



SML Mahindra Limited  
Trucks & Buses

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SML/SEC/2026-27-010  
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<b>Scrip Code: 505192</b>	<b>Symbol: SMLMAH</b>

**Sub: Transcript of the Press/Analyst/ Institutional Investor Call**

This is in continuation of our letter dated 15<sup>th</sup> April, 2026 providing advance intimation of the SML Mahindra Limited Press / Analyst / Institutional Investor Call scheduled and held on 20<sup>th</sup> April, 2026 at 5:30 P.M. (IST), and our letters dated 20<sup>th</sup> April, 2026 submitting a copy of the Presentation and Audio-video recording for the said call.

We hereby submit the Transcript of the aforesaid Conference Call, which is also available on the Company's website and can be accessed at the following Link:  
[https://smlmahindra.com/storage/uploads/finance\\_reports/public\\_notice/1777044759-SML%20Mahindra%20Limited%20-%20Press%20and%20Analyst%20Meet%20-%20Q4%20F26F.pdf](https://smlmahindra.com/storage/uploads/finance_reports/public_notice/1777044759-SML%20Mahindra%20Limited%20-%20Press%20and%20Analyst%20Meet%20-%20Q4%20F26F.pdf).

Please note that only publicly available documents were referred to during the discussion and that no unpublished price sensitive information was shared during the Earnings Call.

You are requested to kindly take the same on record and treat it as compliance with the applicable provisions of the Listing Regulations.

Yours sincerely,

**For SML MAHINDRA LIMITED**  
(Formerly SML ISUZU LIMITED)

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**SML MAHINDRA LIMITED**  
**Press/Analyst/Institutional Investor Conference Call**  
**Q4 FY 2026**  
**20th April 2026, 5:30 PM**

**MANAGEMENT:**

**MR. VINOD KUMAR SAHAY**

*Executive Chairman – SML Mahindra Limited*

*Chairman - Mahindra Advanced Technologies*

*President – Aerospace, Trucks, Buses & CE (Mahindra Group)*

**MR. AMARJYOTI BARUA**

*Group CFO - Mahindra & Mahindra Limited*

**MS. MANASWINI GOEL**

*CFO - Aerospace, Advanced Technologies, Trucks & Buses (Mahindra Group)*

**Moderator – Ms. Divya Gulati**

**Amarjyoti Barua**

Good evening. First of all, thank you to all of you for making the time to join this call. This is the first call for SML Mahindra since the acquisition. It's been eight months. We just thought it would be a good time to introduce you to all the things that have happened since. On my right is Vinod Sahay, who is the Executive Chairman for SML and is also the President for Aero Advanced Technologies and Trucks and Buses within the Mahindra Group. Also on his right is Manaswani Goyal, who is Sector CFO. As you know, I am Amarjyoti Barua. I'm the Mahindra Group CFO. The idea today is to walk you through all that has happened in the last eight months and also the performance of the company. We will start with a presentation. Hopefully all of you can see it, and I'll turn it over to Vinod. And the three of us will attempt to answer all your questions once we are done with the presentation.

**Vinod Kumar Sahay**

Good evening, friends. We just quickly take you through a brief presentation and the key highlights for the year FY 2026 and also quarter four.

Just to recap on 26<sup>th</sup> April 2025, we announced the deal of Mahindra taking over earlier Promoter stake of Sumitomo and Isuzu and on 1<sup>st</sup> August 2025, we completed the transaction and acquired 58.96% of controlling stake in SML Isuzu. The same day the Board of Directors and key leadership of SML was reconstituted. We immediately kicked off the synergy and integration projects, which I'll talk briefly and update you on where we are on some of the key ones. And on 8th October, which was one of the SPA conditions, we renamed the Company from SML Isuzu to SML Mahindra, we, as you know, we have just completed eight months into this transaction since we came in, and in eight months, in the record 8 months after takeover, we have already managed to integrate the business. SML Mahindra is operating like any other Mahindra Group Company as we speak. And we have also completed the SPA conditions as we are speaking and kicked off several synergy and integration projects from the long-term perspective of taking SML to its true potential.

Next slide.

During the Global Investor Day in November 2025, we had set announced our aspiration that In Mahindra, trucks and buses businesses, both brands combined, we aspire to be top three in India's ILCV trucks and buses segment, intermediate and light commercial vehicle buses and trucks segment with focus play in HCVs.

Next slide.

Now coming to the key highlights of the year we just closed.

We have outgrown the industry. We grew at 17% in the industry versus industry growth of 13%. Our revenue was up 18%. PAT was up 31% in the year. And our rating went two notches up from AA minus to AA plus.

Our experience since August 2025 reconfirms our rationale for the acquisition. The Company is in good shape and poised for future growth. The integration is going as per plan and ensures we are on track. Supply chain, we are well in control of and managing even the current crisis, the team is managing quite well. And the organization, we already set up the joint leadership for both the businesses put together at the senior most level.

Next slide.

So, this is briefly, I wanted to talk and I will spend some time on this slide. Some of you would recall that the same slide we had presented during the Global Investor Day also, and here we are talking about the brief update on that. One by one, we'll go against each of the six key pillars of our integration strategy which we are working on.

Starting with the products, we have already completed the roadmap for the integrated product and aggregate strategy plan and the work has commenced. We are targeting the best uptime and the lowest TCO in the industry. Many of our products already have that and going forward, we will continue to be the leader in these segments. Connected vehicle is another big play. Mahindra IMAX is something which is well proven. SML also has an in-house technology lever, which we are going

to adopt both and integrate to harness the best of both. Our both technology vehicles are already capable of the technology of digital prognosis and analytics with which we are not only driving lower cost of maintenance and higher uptime but also looking at proactive efforts to be able to reach out to customers faster and hence overcome the network challenges which comes with the Challenger brand. Integrated DMS is another area where we have kicked off, where both teams already have their DMS and it's working quite well. But going forward, not only we are integrating the DMS, but we are already also incorporating AI and ML-based capabilities in the DMS to be able to do proactive pipeline management and guidance to the sales team. All these are marked in green because in all of this, we are not saying it is completed, but we are ahead of the plan which we have made, and they are going quite well. As far as brand strategy is concerned, the reason we are marked yellow is that anything which is customer facing, anything which is our partner facing because they're independent network for both the brands and anything which is related to employees, we are taking more time because this needs to be well thought through. Both the brands have their own strength, and they will continue and they stand for quite different things in the market. Mostly they don't cannibalise each other. They have independent network. And hence they are continuing. Going forward, we will continue to evaluate which brand can play a higher role in which segment. But that's something which we will go very, very slowly. As we speak, the strategy is very clear that when it comes to customers, he or she would continue to have the choice of choosing between the two brands which stand independently for their own strength. When it comes to network, it's another big area which we talked about. Both brands are challenger brand and hence after sales service becomes a very important aspect of the milestone which has to be covered to be coming to the consideration set of the customers. Independently, both brands had roughly around 300 touch points. Both put together become 600. In the first phase, we have already identified 150 service networks of both brands who will be providing additional service capability to the other brand. And out of 150 such setups, 70 have already been operational, and another 80 will be operational by the end of this quarter. So independently, both the brands' network will go up to 450, then the figure of 300, which was 8 months back. So that's related to service network. On sales, as I said, we'll be going carefully because there are many cities, there are many districts where we have network of both the dealerships and we don't want to disturb that. There are investments which our partners have done. More than that, we are working towards the strategy of Cross-badging the products which SML does not have, which Mahindra has, or vice

versa, can be made through cross-badging strategy, and that is what we are working towards, and that's also part of the integrated product strategy which I talked about.

Unlocking capital is another big integration benefit whether it comes to sourcing or aggregate synergy or manufacturing footprint. Just to give you an example, all of you are aware that there is a ADAS regulation which has been announced which CV industry has to get ready with and within the next 1 1/2 years. That itself is a combined project which has been taken by both the companies put together, which has led to significant saving both in the piece price for the component which SML and Mahindra is going to source versus what would have been possible if it was independent sourcing and a substantial reduction in the development cost also, which we have brought down, brought in for SML.

The other part which comes is the sourcing lever. Some of the sourcing levers have already been kicked in and SML will see the benefit of it in coming years. The aggregate synergy I talked about, there is a technology piece which is coming on account of the common talent pool which we talked about. While at the senior level, the common talent has been announced on day one, whether it is myself as Executive Chairman and the CEO and the CFO and Chief Operating Officer are common for both the businesses.

Rest of the team are separate, but SML now gets the benefit of the larger talent pool and the centre of excellence which Mahindra provides, including that of MRV. So for example, ADAS, you know, we have huge amount of experience in MRV and Mahindra Auto team, which has developed ADAS for all our Products and like XUV 7, starting from XUV 7 and others, we are using the same talent capability to guide the SML truck and bus product development team and our truck and bus product team of Mahindra to be able to come up with the development faster and at a more cost-effective situation than what otherwise would have been possible.

Culture and policy announcement is another area which a lot of work has happened, whether it is in terms of commonizing SML policies with that of any other Mahindra Group company, providing additional benefits, whether it is in terms of differentiated talent management, with variable pay structure which Mahindra has, some of these things have been introduced. Typical things like medical policy of SML employees have been brought in line with the Mahindra medical policy. All of them, all of that

has gone down very, very well with SML employees who now are part of Mahindra larger ecosystem and feel proud to be working with us together.

Next slide.

Now to just give you the highlights in terms of volume and market share for the full year, our volume went up for cargo vehicles by 28% and passenger vehicle by 12%. In terms of market share, we had a 20 basis point increase YOY in terms of cargo vehicles and 80 basis point for passenger vehicles. So, passenger vehicles, which we are SML Mahindra is already quite strong and it's already #3 player in ILCV segment. We further went up by 80 basis point.

Next slide.

So, as I said earlier, revenues, we had an increase of 18%. However, we overperformed in terms of bottom line and PAT growth has been 31% for the year. Coming to quarter four, the volume growth for cargo vehicle was 10% and passengers 16%. Market share, there is a minor blip, but I'll explain. The reason for that was that we executed large number of institutional orders in quarter three itself as a preparation for season of school buses in quarter four, where the large capacity gets booked in quarter four. And hence, while for quarter four standalone, it is showing a decline because last year the previous management had executed most part of the institutional order in quarter four, which we instituted and delivered in quarter three itself to free up the capacity for buses for quarter four, and hence while overall, we have actually grown in market share, as you saw in the previous slide. Quarter 4 looks a decline, but not a major concern. And passenger vehicles, we actually in quarter four, because of being able to free up the capacity and use the quarter four peak period to be able to drive bus business even higher, we outperformed the industry and gained 170 basis point market share in quarter four for buses, which is a stronghold of SML Mahindra.

Next slide.

So, as you can see, for quarter four, our revenue went up by 16%. Our PAT went up by 2%. In quarter four, we had certain inflationary pressures, which we have passed

on some price increase in quarter one. And going forward, we will continue to try and mitigate this situation.

Next slide.

So with that, thanks a lot for your patient agree and now we will be opening for question and answers.

Divya, over to you.

**Divya Gulati**

Thanks Vinod. We'll now open the floor for questions. Please raise your hand on Teams or press \*5 on your phone to ask your question.

**Divya Gulati**

We'll take the first question from Nomura.

Kapil, please proceed.

**Kapil**

Yeah. First of all, congratulations, team. I think this has been a significant value creation for the shareholders. So, I hope we continue doing well. My first question is on the volumes. If you could just share the outlook for the industry growth and how is the market share situation evolving? And second, if you could also talk about what is the potential synergy benefit, we should expect? Is it more in the back end or is it more in the front end? And where are we in this journey? How much have we covered? Just that. Yeah, thanks

**Vinod Kumar Sahay**

So, Kapil, as you know, the CV industry last financial year is a tale of two cities. For the first half, the industry was almost flat with just about 2% increase. But in second half, post the GST reform, the industry grew quite well, almost 22%. Now within that, if you analyse the growth actually was much higher in case of trucks, the cargo segment, as we call it.

And there was growth, but it was lesser growth in passenger segment. As we speak, as far as SML Mahindra is concerned, you know we are in the peak selling season,

quarter four and quarter one is the peak selling season for school buses, which is a strong play of SML Mahindra.

What we are seeing today is, in spite of all the challenges which we have around so far, we don't see any major concern as far as demand situation is concerned. How the industry will play after quarter one is dependent upon multiple factors, especially in view of the current geopolitical situation.

the likely talks about the diesel price increase. So my suggestion is that we wait for some more time and then only once we see how things emerge in the next couple of weeks or a month, including that of diesel price, because CVs are very, very sensitive to diesel price increase. As of now, what we know for a fact is that when it comes to cargo segment, the industry is sitting on a huge pent-up demand of replacement cycle. The industry is also sitting up based on the economic growth, which was going post-GST reform and the outlook of it. Many segments, many operators, many of our customers were looking at fleet expansion. Same was the situation in because of buses, though at a moderate level, but it was also going quite strong. How much of that gets impacted or not based on the prevailing situation is something we should wait for some more time. As far as your second question, integration is concerned, I try to.

### **Amarjyoti Barua**

I will just on that first part though, just add for everybody's benefit. Like everybody else in the group, the SML Mahindra has also worked out multiple scenarios and has an action plan for every scenario. So, we are not waiting for things to evolve. We have a very clear plan of action depending on how things evolve, whether it is plus, minus, it shouldn't matter we are prepared for it.

### **Vinod Kumar Sahay**

Yeah, thank you.

Integration and synergy approach benefits Kapil are on both sides, back end as well as front end. We are already seeing some early benefits on sourcing front. We are working on a lot of value engineering ideas having compared both the both the brands and their products and aggregates. There are opportunities on both sides, especially on the SML side, in terms of bringing the cost efficiency on their products. There are manufacturing related synergy which can bring down

The cost, as well as the Capex outlay, so that's another area we are working on. Engineering related synergies are huge, because you know SML has limited capabilities of engineering on key areas like engine development or ADAS or some of those things, where with Mahindra access to MRV.

We are opening that to SML and SML teams are now closely working with Mahindra engineers on truck and bus also on PTD side of MRV. Having said that, front-end synergies are also there, but front-end synergy is something where we have to be mindful of the fact that as we speak, the networks are independent. There are independent dealers who have invested for both the brands. So that's one area where we are treading carefully. Wherever there is, there are territories both where both the both the brands don't have a presence, then it's obvious case that we will appoint a common dealer which will now we have a higher probability of getting because both brands put together is providing higher potential for looking at dealers in some of this unrepresented territory. Our territories, like larger cities, where we have dealers of both the brands, we don't intend touching that much, but of course the benefit both will get in terms of the scale as well as the ability to Mahindra to drive home some of the efficiencies.

### **Amarjyoti Barua**

Kapil, I'd just like to add that the main thesis behind this acquisition was growth. We are two challenger brands which have come together and ultimately the aim is to become a top three player, as you heard Vinod say. And so, the maximum value creation will happen from growth. And we believe very strongly that because of the complementary nature of these two products of two big OEMs, we should be able to drive significant growth, which is why we have set out the ambition we did. So clearly, profitability will improve on a combined basis because of everything that Vinod mentioned. But can't lose sight of the fact that the main reason for bringing these two companies together was growth.

### **Kapil**

Sure, sir. Thank you, very much and best wishes.

### **Divya Gulati**

Thanks, Kapil. The second question we will take from Nuvama. This is Raghu. Please proceed.

**Raghu**

Good evening. Congratulations on the strong FY 2026 performance and thank you very much for this call. Firstly, sir, can you indicate, is there any plan or thought process to merge both companies under one entity? Is there a plan to delist SML sometime in the future? Secondly, you alluded that supply chain current crisis, the team is managing well. Can you elaborate a bit whether it is relating to the shortages in supplies or is there also cost increases and how you are, you know, facing this. And lastly, you also spoke about ADAS regulation and if you can give some indications, what are the efforts, what is the kind of cost impact here. Thank you.

**Vinod Kumar Sahay**

So, Raghu, as far as your question related to delisting of SML is concerned, the clear answer to that is no. I think that was something which was clarified by Anish and Rajesh the day we announced the deal itself.

Regarding your first question related to mergers and all, I would only say is that at this moment we are working on long-term strategy as Amar said on various things and just give us some more time and at the right time we'll come back and share with you more on that.

Supply chain, because of this current geopolitical issue and the war going on, there is a definite disruption which has happened and all of you have reported that. And that's true for the automotive supply chain also. What, when I mentioned the team has managed it well is we have not lost any vehicle production till quarter four in spite of several challenges, whether it is related to availability of gas or whether it is related to many other commodity availability, including aluminium, including polymers. So that has been managed well. Our current focus is clearly to not lose production. As far as inflationary pressure is concerned, that's real. Things like steel started moving up even before war, but post that we have seen further increase in that. Aluminium we have seen in phase, copper we have seen in phase, polymers we have seen in phase. Gases are not available and many times it trades at a premium in the market. So yes, there is a significant cost increase which has happened. We believe most of them should be temporary. As soon as the thing starts becoming normal, prices will cool off. But at this moment, we are definitely feeling that pressure. As far as ADAS is concerned, it's a significant development. Cost and exact detail we will share at the time of launch.

**Raghu**

Thank you, sir. Thank you very much and wishing all the best.

**Amarjyoti Barua**

Thank you, Raghu

**Divya Gulati**

Thanks, Raghu.

We'll take the next question from ET Auto. Kriti, please proceed.

**Kriti**

Congratulations on the result and the acquisition. And we can see that it is working well. I just want to understand that as you mentioned about the market share going down in cargo segment, and you talked about the growth aspects. I want to understand, as you said, that West Asia pressure is ongoing. How do you see it in the Q1 FY 2027? And in the long term, how do you see the industry's growth? Along with this, what are the possible challenges? targets you are setting for this fiscal year, and challenges that you see.

**Vinod Kumar Sahay**

So, Kriti, I mentioned that market share actually for the full year we grew both in cargo segment as well as in buses. Quarter 4 decline had only to do with the fact that we decided to pre-pone the institutional orders which we already had and executed most of it in quarter three. And hence, while for the full year we have gained in cargo market share, quarter four shows a bit decline because in FY 2025, in quarter four, most of the institutional orders of cargo was executed in quarter four. But the benefit of that you clearly saw is that in quarter four, for the bus segment, which is the peak selling season, and there we gained 170 basis points in just one quarter. So, we are very much in track with our long-term aspiration, which was declared at the time of announcing the deal in April, that an FY31, we are looking at a market share aspiration of 10 to 12% with both brands combined presence, which right now is at 6 and we are very much planning and working towards that. As far as industry outlook is concerned, I already answered that earlier, but let me give you a sense you asked about the long-term perspective. India growth story is here to stay, and all of us know that and CV industry is very

directly linked to the GDP growth of India, especially the manufacturing GDP and the mining GDP. And we believe if India continues to grow, which it will, the long-term outlook of the industry is very positive. India is one of the four large markets of commercial vehicles across the world. China, India, Western Europe, and North America are the four. And amongst these four, China and India are the only ones which are growing, and India is hence a very large opportunity. In the 3 1/2 tonne plus segment with Mahindra Truck and versus segment last year, the whole industry revenue pool was 125,000 crores, 1.25 lakh crores, and we have got 6 to 7 percent market share out of that. And hence, our headroom for growth, both in terms of volume market share, revenue pool and profit pool, is significant. And that's what we are after.

**Kriti**

Sir, could you give a number for that if possible? Like how much are you estimating?

**Vinod Kumar Sahay**

See, in the Global Investor Day, we did mention that around FY31, we are talking targeting 15,000 crores.

**Kriti**

Okay, and my last question to you is, are you also planning to apply for this electric bus standards that are ongoing?

**Vinod Kumar Sahay**

So, Kriti, right now we our electric bus is under development and in this financial year itself, we'll be launching that. Post that, we will evaluate every opportunity on the merit of its commercial viability and returns and we will take the appropriate call, just to repeat towards the in this financial year itself, we are going to launch our first EV bus and we will enter into this segment.

**Kriti**

Okay, thank you, sir.

**Divya Gulati**

The next question is from LIC Mutual Fund. Mahesh, please proceed.

Mahesh, you need to unmute yourself.

*No Response*

Okay, we will come back to Mahesh. We can take the next question. This is from Auto Car Professional. Shahkar

**Shahkar**

Hello!

So, actually, a part of my question has already been answered. I wanted to understand more about your EV plans, since you will be launching sometime in FY27. If you can just explain, you know, what sizes of buses you are Looking to get into the applications and, you know, the market potential, et cetera, et cetera, that would provide some.

**Vinod Kumar Sahay**

I would suggest just wait for some time because launch is not in next quarter or so. So, closer to the launch, we will share more details as what we do in most of our product strategy, product launches in the group.

**Shahkar**

Sure, thank you.

**Divya Gulati**

The next question is from BOFA - Gunjan, go ahead.

**Gunjan**

Thanks for taking my questions. I just had a couple of follow-ups. Firstly, I think you did mention that you know with the outlook you read, sort of give us a better idea when some of these situations will settled. I want to hear from you that it's been a month of uncertainty. Is there anything in terms of deferment of demand or, you know, a little bit of impact that you're seeing in terms of conversations with your customer base and is, you know, the reason I ask that is, you know, while there's no production hit but there was some sort of moderation that we noted in the month of March in terms of the industry volume growth. So just trying to understand, is it the phase of uncertainty that's driving deferment of demand or is there anything else that we should keep in mind?

**Vinod Kumar Sahay**

So, Gunjan, as I mentioned that we are in the peak of school bus season and thankfully we are not seeing any deferment or any slowdown. Our plans for quarter one, as we speak largely, is similar to what we had otherwise planned. But I must say situation is something which can change very drastically. People are talking about, I mean, diesel price increase in coming weeks. We don't know whether it will happen, not happen. We don't know to what extent it would or not. And as I mentioned earlier, that is one factor which does seem to have temporarily impact, may have in past we have seen. I've been in this industry for almost three decades and I know that in past it has had moderate impact temporarily. But what is very very strong is the tailwind which we are facing. Post-GST reform, you saw the industry which was flat just catapult into 22 percent growth. If I give you some figures, within that, ICV trucks had 42 percent growth, LCV trucks had 20 percent, MCV trucks has 28 percent, and ILCV was at 8 percent growth. All of these were flat to neutral in H1. So, there is a strong inherent demand which is there. How much of that will be temporarily impacted because of this situation? It's actually may be prudent to wait for a couple of weeks, how things emerge, what decision Government takes, but as we speak, our plans seems to be not impacted by the demand concern.

But, as Amar said, we have prepared for various scenarios as any other Mahindra Group companies, and as it enforced, our counter measures will be in place very soon.

**Gunjan**

Got it. No, that's good to hear. My second question is on the commodity cost inflation, which you mentioned that, you know, had some impact in this quarter as well. And, you know, the way it looks like there's probably more to go in next quarter given the lag effects. Can you talk a little bit about what is the sort of cost inflation that we saw in this quarter as a headwind? And how should we think about it going into quarter one and what sort of pricing action has been taken to offset that?

**Vinod Kumar Sahay**

So on in quarter four, we saw around 1.3 percent increase, which at annualised level would be around 3.5 to 3.7 percent. Having said that, some part of this increase is what I would believe would be short-term in nature because due to lack of availability, certain prices have gone up or due to constrained supply chain, certain prices have

gone up and we are all indexed to the index of the particular commodity. We have aligned SML sourcing largely to the Mahindra indexing system which we have with our suppliers. So, as it goes has gone up, whenever it comes down, we'll get the equal benefit. We have already taken a price increase starting from 15th of April, which for SML products, mostly it is around 2 percent and, in some cases, we have taken 3 percent price increase. Going forward, it will be analysed and we will see if we need to take more in coming quarters. But I'm very hopeful personally that once things start becoming normal, many of this commodity which have seen inflation because of the short term, supply is getting disrupted should pull off.

**Gunjan**

So just to get the number right, you said 1.3 percent. This is the percent margin hit or headwind in quarter four and it is almost three. You mentioned number of three something which is pending for quarter one. Did I catch that right?

**Vinod Kumar Sahay**

No, I mentioned that annualised impact of that would be around 3 1/2 percent. of what already happened in quarter four.

**Gunjan**

Okay, and there's more to think in terms of quarter one as well, right? Because a lot of these steel price revisions, etc. would have happened. Like just trying to understand is there more headwind that we should bear in mind for next quarter.

**Vinod Kumar Sahay**

So, quarter one has seen some further increases in few commodities, but it's also volatile. It is. There are commodities which are going up for a week and coming down next week. So, difficult to say whether it will continuously continue like this. So, but yes, short answer to your question is that we have seen in many commodities, some increase beyond quarter four increases also.

**Amarjyoti Barua**

But we do have the price increases, which will also take hold. They'll take a little bit of time, but they will take hold. And then the other thing is we do hedge our commodities. So, there is going to be a counter impact of those hedges as we go through. Of course, not enough to offset because steel, for example, we cannot hedge. There is no option. But many of the others, there are hedges which come into

play. So, we don't see as of today, unless the trend continues, this kind of inflation continuing throughout F27. As I said, depends, of course, on how the situation in the Middle East evolves.

**Gunjan**

And for now, I guess the price should largely cover up the headwinds.

**Amarjyoti Barua**

That is the right way to think about it, yes.

**Gunjan**

Okay, last question, a little bit, you know, zoomed out. I think clearly, it's also from a policy perspective, your energy security, energy diversification becomes a pretty pertinent theme. And when you look at your strategy, you know, you did mention about the electric bus launch that happens this year. But anything that you can sort of give us, how should we see the industry shift panning out? Is there increasingly more, you know, from the government orders perspective, more, you know, more shift likely towards the e-buses? Some colour from you in the sense that how should we think out the industry shaping up with the current scenario.

**Vinod Kumar Sahay**

Gunjan, first of all, let me give you a larger perspective that when it comes to CV industry, electric is not necessarily the only green technology we are talking about, especially for heavy trucks, it's hydrogen and fuel cells, which will also play a big way and not just electric. However, for city buses and smaller commercial vehicle or light commercial vehicle, electric will be there. What we are seeing as of now, barring buses which are linked to STU purchase, state transport undertaking purchase. So, as I said, barring STU purchasing buses, we are not seeing any private sector player, whether it is for employee transport or school transport, buying electric buses. There are multiple challenges related to the cost, the payback period, as well as charging infrastructure. But as it starts improving, currently the industry share is less than 1% of the segment which we are talking about, including in trucks, while smaller commercial vehicle, not the segment where SML plays, are seeing some electric vehicles in the less than 3 1/2 tonne capacity. But beyond that, even electric has not kicked in cargo vehicle. Heavy trucks is seeing some segments moving in. My own personal view is that heavy trucks largely will move towards hydrogen cells going forward.

We are, we are quiet, when it comes to our electric buses, we are mastering the technology. You know, in Mahindra, we have very good capabilities of electric vehicles. I personally, in my previous role, worked along with Velu for they loaded the engineering and I and my team was doing all the sourcing for electric components and systems. We are well aware of the technology, and we can move very quickly. At this moment, from the point of view of technical capability and development, we are there. When to put more Capex to launch the product is a cautious call we will take based on the market evolution because we have our current priority is that market on our side is so huge for a player like us, which is at a combined play, 6 to 7 percent market share. Our current headroom which we want to capture is this segment. We are not at 40, 45 percent market share where a 1% or 2% industry looks of EVs looks very attractive to us right now. But we can move in very, very quickly. There are some things which we are working on, including on aggregates as well as powertrain strategy, which gives us capability. And at the moment, the industry will be ripe enough, big enough will be there.

**Gunjan**

Got it. Thank you so much.

**Divya Gulati**

We can take one last question from Mahesh. (LIC Mutual Fund)

**Mahesh**

Yeah, so thank you so much for the opportunity. Sir, just wanted to understand your product pipeline over the next two years. I mean, our parent, Mahindra, has launched many innovative products in their own category, which are liked by the market. So, are we going to use the capability of the Mahindra for launching our product pipeline in terms of innovative products?

**Vinod Kumar Sahay**

The short answer is yes. Having said that, the segments are very different. There's a vehicle engineering side for commercial vehicles or heavy trucking business, which is independent because that requires a different set of development process and motivation and testing validation process. Whereas for many electrical and electronic technologies, things like ADAS, things like powertrain, there's a lot of centre of excellence benefit which we draw from Velu team and MRV. I just gave an example

of ADAS for an example. SML has, when we acquired the Company SML, SML previous management had already started the process of developing a new engine, 4 valve engine in diesel as well as CNG for a 3.8 litre engine. Standalone SML would take more time in that, but we are working towards helping that team with the Mahindra capability to do that. So, there are a number of examples where we'll work together. But there are a lot of things which Truck and Bus team of SML and Mahindra do independently. The larger product plan and pipeline is something which we will discuss closer to the launch. We don't share those details much ahead of its time, but there are a lot being worked to enhance the portfolio, to increase the market participation of both the brands, as well as to increase the competitiveness of the current products.

**Amarjyoti Barua**

I think, you had a couple of products that you've already launched in the last eight months, right?

**Vinod Kumar Sahay**

So, I'll just give you an example. We launched three products in the last eight months. One was advanced life care support ambulance, which is doing quite well. This SML had displayed in the near Bharat mobility, but the launch we kicked off and we did a couple of months back. It's gaining good traction. There is a new bus of 15 to 18 certain segment of Tamil Nadu maxi cab application where Mahindra branded buses have been very strong and now SML has come with a higher power to weight ratio, AC driven buses in the same capacity and both put together actually our combined market share has gone up in that segment. There is a front overhang AC bus of Heroi brand which has been introduced and that's gaining ground every day. But there are a lot in pipeline as both standalone products of both brands as well as cross-badging. As I said, the largest strategy is to one increase the play of SML Mahindra to get into segments which they are not in. For example, ICV segment, there is a part of segment in which SML participates because of its partnering limitation. And we are going to take them beyond that so that they have a larger participation. Same applies for LCV, ICV trucks and buses. So that's one part of the strategy. The other part of the strategy is to make the current offerings refreshed with better capabilities and better operating economics and better TCO.

**Amarjyoti Barua**

So, everybody, as we have mentioned, this was the last question we could take. We are way over time. But what I just wanted to close out with is, first of all, thanks to all of you for joining. Second, we do expect to have a much longer format in the July meeting, which will also be closed to the AGM. So, we'll talk a lot more about go forward strategy and some of the and answer some of the questions you have. For now, we just wanted to thank you all for taking the time to join us today and look forward to many such more interactions. Divya, back to you.

**Divya Gulati**

Thank you, Vinod, Amar, Manaswani, for the call. And thank you everyone for joining us today. Have a great evening.

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