Lithium Batteries in Electric Mobility

The Ministry of Mines has established Khanij Bidesh India Limited (KABIL), a joint venture company with equity contributions from National Aluminium Company (NALCO), Hindustan Copper Limited (HCL), and Mineral Exploration and Consultancy Limited (MECL). KABIL's primary mission is to identify and acquire overseas mineral assets of critical and strategic importance, focusing on minerals like Lithium, Cobalt, and others. KABIL has signed an Exploration and Development Agreement with CAMYEN, a state-owned enterprise of the Catamarca province in Argentina, for the exploration and mining of five lithium blocks in Argentina. Additionally, KABIL is actively engaging with the Critical Mineral Office in Australia to secure critical and strategic mineral assets.

On 12th May 2021, the Government of India approved the Production Linked Incentive (PLI) scheme for the National Programme on Advanced Chemistry Cell (ACC) Battery Storage (PLI ACC scheme). This initiative aims to establish manufacturing facilities for Advanced Chemistry Cell (ACC) Battery Storage in India, reducing dependence on imported ACC by boosting domestic manufacturing capabilities. The scheme seeks to incentivize large domestic and international players to create a competitive ACC battery production ecosystem in India.

Budget

The budgetary outlay for the scheme is ₹18,100 crore, targeting a cumulative capacity of 50 GWh over five years following a two-year gestation period. The scheme offers incentives based on the quoted subsidy

per kWh by beneficiary firms and the percentage of value addition achieved in actual sales by manufacturers. Beneficiary firms must achieve at least 25% value addition at the Mother Unit Level within two years from the appointed date (Milestone-1) and increase it to 60% within five years (Milestone-2). Performance evaluations and incentive disbursements will begin once Milestone-1 is achieved. Further details are available at: https://heavyindustries.gov.in/pli-scheme-national-programme-advanced-chemistry-cell-acc-battery-storage.

The Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme Phase-II (FAME II) was implemented on 1st April 2019 for five years, with a total budgetary allocation of ₹11,500 crore. Under FAME II, the Phased Manufacturing Programme (PMP) was introduced to promote domestic manufacturing of electric vehicles, their assemblies, subassemblies, and parts, thereby increasing domestic value addition. Details of the scheme are available at: https://heavyindustries.gov.in/fame-ii.

On 15th September 2021, the Government approved the Production Linked Incentive (PLI) Scheme for the Automobile and Auto Component Industry in India. This scheme, with a budgetary outlay of ₹25,938 crore, aims to enhance India's manufacturing capabilities for Advanced Automotive Technology (AAT) products, including electric vehicles. It provides financial incentives for domestic manufacturing of AAT products, requiring a minimum of 50% Domestic Value Addition (DVA), and seeks to attract investments in the automotive manufacturing value chain. Further details are available at:

https://heavyindustries.gov.in/pli-scheme-automobile-and-auto-component-industry.

References

http://www.pib.gov.in/Pressreleaseshare.aspx?PRID=2082739

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