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Flash Note
The U.S. Tariff Tantrum

ARETE SECURITIES LTD.

WHERE ADVISORY MEETS EXCELLENCE

Indian Renewable Energy

The U.S. Commerce Department announced high import taxes (countervailing duties) on solar cells and panels from three Asian countries. This happened because U.S. solar manufacturers complained that these countries were getting unfair government subsidies.

India was hit the hardest. The tax rate for Indian imports was set at 125.87% (roughly 126%). This is much higher than the rates for Indonesia (104.38%) and Laos (80.67%).

Waaree Energies - Management Commentary

Waaree Energies Chairman Hitesh Doshi explained that the U.S. tax is based on where the solar cells are made, not where the final panels are put together.

The management also provided the following updates to calm investor fears:

- **Capex Intact:** The company says its investment and expansion plans remain unchanged; they are firm on previously guided investments.
- **Guidance Confidence:** They are on track to achieve and potentially surpass their stated financial goals.
- **Tariff Impact:** There is no impact from the hefty tariffs on their local U.S. manufacturing operations.
- **US Capacity:** Their total installed factory capacity stands at 4.2 GW inside the United States.

Key Facts:

- Only about 4% of U.S. solar imports are panels made with Indian-made solar cells.
- This means only about 600 to 1,000 megawatts of Indian exports are actually at risk.
- Waaree Energies confirmed they do not export panels made with Indian cells to the U.S. and have no plans to do so, as there is plenty of demand inside India.
- **Note:** *The U.S. will make a second decision next month regarding alleged "dumping" (selling below cost), so there is still a little bit of caution in the air.*

Premier Energies - Management Commentary

- **Zero US Exposure:** The company's revenue from exports is less than 1% for the current fiscal year. They have zero exposure to the U.S. market, making the 126% duty irrelevant to their current financials.
- **Proactive Adjustments:** Premier noted that the Indian industry anticipated this move; many companies have been reducing their U.S. exposure for months. In fact, industry-wide solar exports from India to the U.S. dropped by 50% in 2025.
- **Dominant Market Share:** The company remains a leader at home, holding a 10% market share in Module production and a 15% share in Solar Cell production. They expect to maintain a total market share of 12-15% going forward.
- **The 30 GW Data Centre:** Beyond traditional solar, Premier is eyeing a massive 30 GW opportunity in the Data Centre space over the next 5 years, driven by the AI and digital infrastructure boom.
- **Growth & Scarcity:** Management sees a 20% growth in demand/orders over the next 5 years. They also noted that actual industry capacity will likely be much lower than expected because the "higher capex" required will prevent smaller players from scaling.

Company	How Much They Export	Our Takeaway
Premier Energies	Less than 1% of total revenue	**Completely Safe.** This company sells almost everything inside India. The U.S. tax has zero impact on their business.
Waaree Energies	~29%	**Mixed.** Even though 29% of their money comes from exports, management proved they don't use the taxed Indian cells for these exports.

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