

## ● GERMAN AUTO GIANT TO AIM FOR VIABLE PRODUCTS

# VW tie-up plans: M&M eyes export boost

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**MAHINDRA & MAHINDRA** (M&M) may be eyeing Volkswagen's global distribution network to boost exports of its SUVs as the two companies negotiate the final details of their potential partnership.

The Mumbai-based auto giant, which has long relied heavily on the Indian market, has struggled to find success with its personal vehicles abroad.

Currently, less than 2% of M&M's production, or just over 4,000 units, was sold outside India during the April-August period, according to the Society of Indian Automobile Manufacturers. In contrast, Maruti

### TERMS AND CONDITIONS

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Skoda Auto, a Volkswagen Group brand leading VW's India operations, sent senior board members, including global CEO

Klaus Zellmer, to India earlier this week to further negotiations with M&M.

Volkswagen has struggled to achieve scale with its cost-effective product lineup in India, despite being in the country for over two decades. Market

sources stated that VW is negotiating to leverage M&M's high-margin vehicle architecture, which has helped the Indian company claim the top spot in revenue market share within the SUV segment. M&M is preparing to launch its first product on its purpose-built electric platform, called INGLO.

"To fully explore the country's growth potential, we are always considering new business opportunities and evaluating various options to ensure the best possible solution to implement our strategy in the highly dynamic Indian market," said a spokesperson for Skoda Auto Volkswagen India (SAVWIPL).

Earlier this year, Volkswagen and Mahindra signed a supply agreement for components

from Volkswagen's MEB platform, which will be used in Mahindra's INGLO, furthering their shared vision for collaboration on e-mobility.

"Volkswagen Group and Mahindra continue to explore multiple opportunities to expand the collaboration potential," the spokesperson added.

"Volkswagen is still trying to figure out what needs to be done in India, while M&M is seeking global market access to realize its export ambitions. M&M's potential equity buy-in could become a confidence-building measure to solidify the partnership," said a source.

SAVWIPL saw a 69% decline in net profit to ₹96 crore in FY24, compared to ₹309 crore in FY23.