

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-601
ANSWERED ON-04.02.2021

SOLAR POWER EQUIPMENT MANUFACTURING

601. SHRI LAVU
SHRI SRI KRISHNA DEVARAYALU

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

- (a) the details of solar power equipment manufacturing capacity in India, component and Statewise;
- (b) whether the Government has placed import duties on solar power equipment and if so, the details thereof;
- (c) the details of the investments made in solar power equipment manufacturing by private and public sector enterprises during the last three years and the current year;
- (d) the details of the Government's investment promotion schemes for solar power equipment manufacturing and expenditure incurred for the same;
- (e) whether Indian solar power equipment is more expensive than foreign made solar power equipment; and
- (f) if so, the details thereof along with the Government's initiative to make domestic production more cost efficient?

ANSWER

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

(SHRI R.K. SINGH)

(a) The details of present operational solar PV manufacturing capacities in India are as follows:

Solar PV cell manufacturing: around 2.5 GW/ annum

Solar PV module manufacturing: around 9-10 GW/annum

These manufacturing capacities are spread across a number of States.

(b) The Government, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, and notification no. 02/2020-Customs (SG) dated 29th July, 2020, has imposed Safeguard Duty on import of solar cells whether or not assembled in modules or panels.

(c) Considering the capital investment as around Rs. 200 crore/GW for solar PV module manufacturing and the capital investment as around Rs. 650 crore/GW for solar PV cell manufacturing, the cumulative investment made by solar PV manufacturers is more than Rs. 3,500 crores. Figures of year-wise investment made in solar PV manufacturing are not available.

(d) The details on Government's investment promotion schemes for solar power equipment manufacturing are as follows:

(i) Modified Special Incentive Package Scheme (M-SIPS) of Ministry of Electronics & Information Technology: The scheme mainly provides subsidy for capital expenditure – 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The Scheme was open to receive applications till 31st December, 2018.

(ii) Production Linked Incentive (PLI) Scheme for High Efficiency Solar PV Modules: In order to enhance India's manufacturing capabilities and exports, the Government has approved the introduction of Production Linked Incentive (PLI) Scheme in ten sectors, including High Efficiency Solar PV Modules. The outlay for PLI Scheme for High Efficiency Solar PV Modules is Rs. 4,500 crores. The implementation of the scheme has not yet started.

(e) & (f) The Directorate General of Trade Remedies (DGTR) in its findings dated 18.07.2020 in matter of review investigation for continued imposition of Safeguard Duty on imports of "Solar Cells whether or not assembled in modules or panels" into India, has stated that "*without safeguard duty, import prices are below the selling price of the Domestic Industry and would undercut the prices of the Domestic Industry if removed*".

The initiatives taken by the Government to make domestic solar PV production more cost efficient are as follows:

(i) Modified Special Incentive Package Scheme (M-SIPS) of Ministry of Electronics & Information Technology: The scheme mainly provides subsidy for capital expenditure – 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The Scheme was open to receive applications till 31st December, 2018.

(ii) Production Linked Incentive (PLI) Scheme for High Efficiency Solar PV Modules: In order to enhance India's manufacturing capabilities and exports, on 11.11.2020, the Government has approved the introduction of Production Linked Incentive (PLI) Scheme in ten sectors, including High Efficiency Solar PV Modules. The outlay for PLI Scheme for High Efficiency Solar PV Modules is Rs. 4,500 crores.

(iii) Preference to 'Make in India' in Public Procurement in Renewable Energy Sector: Ministry of New & Renewable Energy (MNRE) vide its Order No. 283/22/2019-GRID SOLAR dated 23.09.2020, has inter-alia, prescribed that in public procurement of solar PV modules and inverters, only Class-I local supplier shall be eligible to bid. Class-I local supplier means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%.

(iv) Imposition of Safeguard Duty on import of solar PV cells & modules: The Government, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, and notification no. 02/2020-Customs (SG) dated 29th July, 2020, has imposed Safeguard Duty on import of solar cells whether or not assembled in modules or panels.

(v) Domestic Content Requirement: Under the current schemes of the Ministry of New & Renewable Energy (MNRE) like CPSU Scheme Phase-II, PM-KUSUM and Grid-connected Rooftop Solar Programme Phase-II, wherein government subsidy is given, it has been mandated to source solar PV cells and modules from domestic sources, as per extant Guidelines.
