

M&M launches Veero LCV, eyes category growth

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Eyeing to grow its market share in the Light Commercial Vehicle (LCV) segment, Indian automaker Mahindra & Mahindra introduced Veero; a series of LCVs in the 2-3.5 tonne segment starting at ₹7.99 lakh. The company, which is bullish on the growth of the category, currently has an overall market share of 50 per cent in the LCV segment.

Mahindra has invested

businessline.

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GROWING DEMAND. The market share of M&M in the LCV segment has seen an uptick

₹900 crore for the development of the Urban Prosper Platform (UPP), a multi-energy commercial vehicle platform. The production capacity of Veero light commercial vehicles is 1.2 lakh units annually, while the company plans to manufacture 5,000 units in the first phase. The company also plans to introduce an electric LCV and will export the LCV.

“In phase 1 with diesel

and CNG powertrains, we will manufacture 5,000 per month. As we get electric and add in another avatar, which will come in the one-tonne segment, we will scale the capacity up to 10,000 units per month. The investments in the electric and the other variants will be incremental. The Mahindra Veero will further strengthen our leadership in the LCV <3.5-tonne segment,” said Veejay Nakra, President of

Mahindra’s Automotive Division.

The commercial vehicle segment has seen a dip in demand, resulting in a decline in sales. Market rating agency ICRA has mentioned that the domestic commercial vehicle market could see a 4-7 per cent decline in wholesale volumes in FY25. However, M&M is positive on demand coming back.

“The less-than-3.5-tonne segment has nearly five lakh units and 3.3 lakh units in the 2-3.5 tonnes segment. The category of less than two tonnes has witnessed a negative growth of 8-9 per cent, while the 2-3.5 tonnes segment is flattish. Every time a new product is launched, the category has seen growth,” he said.

The market share of M&M in the LCV segment has seen an uptick. In FY22, in the 2-3.5 tonne segment, the market share for the company

was 55 per cent, which now stands at 63.1 per cent while for less than two tonne the market share was 40 per cent and now is 51 per cent.

RURAL SALES

M&M has seen an uptick in rural demand and is anticipating the festive season to increase rural growth.

“About 53-54 per cent of our sales happen in rural areas. The categories are highly dependent on rural and infrastructure spending. Elections, budget, heat-waves and other reasons impacted the industry, which resulted in it being flat or marginally negative. The festive season is giving us confidence that rural has been good. The resurgence we have seen in tractors and two-wheelers in some time will see the benefit in the category also,” added Nakra.

With inputs from Anupama Ghosh