

Office Memorandum

Subject: - Grant of exemption of Customs & Excise Duty on the procurement of material/ components required for setting up of "Grid connected Roof-top" Solar PV Power Plants - guidelines reg.

The undersigned is directed to say that the Solar Power Developers setting up Grid connected Solar PV projects have been approaching this Ministry for grant of duty benefits to end users for installation of solar system under the notifications issued by Ministry of Finance (Deptt. of Revenue). They have been emphasizing the need to extend the above exemption to all the solar power plants being set up under the Grid Connected projects so as to bring down the cost of Grid projects and thereby the cost of generation.

2. The matter of extending the duty benefits to the Roof-top Grid connected Solar PV Power Plants has been under consideration in this Ministry for some time past. After examination of various issues involved, it has been decided to give Customs & Excise Duty Exemption Certificates (CCDC/ EDECs), with immediate effect, to all Roof-top Solar PV Power Projects up to a minimum capacity of 100 KW as a single project or bundled project. The grid connected projects are those projects where Copy of approval / copy of application for Net metering made by end user, Grid connection feasibility by Utility, Power Purchase Agreement with Utility/Discom is considered. In case of Grid Connected projects the beneficiary is entitled for customs and excise benefits.

3. In case of bundled projects, as special case, Erection Procurement Commissioning (EPC) /RESCO contractor shall apply on behalf of end users/beneficiaries in separate category "Bundling" project in the MNRE web site (<http://164.100.194.45/CCMS>) in form of Bill of Material for approving and issue of Customs & Excise Duty Exemption Certificate (CCDC/ EDEC) and withdraw material for installation of solar PV projects on their behalf. The EPC contractor shall consume the material towards installation of Solar PV systems at beneficiaries locations and commission and complete the details of material withdrawn towards project. EPC shall be given further certificates once he completes 80 % of capacity. The EPC contractor shall give undertaking to MNRE in the format attached wherein he assures that the Self Declaration, Customs Affidavits and Excise Affidavit for each beneficiary/end user shall be submitted to the MNRE against the commissioned project after installation of the projects.

4 In case, the beneficiary or organization has received capital subsidy for setting up a **Roof-top Solar PV Power Plant**, they will furnish copy of the approval letter sanctioning subsidy for each plant.

5. In case, the beneficiary or organization who are not receiving any capital subsidy for setting up a **Roof-top Solar PV Power Plant**, EPC contractor shall provide Bank Guranty of amount equivalent to exemption value.

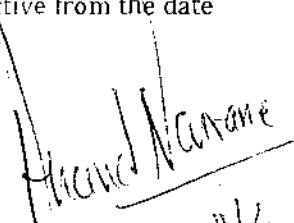
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6. The Details of procedure to be followed for approving Bundling category of cases is as follows:

- a. The Execution and Procurement Contractor (EPC contractor)/RESCO operator who intends to bundle the proposals to cumulative capacity of minimum 100 KW shall register in MNRE system in bundling category.
- b. Users name and password shall be forwarded from the system to EPC contractor.
- c. The total bill of material for execution of bundled Solar PV projects shall be submitted by the EPC along with the documents as mentioned in check list(through online process) **(Annex I)**
- d. The EPC contractor/ RESCO operator shall give undertaking in the prescribed Performa. **(Annex III)**
- e. The BOM shall be forwarded to Chartered Engineer for verification.
- f. Ministry shall scrutinize the application & subsequently approve the BOM.
- g. The EPC contractor shall make partial withdrawal up to 50 % of sanctioned capacity from approved BOM.
- h. The EPC shall install systems at locations mentioned.
- i. EPC contractor shall enter the details of beneficiary of each SPV System installed in the MNRE Portal in the **(Annex II)** and submit along with self-declaration/ Customs Declaration of each beneficiary on line with digital signature/ aadhar verification.
- j. EPC shall enter details of systems of at least 80% of material procured and then apply for further release.
- k. Generate certificate for subsequent partial withdrawal.
- l. After completion of projects, Reconciliation report & completion report shall be submitted by EPC contractor within 3 Months.
- m. Further, no BOM for new projects shall be approved for EPC contractor if reconciliation report for old projects.

7. As regards the date of applicability, this simplified procedure shall be effective from the date of issue of this O.M.

8. This issues with the approval of the Competent Authority.


(Anand Narvane) 11/4
Scientist E
11 April 2017

- 1 All State Nodal Agencies/ Power/ Energy Departments.
2. Joint Secretary (TRU), Department of Revenue, Ministry of Finance, New Delhi
3. Solar Power Developers Association, New Delhi
- 4 Copy to:- 1. PSO to Secretary, MNRE
5. PPS/PS to JS&FA/JS(SV)/Advisor (NSM)
6. All Group Heads, MNRE
6. Dir. (NIC) for uploading it on MNRE Website
7. Guard file