

SOLAR POWER DEVELOPERS ASSOCIATION

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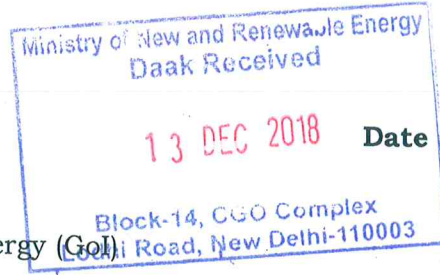
To,

Sh. Anand Kumar, IAS

Secretary

Ministry of New & Renewable Energy (GoI)

CGO Complex, New Delhi



Date 13.12.2018

Subject: IGST (GST) levied on the safeguard duty charges paid by solar power developers on the import of solar modules.

Dear Sir,

This is with reference to imposition of safeguard duty (SGD) vide notification reference no. 01/2018-Customs (SG) dated 30.07.2018 and notification F no. 354/31/2018-TRU (Pt) dated 13.09.2018 on the import of solar cells & modules in India.

Year	Safeguard duty recommended
First Year	Safeguard duty @ 25% ad valorem
Second Year (for first 6 months)	Safeguard duty @ 20% ad valorem
Second Year (for next 6 months)	Safeguard duty @ 15% ad valorem

Entire solar industry has been affected with imposition of SGD as the quantum of 25% duty has caused huge stress on the project cash flows. Solar power developers have been penalised to pay the huge amount of duty from internal funds/resources even for the projects awarded prior to the SGD notification. Further, 5% IGST (GST) is also being levied on the amount safeguard duty.

Copy of actual Bill of Entries filed by developers attached for your kind perusal.

We wish to draw your kind attention that safeguard duty imposed by its inherent nature, is a kind of penalty levied to protect the domestic manufacturing industry from serious injury caused due the imports of solar panels in India. Imposition of SGD is a protective measure and not a supply of goods or services. As we understand that (IGST) GST is a tax on the value of goods & services in India and should not be charged on the penalty/safeguard duty imposed as a specific measure under the trade remedies.

Therefore, we earnestly request MNRE to kindly take up this issue with Ministry of Finance on urgent basis for not levying the IGST (GST) on the SGD and may kindly reimburse the amount of IGST already paid by solar power developers.

We look forward to your kind support in this regard.

Thanking you.

Yours sincerely,



Vinay Kumar
Dy. Secretary General

Enclosure: As above