

# BYD plans EV plant with Megha Engg in Telangana

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With Megha Engineering and Infrastructures Ltd (MEIL) expected to be its local partner and major shareholder, Chinese major BYD's unit to manufacture electric vehicles (EVs) and batteries is likely to come up at a spot 60 km from Hyderabad.

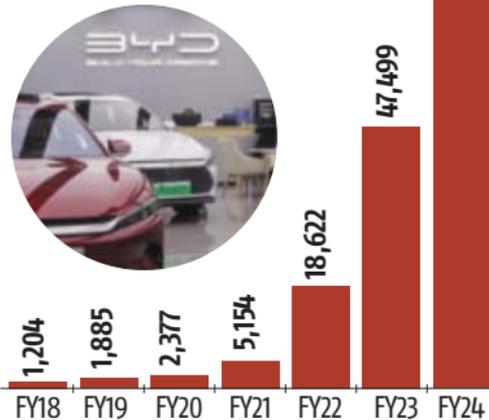
The global major has had talks with the central government to get clearances in this regard and seems to have received an "informal go-ahead signal" to proceed with the project with a local partner, said a source privy to the development.

The BYD project is likely to be export-oriented because the Indian EV four-wheeler market is still in its nascent stage, with only 90,432 units sold in FY24.

Neither BYD nor MEIL responded to questions from *Business Standard*. With this, Telangana will become the first state

## AT FULL THROTTLE

EV 4W sales in India (in units)



Source: SMEV

to host a BYD factory, and the firm will join global majors, including VinFast and Tata-JLR (both in Tamil Nadu), to set up an EV unit in South India. Turn to Page 6 ▶

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# BYD looking at three locations near H'bad

This also comes at a time when its American rival Tesla is in talks with Andhra Pradesh to set up a manufacturing unit while considering other locations in Maharashtra, Gujarat, and Tamil Nadu.

“The modalities and timing are not clear. In the next few days, we may get clarity. It (the Indian partner) is likely to be Megha,” the source said. According to local media, the facility will span 500 acres and will have the capacity to manufacture 600,000 vehicles by 2032, in addition to a battery production unit with a capacity of 20 GWh. Though there were reports that investment for the project may be around \$10 billion, sources said the government had yet to receive a detailed project report (DPR) in this regard. “The location is likely to be Shabad, near Hyderabad. The investment will be substantial,” the source added, while reports indicate that three locations are under consideration.

This will also be the first

major Chinese investment in the automobile sector after the formation of JSW MG Motor India — a joint venture with China’s leading carmaker, state-owned SAIC Motor, and JSW — was reported. Along with MG Motor India, South Korean and Japanese companies, with BYD, are entering the market, and that may pose a challenge to Tesla in gaining a foothold in India.

Both BYD and Megha Engineering approached the Union government for clearance for a \$1 billion EV unit in 2023, but it was rejected. According to rules on foreign direct investment, any proposal for investment from countries sharing a land border with India reportedly requires permission from various ministries, including the ministries of commerce and industries, heavy industries, external affairs, and home. To boost electric mobility, the state has offered full exemption on road tax and registration fees for all EVs until December 2026.

