



(Regn. No.-121)

U. P. Solar Energy Development Association (यूपीसेडा)

Regd. Off:-17- Bhopal House, Lalbagh, Lucknow-226001 email: upseda2016@gmail.com

No. UPSEDA_738

Dt: 12th -Mar -2021

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To,
Chief Engineer (DSM Cell) / Nodal Officer Solar
Uttar Pradesh Power Corporation Limited
Room No. 305, 3rd Floor, Shakti Bhawan Extension
14-Ashok Marg, Lucknow- 226001 Ph: 2288835

Ref: MNRE Sanction No. 318/331/2017- Grid Connected Rooftop, Dt: 20-08-19 Phase -2 Program

Sub: No TDS to be deducted on the CFA (Central Subsidy) being re-imbursed to the Solar Installers which they have already given to consumer on behalf of MNRE.

Dear Sir / Maam,

With respect to the subject, that as per

“the Hon’ble Supreme Court of India has entailed a consequential amendment in the Finance Act, 2015 with effect from 01-04-2016 which ultimate culminated into the taxing belt with the due insertion of Sub-Clause (xviii) in Section 2(24) of the Income Tax Act, 1961 providing an inclusive definition of the expression ‘Income’ under the taxing law. The relevant portion of Sub-Clause (xviii) is produced below:-

*‘2(24)(xviii) assistance in the form of a **subsidy or grant or cash incentive** or duty drawback or waiver or concession or reimbursement (by whatever name called) by the Central Government or a State Government or any other authority or body or agency in cash or kind to the assessee as subsidy or grant or reimbursement is not Liable under Tax Deducted at source as the LPG subsidy will not be subject to the rigors of taxability as it is for the wellbeing and welfare of the public at large’*

In light of the above order of Hon’ble Supreme Court, we request you to kindly take corrective measures as MVVNL is deducting 2% TDS on the subsidy amount, which is being paid on behalf of consumer to Solar Installer.

A swift action/email as always will be appreciated.

Yours Sincerely

संचित गर्ग- 9415019322

(सचिव -यूपीसेडा)