

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 48
ANSWERED ON 02.02.2023

BASIC CUSTOMS DUTY ON IMPORTED SOLAR MODULES

48. SHRI DUSHYANT SINGH

- (a) whether it is a fact that the Basic Customs Duty (BCD) of 40 per cent on imported solar modules has made private and PSU solar projects unviable due to increased costs;
- (b) if so, the details thereof, project-wise;
- (c) the amount of customs revenue lost due to solar developers using the "Project Import" loophole to avoid paying BCD; and
- (d) the details of the increase in indigenous production and sale of solar modules since the implementation of BCD and the announcement of the PLI scheme, State/UT-wise?

ANSWER

THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER
(SHRI R.K. SINGH)

(a) & (b) No, Sir. The Government had announced imposition of Basic Customs Duty on import of solar PV cells and modules with effect from 01.04.2022, well in advance, on 09.03.2021 so that the developers of solar power projects wherein the last date of bid submission was on or after 09.03.2021, duly take into account, the impact of BCD with effect from 01.04.2022, while submitting their bids.

(c) Project Imports Regulations, 1986 apply for assessment and clearance of the goods falling under heading No. 98.01 of the First Schedule to the Customs Tariff Act, wherein, the rate of Basic Customs Duty (BCD) is 7.5% with effect from 01.10.2022. The imports under the said regulations are governed by the terms and conditions specified therein and thus, it is not correct to label the same as a loophole to avoid paying BCD.

(d) As per the Approved List of Models and Manufacturers (ALMM), in respect of solar PV modules, issued by the Ministry of New & Renewable Energy (MNRE), the installed capacity of solar PV module manufacturing (enlisted in ALMM) was about 8.2 GW in March 2021, which has increased to about 21.7 GW in January 2023. The details of State-wise solar PV module manufacturing capacity as per ALMM List of March 2021 and as per ALMM List of January 2023, is at **Annexure-I**. Solar PV module manufacturers are not required to report their production and sales data to Ministry of New & Renewable Energy (MNRE), and therefore, this data is not available with MNRE.

Annexure-I referred to in reply to part (d) of Lok Sabha Unstarred Question No. 48
replied on 02.02.2023

Sl. No.	State/ Union Territory	Installed Solar PV Module Manufacturing Capacity as per ALMM List of March 2021 (in MW per annum)	Installed Solar PV Module Manufacturing Capacity as per ALMM List of January 2023 (in MW per annum)
1	Andhra Pradesh	0	14
2	Chhattisgarh	125	125
3	Goa	0	60
4	Gujarat	3895	11072
5	Haryana	240	591
6	Himachal Pradesh	0	31
7	Jharkhand	0	25
8	Karnataka	1000	2229
9	Maharashtra	200	915
10	Odisha	0	20
11	Rajasthan	0	161
12	Tamil Nadu	0	972
13	Telangana	1262	2411
14	Uttar Pradesh	0	1061
15	Uttarakhand	0	228
16	West Bengal	1460	1766
	TOTAL	8182	21681