OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT),
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA.

File No. S/12-Gen- 02/2006-07 AM (X) Date: 31.08.2007

PUBLIC NOTICE NO. 36 /2007

Sub : Applicable date for calculating the interest on excess imports under

Attention of all the Importers, Exporters, CHAs and Members of the Trade is invited to

regarding applicable date for calculating the interest on excess imports under para 4.28 of the
to which the authorisation holder is required to pay customs duty alongwith interest on the
unutilised portion of the imported material in case he is unable to discharge the full export
obligation.

2. A reference has been received by the Board seeking clarification regarding the manner in
which the interest is to be calculated, especially in cases where the imports have taken place at
two or more different dates and there is a partial failure in fulfilment of the export obligation. A
doubt has been raised whether the applicable date for calculating interest in such cases would be
the date of first imports or the date of last imports.
3. The matter has been examined by the Board. Prima facie, no interest becomes due till the taxable event i.e. excess import has occurred. As the goods imported first are normally used first in the manufacturing process, it would be logical to treat the last imports, which could not be utilised in the manufacture of export goods, as excess imports unless specific correlation between imports and exports is available.

4. It is, therefore, clarified that the applicable date for calculation of interest in terms of Para 4.28 of the hand book of Procedures Vol.1 and notification No. 93/2004-Cus. Dated 10.9.2004 would be the date of clearance of last imports, which could not be utilised in the manufacture of export goods, unless specific correlation between imports and exports is available.

5. Difficulties, if any, may be brought to the notice of the undersigned.

Sd/-

(SANJEEV BEHARI)

COMMISSIONER OF CUSTOMS (EXPORT)

JNCH.