

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

F.No. S/26-Misc-50/07

CRC  
Date : 03/10/2007

**STANDING ORDER NO. 37/ 2007**

**Subject : Payment of Refunds m/r.**

Attention of officers and staff of JNCH is drawn to Board 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.



**4.2 Processing of refund applications and their disposal :** Application of refund found to be complete in all respect 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. If refund is due in such case, an order for refund is required to be passed in terms of sub-section (2) to section 27 or where the claim for refund is found liable to be rejected, as the case may be, a speaking order shall be passed giving complete reasons for the order. Further, in respect of the provisions of unjust enrichment, the order should indicate that this aspect has been examined based on the guidelines, if any, applicable, the order should also contain the findings of adjudicating authority on the documents produced in support of the claim and the basis for determining the amount as either refundable to the claimant or payable to the Consumer Welfare Fund or the claim not being admissible.

**4.3 Issue of Cheque :** Where the refund application has been admitted, whether in part or in full, and claimant is eligible for refund, the Deputy / Asstt. Commissioner of Customs may ensure that payment is made to the party within 3 days of the order passed after due audit, if any. In all such cases refund of amount shall be paid to the applicant by a cheque on the authorised bank with which the sanctioning authority maintains account. After the cheque has been signed, it shall either be delivered to the claimant or his authorised representative personally when he next calls for it or sent to him by Registered Post 'Acknowledgement Due' at Government cost, on the basis of pre-receipt already obtained from the claimant.

**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





**(SANJEEV BEHARI)**

**COMMISSIONER OF CUSTOMS (IMPORT)**