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# **Maruti Suzuki To Setup Diesel Engine Plant In Gurgaon**

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Maruti Suzuki has been hit by capacity constraints and had to resort to procuring diesel engines from FIAT. Now the company has got the go ahead of the board to setup its own diesel engine plant in Gurgaon, which will produce the 1248cc, DDiS (Fiat's Multijet) diesel engines. Currently Maruti Suzuki sources diesel engines from Suzuki Powertrain India, which produces 3 lakh diesel engines per annum. Maruti Suzuki also has a petrol engine plant in Gurgaon and the diesel plant will give a much needed relief to all those waiting for their diesel powered Swifts to arrive.

This new diesel plant will see Maruti Suzuki invest close to Rs. 1000 crore. Location for the plant is being scouted but the company is taking it slow as it awaits the Governments decision on deregulation of fuel prices. This new diesel engine plant will manufacture 1 lakh units every year as demand for diesel powered vehicles increases. Currently Maruti sells the Ritz, Swift, Swift DZire and SX4 with diesel engines. The Ertiga MPV will be using the same diesel engine as the SX4 and thus increasing capacity is the right choice for India's largest car maker.

Currently Maruti Suzuki is just about sustaining as far as diesel engine supplies go. Suzuki Powertrain is running on optimum capacity, while FIAT will soon start supplying diesel engines manufactured at Ranjangaon. FIAT and Maruti Suzuki have a three year agreement for diesel engine supply, after which Maruti Suzuki might have to rely on its own output of engines. This diesel engine plant is expected to start producing engines as soon as early-2013 and can be upscaled to manufacture more diesel engines should the need arise.

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