

OFFICE OF THE CHIEF COMMISSIONER OF CUSTOMS,
MUMBAI ZONE – I, NEW CUSTOM HOUSE, MUMBAI

F NO.S/I–22(02)/2013-CCO-I Pt.I(Unit-IV)

DATE: .11.2014

Minutes of the Open House Meeting held on 17.10.2014.

An Open House Meeting was held on 17.10.2014 under the Chairmanship of Shri A.K.Kaushal, Chief Commissioner of Customs, Zone I, Shri B.B. Prasad, Chief Commissioner of Customs, Zone II and Shri B.S.Vasudev, Chief Commissioner of Customs, Zone III in the Conference Hall, 2nd Floor, NCH, Mumbai Zone- I.

2. From the department side, the following officers attended the meeting:

- (i) Shri Dhirendra Lal, Additional Commissioner of Customs, CCO, Zone I.
- (ii) Shri S.C.Gangar, Joint Commissioner of Customs ICD,Mulund, Mumbai.
- (iii) Shri. K.G.V.N.Surya Teja, Deputy Commissioner of Customs, CCO, Zone I.

3. The following members attended the meeting from the trade side:

Sr. No.	Name (Mr./Ms)	Company/Designation
1	Mr.MohanNihalani	AIIEA
2	Sh. Ashish Pednekar	President BCHAA
3	Sh. Om Agarwal	BCHAA
4	Mr.Mark S.Fernandes	Indian Merchants Chamber
5	Sh. Dushyant Mulani	BCHAA
6	Mr.Sorab P.Engineer	BCHAA
7	Mr.Loknath Rai	ACAAI
8	Mr.Rajiv Gupta	Individual/Member of Public
9	MsJanet D'Souza	Exel Exim Services
10	Sh Nimish Desai	NHD Forwarders P Ltd
11	Sh. Joseph Tharakan	Bruce Logistic P Ltd
12	Sh. Suresh Dalvi	BCHAA Indian Seaways
13	Sh. K.B.Bhandari	BCHAA Lakka Transglobal (I) P Ltd
14	Sh. Kiran Rambhia	BCHAA
15	Sh. Ganpat P. Kanade	BCHAA
16.	Sh. Vinayak B. Apasaj	BCHAA

4. At the outset, Shri A.K.Kaushal, Chief Commissioner of Customs, Zone I, Shri .B.B Prasad, Chief Commissioner of Customs, Zone II and Shri B.S.Vasudev, Chief Commissioner of Customs, Zone III welcomed all the members of the trade. Thereafter, Agenda points still open from the Minutes of the last meeting held on 19.08.2014 alongwith the fresh points received thereafter were taken up for discussion, as mentioned below:-

4.1 Linking/list of rescinded Public Notice on JNCH/NCH/ACC's websites:-

[Please refer to Point 4.1 of minutes of last meeting dated 19.08.2014]

Shri S.P.Engineer of BCHAA during the earlier meetings had enquired about progress made with regard to his point that if a Public Notice has mention of earlier/later public notice number, then the said earlier/later public notice should also be shown as a link with new/old Public Notice for ease of reference.

The members of the House have been informed that concerned officers of the three Zones have started the work of inserting the links wherever there is reference to another Public Notice. It was further informed that since this is an ongoing process, it would take some more time to complete the task.

Shri S.P.Engineer requested that whatever has been done, the same can be inserted online. The suggestion of Shri Engineer has been noted.

To a query from Shri B.B. Prasad, Chief Commissioner of Customs, Zone II about what exactly was the issue; Shri S.P.Engineer of BCHAA explained that if a Public Notice has reference of an earlier/later public notice no., then the said earlier/later public notice should also be displayed as a link to the new/old Public Notice for ease of reference. For example, he informed that the Public Notice no 38/2009 has been modified by Public Notice no 59/2009 about KYC. If anyone reads P.N. 38/2009, he would not know about the modification by P.N.59/2009, so a person does not get complete information and can follow the old P.N. without knowing the amendments/modifications.

Shri A.K.Kaushal, Chief Commissioner of Customs, Zone I directed that this point should be taken care whenever new Public Notices are issued. Sh. Om Agarwal from BCHAA suggested that old P.N.s should be modified first. It was decided by all the chief Commissioners that suggestions would be considered and Open House would be informed when substantial progress is made.

(Action: All the Systems Managers of the three Zones.)

4.2 Lengthy process of the goods to re-export from bond:-

(Refer to Point 4.3(i) of minutes of last meeting dated 19.08.2014)

The BCHAA vide their email dt 07.03.2014 raised the point that there was lengthy process of the goods to be re-exported from Bond. The document has to move to 10 different tables for signatures and it was suggested that document should not be required to be put up to DC

(Import) as bonding of goods had been permitted only because they were eligible for import in the first place.

The house was informed that the re-export of goods from Bond required careful scrutiny and record keeping by Bond section and the procedure established by the department was necessary to check misuse and to keep proper record of goods.

Shri Dharendra Lal, Additional Commissioner of Customs, CCO, Zone I informed that Bond section of Zone I has prepared the draft Public Notice and it has been forwarded to all the three Chief Commissioners of Customs. After approval of all the Chief Commissioners of Customs, public notice will be issued before the next Open House Meeting.

(Action: Commissioner (I), New Custom House, Mumbai)

4.3. Points raised by Shri Rajiv Gupta vide e-mail dated 29.09.14/05 10.14/10.10.14:

Sh. Rajiv Gupta stated that the points cannot be closed without the consent of the party. Shri B.S. Vasudev, Chief Commissioner of Customs, Zone III informed that once the points have been closed in the minutes of the Open House Meeting the same need not be opened again and if anyone is unsatisfied, he can raise the issue with the higher fora.

Sh. Ashish Pednekar, President, BCHAA proposed that the individual issues should not be raised in the Open House. If members start raising individual issues, it would not be proper as Open House should discuss general/policy issues for the benefit of all the members.

(Points are closed)

4.4. Auto Acknowledgement of e-mails & replies to e-mails:

Sh. Rajiv Gupta raised this point that if there is a facility available in the system for auto acknowledgement, then why the same is not being implemented; that there is invariably no reply in respect of the e-mails and these e-mails are official communication & as per the Citizen's charter, they need to be attended to by the Customs officials. He informed that this needs to be ensured by this August house to ensure better transparency and accountability.

Shri Dharendra Lal, Additional Commissioner, CCO, and Zone I informed that the auto acknowledgement facility is available in NCH, Mumbai. The same was verified by sending email to the self and it generated the auto acknowledgement, and the printout of the same was shown to the house. Shri B.B. Prasad, Chief Commissioner, Zone-II informed that this facility is already working in Zone II.

Shri B.S. Vasudev, Chief Commissioner of Customs, Zone III informed that it will be started at Zone III also.

(Action: Systems Manager, Zone-III)

4.5 Non Payment of Duty Drawback and Illegal reduction in Duty Drawback amount

The issue pertains to non Payment of Duty Drawback by the Mulund CFS and illegal reduction in Duty Drawback amount in respect of 10 Shipping Bills pertaining to **M/s Gemini Exports**. No Deficiency memo was served in these cases. Interest is payable at the rate of 6% per annum as on date if the Drawback amount is not paid within 1 month in terms of Section 75A (1) of the CA, 1962

Second issue pertains to perpetration of Illegal reduction in the payment of Duty drawback amount and payment of interest in respect of delayed Duty Drawback in terms of S 75 A of the Customs Act, 1962 in respect of **M/s. Polydrug Laboratories Pvt Ltd.**

Shri A.K.Kaushal, Chief Commissioner of Customs, Zone I explained that the reduction of drawback is due to the present practice of restricting FOB value of the Shipping Bill to 150% of ARE-1 value . This is being done as per the instructions of the Board regarding DEPB. Chief Commissioner Zone I assured the House that matter will be looked into in consultation with other zones as it has all India ramifications.

(Action: Chief Commissioner, Zone I/II/III, Mumbai)

4.6 Non acceptance of LUT

This point was raised by Sh. Rajiv Gupta vide email about the non acceptance of LUTs in respect of the importer, M/s Polydrug Laboratories Pvt Ltd. at JNCH.

Sh. Rajiv Gupta stated that 5 Advance Authorization licenses were submitted for acceptance of LUTs, which are still pending. Para 4.24 of HBP allows one year time beyond 36 months to a Status Holder for Export Obligation to be completed. He further alleged that in this case, the EOP + Grace period is expiring in December, 2014 and hence no action is warranted from Customs and in case of 4 out of 5 Advance Authorizations, the export obligation has been completed and this can be verified from the EDI database.

Shri B.B. Prasad, Chief Commissioner of Customs, Zone II reiterated that individual issues should not be taken up in the Open House Meeting. However, he informed that Sh. Rajiv Gupta had already raised this issue with the Board and a report has been sent to Board in this regard. Chief Commissioner Zone II said since this matter is under consideration by the Board, it would not be proper to discuss it in the Open House.

(Point is closed)

Shri A.K.Kaushal, Chief Commissioner of Customs, Zone I advised the members that local issues may be dealt with the concerned Commissioners/PTFC. If not satisfied, then they may approach Jurisdictional Zonal Chief Commissioner or Open House or Board or the Ministry.

He, further, stressed that the Open House should be used more constructively by raising issues relating to Budget, Policy or for change of procedures etc.

4.7 Point raised by Shri Joseph Tharakan of Bruce Logistics P Ltd:

SIIB-ACC has picked up several Bs/E cleared in the past demanding to pay duty difference due to wrong classification of goods+interest+25% Penalty. Now, the request is to give an opportunity to the importer/CB to represent the issue and give an opportunity to rectify the mistake wherever admissible. It is not fair from the part of Dept. to recover penalty in cases where an opportunity is not given to the Importer/CB to represent the issue. The issue brought to the notice is:

- Goods are eligible for concessional rate of duty but presented with wrong CTH/notification. Opportunity should be given to rectify and to avail the benefit without imposing penalty.

Shri B.S.Vasudev, Chief Commissioner of Customs, Zone III informed that penalty cannot be imposed without giving opportunity to be heard. He asked for the details of the specific cases and he would definitely look into that. Sh. Tharakan stated that certain genuine cases are getting delayed. Chief Commissioner, Zone III assured the House that he will issue suitable instructions, if specific cases are brought to his notice.

(Action: Chief Commissioner Zone III, Mumbai)

4.8 General Points raised during the Open House Meeting

(i) Sh. S.P. Engineer from BCHAA raised the issue of shortage of the CHA staff as the exams for the CHA staff from E category to G category is pending for a while. Last exams were held sometime in 2012.

Shri A.K.Kaushal, Chief Commissioner of Customs, Zone I assured the House of conducting the exams in near future.

(Action: Commissioner (Gen) Zone I, Mumbai)

(ii) Sh. Dushyant Mulani from BCHAA gave a suggestion about easing the process involved in filing a manual Bill of Entry (as it involves 12 steps) where the Scheme/Notification has not been updated in the system. He suggested that a list of schemes/notifications can be given to Manual Noting section on a fortnightly basis so that B/Es of the same can be filed without permission to avoid any delay in filing of such B/Es.

Shri B.S.Vasudev, Chief Commissioner of Customs, Zone III appreciated the suggestion and assured the House that it would be definitely looked into.

(Action: All Chief Commissioners of Customs, Mumbai)

(iii) Sh. Dushyant Mulani from BCHAA further pointed out that there is frequent breakdown of the EDI system especially in the afternoon between 2pm to 6pm due to heavy workload. DG System may be asked to increase the Bandwidth. He further stated that though the workload at ACC and at JNCH is heavy, yet the system problem seems to be more at ACC only.

Sh. Ashish Pednekar of BCHAA informed that there is pendency of Bs/E for assessment at ACC and requested that Bs/E should be assessed on the same day. Sh. Om Agarwal of BCHAA requested that RMS facilitation should be increased to expedite the assessment. Sh. S.P. Engineer said that the RMS facilitation has come down at JNCH.

Shri B.S.Vasudev, Chief Commissioner of Customs, Zone III advised that the Trade should start early to avoid problem of congestion of the system in the afternoon. Shri B.B. Prasad, CC, Zone II informed that the RMS facilitation has gone up at JNCH as total no of LRM targets have been reduced from 300 to 248. He further assured the House that he intends to achieve the RMS facilitation level of 60%.

Shri A.K.Kaushal, Chief Commissioner of Customs, Zone I informed that the Board is concerned about the facilitation level going down. At NCH, Mumbai the number of local targets for imports have been reduced from 34 to 9 to increase facilitation level.

(iv) Sh. Dushyant from BCHAA stated the problem at ACC that the hazardous cargo is mixed with the non hazardous cargo by MIAL and also the cargo which has been given LEO is mixed with the one pending LEO.

Shri B.S.Vasudev, Chief Commissioner of Customs, Zone III asked the members to give a consolidated letter with specific suggestions and steps to be taken by MIAL to address the problem.

(v) Sh. S.P. Engineer raised the issue of free Shipping Bill being subjected to examination and sample being drawn from it which is delaying the exports.

Shri B.B. Prasad, CC, Zone II informed that generally the free S/Bs go in RMS. Unless there are instructions in the system for the officer for the examination or drawing of the sample, consignment should not be opened at all.

Shri B.S.Vasudev, Chief Commissioner of Customs, Zone III informed that there are very few interventions in Export RMS at local level. The interventions, if any, may be at the National level.

After the discussions concluded, Shri B.B. Prasad, CC, Zone II informed the House that one member of the Open House is using unparliamentary language while writing to the Chief Commissioners which is highly objectionable and unacceptable. He read out some of the words and phrases used which were condemned by the House, unanimously. The members of the House agreed to the proposal of the Chief Commissioner that the member need not attend the Open House, if he has no faith in Open House Meetings and the body of three Chief Commissioners.

Sh. Ashish Pednekar of BCHAA condemned and apologized for use of such language by any member. Sh. MohanNihalani of AIIEA reiterated that such language cannot be tolerated at any cost.

Shri A.K.Kaushal, Chief Commissioner of Customs, Zone I expressed his displeasure about such language used by any member. He advised that the use of such language erodes the credibility of the issue.

5. The next Open House Meeting is scheduled to be held on 4th December, 2014 at 3.30pm in the Conference Hall, 2nd floor, New Custom House, Mumbai. It is requested to trade to send agenda points at least 15 days in advance i.e. so that feedback is obtained from all dealing sections and can be resolved early.

(M R R Reddy)

ADDL. COMMISSIONER OF CUSTOMS

Copy to:

1. The Chief Commissioner of Customs, Mumbai Zone I
2. The Chief Commissioner of Customs, Mumbai Zone II
3. The Chief Commissioner of Customs, Mumbai Zone III
4. All Commissioners of Customs, Mumbai Zone I,II& III
5. PS to Member (Budget), CBEC, New Delhi for information.
6. The Addl./Joint Commissioners (EDI), NCH/JNCH/ACC (for uploading Minutes on websites and action on Para 4.(ii).
7. Copy for information and wide circulation to: All Associations with a request to inform their members to view the minutes of the meeting on the website www.mumbaicustomszone1.gov.in
8. Copy to all the members of the trade through e-mail.
9. Office Copy.

(M R R Reddy)

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