

## GENERAL EXEMPTION NO. 187

**Exemption to specified goods required for initial setting up of a project for generation of power using non-conventional materials:**

[Notfn. No. 81/05-Cus., dt. 8.9.2005, as amended by 116/10, 13/14, 22/16].

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts all items of machinery, including prime movers, instruments, apparatus and appliances, control gear and transmission equipment, and auxiliary equipment (including those required for testing and quality control) and components, required for or generation of compressed bio-gas (Bio-CNG) using non-conventional materials, namely, agricultural, forestry, agro-industrial, industrial, municipal and urban waste, bio waste or poultry litter, falling under any Chapter of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when imported into India, from so much of the duty of customs leviable thereon which is specified in the said First Schedule as is in excess of 5% *ad valorem*, subject to the following conditions,-

- (i) the importer produces to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, a certificate, from an officer not below the rank of a Deputy Secretary to the Government of India in the Ministry of Non-Conventional Energy Sources to the effect that the goods are required for or generation of compressed bio-gas (Bio-CNG) using non-conventional materials, namely, agricultural, forestry, agro-industrial, industrial, municipal and urban waste, bio waste or poultry litter and the said officer recommends the grant of this exemption;
- (ii) in the case of projects for the generation of power, the importer proves to the satisfaction of the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, that there is a valid power purchase agreement between the importer and the purchaser, for the sale and purchase of electricity generated from the non-conventional materials, for a period of not less than ten years from the date of commissioning of the project; and  
Provided that this condition shall not apply to the power generation projects promoted by State electricity boards or corporations which are notified by the respective State Governments as the State Transmission Utility and Licensee.

Provided further that this condition shall not apply to the power generation projects based on municipal and urban waste, if the importer proves to the satisfaction of the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, that there is a valid agreement between the importer and urban local body for processing of municipal solid waste for not less than ten years from the date of commissioning of project.

- (iii) the importer furnishes an undertaking to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, that such imported goods will be used for the purpose specified and in the event of his failure to comply with this condition, he shall be liable to pay, in respect of such goods as is not proved to have been so used, an 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.

