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8th August, 2023

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

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10 Paternoster Square
London EC4M 7LS.

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

This is further to our letters dated 31st July, 2023 read with letter dated 1st August, 2023, 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 Q1FY24 Earnings Con-Call with Several Funds/Investors/Analysts in hybrid mode on 4th August, 2023 with respect to the Unaudited Standalone and Consolidated Financial Results of the Company for the First Quarter ended 30th June, 2023 in Mumbai and the Presentation(s) made thereat along with the weblink of the Presentation(s) and weblink of the AV Recording of the said Earnings Call was submitted vide our letter dated 4th August, 2023.

The Transcript of the aforesaid M&M Q1FY24 Earnings Call with Several Funds / Investors / Analysts is enclosed and is also available on the Company's website and can be accessed at:
https://mahindra.com/sites/default/files/2023-08/TRANSCRIPT%20-%20M%26M%20Q1F24%20Earnings%20Call%20-%204th%20Aug%202023%20-%20FINAL_0.pdf

Please note that no unpublished price sensitive information was shared/ discussed in the aforesaid Earnings Call.

Kindly take the same on record.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Encl: as above



“Mahindra &Mahindra Limited Q1 F24 Earnings Call”

August 04, 2023



**MANAGEMENT: DR. ANISH SHAH - MANAGING DIRECTOR &CEO,
MAHINDRA &MAHINDRA LIMITED
MR. RAJESH JEJURIKAR - ED AND CEO, AUTO AND
FARM SECTORS, MAHINDRA &MAHINDRA LIMITED
MR. MANOJ BHAT - GROUP CFO, MAHINDRA
&MAHINDRA LIMITED**

Amarjyoti Barua: Good day everyone and a very warm welcome to the First Quarter Fiscal Year 24 Earnings Call of Mahindra & Mahindra Limited.

We are glad to have you all joined this meeting either in person or virtually. For the main presentation today, we have with us our Managing Director and CEO, Dr. Anish Shah; ED and CEO of our Auto and Farm businesses, Mr. Rajesh Jejurikar and our Group CFO, Manoj Bhat.

After the presentation concludes, we will commence with the Q&A session, for those attending through webcast you can post your questions in the web chat box. As a reminder, this meeting is being recorded.

I want to make sure you are, we just quickly run through the agenda. If you can, please move to the next page. So, just we'll run through the Safe Harbor and then we are going to have Dr. Shah, walk you through some opening remarks and then we'll go through the AFS presentation and the financials followed by the Q&A which I'll be moderating. And this includes those who have virtually joined us.

And just for the sake of completeness, I want to run through our Safe Harbor statement, if you can just move to the next page, please. 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 this, I would like to hand over to Dr. Shah for his opening remarks.

Anish Shah: Thank you, Amar. Good evening to everyone here and good afternoon, good morning, good evening to folks online who are with us today. For folks who are here in the room, great to have you in person. There are a few seats open in the front, couple of rows. So, for those of you who want to come ahead, please feel free to do so.

We've got a very interesting set of results today, very strong financial results actually for the quarter and different from our usual approach, rather than start with results, I'm going to start with a set of questions that I know is on everyone's minds. So, yes, we start with capital allocation. The first thing I want to say is capital allocation discipline has not changed. In fact, it's become even stronger. And I know there are a number of questions around the investment in RBL, so we'll address those head on as well. Do that first and then go to how we are making this even stronger than what it was before. And then we'll talk about financial results as an afterthought.

So, what have we done so far? We've invested Rs. 417 crores to be exact in RBL. Why did we do that? Financial Services is a core area for us. Mahindra Finance has a market cap of close to 40,000 crores. I'm sort of rounding up a little bit there. But it's close to a 40,000-crores market cap. It's a business that is now doing exceedingly well, as you've seen from the financial services reports or results last week. And it's a business that is looking at growing its books significantly over the next few years, looking at a very strong asset quality and will be one of

the premier financial services companies in India. For us as a key investor in that business and someone an investor that works closely with the business to drive success for it, it's very important for us to understand all aspects in financial services as well. And therefore, as we saw an opportunity and this was not something that was done as an afterthought or something sort of on the side or nice to have, it was a thought through plan around an opportunity opening up with a bank that is what we consider a very well-run bank, a very strong bank in its own right in the space that it plays in. The best that we saw in that space at a valuation of 0.85 to 0.9 times book. And one that we feel will continue to do very well. And that offered the opportunity for us to take a stake, a stake which actually makes us the third largest shareholder in that bank because the shareholding component is important as well. And one that will allow us to harness synergies with the group which will benefit our group companies and will benefit the bank and one that will help us understand banking in a lot more detail that may allow us to answer questions in future around it. We had a media session and there were questions of do you want to get into banking? And I said today we do not and we cannot. So, the objective here is not to get into banking, but it is to be able to answer those questions 5-7 years later where the landscape may be different, Mahindra Finance will be a lot bigger and we need to be able to have a very solid answer to that question. So, which is where we have a Rs. 400 crores investment in a sector where we have 40,000 crores. That is a background behind why RBL. It is a long-term investment. This is not something that's been done for now. It's not something that is done because we want to be a bank. In fact, the other question was, are we going to 9.9? And here again I want to clarify because we tend to be sort of very straightjacketed around regulation and our responses. So, we had put out a Stock Exchange notification saying we do not expect to be more than 9.9% at any point in time in future that somehow was read as we want to go to 9.9% tomorrow. But that is not the case. We are at 3.5. We don't know whether there will be a compelling strategic reason for us to go to 9.9 or not, if there is at some point in future which maybe two years, three years, five years later, then we will look at that. But we need to be able to be convinced that there is a compelling strategic reason for us to do that and we need to be able to articulate that. If we can articulate that, we'll go there. If we cannot articulate that we are happy where we are, it gives us a good understanding of banking, which is critical for the space that we play in. And it will give a good return to shareholders because this is a bank that again we have a lot of faith in, in terms of what it will do and then that's something that will hopefully play out over the next few years so. That's the overview on RBL.

We'll get into a lot of questions, you can ask as many questions as you want and we'll cover the topic, but this is an important topic for us. So, as I said, the results can be an afterthought for today we'll cover this in more detail. I talked about enhancing capital allocation discipline. And we're enhancing it in a very public way. And that is what you see in the change in how we will present our results because there are two things we've done that are important. One is start identifying segments of Auto, Farm and Services. Many of you have asked for this in the past, many of our investors have asked for it as well. And this is in response to that and our response at that point was yes, good point, we will consider it, we will find a way to do it and this is an answer to that. You'll see a lot more transparency on each of these businesses and sub businesses within them in future as well. Auto will be separated into various sub businesses. This time we haven't given all the information, but again over time we will start giving more

information as we make sure it's completely consistent, it's something that will not change in future and so on. So, you'll have our core auto business, which is SUV and LCV, our EV businesses which are MEAL and LMM, our trucks and buses businesses, there are some allied businesses that include CLPL and international. And what we want to do is track the performance of each of them. And that, I'm sure, is something that you would want us to do as well. The other key aspect is, in these segments, you don't see the word others anywhere. There's nothing that can hide. There is no other segment that will be sort of, okay, things we don't like let's put it in the other segment and we don't talk about it too much. Each leader is accountable for each segment and sub segments within that. And therefore, everything we have has direct accountability that's linked to it as well. And therefore, that further enhances our capital discipline because what I didn't talk a lot about earlier and again happy to do that more in the question and answer session. For us, as important as capital allocation is execution, if I look back in our past it wasn't that we invested in many international businesses. It was that they didn't work. If you had gotten great results from there, there would have been no questions on capital allocation. So, execution is most important for us as well, and that's what we will drive with the discipline, it's we've got to invest in the right areas and ensure we get the results that we say we will get when we invest in those areas.

The second point here is around exceptional items. Now we were very compliant with all the accounting regulations over all these years. But one thing that those regulations do allow you to do is if there's an impairment in a business, you could call it an exceptional item. And in our discipline around capital allocation, the question that we had internally was if we didn't do a business very well and we impaired something, why are we calling it exceptional? It's our accountability as a management team, it should be in our results. It's part of our operating results. You've seen various impairments with things that didn't work. Those were all exceptional. And going forward there will not be an exception. They will be part of our results. There and again is the enhanced capital allocation discipline because each leader is accountable for those results. It can't be, okay, let's talk about profit before EI, right. We've seen great increase in profit before EI. And we've got a bunch of exceptional items on the side. So, that is something that we will not do going forward. At the same time, our job is to create value in many of our services businesses. That is what we are actively driving and if we create that value that's part of operational results. So, both things happened. If we don't do well, that hits us directly. If we do well, that benefits us directly. That's what you want the management team to be accountable for. And that's the reason for this change. Manoj does have a slide because I know there was some questions through the afternoon on what's the impact of it. We'll go through each line in the P&L and show what the impact is on each line, so that there's complete transparency on that as to what is the reason for that change and therefore there's no question or confusion on it going forward and if there is, we'll address that. Our objective is to be completely transparent in all of these numbers.

Again, many of you asked for this in the past, so we're going to start showing you cash for auto, for farm and for services. This is the actual cash flow for F22 to Q1F24. We have in the past shown you F22 to 24 as a consolidated amount, not broken down in these sectors. We will continue updating it every quarter and show you too in these sectors and then when we do an

F-25 to 27, we'll again show it to you in this format with these sectors. So, that again starts giving greater transparency, something you've asked for in the past and something that we feel that we should be able to do consistently as we go ahead.

What you see here, Over the last nine quarters, Auto after its CAPEX and deployment of close to 9000 crores has generated 4000 crores of free cash. The farm business has generated 4,574 crores of free cash. And our services businesses it actually generated 5,186 crores of free cash. What you see is one line here called investments. There's a cleanup line which is on category C, which should not be repeated again. And there's an ongoing line, so on the services, you see 415 crores of ongoing. This does not include RBL because RBL happened in the second quarter. So, next quarter you will see that 415 plus 417. But you can look at it in the context of the value generation from services, which is 5,000 crores. And frankly, this is why we were surprised at so much concern around the RBL part, but we've talked about that again, I'm open to addressing any further questions on that, but this is how we look at our businesses and this is how we monitor them. Right, so hopefully this should give you a lot more comfort that the capital allocation discipline, not only has not changed, but in fact it's getting even stronger as we go forward.

All right, so with that, let's come to financial results. Revenue is up 19%. Profit is up 60%, the 60% does include 870 crores of monetization from services. Actually, let me rephrase that, 870 crores consists of two parts, one is SsangYong, which now is operational. KG mobility has taken over, the value of our investment has gone up by 405 crores and that is what we have to mark-to-market every quarter. So, there will be likely some movement every quarter on this, which we will have to take sometimes it may be positive, sometimes it may be negative. And therefore, we will always show that separately, but it is part of our accounts. And besides the 405 crores, there's another 465 crores that's as a result of MCI stake sale, Sanyo and that collectively makes up what we call rather we don't call that EI anymore, but that could have been EI in the past. That is part of these numbers; without that, profit would have been up 21%. With that, profit is up 60%. So, even without it we got a very strong quarter in terms of the overall profit. What you also see here is consolidated because we are accountable for consolidated overall. We can't just talk about standalone and sort of ignore everything else on the rest. So, which is why you will always have access to standalone. You will see standalone, but often in extras. This time, Manoj will show it as part of the main deck as well, but we want to be accountable overall for consolidated and as an aside standalone profits up 98%, but as I said that something is not as critical for us as consolidated. And then you'll see each segment and then how each segment does.

We will also continue to talk about the strategy we outlined last time and the progress on that strategy. We talked about Auto, capitalize on market leadership. We talked about farm, also capitalize on market leadership. And services, which has one segment of Mahindra Finance and Tech Mahindra where we need to unlock full potential. And the second around our growth gems where we have given a 5x challenge for these growth gems. Now auto and farm also have some growth gems, so you will see them as we talk about them. But this is the framework for our businesses. And this is also the framework for how we will show accounts to you. So, you

can monitor each part and say are we delivering what we committed or not? So, let's talk about Auto and Farm first. And here's where you start seeing numbers again, I don't think we've shown PAT for these businesses in the past, yet you're going to start seeing those numbers for each of these segments as well. The big news in auto, production is up 28%. And as you saw from the July numbers, it's up even further beyond that. So, a lot of the issues around semiconductors have been sorted out and we are producing at full capacity right now. Capacity is going up as well as we've talked in the past. I will though give a caution that given the world we live in, we cannot take it for granted and it's always possible that semiconductor issues will come back in some form. So, we are vigilant on that front. And it's something that again we're being upfront about saying there is a possibility that might change and we might come back and say, look, we couldn't produce 5000 units because of semiconductors or 2000 because of that or whatever that number is. But at this point in time, we feel good about where we are.

Operating leverage for auto has driven auto results or profit after tax up 2.2 times, you see a number of three times here, that's because the 405 crores of SsangYong is counted in this number as well. And as I said earlier, every business linked to auto, is in this segment. Auto is accountable for those results. EV programs are on track. Rajesh will talk about them in more detail and I mentioned the KG Mobility part. What you also see here is what we call input metrics that will drive these results. SUV market share is a big part there and you see a very significant jump. In fact, this is the one number on the page that is the strongest, a 310 basis point increase in market share year-over-year. This is revenue market share just again as a clarification. LCVs, again in some ways a more significant number, we always talk about SUVs because it's more exciting to talk about SUVs. But LCVs also do make a lot of money for us. I know your question, maybe tell us how much each one makes. We'll get to that at some point in the future, right? But that again is a very significant increase in market share, 480 basis points in LCV market share when we are in the 40s is not a small number. If you go from 5 to 10, I'd say yes, let's do it in a year. But when we go from in the 40s with 5% market share, again it's not a small number. Farm has been very resilient despite various challenges and various challenges that you've seen over the past few quarters. Steady margin improvements obviously in auto, but also on the farm side, strong cash flow generation as has been the case, terms of trade are improving in rural. Here again, market share has increased. Again, it's very difficult to increase market share in the 40s because we also want to make sure we're not being irrational in any form. But it's been strong execution performance on the ground that's really driven this market share increase, 20 basis points. I would say that's meaningful even though it just looks at 20 basis points. Farm machinery revenue is up 24%. That number should be higher in my view. So, I would say that's sort of underperformance at a 24% increase and something that we will look at accelerating further. So, profit after tax for farm is at 1,198 crores, up 21%.

Moving then to unlocking full potential, Mahindra Finance is on a very solid path. We've talked about the turnaround, we initiated a year and a half ago. We've been giving an update on it every quarter. We've started to see the results of this turn around. You're seeing the results of this turn around in asset growth, in disbursement, but more important, the single most metric that personally I'm invested in this business is asset quality. Asset quality because we've had

surprises in the past, it's been a model in the past. We've never had credit losses as we explained before, but we don't like surprises anymore than you like surprises. So, that's one thing that we are fixing and you see the results of that here where Gross Stage three is at 4.35%. It's the lowest ever that's been in this business and net Stage 3 is at 1.8%. But it's not only about where these numbers are today. There's a lot of work going on to ensure that in the next economic downturn, they don't go up very high and they stay within a tight bound. There is a decline in NIM in this business based on where the interest rates are right now and you've seen that in the Mahindra Finance results. But despite that, the profit increase of 58%. Tech Mahindra has been a weak spot. It's one that has been the worst quarter ever for Tech Mahindra. As you see the results here, there is a lot of focus to have a turn around on this and with Mohit Joshi coming in, he started already, he has been here I think for about 6 weeks now. He's outlining the plan to go forward and we are in a sense initiating the turnaround for Tech Mahindra that we initiated for Mahindra Finance six quarters ago. It will take time. It's not going to show results immediately, but that's something again I would look at it as a two-to three-year timeframe and we'll have the same set of milestones and come back to you with, here's what we're doing, here's the milestones and here's what we need to deliver for it.

Just going to give a highlight of three of our listed entities which are growth gems. I won't go into each one of them, logistics, strong growth in auto and mobility. E-commerce demand has been muted across the industry and we see margins up there, but it's been offset by poor implementation for Rivigo. And this is again one where we take accountability, implementation could have been better, right? And there are no excuses for that. And that's something that we are fixing now. So, from an implementation execution standpoint, we've got to be very strong in each of our businesses. Hospitality is on a very good track today, very strong demand, significant growth plans for the business and we have positioned extremely well as a very strong offering for customers who want holidays or family holidays in India and that is a segment that we've really got a huge amount of opportunity, a lot of demand that is not fully captured and we just have to be able to execute well to be able to capture it over the next few years. Real estate demand continues to be healthy. Residential sales are up, strong launch pipeline, the business actually has really got a lot more momentum behind it. Now you won't see the momentum immediately in the results because the way accounting works, it's only when the project is actually not when it's launched, but when it's completed when you start recognizing the sales from that project. So, there is a time lag in that happening, but you know, maybe over time, if we do a more detailed session, we can go through what are the milestones that get us there and therefore that gives a little more confidence around the fact that it is on, on a strong momentum now.

So, from our standpoint, this is what's important. We made certain commitments on ROE, on EPS growth. ROE is at 24%. I know when I presented 18% for the first time, a lot of folks said, how do you even put that number? That's crazy. You're never going to get there. Well, we got to 18%, we got to 19.9 last quarter. We're at 24, don't expect 24 to continue every quarter, right? We have to drive growth as well and this is a discussion we've had. We have it with our investors and we tell our investors if you want us to be at a higher return with much lower growth, that's fine. We can do that. We've demonstrated that, right. But what our investors tell

us often is we want growth and returns both. You can't take one and trade off the other. So, for us, we will maintain an 18% return threshold and we will continue to drive growth. We have promised a 15% to 20% EPS growth, this quarter we are at 60%, here again as I said don't expect 60% consistently. We've had a great quarter. We will continue to strive to outperform where we can, but what we would be very happy with is a consistent 15% to 20% EPS growth as we go forward. So, key messages before I hand it to Rajesh to take you through a lot more details. Consolidated PAT is at Rs. 3,508 crores, up 60%. Auto and farm are capitalizing on market leadership as you saw in the numbers there, Mahindra Finance is on a very strong track. Tech Mahindra is not and we need to fix. Capital allocation has yielded investment results and we are monitoring that very closely as you saw and a consistent delivery on our commitments, right, so this hopefully should give you a lot more comfort around how we are managing the business around our focus on capital allocation and how we take it forward. So, with that, Rajesh, over to you.

Rajesh Jejurikar:

Hi, everyone, I'm starting with auto and I'm going to do this piece fast so there's enough time for questions, which is I guess what all of you want. So, we'll do this quickly. Very good growth in SUV volumes. We crossed 100,000 numbers in the quarter, very good growth in the revenue market share. You already saw that with Anish and the LCV market share, all of which Anish covered. This is a trend line which shows our growth in volumes over a period of time. While we do keep talking about revenue market share, I just want to recap that in spite of the profile of our product, we are #2 on volume market share as well consistently for the last four quarters and that continued even in July. So, while we have said revenue market share as the goal or the target that we monitor, we are doing very well on the volume market share as well. You saw the curve there for the revenue market share on the right. The booking pipeline continues to be strong. Open bookings are 280,000. Very strong bookings continue in for Thar at 10,000 per month. Very strong bookings on both Scorpio, Scorpio N 14,000 together and 700is at 8000 per month as an ongoing booking. So, booking pipeline continues to be strong. Cancellation rates are what they have been, which is less than 8%.

Just quick update on capacity. We had said we would get to 39,000 by March of the calendar which is end of FY23, we got there but we had challenges for the last 3-4 months, three months actually after that on specific engine block parts, nothing to do with semiconductors, specifically on semiconductors related to ECU in the airbags which had affected us during the course of the quarter most of those are behind us and as Anish said, we are now close to full capacity of 39,000 by way of production, which includes exports of SUV's. So, the number you saw of 36,200 was the domestic number in July and we are on track to achieve the Q4 FY24 capacity enhancement. Anish covered this again. I'm going to do this quickly, but this gives you a trend chart of how we've grown the LCV market share, the whole new portfolio of pickups. It's on the deck which we had put up in media, so I'm not going to repeat that. You can take a look at it, which is the whole new pickup portfolio with the Manoj Bajpai commercial. Some very good feedback on international launches and want you to look at the visuals here. The kind of dealership network we're creating around the world. That's Australia, New Zealand and South Africa, all creating a very good brand image for our products. Last mile mobility continues to do very well, the highest ever 3-Wheeler electric volumes of 14,700

and we continue our market leadership of with the market share of 65.5. These are the EV programs that we have spoken about the INGLO platform with two products, XUV e8 and XUV e9, 2 BE products BE.05 and BE.07 and then in February in Hyderabad, we had spoken about and shown the RALL-E. All of these are on track. The RALL-E r got added later, but everything else is in line with what we have spoken about a year back and we are on track. As you know, we already have some protos running and so on, and we'll talk a little bit more on that on 15th August.

We've just done the Temasek deal yesterday, which valued the business at Rs. 80,580 crores or \$. 9.8 billion, which is 15% higher than the upper end of the valuation of the BII deal as we've reinforced and Anish has spoken about earlier as well, we don't want to dilute too much at this stage and hence the cash inflows of investors are being also managed to time with the cash flows the business will need. So, there is a certain cash plan required and we are managing funds in a manner that ties up with that. As we said, we don't want to dilute too much. This is the auto conso and on the right you see the 81% PBIT growth is without the KG Mobility adjustment and that's Rs. 405 crores on top and that's 141% if you take that. This is a slide I think would be maybe answering a question that all of you have been asking us. When do we get back to our margins that we used to have? And that was the FY19 margin which is 7.5% and in quarter one we are at 7.5%. Farm volumes were down, but it's still the second highest ever quarter volume; market share is up, Anish spoke about that. This is the highest quarterly market share since quarter two of F20 at 42.9. We see a big upside. We've spoken about that earlier in a segment in which we have a relatively lower presence and that's the orchard and the light weight tractor market, size of which is approximately 50,000 and our market segment market share there is 30%. With the launch of the Swaraj Target, which has already happened, and the OJA which will happen in the later part of this quarter, we see an upside for us in this segment and enabling us to increase overall tractor production. Anish spoke about farm machines. We're seeing good momentum. Clearly our aspirations for growth are higher and we should see that start coming in during the latter part of the year.

A quick look at the farm PBIT, 22% growth on consolidated. And as we did last time, we are putting up here again the core tractor margin for you to be able to understand how the core business is doing and you can see that the core tractor margin in quarter one is now at 18.6 against the F19 average of 19.8. So, again, it's showing a very good trajectory to tend towards the F19 number.

With that, Manoj. Thank you.

Manoj Bhat:

Thank you, Rajesh. I think I won't go into the details of the numbers. I think I want to spend more time on the segment and the exceptional item accounting. This we spoke about this in terms of both auto and farm and in fact auto led the growth. Just a quick look of how that splits out. So, if you look at this is the first time we are splitting it. So, I'm going to spend a bit of time on this. So, if you look at last quarter, last year, same quarter, we were at about 2200 crores. And if I look at the growth in profits, it's come from auto largely, which is about 533 in the core operating side of the business, 405 crores is because of the KG Mobility mark-to-

market. Farm has been very steady, contributing 205 and what we call services, which is TechM, Mahindra Finance, growth gems and all the other businesses there. I think that's the piece which has contributed 169, within that of course there is a gain because of MCIE sale which is also coming through. The components are there, I think TechM was a decline from 320 to 195, Mahindra Finance was a growth from 125 to 188. So, this is another cut I think as Anish said I think with every passing quarter and we are trying to give improved visibility in terms of so that you can understand some of these numbers much better.

Lastly, a quick look at standalone and I think we covered it in terms of the EBIT margins. So, I'm not going to spend time on this. The slide I want to spend time on is probably this. I think the first column is. This is kind of a P&L walk from where we used to report exceptional items to what are we reporting now? So, the first column in the gray is the old approach is what I would call it, and then these are the changes. So, if you look at it 2-3 things we are saying, we are saying firstly and foremost that we are taking an active role in managing and operating our portfolio companies and hence it's an operating segment. So, a lot of the income will now get reported as operating income. What is that income? The first set of things which will come as any gains on account of sales, maybe sometimes there's a revaluation, all of that would come in as a gain. The second thing is dividend income, because that's an essential part of income that's going to come in as an operating income. So, if you look at the first example in the standalone, I think the 78 is moving from other income, which is typically dividend that's moving out of there and moving into the operating line and the operating line also has the MCIE income, so that's the way to look it. And in the past, it would have been reported and I don't have a pointer unfortunately, it would have been reported as exception, the 234 and so there is a contra there. So, I think that's the change. So, I think in the old approach, the EBITDA will look as 13.5 and in the new approach it will... So, I think 13.5 and 14.6, that's the difference. Now what we will try and do is every time there's such a gap, we'll try and explain to the best of our possibility in terms of the changes which are happening. But that's on the standalone side.

On the consol side, if I look at the same number, I think it goes up to 485 is where the operating income comes in. That's a function of two things; the cost basis for MCIE is different in consolidated versus standalone and the second thing is that, we also sold Sanyo. There was already an option to sell it, so that gain was already in standalone, but it was not reflecting in consolidated till the sale got completed. So, that's in the 485 and there are some other minor items. So, in the consolr it would have been a 465 exceptional item gain, which is now not there and now gets reported as operating. I think that's the broad changes, other than that this is the SEBI format, so, we have to follow the format. So, there will be a line called share of profit of associates and joint ventures which will continue as before, which is a profit pickup, So, in effect, the income from Associates, which is the line which has been added into the operating income is actually aligned directly coming out of our actions and or inaction as the case may be in terms of an expense. And that's what we are trying to reflect. When we go to the segment, all of this vanishes. Everything falls under those four segments and there will be a little bit of unallocable because of some surplus fund income etc., which again from an accountability perspective lies with corporate in terms of how to manage that more effectively.

So, that's essentially the change we have done. And I know that as we go along, I think disclosures around this will also improve. And so that if there are any questions, please feel free to ask and we'll try to make it as easy as possible for you to understand the numbers. With that, I think I'll throw it open for questions. Thank you.

Amarjyoti Barua We'll take questions. We have been receiving a lot of questions through the web chat as well, so we will make sure we address those as well. So, you could just have a question.

Deepak Gupta: This is Deepak Gupta from SBI Pension. Two specific questions on the RBL investment, two small questions actually, one is the company planning to apply to the regulators for a board seat on RBL board. And secondly, yeah, firstly that, if there's any thought.

Anish Shah: So, the answer is no. Our approach was at this point just to take a stake that was meaningful enough for us to be able to engage with them, but we do not have an intention as I said of becoming a bank. So, there is no discussion of a board seat. There is no intention from our side to take a board seat. And that's where we are.

Deepak Gupta: And secondly, why was this investment not done through Mahindra Financial Services given the fact that Mahindra Financial services is incubating through subsidiaries, be it mutual fund, be it insurance broker. Why wasn't this investment done through them?

Anish Shah: The reason it's not done through them is if it was a strategic path to becoming a bank, we'd do it through Mahindra Finance, because then it would become something that Mahindra Finance should be investing more in. This was more from our standpoint as an investor to be able to look at our stake in financial services understand that a lot better allow us to be able to make the right decisions around that over the long and therefore it has been done at the M&M level. So, we felt it was a better use or rather it was more appropriate to do it here because it's not something that is there for the short term. It's not something we're getting into banking and therefore we're not doing through Mahindra Finance.

Deepak Gupta: Thank you so much.

Anish Shah: Yes, Kapil.

Kapil Singh: Thank you. Anish, just setting the context, since you've taken over, we have seen consolidation of all the investments and continuously the ROEs also seen a significant improvement. So, yes, I mean the RBL investment is something we were not expecting. So, in that context, if you could help us understand what really is the capital allocation policy, it's a very basic question, but if you could set expectations for us in terms of what to expect, because earlier we have talked about, we will not invest Auto and Farm cash flows into other investments, but is there a more broader vision here that you could layout for us?

Anish Shah: So, thanks for that question, Kapil. So, first, if the principles stay the same, which we've talked about before, we will not invest auto and farm cash flow into services. And therefore we've now clearly outlined those three. Where we ideally want to go, which we cannot save today is

auto cash flow will be used for auto, farm cash will be used for farm, services cash will be used for services. Given the EV investments, we'll have a better sense in the next three or four quarters. We may have to use a little bit of the farm cash flow for auto, but our sense right now is most likely that will not be needed. It will most likely be funded within auto, so I'm just again not committing to something at this point but giving you a sense of the fact that principle stays and we'll get further strengthened. So, that's one key principle from a capital allocation standpoint. The second key principle is that, we will invest in what is strategically core for us. Now does that mean that we will not invest in anything outside. I would say that that is unlikely, but if we do find a very compelling area outside which we think can be strategic for us in future, we will invest there, right? But the bar is extremely high for that. We've said no to lots and lots of things in the last two or three years, and every week there's a question that someone raises, here's an investment opportunity, would you invest in there? And our quick answer is no. But there may be something at some point that looks very appealing, and if it does, then we will look at that. So, that's the second part. We will invest what's core for us and therefore our RBL is core from a financial services standpoint because of a 40,000 crores business in that space already. The third and in some ways the most important, is that capital will be allocated when we have a very high level of confidence that it's going to give us a return that we think it will when we invest in that space because as I said earlier, it's really about performance. It's about delivery of that. If we can deliver returns that are higher than what other companies can in that space, then our investors would actually want us to do more in that space. The problems we've had in the past is because we didn't execute well enough there and they may be for a variety of reasons. So, there again, the bar has been raised significantly to say if any of our leaders wants capital in a particular space, they need to be able to demonstrate a very high degree of confidence that the returns that we save and we invest will be given and we need to be able to monitor that on a regular basis and that's what we tell our leaders. Talk about a 5X challenge, right? But the message that we send internally is yes, you've got to be bold in setting your targets. But tomorrow morning I'm going to ask you how are you implementing that and what are your milestones and are you meeting your milestones. So, implementation of that is as important, if not more important, than setting the targets, so those are the three key principles that we would look at from a capital allocation standpoint.

Kapil Singh:

So, we've talked about the fact that one of your core focus areas has been right to win, right. So, does this investment happen in any way or in what way it contributes to that? Can you just articulate that?

Anish Shah:

So, here, Kapil, the challenge has been in this investment that everyone, the media, the public, everyone's been looking at it and saying, how does this change what you do tomorrow? And the answer to that is it does not. But this is an investment that allows me to answer that question five years from now. The difference is we have a long horizon. As a leader I want a 15-year horizon. So, five years from now, seven years from now, when we got a very large entity in financial services, the question someone's going to raise at some point is doesn't it make sense for you to be a bank. They were not allowed to be a bank. We don't want to be a bank, but I don't have an answer to a question which doesn't make sense for us to be a bank

because we don't have enough information on that. And these are not decisions that we can take lightly or take quickly as well. We need to really understand them in depth over a long period of time. And therefore, it is going to be 5-7 years later that we will be able to answer those questions and therefore we need to make those investments today, as I said, we're protecting a 40,000 crores investment or enhancing a 40,000 crores investment. That is the reason for us to be able to do this right now and that's also the reason why it's not as easily apparent, right now? Because there's no immediate benefit from it. It's going to come only 5-7 years later.

Kapil Singh:

Manoj, can I ask one question just on the financials, if you could just talk us through in terms of what were the price increases and commodity changes that we have seen for the quarter and how is the outlook for second quarter and the price increases there?

Manoj Bhat:

So, I think I won't give specific price increases etc., but I think more from a perspective of looking forward, I think two parts here. So, we do expect that the commodity environment at least what we are pricing in is a benign environment going forward also and I think in that environment, I think we'll have to see what we can do on the pricing front. I think that's point #1. Point #2 is as we look at from a goal perspective as we have, if you saw the quarter-on-quarter margin increases, I think we are all goaled towards improving margins over a period of time and that's something we will strive towards. So, I think that's the broad guidelines without getting into the details of how much price increase etc., I think, and this is a dynamic kind of phase where we will take select price increases in select products at different times. But Rajesh, any more color if you want to add?

Rajesh Jejurikar:

Yeah, Kapil, I just want to bring alive that we've just implemented BS6.2, which has meant material cost increase, the margin percentage increase is in spite of that. When we say the commodity environment is benign, it just means that. It is still nowhere back to the 2019 level. In fact, we have kept some charts ready. Most of the core commodities are between 15% to 25% higher than they were in the 2019 time to now. So, the time when we are comparing our margin of 7.5% to 7.5% when we say it is benign, all the key commodities are still 15% to 20% higher, they've just come down from the one big peak that we saw a year back. They're way, way, way above the 2019 levels. So, again, back to the margin as a percentage topic. So, we've gone through BS6, we've gone through BS6.2, we've gone through a, let's say corrected averaged out say 16%-17% commodity inflation. All of this is a lot and in a business of our size we are 7.5% margin on the auto. Now 18.6 on the core tractors, way above the peers, including on the auto side, all the listed companies; way, way above the peers, some of whom are much bigger by way of topline than us. So, clearly you're seeing a series of actions by way of the way we are managing our mix, prices and overall costs. So, that's what is enabling this to happen. So, I think the range of price increases we've taken in the region of on the auto side, 5 odd percent, but that includes the BS6.2 as well. So, just reinforcing that, unfortunately BS6.2 did not give an opportunity for a natural price increase to improve margin because again you're forced to take an increase to set off a cost. So, continuously we are taking increases to set of costs and not getting the headroom to take increases to improve margin, so what's really happening is management of mix and other costs and of course driving material costs down,

which we've been talking about. But at the moment, costs are not allowing , are not easing off from a total cost point of view.

Amarjyoti Barua:

So, Rajesh, if I can just stay on that topic, because there are some questions which are linked to this. This is coming from Chandramouli who is asking, basically, given this entire environment you described, what are the forward margin levers in the business both in auto and tractor. And then a related question again was do you expect the expansion to continue? This is coming from Raghunandhan, who's basically asking whether with commodity prices in a benign environment and also run out of introductory pricing, do you see those helping you on margins?

Rajesh Jejurikar:

Yeah, the answer is not going to be very different to both of these questions. I think we made substantial progress and over delivered on what we had said will be the margin improvements. We had said that we will not get anywhere near F19 margins unless we see a significant commodity correction. We are very close to F19 margins in spite of not having a significant commodity correction or a significant correction in cost structures. So, I think you should just trust our desire as much as yours to want to over deliver on margin because that's important for us as well. So, I would just leave it at that rather than saying are we going to increase margin by X or Y or Z? That I think the trend line show our intent.

Kumar Rakesh:

Hi, this is Kumar Rakesh from BNP. Thanks, Anish for taking the effort to explain the RBL. I just have very simple question, more to understand, what is the tangible benefit we have from this acquisition? The reason I'm asking this question you have said that we are not looking at running into a bank, Mahindra Finance. You have also said that we are not going to increase their stake beyond 9.99, so that puts the merger out of equation and you have also said that we are not going to take the board seats. So, the strategic interaction with the bank may not be happening and we would just be a shareholder in that company. So, how are we going to gain a tangible outcome from this? That is my primary question, but the bigger question I have is that, if we do not our setting or at least sharing a tangible benefit from these acquisition or investments, it sets a question that we may be doing something similar for other businesses as well, which we at least in the near term may not be able to understand that what's the rationale which I think Kapil also tried understanding is what essentially becomes the capital allocation policy. If we do not see immediate, tangible benefits of these investments.

Anish Shah:

So, on that, Rakesh, there will be somewhere, there will be immediate, tangible benefits. If you make an acquisition tomorrow, there will be a certain target return for that acquisition. There will be immediate tangible benefits. There will be somewhere as a management team we have to look into the future as well. So, let me outline the path for this. This we look at as, first step is just an investment, an investment that should not be a cost to us, should actually generate good returns for our shareholders. Investing in RBL, which we consider as one of the strongest banks in its space and very well run, a very good management team as well at a 0.9 times price to book is a very strong investment to make. So, that's one part, but that's not the reason to do it. The reason to do it is it allows us the ability to be able to go in and understand banking a lot more. Once we do that then we can answer the question saying is it a strategic benefit for us or

not? Is it a compelling strategic benefit for us to be able to look at banking more closely. And if the answer to that is yes, then we will look at taking a 9.9% stake at that point in time. I don't foresee that happening anytime in the next two to three years, but it may be longer than. But that's what we've got to be able to address. Then, once we have that, then the question also is will regulations change at some point in time? Is there a benefit to Mahindra Finance becoming a bank or not? As I said earlier, I don't know what the answer to that question as of today. Will we create more value for our shareholders by Mahindra Finance becoming a bank and that's a question that I would look at answering five or seven years later. But if we don't put this spade work to be able to answer that question today then we're not going to have the answer to that. That said, if it required spending 4000 crores today, we wouldn't do it. If it requires spending 400 crores with the chance of losing half of it, we wouldn't do it either. So, it is in a sense considered judgment to say this is worth taking it. Think of it as an option value. A costless option or an option that will actually give us returns in any case, worst case scenario is we get some of the answers to that we say okay fine we are on the right track, we're doing very well, we'll enhance value Mahindra Finance as is, let's sell our investment five years, seven years later we'll get good returns for that investment. So, that's part of what we look at as from an option value standpoint.

Kumar Rakesh:

Thanks for that. My second question was on the cash flow side, which you said that we'll be using services cash flow for investing in services and keep the auto and farm cash flow for that businesses. But the thing is that services business itself is generating quite a sizable cash flow. And if Tech Mahindra actually turns around that number could be going significantly higher as well. So, why not create a separate entity itself? Maybe a holding company or something like that so that investors as well as you have a better comfort and ability to make those investments more independently.

Anish Shah:

So, on that Rakesh, we have not given up on that thought. It has been a question that has been raised and my response has always been that we will look at everything that is required to create shareholder value. For us, the first step that was important was to clean up, which we have done. The second step is to have our all our businesses firing on all cylinders, which we've done for a good part, but not completely. We have more work to do in some businesses in that space and then we will look at what is the real synergy of keeping some businesses together and if there is greater synergy and we can demonstrate that and we are convinced and we can convince our investors and our analysts on that front, then we'll keep them together. If we are not convinced and if we cannot convince investor and analysts, then we will look at some point separating it. That's not on the cards in the near future because we still have more work to do with our businesses, but something that will be things that we're looking at. For now, our bar is, if we can create greater value than our competitors in any given space that is where we will invest today. We've had discussion with some of our businesses saying we're not going to invest in you because you don't have a clear path or you've got a sub 10% ROE today I don't see that going to a certain level and therefore we're not going to give you more money. We've had that discussion, we've had many of those businesses out of the group by now as well. And in the businesses we have today that we call our growth gems, we see a very strong potential for growth and two of them have demonstrated a 5x growth already, so when

we talk about a 5x challenge, it is not an abstract. Susten has a 5x plan to go from 1.6 gigawatts to 7 gigawatts in the next 5 years. Not exactly 5x, but I will round up sort of to 5x there, given it's a fairly aggressive plan and they are on track to do that. And not only that, we had Ontario Teachers come in and effectively underwrite that plan, saying we will invest in this company based on this plan. Similarly, Last Mile Mobility, last mile mobility is more aggressive. It's actually going to be 5x in three years or something of that sort. And there again, we have IFC coming in and investing at a valuation that reflects that growth rate. So, we have businesses being able to demonstrate that with marquee investors coming and saying we believe in you, now we need to implement and make that happen and we need to get other businesses to that level as well. So, these are businesses that we feel we can grow and these are kind of growth rates that we will not see in those industries. So, if we can do that, that's what we're growing our services portfolio, that's where we'll invest. But if I go back to your point, does that mean that we will use all the cash flow from services, most likely not, because you're right. It's generating a good bit of cash flow. And the one thing that we are very, very conscious of is that just because we have the cash, we don't need to use it, right. We're very happy to return that cash if you don't find a need for it. We haven't done that as yet because we are still in the growth mode. We still want to look at where can we get cash from and we had cash to do it ourselves. We didn't need to go and have other investors come in, but we are bringing them in to be able to show that discipline in every investment as well. Last mile mobility, it's a much smaller cash requirement that we can fund ourselves, but we had IFC come in for last mile mobility for Susten we have Ontario Teachers come in, for some of our other growth gems you might get investors in as well. Because that discipline is important for us, so it's very likely we will end up returning a fair bit of that cash. But most important, as I go back to the response I gave to Kapil is for us to be able to demonstrate we can get those returns and then execute and actually get them. If we can do that, our investors would be telling us, please invest more and then please do more in this front.

Amarjyoti Barua:

I'll just add here, Anjali Sinha's question and Pramod Amte's answered by your response to RBL. Maybe if you could just answer one more from the web, which is from Chirag from White Pine who's basically asking understand the logic but why RBL, why that specific bank?

Anish Shah:

Great question, Chirag. So, there are a number of banks in that space. So, first of all, it had to be a bank which was very well performing, a strong management team sort of very, very low probability of getting back and losing money. As I said, that was one of the criteria we had around it. And look at this, this is over a sort of five-year horizon. This is not over a five-month horizon. A bank that had very strong prospects going forward as well and amongst all of those as we saw in that space also a bank that was reasonably small in size because we weren't going to go out and spend 4000 crores to sort of go down this path, to Rakesh's question there. So, all of those criteria, RBL was the best bank that we could find in that space and many of other banks in that space I know would have been very happy for us to come in. I know for a fact, as there were some reach outs that some would have been happy for us to take a 9.9% stake on day one and immediately go in and say and we said look we don't need to do that, right. So, we're not going to come in and do that and therefore we stayed with the bank

that we thought was the best in this space. And one that we think will give us good investment returns even if the other aspects don't work out.

Prateek Poddar:

Yeah, Sir. Hi, Prateek here from Nippon AMC. Manoj mentioned about taking a very active role in terms of reviewing as well as investing or I mean reviewing your investments, right? My question is can you double click on the review mechanism which we have set in place for monitoring whatever targets for each of your subsidiaries which you have said, what is the real review mechanism and I think you also talked about implementation is the core, right. What is that? What is this implementation? How will you monitor this such that they achieve their growth path rather than just being on a presentation?

Anish Shah:

So, there are two sets of things we have. First is we've got a set of what we call war rooms, but they're essentially strategy review once a year. Three months later, budget review, which is a budget set based on that strategy. Three months later, a people review, which is do we have the right set of people to be able to drive that and three months later an operating review, which is how is the business operating as compared to the budget that we've set? So, that's an annual cycle of reviews that we do for every business, which is a very in-depth discussion. In the case of auto and farm, it will span an entire day, in the case of some of the other businesses, it may not spend an entire day, it would be half a day or it may be a little less based on the size of the business. The second thing that we have is a monthly review for what we call breakthrough projects. So, for each of these businesses, especially where we have investment, we are looking at what is the clear set of outcomes that will be driven. What are the input metrics for that investment? And therefore, there's a monthly review on breakthrough projects with each of those businesses and that's how we continue to look at, are we on track? If we are not on track, what corrective action should we take and I mean, everything will not work. If everything is working, then we're not taking enough risk. There may be some things that don't work, but we need to be able to take corrective action quickly and that maybe is one thing I've missed in Kapil's question on capital allocation is the ability to act fast if things don't work, we're not going to stay sort of long and keep waiting for or hoping for things to turn around over a long period of time. And that's part of the reason for this review philosophy.

Prateek Poddar:

I remember in one of the conferences you talked about being agile, right? Bold agile was what you were trying to talk about in terms of culture. Again, the question is when, let's say certain investments are not going the way you plan, how agile will you be or how ruthless will you be in terms of getting it right or else as you said A,B,C and putting it under B, putting it under C and then actually taking it in the P&L above EBITDA rather than below EBITDA?

Anish Shah:

We have demonstrated that we are fairly ruthless on that front. So, I would just let those actions talk for itself. If we believe that there is a reason for getting back on track and it is articulated well and there are milestones for that then we will give a little more space to the team to be able to do that. If we don't believe those reasons are there, then we will start looking for an exit path as we have done for our businesses in the past. But that is again a critical element of capital allocation, the ability to be able to recognize what's not working quickly enough and be able to act on it.

Prateek Poddar: And last question, Rajesh, 7.5% EBIT margins, industry-leading EBIT margins, incrementally is the focus more on reinvesting incremental margins into the business or you will rather let it flow through the P&L. What's your thought over there?

Rajesh Jejurikar: I don't think there's a black and white answer to a question like this ever. So, let me try and say why, explain why I'm saying that. Every business will be at different stages in the life cycle of growth, consolidation, stability, so on and so forth. And we've got to take decisions on an ongoing basis on where we need to invest and when you have an ability to cash out and just play the margin game, doing either one recklessly upsets the balance, right? So, we would not do anything reckless on pricing in a way that would upset our ability to drive volumes because we know you may hit margins in the short run. You will start losing volume very quickly and then the whole value of operating leverage is gone, right? So, I think all of these are judgments that you've got to take depending on the situation. You've got to keep your, just to take the example of pricing, very adaptive to what the market can take, but more importantly, not just from a competitive lens, but also from a customer lens, if you lose the core of who you and try to pretend that it's not going to impact the customer, it's going to affect you soon. So, you know we can always be very reckless right now and say we have 10,000 new bookings coming in so on and so forth, let's say on Thar, we have 280,000 bookings, let's take a 7% price increase, maybe 280,000 will become 100,000 bookings. But then we've lost the core of who we are, because then you'll lose your price position the minute customers say you lost your value proposition. Slowly, that's going to spread and all those are coming to you because of a reason are going to find a reason to go to someone else. I think these are things you have to be very sensitive to, very and do with a lot of judgement. So, I don't think our business is in a stage where you can say yeah, great bookings. So, let's just go and cash out and start taking margins up. That's detrimental to the long run. Neither can we say that, we don't care what's happening to costs, let margins go down, because that's the reality. So, it's a question of balancing multiple levers in the business and knowing and having a judgment of which lever is going to give you the right mix of outcome. And that's what we try to do and that's why I was trying to explain why we've been able to get industry best margins in spite of what we believe are very adverse things in the environment like BS6, BS6.2, commodity prices so and so forth because we are playing all the levers well, what's the right model mix so on and so forth. So, I don't know if I've answered your question, but I'm just kind of since your earlier questions were around the enabling processes, I've tried to answer this more from a process standpoint.

Prateek Poddar: Really helpful. Thanks.

Yogesh Aggarwal: Hi, this is Yogesh from HSBC. A couple of questions, first on autos. Rajesh, while the bookings are great, the VAHAN registration last few months have been lower than the wholesale actually maybe barring one or two months last four or five months it's been happening. So, how do you read the registration data, that is one? And then I think you were targeting 20,000 sales for XUV 400, seems a little slow traction for that as of now. Is there a risk to CAFE targets because of the slow? And then I have a follow up.

Rajesh Jejurikar: So, let me take the second question 1st and then come to the first. So, we had set 18,000 as our volume target for the year, not 20. As we've got into selling the product, couple of things on our mind. One is we did feel that we need more time to ramp up production as we stabilize quality. This is the first time we are doing an EV SUV of this scale. There is an organization learning around multiple elements of ensuring product quality. So, we are capping production at a certain level for the first 5-6 months. So, I think that's point #1 that we've, I think we said that last time too that we're going to back end a lot of the volume. We may not do 18,000 in that process. We may do something lower, but at this point of time, I think there's a lot for us to learn as an organization, even in the way we sell the product. Unlike what happens on ICE, where customers are willing to buy our products very easily without adequate test drive questions, so on and so forth. The process of selling an electric is a process which takes time from a customer, education, awareness, charging infra so on and so forth. So, I think the next few months, it's also about getting our dealership network ready, service network, all of that. So, we are using 400 more like a building block to build organization capability and learning at this stage and not looking to push volume. We will do that in the second half starting November and right now I'm just giving November as a date because there's a reason and we will share that reason as we come lower. But really, as we come closer to the time, but really we're looking at back ending the sale post November, you already seen we had some feature shortcomings which we've overcome, there's a plan to make up some of that as we come along. So, we're going to back end the sale rather than front end it. That's broadly where we are on 400. On the VAHAN question, Veejay, you want to take that?

Yogesh Aggarwal: Sorry, so from a CAFE perspective...

Rajesh Jejurikar: From a CAFE perspective, there is no risk.

Veejay Nakra: So, just quickly on VAHAN, you need to see the VAHAN data by category. So, if you look at the registration data, VAHAN, you'll see two-wheelers, three-wheelers and passenger cars have seen a higher gap between billing and retail. Unfortunately, in VAHAN, you will not be able to get the classification of SUVs within the category of passenger vehicles. And if you see the data specifically to SUVs, you will see that in terms of stock at dealerships, because that's the field that we get, whether it is for us or for competition, SUVs specifically in the region of between 8 to 12 lakhs is where there has been a little bit of headwinds and we've been talking about that even in the previous meet. But by and large, if you see SUVs as a category, retail is not as much under pressure as compared to some of the other segments in the passenger car segment.

Yeah, but that's what I was trying to tell him that if you look at VAHAN data, you cannot classify it to say what is compact SUV, what is small car? What is a mid-size car? What is the large size SUV? So, when you look at the VAHAN data by category, it will be, if you classify the data you will see that the SUV segment per se is not seeing that kind of pressure in retail, the gap between billing and retail.

Yogesh Aggarwal: On RBL, Anish, I think the way I understand is, it's more of a call option as you said you want to test it and then see how it goes. So, are there other large big sector opportunities which may tempt you, I mean?

Anish Shah: Great question. Great question on that. The simple answer is my favorite word, which is no. And see again, if you look at it, this is one sector which has huge potential in India. If you look at Morgan Stanley's report on 4.2 trillion to be added in India GDP over the next seven years, financial services is going to be one important part of that. We have a very large business in that sector, but a business which is not a bank, it is that question will come up for us at some point in time. And therefore, that it's a unique sector from that standpoint. All other sectors are a lot more straightforward. We're not going to, again, in some places we may have an option play because there may be, let's say, a promoter who is not willing to sell a certain business and we work with them. And then we say, look, we'll take a stake in your business right now and we may have the option to acquire it in future. Those are things that may happen, so from that standpoint, yes, but we're not looking at anything outside our core sectors right now and even here because it's a core sector because we got a large investment, was only reason we were looking at, not otherwise. And in that context, we may take a 20% stake in the company and then look at increasing that stake overtime as we have done in the past with Sampo, I think we have done that, we've taken a lower stake; with Mitsubishi Tractors we have done that in Japan as well where we have taken a lower stake first and then got into a higher level. So, some of those things will happen, but if the gist of your question was look, are we going to look for sort of option plays outside somewhere else where it's not directly linked to our business? The answer to that is no.

Gunjan Prithyani: Thanks so much. Thanks for giving the presentation and covering this topic up front. I think just a follow up that I have like what I heard of you is it's an optionality to have a larger financial play but are there any milestone that you have in mind, okay, I am at 3.5%, this is working the way I imagined and I can take this stake up or two years down the line, you probably take a call, let's bring it down to 0. So, what are the milestone and typically that's the way you've operated in last 2-3 years that have milestones in place. So, what is it that we have in mind for this investment that gives us confidence that this is progressing the way we thought or otherwise just let it go, its a treasury investment gone? I mean, how should as an analyst or investor I look at it, at what point 3.5 can become 5, 5 can become 7, is there any milestone that you can talk us through.

Anish Shah: So 3.5 will not become 5 or 7. Specifically, to your question, I'd look at a two- to three-year timeframe for us to really understand banking in more detail. I'm not worried about the investment part. As I said from a treasury investment perspective, this is a very good bank. It will give us a strong Treasury investment return, but that's not the reason we are sort of that's not the primary reason we are holding it. So, I'd look at a 2-to 3-year horizon to be able to understand that in more detail, to be able to first address questions that we would have around being able to answer is banking something that's good for us. We've looked at banking multiple times over the last 10 years. At one point, when RBI had opened up banking for corporates, we actually we do our application, we didn't put an application in because based on how the rules were outlined, banking was not good for us. And that was the right answer for us at that point in time. We got a payments bank license. And as

we looked at it in more detail in terms of what was required for a payments bank, we said look, this does not make sense for us, we give that license back. So, we've always looked at it, but from the outside. This is one where we need to sort of get closer to a bank to be able to really understand and appreciate what can banking do for Mahindra Finance? Can it enhance the value of Mahindra finance or not which is where I would look at the first phase being 2-3 years. At that point in time, if we feel that look there is more merit to this. And there is something that look can enhance the value of Mahindra Finance significantly. Then we would look at potentially taking the next step at that point and say let's go to 9.9% with a board seat. That would be a strategic point to it, with a set of milestones after that to say here's what we need to achieve to make that strategic thing which at that point also would be a second option in a sense that's not the end goal, The end goal will be 5 to 7 to 10 years later. So, this is therefore. Something that is not apparent at first glance, And that comes back to Rakesh's question of what is a tangible outcome from there. For us, if you Fast forward seven years and Mahindra Finance is 3 times its size and banking has been opened up for corporates and there is a very solid reason for Mahindra Finance to become a bank and we've understood that in a lot of depth that could have been considered a master stroke at that point of time. So, that's one end of the spectrum. The other end of the spectrum is we sort of look at it over the next two or three years or five years and we say that, look, it's really not a space that makes sense for Mahindra Finance because it works very well in the space that it is in today. Then we say fine, take the Treasury return and exit, right. But we're not looking at that as a short-term answer. So, that's my primary thing for us, it's a longer term investment. With the assurance that we're not going to lose money, in fact, we make a lot of money in it.

And sorry, just one more thing I'll add to that is. One thing I haven't said before is the one element in here is the discipline in capital allocation as well, which is we had taken approval from our Board to get a 4.9%, which was the first step, but we did not want to go more than 0.9x book. So, the minute the price hit 0.9x book, we said we're stopping here now and we've achieved what we had to with this. So, therefore I say we won't go from 3.5 to 4 or 5 or 6 or 7, right, it will be at some point in time either we go to 9.9 or we don't.

Gunjan Prithyani:

That's clear. The other question that I had was on EV investments. Now we are generating enough cash flows by ourselves. We have BII funds which haven't been drawn down on. What is the thought process around bringing in these smaller stake strategic investors, I'm just not very clear, there is already a financial investor, there's huge cash generation, was there a need for another transaction? What is it that we are trying to achieve through these stake sales and is it something that you look to bring in more investors over a period of time. How should I think about the funding of this business then?

Anish Shah:

This is in a broader strategic beyond it, which is it's important for us to bring in marquee investors where we feel they can enhance the value of the business and BII coming in Temasek coming in, these are two investors that understand EV across the world. They're playing in multiple countries in the world and they're going to be able to give us insights, potentially linkages with other companies around the world. We've got to address a number of questions in EV. What are battery optionalities, we've multiple sources for battery, not just battery.

Where do minerals come from that make the batteries? So, in all of these things having investors like BII and Temasek is going to give us a lot more insights for us to be able to run our business better. And therefore, we value them coming in. That's sort of 1 aspect to it. The 2nd aspect to it is, across the group, as I've talked about taking many of our businesses 5x, we want an external investor to come in and give us the validation because, I come back to my primary point, execution is important. We may have a view. Our leaders may have a view. They may be very gung-ho on it. But if you're going to put capital behind it, I feel a lot better if someone like Temasek comes in and says, look, I'm sitting with you on this business as well, not for EV. For EV I think we've got a long way, but it will be for other businesses that we would look at as part of a 5x plan for our growth gems. If you're going to put capital, we'd love to have them with us. And all these investors are not coming in just for this investment. They're coming in to do other things with us across the group as well, so we don't have to go out and sort of do fundraising, which we don't want to do because we don't want funds, but we want the partnership with marquee investors to look at our group businesses and say what else can we do with this business, right? And with Ontario Teachers, with IFC, with BII and Temasek, we've got four very solid marquee investors and all of them have said that we want to do more with you across your group. And that's going to benefit all our other businesses. So, that's the strategic reason for doing it, not as much funding, which is also why we try to minimize the amount of dilution. We've tried to say let's keep that as low as possible.

Amarjyoti Barua: We'll just take some questions from the web as well and this will be the last set of questions. We are at 8PM.

Anish Shah: Let's extend it a bit. We've got a few hands up there. Let's take a little more time as long as you're willing to stay a little more, we'll do that.

Amarjyoti Barua: So, this is all for you, Rajesh. I've tried to club a few questions. Raghunandhan from Nuvamais asking what will it take for farm machinery to go up to 40% growth? Rajinder from CA Rajinder is asking why haven't we picked up on exports? What's keeping us?

Rajesh Jejurikar: Can we just take one at a time.

Amarjyoti Barua: Sure. These are all farm related. So, let me start with the first one, Farm machinery. What does it take to get to 40%?

Rajesh Jejurikar: Actually, we won't worry about how to get to 40%. I think that we are sure is going to happen during the course of the year. We are on a low base relative to the size of the Indian market. Size of the Indian market is in the region of 6000 crores-7000 crores. We are right now in the region of 600 crores-700 crores. So, we are way below the weight we need to play. So, we would be very disappointed if we don't do 40% this year. We actually have to look at much higher growth rates, multiple new products and segments that we're getting into. We are relaunching the Swaraj harvester with a significantly improved product in the next season, which is a month from now. So, there are multiple initiatives in play and we'll be very disappointed if we don't do 40%.

- Amarjyoti Barua:** Second question is why are exports muted? On the farm side, tractor specifically.
- Rajesh Jejurikar:** So, basically two key reasons. One is the US is a key part of exports. The US industry for tractors in the segments in which we play is going through a significant industry degrowth after a significant industry growth through the first two years of COVID. So, obviously we are adjusting for that in the way that we export tractors to North America. We don't want to just get into exporting mindlessly and building inventory there. So, keeping in norm the right inventory levels that we need either in our network or with us in the company, Magna, we are adjusting exports to that. So, the US is one part of that. South Asia has been under stress for multiple reasons. Sri Lanka, we all know, has been having a crisis which is affecting the auto exports as well. So, that's the other piece. So, these are the two primary pieces, markets like Turkey, etc. were actually doing extremely well, Brazil we are doing extremely well. All of these are now growing very well and also extremely profitable.
- Amarjyoti Barua:** And the last question is from Jinesh from Motilal Oswal who's asking based on the first quarter performance, do you expect improved outlook for the rest of the year for the farm business?
- Rajesh Jejurikar:** For the industry, I think the question will be related to industry.
- Amarjyoti Barua:** Yeah, improved outlook for industry.
- Rajesh Jejurikar:** Having spent so many years in tractors, one should assume that I should be able to answer this question easily. Unfortunately, it's a very hard, very hard question to answer. When it's up, we never know why it's up and when it's down, we never know why it's down. So, I think it's too early to make that call. The rains through July have been a very good positive input. But we are also watching because last year was a very high industry base and we've also said that last year had two Navratras. So, this year March, you're not going to see the Navratras. So, the industry shifted from April of this year to March of last year. So, there's a double whammy of a 30-40, 25,000-30,000 industry just on account of Navratra shift. So, keeping all of that in mind, we would rather wait to see what happens for the next couple of months on the how the industry grows. But typically, we want to take a view depending on how the festival season goes, because that's the key situation, last year we were wrong on the forecast. We were pessimistic and the industry grew faster than what we thought, even after the number that we put out in October, November. I think it's important to understand that as an organization, we have the supply chain agility to respond to volatility. I mean that's a key success factor. So, even though we were not expecting the industry to grow, we were ready from a supply chain perspective or a micro planning of markets to leverage the opportunity when it came up and we ended up growing market share through the year as the industry upsides kicked in and you should assume that we are ready to do that as well. But I would just wait another two or three months before getting into a revised view of the industry. But there are many positive factors compared to what we thought 3 months back, the monsoon is certainly one of them. These kharif sowing is very positive, farmer terms of trade have improved, so there are many positive enabling factors, but it's too early to call to say whether low single digits will be high single digits or something. So, I would just wait a little bit for making that call.

Joseph George: Hi, this is Joseph from IIFL. I have three questions. One is one of the important aspects of capital allocation is also giving back cash to shareholders, surplus cash to shareholders. What are your thoughts on dividends or potential buybacks, etc? That's one. A couple of questions on the SUV side. One is Rajesh, you mentioned the cancellation. rate on bookings is about 8%. Is that a monthly number or a quarterly number or how should we look at it and 3rd on the SUV side again, how have retails clocked in, 1Q wholesale were about 101. How were retails? If could give us the number maybe for the sake of transparency. Thank you.

Anish Shah: So, first we've increased dividends significantly this year. I think about 40% or somewhere in the 35% to 40% range. And our approach is that if we cannot use capital effectively to be able to generate returns over and above what other industry participants would generate, we give it back to our investors. So, we will look at how we give it back in the best form if we have to. Right now, we're waiting for our EV plans to get completely finalized to make sure we've got enough buffers for that and if we have to then start giving back we will do it at that point in time. We are in a significant growth mode at this point, which is why we haven't done more than that so far. But despite that, I'd say close to a 40% increase in dividend is a pretty good start in that front.

Rajesh Jejurikar: Can you just repeat your second question?

Joseph George: Second was the cancellation rate of 8%?

Rajesh Jejurikar: So, 8% is an approximate number. Basically, what it's an average of the quarter, but there's not much difference through the quarter. So, it's typically cancellation on the base of open bookings.

Joseph George: Is it a monthly cancellation or a quarterly cancellation?

Rajesh Jejurikar: We calculate that every month. What we present here is an average, Veejay, do you want to build on that?

Veejay Nakra: So, if you look at quarter one, the while the figure is about an average of 8%, we calculated every month. It ranges in the range of about 4% to 8%. That's the rate of cancellation every month, we track it month-on-month. On your question on retail, I think one factor that I just want to put in perspective is, don't forget that it's only now that we've been able to scale up the billing to a certain level as compared to where we were earlier. Dealer stocks were really low, even just in terms of perspective, we are about 10% lower on retail compared to the billing for the period. The dealer stocks are still at about 30 days, so the stocks, it's not that we've overstocked the dealer and we will now get into the festive season cycle, which is again when we will destock.

Anish Shah: So, let us now take the three questions, three hands are up in the front for a long time. Thank you for your patience on that front, but we shall go to the three of you now and take your questions. Go ahead Amyn.

Amyr Pirani: So, one of the questions is that you specified that the auto cash flow will be used for autos, farm and the services will be for services and it's after a long time that we are seeing surplus in services, generally it has been a negative. So, I can't speak for everyone, but I think a lot of investors and analysts may not mind if you use a lot of the services cash through actually for auto and farm. So, is it like a straitjacket and you've taken this approach or is there how are you thinking about it like because of future obviously can be very volatile and uncertain?

Anish Shah: The principle that we have committed to is auto and farm cash flow will not be used outside auto and farm, that is the principle we committed to so far. So, you are right, it's possible we may say use services cash flow for auto and farm and we see much bigger opportunities there and we may do that. Today at least what we see is both auto and farm are operating on such a strong path that we will be putting in strong investments in there, but they'll be self-funding those investments in any case. So, on that, bear with us for two more quarters. By the end of this fiscal year or close of the end of this fiscal year, we will come up with a 25 to 27 plan and that will give you a sense of what the investments are. They will be higher than the 22 to 24 plan. They have to be higher given what we need to do in EV and the investments that will be required in EV and whether that will enable auto to self-fund itself or it requires a little bit from services to fund it or from tractors to fund it. We will have the exact answers on that, right, But that Flexibility we do have, hopefully we won't need because if auto self-funds it, we're in an even better position, right? We can give more cash back to shareholders as your friend suggested. On auto and firm, we would ideally want to get there, but so far we haven't drawn that line in the sand to say auto will be for auto and farm will be farm. I think once we have a better sense of 25 to 27, we can probably do a little more of that. But there we haven't sensed as much of a need, at least from our investors and from our analysts, to have that level of distinction. But we have a sense of very strong lead is don't use auto and farm cash flow elsewhere, don't fritter away the cash flow. Don't make investments just because you have cash. So, all of those things we have taken to heart.

Amyr Pirani: And just one clarification on the RBL thing. You've articulated that whatever the stake that you have right now is not going to 9.9 anytime soon. But given how RBL financials are, it probably will need capital infusion like 1 to 1.5 years down the line, which is sooner than the timeline. So, is there a thought process that you will participate in that? Because right now you've just, bought from the open market, so how should we think about that.

Anish Shah: Haven't thought about that but I would just say that we expect the bank to do well. There will be multiple folks who want to come in on a rights issue and at that point we'll be, look, do we participate in a rights issue to maintain 3.53 or do we not participate, I think it'll depend on that, but that's frankly going to be a very small amount. I mean that may be 40 crores or something of that sort. So, we're not really worried about it from that standpoint, whether we do participate or not will not make a difference.

Pramod Kumar: Thanks. Rajesh, can you just remind us on the non-EV side, on the auto, what are the launch pipeline you have in mind for the next because you give us extensive timeline on the EV side like pretty, I see every six months we'll have EV starting 25 effectively, right? So, what are

you doing on the non-EV side? The reason why I'm asking that is, given where EV penetration in India is, I think it grabs far more headlines and everything than what the customer really cares for. 2.7% is the EV share, right. And just in case, the way the government policy is changing, you've seen what happened in 2-wheeler EVs, in a matter of one month the entire policy turned upside down, right? So, they're already talking about a progressive taxation regime where the taxation will be linked to the emission of the vehicle. So, the entire GST slab may also change. So, it's a very fast-moving regulatory environment as well and what is a backup plan? Because we may be betting everything on EV a lot on EV, but what if the policy regime changes 5% GST is not 5% GST anymore on EV. It is much more higher. So, I'm just trying to understand what's the risk management there on the auto because we're doing phenomenally well right now and you don't want the regulations to throw something to which we are not prepared for.

Rajesh Jejurikar:

So, in a best-case scenario, we're saying four years from now 70% of our portfolio will continue to be ICE, right. So, we're seeing 20% to 30% penetration 2027 and the range is 20 to 30. So, 30 is the best-case scenario, which means in that best case scenario 70% of our business which will be much bigger than what it is now will be ICE. Obviously for us no question of risk mitigation, it is still core and is going to be a substantial part of our profit revenue, all of that. The reason we are not as open in sharing our ICE pipeline is because it has immediate cannibalization effect which we don't have to worry so much about when we are sharing EV pipeline, right. So, to just to take the example of Thor 5door, right? As soon as you have a scoop saying your Thar 5 door is running, it does start affecting customers who are thinking of buying a Thar 3 door today, right? So, if I'm going to say we're going to do X in April of next year, why would we want to say that so early? So, that's the reason we don't have the transparency in the ICE product pipeline that we have in the EV product pipeline. We have to be very sensitive of the impact that it has on the entire value chain, including suppliers, inventory, obsolescence, so on and so forth, right. So, we've got to factor all of that in and we can't start going and putting our core products out by way of timeline before they're ready to be there, so just believe us that we are very invested in the ICE portfolio because at least 70% of us significantly enhanced profit and revenue is going to come from that four years later and we are hence very invested in the ICE portfolio, like Anish said, we will share with you the ICE versus EV breakup.

Anish Shah:

So, I would just add to it that we will not give up leadership in that space. We have leadership today. We've got a bunch of new products. We will continue to build on that and when we come up with our 25 to 27 numbers, you will see substantial CAPEX for ICE as well. It's not going to be as if we sort of say, look ICE doesn't require CAPEX anymore, let's just put everything on EV. It will be both ICE and EV and you will see a breakup of that as well.

Pramod Kumar:

And Anish, on the EV side battery, because now two of the largest manufacturing groups have EVs in-house in India through their parents basically, so in that context, what will be the Mahindra's? Currently, we have the tie up with Volkswagen Group, but as you look at larger scale and localization will become more important scale and the cost advantage will become

more important. So, how is the thinking there? Because that is something which can that can require a lot of capital, right. So, if you could just share your thoughts on that?

Anish Shah:

So, Pramod, on that our thought process is first, there are multiple sources that we have locked up even today. It's not all eggs in one basket. We will have to look at an indigenization strategy and that's something that we are working on. There are multiple factors that go into it including battery technology, including making sure that from a geopolitical standpoint, that partnership is sustainable long term as well, so all of those aspects that come in there. We are not likely to invest in a battery plant 100% ourselves. I mean that is a very unlikely scenario. This is where going back to Gunjan's earlier question, some of our partners, our investor partners, will help us on that front as well, either identifying other partners outside or themselves coming in as potential co investor in that space. We will also very likely have technology partner in batteries who will invest with us also, so it's going to be a combination of all of this, which is where our investment will come down and we will not have to invest large amounts that some others have invested in this space globally.

Amarjyoti Barua

We're at 8:15, if we have your indulgence, we will take two last questions. Actually I see three hands, so three last questions. Let's just go to the three of you and we shall close after that.

Nishit Jalan:

Hi, this is Nishit from Axis. So, just wanted to understand, you mentioned that you would look to invest in strategic core areas, right? So, how do we look at strategic core areas, right? So, where I'm coming from is Mahindra, as a group has investment in logistics, real estate even in retail and all those spaces, right? So, let's say if one year down the line or two year down the line you get an opportunity in retail, so whether, can you say today that it will be a completely no go area or you will look to evaluate and Mahindra may look to seize that opportunity or invest in that because that will also be a big can also be a big industry over a period of time. So, just wanted to understand that because this is something which you stated when you started that there's a go area, no go area. So, how are you looking at now or? Has things changed in the last 2-3 years?

Anish Shah:

So, for us, our strategic areas are auto, farm, financial services, IT services and where our growth gems play today. This is our box. Anything outside the box is going to be a no go unless there is something that's really, really compelling and we can say that this has a huge set of synergies with our businesses. We can actually do a lot more in that space than anyone else. We've looked at multiple things outside in those spaces and we've just said no to everything so far. So, the bar for that is extremely high. I'd be surprised if something meets that bar. Therefore, I'm not going to rule it out completely, but I'm going to say probably 95-99% we're not going to play outside our core space also because there's significant opportunity in our core space.

Nikhil Kale:

This is Nikhil Kale from Invesco MF. My question is on the RBL investment. You mentioned it seems to be like a mix of strategic objectives and the optionality of a treasury kind of an investment. Just from the strategic perspective, were there any other options evaluated to achieve the strategic objectives that you intend to achieve, the resources at your disposal. You

could maybe have hired your entire team of experts from the banking side, or inducted any of the industry veterans on the board to achieve the kind of similar learnings for any thoughts on that side.

Anish Shah: You're absolutely right that there we have already. So, we have a number of banking industry veterans, what we felt was to be able to answer the questions we need to answer in the long term, we need to see a bank operating for a long period of time because there are multiple things through cycles that come in. So, for us, it's not more of a theoretical or academic exercise on here are things, a number of us have banking experiences well ourselves, so that experience is all going to go to be able to answer those questions. But we cannot answer them well enough without seeing a bank in operating mode for a long period of time. That is the reason, and as I said. it was possible with a very strong bank with something that we thought was fairly costless and that was the reason why we took this step.

Nikhil Kale: And just to follow up, when you mention about that engagement, so have you already had that conversation with RBL bank management because the things that you're talking about, one would expect like very strong engagement and without a board seat how is that possible and whether you have had that conversation with RBL management?

Anish Shah: So, we did not have any conversations with them when we bought the stake.

Nikhil Kale: After the purchase, right?

Anish Shah: After we bought the state, yes, we have met them. We have publicly disclosed that as well, which was earlier this week, Sunday or Saturday or something. So, we've had that conversation. They are keen to explore various synergies with us because across the Mahindra Group there are multiple synergies that can help the bank and that can help us as well. And we are not going to seek any public, nonpublic information. That's something that we would not want to do and that's something the bank cannot do in any case. But it's just a deeper engagement as our top investors have with us in terms of just seeing what's public but having a greater conversation around that. That is part of what we would expect to do on a continual basis over the next few years and that's going to give us a better sense of it, a better sense of the people, a better sense of, what are the various aspects that may be relevant for our business going forward and that would be valuable for us.

Hitesh Goel: Rajesh, I just want to understand that we are talking about retails being 10% lower than wholesale, but we have so many bookings. So, what is the reason for that? And why do we have a stock of 30 days at dealerships?

Rajesh Jejurikar: Yeah, there's typically a conversion time, right. So, basically there's a time to convert billing to retail because at the end of the day, a customer who was waiting for the vehicle when the vehicle is going to come has to arrange their cash, has to do their loan closure and has to pick a time and date which suits them for when they want their delivery. And everybody has a peculiarity on when they want it or don't want it or if this is a good time or not a good time and

so on. So, you are going to be carrying over some stock because know say as a customer you booked a vehicle and your vehicle arrives at the dealership and then you're not necessarily going to pick it up the next day, you may say, okay, I want one week or I want 15 days or I'm going to tie this up or this is a good auspicious time when I want to buy it, a lot of that happens in India. So, we have to be sensitive to these. And in that situation you don't tell the customer, okay, you're not taking it tomorrow, we're going to the next guy. So, I think these are things that we are sensitive to. As we just said, we don't see this kind of booking right now on the Bolero and the XUV 300, which is a less than 10 lakh portfolio. Clearly, for us as well as the rest of the industry over the last few months, that part of the portfolio doesn't have the same momentum as the plus 10 lakh portfolio does. So, some of the stock when we talk about 30 days is on products of this kind.

Hitesh Goel: And thanks, Anish, for clarifying on the RBL part. We've taken a lot of questions. On a lighter note, Financial services is actually a very broad space, right? So, there's fintechs, there's private equity, there is banks. So, where are we actually? What is the commonality between all this and how do you look at this space now? That is what we want to understand.

Anish Shah: So, we have been looking at all players in that space and Mahindra Finance today has a very strong business model and one that has even further been strengthened by going beyond just semi urban and rural areas. So, we are starting with a strong position of strength. But what we are seeing today is that if you think about Mahindra Finance 3x, 4x its size, we've got to be able to operate with the processes as a bank, even if you're not a bank. RBI wants large NBFCs to operate with processes like a bank, so those regulations have tightened a lot over the last few years and will continue to tighten. So, for us to be able to operate a company of that size, we do need to have a very in-depth view of what banking is, even if we don't become a bank. Fintech and the others apart are fine. I mean those things we work with various companies on a regular basis. We've got a separate entity within Mahindra Finance right now looking at digitization, the whole Digi FinCo that we've set up. So, all of those areas we've got well covered.

Ashish Jain: I had one question. On the investment you also spoke about the valuation of the bank being one of the trigger points looks like and given you had a board approval of going up to 5%, in case bank is available at similar valuations and all are we open to increasing stake in the near term itself or that's completely ruled out?

Anish Shah: Completely ruled out.

Amarjyoti Barua: Alright. On that note, we'll conclude the meeting today. For those on the webcast, thank you for your patience and for those here, there's dinner served right behind. Thank you for attending.

Anish Shah: Thank you.