

भारत सरकार/ Government of India

नवीन और नवीकरणीय ऊर्जामंत्रालय /Ministry of New & Renewable Energy

Block 14, CGO Complex, Lodi Road,
New Delhi-110003, Dated.28th November, 2014

Office Memorandum

Subject: - Grant of exemption of Excise Duty on the procurement of material/ components required for setting up of “Roof-top” Solar PV Power Plants (not connected to grid) – guidelines reg.

The undersigned is directed to say that the Solar Power Developers setting up Off-Grid Solar PV projects have been approaching this Ministry for grant of duty benefits 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 Off-Grid so as to bring down the cost of Off Grid projects and thereby the cost of generation.

2. The matter of extending the duty benefits to the Roof-topSolar PV Power Plants (not connected to grid) has been under consideration in this Ministry for some time past. After examination of various issues involved, it has been decided to give Excise Duty Exemption Certificates(EDECs), with immediate effect, to all Roof-topSolar PV Power Projects upto a minimum capacity of 100 KW as a single project or a bundled project. Sufficient manufacturing capacity has been created in domestic market to meet the market of off-grid projects. Therefore, to encourage the domestic manufacturing, only Excise Duty Exemption Certificates(EDECs) will be issued by the designated officer of this Ministry forRoof-top off-Grid Solar PVPower Projects.

3. The procedure which is indicated in this Ministry’s previous OMs of even number dated 17 January 2013, 1st July 2013 & 10th Sept. 2013 shall also be applied, *mutatis mutandis*, for issue of certificates for Excise Duty Exemption (EDE) to all Roof-topSolar PVPower Projects. Copies of the aforesaid OMs are available on the Ministry’s website www.mnre.gov.in. However, since some of the new formalities are to be completed specially for issue of the certificates to Roof-topoff-grid projects, a separateand simple procedure and the application/BoM formats have been prepared and **enclosed** for issue of Excise Duty Exemption Certificate (EDEC). All the developers who want to set up Roof-topSolar PVPower Plants and desire to avail the duty benefits for those plantsshall, henceforth, submit the applications/BoM **online** in the **enclosed** formats, to this Ministry, through concerned State Nodal Agency after duly signed by the Chief Executive Officer of the Solar PV Project and duly certified by the empanelled Chartered Engineer, along with the following documents:-

- (1) Details of Roof Area, with proof of possession of Roof/location/site for setting up Roof-topSolar PV PowerPlants. It includes lease agreement, copy of building ownership, etc.
- (2) Chartered Accountant’s Certificate on the estimated project cost, with detailed break-up;
- (3) (a) Application/BoM duly signed by the Chief Executive Officer of the project;
- (b) Application/BoM duly certified by the empanelled Chartered Engineer with its Stampshowing name, address, member no., date and institution chartered with;
- (c) Application/BoM duly recommended & signed by the SNA, with office Seal;

- (4) Detailed Project Report (DPR);
- (5) Copy of EPC Contract or Agreement, if applicable.
- (6) Single Line Diagram (SLD)/ Detailed Drawings with justification of requirement of cable; Module mounting structures, Inverter, etc.
- (7) One Affidavit in the prescribed format, with self-certification only and **not on Stamp Paper**. Format is available on MNRE website.

4. The Bill of Material (BOM) shall be submitted to MNRE **online**. Once the BOM has been approved by MNRE and uploaded on the MNRE's portal <http://164.100.194.45/ccms>, the developer should generate excise duty exemption certificate **online** and submit the hard copy thereof in duplicate, after duly signed in ink, and also certified by the empanelled Chartered Engineer, direct to the MNRE along with the copy of purchase order of the item for which exemption certificate is sought.

5. In case, the project developer 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 that plant.

6. For submitting the Application for BoM **online**, all the Project Developers/ Agencies shall follow "Guidelines for online submission of Total Bill of Material & Application" available on MNRE's website. The URL address for online registration is <http://164.100.194.45/ccms> for obtaining Login ID & Password.

(K.G. Suresh Kumar)

Under Secretary to the Govt. of India
Phone: 24360707/Extn. 1912

To

1. All State Nodal Agencies/ Power/ Energy Departments/Channel Partners.
2. Under Secretary, TRU, Deptt.of Revenue, Ministry of Finance, New Delhi
3. CII, New Delhi/ ASSOCHAM, New Delhi/ FICCI, New Delhi
4. CMD, IREDA, New Delhi
5. CEO, NVVN, Scope Complex, New Delhi
6. Managing Director, Solar Energy Corporation of India, D-3, 1st Floor, A-Wing, Religair Building, Distt. Courts Saket, New Delhi-110017.
7. The Prime Minister's Office, South Block, New Delhi.

Copy to:-

- 1.PS to Minister, NRE
- 2.PSO to Secretary, MNRE
3. PS to JS&FA/PS to Dy.Secy.(Fin.)
- 4.All Group Heads/JS(TK)/JS(VJ)
5. Dir.(NSM) / Sci.F.(AKT)/Sci.E.(GP)/ Sci.D(SKS)
- 6.Dir. (NIC) for uploading this on theMNRE Website
- 7.Consultant(NSM) /US(NSM)
8. Hindi Section for Hindi version.

(K.G. Suresh Kumar)

Under Secretary to the Govt. of India

PROCEDURE FOR ISSUE OF EXCISE DUTY EXEMPTION CERTIFICATE FOR AVAILING EXCISE DUTY BENEFIT FOR ROOF-TOP SOLAR POWER PLANTS

- I(a) The application for **TotalBill of Material** may be generated online in the format at **Annexure B1** & hard copy thereafter duly signed may be submitted to the concerned **State Nodal Agency (SNA)**, by the project developers at least 1 month prior to seeking Excise Duty Certificate (EDEC), duly certified by the empanelled Chartered Engineer. The concerned SNA shall then forward the same with its recommendations to the Ministry of New & Renewable Energy for approval.
- (b) At this stage, the developers would be required to submit all basic documents, as mentioned under para 3 of this Ministry's OM No.30/42/2011-12/NSM, dated ____September 2014, to the concerned SNA, along with the **TotalBill of Material** duly certified by the empanelled Chartered Engineer (list of empanelled Chartered Engineer is available on MNRE website);
- (c) In case, the project developer has received capital subsidy for a **roof-top off-grid solar PV power plant for which he is seeking duty benefits**, he will furnish copy of the approval letter sanctioning subsidy for that plant.
- (d) The concerned SNA shall forward the above documents and application for **TotalBill of Material** to the Ministry of New & Renewable Energy (MNRE) after verification.
2. Excise duty exemption certificate will be issued to all **roof-top** solar power projects upto a minimum capacity of 100 KW as a single project or a bundled project. Sufficient manufacturing capacity has been created in domestic market to meet the market of off-grid projects. Therefore, to encourage the domestic manufacturing, only excise duty exemption will be extended to roof-top off grid solar power projects.
3. Excise Duty Exemption Certificate (EDEC) shall be issued by MNRE for each Purchase Order. The proposal for EDEC may be submitted to MNRE through empanelled Chartered Engineer who shall certify the quantity with respect to the approved **TotalBill of Material** and also having regard to the provisions/conditions of Excise Notification No.15/2010-Central Excise dated 27th February 2010 which was amended vide Notification No.26/2012-Central Excise, dated 8th May 2012, and No.15/2014-Central Excise dated 11th July 2014, issued by Ministry of Finance (Deptt. of Revenue). In the event of any excess quantity with respect to **TotalBill of Material**, the empanelled Chartered Engineer shall certify the excess quantity clearly endorsing the reasons for such increase. The EDEC is to be generated online and the hard copy thereof is to be submitted, in duplicate, after duly signed in ink by the Chief Executive Officer of the project and the empanelled Chartered Engineer, to MNRE. Project Developer must enclose a copy of purchase order (PO) of the item being procured, for which the excise duty exemption certificate (EDEC) is sought.
4. Government of India's notifications, as referred to above, require MNRE only to certify the quantity that needs to be exempted and that the exempted goods are intended to be used for specified purpose.
5. Upon achieving commercial operation, the project developer shall submit a reconciliatory statement in the prescribed format available on MNRE website, for all equipment/material or items procured under MNRE's Certificates with respect to **Total Bill of Material**.

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APPLICATION FORMAT FOR “TOTAL BILL OF MATERIAL”

[TO BE FILLED BY PROJECT PROMOTER/DEVELOPER AND FORWARDED, IN TRIPLICATE, TO MNRE THROUGH THE CONCERNED STATE NODAL AGENCY (SNA)].

Application format for submission of “Total Bill of Material” for grant of excise duty benefits to Project Developers by MNRE for initial setting up of Solar Power generation project or facility. This application needs to be submitted **online** by Developers, **with all necessary documents**, to the concerned SNA, who shall forward the application & other documents, to MNRE, upon verification of details under Part-A below.

Part-A: Project Details

1.	Name, address, phone, fax, email of the Chief Executive Officer of the project along with corporate office including registered/branch office	
2.	Location of the project (Flat/Building/House No. Village, Taluka, District, State) Details of roof area with proof of possession to be enclosed	
3.	Type of power project being installed	Photovoltaic
4.	Capacity of power project being installed (KW)	___KW
5.	(i) Total cost of project as appraised by FI/certified by Chartered Accountant (ii) Term loans sanctioned, if any (copy of loan agreement/loan sanction order to be enclosed)	
6.	Project schedule/status: (i) Expected date of commissioning (ii) Present status	
7.	Whether any subsidy has been received for this project? If so, please enclose copy of approval letter or sanction order.	

Part B: Total Bill of Material of items/machinery required for setting up of a Roof-top Off-grid Solar PV Power Plant

Items mentioned hereunder should be within the machinery, including prime movers, instruments, apparatus and appliances, control gear and transmission equipment and auxiliary equipment (including those required for testing and quality control), only required for initial setting up of a solar power generation project or facility as per Notification No. 15/2010-Excise dated 27/02/2010 & amended vide notification no.26/2012-Central Excise dated 08.05.2012 and No.15/2014-Central Excise dated 11th July 2014.

Sl. No.	Description of Items	*Quantity	Specification	Excise duty exemption (EDE) to be availed (Yes/No)
Solar block				
1.				
2.				
3.				

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Battery Storage System / Powerblock				
1.				
2.				
3.				
Measuring Instruments				
1.				
2.				
3.				

*Quantity should be mentioned in Nos./Units/Kgs/Kmtrs/MTs/and not in undefined terms such as Lots/Sets/ etc.

**Signature and Seal of Chief Executive Officer
Of the Project**

It is certified that I am not an employee of the *Solar Power Project Developer/*Company doing EPC for this project/*Ministry of New and Renewable Energy.(* Strike out whichever is not applicable)

Duly verified and certified by theempanelled Chartered Engineer

Name:

Address:

Name of Institution Chartered with:

Ref. No.& Date of membership:

Recommendation of the concerned State Nodal Agency (SNA) with Name, Date, full address and official seal.

Signature.....

Name of the signatory.....

Full office address.....

Date.....

Official seal.....

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EXCISE DUTY EXEMPTION CERTIFICATE

Part A. (TO BE FILLED BY PROJECT PROMOTER/DEVELOPER - IN DUPLICATED)

[Format for issue of certificate for grant of Excise duty exemption to manufacturers for machinery, including prime movers, instruments, apparatus and appliances, control gear and transmissions equipment and auxiliary equipment (including those required for testing and quality control) equipments and components required for initial setting up of a solar power generation project or facility as per Ministry of Finance, Department of Revenue Notification No. 15/2010–Central Excise dated 27th February, 2010 and amendment Notification No.26/2012-Central Excise, dated 8th May 2012 and No.15/2014-Central Excise dated 11th July 2014.]

Ref. No. -----

Date: -----

Project: ----- (Roof-top Off-grid Solar PV and Capacity)

Location: -----(Flat/Building/House No./Institution/Village Panchayat/ name of Village, Taluka, District & State)

Date of submission of **Total Bill of Material** to MNRE: -----

1. Project Authority Certificate:

I, -----, Chief Executive Officer of ----- (Name of the Project developer) am duly authorized to issue the Project Authority Certificate. I hereby certify that M/s ----- (Name of the supplier/contractor) have been awarded a contract for supply of goods of quantity and description, as mentioned below, for onshore supplies against Purchase Order No. ----- Dated ----- (Copy of Purchase Order and specifications of the equipment are **enclosed**).

Package Name/Description: -----

Sl. No.	**Name and Description of Items	*Quantity	Price	Specification
1.				
2.				
3.				
...				
...				
...				

*Quantity should be mentioned in Nos./Units/Kgs/Kmtrs/MTs/and not in undefined terms such as Lots/Sets/ etc.

Name & description of items should match the name and description mentioned in the P.O. and **Total Bill of Material.

Certified that:

- a. The above items of machinery and components being supplied/ procured would be utilized for initial setting up of a **Roof-top off-gridsolar power generation project** or facility for ____ kW capacity at Flat/Building/House No./ Institution/Village Panchayat _____ at village ----- district----- State____ for use of power by _____(villagers/house-owners or others).
- b. The above goods are eligible for exemption from duties of excise leviable under the Ministry of Finance's Notification no. 15/2010 dated 27/02/2010 *and amendment Notification No.26/2012-Central Excise, dated 8th May 2012, &No.15/2014-Central Excise dated 11th July 2014*, and any subsequent amendments/clarifications issued thereafter.
- c. The said goods shall be used in the said ----- (Name of the Project) of -- ----- (Name of the developer) only and not for any other use.
- d. In the event of non-compliance of the above, I undertake to pay the duty which would have been leviable at the time of clearance of goods, but for this exemption.
- e. Statement indicating utilization of above materials/components and parts procured from various manufacturers/ suppliers, will be submitted to MNRE in the prescribed format, within 60 days of commissioning of the project.
- f. No other similar certificate to any other party has been issued for the same supplies as detailed above, under the same P.O. referred to above.

Signature

Name:

Designation: Chief Executive Officer

Place:

Name of Project Company /**Organisation/Agency**:

Date:

Office Seal:

Part-B

2. Certificate of Empanelled Chartered Engineer:

I have examined the applicant company's requirements of new materials, components etc. with regard to their technical description/specification and the quantity against each item of manufacture and having regard to **proper technical norms of consumption** and after technical scrutiny of DPR and relevant designs and drawings, I hereby certify that they are correct in all respects and are actually required for the execution of the ----- kW **Roof-top off-grid solar power generation project** at Flat/Building/House No/ Institution/Village Panchayat _____ at Village----- Taluka ----- District-----State-----.

It is also certified that I am not an employee of the *Solar Power Project Developer/*Company doing EPC for this project/*Ministry of New and Renewable Energy. (* Strike out whichever is not applicable)

The above mentioned items and respective quantities are in compliance with **TotalBill of Material** submitted to MNRE on _____ (date). (Please furnish a separate item-wise justification in case the quantity indicated is higher than the quantity mentioned in the **TotalBill of Material**)

Signature:

Name in Block Letters:

Designation:

Address:

Place:

Name of institution chartered with:

Date:

Ref. no and date of membership:

File No. _____

Part C

3. Certificate by an officer not below the rank of Deputy Secretary to Government of India in the Ministry of New & Renewable Energy (MNRE):

It is certified that the goods as mentioned in para '1' above indicating the quantity, description and specifications thereof, are required for initial setting up of a **Roof-top Off-grid solar power generation project/facility** of _____KW capacity at Village/Town_____, Distt._____, State_____, by M/s _____(name of developer). Grant of exemption is recommended for the stated goods as per applicable notifications mentioned at Part 'A' of this certificate.

Signature: _____

Name: **A.N. Srivastava**

Designation: **Director**

Ministry of New & Renewable Energy

Office Seal:

Place: New Delhi

Date: _____

To

Asstt. /Dy. Commission of central Excise

_____ (Excise Range/Division/Commissionerate)