

MNRE, FinMin in talks to launch PLI for polysilicon

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The Ministry of New and Renewable Energy (MNRE) is in discussions with the Ministry of Finance to launch a production-linked incentive (PLI) scheme aimed at boosting domestic manufacturing of polysilicon, a critical component in the upstream solar power value chain.

Polysilicon, a highly purified form of silicon, is used as the primary raw material for more than 95 per cent of solar panels globally. It is produced by refining silicon into multi-crystalline structures, which are then melted to produce wafers, solar cells, and finally photovoltaic (PV) modules.

As part of its push for self-reliance and to reduce dependence on cheap Chinese imports, India has expanded its solar manufacturing capacity in the past few years, mostly based on the Advanced List of Models and Manufacturers (ALMM) schemes.

Currently, India has a solar

THE SCHEME IS BEING PROPOSED IN A BID TO BOOST SOLAR SUPPLY CHAIN AND CUT DEPENDENCE ON CHINESE IMPORTS

module manufacturing capacity of 172 gigawatts (Gw) and around 65 Gw of cell capacity. "We have created adequate capacity in these areas, but we still depend on imports for upstream components. "For that, we are discussing a scheme with the finance ministry to support polysilicon manufacturing," MNRE Secretary Santosh Kumar Sarangi said in an interaction with *Business Standard*.

He added that the ministry has not introduced ALMM for polysilicon because, while the ingots-to-modules value chain is dominated by solar manufacturers globally, the same players may not enter into polysilicon manufacturing, which is a different ball game.

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information. US Vice President J D Vance said at an event in Budapest that Trump has achieved Washington's military objectives in Iran, having set out to "decimate" Iran's ability to wage conventional war, while describing the truce as "fragile." Both the US and Iran are portraying the ceasefire as a "victory," but significant differences remain between their demands to bring the war to a complete end, according to Mona Yacoubian, a senior adviser with the Middle East Program at the Center for Strategic and International Studies.

"Iran says it will allow free passage for the next two weeks through the Strait of Hormuz, but in coordination with Iran's armed forces. If the US agrees to that, that is a huge concession to Iran," she said. Although Trump claimed to have stopped Iran's nuclear program, there's been no mention of its missile or drone programs or support for proxy groups.

Pakistani PM Sharif invited all sides to Islamabad to continue negotiations. Iranian President Masoud Pezeshkian confirmed the Islamic Republic would participate, according to a statement by the Pakistan prime minister's office. Vance, US Envoy Steve Witkoff and Jared Kushner are expected to attend potential in-person talks

between US and Iranian officials in the coming days, CNN reported, citing US officials.

The complete terms of a possible pact weren't disclosed. Trump only said the US had received a 10-point proposal from Iran, describing it as "a workable basis on which to negotiate." Iran's demands include its continued control of the Strait of Hormuz, acceptance of its nuclear-enrichment activities, the lifting of all primary and secondary sanctions, and a withdrawal of US combat forces from the region, according to a statement by its Supreme National Security Council carried by state media.

The two-week ceasefire can be extended by mutual agreement, though Iran will enter talks with "complete distrust," its state media said. The focus will be on Hormuz and if ships can pass safely through the vital waterway. While some vessels have made it through the strait in recent weeks, they've not been from countries Iran views as hostile or having at least tacitly supported the US and Israeli strikes. Over 800 freighters are stuck inside the Gulf, mostly waiting to leave, and shipowners and insurer groups have warned that more details will be needed to determine if safe transit is possible.

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Globally, the polysilicon industry is highly concentrated, with Chinese firms accounting for over 93 per cent of production. The sector acts as the primary feedstock sup-

plier not only for solar photovoltaic but also for the semiconductor industry. "We think ALMM may not work for polysilicon because the stakeholders are different. So, we

might have to push a PLI kind of a scheme for that. We are in discussion with the finance ministry to see the kind of support that would give us investment in this particular area," Sarangi added.

Last month, the ministry introduced ALMM List-III to promote domestic manufacturing of ingots and wafers.

Under this provision, solar projects will be required to source these components locally starting June 2028, supporting the goal of a fully integrated solar supply chain. At present, ALMM List-I for solar modules is already in force, while ALMM List-II for solar PV cells is set to come into effect on June 1.

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