# *Battery cell demand for EVs to rise...*

## ... even as India's reliance on imports continues

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Tata Motors leads the electric passenger vehicle market with over 70 per cent share, making them the largest consumer of batteries. However, snapping at their heels is Maruti Suzuki India (MSIL), which is projected to match Tata's demand for battery cells by 2035, powered by the launch of electric vehicles (EVs) later this year.

In a presentation on the Indian EV battery market for light vehicles, S&P Mobility stated that while MSIL currently holds a small EV market share, its demand for battery cells is expected to reach 20 per cent by 2035, slightly trailing Tata at 22 per cent. The third major player, Hyundai, is expected to make significant strides in the EV sector, particularly in light vehicles, including passenger vehicles and commercial vehicles below 6 tonne, such as the Tata Ace. India's dependence on imported cells for light vehicles is expected to persist.

According to S&P Global, only 13 per cent of the total battery cells required to power light vehicles by 2030 will be domestically produced, with the remainder outsourced.

S&P also forecasts that by 2030, 23 per cent of battery modules will be manufactured in India, up from the current negligible amount.

### REALITY CHECK

- India will continue to depend on cell import in 2030, with only 13% being produced in India
- Battery demand will go up from 4 GWh in 2023 to 139 GWh in 2035
- By 2027, India's over-dependence on China for cells will reduce, with Maruti and Hyundai sourcing cells from their own countries
- The share of Asian cell suppliers is also slated to increase
- Suzuki JV, Exide, and Agratas are expected to start cell production in 2024-2025

However, for battery packs — of which 50 per cent are already produced in India — the figure may decrease slightly to 48 per cent by 2030.

S&P warns that the push for localisation may lead to more manufacturers producing battery packs within India rather than outsourcing.

The presentation also highlighted changes in India's global sourcing of cells for light vehicles. Currently dominated by cell manufacturers from Greater China, the market is expected to see Japanese and South Korean cell makers gaining market share by 2027, particularly as MSIL and Hyundai prioritise sourcing cells from their respective countries for their EV launches.

By 2034, the market share of China and Japan/South Korea is projected to be neck-and-neck, while Asian suppliers, focusing on building cell capacity, will increase their share from the current minuscule figure. S&P projects a jump in battery demand, from 4 gigawatt hour (GWh) in 2023 to 139 GWh by 2035.

While some cell manufacturing projects have commenced, they are still limited in number. MSIL, in a joint venture with Toshiba and Denso Corporation, has established a plant in Gujarat, currently producing modules and packs for lithium batteries, with plans to manufacture cells this year.

Exide, in collaboration with SVOLT Energy Technology, aims to begin cell production by 2025, starting with a capacity of 6 GWh annually, to be doubled later.