

F. No. 603/01/2011-DBK

Government of India
Ministry of Finance, Department of Revenue
Central Board of Excise and Customs

New Delhi, the 31st July, 2013

To

All Chief Commissioners of Customs/Customs (Prev.)
All Chief Commissioners of Central Excise/Customs & Central Excise
All Director Generals under CBEC
All Commissioners of Customs/Customs (Prev.)
All Commissioners of Central Excise/Customs & Central Excise

Madam/ Sir,

Subject: Audit Report No. 15/2011-2012, Section 2, Duty Drawback Scheme.

Kind attention is invited to the above subject and the Board's Circular No.46/2011-Customs as well as letter dated 26.6.2012 (copy enclosed).

2. Upon receipt of further reports from field formations certain issues have been considered further:-
 - (a) Audit had observed processing of time barred drawback claims under Section 74 of the Customs Act, 1962. It is directed to ensure due diligence is exercised in the application of provisions of Rule 5 of Re-Export of Imported goods (Drawback of Customs duties) Rules, 1995 in dealing with such cases.
 - (b) Audit also noticed instances where the specifications/ details of the goods exported were somewhat differently described in the export documents and in the brand rate letters issued by Central Excise. *For example, export document showed PT-439 (39 h.p.) agricultural tractor and the brand rate letter for the relevant Shipping Bill referred to agricultural tractor Powertrac-439.* The different manner of describing the goods creates unnecessary room for doubt. To avoid such situations, it is directed that full and comprehensive details of the exported goods should be indicated clearly in the brand rate letters.
3. Receipt of the Instructions may be acknowledged.

Encl: As above.

(Ashok Kumar Pandey)
Senior Technical Officer (Drawback)

F. No. 603/01/2011-DBK
Government of India
Ministry of Finance, Department of Revenue
Central Board of Excise and Customs

New Delhi, the 25 June 2012

To
The Chief Commissioners of Customs (All)
The Chief Commissioners of Central Excise (All)

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Madam/ Sir,

Subject: Audit Report No. 15/2011-2012, Section 2, Duty Drawback Scheme

Kind attention is invited to the above subject. This has earlier been dealt by the Board vide issuance of Circular No.46/2011-Customs. Subsequently, Ministry's letter dated 19.6.12 had also directed Chief Commissioners to ensure that field formations update the respective Accountant Generals offices of actions taken and results. The reports received from the field formations till then have also been reviewed by Member (Customs) who has directed that, –

- a) to further reduce delays in claims procession, the tendency to raise generalized queries that do not clearly specify the exact deficiencies in the drawback claims needs to be checked. The concerned officers as well as their supervisory officers may be made responsible if norm of specificity is violated. In monthly monitoring, inclusion may be made of the levels of pendency of EGMs not filed, of EGMs filed in error and of non- filing of stuffing reports to ensure that export facilitation does not lag on these counts. Monthly monitoring of dwell time from time EGM is correctly filed to the time of actual scroll out to the Bank should be begun and it be ensured that the performance level set by the citizens' charter is met by the Commissioners in the Zone.
- b) the Commissioners be advised of the need for continued scrutiny by officers of the details declared so that there is no sanction of excess drawback arising from mismatch of declarations made in the Item Details and the Drawback Details in a shipping bill. For example, quantities declared in item details and drawback details are same, but units of their measurement are different, or unit of measurement is same but quantities declared do not match or RITC in the Item Details and Drawback serial No in Drawback Details are different.
- c) the Commissioners be also advised to ensure that when supplementary drawback claims are dealt (for reasons like amendment in FOB value, change in quantity, revision in AIR rate, etc) or brand rate sanction handled, the officers enter/record speaking details in the departmental comments that would allow a person of common prudence reading the comments to be able to mathematically calculate the amount of drawback.

Yours faithfully

(Rajiv Talwar)
Joint Secretary

Copy to the Director General of Audit, CBEC for necessary action on the following:

In the case of assesses producing petroleum products and other products having similar technical complications who submit data/documents for verification in their brand rate applications that are duly certified by technical experts like chartered engineers, the norms are difficult to standardize as they vary with age of machinery, product routes adopted, level of technology, quality of raw material, etc. A procedure may be devised for conducting, during departmental audit, random check of such data/documents/declarations by comparing them with the original production records of the refineries, etc. A confirmation may be sent to the Board.

(Rajiv Talwar)
Joint Secretary