

₹19.5K-cr 2nd tranche of solar PLI gets Centre nod

Scheme will help save ₹1.4 trillion forex every year, says R K Singh

SHREYA JAI

New Delhi, 21 September

The Union Cabinet on Wednesday approved the ₹19,500-crore proposal of the Ministry of New and Renewable Energy (MNRE) for the second tranche of the 'production-linked incentive' (PLI) scheme for solar equipment manufacturing.

This is part of 'National programme on High Efficiency Solar PV Modules' for achieving manufacturing capacity of giga watt (Gw) scale in high efficiency solar photovoltaic (PV) modules.

The Cabinet in a statement said it is estimated that close to 65 Gw of annual manufacturing capacity of fully and partially integrated solar PV modules would be installed through this scheme.

"The scheme will bring direct investment of around ₹94,000 crore and will lead to creation of manufacturing capacity for allied equipment in the solar manufacturing chain," said the statement.

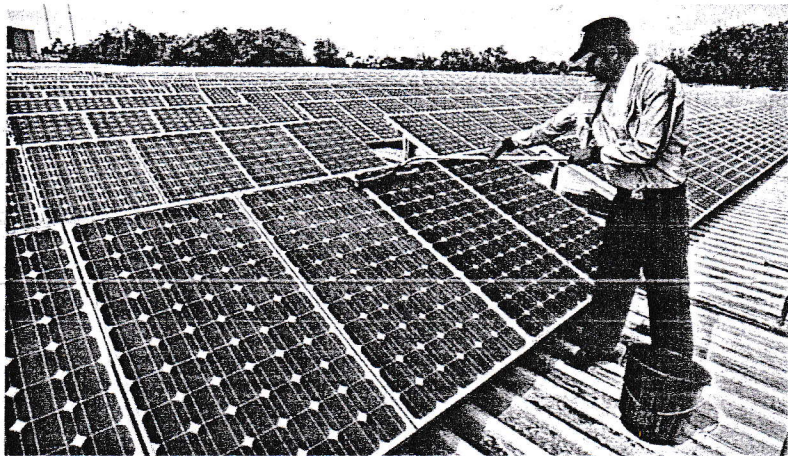
It said the scheme would also induce direct employment for 195,000 people and indirect employment of about 780,000.

Union Power Minister R K Singh exuded confidence that the scheme will help save close to ₹1.4 trillion forex every year. "This (PLI-II for solar module) will lead to a saving of ₹1.4 trillion saving because of domestic manufacturing. And it will also result in a huge quantity of inflows on account of exports," Singh said. In the first tranche of tendering, MNRE received close to 50 Gw of bids against a PLI sanction of ₹4,500 crore and RfP of 10 Gw. It received close to 18 bids from a range of companies — Coal India, L&T, Vikram Solar, Megha Engineering and several new companies. The winners, apart from RNESE, were Adani Infrastructure and Shirdi Sai.

The corpus was increased to ₹19,500 crore under the Union Budget 2022-23 to accommodate the large number of bids.

The new round of the PLI will have three different schemes for different product categories, this paper reported recently. Of the allocated corpus, the highest share of ₹12,000 crore could go to end-to-end manufacturing of 'polysilicon-wafers-cells-modules' (raw material to finished product).

For 'wafer-cells-modules', the government will allocate ₹4,500 crore and for 'cells-modules' manufacturing, ₹3,500 crore has been allocated. "The scheme may now be viewed as three separate



TAPPING THE SOLAR POTENTIAL

₹4,500
Quantum of
first tranche

50 Gw
of bids against
RfP of 10 Gw

▪ The winners were:
Reliance New Energy
Solar, Adani Infrastructure
and Shirdi Sai

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Logistics policy approved, to make goods movement easier

SHREYA NANDI

New Delhi, 21 September

The Union Cabinet on Wednesday approved the National Logistics Policy (NLP) that aims to enable seamless movement of goods across the country as well as improve the competitiveness of Indian goods in the domestic and export markets.

"The vision is to develop a technologically-enabled, integrated, cost-efficient, resilient, sustainable and trusted logistics ecosystem for accelerated and inclusive growth," an offi-

cial statement said. Prime Minister Narendra Modi had launched the policy on Saturday. The policy has three targets: to reduce the cost of logistics in India to be comparable to global benchmarks by 2030, improve the global Logistics Performance Index ranking, and create a data-driven decision support mechanism.

India's logistics cost as a proportion of the Gross Domestic Product (GDP) is believed to be around 13-14 per cent. The government now aims to bring it down to single digits as soon as possible.

standalone schemes. In case a particular category is undersubscribed, the remaining funds will move to the other categories," said the draft proposal of the MNRE.

The draft has suggested 10 Gw cap on bid capacity for polysilicon-module category and 6 Gw on the other two. A bidder will need to submit their extent of manufacturing integration, proposed manufacturing capacity, year-wise local value addition and year-wise efficiency of their products.

In India, there is no company that manufactures polysilicon, which is the raw material for the whole supply chain of solar equipment manufacturing. Reliance Industries Limited (RIL) is reportedly in talks with China-based Hualu Engineering for polysilicon manufacturing partnership.

The nodal agency for the second tranche of bidding has also been changed to Solar Energy Corporation of India (Seci) from Indian Renewable Energy Development Agency (IREDA) earlier.