



सीमाशुल्क आयुक्त का कार्यालय (निर्यात)

OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT)

अंतर्देशीय कंटेनर डिपो, तुगलकाबाद, नईदिल्ली – ११००२०

Inland Container Depot, Tughlakabad, New Delhi – 110020

(विशेष आसूचना एवं अन्वेषण शाखा / Special Intelligence & Investigation Branch)

CUS/SIIB-INT/485/2022-SIIB-O/o COMMR-CUS-ICD-TKD-EXP-DEL

Date: 10.10.2022

7978 to 8010

To

All Principal Chief Commissioner Chief Commissioner of Customs/
Customs (Preventive)/Customs and Central Tax.

Madam/Sir,

Alert Circular No. – 1.

Subject: Wrongful availment Drawback and RoSCTL benefits in export by mis classifying the goods– reg.

This office has detected a few cases of wrongful availment of undue export benefits of Duty Drawback and RoSCTL in export by way of mis classification of export goods.

2. Details of cases and modus operandi are as under:

(i) Medicine Heparin and its salts:

Exporters classified “Medicine: Heparin and its salts” in CTH 3004 “MEDICAMENTS (EXCLUDING GOODS OF HEADING 3002, 3005 OR 3006) CONSISTING OF MIXED OR UNMIXED PRODUCTS FOR THERAPEUTIC OR PROPHYLACTIC USES, PUT UP IN MEASURED DOSES (INCLUDING THOSE IN THE FORM OF TRANSDERMAL ADMINISTRATION SYSTEMS) OR IN FORMS OR PACKINGS FOR RETAIL SALE” for availing undue Duty Drawback benefits with rate of @1.3%. As per Customs Tariff Act, 1975 “Heparin and its salts” should be classified under Tariff Head 3001 (GLANDS AND OTHER ORGANS FOR ORGANO- THERAPEUTIC USES, DRIED, WHETHER OR NOT POWDERED; EXTRACTS OF GLANDS OR OTHER ORGANS OR OF THEIR SECRETIONS FOR ORGANO- THERAPEUTIC USES; **HEPARIN AND ITS SALTS**; OTHER HUMAN OR ANIMAL SUBSTANCES PREPARED FOR THERAPEUTIC OR PROPHYLACTIC USES, NOT ELSEWHERE SPECIFIED OR INCLUDED) under Tariff item “30019091” without Drawback (as Drawback rate is “NIL” for CTH 3001).

(ii) Pillow vs. Pillow Covers:

Exporters classified "Pillows" under CTH 6304 "*OTHER FURNISHING ARTICLES, EXCLUDING THOSE OF HEADING 9404*" for availing undue benefits of RoSCTL. Goods covered under heading 6304 are as Bedspreads, Pillow cases and pillow slips, Table cloth and Table Covers, Terry towel, Cushion covers, other similar articles. As per Customs Tariff Act, 1975 Pillows should be classified under Tariff Head 9404 "*(MATTRESS SUPPORTS; ARTICLES OF BEDDING AND SIMILAR FURNISHING (FOR EXAMPLE, MATTRESSES, QUILTS, EIDERDOWNS, CUSHIONS, POUFFES AND PILLOWS) FITTED WITH SPRINGS OR STUFFED OR INTERNALLY FITTED WITH ANY MATERIAL OR OF CELLULAR RUBBER OR PLASTICS, WHETHER OR NOT COVERED)*", RoSCTL is not applicable under CTH 9404.

(iii) Bed Linen vs. Bedsheets:

Exporters classified "Cotton Bed sheets" under CTH 6302 "*BED LINEN, TABLE LINEN, TOILET LINEN AND KITCHEN LINEN*" with Duty Drawback benefits at Rate of @2.8%. As per Customs Tariff Act, 1975 "Cotton Bed sheets" should be classified under Tariff Head 6304 "*OTHER FURNISHING ARTICLES, EXCLUDING THOSE OF HEADING 9404*" under Tariff items "63041910" with Duty Drawback rate of @2.6%.

3. As per para 3(a) of General Rules for the Interpretation of the Harmonised System, where goods prima-facie are classifiable under two or more headings, the heading which provides the most specific description shall be preferred to headings providing a more general description.

4. During the course of investigation, it has been revealed that exporters are classifying the goods under general description to avail the undue export benefits, however, such goods should be classified under specific heading is given in the Customs Tariff. In all the above cases, the exporters have accepted the contention of the department.

5. You are requested to sensitize your jurisdictional officers, so that they are careful during the examination and assessment of the export goods on similar issues, to protect the Government revenue.

This issues with the approval of the Commissioner of Customs (TKD-Export).

Yours faithfully,


(Sameer Kumar Jha)

Additional Commissioner of Customs,
SIIB, ICD, TKD (Export)

Copy to:

1. The Additional Director General, RMCC, Mumbai – 13, Sir Vithaldas Thakersey Marg, Opp. Patkar Hall, New Marine Lines, Mumbai – 400020.