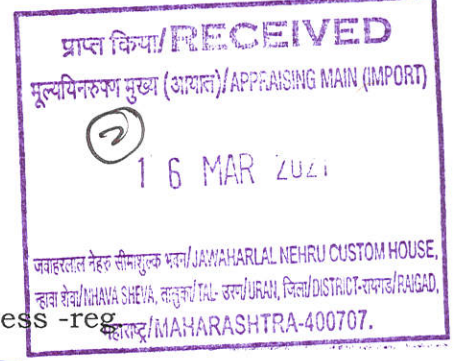


**मुख्य सीमाशुल्क आयुक्त कार्यालय, मुंबई अंचल-II**  
OFFICE OF THE CHIEF COMMISSIONER OF CUSTOMS, MUMBAI ZONE-II,  
जवाहरलाल नेहरू सीमाशुल्क भवन, JAWAHARLAL NEHRU CUSTOM HOUSE,  
पोस्ट: शेवा, ता.-उरण, जिला-रायगड, महाराष्ट्र। POST: SHEVA, TAL. URAN, DIST- RAIGAD, MAHARASHTRA-400707.  
दूरभाष / Tel No.: 022- 27244736; फ़ैक्स/ Fax: 022-27243242

F. No. S/V-30-Misc-196/2018-19/CCO M-II (F Cell) Pt II

Date: 05.03.2021

To,  
The Pr. Commissioner/ Commissioner of Customs,  
NS-General, NS-I, NS-II, NS-III, NS-Audit & NS-V,  
JNCH, Nhava Sheva.



Sir,

Subject: Alert Circular No. 05/2021; Payment of Health Cess -reg

Please find enclosed email 12.03.2021 received from PCA Section, NCTC, Mumbai enclosing Alert Circular No. 05/2021 dated 11.03.2021 issued vide F.No. IV(28)/13/2021 RMCC by Additional Director General, NCTC, Mumbai on the above mentioned subject.

I have been directed to forward the said alert for information & further necessary action please.

Yours faithfully,

*Ratna Kumar*

(M. Ratna Kumar)

Joint Commissioner of Customs (In-situ)

Encl: As above.

Copy to:-

- (1) The Dy. / Asst. Commissioner of Customs, Appg. Main (I), JNCH,
- (2) The Dy. / Asst. Commissioner of Customs, Appg. Main (X), JNCH,
- (3) The Dy. / Asst. Commissioner of Customs, Preventive (General), JNCH,
- (4) The Dy. / Asst. Commissioner of Customs, Audit (Admin), JNCH.

*AO (GM)*  
*17/3*

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**Fwd: Payment of Health Cess - reg.**

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**From :** DC CCU JNCH <dccccu-jnch@gov.in>  
**Subject :** Fwd: Payment of Health Cess - reg.  
**To :** HITESH NA <hitesh.c091601@gov.in>

Fri, Mar 12, 2021 05:43 PM

1 attachment

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**From:** "ADC CCCU JNCH" <adccccu-jnch@gov.in>  
**To:** "U Kumar NIRANJAN" <commr-ns1@gov.in>, "S K Vimalanathan" <commr-ns3@gov.in>, "Rajesh Kumar Mishra" <commr-ns5@gov.in>, "Sunil Kumar Mall" <commr-ns4@gov.in>  
**Cc:** "Sunil Mall" <sunilk.mall@gov.in>, "Vimala Nathan S.K" <vimala.nathan67@gov.in>, "RAJESH KUMAR MISHRA" <rk.mishra70@gov.in>, "Niranjan Ummareddy" <niranjan.u@gov.in>, "DC CCU JNCH" <dccccu-jnch@gov.in>  
**Sent:** Friday, March 12, 2021 5:10:43 PM  
**Subject:** Fwd: Payment of Health Cess - reg.

Sir,

Please refer to trail emails for n/a. NS-IV Commissionerate is also requested to look into past BEs/cases.

Regards,

Additional Commissioner  
CCCU, Nhava Sheva.

---

**From:** "Rajiv Talwar" <chiefcom@jawaharcustoms.gov.in>  
**To:** "ADC CCCU JNCH" <adccccu-jnch@gov.in>  
**Sent:** Friday, March 12, 2021 3:51:52 PM  
**Subject:** Fwd: Payment of Health Cess - reg.

Please circulate to Import commissioners.  
Audit commr can see for past also.

Begin forwarded message:

**From:** PCA.Rmcc@icegate.gov.in  
**Date:** 12 March 2021 at 13:10:56 IST  
**To:** CCU Customs Ahmedabad Zone <ccu-cusamd@nic.in>, CCU Customs Bengaluru Zone <ccu-cusblr@nic.in>, CCU Customs Chennai Zone <ccu-cuschn@nic.in>, CCU Customs Delhi Zone <ccu-cusdel@nic.in>, "CCU Customs Prev. Delhi Zone" <cccpdz-cbec@nic.in>, CCU Customs Kolkata Zone <ccu-cuskoa@nic.in>, CCU Customs Mumbai Zone I <ccu-cusmum1@nic.in>, CCU Customs Mumbai Zone II <ccu-cusmum2@nic.in>, ChiefCommissionersUnitCustomsMumbai-III ChiefCommissionersUnitCustomsMumbai-III <ccu-cusmum3@nic.in>, "CCU Customs Prev. Patna Zone" <ccu-cuspatna@nic.in>, "CCU Customs Prev. Trichy Zone" <ccuprev-custrichy@nic.in>, "CC Office, Cochin" <cccocchin@nic.in>, HYDERABAD CUSTOMS <commr-cushyd@nic.in>, GOA CUSTOMS COMMISSIONERATE <commr-cusgoa@nic.in>, PrincipalCommissioner CustomHouseVisakhapatnam <prcomm1-cusvzg@gov.in>, NOIDA NOIDA <commr-cusnoida@nic.in>, Commissioner of Customs ACC Export Mumbai <commr-cus4mum3@nic.in>, Rajiv Talwar <chiefcom@jawaharcustoms.gov.in>, Commissioner <commr@cochincustoms.gov.in>, "Dr. K. Venkat Ram Reddy" <commr.cpc-ap@gov.in>, Noida Customs <noida-customs@gov.in>, COMMISSIONER MUNDRA <commr-cusmundra@nic.in>, cus.ldh@gov.in, indorecustoms18@gmail.com, Sarbeswar Nayak <commrprev-cusbbsr@nic.in>, cusbbsr1@gmail.com, AUDIT COMMISSIONERATE GUWAHATI <commradt-cexshlng@nic.in>, custtech2016@gmail.com, commr-cexpune1@gov.in  
**Cc:** DG Audit <dg.audit-cbec@nic.in>, DGARM DELHI <dgarm-cbec@gov.in>, JS CBIC <jscus@nic.in>  
**Subject:** Payment of Health Cess - reg.

Respected Sir,

Please find attached Alert on the above mentioned subject.

Regards,

PCA section  
NCTC, Mumbai

Confidential



OFFICE OF THE PRINCIPAL ADDITIONAL DIRECTOR GENERAL  
NATIONAL CUSTOMS TARGETING CENTRE  
DIRECTORATE GENERAL OF ANALYTICS AND RISK MANAGEMENT MUMBAI  
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS

13, SIR VITHALDAS THACKERSEY MARG, OPP PATKAR HALL, NEW MARINE LINES, MUMBAI –  
400 020

Tel Nos.: 2206 1003, 2206 1006, 2219 5100, 2219 5101

FAX No.: 2206 1014

F. No.IV(28)/13/2021 RMCC

Date: 11.03.2021

**Alert Circular No.05/2021**

**Subject :-Payment of "Health Cess" – reg.**

The levy of Health Cess on imported medical devices was introduced vide Finance Bill 2020 dated 2.2.2020. As per clause 139 of Finance Bill 2020, Health Cess, on the goods specified in the Fourth Schedule has been levied at a rate of 5% of the value of the goods. The goods covered under the said Fourth Schedule are all goods falling under headings 9018, 9019, 9020, 9021 and 9022 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

2. However, the levy of Health Cess has been exempted in specified cases vide Notification No. 08/2020-Customs dated 02.02.2020

3. As per Sno.3 of the said notification, the following goods are exempted:-

*All goods covered under S. Nos. 216, 216A, 561, 562, 564, 565, 566, 567, 568, 570, 571, 573, 574, 578, 578A, 580 and 581 of the Table annexed to the Notification No. 50/2017-Customs, dated the 30th June, 2017.*

4. NCTC has carried out an analysis of levy of Health Cess on the past import transactions. The exemption from levy of Health has been granted only to goods covered under S. Nos. 216, 216A, 561, 562, 564, 565, 566, 567, 568, 570, 571, 573, 574, 578, 578A, 580 and 581 of Notification No. 50/2017-Customs. This exemption is, therefore, not available to other goods of headings 9018, 9019, 9020, 9021 and 9022 covered under other S.No (for e.g., S.No 563A) of Notification No. 50/2017-Customs.

5. Data analysis has revealed various instances wherein importers had claimed basic duty exemption under S.No.563A of Notification No. 50/2017-Customs for goods of headings 9018, 9019, 9020 and 9021 and had also simultaneously claimed Health Cess exemption under S.No.3 of Notification No. 08/2020-Customs. The claim of Health Cess exemption under S.No.3 of Notification No. 08/2020-Customs is apparently incorrect since the exemption from levy of Health has been granted only to goods covered under S. Nos. 216, 216A, 561, 562, 564, 565, 566, 567, 568, 570, 571, 573, 574, 578, 578A, 580 and 581 of Notification No. 50/2017-Customs and not for goods covered under S.No.563A. Further study of sample data indicated that Health Cess exemption amounting to approximately Rs 2.5 crores had been claimed on goods having assessable value of Rs 50 crores.

6. Additionally, it has been noticed that importers had claimed basic duty exemption under S.No.563A for goods of headings 9018, 9019, 9020 and 9021, but evidence of payment of Health Cess is not noticed in the system. Health Cess exemption claims under Notification No. 08/2020-Customs was also not found, since the field for the Health Cess exemption notification has been left blank. Accordingly, Health Cess is payable in all such cases where basic duty exemption had been claimed under S.No.563A of Notification No. 50/2017-Customs for goods of headings 9018, 9019, 9020 and 9021. Study of Sample data indicated that Health Cess exemption amounting to approximately Rs 1.3 crores had not been paid on goods having assessable value of Rs 26 crores.

7. Thus, based on the available data from the period from 03.02.2020 to 28.02.2021, the total Health Cess exemption claimed is approximately Rs 3.8 crores on the goods having assessable value of Rs 76 crores. The details of sample Bills of entry (Customs location-wise) in which Health Cess was not paid is appended herewith, where applicable. It is requested to examine the said cases and take necessary action to recover the non-levied Health Cess, interest etc. from respective importers. Above study was done on a sample data, hence it is possible that the Health Cess exemption may have been claimed at other locations apart from those found in the sample data. Therefore, an appropriate exercise may be undertaken at all relevant Customs locations to ascertain the actual quantum of Health Cess exemption wrongly claimed including IGST, interest etc. and initiate necessary steps for the recovery.

8. It is requested that recoveries, if any, made in this regard may kindly be informed to this office for information and further analysis.



(P.N.PANDEY)  
Additional Director General  
NCTC, Mumbai.

**Copy to :-**

1. All Chief Commissioners of Customs.
2. Principal Director General, DGARM, 10th Floor, Tower II, Jeevan Bharti Building, 124 Connaught Circus, New Delhi 110001
3. DG Audit, C. R. Building, I.P. Estate, New Delhi 110109
4. JS, Customs, CBIC, North Block, New Delhi 110001