

No. 283/16/2019-GRID SOLAR
Ministry of New & Renewable Energy (MNRE)
(Grid Solar Power Division)

Block-14, C.G.O. Complex,
Lodhi Road, New Delhi – 110003.

Date: 29th March, 2019

ADVISORY

**Subject: Advisory against M/s CSUN Trading (Hong Kong) Co. Ltd., China/
M/s CEEG (Shanghai) Solar Science Technology Co. Ltd., China
regarding procurement of Solar PV Modules from them-reg.**

This Ministry has received representations from many companies that they entered into Module Supply Agreements with M/s CSUN Trading (Hong Kong) Co. Ltd., China (CSUN) / M/s CEEG (Shanghai) Solar Science Technology Co. Ltd., China, for procurement of Solar PV modules manufactured by M/s CEEG (Shanghai) Solar Science Technology Co. Ltd. It is understood that these companies are part of same group, which breached the contract by not supplying the modules in accordance with the terms of the Agreement and even did not return the advance paid to them. In one case, the matter has also been settled in favour of Indian company by way of Singapore International Arbitration Centre's Award No. 018 of 2019 dated 24th January, 2019 in ARB No. 4 of 2018 (ARB004/18/PPD). But the award of the Arbitration has not been honoured by M/s CEEG (Shanghai) Solar Science Technology Co. Ltd., China.

2. The Government of India has kept a target of installing 100 GW of solar capacity by 2022, therefore, such breach of valid contracts and not supplying modules on time by foreign companies cannot be tolerated. Therefore, this Ministry had taken up these issues with the Ministry of External Affairs to impress upon the Chinese authorities to advise M/s CSUN Trading (Hong Kong) Co. Ltd., China (CSUN) / M/s CEEG (Shanghai) Solar Science Technology Co. Ltd., China, to meet the contractual obligations to the Indian companies and also to honour the arbitration award.

3. The Consulate General of India, Shanghai, Ministry of External Affairs, Government of India, has informed that the above mentioned Chinese companies are high risk companies and have over 160 court cases against them and mostly for breach of contract with millions of RMB in compensation amount.

4. Accordingly, an advisory is hereby issued to all concerned, including SECI, NTPC Ltd., associations of Solar Power Developers, States and Banks/ Lending



Institutions, informing them about such incidences and advising them to deal with the aforementioned companies at their own risk.

5. All concerned stakeholders are also advised to contact Embassy of India, Beijing, China and/ or the Consulate General of India, Shanghai to verify standing and reputation of various Chinese companies before placing any orders so that such incidences can be avoided.

5. The Department of Financial Services, Ministry of Finance, is also requested to take appropriate action, by informing all Banks/ Lending institutions, so as to avoid any possible NPAs/ regulatory issues in future.

6. This issues in line with the approval of Hon'ble Minister (New & Renewable Energy).



(Sanjay Karndhar)

Scientist-C

Tel: 011-24360707; Extn. No. 2021

Telefax: 011-24362488,

Email: karndhar.sg@nic.in

To:

1. **The Managing Director, SECI**, 1st Floor, D-3, A Wing, Prius Platinum Building District Centre, Saket, New Delhi – 110017
2. **The Chairman and Managing Director, NTPC Limited**, NTPC Bhawan, SCOPE Complex, Institutional Area, Lodhi Road, New Delhi - 110003
3. **Solar Power Developers Association (SPDA)**, 3rd Floor, The Press Trust of India Building, 4, Parliament Street, New Delhi - 110001, India
4. **National Solar Energy Federation of India (NSEFI)**, 702, Chiranjiv Tower, 43, Nehru Place, New Delhi – 110019.
5. **Additional Chief Secretaries/ Principal Secretary/ Secretaries of Power/Energy/RE of States/UT's**
6. **Secretary, Department of Financial Services**, Ministry of Finance 3rd Floor, Jeevan Deep Building, Sansad Marg, New Delhi-110001
7. **Indian Bank Association**, World Trade Centre Complex, 6th Floor Centre 1 Building, World Trade Centre Complex, Cuff Parade, Mumbai – 400005
8. **All Nationalised Banks**

Copy to: Director (Technical), NIC, MNRE, for uploading on MNRE Website