



23 December 2025

(25-8835)

Page: 1/7

Original: English

**INDIA – MEASURES CONCERNING TRADE IN GOODS IN THE SOLAR CELL,
SOLAR MODULE, AND INFORMATION TECHNOLOGY SECTORS**

REQUEST FOR CONSULTATIONS BY CHINA

The following communication, dated 19 December 2025, from the delegation of China to the delegation of India, is circulated to the Dispute Settlement Body in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of India ("India") pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), Article XXIII of the General Agreement on Tariffs and Trade 1994 ("GATT 1994"), Articles 4 and 30 of the Agreement on Subsidies and Countervailing Measures ("SCM Agreement"), and Article 8 of the Agreement on Trade-Related Investment Measures ("TRIMs Agreement") with respect to the tariff treatment that India accords to certain technology products, and to certain measures adopted by India that are contingent upon the use of domestic over imported goods or that otherwise discriminate against goods of Chinese origin.

I. BACKGROUND

1. This Request concerns certain measures maintained by India that affect trade in goods in the solar cell, solar module, and information technology sectors. Specifically, it relates to *first*, India's tariffs on the technology products identified in Annex A below ("Annex A products"), and; *second* the conditions that govern the eligibility for, and disbursement of incentives under, the **Production Linked Incentive Scheme: National Programme on High Efficiency Solar PV Modules** ("Solar Module Programme").
2. The Solar Module Programme is in furtherance of India's "Make in India" initiative, which was launched in 2014.¹ The primary goals of this initiative are to increase investment in Indian manufacturing, foster innovation, and to develop India's manufacturing sector.²

II. MEASURES AT ISSUE

3. China describes the measures at issue below.

A. Tariff Measures

4. India applies customs duties, and/or other duties or charges on or in connection with importation ("import duties/charges"), in excess of the bound rate set out in its Schedule of

¹ Press Information Bureau of India, *PLI Scheme: Powering India's Industrial Renaissance*, available at <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=155082&ModuleId=3®=3&lang=2> (last accessed 16 December 2025).

² Department for Promotion of Industry and Internal Trade, *Make in India*, available at [https://www.dpiit.gov.in/ministry/about-us/details/Title=Make-in-India-\(MII\)-ITMwETMtQWw](https://www.dpiit.gov.in/ministry/about-us/details/Title=Make-in-India-(MII)-ITMwETMtQWw) (last accessed 16 December 2025).

Commitments for the Annex A products listed below. India maintains these import duties/charges, in part, under the First Schedule to the Indian Customs Tariff Act, 1975. India also maintains an additional import duty/charge, called the Agriculture Infrastructure and Development Cess ("AIDC"). Annex A identifies the products subject to these import duties/charges according to their respective HS codes, along with India's applied and bound tariff rates for each product.

5. The import duties/charges imposed under the First Schedule are imposed through the following instruments:

- (i) Section 12 of the Customs Act, 1962, which requires the collection of import duties/charges as specified in the Customs Tariff Act, 1975.
- (ii) Section 2 of the Customs Tariff Act, 1975 (as amended from time to time, including most recently by The Finance Act, 2025), which requires the rate of import duties/charges to be according to the First Schedule to the Act.
- (iii) Customs Notification No. 57/2017-Customs dated 30 June 2017 (G.S.R. 798(E)).
- (iv) Customs Notification No. 34/2024-Customs dated 23 July 2024 (G.S.R. 437(E)).
- (v) Customs Notification No. 04/2025-Customs dated 1 February 2025 (G.S.R. 97(E)).
- (vi) Any notifications granting exemption from import duties/charges pursuant to Section 25 of the Customs Act, 1962, and to Section 3 of the Customs Tariff Act, 1975.

6. The AIDC is imposed through the following instruments:

- (i) Section 124 of the Finance Act, 2021.
- (ii) Customs Notification No. 11/2021-Customs dated 1 February 2021 (G.S.R. 69(E)).
- (iii) Customs Notification No. 06/2025-Customs dated 1 February 2025 (G.S.R. 99(E)).

B. Solar Module Programme

7. India adopted the Solar Module Programme on 7 April 2021 to increase domestic manufacturing capacity of high efficiency solar photovoltaic ("PV") modules and, thereby, reduce India's import dependence.³ This Programme was authorised by India's Union Cabinet, and communicated via a letter from the Grid Solar Power Division, Ministry of New and Renewable Energy, dated 30 September 2022, including an Annexure that provides details of the Programme.⁴ This document, and others related to the Programme, are listed in Annex B to this Request.

8. This Programme incentivises the establishment in India of giga-watt scale manufacturing facilities for solar modules through the provision of cash grants by India. The Programme

³ Ministry of New and Renewable Energy, *Production Linked Incentive (PLI) Scheme: National Programme on High Efficiency Solar PV Modules*, available here: <https://mnre.gov.in/en/production-linked-incentive-pli/> (last accessed 11 December 2025).

⁴ Ministry of New and Renewable Energy, Grid Solar Power Division, *Production Linked Incentive Scheme (Tranche II) under 'National Programme on High Efficiency Solar PV Modules'*, F. No. 283/62/2020-GRID SOLAR (30 September 2025).

was implemented in two parts – "Tranche I" and "Tranche II". Tranche II prioritises fully integrated manufacturing units for solar PV modules.⁵

9. The incentives provided under the Solar Module Programme are conditioned on several criteria, including a prescribed minimum local value addition ("LVA") requirement.
10. The Programme describes three levels of vertical integration of manufacturing for a solar PV module manufacturing facility, each with different minimum LVA conditions for receiving incentives. A beneficiary firm can choose its level of integration and, hence, the minimum LVA conditions it must meet.
 - (i) The first level of integration: firms that manufacture in India the widest range of solar module inputs (e.g., polysilicon, ingots-wafers and solar cells), along with solar modules themselves;
 - (ii) The second level of integration: firms that manufacture in India a narrower range of solar module inputs (e.g., ingots-wafers and solar cells, excluding polysilicon), along with solar modules themselves;
 - (iii) The third level of integration: firms with the narrowest range of production in India, i.e., that only manufacture solar cells and solar modules.
11. Beneficiary firms are selected through a bidding process, in which an applicant firm must commit to setting up a manufacturing facility in India that meets certain minimum production capacity levels. Potential beneficiaries must declare the level of integration that they will achieve in their facilities (per above); the percentage of LVA they plan to achieve; and the performance parameters of the manufactured solar PV modules. Once selected, beneficiary firms are provided a grant for up to five years from when the manufacturing facility is commissioned, and the grant amount declines year-on-year over this five-year period. The grant amount is determined based on the level of integration, the level of LVA achieved, and yearly sales of solar PV modules (measured in terms of the aggregate electric output of sold modules).
12. To receive the grants, the beneficiary must satisfy two minimum criteria:
 - (i) The modules manufactured by the beneficiary firm must meet the prescribed minimum performance criteria;
 - (ii) The modules must meet the prescribed minimum LVA threshold.
13. In the measure, the firm's achieved LVA is calculated as a percentage in which:
 - (i) The numerator of the fraction is: the sale value of the module (excluding domestic indirect taxes) less the value of imported materials and services used to manufacture the module, and
 - (ii) The denominator is: the sale value of the module.
14. The minimum LVA requirement ranges from 50% to 90%, depending on the beneficiary's level of integration (higher integration requires a higher LVA) (per above). The minimum LVA requirement increases every year during the 5-year granting period; and the amount of the grant increases with an increase in the firm's achieved LVA.

⁵ Ministry of New and Renewable Energy, Grid Solar Power Division, *Production Linked Incentive Scheme (Tranche II) under 'National Programme on High Efficiency Solar PV Modules*, F. No. 283/62/2020-GRID SOLAR (30 September 2025).

III. LEGAL BASIS OF THE COMPLAINT

15. The tariff measures described in Section II.A of this Request appear to be inconsistent with India's obligations under the GATT 1994. In particular, India's measures appear to contravene Article II:1 (a) and (b) of the GATT 1994, because, through those measures, India accords to certain technology products originating in China treatment less favourable than that provided for in its Schedule and does not exempt those goods from ordinary customs duties and/or other duties or charges in excess of those set forth and provided in its Schedule.
16. The measure described in Section II.B of this Request appears to be inconsistent with India's obligations under the GATT 1994, the TRIMS Agreement and the SCM Agreement. In particular, the Solar Module Programme appears to contravene:
- (i) Article III:4 of the GATT 1994, as the measure is a law, regulation or requirement that, through its LVA requirements, accords less favourable treatment to imported goods than to like domestic goods;
 - (ii) Article 2.1 of the TRIMS Agreement, as the measure, which is a trade-related investment measure, is inconsistent with Article III:4 of the GATT 1994;
 - (iii) Article 3.1(b) and 3.2 of the SCM Agreement, as the measure constitutes a subsidy within the meaning of Article 1.1 of that Agreement, and, through its LVA requirements, is contingent on the use of domestic over imported goods.
17. In addition, and as a consequence of the foregoing, the measures at issue appear to nullify or impair benefits accruing to China, directly or indirectly, under the cited agreements.
18. This Request covers, in any form, any amendments, supplements, extensions, replacements, renewals, implementing measures, or other related instruments, concerning the measures set forth in Section II of this Request, including but not limited to any such measures referred to by either party during consultations.
19. China reserves the right to raise additional facts, measures and claims related to the matter at issue, including under other provisions of the covered agreements, during the course of consultations and in any future request for the establishment of a panel under Article 6.2 of the DSU.

IV. STATEMENT OF AVAILABLE EVIDENCE

20. In accordance with Article 4.2 of the SCM Agreement, which concerns China's claim under Article 3.1 of that Agreement, Annex B to this Request includes a statement of available evidence concerning the existence and nature of the subsidy under the measure described in Section II.B. China reserves the right to refer to additional evidence during the course of consultations, in any future request for the establishment of a panel pursuant to Article 6.2 of the DSU, and in any proceedings before a panel.
21. China looks forward to receiving India's reply and to agreeing on a mutually convenient date for the consultations.
-

Annex A – List of products

Duties in India's Schedule of Concessions			India's applied duties			
HS2007	Description	Tariff binding	HS2022	Description	Applied duty (BCD)	Agriculture Infrastructure and Development Cess (AIDC)
8541 40 00	- Photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes	0	8541 42 00	Photovoltaic cells not assembled in modules or made up into panels	20%	7.5%
			8541 43 00	Photovoltaic cells assembled in modules or made up into panels	20%	20%
8541 50 00	- Other semiconductor devices	0	8541 49 00	Other	20%	20%
8517 12 00	- - Telephones for cellular networks or for other wireless networks	0	8517 13 00	Smartphones	15%	
8517 18 00	- - Other	0	8517 14 00	Other telephones for cellular networks or for other wireless networks	15%	
8486 10 00	- Machines and apparatus for the manufacture of boules or wafers	0	8486 10 00	Machines and apparatus for the manufacture of boules or wafers	7.5%	

Duties in India's Schedule of Concessions			India's applied duties			
8486 20 00	- Machines and apparatus for the manufacture of semiconductor devices or of electronic integrated circuits	0	8486 20 00	- Machines and apparatus for the manufacture of semiconductor devices or of electronic integrated circuits	7.5%	
8486 30 00	- Machines and apparatus for the manufacture of flat panel displays	0	8486 30 00	- Machines and apparatus for the manufacture of flat panel displays	7.5%	
8486 40 00	- Machines and apparatus specified in Note 9 (C) to this Chapter	0	8486 40 00	- Machines and apparatus specified in Note * 11(c) to this Chapter	7.5%	
8486 90 00	- Parts and accessories	0	8486 90 00	- Parts and accessories	7.5	
8531 90 00	- Parts	0	8531 90 00	Parts	10%	
9031 90 00	- - Parts and accessories of optical instruments and appliances for inspecting semiconductor wafers or devices or for inspecting masks, photomasks or reticles used in manufacturing semiconductor devices	0	9031 90 00	Parts and accessories	7.5%	

Annex B: Statement of Available Evidence with Regard to the Existence and Nature of the Subsidy under the Solar Modules Programme

In accordance with Article 4.2 of the SCM Agreement, which concerns China's claim under Article 3.1 of that Agreement, China sets out below the evidence currently available to it regarding the existence and nature of subsidies under the Solar Modules Program. China reserves the right to refer to additional evidence during the course of consultations, in any future request for the establishment of a panel pursuant to Article 6.2 of the DSU, and in any proceedings before a panel.

1. Ministry of New and Renewable Energy, *Production Linked Incentive Scheme 'National Programme on High Efficiency Solar PV Modules'*, F. No. 283/62/2020-GRID SOLAR (28 April 2021).⁶
2. Ministry of New and Renewable Energy, *List of successful bidders under Tranche-I of PLI Scheme 'National Programme on High Efficiency Solar PV Modules'*.⁷
3. Ministry of New and Renewable Energy, *Production Linked Incentive Scheme (Tranche II) under 'National Programme on High Efficiency Solar PV Modules'*, F. No. 283/62/2020-GRID SOLAR (30 September 2022).⁸
4. Solar Energy Corporation of India Ltd., *Capacity Allocation under RfS for Selection of Solar PV Module Manufacturers for Setting up Manufacturing Capacities for High Efficiency Solar PV Modules in India under the Production Linked Incentive Scheme (Tranche-II)*, RfS No. SECI/C&P/MI/00/0009/22-23 (18.11.2022).⁹

⁶ Available at:

<https://cdnbbsr.s3waas.gov.in/s3716e1b8c6cd17b771da77391355749f3/uploads/2023/08/2023080898.pdf>

⁷ Available at:

<https://cdnbbsr.s3waas.gov.in/s3716e1b8c6cd17b771da77391355749f3/uploads/2023/08/2023080887.pdf>

⁸ Available at:

<https://cdnbbsr.s3waas.gov.in/s3716e1b8c6cd17b771da77391355749f3/uploads/2023/08/2023080863.pdf>

⁹ Available at:

<https://cdnbbsr.s3waas.gov.in/s3716e1b8c6cd17b771da77391355749f3/uploads/2023/08/2023080844.pdf>