

Solar PV cells, module imports from China fall post FY23 but still account for over 60%

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The share of China in India's imports of solar photovoltaic (PV) cells and modules has been declining consistently since FY23 aided by scaling up of domestic module manufacturing capacity over the past 12 months thereby improving availability.

However, the world's largest exporter still accounts for more than 60 per cent of cell and module imports combined.

According to data shared by Minister of State for New and Renewable Energy Shripad Yesso Naik on a written question in Rajya Sabha, China accounted for 94 per cent of India's cumulative solar PV cell imports and 93 per cent of solar PV module shipments in FY23.

However, the share of cells

and modules fell to 56 per cent and 66 per cent, respectively, in FY24. China accounted for 68 per cent of solar PV cell and 59 per cent of solar PV module imports during April-May of FY25.

In value terms, India imported around \$1.7 billion worth of solar PV cells and modules in FY20, which fell to \$571.65 million in the Covid-impacted FY21. In FY22, which was again impacted due to the pandemic, India's imports rose to \$4.5 billion. In FY23, imports fell to \$2.25 billion, but surged to a record \$6.21 billion a year later. During April-May of FY25, imports stood at around \$551 million.

CHECKING IMPORTS

As per the data, China accounts for a lion's share of Indian imports of solar PV cells and modules. Vietnam, Thailand, Malaysia and

Singapore are the other top exporters, albeit on a much lower scale. During FY24, the Ministry of New and Renewable Energy (MNRE) has put the Approved List of Models and Manufacturers (ALMM) for solar PV modules in abeyance.

Scale-up in domestic module manufacturing capacity over the past 12 months is expected to improve availability of modules. However, the sector would remain dependent on imports for sourcing solar PV cells and wafers, given the limited cell manufacturing capacity and lack of wafer capacity in India, Ratings agency ICRA said in February 2024.

From the IPP's perspective, ICRA said the earlier order exempted projects commissioning till March 31, 2024, from the ALMM requirement. The government has now relaxed this provi-

sion to a certain extent and has allowed exemption from ALMM for projects, which are in advanced stages of construction and wherein the order for modules (including the opening of letter of credit) is placed before March 31, 2024.

"This provides relief for IPPs with advanced progress in development and with expected commissioning post March 31, 2024. The order allows exemption from ALMM for open access-based and captive solar projects, enabling these projects to source modules from the most cost-competitive sources. Based on the prevailing cost of imported solar PV cells and modules, the sourcing of imported modules is relatively cheaper than the cost of sourcing modules from domestic OEMs after accounting for the import duties," it added.