

17<sup>th</sup> February 2026

**National Stock Exchange of India Limited**  
"Exchange Plaza", 5<sup>th</sup> Floor,  
Plot No.C/1, G Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400051.

**The Luxembourg Stock Exchange**  
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**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400001.

**London Stock Exchange Plc**  
10 Paternoster Square  
London EC4M 7LS.

**Sub: Transcript of the Analyst/ Institutional Investor Meet**

Dear Sir, Madam,

This is in continuation of our letter dated 19<sup>th</sup> January 2026 providing advance intimation of the M&M Q3 FY26 Earnings Conference Call scheduled and held on 11<sup>th</sup> February 2026 at 3:30 p.m. (IST) with respect to the Unaudited Standalone and Consolidated Financial Results of the Company for the third quarter and nine months ended 31<sup>st</sup> December 2025 and our subsequent letters dated 11<sup>th</sup> February 2026, submitting Presentation made thereat and providing the weblink of the audio-video recording of the said Earnings Call.

We hereby submit the Transcript of the aforesaid M&M Q3 FY26 Earnings Conference Call held with Several Funds, Investors and Analysts, which is also available on the Company's website and can be accessed at the following Link: [M&M Q3F26 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Please note that only publicly available documents were referred to during the discussion and that no unpublished price sensitive information was shared during the Earnings Call.

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

Yours sincerely,  
**For Mahindra & Mahindra Limited**

**Sailesh Kumar Daga**  
**Company Secretary**

Encl: as above



“Mahindra & Mahindra Limited Q3 F26 Analyst Meet”

**February 11, 2026**



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

**Divya Gulati:**

Welcome to the quarter three analyst meet of Mahindra & 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 begin with the Q&A session.

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

With that, now I hand over to Dr. Shah for opening remarks.

**Anish Shah:**

Hi, good afternoon. It's a pleasure being with you again, more so when our results are in very good shape. Let me start with talking about our key messages as we do every quarter. What you see again is a continued strong performance across businesses, and you are seeing contribution from all our businesses to delivering very strong results.

Operating PAT is up 66%, reported PAT is up 47%. There are two factors that make the difference between these two numbers. One is Labour Code impact, which I am sure you have seen across all companies. Second is one time around Mahindra Finance, where they had a reserve release last year in the same quarter. As we take that out, that increases the operating profit.

Volume and margin growth, very strong for both Auto and Farm. Volume up 23% for both businesses. Margin is up 90 basis points for Auto, 240 basis points for Farm. Farm did have some impairments internationally and that dragged down the overall number, but domestic operating performance was up 64%.

I want to highlight three, what we call, breakthrough performances. And while you will see some numbers on this page and the next page, the breakthrough performances are not because of the numbers.

Mahindra Finance is up 97% from an operating standpoint, down 9% from a reported standpoint. But beyond the numbers, there were three things that we were focused on for the past three years: asset quality, controls and technology, along with putting in place a very strong management team. And that today is in very, very good shape. And you have seen the results for that. As a result, Mahindra Finance has announced in its analyst call two weeks ago that it will now pivot to growth. And we will start seeing a much faster growth rate, more diversification and areas that we need to focus on now. For the last three years, we were not talking about growth, and focusing on asset quality controls and technology. And that pivot is what creates a breakthrough for Mahindra Finance right now.

Lifespaces, profits up 5x. But I will again caveat it by saying that in real estate, as you well know, you will continue to see ups and downs based on occupation certificates coming in, because that's when you recognize a profit. But it's breakthrough not just for the profit number, it's breakthrough because we can now see products complete with the profitability we had planned for at the project. We now see a much greater level of urgency in the business. The land acquisition is going very strong. We've had an external investor, Mitsui Fudosan, come in; that was announced a couple of days ago. And the business, both from an IC and a residential standpoint, continues to be on a very strong track. And you will continue to see that as we go forward.

Logistics, first profitable quarter after 11 quarters. But again, more than the fact that it is the first profitable quarter, is the execution that is being done is very strong. With Hemant Sikka coming in and a few key leaders coming into the business as well, that's really driving logistics in a very, very different way. And it's a business we expect a lot more from. So, this is a good stepping stone, but the breakthrough is really driven by execution that the business has shown now.

We thought it'll be useful to show where does an operating profit growth come from? And therefore, on the left-hand side, what you see is operating profit. But let me first start with the bottom of the page, which has three numbers: 66% operating profit growth, 54% without the

Mahindra Finance one-time of reserve release last year, and 47% after you take the Labour Code impact as well. So those are the three numbers that we're looking at. And it doesn't matter which number you look at it, it's just a very strong performance overall across businesses.

Lifespaces up 5x from an operating standpoint, Logistics up 2x, Mahindra Finance 97%, Auto 42%, TechM 35%, Farm 7%, as I mentioned, driven more by the international impairments, and investments up significantly because we had a CIE sale, which is in the operating numbers, which we pointed out on the right-hand side here. So that's really a map of where all the businesses are. Yes, there are some other businesses that have done very well, but these were the main ones that were driving growth, and therefore we put them on this page.

Consolidated results, up 26% for revenue, up 54% excluding Labour Code, 47% reported.

Drivers, from an Auto standpoint, while Rajesh will cover this in more detail, the key headlines are SUV volume up 26%, continue to be number one there. Margin up 90 basis points. New product launches you heard about have done very well. Besides revenue market share for SUVs, our LCV share has gone up 10 basis points also, at 51.9% now.

Farm volume up, from an export standpoint, 36%. Market share down slightly, but in January we made that up for year-to-date as well. And Farm Machinery revenue is up 45%. So we are starting to see much faster growth from a Farm Machinery standpoint.

Mahindra Finance, assets under management up 12%, despite not focusing on growth a whole lot. GS3 continuously below 4, we continue to maintain 4.5 as the benchmark we've set, but for the last many quarters we've been below 4. And we've got a new ECL policy which is more in line with industry, which will help the business as well. And technology and controls, you don't see on this page, but that's been a huge focus over the last three years. And we've completed projects or are close to completion of certain projects there. And that gives us a lot more comfort around the business overall.

Tech Mahindra on track with what it's outlined in terms of its path for FY27. And deal wins, margin expansion, all of that playing into that track that Tech Mahindra has outlined.

Logistics we spoke about. Only thing I'll add there is strong momentum in both Auto and e-commerce for logistics. Hospitality has given up whatever it has earned in India with an FX exposure with its Finland business. And real estate is on a very strong path, which I mentioned.

And this is a page that you've seen many, many times now, consistent delivery. ROE is up 20.1. But before any question comes, I will say what I always say, we are at 18, it may be slightly higher, slightly lower in any given quarter. So the new bar is not 20. We will continue with 18 plus/minus a little bit. And we'll continue to drive growth. And you see a very strong growth that's been driven in this quarter and year-to-date as well so far. We are at I think 38%, if I've got the exact number year-to-date growth from a profit standpoint. So I can tell you that's higher than what we had expected at the start of the year as well.

With that, let me invite Rajesh to take you through more details.

**Rajesh Jejurikar:**

Hi, everyone. I'm going to run through this quickly. I'm sure you've seen a lot of these slides already. So I'll be quick and give them more time for Q&A.

The SUV volume was up 26%. We've got to average Q2 and Q3 because Q2 had a lower GST. So even if we average it will be 17-18%. The very good news is seeing the revival of LCV segment, which we were all wondering why it's not coming into growth. It finally has. The GST has helped, the replacement cycle has kicked in, and we do see this sustaining for some period of time.

You see this Q2, Q3, which I just said, I think the right way to do is to average it out. A lot of the... some of the Q3 growth is the GST transition in Q2, which spilled over to Q3. But still, we've seen very robust demand in Q3. We did get affected somewhat by the fact that we scaled down XUV700 in Q3 as we were preparing for 7XO. So that has had some effect on the mix and the revenue, because literally a month, month and a half we had stopped billing new 7OOs out in the last quarter.

You see revenue market share at 24% odd. We think that's about the level we'll be at. There was abnormal peak in Q1 and Q2. These numbers now... well, earlier also they included the EV numbers. We were just calling that out separately so that we're not going to have a separate

slide on EV. On the same slide, you will see where we are doing, how we're doing on market share in that quarter and YTD, which you see at the bottom.

7XOs got very good response, very strong order pipeline. And as some of you did mention, customers, we're back into this waiting period thing, which is not always desirable, but kind of also a recognition of the fact that the product has got accepted very well. Big skew again to the top end, in spite of very attractive lower end versions; almost 70% plus is the top two versions, which is, in a way higher, than what we thought, which is also good news. But that's what is adding to the complexity on waiting period, given that the skew is higher than what we expected, especially X7L version.

41,000 plus e-SUVs sold, which is really about 4,000 a month as an average. The interesting thing is the 32.5 crore kilometers that the vehicle has run, which really implies 8,000 laps around the earth equivalent. It goes to show that the vehicles are not just nice parking products in the garages, but are being used a lot, and are very mainstream in the way that customers have adopted usage of this, which is building that positive word of mouth and confidence. We're seeing that translating into 9S, which I'll come to in a minute.

A lot of awards. We believe the most prestigious out of these is the EV, The Green Car of the Year at the ICOTY, which is a very, very robust jury of multiple auto handles coming together, and they have only three awards, one of which is the EV Green Car of the Year, which 9E got.

The 9S has got very good feedback as well, and response. We had mentioned in one of the earlier quarters that we expected North to do better with the EV portfolio. With the 9S that's happening, that segment was looking for a more conventional shaped SUV, which the 9S is balancing well. So it's bringing all the goodness and tech associations of the earlier two products, but in a more conservative or conventional format, and in seven-seaters. So we are seeing, of course, a good response everywhere, but North is adding a new set of customers into the 9S kitty.

We had put out what products will come in the calendar, and there have been questions around how much have you already launched and what is not. So we just put this slide to clarify that. We had said three new ICE, three ICE SUVs in this year. The new nameplate out of that was 7XO. Two more refreshes will come over and above the Bolero and Bolero Neo. When we had said three, we had not counted Bolero and Bolero Neo in the three. So we've done 7XO now, Bolero, Bolero Neo and there'll be two more refreshes in this calendar year.

On EVs, both what we had spoken about, are done for this calendar year. So there's no new EV launch happening in this calendar year. LCVs, we had said two. We've just done Bolero Camper and Bolero Pik-Up, and two more will happen in this calendar year.

A quick slide on capacity. So we're breaking this up into three phases, so to say. In the calendar 2026, we will work around de-bottlenecking some of the current capacity products where product capacity is running out. More specifically, 3XO and Bolero in Nashik plant, some of Scorpio-N in Chakan plant. So all of these... and Thar a little bit. So all of these are kind of out of capacity. We'll aim by July-August to add about 3,000 to 5,000 between these products per month. Over and above that, 3,000 of EVs gets added with the 9S launch. So in a way, 6,000 to 7,000 additional capacities on these products get added in FY27, on top of what we have in FY26.

Calendar year 2027, will see the addition of new capacity in Chakan for the new IQ platform. So one of the Vision S or Vision T, which we will launch in 2027, will kick in. The Nagpur facility, which will come up in calendar 2028, will have primarily the new IQ platform on the SUV side. Definitely Vision X, which is not going to come in Chakan. We will probably need more capacity than we are planning in Chakan for Vision S, Vision T. So we'll provide for that too, and any other new products.

We will also figure out which of the existing products need more capacity. We will have to work the cannibalization equation of new products over current products. We may add something at the Igatpuri new land that we are taking, or we may add it in Nagpur. So that's something that we will work out by way of how to split and prepare for additional capacities on existing products. So Nagpur Greenfield, and if there are more questions, we can talk a little bit more about what will happen in Nagpur Greenfield.

LCVs, I am not repeating, I have already spoken.

Auto margins have been very robust, and you see the 10.4% here without contract manufacturing, but this chart gives you a better feel of the same thing, which is the Auto standalone without contract manufacturing is 10.4%, which is what you saw in the previous slide. 10 crores is what we made on the contract manufacturing in M&M, and the standalone as reported is 9.5%, which of course comes down because there's a big element of contract manufacturing.

On the EVs, as we've started doing, we made 175 crores end-to-end. In MEAL as a company, the EBITDA was 149, 27 of that was in M&M, and the total as you see on this chart is 175 crores.

The PLI status is up here, so 9E we have all variants approved. 9S, the top two packs are approved already. The balance are under approval and should come in by Q1, and B6 should come in by Q1 again, all variants. So basically, by Q1, we should have all variants, all products with PLI approval.

Trucks and buses, a quick look. We had a strong growth. We also, if look at the YTD market share, it increased somewhat, and we're both together at 6%. Last Mile Mobility, we continue our leadership. An exciting new launch happening tomorrow in Hyderabad, and do watch for that. We believe it will be a game changer. Some really very exciting breakthrough, new design, and I think it will transform the penetration even more. We already are at 30% penetration.

So just a quick look at the Auto consolidated numbers. You've already seen that, so I'm skipping this.

Farm, the volumes grew 23% in the quarter. We lost some market share. Lot of it was due to Swaraj Tractors completely running out of stock, and that's got recovered in January as well. So we are now at 44.1. So that's what you see here.

The Farm Machinery, Anish spoke about. We've seen very good turnaround. Last few months, we've crossed 100 crores literally every month as an average. So it is a very strong momentum now that we're beginning to see. The co-tractor margin here, which is really the important parameter is at 21.2. Very good improvement over the like-to-like quarter, but also very close to our best performance. This gives you the volatility of industry growth versus how the margins move in a band, depending on the operating leverage.

Anish has covered this. So again, very strong standalone performance. We had to take impairments on a couple of subsidiaries, which we can talk about, which is what is showing a PBIT -7 and a PAT +7.

With that, I'll hand over to Amar. Thank you.

**Amarjyoti Barua:**

Thank you, Rajesh. Just to recap of everything you heard. I won't repeat what has already been said. But do want to take a second to highlight that this is the first time the group has crossed 50,000 crores in topline, and that's a big, big milestone for us as a group. What I just wanted to point out, within the consolidated result there is a 220 crore impact of Labour Code. This is our share. The gross amount across group companies was 565 crores.

This is the waterfall that I usually show to show the contribution of each of the pieces. You can see here the impairments were exactly offset or very close to being offset by the CIE gain. So just calling that out very clearly so that you can see that the operating performance was not helped necessarily by the CIE gain, it was offset by the one-time impairments we took. We took impairments in two entities. One is our Japan entity, and we took also an impairment in our Turkey foundry business, both of which... The MAM Japan one we have talked about in the past, this is just continuing the restructuring in that business. Foundry is new and was impacted by the hyperinflation in Turkey.

I do want to highlight Growth Gems grew 3x year over year, and that's a very big deal for us.

And then from the standalone side, the impact, you all follow this, the impact of Labour Code is around 73 in the 3,931 that you see. And then we've talked about the revenue growth. Outside of this, the only thing I'd like to highlight, we don't show the page but I do want to highlight the cash performance has been, again, very strong across the group. So we continue to keep growing our cash which will be deployed towards future growth as we find new avenues. And from an outlook standpoint, we continue to see the strength in the portfolio. So hopefully,

it should allow us to close the year very strong.

With that, we can transition to questions.

**Question & Answer Session:**

**Kapil:**

First of all, sir, I would like to congratulate you because this was a fairly strong all-round performance across the group companies. So really heartening to see that, that even the group companies are now contributing solidly. I'll start off with the Auto sector. Just, Rajesh, sir, your outlook for next year for each of the segments, LCVs, Tractors and Autos.

And one of the concerns in mind is that because GST cut has just happened. So is there an element of pent-up that you are sensing here, and how to think about next year's growth for each of these segments? And within Autos, various sub-segments including EVs and compact SUVs, how are you seeing the demand momentum over there?

And also, if you can give some clarity on the capacity for FY27 and FY28 in terms of numbers, is it possible to share what will be the available capacity? So yeah, that's the first question.

**Rajesh Jejurikar:**

Yeah. So, Kapil, outlook we'll share like we normally do in May and will not give a specific number on outlook. But we'll try and maybe answer your Question 2 and Question 3 together, which is, you know, the impact of GST overall, how we are seeing in which segments has it really made a difference? And that I think connects with your question on, you know, the demand outlook at a qualitative level on EVs and subcompacts and LCVs and so on.

So firstly, the biggest impact of GST will always be in commercial segments, because it fundamentally... or a price reduction, because it fundamentally improves cost of ownership and improves viability. Also, the GST cut will drive GDP growth, we believe to be much higher and the economic prosperity of the country will go up, which also helps commercial applications and commercial usages, both. So it's two factors kicking in when we look at commercial segments. When I'm saying commercial, I'm counting LCV, bigger CVs and Tractors. They all are following a similar paradigm, which is significantly better viability for the user out of a lower... a significantly lower price. I mean, 10% is a big change in price for that segment. In LCVs, roughly it leads to a 4% to 5% higher profit improvement for an operator. So it's not insignificant at all.

So we believe this is a fundamental shift and this will lead to a cycle of increased demand and it's not a one or two month thing, which is just a pent up, because it's not a pent up. It was pent up in LCVs to the extent that the replacement cycle had not kicked in, and we believe that was because of COVID where usage had got delayed or reduced over a one or two year period. And as soon as... so there was a replacement cycle delay of a year or two. And GST, I think, provided that impetus, and we saw growth kicking in together. So I think the commercial segments will gain the most.

What's happening in the other segments in which we play is actually, we think, enabling higher version variant usage. We don't think fundamentally a demand for an XUV 7XO or Scorpio-N is going up because of GST drop, and that may have been momentary if it did in the festival period at all. But the demand momentum continues even as we got into December and January. So it wasn't just festive and it wasn't just one month. There, what we are seeing is a much better move up the ladder because customers have a price point on which they are operating, and then suddenly they can get more in that price point. So it can either lead to a lower model customer moving up to a higher model, or a lower variant customer moving up to a higher variant. So both of these will play out. I'm not sure it will increase the total size of the industry, but it will probably change the nature of the mix for an individual player or certain models which fall in the consideration set. So with the 7XO pricing that we have where we are operating, we have reasonably good options between 13.5 and 15.5 or 16, 4.6 metre product actually competes like-to-like with the 4.2, 4.3 metre product, which was not the case earlier. So there would be 4.3 metre customers who may look for a 4.6, 4.7 product. So I think some of that will be helped by GST.

The entry car, you know, has of course picked up with GST in a very significant way, which I'm sure is a function of the fact that it has become more affordable, and hence more accessible to many people. Whether that is pent-up or that is going to sustain, I don't have a point of view on right now. And hence, what we would have to watch out for as we get into FY27 is what will be the mix of small car to big cars, and how will each sub-segment grow. I think it's a little premature to reach a conclusion on how this mix will play out. I think each segment will grow

by itself, but which will grow faster and which will grow a little slower and hence the mix and the relative impact of that on market share, is something that we'll have to watch for.

We have seen very robust growth in all our sub-10 lakh product. So Bolero, Bolero Neo, everything is below 10 lakhs now, ex-showroom. The GST cut helped that. So 3XO, Bolero, Bolero Neo, all have got very, very strong demand.

Capacity for...

**Kapil:**

Sir, EVs as well?

**Rajesh Jejurikar:**

EV I spoke about in a fair amount. So the price point at which... the price point/the fact that we are more than 4 meters, which means the gap between 5% GST and 40% GST is still quite significant, which is why we are able to price 9S almost like-to-like on-road as a 7XO. So a customer actually can choose without worrying about price between whether they want a 7XO ICE or a 9S EV. So in the segments in which we play, I don't think the GST arbitrage change is making any difference. But in this less than 4 metre it would, because there it was 28 to 5 versus 18 to 5. So it is a much, much closer comparison now. So the price advantage relatively less than 4 metre kind of goes away. It's still quite significant in the segments in which we play.

Capacity, just to again clarify what I had on the slide, we'll probably add this year 5 to 6,000 by July-August in ICE over what we have right now. Another 3 odd in EVs, so 7 to 8. FY27 we would add in ICE another 7,000 to 8,000 at least. That will come from Chakan in calendar 2027, that's for the new IQ platform. And then in 2028, depending on how quickly we are able to get actual possession of the land and productionize it, we would probably add, in year 1 at least 8,000 to 10,000 more. It will ramp up to 500,000 over a period of time. But in year 1 it would probably be 10,000 to 12,000 a year. Sorry for the long answer.

**Kapil:**

No, thanks. I think it is really helpful. Amar, just one to you. We are seeing a pretty steep commodity inflation, particularly precious metals. How do you see the impact of that as we look into next year? Do we have pricing power and hedging on the commodity side? And what was the impact in 3Q as well?

**Amarjyoti Barua:**

Sure. Let me address what is happening first, because it is difficult to predict what it will be. Today what we are seeing is, across almost every commodity, there is inflation. Precious metals lead the pack. Part of it is the same dynamics that is driving gold and silver. And part of it is supply issues, especially anything dependent on iron. So copper, aluminium etc. you are seeing. The iron-related products are likely to not see sustained increase because these seem to be more supply-related issues which will get solved. It's very difficult to say that for precious metals because there seems to be something more deep that is driving that. So we will see how it all plays out through next year. Right now, we did see the inflation in our numbers. The hedges have worked. But I want to emphasize that the hedges can only cover a certain portion because there isn't necessarily a market for steel, for example, for hedging. So we do get exposed to anything that might be happening there.

The other thing also is our hedges take care of purchases beyond current quarter. So some of the gains we get when we get mark-to-market, is covering for purchases in the future. So you will see some volatility in commodity costs in the future and not a hedge offset. So I think so far very benign because we are getting the advantage of having a very robust hedging program, but in the future we will have to see how it all plays out. Overall, I think Rajesh has already mentioned there is a 1% price increase to take care of what is going to be the future impact of this commodity inflation, and then we'll see how it goes.

**Kapil:**

On the EVs are you seeing more cost inflation as well?

**Rajesh Jejurikar:**

Just to answer your question on pricing power. I think there is headroom on price. It is just that we wouldn't want to push it unless we feel it is necessary. That's been our philosophy always to make sure we don't lose a sweet spot on the pricing. So we have taken 1% as Amar just said in January. And we will watch closely and see how the commodity is going. There is ability to take. The key thing is anticipating whether you need it based on a stable view on what will happen to commodity. We don't want to be knee-jerk. So sometimes you kind of say okay this is a short-term thing. Let's not push price up for something which is going to go up today and come down tomorrow. So then you are not reacting and that has sometimes a short-term effect. But fundamentally, if we know that the commodity trend is upward, then we will take prices to correct for that. It's the judgment of whether it is just a short-term spike which should be

ignored, or is it something that we fundamentally need to take a price to cover for. It's that judgment which sometimes affects timing of a pricing decision.

**Amarjyoti Barua:** So we have the pricing power. Whether we use it or not... We don't want to. I mean the simplest thing is to say okay let's keep taking, which is something we want to avoid.

**Kapil:** Just wanted to hear your comments on EVs also. In terms of cost pressures, is it more over there, or should we expect that EV costs will still keep coming down?

**Amarjyoti Barua:** Imports are going to be impacted because of the rupee. But I think there was an overhang on the rupee as well, which hopefully with the announcement around the US FTA, should. So our new view on the rupee is don't see a significant slide beyond where it is, right now. Let's see how it all progresses and that should help us ease some of the import pressure. But we mentioned this before Kapil, there is an aggressive localization program that the team is running. So that will eventually offset this pressure point.

**Chandramouli:** Thanks for taking my questions. First one is on CAFE. So there is now an expectation that after the industry has represented back to the government, the 113 grams coming down to 91, might potentially be 113 grams coming down to close to 100 grams in April 2027. So just wanted to understand your thoughts around that. And if that's the case, our 25% sort of EV mix target for FY28, how much could that potentially come down by?

Second question is just around the Tractor business. There is some expectation that over the next 12 to 18 months, there could be a recurrence of an El Nino scenario. So what your early thoughts are around that? Any offsets we have to potentially manage around that situation?

And the last question is just around capital allocation Growth Gems. Growth Gems, I think we have put a lot of effort into those businesses over the last 4 to 5 years. Maybe the market at this stage doesn't fully appreciate the value in those businesses. But just related to that, we do have a couple of entities, Pininfarina and Erkunt, which might be rags on profitability of the overall group. So just your thoughts on, is there any potential restructuring possible in those entities?

**Rajesh Jejurikar:** You want to take that first?

**Anish:** Yes, so you are absolutely right, the Growth Gems are still underappreciated. But that's fine. We continue to have them deliver more and more. And as we shared at Investor day, the valuation of our Growth Gems as of 3 months ago was 56,000 crores. You're starting to see some of that in the numbers as well, because they started to deliver more profits.

Yes, there are a few businesses, more so outside our Growth Gems, but some of the smaller businesses that haven't fully delivered to the potential. And we continue looking at that on a regular basis and culling them out as we need to. You saw that with Sampo a few quarters ago, where we exited Sampo. And we do have all our businesses in that watch in terms of what we need to do with them. We also announced Automobili Pininfarina that we were not continuing that forward, we merged that with Pininfarina. So that was, in a sense, another exit that we took. And Erkunt foundry is not strategic for us, which is where we've taken an impairment this quarter as well. So we continue to look for what are the strategic options for us in that business. So that's one discipline that will continue and we will cull things out.

But keeping that, I look at that as a separate question from the Growth Gems itself. The Growth Gems continue to deliver value. And the way we think about it is, there are a set of businesses that have scale and have a right to win. So, you've got that in SUVs, in LCVs, in Tractors, in Farm Machinery, there are a number of businesses that... Actually, farm machinery doesn't have scale as yet, it will get to scale. But you've got a few businesses with that scale and a right to win.

Then there are a number of businesses that have a very strong right to win but don't have scale. And our focus is, how do you start driving scale in those businesses? And many of them are Growth Gems.

And then we have some businesses where we feel we should have the right to win but we don't have a right to win as yet. And there we're looking at can we develop that right to win? If we can, we will scale it. If we cannot, we will exit it.

**Rajesh Jejurikar:** Okay, let me take the question on which there's no answer, which is CAFE. Of course, we are all as an industry body working regularly with the government on what we think should be the

right and fair way to construct a policy around emission norms.

So, there is a fair amount of industry engagement with the government on this and the government is not rushing into announcing something and are capturing all the views. The overall view of SIAM is to stay with the recommendation which was made in, I think, December 2024. There is discussion around that.

So, you gave a number of 25%, I don't know, that 25% that we had put out was our own target, was not linked to what is needed by CAFE norm. We believe that most likely what will be needed by CAFE norm will be much lower than our own internal target.

The difficult thing, of course, is if ICE continues to grow at a very robust pace, then what will be the ratios between ICE and EV, and that's really what, you know, part of the discussion is that you don't want to really stop growth of the economy or of the ICE portfolio and the government needs to construct it in a way which is reasonable for both industry and climate and I think there's good listening around that. So, let's wait, I think it's, you know, too far away from getting a very clear view on what they will do, but it's maybe like, I think we should have something out in a couple of months. So, there's a lot of industry engagement with multiple government stakeholders.

You know, in the tractor industry, often you'll ask about projections and often I've said we have no ability to project it. As recently as two months back, we said it will be low double digits and this year is going to end at twice that, literally. So low double digits, if you say 11 or 12, we're going to end this year at 24.

So really, you know, even the ability to forecast next three months is not there. I wouldn't worry about, you know, what's going to happen in October and November, it's too early to worry about that. We will go into next year feeling optimistic and positive, but keeping in mind that we are on a very high base because this year is going to end at 24% growth, which no one expected, right.

So, if we say, example, next year is X% growth. Earlier we were saying it is X% growth for F27 on a 10 or 11% growth this year, which itself we thought is good. Now the point is, if this year is not 10 or 11%, but is 24%, which is what it's likely to be, then we have to have a reasonable assumption of, on that base, what kind of growth is going to kick in next year.

Multiple things in the country we believe are very enabling and reservoir levels is one key enabler, even if when monsoons are not good. So, whatever we read about El Nino effect is likely to happen after the first round of rains. So, most people say that that effect may kick in in August or September. So, if you had a good flush of rains, then your first round of Kharif sowing has happened. Reservoir levels are good, which anyway we are going to open FY27 with good reservoir levels.

Government spending in rural and agricultural sectors both has been robust, which is also key driver of tractor growth and favourable terms of farmer trade.

So, you know there are multiple enabling factors, so let's wait and watch. I know many of you are picking up signals that tractor demand may be under stress. I think we have to see that relative to the fact that this year will be a 24% industry growth.

And overall, we think right now the enablers are much more than the dis-enablers. At least that's the way we are going in and which is why we are triggering capacity expansion and all of that for tractor, Mahindra tractors in Nagpur, which is where we already have a base on the greenfield, plus we will also look at something more on Swaraj. So, we are preparing for the longer term growth trend which we spoke about on investor day of about 9% CAGR.

The economy is accelerating and it's driven by some of the actions taken last year but even more so from the foundation elements that have been laid and we continue to believe that the industry will accelerate. I have gone on record saying we would look at an 8 to 10% growth over the next 20 years just given all the key factors that drive the economy, demographics, the infrastructure that's being built, the government reforms and then you see last year's actions around tax, around GST, around the rate card. So, you see various different actions that have to come in.

So, we feel that there is a very strong tailwind that will position India very well and that will benefit multiple industries in India.

**Chandramouli:** Anish, the 8 to 10% you are talking more real growth or nominal growth?

**Anish Shah:** Real growth.

**Amarjyoti Barua:** Can I just add one perspective? Because this is why we always encourage all of you to look at consolidated.

All of these impairments are not just accounting, there are some tough decisions that have been taken by the farm leadership. And so, we do foresee international not to be such a big drag next year, right, and I think that is something when you think about farm at a consolidated level, there is also that constructive view that you should take because you know there is some really tough decisions that the team has taken.

**Anish Shah:** Yeah, and I will emphasize two points.

One on what Amar said and coming back to your question around the growth numbers. There was a point in time which you have seen we would put impairments as one-time items. You saw from the pages today, impairment was not a one-time item, it was operating profit or it brings the operating profit down. And that is the mindset we are using right now to say that wherever we invest, we need to get the results from there and as a management team, we take accountability for that to say that is the result we will try and therefore it is in our operating profit number, not as a one-time item that we look at as an impairment. But to Amar's point, that improves performance going forward, and yes, there are some actions that will not work. That will always happen but we find ways to offset that but as we have done this, it improves performance going forward.

Second, I will come back to the growth point and expand a little on what I said. India has grown 6.5% a year in real terms for the last 30 years. And with what we see today, with the kind of infrastructure that is put in both physical and digital, the kind of government spending on CapEx, the reforms that have been put in place and more that are coming, the focus of the government on making it easier to do business, we are not completely there as yet but there is a lot of conversation that takes place, often we are part of those conversations to say here is what needs to be done and there is a lot of room for the government to listen to it and start taking action for it.

The demographic factor that we have, we are at 28.8 years median age, the China and the US are at 38, Japan is at 48. So, we have a lot of these benefits and we are starting to see that we should come together as one to start the economy growing faster, which is where we say that it should be 8 to 10% from a real basis. With all these actions that have been taken, this is not a -- we hope for actions in future and it will happen. This is the result of actions that have been taken already.

**Chandramouli:** Thank you.

**Divya Gulati:** We will go with Raghu, then, Gunjan, we will come to you and Rakesh.

**Raghu:** Thank you, sir, for the opportunity. Congratulations on strong numbers.

Firstly, to Anish sir. Sir, in your Davos interview you had talked about Last Mile Mobility listing, if you can talk about the timeline and strategy that would be helpful. Also, if you can share your thoughts on the benefits for Mahindra Group from the recent trade deals with Europe and US. And also, like last two years were remarkable for Tech Mahindra in terms of deal wins and margin expansion, how do you see the medium-term outlook. And finally on Mahindra Finance, now that the asset quality is better, how do you see the growth ahead?

**Anish Shah:** That is a great set of questions overall. Let me start with the last two and Mahindra Finance in particular, and Tech. Then I will go to the EU FTA and continue with the first question.

So, Mahindra Finance for the last three years we specifically had a view that the business has to get to a much stronger and consistent asset quality. If you look back over time and you look back even what I have said on Mahindra Finance in the past, we would go to 16.5% or 16% GNPA in every crisis, stay at 8% in normal terms. We would always say that we will get all of this back and we did, so it was always profitable but it was highly volatile. And that is something that we had to change because we did not like the volatility, it caused a lot of

questions. You did not like the volatility either, and therefore we said that we have to bring it down to less than 4.5%. What that also does is it brings ROA down because higher risk, higher return. But the ROA has not come down as much as we had expected it to come down. So, it has come down to 1.9% or so right now. The last few quarters have been less than 4% from a GNPA standpoint. And we have cut out a number of customers that caused earn-and-pay. And if you go back to even many years, every time during a crisis, our CEO at that time Ramesh Iyer would talk about the earn-and-pay segment. He would say the earn-and-pay segment has been impacted and they will come back and pay later because they are not earning right now, they are not paying. But that segment we are not lending to anymore and therefore you have got that coming down.

ROA at 1.9% does not worry us as much because our cross-sell ratio is the worst in the industry which I look at as an opportunity. So, as we cross-sell more, as we sell more insurance and other fee-based products, that is starting to come up and we will get that back to 2.4 to 2.5 after that as well, but have a very strong stable business.

The other aspect we needed in that stability was controls because we did at times go two steps forward and come one step back. Something happens in Aizawl, something happens somewhere else, it is out of our control but can we have a business with very strong controls where we can start picking this up and centralize a lot of the processing, put in a lot of technology that is good for customers as well. In some cases, our customers have to sign 76 times to get a loan, I am not exaggerating on this one, and with technology now that has been put in, Project Udaan that got put in, it is one digital signature and that is it. So, it has taken away a lot of the processing away from it which then improves cost.

So, OPEX ratios we haven't talked about a whole lot as yet but a lot of cost will come out of the system as technology has been put in. So, as we look at our OPEX ratio, as we look at our loss ratios coming down, our credit losses have always been stable, our GST will be even better. The business is on a very strong track. And now we have pivoted to growth, we will grow responsibly, we are now going to grow even at the levels we could right now because we are going to continue to maintain this discipline that we have. So therefore, we see Mahindra Finance on a very strong track at this point in time.

Tech M hasn't finished its first phases yet. Mahindra Finance has finished its first phase. The other aspect in Mahindra Finance is a very strong management team and you can see that in terms of what we have announced, we have got some really good leaders from top banks and in couple of cases top NBFCs as well. So that gives us a lot of comfort.

Tech M we have got a very strong team, we have made the internal transition of the delivery organization, centralized it and that is working very well right now. It is on track to deliver what it has to in its first phase which ends by F27 and it has to get to a 15% EBIT margin. As it does that, then we will look at pivot to growth from that standpoint as well. So, that is on the Tech M story.

On FTAs, I like the way you have phrased your question which is what are the benefits of the FTA. And actually, we see that as benefits because I will give a lot of credit to the government on this. They had a very, very fine balancing act because this was a big ask from the EU because of the unused capacity that they have. And the government had the balancing act not to protect us in any form, because I will come back to that protection part, but to ensure that manufacturing in India did not get a hit, that OEMs outside India continue to invest in India and continue to manufacture in India and that is what we told them, that is what we want. We want more car makers to come here, we want more competition, we want a bigger market here because the more scale that we have to manufacture in India, the better it is for us, we will get a better ecosystem, we will be more competitive and we can Make-in-India for the world in a much better way.

That is why China is very competitive. China capacity today is 50 million units a year, roughly half is unused. India capacity is 5 million units a year, that is where China was 20 years ago. Europe is at 23 million units a year but Europe also has 10-11 million unused capacity. Volkswagen alone has unused capacity, that is half of the India market, 2.2 million is Volkswagen's unused capacity. So, as you look at all of these things, the fine balancing act was to make sure that we open up the industry, we reduce tariffs, at the same time we encourage all of the European makers to continue making in India and I think they have done that really well.

We can go through some of the details, you have seen most of it already.

Coming to the part around protection and competition for us, take any of the European models, any model that is going to be successful in India is in India. Now if you look at the math behind it, whether it is a Renault Duster or whether it is a Stellantis Jeep or whether it is any other vehicle, can they make it in EU, ship it, take the cost for shipping, take the cost of inventory for four months and do it cheaper than they can manufacture it in India? Unlikely. If that is the case, then how does it change competition for us? They will make as many cars as they can make for India, that is what the price will be.

What they would have done if the outcome had been different is if they were allowed to send everything from Europe, they could have said I will shut down my India plant and I will manufacture in Europe and send it here because I don't have to shut down my European plant in that case. Some have announced shutdowns of European plants as well which they have not been able to do right now. But that is where the FTA has been done very well which will not allow them to do that because they will need a presence in India to be able to succeed here. So, that is our view on why the FTA has been done very well.

The benefits or opportunities come from the fact that we can send our cars to Europe at 2.5 times the quota that they have there, which is a great quota from our standpoint at 0% tax. Yes, their reduction was lower, their starting point was lower which is why it goes down to 0% but that opens up a significant opportunity for us and we can test the European market by manufacturing in India well and sending it there.

We will also get a lower price for some of our components coming in because this FTA also allows for that. So today we pay 16.5% for electronics screens, we have a few other imports that we have that we have a higher price. That comes down as well.

So, we see a lot of benefits from the EU FTA in particular. The US FTA actually was a surprise in many ways. It doesn't really give much to the US from an auto standpoint the way it is drafted right now at least what we have seen. We will wait for the details to come in but we don't expect any, we never expected any challenge from the US in any case. Europe was a bigger one in that sense.

**Raghu:** Last Mile, sir?

**Anish Shah:**

Yes, on Last Mile we did talk in Davos that we would look at an IPO next year and that is more around where the business is, where its trajectory is. It is competing fiercely in the market and doing very well. And we just feel that an IPO will just help unlock that value for their business, it is the right time for it and that is what we will do. It is not for monetization in any form because we are not worried about the cash aspect of it but it is just something that helps proclaim victory in that space which is why we do it. So that is, it really shouldn't change anything from the economic view of the group.

**Raghu:** Thank you very much sir.

To Rajesh sir and also to Vijay sir, on the tractor side, how do you see the contribution of the subsidy led sales in the current year. And how do you see that subsidy led momentum continuing for next year?

**Rajesh Jejurikar:**

I will take that, Raghu, and of course, Divya had prepared us for this question coming from many of you.

So, mainly the subsidy was Maharashtra and Maharashtra saw huge growth in industry thanks to the subsidy. Roughly 35,000 extra numbers of tractors have got sold on account of the one subsidy which was very successful. There were three subsidy schemes in Maharashtra so without getting into the granular details of each subsidy scheme. So roughly 35,000 extra tractors in F26 over F25 on account of the one major thing which we don't expect will continue. But then that is the number in perspective.

From looking at just that state of Maharashtra, obviously the state will not get growth but normally some other state will do something or there will be key drivers. If you see the previous year, Chhattisgarh had a huge growth just like Maharashtra is having this year. So, there will always be one or two other states which compensate for something else, we live in that hope. And certainly, Maharashtra will be flattish after such a heavy growth, I think it was 90% growth or something in Maharashtra, 68% whatever.

**Management:**

2 years of already a pretty strong growth, next year will be the .....

**Rajesh Jejurikar:** Yeah, so that is what it is. So that is the 35,000 is the absolute number in an industry of 10,000 numbers --- 10 lakh numbers, all India industry number 10 lakhs.

**Raghu:** Thank you, sir.

**Anish Shah:** I will just add to that and also what Kapil asked earlier.

We generally like steady growth numbers year over year because we look at outperforming in the market and even the auto industry if you look back over the last few years hasn't really grown at rapid pace, and we've done very well in an industry that hasn't grown at a very rapid pace. So, for us the huge fluctuation where growth goes up so much and then in Maharashtra it will come down again, is not ideal. Yes, we will like some short term numbers that come from it but our general preference is slow steady growth that comes in and we will over perform on that basis.

**Raghu:** Just a last question.

**Divya Gulati:** I will come back to you. We will go with Gunjan.

**Gunjan:** Okay, I am going to keep it at two.

So, Rajesh, with you. I think I just want to hear your thoughts on the EV business scale up. Now that it's been a year, we've had the portfolio in place and the fact that we have these three models which will be there in CY26, there is nothing incrementally new coming.

So, a couple of things that I am trying to get your thoughts on --- one, how do we think about the ramp up of the volumes with these three models? And are these three models enough in context of the CAFE emission norms if they were to kick in from April '27 onwards. And you know just going back to the supply chain bit, that this is a lot different from the ICE supply chain. Having, you know, sort of produced these models for almost a year what are the challenges that we see, you know, we see particularly memory chips is something that I keep hearing from my colleagues is a big issue.

So, some thoughts on the supply chain how sorted are we now for the next stage of ramp up on this business?

**Rajesh Jejurikar:** Let's just get the memory chip thing out of the way. It's not an EV thing, the memory chip, right? It's going into everything. It's in infotainment systems and multiple other parts of every ICE and EV car. So, a memory chip shortage has no isolated effect on EV, it has an effect on the whole portfolio because literally every part of our every product or variant of ours has something like an infotainment system which needs a memory chip. So, memory chip is something that is a supply chain risk/price sensitive thing because shortage obviously is driving premiums in memory chip. So, memory chip is something which is a watch out across the portfolio right now. That's the new rare, rare earth, let's call it that, right. So, every quarter we have one such thing which will take disproportionate energy, at the moment that is memory chips. So, that's not an EV thing. I'm just wanting to get that out of the way because yes, it's a watch out and it's something that we are taking all the mitigating actions to build inventory so on and so forth which we have done in, you know, all other previous such kind of at risk to supply parts and memory chip is certainly one. But I just want to call out that that is, I am isolating that from EV, that is a memory chip shortage will affect the whole portfolio significantly.

**Gunjan:** Are you covered for it?

**Rajesh Jejurikar:** We are covered for it in the short run. We are buying in market, we are paying premium and we have a set of mitigating actions. We are covered in the short run but it's almost like going back to semiconductors of COVID. I mean, that's, the risk could be, could be quite severe.

We have the learnings now out of, you know, having handled some of those discontinuities or disruptions. So, we are probably better equipped to deal with it and that's what we are doing proactively. So, memory chip is one, we are covered for now.

The EV business scale up for the year F27 is based on the three models which we said. The model some of you got to see, you know, and we had kind of put visuals of that out in the Banbury 2022 event is what we have codenamed BO7, it probably won't be launched with that

name. So, BO7 will come in, in some part of calendar 2027. That we believe will be a very big volume driver on top of what we are doing with our current three products. So, that is we are expecting as a 2027 launch.

The 3 products we are expecting will be in the volume range right now in this calendar room between 7 to 8,000 a month, which is the kind of number that we have put out when we launched the 9S. So, I am just reinforcing the number that we put out as our projection for 2027, roughly 80 plus thousand a year. We feel comfortable based on, you know, the response that we have got to 9S, that that's a number which is achievable.

The CAFE question I have already answered Raghu, by way of saying that there is no real answer. So, I just stay with that same position. I think right now all we can do is try to do the best in each segment without worrying about ratios. That to us is the best approach, while we as an industry are in touch with government, we have got to see how we grow the business. And each sub-segment individually, which is ICE, to not curtail growth of ICE worrying about ratio, and EV to maximize it to leverage the opportunity that there is. So, that's really the way we are thinking about it.

There is no separate supply chain related disruption that we are seeing on EVs compared to ICE. So, you know, I just want to clarify that actually the rest of the supply chain sales and all of that on EV has actually been very seamless. So, we actually don't have EV specific supply chain disruption at all.

So, any supply chain disruption that is happening is based, is actually impacting ICE and EV both because we do now have very good and high technology even in the ICE. So, if there is anything happening there, it's happening here as well.

**Gunjan:** And just to get the regulation out, is BS 7 something that is from a cost implication perspective going to be meaningful, you know, particularly on the diesel heavy portfolio, if you can share your thoughts?

**Rajesh Jejurikar:** Yeah, no, I don't think it was, I don't think we lose here, help me with this, but it's not going to be, I don't think we are going to have a penalty on diesel compared to gasoline on BS 7. A lot of work has already been done on BS 6.2. So, the incremental cost of doing diesel or gasoline may not be disproportionately high. We are right now working on being ready with BS 7. We are not sure of the timing, but we are ready, we will be ready with BS 7. The cost is something we will have to see. I mean, the whole industry did take BS 6.

**Management:** The norms are not set yet. We do know the cost element and the norms are not set yet.

**Gunjan:** Okay, got it.

Just last question, Amar, to you. I think on the MEAL, if you can share what was the PLI that was, you know, as a percentage that we are accruing on the subsidiary. And with the oil capacity that we have announced, is there any change to the CAPEX outlook versus what we had shared earlier or anything that we should think through?

**Amarjyoti Barua:** CAPEX we will talk about in May because then we will give you, I mean there is, it is all in, within what we had communicated earlier. We had always anticipated there will be Greenfield and all of that is in there, but we will give you more.

On PLI we have been accruing 13% on wherever there is approval and as each of, as Rajesh clearly laid out, I think this quarter there will be to the extent there is 9S, we will have similar and then next quarter with the BS 6.

**Rajesh Jejurikar:** We may not accrue or assume to accrue 13 as we go into Q1. Basically, the way this works, Gunjan, is it depends on which suppliers in the value chain also qualify for PLI.

So basically, if nobody qualifies in that period, then you can accrue the whole spread of 13, but if someone else, then there is a sharing. So, it could range anywhere between 8 and 13 depending on which suppliers also qualify for PLI in your value chain. So, we have been accruing 13 because nobody else has qualified, nobody else. So, we have accrued full 13, but as we get into Q1, we will have to see whether it is 8 or 13 or whatever is the number.

**Amarjyoti Barua:** For example, LMM to Rajesh's point is at a lower level because there are suppliers who qualify.

**Gunjan:** Thank you.

**Divya Gulati:** Rakesh?

**Rakesh:** Hi. Thanks for taking my question.

Rajesh, my question was on 7XO. So, pretty solid initial demand in terms of booking and for the top two variants, specifically you called out 70% of the demand is for that. If we go back 4-5 years when 700 was launched, we had a similar situation, pretty solid demand. More skewed towards higher variant, maybe less than what we are seeing with 7XO.

And then as the demand stabilizes, we start seeing that the product started being seen as a premium product priced above 20-25 lakh. And that makes it difficult to sustain strong volume and you had to take price action at that time as well. How are you going to mitigate a similar repeat of a risk that once the demand stabilizes for the premium product, it doesn't get restricted to a smaller price point, but the entire price point from 13 to 25 lakh is addressed.

**Rajesh Jejurikar:** Okay. Rakesh, great question. So, learning out of that, what we have done in 7XO, we actually discontinued what we were calling the MX series. So, just to go back to the 700, we used to have the MX series and the AX series. AX was AdrenoX based, which was a connected car. And MX did not have the connectivity and the AdrenoX interfaces, which were well priced.

But for a customer who was coming into 700 kind of tech mindset, didn't want to look at MX as an option at all while that was well priced. So, the few corrections we made in the way we've constructed the variant lineup on 7XO is completely discontinued MX. So, we now start with AX. So, the lowest entry version of 7XO comes with AdrenoX and is a connected car. We have three screens right from AX. So, the entry variant has three screens.

So, there are some of these things which are very key part of the value proposition of the product we didn't have in 700 in the lower versions. And which is why, you know, when later on as demand for the higher end started going down, customers were not willing to, they didn't find the lower end versions attractive enough because the brands stood for a certain tech value proposition and the lower end were not offering that. This we've taken care of this time, you know.

So, we basically, the key part, so DaVinci suspension or the AdrenoX connectivity or the three screens are there right from the entry variant of AX. So, it'll be far easier for us to leverage AX/AX3 to drive volumes than what we were able to do with 700, where basically MX was not getting any traction at all.

**Rakesh:** So, this initial skew of demand towards higher variant, you don't see that as a risk that in the mind of customers, it's fixed that 7XO probably is a premium car. Eventually, we would start seeing a more diversified demand across portfolio.

**Rajesh Jejurikar:** Yeah.

**Rakesh:** The question I'm trying to come to essentially is that...

**Rajesh Jejurikar:** Will we have to drop price again?

**Rakesh:** Or maybe introduce some other brand at a lower price point?

**Rajesh Jejurikar:** Yeah, you know, this risk is there because if you keep selling the top end version only then the brand starts getting associated at the, whatever, 20-22 lakh price point.

We've just introduced the Roxx, a special version on Roxx called Roxx Star, a star edition which is actually the AX7, which is at I think 16.5 or 9 or 8 or something, 16.8 lakhs, which actually achieves this objective. So, we had kept that option open and when we launched Roxx that there is a slot in between which was the AX7 equivalent slot which we didn't use. And we have the ability to bring that in at a time when, you know, then that allows, when needed to pick up volume at a price point of 17 odd lakhs. So, there are things like that we could do with 7XO as well.

To your point on should we have another product, that is something that we, I'm sure, will talk about as we talk about our product portfolio and share more with you as we go along.

**Rakesh:** Just one clarification on your tractor capacity, how is it positioning, and for the next year plan?

**Rajesh Jejurikar:** Yeah, it's tight honestly because we are not prepared for 25% growth this year. So, we are scrambling to put capacity in more by way of Swaraj than farm division. Swaraj - we have a plan 3 and that we are ramping up.

We had some capacity constraints at our engine facility which is Swaraj Engines. That capacity expansion was already approved and that I think comes on way now between March and June. So, it was basically June which we are trying to prepone and get done by March. So, because there was a little bit of a timing gap in that capacity coming in place, so Swaraj was constrained by engine availability from Swaraj Engine which is the primary or the only supplier to Swaraj tractors. But that I think we will overcome.

But like I said, we are adding 100,000 in Nagpur greenfield for Mahindra branded tractors plus looking at what we need to do for Swaraj which should cover us for F27.

**Rakesh:** Thanks.

**Divya Gulati:** Raghu, your last question.

**Raghu:** Thanks, sir.

To Amar sir, if you can talk about farm subsidiaries, there was this non-cash write-offs this quarter. So, next quarter onwards we should expect a normalized performance?

**Amarjyoti Barua:** So, for some of the subsidiaries where we have decided to restructure, there are rules around what you can recognize and can't recognize. So, we have done whatever is the maximum possible under the rules and there will be some trailing costs after. So, there will be costs but not of the magnitude that you saw today. So, there will be trailing costs and then there will be losses till the time the complete restructuring has been completed. So, at least for this year, don't expect any dramatic changes. Next year towards the second half, you should see the change in trajectory.

**Raghu:** Thank you.

**Divya Gulati:** Great. We are running a bit over time, so we will just close this.

You have a question? Okay, please proceed.

**Ashwani Kumar:** Yeah, good afternoon.

I had a question. What is your global ambition in EVs? And second is, what is the key to increasing margins in the automotive business because your scale is going up, your volumes, your market share, your acceptance is very strong. Then how do you increase the margins there?

**Rajesh Jejurikar:** Yeah, on EV global, we had already spoken about the way we are approaching this.

So, we will look at, like we had said, for the EVs, the right-hand drive markets first, so which is Australia, New Zealand and maybe potentially UK. Anish just spoke about the EU opportunity, so at an appropriate time we will go into left-hand drive markets in Europe potentially, but only after testing and being confident that it is an acceptable and a successful value proposition in the right-hand drive market.

So, we do not want to globalize recklessly. We have said that we will do it in a very calibrated way, see the response that we get in right-hand drive markets, maybe Australia, New Zealand first and then UK. So that is where we are on EV, it will be very watchful and calibrated.

On margins on auto, you know, our approach has always been, and we just had some questions around how we are pricing and so on, but is to make sure that we drive margin improvement not because the customer is willing to pay for more, so we should just keep increasing prices. It should come out of staying focused on volume, ensuring the brands continue to have a strong value proposition while working on our cost structure. So, we are very, very careful and calibrated in price increases that we take. We want to keep the positioning vis-à-vis customers, price positioning vis-à-vis customers intact so the brands continue to have momentum, and then work on costs.

And that, as you have seen with time, we have the best in industry peer margins right now. That comes out of, or in spite, if I may use that word, of being very competitively priced with every launch that we do and even with our existing products. So, you know, it is really the balancing between how to get margins by being very well priced and managing costs well.

**Ashwani Kumar:** Sir, out of, let us say, 50 odd thousands SUVs which you sell every month, how many of the customers are coming who are Mahindra customers in some way, and how many are coming from other brands, if you can help us?

**Rajesh Jejurikar:** Yeah, so you know, we have shared this earlier for EVs where 80% of the customers that we got in last year were actually non-Mahindra customers. In the rest of the portfolio, it depends based on products.

So, for example, 3XO, which we do almost 9-10,000 a month, is not, you know, are all new or first-time buyers. They are not really Mahindra customers. Bolero/Bolero Neo, will get a lot of Mahindra customers. XUV 7XO is getting a lot of customers which are non-Mahindra. So, it really varies across product portfolio, I do not want to give you a very broad one number because that would be not the right way to interpret it.

**Ashwani Kumar:** Thank you.

**Divya Gulati:** Great, with that we will close this meeting. Thank you so much everyone for joining us. Please join us for refreshments. Thank you.

**End of transcript**