

GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
LOKSABHA

**UNSTARRED QUESTION NO 1664**

TO BE ANSWERED ON 28/11/2019

**PRODUCTION OF SOLAR HARDWARE**

**1664. SHRI UTTAM KUMAR  
REDDY NALAMADA**

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) the reasons for dependence on China for production of solar hardware;
- (b) the details of solar hardware imports during the last five years;
- (c) the number of solar panel production facilities in India;
- (d) whether any measures are being taken to incentivise the production of solar hardware in India; and
- (e) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE (I/C) FOR NEW & RENEWABLE ENERGY, POWER and MoS for SKILL DEVELOPMENT AND ENTREPRENEURSHIP

(SHRI R. K. SINGH)

- (a) Presently, the domestic solar cell and module manufacturers have the following disadvantages:
  - (i) The country does not have a manufacturing base for Polysilicon, Ingots and wafers, the upstream stages of Solar Photovoltaic (PV) manufacturing chain, which is energy & capital intensive process.
  - (ii) Lack of integrated set up, economies of scale & modern technology resulting in higher cost of production.
  - (iii) High cost of land and electricity, low capacity utilization, high cost of financing, and lack of skilled workforce.

The above factors result in domestic solar products being more expensive than those imported from China.

(b) Based on the information available on the website of Export Import Data Bank of Department of Commerce, the details of import of solar cells/photovoltaic cells whether or not assembled in module/ panel, under the Customs Tariff Head (CTH) 85414011, are given in **Annexure-I**.

(c) As per the data provided by solar PV manufacturers, the total solar PV panel manufacturing capacity in the country is around 10 GW.

(d) & (e) The production of solar PV cells and modules in India is supported by the Government of India by way of following initiatives:

(i) Domestic manufacturing of solar cells and panels in India is being supported by the Government of India through Modified Special Incentive Package Scheme (M-SIPS) of Ministry of Electronics & Information Technology. The scheme, inter alia, provides for:

- 20-25% subsidy for investments in capital expenditure for setting up of the manufacturing facility; and
- Reimbursement of countervailing Duty (CVD)/ Excise Duty for capital equipment for the units outside Special Economic Zone (SEZ).

(ii) Based on the final findings of Directorate General of Trade Remedies (DGTR) in investigations concerning imposition of Safeguard Duty on import of solar cells/ modules, the Government, through notification no. 01/2018-Customs (SG) dated 30<sup>th</sup> July, 2018, have imposed Safeguard duty on import of solar cells whether or not assembled in modules or panels, as follows:

- twenty five percent, ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30<sup>th</sup> July, 2018 to 29<sup>th</sup> July, 2019 (both days inclusive);
- twenty percent, ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30<sup>th</sup> July, 2019 to 29<sup>th</sup> January, 2020 (both days inclusive);
- fifteen percent, ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30<sup>th</sup> January, 2020 to 29<sup>th</sup> July, 2020 (both days inclusive);

However, nothing contained in the notification dated 30<sup>th</sup> July, 2018, mentioned above shall apply to imports of subject goods from countries notified as developing countries vide notification no. 19/2016-Customs (N.T.) dated 5<sup>th</sup> February, 2016, except China PR, and Malaysia.

(iii) Government have approved a Scheme for setting up of solar PV power plants by Government Producers [Central Public Sector Undertakings (CPSUs)/ State Public Sector Undertakings (SPSUs)/ Government Organizations, etc.], as per extant Guidelines, in a World Trade Organization (WTO) compliant manner, using domestically manufactured solar PV cells and modules to encourage Make in India in solar PV manufacturing sector.

(iv) Further, solar PV power projects being implemented under other Schemes of Ministry of New & Renewable Energy (MNRE) like PM- KUSUM and Grid-Connected Rooftop Solar Programme Phase-II are also mandated to source their requirement of solar PV cells and modules from domestic sources, as per extant Guidelines, in a WTO compliant manner.

(v) The Ministry of New & Renewable Energy (MNRE) vide its O.M. No. 146/57/2018-P&C dated 11.12.2018 regarding “Implementation of Public Procurement (Preference to Make in India) Order for Renewable Energy sector” has stipulated that apart from civil construction, preference shall be provided by Central Ministries/Department and Central PSUs to domestically manufactured/produced products such as solar PV modules and other components such as inverters, etc. for Grid connected solar power projects. Minimum Percentage of local content required is 100% in case of solar modules and 40% for other components such as inverter, etc.

(vi) The Solar Energy Corporation of India Limited (SECI) has concluded bidding for a tender for setting up of Solar PV Power plants linked to setting up of Solar PV Manufacturing facilities.

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ANNEXURE-I

Annexure referred in reply to part (b) of Lok Sabha Unstarred Question No. 1664 on 'Production of Solar Hardware' for reply on 28.11.2019.

Financial Year		2014-15 (in Million US \$)	2015-16 (in Million US \$)	2016-17 (in Million US \$)	2017-18 (in Million US \$)	2018-19 (in Million US \$)	2019-20 (till Sep 2019) (Provisional) (in Million US \$)
Value of Solar cells/ photovoltaic cells whether or not assembled in module/panel, imported in India under Customs Tariff Head (CTH) 85414011	From China	603	1960	2817	3419	1694	731
	From Other Countries	218	385	380	419	466	266
	<b>Total import</b>	<b>821</b>	<b>2345</b>	<b>3197</b>	<b>3838</b>	<b>2160</b>	<b>997</b>

