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| Y:\TILA (APRIL 2014)-NAS\02 DR GOPAL ENERGY FOUNDATION (DGEF)\A ADMINISTRATION FILES\A70 DGEF Logo & Letter Head - 2017\DGEF Logo-min.jpg | **D-GEF Secretariat,** JA-121, DLF Tower - A, Jasola District Center, New Delhi-110025, INDIA Tel. :+91-11-26943664, Fax.: +91-11-26970075  24\*7\*365 Helpline No. +91-8860635075, Whatsapp No. +91-9810070075  [info@dgef.in](mailto:info@dgef.in) [www.dgef.in](http://www.dgef.in) |

***“MARKET APPROVALS REQUIRED AND INDUSTRIAL CHAIN PURCHASING DIRECTION OF BATTERY AND ENERGY STORAGE INDUSTRY IN INDIA”***

The main hurdle at the time in the energy market is the unavailability of energy storage and due to this a lot of electricity energy is lost either in transmission or in usage and for the hurdle to bypass there is urgency for a technology that could help in energy storage. What better technological idea than lithium ion batteries? The energy storage will help in efficient use of energy and as and when required. The source of energy can be any that is solar, hydro, wind, etc.

As there is a lot of financial resources dedicated to energy sector i.e. in the purchase of fossil fuels and their refining processes including the transportation and also these all-in returns aren’t beneficial to flora and fauna of earth. Therefore, it’s the urgent time to invest in the renewable energy sector. This is also the time because the Indian govt is in full mood to incentivise this sector with regard to the taxes in the export and investment in the lithium ion batteries production sector, which can be inferred from the following:

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| **TAXES** | **YEAR 2018** | **YEAR 2019** | **YEAR**  **2020** | **YEAR 2021** |
| **IMPORT DUTY CUSTOMS ACT, 1968** | 5% | 5% | 5% | 15% |
| **GST ACT, 2017** | 12% | 5% | 5% | 5% |
| **TOTAL** | 17% | 10% | 10% | 20% |

The government is also interested in shifting from usage of fossil fuels to renewable sources of energy which makes the production of storage mediums of electricity energy more important. And for this the government has come up with various policies and laws which will be beneficial for the production, manufacture, export, etc. of the energy storage sources the figures of which are provided as follows:

1. The Indian market for energy storage is expected to grow at **CAGR** (compound annual growth rate) of **19.8%**; therefore there is a need for urgent set up of energy storage units’ production.
2. **IESA** (Indian energy storage alliance) has estimated **70 GWh** and **200 GWh** of energy storage opportunity in India by **2022** out of 70 GW 35 GW of energy has to be from newer resources like wind, solar, etc.
3. Govt. of India has ramped up its previous energy target to achieve **225 GW** of renewable energy capacity by **2022**, and for which the govt. has already laid down policies for production of energy storage units.
4. India to hold **8%** of the global EV 4W component market by 2025.
5. India’s target of **100% EV sales by 2030** requires an investment of **$ 125 Billion** in battery manufacturing alone.
6. The govt. under **Make in India** has provided **100% FDI** in the renewable energy sector under the automatic route with no prior approval subject to the provisions of Electricity Act, 2003 and also 100% FDI is available in electronic vehicle sector with no prior govt. approval required.
7. **36th GST council** has recommended a reduction of GST on sale all electric vehicles from 12% to 5%. Also, the rate of GST on chargers and charger units has been reduced from **18% to 5%.**
8. According to govt. sources domestic and international manufacturers can be called upon to set up 50 GW of lithium ion battery production in India with the government set to consider proposals for financial incentives such as duty cuts and subsidies. **The companies have to set up their manufacturing units by 2022 and the incentives can be availed for a further period of 8 years till 2030.**

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