



दि प्लास्टिक एक्स्पोर्ट प्रमोशन कौन्सिल
(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)

THE PLASTICS EXPORT PROMOTION COUNCIL
(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

13th March, 2020

Shri. L. Satya Srinivas
Joint Secretary (Customs)
Central Board of Indirect Taxes and Customs
North Block
New Delhi

Greetings from THE PLASTICS EXPORT PROMOTION COUNCIL!

Respected Sir,

Subject: Regarding Circular 02/2020-Customs dt 10.01.2020

We are thankful to CBIC board for issuance of circular 02/2020 dt 10.01.20 which clarifies the doubts on levy and collection of Social welfare surcharge (SWS) on imports under various schemes such as Merchandise Exports from India Scheme (MEIS), Services Exports from India Scheme (SEIS) etc. We also appreciate the board's initiatives towards ease of doing business such as e-sanchit, Implementation of automated clearance on All-India basis which will certainly reduce transaction cost and help industry & trade in a great way.

With issuance of subject circular, the matter related to SWS has been resolved, however the circular does not give relief for payment of Education Cess (Edu. Cess), Secondary Higher Education Cess (SHE Cess) under MEIE/SEIS scrips.

We request similar relief for the same on the following grounds: -

1. Education Cess and Secondary Higher Education Cess, were introduced in the Finance Act, 2004 and Finance Act 2007 respectively, replaced by Social Welfare Surcharge which was introduced in the Union Budget 2018-19 (announced on 01.02.2018) vide clause 108 of Finance Bill 2018 and hence it is our plea that a similar relief may be granted.
2. EDI system of Customs dept. did not have a provision for the importer to opt for cash payment for these cesses, until 10.01.20 and by default the scripts were being debited for basic custom duties with cesses/surcharge. Only after 10.01.20, the system was updated for payment in cash.
3. Exporters have already paid the cesses by debiting the MEIS/SEIS duty credit scrips. Now if they are compelled to make payment in cash, then the scripts will either have to be re-credited or fresh scripts would have to be issued. You will appreciate that this lengthy and complicated process involves both customs and DGFT and there is no certainty that exporters would be given recredit or new scrips, particularly where scrips have expired. Thus, asking education cesses to be paid in cash once again will amount to double payment.
4. Moreover, since scripts are freely transferable, original exporter may not have the scrips in his possession.

It is learnt that, some exporters have already been issued Show Cause Notices, under section 28 read with Section 124 of the customs Act 1962 by the Custom department for non-levy / short levy of custom duty for the reason of incorrect debit of Education Cess (Edu. Cess), Secondary Higher Education Cess (SHE Cess), and Social Welfare Surcharge (SWS) in cases of import under MEIS.

In view of the above, we earnestly request the intervention of the board in evaluating this matter and issuing a suitable clarification/ circular which shall benefit the trade. In the current scenario it is extremely important that, exporters should not be asked to pay education cess once again when it is already debited to the MEIS / SEIS scrip.

Your early consideration of this very important matter would be highly appreciated.

Regards,

Sribash Dasmohapatra
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