

## Effecting date for Safeguard duty on solar cells

Reference: RFP No. MPUVN/GCRT-RESCO 2017-18/1692/Q dated 26/07/2017

FAQ –

Some bidders have raised the concern that GoI notified Safeguard Duty on 30th July, 2018. Hence, it is in force right now, even though its levy has been temporarily stayed by the Department of Revenue through its letter dated 13<sup>th</sup> August, 2018. In case the stay on such duty is vacated by the Hon'ble Court and Department of Revenue after bid submission deadline, the safeguard duty will become applicable from 30th July 2018, which is the date prior to the date of financial bid submission. In such event, would MPUVN provide for adjustment in tariff as per the provision of change of taxes in RfP and PPA?

Answer –

The RfP and the PPA link the adjustment for change in tax/ duty with the date on which such change is effected. The relevant phrase is reproduced below.

*“if any new change in tax/duty and cess is **effected** in the period after the Financial Bid Submission Deadline...” [Emphasis added]*

In the situation mentioned in above query, though Safeguard Duty is announced prior to bid submission date, but on account of GoI's letter dated 13<sup>th</sup> August, it was not “EFFECTED” as on the bid submission date. As envisaged in the query, if the duty is effected after bid submission deadline, the bidder would become eligible for adjustment in bid tariff as per the provisions of ‘Change of Taxes’ as provided in the RfP and the PPA.