

Circular No. 28/2004-Cus., dated 6-4-2004

F.No. 525/15/2003-Cus.(TU)

Government of India

Ministry of Finance (Department of Revenue)

Central Board of Excise & Customs, New Delhi

Subject : Extension of benefit of Notification No. 51/96-Cus., dated 23-7-1996 on goods imported by Private Colleges - Regarding.

I am directed to say that divergence of practice have been brought to the notice of the Board regarding the extension of benefit of Notification No. 51/96-Cus., dated 23-7-1996 on goods imported by private colleges.

Notification No. 51/96-Cus., 2. dated 23-7-1996 allows levy of concessional rate of duty @ 5% on the import of scientific instruments, apparatus, equipment and spare parts when imported by public funded research institutions and non-commercial research institutions that are registered with the Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology. The said notification allows benefit of concessional rate of duty when the goods are imported **either directly by or for delivery** to the eligible categories of importers.

In the case under reference to 3. the Board, benefit of Notification No. 51/96-Cus., dated 23-7-1996 was claimed. However, the importing college itself was not registered with DSIR; the importer submitted copy of 'Certificate of Registration' issued by DSIR to the University, with which the importer was affiliated. The concerned Customs Commissionerate denied the benefit of the said Notification on the ground that the condition of the notification stating that the importer has to produce registration with the DSIR, was not fulfilled.

However, it is intimated that 4. DSIR has issued a clarification, dated 28-10-1998 (copy enclosed) [Not printed] mentioning *inter alia*, that -

- (i) henceforth, the privately funded/managed colleges will not be given registration by DSIR and if any college holds such registration it ceases to be valid beyond 31-8-1998.
- (ii) as regards privately funded/managed colleges which are affiliated to Universities, it has been decided with the approval of Hon'ble Minister (HRD and S&T) that Universities to which these colleges are affiliated will issue essentiality certificates on case to case basis (for each item) to these colleges for equipment, spares, accessories, consumables exclusively required for a research purposes only

Attention is also drawn to 5. Board's Circular No. 27/2003-Cus., dated 2-4-2003 [2003 (153) E.L.T. T52] where it has been clarified that benefit of concessional rate of duty under the said notification (51/96-Cus.) has to be allowed even in those cases where imports are made by importers other than the institutions specified in column (2) against Sl. No. 1 of the Table, provided such imports are made for delivery to an institution specified in the notification.

In the instant case, the 6. concerned university had issued essentiality certificate in respect of the equipment in question. Also, the university was entitled to import these equipments at concessional rate of duty either directly or indirectly for its use. Hence, it can be considered that, on the strength of the essentiality certificate issued by the eligible institution (the University), benefit could be extended, as the items were for use by the University (in the laboratory/premises of the affiliated college).

Therefore, it is hereby 7. clarified that where a claim of benefit under Notification No. 51/96-Cus., dated 23-7-1996 is made by a privately funded College or educational institution, that is not a public funded research institution or non-commercial research institution, the benefit of notification can be considered on the basis of essentiality certificate issued by the University to which the said college or educational institution is affiliated, on case to case basis, provided that the said University falls under the eligible category of importers under the said Notification.

Field formations may finalise 8. the pending assessments, if any, accordingly.

Please acknowledge receipt of 9. this circular.

Hindi version will 10. follow.

Valuation (Customs) — Barging/Lightorage charges includable in assessable value under Customs Rule 9(2)(a)