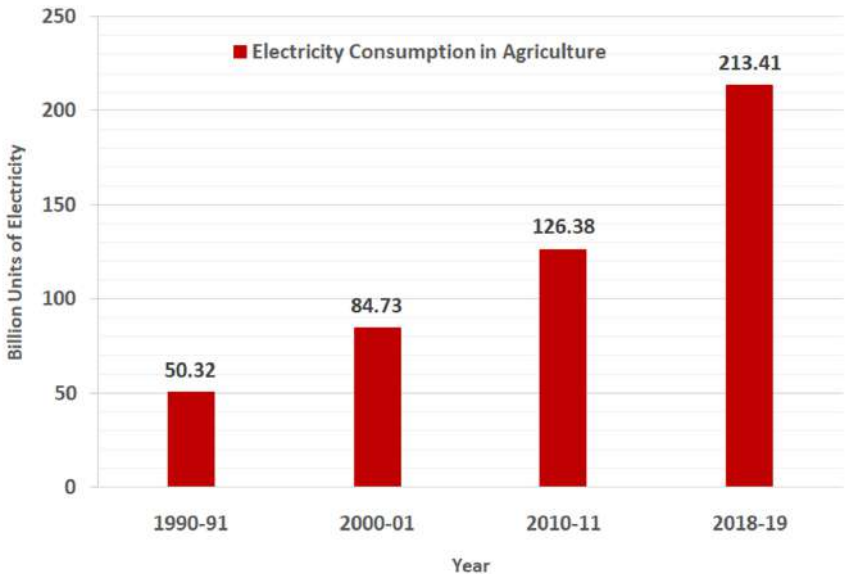
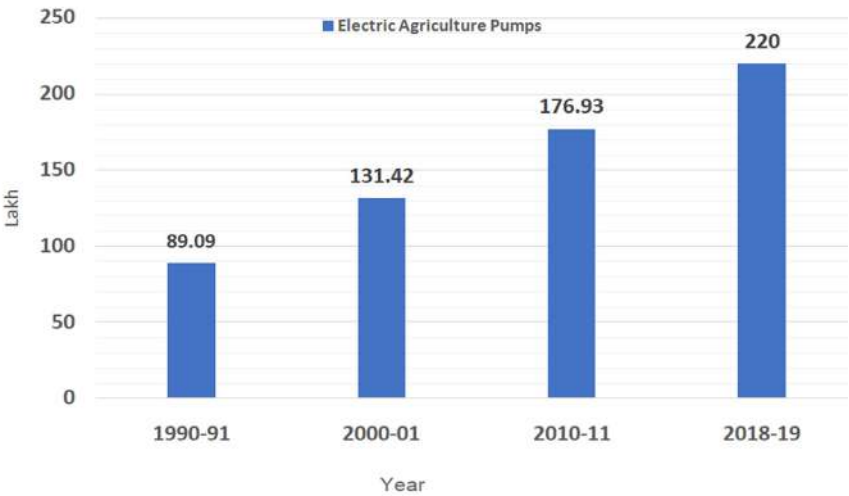
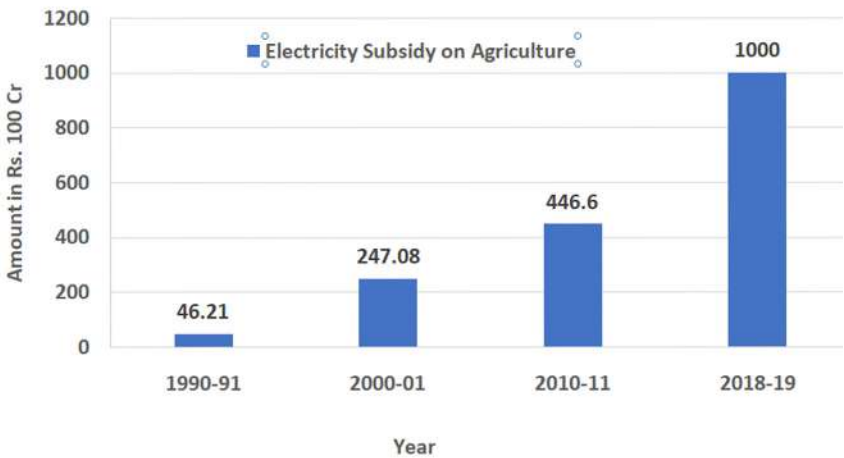


the country is around 213 billion units which is 18% of the total electricity consumption.



Eleven major DISCOMS of the country consume 95% of electricity consumption on agriculture and annually provide over Rs. one lakh crore as electricity subsidy for agriculture. This subsidy comes from the State's exchequer. The aggregate subsidy amount on account of electricity for the agricultural needs of country has been rising over the years:



State Government subsidy on account of free/subsidised electricity for agriculture is not being paid to DISCOMS in a time bound manner. This adversely affects the financial health of DISCOMS, and leaves little room for infrastructural improvements.

PM-KUSUM will help address this issue by reducing subsidy required from states for electricity supply to agriculture. The annual subsidy can be used to repay the loan in five to six years after which solar power will be available free of cost and outflow from State Government's exchequer on account of electricity subsidy for agriculture will come to an end. The PM-KUSUM will also contribute to reducing transmission losses, further helping the financial health of DISCOMS.

## Curbing Climate Change

Nearly 80 lakh pumps out of approximately 3 crore agricultural pumps installed in India are diesel pumps. The total diesel consumption of these pumps in a year works out to 5.52 billion litre per annum along with equivalent CO<sub>2</sub> emission of 15.4 million tonnes. When implemented fully, PM-KUSUM will lead to reducing carbon emissions by as much as 32 million tonnes of CO<sub>2</sub> per annum. Moreover, farmers whose diesel pumps are replaced will be able to work on their farms in a pollution free environment.

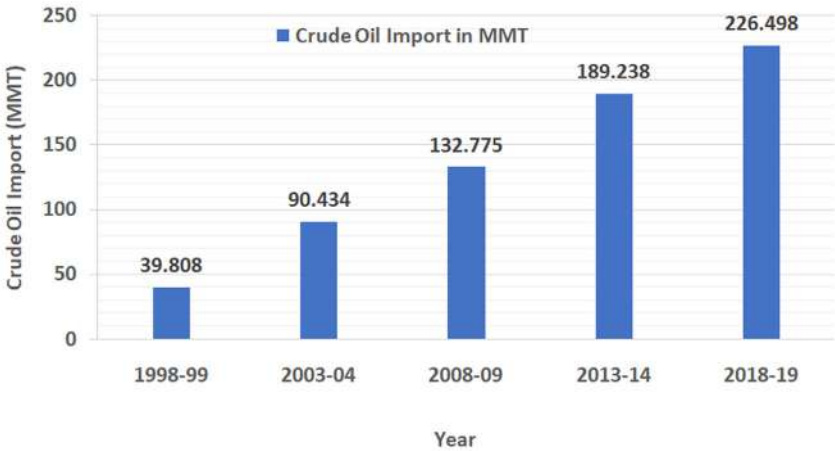
## Boosting Domestic Solar Manufacturing

India has set for itself very ambitious targets in RE capacity addition, particularly solar power capacity addition. Our immediate aim is to achieve 100 GW of solar power capacity by the year 2022. However, our domestic solar manufacturing capacity is limited, and we mostly depend on imports in this area. This needs to be addressed, particularly because the RE sector is strategic in nature. PM-KUSUM has a mandatory requirement for deploying domestically produced solar cells and modules under Component B and C. This will create demand of 20.8 GW for domestically produced solar cells and modules and thus give a fillip to domestic solar manufacturing.



## Reducing The Import Bill

India's petroleum import bill is large and has been rising:



When implemented fully, PM-KUSUM will lead to an annual reduction in diesel consumption of 1.38 billion litres per annum, thus reducing the import bill on account of petroleum products. Moreover, enhanced domestic solar manufacturing will lead to a further reduction in the outgo on account of imports.

## Soft Loan And Benefits In Conjunction With Other Government Schemes

The RBI has included all three components of the Scheme under priority sector lending and