through our margins in the higher margin states.

In the non-subsidy meanwhile, as our brand gets established like it has in the subsidy business, we will start commanding a better price and better margins to reflect our quality.

As I come to the end of my information-sharing session, I would like to briefly touch upon one more point, and that is the M&M parentage of Mahindra EPC. As you know, Mahindra & Mahindra is a blue-chip company with the highest standards of corporate governance and transparency, which we as Mahindra EPC benefit from.

M&M also has a strong track record of manufacturing and marketing excellence, which we are benefiting from and will continue to benefit from in the following years.

To summarize and conclude:

We feel that the micro irrigation industry will, like any other industry, go through some ups and some downs, but the long-term outlook is very compelling, and in the medium-term, we as Mahindra EPC

are well-placed to take advantage of both our unique capabilities as well as the emerging opportunities in order to deliver above-industry performance.

That brings me to the end of my session. Thank you very much for listening patiently. I now open up the session to “Questions and Answers.”

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Aditya Shah from Vikram Advisory Services. Please go ahead.

Aditya Shah: Hello, sir. It is nice talking to you again. I have two questions as of now. I will take one-by-one. The first one is I heard you saying that we have 37% contribution from non-subsidy business. What I would be interested in knowing is that what is the margin of that 37% business and the remaining margin? The second question I will ask later.

Ramesh Ramachandran: Okay. So, Aditya, there is obviously a difference in the margin of the subsidy business and the non-subsidy business. In fact, there is also a difference in the margin of the subsidy business by states. And as we mentioned in the investor call, the performance that we have had, reflects also a good skew in terms of the fact that we have more subsidy sales in the higher margin states in this half. Now, coming to your point specifically in the non-subsidy business, our margin is lower. However, as we have mentioned in the previous calls, we want to grow the business on all fronts, we want to grow in terms of scale, we want to grow in terms of our working capital profile, and we also want to grow the business in terms of profit. So, different revenue streams bring different benefits to us. And the non-subsidy business does have a lower margin. But, we believe that as the brand gets established in the non-subsidy business, like it has in the subsidy business, we will start commanding a better price and better margins. Does that answer your question?

Aditya Shah: No, sir. My specific point was, what is the contribution to the margin from the 37%? Why I ask you is that, let us say on a quarterly basis, we have a 2.7%, 2.8% operating margin for the entire Rs.50 crores turnover. Now, as per my understanding, the subsidy business has a higher margin profile. So, from what it looks like, is that we would be losing money in the non-subsidy business currently, is it true probably for the first six months or this quarter? And if not, then why is our margin only this 2.8%, because if I understand correctly, the subsidy part of the business would be contributing a very high margin, considering the material cost?

Ramesh Ramachandran: Yes. So, Aditya, I just want to confirm that we are definitely not losing money on our non-subsidy business. So, there is definitely no negative impact on our total margin in terms of loss-making because of our non-subsidy business. I just want to clarify that.

Aditya Shah: Correct. Okay. So, exact number, I can have it later with you, sir. I do not need to worry about that. The second question was regarding, as you already mentioned in your brief remarks, is that the debtor days would lower but the absolute receivables increased. So, the entire six months yielded us a

negative operating cash flow. So, do you expect the next six months to be on similar lines or would we have better cash flow in the next six months?

Ramesh Ramachandran: We do expect an improvement in the next six months. So, obviously, the mix that we have of the different states impacts us on an ongoing basis. And in the following six months, we do expect an improvement because we are seeing a possibility of better cash flow, we are seeing better likelihood of subsidy release, and we think some momentum is definitely building there. So, we are looking forward to the next six months from a cash flow perspective.

Aditya Shah: Correct, sir. And the third question is that recently in the last one month, we heard in Gujarat that because of these unseasonal rains, there are a lot of farmers, I forgot the number but around 11 lakh farmers have applied for a waiver of their loans or interest or something like that. So, would these kind of things impact the remaining part of the season and how much have they impacted our first six months?

Ramesh Ramachandran: As I mentioned in Investor Call, we have been impacted in Q2, you saw that our revenue was similar to what it was last year, and it is not just Gujarat, it is different states, and it is not just us, it is an industry level phenomenon. The incessant rains have definitely impacted the industry. And that is really something that is by way of suppression of demand, suppression of installation, etc., So, it is a direct linkage there. And Gujarat is not an exception in that sense. That is a phenomenon that we see across the country. By way of this, is there going to be an impact on the fact that there are farmers now asking for some kind of relief from the government? I think, time will tell. We cannot really see any impact right now. But we will watch this space carefully because finally it is the state government's decision.

Aditya Shah: Correct. Okay. Sir then the fourth one is that 37% of non-subsidy revenue by the year end, do we expect it to go to 40% for the full year or would remain around the same levels as of now, or maybe 45% for the full year I am asking?

Ramesh Ramachandran: So, we think, frankly, that we have done very well to get it to 37%, 37%-plus already and we would be hoping to maintain it at these levels for the rest of this year.

Aditya Shah: Okay. Sir, the last question is a bit not on the company, but just the Mahindra Investor Day was celebrated today and they have shared a presentation on their website regarding whatever their plans are about the future and all of that. So, I believe that our business is a part of the FES business in the presentation that they have shared. But my question is that in any of their presentations, it is never mentioned about our business, or they do not see it as a growth gem or as they market other businesses or they have the plans for other businesses of the Mahindra Group. So, any reason for them to not showcase our business or where do we find and what is playing on their mind as a group, because nothing of our business, either the Agri business or anything is mentioned in their presentation anywhere?

Ramesh Ramachandran: Yes, yes. So, I think that the fact that I would like to emphasize is the contribution that Mahindra EPC makes to the group when it comes to -

Aditya Shah: It is very miniscule right now.

Ramesh Ramachandran: No, so I was about to say something slightly different, but okay, no problem. I am saying that the contribution that Mahindra EPC makes to the group when it comes to some of the environmental-related aspirations of M&M is unparalleled within the group and it has the most significant impact on M&M's water-positive aspirations, which is a very powerful reason for a responsibly-minded company like M&M to be in this business. Now, if I come to the numbers, I think the numbers are what they are. We are obviously a very large group and Mahindra EPC is a business that is smaller in proportion to some of the other businesses, but of course we have got aspirations for growth. I think when businesses get mentioned in the various investor reports, there is always a reason for them to get mentioned. So, what the report looked like a few months ago or a few years ago will be very different from what it looks like in the future. So, I would not draw too many conclusions from the fact that this company is not mentioned in whatever you have seen on the website. What I would leave you with is the fact that this has the most significant impact on the group when it comes to some of our environment and water-related aspirations, number one. And number two, we have got a growth aspiration, we have got a scaling aspiration as well, and I am sure at the right time, we will also be mentioned in these reports for various reasons.

Aditya Shah: I will be the most happy when that happens and I am always positive about it. It is just that right now it feels like a CSR part of the Mahindra group, just jokingly, but I definitely hope for the future, which is very bright, as you say and in your vision, and definitely, I see a point where all of these things are so important for the farmer, as in doubling the farmer incomes and how it benefits them and the technology with which they can save a lot of money. But it is just that the dependency on the state governments is so deep that even if the central government wants to do a good thing, some things just do not happen or take its own sweet time. So, hence, we have diversified that 37% of non-subsidy, which is a great movement and I hope we can sooner reach 50% and that makes our cash flows and numbers more positive and stable and more predictable as I had requested in the last call as well. So, thank you, sir. I really hope for the future and I trust your vision for the company and yes, that is it.

Ramesh Ramachandran: Aditya, thank you as always for your excellent questions and keep engaged with us and we look forward to working with you together for many years to come.

Aditya Shah: Thank you, sir. Me too.

Moderator: We take the next question from the line of Rajan Shah, an individual investor. Please go ahead.

Rajan Shah: Yes, good afternoon, Ramesh ji. How are you?

Ramesh Ramachandran: I am very well, sir. How are you?

Rajan Shah: Yes, I am fine, sir. So, I have a few questions, actually. Thank you for the update actually in the initial remarks, we got a lot of information, and plus, Aditya also asked you a lot of questions, so many of those have got answered, my questions also, were much similar, so many of them have got answered, but I have still a few questions. Sir, how much revenue actually we lost in the first half because of excess monsoon – Rs10 crores, Rs15 crores, if we can get some idea on that, how much exactly we lost, approximately?

Ramesh Ramachandran: Yes, so I would probably say that, it is better to look at the impact on revenue by days rather than by rupees crores. So, perhaps 15-days to 30-days would be our estimate of the impact on revenue.

Rajan Shah: So, maybe approximately about Rs.15 crores or something we can expect we would have lost if -?

Ramesh Ramachandran: Yes, it depends on the month because the revenues change by month, and that is staggered across different months, it is not all born in one month. So, I think it would be more realistic to think about it like that.

Rajan Shah: Okay. So, at least 15-days of business we lost, we can take it that way?

Ramesh Ramachandran: Yes, I would say that there has been an impact and it is at an industry level.

Rajan Shah: Okay, okay, fine. And actually, sir, you said that the non-subsidy business was at about 37% in the first half, and it would remain approximately around the same level by the end of the current year. So, assuming that even if you do Rs.200 crores of top line in the second half, because last year second half you did I think about Rs.180 crores. So, this year assuming since you have done 17% growth in the first half, so we can expect at least 20% growth in the second half, because things are looking bright? So, let us say we clock about Rs.220 crores of top line in the second half, in that case, the non-subsidy business would be about 37%. So, what I want to tell is that, our non-subsidy business is still much lower than what we clocked in FY19-20, because in FY19-20, we did a revenue of Rs.285 crores and only 3% came from non-subsidy, that was about Rs.10 crores, let us say Rs.10 crores came from non-subsidy and Rs.275 crores came from subsidy business, where the margins are very high compared to the non-subsidy business. So, that Rs.275 crores subsidy business of FY19-20 will be still much lower in the current fiscal, assuming that you do 37% of non-subsidy sales on a turnover of about Rs.320 crores. Any thoughts on that, sir, I mean, why is it so low even after five years? And in last year the industry did 1 million hectares. This year, sir, what is your take like? We will do 1.1-1.2 million hectares. I mean, how much are we expecting? And why is still the subsidy business still much lower than FY19-20 levels?

Ramesh Ramachandran: So, Rajan, like we have been saying in the last few investor calls, the goal that we have as a business is to show steady performance. Now, that requires us to rebalance our portfolio. We know the dynamics of the subsidy industry. In the subsidy industry, you can grow, but it comes at a cost in

terms of your working capital management. As a business, we have got to balance all the key aspects of our business – our revenues, our profits, and our risk. Everything has to be managed. And that calibration requires us to take some calls in terms of how much we push on subsidy business, number one, and how much we push in the specific states for subsidy business, because each state also has a different profile. So, I would not necessarily be comparing it to FY19, FY20, as if that were the model to be followed. What I would say is that we should look at our business year-on-year, quarter-on-quarter, half-on-half, and make sure that it is progressing in the right direction in terms of these metrics, in terms of top line, in terms of bottom line, in terms of working capital efficiency. That is the way I would look at our business going forward.

Rajan Shah:

Okay. Right. But the point is, as you said, I mean, industry is growing, and our part of the subsidy business is coming down. Yes, we are doing well on the non-subsidy front, but margins are lower there. So, my point is that, group companies like Mahindra Lifespaces, Mahindra Logistics, earlier there was Mahindra Finance, they all came out with rights issue, they raised capital, and they are growing. What is stopping us from doing the same thing? We can also raise maybe Rs.100 crores in Mahindra EPC, and take up higher projects, get into a little bit more aggressively into subsidy business and we can scale up our turnover and bottom line. My point is that, we can raise a small amount and experiment with the little larger projects. Right now, we are in Rs15 crores project, Rs.20 crores project, we can go to Rs.35-40- 50 crores projects by raising little capital via rights issue or via preferential allotment to Mahindra & Mahindra. See, for Mahindra & Mahindra putting in Rs.100 crores is not a big thing, they can raise their stake from 54% to 75% and use this money. So, that also does not go up. And we get capital, and we can aggressively go into subsidy as well as go into little higher projects and scale up our business without resorting to debt. So, group companies have done, they have raised Rs.1,500 crores, Rs.750 crores in Mahindra Lifespaces, Rs.1,500 crores I think in Mahindra Logistics, Mahindra Finance also raised a big amount. So, here we are talking about raising just Rs.100 crores or something, and we can scale up this business. So, that is the whole idea about scaling up you know. Otherwise, with this capital, we will not be able to grow as much. Because if you see Finolex Plasson, in FY19-20, the profit was x, right now it is 2x. So, my point is that in the same period, they have also gone aggressively into subsidy business and raised their top line and the bottom line. We can also do that because we are a stronger brand... we are, I mean, solid brand. So, we should take that benefit of the parent and the brand and scale it up, because it is time that now that the industry, because I was on the Jain Irrigation con call also, they are talking about three, four years kind of good growth for the micro irrigation industry and you also spoke about things happening. So, this is the right time to actually infuse some capital and take it to the next level over the next three, four years you know?

Ramesh Ramachandran:

So, Rajan ji, first of all, thank you for the suggestion and I think it is always positive to hear investors talking about us raising capital for growth and that is always an option. So, you are right, that is always an option. I will just give you a couple of comments just to make sure that we are all aligned on this. The projects business for us actually is part of non-subsidy. When we are talking about non-subsidy, the projects business is part of our non-subsidy vertical, not our subsidy vertical. I just want to make sure that, that is clear. Now, having made that clear, like I said before, M&M has certain

definition of what a calibrated business looks like in terms of revenue, in terms of profit, in terms of working capital. And the subsidy business has a certain dynamic. So, it is possible for you to grow aggressively in the subsidy business and grow your top line aggressively, but it has a significant impact on your working capital. It does not matter how it is funded. The fact is it will have a significant impact on your working capital exposure. And therefore, we as Mahindra EPC being part of M&M group, we got to think of how we want to grow this business and have the right kind of balance. Different companies have different ways of growing. So, for M&M, we need the right balance between margins and top line and our risk appetite. So, I would say that your sense of ambition is very well received. And indeed, we also want to grow aggressively. But we would obviously be very mindful of how M&M looks at the process of growing.

Rajan Shah: Okay. Fine, sir. Sir, I had a few small questions actually. What is the business we did in UP and how much benefit we got because of M&M in the exports market, so, if you can give some idea on that?

Ramesh Ramachandran: Yes, sure. So, I will start with the second question first. So, we have got a very big tractor business as you know, and they have a strong presence in many parts of the world, in Africa, for example. And a lot of the opportunities that we receive in terms of export are through the existing relationships that our tractor team has, both with end customers as well as with the trade. So, for us, it is an easy way of getting in front of a customer in a continent like Africa. So, that is how we leverage the synergy. We work with the M&M international team to identify opportunities and those help us fill our pipeline. In UP, our revenues are now in double-digits and we expect them to grow further. We would obviously want our foundation to be well established before we go aggressively in the new states. Like we said, we learn from the past and we want to grow our business in a manner that is shock-proofed. So, in a subsidy-driven industry, that is the best way to do it, rather than going too aggressive too quickly.

Rajan Shah: Okay, okay. And, sir, this 1 million hectare, which the industry did last year, what do you expect in the next three, four years -- can we touch 2 million hectares, is it possible?

Ramesh Ramachandran: Yes, I mean, I think it is possible because there is a lot of optimism in the industry. When we do planning, obviously, we will look at many things before deciding what a realistic growth rate would look like for the industry. The intention of the Government of India is very positive. And, as you know, the Hon'ble Prime Minister has a very, very ambitious target. If you look at the kind of more long-term growth rate, this industry typically is growing between 6-7% type growth rate. If you look at the period that I referred to in the investor call, the compounded annual growth rate was 20% a year between FY16 and FY20. So, there are many different growth rates that one could assume for the future. We would say that there is a good positive momentum right now in the industry. So, we are planning for decent growth in the industry.

Rajan Shah: Okay. Thanks, sir. And, sir, my expectation of Rs.325 crores of top line, you think, sir, it can be achieved in the current year or is it too aggressive expectation?

Ramesh Ramachandran: You know Rajan ji, we will always shoot for the stars... and I think that is a great number. So, thank you for sharing that number with us. It is a great number to look at. And, we will have to see how the rabi season plays out. What we are focused on, as I always mention in my investor calls, we do not give forward guidance, but what we are always focused on is growing faster than the industry. And that is what we really want to do and we will keep working on.

Rajan Shah: Fine, sir. Thank you so much and all the best, sir.

Ramesh Ramachandran: My Pleasure. Thank you, Rajan ji.

Moderator: We will take the next question from the line of Agastya Dave from CAO. Please go ahead.

Agastya Dave: My compliments to the previous participants. They asked some very nice questions. The concall has been pretty, pretty useful. And thank you to the management as well for answering them in detail. It is very nice to see such a level of discourse. Sir, just one question. You mentioned in your opening remarks that you are also looking at exports opportunities. So, if you can elaborate a bit more on that, and how do you see export markets developing over the next three to four years?

Ramesh Ramachandran: Yes, thank you for the question. So, we are definitely going to look at exports as a potential revenue stream for the company, which diversifies us and furthers this point that you have been hearing about on growing our non-subsidy share of the total revenue. The way exports works is basically we would look at the countries where the nature of farming is somewhat similar to what it is in India and therefore the products that we have can be suitable for those markets. And for example, if you look at Africa, we have got certain zones in the world where this makes sense. Africa is really where we have looked at in the first phase, and we have just about started. So, we think there is a lot more that can be done there. Like I said, in terms of how we look at winning business, we do work closely with our international business of the tractor division, who are well-established in many parts of the world, and who have good on-ground presence. So, that is our way of efficiently tapping opportunities. And then when we get to a certain point, then we do the closing and the execution of the deals. So, in all honesty, it is something that we have only scratched the surface off in the past, and we would like to do that more seriously going forward.

Agastya Dave: So, what is the mechanism of sales in let us say, the African market, is it again government-driven or is it more private sector-driven? And I am pretty sure Mahindra has a very nice distribution channel already in place in these countries. So, what prevents you or what has prevented you in the past from really going aggressively there, because the Indian market has its challenges, as you have been saying? So, these are the two questions from my side, and then I am done.

Ramesh Ramachandran: Yes. So, I will just answer that. And I think after this, we will take one more question because we are already over time and then we will call the investor call to a close. So, it is all a question of priorities. There is obviously a lot of potential in India, and you have heard all the other questioners asking about the potential in India and how we go after it and so on, and you heard my investor call as well

in terms of us being a water-scarce country. So, it is a question of resources, priorities, and we have got to find the right balance for us as a company. So, exports will always be interesting. It comes with its own set of challenges. And hence I mentioned, it is easiest for us when the product market fit is already there and it does not have to take too much effort to create that product market fit because then it will take away from the focus that we can bring in our home market, which is India. So, I think it is about finding the right balance, but needless to say, we will be going after it in the coming few years with more effort.

Agastya Dave: And sir on the mechanisms, Africa is again a government-driven market, or is it more private?

Ramesh Ramachandran: It has got a bit of both. So, it is not easily classified in that sense. It has got a bit of both and we go for both types of opportunities.

Agastya Dave: Thank you very much, sir. All the best for the rest of the year. Thank you.

Ramesh Ramachandran: My pleasure. Thank you.

Moderator: Ladies and gentlemen, I now hand the conference over to Mr. Ramesh Ramachandran for closing comments. Thank you and over to you, sir.

Ramesh Ramachandran: Thank you very much. We had an excellent set of questions there and we look forward to staying engaged with all of you, speak to you soon in our next investor call. Have a good afternoon. Bye-bye.

Moderator: Thank you, members of the Management. On behalf of Mahindra EPC Irrigation Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines.