

# Suzuki's India arms gear up for electrified journey

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Suzuki Motor Corp's India ventures — Toshiba-Denso-Suzuki Gujarat (TDSG) and Maruti Suzuki India — are gearing up for an electrified innings in India.

As a run up to the mass production and sale of hybrid and battery electric vehicles in India, the Japanese carmaker's units are going full throttle in securing local supplies of batteries. This is one of the most crucial components for electrified vehicles.

TDSG's facility — the first in the country to make batteries with cell-level localisation — has an aggressive export target for the next three years. Construction work is in full swing for the plant of the second company wholly owned by Suzuki Motor Gujarat (SMG). This unit will make cells and batteries locally only for EVs.

The revenue of TDSG, which stood at ₹42 crore at the end of


FY22, could go up to ₹2,500 crore within FY 24-25. This comes as the company ramps up production to meet demand in export and domestic markets, according to Rahul Bharti, executive officer, corporate affairs, Maruti Suzuki India. Of this, the share of exports will be around ₹1,500 crore.

These batteries are being exported to Europe and Indonesia by Suzuki's India subsidiary, Maruti Suzuki.

The foundation of TDSG's plant was laid by Prime Minister Narendra Modi and Japan's then Prime Minister late Shinzo Abe in September 2017.

With an initial investment of about ₹1,200 crore, the unit commenced commercial production in FY22 and has a capacity of 6 million cells per annum. There are plans to ramp it up in the years ahead.

TDSG is the first unit in India to not only commence local production of cells but also export them, said Bharti.

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**₹2,500 crore**  
Estimated revenue from TDSG's plant that makes batteries for hybrids by 2024-25

**₹1,500 crore**  
Share of exports of TDSG

**6 million units**  
Cell manufacturing capacity at TDSG

**2026** Commencement of production at SMG's EV battery-making plant

“Our parent Suzuki's joint venture TDSG is the first Indian plant to make batteries in India with cell-level localisation. We purchase these batteries for fitment in our own hybrid vehicles and are also exporting some of them to Europe,” he said.

Suzuki will invest ₹7,300 crore into the second major plant to manufacture batteries for EVs. The plant will begin production in 2026.

The foundation stone for this unit was also laid by PM Modi in Gujarat last month. Batteries produced from this plant will go into

EVs made at the Suzuki Motor Gujarat plant and sold by Maruti Suzuki. The first pure EV from the company is expected to be launched in 2025.

In EVs, advanced chemistry batteries remain the most critical and the costliest component, accounting for almost 35-40 per cent of the vehicle's price, credit rating firm ICRA said during a recent webinar. It expects investments in cell manufacturing to exceed \$9 billion by 2030. This is owing to the higher demand from various applications and growth prospects expected

post 2030. Puneet Gupta, director, S&P Global Mobility, said that Maruti Suzuki has planned its decarbonisation strategy carefully — first the hybrids would be rolled out followed by battery electric vehicles (BEVs).

“It makes sense, given the huge baggage of ICE (internal combustion engine) vehicles they have. The calibrated approach will be a win-win for everyone, be it the suppliers, company or consumers,” said Gupta.

The only thing that works against the hybrids is the high goods and services tax (GST) rate compared to EVs.

Given the huge investments lined up for EVs and batteries by various companies, including Reliance, Adani, Ola Electric and others, the government is unlikely to rationalise tax on hybrids. Hence hybrids, with their higher prices compared to EVs, may have a disadvantage, he added.