

Office Memorandum

Subject:- Grant of exemption of Excise Duty and Concessional Custom Duty on the procurement of material/ components required for setting up of "Mini-Grid & Micro Grid" Solar Photovoltaic Power Plants.

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 Ministry of Finance (Deptt. of Revenue)'s Notifications No. 15/2010-Central Excise dated 27-02-2012 as amended vide Notification No. 26/2012-Central Excise dated 08-05-2012 and also another Notification No. 01/2011-Customs dated 06-01-2011 and No. 21/2012-Customs dated 17-03-2012 which was later amended vide Notification No. 32/2012-Customs dated 08-05-2012. 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 benefits of duty exemption/concessions to the off-grid solar photovoltaic 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 duty exemption certificates, with immediate effect, to all **mini-grids and micro-grid** based solar photovoltaic power projects, irrespective of size, in order to encourage this sector.

3. The procedure which is indicated in this Ministry's previous OMs of even number dated 17 January 2013 and 1st July 2013 shall also be applied, mutatis mutandis, for issue of certificates for Excise Duty Exemption (EDE) or Concessional Customs Duty (CCD) to all **mini-grids and micro-grid** based solar 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 **mini-grid and micro grid solar plants**, a separate and simple procedure and the application/BoM formats have been prepared and **enclosed** for issue of Excise Duty Exemption Certificate (EDEC) or Concessional Customs Duty Certificates (CCDC) for this purpose. All the developers who want to set up **mini-grid and micro grid solar plants** shall henceforth submit the applications/BoM **online** in the **enclosed** formats, to the Director (NSM) in this Ministry, through Channel Partner/System Integrator or State Nodal Agency/ Central Government organizations, as the case may be, after duly signed by the authorized officer of the solar project and Chartered Engineer, along with the following documents:-

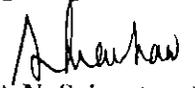
- (1) Details of Land Area, with proof of possession of land/location/site for setting up mini-grid/micro-grid solar plants. It includes lease agreement, copy of building ownership, etc.
- (2) Chartered Accountant's Certificate on the estimated project cost, with detailed break-up.
- (3) Application/BoM duly signed by the Chief Executive Officer of the project or an authorized signatory of the project company;
- (4) Application/BoM duly certified by Chartered Engineer with its Stamp / Member No. and date;
- (5) Application/BoM duly recommended & signed by the Channel Partner/System Integrator or State Govt. Deptt./Designated Agency/SNA/ Central Government organizations, as the case may be, with office Seal;

- (6) Detailed Project Report (DPR);
- (7) copy of EPC Contract or Agreement;
- (8) Single Line Diagram (SLD)/ Detailed Drawings with justification of requirement of cable; Module mounting structures, Inverter, etc.
- (9) Two Affidavits in the prescribed format, on Hundred Rupees Stamp Paper, one each for CCDC and EDEC. Formats are available on MNRE website.

4. The Application and Bill of Material (BOM), duly certified by a Chartered Engineer, shall be submitted to MNRE **online** through Channel Partner/System Integrator or State Nodal Agency/ Central Government organizations, as the case may be. Once the BOM has been approved by MNRE and uploaded on the MNRE's portal <http://164.100.194.45/ccms>, the Channel Partner or System Integrator, etc. should generate exemption certificate **online** and submit the hard copy, after duly signed in ink, and also certified by the Chartered Engineer, direct to the MNRE along with pro-forma invoices of the critical inputs such as solar modules, module mounting structures, invertors, cables, etc..

5. In case, the project developer or Channel Partner/System integrator/SNA/Central Govt. organization has received capital subsidy for setting up a **mini-grid or micro grid solar plant**, they will furnish copy of the approval or letter sanctioning subsidy for that plant, in lieu of the aforesaid documents.

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 for issue of CCDC/EDEC" as contained in this Ministry's OM No.30/20/2011-12/NSM dated 01.07.2013(Copy available on MNRE's website). The URL address for online registration is <http://164.100.194.45/ccms> for obtaining Login ID & Password.


(A.N. Srivastava)
Director
Phone: 24363498

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. Chairman, Solar Energy Corporation of India, New Delhi

Copy to:-

1. PS to Minister, NRE
2. PSO to Secretary, MNRE
3. PS to JS&FA
4. All Group Heads/JS(TK)/JS(AS)
5. Dir.(ANS) /Sci.F.(AR)/ Sci.F.(AKV)/Sci.E(GP)
6. Dir. (NIC) for uploading this on the MNRE Website
7. Concerned office file (SO: NSM)


(A.N. Srivastava)
Director

PROCEDURE FOR AVAILING DUTY BENEFITS FOR MINI-GRID OR MICRO GRID SOLR POWER PLANTS

- I (a) The application for **Total Bill of Material** may be submitted online in the format at **Annexure B1** to the concerned Channel Partner (CP/System Integrator (SI) or **State Nodal Agency (SNA)** / Central Govt. organizations, as the case may be, by the project developers at least 1 month prior to seeking Concession Customs Duty Certificates (CCDC)/ Excise Duty Certificate (EDEC) as the case may be, duly certified by the Chartered Engineer. The concerned CP/SI or SNA/Central Govt. organizations, as the case may be, shall then forward the same to MNRE 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 10th Sept. 2013, to the concerned CP/SI or SNA/Central Govt. organizations, as the case may be, along with the **Total Bill of Material** duly certified by the Chartered Engineer;
- (c) In case, the project developer or Channel Partner/System integrator/SNA/Central Govt. organization has received capital subsidy for setting up a **mini-grid or micro grid solar plant**, they will furnish copy of the approval or letter sanctioning subsidy for that plant, in lieu of the aforesaid documents.
- (d) The concerned CP/SI or SNA/Central Govt. organizations, shall forward the above documents and application for **Total Bill of Material** to MNRE after verification.
2. CCDC, EDEC or both, as the case may be, shall be issued by MNRE for each Purchase Order. The proposal for CCDC/EDEC, along with copy of Purchase Order, may be submitted online to MNRE through empanelled Chartered Engineer who shall certify the quantity with respect to the approved **Total Bill of Material** and also having regard to the provisions/conditions of Excise notifications No.15/2010-Central Excise dated 27.2.2010 and amendment Notification No.26/2012-Central Excise, dated 8th May 2012 and also the provisions of Customs Notifications No.01/2011-Customs dated 06/01/2011 and No.21/2012-Customs dated 17/03/2012 and amendment Notification No.32/2012-Customs, dated 8th May 2012 issued by Ministry of Finance (Deptt. of Revenue). In the event of any excess quantity with respect to **Total Bill of Material**, the Chartered Engineer shall certify the excess quantity clearly endorsing the reasons for such increase.
3. Government of India's notifications, as referred to above, only require MNRE to certify the quantity that needs to be exempted and that the exempted goods are intended to be used for specified purpose.
4. Upon achieving commercial operation, the project developer shall submit a reconciliatory statement for all equipment or items with respect to **Total Bill of Material**.

भारत सरकार / Government of India

नवीनऔर नवीकरणीय ऊर्जा मंत्रालय/ Ministry of New & Renewable Energy

APPLICATION FORMAT FOR “TOTAL BILL OF MATERIAL”

(TO BE FILLED BY PROJECT PROMOTER/DEVELOPER AND FORWARDED, IN TRIPLICATE, THROUGH THE CONCERNED CHANNEL PARTNER (CP) / SYSTEM INTEGRATOR ((SI) OR STATE NODAL AGENCY (SNA) / CENTRAL GOVT. ORGANISATION)

Application format for submission of “Total Bill of Material” for grant of customs and excise duty benefits to Project Developers/Importers 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 CP/SI or SNA/Central Govt. organization, as the case may be, 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 project Promoter/Developer along with corporate office including registered/branch office	
2.	Location of the project (Flat/Building/House No. Village, Taluka, District, State) Details of land area with proof of possession to be enclosed	
3.	Type of power project being installed	Solar Thermal or 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 loan 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	

Part B: Total Bill of Material of items/ machinery required for setting up of a Solar PV/Thermal Power Plant

Items mentioned here under should be within the machinery, including prime movers, instruments, apparatus and appliances, control gear and transmissions 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 01/2011- Customs dated 06/01/2011 and Notification 15/2010-Excise dated 27/02/2010 and MNRE’s OM No. 24/39/2011-12/PVSE dated 21 Dec 2011.

Sl. No.	Description of Items	*Quantity	Specification	Concessional custom duty (CCD) to be availed (Yes/No)	Excise duty exemption (EDE) to be availed
Solar block					
1.					
2.					
3.					
Battery Storage System / Power block					
1.					

2.					
3.					
Power Evacuation					
1.					
2.					
3.					
Measuring Instruments					
1.					
2.					
3.					
Domestic Connection					
1.					
2.					
3.					
Community Lighting, Fans, Communication System, Pumping and other services					
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 Authorised Signatory
of Project Company/Organisation/Agency**

**Duly verified and certified by Chartered Engineer
Name and address of Institution Chartered with:
Ref. No. & Date of membership:**

**Recommendation of the concerned Channel Partner / System Integrator or State Nodal
Agency/Central Govt. Deptt./Organisation, as the case may be, with Name, Date, Place of full
address of the authorized officer of the above concerned Agency, with official seal.**

**Signature.....
Date.....**

भारत सरकार / Government of India

नवीनऔरनवीकरणीय ऊर्जा मंत्रालय/ Ministry of New & Renewable Energy

EXCISE DUTY EXEMPTION CERTIFICATE**Part A.** (TO BE FILLED BY PROJECT PROMOTER/DEVELOPER - IN DUPLICATE)

[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.]

Ref. No. -----

Date: -----

Project: ----- (Solar PV/Thermal 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 Mini grid/ Micro grid solar 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, 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:

Seal:

Part-B

2. Chartered Engineer's Certificate:

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 mini grid/micro grid Solar power generation project at Flat/Building/House No/ Institution/Village Panchayat _____at Village----- Taluka ----- District-----State-----.

The above mentioned items and respective quantities are in compliance with **Total Bill 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 **Total Bill 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 use in the ----- (Name of the Project) of ----- (Name of the developer).

Place: New Delhi
Date: _____

Signature:____
Name: _____
Designation: _____
Ministry of New & Renewable Energy
Office Seal:

To

Asstt./Dy. Commission of central Excise
_____ (Excise Range/Division/Commissionerate)

भारत सरकार / Government of India

नवीनऔरनवीकरणीय ऊर्जा मंत्रालय/ Ministry of New & Renewable Energy

CONCESSIONAL CUSTOMS DUTY CERTIFICATE**Part -A** (TO BE FILLED BY PROJECT PROMOTER/DEVELOPER IN DUPLICATE)

[Format for issue of certificate for grant of Concessional Customs duty to the importers 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. 01/2011-Customs dated 06/01/2011; No.21/2012-Customs dated 17/03/2012 and amendment Notification No.32/2012-Customs, dated 8th May 2012]

Ref No. -----

Date: -----

Project: ----- (Solar PV/Thermal 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/importer) have been awarded a contract for supply of goods of quantity and description as mentioned below for offshore 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	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 imported would be utilized for initial setting up of a Mini grid/micro grid solar power generation project or facility for --- - kW capacity at Flat/Building/House No./Village Panchayat/Institution _____ at village ----- district----- State for use of power by villagers/house-owners/Institution/Village Panchayat or others.
- b. The above goods are eligible for concessional duties of customs leviable under the Ministry of Finance's Notification no. 01/2011 dated 06/01/2011 *No.21/2012-Customs dated 17/03/2012 and amendment Notification No.32/2012-Customs, dated 8th May 2012* and any subsequent amendments/clarifications thereafter.
- c. The said imported 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 amount equal to the difference between the duty leviable on such goods but for the exemption under this notification and that already paid at the time of importation.
- 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 granted for the same supplies as detailed above, under the same contract referred to above.

Signature

Name:

Designation: Chief Executive Officer

Place:

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

Date:

Seal:

Part-B

2.Chartered Engineer's Certificate:

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 import 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 mini grid/micro grid Solar power generation project or facility at Flat/Building/House No./Institution/Village Panchayat _____ at village----- taluka ----- district-----State-----.

The above mentioned items and respective quantities are in compliance with **Total Bill 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 **Total Bill 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:

It is certified that the goods to be imported as mentioned in Para '1' above indicating the quantity, description and specifications thereof are required for use in the -----
(Name of the Project) of ----- (Name of the developer).

Place: New Delhi
Date: _____

Signature
Name:
Designation:
Ministry of New & Renewable Energy
Seal:

To

Asstt./Dy. Commissioner of Customs
_____ Port/Airport