Mahindra & Mahindra Ltd.
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Ref.: M&M/SEC/2026-27/118

7th September 2026

National Stock Exchange of India Limited
Scrip Code: M&M

BSE Limited
Scrip Code: 500520

Dear Sir/Ma'am,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - India Ratings Affirms Mahindra & Mahindra and its Debt Instruments at 'IND AAA'/Stable/'IND A1+'

Instrument Description	Regulator of Instrument	Date of issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating assigned along with Watch/Outlook	Rating Action
Issuer rating	#	-	-	-	-	IND AAA/Stable	Affirmed
Non-convertible debentures	Refer ISIN annexure	-	-	-	4,750	IND AAA/Stable	Affirmed
Bank loan facilities	RBI	-	-	-	13,025	IND AAA/Stable/IND A1+	Affirmed

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

Please find enclosed a Press Release issued by India Ratings and Research Private Limited in this regard which was intimated to the Company on 7th September 2026 at 4:57 p.m.

Further, as per Regulation 55 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time, read with SEBI Master Circular bearing reference No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated 11th July 2025 and read with SEBI Master Circular bearing reference No. SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated 13th August 2025, please find below details in respect of Credit Rating obtained for Non-Convertible Debentures ('NCD') issued by the Company from India Ratings and Research Private Limited:

Details of credit rating									
Current rating details									
Sr. No.	ISIN	Name of the Credit Rating Agency	Credit Rating Assigned	Outlook (Stable/ Positive/ Negative/ No Outlook)	Rating Action (New/ Upgrade/ Downgrade/ Re-Affirm/ Other)	Specify other rating action	Date of Credit rating	Verification status of Credit Rating Agencies	Date of Verification
1	INE101A08088 (Rs. 475 Crore NCD)	India Ratings and Research Private Limited	IND AAA/Stable	Stable	Re-Affirm	-	07-09-2026	Verified	07-09-2026

Kindly take the above on record.

Yours sincerely,
For **MAHINDRA & MAHINDRA LIMITED**

Sailesh Kumar Daga
Digitally signed by Sailesh Kumar Daga
Date: 2026.09.07 18:47:19 +05'30'

Sailesh Kumar Daga
Company Secretary
FCS: 4164

Encl: as above

CC: Luxembourg Stock Exchange
London Stock Exchange Plc
ISIN: USY541641194

Title

India Ratings Affirms Mahindra & Mahindra and its Debt Instruments at 'IND AAA'/Stable/'IND A1+'

Brief

India Ratings and Research (Ind-Ra) has affirmed the rating on Mahindra & Mahindra Limited (M&M) and its debt instruments as follows:

Details of Instruments

Instrument Description	Regulator of Instrument	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook	Rating Action
Issuer rating	#	-	-	-	-	IND AAA/Stable	Affirmed
Non-convertible debentures*	Refer ISIN annexure	-	-	-	4,750	IND AAA/Stable	Affirmed
Bank loan facilities	RBI	-	-	-	13,025	IND AAA/Stable/IND A1+	Affirmed

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
*Details in annexure

Analytical Approach

Ind-Ra continues to take a fully consolidated view of M&M and its subsidiaries (excluding its financial services subsidiary – Mahindra & Mahindra Financial Services Ltd (MMFSL; 'IND AAA'/Stable)) while arriving at the ratings, considering the moderate strategic, operational, and legal linkages among them.

Detailed Rationale of the Rating Action

The affirmation reflects M&M's strong market position in the key business segments, solid growth in the core automotive and tractor revenue in FY26 with a higher overall profitability, and a diversified business profile. The ratings also reflect M&M's improving market share in the utility vehicle (UV) segment, leadership position in India's tractor industry, a strong credit profile, and superior liquidity.

List of Key Rating Drivers

Strengths

- Strong market position in key segments
- Diversified business profile
- Strong credit profile
- Strong revenue growth in FY26, with higher EBITDA margin
- Improving market share in UV segment
- Conservative financial policy; tight capital allocation but capex in focused sector continues

Weaknesses

- Lower margins at certain subsidiaries drag metrics

Detailed Description of Key Rating Drivers

Strong Market Position in Key Segments: M&M has maintained its leadership position in the domestic tractor market with around 44.9% share in terms of volumes in 1QFY27 (FY26: 43.6%; FY25: 43.3%), with its brands Mahindra, Swaraj, Trakstar, and OJA tractors. M&M is also among the top two players in the light commercial vehicle (LCV; below 3.5 tonne) market with around 52% share in 1QFY27 (FY26: 52.3%; FY25: 51.7%; source: Society of Indian Automobile Manufacturers). With new launches, the company held around 40% share in the organised electric three-wheeler (e-3W) market in the L5 category in FY26. In addition, with the acquisition of SML Mahindra Limited (formerly known as SML Isuzu Limited) in FY26, M&M increased its market share in the >3.5T commercial vehicle (CV) segment to around 7.8% as of 1QFY27 and plans to scale it up to 10%-12% by FY31, as per the management. Furthermore, the company's market share in the UV segment in terms of volume continues to be in the range of 20%-21% as of 1QFY27.

Diversified Business Profile: M&M has a diversified business profile including farm equipment, auto, defence, information technology, financial services, mobility services, renewable energy, logistics, real estate, hospitality, steel trading, automotive components, and maintaining parts for leading aerospace companies. However, the farm equipment and auto businesses together are the key revenue and profitability drivers. The standalone entity, which majorly derives its revenue and EBITDA from the auto and farm businesses, accounted for over 82% and 88% of the revenue and EBITDA of the consolidated entity (excluding MMFSL), respectively, in FY26. The diversified revenue stream shields the consolidated credit profile, to an extent, against demand variations in the individual business divisions.

The demand drivers for the auto segment (gross domestic product growth rate, disposable income, fuel prices, level of industrial production, interest rates) are different from those for farm equipment (adequacy of rainfall, interest subvention schemes, cost of labour in rural areas). Thus, the demand cycles for the two divisions are not completely independent of each other and offer a buffer to the company's overall profitability despite inherent cyclicality. Additionally, within these two divisions, the company has a wide range of product offerings at various price points to cater to different customer segments.

Strong Credit Profile: M&M's standalone and consolidated (excluding MMFSL) credit profile is characterised by a low financial leverage and high coverage ratios. The consolidated (excluding MMFSL) gross interest coverage (operating EBITDA/gross interest expense) was strong at 36.2x in FY26 (FY25: 27.9x; FY24: 27.7x), largely led by a higher EBITDA of INR238 billion (INR186 billion; INR147 billion) and a reduction in the overall debt (excluding MMFSL). The company was net debt negative (including corporate guarantee and lease liabilities) over FY23-FY26. Ind-Ra expects M&M's credit metrics to remain largely at similar levels over FY27-FY28 due to the overall buoyancy in the domestic auto sector.

Strong Revenue Growth in FY26, with Higher EBITDA Margin: M&M's consolidated revenue (excluding MMFSL) increased to INR1,770 billion in FY26 (FY25: INR1,404 billion; FY24: INR1,226), mainly due to: i) sustained demand traction for the company's sport utility vehicle (SUV) vehicles, and first full year of commercialisation of its electric vehicles (EV) with traction for XEV 9e, BE 6, and XEV 9S, leading to 20% yoy volume growth; ii) sustained growth momentum in the 3W business, with around 30.5% yoy volume growth; iii) sustained market share in the tractor segment; and iv) integration of SML Mahindra Limited (formerly known as SML Isuzu Limited), which M&M acquired in August 2025.

The consolidated EBITDA margins (excluding MMFSL) were stable yoy at 13.4% in FY26 (FY25: 13.3%; FY24: 12%), supported by a modest improvement in the automotive business profitability, driven by a richer product mix, increasing contribution from premium SUVs and EVs, and operating leverage benefits on higher volumes. However, the improvement was partly offset by lower profitability in the farm equipment segment, due to higher losses in certain international operations for which management has undertaken portfolio rationalisation measures, including the exit from and restructuring of select loss-making overseas businesses. These measures are likely to support margin improvement.

Ind-Ra expects the company's consolidated revenue to increase 7%-9% yoy over FY27-FY28, supported by sustained volume growth in the auto industry, led by internal combustion engine (ICE) and EV model launches/refreshes and growth in the farm equipment segment. M&M introduced the NU_IQ platform in FY26, which is a flexible multi-energy SUV architecture capable of supporting multiple powertrains, including ICE, EV, and potentially hybrid vehicles. The platform is designed to accommodate different powertrain and driveline configurations. M&M expects launches based on the NU_IQ platform from 2027, which should further strengthen its product portfolio across domestic and export markets. In addition, the company also plans to increase capacity to around 82,000 units per month by end-FY27, from around 64,500 units per month as of FY26. Overall, the company expects to double its auto manufacturing capacity by FY31 vs FY26. Its new product launches and increasing production capacity will likely support the auto segment growth. Ind-Ra expects the EBITDA margin at 12.5%-13.5% over FY27-FY28, led by M&M's price hikes amid increasing raw material prices and operating leverage.

Improving Market Share in UV Segment: M&M's strength lies in creating SUVs that align with consumers' evolving preference. The company has established itself as a leader in the segment, with vehicle launches over the past three years underscoring its product and technological leadership, leading to a notable increase in its market share in the UV segment in volume terms to 21.3% FY26 (FY25: 19.7%). This growth was led by sustained demand across its flagship SUV portfolio, including Scorpio, Thar, XUV700, XUV 3XO, and Bolero, supported by product launches on the EV side, portfolio refreshes, and improving production capacity. The management expects the SUV segment's volumes to grow by mid-high teens yoy in FY27, driven by: a) sustained momentum in the ICE and EV portfolio; and b) new EV launches, where it has seen minimal cannibalisation. In the auto segment, the company plans to launch 10 ICE SUVs (including one mid-cycle enhancements) and six battery electric vehicles (BEVs) by 2031. This pipeline, coupled with a robust order book, sufficient production capacity, and the near-term resilience against supply-chain disruptions, positions M&M well to strengthen its market presence. However, Ind-Ra expects that intensifying competition in the SUV segment, with new product launches by peers and the reducing life cycles of products, will maintain competitive pressure in the near term.

Conservative Financial Policy; Tight Capital Allocation but Capex in Focused Sector Continues**:** For creating value for stakeholders, M&M has tightened its capital allocation policy and continues to evaluate its investments on criteria such as strategic benefit and financial returns (investments with a clear path to return on equity (RoE) of 18%). As part of its strategy to exit non-core or non-performing ventures, in FY26 and 1QFY27, the company impaired some investments in the farm business, largely on the international side, including the withdrawal and liquidation (expected to be completed in FY27) of its Japanese associate in March 2026 and the entire stake sale in the Turkey-based Erkunt Foundry business.

The company has reiterated its focus on capital discipline and RoE, aiming for around 18% RoE across businesses. The company is continuously calibrating its strategies to strengthen its market position, streamline operations, invest significantly in the growing EV sector, and enhance production capacity to strengthen market positions.

Lower Margins at Certain Subsidiaries Drag Metrics: On a standalone level, M&M reported a profit before tax margin of 14.2% in FY26 (FY25: 13.4%; FY24: 13.6%). The consolidated profit before tax margin (before exceptional items; excluding MMFSL) was lower than that at the standalone level at 12.2% in FY26 (FY25: 11.4%; FY24: 10.9%), due to losses or lower profitability at some of M&M's subsidiaries. The capital reallocation exercise has helped the company in improving the consolidated margins on a yoy basis. However, Ind-Ra expects the turnaround of subsidiaries to be an ongoing process, which is a key monitorable.

Liquidity

Superior: M&M had a strong consolidated cash balance (including current investments; excluding MMFSL) of INR432 billion in FY26 (FY25: INR326 billion; FY24: INR199 billion). The standalone entity's average month-end utilisation of the fund-based facilities of INR4.4 billion was almost nil for the 12 months ended July 2026. Excluding MMFSL, M&M's free cash flow was INR144.2 billion in FY26 (FY25: 62.2 billion; FY24: INR22.6 billion), largely led by improved operating performance in the auto and farm equipment segments. The capex was INR91.9 billion in FY26 (FY25: INR99.5 billion; FY24: INR96.2 billion).

The company plans capex and investments of INR370 billion over FY25-FY27 (increased from INR159 billion capex plan over FY22-FY24), mainly for electric platform development, new product development, capacity expansion in the auto business, and investments in group companies. The capex in FY25-FY26 was largely funded via internal accruals, expect for EV development for which the company received equity participation from investors tied in for the EV business-related subsidiaries—Mahindra Last Mile Mobility Ltd (MLMM) and Mahindra Electric Automobile Ltd. (MEAL). The company has earmarked INR120 billion for the EV business over FY25-FY27. In addition, British International Investment and Temasek had invested INR18.5 billion and INR12 billion, respectively, in MEAL as on 31 March 2026, with further investment unlikely. In MLMM, International Finance Corporation (IFC) and NIIF India Japan Fund (IJF) had invested INR10 billion as on 31 March 2026, and it is likely to receive further INR3.2 billion from Lightrock Cayman Holdings Ltd. The capex in FY27 is likely to be INR130-140 billion as per Ind-Ra estimates, largely funded through internal accruals.

On a standalone basis, the company has scheduled repayments of INR5.3 billion in FY27 (including repayments in 1QFY27). Given the established access to the domestic banking system and debt capital markets, Ind-Ra expects M&M to refinance/repay its debt comfortably. The agency estimates the free cash flow (with strong cash balances) and financial flexibility will be adequate to fund the debt repayments and dividend pay-outs over FY27-FY28. As per Ind-Ra's calculation, the company continues to have sufficient liquidity to extend support to key group entities, if needed, while also maintaining a strong credit profile over FY27=-FY29.

Rating Sensitivities

Positive: Not applicable

Negative: A negative rating action could result from a substantial weakening in M&M's market position in its key product segments and the quantum of capex/investment plans exceeding Ind-Ra's expectations and entailing debt funding. This will likely lead to a pressure on the key credit metrics, resulting in the net leverage (M&M consolidated excluding MMFSL) exceeding 1.5x on a sustained basis.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on M&M, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

Any Other Information

Standalone Financials: The company's operating revenue increased to INR1,456 billion in FY26 (FY25: INR1,165 billion; FY24: INR991 billion) and the EBITDA to INR210 billion (INR171 billion; INR131 billion). The company remained net debt negative over FY21-FY26. The interest coverage was strong at 84.1x in FY26 (FY25: 68.4x; FY24: 93.6x). The standalone revenue grew around 23% yoy to INR419 billion in 1QFY27 (1QFY26: INR341 billion), while the EBITDA was INR51.5 billion (INR47.9 billion) with an EBITDA margin of 12.3% (14%).

About the Company

Incorporated in 1945 as an assembly unit, M&M is the flagship company of Mahindra Group. The promoters own 18.5% (as of 30 June 2026) in the company. M&M's business is diversified across the farm equipment, auto and automotive components, real estate, logistics, information technology, mobility services, renewable energy, steel trading, hospitality, defence and aerospace, and financial services sectors. Furthermore, M&M has a significant market share in the LCV, tractor, and UV space.

Key Financial Indicators

Particulars (INR billion) – Consolidated	FY26	FY25
Revenue	1,770	1,405
EBITDA	238	186
EBITDA margin (%)	13.4	13.3
Interest coverage (x)	36.2	27.9
Net adjusted leverage	Net cash	Net cash
Source: M&M, Ind-Ra Note: Ind-Ra has arrived at these financials by de-consolidating MMFSL from M&M's consolidated financials.		

Applicable Criteria

- Corporate Rating Methodology
- Parent and Subsidiary Rating Linkage
- Short-Term Ratings Criteria for Non-Financial Corporates
- The Rating Process
- Evaluating Corporate Governance

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (INR million)	Current Rating	8 September 2025	9 September 2024	20 September 2023
Issuer rating	Long-term	-	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Non-convertible debentures	Long-term	4,750	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Bank loan facilities	Long-term/Short-term	13,025	IND AAA/Stable/IND A1+	IND AAA/Stable/ IND A1+	IND AAA/Stable/ IND A1+	IND AAA/Stable/ IND A1+

Bank wise Facilities Details

Bank Name	Instrument Description	Rated Amount (INR million)	Issuance Date	Coupon	Maturity Date	Rating/Outlook	Sublimit
State Bank of India	Fund/Non-Fund Based Working Capital Limit	6,025	-		-	IND AAA/IND A1+/Stable	False
Kotak Mahindra Bank	Fund-based/Non-fund-based limit	3,907.3	-		-	IND AAA/IND A1+/Stable	False
NA	Fund/Non-Fund Based Working Capital Limit	3,092.7	-		-	IND AAA/IND A1+	False

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Annexure

Instrument Type	ISIN	Regulator of instruments	Date of Issuance	Coupon Rate (%)	Maturity Date	Rating/Outlook	Outstanding/Rated Amount (INR million)
Non-convertible debentures	INE101A08088	SEBI	27 September 2016	7.57	25 September 2026	IND AAA/Stable	4,750

Source: M&M, CDSL, NSDL

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SOLICITATION DISCLOSURES
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ABOUT INDIA RATINGS AND RESEARCH

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has six branch offices located at Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad and Kolkata. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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