

Tata-JLR unit to steer India's luxury car export journey

SHINE JACOB

Chennai, 29 September

Tata Motors has commenced construction of its new ₹9,000 crore plant in Tamil Nadu, which will also manufacture the next generation of Jaguar Land Rover (JLR) vehicles. This marks the first time a premium vehicle will be fully manufactured in India, rather than being assembled and exported. This milestone sets the project apart in India's automotive history.

The firm announced that the state-of-the-art production facility, located in Panapakkam, Ranipet district, will produce both cars and sport utility vehicles.

N Chandrasekaran, chairman of



TAKING THE WHEEL

₹9,000 crore:

Investment for the Tata Motors-JLR unit at Panapakkam

45,311 units: Sale of luxury cars by top seven players in FY24, up 21% from 37,615 in FY23

March 2024: State govt signs MoU with the firm

5,000: Number of jobs to be created

250,000 vehicles: Annual production capacity of the unit

Tata Sons and Tata Motors, said during the groundbreaking ceremony on Saturday that the plant will cater not only to the Indian market but also to international markets. In addition to conventional luxury vehicles, the plant will manufacture

electric vehicles. The facility is designed with an annual production capacity of over 250,000 vehicles.

Compared to the completely knocked down (CKD) units currently produced by luxury players in India, Tata's new project will benefit from a

supplier ecosystem within striking distance. The Tamil Nadu government is planning to establish an automobile supply park near Ranipet to ensure parts supply for the Panapakkam plant.

Chief Minister MK Stalin has already instructed the industries department to localise the entire Tata-JLR supply chain by developing a supplier park in the vicinity. "This initiative will ensure better access to Tata Motors' suppliers and foster a robust component infrastructure, along with a micro, small, and medium enterprise cluster near Ranipet," said Tamil Nadu Industries Minister T R B Rajaa at the groundbreaking ceremony. This development is

expected to give a major boost to India's luxury car market, where the top seven players sold 45,311 units in 2023-24, a 21 per cent increase from 37,615 units in 2022-23, according to JATO Dynamics data.

Currently, JLR's Pune facility manufactures CKD units of Range Rover Velar, Evoque, Jaguar F-Pace, and Discovery Sport. Recently, the facility added Range Rover and Range Rover Sport to its production line. Mercedes-Benz, the leader in India's luxury car market, started its Pune unit as early as 1994. Other major players, such as BMW, have assembly plants like the one in Chennai, which produces 12 models.

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