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9<sup>th</sup> August, 2022

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**Sub: SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Disclosure of Transcript of the Analyst/ Institutional Investor Meeting**

This is further to our letters bearing REF:NS:SEC dated 1<sup>st</sup> & 4<sup>th</sup> August, 2022, 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 virtually conducted M&M Q1FY23 Earnings Con-Call with Several Funds/Investors/Analysts on 5<sup>th</sup> August, 2022 with respect to the Unaudited Standalone and Consolidated Financial Results of the Company for the First Quarter ended 30<sup>th</sup> June, 2022 in Mumbai and the Presentation(s) made thereat along with the weblink of the Presentation(s) and weblink of the Audio Recording of the said Earnings Call was submitted vide our letter dated 5<sup>th</sup> August, 2022.

The Transcript of the aforesaid M&M Q1FY23 Earnings Call with Several Funds/Investors/Analysts is enclosed herewith. The Transcript is also available on the Company's website and can be accessed at: <https://www.mahindra.com/resources/investor-reports/FY23/Earnings%20Update/TRANSCRIPT-MM-Q1FY23-Earnings-Call-5th-Aug-2022-FINAL.pdf>

The Transcript includes list of management attendees and the dialogues including but not limited to the presentation, the Q&As', any assents /dissents and open points.

Please note that no unpublished price sensitive information was shared/discussed in the aforesaid Earnings Call.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



“Mahindra & Mahindra Limited Q1 FY-23 Earnings  
Conference Call”

**August 05, 2022**



**MANAGEMENT: DR. ANISH SHAH – MANAGING DIRECTOR & CEO.  
MR. RAJESH JEJURIKAR – EXECUTIVE DIRECTOR,  
AUTO & FARM SECTORS  
MR. MANOJ BHAT – GROUP CFO.**

**Sriram Ramachandran:** Hello, everyone. Good afternoon. Good evening and for those who are joining from the US and Canada Good morning. Welcome to M&M Q1 FY23 Earnings Call. We are indeed glad to have you all on this call today. We will follow our regular format of presentations by management followed by Q&A. During Q&A session, please use the raise hand option as there will be an opportunity for you to ask questions after the presentation concludes.

The Safe Harbor statement, I am just leaving it on the screen. Now, I would like to welcome our senior management and thank you for taking the time for this call. We have with us today Dr. Anish Shah – Managing Director and CEO; Mr. Rajesh Jejurikar – Executive Director, Auto and Farm Sectors; Mr. Manoj Bhat, Group CFO and other senior management, including the IR team. Now, I hand over the conference to Dr. Anish Shah, for the management presentation. Over to you Anish.

**Dr. Anish Shah:** Thank you, Sriram. And good evening everyone. It's great to have all of you here today. Thank you for taking your time to be with us this evening. I want to just cover a few key messages and then hand it over to Rajesh to take us through the details. He's done some fantastic work in both the auto and the farm businesses. And then Manoj will walk through the financials. And we'll open it up for Q&A.

In terms of some of the key messages, at the standalone level, you see revenue of 67% driven by both auto and farm, At the standalone PBIT level, quarter one is down 120 basis points, overall, driven largely by farm, we haven't seen the benefit of commodity prices flowing through the numbers as yet, which we should see soon. And that has been offset by a very strong operational performance in auto with volumes really driving operational leverage. And therefore, the PBIT is up 400 basis points. At the standalone PAT after EI level, it's up 67% as well, again driven by a combination of operating leverage and cost control and offset to some extent by commodity price increases versus last year at the same time. And consolidated PAT after EI has seen a very significant increase at 5.2 times last year. But just to be very transparent on this. A lot of it is driven by the Mahindra Finance phenomena we saw last year where we had high provisions in the first quarter and they were reversed in the subsequent three quarters. And therefore, we're also showing numbers excluding Mahindra Finance, which is up 1.7 times which is in a sense, a more reasonable number to compare with just because of the volatility of provisions that we saw for Mahindra Finance last year.

So, as you see on the numbers here revenue up to 19,600 crores which is up 67%. Profit after tax after EI at 1430 crores up 67% as well. Consolidated Profit after tax after EI, including Mahindra Finance which is reported numbers at 2196 crores up 5.2 times. But a more reasonable comparison, excluding Mahindra Finance is at 2071 crores which is up 1.7 times. And across the four segments that we've been reporting now, Core auto and farm is up 56%, Tech M and Mahindra Finance you see a negative last year which was driven largely by Mahindra Finance up to a significant positive this year. The Growth gems actually have a good story and they're starting to fire up really well. So, from eight crore PAT last year, they are up to 132 crore, investments does include FOREX and others so while you see a significant change from negative 90 to positive 184, we just want to highlight that 163 is a onetime FOREX mark to market gain,

driven a little by the volatility in exchange rates and some of the hedges we put in so it's overall we got some gain there, but the real number to look at there is positive 21 as compared to negative 19 last year.

So, across the board we see good progress, all our businesses has been driving scale, driving growth, driving profitability. With that Rajesh over to you.

**Rajesh Jejurikar:**

Greetings all of you morning, evening, wherever you are. Good to connect with you again on the back of a good quarter. Go to the next slide.

So, let me walk through the farm part of the business first. We gained 0.9% market share in quarter one, this was the highest domestic volume with the volume 112,000 and that was a growth of 18% year-on-year. This is the highest ever export volume of 5000 and growth of 26.7%. The second highest ever quarter profit PBIT and that number 1074 crores and again continuing positive profits by our global subs. On the auto side, we delivered a strong market share, we measure now revenue market share where we were number one, and with the market share of 17.1% this is also the highest ever quarter volume for both SUVs and pickups. We again continued our number one position in last mile mobility electric three wheeler business with a 74% market share, the highest ever quarterly three wheeler volumes of 6500. And of course a very strong booking pipeline of 25,000 within the first minute and 100,000 within 30 minutes, representing a booking value of about \$2.3 billion that's for the Scorpio N.

This slide captures the auto farm revenues in quarter one, the standalone revenue grew 67%, the consolidated revenue grew 57%. Next, the quarter profits PBIT grew 50% standalone and 43% consolidated but you could see the big kick in on the auto side which is the 103 going to 704 crore on auto standalone.

Next slide. I'm now getting into the farm equipment business. On the farm equipment business. The sequential performance has represented 55% growth in revenues, standalone and a margin improvement compared to quarter four 15.7% going to 16%. The absolute profit going up by 58%. The news on the monsoon front is good though there are deficits in some states that you see out there UP, Bihar, Jharkhand, West Bengal. The acreage is by and large, similar to the same period last year. So, that's not something which we are concerned about at the moment.

Next slide. The reservoir levels are reasonably healthy higher than the average by 39%. And that is typically good news, even if the monsoons are delayed a little bit, the reservoir levels will kick in to help create a positive sentiments.

Some of the key levers we have as you see here, we've covered this in the past a strong fortress in domestic business, the aggressive growth plans we have in farm machinery, global expansion and reinventing our cost structure. We launched the Mahindra Yuvo Tech+ that is doing very well in the market. And both the brands Swaraj and Mahindra are well positioned, gives us a gain of 0.9% share. The channel number of tractor dealers continues to be strong and we continue to have a strong channel presence.

The export volumes have been growing consistently and we have continuously been delivering on a strong profit performance for these global subs. Specifically, by way of global sub, that we would like to highlight the performance of Brazil where volumes are up 46%, we now have a 5.2% market share in less than 100 horsepower. And this has been the highest quarterly PBT at the Brazil. Turkey has done well market share is up at 7% and it's also the highest quarterly PBT for both the tractor business and the farm equipment in Turkey.

Next, on the automotive business, we've been talking about delivering and creating a strong brand, multiple actions that have happened over the period of the last one and a half years to create the strong brand value. We are working on a platform strategy with great commonality and also an EV strategy. We're working on transforming our customer experience, de-risking our supply chain and also continuing to optimize our costs.

This, slide represents where we are by way of open bookings and current level with new bookings coming in per month for our portfolio without the new Scorpio N. The open bookings is 140,000. Out of which 79,000 is on the 700. In spite of a very long wait period, the new bookings continue to pour in at a level of 9000 to 10,000 per month.

Next, I'm going to skip this to save time and give more time for question and answer. This is a launch video it will be on the site. So, if you like, you can take a look at it, just captures some moments of the launch. The blockbuster launch of the Scorpio N we covered that a little earlier. And again, we're passing on this slide.

Next. This is a new data that we're putting out today. The online bookings have kept going up over time first with the launch of Thar it was 5%, with 700 it is 13% and on the 100,000 bookings that we've had on Scorpio N, 26% were online. Interestingly, the first 25,000 bookings in that 72% came in online. And that really represents a very strong impact that digital is creating and the way customers are booking and buying the vehicles. At the bottom, you also see that the Scorpio N has got stronger by way of its representation in the South, the current Scorpio which is the black bar was almost insignificant in South and very strong in East. And we can see that, that shift is happening by way of the new Scorpio being more South focused which really opens up new geographies and you can see that as well by way of the urban penetration for the new Scorpio as compared to the old Scorpio.

Next, we know all of you have a lot of questions on our EV strategy and we've been holding on to our responses wanting to make it more comprehensive and we will be revealing more about our strategy on the 15th of August. It will be at 5pm Indian Standard Time when we will have the webcast. And leading to that we have two teasers on currently and I would like to play those. With that I'd like to hand over to Manoj to walk us through the financials. Thank you.

**Manoj Bhat:**

Thank you Rajesh. A warm welcome to all the participants and thank you for joining the call. I'll just quickly cover some of the key numbers. The revenue growth of 67% is driven by auto, the revenue growth there was in excess of 100% and the farm division grew about 26%. At the EBITDA level again, while farm was flattish, we did see very good growth coming in the auto

part of the business. And at the PAT after the EI level again, we are seeing a multi fold jump in auto profits, while farm has been growing about 7%. So, that's a quick breakup of the numbers. moving to the next slide.

If you look at the consolidated view, again the auto is leading about 102% growth. The farm-FES grew about 17%. I'll spend a little bit more time on the group companies, but multiple group companies have shown very good growth. I'll talk about a few unlisted ones. So, these are very good growth in our MFCW car and bike franchise, that grew almost 2.5x in terms of revenue. We saw very good growth in Accelo, which grew about 88% and then are listed entities. I'll talk a bit more, but this quarter, we have seen very, very strong growth and strong rebound in revenues across the group. Anish touched upon it, in terms of the reported numbers, while it's 5.2x, if we exclude MMFSL, and adjustment bar you see there, that takes the revenue, the PAT to 1251, if I exclude a MMFSL, because there was a loss booked, due to the exceptional provision and looking at that number, it's a 1.7x growth in profits.

I'll dive a bit deeper and this is more from a perspective of what to expect in the coming quarters. On the left hand side, you see the provisions we took in MMFSL and as we took the 2500 crore provision in Q1, we did recoup it over the next three quarters. So, what happens is, as we pick up the PAT on the consolidated books, we will see the impact of this coming through. So, what would happen is that, the PAT from MMFSL will grow significantly as we go into the future quarters. So, the growth numbers, when we say 1.7x we have to keep that in mind. And that's more from a perspective of transparency and disclosure. And we are very happy with the performance of MMFSL and I'll talk about it a bit more.

First on farm, overall 17% growth at the PBIT level, it was flat, and the market share was up 90 bps to 42.7. The margins have taken an impact because of the lag impact on commodity prices. Even in April and May they were higher than the previous quarters. And we have not been able to pass on the margin on the commodity through the price hikes. So, all of that have impacted margins. But the market share growth has been very, very healthy. If you look at auto, again at the cost of repetition, very good growth in revenue and multiple fold improvement in profits and Rajesh did cover some of this. So, in the interest of time I'll just move forward.

Coming to Tech M, so from a revenue perspective and a deal momentum perspective, it was a very strong quarter. TCV wins of 800 million plus, which is at the top end of deal wins if I look at the last few quarters. The attrition also started to moderate quarter-on-quarter and offshoring is on the rise. But the margin pressure was due to the supply side headwinds in terms of both usage of going outside for talent on subcontractors as well as the increasing wages for the employee population. And there is a measure on to drive the margin expansion and drive cash conversion up. And those operational excellence measures will bring up the margins as we go forward. MMFSL, if you look at the disbursement levels, compared to last year, same quarter they are up almost two and a half to three times and they continue an upward momentum even sequentially going from 9200 to 9500 crores approximately. The GNPA which was very high at 15.5 which is why there was a huge provision we had to take, that has moderated down to 7.7 in

Q4 and we continue that lower level at about 8%. And that means if you look at the profit after tax, what was the loss has converted to a profit of about 223 crores in Q1 F23.

Little bit on our other subsidiaries. In logistics we did complete the Meru acquisition so these numbers incorporate those. On the revenue side we saw very strong growth because across the board, the exposure to auto and farm both M&M and others that drove the growth in terms of revenue. In terms of costs, there is a lot of initiatives on to bring up the profitability of the business and that will play out in the coming quarters. Hospitality, while Q1 F22 is probably not very comparable because of the COVID wave. What we're seeing is very, very high occupancies almost record occupancies across resorts and driving resort income as well as memberships. The HCRO which is our European business has also started seeing occupancies improving and the cash position continues to remain strong. From a real estate perspective, while last year was impacted, but this year we have seen a rebound in profitability, the main factor here is of course that from a realization and trade perspective we've seen a good improvement that's also led to some reversals of impairment provisions which we had taken in the past, that's also contributing to the profits. On the business side, the IC business delivered again, both in Jaipur and Chennai a very strong growth and we launched Project Eden which is India's first net zero energy project, which saw a very, very good response.

Summing it up, if we look at the journey from 424 to 2196, auto and farm contributed 512 crores, Tech M and MMFSL was about 882 crores and I did talk about them separately, our growth gems was 124, our investments was about 204 and we covered it that there is an element there of FOREX and others which is also embedded. And then there was a lesser EI this quarter, which is contributing to a 50 crore increase. So, thank you, and I'll hand it back to Sriram.

**Sriram Ramachandran:** Thank you Anish, Rajesh, and Manoj for those presentations. We now open the floor for questions-and-answers. We already have some questions lined up. So, we will first start with Gunjan Prithyani of Bank of America. Gunjan can you go ahead with your question?

**Gunjan Prithyani:** The first question from my side is essentially on the capacity for UVs, now clearly there are order backlog. And if I look at the bookings run rate it is still running ahead of the capacity number for XUV700, as well as Scorpio N which we spoke about at the time of the launch. So, realistically, can you give us some sense as to how do we think about the scale up of the volumes. How soon can it happen, and in terms of trajectory, where do we get from this 28,000 run rate and what is the real bottleneck, is it supplier ecosystem, is it debottlenecking at your end, is it semiconductor, what is it really that is needed to scale this up?

**Rajesh Jejurikar:** Gunjan, thanks and we are struggling to answer this question, which is coming to us from all of you. So, let me try and build some more detail into this response. So, we've two sets of issues. One is for current capacities, running into short term bottlenecks, which is mainly supplier ecosystem, including at the moment in quarter one, all the challenges that we've had out of the lockdown that China went into. So, that in a way is inability to meet current requirements. And when I'm talking about current requirements, I'm adding the fact that most of the bookings that came in, came in for the highest end version, so the level of electronics needed in the higher end

version is much higher. As we've shared earlier as well, even an XUV700 95% of the bookings came for the AX series, which has a smart core and 70% of the total bookings were on AX7 and AX7L, which are the highest two versions, which are above the AX3 and AX5. So, that has put in a way restrictions on being able to fully leverage the ecosystem. So, that's, one part of it. I don't think at the moment we are losing too much by way of ecosystem not delivering, but my guesstimate would be because of all the China lockdown and so on maybe 10% of our volumes are getting impacted because of shortfalls. Once that's taken care of then the question is, by when do we have multiple new capacities coming in, and that as we've shared last time have all been triggered, they will start coming in phases. At this point of time, we have not planned to share what is going to be the phasing at which new capacities will build in. But in some appropriate forum in future, we can build in a little more clarity around how we're seeing the ramp up of volumes through the calendar year 2023.

So, basically, in the short term, the way I would think about it is, we are constrained because of managing the ecosystem, including semiconductors, China lockdown logistics, challenges, so on and so forth, to the extent of maybe 10%, of what we're doing, which means that 27,000 can be 30,000+. It does not fully solve the issue that we have at the moment of demand being so much higher than our supply capacity. So, I'm not sure what exactly is going to be needed to be able to ramp up to that level. Because with, let's say, 70,000+ open bookings for 700, there's a huge backlog there. That itself is almost (humongous)s and every month we're increasing the backlog, because we're getting more bookings than the current capacity. And that's coming in, even with a two year wait period. So, really, at what we would desire, we would desire to not have a wait period more than three months or four months. So, if you were to kind of set out and say what is it that we think is acceptable from a customer satisfaction point of view, three months would be the outer side of what customers would accept. So, that's where we are at the moment.

That being said, we also have to be very mindful as we build, sorry, I'm just doing a little longest answer to this, because I know this is a question which is going to come in, as in the minds of many, many participants on this call, and we've been getting input. So, I'm just trying to build on this so that, everyone gets a more comprehensive response. We all must be very mindful as we build capacities that we get the balance of EV and ICE right. And again, that's something we do keep at the back of our mind, in the way we're thinking about building capacities. So, we are doing that balancing act by way of the EV portfolio which you will see more of coming in on the 15th of August, where we will put out a schedule, but in a way we will manage our demand in future through combination of EV and ICE. So, these are all things at play but there's a reasonably aggressive capacity increase plan and sometime in future we'll try and be more specific.

**Gunjan Prithyani:**

Got it, this is now very, very clear, to be honest, just to be in terms of numbers, when I think about it, you mentioned 27 can be 30 and 30 plus 6 can be Scorpio, is that the fair way to think about it because 27 doesn't include Scorpio yet?

**Dr. Anish Shah:**

Yes, that's reasonably a good way to think about it, though there are parts which are common between 700 and Scorpio N. For example, the AdrenoX system is a common part now that itself



has a large number of chips. So, till that ramps up, we kind of have an upper cap of what is available on that. So, there are issues of that kind it's not all exclusive parts that are on Scorpio N, it's not completely from a supplier ecosystems standpoint not completely unconnected to 700, because of the AdrenoX just taking that as one example.

**Gunjan Prithyani:**

Okay, got it. The second question Sriram if I may. Anish second question to you on the performance of these subs, clearly there has been great outcome in the last two, three years. But when I look at the specifics that came through in the annual report, the two which stood out to me, in terms of still having losses, it's Peugeot and Pininfarina, could you share your thoughts as to, how are you thinking about those two, is there a rethink in terms of classifying them in category C, or just some thought process around those two subs?

**Dr. Anish Shah:**

Sure. So, Gunjan on PMTC we had initially classified as category A, which is we felt that it would get on a path to 18% return in a reasonable timeframe. And what we've seen is that, COVID has hit it fairly hard because of various challenges in Europe, challenges in China, the freight from China to Europe. So, all of those factors have resulted in performance being worse than what we had planned for. So, the milestones that we had outlined, as we've done for all our A category companies were not met, and therefore it is under review right now. So, we are going back and reviewing it saying should we change it, should it be A or C and we will come back with a final answer on that once we complete the review. On APF, it was very clear that we were not investing a lot more going beyond the Batista. So, the Batista, as we've talked earlier, has been reviewed by TopGear of the UK as HyperCar of the year. It has actually come out as a very nice car, sales for that will start shortly in the next couple of months or so. And as sales start, we'll see funds flowing in. So, the investments we will have to make to get this up and running but beyond that, we have publicly stated we're not investing any further in the next set of models, we will look for potential investors and work with investors who can take this company to the next level. So, no change on the APF front, there what you see is numbers as a result of the Batista sales not starting as yet. Once they start we start seeing APF getting better on a much stronger footing, but that will not change our investment plan.

**Sriram Ramachandran:**

Thank you Gunjan. The next question is from Jinesh Gandhi, Motilal Oswal. Jinesh go ahead please.

**Jinesh Gandhi:**

So, couple of questions. One is, can you talk a bit more about our product launches on the ICE side over next 12 months on the SUV portfolio and secondly, the EV teaser, which you showed, suggested that we are getting into the coupe range with electric. So, how does that fit in our strategy of focusing on true SUVs. Thanks.

**Dr. Anish Shah:**

On a lighter note, Jinesh before Rajesh addresses this, we made five blockbuster launches, how many more do we want. Rajesh go ahead.

**Rajesh Jejurikar:**

Jinesh, your question was specific around what are the new SUV launches in the next 12 months, and SUV ICE launches. There aren't too many SUV new ICE launches in the next 12 months. As Anish said, we right now these are all new launches we've had three in the last 18 months

plus Neo which is the fourth plus, 300 which is not that long back. So, it's a fairly refreshed new product portfolio, which is very attractive at the moment, there are other things that we're working on, which we've shared, which is expanding the Thar portfolio, so on and so forth, making it more affordable, accessible to increase the size of the franchise. So, there are multiple other things that we're working on, of course we are going to launch the Scorpio Refresh, which is going to be called the Scorpio Classic, very soon in the course of August, this month. There are multiple other launches on the ICE side, which is the new pickup and so on. You'll hear more about that as we go through. On the question on coupe versus Born EV do wait for more details. No, we're not going away from our core, we will be very SUVish. But electric and SUV is not exactly the same as electric and ICE. And, which is the reason we are teasing to give you a sense of what's coming, but we're not moving away from our core of SUVs.

**Sriram Ramachandran:** Thank you, Jinesh. The next question is from Kapil Singh from Nomura. Kapil go ahead.

**Kapil Singh:** What I wanted to understand is, Rajesh, you've talked about capacity, but just how you're thinking about it as we head into the next financial year, because eventually we may have 50,000 bookings or 100,000 bookings, it won't matter if you're not looking at a big capacity expansion. So, will it be in phases as supply unlocks, that there'll be a 10% increase or something like that, or next year sometime we are looking at setting up an additional line or something where there will be a big jump that is there. The reason to ask this question is if I add up your bookings, you're already at about 34,000 a month kind of bookings you're getting without the Scorpio N and, maybe, I don't know you can give some color as to post the launch of Scorpio N, how many bookings we are getting for Scorpio Classic as well. So, just some thoughts around that.

**Rajesh Jejurikar:** So, we're looking at a step jump increase in capacity. There are specific step jumps that are going to happen. For example, engine capacities are a constraining factor at the moment because there is a new lineup of engines going, entire new portfolio with the new line of engines, so with at our end and with suppliers we are doing that as well. So, the constraints that we have are less with us more with one is the whole engine portfolio both gasoline and diesel, then the supplier ecosystem around the engine and aggregate portfolio. We don't have to do any significant investment at this point in our own plants. It is more tooling investments and some investments in aggregates and capacities there of. The next phase of investments and some of you were in Chakan during the Scorpio launch you've seen we've just got a new paint shop going, so the next round of investments in manufacturing capacity, we can wait for a couple of years and we're of course planning for that because that's needed even for the EVs, but that can wait at the moment that's not the constraining capacity. Our capacities are not as constrained in capacity except for engines. Does that Kapil answer your question. How we think about capacity?

**Kapil Singh:** I also wanted to know about Scorpio Classic, what kind of demand are you seeing post the launch of Scorpio N over there?

**Rajesh Jejurikar:** We've actually not launched Scorpio Classic yet, so Scorpio Classic is a refreshed version of Scorpio. The Scorpio Classic will be launched later in the month. So, at this stage we are just basically playing down the inventory of the old Scorpio. Towards between basically towards the

middle of August to end and more details on pricing, etc., towards the end of August for Scorpio Classic. But Kapil we are just taking a second more to respond to your question. As, I said earlier in the data, a lot of the current Scorpio volumes come from the East, which is specifically Bihar is a very big market. And as you saw this bookings queue for Scorpio N is North, West and South and not relatively as much East so we are seeing current Scorpio move through in markets of its stronghold belt. So, it's not like as we are liquidating the old Scorpio thats stuck.

**Kapil Singh:**

Thanks. And the second question is on margins. So, in two parts one is that in terms of if you could talk about the price increases we have taken in the second quarter in both the segments auto and farm and do we start to see the commodity benefit from current quarter, if so can you quantify and what range will it be and the second part is that auto margins are at roughly about 6%, how do you think about the evolution of these because on one side you will be launching a new product Scorpio on the other side volumes will go up and maybe some commodity benefit would also kick in. So, how do you see the evolution of margins moving around for auto?

**Rajesh Jejurikar:**

Yes, so a lot of the commodity benefit will spill over. We are hoping into Q3 because we have contracts, we have some inventory which was already on order, so on and so forth. So, really the correction started maybe like May, June. So, we are not going see too much effect of that we think right now in Q2 and we really think the effect of commodity benefits will be more in the second half of the year. At this point of time, that's the view that we have on how commodities will impact us. But commodity itself is pretty volatile and the correction be, fundamentally the corrections should be more than what we have seen at the moment is our hope, the corrections right now are pretty insignificant compared to the kind of hype we've seen in commodity prices over 20 months or so. On the question of margins, of course margins are not at the level at which we want because we've not really yet been able to pass on even the full cost of commodity increases. And of course, in both the businesses there is the impact of margin not passed on what we internally call numerator, denominator effect which becomes pretty significant, even as we are done, BS6 and we've spoken about that we were able to pass on the material cost increase of BS6, but we are not able to pass on the margin on the material cost of BS6. So, that itself lead to a decline of 1% and a 0.5% or 2%. So, there is right now a huge cost escalation and when we're looking at margins, you have to keep in mind that we are not able to pass on with such deep escalation margin on cost. We're just about able to pass on and at the moment in both the businesses in Q2 we have taken between 1.5% and 2.5% price increase depending on the model.

**Sriram Ramachandran:**

Thanks Kapil. The next question is from Pramod Kumar, UBS. Pramod.

**Pramod Kumar:**

Rajesh, first question on farm equipment. We are going to be around 900,000 of the industry this year, if everything goes fine. So, what do you think will be the ramp for this particular sector as a whole, because 900,000 per se is not a small number. When you look at in absolute volumes, or when you look at it in context of what passenger car were. So, any analysis or data crunch, which kind of gives us a bit of more color on the longer term sustainable CAGR for this industry. So, if you can help us on that, that will be great then I have a question on automotive.

**Rajesh Jejurikar:** Okay. So, Pramod our outlook for tractor industry this year in the region of 3% to 5% growth, which doesn't quite take us to 900,000, it falls a little short, if you get in that range of 3% to 5%. If your question was around, ramp up and supply chain, that's reasonably covered for that level of volume. Your question was more around what is the implication of that on longer term growth and tractor penetration. We keep updating our analysis on this issue because this of course is very important how we see the future and typically the modeling that we do is, what's the total area that's to be sowed, how much is mechanized today, what needs to be mechanized as we go forward, including tractor parc and hence, what's the unsaturated demand and our sense is that with volatility with this industry will continue to have 7% to 8% CAGR over the next seven to eight years is a reasonable expectation based on this penetration gap?

**Pramod Kumar:** Okay, that's great to hear. Rajesh second is on automotive from given the EV transaction what we've done then the incremental funding how we want to raise there, and the ICE portfolio kind of more or less in terms of new brand platforms being kind of played out for the medium term. Because I guess the extended version of Thar won't cost you a lot of money. So, given all that, how are you looking at automotive cash flows, because historically that's been a cause of concern in terms of whether can we go beyond being self-sustaining and then start generating healthy free cash flow for the company, because cash flow generation historically, so if you can just share what is your broader thinking given the kind of response you're getting, and the kind of margins what we already achieved and where the margin ramp up would be, how should one look at the cash flows on the automotive segment. And linked to that Anish on the implication for dividend payouts from the standalone business. So, if you can sorry for that, it's kind of a bit more longer than what you expected but yes.

**Dr. Anish Shah:** So, Pramod we do see more robust cash flows, obviously driven by the stronger operational leverage. CAPEX will move to EV and that's part of what we've shared so far as well, which is also why we have shared that we feel comfortable with regard to the plans for EV that we have and the CAPEX we need for it. After that as well, we will have excess cash generated by the auto business. And as we have talked about earlier, we will not be using cash from auto and farm for investments, we will generate cash from investments what were the growth there and therefore that will free up greater cash for dividends and potentially return back to shareholders in various forms. So, it is consistent with what we've said so far, no deviation from them. And as we look back over the last couple of years, our first focus was to clean up all loss making entities. Our second focus was to put us on a path to 18% ROE. And third focus was to drive scale, growth and profitability and the fourth one is to start returning cash to shareholders. The first two we've done well, the third one is well underway. And the fourth one will start, as it gets through.

**Pramod Kumar:** So, Anish no timelines as such even like say medium term anything, on the...

**Dr. Anish Shah:** So, what I would tell you is we gave timelines for the first one, we met them. The second one, we gave a three year timeline, we are close to 18% ROE right now. And we should be able to get that completely closed as well. The third part of scale and growth that will be ongoing. So, from that perspective, it's not a timeline where I would say we would stop and say we sort of

got into a point we want, because we will continue to want to scale and grow faster. Exports, becoming a global auto business will be a big part of the future and we can talk about that in more detail. And on the fourth part which is timeline or need more cash to investors, I would say within the next three years, it may be faster.

**Sriram Ramachandran:** Thank you Pramod. We have another question from another Pramod Amthe from Incred Capital. Pramod you can go ahead.

**Pramod Amthe:** First question is with regard to pickup truck in the coming future. I just wanted to know what's your thought, because you are the leader in the overall pick up segment, what is the opportunity size you are looking at and what you plan to do there, that's first. Second with regard to tractors you have talked about with the implements and new technologies, the interesting new division, more disruption and competition expected in the tractor industry, which is contrary to the belief that it's a very low tech industry and hence these are the track for a leader. So, would you like to elaborate, what are you seeing in these two sub-segments?

**Dr. Anish Shah:** I missed out Pramod the first part of pickup question I missed, just repeat the beginning. I just missed the opening words.

**Pramod Amthe:** Yes, you have talked about the urban pickup truck, you are trying to launch urban pickup truck. So, what is the opportunity you see there, why you feel there is a specific model required and what type of business opportunity it makes sense because considering that you're already a leader in pickup trucks?

**Dr. Anish Shah:** Actually, I read about urban pickup truck like you may be in the blog, so we haven't really said we're launching a separate urban pickup truck. Our pickup do sell in urban areas today and we are capitalizing building on that. We also have a separate portfolio Pramod of pickup trucks right now that's Scorpio, which gets exported in multiple markets, including South Africa, Chile, so on and does very well. So, at some stage in the future, we would look at upgrading or updating that portfolio to create what we may call a global lifestyle pickup. But that if you're doing is more for our global markets, and it will of course have some spillover benefit in India. But that's not a primary part of our pickup strategy, our primary part of a pickup strategy, what I have played out is upgrading our current pickup portfolio to make it more tech, and we'll talk more about that, you will hear more about that through the month of August. Pramod, you there?

**Pramod Amthe:** Yes. And about the tractor the second question, you're talking about?

**Dr. Anish Shah:** The farm machinery and implements and the role of tech and competition that was. So, I would compartmentalize these into two different buckets. One is what's the opportunity on the farm machinery size and we really think that's a big growth opportunity we've spoken a lot on that in the past. We're doing multiple things to strengthen our farm machinery portfolio. On this specific question on competition and tractors certainly it's not low tech, I don't think it ever has been. And we continuously our platforms – Yuvo, Nuvo, Jivo and the K2 that we are working on are all very evolved, very strong platforms are doing well around the world, the current

platforms, including North American market, so they are good, very well developed designed tech products. So, we don't think that we are behind the curve at all on the tech evolution on the, tractor side you will see many things coming out as we also start launching the K2 platform over the next year.

**Sriram Ramachandran:** Thank you Pramod. The next question is from Binay Singh of Morgan Stanley. Binay.

**Binay Singh:** Just a few follow up questions from some of the earlier questions on bookings, with regard to bookings looking at the data, do you have any insight into if at all if there's any double booking or overlapping booking a customer who's getting one year waiting in one brand shifts on to the other one. Any sort of insight on that and secondly, in the last call we talked about 10%, 15%, cancellation rate on booking any update on that side. And the last question is just on the automotive margins, in November last year we had talked about almost 300 basis points of expansion room in the automotive margins from the levels at that time, which was around 3.7% or so, since when we have seen commodities actually moderating but volumes going up. So, any aspiration of the automotive margin?

**Rajesh Jejurikar:** Let me take the auto margins, question first, and Manoj step in if you want to add something more to that. So, when we are saying commodity prices cooling off, it's a very, very, very relative term. Because cooling off from the escalation that happened in Feb, March post the Russia Ukraine war, it is nowhere near cooling off compared to the kind of escalation that we've seen over the last 18 to 20 months. And, this is published SIAM data so this is very accessible you can see the shape of the curve for the critical commodities. There may be sharp corrections in commodities which don't have a very significant part of the bill of material of automotive, but in primarily what's going into automotive, steel, and so on and so forth, the corrections are not that high, there is also of course, dollar exchange rate which is not favorable to anything that is imported at the moment, because we have also seen an adverse impact on foreign exchange at the moment of material cost wherever there are any anything that's getting imported. That being said, there is a very sharp focus on improving our cost structure. And we have shared earlier in the year F22 compared to F19, we brought our fixed cost down in auto and farm by about 900 crores in absolute terms, so it's not a system cost percentage impact, but of course it is very significant but in absolute terms we brought that about 900 crores down. In quarter one this year again, compared to quarter one of F19 we brought absolute fixed cost down comparing F19 because, in a manner of speaking that it was the one year where everything was steady state before COVID kicked in, or BS6 transition started coming in, and so on. Again, we reduce over 200 crores of fixed cost on quarter one of F19. So, there is a very significant correction that we've done on the fixed cost. A lot of work is going into improving the value engineering of our current models. So, the overall cost structure is continuously improving and that was a 3% that we had spoken about earlier, which is strengthening our cost structure that makes the business leaner and fitter. And at some stage the commodity cycle will significantly correct and I guess that's when we start seeing the upsides real upsides translated into margin about the action that we are getting. Manoj you want to add on?

**Manoj Bhat:** No, Rajesh you've touched upon the fact that we had mentioned 300 basis points in the medium term and there are multiple pulls and pressures. But from our perspective, it is important that we will look at what can be done in this area and as and when there's a revised view on margins, so we will come back and talk about it. As Rajesh mentioned, the first half of this year considering our current contracts and other factors, which are a lag we will probably look at the second half in terms of what can be done in terms of margin improvement. But at this point we will remain with what we have said.

**Rajesh Jejurikar:** Yes. And I just want to add to the point on auto margins, this whole thing in some of the negative comments that we get around our pricing policy, there are people who do recognize that we have been very transparent and being very clear about the price protection that we are announcing and offering. So, the second round of XUV 25,000 is still getting completed, so now once we've committed to protecting 50,000 at a certain price that does have an effect. And as soon as that corrects out, and we complete that then we move into price we are today. So, there are all of these, we went through that on Thar as well, where we protected price for a very long period of time. We're doing that on several levels as well, in the case of Scorpio N that's not it's a learning out of each experience that price protection is only for the first 25,000 hopefully, we'll be completing that by the end of the calendar.

I will take your first two questions, I am just going to connect the two, which is the double booking and cancellation. So, I don't think double bookings is very prevalent in cities which don't have multiple dealerships. So, that's not so common, that is there to some extent in metros where customers will be booking in a couple of places. Typically, I'm now connecting this to cancellations, cancellations rates remain the same which is in the region of 10% to 12%, depending on the model. Now, when that's the cancellation period of time as new bookings are coming in. To our mind, there's a lot of double booking by now started seeing much more cancellation. So, our sense, I'm sure there's some double booking, that's to be expected. But, I don't think that's going to be very disproportionate very high percentage, if I was to just throw numbers, there's no real way to validate because we do get a KYC of each and every booking. So, every booking has a KYC against it on a random booking. For every booking, there is a KYC so there is a genuine customer Aadhaar or whatever is against the booking reference. So, we don't think it will be more than 5%, 10% of the total, if there's a at all a double booking.

**Sriram Ramachandran:** Thanks Binay. The next question is from Chirag Shah from Edelweiss. We will probably go to the next question from Jay Kale from Elara Capital. Jay.

**Jay Kale:** So, my first question is regarding the tractor margins. So, if you see, we are probably at quarter one is at life high volumes. And historically we've seen at high quarter one volumes, not necessarily entire any quarter volumes. But we've seen historically that we've been able to protect our tractor margins quite well, in that 19 to 21 odd EBIT margins range. But this time, despite the industry being at such healthy levels, we are hovering around that 16% odd margins. How do you see that going forward, what is the pricing power that the industry has currently with such high volumes and how do you see the path going forward to say around back to 19%, 20% EBIT margins?

**Rajesh Jejurikar:** Jay so two parts to the question. The question is also related to the sequential margin where, we've shown some improvement but there may be a view that why would that sequential margin growth not be higher. So, a couple of points to think about, one is we are going through the effect of the margin not passed on even in between Q4 and Q2, and that alone on Q1 has a 0.5% impact so that is one factor. The other is we have of course not yet, even in Q1 we have been able to pass on all the material cost increases that happened in Q4. And they have rolled over into Q1, which is impacting us. The model mix in Q1 was not as positive so there was a negative model mix impact as well. So, that just explaining, key levers what's happened to margin in Q1. Going forward, we really have to see what's going to happen to commodity prices, because in a way with the kind of increases that have happened in the last 12 to 15 months, we've lost more than 2% if we just to compare F22 to now. We lost 2% on margin not passed on. If you were to reconcile 4% margin, 2% of that is just the numerator, denominator effect. And the rest of that is actually the inability because of timing or whatever else facing to not be able to pass on all cost. So, is that margin lost because the numerator, denominator effect is at what stage, you will have to wait and watch to see how much commodity price comes down, because if there's a sharp decline in commodity prices over the next 12 months, then the margin will kick in, because obviously you don't take price deductions at the same pace as you're not able to take price increases at the same pace, neither will you bring prices down at the same pace, and then your margin very quickly starts going up. So, it's not as direct an answer as you're hoping for and we'll really have to see, to get margins back to the levels at which we were as a percentage, we will have to see a much, much bigger correction in the commodity cycle. Margins would improve in the second half, as I alluded to earlier, and Manoj has been talking about as well. But to come back to the earlier levels, commodity cycle will correct much more. Absolute profits of course, we are seeing as you saw even in Q1, we are able to turn out very good absolute profits and this was the second highest absolute profit for FES.

**Sriram Ramachandran:** Thank you.

**Dr. Anish Shah:** We have three questions in queue. Sriram, so while we are scheduled to end now why don't we take the three questions and close after that, please.

**Sriram Ramachandran:** Thank Anish. The next question is from Hitesh Goel of CLSA. Hitesh can you go ahead.

**Hitesh Goel:** My questions are basically twofold. First is actually on the commodity price, sorry to harp on this again. But if I look at the spot commodity price, spot steel price, which is the main component in tractors also in SUVs, if we look at that cost, it is at least 15%, 20% below the contract prices of the auto companies which we have seen in this quarter, as per the steel companies. And even if I look at international steel prices, they are significantly down than the Indian spot prices also. So, I am quite surprised that companies are not talking about a big jump in margins from third quarter onwards when the contract comes in for the renegotiation. So, is it because that you guys are looking at macro situation and maybe looking to pass it on, you are seeing pressure in the industry because of competition can you just talk about that and just on the second question, can you give us some sense on the farm implement revenue in this quarter,



and FY22 revenue, because that is a piece which you are really focused on. And that could grow multiple fold we don't talk about it much. So, if you can give some color on that?

**Rajesh Jejurikar:** Manoj you readily have the figure of farm machinery, I can just open it up but last year was in the region of 400 odd crores, do we want to share quarter wise or?

**Manoj Bhat:** We will give an update at the end of the year. That's what we've been doing. But unless Anish if you want to expand a bit more or you want to expand on the strategy a bit.

**Dr. Anish Shah:** Yes, I would just say on farm machinery that we're looking at a significant growth from where we are right now. In this quarter we are on track in terms of where we want to be. And I'll leave it to Manoj as to when and how he wants to share the numbers, he does it consistently across, we should not wait for the full year. Maybe at least do it at the six month mark so that we can start giving a progress update on this as we go forward. And then if required look at doing it every quarter as well. But at this point of time, what I'd say is there is significant opportunity, a lot of actions have been taken it's moving on track and there is a lot more work to be done.

**Rajesh Jejurikar:** I will just add that quarter-on-quarter we grew about over 35% in the farm machinery business. Multiple things have played for farm machinery business so rotavators we are doing very well we're gaining market share very rapidly. But a critical revenue driver in the farm machinery business is what's called tractor mounted combine harvesters acronym as TMCH and that has been extremely slow because of the situation in Andhra, Telangana so on and so forth. That fresh season starts in October so we'll see how that can be made. So, farm machinery being some of multiple smaller sub segments. It sometimes there is a slowdown for a given sub segment of farm machinery. So, it becomes very difficult to generalize when we're looking at farm machinery numbers, but we have a very aggressive plan for this year and as I said we are broadly on track for that.

**Dr. Anish Shah:** And Rajesh there was a prequel to that question.

**Hitesh Goel:** On the commodity prices if, Manoj can answer, on the steel prices, how do you are looking at because is there a difference between auto steel and the spot steel price that we're looking at, because I believe there's a significant improvement expected on margins.

**Manoj Bhat:** So, broadly speaking, in Q2 the prices will come down. But as I've mentioned before, we are looking at the situation in terms of the various pulls and pressures. So, if I look at the margin equation, number one is, if I look at the new models and there is the XUV700, which is coming out of pricing which will be better for the second half of the year. The second is there is a Scorpio N which has been launched for the first 25,000 will be at a lower margin. So, when we are saying all this, that's why we are saying that we will probably update at the end of the next quarter. In terms of our guidance of that 300 bps so, we don't want to change it every quarter. If the commodity prices continue to remain low, as we mentioned before in the second half will be better margins.

- Hitesh Goel:** So, 300 basis points from current margins, right that's what we're saying?
- Manoj Bhat:** No 300 basis point is what we had said at that point when the margins were about 3.5%. So, that's the baseline.
- Hitesh Goel:** Okay. And finally, just on the farm equipment side, have you given a figure of 10x increase in revenues in four, five years in farm implement space somewhere where somebody told me about it?
- Manoj Bhat:** Yes, so we have talked about that as a growth number which we would like to target, given that the market today is not organized and globally the ratio of farm equipment to tractor, the ratio is much different. So, that we have spoken about as a target or aspirational number.
- Hitesh Goel:** And the industry size is 7000 crores, am I right, right now including and unorganized and organized?
- Manoj Bhat:** Yes, that's right..
- Sriram Ramachandran:** Thank you. The next is Aryn Pirani from JP Morgan. Aryn.
- Rajesh Jejurikar:** Did you want to get Chirag back?
- Sriram Ramachandran:** Next is Chirag, after this we will close with Chirag.
- Dr. Anish Shah:** Kapil wanted to come back as well. So, why don't add Kapil as well then.
- Sriram Ramachandran:** Sure.
- Dr. Anish Shah:** Okay, go ahead Aryn.
- Aryn Pirani:** I actually dropped off in the middle. So, I'm just going to ask a question, maybe it has already been asked regarding your tractor guidance for the year, because there are a lot of volatile moving parts. So, what could go wrong, obviously sowing is a bit slow, but rainfall is okay. Reservoir levels are fine. But what are the risks for this year, for the remainder of the year, even though the ask is not very high and how do you see the demand obviously, you've talked about medium term growth, which is still quite healthy. What are the risks that we should watch out for, for the remainder of the year. Thank you.
- Rajesh Jejurikar:** Two things. One is what we often call terms of trade are not favorable at the moment, the input inflation is for the farmer higher than the output inflation. So, that's one thing we are closely tracking. The other is the government spending in agri and rural has come down significantly over the last few months. And that is a key parameter as well. These are the two risks that we would watch for, keeping all of that in mind we believe the industry growth for the year will be in the range of 3% to 5%. Something changes positively on either of these parameters, then, of course, it's different. There could be an upside.

**Sriram Ramachandran:** Chirag, your line is unmuted now can you go ahead?

**Chirag Shah:** Two questions, one on this international farm subsidiaries that we have now, if you look at our last few quarters, our revenue number as well as EBIT number is largely in a range. What is the way ahead and what will it require for growth or margin expansion or both, how to look at and what is the time frame that we have set internally for yourself to achieve those targets?

**Rajesh Jejurikar:** Chirag in the short run, actually, this is a very good performance given all the challenges that international markets are facing in the last six to eight months there has been huge escalation and freight cost. You are tracking that and that has a significant impact on the ability of each of these companies. We ship tractors from Japan to US, we ship tractors from Korea to US from India to US we have seen huge freight increases everywhere. So, that is one adverse factor right now in the global scale which prevents a very quick ramp up. Some downsides on the Sampo business because of the current European situation of operating in some parts of the world, which we've kind of constrained ourselves around. So, these are a couple of things that we keep in the back of the mind. Mitsubishi was affected by China lockdown, because they do get some portion of that parts from China. So, while each of the businesses are still doing well, and we saw big upside in Brazil, which is doing extremely well. Some of the larger businesses are not able to get the upside because of inflationary pressures.

**Chirag Shah:** Okay. Second is on hybrids in the UV space, your views and are you actually working on it, you may not be that positive as a space, but you are developing a product as a plan B, if it does well in India, or developing the capabilities. So, any thoughts on that, because a large competitor of yours is betting big on hybrids. It's very interesting that two different participants of industry are thinking differently.

**Rajesh Jejurikar:** We are at the moment very focused on our EV strategy Chirag we are not working on a plan B for hybrid at this stage. Not commenting on the moves of our competitors. And, they will also look at where they are investing and what technologies globally. What we are responding to is, what we've seen as a very strong focus of the government of India to move towards a high level of electrification of fleets, including three wheelers and in our case SUVs. And that's the part that we are staying focused on delivering outcomes and Anish, I know you would want to add on it.

**Dr. Anish Shah:** Yes, I would just add that in most global markets as well, there is a very strong trend towards EV. And EV really solves the problem around cleaner environment and therefore our approach also is follow what is happening in global market, follow what the government is pushing and really have a solution that is full solution, not a partial one.

**Sriram Ramachandran:** Thanks Chirag. Then last question is from Kapil. Kapil can you unmute.

**Kapil Singh:** Rajesh, my question is to you, just want you to understand that BS6 phase two will be coming up next year. So, in terms of costs for any of your segments, is there any disruption that could be there for let's say segments like diesel or petrol if you could just give thoughts for LCVs,

SUVs that's first part and secondly, in terms of what we are seeing is CNG cost going up substantially now, so do you think there is a potential for much faster transformation towards electric in say categories like three wheelers or pickups and how are you preparing for that?

**Rajesh Jejurikar:** So, Kapil let me take the second question first. So, the CNG is clearly, this is so cyclical that three months back, everyone was scrambling to build all the CNG kits needed and the market was moving so rapidly towards CNG. And that has slowed down dramatically like you rightly said, because the price cost parity equation has changed in the last month and a half or two. It would strengthen the EV story in the commercial vehicles as well. So, yes we see that as an upside but that being said, this equation can change reverse again. So, we have to keep our CNG strategy intact as we prepare for the future. So, we have to juggle on both the fronts of keeping EV going but also being ready with CNG and we are ready with CNG. So, it just becomes harder for suppliers because there's so much volatility and uncertainty around the supply side. Kapil, do you mind repeating your first question, I have not completely got that.

**Kapil Singh:** Yes. So, what I wanted to know, as we move to BS6 phase two, which is real world driving emissions, will the cost increase be substantially higher for diesel segment, or how are you prepared for both SUV as well as the pickup segment?

**Rajesh Jejurikar:** We are prepared well, Kapil from a readiness point of view, the cost is not abnormally high, we've shared that last time as well. So, we will be able to handle the cost, the key thing is the number of new regulations that come in BS6.2 is one of them and as we prepare for that, and if there's legislation around, mandated six airbags, all of these are adding to the overall cost pressures in the market. Even if we are able to pass these on, then the margin on that doesn't become so easy to do. And, this has been happening continuously over the last two and half, three years which is creating margin pressure in the industry as a whole, where there's multiple causes of inflationary pressure. And then while we do try to pass on the cost, the margin doesn't get passed on and then that drops the overall weighted margin on the business. So, that's one of the challenges that we'll have to grapple with as we move. But if this cost comes in, but commodity pressure comes down significantly then it becomes very easy to pass it off as well, because then customers were used to a certain price point and we are able to absorb it, it's when all inflationary pressures are happening at the same time that's when these costs are becoming a challenge.

**Kapil Singh:** Basically what I'm trying to understand is, is the cost increase in diesel going to be so large that hybrids become viable?

**Rajesh Jejurikar:** No.

**Dr. Anish Shah:** No, it's not that much Kapil, it's not going to make any difference from that perspective.

**Sriram Ramachandran:** Okay, thank you. With that we come to the end of the conference. We thank all the participants, especially since we do the Q1 calls late in the evening, since we have the AGM in the afternoon. Thank you for participating in large numbers. And I also thank the entire management team here

for making time and being here at the end of the second day of continuous board meetings.  
Thank you everyone, have a good evening.

**Dr. Anish Shah:** Thanks everyone.

**Rajesh Jejurikar:** Thank you everyone.

**Manoj Bhat:** Thank you.