SOLAR SUPPLY CHAINS / INDIA-CHINA / SAMPLE UPDATE

China Exposure Monitor

Sourcing and project eligibility for Indian solar manufacturers

Management decision

Approve a project-by-project eligibility check and a parallel domestic-cell sourcing exercise this week. Do not commit imported-cell inventory to an order until its regulatory route and commissioning plan are documented. This is our assessment, not a finding that a particular client is non-compliant.

Assumed client: A standalone Indian module maker importing Chinese solar cells, with commercial and industrial net-metering/open-access customers commissioning in Q4 2026 and Q1 2027. No actual company, orders or supplier data are represented.

Risk radar

Signal	Potential impact / window	Decision to take
01 Project eligibility [1,2]	High Now to 31 Dec 2026	Verify the exemption route, module eligibility and any separate domestic-content obligations before allocating stock.
02 China export rebates [3,4]	Medium Next purchase order	Reconcile the current quote with the applicable product code, export date, freight and exchange rate.
03 Approved supply [5,6]	High Q4 2026 / Q1 2027	Recheck module/BIS validity and exact cell models. Obtain written allocation for compatible supply.

Impact is a qualitative judgment for this assumed client: High could block an order or delivery; Medium could erode margin. Disruption likelihood is not estimated without project and supplier data.

A small cost change can be material

On an illustrative 50 MW order, an incremental procurement cost of ₹0.50 per watt would add ₹2.5 crore: 50 million watts × ₹0.50. This is a sensitivity calculation, not a market quote or forecast; financing, rework and delay costs are excluded.

Updated 16 September 2026. New since 1 September: MNRE has revised its approved module list. Recheck exact models and BIS validity. The cell rules and export-rebate policy are continuing exposures. [6]

THE EVIDENCE AND THE IMPLICATION

Three signals to act on

01 The relief depends on the project route

Verified: MNRE’s 4 August clarification exempts net-metering and open-access projects from the approved cell list (ALMM List-II) if commissioned by 31 December 2026. Applicable module-list (List-I) requirements remain. Separate scheme domestic-content requirements (DCR) still apply. [1,2]

Our assessment: Treat a likely commissioning slip as a procurement decision now. Separate projects that qualify for this relief from tender-specific, scheme-specific and other exempt categories; do not apply one deadline to the entire order book.

Decision trigger: Any revised schedule that crosses 31 December, or an unresolved content clause, should trigger joint review by the project lead, procurement and counsel. Confirm the route in writing before changing the bill of materials.

02 Requote Chinese supply on a current basis

Verified: China cancelled VAT export rebates for listed photovoltaic products from 1 April 2026. Annex 1 includes unassembled photovoltaic cells (85414200) and assembled cells/modules (85414300). The customs-declared export date governs the rebate treatment. This is already in force. [3,4]

Our assessment: Rebate removal does not prove an equal increase in the buyer’s price. Supplier absorption, market prices, contract terms, freight and currency can offset or amplify the effect. We have not verified client-level pass-through.

Decision trigger: If a supplier seeks a surcharge or a quote relies on the previous regime, request a like-for-like landed-cost bridge and check the product classification with the customs broker before approval.

03 Verify both the listing and the supply commitment

Verified: MNRE’s 16 September module-list revision 51 retains the requirement for valid BIS registration. Its ALMM index still lists the 21 August cell revision as the latest, with additions for Waaree, Emmvee and Avaada. Revised unit capacities generally replace earlier figures. [5,6]

Our assessment: These are separate module and cell checks. A listing does not establish uncommitted stock. Cell dimensions, technology, process compatibility, quality validation and delivery allocation determine whether a substitute can serve the assumed client.

Decision trigger: Check the exact module and cell models where required, BIS validity, validation evidence and written quantity commitments. Escalate if a source cannot meet the project’s latest safe procurement date.

FORWARD VIEW / NEXT 30-120 DAYS

Scenarios and next actions

Planning cases, not probability forecasts. Reassess when the listed indicators change.

Planning case	Indicator to watch	Management response
Base Managed transition	Applicable rules unchanged; project milestones hold; compatible supply is confirmed.	Allocate stock by documented eligibility. Secure validated supply for uncovered orders.
Downside Schedule or supply slippage	A relief-dependent project crosses the deadline, or its backup supplier misses validation/allocation.	Recheck compliance and costs; negotiate an eligible substitute or revised customer terms before dispatch.
Upside More sourcing flexibility	Two validated sources offer firm, compatible supply at acceptable landed cost.	Use staged purchases and competitive quotes; retain traceability and avoid excess inventory.

Actions for the next seven days

1. **COO + compliance:** By 18 September, map each order to its project category, tender/scheme clauses and credible commissioning date. Recheck module models and BIS validity against the latest list.
2. **Procurement:** By 21 September, obtain comparable Chinese quotes and at least two domestic supply proposals with models, quantities and delivery terms.
3. **CFO + sales:** By 23 September, quantify margin and cash at risk, then approve procurement limits and assign an owner to each unresolved order.

Requested client inputs: order book and project dates; inventory by cell source/model; purchase terms and supplier quotes; applicable tenders and scheme conditions.

Sources and assessment limits

[1] MNRE, 4 Aug 2026. ALMM List-II clarification, §§1(b), 1(f).

[2] PIB / MNRE, 18 Jul 2026. Limited relief window; no blanket extension.

[3] China MOF / STA, 8 Jan 2026. Announcement No. 2 of 2026, clauses 1 and 4 (Chinese).

[4] China MOF / STA, Annex 1. Product list, entries 247-248, p. 10 (Chinese).

[5] MNRE, 21 Aug 2026. ALMM List-II, revision 9, additions and capacity footnote.

[6] MNRE, 16 Sep 2026. ALMM module list, rev. 51, p. 1; current ALMM index.

Sources checked 16 Sep 2026. Confidence is high in the cited policy text; client-level commercial effects are unverified. Chinese-source summaries are working translations. This sample uses a fictional client and public information. Scenarios and actions are analytical judgments. Confirm current rules and project-specific legal/tax treatment before acting.