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SECTION 3, SUB SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 5 / 2017- Central Excise

New Delhi, the 2nd February, 2017

G.S.R. (E).-In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts all items of machinery, including instruments, apparatus and appliances, transmission equipment and auxiliary equipment (including those required for testing and quality control) and components, required for,-

- (a) initial setting up of fuel cell based system for generation of power or for demonstration purposes; or
- (b) balance of systems operating on bio-gas or bio-methane or by-product hydrogen,

so much of the duty of excise leviable thereon which is specified in the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), as is in excess of 6% *ad valorem*, subject to the following conditions, namely:-

(1) before the clearance of the items from the factory, the manufacturer produces to the Deputy Commissioner of Excise or the Assistant Commissioner of Central Excise, 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 New and Renewable Energy recommending the grant of this exemption and the said officer certifies that the items are required for,-

- (a) initial setting up of fuel cell based system for generation of power or for demonstration purposes; or
- (b) balance of systems operating on bio-gas or bio-methane or by-product hydrogen;

(2) the manufacturer furnishes an undertaking to the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction to the effect that the said items shall be used for the purposes as specified above and, if the manufacturer fails to fulfil this condition, he shall pay the duty which would have been leviable at the time of clearance of items, but for this exemption.

2. Nothing contained in this notification shall apply to said items after the 30th day of June, 2017.

[F.No.334/07/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India