

JSW group plans to drive in electric car at ₹15-20 lakh

In talks with several Chinese firms for tech partnership

DEV CHATTERJEE & SHINE JACOB
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The promoter entities of JSW Group are in talks with several electric-car manufacturers in China to launch an electric car for the Indian market at ₹15-20 lakh, a source close to the development said.

At the same time, the group, led by Sajjan Jindal, is in discussion to acquire a sizeable stake in MG Motor India, makers of MG ZS EV, costing around ₹23.28 lakh, and a small electric car called Comet, priced at ₹9.98 lakh upwards.

The Chinese promoter of MG Motor will hold a minority stake if the talks succeed, said the source. The valuation of MG Motor under discussion is \$1.2-1.5 billion.

MG Motor acquisition is the group's Plan A to enter the electric-vehicle (EV) segment, though the acquisition would come with legacy ICE (internal combustion engines) cars too.

"The group has also worked out Plan B in case the talks with MG Motor fail. It is just waiting for the MG Motor discussion to close either way. The Halol facility of MG Motor has the capacity to make about 150,000 vehicles per annum, and the company needs another site to expand in the future; hence the group is in talks to acquire Ford's facility

ALL CHARGED UP Electric four-wheeler sales trend in India

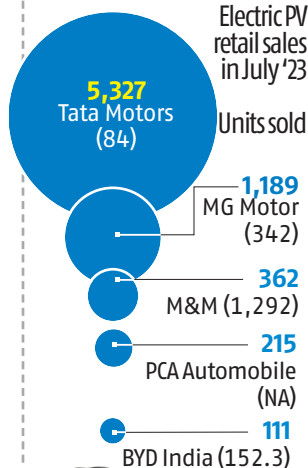
Month	Units sold
Aug '22	3,417
Sep '22	3,589
Oct '22	3,950
Nov '22	4,027
Dec '22	3,879
Jan '23	3,490
Feb '23	4,850
Mar '23	8,852
Apr '23	6,339
May '23	7,935
Jun '23	8,168
Jul '23	7,913
Aug '23	5,823

Note: August 2023 numbers till 28th; data excludes Telangana and Lakshadweep

Sources: Vaahan portal; Society Of Manufacturers Of Electric Vehicles

The Sajjan Jindal-led group is also in talks to acquire a sizeable stake in MG Motor India

Key players



Figures in brackets denote Y-o-Y chg (%)
Source: FADA



in Chennai," said the source.

A JSW group spokesperson declined to comment.

Jindal had first planned to enter the EV segment via his listed entity JSW Energy in 2017, but the plan was shelved within two years after some shareholders objected to it. The source said in the past five

years, no Indian player had moved in a big way in the EV segment despite rising demand from millennials.

"The group thinks none of the big companies in the industry is making big enough moves, and some EVs are just a retrofit of their ICE cars," the source said.

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JSW keen to launch EV...

Electric car sales in India touched 18,917 in the June quarter, with Tata Motors leading the pack with 10,846, followed by MG Motor at 1,902.

The Indian automobile market is at four million passenger vehicles per annum as of date. It will double by 2030.

“The group believes that at least 30 per cent of the eight million vehicles will be EV or hydrogen, or alternative fuels by 2030. Hence the group felt it was a big opportunity and started looking at getting technology partners. In order to hit the ₹15-20 lakh priced car with profitability and scale, China was the right model,” the source said.

The delay in MG Motor discussions led the company to engage in negotiations to acquire Ford India’s manufacturing facility, about 45 kilometres from Chennai. According to a source, companies such as Ola Electric, Hyundai Motor India, Tata Motors, and MG Motor



had engaged in multiple rounds of discussion with Ford India’s management over the past two years regarding acqui-

sition.

In September 2021, the American multinational had announced its plans to pull out of India and stop vehicle manufacturing in the country.

“Negotiations are taking place with JSW Group,” said a source aware of the development.

“We continue to explore alternatives for the Chennai plant,” said a Ford India official, without divulging details.

The Chennai unit of Ford, spread across an area of 350 acres, had an annual production capacity of around 200,000 vehicles and 340,000 engines.

The state authorities were also silent on the development. For any investor, Maramalai Nagar is considered lucrative because it is hardly 50 km from Chennai port and 74 km from Ennore port. In addition to its proximity to Chennai, the plant is easily accessible to Bengaluru, which is only 320 km away by road.