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भारत सरकार GOVERNMENT OF INDIA
 वित्त मंत्रालय MINISTRY OF FINANCE
 राजस्व विभाग DEPARTMENT OF REVENUE
 सीमा शुल्क आयुक्त का कार्यालय OFFICE OF THE COMMISSIONER OF CUSTOMS
 सीमा शुल्क भवन, मर्मगोआ, गोवा CUSTOMS HOUSE, MARMAGOA, GOA
 403 803
 दूरभाष क्रमांक +91-832-2520615, फैक्स +91-832-2520744, Telephone No. +91-832-2520615, Fax +91-832-2520744

STANDING ORDER NO. 08 /2017

Sub: Delay in processing Refund application resulting into payment of interest-reg.

It has come to the notice that due to the delay in processing of refund application towards claim of duty amount, the claimants (importer/exporter) have sought interest on such delayed payment of duty. Attention of all Officers and concerned staff is invited to the statutory provisions of interest on delayed refunds covered under Section 27A of the Customs Act, 1962 which reads as under:

"If any duty ordered to be refunded under sub-section (2) of section 27 to an applicant is not refunded within three months from the date of receipt of application under sub-section (1) of that section, there shall be paid to that applicant interest at such rate, not below ten per cent and not exceeding thirty per cent per annum as is for the time being fixed by the Board, on such duty from the date immediately after the expiry of three months from the date of receipt of such application till the date of refund of such duty :

Provided that where any duty, ordered to be refunded under sub-section (2) of section 27 in respect of an application under sub-section (1) of that section made before the date on which the Finance Bill, 1995 receives the assent of the President, is not refunded within three months from such date, there shall be paid to the applicant interest under this section from the date immediately after three months from such date, till the date of refund of such duty.

Explanation: *Where any order of refund is made by the Commissioner (Appeals), Appellate Tribunal or any court against an order of the Assistant Commissioner of Customs or Deputy Commissioner of Customs under sub-section (2) of section 27, the order passed by the Commissioner (Appeals), Appellate Tribunal or as the case may be, by the court shall be deemed to be an order passed under that sub-section for the purposes of this section."*

2. Moreover, the Board vide Circular No. 670/61/2002-CX, dated 01.10.2002 has laid out guidelines to field formation. The Board has stressed that the provisions of Section 11BB of Central Excise Act, 1944, which is pari materia to Section 27A of Customs Act, 1962, are attracted automatically for any refund sanctioned beyond a period of three months.

3. Hence, all the officers and concerned staff are directed to ensure timely disposal of refund claims and also ensure that no interest liability is attracted.

4. All the Officers, concerned staff and field formations shall follow the said instructions strictly. Lapses will be viewed seriously.

F.No. S/99-240/2017-Appg.Refund (S.O)
Dated: 21/07/2017


(R.MANOHAR) 21.7.2017
COMMISSIONER OF CUSTOMS

Copy submitted to:

1. The Chief Commissioner Office
Central GST & Customs, Pune Zone, Pune.

Copy to:

- 1 The Additional Commissioner/ Jt. Commissioner of Customs,
2. All Dy. Commissioner/ Assistant Commissioner, Customs House Marmagoa
3. All Appraisers and Examiners, Custom House, Marmagoa.
4. Office copy.