

Himadri plans ₹4,800 cr Li-ion battery parts unit

To infuse the amount over a period of 5-6 yrs

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Himadri Speciality Chemical will be investing ₹4,800 crore over five-six years for setting up a manufacturing facility for production of lithium-ion (Li-ion) battery components, the company said on Wednesday.

The company is eyeing a target of producing 200,000 tonnes of lithium iron phosphate (LFP) cathode active material, catering to 100 gigawatt hour (GWh) of Li-on batteries in phases over five-six years. In the first phase, the facility would have a capacity of 40,000 tonnes in Odisha and the estimated cost would be ₹1,125 crore with an expected timeline of 27-36 months to start operations.

The capex would be funded largely through internal accruals and the balance from debt. Himadri said that at full utilisation of 40,000 tonnes, it expects to generate revenue of four times the capex with a “very strong profitability and returns profile.” With the project, Himadri hopes to enable indigenisation of lithium-ion battery raw materials for global and India’s electric vehicles and energy storage systems and reduce dependence on fossil fuel, it mentioned



in its exchange filing. Cathode materials, Himadri said, are critical components required in the production of lithium-ion cells that constitute 50-55 per cent of the cell cost. LFP is one of the predominant materials used in the manufacture of Li-on battery cells.

Anurag Choudhary, chairman and managing director and chief executive officer (CEO), Himadri Speciality Chemical, said the technology has been developed in-house. “We have been working on this for the last 15 years.”

He added that global demand for Li-on batteries is expected to grow by about 27 per cent annually to reach about 4700 GWh by 2030. And, cathode material, a critical component for the Li-on battery value chain, is set to increase to 9.4 mil-

lion tonnes by 2030 to meet the required global production of Li-on battery cells. The plant in Odisha will cater to the global as well as domestic demand.

The Centre had announced a production-linked incentive (PLI) scheme for advanced chemistry cell battery storage. Choudhary pointed out that the government wants companies to come and set up a cell manufacturing base in India.

He said, “But this will not happen unless the components are made in India. So Himadri is setting up component manufacturing, which will make India truly atmanirbhar.” “We want to play an important role in the lithium-ion battery component sector. And, components would include cathode and anode,” he added.

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200,000 tonnes: Targeted production of lithium iron phosphate (LFP) cathode active material

100 GWh: Capacity to power Li-on batteries

40,000 tonnes: Capacity of the facility in Odisha in the first phase

₹1,125 crore: Estimated cost with an expected timeline of 27-36 months to start operations