

F. No. 354/94/2011 –TRU (Pt)
Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

North Block, New Delhi
Dated the 26th of February, 2018

To

The Principal Chief Commissioner/Chief Commissioner/ Principal Commissioner/
Commissioner of Central Excise and Central Tax (All) / Director General of Systems

Madam / Sir,

Subject: Consideration of mega power policy benefits in proportion to the long term PPA tied up in case of provisional mega power projects – regarding

Certain specified goods such as machinery, apparatus, instruments, cables, components or raw material supplied to specified mega power projects, including the projects with provisional mega power status, were exempted from central excise duty *vide* entry No. 338 under notification No. 12/2012-Central Excise, dated the 17th March, 2012 (as amended). In case of provisional mega power projects this exemption was subject to furnishing of a security [in the form of a Fixed Deposit Receipt or Bank Guarantee from any scheduled bank for a term of 126 months] for an amount equal to the central excise duty payable but for the said exemption. The notification provided for release of security on furnishing of final mega power status certificate.

2. However, with advent of GST, notification No. 12/2012-Central Excise, dated the 17th March, 2012 has been superseded *vide* notification No. 11/2017-Central Excise, dated the 30th June, 2017 and the said entry No. 338 has been omitted, except as respects things done or omitted to be done before such omission.

3. With the approval of the competent authority it has been decided to proportionately release the Fixed Deposit Receipt or Bank Guarantee in case of such provisional mega power projects, as per the proportionate mega certificate [Mega Power Certificate (Proportional)] issued by the Joint Secretary to the Government of India in the Ministry of Power, Government of India.

4. In view of the above, it is hereby directed that in the case of provisional mega power projects, the security in the form of Fixed Deposit Receipt or Bank Guarantee lying with the jurisdictional Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, as the case may be, with regard to aforesaid central excise duty exemption, may be released proportionately as per the proportionate mega certificate [Mega Power Certificate (Proportional)] issued by the Joint Secretary to the Government of India in the Ministry of Power, Government of India.

5. The field formations may take necessary action in order to give effect to the decision on the above lines.

6. If any difficulty is faced, the same should be brought to the notice of the Board.

Yours faithfully,

(Geelani Basha K.S.M.)
Technical Officer, TRU