

● TO BANK ON PLI TO FUND EV PROGRAMME

# No plans to sell stake in EV arm: Tata Motors

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Mumbai, February 5

**TATA MOTORS IS** not looking to sell a bigger stake in its recently created subsidiary, Tata Passenger Electric Mobility (TPEML), chief financial officer PB Balaji has indicated, as the environment is not conducive to raising funds.

TPEML will soon become a self-sustaining entity that meets its own funding requirements, the company has indicated.

Responding to a query from *FE*, Balaji said, "One of the biggest sources of funds is likely to be PLI. This should fund the remaining portion of the investments earmarked. The business is already Ebitda breakeven and we intend to turn Ebitda positive in the coming quarters."

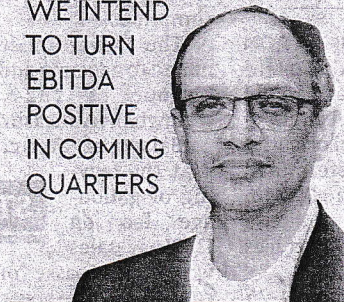
Talking to reporters on a post-earnings call, Balaji said, "Currently I don't think the market is conducive for any kind of fund raise and therefore we are not even looking at it."

After securing initial funding of \$1 billion in October 2021 from TPG Rise Climate and Abu Dhabi's ADQ by offloading 11-15% stake in TPEML, the Mumbai-headquartered company has not sold any more equity.

The march towards electrification, which involves having as many as 10 electric cars by 2025, is costing Tata Motors an investment of ₹15,000 crore. Half of that has come from the two external investors.

PB BALAJI, CFO, TATA MOTORS

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## TATA MOTORS

Intra-day on BSE (₹), February 5



Tata Motors's share price hit a record ₹949.60 intraday on Monday

Balaji said the production-linked incentive (PLI) scheme floated by the Centre to promote local manufacturing of EVs, will also fund its EV programmes. Tata Motors stands to get anywhere between 13-18% of revenue as the PLI benefit. The company is in the final stages of validating investments it has done so far, as well as the procedure for filing claims.

"We believe now that the ARAI (Automotive Research Association of India) certification has started to come through, the money should start to come in from next year (FY25) onwards," Balaji added.

Tata Motors is India's biggest EV company. Four models, electric variants of Nexon, Punch, Tiago and Tigor, are already in the market. And

another three — electric variants of the Harrier and Altroz — and the all-new Curvv mid-size SUV are getting readied to hit the showrooms in the next 12 months.

Though Tata Technologies, a subsidiary of Tata Motors, received robust response from investors for its debut in the capital markets, automotive startups have struggled to get past the funding winter that started several months ago.

Ola's parent ANI Technologies saw a significant markdown on Monday in its valuations, which now stands at \$1.88 billion, down 74% from its peak valuation. Electric two-wheeler makers Hero Electric and Okinawa have also struggled to get investors on board.