Circular No 41/2004
Dated: June 7, 2004

F. No. 528/32/2004-Cus. (TU)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

Sub: Levy of National Calamity Contingent duty under the Finance Act, 2003

I am directed to say that divergence of practice regarding the levy of National Calamity Contingent Duty (NCCD) on Polyester Texturised Yarn (PTY) and other items has been brought to the notice of the Board.

2. NCCD is charged under Section 136 of the Finance Act, 2003 on specified goods manufactured in India. In respect of imported goods this duty is recovered as CVD.

3. However, as per Section 134 of the Finance Act 2003, the specified goods are separately chargeable to NCCD, when imported.

4. In other words specified imported goods (including Polyester Texturised Yarn - PTY) are chargeable to NCCD twice-once as CVD under section 136 of the Finance Act 2003 and again as Customs duty under Section 134 of the Finance Act 2003. Vide Notification No. 77/2003-Cus. dated 14.5.2003, NCCD collected as CVD (i.e. chargeable under Section 136 of the Finance Act 2003) has only been exempted in respect of imported specified goods. There is no exemption in respect of NCCD, payable as Customs duty on imported goods under Section 134 of the Finance Act 2003.

5. Field formations may finalize the assessments accordingly.

6. Please acknowledge receipt of this circular.

A.K. Prasad
Director (Customs)

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