

# Epsilon looks to charge up India capacity from 200 to 10,000 TPA

**NITIN KUMAR**

New Delhi, 7 July

Epsilon Advanced Materials, the home-grown maker of materials used in electric-vehicle (EV) batteries, is planning to increase its production capacity in the country from 200 tonnes per annum (TPA) now to 10,000 TPA by the end of 2025.

“Our goal is to take the capacity in India to 100,000 TPA but for now 10,000 TPA is enough because it would be sufficient for a 10-gigawatt capacity,” Vikram Handa, managing director, said in an interview with *Business Standard*.

This capacity increase is part of Epsilon’s commitment to

invest ₹9,000 crore in India.

Handa is looking to increase Epsilon’s footprint not only in India but also abroad.

It has announced an investment of \$650 million (around ₹5,400 crore) in the United States to set up a 50,000-TPA manufacturing unit by 2026. According to the company, the proposed US facility will provide critical battery materials to power more than one million EVs. Epsilon also plans to start operations in GigaVaasa, Finland. “We took this approach of first catering to international customers because it will help us build capacity in India,” said Handa.

Epsilon’s international expansion is buoyed by EV-

related incentives many countries offer. For instance, in the US, the Inflation Reduction Act allows credit of up to \$7,500 (around ₹6.20 lakh) per vehicle to boost domestic manufacturing of batteries and encourage local procurement of battery-critical minerals.

There is a huge raw material demand in the US as companies such as Tesla, Ford, and General Motors are setting up their units. Demand is also from South Korean firms, which are in the process of setting up their businesses in the US market.

In India, however, demand is more muted, even from the companies that have qualified under the government’s ₹18,100 crore production-linked



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Managing Director, Epsilon Advanced Materials

incentives (PLI) scheme for advanced chemistry cell (ACC) manufacturing.

The scheme has strict

localisation norms designed to make cell manufacturers favour local suppliers.

“Indian firms are still

thinking they will buy from China,” Handa said.

“PLI winners should become anchor customers, which will help us become cost-competitive.”

Epsilon has 50 potential customers globally. Of those 15 are in India. It takes years to build an anode production facility. The share of an anode in the cost of a cell is around 25 per cent. “If Indian cell manufacturers want to set up big factories, they should start qualifying us right now,” said Handa, adding, “The qualification process takes around 20 months”.

But once a company is qualified and starts supplying, it will be for eight years.

In the absence of demand from Indian customers, whatever Epsilon produces is exported to countries like the US, South Korea, and Japan, and is used to meet energy storage systems demand or in consumer products such as laptops and phones. Still, Epsilon is augmenting its capacity in India in anticipation of demand.

“I believe demand in India will start from 2025 and increase after 2027,” said Handa.

The company also plans to enter the cathode market by partnering technology partners and at an investment of ₹500 crore. It plans to start its commercial scale cathode production in India by the end of this year.