

Tata Motors signs pact with TN govt to set up new unit, will invest ₹9,000 crore over 5 years

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Tata Motors, India's leading automaker, has announced a major manufacturing investment in Tamil Nadu. The Mumbai-headquartered company plans to build a new factory in the western part of Tamil Nadu at an outlay of ₹9,000 crore over a five-year period.

The company signed an agreement with the Tamil Nadu government on Wednesday for the proposed investment.

The new factory, which will be the company's second manufacturing plant in the South, is expected to come up on a 500-acre site in Ranipet district and can potentially create up to 5,000 jobs (direct and indirect). However, the exact location is yet to be finalised.

Tata Motor's new manufac-



DRIVING FORWARD. Tata Motors team with the Tamil Nadu Chief Minister MK Stalin, after signing the MoU on Wednesday

turing investment plans come on the heels of its announcing the demerger of its business verticals into two listed companies, one for the commercial vehicles and related investments, and the other for passenger vehicles, including EVs, JLR and related investments.

This announcement appears to end the speculation about the possible takeover by Tata Motors of the Ford factory near

Chennai, which stopped production two years ago.

While Tata Passenger Electric Mobility (a subsidiary of Tata Motors) acquired Ford's manufacturing facility in Sanand, Gujarat, there was no taker for Ford's 250-acre Chennai factory.

Tata Motors did not disclose details about the vehicles to be produced — electric or ICE — or the initial capacity of the new

Tamil Nadu unit. The factory can also be used to serve the export market due to its proximity to ports in Chennai.

Currently, Tata Motors operates factories in six locations: Pune, Lucknow, Jamshedpur (Jharkhand), Pantnagar (Uttaranchal), Dharwad (Karnataka), and Sanand.

The company makes passenger vehicles at Sanand and Pune (Pimpri, Chinchwad, and Ranjangaon) with a total annual capacity of 6 lakh units. In FY23, the company produced about 5.5 lakh units. Given its growth plans and the favourable market outlook, the company needs to expand its PV capacity.

While the Pune factory has been making electric cars and SUVs, the Sanand facility has a flexible production line to produce both EVs and ICE models.

With inputs from T E Raja Simhan