

# Tata subsidiary likely to invest \$1 bn in battery units in 1st year

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Mumbai, 20 July

Agratas Energy Storage Solutions, a subsidiary of Tata Sons, plans to invest up to \$1 billion in the first year to set up two battery giga-factories in the United Kingdom (UK) and Gujarat, industry sources said.

Apart from getting sops from both the governments, Agratas may raise funds from London-based banks and its promoter Tata Sons.

The key selling point of the company while raising funds would be guaranteed sales to its anchor customers, Jaguar Land Rover (JLR) and Tata Motors.

Tata Sons, which received a dividend of ₹33,350 crore from Tata listed entities in 2023, will use the cash in the initial years to start the project.

The entire investment of \$6.7 billion in the two projects in the UK (\$5.16 billion) and Gujarat (\$1.6 billion) is spread over the next few years, said a source close to the development.

The company plans to set up a capacity of 40 GWh in the UK and 20 GWh unit in Gujarat and targets to start production in two years.

About 70 per cent of Tata Motors' requirements in India will be sourced from Agratas and rest from other players, analysts said. Tata Sons did not comment on the fundraising plans.

While JLR and Tata Motors, the anchor customers for Agratas, would pick up the majority of production, it is also looking at the option to supply to other customers across segments as well.

Analysts said the Tata group would, however, require technology partners for the project as it does not have experience in battery technology. They also pointed out that the planned investment in the UK, which is equivalent to \$125 million per GWh of capacity, looks expensive when compared to Chinese battery sites which are built for about \$50 million per GWh.

## Tata Steel UK to get \$386 mn to upgrade furnaces

Tata Steel UK, the subsidiary of Tata Steel, is the big beneficiary of the UK government and Tata group deal, with the company getting \$386 million to modernise its furnaces. The company needs fund infusion to modernise its furnaces from coal to electric and had asked the government to subsidise the project. The talks were on for the last three years and an offer by the British government was made early this year. **DEV CHATTERJEE**