

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-3903

TO BE ANSWERED ON-09.08.2018

DOMESTIC SOLAR POWER INDUSTRY

3903. SHRI ASHOK SHANKARRAO CHAVAN
SHRI SUDHEER GUPTA
SHRI GAJANAN KIRTIKAR
SHRI S.R. VIJAYAKUMAR
KUNWAR HARIBANSH SINGH
SHRI T. RADHAKRISHNAN
SHRI S. RAJENDRAN
SHRI BIDYUT BARAN MAHATO

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

- (a) whether the country has achieved a record low solar power tariff per unit in the country and if so, the details thereof;
- (b) whether the country's domestic solar industry has suffered serious injury, considering overall performance such as market share and profitability in the recent years;
- (c) if so, the details thereof and the reasons therefor along with the corrective measures taken/being taken by the Government in this regard;
- (d) whether the Government has imposed duty for two years on solar cells and modules imported from China and Malaysia recently and if so, the details thereof;
- (e) whether the Government has taken any measures to ensure that the domestic solar industry is not affected by the increase in solar power tariffs due to imposition of duty and if so, the details thereof; and
- (f) the steps taken/being taken by the Government to produce solar cells and modules at cheaper rates in the country?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER (I/C)
(SHRI R.K. SINGH)

- (a) Solar tariffs in India saw the lowest ever level of Rs.2.44 per unit in reverse auctions carried out by Solar Energy Corporation of India (SECI) in May 2017 for 200 MW and again twice in July, 2018, for 600 MW in each instance.

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(b), (c) & (d) As per the final findings dated 16th July, 2018, in the investigations concerning imposition of Safeguard duty on import of solar cells and modules, Directorate General of Trade Remedies (DGTR) has concluded that: “The domestic industry has suffered serious injury, considering overall performance, on the basis of listed economic parameters such as market share and profitability, which have sharply declined over the injury period 2014-2015 to 2017-2018 (Annualised) whereas market share of imports have increased during the same period. This has caused significant overall impairment to the domestic industry.”

Based on the final findings of DGTR, the Government, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, have imposed Safeguard duty on import of solar cells whether or not assembled in modules or panels, as follows:

- i. twenty five percent. ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30th July, 2018 to 29th July, 2019 (both days inclusive);
- ii. twenty percent. ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30th July, 2019 to 29th January, 2020 (both days inclusive);
- iii. fifteen percent. ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30th January, 2020 to 29th July, 2020 (both days inclusive);

Nothing contained in the notification dated 30th July, 2018, mentioned above shall apply to imports of subject goods from countries notified as developing countries vide notification no. 19/2016-Customs (N.T.) dated 5th February, 2016, except China PR, and Malaysia.

(e) The ‘Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects’ notified on 3rd August, 2017, provides under the clause 5.7 ‘Change in Law’, that “In the event a Change in Law results in any adverse financial loss/ gain to the Solar Power Generator then, in order to ensure that the Solar Power Generator is placed in the same financial position as it would have been had it not been for the occurrence of the Change in Law, the Solar Power Generator/ Procurer shall be entitled to compensation by the other party” The Government, through a clarification dated 2nd April, 2018, to the above referred Guidelines, has clarified that the term 'change in the rates of any taxes' as mentioned in clause pertaining to ‘Change in Law’ of the said Guidelines includes "change in rates of taxes, duties and cess."

(f) Domestic manufacturing of solar cells and modules in India is being supported by the Government of India through Modified Special Incentive Package Scheme (M-SIPS) of the Ministry of Electronics & Information Technology. The scheme, inter alia, provides for:

- i. 20-25% subsidy for investments in capital expenditure for setting up of the manufacturing facility.
- ii. Reimbursement of counter vailing Duty (CVD)/ Excise Duty for capital equipment for the units outside Special Economic Zone (SEZ).

Further, the solar power projects being implemented by the Central Public Sector Undertakings (CPSUs) with financial support from the Government and those rooftop solar projects which are implemented with central financial assistance are mandated to source their requirement of solar cells & modules from domestic sources as per extant Guidelines, in a World Trade Organization (WTO) compliant manner.
