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

STANDING ORDER NO.34/2007


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.

(SANJEEV BEHARI)
COMMISSIONER OF CUSTOMS (EXPORT)
Copy to:

All concerned.