

TaMo looks to hit 85% localisation target in 2 yrs

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India's market leader in electric vehicles (EVs) Tata Motors is looking to increase localisation of its EVs to 85 per cent by 2025 with an eye to reduce 15 per cent in component costs, the firm said in an investor presentation on Wednesday. It plans strategic tie-ups with over 20 high-voltage component suppliers in the next three to four years and has over 600 non-EV component suppliers. At present TML has less than 70 per cent localisation from tier-1 suppliers. TML has already achieved a reduction in cash costs as a percentage of its revenues — from 18 per cent in FY21 to 12 per cent in FY23, according to the investor document.

The group has outlined an investment of ₹13,000 crore to set up India's first lithium ion cell manufacturing giga-factory in Gujarat last week. In the first phase, the plant will have a production capacity of 20 Gwh. Setting up an EV cell battery manufacturing plant will reduce the dependence on third-party suppliers mostly based out of China and in turn insulate the company from supply chain disruptions. There are plans for another EV battery plant in the UK for the Jaguar-Land Rover unit.