



**Government of India
Ministry of Commerce and Industry
Department of Commerce
New Delhi**

Public Notice No. 52/2004-2009

Dated 11th February, 2005

In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy, 2004-2009, the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures (Vol. I) :-

1. In Para 4.19, the following addition shall be made :

“The following SEZs shall also be one of the specified ports for import and export under this paragraph :

SEZ Santacruz, Kandla, Kochi, Vishakhapatnam, Chennai, FALTA, Surat, NOIDA”

Sd/-

(K. T. CHACKO)

Director General of Foreign Trade

[File No. 01/92/180/034/AM05/PC.II]

**Government of India
Ministry of Finance
Department of Revenue
New Delhi**

Circular No. 5/2005-Cus.

Dated 31st January, 2005

All Chief Commissioners of Customs

All Chief Commissioners of Customs & Central Excise

All Commissioners of Customs/Customs (Prev.)/Customs & Central Excise/Central Excise

DG, CEIB, New Delhi

DG, Central Excise Intelligence/DGRI DG (Export Promotion)/DGI/DG NACEN DG (Systems & Data Management),

Chief Departmental Representative, Customs, Excise & Service

Tax Appellate Tribunal, West Block-2, R.K. Puram, New Delhi

Levy and collection of 2% Education Cess on imports under various Export Promotion Schemes

The undersigned is directed to invite your attention to the above mentioned subject and to say that a doubt has been raised as to whether 2% Education Cess is to be levied on the imports cleared under Advance Licence, DFRC, EPCG and DEPB Schemes.

2. The matter has been examined by the Ministry. The Education Cess imposed in the last Budget is leviable @ 2% of the aggregate duties of Customs (except safeguard duty under Section 8B and 8C, countervailing duty under Section 9 and anti-dumping duty under Section 9A of the Customs Tariff Act, 1975) on all items imported into India. Imports against Advance Licences are exempt from all duties of Customs and, therefore, it follows that Education Cess at 2% would not be leviable on such imports. In the case of imports under DFRC, the additional duty of Customs is payable and, therefore, Education Cess is also payable. On the same principle, Education Cess is also payable in case of imports under EPCG Scheme under which the goods attract a concessional duty of 5%. However, in the case of imports under DEPB Scheme the position is slightly different. As per the notifications governing imports under DEPB Scheme, the basic duty and additional duty are exempt subject to the condition that the duties leviable on the goods are debited from DEPB. In other words, in the case of DEPB Scheme, though the imports are governed by an exemption notification, the fact remains that in case of such imports the duty is debited from the DEPB scrip. Therefore, it has been decided that in the case of imports under DEPB Scheme, the Education Cess @ 2% would also be debited from the DEPB scrip.

3. 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 Circular may be brought to the notice of the Board at an early date.

Sd/-

(H. K. PRASAD)

Under Secretary (DBK)

(F. No. 605/54/2004-DBK)