

No. 283/3/2018-GRID SOLAR

भारत सरकार / Government of India

नवीन और नवीकरणीय ऊर्जा मंत्रालय/ Ministry of New & Renewable Energy (MNRE)

ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block-14, C.G.O. Complex,
Lodhi Road, New Delhi - 110003.

Date: 9th March, 2021

OFFICE MEMORANDUM

Sub: Imposition of Basic Customs Duty (BCD) on Solar PV Cells & Modules/ Panels.

1. As part of Paris Climate Agreement, India has committed to achieve forty percent of its installed electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of 175 GW of installed renewable energy (RE) capacity, including 100 GW of solar power, by 2022. India has also set a target of 450 GW installed RE capacity by 2030. As per the Central Electricity Authority's Optimum Energy Mix report, the electricity requirement of the country by 2029-30 will be 817 GW, including the 450 GW from renewable energy sources, out of which 280 GW would come from solar energy. To achieve the target of 280 GW, around 25 GW of solar energy capacity is needed to be installed every year, till 2030.

2. Presently, India's solar sector, just like in any other country of the world, is heavily reliant on imports of solar equipment. Government have also noted instances of certain countries dumping solar cells and modules to kill the nascent domestic industry, because of which Government had to impose Safeguard Duties. COVID-19 pandemic brought disruptions in international trade including imports of solar modules and solar cells affecting solar capacity additions in the country. Considering India's huge solar targets and that electricity is a strategic sector of the economy, India needs to develop domestic solar manufacturing capacities and reduce its dependence on imports to avoid disruption in future.

3. The Atmanirbhar Bharat initiative has geared up the country toward scaling up domestic manufacturing. Scaling up of domestic solar manufacturing would also enable India to export solar cells/modules. This would also provide other countries an alternative avenue for procuring solar cells/modules.

4. The following proposal of MNRE to impose BCD on solar cells and modules (without grandfathering of bid out projects) has been agreed to by the Ministry of Finance:

Items	CTH	Upto 31.03.2022	w.e.f. 01.04.2022
Solar Module	85414012	0%	40%
Solar Cell	85414011	0%	25%

5. The Ministry of Finance has also advised that the customs notification in this regard shall be issued at appropriate time.

6. In view of above, the undersigned is directed to inform all RE implementing agencies and other stakeholders, to take note of above trajectory and to include provisions in their bid documents, so that bidders take the trajectory into account while quoting tariffs, in all bids where the last date of bid submission is subsequent to this OM. In all such bids, the imposition of BCD as per above trajectory shall not be considered as change-in-law.

7. This issues with the approval of Hon'ble Minister (NRE & Power).



(Sanjay G. Karndhar)

Scientist-D

Email: karndhar.sg@nic.in

Tel: 011-34363498

To

1. The Chairman & Managing Director, Solar Energy Corporation of India Limited (SECI), 1st Floor, D-3, A Wing, Prius Platinum Building, District Centre, Saket, New Delhi.
2. The Chairman & Managing Director, NTPC Limited, NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi.
3. The Chairman & Managing Director, NHPC Limited, N.H.P.C Office Complex, Sector-33, Faridabad, Haryana.
4. The Addl. Chief Secretaries / Pr. Secretaries / Secretaries of Power / Energy / Renewable Energy Departments of State Governments/ UT Govts. / Administrations

Copy to:

1. The Secretary, Department of Revenue, Ministry of Finance, North Block, New Delhi
2. The Secretary, Department of Commerce, Ministry of Commerce & Industry, Udyog Bhawan, New Delhi
3. The Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi

Copy for internal circulation:

1. NIC, MNRE, for uploading on MNRE website for dissemination of information
2. PS to Hon'ble Minister (NRE & Power) / Sr. PPS to Secretary, MNRE / Sr. PPS to AS/ JS (AKS)/ JS (BPY) / JS (DDJ)/ JS&FA / All Group Heads and Division Heads in MNRE