

# Business Standard

Maruti Suzuki to invest \$104 bn in India to make EVs and batteries

**India's largest carmaker hopes to roll out affordable EV models in both Japan and India as early as 2025 from Gujarat plant.**

Arindam Majumder | New Delhi March 20, 2022 Last Updated at 11:04 IST



Suzuki Motor said on Sunday it will build a new factory in Gujarat to make electric vehicles (EV) and batteries, aiming to have the business running by 2026 as its Indian unit changes strategy for the green mobility market.

The Japanese automaker will invest around \$104 billion on the plant and EV production. Suzuki, which is the parent of India's largest carmaker Maruti Suzuki and sells one in every two cars in the country, hopes to expand EV sales as the government promotes clean energy vehicles as part of its decarbonisation effort.

Maruti Suzuki has maintained that the Indian market isn't ready for EV and it has not taken a bullish view of India's electrification of mobility. Hyundai and Tata Motors, the company's rivals, have announced plans for electrification of their products. Sales of four-wheeled EVs jumped in India in FY21, unaffected by the coronavirus pandemic. The segment reported the sale of 5,500-6,000 vehicles last financial year and it next expects a jump of 60-75 percent compared to FY20 when the segment saw sales of 3,400 units.

Suzuki, through its global tie-up with Toyota, is gearing up to enter the non-IC engine vehicle business and India will be a major part of this plan. Sources said that the Indian subsidiaries of Suzuki Motor Corporation (Maruti Suzuki) and Toyota Motor Corporation (Toyota Kirloskar Motors) are working on a mass EV product, which will be sold in India and exported to European and South Asian countries.

People aware of the development said the two companies are working to develop a mass EV product, which besides for Indian market will also be exported to European and South Asian

countries.

"Investing so much money for the Indian market is not justified as there are still doubts how much the domestic market will grow for EVs. It has to be for export also," the person said.

"Suzuki's future mission is to achieve carbon neutrality with small cars," said Toshiri Suzuki, president of Suzuki Motor Corporation in a statement.

The battery plant will be set up near a Suzuki factory owned by Suzuki Motor Gujarat (SMG), a 100 per cent subsidiary of Suzuki Motor Corporation that makes supplies to Maruti. It recently started a new production line to increase annual production to 7.50 lakh units.

From fiscal 2021 to 2025, Suzuki intends to spend a total of 2.2 trillion yen on research and development and capital investment. Of the total, about 1 trillion yen will go for R&D, most of which will be earmarked for development of EVs.

Suzuki hopes to roll out affordable EV models in both Japan and India as early as 2025, which it hopes will allow it to capitalize on an expected wave of automobile electrification.