

TATA POWER SOLAR TO INVEST IN PLANT UPGRADE
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Tata Power Solar to invest in plant upgrade

M RAMESH

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After having been “burnt” over the last two years, Tata Power Solar is now mulling investing in “strategically upgrading our equipment,” says the company’s CEO, Ajay Goel.

“A year ago, we were wondering if there was a future for us,” Goel said last week. Now the company is thinking of investing. “The mood of the (manufacturing) industry has changed from ‘despondency to cautious optimism’.”

Domestic content

A year ago, the future of Indian companies that produced solar cells and modules hung tenuously on to a government’s rule that a specified chunk of government-procured solar energy should come from plants that used locally made modules. The ‘domestic content requirement’ was under fire at the WTO and local module manufacturers were demanding protection from “dumped” Chinese products.

The government declined to impose anti-dumping duties, but promised Indian manufac-

turers enough demand from the solar projects that would be put up by the government-owned companies. The promise was a relief for manufacturers, such as Tata Power Solar.

Tata Power Solar’s plant in Bengaluru can produce 180 MW worth of cells and 200 MW worth of modules but the equipment that produces them is five years old. Hence, the “strategic upgrade of our equipment.”

Subsidies hurting

Goel reiterated the oft-repeated view of the solar industry that the issue of ‘subsidies’ is hurting the rooftop segment. The subsidies are “neither removed nor funded,” and as a result customers are not able to make purchase decisions, said Goel.

The Government recently removed subsidies on solar water heaters.

This has “de-commoditised” the segment, since with the going of the subsidies, the product specifications prescribed for availing of the subsidies are also gone. As a result, companies such as Tata Power Solar are able to customise products.