

Mahindra SUV Output Hits a Bump

Dips up to 15% in June as suppliers face labour crunch

M&M Muddle

Key supplier short by **20-25%**, disrupting production | Production running **10-12%** below monthly capacity of **57,000 units**

Higher wages in north India reducing migrant labour flows to manufacturing hubs



Strong demand persists

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Mumbai | New Delhi: Mahindra & Mahindra is facing up to 15% drop in SUV production in June as some of its key parts suppliers grapple with an acute shortage of contract workers, said people familiar with the company's plans.

The biggest disruption for Mahindra stems from a 20-25% supply shortage at a major vendor, affecting factory operations at the maker of XUV7XO and Thar SUVs. The automaker has an installed capacity of up to 57,000 petrol and diesel vehicles per month.

Mahindra didn't respond to ET's queries.

The operational woes at the Mumbai-based automaker underscore a broader labour shortage gripping manufacturing hubs across India, especially in the West.

Industry executives attributed the labour crunch to higher minimum wages in northern states such as Haryana and Uttar Pradesh, making local employment more attractive for migrant workers.

Welfare schemes and growing self-employment opportunities, including e-rickshaws, have further tempered migration to traditional industrial clusters.



Mahindra SUV sales rose **19%** in FY26; Apr-May sales grew **8-11%**