

# Local procurement mandate for solar projects may get stringent

Proposal comes amid rising solar imports despite regulatory, tax curbs

SHREYA JAI

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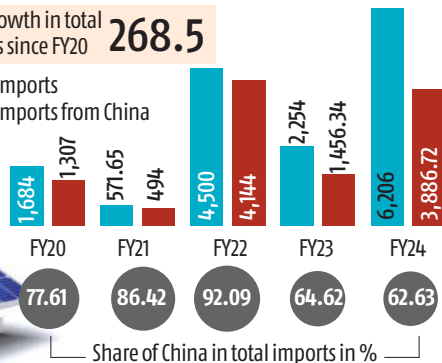
The Centre is planning to tighten the mandate on domestic procurement in solar power project development to further push indigenous products. In a recent circular by the nodal Ministry of New and Renewable Energy (MNRE), it has been proposed to include solar cells (component of a solar module) in the ALMM (Approved List of Module Manufacturers) scheme, which till now was restricted to only solar modules (finished product). This comes at a time when solar imports have failed to slow down despite several regu-

## ON THE RISE Imports of solar cells and modules (\$million)



% of growth in total imports since FY20 **268.5**

■ Total imports  
■ Total imports from China



Share of China in total imports in %

Source: MNRE, Parliament questions

latory and tax restrictions.

ALMM was floated in 2019 for a government-verified list of domestic suppliers of solar modules. Solar

power projects covered under the ALMM must mandatorily procure solar modules from ALMM entities.

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# ALMM scheme may now expand to solar cells

All the projects offered by the Centre or central agencies must abide by ALMM. Solar Energy Corporation of India (SECI), under the aegis of MNRE, which is the driver of solar project tendering in the country, mandates ALMM.

Now the Centre has floated the proposal to include solar cells in ALMM and have a separate list of domestic solar cell makers.

This translates to all the domestic module-makers mandatorily procuring domestic solar cells from entities listed in ALMM. The draft amendment pegs 2026 as the commencement year for the same.

“All projects falling under the purview of ALMM shall

have to mandatorily source their solar PV (photovoltaic) modules from models and manufacturers included in ALMM List-I for solar PV modules and such solar PV modules, in turn, shall have to use solar PV cells from amongst the models and manufacturers enlisted in ALMM List-II for solar PV cells,” it said.

Several module-makers in the country assemble the finished product here while importing the key component solar cell. MNRE in its proposal has highlighted that cells were not included in the ALMM earlier as there was no sufficient capacity in the country.

“With installed capacity of solar PV cells in the country expected to increase substan-

tially in the next two years, it has been proposed to issue List-II of solar PV cells under ALMM, which shall be effective from 01.04.2026,” the notice said. The draft proposal is open for stakeholders’ comment.

The decision by MNRE to include solar cells in the ALMM stems from the growth expected in domestic cell manufacturing. The ministry is betting on the PLI scheme to push domestic manufacturing across the solar supply chain. According to internal presentations, the Centre expects solar cell manufacturing to grow 34 gigawatt (Gw) by FY25 and more than double by FY27.

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