

M&M shifts to high gear with ₹37K cr investments

CEO says EVs will constitute 20–30% of its overall sales by 2027

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Automotive (auto) major Mahindra & Mahindra (M&M), which is readying to launch nine sport utility vehicles (internal combustion engine/ICE), seven Born Electric Vehicles (BEVs), and seven light commercial vehicles by 2030, has outlined an investment of ₹27,000 crore in its auto business between 2024-25 (FY25) and 2026-27 (FY27).

Over the next three years, the company will deploy ₹37,000 crore, including its auto business, farm business (₹5,000 crore), and service business (₹5,000 crore).

The M&M board has approved an investment of ₹12,000 crore in its electric vehicle (EV) arm, Mahindra Electric Automobile (MEAL), to fund the EV journey over the next three years.

The first set of BEVs will start rolling out for the first quarter of the 2025 calendar year, said Rajesh Jejurikar, executive director and chief executive officer (CEO), auto and farm sector, M&M.

EVs will constitute around 20–30 per cent of M&M's overall sales by 2027 or so.

Regarding the EV arm, British International Investment (BII) has invested ₹1,200 crore, and Temasek ₹300 crore in MEAL. Temasek had committed an investment of ₹1,200 crore in August 2023 (at a valuation of \$9.8 billion). It will thus invest the balance of ₹900 crore in MEAL as per agreed timelines, M&M said.



EV GETS THE LION'S SHARE

FY25-27 investment plans (in ₹ cr)

Auto	27,000	
SUVs (ICE)	8,500	
CVs	4,000	
Sustenance plan	1,500	
E-mobility arm	12,000	
Investments in others arms	1,000	
Farm	5,000	
Services	5,000	
		Total 37,000

Source: Company

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Net profit up 4% on strong auto biz

Mahindra and Mahindra (M&M) reported a 4 per cent jump in consolidated net profit for the fourth quarter of the 2023-24, riding on a 9 per cent year-on-year (Y-o-Y) growth in revenue to ₹3,5452 crore.

BII had committed an investment of ₹1,925 crore in 2022 in the form of compulsory convertible instruments at a valuation of up to ₹70,070 crore, resulting in 2.75 per cent to 4.76 per cent ownership for BII in MEAL.

M&M and the auto division expect to generate sufficient operating cash to satisfy their capital investment needs, the company said at the earnings press conference on Thursday.

Speaking to reporters, Anish Shah, managing director and CEO, M&M, said M&M and BII have been discussing whether the balance investment of ₹725 crore is required, and they will take a call on this in the next six to seven months.

"M&M and BII have mutually agreed to extend the time frame for the final tranche of BII's planned investment of ₹725 crore and will jointly assess whether additional investment is required by December 31, 2024," the company said.

Shah said that the EVs will have a similar margin profile (on a per-unit basis) as the ICE vehicles.

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