OFFICE OF THE COMMISSIONER OF CUSTOMS (IMPORT), JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA-SHEVA, TAL : URAN, DIST : RAIGAD, NAVI MUMBAI � 400 707

STANDING ORDER NO. 37/2007

Subject : Payment of Refunds : m/r.

Attention of officers and staff of JNCH is drawn to Board S Circular No. 24/2007-Cus. dated 02.07.2007 regarding delay in sanction of refunds. The said Board circular has been notified vide Public Notice No-39/ 2007 dated 03.10.2007 and is appended below. The officers posted in Central Refund Cell should ensure due compliance to this circular. Assessing groups who have to examine / process refund claims prior to 24.02.2004 as per S.O. No. 04/2007 dated 27.02.2007, shall also ensure the compliance to the above Board Circular. Any problems noticed in implementation of this circular should be brought to the notice of supervisory officers immediately.

2. **ORDER** Classing of customs duty involves acknowledgement and processing of refund application for sanction or rejection of refund in terms of section 27 of the Customs Act, 1962 and the Customs Refund Application (Form) Regulation, 1985. Further, Board have also issued instructions from time to time clarifying the doubts raised by field formations in dealing with the refund claims. (Board s circular No. 59/95-Cus dated 5.6.1995). Needless to say that if these procedures are followed properly, normally refund applications should be disposed off within the interest free time limit of three months.

4.1 **OPENDENTIFY and acknowledgement of all Customs duty refund applications OPENDENTIFY** applications made by any person under section 27 of the Customs Act, whether by post or courier or personal delivery, shall be received by the department and a simple receipt, for having received the application that is said to have been filed as **OPEND** refund application **OPEND** shall be issued immediately. At this stage the receipt should make it clear that the application has not been scrutinized for its completeness.

These applications are required to be scrutinized for the completeness within ten working days of their receipt, for giving acknowledgement by the proper officer as per the Customs Refund Application (Form) Regulation, 1985. 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.

4.4 �����Audit System : Existing instructions on audit scrutiny of refunds shall continue. Accordingly, all applications involving a refund of duty and/or interest of Rs. 5 lakhs or more shall be subjected to pre-audit as per the existing practice. The applications of refund of amount below Rs. 50,000/- may be post audited on the basis of the random selection by Deputy / Asstt. Commissioner (Audit). The selection can be made in such a way that 25 per cent of the refund applications are post audited. The applications of refund for amount between Rs. 50,000/- and Rs. 5 lakhs should be compulsorily post audited. This audit system has been prescribed with a view to check improper sanction and payment of refunds. However, this does not dispense with the verification of the refund vouchers and the re-conciliation of refunds, which shall continue to be done by the Chief Account Officers. However, it may be ensured that where pre-audit is involved the action is completed at the earliest so that the disposal of refund applications is not unduly delayed.

6.1 **ORDER ORDER O**

***** *** *** *** *** ***** The details of refund application such as name of the claimant, file number, date of application, amount of refund claimed, date of its acknowledgement shall be indicated in chronological order by the date of its receipt. The applications may be serially numbered for each year and shall be shown in a single list indicating their respective status distinctly. The illustrative status that could be mentioned for easy understanding of any applicant may include the following : (i) refund application received but pending for scrutiny and ***** acknowledgement (ii) (a) refund application acknowledged for its completeness (ii) (b) refund application found incomplete and returned for rectification of deficiency (iii) (a) refund application rejected by passing a speaking order (iii) (b) refund application sanctioned, pending verification by audit (iv) cheques issued for refunds sanctioned and paid to applicant / credited to

consumer welfare fund. This is not exhaustive and if any other stage of processing of refund application is involved the same may be indicated. An abstract at the end of the month about the total number of refund application received, acknowledgement, disposal and pending may also be indicated.

WWWWW This online data base would enable any person who had applied for refund with Customs, to check the status of his refund application by reference to the date of his refund application have been received by Customs. This data will be accessible to the trade and public as well as by all custom officers to enhance transparency. Further, the status of individual applications for refund of customs duty shall be updated from time to time, at least daily, so that the applicants remain duly informed about the status of their applications. The data may be allowed for displayed in the website for three months period from the date of its final disposal and there after it can be moved to the history data base.

7.1 **ODE** The reasons for the same should be identified by the CRC cell and concerned Chief Commissioner and action initiated for their disposal by reference to the concerned Commissionerate. DGI may also access the database of such refund application and maintain the data in respect of those refund applications pending long period and action taken thereon, for reporting to the Board.

(SANJEEV BEHARI)

COMMISSIONER OF CUSTOMS (IMPORT)