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 वित्त मंत्रालय / Ministry of Finance
 आयुक्त सीमाशुल्क एन.एस.-II का कार्यालय
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E-File No. CUS/9197/2026-DRC

Date: 18-09-2026

Standing Order No.10/2026

Subject: Procedure for monitoring, verification, recovery and closure of cases involving export incentives where export proceeds remain unrealised under FEMA, 1999 and the Customs Act, 1962 — Drawback Recovery Cell, JNCH.

This SOP prescribes a uniform procedure for the Drawback Recovery Cell (DRC), JNCH to ensure consistent, timely processing of alert-revocation, recovery and closure of cases.

A) Monitoring of Pending Realisation & Recovery

- i. Quarterly: Section Admin must extract defaulter IEC list (pending realisation of export proceeds) from AC-DBK role in ICES; and allocate among DRC officers as per charge allocation. Further in light of the review of alerts being carried out as per letter *vide* F. No. DGSYS/APP/ICES/GEN/41/2022 dated 25.05.2026 of DG Systems, priority is to be given to review Type B alerts post 01.07.2017, followed by I-Type alerts.
- ii. Officers to verify pending SBs in AC-DBK & RBI-BRC module; e-mail the pendency list to exporter seeking proof of realisation e-BRCs (for LEO on/after 01.04.2014).
- iii. If no reply is received within 15 days, a reminder may be sent to the party. After 30 days, the officer would initiate action under Rule 18 of the Customs & Central Excise Duties Drawback Rules, 2017, Second Proviso to Section 75(1) and Section 75A(2), Customs Act, 1962 and also propose insertion of alert on file. The alert inserted for this purpose would be Type-I alert only, with the text “*ALERT INSERTED DUE TO NON-REALIZATION OF EXPORT PROCEEDS, WITH APPROVAL OF COMMISSIONER NS II*”. Simultaneously, the DRC section may issue a letter to the jurisdictional GST formation concerned for the withholding or recovery of IGST, as the case may be, from the exporter.
- iv. In case data is submitted by the exporter, NOCs from Drawback Section, SIIB(Export), SIIB(Import), CRRC/TRC and CIU, JNCH must be sought.
- v. Further, UDIN on CA Certificate to be verified on ICAI portal; and e-BRCs on DGFT portal. Discrepancies can be flagged/clarification can be sought from the exporter for correction.
- vi. Determination of recoverable amount must be carried out as per Para C below. Further, the notices and orders issued must be maintained by each officer and submitted to the Admin every month for updating MPR.

B) Alerts as per RBI-caution list

- i. In case of IEC falling under RBI caution list, I-type alert is to be inserted, with following text *"IEC in RBI Caution List. LEO only if there is Advance payment/irrevocable LC"*.
- ii. Further, when RBI De-caution list is received, the alert inserted on account of such caution-list is to be removed. However, the process of verification starting from para A (ii) , must be carried out immediately; if needed, an I-Type alert may be inserted for such recovery.

C) Determination of recoverable amount:

The following cases would occur during the course of reconciliation of export proceeds with FOB value.

- i. **Date of realisation:** At present, date of realisation is not shown in the RBI-BRC module. Verification of this aspect would require reviewing the entire list of SBs pertaining to an IEC including the SBs where the realisation has been effected within the time limit. This would result in unproductive use of the limited manhours available in the DRC cell besides putting the exporters to undue inconvenience of submitting details even in respect of SBs where the export proceeds have been realised in time. Recovery of drawback per se due to delayed realization does not appear to be in consonance with the principle that taxes should not be exported. This adversely affects genuine exporters. Hence, a reference has been made to Board to review the requirement of time limit. Owing to the large pendency of SBs in ICES showing pending export realisation and in order to productively use the limited manhours available in the DRC cell to focus on such SBs, the verification of this aspect may be kept on hold for the present.
- ii. **Short-realisation up to 12.5%:** To prioritize the recovery of drawback on account of actual non-realisation/short-realisation of export proceeds, for the time being, short realization on account of foreign bank charges, agency commission, or any other commission shall be treated as permissible, subject to an overall ceiling of 12.5% of the FOB value, as per Circular No.33/2019-Customs dated 19.09.2019. Documentary evidence need not be insisted upon from the exporter in respect of such deductions till such charges are duly reflected in the RBI BRC module.
- iii. **Short-realisation (beyond 12.5%) or non-realisation:** The admissibility of Drawback, RoDTEP, and RoSCTL shall be determined having regard to the provisions of FEMA, the Customs and Central Excise Duties Drawback Rules, 2017, the applicable CBIC Circulars and the Instructions issued by the Reserve Bank of India from time to time.

It is expected that the above methodology substantially balances the risk to revenue while keeping in view the need for export facilitation and ease of doing business.

D) Removal of alerts

Alerts must be removed, with the approval of Commissioner, when there is no outstanding realization of export proceeds.

The Assistant/Deputy Commissioner of Customs in-charge of the Drawback Recovery Cell shall monitor compliance with this Standing Order.

Digitally signed by
Giridhar Gopalkrishna Pai
Date: 18-09-2026
13:31:23

(Giridhar G. Pai)

**Commissioner of Customs (NS-II),
JNCH, Nhava Sheva**

1. Copy to: Chief Commissioner of Customs, JNCH;
2. All Pr. Commissioner/Commissioner of Customs, JNCH;
3. AC/DC EDI (for website upload); Notice Board.