

Business Environment

How lithium deposits found in J&K could help bring down cost of electric vehicles in India

YUTHIKA BHARGAVA 10 February, 2023 07:52 pm IST



An electric vehicle for representation | Commons

New Delhi: The lithium deposits found in Jammu and Kashmir — first such deposits discovered in India — are expected to give a major fillip to the country's self-sufficiency in Electric Vehicle (EV) batteries.

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The central government Thursday said that 5.9 million tonnes of lithium reserves have been found in Salal-Haimana in Jammu and Kashmir's Reasi district.

A non-ferrous metal, lithium is one of the key components used in EV batteries.





Currently, South America's Chile has the world's largest known lithium reserves at 9.2 million tonnes, followed by Australia (5.7 million tonnes), Argentina (2.2 million tonnes), and China (1.5 million tonnes).

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COUNTRY-WISE IMPORT OF LITHIUM

(Quantity in Thousand numbers)

2018-19			2019-20			2020-21		
Country	Quantity	%Share	Country	Quantity	%Share	Country	Quantity	%Share
Hong Kong	47,248	55.44	Hong Kong	38,547	53.26	Hong Kong	26,641	37.32
China	16,868	19.79	China	14,988	20.71	China	22,881	32.05
Indonesia	11,276	13.23	Indonesia	9,063	12.52	Indonesia	6,689	9.37
Singapore	4,929	5.78	Singapore	5,077	7.02	Singapore	5,849	8.19
Korea RP	3,257	3.82	Korea RP	2,780	3.84	Japan	5,090	7.13
Japan	1,134	1.33	Japan	1,512	2.09	Korea RP	3,180	4.45
Israel	186	0.22	Israel	144	0.20	Thailand	337	0.47
USA	84	0.10	USA	85	0.12	Germany	243	0.34
Malaysia	70	0.08	Germany	72	0.10	USA	155	0.22
Taiwan	42	0.05	Taiwan	61	0.08	Israel	126	0.18
Others (26 Countries)	130	0.15	Others (25 Countries)	48	0.07	Others (23 Countries)	202	0.28
Total	85,224	100	Total	72,376	100	Total	71,392	100

Source: Department of Commerce

Graphic: Manisha Yadav | ThePrint

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According to Statista, batteries account for the largest share of lithium demand. Propelled by the growth in the EV market and powered by renewable energy sources, global lithium demand is forecast to triple by 2025 and surpass two million tons by 2030.

“Lithium reserves discovered by the Geological Survey of India (GSI) in Jammu and Kashmir is one of the most crucial metals that is currently used in electric vehicle batteries,” Akshay Kashyap, managing director of Greenfuel Energy Solutions Pvt. Ltd, a Guwahati-based company that manufactures components and alternative solutions for the automobile industry, told ThePrint.

He said India currently imports around 70 per cent of its lithium requirement from countries like China and Hong Kong.

The discovery comes amid the government trying to achieve its target to grow electric vehicle sales in India to capture the markets of 30 per cent of private passenger cars, 70 per cent of commercial vehicles, and 80 per cent of two and three-wheelers by 2030, as part of efforts to decarbonise the transport sector.

The latest discovery came nearly a year after India discovered 1,600 tonnes of lithium resources in the igneous rocks of the Marlagalla-Allapatna region of Karnataka's Mandya district.

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Discovery can help bring down EV cost

Experts say the discovery could lead to not only a reduction in India's dependence on foreign countries but also bring down the cost of such batteries in the future.

Kashyap added that the discovery could make India truly 'Atmanirbhar' while also creating jobs, generating revenue, and furthering its renewable energy ambitions.

"India's plan to increase EV penetration by 30 per cent by 2030 relies heavily on lithium. Therefore, this vital discovery by GSI can help boost lithium-ion batteries and will put India on track to reaching emissions by 2070," he said.

Siddharth Kabra, co-founder & chief executive officer of battery provider VoltUp, said this discovery will help reduce the cost of electric vehicles in the long run.

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“It’s heartening to know about the discovery of lithium in J&K. In the years to come, it will have a positive impact on India’s EV industry. The cost of a battery is around 45-50 per cent in an electric vehicle. Today’s discovery will lead to cheaper lithium-ion batteries and, more importantly, reduce dependence on other countries for lithium,” he told ThePrint.

Varun Goenka, CEO and co-founder of Charge-up, a Delhi-based battery-swapping platform, said this will also help reduce India’s dependence on China — “a major concern for many in the current political climate”.

“This will have a huge impact on the cost of batteries and make EVs more affordable for consumers. This is a major step forward for the EV industry in India, and it will help to accelerate the adoption of EVs in the country,” he said.

(Edited by Uttara Ramaswamy)

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