

RIL pushes battery unit timeline by 2 yrs to 2026

Executives speculate supply chain could be a contributing factor for the delay

AMRITHA PILLAY

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The date for setting up Reliance Industries Ltd's (RIL's) giga-scale battery factory is now 2026, two years after the stated timeline of 2024, the information shared by Chairman and Managing Director Mukesh Ambani in his recent speech suggests.

This is a rare instance where the company has changed a stated timeline or target for any of its businesses.

RIL did not confirm or respond to email queries related to the change in timeline. However, industry executives speculate supply-chain constraints could be a contributing factor.

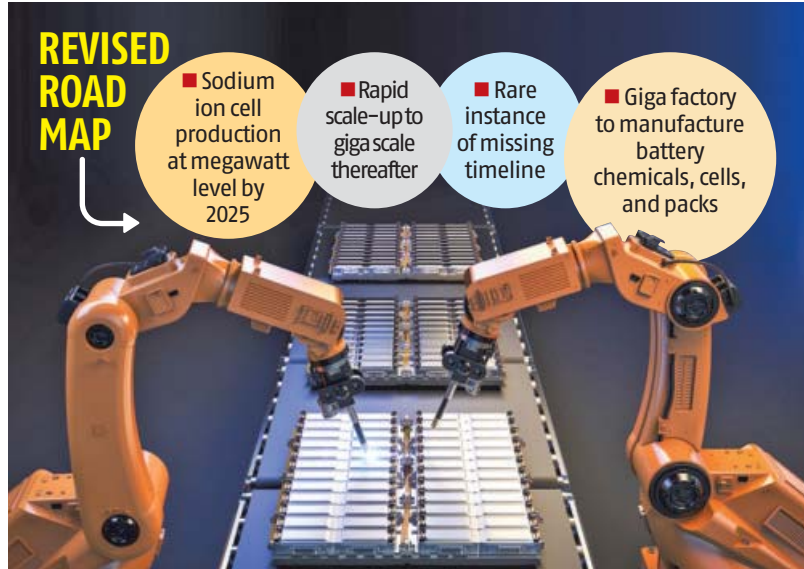
At RIL's annual general meeting (AGM) in August, Ambani told shareholders: "Our concurrent priority is to set up our Battery giga factory by 2026."

Ambani indicated RIL would start with LFP (lithium ferrophosphate) chemistry and simultaneously focus on fast-tracking the commercialisation of its sodium-ion battery technology.

"We will build on our technology leadership position by industrialising sodium ion cell production at megawatt level by 2025, and rapidly scale up to giga scale thereafter," Ambani said.

Ambani had said in his AGM speech a year ago: "We aim to start production of battery packs by 2023 and scale up to a fully integrated 5 GWh annual cell to pack manufacturing facility by 2024, and further scale up to 50 GWh annual capacity by 2027."

Analysts in their post-AGM notes on the company said the new timeline was reasonable. "Visibility on targets is slowly improving with initial startup of both the integrated solar and battery giga factories planned in 2024, followed by phased commissioning of the solar unit by end-2025 and the battery unit by 2026," wrote analysts with Bank of Baroda Capital in



a post-RIL AGM note.

"RIL has a range of scale-up where there is a mismatch so it looks like it is delayed, but one cannot say for sure," said an oil and gas analyst, who did not wish to be identified.

The giga factory is expected to manufacture battery chemicals, cells, and packs, leading all the way up to containerised energy storage solutions, and will include a battery recycling facility to deliver an integrated ecosystem. At present, no such factory of similar scale is operational in India.

"(The company seems) to have technology tie-ups done, particularly on the LFP side. But it's unclear whether (it has) all the supply chain tie-ups. Building a plant takes time," said an executive from the battery-related ecosystem in India.

In the past two years, RIL has made a string of acquisitions to snap up the requisite technologies for lithium-ion- and sodium-ion-based battery manufacturing. The company acquired the assets of

LFP batteries provider Lithium Werks for \$61 million in 2022. The next year it bought leading global sodium-ion battery technology company Faradion for an enterprise value of 100 million pounds.

A senior oil and gas analyst agreed instances of RIL missing a stated timeline were rare. "The only instance I remember is of KG-D6," said the former research head for a domestic brokerage firm.

Ambani has often used AGM speeches to announce timelines for new business initiatives or targets such as debt reduction. Similarly, AGMs are also used to indicate achieving the stated target before the deadline.

For instance, in July 2020, Ambani told shareholders: "In last year's AGM speech, I had shared my goals of growing our businesses through partnerships and achieving a Net Debt Free Balance Sheet. I am happy to report that we have fulfilled this promise well ahead of the timelines that we had set ourselves."