

F.No.201/08/2015-CX.6
Government of India
Ministry of Finance, Department of Revenue
Central Board of Excise and Customs
New Delhi

Dated, the 20th October, 2015

To

Principal Chief Commissioner / Chief Commissioner of Central Excise (All),
Principal Commissioner of Central Excise / Commissioner of Central Excise (All),
Web-master, CBEC
Madam/sir,

Subject: - Clarification regarding tower and blades constitute an essential component of Wind Operated Electricity Generators (WOEG)-reg.

A large number of references have been received from the trade as well as the field formations to clarify whether exemption Notification No. 12/2012-Central Excise, dated 17.03.2012 covers part/components of Wind Operated Electricity Generators (WOEG). References have been received in relation to tower, tower doors, blades and electrical boxes.

2. The matter has been examined. In the aforesaid notification serial no. 332 read with List 8 exempts Wind operated electricity generator, its component and parts thereof including rotor and wind turbine controller from Central Excise duty. In this regard, attention is invited to the judgement of Hon ble Supreme Court dated 13th August, 2015 in case of M/s Gemini Instratech Vs Commissioner of Central Excise, Nashik in Civil Appeal No. 1218 of 2006, wherein Hon ble Apex Court (while deciding the eligibility of wind mill doors and electrical boxes of WOEG for exemption) has held that-

"It is not in dispute that as far as windmill doors or tower doors are concerned, it is a safety device which is used as security for high voltage equipments fitted inside the tower, preventing unauthorized access and preventing entries of reptiles, insects, etc, inside the tower. This, according to us, would be sufficient to make it part of electricity generator. We further find that this was so held by the Commissioner of Central Excise and Customs, Raipur in order in original dated 28.02.2005 as well as by the Commissioner (Appeals), Raipur vide his orders dated 10.02.2003. The said orders were accepted by the Revenue as it is recorded by the CESTAT that the Revenue could not produce any evidence to show that those orders were challenged by it. Further, since the tower is held as part of the generator, door thereof has to be necessarily a part of the generator. We, therefore, are of opinion that there is no case of interference made out by the Department.

The appeal is accordingly dismissed"

3. Ministry of New and Renewable Energy had earlier clarified to CBEC on the subject that the following are parts of Wind Operated Electricity Generators.

i) Tower: which supports the nacelle and rotor assembly of a wind operated electricity generator.

ii) Nacelle: which consists of gear-box, generator, yaw components, flexible couplings, brake hydraulics, brake calipers, sensors, nacelle plate, nacelle cover and other smaller components.

iii) Rotor: consists of blades, hub, nosecone, main shaft, special bearings.

iv) Wind turbine controller, nacelle controller and control cables.

4. In view of the judgement of Hon ble Supreme Court and clarification received from the administrative ministry, parts/components referred in Para 3 above may be treated as parts and components of wind operated electricity generators eligible for exemption under serial no. 332 of Notification No. 12/2012-Central Excise, dated 17.03.2012.

5. For any clarification regarding parts and component of WOEG, not covered in para 3 above, opinion of Ministry of New and Renewable Energy would be sought by the Board, if required. Issues relating to exemption of parts and components of WOEG not covered in para 3 above may be referred to Board through the Chief Commissioner concerned, if required.

6. Difficulty experienced, if any, in implementing the circular should be brought to the notice of the Board. Hindi version would follow.

(Santosh Kumar Mishra)
Under Secretary to the Government of India