Circular No.70/2002-Customs
25th October, 2002

F.No.528/74/2002-CUS (TU)
Government of India
Ministry of Finance & Company Affairs|
Department of Revenue
(Tariff Unit)

Sub: Eligibility of materials for laying synthetic athletic track and wooden flooring system for indoor stadia under notification No.146/94-Cus. - Reg.

I am directed to refer to the subject mentioned above and to say that a doubt has been raised as to whether material for laying athletic synthetic track and wooden flooring system for indoor stadia imported on behalf of the Sports Authority of a State Government for national games are eligible for duty exemption under notification No.146/94-Cus., dated 13.07.94 or under notification No.21/2002-Cus., dated 1.3.2002. The raw materials imported for laying synthetic athletic track are stated to be Regupur 012 Wearcoat, SBR/EPDM Gummigranulat, Acrylic Resurfacer, Methylene Chloride, Line Paint A Compound, Aluminium Rails, Sporting Tools, Insulation Tools. The wooden flooring system for indoor stadia is stated to consist of wooden strips of various sizes, grooved and sawn, paint, nails, adhesives, etc.

2. Notification No.146/94-Cus., exempts sports goods, sports equipment and sports requisites and their spares, accessories and consumables, imported by a National Sports Federation, under a certificate issued by the Sports Authority of India or by Sports Authority of India or by the Sports Authority of concerned State for use in a national or international championship or competition. Notification No.21/2002-Cus., Sl.No.391 exempts synthetic tracks and artificial surfaces of heading 95.06 provided they are imported under the "scheme for laying synthetic tracks & artificial surfaces" of the Department of Youth Affairs & Sports and a certificate to this effect from the said Department is produced. This notification vide Sl.No.392, also exempts, specified goods for laying of synthetic tracks and artificial surfaces of heading 9506 provided the goods are imported by a National Sports Federation under a certificate issued by the Sports Authority of India or by Sports Authority of India for use in a national or international championship. This notification vide Sl.No.393 further exempts requisites for games and sports falling under Chapter 95 provided the apex body of that sport or the Sports Authority of the concerned State certifies that the requisites for games and sports are required to be used in a national or international championship or competition.

3. The matter has been examined by the Board. After a careful consideration of the matter it has been decided by the Board that the said goods, i.e., goods mentioned in paragraph 1 above may not get covered by notification No.21/2002-Cus., but the benefit of notification No.146/94-Cus., would be available. The crux of the matter is whether the aforesaid goods can be considered as sports requisites to be eligible for benefit of notification No.146/94-Cus. The dictionary meaning of word "requisite" is a thing which is necessary for achievement of a specified end. Therefore, any item required for playing any game/sport is a requisite for sports. Synthetic tracks and artificial surfaces being essential for playing sports/games are, undoubtedly sports requisites. It follows that the material required for laying them would also be sports requisites. The said items imported for laying of synthetic track and wooden flooring are essential for playing games and are therefore captured by the term `sports requisites" mentioned in notification No.146/94-Cus. Even if a contrary view is taken that these items by themselves are not sports requisites, they would fall in the category of consumables relating to sports requisites. In either case, exemption benefit would be available. The exemption provided under notification No.146/94-Cus., is wide enough to include all kinds of sports requisites falling within any chapter of the Customs Tariff and therefore, exemption may not be denied to such goods merely on a technical ground or taking a narrow meaning of the term sports requisite.

4. In fine, it is clarified that the goods listed in paragraph 1 above would be covered by notification No.146/94-Cus. The Custom Houses may kindly take note of the same and decide the pending cases. Difficulties, if any faced in the implementation of above instructions may be brought to the notice of the board.

Please acknowledge receipt of this Circular.