

Tata signs ₹13k-cr EV battery plant deal with Gujarat

Initial capacity of Sanand factory could be 20 GWh

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The Tata group signed an outline deal with the Gujarat government on Friday on building a lithium-ion cell factory with an investment of about ₹13,000 crore (\$1.6 billion). The move comes as India is looking to create its own electric vehicle (EV) supply chain.

According to sources close to the development, the decision to set up the EV battery plant at Sanand, Gujarat, was taken earlier this week at a Tata Sons board meeting.

Tata Motors already has a plant operational at Sanand, and has also acquired the adjoining Ford Motors' plant. The process of integration of the two plants has begun and may take up to one year to complete.

A joint statement on the memorandum of understanding (MoU) between Tata's unit Agratas Energy Storage Solutions and the Gujarat government said that work on the plant was expected to start in less than three years. It would have an initial manufacturing capacity of 20 Gigawatt hours



Chief minister of Gujarat Bhupendra Patel (centre) after the signing of the MoU

PHOTO: TWITTER

EV PUSH

▶ **Work on the plant to start** in less than three years

▶ **Manufacturing capacity to be doubled** in second phase of expansion

▶ **Decision on the plant taken at a Tata Sons board meeting** earlier this week

▶ **In April, JLR said it would invest nearly \$19 billion** in five years to reposition itself as an electric-first and modern carmaker

(GWh), which could be doubled in a second phase of expansion, the statement said.

"As the state government commits to a vision to reduce carbon emissions by increasing

the production of electric vehicles, reliance on lithium-ion batteries will also increase significantly as EV usage increases," the statement said.

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“This project will help in establishing a lithium-ion cell manufacturing ecosystem in the state,” the statement added.

In April, Jaguar Land Rover (JLR), a subsidiary of Tata Motors, had announced its electrification plan. JLR said it would invest £15 billion (nearly \$19 billion) over the next five years as part of its strategy to reposition itself as an electric-first and modern carmaker. As a part of this strategy, the JLR plant in Wolverhampton, UK, which currently produces the Ingenium internal combustion engines for its vehicles, will produce electric drive units and battery packs for its next-generation vehicles.

Sources said another battery plant from the Tata stable could either come up in the UK or in another European destination. The exact location is not yet finalised.

According to recent reports, Tata Group Chairman N Chandrasekaran is likely to meet British Prime Minister Rishi Sunak soon. Compared to the size of its population, India’s car market is tiny. Tata Motors dominates its EV sales, which made up just 1 per cent of India’s total car sales of about 3.8 million last year.