

# Hyundai to invest ₹20K cr in TN to expand EV production

To pump in the amount over 10 years, install EV charging stations in next 5 yrs

SHINE JACOB  
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Hyundai Motor India (HMI) on Thursday signed an agreement with Tamil Nadu to invest around ₹20,000 crore over 10 years for expanding electric vehicle (EV) production and in associated ecosystem.

HMI, India's second largest car manufacturer, will set up a battery pack assembly unit with an annual capacity of 178,000 units. It will install 100 EV charging stations across the state in the next five years, according to the memorandum of understanding (MoU) the two sides signed.

HMI's total exports in 2022 stood at 1,81,000 units, and these comprised only internal combustion engines (ICE). The company plans to increase exports to 3,19,000 units in 2023, converting the Sriperumbudur unit near Chennai as a regional export hub of ICE and EVs.

This is the second large investment for EV production that Tamil Nadu is attracting after announcing a new policy in February that offers incentives for manufacturers, customers and charging infrastructure providers.

"The MoU is part of a strong commitment to create sustainable future technology in Tamil Nadu. Hyundai will continue to work together to achieve our common goal of economic, social and sustainable development. We will be investing around ₹20,000 crore over a period of 10 years. The long-



An MoU was exchanged between Unsoo Kim, MD and CEO, Hyundai Motor India and V Vishnu, MD & CEO, Guidance Tamil Nadu, in the presence of TN chief minister MK Stalin

## PEDAL TO THE METAL

**₹23,900 crore:** Investment by the company so far in the state out of over \$5 bn in the country

**15,000:** Direct jobs created by the company

**250,000:** Indirect jobs created

**₹2.73 trillion:** Total investment in Tamil Nadu in last two years through 224 MoUs

**2025:** Target to shift to 100 per cent renewable energy usage

term investment will help enhance our manufacturing capability and also increase our production volume in Sriperumbudur," said Unsoo Kim, HMI's managing director and chief executive officer.

The foundation stone for HMI's plant in Sriperumbudur was laid in December 1996 and its second factory there, with an investment of around ₹4,000 crore, came up in February 2008. The company had rolled out its 10

million cars from the unit in June 2021. The company has invested ₹23,900 crore in Tamil Nadu and provides employment to 15,000 people directly and another 250,000 indirectly, according to Chief Minister M K Stalin.

"Tamil Nadu is the leading producer of automobiles and components in India. As its next evolution, it is commendable that Tamil Nadu has emerged as the leading state in the production of electrical

vehicles. For this, Tamil Nadu's efficient human resources, world-class infrastructure, and the constructive actions of the Tamil Nadu government are the main reasons," Stalin said. He added that this will be a step forward towards the state's goal of becoming a \$1 trillion economy by 2030.

The Tamil Nadu investment is part of Hyundai's road map to become net zero carbon footprint by 2045. The Hyundai MoU comes after the US-based network gear maker Cisco announced its plans to set up a manufacturing plant in the state.

Thangam Thennarasu, who on Thursday took charge as Tamil Nadu's new finance minister, said that since the DMK government took charge in May 2021, the state has invited investments to the tune of around ₹2.73 trillion by signing 224 MoUs.

The incentives under the Tamil Nadu Electric Vehicles Policy 2023 for manufacturers include 100 per cent reimbursement of state goods and services tax, investment or turnover based subsidy and advanced chemistry cell subsidy. The state will provide a 100 per cent exemption on electricity tax for five years on power purchased from the Tamil Nadu Generation and Distribution Corporation, exemption on stamp duty and also subsidy on cost of land among others.

During the last five years, the state has seen projects with employment potential of 48,000 jobs in the EV value chain.