

अर. के. सिंह  
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विद्युत एवं नवीन और नवीकरणीय ऊर्जा  
राज्य मंत्री (स्वतंत्र प्रभार) एवं  
कौशल विकास और उद्यमशीलता राज्य मंत्री  
भारत सरकार

Minister of State (Independent Charge)  
for Power and New & Renewable Energy and  
Minister of State in the Ministry of Skill Development  
and Entrepreneurship  
Government of India

D.O. No. 283/14/2017-GRID SOLAR

Respected Smt. Nirmala Sitharaman Ji,

Against the target of installing 175 GW of renewable power capacity by the year 2022, we have installed more than 81 GW, of which 30 GW is from solar. Another 55 GW of solar power projects are either under installation or have been bid out. With this, I am fully confident that we will not only achieve the target of 175 GW but exceed it.

While a lot has been achieved on the capacity addition front, the bulk of our requirements for solar PV modules and solar PV cells still continues to be imported.

It has often been represented that one of the major impediments to the growth of domestic solar PV manufacturing industry is the cheap import of solar PV cells and modules, in large quantities, without attracting any Basic Customs Duty (BCD).

Currently imports of solar PV cells and modules are classified under Customs Tariff Head (CTH) 8541, and are therefore not subjected to any Basic Customs Duty (BCD). India being a signatory to the Information Technology Agreement (ITA-I).

You would appreciate that the ITA-I Agreement, signed in 1996, was for products/equipment used in Information Technology, whereas the solar cells or solar modules/panels are used essentially for generation of clean energy. As such, exemption for such solar PV cells and modules/panels under ITA-I should only be allowed only if they are used in Information Technology products/equipments. For any other use, like production of solar power, Basic Customs Duty (BCD) may be levied in a phased manner to encourage 'Make in India'.

We propose following Basic Custom Duty structure for Solar Cells and Modules:

Sl. No.	From	To	Rate of Basic Customs Duty (BCD) for Solar PV Modules/ Panels	Rate of Basic Customs Duty (BCD) for Solar PV Cells
1.	Current date	31 <sup>st</sup> March, 2021	Nil	Nil
2.	1 <sup>st</sup> April, 2021	31 <sup>st</sup> December 2021	10%	Nil
3.	1 <sup>st</sup> January, 2022	31 <sup>st</sup> December, 2022	20%	15%
4.	1 <sup>st</sup> January, 2023 onwards		30%	30%

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अनुवर्ती/Continuation....

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To help 'Make in India' for solar PV cells and Modules, there should be no duty on Wafers, EVA, Glass, Silver Paste, Aluminium Frames, Structures and other raw materials used for manufacturing of solar PV cells and modules till 31<sup>st</sup> December, 2023.

After 31<sup>st</sup> December, 2023, 15% customs duty should be levied on all items used in manufacture of solar cells and modules.

Since presently solar PV cells and modules/panels under Customs Tariff Head (CTH) 8541 are provided as single entry, the same may be separated into two different Customs Tariff Heads: (i) solar PV cells, and (ii) solar PV modules/panels. This will help to provide differential import duties and differential duty trajectory for both solar PV cells and solar PV modules/panels.

I am enclosing herewith, a detailed note in this regard, for your consideration.

I would request an early action in this regard.

With regards,

Yours sincerely,

(R. K. Singh)

**Smt. Nirmala Sitharaman**  
Hon'ble Minister for Finance  
North Block  
New Delhi-110001.