

Hyundai, Kia tie up with Exide for EV battery localisation

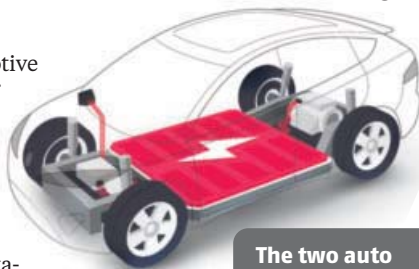
SOHINI DAS

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South Korean automotive majors Hyundai Motor Company and Kia Corporation on Monday announced a partnership with Exide Energy Solutions (EESL), a subsidiary of Kolkata-based battery manufacturer Exide Industries, to localise electric vehicle (EV) battery production in India.

As part of their EV initiatives for the Indian market, Hyundai and Kia plan to focus on the production of lithium iron phosphate cells. This strategic alliance will position them the frontrunners in integrating domestically produced batteries into their future EV models for the Indian market, Hyundai said in a statement from Seoul. "India is a key market for vehicle electrification, particularly due to the government's carbon neutrality goals, which makes securing cost competitiveness through localised battery production crucial," said Heui Won Yang, president and head of Hyundai Motor and Kia's research and development division.

"Through this global partnership, we will



The two auto majors plan to focus on the production of lithium iron phosphate cells. This will make them pioneers in the space

gain a competitive advantage by equipping Hyundai Motor and Kia's future EV models in the Indian market with locally produced batteries," Yang said.

Shares of Exide Industries hit a 52-week high on Monday, ending day's trade on BSE at ₹377 apiece, up 17.2 per cent.

Exide Industries told the stock exchanges that both companies would collaborate on the development, production, and supply of battery cells for Hyundai's EVs targeted for the Indian market. "EESL

is setting-up its multi-giga lithium-ion battery manufacturing facility at Bengaluru, Karnataka, and it is in the process of meeting several potential customers for strategic cooperation in the Indian EV market. The non-binding pact entered by EESL is a step towards this effort," the company said on Monday.

past few years. The gap between urban and rural continues to remain large due to lack of category penetration in rural areas.

“Demand in the FMCG sector for the fourth quarter is expected to have been muted. Growth in demand would be largely urban-driven, while rural would likely remain under some stress. Regional corporate players becoming stronger and farm incomes remaining low would continue to put pressure on bigger firms,” said Ravi Kapoor, partner and leader, retail and consumer, PwC India.

Hyundai, Kia...

When contacted, a spokesperson for Hyundai Motor India declined to comment on when the sourcing of battery cells might begin and whether the partnership would expand globally.

Established in 2022, Exide Energy Solutions ventured into manufacturing lithium-ion cells, modules, and packs, offering a diverse portfolio of chemistries and form factors. Exide Industries, a leading lead acid battery manufacturer in India with over 75 years of experience, had said in August 2023 it was setting up a greenfield lithium-ion cell manufacturing facility in Bengaluru.

Commercial production for the first phase, with a capacity of 6 gigawatt hours (GWh) out

of a total 12 GWh, is expected to begin by the end of FY25. The first phase, requiring an investment of around ₹4,000 crore, is part of a total project cost of ₹6,000 crore to be financed through internal accruals and bridge loans.

Exide Energy (EEPL) makes the Nexcharge brand, supplying lithium-ion battery modules and packs in Gujarat. In Exide's AGM last year, its Managing Director and Chief Executive Officer Subir Chakraborty had said that EESL and EEPL would merge, but the Gujarat plant would operate as a satellite unit of EESL. Subsequent to Sanction of Merger Scheme by NCLT Kolkata on March 6, EEPL merged with EESL with effect from 28th March 2024.

Exide has a long-term technical partnership with SVOLT Energy Technology, a Chinese firm, for the Li-ion cells project.

In November, Hyundai announced a ₹700 crore investment in a battery assembly plant in Chennai, with a first-phase capacity of 75,000 battery packs annually by 2025.

Agartas Energy Storage Solutions, a Tata group subsidiary, is setting up a lithium-ion cell plant with a 20 GWh annual capacity in Sanand, Gujarat, for an investment of ₹13,000 crore. JSW Group has partnered the Odisha government to establish integrated EVs and 50 GWh battery manufacturing facilities with a

₹40,000 crore investment in the state. However, India will continue to depend heavily on cell imports for light vehicles. According to S&P Global, only 13 per cent of the total battery cells required to power light vehicles by 2030 will be produced in the country. India, however, makes battery packs now.

Nifty 50...

“Earnings growth momentum is slowing as revenue growth (moderates) and falling raw material benefit already (retained) in previous quarters. Equirus Universe will report 6 per cent and 4 per cent Y-o-Y growth in Ebitda and net profit driven by growth across sector in (the) domestic market whereas cyclical sectors remain weak,” wrote analysts at Equirus Research.

Analysts at Motilal Oswal Financial Services wrote: “We estimate Motilal Oswal universe and Nifty earnings to grow 6 per cent Y-o-Y each in (Q4FY24). Margin tailwinds are likely to narrow due to a high base. Earnings growth is expected to be weighed down by global cyclicals, such as oil & gas and mining and metals, which are anticipated to decline 6 per cent and 12 per cent Y-o-Y, respectively.”

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