Calibrated capacity expansion

With steady demand growth across both domestic and international markets, we are strategically positioned to align our capacity expansion with evolving market requirements through prudent capital deployment. Our vision is to develop the Chennai manufacturing facility into a central hub for EV and SUV production.

Additionally, with the upcoming Talegaon Manufacturing Plant, set to commence partial commercial operations in FY 2025-26, we are scaling up our manufacturing capabilities to enhance production volumes and achieve greater economies of scale. This will enable us to meet rising domestic market demand efficiently.

Our objective is to maintain a capacity utilization rate of over 90%, supported by a robust mix of domestic and export volumes. To further strengthen our manufacturing ecosystem, we will deepen localization efforts by expanding our supplier base, especially in and around Talegaon. This integrated approach aims to enhance operational efficiency and ensure profitable, demand-led growth.

Key progress

Construction activities in the production shops are nearing completion, while vehicle production preparation trials are progressing rapidly, backed by strong collaboration and support from all stakeholders.

A major milestone has been achieved with the official commencement of engine production at HMIL's Talegaon plant. With an installed capacity of 1,50,000 engines annually, this achievement reflects our Pune team's precision, commitment, and operational preparedness. It marks a pivotal step forward in enhancing HMIL's manufacturing footprint and driving future growth and competitiveness.

As of March 31, 2025, the Chennai Manufacturing Plant had an annual production capacity of 824,000 units. We have strategically planned a phased capacity expansion for our upcoming Talegaon Manufacturing Plant. Once operational, this facility will increase our total annual production capacity across both plants to 994,000 units, with a further rise to 1,074,000 units upon full-scale operations at Talegaon.

Priorities for the coming years

At HMIL, enhancing cost competitiveness remains a strategic priority as we scale operations at Talegaon. Our approach is rooted in reducing operational costs through sustainable practices and strengthening long-term efficiency.

We are embedding lean manufacturing principles across operations to eliminate waste, optimize resources, and drive continuous improvement. Our digital transformation journey is gaining momentum with the implementation of Factory B-I tools, seamlessly integrated with advanced data analytics and Manufacturing Execution Systems (MES). This integration is significantly boosting productivity, process visibility, and real-time decision-making.

A key focus area is the stabilization of our vendor ecosystem. We are building a robust and responsive vendor base to ensure quick turnaround times while closely monitoring equipment integration from Hyundai Motor India (HMI) and maintaining stringent quality checks on local vendors.

We are proactively planning for Phase II expansion, targeting a production capacity of 2.5 lakh units. These concerted efforts are laying a solid foundation for a cost-efficient, digitally empowered, and scalable manufacturing ecosystem.

The Company is focused on achieving an on-time Start of Production (SOP), with every effort directed toward meeting global quality benchmarks. With advanced infrastructure and a skilled workforce in place, the Talegaon plant is set to emerge as a cornerstone of Hyundai's growth story in the region.