

# Hyundai to acquire GM's Talegaon plant

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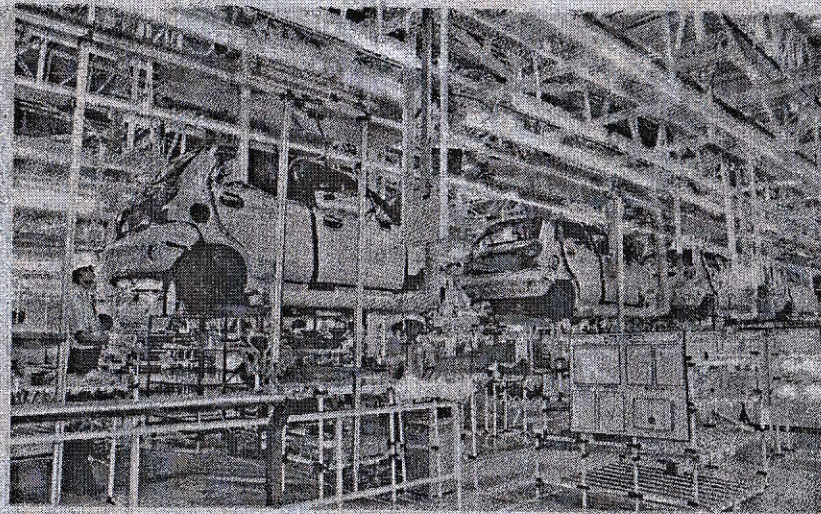
New Delhi

Hyundai Motor India Ltd (HMIL) on Monday said it has signed a 'term sheet' for the potential acquisition of identified assets related to General Motors India's Talegaon plant in Maharashtra.

"The term sheet covers the proposed acquisition of land, buildings, certain machinery and equipment for manufacturing situated at General Motors (GM) India, Talegaon plant," the company said in a statement without disclosing the deal amount.

## EXPANDING CAPACITY

HMIL said the proposed acquisition is subject to signing of the 'definitive asset purchase agreement' and fulfilment of conditions precedent and receipt of regulatory approvals from relevant government authorities and all the stakeholders related to the ac-



**WHAT IT HOLDS.** The plant has an installed manufacturing capacity of 1.3 lakh vehicles and 1.6 lakh engines a year FILE PHOTO

quisition. According to sources, completing the process will take at least three months and renovating the facility another few months.

The company has been manufacturing its vehicles from a plant near Chennai for the last 26 years and has a total capacity of around 7.70 lakh units per annum, including exports currently. It has been

looking to expand to cater to the growing demand in the domestic and global markets.

With stiff competition from companies such as Tata Motors, the company was expected to look for such acquisitions.

General Motors had been in talks (for the Talegaon plant) with several other manufacturers, including the

Chinese automaker Great Wall Motors which was entering India, but could not go ahead due to geopolitical issues.

The plant has an installed manufacturing capacity of around 1.3 lakh vehicles and 1.6 lakh engines per annum. GM had to stop selling cars in the country from end-2017, as part of its global restructuring actions.

## 'RIGHT MOVE'

According to analysts, the announcement by Hyundai comes at a right time.

"Limited capacity was a bottleneck to growth for Hyundai in India, but now with the additional capacity, it will be able to strengthen its market share in India. Hyundai's Casper will give a fight to Tata Punch and Suzuki products in this segment... it is a right move at a right time at a right place," Puneet Gupta, Director at IHS Markit, told *businessline*.