Operator: Good afternoon. Joining us today are our Group CEO and MD, Dr. Anish Shah; ED and CEO of our Auto and Farm business, Mr. Rajesh Jejurikar; and our Group CFO, Mr. Amarjyoti Barua. We will take your questions after the presentation concludes. For the purpose of completeness, I wish to read this out: Certain statements in this meeting with regard to our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause the actual results to differ materially from those in these forward-looking statements. With that, I now hand over to Dr. Shah for his opening remarks.

Management: Good afternoon. It's a pleasure having everyone here. Normally, I follow the principle that the better the results, the shorter the presentation, and you've seen that in the past. This time, we're actually going to move away from that principle. The results are what I would at least consider among the best that we've delivered, and we will leave you to judge them. But we felt it was important to talk a little more about some of the drivers and how we see the future as well. We will also discuss how we see the current situation, how the India story plays out, and what role AI has in our journey. We'll cover multiple topics today as we go through this presentation.

Let's start with our usual chart regarding numbers for the quarter and for the year. Profit after tax for Q4 is up 42%, and profit after tax for this fiscal year is up 35%. I will say that these are numbers far higher than what we had expected going into the year, and it has really been a very strong contribution from all our businesses. All our businesses have really come together well to be able to deliver these numbers. If at some point in time I had mentioned to you that if auto profit growth is 33% and farm profit growth is 13% for the year, what number would you say for the Mahindra Group? I don't think any of us would have said 35% at that point in time. But with auto at 33% and farm at 13%, the Mahindra Group is still at 35% for the year.

Very strong performance from both auto and farm, both in terms of volume and margins. Auto volume is up 19%, and the margin is up 80 basis points. Farm is even better; volume is up 24%, and margins are up 150 basis points. But yes, farm was dragged down by the international subsidiaries, and we exited three of them, so the impairments for that are what reflect in the 13% number that I mentioned for farm with regard to profit after tax growth.

Beyond auto and farm, this has been a breakthrough year or a transformational year for multiple businesses. Mahindra Finance has been on a very strong trajectory, with 60% profit growth year-over-year if we exclude the provision release they had in the prior year. Beyond the numbers, asset quality has been achieved in terms of what we've talked about, and even with uncertainty in the fourth quarter, we closed Q4 at GS3 of 3.41%. Beyond asset quality, we've been talking about technology and data for some time. A large project called Udaan was not just completed but fully adopted in this fiscal year. There was a lot of focus on controls and on ensuring that every part of the business is working together to ensure it's stable. Now that we've got stability, we're pivoting to growth, and that's going to be the path forward for Mahindra Finance while maintaining stability.

Our growth gems collectively have increased profit by 50% year-over-year. These are not small numbers now. They have to be larger, so if you look at the average of 35% with auto at 33% and farm at 13%, others have to contribute in a meaningful way. TechM is on a solid path, up 14% year-over-year. Multiple growth gems have shown huge momentum that goes beyond profits, because profits are not the only metric for growth gems. It's really about how they start becoming much larger businesses. That's where Aerostructures comes in, with close to a billion dollars of orders in a little over a year. Our logistics business has a very strong turnaround and very strong execution. I've stood up here in the past and said we did not have very good execution in logistics; that has changed now, and that is putting the business on a very good trajectory to create value for our shareholders.

Advanced technologies are on a very solid path again, with the spending of the Indian armed forces and the strengths that we have. We're starting to see that strength translate into numbers and meaningful figures for us. In trucks and buses, with the SML acquisition completed, integration is going very well right now. We've also gained market share marginally at this point and are very well poised for the future. These are some examples, and other growth gems also have done well. If collectively we are at 50% profit growth, we have to do well across multiple businesses, but these are the ones that have really stood out in terms of transforming themselves this year.

For our standard charts: for the quarter, revenue is up 29% and profit is up 42%. For the year, revenue is up 25% and profit is up 35%. The key drivers were growth gems up 50%, auto up 33%, Mahindra Finance at 60%, TechM at 14%, and farm at 13%. We also had some sale of investments that was a little higher this year, which contributed to our profit growth as well. That's the overall view across businesses right now.

Regarding Auto and Farm, while Rajesh will cover them in detail, the key highlights beyond volume and margin growth include EV penetration of 9.6%. It actually hit more than 10% for the last two months of the year. So, we started getting into double-digit EV penetration, a question I know many of you have had over the past few quarters. Revenue market share is up 260 basis points, and some of you may have seen recent press stating that we were number one for the year in market share from a revenue standpoint for EVs. This is something that I don't think anyone would have believed 3 years ago, possibly even a year ago, and our team has been able to accomplish that. It's driven by some very strong products. LCV market share is up 60 basis points, an area we don't talk about that much, but clearly a very important area from a profitability, growth, and execution standpoint.

On the farm side, again, volume is up, exports are up, and margins are up; all of that is very good. You see the big number around impairments of 1,400 crores. You'll see that in the details we will send out to you. That impairment number is what is dragging farm down. It would be 36% growth year-over-year without impairments, but with impairments, it is up 13% year-over-year. Market share is up again, and farm machinery is up 32%. So, it was a very solid performance. We had to take action on businesses that were not performing well. We have done that, but that's behind us now, and that will be a tailwind for the farm business as we go forward.

At Mahindra Finance, I'm just going to focus on one number here because we talked about everything else, and that is AUM growth. The AUM growth is 12% in a year where we started pivoting to growth late in the year. We now hope to be able to drive that further, diversify into mortgages and SME lending, have fee income play a bigger role, and really create a stronger business where we want to be the financial provider of choice in rural and semi-urban India. That is a position that Mahindra Finance is well poised to occupy. That will put us on the map of having a very strong financial services business there. TechM is on track with what it promised for FY27, and as we complete that, we'll outline the plan for the next few years. At this point, all I will say on TechM is we're delivering what was promised.

As we look at a chart you've been used to seeing, ROE is at 20%. This time it's for the full year. I'll make the same comments I've always made on this: our target is 18%. We will fluctuate a little higher and lower than 18%. Thankfully, we've been on the higher side right now. We might be lower at some point as we invest more, but our focus is to maintain 18% ROE while driving growth. Growth is our key driver in addition to ROE. On the EPS growth side, we had promised 15-20% EPS growth in FY21, and what we have achieved in the last 5 years is 57% annualized EPS growth. You shouldn't expect 57% for the next 5 years, but it's been a good path so far.

Looking ahead, we have added pages to the presentation to give a better picture of where we are and what you could expect going forward. The Indian economy is on a very strong footing, and this is a tailwind that I don't think has been fully understood yet. We at the Mahindra Group have built resilience to deal with shocks. You've seen that over the last many years and even this quarter, where despite multiple challenges and supply chain problems, we managed to deliver 42% profit growth year-over-year. It wasn't as if last year's Q4 was a weak one; it was strong as well. That's thanks to the resilience we've built across the group.

AI has started to deliver meaningful impact. We have deliberately stayed silent on this up to this point, but we've done a lot of work on AI. Today, we'll share some of that work and the results we're seeing. We'll also share why our businesses are well positioned to continue on their growth trajectory. While you shouldn't expect 57% year-over-year growth, you should expect strong growth as we get into the next 5 years or the next decade as well.

Our theme is going to be "Accelerate in Uncertainty." There is uncertainty, and we don't expect that to go away. We looked at global shocks over the last 126 years. For the entire 20th century, we saw a global shock every 10 or 11 years on average. From 2000 to 2020, it was every 4 years. From 2020 to 2026, it has been every 4 months. We don't expect uncertainty to go away, but we are best poised to take advantage of it with the talent we have, the foundation we've built, the strength of our businesses, and, of course, the cash that we have. A combination of all of those puts us in a very strong position to take advantage of uncertainty and to grow our businesses very meaningfully. That's the reason why our focus is not to hunker down, but to accelerate and go through the uncertainty with the opportunities we see around us.

For India, there are three primary growth drivers. First is consumption. We're the youngest large economy with a median age of 28.8 years. We're going to add people to the workforce for the next 20 years. Per capita income is rising, and consumption is growing. Second is infrastructure. There's been a lot of effort on physical infrastructure. We've been building one airport a month and putting 40 kilometers of roads down every day for the last 5 to 7 years. Beyond physical infrastructure, our digital infrastructure is starting to create huge efficiency for our businesses. It's not just Aadhaar and UPI; there's a whole host of digital infrastructure that makes it much easier for us to do business. Third is economic reforms. We operate in 70% of India's GDP, and we are seeing the benefit of reforms and the increasing ease of doing business across many of our companies.

It is making us more competitive and allowing us to compete not just in India but outside India as well. You add to that the impact of Free Trade Agreements (FTAs). There are 9 major FTAs covering 38 countries. One part is more competition for many industries in India, but the flip side is the opportunity for us to export to the UK, the EU, and many other countries. For that, our products need to be world-class, and today they are. This is the opportunity for India to leverage FTAs, invest more in R&D, and compete globally.

With consumption, infrastructure, and reforms—and some impediment from inflation, which we will see over the next year—we are seeing a short-term increase in commodity prices. However, India is one of the least impacted countries from an inflation standpoint. If India grows at 8%, it will add 70-75% of its GDP in the next 5 years, going from 4.2 trillion to 7.1 trillion. That is a very powerful story for companies in India.

Regarding resilience, we've learned a lot through COVID about managing supply chains. Our teams have looked at everything we buy: 1,06,000 crores of purchases involving 1 lakh parts and 40 commodities. We identified 82 part families and 9 commodities that are high risk. For these, we took actions like increasing inventory, localizing, finding alternate suppliers, and creating an intelligence desk. That has put us in a stronger place to react quickly. You've seen us go through the year with rare earth disruptions and semiconductor issues and still close at record levels.

We have outlined what every business has taken to fortify and grow. In Farm, exiting our international businesses is one way for us to fortify. In Mahindra Finance, I want to highlight that we are 99% secured, which provides stability. We've got a tighter risk screen and have strengthened tech and controls.

Regarding AI, our aspiration is for every business to be a tech leader in its industry. We need a strong foundation because agents need rules and data. We look at three levels for using AI. The first is Deploy. These are smaller things that have meaningful impact, like using a tool like Excel. The second is Transform. These are large projects that require change management and have an impact on the customer. These should be deployed in 4 weeks, though testing can go on longer. The third is Invent, which is starting with AI-first processes.

We're focusing on four areas: Quality, Experience, Reach, and Efficiency. This is going to be a key growth driver for each of our businesses. For example, in our "Deploy" phase, AI saves time and effort by automating repetitive tasks. In "Transform," we are using AI in Auto, Finance, and Farm to enhance customer experience. For instance, for the XUV 3XO, AI had conversations with customers on WhatsApp, resulting in 17,000 test drives. That is pure incremental revenue.

In manufacturing, we use AI in paint shops and welding to create more uptime and less service time. This is still early, but our focus is to be better across all businesses. In real estate, we're using AI to ensure quality before flat delivery, which creates delight for the customer. In Auto, AI is taking our product development time down by 10%. For FY27, we are tracking a delivery of 4,100 crores in terms of revenue impact from AI.

At Mahindra Finance, we expect to have 10,000 crores more in disbursements because of AI. For example, in our central processing center, AI can now verify documents in 7 minutes, down from 40 minutes. We want to get that to less than a minute. This reduces fraud and enhances revenue.

In terms of governance, ethical, responsible, and secure are the three main things we drive. We have also set up the Mahindra.ai Academy for reskilling. We're not looking at large investment numbers for AI because we are paying for use. This helps us show results very quickly.

Looking at the next 5 years, between FY20 and FY31, we expect Auto revenue to grow 8 times, Farm revenue 3 times, TechM revenue 1.5 to 2 times, and Mahindra Finance AUM 5 times. Hospitality room inventory is expected up 5 times and Logistics revenue 4 times. Residential pre-sales are expected up 14 times. Residential profit this year is 298 crores, which is multiples of the average for the last 10 years. In our Susten asset portfolio, we expect 5 times growth. Last mile mobility is projected at 10 times and truck and bus at 4 times. Now, I will welcome Rajesh to talk about Auto and Farm.

Management: Hi everyone. I'll start with the farm business. In Q4, we grew our volumes by 36% and gained market share. Our tractor market share of 43.6% is our highest ever. The farm machinery business has grown well, reaching 1,354 crores. Core tractor margins were very strong at 20.8% for the year. We typically manage our margins within a band of 18-21%.

We have two major product upgrades on the tractor side. We are launching a new transmission in Swaraj called Protech. It is modular, allowing us to build features onto a base version. The Mahindra tractor range is also getting an upgrade with the H1 platform in the 30-50 horsepower segment. This product range will have best-in-class backup torque. We have also exited underperforming international areas like Sampo and Erkunt Foundry, and are liquidating the Mitsubishi Ag machinery business. We will stay invested in the US, Brazil, and Turkey.

In Auto, we finished the year with 19% growth. We sold an average of 9,500 units a month of the XUV 3XO, which was our maximum capacity. In electric vehicles, we sold 55,000 vehicles since launch. The XUV.e8 sold 7,400 vehicles in Q4. Our EV penetration was 9.6%. Our revenue market share in EVs was 37.7% in Q4, making us number one by revenue. In LCVs, we gained market share despite some supply issues. Standalone auto margins were 10.4% for the full year. Mahindra Electric as a company was PBIT positive for the full year at 287 crores.

Regarding capacity, we exited FY25 with ICE capacity of 5,400 and EV of 5,000. We will hit 60,000 ICE and 22,000 EV capacity by the beginning of FY28. The Nagpur plant is on track to start in mid-2028. We are planning 10 new LCV launches and 10 new ICE SUVs plus 6 new BEVs by FY31. For FY27, we expect tractor growth at 5%, SUV growth in the mid-to-high teens, and LCV growth in the high single digits.

Management: Thank you, Rajesh. For Q4, our revenue grew 29%. This was contributed by 32% growth in auto, 26% in farm, 30% in growth gems, and 14% in Mahindra Finance. This translated to strong PAT growth. Auto PAT grew 49%. Farm grew 1%, weighed down by a 400 crore one-time charge for exiting the foundry. TechM was up 20% in PAT and growth gems were up 94%.

For the full year, revenue was up 25% and PAT was up 35%. Standalone revenue was up 25% and PAT 34%, excluding a land sale gain from last year. We had very strong net cash generation of 16,000 crores, bringing our cash balance to 41,000 crores. This allowed us to declare a 30% increase in dividend. Our EV portfolio was PBIT positive for Q4, with a PBIT margin of roughly 5%. We will now start the Q&A.

Operator: Chandru, do you want to go first?

Chandru – Analyst: Thanks for taking my question. I have three. First, regarding SUV growth guidance, this is the third successive year we are guiding mid-to-high teens. This year, the back half will be against a heavy base, and there are risks of fuel and commodity price increases. What are the building blocks for this expectation? Second, regarding supply chain, specifically DRAM and gas supplies. How has sourcing progressed? Third, on commodity price inflation, does the recent trend imply you might pass these costs on?

Management: Confidence comes from the demand we've seen and the fact that capacity is finally coming online. I'll let Rajesh go through the details.

Management: Regarding products, we are seeing supply constraints at 9,500 units for the XUV 3XO, and it could go up. We added the XUV.e9, which adds 3,000 to 4,000 units. Bolero Neo is now at 9,000 to 10,000 a month. Capacity is a bigger constraint than demand right now. Regarding fuel prices, our customers at the 12-15 lakh price point are less sensitive to small increments in monthly fuel costs. On pricing, there is still headroom from the GST drop to take inflation-driven price increases if needed, though we are calibrating this carefully. Regarding supply, things stabilized in April. For DRAM, we have focused on contracting and buying long to build inventory, even at a higher cost.

Chandru – Analyst: A quick follow-up. We have a target of 15-20% EPS growth and 18% ROE. Does pricing represent a lever to manage this within range irrespective of the base?

Management: That range is a long-term view for the next 5 years. We do not manage quarterly or annual numbers just to hit those targets. Price decisions are based on what is right to build the category long-term.

Operator: Shreya, you have the mic.

Shreya – Analyst: Regarding BEV growth drivers, what is the bigger driver of demand: the price differential, operating cost, or charging infrastructure?

Management: EVs for us were not sold just on economics, but as lifestyle statements. Barriers like range anxiety are starting to be overcome. Our customers now have confidence in our 450-500 kilometer range. Now, the economic story—saving up to 7 lakhs over 5 years—is becoming an enabler. Within city usage, charging is not a worry. Competition is actually helping the category by building confidence and making charging infrastructure more viable.

Shreya – Analyst: Could the expected fuel price increase be a strong tailwind?

Management: Yes, it would make the economic story stronger.

Operator: Vinay, please proceed.

Vinay – Analyst: What was the PLI incentive this quarter, and are all models qualified now?

Management: The XUV700 and XUV.e9 variants are all PLI compliant. We took around 500 crores as PLI for the quarter.

Vinay – Analyst: On tractors, what are your underlying assumptions for the 5% growth guidance?

Management: It's an averaging of H1 and H2. H1 of last year was a low base. States like UP are strong on irrigation and less affected by monsoons. Government spending on rural areas remains positive. Regarding rainfall, it's a wait-and-watch situation, but we don't see a huge multiplier effect for a degrowth because dealer inventory is not high.

Operator: Nitish, go ahead.

Nitish – Analyst: For Dr. Shah, which growth gems have the highest value creation potential in the next 1-3 years? Also, can you talk about the Aerospace potential?

Management: Our approach is long-term. In Aerospace, we got a billion dollars of orders in the last 12 months. Our aspiration is to be among the top 5 aerostructures companies in the world. Logistics and real estate are also major value creators. Real estate profit today is roughly 5 times the average of the last 10 years. Our "Power" or "New Energy" business earned 276 crores in profit last year and is well-poised for the renewable transition. Accelo earned 224 crores and has a 50% market share in organized auto recycling. We expect the valuation of these gems to grow significantly.

Nitish – Analyst: Any timelines for listing unlisted entities?

Management: For Last Mile Mobility, we are looking at the calendar year 2027 range.

Operator: Kapil Goel next.

Kapil Goel – Analyst: Regarding the 16 new SUV models, where are the white spaces? Also, what does this mean for Capex and CAFE targets?

Management: White spaces include disruptive products from the new IQ platform, catering to those who want "core" SUVs. We also see an opportunity for upgraded rural-focused vehicles. Our new IQ platform allows for fungibility between ICE and EV, so we can adjust to demand. For CAFE targets, we feel comfortable with our planned EV penetration.

Kapil Goel – Analyst: How are you practically implementing AI? Are you using external vendors or internal teams?

Management: A year and a half ago, we centralized our AI teams to share best practices. However, implementation must be driven by business leaders. It's like learning Excel; you can't have an external person do it for you every day. We currently have 15 "Transform" projects that will have a meaningful impact.

Operator: Gunjan.

Gunjan – Analyst: Regarding the tractor cycle, is it just a base effect or a deep cyclical down-cycle? And for SUVs in FY27, is there anything new besides capacity de-bottlenecking?

Management: For tractors, if the rainfall deficit kicks in late (August-September), as projected, it won't affect the first season. We will have to wait and see if the base effect or the rainfall deficit dominates the second half. For SUVs in FY27, there isn't an "all-new" launch, but there is more than just capacity ramp-up.

Gunjan – Analyst: April numbers had supply and labor challenges. Is that behind us?

Management: April was a disappointment due to specific shortages from two suppliers, but we growing against a high base from last year. We are hoping May will be much better as those specific supplier issues are being resolved.

Operator: We are ahead of time. Ladies and gentlemen, this concludes the call. Thank you for joining us. Please join us in the adjoining room for snacks. Thank you.