

India may consider Chinese equipment for ACC batteries under PLI scheme

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Despite the overwhelming presence of Chinese companies in the production of Advance Chemistry Cell (ACC) batteries for electric vehicles, the government is unlikely to exclude them while extending the production linked incentive (PLI) scheme to the sector.

In a closed door meeting held by the Ministry of Heavy Industries (MHI) last week, the stakeholders discussed the issues concerning the China factor. There are three major players — China, Germany and South Korea — and Chinese goods (equipment) are sold four times cheaper than that of Germany or Korea.

“It is coming back to square one, just like what happened with FAME-I. Companies such as Mahindra & Mahindra and Reliance want the whole

20GWh, but some companies like Lucas TVS and others want the government to distribute it to four smaller players (5GWh each) so that those four companies can grow together, instead of just one big player, helping the overall industry to grow,” a source privy to the meeting told *businessline*.

COST-EFFECTIVE

“We have to import Chinese equipment to make the costs viable. We can't bring German machines because they are four times higher in costs and Korean equipment are two times higher,” said a Bengaluru-based battery and EV maker.

Another industry source said that the government should start releasing funds for those who won the bids under the PLI scheme last year.

Those bidders who did not win last year have also urged the government to open the bids again so that

they can participate. These companies include Mahindra & Mahindra, Exide Industries, Larsen & Toubro, Amara Raja Batteries and India Power Corporation.

“Companies like Exide Industries and Amara Raja have requested the government to at include companies who already have brown-fields (for PLI there is a requirement of a greenfield) and can start manufacturing ACC batteries. The government has assured them that it will look into such criteria while calling for fresh bids in near future,” an official told *businessline*. The official further said the government cannot consider so many demands during the bidding process or under the schemes.

The meeting was chaired by Kamran Rizvi, Secretary MHI and Sudhendu J Sinha, Advisor, Infrastructure Connectivity-Transport and Electric Mobility.