

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

F.NO. S/26-MISC-26 / 2010 CRC

JNCH Date: 25 August, 2010

**STANDING ORDER NO. 44 /2010**

**Subject: Refund of 4% Additional Duty of Customs (4% CVD) in pursuance of Notification No.102/2007-Customs dated 14.9.2007 Special Drive for clearance of pending 4% SAD refund claims - reg.**

1. Attention of all the concerned officers at JNCH is drawn to Board's Circular No 18/2010 dated 08/07/2010 on the above cited subject. Notification No. 102/2007-Customs dated 14.9.2007 and Board's Circulars No.6/2008-Customs dated 28.4.2008 and No.16/2008-Customs dated 13.10.2008 regarding refund of 4% Additional Duty of Customs (4% CVD). Attention is also invited to the Board's Circulars No.24/2007-Customs dated 2.7.2007, No.22/2008-Customs dated 19.12.2008 and No.7/2008-Customs dated 28.5.2008 which relate to general refund cases. Notfn. No18/2010 dated. 08.07.2010 for refund of 4% SAD.

2. In this regard, several representations from the trade and industry, associations continue to be received in the Board complaining about the delay in refund of 4% CVD or denial of the refund on one pretext or the other, causing them great hardship.

3. In view of the fact that all the doubts of the field formations had been clarified by the Board vide above mentioned Circulars, it is viewed that there may not be any difficulty in timely disposal of refund claims. However, on review of the pending refund claims as on 31.3.2010 at major Custom Houses, it has been noticed that more than 80% of pending claims relate to 4% CVD cases. Hence, the Board has decided to further simplify the procedure for claiming 4% CVD refund in the following manner.

4.1. In respect of Accredited Clients registered with Customs in terms of Circular No.42/2005-Customs dated 24.11.2005 (ACP clients), the amount of 4% CVD refund shall be sanctioned in full, on preliminary scrutiny of the following documents: (a) TR-

6 Challans (in original) for CVD payment; (b) VAT/ST payment Challans (in original); (c) summary of sale invoices; and (d) certificate of statutory Auditor / Chartered Accountant, for correlating the payment of ST/VAT on the imported goods with the invoices of sale and also to the effect that the burden of 4% CVD has not been passed on by the importer to the buyer. ♦ The procedure for pre-audit for ACP clients shall be done away with and detailed scrutiny should be done only at the stage of post-audit. ♦ The refund claims shall be sanctioned within the maximum time period of 30 days in all such cases. ♦

4.2. ♦♦♦♦♦ Submission of sale invoices shall be required only in electronic form (CD or other media) in respect of 4% CVD refund cases and submission of paper documents is accordingly dispensed with.

5. ♦♦♦♦♦ In order to enable timely payment of refund in case of 4% CVD, a system of optional facility of directly crediting the applicant's bank account, through RTGS (Real Time Gross Settlement) or NEFT (National Electronics Funds Transfer) System is being prescribed. This facility is already functioning in Mumbai Customs Zone-II and has been found useful for the trade. Hence, Board has decided to extend this facility on optional basis to all other Customs formations also. Necessary authorisation for payment of refund amount directly to Bank Account may be taken in such cases from the importer/ authorised signatory of the importer in the form annexed. (Annexure-I)

6. ♦♦♦ Some field formations have also raised certain doubts whether the audited Balance Sheet and Profit and Loss Account have to be examined in respect of the current financial year for scrutiny of unjust enrichment aspect. ♦ It is stated that a large number of refund claims relating to the current year were held up for want of such verification. ♦ In this regard, the issue has been examined by the Board and it has been decided that the field formations shall accept a certificate from Chartered Accountant for the purpose of satisfying the condition that the burden of 4% CVD has not been passed on by the importer to any other person. Further, the importer shall also make a self-declaration along with the refund claim to the effect that he has not passed on the incidence of 4% CVD to any other person. Hence, there is no need for insisting on production of audited Balance Sheet and Profit and Loss Account in these cases. It may also be noted that recently the Board has also notified the list of documents required to be filed by the applicant along with the refund claim (Annexure-II) which is also displayed in the departmental website. Hence, other than these aforesaid documents, no other document would be required in the normal course of granting 4% CVD refund.

7. The Commissioner of Customs shall personally monitor all cases of 4% CVD refund claims pending for more than 30 days so as to ensure that these are disposed of within the overall time limit of three months.

8. Difficulties, if any, in implementation of this Standing Order may be brought immediately to the notice of the undersigned

Sd/-  
23.08.2010

(MALA SRIVASTAVA)  
COMMISSIONER OF CUSTOMS (IMPORT),  
JNCH, SHEVA.

To,

All the Concerned.

Copy to:

1. The Director (Customs) CEBC, N. Delhi
2. The Chief Commissioner of Customs, JNCH, Mumbai Zone-II.
3. The Commissioner of Customs (Imports) , JNCH, Mumbai Zone-II.
4. The Commissioner of Customs (Exports) , JNCH, Mumbai Zone-II.
5. The Commissioner of Customs (Appeals) , JNCH, Mumbai Zone-II.
6. All the Addl./Jt. Commissioners of Customs, JNCH, Mumbai Zone-II.
7. EDI Section, JNCH, for uploading in the systems.
8. File Copy.

Attested

**(K.S.Gondhalekar)**  
Assist. Commissioner of Customs  
CRC IV (2B)