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VIKRAM SOLAR

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Solar to keep the heat on

Policy tweaks to accelerate growth of domestic solar PV

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With the country's solar photovoltaic project execution projected to see year-on-year growth of over 100 per cent, some minor policy tweaks to back the domestic manufacturing are in the works to help accelerate their growth, according to a leading solar sector player.

"Cheap imports from China have had an adverse impact on the domestic manufacturing of solar modules and the pricing patterns. The government is mulling some initiatives for manufacturing support for the solar industry," said Gyanesh Chaudhary, MD and CEO, Vikram Solar.

"Without domestic manufacturing, our import bills are set to rise. Right now 80 per cent of the panels are imported from China and they are not necessarily the best."

In an exclusive interaction with *BusinessLine*, Chaudhary said, "The size and scale are important if the country has to achieve the targets set by the government. The implementation of solar PV projects over the past eight years has accelerated and this will only get bigger as we go along. The prices too have fallen over the years. However, some of the recent bids have been too aggressive and speculative. One will have to wait and watch their implementation."

On current trends, he said "Globally the installation base is

increasing rapidly. There is lot of interest and investment is coming into the sector. India has emerged as one of the top three destinations along with China and the US."

The CEO pointed out that last year there were unprecedented ups and downs due to pricing by China. "India is facing problems due to lot of dumping of solar panels in particular leading to intermediate changes. This is impacting solar pricing patterns," he said.

Calling the Centre's solar initiative "quite robust", he felt there was need for quick implementation. "This is not happening. Going forward, we hope the government does not drive the price down with reverse auction. There are better ways of achieving grid parity," he explained.

"Some of the price correction is real and some speculative. The recent bids on some projects are on pure speculation," he said.

The government needs to devise a better way of bidding. So that such a situation is not exploited by those who cannot actually deliver.

Some manufacturers are struggling to make ends meet while others are keeping afloat as they have both the domestic market and overseas markets to cater to.

"We are not fighting against a company or a country, we are fighting for survival against the Chinese government which is blindly supporting the solar sector. They have become gigantic with the support of the State. We need such support to make it big," he said.



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