

# **Gst rate on solar power generating system**





## Overview

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Thus, solar structures are taxed at 18% GST. Solar panels: They are made of solar cells and are connected in series. They are made of semiconductor material that converts sunlight into electrical energy. Thus, they are considered solar power based devices and charged at 12% GST. Solar cookers: All.

Consequently, it falls under HSN 8504, which encompasses “Electrical transformers, static converters, and inductors,” and is subject to an 18% tax rate. Solar structures, whether or not they are directly related to solar power generation, are categorized similarly. As such, they are also taxed at.

The GST rates for solar power-based devices and systems have evolved since the introduction of the tax regime in July 2017. The current GST rate structure, effective from 1st October 2021, is as follows: The GST on services related to solar power projects, such as installation and commissioning.

AAAR, Rajasthan has pronounced Appellate Advance Ruling on 11.1.2022, in the case of Utsav Corporation (2022) 37 J.K.Jain’s GST & VR 215. 1. AAAR concluded 18% GST on; Solar Controller Classifying under Chapter Heading 8504 ‘electrical transformers, static converters and inductors’; Structure of.

The GST on solar products has been increased from 5% to 12%. From 1st October onwards all solar products or solar panel systems will attract a GST of 12%. Therefore, in this article, I’ve explained the billing pattern of the on-grid solar panel system and how the tax structure should be on the.

In India, GST (Goods & Services Tax) applies to solar panels, inverters, and



EPC (Engineering, Procurement & Construction) services. These tax rules can be confusing for buyers and businesses. This article answers common questions about GST rates, calculation methods, and recent changes. It also. How much GST does a solar project cost?

All renewable energy devices are taxed at 12% GST. But, if the project includes erection, procurement, and commissioning of a solar generating system, it will fall under 'Works Contract Services'. In this case, 12% GST will be applicable on 70% of the total contract value and 18% on the remaining 30% value.

What is the GST rate on solar power based devices?

On Solar Power Based Devices, a) 5% GST ruled on Goods, where the value of goods is to be taken as 70% of the gross consideration uptill 30.9.2021. However, the rate of tax on goods portion stands increased from 5% to 12%, w.e.f. 1.10.2021. b) 18% GST ruled on Services, where the value of Services is to be taken as 30% of the gross consideration.

Does GST apply to supply of solar power generating system?

Based on these references, it is their contention that supply of these items in different combinations qualifies as supply of solar power generating system and, therefore, the rate of GST applicable to solar power generating system should also apply to supply of such items in different types of combinations.

Are solar panels taxed under GST?

These systems are generally taxed at 12% under the GST regime. This rate applies to all equipment and components used in generating solar power, ensuring consistency in taxation across the sector. Solar inverters, which convert the DC electricity generated by solar panels into AC electricity used by most appliances, are taxed at a GST rate of 12%.

What is the GST rate for solar inverter & battery?

This is considered a composite supply, where the principal supply is the solar generating system. Applicable GST Rate: 12% (6% CGST + 6% SGST) as per the updated rate applicable under Entry No. 234 (post amendment via Notification No. 08/2021-CT (Rate)). (ii) Solar Inverter + Battery – Not a Complete Solar System.

Will 'solar power generator' increase GST?



The term 'solar power generator' in the new notification is restrictive in nature. The stakeholders believe that the increase in GST is only on solar energy equipment and is not intended to increase the GST rates any further. Clarity from the government is sorely needed on this topic.



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### [Opinion] Classification of Solar Power-based Projects ...

1. Classification of solar power-based projects - An ambiguous topic since the inception of GST Classification of solar power-based projects (solar power generating system, solar power pumping system, etc.) have been ...

### GST on Solar Power based devices & System

The appellant has sought advance ruling as to the classification of the goods proposed to be supplied by them and the rate of GST applicable on different types of sale (supply) of such solar energy based products such as ...



### Solar Power Generator HSN Code: GST Rates, ...

What is the HSN Code of Solar Power Generator? HSN (Harmonized System of Nomenclature) codes help classify products for GST and customs purposes. Different types of generators fall under various HSN codes ...

### 18% GST applicable on combination of solar inverter ...

In re M.N. Solar Co. (GST AAR Haryana) AAR held that that the combination of solar panel, inverter, solar battery and charge controller may qualify



as "Solar Power Generating System. If said items are supply in the ...



### [GST Rates & HSN Codes for Solar Rooftop Products](#)

GST Rates and HSN Codes for Solar Rooftop Products in India HSN (Harmonized System Nomenclature) Number and SAC (Services Accounting Code) Number got its place as a new column in invoices for Solar ...

### [GST Rates on Solar Power based devices & System](#)

Our Analysis.- In my view, the rate of GST on Solar water pumping system should be 5% since under entry No.234 of Sch.I, the rate of GST prescribed in specific entry on "Solar Power Generating System" is 5% (2.5% ...



### [Solar Industry Confused About GST Rates and ...](#)

With the increase in GST from 5% to 12% on renewable energy equipment, at the project level, the new effective rate of GST on wind and solar power comes to around 13.8%. The confusion is around the use of the word ...



Supply of solar power generating system as a whole is a

Supply of solar inverter and solar panels together will fall under the definition of 'Solar Power Generating System' or it will be a 'mix supply' and the applicability of GST rate on the supply of

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