Steps by Government to incentivize domestic manufacturing of solar PV panels and equipment and make domestic solar manufacturers globally competitive

In order to incentivize domestic manufacturing of solar PV panels and equipment and make domestic solar manufacturers globally competitive, the Government has taken various steps which inter alia include:

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. The Scheme inter-alia covers solar PV cells, solar PV modules, EVA, backsheet and solar glass.

ii. **Preference to ‘Make in India’ in Public Procurement in Renewable Energy Sector:** 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 Govt/ Govt. entities.

iii. **Domestic Content Requirement (DCR):** Under some of the current schemes of the 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.

iv. **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.

v. **Production Linked Incentive (PLI) Scheme for High Efficiency Solar PV Modules:** Please see the response to parts (c), (d) & (e) of the question.

(vi). **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.

This information was given by Shri R.K Singh Union Minister for Power and MNRE in a written reply in Lok Sabha today.

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MV/IG

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