

# 'Looking for long-term partner for EV business'

Mahindra & Mahindra (M&M) is all set to reposition itself as a serious electric vehicle (EV) player. It is surveying the lightweight tractor segment and the international markets for expansion of its farm equipment business. Executive Director **RAJESH JEJURIKAR**, in conversation with **Sohini Das**, shares the company's vision. Edited excerpts:

## Are you looking to raise more funds for Mahindra Electric Automobile (MEAL)?

MEAL is a separate company we spun off that got valued at \$9.1 billion. We have fund-raised with British International Investment. We will fund-raise eventually with a like-minded partner.

Whenever we find an appropriate partner, we will go ahead. There is no investment banker mandate. We are not looking at any strategic investor or an original equipment manufacturer. We are looking for a long-term partner. We do not need any funds; we are well-covered at the moment.

## Is the recent top management overhaul done to focus on the EV business?

Kedar Apte came in as chief of international operations for the farm equipment and two-wheeler businesses, replacing Prakash

Wakankar who retired after a long stint with us. We don't have a chief executive officer (CEO) in MEAL. It is being run by a management council with five leaders from the automotive and farm sectors headed by me because in the short run, there is high dependency the EV company will have on M&M.

MEAL Chief Operating Officer Kausalya Nandakumar reports to this management council. In the short term, there is no plan to bring in a CEO for MEAL.

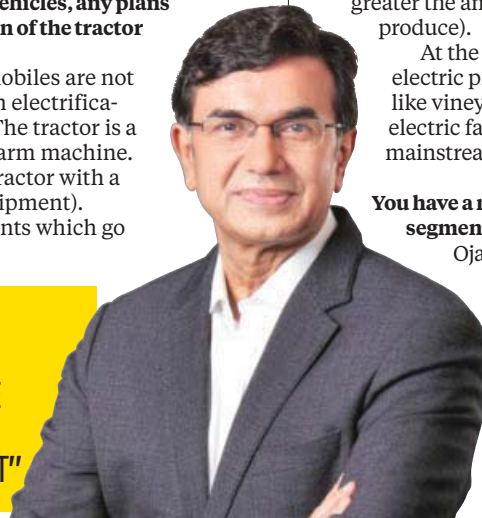
Nalinikanth Gollagunta has been appointed CEO of the automotive business to leave Veejay Nakra, president, automotive business, with more time to think about long-term strategic moves. Gollagunta's role is head of sales, marketing, and manufacturing. Veejay was looking after sales, marketing, product planning, manufacturing, human resources, digital, finance,

and international operations before Gollagunta came in. There is no rejig. But we have created a layer in the hierarchy. This has no connection with the EV business.

## Besides passenger vehicles, any plans for the electrification of the tractor business?

Tractors and automobiles are not comparable from an electrification point of view. The tractor is a prime mover for a farm machine. We typically use a tractor with a rotavator (farm equipment). These are attachments which go with the tractor.

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That needs torque and that is why there is back-up torque in agricultural products. EVs cannot generate the kind of torque required on farms. (Torque is measurement of a vehicle's ability to do work: more the torque, greater the amount of power an engine can produce).

At the moment, there are some electric products in very niche areas like vineyards, etc. We are working on electric farm products, but it's not mainstream.

## You have a new brand Oja for the farm segment. What are your plans?

Oja will have four new platforms for the farm sector. About 40-50 per cent of agricultural output is horticulture, which needs new tractors that are lightweight. The Oja series prepares us with a portfolio of lightweight tractors. In tractors, we have grown 2.5-3 per cent market share

in the past two years. There will be an aspiration to grow market share and then focus on the farm machinery business, as well as on international markets. In farm machinery, there are two types — one is self-propelled, the other is tractor attachment.

## Any plans to enter electric two-wheelers?

We have the Pithampur plant that manufactures the Classic Legends bikes. We had acquired Peugeot Motorcycles. Last November, Munich-headquartered private equity major Mutares SE & Co. acquired 50 per cent of the equity and a controlling stake of 80 per cent in Peugeot Motorcycles.

M&M remains a co-shareholder. We do not want to get into making mass electric two-wheelers. The competitive intensity is very high in this space. We have a tie-up with Hero Electric and make two-wheelers for them at its Pithampur plant.

## Are you confident of meeting the corporate average fuel economy (CAFÉ) II targets for 2022-23 (FY23)?

We had already re-engineered our internal combustion engine portfolio to meet CAFÉ II norms. We needed to sell a small number of EVs to meet the target for FY23. We are meeting the target for FY23.