

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-1662

TO BE ANSWERED ON-20.12.2018

IMPORT OF SOLAR CELL

1662. SHRI J.J.T. NATTERJEE

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

- (a) whether the Government has imposed safeguard duty of 25% on import of solar cells (whether or not assembled in modules or panels) from China and Malaysia;
- (b) if so, the details thereof;
- (c) whether this move is aimed at helping domestic solar cell manufacturing sector;
- (d) if so, the details thereof;
- (e) whether this will affect existing projects dependent on cheap imports and hike solar power tariffs in India; and
- (f) if so, the details thereof and the steps taken by the Government to address the situation?

ANSWER

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

(a) & (b) Based on the final findings of Directorate General of Trade Remedies (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.

(c) & (d) Safeguard duty is imposed by the Central Government, on an article, after conducting such enquiry as it deems fit, if it is satisfied that the said article is imported into India in such increased quantities and under such conditions so as to cause or threatening to cause serious injury to domestic industry. The Directorate General of Trade Remedies (DGTR), in the investigations concerning imposition of Safeguard duty on import of solar cells and panels, has also concluded that: "Imposition of safeguard duty in this case would be

in public interest because it will prevent complete erosion of manufacturing base of Solar industry in the country which is upcoming and holds promise for a stronger manufacturing base in the country in future”.

(e) & (f) There may be some impact on the Solar Power Developers due to imposition of safeguard duty on the solar cells/ modules. However, 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 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”.

Further, Ministry of Power, on 27.08.2018 has issued directions to the Central Electricity Regulatory Commission(CERC) under section 107 of the Electricity Act, 2003, inter-alia, stating that:

- i. Any change in domestic duties, levies, cess and taxes imposed by Central Government, State Governments/Union Territories or by any Government instrumentality leading to corresponding changes in the cost, may be treated as "Change in Law" and may unless provided otherwise in the PPA, be allowed as pass through.
- ii. The order for pass through giving the calculation for per unit impact will be issued within 30 days of filing of petition.
