STANDING ORDER NO. 06 / 2014 dated 26.03.2014

विषय/ Sub: Drawback shipping bill in which the higher composite
All Industry Rate applicable when Cenvat facility has not been
availed is claimed - processing at the time of export - Reg.

As per the extant procedure in EDI, where the exporter files a shipping bill for
export under claim for duty drawback and shows the claim for the higher composite
rate that features in Column (A) of the AIR Drawback Schedule, the requirement of a
"Non-Availment of Cenvat Certificate" appears at the time of export in the list of
documents in EDI System. Only when it is recorded that this certificate is available,
the shipping bill moves to Let Export Order (LEO) stage, in the EDI System. When the
shipping bill does not move to the LEO stage, the exporter or his agent has to amend
the shipping bill to show the claim for the lower rate of AIR duty drawback in column
(B) of the Schedule. Upon such amendment, the shipping bill moves to the LEO stage
without requirement of the certificate. This does not prevent the exporter from
subsequently claiming higher drawback by following due procedure.

2. It has come to notice of the Board that in certain cases the amendment of the
shipping bill was avoided even though the necessary certificate for claiming the higher
AIR was not available at the time of export. The practice in such cases was to show, in
the EDI System document menu, that the certificate is available, and simultaneously
record contrary remarks in the 'departmental comments' that certificate should be
verified subsequently. The intent behind such remarks was that the certificate be seen at the time of drawback processing. Whereas, instances were noticed where drawback was processed at the higher rate based on the details recorded in the EDI system rather than in the departmental comments. Such a practice is not in harmony with the EDI’s system-based checks and balances and places revenue at risk. It has, therefore, been directed that such a practice should be strictly avoided and field officers should ensure that the prescribed procedure is scrupulously followed at the time of export. In this regard, the Board's Instructions F.No.609/156/2013-DBK dt 13.03.2014 may be referred to.

3. Officers and Staff should note the above for strict compliance. Any difficulties in implementation of these instructions may be immediately brought to the notice of this office.

(Sandip Prakash)
Commissioner

To,
1) The Additional Commissioner of Customs, Air Cargo Complex, Bangalore.
2) The Additional Commissioner of Customs, ICD, Whitefield, Bangalore.
3) The Joint Commissioner of Customs, Airport, Bangalore.
4) The Assistant Commissioner of Customs, Customs Division/PAD, Bangalore.
5) Notice Board.

Copy submitted to:
The Chief Commissioner of Customs, Bangalore Zone, Bangalore.