

# JSW Energy calls off electric vehicle plans

Uncertainties in the sector prove a major deterrent, says firm

## OUR BUREAU

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The JSW Group has dropped plans to venture into the electric vehicle (EV) business due to the uncertainties associated with the sector.

Despite having no experience in vehicle manufacturing, Sajjan Jindal, Chairman of the JSW Group, had made a surprise announcement two years ago to enter the EV business — including energy storage and charging infrastructure — through its subsidiary JSW Energy.

However, JSW Energy, in a statement after a board meeting on Friday, said the group has always embarked on new business opportunities keeping a balance between growth aspirations and prudent risk management.

In this context, it added, given higher-than-anticipated uncertainties associated with the EV



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business, the board has decided not to pursue it. It wishes to maintain capital cushion for growth opportunities in power and other related businesses, it said.

Last May, JSW Energy had increased its capex plan to ₹6,500 crore from ₹3,500 crore to launch electric buses and light pick-up trucks apart from cars. It had appointed Sergio Rocha, former chairman of General Motors Korea, Uzbekistan and Vietnam, as the Chief Operating Officer of its EV project.

As of the December quarter, JSW Energy's consolidated net debt was at ₹10,686 crore, and the company is in the process of paring it.

## Capital commitments

Meanwhile, group company JSW Steel is awaiting final approval from the NCLT to acquire the stressed Bhushan Power and Steel for ₹19,350 crore.

The company has already accepted the letter of intent extended by Bhushan Power's committee of creditors. It has to pump in another ₹350 crore to revive the steel mill's operations.

The company's effort to bring in a joint venture partner to close the Bhushan Power deal looks bleak, as the Insolvency and Bankruptcy Code has no provision to get a new partner at the final stages.

Apart from buying the stressed asset, JSW Steel has announced plans to invest ₹30,000 crore in brownfield projects over the next two financial years.