

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 980
TO BE ANSWERED ON 27.06.2019
MANUFACTURING OF SOLAR PANELS

980. Prof. Saugata Roy

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

- (a) whether Government proposes to take necessary steps to start the manufacturing of Solar Panel in view of import of major portion from China;
- (b) if so, the details, thereof;
- (c) whether the Government proposes to change the solar panel manufacturing policy of existing 100% foreign investment as equity and automatic approval; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE (I/C) FOR NEW & RENEWABLE ENERGY AND POWER
(SHRI R. K. SINGH)

(a) and (b) The solar panels are already being manufactured in the country by both public and private sector enterprises. The installed domestic manufacturing capacity of solar modules is around 10 GW and that of solar cells is around 3 GW. Further, domestic manufacturing of solar cells and modules is supported by Government of India by following initiatives:

a.) 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:

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

b.) The solar power projects being implemented by the Central Public Sector Undertakings (CPSUs) with financial support from Government and those rooftop solar projects which are implemented with central financial assistance are mandated to source their requirement of solar cells & panels from domestic sources as per extant Guidelines, in a World Trade Organization (WTO) compliant manner.

c.) 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 in Central Ministries/Department and Central PSUs procurement 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.

d.) Further, Ministry of Finance, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, has imposed Safeguard duty on import of solar cells whether or not assembled in modules or panels.

(c) and (d) As per the extant Consolidated FDI Policy Circular of 2017 provides that subject to the provisions of the FDI policy, foreign investment in 'manufacturing' sector is under automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

The Government reviews the FDI policy on an ongoing basis and makes significant changes from time to time, to ensure that India remains attractive & investor friendly destination.
