Circular No. 15/2017- Customs

F.No.450/10/2017-CusIV
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
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Room 227B, North Block
New Delhi, the 19th April, 2017

To,

All Principal Chief Commissioners/Chief Commissioners of Customs/ Customs (Preventive)
All Principal Chief Commissioners/Chief Commissioners of Customs & Central Excise
All Principal Commissioners/Commissioners of Customs/Customs (Preventive)
All Principal Commissioners/Commissioners of Customs & Central Excise

Sir/Madam,

Subject: Rescinding Board Circular F. No. 528/213/87-Customs (TU) -reg.

Attention is invited to Board Circular F. No. 528/213/87-Cus. (T.U.) ICD dated 08.08.1987. In the said circular, Board had stipulated that once a contract is registered either for initial setting up or for substantial expansion of an existing plant etc, the imports made become classifiable under the heading 9801 of the customs tariff liable to duty at the project rate. Such goods forming part of the contract and assessed under CTH 9801 lose their identity and cannot be classifiable on merits under any other heading of the Customs Tariff. Hence any differential rate of duty prescribed by exemption notification on individual goods (other those for goods specifically covered under CTH 9801) will not come into play for the assessment of project goods. However, Supreme Court has not accepted this view and has allowed benefit of individual notifications even for imports assessed under CTH 9801.

In view of the above position, Board has decided to rescind the said circular. Therefore, Circular F. No. 528/213/87-Cus. (T.U.) ICD dated 08.08.1987 is rescinded.

Yours faithfully,

(Zubair Riaz)
Director (Customs)