

GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
RAJYA SABHA

**UNSTARRED QUESTION NO. 2941**

TO BE ANSWERED ON 12.12.2016

**DOMESTIC REQUIREMENT FOR MANUFACTURING SOLAR CELLS  
AND MODULES**

2941. SHRI D. RAJA:

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

- (a) whether it is a fact that the appellate body of the World Trade Organisation (WTO) ruled against the domestic requirement for manufacturing solar cells and modules in the country's national solar plan;
- (b) if so, whether there is any further scope for appeal of this order and if so, whether Government has any plan to pursue this avenue;
- (c) what is the expected impact of this order on the National Solar Mission; and
- (d) what steps Government proposes to take to ensure the protection and growth of domestic solar industry which is in its incipient state?

**ANSWER**

MINISTER OF STATE FOR POWER, COAL , NEW & RENEWABLE ENERGY & MINES  
(SHRI PIYUSH GOYAL)

**(a) & (b):** On the recommendations of the World Trade Organisation (WTO) Appellate Body/Panel, the WTO Dispute Settlement Body (DSB) has ruled that the Domestic Content Requirement (DCR) under Phase I and Batch I & Batch II of Phase II of India's Jawaharlal Nehru National Solar Mission (JNNSM) programme are inconsistent with WTO Agreement as it discriminates between the products manufactured domestically and the imported products. WTO's Dispute Settlement mechanism does not provide for any scope to appeal against the Appellate Body findings and recommendations.

**(c):** It will not have much bearing on the NSM, as India does not have enough manufacturing capacity as of now for cells and modules to match the entire domestic requirements.

**(d):** Government is supporting domestic solar PV manufacturing by way of various means and incentives. In order to make NSM a success and for growth of solar industry, Government has launched several schemes and is providing following benefits to indigenous manufacturers:-

- Concessional custom duties and exemption of excise duty.
- Government provides capital subsidy for setting up of manufacturing units for solar cells and modules and the entire value chain under Modified Special Incentive Package Scheme (M-SIPS) programme of Ministry of Electronics and Information Technology.

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