

OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT),

JAWAHARLAL NEHRU CUSTOM HOUSE,

NHAVA SHEVA.

File No. S/12-Gen- 02/2006-07 AM

(X) Date. .08.2006

STANDING ORDER NO. 33 /2006

Sub : Levy of special additional duty of customs (CVD) @ 4%

under Duty Free Credit Entitlement (DFCE) Schemes reg.

Attention of all concerned is invited to Board's Circular No. 20/2006-Cus. Vide F. No. 605/44/2006-DBK dated 21.07.2006 regarding Levy of special additional duty of Customs (CVD) @ 4% under Duty Free Credit Entitlement (DFCE) Schemes.

The Board's Circular No. 18/2006-Cus dated 05.06.2006 clarified that in the case of imports under export promotion schemes like DEPB, Target Plus, Served from India, DFCE and Vishesh Krishi and Gram Udyog Yojana, the exemption from basic customs duty, additional duty (CVD) and special cvd in terms of respective customs notifications shall be available if the element of these duties is debited in the duty scrips / entitlement certificates issued under these schemes.

2. In this connection, it has been brought to the notice of the Board that in case of imports under DFCE Scheme under notification Nos. 53/2003-Cus. dated 01.04.2003 and 54/2003-Cus. dated 01.04.2003 the exemption from the additional duty is restricted to the duty leviable on the imported goods under sub-section (1) of Section 3 of the Customs Tariff Act, 1975 and that there is no exemption available in respect of special CVD of 4% which is leviable on the said goods under sub-section (5) of Section 3 of the said Customs Tariff Act. Therefore, the special CVD cannot be paid through the scrips issued under the said scheme. A view has been expressed that in such cases (imports under these two notifications) the importer needs to pay the special CVD in cash and take refund of the same where eligible through cenvat or drawback, as the case may be.

3. The matter has been examined by the Board. It is noted that under Notification Nos. 53/2003-Cus dated 01.04.2003 and 54/2003-Cus. dated 01.04.2003 governing imports under DFCE Scheme, the exemption from the additional duty is restricted to the duty leviable under sub-section (1) of Section 3 of the Customs Tariff Act, 1975 whereas, in all other

notifications dealing with imports under DEPB, Target Plus Scheme etc. the duty exemption is available for the whole of the additional duty leviable under section 3 of the Customs Tariff Act (which would also include the special CVD leviable under sub-section (5) of the said section). As this special CVD of 4% is not exempt under the aforesaid notifications, the same can not be debited through the scrips issued under DFCE Scheme. It is clarified that in all such cases (i.e. imports under DFCE under these notifications) the importer shall have to pay the special CVD in cash. Needless to mention, the Cenvat credit or drawback (brand rate), as the case may be, can be claimed in respect of this duty.

The Standing Order No. 20 / 2006 dated 13.06.2006 issued from this Custom House stands amended to the above extent.

All concerned are directed to follow the above guidelines scrupulously.

(H.O. TEWARI)

COMMISSIONER OF CUSTOMS (EXPORT),

JAWAHARLAL NEHRU CUSTOM HOUSE,

NHAVA SHEVA.

Authority:

Circular No. 20/2006-Cus. 21st July, 2006

Issued from F.NO.605/44/2006-DBK.