



**OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-II**  
Special Investigation and Intelligence Branch (Export),  
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**F.No.: SG/Misc-289/2018-19 SIIB(X)/JNCH**

**Date: 04.05.2018**

**SG/INV-141/2018-19 SIIB(X), JNCH**

**Modus operandi Circular**

**Subject: Alert in respect of export consignments of readymade garments of silk/ carpets of silk etc. with an intent to claim Drawback by declaring Drawback Identifier as 9801- reg.**

SIIB (Export), JNCH is investigating cases of export of 'Readymade Garments' wherein drawback amount is intended to be claimed under Drawback Identifier No. 9801 (i.e., after brand rate fixation under Rule 6 of the Drawback Rules, 2017). Board's Circular No. 23/2017- Customs dated 30.06.2017 may be referred for fixation of brand rate.


2. Applications for fixation of brand rate may be filed under Rule 6 or Rule 7 of the Customs and Central Excise Drawback Rules, 2017. Rule 6 of the Drawback Rules, 2017 covers those cases where amount or rate of drawback has not been determined whereas under Rule 7 those cases are covered where amount or rate of drawback determined is less than 80% of the duties paid on the materials or components used in the production or manufacture of the said goods. Drawback Identifier required to be declared under Rule 6 is 9801 whereas the same for brand rate fixation under Rule 7 is 9807.
3. Investigation has revealed that some unscrupulous exporters are filing shipping bills declaring highly overvalued products for fixation of brand rate under Rule 6 by declaring drawback identifier as 9801 with an intent to avoid thorough examination of the goods as they are not claiming immediate export benefits. It is also observed that

the declared export goods are generally having higher drawback rates such as carpets of silk (RITC: 570103; Drawback rate 9%), readymade garments of silk (DBK rate 4.8%) or wool (DBK rate 3.5%) with substantially high drawback caps per unit. It has been observed that drawback rates for such export goods have already been determined and hence applications for fixation of brand rate under Rule 6 of the Drawback Rules, 2017 cannot be filed in such cases. Therefore, most of such exporters after clearance of their goods for export revert back to AIR by making applications in Drawback Section for claiming drawback at All Industry Rates (AIR). In many of the cases, it has been observed that the export products were not matching at all with the descriptions of the goods declared in the shipping bills.

4. In view of the above, all the officers posted in export assessment, examination & clearance of export cargo and Drawback Section are hereby alerted to this modus operandi and requested to examine export consignments with due diligence as per examination norms. They are also directed to draw representative samples of all export commodities invariably in each case of brand rate fixation and insist on proper and detailed declaration of description of export goods in the Checklist / shipping bill, invoice, packing list etc.

5. Discrepancies noticed and/or problems faced, may be brought to the notice of this unit.

6. This issues with the approval of Commissioner of Customs, NS-II.

  
(Shamshad Alam)  
Additional Commissioner of Customs  
SIIB (Export)/JNCH

To,

1. All D.C. /A.C. i/c CFS.
2. All D.C. /A.C. Exports.
3. D.C. / Drawback Section.
4. D.C. /C.C.O
5. D.C./ Appraising Main (X)
6. D.C./ Preventive General
7. D.C. / Centralised Export Assessment Centre.