

**OFFICE OF THE COMMISSIONER OF CUSTOMS (NS I, III & V)**  
**JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA**  
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F. No. S/22-Gen-01/2014-15 AM (I) NS-III

Date: 02.09.2016

**MINUTES OF MEETING OF THE PERMANENT TRADE FACILITATION**  
**COMMITTEE FOR NS-I, III & V HELD ON 25.08.2016**

The PTFC meeting held on 25.08.2016 was chaired by Shri Shrawan Kumar, Commissioner of Customs, NS-III, Shri Vijay Singh Chauhan, Commissioner of Customs, NS-V, Shri Subhash Agrawal, Commissioner of Customs, NS-IV and Shri M R Mohanty, Commissioner of Customs, NS-II. The meeting was attended by the following Members/Participants of trade:-

<b>Sr. No.</b>	<b>Names (Smt./Shri/Ms.)</b>	<b>Organization/Association/Designation</b>
1	R R Rubin	CFSAI
2	V K Agarwal	ONIDA
3	Christaline Glenn	WCBFF
4	Roshan Irani	WCBFF
5	Mrs. Ganguly	WCBFF
6	Hemant Parekh	BME Ltd.
7	Ashok Bafna	BME Ltd.
8	D L Thakker	BCHAA
9	Rajasekhar R.	M/s CCFI
10	Vilas RaoRane	BCHAA
11	Milan Desai	BCHAA
12	Yugandhar Naik	BCHAA
13	Subhash Bangae	M/s TransIndia CFS
14	Vinayak Aparaj	BCHAA
15	Rajesh Gosalia	BCHAA
16	Venkatram Narayanan	CFSAI
17	Umesh Shetty	CFSAI
18	Laksha T.	CFSAI
19	Neelesh Datir	AILBIEA
20	Mohan Nihalani	AIIEA
21	Chetna M Bhadeka	WCBFF
22	Nimish Desai	WISA
23	Paresh Shah	BCHAA
24	Omprakash Agrawal	MSWA
25	Suresh Dalvi	BCHAA
26	Hiren Ruparel	BCHAA
27	Ganpat Karade	BCHAA
28	Raghav Uchil	AMTOI
29	Norman Fernandez	CSLA
30	Shankar Shinde	RCCI
31	Yash Vardhan	CFSAI
32	James Joseph	CFSAI

33	S M Salian	CFSAI
34	Salim Shikalgar	CFSAI
35	Santosh Shetty	CFSAI
36	Prashant Barawkar	M/s MSWC CFS

Following Officers from Department attended the meeting:-

Sr. No.	Names (Smt./Shri/Ms.)	Designation
1	Vijay Risi	Addl. Commissioner of Customs, JNCH
2	Dhirendra Lal	Addl. Commissioner of Customs, JNCH
3	Rahul R. Nangare	Addl. Commissioner of Customs, JNCH
4	Nikhil Meshram	Addl. Commissioner of Customs, JNCH
5	S C Gangar	Addl. Commissioner of Customs, JNCH
6	Akhilesh Pandey	Addl. Commissioner of Customs, JNCH
7	Jagdish Sharan	Addl. Commissioner of Customs, JNCH
8	B.S. Mangat	Dy. Commissioner of Customs, JNCH
9	Amit Kumar	Dy. Commissioner of Customs, JNCH
10	Sandeep Yadav	Dy. Commissioner of Customs, JNCH
11	S D Jambotkar	Dy. Commissioner of Customs, JNCH
12	Tapan Kumar	Dy. Commissioner of Customs, JNCH
13	D N Paunekar	Asstt. Commissioner of Customs, JNCH

2) At the outset, the Chairman welcomed all the members. The Chairman also introduced all the newly joined Commissioners of Customs to the members. The Chairman reiterated the commitment of the Department for improving the efficiency with the aim to promote an honest and efficient trade. The Chairman also informed the House about the Authorized Economic Operator (AEO) programme being implemented by the Board for trade facilitation and solicited active participation of the members.

3) The Addl. Commissioner of Customs, Appg. (Main) (Import), thereafter, announced the following facilitation measures for Ease of Doing Business carried out by the Department since the last PTFC meeting held on 21.07.2016.

i) Public Notice No.105/2016 dated 27.07.2016, Public Notice No.108/2016 dated 17.08.2016 and Public Notice No.113/2016 dated 24.08.2016 regarding Revised Guidelines for Review of entity based facilitation programmes viz. Accredited Client Programme (ACP) and Authorized Economic Operator (AEO) programme.

ii) Public Notice No.109/2016 dated 17.08.2016 regarding Assessment of Bulk Liquid Cargo.

iii) Public Notice No.110/2016 dated 18.08.2016 regarding Procedure regarding Special Warehouses/Duty Free Shops.

iv) Public Notice No.112/2016 dated 22.08.2016 regarding Amendment in the Legal Metrology (Packaged Commodities) Rules' 2011.

v) Standing Order No.45/2016 dated 22.07.2016 regarding Revised Guidelines for Review of entity based facilitation programmes viz. Accredited Client Programme (ACP) and Authorized Economic Operator (AEO) programme.

vi) Standing Order No.46/2016 dated 17.08.2016 regarding Assessment of Bulk Liquid Cargo.

4) Thereafter, the Agenda points were taken up for discussion.

**Old Points:**

**Point No.5:- Non pasting of DMS Coupons.**

In several cases DMS coupons are not pasted on documents by CHA. This becomes a violation of the Customs law. This issue was also discussed in the last PTFC meeting.

The Chairman directed the ADC/ CFS Management Cell to look into the matter and sought cooperation of the trade members for compliance on the issue.

**Action taken:-**

The CFS Management Cell informed that the issue was discussed in the meeting held with M/s BCHAA and M/s CFSAI members. M/s BCHAA have requested that they should be provided with the list of the dockets with the name of the Customs Brokers wherein DMS coupons were not pasted. In this regard, it was informed that M/s Newgen Software Technologies Ltd. is in the process of making the list of dockets where the DMS coupons were not pasted. M/s BCHAA has also stated that their members have been instructed to paste the DMS coupons on the dockets prior to registration and that they will initiate necessary measures for pasting the DMS coupons on the dockets where these coupons are not posted.

In this regard, the Chairman directed the ADC/CFS Management Cell and ADC/MCD to jointly look into the matter and to initiate necessary measures to obtain the list of such pending dockets from M/s Newgen Software Technologies Ltd. to sort out the issue.

**(Action:ADC/ CFS Management Cell & ADC/ MCD)**

**New Points: (Point No.6 to 9 sponsored by M/s Bombay Metal Exchange Ltd.; Point No.10 sponsored by Shri.Mohan Nihalani, M/s All India Importers' & Exporters' Association; Point No.11 to 13 sponsored by M/s BCHAA)**

**Point No.6:-Problems faced in Customs for Price Valuation in Base Metals.**

The Nhava Sheva Customs generally accepts Metal Bulletin reference prices which are only indicative and primarily for European & American markets. We would request the Customs to also accept authenticated and reliable Chinese and other Products, Publications/Websites like [www.asianmetals.com](http://www.asianmetals.com), [www.ferroalloys.com](http://www.ferroalloys.com), [www.metalpages.com](http://www.metalpages.com), etc., which are very old and reputed websites for price reference worldwide, mainly for Chinese and European products. These websites are also a source of deep knowledge and insight for all kinds of Ferro Alloys, Base metals, Non-ferrous Metals & Minor Metals.

**Request:** We would request your kind intervention to clarify this issue and widen the scope for price acceptance and also accept other authenticated website and publications as well.

**Action taken:-** In this regard, Group IV stated that valuation of base metal in their Primary and Secondary forms are basically done following the LME prices which reflect the base metal price for international market. Further the base metal prices are controlled by the International market based on the mines production and the Group periodically reviews the prices to incorporate any change in international price of such commodities.

Moreover, the minimum reference price is based on the guidelines of DGOV vis-à-vis international prices of various metals as published in the LME. It was also informed that several commodities of this group are having MIP (Minimum Import Price) decided by the DGFT.

In this regard, the Chairman requested M/s BME Ltd. to undertake the study of Metal Bulletin prices of minor metals and the prices reflected in the above mentioned websites to substantiate their claim that there is vast difference in the prices and that the prices of the above mentioned websites reflect the true prices of the said commodity as compared to the Metal Bulletin. The Chairman also informed M/s BME Ltd. that department in consultation with DGOV will examine the issue in case they can substantiate their claim with supporting documents.

**(Point Closed)**

**Point No.7:-Contract Registration within 7 days.**

We request to accept registration of Sales/Purchase contract within 7 working days by the customs and the same price shall stand valid till the time of customs clearance of goods, irrespective of whatever price prevailing on the BL/shipment date. Please note that the practice of accepting contract registration within 7 days was prevalent earlier.

**Action taken:-** In this regard, Group II G stated that any contract not backed by Letter of Credit is registered within seven days as per Standing Order No.7493/99 dated 03.12.1999 and the value of plastic items for assessment of custom duty is taken on the basis of PLATT price on the date of contract subject to the condition that the first shipment is made within 21 days of the date of the contract.

In this regard, the Chairman raised the issue of validity of any contract not backed by Letter of Credit (LoC). The Chairman also informed that the matter regarding the registration of contract not backed by LoC will be re-examined.

**Action: ADC/Group-IIG & ADC/Group-IV**

**Point No.8:- Objection raised by Dock AC & Appraisers about price after passing through RMS.**

The Dock AC and Appraisers raise an objection about the price after passing through RMS, where duty is paid and D.O. is also obtained. Even after necessary logistics for clearance of goods is done, they have been asking to re-send Bill of Entry to Group for further price verification which leads to difficult situation for an importer (often increasing logistic cost & Order cancellations).

**Action taken:-** It was informed by the Addl. Commissioner of Customs, NS-II that department is progressively increasing the facilitation level in the clearance of the Bills of Entry and aims to achieve 90% facilitation in this regard. Accordingly, with such increased facilitation, the Out-of-Charge Officer has the mandate to verify not only the valuation aspect but also the compliance of requirements of Allied Acts viz. BIS or any other licensing requirements. It was also informed that any objection is being forwarded to Group only with the approval of the Additional Commissioner of Customs, Docks. It was further informed that Trade should be aware of the prevailing assessment practices being followed by the Groups and in case the import price are below the prevailing prices,

they are requested to suo-moto recall the Bill of Entry for re-assessment in order to reduce the dwell time of their consignments.

In this regard, it was also informed by the Chairman that Docks Officers have been directed to refrain from taking frivolous objections. It was also informed that Trade can always meet the concerned Additional Commissioner of Customs in case any Officer is acting unreasonably and they are facing any difficulty in clearance of the goods. It was also informed that they can also approach the concerned Commissioners of Customs in case they feel that their grievances have not been properly addressed.

**(Point Closed)**

**Point No.9:- Not been getting SAD Refund in case of payment made through DEPB / FOCUS or any other licenses.**

We have been getting SAD refund for the Custom Duty paid online, but we would like to draw your attention that the SAD refund for all our earlier duty payments made through DEPB / FOCUS or any other licenses are still pending. You are kindly requested to please look into the matter.

**Action taken:-** It was informed that the list of the B/E's for pending SAD claims as provided by M/s BME Ltd. were not being reflected in the EDI system and pertained to some other Custom House. In this regard, M/s BME Ltd. was requested to take up the issue with the concerned Commissionerate.

**(Point Closed)**

**Point No.10:-Monitoring and Accountability.**

Notwithstanding the fact that the Customs Department has taken several steps at simplification at the Policy level, much needs to be done at the operational level. Here strong processes need to be laid down at monitoring delays in clearance at the Customs level. A systematic approach to be taken to suo moto do such monitoring by senior officials at least at the Additional Commissioners or Commissioners level. Such cases of delay be studied in depth and accountably fixed. In case, it is found that the delay was due to wrong application of certain parameters by the officials concerned, then a disciplinary and /or vigilance inquiry be instituted. Reports of such inquiries/ analysis be sent to the CBEC for suitable action.

Also there are reports of high handed behaviour by some operational officials. A confidential hearing system, in camera, be instituted at the Commissioners level to hear complaints in this regard and suitable action taken. If there are continuous complaints against a particular official suitable disciplinary action, in consultation with CBEC, be taken.

For the AEO programme, the Board has constituted a "Department of Performance Management"- somewhere on similar lines the CBEC should also constitute a "Department of Performance Management" at the operational level also - a Department which will monitor the performance of the Customs personnel.

Customs Department plays a very important role in the management of the country's foreign trade and hence the steps mooted above assume tremendous importance.

**Action taken:-** In this regard, it was informed that specific time has been allocated to attend taxpayers for expeditious redressal of their grievances on Wednesday's (9 A.M. to 1 P.M.) as 'Wednesdays' has been designated as Taxpayers' day. It was also informed that Public Notice No.18/2015 dated 25.02.2015 have already been issued in this regard. Further it was reiterated that all Senior Officers including all the Commissioners are available all days of the week and any person can approach them anytime in case of any difficulty.

It was also informed by the Chairman that they have a system in place for monitoring the behaviour and activities of the Officer. Performance of the Officers is monitored continuously and the same is appropriately reflected. It was further informed that in case anything adverse is being noticed against any officer, necessary action is being initiated to discipline the concerned officer.

**(Point Closed)**

**Point No.11:- Manual Order not to be insisted for PGA release.**

Once B/E is recalled for any reason, Appraiser has prerogative to change the assessment as deem fit. As regards to addition in examination order, we have already raised the issue of manual order for ADC/PGA NOC if under Single Window item/ CTH is not mapped.

**Request:** Manual order by Group Officer not to be insisted for PGA release.

**Action taken:-** After hearing the submissions of M/s BCHAA, the Chairman stated that in case any item is already mapped under Single Window and the concerned PGA's are making necessary observations in respect of the same in the system, there was no necessity of manual order by the Group Officer in that regard.

It was also informed by the Chairman that there are some items which otherwise require NOC from the PGA's but they have not yet been mapped under Single Window either due to variation in CTH or by virtue of omission. In all such cases, the department is in the process of mapping them under the Single Window. Accordingly in all such cases, the Assessing Officer is required to give orders for producing NOC from the concerned PGA's till the time the said item is mapped under the Single Window.

It was also reiterated that Docks Officers have been sensitised not to insist for manual NOC from the PGA's as the required permission/NOC, if any, from PGA's will be obtained online in the SWIFT. Further M/s BCHAA was also requested to provide the list of cases wherein the Compulsory Compliance Requirements (CCR's) provides for production of 'NOC' from the concerned PGA's inspite of the fact that there was no such requirement for the same in the Single Window. The list will be examined by the Group for forwarding to the RMD for necessary action.

**Action: ADC/Group-II (A-F), Group I & M/s BCHAA**

**Point No.12:- Request to review Standing Order on Plastic Valuation.**

We would like to highlight difficulties faced by the EXIM trade at J.N. Customs for clearance of Plastic - Prime having manufacturer's invoice availing 10% discounts as per group practice.

Matter was discussed in PTFC dated 21.07.2016 and it was informed that Standing Order No.44/2016 dated 08.07.2016 was issued in response to discussion on subject in previous PTFC meetings.

In this regard, it is humbly requested that Valuation procedure to be completed in docks will create lot of hardship to trade.

**Request:** Valuation in the docks will bring hardship to trade and the officers. Delays in clearance will be noticed. Availability of Officers in Group/Custom House

is one point solution, whereas, Docks DC's are having multiple CFS's charge. Importers/Custom Broker will complete valuation procedure in Customs and Docks would release it on the basis of orders in file. This matter was represented by trade, as B/E's were being recalled by the Group for reassessment, even if variation is within 10%. If required, a joint meeting with trade and Appraising group may be called if necessary and issue may be decided accordingly.

**Action taken:-** In this regard, the Chairman observed that the Standing Order No.44/2016 dated 08.07.2016 has been issued recently in consultation with the Trade. This needs to be kept in practice for some time. However, the matter will be examined in due course.

**Action: ADC/Group-II G**

**Point No.13:-Transmission of Advance Authorization License with convertible currency and INR.**

M/s BCHAA had made a representation vide their letter No.BCHAA/PS/406/2016 dated 27.06.2016 regarding hardship being faced by Exporters for Transmission of Advance Authorization License with convertible currency and INR on Customs EDI System.

In this regard, M/s BCHAA had received a reply vide letter no.4(35)/47/2013 System/1070 dated 12.07.2016 from Mr R. Ananth, Deputy Director, Directorate General (Systems), stating that necessary changes have been incorporated on 28.06.2016 in the EDI System in consultation with DGFT. However, it is being experienced that the changes have still not being incorporated in the EDI system.

**Request:** Your good office to look into this matter and represent with Directorate of system to effect the necessary changes.

a) Debit Foreign Currency only in the License, from overall value of license and stopping of INR debits as is stipulated in Handbook of Procedure 2015 -2020 in Para 9.01 (c).

b) Only quantity should be debited on individual item level instead of value in terms of para 4.26 (C), which states an Advance Authorization shall inter-alia specify aggregate CIF value of Imports.

**Action taken:-** In this regard, the Chairman stated that in case M/s. BCHAA is still facing any difficulty in that regard, the matter will again be pursued with the DG (Systems) for resolving the issue.

**Action: ADC/EDI**

14) Thereafter, the Commissioner of Customs, NS-V discussed the following issues before the House:-

i) It was informed that Public Notice No.94/2016 dated 21.06.2016 had been issued regarding implementation of the Indirect Tax Dispute Resolution Scheme, 2016. Accordingly, all members were requested to inform their Importers/Exporters to avail the facility available under the scheme and resolve the pending disputes with the department.

ii) It was also informed that the department is committed to ensure ease of doing business for the various stakeholders. However, it is also desirable that the Trade should also discharge its responsibility in an honest and efficient manner.

iii) It was also informed that 'Self-Assessment' provision in the Customs Act had been implemented w.e.f. 08.04.2011 which inter alia, enjoins the importers to correctly declare value, classification, description of goods, exemption notifications, etc. and self assess the duty thereon, if any.

However, it has been noticed that in many cases the importers/CHAs are not fulfilling their aforesaid obligation, in as much as the applicable Anti Dumping Duty have not been found to be paid in specific cases of import of Methyl Acetoacetate, Pentaerythritol, Morpholine, Acetone, Hexamine and some of the Rubber Chemicals.

Therefore, it is emphasized that it is the responsibility of the importer/CHA to inter-alia make correct declaration regarding leviability of Anti Dumping Duty in the Bills of Entry filed under self assessment procedure. Failure to do so, on detection, would attract severe penal action as deemed appropriate under the Customs Act, 1962.

iv) It was observed that application regarding request for extension of time limit for goods warehoused u/s 49 of the Customs Act, 1962 is not being made within the permissible time period. Accordingly, it is requested to make the application within the prescribed time limit.

v) It was also informed that there is huge pendency of Bills of Entry pending for duty payment and registration which adversely affect the dwell time of the cargo. In this regard, the House was requested to take steps to apprise the Importers regarding benefits of early payment of duty and registration for early clearance of the cargo. Further suggestions for improvement in dwell time were also solicited from the members.

15) The members of the meeting were informed that the next PTFC meeting shall be held on **23.09.2016** at **11.30 hrs** at **Conference Hall, 7<sup>th</sup> Floor, JNCH**. The Chairmen requested all the Association Members to forward their agenda points, if any, at least **07 working days in advance** on Fax No. 022-27243245 or by e-mail to Appraising Main (Imp) Section on [appraisingmain.jnchimp@gmail.com](mailto:appraisingmain.jnchimp@gmail.com) for taking up the issue in the upcoming PTFC meeting.

16) The meeting ended with thanks to the Chair.

17) This issues with the approval of the Commissioner of Customs, NS-III and the Commissioner of Customs, NS- V.

**(B.S.MANGAT)**  
**DEPUTY COMMISSIONER OF CUSTOMS**  
**CENTRALISED APPRAISING MAIN,**  
**NS-I, III & V JNCH**

To,

All the Members of PTFC.

Copy to:

1. The Chief Commissioner of Customs, Mumbai Zone-II, JNCH, Sheva.
2. The Principal Addl. Director General, Directorate General of Tax Payers Services, Mumbai Zonal Unit, Room No.138/139, New Custom House, Ballard Estate, Mumbai - 400 001 ([mzu-dgtps@gov.in](mailto:mzu-dgtps@gov.in)).
3. The Ombudsman, Indirect Taxes, Mumbai.
4. The Pr. Commissioner/All Commissioners of Customs, Zone-II, JNCH, Sheva.
5. All ADC/JC, DC/AC of Customs (I, III, V), JNCH, Sheva.
6. DC/EDI for uploading on JNCH website.
7. Office Copy.