

# Mahindra & Mahindra Ltd.

## Meeting of CIOs with Mr. Anand Mahindra

*Investor Relations, November 30, 2016*

Date & Time	November 30, 2016; 3.00 p.m.
Event	Mr. Anand Mahindra's Interaction with CIOs of Institutional Investors
Participants from M&M	Mr. Anand Mahindra, Executive Chairman; Mr. V.S. Parthasarathy, Group CFO; IR Team

The Company had organised an interaction of CIOs/ senior personnel from various Institutional Investors with Mr. Anand Mahindra, to discuss the strategic issues related to the company.

The key points discussed during the meeting are provided below:

- **Impact of Demonetisation:**
  - Demonetisation is a beneficial move from Government of India; Government's willingness to take the feedback from ground and tweak their actions indicate positive attitude.
  - Government has understood the difficulty faced at 'mandi' level and is focusing all its efforts to ensure that the value chain at 'mandi' level is least interrupted. That will ensure that the rabi season is not impacted much.
  - In the long-term, this move would remove incentive for informal economy and movement of many businesses from unorganized to organized sector. The economy would also move towards becoming cash-less.
  
- **Auto industry dynamics**
  - The shared economy is a reality; it would impact the volume of cars sold. The car market would be divided into two – vehicles for commuting and vehicles for recreational purpose; UVs with distinctive style would be preferred as vehicles of choice for recreational purpose. With complete portfolio in UV, we are well poised to leverage this opportunity.
  - As and when the battery prices start falling, electric vehicles would become preferred vehicle for commuting purpose (shared economy). The company is well poised to become more affordable electric vehicle manufacturer, with its experience in the segment so far. The company has benefited from developing vehicles for Formula-E race. E2O plus (a four door offering) is a much more refined product compared to E2O. Electric Verito is also seeing more acceptance among shared economy players.
  - In case the company wants to develop a high end electric vehicles, it could leverage 'Pininfarina' brand, which already enjoys a premium image.
  
- **UV industry dynamics and company's position**
  - The company has always developed products which have withstood the test of time and has proved its credentials over long period of time.
  - The company is confident of improving volumes in TUV300, which had seen a brief slow-down in its volumes. TUV, with its distinctive UV characteristics, would bounce back.

- While KUV100 faced some competitive pressure and positioning issues, they have been addressed and the product has started improving its volumes. We are confident that the overall value proposition of KUV100 would help the volume of this product to improve further. The 6-seater option of KUV100 is finding acceptance amongst customers; the product is also attracting women consumers.
- The company has also been developing options in alternate technologies (in addition to electric powertrain discussed above).
  - Ssangyong provides the option of creating gasoline powertrains
  - Pininfarina provides the option of exploring hydrogen technology.
- The company has a strong pipeline of new products – one product every year for the next four financial years. These products would have inputs from our North American Technical Development Center and would have completely different look and feel also.
- The company has performed well in MHCV segment in the recent years; especially the new range, Blazo, has got good acceptance.
- **Farm Equipment sector:**
  - The company had come out with two very successful products Yuvo & Novo. The actions taken by the company in the market downturn has helped the company grow much better than the market and garner more market share.
  - The objective is to be a global leader in offering Farming solutions instead of focusing only on being the largest Tractor manufacturer in the world.
  - On the Technology front, the company is confident of producing a driverless Tractor if the market situation would so demand.
- **Capital allocation:**
  - The company has been always been frugal in investing in new businesses. Major part of the company's incremental investments are towards auto and tractor segments.
  - The company has refocused its strategy in 2-wheeler business. It is now focusing on brands that has strong franchisee in niche segments (BSA and Jawa).