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8th September 2025

National Stock Exchange of India Limited **"Exchange Plaza", 5th Floor,** **Plot No. C/1, G Block** **Bandra-Kurla Complex** **Bandra (East), Mumbai 400051.**	**BSE Limited** **Phiroze Jeejeebhoy Towers,** **Dalal Street, Fort,** **Mumbai 400001.**
The Luxembourg Stock Exchange **35A Boulevard Joseph II,** **L-1840 Luxembourg.**	**London Stock Exchange Plc** **10 Paternoster Square** **London EC4M 7LS.**

Dear Sirs,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - India Ratings Affirms Mahindra & Mahindra & its NCDs at 'IND AAA'; Outlook Stable

Instrument Type	Date of issuance	Coupon Rate	Maturity Date	Size (INR million)	Rating assigned along with Outlook/Watch	Rating Action
Long-Term Issuer Rating	-	-	-	-	IND AAA/Stable	Affirmed
Non-convertible debentures	-	-	-	INR 4,750	IND AAA/Stable	Affirmed
Bank loan facilities	-	-	-	INR13,025	IND AAA/Stable/IND A1+	Affirmed

Please find enclosed a Press Release issued by India Ratings and Research Private Limited in this regard which was intimated to the Company on 8th September, 2025 at 06:05 p.m.

Further, as per Regulation 55 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time, read with SEBI Master Circular bearing reference No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated 11th July 2025 and read with SEBI Master Circular bearing reference No. SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated 13th August 2025, please find below details in respect of Credit Rating obtained for Non-Convertible Debentures ("NCD") issued by the Company from India Ratings and Research Private Limited:

Details of credit rating									
Current rating details									
Sr. No.	ISIN	Name of the Credit Rating Agency	Credit Rating Assigned	Outlook (Stable/ Positive/ Negative / No Outlook)	Rating Action (New/ Upgrade/ Downgr-ade/ Re-Affirm/ Other)	Specify other rating action	Date of Credit rating	Verification status of Credit Rating Agencies	Date of Verification
1	INE101A08088 (Rs.475 Crore NCD)	India Ratings and Research Private Limited	IND AAA/Stable	Stable	Re-Affirm	-	08-09-2025	Verified	08-09-2025

Kindly take the above on record.

Yours sincerely,
For MAHINDRA & MAHINDRA LIMITED

Sailesh Kumar Daga
Digitally signed by Sailesh Kumar Daga
Date: 2025.09.08 19:56:05 +05'30'

SAILESH KUMAR DAGA
COMPANY SECRETARY
Encl: as above

India Ratings & Research
A Fitch Group Company

India Ratings Affirms Mahindra & Mahindra & its NCDs at 'IND AAA'; Outlook Stable

Sep 08, 2025 | Passenger Cars & Utility Vehicles

India Ratings and Research (Ind-Ra) has affirmed Mahindra & Mahindra Limited's (M&M) Long-Term Issuer Rating at 'IND AAA'. The Outlook is Stable. The instrument-wise rating actions are given below:

Details of Instruments

Instrument Type	Date of Issuance	Coupon rate	Maturity date	Size (INR million)	Rating assigned along with Outlook/Watch	Rating Action
Long-Term Issuer Rating	-	-	-	-	IND AAA/Stable	Affirmed
Non-convertible debentures*	-	-	-	INR4,750	IND AAA/Stable	Affirmed
Bank loan facilities	-	-	-	INR13,025	IND AAA/Stable/IND A1+	Affirmed

* Details in annexure

Analytical Approach

Ind-Ra continues to take a fully consolidated view of M&M and its subsidiaries (excluding its financial services subsidiary – Mahindra & Mahindra Financial Services Ltd (MMFSL; 'IND AAA'/Stable)) while arriving at the ratings, because of the moderate strategic, operational and legal linkages among them.

Detailed Rationale of the Rating Action

The ratings reflect M&M's continued strong market position in the key business segments, strong revenue growth in FY25 in the core automotive and tractor businesses along with improved overall profitability, and a diversified business profile. The ratings also reflect M&M's improving market share in the utility vehicle (UV) segment, leadership position of the company in the tractor industry in India, a strong credit profile and superior liquidity.

List of Key Rating Drivers

Strengths

- Strong market position in key business segments
- Diversified business profile
- Strong credit profile
- Strong revenue growth in FY25 along with an improvement in the EBITDA margin
- Improving market share in UV segment
- Conservative financial policy; tightened capital allocation but capex in focused sectors continues

Weaknesses

- Lower margins at certain subsidiaries drag metrics

Detailed Description of Key Rating Drivers

Strong Market Position in Key Segments: M&M has maintained its leadership position in the domestic tractor market with around 45.2% share in terms of volumes during 1QFY25 (FY25: 43.3%; FY24: 41.6%; FY23: 41.2%) with its brands - Mahindra, Swaraj, Trakstar and the new range of OJA tractors. M&M is also among the top two players in the light commercial vehicle (LCV; below 3.5 tonne) market with around 54% share in 1QFY26 (FY25: 51.9%; FY24: 49.0%; FY23: 45.5%; source: Society of Indian Automobile Manufacturers). With new launches, the company held a 42.9% share in the organised electric three-wheeler (e-3W) market in L5 category in FY25. In addition, M&M has acquired around 59% stake in SML Isuzu Limited (SML Isuzu) for INR 5.6 billion, mainly to increase its market share in the >3.5T commercial vehicle (CV) segment from around 3% as of 1QFY26 to 10%-12% by FY31, as per the management.

Diversified Business Profile: M&M has a diversified business profile with its presence across varied businesses including farm equipment, auto, defence, information technology, financial services, mobility services, renewable energy, logistics, real estate, hospitality, steel trading, automotive components and maintaining parts for leading aerospace companies. However, farm equipment and auto businesses together are the key revenue and profitability drivers. The standalone entity, which majorly derives its revenue and EBITDA from the auto and farm businesses accounted for over 83% and 87% of the revenue and EBITDA of the consolidated entity (excluding MMFSL), respectively, in FY25. The diversified revenue stream shields the consolidated credit profile, to an extent, against demand variations in the individual business divisions.

The demand drivers for the auto segment (gross domestic product growth rate, disposable income, fuel prices, level of industrial production, interest rates) are different from those for farm equipment (adequacy of rainfall, interest subvention schemes, cost of labour in rural areas). Thus, the demand cycles for products of the two divisions are not completely independent of each other and offer a buffer to company's overall profitability despite inherent cyclicality. Additionally, within these two divisions, the company has a wide range of product offerings at various price points to cater to different customer segments.

Strong Credit Profile: M&M's standalone and consolidated (excluding MMFSL) credit profile is characterised by a low financial leverage and high coverage ratios. In FY25, the consolidated (excluding MMFSL) gross interest coverage (operating EBITDA/gross interest expense) remained strong at 27.9x (FY24: 27.7x), largely led by a higher EBITDA of INR186 billion (INR147 billion) as well as a reduction in the overall debt (excluding MMFSL). The company was net debt negative (including corporate guarantee and lease liabilities) in FY24 as well as in FY25. Ind-Ra expects M&M's credit metrics to remain largely at similar levels due to the overall buoyancy in the domestic auto sector.

Strong Revenue Growth in FY25 along with an Improvement in the EBITDA Margin: The consolidated revenue (excluding MMFSL) increased to INR1,404 billion in FY25 (FY24: INR1,226; FY23: INR1,087 billion) mainly on account of: i) new model launches in ICE (Thar Roxx and XUV 3XO) as well as two model launches on the electric vehicles (EV) side (BE 6 and XEV 9e) in the UV segment, leading to 20% yoy growth in the volume, ii) sustained growth momentum in 3W business with around 11% volume growth and iii) improved realisation in the auto segment.

The EBITDA margins also increased to 13.3% in FY25 (FY24: 12.0%, FY23: 11.4%), primarily led by an increase in margins in auto business as well as farm equipment segments, richer product mix and operating leverage benefits. The margins also benefitted from the improved performance of key subsidiaries as well as the company's exit from certain loss-making businesses.

Ind-Ra expects the consolidated revenue to increase 6%-8% yoy over FY26-FY27, supported by sustained volume growth in the auto industry, led by ICE and EV model launches/refreshes as well as growth in the farm equipment segment. The company is planning to launch seven internal combustion engine sports utility vehicles (SUVs; including three refreshes) and five EVs by FY30. Its new product launches and increasing production capacity will support the company's growth in the auto segment. Ind-Ra expects the EBITDA margin to remain at 12%-13% in FY26-FY27, led by stable raw material prices and operating leverage.

Improving Market Share in UV Segment: M&M's strength lies in creating SUVs that aligns with consumers' evolving preference and the company has established itself as one of leader in the segment, with vehicle launches over the past three years underscoring its product and technological leadership leading to notable increase in market share to 22.7% in 1QFY26 (FY25: 19.7%; FY24: 18.2%; FY23: 17.8%). This growth was on account of the launch of two ICE vehicles – Thar Roxx and XUV 3XO and two BEVs (born electric vehicles), collectively contributing to the surge in volumes. The management expects the SUV segment's volumes to grow by mid-high teens yoy in FY26, driven by a) sustaining momentum in the ICE portfolio and b) new EV launches, where it has seen minimal cannibalisation. In the auto segment, the company has planned to launch seven ICE SUVs (including two mid-cycle enhancements), and five BEVs by FY30 and out of that for 2026, the company has planned the launch of three ICE SUVs (two mid-cycle enhancements and one new model), and two BEVs. This pipeline, coupled with a robust order book, sufficient production capacity and the near-term resilience against supply-chain disruptions particularly in terms of availability rare-earth materials for EVs, positions M&M well to further strengthen its market presence. However, Ind-Ra expects that intensifying competition in the UV segment, with new product launches by peers and the reducing life cycles of products in this segment will maintain competitive pressure.

Conservative Financial Policy; Tightened Capital Allocation: With the intent of creating value for stakeholders, the company has tightened its capital allocation policy and continues to evaluate its investments on criteria such as strategic benefit and financial returns (investments with a clear path to return on equity of 18%). As part of its strategy to exit non-core or non-performing ventures, in FY25 and 1QFY26, the company has impaired few of its investments in Agricultural Machinery Co., Ltd. (MMAM), Sampo Rosenlew Oy (Finland), etc.

Over FY21-FY24, as a part of its strategy, M&M had partially or fully exited from Ssangyong, GippsAero, Mahindra Tractor Assembly Inc. (GenZe), Peugeot Motorcycles (PMTC), First Choice Wheels, Hisarlar, MeraKisan Pvt Ltd, Mahindra Waste to Energy Solutions Ltd., Mahindra Conveyor Systems Pvt Ltd, Mahindra Consulting Engineers Ltd, Mahindra Sanyo Special Steel Pvt Ltd, OFD BV, Medwell Ventures Pvt Ltd, CIE Automotive, and Mahindra First Choice Services Ltd. Over the same period, M&M also divested its stake in the metal fabrication business of Hisarlar in Turkey and restructured Mahindra Automotive North America's business.

The company has reiterated its focus on capital discipline and return on equity (RoE), aiming for 15%-18% RoE across businesses. The company is continuously calibrating its strategies to strengthen its market position, streamline operations, invest significantly in the growing EV sector and enhance production capacity to strengthen market positions.

Lower Margins at Certain Subsidiaries Drag Metrics: On a standalone level, M&M reported a profit before tax margin of 13.4% in FY25 (FY24: 13.6%). The consolidated profit before tax margin (before exceptional items; excluding MMFSL) was lower than that at the standalone level at 10.4% in FY25 (FY24: 10.1%), due to losses or lower profitability at some of M&M's subsidiaries. The capital reallocation exercise has helped the company in improving the consolidated margins on a yoy basis. However, Ind-Ra expects the turnaround of subsidiaries to an ongoing process and the same needs to be monitored over a period of time for its performance.

Liquidity

Superior: M&M had a strong consolidated cash balance (including current investments; excluding MMFSL) of INR 352 billion (FY24: INR194 billion; FY23: INR185 billion). The standalone entity's average month-end utilisation of the fund-based facilities of INR6 billion was almost nil for the 12 months ended July 2025. Excluding MMFSL, M&M's free cash flow stood at INR62.2 billion (FY24: INR22.6 billion; FY23: INR36.9 billion), largely led by improved operating performance in the auto as well as farm equipment segments. The capex stood at INR 99.5 billion in FY25 (FY24: INR96.2 billion; FY23: INR59 billion).

The company plans to incur capex and investments of INR370 billion (increased from INR159 billion capex plan over FY22-FY24), over FY25-FY27, which includes capex towards electric platform development, new product development and capacity expansion in the auto business segments and investments in group companies. The capex is likely to be funded largely through internal accruals while for the EV development, the company has already got equity participation from investors tied in for EV business-related subsidiaries – Mahindra Last Mile Mobility Ltd (MLMM) and Mahindra Electric Automobile Ltd. (MEAL). The company has earmarked INR120 billion for the EV business over FY25-FY27. In addition, British International Investment and Temasek had invested INR18.5 billion and INR12 billion, respectively, in MEAL as on 31 March 2025 with no further investment likely to come in from these. In MLMM, International Finance Corporation (IFC) and NIIF India Japan Fund (IJF) had invested INR10 billion as on 31 March 2025.

On a standalone basis, the company has scheduled repayments of INR10.3 billion in FY26 (including repayments in 1QFY26). Given the established access to the domestic banking system and debt capital markets, Ind-Ra expects M&M to refinance/repay its debt comfortably. The agency estimates the free cash flow for FY26-FY27, along with the strong cash balances, and financial flexibility will be adequate to fund the debt repayments and dividend pay-outs over the period. After factoring in the support of around 20% of MMFSL's debt, the company's liquidity ratio as per Ind-Ra's calculation will be above 1.0x over FY26-FY28.

Rating Sensitivities

Positive: Not applicable

Negative: A negative rating action could result from a substantial weakening in M&M's market position in its key product segments and the quantum of capex/investment plans exceeding Ind-Ra's expectations and entailing debt funding, leading to a pressure on the key credit metrics, resulting in the net leverage (M&M consolidated excluding MMFSL) exceeding 1.5x on a sustained basis.

Any Other Information

Standalone Financials: The company's operating revenue increased to INR1,165 billion in FY25 (FY24: INR991 billion) and the EBITDA to INR171 billion (INR131 billion). The company remained net debt negative over FY21-FY25. The interest coverage remained strong at 68.4x in FY25 (FY24: 93.6x). In 1QFY26, the standalone revenue grew around 26% yoy to INR341 billion (1QFY25: INR271 billion) while the EBITDA was INR48.8 billion (INR40.5 billion) with an EBITDA margin of 14.3% (15%).

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on M&M, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

Incorporated in 1945 as an assembly unit, M&M is the flagship company of Mahindra Group. The company is 19.6% owned by promoters. M&M's business is diversified across farm equipment, auto and automotive components, real estate, logistics, information technology, mobility services, renewable energy, steel trading, hospitality, defence and aerospace, and financial services sectors. Furthermore, M&M has a significant market share in the LCV, tractors and UV space.

Key Financial Indicators

Particulars	FY25	FY24
Revenue (INR billion)	1,405	1,226
EBITDA (INR billion)	186	147
EBITDA margin (%)	13.3	12.0
Interest coverage (x)	27.9	27.7
Net adjusted leverage	Net cash	Net cash

Source: M&M, Ind-Ra
Note: Ind-Ra has arrived at these financials by de-consolidating MMFSL from M&M's consolidated financials.

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings	Historical Rating/Outlook		
				9 September 2024	20 September 2023	21 September 2022
Bank loan facilities	Long-term/Short-term	INR 13,025	IND AAA/Stable / IND A1+	IND AAA/Stable / IND A1+	IND AAA/Stable / IND A1+	IND AAA/Stable / IND A1+
Non-convertible debentures	Long-term	INR 4,750	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Issuer Rating	Long-term	-	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

ISIN	Date of issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
INE101A08088	27 September 2016	7.57	25 September 2026	INR4,750	IND AAA/Stable

Source: M&M, CDSL, NSDL

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About India Ratings

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

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Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Treatment and Notching of Hybrids in Nonfinancial Corporates

The Rating Process

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

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