Circular No.41/2002-Cus.

17th July, 2002.

F.No.528/94/2001-CUS (TU)

Government of India

Ministry of Finance

Department of Revenue

(Central Board of Excise & Customs)

Subject: Eligibility of Cash Dispensers under notification No.21/2002-Cus., Sl.No.272. - Reg.

I am directed to invite your attention to the subject mentioned above and to say that a doubt has been raised as to whether cash dispensers can be allowed the benefit of notification No.21/2002-Cus., Sl.No.272 which prescribes a concessional rate of duty of 15% on Automatic Teller Machines (ATMs).

2. The matter has been examined. It is found that the office equipments referred to above are understood separately and have distinct functions. Cash Dispensers are basically machines which can only dispense cash at the valid request of the customers of the bank while ATMs are more sophisticated machines which not only dispense cash but also perform other banking transactions like depositing cash, collecting cheques, bill payments, fund transfers etc. In common banking parlance too, both these equipment are understood separately and have distinct and separate functions. While an ATM can also dispense cash with the help of a cash dispensing mechanism a Cash Dispenser cannot function as an ATM and has limited scope. Therefore, it is clarified that though both Cash Dispensers and Automatic Teller Machines are appropriately classifiable under CTH 8472.90 as office machines, only ATMs are eligible for benefit of concessional rate of duty under notification No.21/2002-Cus.

3. Please acknowledge receipt of the Circular. Any difficulty faced in implementation of the same may kindly be brought to notice of the Board.

C. P. Goyal

Senior Technical Officer

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