

MG Motor to sell majority stake to Indian investors, raise over ₹5K cr

'EVs to account for 65-75% of total sales by 2028'

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MG Motor India, which is owned by Chinese company SAIC Motor, plans to sell a majority stake to Indian investors to raise more than ₹5,000 crore in two-four years.

These funds would be used to build a second plant in Halol, Gujarat. This new unit will boost its annual capacity to about 300,000 units by 2028, said chief executive officer (CEO) Emeritus Rajeev Chaba on Wednesday.

The second facility is projected to have an annual capacity of 180,000 units, while the current Halol plant has a capacity of 120,000 units per year.

The company, which has invested about ₹4,000 crore in India till 2022, has

been trying to bring foreign direct investment (FDI) from its Chinese parent for the last few years.

However, it has not been able to get the necessary approvals from the central government. The relationship between India and China has been frosty since the border clashes in 2020.

Chaba told reporters at a press conference that, "We are going to Indianise the operations. We plan to dilute our shareholding, and the majority will be owned by Indians in two-four years."

He added, "We are in talks with multiple partners, and all of them are Indians. We are in talks with Indian financial institutions, Indian private companies and some high net worth individuals (HNIs), among others. We are also encouraging our dealer partners, making it a one-of-



ILLUSTRATION: BINAY SINHA

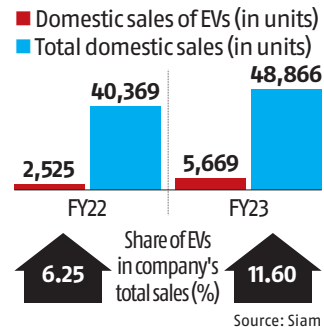
a-kind stake sale. We have not finalised anything as of now," he said.

The company also plans to sell shares to its employees. Chaba said the company hopes to complete the first step — iden-

tifying investors — in this financial year itself. "Listing the company on the stock exchange is also part of the plan, but it would happen around 2028," he added.

According to SIAM data, domestic

THE ROAD AHEAD



Source: Siam

sales of MG Motor India have jumped by 21 per cent in 2022-23 to 48,886 units. The company plans to sell approximately 100,000 units in 2023-24.

"Through plant number 2, we will introduce four-five new cars, and most of them will be EVs (electric vehicles). So, out of 300,000 units annual capacity, about 65-75 per cent would be for EVs," Chaba revealed.

Currently, the company is selling just two EVs — ZS EV and the Comet — in India. In FY23, EVs accounted for just 11.6 per cent of its total sales.

Chaba said that "Indianising the operations" means Indianising not just the shareholding but also the board, the management, the supply chain, and technologies. "We are going to assemble the battery ourselves in Halol from next year. Then, we are going to explore cell manufacturing and production of EV parts.

This will be through a joint venture or a third party in India," he added.

MG Motor India feels that hydrogen fuel cells will also become a viable option in three-four years.

"Right now, it may not be a viable option because of the cost.

Can we localise that hydrogen fuel cell in India at Indian rates, with the help of a joint venture, and then supply them to OEMs (original equipment manufacturers) in India? If we have this technology, can we bring it to India? This is what we are seriously thinking about," Chaba said. MG Motor India's Halol plant in Gujarat employs about 4,000 people directly and indirectly. By 2028, the company plans to employ 20,000 directly and indirectly in both the plants in Halol, he said. Chaba said the front end of the company would continue to be managed by him and his team.