

F.No.609/156/2013-DBK
Government of India
Ministry of Finance, Department of Revenue
Central Board of Excise & Customs

New Delhi. Dated: 13th March, 2014

To
All Chief Commissioners of Customs/ Customs (Prev.)/ Central Excise & Customs
All Commissioners of Customs/ Central Excise & Customs
All Director General of CBEC/ CDR, CESTAT

Madam/ Sir,

Subject: - 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 - regarding.

Under 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. When the shipping bill does not move to the LEO stage, the exporter or his agent has to amend the shipping bill to show 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. While replying to the Hon’ble Public Accounts Committee in a matter related to the Audit Report No.15/2011-12, Section 2 (Duty Drawback Scheme) it has come to notice 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. Intent behind such remarks was that the certificate be seen at the time of drawback processing. However, 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. The Board directs that such a practice should be strictly avoided and field formations should ensure that the prescribed procedure is scrupulously followed at the time of export.

Yours faithfully,

Dinesh Kumar Gupta
Director
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