

**OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT),
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,
TAL. : URAN, DIST.: RAIGAD, MAHARASHTRA 400 707.**

F.No.S/43-113/2009 P (G) JNCH

Date: 06.08.2009

PUBLIC NOTICE NO.52/2009

(Referred / amended vide S.O.No. [03/2013](#) , [07/2013](#))

(Referred / amended vide P.N.No. [12/2015](#) , [24/2015](#))

**Sub: - Entry of factory stuffed (including self sealed) export containers
into port terminals after LEO- REG.**

Attention of the Exporters, Importers, Customs House Agents, Members of Trade and all the concerned is invited to the present practice for entry of the factory / warehouse stuffed containers (sealed by Central Excise /Customs officers) in to the port terminals based on the invoice, check list and the examination report of the officers who supervise such stuffing. These documents are verified by the Gate officers at the terminal gates, besides verifying the container no., seal no. and the condition of the seal before permitting the entry of the containers into the port terminal. In fact, the S/B is registered; Examination report is fed and Let Export Order (LEO) is granted based on the endorsement of the Gate officer of the port terminal on the invoice (with stuffing examination report) as a proof of the entry of the containers into the port terminal. Similar direct entry of the self sealed containers under free Shipping Bills(S/B) is also being permitted based on the invoice and check list.

2. The above detailed procedure, being followed at present, is leading to the following irregularities:

- (i) There have been instances of loading of containers on Board the vessel and even vessel sail out (Export) prior to LEO to the concerned shipment.
- (ii) There have been instances of entry of the containers and exports thereof (with prohibited goods) based on forged / fabricated documents.
- (iii) Registration and obtaining LEO based on the forged endorsements, without actual entry of the containers leading to false claims of export benefits.
- (iv) Difficulty in exercising proper checks and conducting verification by the Gate officers at the terminal gates, due to heavy inflow of export containers (approx. 2500 nos. per day).
- (v) Security concerns associated with the above possibilities.

3. Currently the processing of documents for granting LEO in respect of factory stuffed containers is centralized and is being handled at three CFSs Viz: CFS- Punjab Conware; MSWC and CWC Dronagiri on all working days (10.00 to 18.00 hrs.). At CFS-Punjab Conware, officers are deployed for 2nd shift (2.00 p.m. to 10.00 p.m.) on all working days; and on holidays (Sundays and closed holidays 10.00 a.m. to 6.00 p.m.). After examining the said present practice and the connected possible irregularities, it has been decided to permit the entry of the factory stuffed containers (including self sealed containers) in to the port terminals only after completion of the Customs formalities, including granting of LEO , except in respect of certain containers of exempted category as detailed in para 6 C , hereunder. The following procedure is prescribed for the factory stuffed export containers:-

Contd2/-

:2:

Procedure for Factory Stuffed Export Containers:

4. All the factory/warehouse stuffed containers (sealed by Central Excise / Customs officers) and all the self sealed containers under free shipping bills are required to enter any of the designated CFSs / Buffer yards with the relevant invoice containing the examination report (on the reverse) issued by the officers who supervised such stuffing and check list of Shipping bill. These documents are verified by the Gate officers at the CFSs entry gates, besides verifying the container no., seal no. and the condition of the seal before permitting the entry of the container into the CFSs / Buffer yards. The S/B is registered; inspection report is fed and Let Export Order (LEO) is granted based on the endorsement of the Gate officer of the CFSs / Buffer yards on the invoice (containing stuffing examination report) as a proof of the entry of the containers into the CFSs / Buffer yards.

5. Once LEO is granted, three copies of the S/Bill (Exporters copy; Exchange control copy and Customs copy) are generated. The LEO granted container(s) shall move to the terminal, with the exporters copy of the S/B as well as the gate pass, issued by the CFS. Exporter copy of the S/B duly signed by the Superintendent granting LEO should be presented to the officer at the gate. The gate officer at the port terminal would verify the condition of the container & seal and permit the container to enter the port. The gate officer at the terminal also shall verify the date of granting LEO on the EDI system and/or through Intranet and satisfy himself that the container had received LEO. Verification on the computer system (EDI / Intranet) would help in checking the possible fabricated S/Bs. Besides the S/B, the driver / agent shall handover the gate pass issued by the custodian of the CFS indicating the container no., seal no., time of departure from the CFS etc. to the terminal gate officer. The gate officer would retain such gate passes in order to verify the time of departure of the container from the CFS and its arrival at the terminal gate.

6. For effective implementation and for smooth transition to the new procedure the following changes are made in the existing set up:

A. Re-engineering of administrative set up and re-deployment of staff:

(i) De-centralisation of the work pertaining to processing of documents of factory stuffed cargo: In order to introduce the new system of entry of factory stuffed containers into Port terminals after LEO, against the current centralized processing at three locations (CFSs Punjab Conware; MSWC and CWC Dronagiri), the following CFSs are designated to handle such containers. In other words, the documents can be registered for obtaining LEO at any of the designated CFSs, during regular working hours. Simultaneously, the staff are being deployed for 2nd and 3rd shifts at two locations viz: CFS - CWC- Distripark and DRT-CONCOR, due to the availability of substantial space at the said two locations:

List of CFSs

- | | |
|----------------------------|---------------------|
| 1. JNP-Speedy Buffer Yard. | 6. Balmar Lawrie. |
| 2. DRT-CONCOR. | 7. Ameya Logistics. |
| 3. Punjab Conware. | 8. JWC Logistics. |
| 4. Hind terminal. | 9. Asthe logistics. |
| 5. CWC Distripark. | 10. CWC Kalamboli. |
| 11. MSWC | |

Contd3/-

:3:

(ii) Granting of LEO on 24x7 basis: Adequate officers are being deployed for attending to registration and granting LEO on 24x7 basis at the two locations Viz: CFS-CWC Distripark and DRT-CONCOR. Officers are being deployed in each shift, at the designated locations and make these operational in three shifts, even on Public and National holidays, for the purpose of registration and granting LEO.

(iii) Deployment of officers in 2nd shift for assessment: In order to ensure that the assessment is not a limiting factor for registration and granting LEO, one AC/DC (Export) is deployed for 2nd shift, on all working days of the week. In order to cater to the urgent needs of the trade, the task of export assessment is being assigned to the AC/DC deployed for holiday duty.

(iv) **Pre-shipment / Pre-LEO amendments:** The S/Bills filed in advance (prior to factory stuffing) based on the Proforma invoice might require amendments due to variation in the quantity / value after the actual stuffing. Such amendments, based on the examination report, will be permitted prior to LEO by the AC/DC (Exports) of the concerned CFS during the normal working hours. However, the said work will be attended by the AC/DC (Exports) posted in the 2nd shift after the office hours; and the AC/DC deployed for holiday duty.

(v) **Inspection of containers / seal nos. :** The gate officers deployed at various CFSs would verify the container / seal nos. and make suitable endorsement on the documents at the time of entry of factory stuffed containers into the CFS. This would enable registration and granting LEO without further delay. Accordingly, gate officers are being deployed on 24x7 basis (in three shifts) in all the designated CFSs i.e at locations where the factory stuffed containers are permitted.

(vi) **Provision to grant LEO in respect of containers at any other CFSs :** During the regular office hours, the registration and granting LEO would be attended to by the PO/Supdt.(Exports) attending to similar work in respect of dock stuffed cargo in the respective CFSs. However, such items of work would be attended by the PO/Supdt. deployed at CFSs Speedy and CWC Distripark, where the 2nd and 3rd shift is being made operational, beyond regular office hours. The registration and granting LEO would be attended by the officers in 2nd / 3rd shift for the containers entered in to any of the designated CFSs. **EDI permits such processing.** The registration and LEO in respect of any of the CFSs is based on the inspection and endorsement on the Invoice / Checklist, by the gate officers at the designated CFS.

(vii) **Expeditious processing of export documents:** The work pertaining to the process of registration and grant of LEO for the factory stuffed / self sealed containers would be given priority by the officers. This is to ensure expeditious clearance, so that the on-wheel containers can move out of the CFS within minimum possible time, creating space for subsequent incoming export containers on one hand and saving the avoidable additional expenditure in relation to the trailer holding charges and higher tariff of CFS.

(viii) **Responsibility of the officers at the terminal gates:** Once LEO is granted, three copies of the S/Bill (Exporters copy; Exchange control copy and Customs copy) are generated. The LEO granted container(s) shall move to the terminal, with the exporters copy of the S/B as well as the gate pass, issued by the CFS. Exporters copy of the S/B duly signed by the Supdt.

granting LEO should be presented to the officer at the gate. The gate officer at the port terminal would verify the condition of the container & seal and permit the container to enter the port. The

Contd4/-

:4:

gate officer at the terminal also shall verify the date of granting LEO on the EDI system and/or through Intranet and satisfy himself that the container had received LEO. Verification on the computer system (EDI / Intranet) would help in checking the possible fabricated S/Bs. Besides the S/B, the driver / agent shall handover the gate pass issued by the CFS indicating the container no., seal no., time of departure from the CFS etc. to the terminal Gate officer. The gate officer would retain such gate passes in order to verify the time of departure from the CFS and the arrival at the terminal gate. In case, there is any unusual delay in transit from CFS to Terminal Gate, entry will be allowed but ADC/SIIB & Boarding Officer will be informed.

B. Responsibility of the custodians:

(i) The custodians shall make *inter alia* due entry of the container no., seal no. and facilitate proper on-wheel inspection at the entry gate. However, in exceptional cases, based on the request from the Customs, they have to facilitate open examination. Based on the S/Bill generated after granting LEO (duly signed by officers granting LEO), the container can be permitted to exit the CFS under a proper gate pass indicating, *inter alia*, the container no., seal no., and the time of exit, as in the case of dock stuffed containers which are destined to terminal gates.

(ii) The service centre shall be made operational on 24x7 basis in order to generate the S/Bs after granting LEO in both CFS Viz : DRT-CONCOR and CWC-Distripark, where the 2nd and 3rd shift of officers are deployed for registration & LEO.

(iii) The custodians of the designated CFSs shall adhere to the committed tariff for factory stuffed Containers as intimated to the Commissioner of Customs (Export) by them and display the same as per the latest guidelines.

(iv) The custodians shall co-operate by organizing the movement of the containers and by deploying the necessary surveyors in order to facilitate early completion of the process and exit of the containers so that the charges payable for factory stuffed containers would be the minimum.

(v) The custodian should organize the entry and exit gates in such a manner that there is a smooth movement of the trailers within the CFS.

C. Exemption from the new procedure:

The following category of the factory stuffed Containers are exempted from the above proposed new procedure and would be permitted direct entry in to port terminals as per the present practice, prior to granting LEO.

(i) **Refrigerated Containers:** All refrigerated factory stuffed container(s) are permitted to enter the port terminals directly as is the present practice, since the port terminals have adequate provision for power supply.

(ii) **Over Dimensional Cargo (ODC):** The ODC cargo is likely to cause hindrance to the free movement of the containers/trailers. Such cargo perhaps cannot enter some of the CFSs due to the limitation of the entry gates. Further, they may also cause congestion at various CFSs. Therefore direct port entry to ODC containers prior to LEO is permitted.

(iii) **Motor Vehicles:** The Motor Vehicles (Cars/Tempos/Mini Buses/Buses etc) which are not stuffed in any container are required to be boarded on the special vessel. Currently such vehicles are permitted to be carted directly inside the port while the S/Bs are under process forwarded by the C.Excise officers. The existing procedure would continue.

Contd5/-

(iv) Perishable non-refrigerated cargo: Containers stuffed under the supervision of the Central Excise/Customs officers , containing perishable non-refrigerated cargo like onion, garlic etc. are also extended with the exemption from the proposed new procedure and permitted direct entry into port.

(v) Factory Stuffed Cargo of Exporters having Status Certificate , 100% EOUs and units of SEZs: The Factory stuffed export cargo of Exporters having status certificate (eg: Export House (EH) , Star EH , Trading House (TH) , Star TH , Premier TH etc.) granted by the Commerce Ministry ; 100% EOUs and manufacturing units of SEZs would be exempted from the above procedure and factory stuffed export containers of such exporters would be permitted direct entry into port , as per the procedure detailed in the para 1.

NOTE: 1. *The details (Name , address, IE code and status) of the exporters having Status Certificate , exporting through JNPT are proposed to be made available to the gate officers , to enable them to permit the direct entry of their factory stuffed Containers. All such exporters who are exporting their goods through JNPT are advised to intimate the said details along with a legible copy of the status Certificate duly attested by their authorized signatory , to the Commissioner of Customs (Export) , JNCH , Sheva (FSP Cell) , by 20.08.2009 , for necessary verification.*

2. Similarly the 100% EOUs and the units in the SEZs are advised to intimate the above mentioned details along with legible copies of the Letter of Permission issued by the Development Commissioner, EOU card and Central Excise Registration Certificate , as the case may be , *duly attested by their authorized signatory , to the Commissioner of Customs (Export) , JNCH , Sheva (FSP Cell) , by 20.08.2009 , for necessary verification.*

7. Accordingly , it has been decided to discontinue the direct entry into port terminals for the factory stuffed containers (including self sealed) and to permit the same to enter the port terminals only after completion of the Customs formalities, including granting of LEO, except in respect of the factory stuffed containers of the exempted category (Ref. Para 6 C above) .

8. The above procedure would take effect from 1st September, 2009.

9. All the Trade, industry and the concerned Associations are requested to bring the contents of this Public Notice to the knowledge of their members.

(B.K.SINHA)

COMMISSIONER OF CUSTOMS (EXPORT)

To

All the Concerned.

Copy to:

1. All the Trade Associations.
2. BCHAA, Bombay Customs House Agents Association, 73, Mittal Tower, C Wing, 7th Floor, Nariman Point, Mumbai- 400 005
3. All India Importers & Exporters Association, Chuchgate House, 2nd Floor, 32/34 Veer Nariman Road, Opp. Akabarally, Flora Fountain, Mumbai- 400 023.
4. Guard file

Copy for information to:

1. The Chief Commissioner of Customs, M- II Zone, JNCH
2. The Commissioner of Customs (Import), JNCH
3. All Addl. / Jt. Commissioners of Customs, JNCH
4. All Asst. / Deputy Commissioners of Customs, JNCH .