

OFFICE OF THE COMMISSIONER OF CUSTOMS (IMPORT)

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PUBLIC NOTICE NO. 91 /2009  
**(Referred / amended vide P.N.No. 16/2010)**

Subject : Procedure for refund other than SAD refund Reg.

The following procedure shall be followed for the grant of refunds in the cases other than SAD refund

- 1) The T.A./S.T.A. posted in CRC-I shall receive the applications as per the work allocated to these sections. They shall give a dated stamp acknowledgement either on the forwarding letter of the refund application or on the Importers copy of the application. At this stage the receipt should make it clear that the application has not been scrutinized for its completeness. All these applications received on a particular day shall be put up to the concerned Asstt./Dy. Commissioner for their signature either on the same day or on the next working day. Once these applications signed by the Asstt./Dy. Commissioner, the T.A./S.T.A. shall enter them in the master register maintained for the purpose and assign them the file number. The same file number shall be endorsed on the refund applications. Thereafter, the details of the refund claim shall be entered in a soft version on computer.
- 2) Thereafter, the Examining Officer / Preventive Officer or T.A./S.T.A. shall put up the file to the Appraising Officer / Supdt. (CRC) and, if required, a Deficiency Memo shall be prepared and issued. These applications are required to be scrutinized for their completeness within ten working days of their receipt, for giving acknowledgement by the proper officer as per the Customs Refund Application (Form) Regulations, 1995. Hence, if any deficiency is found in the application or any document is required by the department, the same shall be informed at this stage of initial scrutiny itself within ten working days of the initial receipt. This will avoid any chance for raising repeated queries

to the applicant, in a piece-meal manner and bring certainty in dealing with refund applications.

- 3) Processing of Refund: After completing the above requirements the Examining Officer/Preventive Officer/Appraising Officer / Supdt. Shall scrutinize the refund application found to be complete in all respects by Customs, after scrutiny as above, shall be processed on first-come-first served basis so as to decide whether the whole or any part of the duty and interest paid by the applicant is refundable, in its totality with reference to Notifications, Boards Circulars, Public Notices and other instructions or guidelines on the subject for their admissibility or otherwise with specific remarks/analysis in respect of all aspects of the refund claim viz. the time limit; the merits and the unjust enrichment aspect. Thereafter, the officer shall put up a detail proposal to Asstt./Dy. Commissioner for their perusal and orders. CRC shall also verify from the list of arrears of confirmed demand pending against the applicant so that the same can be recovered or adjusted if the refund amount is found admissible for sanction.
- 4) The Asstt./Dy. Commissioner shall decide the refund claim on merit either by granting the refund or in case, there are infirmities, by rejecting/reducing the claim. The rejection shall not be without giving a Personal Hearing. In either case a speaking order-in-original shall be issued after obtaining a running O-in-O no. from Appraising Main (Import). If the refund amount sanctioned is less than Rs. 50000/-, no O-in-O is required to be issued. However in case of rejection/reduction of claimed amount, order-in-original shall be issued in all cases. The speaking order granting refund of the full or a part of the amount claimed or rejected, should include findings in respect of all three aspects namely the time limit, merit and unjust enrichment of the refund claim. Even if a claim is liable for rejection on one of the grounds, findings in respect of other two grounds should also be elaborated, to avoid repetitive work at various levels. Before issuing the O-I-O the file shall be forwarded to IAD for Pre-audit, if the amount sanctioned is Rs. 5 lakh or more. After Pre-audit, the file shall be forwarded back to CRC-I. The Non-payment Certificate from accounts department is not required before passing the Order-in-original sanctioning the refund. One copy of the Order-in-Original shall be marked to CAO/Cash Deptt., JNCH. The details of orders issued shall be entered in the register maintained for this purpose in CRC section.

- 5) Once the refund is sanctioned by the Aastt./Dy. Commissioner and after issuing the order-in-original, the T.A./S.T.A. shall prepare R.O.(Refund Order) in the prescribed format and submit it to the A.O. / Supdt. for signature. Thereafter, the R.O.s shall be handed over to the applicant or his authorized person or be dispatched by the Speed Post.
- 6) Thereafter AC will mention this fact of refund having been so sanctioned against the particular Bs/E on EDI system, in the Departmental Comments column available in the EDI system. For this purpose out of charge is required to be cancelled by System Manager for these B/Es . Once out of charge is cancelled, Bs/E are to be recalled by the AC and in the Departmental Comments column entries are to be made. In this entry the Refund File No., Refund amount, OIO No. has to be compulsorily mentioned. Thereafter Docks AO will have to give Dummy Out of charge to the B/Es. For this purpose Docks A.O. will be deputed to the Refund Section by the ADC/JC(Docks) and the officer so deputed would visit CRC Section for an hour every day in the fore noon.
- 7) The processing of refund claims, which are found complete in initial scrutiny, will be completed in all respect in CRC within a period of one month.
- 8) Upon issuance of refund order, the file would be forwarded to Accounts Branch for issuance of cheque. In accounts branch, the relevant details would be entered in the Cheque issuance register. Once details are duly entered, CAO would make an endorsement in the said register and issue Cheque Number. Thereafter, ACAO/DOS would verify the arithmetical correctness of refund amount. However, Account section is not required to check the documents like B/E, or any other document which have already been checked by the CRC section. Thereupon, NPC(No Payment Certificate) clerk /TA would check and make necessary endorsement in the challan and the duty payment scroll regarding non-payment of refund earlier. After this, refund cheque and envelope would be prepared by the concerned TA/STA. The cheque would be signed by the CAO and issued the same day. The whole process in the accounts branch would be completed within three working days. The cheque issuance register would be produced on weekly basis to Additional Commissioner in charge of refund section for verification, who would make appropriate endorsement in this regard. After issue of cheque, file will be sent back to the CRC section and CRC section shall complete the Post Audit formalities.

- 9) The procedure as mentioned in para 8 shall also apply mutatis mutandis in SAD Refund case.

(A.K.Das)

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