

**OFFICE OF THE COMMISSIONER OF CUSTOMS [ IMPORT ],**  
**JAWAHARLAL NEHRU CUSTOMS HOUSE,**  
**NHAVA SHEVA--- 400 707.**  
**TAL URAN; DIST: RAIGAD.**  
**MAHARASHTRA**

**F. No.** S/26-Misc.-1321/2007-08 Group II C & D

**Date:** -- 31.03.2009.

**PUBLIC NOTICE NO : 15 / 2009**

**(Referred / amended vide P.N.No. [32/2009](#))**

**Sub : Guidelines for Valuation of Polymers and their Products, under the provisions of the Customs Act, 1962. Reg.**

**Ref : Valuation Alert No.03/2009 dated 26.03.2009 issued from**

**F.No.VAL/TECHC/56/2008 by DG Valuation, Mumbai.**

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The Directorate General of valuation (DGOV) vide the above cited alert has suggested few changes in the earlier S.O. No. 7493/1999 dated 31.12.1999 by considering the views of all Custom Houses. Accordingly, the following guidelines for assessment of plastic polymers and their products would be adopted:

- 1.1. The Polymers, Co-polymers & Products, are derivative product of Petrochemical Industry, therefore, International Price of Polymers, Co-polymers & their Products directly depends on the International Price of Crude Petroleum. Though, across the globe, the invoices produced by the importers received from the traders exhibits the variation between the invoice value and the international price of great significance, leading to doubts about undervaluation and the authenticity of the invoices itself. Hence, the purported transaction value would be examined for re-determination of value under the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.
- 1.2. The International Price of Polymers, Co-polymers & their Products as published in International publication **PLATT, would be referred** to for the purpose determination of the value in terms of appropriate rule under the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.
- 1.3. The PLATT rates are published weekly and not on daily basis. The **PLATT rate of the date prior to date of L.C, contract or Bill of Lading as the case may be, would be relied upon** to ascertain the assessable value of the corresponding Polymers, Co-polymers & their Products. For example, if L.C is dated 10<sup>th</sup> and PLATT rate is available for 8<sup>th</sup> and 15<sup>th</sup> then PLATT rate for 8<sup>th</sup> shall be taken and not that of 15<sup>th</sup>.
- 1.4. If the goods are imported against a contract/indent backed by an irrevocable Letter of Credit (L/C) and shipment has been done within the validity period of L/C the assessment would be done at PLATT rate applicable during the week prior to the date of opening of L/C. and not on the date of indent. The contract shall be registered at the port of import before filling first bill of entry.
- 1.5. If a contract/indent is backed by L/C and more than one consignment are imported against same contract /indent the PLATT rate prevailing in the week prior to the date of opening of L/C would be taken if L/C is opened for whole consignment as per the contract/indent. However, in case a separate L/C has been opened against one contract/indent for each consignment, the PLATT rate, applicable during previous week

of each L/C. would be taken for assessment. Such contract shall also be registered at the port of import before filing first bill of entry.

Contd.2/-

- 1.6. If the import is based on a contract not backed by letter of Credit, the same shall be registered with Custom House, within **seven days** of the contract and in such a case, value would be taken on the basis of the PLATT price on the date of contract subject to the condition that the first shipment is made within twenty one days of the date of contract and the remaining shipments are made within the original contract period. An account of the contracts, so registered, would be maintained in the Custom House and each import would be debited against the quantity and the value of the registered contract for ensuring that the imports against the contract do not exceed the contracted quantity and value. In case the imports, against the registered contract, are to be effected through the ports other than the port of registration, the Custom House, at the port of registration, would debit the account and send intimation to the Custom House at the port of importation within ten days.
- 1.7. **No Variation from PLATT is to be allowed** irrespective of the fact whether goods are imported from manufacturers, traders or 100% subsidiary of the manufacturer sole selling agent in the case of prime grade material.
- 1.8. In case of imports of **off grade, near prime, wide spec, and spheripol plastic items, maximum variation of 10%** from the PLATT price could be considered only with the prior written approval of the jurisdictional Additional/Joint Commissioner, irrespective of the fact whether the goods are imported from a trader or a manufacturer. The assessments of such goods would only be done provisionally against a P.D. Bond and **samples are got tested by a laboratory accredited for the said purpose**. The test memo shall specifically mention to test as to whether sample is off grade, near prime, wide spec, or spheripol and if so, the reasons thereof. The importer shall furnish all the relevant documents to enable the group DC/AC to finalize the assessment and close the bond, within two months.
- 1.9. **Re-generated Polymers, derived from re-melted scrap, would be allowed to be cleared after considering discount up to 25% from the PLATT price** only with the approval of the jurisdictional Additional/Joint Commissioner. The clearance of re-generated polymers would only be allowed provisionally subject to test report. The assessment of **Re-generated Polymers** shall be done only after the first check by the AC/DC (DOCKS), who shall clearly certify that, the goods imported are **Re-generated Polymers** and forward the representative samples to **a laboratory accredited for the**

**said purpose** for testing and verifying the fact that, **the goods are Re-generated Polymers.**

1.10. **Floor Sweepings would be assessed after considering a discount up to 35% from the PLATT price** of the prime material with the approval of the jurisdictional Additional/Joint Commissioner. The PLATT price in respect of floor sweepings would be taken of that material which predominates. If such predominance cannot be ascertained, the assessment would be done by taking PLATT price of LDPE. The assessment of floor sweepings would be done only after the first check by the AC/DC (DOCKS) clearly certifying that the goods imported are floor sweepings and the variety of plastic material predominant in floor sweepings shall be mentioned in the examination reports.

1.11. In respect of stock lots , discount up to 5% , subject to the condition that the goods are backed either by the manufacturers invoice/certificate or such invoice/certificate from the stockist of the manufacturer would be allowed. The stock lot would be examined only on the first check basis and the AC/DC (DOCKS) will clearly certify that the goods being imported are stock lot. Only the following types of goods will be treated as stock lot:-

- (a) Each package contains different varieties of plastic material or
- (b) If each package contains same type of plastic material but packages in container are manufactured by different manufacturers.
- (c) If all the packages in a container are manufactured by same manufacturer, the Packages should be of at least ten batch numbers.
- (d) If the goods declared as Stock are not as per the above criteria and Importer insists that the same are stock lot, the clearance may be allowed as stock lot only after opening each package and mixing.

Contd.3/-

1.12. **No quantity discount to be allowed**, irrespective of the quantum of import in each Bill of entry/contract.

2. The **import of plastic wastes/scrap except PET virgin scrap, are restricted** under the provisions of the Foreign Trade Policy 2004-09. The assessment of scrap/waste would be

done after examination of the goods on First Check under the supervision of the Dy/Assistant Commissioner of Customs (Import Docks). The clearance of plastic wastes can be allowed against Specific Licence issued by the competent authority (DGFT) and the permission to import by the competent authority ( Ministry of Environment and Forests) in terms of the provisions of the Hazardous Wastes ( Management , Handling and Transboundary Movement ) Rules , 2008. Otherwise, the imports of **plastic wastes/scraps except PET virgin scrap** would be subjected to adjudication proceedings.

3. The **PLATT price shall be the FOB at the load port**. While arriving at the Assessable Value based on the prices as published in PLATT {quoted for South East Asia (SEA) region (Indian)},the **freight , Insurance premium charges and handling charges would be added to the referred published price in PLATT**, in following manner:

- (i) Actual Freight paid or Freight @ USD 30 PMT (except for shipments from Middle-East Countries, Srilanka and Pakistan-- for which the freight would be taken @ USD 15 PMT ).
- (ii) Insurance Premium charges: Actual paid or @ 1.125% of FOB (based on PLATT);
- (iii) Landing Charges 1.00% of CIF.

**Note:** - Actual Freight paid charges shall be considered only when it is supported with original paid receipts duly issued by the carrier.

4. The above guidelines are in supersession to all earlier guidelines in respect of the subject goods.

5. These guidelines are effective from 01/04/2009.

**-Sd-**

**( SANJEEV BEHARI )**

**Commissioner of Customs (Import)**

**JNCH**

To

All the Concerned officers.

Copy to:

1. The Chief Commissioner of Customs, Mumbai Zone-II, JNCH, Sheva.
2. The Director General of Valuation, Mumbai.
3. The Commissioner of Customs (Export)/(Import), JNCH, Sheva.
4. All Addl. Commissioners of Customs, JNCH, Sheva.
5. All Asst./Dy. Commissioners of Customs, JNCH, Sheva.
6. Web-site
7. Office Copy.