

F. No. 609/38/2019-DBK
Government of India
Ministry of Finance, Department of Revenue
Central Board of Indirect Taxes & Customs

New Delhi, dated 12th May, 2020

To,
All Principal Chief Commissioners / Principal Directors General and
Chief Commissioners / Directors General
under CBIC

Madam/Sir,

Subject: Incidence of National Calamity Contingent Duty (NCCD) for calculation of Brand Rate of duty drawback.

Please refer to Board's Instruction No. 4/2019- Customs dated 11.10.2019 clarifying the position regarding Education Cess, Secondary and Higher Education Cess, Social Welfare Surcharge, Clean Environment Cess (erstwhile Clean Energy Cess) and Stowage Excise Duty levied on inputs used in the manufacture of export goods with regard to their incidence for the purpose of calculation of Brand Rate of duty drawback

2. Subsequent to the above, representations have been received in the Board seeking inclusion of the incidence of National Calamity Contingent Duty (NCCD) levied on the inputs used in the manufacture of export goods in calculation of Brand Rate of duty drawback.

3. The matter has been examined keeping in view the relevant statutory provisions, Customs and Central Excise Duties Drawback Rules, 2017 and Board's Instruction No. 4/2019- Customs dated 11.10.2019. NCCD is levied under Section 136 of Finance Act, 2001 as a duty of excise and under Section 134 of Finance Act, 2003 as a duty of customs. These legislations respectively inter-alia provide that provisions of Central Excise Act, 1944, Customs Act, 1962 and rules and regulations made thereunder including those relating to refunds, exemptions etc. shall apply to this levy. Section 75 of the Customs Act, 1962 allows drawback of duties of customs chargeable under the Act. Section 12 of the said Act provides for levy of duties of customs at such rates as may be specified under the Customs Tariff Act, 1975 or any other law for the time being in force. NCCD is also taken into account in the calculation of All Industry Rates of duty drawback by the Drawback Committee.

3.1 It is, therefore, clarified that the incidence of NCCD where applicable, is required to be factored in calculation of Brand Rate of duty drawback.

4. Field formations are requested to deal with applications for fixation of Brand Rate of duty drawback accordingly.

5. A suitable Trade Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any, in implementation of the instruction may be immediately brought to the notice of the Board. Hindi version shall follow.

Yours faithfully,

(Anand Kumar Jha)
Joint Commissioner (Drawback)
Tel: 23365535