

GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
**LOK SABHA**  
**STARRED QUESTION NO. 240**  
ANSWERED ON 11/12/2024

**INCENTIVE FOR MANUFACTURING OF SOLAR COMPONENTS**

\*240. DR. VINOD KUMAR BIND  
SHRI PRATAP CHANDRA SARANGI

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether it is a fact that solar energy is increasingly the most cost-effective option for power sector and if so, the details thereof;
- (b) the measures being taken by the Government to further promote the adoption of solar energy;
- (c) whether the Government is providing any incentive to boost domestic manufacturing of solar components in order to reduce reliance on imports; and
- (d) if so, the details thereof and if not, reasons therefor?

**ANSWER**

**THE MINISTER OF NEW & RENEWABLE ENERGY AND CONSUMER AFFAIRS, &  
FOOD AND PUBLIC DISTRIBUTION**

**(SHRI PRALHAD JOSHI)**

(a) to (d) A Statement is laid on the Table of the House.

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**STATEMENT**

**STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION No.  
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- (a) The tariff of solar power projects discovered through transparent bidding process is competitive and affordable, which are being procured by various DISCOMs in different States.
- (b) In order to promote development of solar energy in the country, Government has introduced various schemes from time to time. The list of operational schemes is given at **Annexure-I**.
- (c) & (d) The Government has been consistently bringing out policies to boost domestic manufacturing of solar components to reduce reliance on imports. Various initiatives taken are mentioned at **Annexure II**.

**ANNEXURE I REFERRED TO IN REPLY TO PART (b) OF LOK SABHA STARRED  
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**LIST OF VARIOUS ONGOING SCHEMES FOR PROMOTION OF SOLAR ENERGY  
IN THE COUNTRY**

1. Scheme for Development of Solar Parks and Ultra-mega Solar Power Projects with a target of setting up 40,000 MW capacity. Under the scheme, the infrastructure such as land, roads, power evacuation system water facilities are developed with all statutory clearances/approvals. Thus, the scheme helps expeditious development of utility-scale solar projects in the country.
2. PM-Surya Ghar: Muft Bijli Yojana for installing rooftop solar on one Crore households across the country.
3. Production Linked Incentive scheme 'National Programme on High Efficiency Solar PV Modules' for achieving manufacturing capacity of Giga Watt (GW) scale in High Efficiency Solar PV modules (Tranche- I & II).
4. PM-KUSUM Scheme to promote small Grid Connected Solar Energy Power Plants, stand-alone solar powered agricultural pumps and solarisation of existing grid connected agricultural pumps.
5. Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by Government Producers, using domestically manufactured solar PV cells and modules, with Viability Gap Funding (VGF) support, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).
6. New Solar Power Scheme (for Tribal and PVTG Habitations/Villages) under Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM JANMAN) and Dharti Abha Janjatiya Gram Utkarsh Abhiyan (DA JGUA).

**ANNEXURE II REFERRED TO IN REPLY TO PART (c) & (d) OF LOK SABHA  
STARRED QUESTION NO. 240 FOR ANSWER ON 11.12.2024**

**MAJOR INITIATIVES TAKEN TO INCREASE DOMESTIC MANUFACTURING OF  
SOLAR COMPONENTS**

**(i) Production Linked Incentive (PLI) Scheme:** The Government of India is implementing the Production Linked Incentive (PLI) Scheme for 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. 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 for setting up of 8,737 MW of fully integrated solar PV module manufacturing units. For Tranche-II with an outlay of Rs. 19,500 crore, Letters of Award have been issued for setting up of 39,600 MW of fully/partially integrated solar PV module manufacturing units.

**(ii) Domestic Content Requirement (DCR):** Under some of the current schemes of the MNRE, namely CPSU Scheme Phase-II, PM-KUSUM Components B & C, and PM Surya Ghar: Muft Bijli Yojana, 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:** In accordance with Department for Promotion of Industry and Internal Trade (DPIIT) 'Public Procurement (Preference to Make in India), Order', MNRE had notified Purchase Preference (linked with local content) for RE sector which, inter-alia, identified list of all goods and services or works in respect of which there is sufficient local capacity and competition, and mandated that only "Class-I local supplier" shall be eligible to bid for the above goods/services/works with the mandate that minimum local content should be at least 50%.

**(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.