

No. 24/39/2011-12/PVSE

भारत सरकार/ Government of India

नवीन और नवीकरणीय ऊर्जा मंत्रालय / Ministry of New & Renewable Energy

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Block-14, CGO Complex, Lodhi Road,  
New Delhi, dated 21<sup>st</sup> Dec. 2011

**Office Memorandum**

Subject:-Excise Duty Exemption for procurement of "Transmission Equipment" for initial setting up of a Solar power generation projects – clarification reg.

The undersigned is directed to say that a request was received from a solar power project Developer for issuing Excise Duty Exemption Certificate for procurement of 'Transmission Equipment' required for initial setting up of a solar power generation project or facility in Rajasthan. Some of the power project developers in Rajasthan were required to lay transmission lines from their plant to the power sub-station on their own cost. The matter was examined in this Ministry in the context of Excise Notification No.15/2010-Central Excise dated 27 Feb.2010 which provides for exemption on transmission equipments for initial setting up of a solar power generation project. However, since the transmission lines are built primarily for connecting the solar power project to the CTV/STU system and actually located outside the project area, a clarification was sought from the Ministry of Finance, Deptt. Of Revenue (Tax Research Unit) whether such a transmission line which is actually located outside the project area, can be considered as part of solar power generation project or facility and be eligible for duty concession.

2. The Ministry of Finance, Department of Revenue (TRU) *vide* their OM No.354/263/2011-TRU, dated 8<sup>th</sup> Nov. 2011 (copy enclosed), has informed that Notification No.15/2010-CE dated 27 Feb.2010 provides for exemption, besides other goods, on transmission equipments, required for initial setting up of a solar power generation project or facility. In this context, they have clarified that-

- (i) The exemption would be available to transmission equipment wherever the contractual obligation for installing transmission lines/equipment up to the point of delivery is cast on the solar power developer; and
- (ii) It would be available only for initial setting up or installation.

3. State Nodal Agencies are requested to bring the above clarification to the notice of all concerned.



(Prem Chand)

Under Secretary to the Govt. of India  
Phone No.24360707/ Extn.1023.

To

All State Nodal Agencies

Copy to :- Director (NIC) for uploading the above OM on MNRE website.

F.No.354/263/2011-TRU  
Government of India  
Ministry of Finance  
Department of Revenue  
(Tax Research Unit)

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New Delhi, dated 8<sup>th</sup>, November, 2011

OFFICE MEMORANDUM

**Subject: Application of M/s Viraj renewable Energy Pvt. Ltd. Mumbai for issue of excise duty exemption certificate (EDEC) for procurement of items required for setting up of a 5MW capacity SPV power project at Vill. Rawra, Phaladi, Jodhpur District (Raj).**

The undersigned is directed to refer to letter F. No. 24/39/2011-12/PVSE dated 6<sup>th</sup> September on the above subject.

2. In the said letter, CBEC was requested to clarify whether transmission lines built primarily for connecting the solar power project to the CTV/STV system and actually located outside the project area can be considered as part of solar power generation project or facility and will be eligible for exemption of excise duty, as requested by the aforesaid power project developer.

3. The matter has been examined. Notification No. 15/2010-CE dated 27<sup>th</sup> February, 2010 provides for exemption, besides other goods, on transmission equipments, required for initial setting up of a solar power generation project or facility. In this context, it is clarified that-

- (i) The exemption would be available to transmission equipment wherever the contractual obligation for installing transmission lines/equipment up to the point of delivery is cast on the solar power developer; and
- (ii) It would be available only for initial setting up or installation.

  
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(Yogendra Garg)  
Director (TRU)

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Ministry of New and Renewable Energy  
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Director  
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