

JSW group to raise ₹1,487 cr for setting up EV unit in Maha

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Mumbai, 9 March

JSW Greentech Ltd, a JSW group entity, plans to raise about ₹1,487 crore through a long-term loan for setting up a greenfield facility to manufacture electric buses (e-buses) and electric trucks (e-trucks) as well as a supporting ecosystem in Aurangabad, Maharashtra.

The automotive facility is expected to have a capacity to make 10,000 e-buses and 5,000 e-trucks per annum.

The capital expenditure (capex) for the manufacturing facility for vehicles and related components is to be funded by debt of ₹1,487.5 crore and the rest by equity infusion from the JSW group. Rating agency Icria has assigned an 'A' rating (stable) for long-term loans of JSW Greentech.

The financial closure for the project has been

achieved and the sanctioned credit has a long tenor with door-to-door tenor of more than 10 years. There will be a moratorium of one year after the scheduled commercial operations date (SCOD). The SCOD for the project is July 2027, according to Icria's rating rationale statement for term loan.

Till January 6, 2025, the company had incurred only 3 per cent of the project cost, which was funded through equity.

JSWGTL has also entered into an early-stage memorandum of understanding (MoUs) with some of its group companies and third-party operators, which mitigates the off-take risk to an extent.

Icria said ratings factor in superior financial flexibility for being part of the JSW group, a leading conglomerate with presence in sectors like steel, energy, infrastructure, cement, e-commerce, sports, and venture capital.