PLI SCHEME

Four battery makers make the cut

Reliance New Energy, Ola Electric, Hyundai Global Motors, Rajesh Exports emerge successful bidders

OUR BUREAU
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The Centre on Thursday awarded 50 Giga Watt Hour (GWh) of battery capacity to four successful bidders under the production-linked incentive (PLI) scheme for advanced chemistry cell (ACC) battery storage.

The companies are Ola Electric Mobility (20 GWh), Hyundai Global Motors Company (20 GWh) and Rajesh Exports (5GWh) and Reliance New Energy Solar (5GWh). The latter had sought 20GWh but the remaining 15 GWh have been kept on a wait list.

These companies will receive the incentives under the Centre's ₹18,100-crore programme to boost local battery cell production, the Ministry of Heavy Industries (MHI) said in a statement.

Other bidders included M&M, Exide Industries, L &T, Amara Raja Batteries and India Power Corporation

Manufacturing hub

"Today, the increase in demand for electric vehicles (EVs) due to a favourable regulatory framework, has mainly attracted investment in this sector. Today, big companies are investing in EV manufacturing in India and are interested to join us. We should give them more encouragement and keep trying to make India a manufacturing hub," Mahendra Nath Pandey, Minister for Heavy Industries, said.

The MHI said 10 companies had submitted their bids under the ACC battery storage programme for which the request for proposal (RFP) was released on October 22. The scheme was open to receiving applications till January 14 and the technical bids were opened on January 15.

Accelerating EV adoption

"All the 10 bids were evaluated and nine companies were found responsive and meeting the conditions of eligibility as per the requirements under the RFP. Accordingly, the financial bids for the qualified bidders were opened on March 17, after announcement of the results of technical evaluation under the transparent global tender process of RFP," the statement added.

Some of the other bidders included Mahindra & Mahindra, Exide Industries, Larsen & Toubro, Amara Raja Batteries and India Power Corporation.

The ACC PLI scheme is expected to accelerate EV adoption and hence, translate into net savings of ₹2-2.5-lakh crore on account of oil import bill during the period of this programme and increase the share of renewable energy at the national grid level.

'PLI schemes must be studied more closely'

Raghuram Rajan says India should take services-led growth path rather than betting on manufacturing

OUR BUREAU
Chennai, March 24

Former Reserve Bank of India Governor Raghuram Rajan has said the Production Linked Incentive (PLI) scheme, the flagship programme of the Modi government in manufacturing, needs to be studied more closely to understand the potential for its success. History, he added, shows such policies have not worked well in the past.

Raghuram Rajan, Former RBI Governor, delivering a lecture in Chennai on Thursday BIJOY GHOSH

To buttress his statement, Rajan gave an example of the electronics sector. The electronics industry has an 8.5 to 11 per cent cost disadvantage when it comes to competitiveness with global players. To tackle this disadvantage, the PLI scheme seeks to offer subsidies and also give tariff protection through higher duties on the grounds that electronics is an infant industry. "By doing so, we are going back to license raj which has been tried before and failed for India," he said.

Rajan was delivering a lecture on 'Democracy and Indian Economic Development' at a workshop organised by the Madras Institute of Development Studies in Chennai on Thursday..

India's ambition to build a strong advanced chip building ecosystem is another case in point, he added. Intel, he pointed out, which already has a strong base in chip manufacturing, is investing $40 billion. For India to build this ecosystem from scratch would involve huge subsidies which will eventually become a white elephant. This money could have been better invested elsewhere like in education, he suggested.

Protectionism on rise

India, he further added, should seriously look at a services-led growth rather than aping China's manufacturing-led growth. He argued that China was able to succeed by keeping wages and interest cost low. It was able to do so as it is not a democracy. India cannot follow this path. Also, the world today is very different from the time China began its manufacturing-led growth journey.

Protectionism, he said, is on the rise and a lot of tariff barriers are being put in place. That apart, the world is going green and consumption of manufactured goods will decline going forward as people cut back on their carbon footprint. Services, he said, will not face any such restrictions. Rather than going deep into manufacturing, India can leap-frog into a services-led growth creating more jobs and tapping global demand.