

# MINUTES OF THE MEETING HELD ON 12.10.2015

OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-III)  
IMPORT BOND SECTION,  
C-304, JAWAHARLAL NEHRU CUSTOM HOUSE  
NHAVA SHEVA, TALUKA – URAN  
DISTRICT – RAIGAD – 400 707.

F.No. S/6-Gen-7232/2015-16 /Bond / JNCH Date : 21 .10.2015

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A meeting of Liquid Bulk Cargo importers and Tank Farm Owners was held on 12.10.2015 at 4.15 p.m. at the Conference Hall, B Wing, 6th Floor, Jawaharlal Nehru Custom House, Sheva, Uran.

2. The meeting was attended by the following:

Sr. No.	Name	Name of the Organization
1.	Shri. Sanjeev Behari,	Chairperson,  Principal Chief Commissioner of Customs, Mumbai – Zone – II
2.	Shri. D. K. Srinivas	Commissioner of Customs, NS-III
3.	Shri. Aseem Kumar	Additional Commissioner of Customs, CCO
4.	Shri Dilip Goyal	Additional Commissioner of Customs, NS-I
5.	Shri. Sudhakar Pandey	Deputy Commissioner of Customs/ Group I
6.	Shri. Jommy Jacob	Deputy Commissioner of Customs, CCO
7.	Shri. N. Rao	M/s. IMC Ltd.
8.	Shri. N. V. Raju	M/s. IMC Ltd.
9.	Shri. Eknath Ganbote	M/s. Deepak Fertilizers and Petrochemicals Corp. Ltd.
10.	Mrs. Archana H. Yewale	M/s. Deepak Fertilizers and Petrochemicals Corp. Ltd.
11.	Shri. J. B. Kulkarni	M/s. Ganesh Benzoplast Ltd.
12.	Shri. Jatinder P.	M/s. Ganesh Benzoplast Ltd.
13.	Shri. Yashwant Ganvir	M/s. Suraj Agro Infra. (India) P. Ltd.
14.	Shri. Ashim Aazarika	M/s. Shell India Markets P. Ltd.
15.	Shri. Novil Fernandes	M/s. Ruchi Soya Ind. Ltd.
16.	Shri. J. P. Karia	M/s. Kamani Oil Inds.
17.	Shri. Ashish	Allana Group
18.	Shri. Arvind Sonawane	Allana Group
19.	Shri. Bansu Jaiswal	M/s. Frigorifico Allana P. Ltd.
20.	Shri. S. Somappan	M/s. Jupiter Dye. Chem.
21.	Shri. Suhas Mule	M/s. Jubilant Life Science Ltd.

22.	Shri. Vimal Sharma	M/s. Liberty Oil Mills Ltd.
23.	Smt. Nimita Mahajan	M/s. Athena Tradewinds
24.	Shri. Jayant Lapasia	AILBIEA
25.	Shri. Manik Nasta	AILBIEA
26.	Shri. Rakesh Shah	AILBIEA

3. The Chairperson Shri. Sanjeev Behari, Principal Chief Commissioner of Customs, Mumbai Zone-II welcomed the trade members, tank farm owners and emphasized on better coordination for smooth and faster clearance and movement of liquid bulk cargo through J.N.C.H.

4. The Chairperson pointed out that unlike containerized cargo, the liquid bulk cargo requires special handling and can be stored only in shore storage tanks which have limited capacities. The tanks are required to be used multiple times for optimum utilization of the tank capacities. He emphasized on quicker turnarounds of vessels. He requested the trade and tank owners to table the challenges faced by them in optimum utilization of tank capacities and possible solution so that necessary steps can be taken.

5. The trade partners tabled their common issues which are discussed as under:

**5.1 Flagging of Bills of Entry as ‘Priority / Urgent’ under EDI :**

It was pointed out that prior to introduction of EDI system, the Bills of Entry for clearance of liquid bulk cargo were stamped/ flagged as ‘Priority/Urgent’ in Customs thereby getting priority for clearance of liquid bulk cargo. However, the practice was stopped after the introduction of EDI. It was urged that old system of flagging may be started again.

The Deputy Commissioner of Customs/ Group-I informed that the trade is having facility to file Bill of Entry within 7 days of discharge of liquid bulk cargo from the vessels. Also facility of advance filing of Bill of Entry may be availed by trade to minimize delay. The Chairperson also urged the trade partners to adopt suggestions mooted by D.C./ Group –I.

**5.2 Delay in documentation due to entry of FSSAI NOC in EDI :**

It was pointed out that in case of Bills of Entry for Home consumption; the CHA has to approach Assistant Commissioner/Deputy Commissioner in J.N.C.H. for feeding of the FSSAI NOC in EDI system. After which they have to approach the Superintendent/In-charge Boarding situated in port area for ‘Out of Charge’. After getting Out of Charge he has to come to J.N.C.H. for print and again go back to port for signature on the print, which is cumbersome. It was requested to add FSSAI NOC in the menu of Superintendent/Appraising Officer and provide printer at the port.

The Chairperson assured that Department will look into issue and necessary steps will be taken in this regard to streamline business practices.

**5.3 Preparation of single guidelines on clearance of liquid bulk cargo:**

It was pointed out that the guidelines on clearance of liquid bulk cargo are scattered over several Public Notice /Circulars, which causes inconvenience each time there is a change of staff. Hence, there is a need to collate the same into single Public Notice elaborating clear guidelines.

The members requested that they would submit separate representation with the relevant Public Notice and Standing Orders which may kindly be considered while drafting the new Standing Order/ Public Notice.

The Chairperson directed that a comprehensive Public Notice may be put up after receiving the representation as above.

#### **5.4 Delay in clearance of cargo due to delay in getting Dy. C.C. Test Reports and FSSAI NOCs :**

There is considerable delay of getting Dy. C.C. Test Reports and FSSAI NOCs. It was noticed that dwell time for getting FSSAI NOCs was 4-10 days. It was pointed out that for clearance of liquid bulk cargo, the importers have to obtain Test Reports from Dy. C.C. as well as FSSAI. It was pointed out that Dy. C.C. do not have sufficient equipments for testing samples and they takes lots of time for testing, there is huge pendency of more than one year from Dy. C.C. regarding Test Reports. It was further added that equipments like spectro-meter are not working in Dy.C.C. and they some time keep samples for more than two days during which characteristics of the samples gets changed and wrong parameters gets reflected in test reports. M/s. Jupiter Dyechem pointed that the item Mix-xylene is being cleared everywhere by Dy.C.C. except at J.N.C.H. Hence, now they have diverted all their vessels of Mix-xylene to other ports.

It was further pointed out that reports of FSSAI are reliable, hence, the Department shall allow the clearance on the basis of FSSAI reports only. Presently the practice may be adopted for edible oil. It was further added that New Custom House, Mumbai this practice was followed and they have dispensed with Dy. C.C. reports. Similarly, the Test Bond procedure for Dy.C.C. Reports should be withdrawn.

The Additional Commissioner of Customs and Deputy Commissioner of Customs Group-I pointed out that the reason for FSSAI and Dy. C. C. tests are different. The FSSAI tests are done to ascertain whether it is fit for human consumption whereas the Dy.C.C. test reports are required to ascertain the description and its classification for duty tariff. For example the Carotene value in the crude palm oil is required for assessment, whereas the FSSAI do not look into this aspect. Hence, the Dy. C.C. testing of samples cannot be discontinued.

However, the Department would re-view the situation and a list of commodities may be prepared where the classification can be done only on the basis of FSSAI test reports and calling for Dy.C.C. reports is unwarranted.

In this regard, the Chairmen asked to confirm whether such practice is still continued or not at New Custom House, Mumbai. The Trade Partners replied that they would provide reference to the Department and then the Department may issue instructions as above.

#### **5.5 Processing of Bills of Entry under RMS :**

It was pointed out that the RMS facility is not extended in case of import of liquid Bulk Cargo.

In this regard, D. C./Group-I informed that in most of the cases regarding import of liquid bulk cargo, prior Bills of Entry are filed, hence in most of the cases the assessment part is already over before the arrival of the goods. Hence non-extension of RMS facility in this case does not make substantial effect on dwell time. Further, as the most of the consignments of liquid cargo bulk are subjected to examination and drawl of samples, recalling the RMS Bill of Entry for assessment may adversely affect the dwell time.

#### **5.6 Assessment of duty on received quantity only :**

Presently the Customs duty is being charged on the quantity mentioned in the Bill of Lading or “Excess Quantity Received Report” whichever is higher. The Trade Partners emphasized that in view of the recent Court judgment the Bill of Entry should be assessed and the duty should be charged on the received quantity.

The Deputy Commissioner of Customs/ Group-I informed that issue has been taken up with the Board.

The Chairperson informed the members that the Board would be requested to take up the matter on priority.

#### **5.7 Exemption is filing of Bond and Bank Guarantee by the importers :**

A point was raised that an importer has to submit Bond and the bank guarantee for every imported consignment. He further stated that value of the Bond is very high and these high amounts get reflected in books of accounts of the importer, which subsequently de-value the share of the company. Also procuring the Bank Guarantees of high value puts burden on the importers. The AILBIEA informed that they have already addressed the issue to the Board and the Board is expected to issue instructions in this regard.

The Chairperson suggested to submit copy of their representation to the department for further scrutiny of the issue in detail.

#### **5.8 Issues of erection of new infrastructure under J. N. P.T. :**

The trade pointed out that there are limited berths available in J.N. Port for liquid bulk cargo. They further stated that as per the Policy of the Port the vessels are required to discharge their cargo within 72 hours failing which the vessel is required to be shifted in anchorage and re-berthed in next time slot allotted. The importer has to pay charges at each stage for this. Also in case the importer wishes to shift the vessel from one jetty to another to use different time slots, they have to pay heavy shifting charges. Also, priority is given to Public Sector companies resulting in keeping the vessel waiting at anchorage. All these adds up in the operation cost of the importers at J. N. Port. They submitted that the challenge can be resolved by erecting additional berths or resorting to other technologies like Dolphin Mooring to multiply the berthing capacity.

Further, it was pointed out that more Tank Farms are required for storage of liquid bulk cargo for speedy and optimum utilization of the resources. Alternatively, it was suggested the discharge may be permitted into barges, which would be subsequently emptied into tanks once they are available. They requested the Chairperson to take up the issue with J.N.P.T.

The Chairperson assured to take up the matter with J.N.P.T. on proper forum and urged the Tank Farm Owners to provide maximum capacity to the import material/ Bond.

**5.9 Payment of single Merchant Overtime for single Tank Farm :**

The trade pointed out that each importer has to pay Merchant Overtime for his work in the Tank Farm. As such, situation occurs when number of Merchant Overtimes are paid for the similar work in a Tank Farm for one officer for the same time slot. It was requested to accept common Merchant Overtime for all importers for a single tank location.

It was brought to the notice of Chairperson that collection of Merchant Overtime is done as in accordance with the 'Customs (Fees for Rendering Services by Custom Officer) Regulations, 1998. As such, the present practice cannot be deviated from. However, it was suggested that if the tank farms come forward and apply for a licence under Section 57 of the Customs Act, 1962 as 'Privately Owned Public Warehouse', the Tank Farm owners may apply for an officer in single Merchant Overtime for all the work in that location.

6. The meeting ended with thanks to the Chair.

7. This issues with the approval of Commissioner of Customs (NS-III), JNCH.

**Sd/-21.10.2015**

**(Dr. Ashir Tyagi)**

**Additional Commissioner of Customs  
Import Bond Section, Nhava Sheva.**

**To,**

**All the Members of Meeting**

Copy to :

1. The Principal Chief Commissioner of Customs, Mumbai Zone-II, JNCH, Nhava Sheva
2. The Commissioner of Customs (NS-III), JNCH, Nhava Sheva.
3. The Deputy Commissioner of Customs, CCO, Nhava Sheva
4. The Additional Commissioner of Customs, Import Bond Section, Nhava Sheva.
5. The Deputy Commissioner of Customs/EDI for publication on website.
6. Office copy.