Hero MotoCorp, IJF, founders infuse ₹1,200 cr in Ather Energy

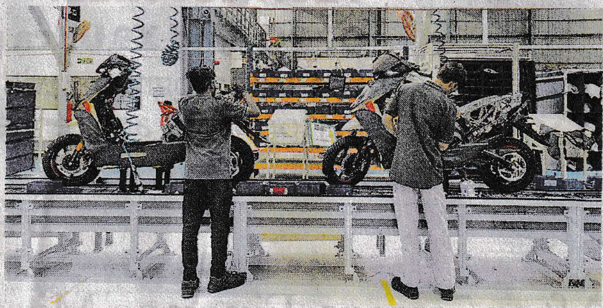
POST ALLOTMENT. Hero MotoCorp's stake will be 30.68%, while IJF's will rise to 6.02%

Our Bureau
Bengaluru

Electric two-wheeler maker Ather Energy has approved a ₹1,200-crore preferential allotment to Hero MotoCorp, the India-Japan Fund (IJF) and its founders, marking the first tranche of its ongoing ₹2,500-crore capital-raise to fund growth, research and development, manufacturing expansion and new product development.

Under the board-approved proposal, Hero MotoCorp will invest ₹960 crore through the subscription of 7.62 crore convertible warrants, while the IJF, managed by the National Investment and Infrastructure Fund (NIIF), will invest ₹200 crore by subscribing to 16.26 lakh equity shares.

Co-founders Tarun Mehta and Swapnil Jain will each invest ₹20 crore through convertible warrants.



NEXT STEP. Ather Energy said it will convene an extraordinary general meeting to seek shareholder approval for the preferential issue REUTERS

The preferential issue, subject to shareholder approval, is part of Ather's previously announced ₹2,500-crore Qualified Institutional Placement (QIP), through which the company is looking to strengthen its balance sheet following its public listing earlier this year.

Following the allotment and assuming full conversion of the warrants, Hero MotoCorp's stake in Ather will increase from 29.48 per cent to 30.68 per cent on a fully-diluted basis. The IJF's holding will rise from 5.75 per cent to 6.02 per cent, while the shareholding of the two founders will remain broadly stable due to dilution from the fresh issuance.

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The fresh capital comes at a time when Ather is stepping up investments in product development, expanding its manufacturing capabilities and strengthening its research and development efforts amid intensifying competition in India's electric two-wheeler market. The company has been broadening its product portfolio beyond the premium segment while investing in charging infrastructure and software capabilities.

The company said it will convene an extraordinary general meeting to seek shareholder approval for the preferential issue.

On June 12, the board of directors of Ather Energy approved a fund-raise of up to ₹2,500 crore. As per a stock exchange disclosure, the proposed fund-raise would be split into two parts — ₹1,500 crore via the QIP route and the balance via a preferential issue, rights issue or any other means. The firm added that it had constituted a fund-raise committee too.