

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
RAJYA SABHA
UNSTARRED QUESTION NO-941
ANSWERED ON-09/02/2021

SOLAR PANEL MANUFACTURING

941. SHRI PRABHAKAR REDDY VEMIREDDY

Will the Minister of New & Renewable Energy be pleased to state:

- (a) the reasons why solar panel research is bleak and there is little investment in R&D;
- (b) whether any specific scheme which is initiated by Government to focus on R & D of solar panels, if so, details thereof;
- (c) details of anti-dumping duty imposed on Chinese solar panels;
- (d) in what ways is Goods and Services Tax (GST) crippling solar panel manufacturing in the country and how is Ministry planning to help the sector;
- (e) to what extent has COVID-19 impacted the solar power sector in the country; and
- (f) future prospect of the sector in view of banning of solar panels from China?

ANSWER

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

(SHRI R.K. SINGH)

(a) & (b) Under the Ministry's Renewable Energy Research and Technology Development Programme, various research institutions and industry are provided financial support for carrying out renewable energy research in solar cells and modules with the overall objective of improving efficiency, reducing cost and developing new technologies. The Ministry has provided support for developing crystalline silicon solar cell with targeted efficiency of 22% to National Centre for Photovoltaic Research and Education (NCPRE) at IIT Bombay; roll to roll pervoskite solar cell to IIT Bombay; and Passivated Emitter and Rear Cell (PERC) solar cell with targeted efficiency of 21% to Bharat Heavy Electricals Limited (BHEL-ASSCP), Gurugram.

- (c) At present, there is no anti-dumping duty imposed on import of solar panels from China. However, there is a Safeguard Duty imposed on such import.
- (d) Sale of solar PV modules attracts 5% Goods and Services Tax (GST). There are some input items being taxed at their respective higher GST rates leading to a inverted duty structure. The seller of solar PV modules is eligible for credit of GST paid on inputs, and is also eligible for refund of unutilized input tax credit on account of tax inversion.

To attract investments in solar manufacturing sector, a Foreign Direct Investment (FDI) Cell and a Project Development Cell (PDC) have been created in Ministry of New & Renewable Energy (MNRE).

Further, 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.

- (e) Solar Power Projects have been delayed because of the disruption caused by COVID-19. The COVID-19 pandemic has been recognized as Force Majeure and the Ministry of New & Renewable Energy (MNRE) has given a time extension of 5 (five) months from 25th March 2020 to 24th August 2020 for RE Projects.
- (f) At present, there is no ban on import of solar panels from China.