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M&M...

Just like ICE vehicles, EVs would have a lower margin profile when newly launched and thereafter improve the margins through value engineering. Shah did not wish to give a timeline for when MEAL could break even.

With a portfolio of vehicles lined up for launches and a backlog of 220,000 units to be delivered to customers, M&M is focusing on a consistent capacity ramp-up.

Jejurikar said that from a capacity of 19,000 sport utility vehicles per month at the end of 2019-20, M&M has already increased capacity to 49,000 units per month at the end of 2023-24 (FY24). By the end of FY25, this will rise to 64,000 units per month, and in the next year, it will further rise to 72,000 units per month (end of 2025-26/FY26).

Jejurikar clarified that the FY25 end capacity includes 10,000 units per month of EV capacity, and an additional 8,000 units per month of EV capacity is expected by FY26 end. As for the newly launched XUV 3XO, M&M has a capacity allocation of around 9,000 units per month, which can be scaled up to 10,500 units per month if needed, Shah said.

Of the total ₹27,000 crore auto investment plan for the FY25-FY27 period, ICE sport utility vehicles would get around ₹8,500 crore, while commercial vehicles (including EVs, trucks, and buses) would get around ₹4,000 crore.

The auto business achieved a three-year revenue compound annual growth rate of 43.1 per cent in FY24. It was the no. 1 player in revenue market share for sport utility vehicles in FY24

(20.4 per cent). It is also the market leader in less than 3.5-tonne light commercial vehicles, with 49.5 per cent of the volume.

M&M's Last Mile Mobility crossed the 100,000 mark in sales for the first time in FY24. The electric three-wheeler portfolio grew by 51 per cent during the financial year. The FY24 return on capital employed was 42 per cent for auto business.

Tractor sales FY25 outlook positive

The market leader in tractors said on Thursday that farm output is expected to recover and agricultural (agri) exports are likely to see 'robust' growth.

The India Meteorological Department expects the monsoon to be 'above normal' at 106 per cent of the long-period average. Jejurikar said, "Government focus on infrastructure development, agri, and rural spending with agri credit availability is a positive. Further positive benefits of the Navratri festival shift are likely in the first (Q1) and fourth quarters of FY25."

El Niño conditions may continue until May, leading to concerns about muted rabi output and associated income from the national election in the peak season months of Q1FY25. Jejurikar said that the elections may cause temporary disruptions in May, but that is not a reflection of the sentiment.