

No. 5/34/2013-14/RT
Government of India
Ministry of New and Renewable Energy
(Solar Energy Group) .

Block 14, CGO Complex,
Lodhi Road, New Delhi
Dated: 19th November, 2015

NOTIFICATION

Subject: Installation of Grid Connected Solar Rooftop Power Plants – Central Financial Assistance (CFA) of MNRE - regarding.

The Ministry is implementing a 'Grid Connected Rooftop and Small Solar Power Plants Programme' (vide no. 30/11/2012-13/NSM dated 26th June, 2014) in which the solar rooftop plants from 1.0 kWp to 500 kWp capacities are set up. The Ministry has set a target for installation of 100 GW solar power of which 40 GW is to come from grid connected solar rooftop plants.

2. A CFA of the 15% of the benchmark cost was announced vide notification no. 5/34/2013-14/RT dated 03.08.2015 for various categories i.e. residential, institutional, Government and social sector. Now, CFA pattern on the grid connected solar rooftop systems is proposed to be retained as per existing ongoing scheme under implementation vide no 30/11/2012-13/NSM dated 26th June 2014 with following modifications:

- (i) No CFA will be provided for commercial and industrial establishments in the private sector as they are eligible for other benefits such as accelerated depreciation, custom duty concessions, excise duty exemptions and tax holiday. Industrial and commercial electricity tariff for them is usually high and hence these sectors do not need any Government CFA to make solar attractive. Further, whenever they go to the State Regulators for project specific tariff, the tariff depends on whether CFA is availed or not, and the tariff is decided accordingly. Hence, CFA will give no net benefit to the commercial and industrial establishments in the private sector.
- (ii) For all other sectors, the CFA pattern will remain same that is, 30% of benchmark cost for general category States/UTs and 70% of benchmark cost for special category States i.e., North Eastern States including Sikkim, Uttarakhand, Himachal Pradesh, Jammu & Kashmir and Lakshadweep, Andaman & Nicobar Islands.

3. The Domestic Content Requirement (for modules made in India) will be applicable only for those installations where CFA will be provided. No Domestic Content Requirement will be applicable to the commercial and industrial establishments in the private sector where CFA is not applicable.

4. The following benefits are also available for installation of Grid Connected Rooftop and Small Solar Power Plants in the country besides, CFA of MNRE:

- Accelerated depreciation benefits for industrial and commercial buildings
- Custom Duty Concessions and Excise Duty Exemptions
- 10 years tax holiday
- Provision of bank loans as a part of home loan/ home improvement loan



