Circular No. 18/96
dated 26/3/96

F.No. 528/22/96-CUS. (TU)

Government of India
Ministry of Finance
Department of revenue, New Delhi

Subject : Applicability of Notfn. No. 66/94-Cus, dated 1.3.1994 to goods imported for renovation/ modernization of **Ammonia Plant.**

I am directed to say that doubts have been expressed regarding applicability of Notification No. 66/94- Cs. dated 1.3.94 exempting equipment's/ apparatus etc. imported for renovation or modernisation for a "fertiliser plant" to goods imported for the "ammonia unit" of the said plant on the ground that (i) "ammonia unit" exists separately in its own right and even in the absence of such a unit, fertiliser plant can operate by procuring ammonia from external sources; (ii) The technologies of manufacturing urea and ammonia are altogether separate and distinct; and (iii) where intention is to exempt goods imported for these kind of units also, the term used in the notification (like 90/94/ Cus. dt. 1.3.1994) is 'Project's

2. The matter has been examined and it is clarified that the term "fertiliser plant" will not only include that unit where the finished end product, viz., fertiliser is produced, but all the other units also which are engaged in the production of intermediate products for captive consumption. Accordingly, it is hereby clarified that the ammonia unit producing ammonnia for captive consumption will fall under the scope of "fertiliser plant" and machinery/ equipment required for the renovation or modernisation of this unit will also be entitled for the benefit of the exemption contained in the Notification No. 66/94-Cus. Pending cases of assessment may kindly be finalised on the basis of the clarification.

Sd/-
(V.K. Singh)
Senior Technical Officer

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