

# Govt plans new bids for one vacant slot in advanced cell PLI

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The government is considering the option of inviting fresh applications to bid for the fourth slot which fell vacant after one of the initial candidates who qualified, Hyundai Global Motors, exited from the production-linked incentive (PLI) scheme for advanced chemistry cell battery storage with a capacity of 20 GWh.

Earlier, stakeholders had expected that the vacant slot would be offered to waitlisted players ranked on their technical and financial offer. A final decision will be taken by soon.

The government had originally declared Hyundai Global Motors as one of the four eligible players out of the nine who applied for the PLI scheme. But it was forced to re-examine its offer after the South Korean automotive giant Hyundai Motor Company said it had no link with Hyundai Global Motors and the latter was not authorised to use the Hyundai trademark and logo.

Under the PLI scheme, the government offered incentives of ₹18,100 crore for companies to build advanced chemistry cell batteries with a total capacity of 50 GWh.

Four companies were declared the winners. Topping the list was Rajesh Exports which quoted an interest and got 5GWh capacity. It was followed by Hyundai Global Motors which had quoted and was rewarded 20 GWh of capacity.

The third player was Ola Electric which was awarded another 20 GWh and the fourth was Reliance New



## WHAT HAPPENED

■ ₹18,100-cr PLI was offered for firms to build advanced chemistry cell batteries with a total capacity of 50 GWh

■ 4 of 9 companies that applied for PLI were declared winners. They were:

① **Ola Electric:** 20 GWh capacity

② **Hyundai Global Motors:** 20 GWh capacity

③ **Rajesh Exports:** 5 GWh capacity

④ **Reliance:** 5GWh capacity (had earlier applied for 20 GWh)

■ Others in the race were Mahindra & Mahindra, Exide Batteries, Larsen & Toubro, Amara Raja Batteries, and India Power Corporation

■ Hyundai Global Motors later released PLI capacity of 20 GWh after Hyundai Motor Company denied any link with it

Energy Solar which wanted 20 GWh but was given the remaining 5GWh.

With Hyundai Global out of the eligibility list, the government signed contracts with other three players for the PLI scheme last July. However, the initial discussions revolved around offering the 20 GWh to the waitlisted players.

So, for instance, Reliance was top in that waitlist. It was able to get only 5GWh and under the list was waitlisted for another 15 GWh. Then there was Mahindra & Mahindra which had quoted for 15 GWh of capacity and was waitlisted for the entire amount. It would get the remaining 5 GWh.

The others in the wait list

included Exide Batteries, Larsen & Toubro, Amara Raja Batteries and India Power Corporation.

India does not make any cells for the most used lithium ion batteries. They are all imported, leading to fears of an increase in India's import bill.

According to the government, the PLI scheme for advanced cell chemistry will save over ₹2-2.5 trillion on account of the oil import bill. It envisages direct investments of over ₹45,000 crore from the players.

While the scheme is for seven years, the subsidy is for five years and kicks in after two years during which time the eligible companies have to set up their manufacturing units.