

**OFFICE OF THE COMMISSIONER OF CUSTOMS (IMPORT),  
JAWAHARLAL NEHRU CUSTOM HOUSE, SHEVA,  
TAL. : URAN, DISTT. : RAIGAD, MAHARASHTRA 400 707.**

**F. No. S/22 GEN -104 /2006 APPRG(M) (IMP/JCH) Date :- 27.09.2006**

**PUBLIC NOTICE NO.58/2006**

**Sub :- Levy of special additional duty of customs (CVD) @ 4% under Duty  
Free Credit Entitlement (DFCE) Scheme Reg.**

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1. Attention of the trade is invited to [Boards Circular Nos.18/2006-Cus](#), dated 05.06.2006 on the above subject. Wherein it has been 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 items 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.

( NAJIB SHAH )

COMMISSIONER OF CUSTOMS(IMPORT)

J.N.C.H.