

JSW Group picks up 35% in SAIC Motors' India venture

STEPPING ON THE GAS. Deal to accelerate transformation, growth of MG Motor in India

Our Bureau
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Sajjan Jindal-led JSW Group has entered into a joint venture agreement with SAIC Motor, a global Fortune 500 company, to buy out 35 per cent stake in the latter's India venture for an undisclosed amount.

The deal will pave the way for long-standing ambition of JSW Group to enter the highly-competitive automobile business.

The Shareholder Agreement and Share Purchase & Share Subscription agreement were signed by both the companies in London.

According to sources, the deal was delayed as MG Motor India was seeking a valuation of about ₹8,000-8,500 crore, while JSW Group was keen on picking up the stake for ₹5,000-6,000 crore.

However, the final negotiated price of the deal was not immediately known, he added.

WAY FORWARD

- The JV's focus on broader localisation initiatives will yield financially-accretive synergies
- SAIC will continue supporting the JV with advanced technology to deliver mobility solutions
- The collaboration with SAIC Motor aims to transform MG Motor's operations in India with a focus on green mobility solutions

The deal will accelerate the transformation and growth of MG Motor in India.

STRATEGIC SYNERGIES

SAIC Motor and JSW Group will create strategic synergies by bringing together resources in the field of automobiles and new technology.

The joint venture will undertake multiple new initiatives including augmenting local sourcing, improving charging infrastructure, expansion of production capacity and introducing a broader range of

vehicles with a focus on green mobility.

SAIC will continue supporting the joint venture with advanced technology and products to deliver mobility solutions with a focus on the Indian consumer.

Scion of JSW Group, Parth Jindal said the strategic collaboration with SAIC Motor aims to grow and transform the MG Motor operations in India with a focus on green mobility solutions. The joint venture will bring world-class technology-enabled futuristic suite of

automobile products including the new generation of intelligent connected NEVs and ICE vehicles, he said.

The JV's focus on broader localisation initiatives will yield financially-accretive synergies through economies of scale.

KEY FOCUS AREA

One of the key focus areas will be to pursue the development of the EV ecosystem and to take a leadership position in this space, he added. The JV will optimise SAIC Motor's experience and technical expertise. It will leverage the large presence of JSW Group across B2B and B2C sectors to augment local sourcing.

Together, SAIC and JSW Group will work towards creating a smart and sustainable automotive ecosystem in India by bolstering the development of NEVs and ICEs with Carbon Neutrality, Sustainability and Green Mobility at the centre of its shared vision.