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

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

REF:NS:SEC:
22nd May, 2024

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

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001.

Bourse de Luxembourg
Societe de la Bourse de Luxembourg
Societe Anonyme/R.C.B. 6222,
B.P. 165, L-2011 Luxembourg.

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

Dear Sirs

Sub: Disclosure of Transcript of the Analyst/ Institutional Investor Meeting

This is further to our letter bearing REF:NS:SEC dated 10th May, 2024, wherein we had given you an advance intimation of the upcoming Analyst or Institutional Investor Meeting in terms of Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company had conducted M&M Q4FY24 Earnings Call with Several Funds /Investors / Analysts on 16th May, 2024 with respect to the Audited Standalone and Consolidated Financial Results of the Company for the Fourth Quarter and Year ended 31st March, 2024 in Mumbai and the Presentation(s) made thereat along with the weblink of the Presentation and weblink of the AV Recording of the said Earnings Call was submitted vide our letter dated 16th May, 2024.

The Transcript of the aforesaid M&M Q4FY24 Earnings Call with Several Funds / Investors / Analysts is enclosed herein and is also available on the Company's website and can be accessed at: https://www.mahindra.com/sites/default/files/2024-05/TRANSCRIPT----MM-Q4F24-Analyst-Meet---16-May-2024-FINAL_0.pdf

Please note that no unpublished price sensitive information was shared/discussed in the aforesaid Earnings Call.

Kindly take the same on record and acknowledge receipt.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
Digitally signed by NARAYAN SHANKAR
Date: 2024.05.22 18:17:09 +05'30'

NARAYAN SHANKAR
COMPANY SECRETARY

Encl.: as above

“Mahindra & Mahindra Limited Q4 & Full-Year F24 Analyst Meet”

May 16, 2024

MANAGEMENT: DR. ANISH SHAH – GROUP CEO & MD , M&M
MR. RAJESH JEJURIKAR – ED & CEO, AUTO & FARM SECTORS, M&M
MR. MANOJ BHAT – GROUP CFO, M&M

Amarjyoti Barua: Thank you. Good afternoon to everybody who is joining here in person and to those who have joined online.

We welcome you to the full year and Q4 analyst meet. We have here our Group MD and CEO, Anish. We also have our ED for AFS, Rajesh Jejurikar and our Group CFO, Manoj Bhat, who will be talking to you and we'll take questions like we usually do at the end of this. I just want to be sure for the sake of completeness that we read this out. Certain statements in this meeting with regard to our future growth prospects 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, I'll invite Anish to start with his opening remarks.

Anish Shah: Good afternoon everyone and good morning and good evening to folks who are joining us online as well. Pleasure to have you all with us here today and it's a great pleasure for us to talk about our F24 results. Again, we've delivered what we committed and in fact much more as you will see.

So, let's talk about the key messages to start with. Strong performance overall. On a standalone basis, our PAT is up 48%; on a consolidated basis, it's up 25%. We have excluded a few one-offs from last year, which I will talk about. This is despite challenges. You've seen the challenges on the farm sector and the industry being down last year. And Tech M, where profits were down 52%. But despite that, across the group, we've just seen our businesses come together to deliver an outstanding performance overall. Beyond numbers, we've done a lot in terms of what we call living our purpose because that's important for us. On the sustainability front, we've always focused on tangible results and we prefer to talk about things after we've actually achieved something meaningful. But what you see here is the auto and farm business overall have achieved EP 100, auto is at 120, farm is slightly below 100, collectively they're over 100.

What does EP100 mean, Energy productivity. This was a target we had for 2030. We've achieved it six years prior. And the implication of this is that we need half the amount of energy to produce the equivalent number of vehicles, whether it's automobiles or tractors, than we did at a baseline in 2009. So, over the last 15 years, there have been a number of different projects that have been done to help achieve this and this is in many ways much more meaningful than talking about where energy comes from because one can talk about renewable energy being greener and cleaner than fossil fuel, but in this case we eliminated half the energy use. So, you don't need to use energy at all. And that enables again a much better path to net zero and that's what our businesses have achieved. We are a water positive group, have been there for a while.

So, just highlighting that again, but beyond that just a number of things that have happened on investor day will give you a deeper view on all the actions that have been taken place on sustainability and why that's such an important area for us. Women empowerment is another key area. We've had the Nanhi Kali program for educating the girl child for over 25 years. Over the last 2 or 3 years, we started focusing on skilling of women from a woman empowerment standpoint and providing jobs. We provided jobs to over 200,000 women in the last year. Our target is to get to a million a year, which we will and we'll again talk more about that when we go to an in-depth session at investor day. And there's meaningful progress on being future ready. Our talent pipeline is outstanding. We've been able to attract talent from any of the companies we wanted across the world and we've got some very strong talent in the Group. We've created talent programs at the entry level, mid level, senior level. And these are programs that would stack up or in my view be potentially better than what we've seen in companies across the world, in many cases with strong support from leading universities around the world as well. Beyond that, we've launched a newer version of our Mahindra Leaders Program, which takes in top talent from MBA schools. We've been very selective in going only to the top five schools and within there taking only the top talent that's available in a program that actually gives them the choice of being in consulting or investment banking or in a business where you can look across 20 industries. So, it's something that's very appealing and it's structured in a way that can give them a career acceleration as well.

Technology, we've been an early adopter across many technologies. We've talked to you earlier about Metaverse and what we've done across the Group. In Gen AI, there are a number of applications across different industries that have helped us either reduce cost or improve customer experience. And again, we will delve into this in a lot of detail on Investor Day and show you how we're using Gen AI across the different businesses.

So, on financial performance, standalone as I mentioned, there was a one-time last year which was an impairment for trucks and buses and that's something we've taken out as a one-time. If we don't take that out, standalone would have been up 64%, not 48%. On the consolidated side, we had gains from Swaraj Engines, the listed entity where when we bought shares from Kirloskar, the entity was revalued and therefore we had gains last year. We similarly had gains from Susten when we sold stake to Ontario Teachers and we had the trucks and buses impairment. So, those three we've excluded, excluding that consolidated is up 25%. What's driving it? Auto and farm are the key drivers of this growth right now, up 54%. Yes, primarily auto at this point, given where the farm industry has been. But the farm business also has done very well in terms of maintaining margins, increasing market share, and therefore actually showing higher profits than the prior year in a tough industry.

Tech Mahindra has been a weak spot. A number of actions have been taken to set the business on a strong path going forward. Some of you may have heard Mohit Joshi's commentary on the path for the next three years. It will take a 2-to-3 year time period for the full turnaround, but there's a clear part that has been outlined. The impact for this year was negative where profit was down 52% from the prior year, but that's something that we see recovering very well over the next two to three years and moving on a path where we can even build an even stronger business than that we've had before.

Mahindra Finance has actually performed outstandingly well. It's hidden a little in the realm of the fraud that was uncovered and let me cover the fraud first which is something that happened in the Aizawl branch in Mizoram where we had collusion of at least about twenty people, eleven having been arrested so far already, dealers were part of the collusion as well. Collections agents were part of the collusion as well and that resulted in the fraud not being picked up. What we've done since then is first we had to go and do a deep dive on every single loan in the portfolio to ensure there was no other fraud anywhere else and that was a very detailed exercise. And literally in 3 to 5 days we had to go through 10 lakh customers and prove to the auditors that there's no fraud anywhere else. And that's what the team did and that again talks a lot about the controls that are there in the business today. We have also put in an even stronger control mechanism to prevent potential collusion fraud that can occur in future by centralizing certain key checker responsibilities as you have a maker and checker responsibility and putting in place certain data tracking elements that will help us get there. But yes, that was a negative for us, a Rs. 136 crores provision, a pretty significant one at that, that had to be taken and that overshadowed some of the key highlights for that business, which is it has reached one lakh crore of assets under management.

Assets under management grew at 24%. In a year that has seen interest rates go up, in a year where we cut back on certain segments and did not lend to them because we wanted to improve asset quality and therefore even more importantly asset quality is up significantly and you see the GS3 numbers having come down to 3.4% now. Credit losses are well within the range that had been promised as well for the quarter as well as for the year. So, overall it's been a very strong performance in Mahindra Finance. There's been a lot of work on technology and data. That is something that will start reaping results. I still say that we are halfway through the turnaround there. We are one and a half years into the turnaround. In another one and a half years, we expect the technology to be fully deployed, the data analytic tools to be fully deployed, and Mahindra Finance will really stand out as a leader in its space. Growth gems continue to do well, and while you see income up here 6%, there are a few things that have been driving it, number of things on the positive, logistics has been one negative and you've heard the details on logistics which is essentially driven by the express business and as a result there was a loss of logistics of Rs. 55 crores for the year that is again well handled now, execution has improved significantly and what we are seeing now is a much stronger year for logistics in F25. But in F24 we had to take some of the hits from there. Susten has won two gigawatts of bids, which will now get translated into developing these utility plants. Two gigawatts compares to 1.6 that Susten has done in 14 years prior to that. So, we've done all of that and more in one year. And we had talked about a 5X plan for Susten. The Susten team is now talking about can we go to 7x or potentially even 10x over the next five years just looking at what has been delivered in the last year. Real estate continues to be strong. Last month mobility continues to be strong. Hospitality is on a very strong track. So, we've got many of our growth gems delivering at a very high rate now.

As we think about auto and farm, while Rajesh will cover it in detail, the key highlights are, we continue to be the number one SUV player. Revenue is up 36%. LCV, something we don't talk about as much, is at a 49% plus market share and that has gained 350 basis points, a continued strong margin performance in it as well, which results in auto profits alone of Rs. 4,700 crores, up 2.5 times. On the farm side, resilient is a primary word that I would use. OJA is a great launch for the future. It's a great product in multiple markets in the US and Southeast Asia, in parts of

India, and that really positions the business very well for future growth and strong cash generation. As I said earlier, profits are also up, yes, up only 2%, but the operative word is up and not down.

Mahindra Finance, I talked about in detail, so I'm going to skip it here except for one comment which is while you see profit down 11%, Mahindra Finance had significant write backs the previous year because of reduction in GS3 and that is what had really driven it. This is a number that is essentially on budget for us and is reflective of the strong performance of Mahindra Finance despite the write-backs that we had in the previous year.

Tech Mahindra that I've talked about, I shall skip that here. And then growth gems, logistics, EBITDA margin is up 25 basis points, revenue is up 7%, but offset by the performance on the express side. Hospitality continues to do well. It's a business that has a lot more potential. So, the primary thing for the hospitality business is, yes, it's doing well, but we can do a lot more and that's part of what we will drive. And real estate, good momentum, highest ever residential sales. And more importantly, 4x increase in the land that has been acquired for future growth. So, what does this mean from a cash standpoint? We started the year with Rs. 15,000 crores of cash. And I'm going to highlight a few key points here. And then if you have more questions, we'll go into details. We've generated operating cash of Rs. 15,000 crores. CAPEX was 5,000. In addition to that, EV CAPEX was 3000. ICDs that we funded to the Group companies is a very small amount, but we've repaid Rs. 3,500 crores of debt, essentially become almost close to zero debt. There's some long-term debt that could not be prepaid and which is why it's there, but that's a very small amount now. And after the dividend payout, we're closing at Rs. 17,600 crores of cash. So, very healthy cash balance, continues the focus we've had on capital allocation, the discipline we've had, as I've always said that shall continue, that shall not go away and you see that in these numbers here.

We have talked about F22 to F24 in the past and we've showed you projections over the past couple of years on this 3-year window and this is the final look at the 3-year window in terms of where we ended up. Operating cash across auto, farm and services was Rs. 37,000 crores and as we promised to you in the past we are breaking it out across all three verticals so you can see that transparently saying this is what has been happening. Some of you, or many of you in the past have said, we don't like the fact that you're using auto and farm cash for things outside auto and farm. So, this is a transparent look at the fact that we are not using auto and farm cash for something outside auto and farm.

Deployment total is Rs. 17,500 crores and you see that across the various aspects, leaving a net cash generation of Rs. 19,700 crores over this three-year period. The thing that I want to highlight and I feel the happiest about on this chart is that services has generated Rs. 7,000 crores of cash. So, let's leave aside auto and farm cash not being used for services. Services has generated more cash than auto. It has generated more cash than farm. And that's the reason why we're investing in growth gems because that's part of what we want to be able to achieve in terms of the cash generation. So, it's not just accounting numbers. You see this here in pure cash.

And you asked for this before and we had promised we would deliver our forecast for the next three years. You do see a significant jump in deployment which is reflective of the significant jump in the size of the business and our aspirations and our revenue and our revenue growth that we would want. And what you therefore see is a Rs. 37,000 crore deployment over the next five years. And let's look at the details here. For auto, it will take a bulk of that which is Rs. 27,000 crores. EV is 12,000 but we are not giving up on ICE. ICE is still very important and ICE is going to continue to be a mainstay for the next few years and therefore ICE will continue to get Rs. 14,000 crores of CAPEX in this time period. More importantly, all of the funding required for auto will be self-funded by auto. And which is the reason why we even talked with our partners who funded our electric business. BII has already put in 1200 crores, Temasek has put in 300 and they will put in their additional 900 to hit 1200. But beyond that, we had an additional Rs. 725 crore transfer from BII. So, we've talked to them and said we don't really need this. Do you really want to put it in? Let's decide mutually. If this makes sense and over the next 7 months we'll assess whether it makes sense and it's a small number so either way it doesn't matter from our standpoint but the primary point is that we've got Rs. 27000 crores outlined for auto and that cash will be generated within the auto segment alone.

For farm, we've got Rs. 5,000 crores that we've outlined right now, again, driving some of the growth in the farm business. It will obviously generate a lot more cash than that as you've seen in the past. And services again we've outlined 5000 crores right now. As Mahindra finance grows, it will need capital to fund its growth but beyond that our growth gems are doing well and we will put more capital there. Here again we expect it to generate a lot more cash than the 5000 we're going to use. So, this again will be self-funding, it will not be auto and farm cash coming into services. And none of this includes acquisitions.

And I know your question is going to be what are your plans for acquisitions? Our plans for acquisitions are still consistent with what we've done so far, which is where it makes sense and where we feel we can deliver results from there. We will look at acquisitions. We will be very prudent on that. The bar is extremely high. And something we are not ruling out, something that we are looking at actively, and we will leverage that as one of the tools for our growth.

So, I'll end with this slide before inviting Rajesh. What's important for us is consistent delivery on our commitments. We had committed to 18% ROE. We continue to maintain that. We had committed to a 15% to 20% growth in EPS. At this point, we are at an 84% CAGR on an annualized basis since F21, which is when we made that commitment. So, we are tracking pretty well on this does not mean you factor 84% for the next year in terms of growth, just leaving that as well. But it's essentially something that we feel good about and we will continue to track that. With that, Rajesh, over to you.

Rajesh Jejurikar: Hi, good evening and good morning to people around the world, probably in the US. I'm going to quickly run through my slides so we have enough time for questions. I think you have most of the information by now. So, in the automotive business, a quick look at the numbers, you see them here. In the quarter we grew volume 14% and the revenue market share was up likewise for the year. We've seen a big upward trajectory in our SUV business, reflecting the success of many of our new products and current products continuing to do well. That's led to improvement in the revenue market share over a period of time. The booking number at this point of time stands at 220,000, this is now upgraded or updated to only add the first hour of XUV 3XO bookings which is 50,000. We are not going to share an hourly update on what the booking numbers is. It is going up and it will keep going up but we're not going to give an hourly update on occasions like this now and it is so and so tomorrow morning, but it's a tremendous and positive response to the 3XO. We think there's an opportunity to be a clear number one or number two in this segment. The size of the SUV market in F24 was Rs. 25 lakhs. We believe the relevant industry in which the 3XO can place between six to nine lakhs per year depending on who you count in. In the 6 lakh target market, we are number 5 player and in the 9 lakh target market, we are number 6 player with the XUV300. With the 3XO, we believe we have very strong right to win and a very strong proposition, many of these are this is straight out of the presentation on 29th when we launched the product but today we hear this back from customers and I think some of you have been out there checked our product out, there is also the product on the first floor if any of you got a chance to see that and we actually hear customers playing back very similar words to what we have put out on the slide on the 29th. We also got very good reviews from media and all the reviews have been very positive and reinforcing this very strong value proposition that allows us to get upgrades and also allows us to create new segment at the higher end. That's led to this 50,000 booking in the first 60 minutes and very strong momentum even on weekdays and showrooms as we are talking to our colleagues through last evening, today as well. So, we continue to see very strong bookings and momentum. I'll play an AV for you which is kind of the new ad with little less of features and some people in it. So, take a quick look.

As Anish said on the LCV side, we have continued to see strong growth in market share. The industry has been slow for the last year with a negative growth. We grew through market share gain. The last mile mobility business, we sold over 100,000 vehicles last year. The electric three-wheelers grew 4x in the last 2 years and we continue to have a strong market share. There are a lot of questions on what is the impact of competition coming in. Competition is good for the category we believe, the category penetration is only 11%. This category has the best chance to electrify right now because of the very strong value proposition for customers. We believe the more players who that come in there is a greater opportunity to electrify faster and that will have some impact on market share downward, but we think it will fuel the pace of growth momentum in the category which is really what is very, very important. We have launched the Treo Metal Body which has got also very good response. These are numbers you are familiar with so I am just quickly going through them. A very strong profit growth both in the quarter and the year and a very strong margin performance as well.

This is just recapping some of the commitments that we had made saying the kind of margin that we could get to in what we had called the medium term and you can see we got to that pretty quickly. This is an update on our commitments. Again, I will do this very quickly because you are familiar with a lot of this I have spoken about. These are the commitments we had made a couple of years back by when we will get to in 2025. This is what is an update on that and we think we are doing very well on most of the commitments that we had made for 2025. What next? We are looking at 9 ICE SUVs. Three of these will be mid-cycle refreshes, 6 will be all new and 7 Born Electric vehicles by 2030, 7 LCVs out of which 2 will be electric. So, it's a strong portfolio in the making as Anish said, reinforcing again ICE is very important. We stay very invested in updating our ICE portfolio. As we said in the past, we won't share details of ICE because it does create confusion in the market and fear of cannibalizing our current portfolio so we don't share details of what we are doing in the ICE space.

This is just to reconfirm that we are investing very strongly. We said we will share the capacity plans in this meeting and that's what we are doing here. We exited March at 49,000 capacity. By end of F25, we should be at 64. The breakup of 64 increase, which is the 15,000 number, is 5,000 between Thar 5-door and XUV 3XO and 10,000 which is the first lot of the born electric capacity. The next 64 to 72 is the additional 8,000 born electric capacity that will come up. And as you can see this is a 3.5x increase in capacity over where we were in F20. This is the breakup of the investment. Anish spoke about the Rs. 27,000 crore number, broken up as XUV ICE, 8,500; CVs, including trucks and buses, and electric CVs is 4,000; sustenance is 1,500. Investment in meal is 12,000 and 1,000 for investment in other subsidiaries. Just leaving that for a second, we can come back to this if there are more questions.

On the farm side, it was a difficult quarter for the industry. We knew it because of festival season shift. We knew that the quarter is going to be negative and it was. We had also said we will correct some stock which we did, which is why you see a market share going down. For those of you who track us closely, it did go back in April to 46%. So, we had to make the correction as we ended March. There is some correction still to be done but that's very small and we will smoothen that out but we did need to do a one-time correction on our dealer stocks. 20 to 30 HP segment, September to March we gained 12.8 share points through the launch of OJA and Target and that has helped us to gain overall truck market share.

Farm revenue, we grew 32% in the year. I think we had said we hope to do more, but this category too has seen pressure given the overall environment amongst agriculture and tractors. So, in the context of industry slowdown, we think a 32% number here is good. We are very well set strengthening our position in multiple product categories in the farm machinery segment and we are looking at again a significant growth path in F25. These are numbers you are familiar with. Anish covered them as well so I am passing.

The core tractor margin has gone up to 17.7 for the year. But interestingly when you see the quarter trend, in the quarter the core tractor margin is 17.6. To clarify core tractor, it includes all tractors sold in India plus all tractors exported from India. It has both. It is not only the domestic sale, but it doesn't include global tractors like Erkunt, all exports from India of our tractors and domestic sale is covered in this and that's a 17.6% margin in spite of a significant reduction in volume that you see so you can see a trend of a very good uptake in tractor margins.

Quick update on the commitments, we are doing well and on track on most of these. So, what's next? We think many favorable factors for the farm sector as we go into F25, especially as we get to the second half. Favorable monsoons, farmer terms of trade, investments beginning to pick up in agri and rural, Navaratra festival shift. Some watch outs but at the moment on a balance we think the year will grow at plus 5%. Of course we will revisit this once in July. Rs. 5,000 crore investment, Anish spoke about this, this is the break up, 2,800 for product, 700 for capacity. We are providing Rs. 600 crores for TREM 5 in this 3-year cash flow which may not be needed because we do expect that the regulation implementation may move further. We are fully ready with product but the execution of that we provided Rs. 600 crores in case we need to be ready with TREM 5.

So, summary, on the auto side, we did Rs. 76,000 crores topline, PBIT of Rs. 6,000 crores, a strong margin improvement, good performance and market share, 23 product launches by 2030 and a Rs. 27,000 crore CAPEX plus investment plan. On the farm side, again you see the numbers and a Rs. 5,000 crores investment plan. So, we believe that we have now a strong execution track record, a strong brand and momentum that we built in and we'll have a very good product portfolio to fully leverage that as we go into the next 3-year cycle. Thank you. Manoj, please.

Manoj Bhat: Good afternoon everyone. I think I'll do a very quick wrap of what the numbers look like and throw it open for questions because I think all of you must be very eager to do that. So, quickly at Q4, 12% growth led by auto, it was 20% growth in auto and then farm was flattish. If I look at PAT, it's a 32% growth in terms of standalone numbers for Q4. If I look at consolidated, overall 9% growth, I think there have been multiple growth areas across multiple businesses, but of course auto is the lead. From a PAT perspective if you look at it, I think auto has shown a significant growth in PAT but Tech M is the decline and I think Anish referred to that in his slides. If I look at overall full year, 17% and a 48% and that is also explained by Anish in his slide and if I look at the consolidated number, it's a 25% and I'll just flip to the next slide. So, if you look at it, Rs. 2800 crores absolute increase in auto PAT and a Rs. 709 crores decrease in Tech impact and if I look at farm despite all the challenges, I think an absolute increase of Rs. 86 crores in terms of PAT when we go from F23 to F24 and all the other services that are puts and takes a better positive number of about Rs. 62 crores. So, that's the quick summary. With that, I'll throw it open for questions. Amar.

Amarjyoti Barua: We'll kick off with Kapil Singh from Nomura. Please go ahead.

Kapil Singh: Thanks Amar. Congratulations to the team for successful launch of 3XO. I think very well executed. Probably one of the best face lifts that I have seen in a long time. So, congrats. My question is on capacity. We are going up from 49,000 to I think 64,000 and then 72,000 per month. If you look at the order book, despite this booking number of 50,000, we have not really seen much growth. So, in that context, last quarter also the order book was around the same levels. So, if you could just help us understand in this context what's going on in the market because this capacity is coming up. Also what we are noticing is market growth has dropped significantly to low single digits and electric vehicle growth is also quite low, right? So, lot of capacity in the second half is coming in electric vehicles. So, what are your thoughts on that? And also if you could split up the CAPEX that you have given and how much on the farm side, you have given a breakdown of new product and capacity. On the auto side if you could also share that?

Rajesh Jejurikar: Let me try and take the demand side question if I could call it that. So, when you look at quarter 4 growth, we had kind of in a way indicated that that's going to be muted because we were transitioning out of 300 into 3X0 and you did see the effect of that through this quarter because we were basically into liquidating whatever we had of 300 and though we had started producing 3X0, we were not wanting to sell it before the launch date. So, you clearly had a product which is doing 6,000 a month literally out of sale for a large part of the quarter. So, we were expecting these numbers given that we were transitioning to this. There are ways in which you can optimize that but we didn't want an optimization to manage quarter numbers to come in the way of making a very good 3X0 launch. And we know that any time you try to do this over optimization, you leave inventory of the old product on the channel, then there is a pressure on the dealer to push the old product while the new is coming in, we wanted to just absolutely clean the channel and we did that. So, there was actually no XUV300 in the channel as we went in with 3X0. Everybody is clear, the salesman is clear what they are doing. So, I think quarter 4 has got affected, the growth has got affected by that. On the XUV700, we did indicate last time that we will move to creating a more accessible price point, we are in the process of doing that, you will see some of that play out over the next 15-20 days, so there is a very specific plan for that that's going to play out. So, these are kind of the two key initiatives that we are taking right now. We did go through a process of cleaning up the XUV700 order book which is why you see the cancellation rate go up and I say clean up the book it is go back to customers who have a booking, ask them whether they still really intend to buy it. So, in a way we forced conversation on do you really want to buy and that's now reflected in the order book numbers that you see here. It's a reflection of us going back to customers who may have booked whatever 10, 12, 15 months back, still have an order in the system and this is reconfirming with them. Those who are kind of tentative, not wanting to buy now, bought something else, we have kind of removed them from the booking list. So, you see a much more updated booking list. We thought it was important to that we did that over the last two, three months. So, I think we must separate out what we intend to sell from capacity. Capacity should, we've learned out of this, right, the cost of losing sales because you don't have capacity is much lesser than having some capacity which is unused because given that we don't have to do green field plants, the incremental cost of creating capacity is not that much for us. So, it makes sense for us to have capacity so that we are able to leverage opportunity, every opportunity that comes up. And that's why even though we have 49,000, it doesn't mean that we will have exactly 40,000, 49,000 or 50,000, 55,000 sale every month. What we've said is we are very confident on mid to high teen growth rate in F25. We stay with that. We've said that on an assumption of where our current products are, on the assumption that time that 3XO will turn out to be a really good product, which it hopefully is playing out that way and the launch of the new Thar a few months later, which we think will also be received extremely well. So, with all of that, we think that that's the right mix of having the right amount of capacity with a reasonably aggressive growth plan. The mid to high teens will be much faster than the industry growth. Industry growth, you are saying, is muted. We always believe that in this industry, success of good launches are agnostic to state of market at any point of time. When you have a good automotive launch, you create demand irrespective of what's happening to the industry and in a way 3XO is playing that story out. There is so much enthusiasm about wanting to buy that even though that segment at this moment is a little muted, but there is so much excitement about it. On the question of EV capacity, our storyline has been that we believe we should create a very strong lifestyle proposition to customers. It's not about saying that we are here to electrify. It's about we are here to create a really exciting SUV portfolio which is going to be standout design, very good level of tech and absolute fun to drive. We are going to showcase some of that on the 14th of June for those of you who come in. You can't drive it, but you can definitely see it and they've really come out very well. So, we treat that as a capacity that we have to create anyway for the future. Did I cover everything? Yeah, the split on capacity, the reason we were thinking of whether we should call that out separately. The reason it becomes difficult to call it out is a lot of our capacity is fungible between EV and ICE because they are primarily in Chakan and then it was becoming confusing on how much capacity we attribute to each. So, we made some assumption and put some of the capacity into ICE and some of the capacity into EV. But the overall investment in capacities is not very high and we didn't feel that in proportion to the total so we didn't feel the need to call it out separately.

Kapil Singh: I was looking for basically how much is the R&D out of this total budget if it is possible to give?

Rajesh Jejurikar: Rajeev, can we say like roughly I think more than 70%-80% is product development. He's saying product development versus capacity. I think it is 80 odd percent will be product and 20% will be, just a very ballpark number.

Anish Shah: Kapil, just on your point on bookings, ideally we want a lower number of bookings because if you have a month or two months of bookings, then we can service the customer faster. So, one can argue whether 80,000, 100,000, 120,000 is a good booking number. When we are at the 2,00,000 and 3,00,000 range, it's not a great customer experience. So, now that we're putting capacity in place, as Rajesh said, it's better for us to have some excess capacity rather than losing volume because we can't deliver fast enough. So, I think we're reaching that phase now. So, I'd probably say I'm still uncomfortable with 2,20,000 that we see there But as we put the capacity and as we're increasing it this year, we start bringing that number down.

Kapil Singh: I know I agree. Just one question is on emissions, if you could talk about the roadmap for M&M in the medium term, 2027 CAFÉ norms are also coming. Where are you currently? How are you planning to address that given the higher diesel mix that we have? Are you looking at other different technology options? How well are you prepared with CNG, hybrids, all of those kind of options? So, just more medium term kind of..

Rajesh Jejurikar: To be clear, you are looking at our preparedness for CAFÉ III? Is that what you have in mind?

Kapil Singh: That's right. And where are you today as well? We don't know.

Rajesh Jejurikar: So, in F24, we clearly met the target with the volumes of XUV400 that we sold and the rest of the mix that we had. So, we are full compliance on the CAFÉ II norms in F24. We expect that to happen with the portfolio of electric that we have in F25 as well. So, that's clear. The CAFÉ

III norms are still under discussion with BE and SIAM and so on. As we understand it, the mindset right now is to create CAFE norms which encourage companies to have a very high portfolio of electric. It's being designed in a way that you literally discourage non-electric. That's the way this is going. Little counter-intuitive as we may sound, and I was having a chat with Velu on this. His understanding is actually diesel for us is more favorable from complying with CAFÉ norm than gasoline. So, we don't see a worry between diesel and gasoline. But with the plans we have for electric by the time we get to the CAFÉ III which I think will be 27, 28, we should be very comfortable with our EV plan because we are very invested in EV. The direction of the conversation right now is move OEMs, push them to have EV because that's the only way to meet the CAFÉ norms.

Kapil Singh: What is the bare minimum EV penetration that is required in your portfolio to meet this?

Rajesh Jejurikar: I think it's a hard number to calculate right now because it depends on what the rest of your mix is. But our guess is 15% to 25%.

Kapil Singh: 15 to 25%, okay.

Rajesh Jejurikar: These are not finalized Kapil. These are very early stages of discussion.

Kapil Singh: Do you think this is going to be similar across all OEMs or it is specific to you?

Rajesh Jejurikar: The percentage?

Kapil Singh: Yes.

Rajesh Jejurikar: The percentage will vary depending on how much CNG you have, but it's not going to vary too much based on the diesel gasoline mix.

Binay Singh: Congratulations for a stellar year. Globally, the trend that we are now seeing in auto is slowdown in electric, pickup in hybrid. In fact, in India also, we've started to see in the last few months, slowdown in the EV side. So, how are you looking at other power trains in your portfolio? Any change in view on scope of hybrid or CNG? The second question is, in the presentation, I noticed that you talked about 'x' of cell localization, CAPEX in one of the slides. So, is that something that you are looking at. And the third one is on the automotive margin, stellar performance, you guided for 300 basis points, you've done much better. When you look ahead, do you think like we understand, is it fair to assume that the mix is going to get weaker in the auto business? So, that's an offsetting factor because all the other factors look pretty favorable in FY25, volumes, leverage playing out, so these three, thanks.

Rajesh Jejurikar: Okay, so just three questions, just want to make sure I've got them right. The first one is about how we think about hybrids and others. The second is on cell localization. And the third is on auto margin and the mix effect. I've not understood the mix effect but I'll come to clarifying what you mean by that. So, on hybrids and I think you would have read recently that we knew it was headed this way but today it's been confirmed that the Finance Minister said that there's no GST reduction being going to be taken on board for hybrids. It's not surprising to us given that that's been a very constant imperative of this government that we have to drive EV penetration in India and they're doing everything to enable the category to move towards that. I think a lot of people are tending to compare India with the rest of the world. I don't think it's the right thing to do at the moment firstly because our EV penetration is 2%. The others are reaching some kind of a saturation after having reached 15%, 20%, 25%. The other conversation and one of my colleagues was out at an investor meet in another country and they were comparing countries like China, how charging infrastructures come up. But India is very different, right? In India, we do build, do build, do build, do build, right? We don't do anything which is 10 years ahead of when it's needed. So, as sales pick up, charging infrastructure will come. As we've been saying repeatedly, our belief is what the EV market needs in India is a really wow! product. People buy wow products and very often we share this with all our channel partners and dealers as well that look at what happened with Thar, there is no rational reason to buy a Thar it's just a very emotional wow purchase and no one would have thought that we were doing, we did our highest it's now almost 3.5-4 years since we launched it and we did our highest sale of Thar three door last month which was more than 6000. We do believe that when you have the right proposition, people are going to buy it and that's what we think will happen with a Born Electric. So, we are really, in our mind, very clear that what we are setting out to do is to stay consistent with what our brand stands for, what we are offering exciting, very good products. Electric has the benefit of a wow drive experience. It's just an amazing driving experience apart from the quietness, the acceleration, all of that. So, it's just a totally different experience. And as customers experience that, I'm sure they'll move to the right products. I think today's electric offerings are very functional, including our offering in the market. They're not products which will wow the customer. We do believe with wow products that's the right path. So, sorry for the long answer, but we are staying committed on our electric path and as Anish said in the earlier meeting, it's not like we are ruling out hybrids. For us, hybrid is an optionality twice. So, basically just as diesel was to gasoline because diesel was more fuel efficient and when diesel prices were lesser than gasoline, customers were to run a lot of their vehicle every day, prefer to buy a diesel vehicle going back in time. It's the same thing that's going to happen with hybrid today. Today as we analyze our portfolio of customers, very different than what we had five years back, 5-7 years back, customers bought a Mahindra because they wanted fuel efficiency. Today that's amongst the least important buying reasons amongst our portfolio of customers. So, we don't see hybrid wanting customers actively cannibalize us except in some very few segments. So, at an appropriate time, depending on how the category is moving, we will look at hybrid wherever we need to show that.

Anish Shah: Yeah, I'll just add that governments around the world for the last 20 years haven't incentivized hybrid because hybrid is more expensive because you've got two power trains. Emissions is really not that much better than ICE. Yes, there's fuel efficiency that's better than ICE, but it still uses a fair bit of fuel. As compared to EV where you got zero emissions, where you got zero fuel use, and which is why governments are incentivizing EV because they want to have the industry transition to EV. Also, the incentives will come down over time, as costs of battery will come down over time. So, EV is the end-term game. Hybrids can be something that's in between and if the consumer wants more hybrid, then we will be ready for that. We are also looking at hybrid technologies that may be closer to a pure EV and to the extent those technologies develop further, then we will move faster on that play. So, we are keeping our eyes open for that but we are not surprised by what we saw recently because there isn't a logic to incentivize hybrid as compared to a very strong logic to incentivize EV.

Rajesh Jejurikar: On cell localization, yes, we have said we will evaluate cell localization. We continue to do it. We wouldn't do it alone. We would do it in a partnership. And there could be multiple constructs to that partnership. But it is something that we are very actively looking at. It certainly won't be a full investment by us. It will be with multiple sets of strategic or financial investment options. Anish, you want to add? On the auto margin, can you just clarify what you meant by mix?

Binay Singh: That in general if you look at on the XUV side 700, we are talking about **lower trims** XUV 3X0 is coming in which is also lower ASP, so which is why when I look at FY25 it's very clear on the positive side of drivers which is volume leverage is going to be quite sizable for you, pricing is holding quite well in your segments. So, in a way as a headwind if I think that maybe the mix is looking weaker, so just happy to hear your comments on that?

Rajesh Jejurikar: You know we avoid giving a definitive guidance except at one time we did, but I think what you have to go with is our track record to deliver margins and we have consistently been focused on getting margins. What we try to do is balance growth and margin all the time. We don't want to get into a margin chasing mindset which affects our ability to grow and stay strong in the market. So, we do this balancing. As we are looking at mid to high teen growth, definitely there will be operating leverage that will come in. Hopefully commodities will stay reasonably benign as it looks at the moment. Of course this can't predict which way that goes. So, overall we would continue like what we've done in the past to make sure we get important or interesting price points in place so that we get growth but also keep a very close watch on cost and the mix like you said I just wanted to show you talking about the model mix and the variant mix so that we get the right growth and margins as all of you want and we want.

Anish Shah: I'll just add to that, in general the mix itself may not have a big impact with the 3X0 coming in because we should be able to get margins on that, but the principle we've talked about in the past will stay which is for every new launch, there will be lower margins. So, the 3X0 also at the start will have lower margins and what it will go up, the Thar 5 door will be coming in will have the same thing. The electric vehicles coming in will have the same thing. And also as you think about margins for electric, just a reminder that Rajesh reminded me in the previous meeting as well is that the percentage for electric will be lower because GST is far lower. So, while the same if you let's say you have the same margin on an ICE vehicle and an electric vehicle, the percentage margin will be lower on electric because the GST is lower. So, that's something we'll just have to ensure that's factored into sort of calculations that you have. And we'll call it out separately. And we'll show it separately for both ICE and electric so it should be easier from that perspective.

Binay Singh: Just lastly, is it fair to assume that you will qualify for PLI when you launch the next leg of electric launches?

Rajesh Jejurikar: Let's say it is fair to assume that we are doing everything to qualify for PLI.

Amarjyoti Barua: I'll just take a couple of questions online because there's a whole list and then we'll come back. Raghu, we can start with you. Anish, these are two questions for you related, so I thought I'll club them. One is, great performance means dividend expectations go up. Question is, why just 30%? And second, does this mean EPS guidance goes up?

Anish Shah: As I said earlier, don't factor 84% in for next year's EPS guidance. Why 30%? We felt that that was a good number overall in terms of growth and something that reflects our performance. We do feel that there are exciting growth opportunities for us, which is why we are still being very measured and focused from a capital allocation standpoint, but at the same time keeping the cash balance we have for potential growth opportunities as we see them. And over time we'll continue giving back more. But for us, it's important to be consistent and it's important to be steady in terms of how we grow. Does 30% mean our EPS guidance goes up? At this time, we will stay with 15% to 20% EPS growth, and 18% ROE. So, that's something over time, if we continue to perform much better, we may revise that. But at this time, we will continue to stay with that.

Amarjyoti Barua: Raghu, maybe we'll start with you and then come back, and then Gunjan after that. Please, go ahead.

Raghunandhan NL: Thank you sir for the opportunity. Congrats on delivering on so many parameters. Sir, firstly on the tractor side, a 5% growth expectation for FY25, how do you see growth panning out across regions? The general expectation is north, central and west should do better compared to south. And also what do you think can be the upside trigger to the growth estimate you have given? Continuing on tractor, if you can also talk about whether TREM 5 would come in April 26, if that is happening can FY26 growth be substantially strong? Second question is on XUV3X0, congrats on the strong bookings. So, in terms of the bookings, if you can provide some color, your initial thoughts, how the top end versus how the order book is divided between automatic, normal, top end, low end and how you are seeing whether that attracted initial pricing attracted or that ADAS 2.0 attracted, what attracted people to the product?

Rajesh Jejurikar: I have been in board meetings since yesterday so I only know 50,000, I am joking, I will try and answer it as much as possible. So, in the tractor growth, I think the obvious way to look at it is South will grow slower than the rest of the country. So, to say discussion point on this with our team is why because they're on such a low base. Many of the Southern states have seen like Telangana, Andhra, Karnataka between minus 25 and minus 35 in F24. So, given that they're on a low base, I think if you see good rains that actually that to your second point could be the upside because why should we assume that south will continue on a negative growth even that they're on such a low base. So, I think that is to me the key story that has to play out. The three regions will get that you spoke about. East I am not so sure because there is a little, the initial forecast on Monsoon on East is not that great and there is a possibility of either too little or too heavy rain as I gather from the initial forecast. So, East I am not sure but I think North and West will be pretty decent including Maharashtra which also has a very low base in F24. So, that could be one upside as we think about the F25 numbers, which is some of these regions move into a growth trend. I think the positive farmer terms of trade is a potential upside and we shouldn't discount that it makes a lot of difference to the farmer. The critical thing is as monsoons come in, how long does it take for new cash to come back to farmer and that's why a lot of people are saying that we should be very optimistic about the second half whereas the quarter one right now is a little disturbed because of election. Cash will not come back so quickly right now given they are coming off negative last 4-5 months of rabi output and so on. So, there is a lot of optimism about how second half can bounce back very strongly. So, it's too early to call, but April was better than what we thought and hopefully we will see a better than 5% growth as we go along. But it's too early to call as we always say. So, right now I think 5% will be a good starting point. But hopefully there will be more upside triggers to that than what we are taking on board. TREM 5, it is 26. That's the current level of postponement. I mean, our sense is it's very unlikely to happen in 2026, very unlikely. So, of course if it were to happen in 26, there would be a huge upswing in 2025 volumes but I would not count on the 2026 implementation date certainly not the way it's envisaged with all models going into TREM 5 at the same time and all horsepower, but you're right that if that were to happen of course F25 will see a very big up. On the 3X0, let me try and give you a little more philosophical answer than a numeric answer. So, the way we've constructed the pricing is to actually think of attracting many different types of target segments. And if you went through our launch presentation, we took a lot of effort to kind of define, I think we did 6 or 5 segments finally. And each segment has a, there's a logic and a strategy built in and we balanced our portfolio almost equally, so we do want some variants to help migrate from down to up which is outside those 5 or 6 players that we spoke about so there is something in at the entry level as an upgrader from either a hatch or no car, so the one data that we have not out of the 50,000 but the first lot of inquiries and test drives that were going on is 25% no vehicle ownership out of the first lot of people 25% hatch. So, it's a very different and only 15% Mahindra ownership out of the first lot of customers coming in. So, we are attracting a very different audience. But we equally have a lot of excitement at the top and even anecdotally as you talk to people, Anish wants to book two for himself. So, he's not in that 50,000 yet. But there are many such people who want to buy either for spouses or older parents where you want to give them everything but they don't want a bigger they just don't want the benefit of size. And a good take away is that the words customers are using are either mini 700 or baby 700, these are the kind of words we are hearing back from customers. We've not used this anywhere in our communication, but customers are, as they're experiencing, us are playing this back. So, you do have the AX7, AX7L excitement as well because that's a very different customer. So, obviously you never get the model mix absolutely right and we'll kind of fine tune as we go along, but we've worked on a balance right now. I think early numbers are gasoline is 65%-70% and diesel is about 30%. I don't know the automatic you have. I don't have that number yet. So, this is the only one I have right now, automatic about 20. That's a very early number, so that's all I have to say.

Raghunandhan NL: Thanks. Good to hear you're attracting newer customers.

Rajesh Jejurikar: Yeah, that is how we've constructed the price, so that's why you have such a wide price band and you have such a complex variant mix, which is literally kind of saying we need a very strong diesel portfolio because the Mahindra loyalist in tier two, tier three cities will still stay with diesel. So, that is different from the category because that's still the Mahindra stronghold and XUV300 has a reasonable amount of diesel customers in tier 2, tier 3 towns. We need to protect that. So, we've kind of thought of this from multiple directions but we need a strong gasoline automatic for metros. So, we've kind of thought of trying to cover multiple segments using this very complicated brand strategy.

Nitin Arora: Nitin from Axis Mutual Fund. Congratulations to the team. Though most questions have been answered on autos and the Farm. Just one question to you, Anish. Last year when we met here, you did investment in RBL Bank. It's now more than a year. Any further plans or hopefully that's the thing. But thank you for not going ahead after that in the whole year. So, just want to take on that.

Anish Shah: Yes, I was waiting to see how much time would it be before that came up again. But as we said at that time, that was essentially a treasury investment with potentially a strategic option that may be exercised 7 to 10 years later. So, there's nothing else on the table from an RBL perspective at all. It's something that we will bring up 7 years later and see whether strategic option makes sense or not. And if not from a treasury standpoint, we've got good returns on it and we continue to get good returns is what we believe based on our assessment of the banking industry. So, it's something that maybe at the 7-year mark I can answer a little more clearly at that point.

Nitin Arora: Great to hear that. Second on the trucks business, any thoughts now to sell it off or you think you can now turn it around much faster? Any thought process there on the truck side?

Anish Shah: So, it's actually turned around well and it's moving well. I think we can do a lot more in that business. Hopefully give much stronger competition to some of the incumbents there. We're still small so we'll take some time to be able to get there. We're also manufacturing for defense armored vehicles and ALSPs and there's a good synergy between that and our defense manufacturing also. So, from that perspective that should help both the trucks business as well as the defense business as we look at getting more scale with that and we have just recently put those businesses under the same leader as well so that we can start leveraging some of the synergies going forward. So, we see this as a very good, very strong business. We see this as one that we can grow. It had been one in what we had put back there in category A in terms of businesses, we feel that we'll grow and we'll do well. And it's one that I think is on a solid path now. Rajesh, anything you want to add?

Rajesh Jejurikar: Yeah, so we're taking this step at a time and if I was to get more micro about this out of the entire dealer network, right now we are focused on just 40-50 key towns or key dealerships. So, we're taking a step at a time. So, we say 40 dealers, okay, what's the market share there? What do we need to do? Out of the 40 dealers, 12 of them have more than 10% market share. So, we are basically building share town by town at a time instead of kind of saying, okay, go across the country. Of course there are dealers, it's not like we don't have dealers in other towns, but management focus is going into very, very focused execution on ground picking, dealers step by step, building positivity amongst the rest of the dealers by demonstrating success. So, you know, there's a very calibrated execution plan on how to ramp this up and we are not in a hurry as Anish said, we know a lot of the financial parameters have turned around. We brought the breakeven in this business down very dramatically so we will get a lot of operating leverage as volumes go up.

Nitin Arora: Thank you very much and all the best to you guys.

Amarjyoti Barua: Gunjan, I'll come to you if I can just take one online as well and then to you. It's a tough question but it's a fair question to us so I'm going to pass it on to you, Anish. Mahindra Finance, every time it feels like things are going well, something comes up, repeated internal control lapses is how somebody categorized. Question by Chirag from White Pine Investment. Just what's your view?

Anish Shah: So, let's look at what happened here. This was a collusion with 20 plus people, dealers included, a lot of documents forged, collection agents involved in it as well and as we looked at, as I said earlier, the entire portfolio and had to go loan by loan to show that the controls were strong across the country and the team actually came out fairly well, not fairly well, really well saying that there is no issue across the country. And they literally went through 10 lakh customers with the auditors and showed proof for every single of those 10 lakh customers in literally 3 to 5 days. So, that was the kind of effort that went into it. A lot more controls have been strengthened over the last few years. In fact, this also was essentially picked up by one of the folks on the team that, looked at data and said why are Nissan sales going up so much in Mizoram and that seems a little strange and that's how the team picked it up and got into it. While we have put in stronger controls for collusion, this is not something I would take as indicative of controls in Mahindra Finance. Overall, I think it's a very strong control mechanism. We had even reported a cyber incident where Mahindra Finance recovered literally without any losses and the entire recovery was done in a 2-day period. While this has happened to others in the industry, many others have been down for a long period of time for recovering. So, everything that's there has been set up well. There are various steps being taken to strengthen it even more because what we do realize in the financial services industry is that being good is not good enough. We've got to be outstanding and that's point of what we are driving the business to do now. But therefore as I said earlier, let that not foreshadow the fact that the business has delivered very well and despite the one fraud issue has really been able to bring losses down, has been able to grow assets under management and has been able to demonstrate a very strong control system and that's something we will just have to be able to show over time that we've got a lot more stability into this business than was there in the past. Whatever was there about the past is accurate and we had a fair amount of volatility there but a lot of that volatility has been cleaned out now.

Amarjyoti Barua: Thank you Anish. Gunjan please go ahead.

Gunjan Prithyani: Thanks for taking my question and congratulations for a great year. Anish, I had a question on the growth gems. There's a pretty aggressive scalar plan articulated for most of these companies. Now, if you look at the entire portfolio, which are the companies you would say are clearly are on the path of turnaround and you feel most confident about? And there was also maybe almost two years back, you spoke about the unlocking opportunities in that part of the Group. Can you just share where are we on that journey?

Anish Shah: Sure, Gunjan. So, let me start with Susten. As I said earlier, Susten's won 2 gigawatts of bids this year after having a very disciplined process for bidding which we inherited or was brought in by Ontario teachers based on their global experience. And there have been some bids we've lost by one paisa as well, but we've been fine with that saying we like the discipline around it because the returns are important. The reason I say that is we still got 2 gigawatts after all of that. And the business is looking at potentially a 7 to 10x growth over the next 5 years. I'd say more 7x, let me not sort of talk about 10x right now, but at least a 7x growth. So, that's very much on the path. Holidays, which Manoj will take over soon has very high expectations. In fact, soon means now at the end of this meeting. It has very high expectations for growth. The demand is extremely high. We've shown the ability to deliver very well in terms of family vacations. And this is a business we want to invest in a lot more. So, the 5,000-crore investment we saw in services, that is a good amount that's allocated for Holidays because occupancy rates are high. The demand from customers is very high. We can deliver very well in this space. So, that's one that we see with a clear 5x growth path. Logistics is a business that executed poorly last year, that has picked up on execution very well this year right now. It's in an industry that is going to show tremendous growth in India. As we look at the Viksit Bharat goals and where manufacturing in India is going to grow, logistics is going to be a key player in that space and that's a space that we will look at making more investments and we do see a 5x growth being very much achievable for logistics. Real estate has very strong momentum right now. We need to be able to, the business has actually done very well also and that's one where we will continue to invest into grow their business. The market cap has risen quite substantially for real estate, so on a very solid path. CLPL, which is classic legends, has a very good set of products. And you will see a lot more coming in from that stable over the next few months. And therefore, that business today has had some hiccups in the past, which have been corrected now and is on a good path. And that's one, again, where we've got external investors in. And for us as well as the external investors who come in, we are looking at a very significant growth in that business as well. Our Aerostructures business is a small business today but the kind of accolades that we have got from Airbus and some of the other OEMs is very good. The business has been set up very well, very strong from a delivery standpoint, a quality standpoint and therefore we are bringing in a lot more orders into that business as well. Defense, which is focused on transportation, we are looking at a lot more from an armored vehicle standpoint. The MOU that we've signed with Embraer for the medium transport aircraft, that can actually grow defense 50x, not just 5x. We may not have the exact number, but somewhere pretty high compared to 5x. So, that's again a business that would do well. That would not require a lot of capital because the way it's structured usually capital sort of brought in advance and it may not require a lot of capital in that sense. So, we see across the growth gems, one's doing very well. Accelo is focused on decarbonizing the auto industry. It needs a faster growth rate right now. We don't see a 5x growth rate for Accelo at this point in time. That's what we're working on to say how can we get it to that level while all the others are there. But Accelo is also among the larger ones among everything else because Accelo has profits today of about Rs. 250 crores or somewhere in that range. So, it's among the larger ones. That's probably going to be the first towards unlocking in terms of going to the capital markets. But beyond Accelo, last mile mobility will also likely go to capital markets in terms of an IPO. And farm machinery is one that we talked about 32% growth this year versus the 35%-36% growth last year. We feel we can do a lot more in farm machinery. And that's one that, again, we will put in more investments in that and we feel that that business can grow significantly. So, overall we got a good portfolio there that is growing well overall. There are some businesses that are not quite at the 5x mark as I mentioned, but they are very well positioned in what they're doing right now and we should be able to on balance get much more a target for this group overall. We had shown this last year and we probably can show it at one of the next analyst meet as to how it's grown. It has grown from roughly about 0.8 billion collectively in terms of market cap in F20 to 3.4 collectively in F23 and that number is high right now, I don't know exactly what that number is but we want that 3.4 to go to 17 billion by the time we get to fiscal 30. So, we are looking at a significant growth in the growth gems overall and we are on path for that. I wouldn't expect a lot of profits in terms of growth gems every year because it will be investments that will translate into profits later, which is why you may see a slightly muted growth number for profits there but it's one that we're looking at creating the business, setting them up well and thereby being able to drive growth for the next decade for us.

Gunjan Prithyani: The second question Rajesh I had was on the auto business. Now lot of questions have been answered just 3X0 capacity. Now we've seen that with many launches, day one huge response and you know congratulations on that but I think it just makes the customer wait for longer. So, what is the thought process on the capacity for 3X0? Is it similar to what it was for XUV300? If you can share that. And also on the BEV product positioning, a lot of it will start coming from next year onwards. How are we thinking about the customer set there? Is it trying to get people who have bought Mahindra cars in last couple of years, they sort of upgrade to it? Is it going to be very premium positioning because you said it's more about wow factor. So, just little bit color around the positioning of BEV portfolio?

Rajesh Jejurikar: So, on the 3X0 Gunjan, we are very mindful that this segment is not going to have waiting time. I mean, it's, you know, first time buyer when they want a car, they want a car, nobody's going to wait. Definitely not wait many months, right? So, that's something which is we are very alive to the nature of this segment which may be different than the nature of a Thar buyer where it's okay, you know, it's like something you want, you don't mind waiting to get it, you're not going to buy anything else because there's nothing else like it. So, we're very mindful of that. We have already produced more than 10,000 vehicles as we get into right now. So, we already have inventory. We will start delivering from 26th of this month. We did say that the capacity we have is 9000 a month, which is higher than the XUV300 capacity. That was part of that 49,000 to 55,000 that you saw on that slide. So, we said we have 9000 and with the very short lead time and a very minimal investment, it can go up to 10,500. So, right now that's what we are in preparation for. Of course, if the numbers go higher than that, at the moment we are not prepared for but it's not something that we can't get going with the point of time. So, that's on the 3X0 piece, does that answer what you have in mind? But Gunjan, very mindful that in this segment if the wait periods are very high, we'll have a reasonable dropout rate and which is why we will have to keep momentum on ground going by way of demand because it can't be a static customer list. If you're not delivering, they're going to drop out and buy something else. That's pretty clear to us. On the BEV positioning, I'm going to try to avoid defining it by way of Mahindra customer or not. I would rather put it as attitude or a psychographic definition which is around people who want to stand out, do things differently, experience new things and definitely are hungry for experiencing the latest tech and this product is going to come with tech which is unseen in vehicles of way higher price points. It's going to be something which is really path breaking by way of getting new tech. So, we think that's why we say it's going to be a wow product. We have been getting customers who are buying Mahindra ICE with the similar profile buy and large. So, in a way that would play out. Ideally for us we don't want a Mahindra current customer to necessarily move to, people who we couldn't succeed in getting so far with the same psychographic mindset is what we are hoping we will get to BEV. So, then it's a win-win-win. Of course there may be some cannibalization but we think that there is enough untapped opportunity for a vehicle of this type which we have not been able to leverage so far with even the XUV700. This is quantum leap over XUV700.

Amarjyoti Barua: Manoj, a question for you from online. I'll come to you in a second. Request to see if it is possible to start reporting the financial services debt gross and net separate so that it's easy to understand the debt number for the group ex financial services.

Manoj Bhat: I think we can do that easily. So, I think we will implement it and maybe Amar you will implement it

Amarjyoti Barua: I took an action for myself. Thank you for that. Please go ahead.

Sonal Gupta: This is Sonal Gupta from HSBC Mutual Fund. So, two questions around EVs. One was on the last mile mobility, so you've talked about, you've seen a good ramp up on the three wheelers, and you mentioned that L5 is still only 11%. So, how much of your volume is coming from the L5? And secondly, I mean, more importantly, how are we looking at that category in terms of, because I think that's a lower portion of our volume. So, what are the ramp up plans there? Because I think now we're seeing more, I mean, other major OEMs also getting into the space.

Rajeev Goyal: Between EV, 3-wheeler, L5 versus non-L5 is 65% to 70%.

Sonal Gupta: Okay sure and just in terms of like ramp up like we've raised money also, so how are we looking at that and in terms of capacity also right?

Rajesh Jejurikar: Yeah so we've raised money as you know we have 600 from one investor and 400 now from the other, so Rs. 1000 crores. We have aggressive growth plans, so there is work happening on new gen platform and new completely new products for the future. We are also investing in capacity at Zaheerabad plant, which is part basically existing auto plant, a lot of the auto products we moved out, we used to make camper there which is moved to another auto plant, Haridwar. And this will become primarily an electric three-wheeler plant by and large, the Zaheerabad auto plant. So, all the investment around what we are doing on electric three-wheelers in future is primarily happening there. They continue to get some product from Bangalore factory and from the Haridwar factory which is more like the Alfa type of products from Haridwar. So, really all the investment is going in creating capacity, product and all in the Zaheerabad ecosystem. Did I answer your question?

Sonal Gupta: But what's the sort of capacity looking at?

Rajesh Jejurikar: So, as we said right now, this category is at 11% penetration. Over the next few years without defining what that is but in the foreseeable future we think that category penetration should go to 40% to 50% which would mean a very significant increase now. When that is happening, we do expect market share will come down because there is already one new competitor and we believe that together we will get growth momentum going so we would expect market share to moderate to a reasonable level, but quantum growth in volumes is what we would expect.

Sonal Gupta: My second question again on the EV side is now as we get closer to the BEV launch as well right and the agreement announcement with VW was announced a few days after the previous concall. So, just wanted to get some clarity in terms of where all are we collaborating with VW and their platform, the MEB platform and what are we trying, I mean like what things are we localizing ourselves and what are we doing?

Rajesh Jejurikar: So, we are not buying the platform, just to clarify that we have said this earlier too, our agreement with them is to buy components of the MEB platform that is very different than the construct they have with some other OEM where the platform MEB platform as it is being used by another OEM. In our construct, we are not locked into the platform. What we are buying from them is cells and motors and a few other components. The cell to module and module to pack is our IP and is being done by us and we are localizing that. So, the whole localization is being done by us. What we are getting from them are the cells primarily and the motors. And there's a thought process on how do we localize motor. We also announced that we have an alternate motor supplier. You may have read that some months back, Value. And Value will be localizing the motor.

Sonal Gupta: So, Value is doing the motor with the E-Axle in the power electronics.

Rajesh Jejurikar: So, we have two types of motors, VW motor and a Value motor, depending on the variant.

Sonal Gupta: And the power electronics will be separate?

Rajesh Jejurikar: Separate, yeah.

Nishit Jalan: Hi, this is Nishit Jalan from Axis Capital. Two questions. If I look at your new launches, you have talked about 7 BEVs, and you have talked about 6 new ICE SUVs as well, right. So, that implies that you will have almost a 17, 18 model or nameplate kind of a product portfolio. So, do we have enough gap to kind of address to have that bigger product portfolio? And my second question is, this time you haven't talked around exports, you only had big plans but didn't have capacity, so if you can throw some light around, how do you see exports ramping up over the next 3 years?

Rajesh Jejurikar: Also maybe your two questions may be interlinked too, because when you're talking about gap, some of the ICE products we are developing may be more export focused as well. So, the answer to that question is yes. There is an ICE portfolio that's getting developed, there's a BEV portfolio that's getting developed. That's part of how we do want to drive globalization over the next 6-7 years. Like we've said, we'll do that in a very calibrated way without being reckless. We'll take our time market by market and build it, but we do need the products which are going to be globally competitive. So, some of these will be going towards that. When we say new product, new ICE product what we mean is it may be replacing an existing ICE product but it's on a totally new platform. So, then we are calling it a new product and not a mid-cycle refresh. But it may be replacing slots which we are today holding in our portfolio. Does that help?

Amarjyoti Barua: I had a question online from Nagraj Chandrasekhar. This is for you, Anish, as well as to Manoj in his new role. Holidays, do you see the current business model of vacation ownership sustainable and if not, what can they expect? Would we be moving to a normal hotel model or to a point based model? Your thoughts?

Anish Shah: I'll take that and not put Manoj on the spot a few minutes before he starts the new role. So, we will look at all options. What we know right now is the feedback from our customers that go to our resorts is very, very positive. They love being at our resorts. And we can deliver very strong family vacations for consumers in India. We do see some challenges from customers who may not be able to get bookings at times because there are, if everyone wants a booking in Goa in December, everyone cannot get a booking for Goa in December, whether it's a timeshare model or whether it's any hotel model. If any of us were to try to get a booking on 5th December for Goa, for 20th of December, we will likely not get it because everything will be full. So, what we're looking at right now is all options saying we add to a timeshare model. I think it's a good model. We have 300,000 customers. It's actually doing very well. So, it's not one that we would sort of reject or put away. But the question is what can we add to it? And how can we add to it in a way where it leverages the strengths we have at the same time pulls in another set of customers, customers that may not want to have a 25-year commitment. And those are the questions and discussions that we will have over the next few months and then have Manoj come back and answer that question very specifically saying here is exactly what we're doing.

Amarjyoti Barua: Alright, so just another question before I come back to the audience here. Anish, this is for you specifically. You talked about M&A as a strategic tool. This is from Jinesh from Ambit. What would you be open to and what would you say is a strictly no-go area?

Anish Shah: So, Jinesh, what we've done over the last 3 years is not going to change. We're going to continue doing that. What it exactly means is that if there's an M&A that will help further our growth strategy in any of our core businesses or our growth that include, let me say for any of our core businesses which includes auto and farm, we capitalized market leadership which includes Tech Mahindra and Mahindra Finance for unlocking and which includes our Growth Gems. For any of these, if we see certain acquisitions that can help further our growth plans, can help add more capabilities, that's something we will do. But we will do it in a way where we can deliver on what we said in that acquisition and be able to deliver the returns from that acquisition. In addition to that, Jinesh, you and many others have asked about what happens outside the current footprint as well. This is an area now given the growth that we've seen and the benefits we've seen across our businesses including services. We will look at potentially one new area of growth. We have been looking at that frankly for the last two years but we haven't been able to get something that we say this really makes sense. So, if we don't get something we can say it really makes sense, we won't do anything. If we do, then we will look at one potential new area where we can leverage the Mahindra brand, where we feel we can deliver significant returns to our shareholders and that's something that we will do at that point in time. But as I said again, it has to be something that really makes sense where we can deliver the returns and if that's the case, we will come back with one new area beyond our current footprint.

Yogesh Aggarwal: Hi, this is Yogesh Aggarwal from HSBC. Just one question again on electric vehicles. So, Rajesh, you mentioned that there are not enough good EV models in the market. Is that the only reason we are stuck in terms of penetration? The reason I'm asking is in the next two years, I think bulk of the capacity addition is in EVs. I think of the 22,000, 18,000, 19,000 is just EVs for you so which means after this year bulk of the volumes you are expecting to come from EVs. So, in the next 6 to 12 months, do you expect some kind of inflection point in the way customers look at EVs and there will be lot better acceptance for EVs?

Anish Shah: Yogesh, I'm not sure I completely understood. So, are you taking the capacity expansion slide and then interpreting that to work out the mix of EV and ICE? Is that how you are approaching it? Yeah, so I just, you know, qualification that I don't know if I remember, if I made it right now, I did make it in the earlier deck. So, let me just put that out as a clarification. So, the cash outflow that we have shown includes investment in ICE capacity, which goes beyond F26. So, the ICE capacity doesn't stay like this till F30. So, we not, because some of the investments we will make in ICE capacity will not come in the F26 timeline, they will come beyond the F26 timeline. So, that's why it's not on the chart. So, I'm not sure you will be able to work out the way you...

Yogesh Aggarwal: 49 goes to 72 and that includes 18,000 for you.

Rajesh Jejurikar: That's correct, but 49 goes to 55. Now the beyond 55 is not coming till within the F26 timeline, right. So, the cash outflow includes capacity investments for ICE which capacity for which will come beyond F26. But since we've shown you only capacity of F26, you're not seeing the ICE capacity of beyond F26 come out in that number, but the cash flow includes ICE capacities which goes beyond F26. So, I should have made that clarification. I did make it in the media meeting, but I think I forgot. In my rush to save time, forgot to say that.

Yogesh Aggarwal: So, this is not reflective of the EV mix?

Rajesh Jejurikar: It is not reflective of the EV mix beyond F26.

Ashish Jain: This is Ashish from Macquarie. So, my question is on the EV CAPEX. So, last time we had spoken about Rs. 6000 crores of EV CAPEX bid from 25 to 27 and that number is now Rs. 12,000 crores. So, where is that jump coming from apart from maybe the capacity that we spoke about because the product outlook has not changed. We were talking about 6-7 back anyways in the past as well. So, that's first. And secondly, if I look at the core tractor margins adjusted for the one-off we had in 3Q, quarter-on-quarter actually core tractor margins are flat. This is in spite of sharp decline in volumes that we have seen sequentially. So, what's driving that margin support we are seeing this quarter?

Rajesh Jejurikar: On the first question, which is around on the way we're thinking about BEVs, Manoj correct me if I'm wrong, but the 6000 was not for the 25 to 27 cycle. This is the first time we are putting our 25 to 27.

Manoj Bhat: No, I think they are referring to the two-year-old.

Rajesh Jejurikar: But I was referring to 25 to 26…..

Manoj Bhat: Maybe I can clarify. So, obviously during the course of the events, the number of models etc. have gone up, but we have never talked about the next year, next 3 years CAPEX. So, I think that's the disconnect. The number when we originally talked about, didn't talk about because we have added more models now as we talked about the whole thing and the capacity is also adding. So, Rajesh, the difference is when we talked about it then, it was 4000 is what we have spent already and another 6000 is and that 6000 how does this go to 12 and what is driving it?

Anish Shah: The initial estimate was 10,000, which is what we had put out and of that initial estimate, 4000 has been spent and you're right in saying that 6000 would be spent. At that point in time, we haven't finalized the entire model mix nor the exact timeline for that 10,000. And there were questions, in fact in a prior analyst meet saying is this enough for EV that you're going to need more for EV and at that point, we had said that, yes, we will come back with the 25 to 27 outlook at the end of this fiscal year. And now, having gone through that in detail, the estimate for the next 3 years is 12,000 in addition to the 4000 that we had.

Rajesh Jejurikar: Sorry for not getting Ashish your question correctly. So, what happens in the 25 to 27 cycle is you're also having cash out for the next wave of products, which is 27 to 30 because you start work on products which are going to come out in 27 to 30 cycle as well, right? It's not a discrete point. So, some work has been happening for the last 2-3 years which some of those products you will see in the 25 to 27 cycle. Likewise, you will start spending some money as cash flow, they don't get capitalized for products which will come in the 27 to 30 cycle, right. So, in a way what you are seeing is a rollover of 2 phases. So, one phase which started a couple of years back and you will see the products come out in this cycle, but you will still have a cash outflow because you still going to launch them over the next year and a half or two and then you are having a spend in the 25 to 27 cycle for products which will come out in the whatever 28 to 30 cycle. And that is why you see more products here than the three or four, which will come out right now. And of course there is some for capacity as well.

Ashish Jain: And also the core tractor margins, if you can say?

Rajesh Jejurikar: Yeah, so what I've heard you say on the core tractor margin is that the margins have been at a good level in spite of the volume going down, is that and what enabled that is that the question? Some times when things go well, you have to explain, so we had the same set of questions on the board that okay, so what did you do? So, there I answered by saying that's the secret sauce. But I think I can't get away with that. I think what we tend to do, Ashish is you know one of the key success factors in the tractor industry and that's why we show the stability and volatility kind of slide because the ability of the business to respond to up cycle and down cycle. So, I'm just answering it a little more holistically. When there is an up cycle, then you are going to ramp up your production very quickly. Get going, galvanize the supply chain. All of that and also up marketing so that you fully leverage the growth opportunity that will be lying in front of you and when you're seeing a down cycle, you will have to shrink your supply chain, get your suppliers into kind of okay, we're cutting back production for a little bit, but you also take some of the costs out which you don't need to spend in a down cycle period, right? So, we try to do this balancing and on top of that, I think quarter 4 commodity prices on the tractor side have been benign. That has helped. Rubber went up now which will see some effect of that in quarter one, but overall commodity prices for tractors were pretty benign as well in quarter 4, which helped the margin.

Viraj Kacharia: Viraj from SiMPL. Just two questions. First is on the realization especially on the tractor side, we are seeing a very healthy bump up, so anything happening there and second is on the farm machinery business. I think the earlier communication was in the next 4 to 5 years, you are looking to close to 4000-5000 crores in scale now even their approach was initially we will be okay with aggressive pricing. We're looking to making a sizable investment. So, on a 900 crores sales maybe around Rs. 200 crores of EBIT losses. So, you think the products which we are supplying, are they are at a sizable scale where you now see them turning into a profitable scale, so.

Rajesh Jejurikar: Anish will give it a shot, and then I can add him. We're giving ourselves a window to make money of 2 to 3 years. It's not a very long period, it's not CAPEX intensive at all. So, it's basically some of the loss funding is going into getting the right pricing for some of the key markets. As we get success, we already beginning to sort of build that price back into the equation, the losses are lesser than what you said for the year that went by. So, I'm just clarifying that we're not lost as much money as you think we are losing. Your original point was are we seeing a path to that level of growth. I mean, of course that's what we are gunning for. And I remember in one of the analyst meet saying if we don't do 40% growth in F24, we'll be very disappointed. And I do say that we are disappointed that we didn't do 40% growth. We ended up with 32 odd percent. But it was a very difficult year from a marketplace standpoint. We know that seeing what happened to the tractor industry. So, as tractor and machinery industry overall picks up, which we are hoping will start again from F25, we should see a very good momentum in farm machinery and our ability to get better prices already going up. Our path is maybe in a year and a half or two we should start making money in this, you will still not get the margins at the level that we have on tractor that's going to take a while, but if you look at the profit pool of some of the farm machinery players who are doing reasonably okay on scale, it is not that bad. They're all double digit, they're all double-digit margin players. The data is available for the 2-3 key players who are out there, so the profit pool in the industry is not bad at all. It's just that we need to go through a path of scale up given that there's a huge opportunity for us and we need to leverage our right to win and have that space, so we'll need to make an investment on pricing for a couple of years to get there.

Viraj Kacharia: On realizations?

Rajesh Jejurikar: Realizations of tractor or?

Viraj Kacharia: Q4, we saw a good bump up. I think in a way that was the previous question as well, which is. So, we did take some price increase, mix improved and we had a little benign commodity outlook, which helped the margin.

Anish Shah: Just one other thing, I'll add to it is farm machinery, while we've talked about it broadly as one category, has multiple categories within that and it's about scale in every category. And we will continue to refine it further as we go forward. So, rotavators, for example, we're now at a 21% market share, which is a very significant increase from the sub 10% market share we had when we started this exercise. And that starts with having the right product, the right product, the right price point, in some cases distribution that's different from our farm dealerships as well. Similarly, harvesters is a category that we're targeting now and in the current crop cycle, we should see a much greater share for harvesters. So, we are picking specific categories and starting to create scale in those categories. And as you build scale, when you start getting a much better pricing, rotavators for example, a 21% market share is not enough. The basic question we have is in each category, why can we not get to a 40% market share that we have in tractors. So, that's what we're driving. As we drive that, that category will start giving results for us.

Amarjyoti Barua: Great. Alright, so I have two additional items just to closeout this evening. So, first of all, just a reminder, 14th of June is our investor day, I can assure you it's not going to be presentations the whole day. You're going to see some of these amazing products we talked about. There is a tech showcase plan which is going to show you both BEVs, OJA many of the exciting products that we talked about today as well as in our growth gems. Some of the ways we are using technology etc. You will also get a lot of time to ask questions of our leaders. So, there's dedicated time by business to ask questions. So, I just want to encourage again, whoever is not registered to just please register for that event. And then the last thing is just I want to thank Manoj, it's as Anish mentioned his last day as CFO and next time he'll be answering the questions as the CEO. So, congratulations to him and thank you for all these years. With that, thank you very much. There are refreshments and I would welcome everybody. Please join us there. Thank you.