

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-2875
ANSWERED ON-05/08/2021

PRODUCTION LINKED INCENTIVE SCHEMES

2875. SHRI V. K. SREEKANDAN

Will the Minister of New & Renewable Energy be pleased to state:

- (a) whether the Government has approved two production linked incentive schemes in solar energy sector for white goods and if so, the details thereof;
- (b) whether the Government aims to create complete component ecosystem in the country and make the country an integral part of the global supply chains and if so, the details thereof;
- (c) whether the country has been largely dependent on imports for solar photovoltaic modules so far and if so, the details thereof;
- (d) whether the said schemes would lead to direct employment of 30,000 people and indirect jobs to 1.2 lakh people and if so, the details thereof; and
- (e) whether the schemes were expected to lead to, 10,000 MW of additional capacity of solar PV plants and investment of around Rs.17,200 crore in solar PV manufacturing projects and if so, the details thereof?

ANSWER

THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER

(SHRI R.K. SINGH)

(a) For solar energy sector, on 07.04.2021, the Cabinet approved a Production Linked Incentive (PLI) Scheme, namely, 'National Programme on High Efficiency Solar PV Modules', with an outlay of Rs. 4,500 crore. Though on the same date, the Cabinet also approved another Production Linked Incentive (PLI) Scheme for White Goods (Air Conditioners and LED Lights), with an outlay of Rs. 6,238 crore, the same is not intended for the solar energy sector.

(b): Solar PV cells and modules are already being manufactured in the country. In order to further enhance domestic manufacturing of solar PV cells and modules, the Government has taken the following steps:

(i) Modified Special Incentive Package Scheme (M-SIPS) Scheme of Ministry of Electronics & Information Technology: The scheme mainly provides subsidy for capital expenditure – 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The Scheme was open to receive applications till 31st December, 2018.

(ii) Production Linked Incentive (PLI) Scheme for High Efficiency Solar PV Modules: In order to enhance India's manufacturing capabilities and exports, on 28.04.2021, Ministry of New & Renewable Energy (MNRE) has issued the Scheme Guidelines for 'National Programme on High Efficiency Solar PV Modules', with an outlay of Rs. 4,500 crores. The Scheme has provisions for supporting setting up of integrated manufacturing units of high efficiency solar PV modules by providing Production Linked Incentive (PLI) on sales of such solar PV modules.

(iii) Preference to ‘Make in India’ in Public Procurement in Renewable Energy Sector: Ministry of New & Renewable Energy (MNRE) vide its Order No. 283/22/2019-GRID SOLAR dated 09.02.2021, has inter-alia, prescribed that in public procurement of items in respect of which there is sufficient local capacity and local competition, only Class-I local supplier shall be eligible to bid. Class-I local supplier means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%. Solar PV modules are one of the products identified as having sufficient local capacity and competition.

(iv) Domestic Content Requirement (DCR): Under some of the current schemes of the Ministry of New & Renewable Energy (MNRE), namely CPSU Scheme Phase-II, PM-KUSUM 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.

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

(vi) Discontinuation of Customs Duty Concession benefits: Ministry of Finance (Department of Revenue) vide its Gazette Notification No. 7/2021-Customs dated 01.02.2021, has rescinded its earlier Notification No. 1/2011-Customs dated 06.01.2011 thereby withdrawing the benefit of concessional customs duty on the items imported for initial setting up of the solar power projects with effect from 02.02.2021.

(c) At present, the domestic solar photovoltaic module manufacturing alone is not sufficient to meet the full demand of the country for solar photovoltaic modules and this necessitates import of solar PV modules. As per the website pertaining to Export-Import Data Bank of Department of Commerce, the value of solar cells, whether or not assembled into modules or made up into panels, imported during last three years is as follows:

Item	HS code	Value of import in million USD		
		2018-19	2019-20	2020-21
solar cells whether or not assembled into modules or made up into panels	85414011 & 85414012	2160	1684	572

(d) The ‘National Programme on High Efficiency Solar PV Modules’ targets direct employment to 30,000 people and indirect jobs to 1.2 lakh people.

(e) The ‘National Programme on High Efficiency Solar PV Modules’ targets an additional 10,000 MW of integrated domestic manufacturing capacity of high efficiency solar PV modules with an investment of around Rs.17,200 crore.
