

JSW MG Motor India plans to recreate 'Maruti movement'

To Invest ₹5,000Cr, Launch Cars Every 3-6 Mths From Sept

Pankaj.Doval@timesgroup.com

Mumbai: The first major India-China joint venture took off in the car industry with \$110-billion Chinese automotive behemoth SAIC, which owns and operates MG Motor brand, partnering homegrown steel major JSW to manufacture cars for Indian and global markets.

Sajjan Jindal, chairman of JSW group, said cumulative holding of Indian entities will be 51% in the new company, which will be called JSW MG Motor India and will see initial investment of Rs 5,000 crore. While JSW will get 35% stake in MG Motor India, domestic financial investors will hold 8%, MG employees 5% and dealers 3%. SAIC will hold the balance 49%, though the agreement envisages diluting Chinese partner's equity further over next few years through a series of steps, which may include an IPO.

TOI was the first to report on the JV between JSW and MG Motor in its edition dated April 25 last year.

JSW, which is separately investing Rs 40,000 crore into automotive business through



FIRST MAJOR INDIA-CHINA AUTO JV: (From left) Rajeev Chaba, CEO Emeritus of MG Motor India, Sajjan Jindal, chairman, JSW Group, and Parth Jindal, member of steering committee of JSW MG Motor India

plans to set up factories for electric cars and commercial vehicles, batteries and components in Odisha, said the new entity with MG intends to recreate the "Maruti movement" and launch efficient cars every three-to-six months starting Sept.

Jindal said while his group had closed the deal with MG, it is being pursued by several other groups for a partnership. Speculation is JSW is holding talks with Volkswagen group for a partnership in India, apart from talking to Chinese Leapmotor to license their technology for

EVs. "There are so many opportunities, and we keep on discussing... India is buzz word today, and there are lots of people who talk to us, and approach us," he told **TOI**, while being joined by son Parth (member of steering committee of JSW MG Motor) and MG Motor India CEO emeritus Rajeev Chaba.

On the new partnership, he said, "With MG, my dream is that we will recreate a Maruti movement. Like 40 years ago when Maruti came to India, it changed the auto industry by bringing in very efficient and lightweight cars.



Ambassadors and Fiats went into oblivion as Maruti brought in state-of-the-art new cars. And today, they are the market leaders. So, I believe with MG, we can create a New Energy Vehicles (NEVs) Maruti movement," Jindal said.

The new entity of JSW and MG will now go aggressive in the car market by driving in a series of new cars, mostly focused on clean energy that would include plug-in hybrid electrics (that run on both petrol engine and battery), pure electrics, fuel cells, and other greener options.

The companies also plan to ramp up production at MG's Halol plant in Gujarat from 1.2 lakh units annually to 3 lakh units, as they look to go aggressive in new car launches, pricing, and technologies.