

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
STARRED QUESTION NO *57
ANSWERED ON – 07.02.2023

LOWER GST ON RENEWABLE ENERGY DEVICES

57. SHRI SUJEET KUMAR:

Will the Minister of **Finance** be pleased to state:

- (a) whether the Ministry would consider a proposal to lower the rate of GST imposed on renewable energy devices, their parts and their manufacture from 12 per cent to 5 per cent;
- (b) if so, the details thereof;
- (c) whether the Ministry is contemplating any scheme to encourage investments by providing tax subsidies in the field of renewable energy devices in line with the goal of reaching the electric power installed capacity from non-fossil fuel-based energy resources by 2030; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF FINANCE
SHRIMATI NIRMALA SITHARAMAN

- (a) to (d): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE RAJYA SABHA STARRED QUESTION NO. 57 RAISED BY SHRI SUJEET KUMAR FOR 7th FEBRUARY, 2023 ON LOWER GST ON RENEWABLE ENERGY DEVICES

- (a) and (b) GST rates are prescribed on the basis of the recommendations of the GST Council. As recommended by the Council in its 45th Meeting the GST rate on specified renewable energy devices such as solar power generators, wind operated electricity generators etc and their parts was raised from 5 % to 12 % in order to correct the inverted duty structure and promote domestic manufacturing of these renewable energy equipment. Council has not made any further recommendation relating to the GST rate on these goods.
- (c) The government has taken many measures in relation to renewable energy devices measures including to promote renewable power in the country.
- (d) Apart from various measures to promote development of renewable energy the Government has taken the following tax related measures with respect to renewable energy devices measures:
- (i) Specified inputs/parts like solar tempered glass, EVA sheet required for manufacture of solar cells and modules have been exempted from basic customs duty.
 - (ii) A concessional basic customs rate of 5% has been provided to parts like special bearings, gear box for manufacture of wind operated electricity generator and input parts/raw materials for manufacture of blades of wind operated electricity generator
 - (iii) Specified renewable energy devices and its parts attract a concessional GST rate of 12% against the standard GST rate of 18%.
