

# M&M to invest ₹10,000 cr to set up EV plant in Pune

To put in the money over 7-8 years, targets 30% sales from EVs by 2027

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Mumbai, 14 December

**M**ahindra and Mahindra (M&M) said on Wednesday it will invest ₹10,000 crore for setting up an electric vehicle (EV) manufacturing facility in Pune.

The company is in talks with states to set up EV plants as it seeks at least 30 per cent of its sales to come from such vehicles by 2027.

The Pune facility will be set up under the Maharashtra government's industrial promotion scheme for EVs, the company said. M&M, through a subsidiary, will invest ₹10,000 crore over seven to eight years for the plant that will make its upcoming Born Electric Vehicle (BEV). The company showcased BEV in Oxfordshire, England, on August 15. Vehicles made at the Pune plant will be based on M&M's INGLO EV platform and will include e-SUVs under the XUV brand.

Rajesh Jejurikar, executive director, auto & farm sectors at M&M said that the company was "delighted" with Maharashtra's approval for the plant and "investing in their home state of 70 years".

"The government's focus on 'ease-of-doing-business' and progressive policies, together with Mahindra's investment, will act as a catalyst for Maharashtra to become India's EV hub, attracting further Indian and Foreign Direct Investment (FDI)," Jejurikar said. M&M is raising funds for its EV subsidiary as its rival, Tata Motors, gets a headstart

## 40% of all vehicles will be electric by 2030, says Bain

As much as 35 per cent to 40 per cent of all vehicles sold in the country across segments will be electric by 2030, up from a mere 2 per cent this year, says a Bain & Co report released on Wednesday. This translates to 14-16 million new electric vehicles (EVs) selling in a year. The inflexion point, which is now being seen month on month in many segments (such as two-wheelers which hit around 4-5 per cent in December), will be more than visible in

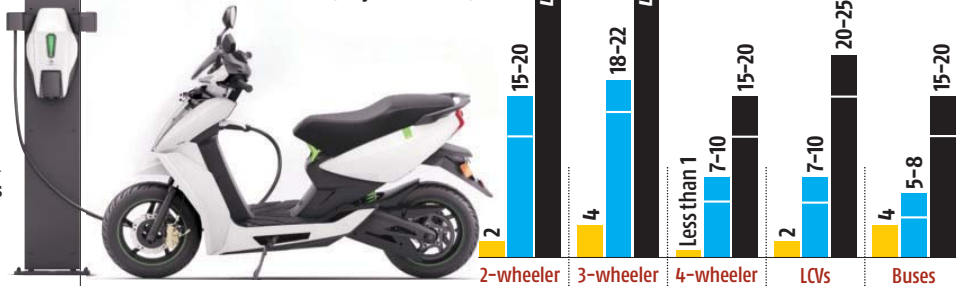
2026, when 4-5 million EVs across segments are expected to be sold, accounting for 15-20 per cent of the total sales, says the report. What's more, the projected level of penetration, according to Bain, will lead to a new EV-specific revenue pool of anything between \$76 billion and \$100 billion by FY 2030. (This includes some double counting in the value chain from the cost of batteries and other components).

SURAJEET DAS GUPTA

### FEELING THE ZING

Share of EVs in total vehicles

■ 2022 ■ 2026 ■ 2030 (Projections in %)



Note: LCVs: Light commercial vehicles

Source: Bain & Company

in the game. In July, M&M raised ₹1,925 crore from British International Investment (BII) for a new four-wheel passenger EV company.

BII, UK's development finance institution, and M&M have an agreement to invest up to ₹1,925 crore each in the EV company. M&M has said that there would be an approximate capital infusion of ₹8,000 crore between FY24 and FY27 for the planned product portfolio. In September, *Reuters* reported

that M&M is in talks with global investors to raise between \$250 million and \$500 million to accelerate its plans to build EVs. Jejurikar, in September, indicated that M&M is looking to create a new segment in the e-SUV market with XUV400, which is likely to go on sale in January 2023. It would be followed by XUV.e and BE (born electric) range from 2024 onwards. It has five electric SUVs in the works, which will be sold under two

distinct brands — XUV and BE.

Despite being an early entrant in the EV segment with the e-Verito and e2o, M&M had lost out to rival Tata Motors. The company is now keen to regain that lost market share. India's retail sales of EVs, including passenger vehicles, surged by 185 per cent year-on-year to 111,971 units in October according to data industry body Federation of Automobile Dealers Associations (FADA).