

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 3771
ANSWERED ON 23.03.2023

MANUFACTURING OF SOLAR MODULES

3771. SHRI BALASHOWRY VALLABHANENI
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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether it is true that as per Centre for Energy Finance (CEEW-CEF) Report, US \$ 7.2 billion is needed during the coming 3-4 years to promote integrated manufacturing of solar modules in the country;
- (b) if so, the details of the report thereof;
- (c) whether the Government proposed to pool the above resources in the coming 3-4 years and if so, the details thereof;
- (d) the details of the investments proposed for 2022-23 and the status of the same; and
- (e) the extent to which the Production Linked Incentive (PLI) scheme would help to achieve the said goals?

ANSWER

THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER
(SHRI R.K. SINGH)

(a) & (b) Yes Sir, Centre for Energy Finance of the Council on Energy, Environment and Water, i.e. CEEW-CEF, in its report of May 2022 titled 'Making India a Leader in Solar Manufacturing', has inter-alia, mentioned that setting up of 16 GW of polysilicon, 29 GW of ingot and wafer, 55 GW of cell and 58 GW of module, would require estimated capital expenditure of around USD 7.2 billion.

(c) The investments in solar PV integrated manufacturing in the country are emanating from the private sector. To facilitate such investment, the Government has also allowed Foreign Direct Investment (FDI) of up to 100 percent under the automatic route in the Renewable Energy sector, subject to Press Note No. 3(2020 Series) dated 17.04.2020 issued by Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, which inter-alia provides that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.

To further incentivize solar PV manufacturing in the country, the Ministry of New & Renewable Energy (MNRE), Government of India, has been consistently bringing out policies. Some of the recent initiatives in this regard are mentioned at **Annexure.**

(d) & (e) Under Tranche-I of PLI Scheme for High Efficiency Solar PV Modules, being implemented with an outlay of Rs. 4,500 crore, Letters of Award have been issued to three successful bidders in November/ December, 2021 for setting up of 8737 MW of fully integrated solar PV module manufacturing capacities. The Scheduled Commissioning Dates for these 8,737 MW capacities are in November/ December, 2024 and no intermediate investment targets have been fixed in respect of these manufacturing capacities. However, as per the information submitted by the beneficiary manufacturers, an investment of around Rs. 2,441 crore has been made till February 2023 by the three beneficiaries under PLI scheme Tranche-I.

Selection of solar PV manufacturers under Tranche-II with outlay of Rs 19,500 crore, has not yet been done.

**Annexure referred in reply to part (c) of Lok Sabha Unstarred Question No. 3771
replied on 23.03.2023**

Some of the recent initiatives to further incentivize solar PV manufacturing in the country, inter-alia, include:

(i) Production Linked Incentive (PLI) Scheme for High Efficiency Solar PV Modules:

The Government of India is implementing the Production Linked Incentive (PLI) Scheme under National Programme on High Efficiency Solar PV Modules, for achieving domestic manufacturing capacity of Giga Watt (GW) scale in High Efficiency Solar PV modules, with an outlay of Rs. 24,000 crore. This Scheme has provision for Production Linked Incentive (PLI) to the selected solar PV module manufacturers for five years post commissioning, on manufacture and sale of High Efficiency Solar PV modules. The Scheme is being implemented in two tranches. Tranche-I has an outlay of Rs. 4,500 crore, under which Letters of Award have been issued to three successful bidders for setting up of 8737 MW of fully integrated solar PV module manufacturing units. For Tranche-II with an outlay of Rs. 19,500 crore, the Scheme Guidelines have been issued on 30.09.2022 and tender document for selection of solar PV manufacturers has been issued on 18.11.2022. Selection of solar PV manufacturers under Tranche-II with outlay of Rs 19,500 crore, has not yet been done.

(ii) Domestic Content Requirement (DCR): Under some of the current schemes of the MNRE, namely CPSU Scheme Phase-II, PM-KUSUM Component B and Grid-connected Rooftop Solar Programme Phase-II, wherein government subsidy is given, it has been mandated to source solar PV cells and modules from domestic sources.

(iii) Preference to 'Make in India' in Public Procurement: Through implementation of 'Public Procurement (Preference to Make in India) Order', procurement and use of domestically manufactured solar PV modules and domestically manufactured solar inverters has been mandated for Government/ Government entities.

(iv) Imposition of Basic Customs Duty on import of solar PV cells & modules: The Government has imposed Basic Customs Duty (BCD) on import of solar PV cells and modules, with effect from 01.04.2022.

(v) Discontinuation of Customs Duty Concessions: MNRE has discontinued issuance of Customs Duty Concession Certificates for import of material /equipment for initial setting up of solar PV power projects with effect from 02.02.2021.