

Indian firms turn to Chinese vendors for solar PLI scheme

11 of 12 PLI winners list partners from China

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The flagship production-linked incentive (PLI) scheme for solar equipment manufacturing, aimed at reducing import dependence, is likely to see significant Chinese presence in supply chain partnerships and related services.

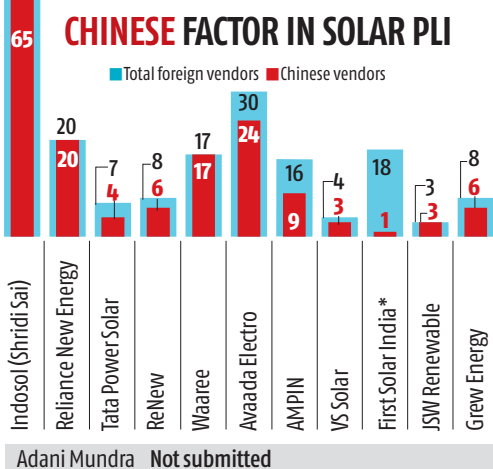
OPINION
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Of the 12 winners of the PLI scheme for high-efficiency solar photovoltaic modules, 11 have listed supply chain partners and service providers from China, with some mentioning more

than 20 Chinese vendors.

Sector leaders Reliance New Energy Solar, Tata Power, ReNew Solar, Waaree Energies, Avaada Electro have listed vendors from China as major suppliers. These firms submitted the list to the Ministry of New and Renewable Energy to facilitate the grant of visas for foreign experts or agencies.

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*First Solar is a US-based company and will start its manufacturing in India with this PLI award
 Source: Submission by companies to MNRE

"We have never faced any problem with it. I am not worried because the Paytm app service works fine."

He is of the view that this is a tactic by "some big player" to buy Paytm. "I just bought the shares of Paytm, so there!" he says. Several traders say it is Paytm's seamless service that made them adopt and stick to it.

Gautam Narang, owner of Mirchi Ram restaurant, has been using the platform for four years and doesn't plan to switch to other services. "I have tried other services, but they don't compare with this one," he says.

Some, however, express ambivalence, like Arun Kumar, owner of Balaji Saree Centre, who has been using the platform since 2016.

"We mostly use Paytm with other services. It will be hard to make a switch since most customers use Paytm for transactions," he says, adding, "The situation Paytm is in right now is a problem for us."

Like Kumar, Rajesh, who runs Punjab Stainless Steel House, a crockery store, says things might get tough for him if Paytm services are altogether banned. "Traders might face a problem if the matter isn't resolved," he says.

Diwan Chand Chhabra, owner of Kali by Chhabra, a clothing store, adds that they will continue using Paytm till the time customers use it.

"As a trader, my concern is the money, not the medium it comes through," he says. "So, we will use whatever the customer uses as a transaction method."

(Sharleen D'Souza contributed to this report)

PLI...

Sector insiders said Indian players depend on China for the factory equipment to set up the required assembly lines. The executives said India's solar module manufacturing capacity is nascent, and the supply chain needed to set up these capacities is also China-dominated.

Indosol Solar Private Ltd, one of the winners in the first tranche of solar PLI, has listed 94 foreign vendors, of which 65 are from China. Indosol is a special purpose vehicle of Shirdi Sai Electricals, which is a Telangana-based electrical equipment company.

Reliance New Energy, the green energy division of the oil-to-telecom behemoth, has listed all its 20 foreign vendors from China. Adani Mundra, which is the solar manufacturing division of the Adani Group, another first tranche winner, has not submitted any names to the government yet, according to an official document dated January 2024.

From the second tranche of PLI tenders, Tata Power Solar has mentioned seven suppliers/supply chain partners, of which four are of Chinese origin, two from Germany, and one from Singapore. Gurugram-based ReNew has listed eight suppliers/supply chain partners, with six of them with Chinese origin in the submission dated January. Waaree Energies, which is the country's oldest solar equipment manufacturer, has 17 suppliers/supply chain partners for its PLI scheme project, all of them with Chinese origin.

Avaada Electro, which is part of the Vineet Mittal-promoted Avaada Group, has submitted it has 30 foreign supply chain partners, of which 24 are of Chinese origin.

Business Standard has reviewed a copy of all the sub-

missions. An email query sent to Reliance Industries, Tata Power, ReNew, and Avaada Group on Monday remained unanswered. Waaree declined to respond, and Indosol could not be reached. Among other companies, VSL Solar, part of Kolkata-based Vikram Solar group, AMPIN Solar, Grew Energy have more than 90 per cent of their vendors from China.

The scheme for solar aims at building a domestic supply chain of equipment for the solar power sector and reducing import dependency. Close to 70 per cent of the country's solar power generation capacity is built on China-made solar equipment. Despite several tariff barriers on Chinese solar imports by India over the last decade, the domestic market has not seen a significant upswing. In a review meeting in November, headed by the Cabinet Secretary, one of the sticking points discussed by the agencies/departments overseeing the schemes was the issuance of visas to experts and vendors partnered by the PLI winners. The most pressing visa issue is for those from China.

Nadella...

SAAt the CEO Connection event, Nadella announced that Microsoft would provide 2 million people in India with AI skills by 2025 through its ADVANTA(I)GE India Initiative. The AI engineering talent in India is second only to the US, said Nadella. The initiative is part of Microsoft's broader commitment to accelerate India's AI transformation. He said AI could help boost gross domestic product (GDP) growth in the country, and called India as one of the highest growth markets.