

**OFFICE OF THE COMMISSIONER OF CUSTOMS (N.S.-IV)
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA
TAL: URAN, DIST-RAIGAD, MAHARASTRA-400707.**

F. No. S/12-Gen-40/2014-15 AM(X)

Date: 23.12.2014

MINUTES OF PTFC MEETING (EXPORT) HELD ON 27.11.2014

The monthly meeting of Permanent Trade Facilitation Committee (PTFC) (Export) was held on 27.11.2014 at 11.30 am in the Conference Hall at the 7th floor of the Custom House. The meeting was conducted by Shri S.H. Hasan, Commissioner of Customs (Export), JNCH.

The following members of trade attended the meeting:

Sr. No.	Name and Designation	Sr. No.	Name and Designation
01	Ms. Shyamali Banerjee, FIEO	08	Shri Subhash Rajkumar, MANSA
02	Shri Avinash Buge, Deputy Manager, JNPT.	09	Shri R. Rajasekhar, VP (Commercial), M/s. United Phosphorus
03	Shri Dinesh L. Thakker.	10	Shri Sunil Ingole, JNPT.
04	Shri R.K.Rubin	11	Shri L.B. Awasare, Seabird CFS
05	Shri Ramakrishnan, MANSA	12	Shri Balasaheb Rakshe, Cargo Carriers
06	Shri Paresh Shah, BCHAA	13	Shri Suresh Dalvi, Indian Seaways.
07	Shri Nandkumar Nair	14	Shri Nimesh Desai, Chairman, BCHAA.

2. The following officers of the Department attended the meeting:-

Sr. No.	Name and Designation	Sr. No.	Name and Designation
01	Shri A.J.Verma, Addl. Commissioner of Customs	03	Shri O.P.N.Singh, Deputy Commissioner of Customs
02	Shri Alok Agarwal, Joint Commissioner of Customs		

3. The Commissioner welcomed all the members and the meeting began with taking up the pending issues.

4. The following old points from the last PTFC meeting held on 27.11.2014 were taken up for the discussion:-

4.1 Point: A member of BCHAA raised a point regarding difficulties faced in filing of Shipping Bills due to difference in RITC between Central Excise and Customs Drawback Schedule in respect of Polyisocyanate Resin Solution.

Reply: The CHA has been asked to submit product literature for correct classification. Comments/Suggestions, in this regard, have been called from Drawback Section.

(Point to be kept open)

4.2 Point: MANSA vide their letter dt. 17.06.2014 has raised a point in respect of difficulties faced in getting the Shipping Bills amended/split and consequent delay in filing of EGM in the case of shutout/part cargo loading. With reference to the P.N 36/2004 dated 08.07.2004 they have

stated that the procedure of amending/splitting Shipping Bill as prescribed in the said P.N is time Consuming. They have requested to re-visit the terms/requirements as required to be followed as per the P.N. 36/2004 and to simplify the procedures therein.

Reply: Matter is being examined in detail and therefore the matter will be taken up in consultation with EDI, Export Docks and a suitable solution will be worked out.

(Point kept open)

5. The following fresh points came up for discussion in the present PTFC meeting:

5.1 Point: Mr. K. Johnson, Deputy General Manager, Balkrishna Industries Ltd. vide his e-mail dated 29.10.2014 has raised a issue regarding refund of rubber cess paid on Imported Natural Rubber. He has stated that they have taken up the matter with DC, Refund. However, the same was also addressed to the concerned group (Advance Authorisation) to co-ordinate with Refund section to settle the matter.

Reply: DC, Group VII D has been requested to co-ordinate with Refund Cell in order to expedite the matter.

(Point Closed)

5.2 Point: Assistant General Manager, State Bank of India, Nhava Sheva Port Project Branch submitted a letter dated 20.11.2014, for inclusion of agenda item in PTFC Meeting, in respect of "Know Your Customer (KYC)" norms stipulated by RBI for Duty Drawback Accounts.

The letter stated that State Bank of India, Nhava Sheva Port Project Branch is maintaining Duty Drawback accounts of Exporters wherein the drawback amount is credited by Customs Department.

The Assistant General Manager in his above mentioned letter stated that as per RBI guidelines, the accounts are required to be KYC (Know Your Customer) compliant for smooth banking operation in the account. As per RBI stipulation, the banks should impose partial freezing- i.e. restricting debit transactions on KYC non-complaint accounts. After three months of partial freezing the accounts are still non-KYC compliant, the banks may disallow credits also rendering the accounts inoperative.

It was further stated that the bank has sent notices to the exporters for doing the KYC formalities. However, the response is very poor. In many cases, the notices have returned undelivered. Due to the above regulation and failure on the part of making accounts KYC compliant, the drawback amounts will not be sent to the exporter account initially, however, credit of drawback amount will happen. After 3 months, the drawback amount may not be credited in the account which will result in inconvenience for the Customs also. As the bank will return the fund along with the list to Customs, the exporter will not get the drawback and exporter has to approach Customs to process again.

It has been requested to include this item in PTFC meeting to discuss with representatives to convey message to all clients to resolve this issue for obviating any inconvenience to the customers. The letter also requests to provide list of exporters available with Customs containing IEC, address and phone numbers of Drawback account holders to expedite the process.

Reply: Issue was brought to notice of Exporters/Drawback Account holders. Representative of State Bank of India was informed that the Commissionerate does not maintain any list of accounts maintained by exporters in SBI. The members of PTFC were

requested to inform the exporters regarding compliance of KYC norms with State Bank of India, Nhava Sheva Port Project branch.

(Point Closed)

Point 5.3: Shri Milan Desai, Chairman, BCHAA submitted a letter dated 24.11.2014 during the meeting stating that Factory Stuffing Permission is granted for Export promotion schemes such as DEEC, DFIA, Drawback etc. However query is being raised to obtain separate Factory Stuffing Permission for EPCG in addition to permission granted to an exporter for other schemes. It is suggested in the letter that since EPCG is issued against export obligation by an exporter Factory Stuffing Permission issued for DEEC, DFIA, Drawback etc. may be accepted for EPCG.

Reply: After examining the issue, FSP Cell has informed that, while submitting the request for the issue of LoFSP, exporter has to make declaration of Scheme against Column No. 14 (ii) of the Annexure-B which submitted along with the request letter as required under P.N. No. 23/2010 dt 26.02.2010. Accordingly the schemes as declared by the exporter are being reflected in the LoFSP.

Since the schemes as requested by the exporter are being reflected in the LoFSP issued under signature of AC/DC, FSP Cell, any addition of scheme is being done with the approval of AC/DC, FSP Cell. Further, the practice followed for addition of the scheme in the LoFSP is as under.

“On exporter request, scheme other than those reflected in the LoFSP are being added to the existing LoFSP subject to submission of requisite documents. It is pertinent to the mention here this office is not issuing any fresh LoFSP for addition of scheme and the approval of addition of scheme is being intimated to the concerned Central Excise authority as well as exporter by way of intimation letter.”

(Point closed)

Point 5.4: Shri Milan Desai, Chairman, BCHAA submitted a letter dated 24.11.2014 during the meeting stating that new Drawback rates introduced after 22.11.2014 were not available in the system initially resulting in difficulty to the exporters. Final print of Shipping Bills filed prior to 22.11.2014 with old drawback Sr. Nos. & where LEO is given on or after 22.11.2014 is showing drawback amount as ZERO. It is further stated that some Customs Brokers had affected shipments so as not to miss out the vessel. It is requested in the letter that suitable amendments may be permitted by cancellation of LEO to enable grant of Drawback. And where shipments are yet to be effected, may be cancelled and amendments granted to capture the correct BTN details in the Shipping Bills.

Reply: After examining the issue Drawback Section has informed that the Shipping Bills prior to 22.11.2014 with old drawback Serial Nos. and where LEO was given on or after 22.11.2014, have not yet come in the queue for processing. The same will be processed as soon as they appear in the queue without obtaining amendment certificate through supplementary claims.

(Point closed)

6. The next PTFC meeting is scheduled to be held on **Friday, 26.12.2014 at 4.00 PM** in Conference Hall, 7th Floor, JNCH. The PTFC members/trade representatives are requested to forward their agenda points, if any, well in advance on Fax No. 022-27243245 or by E-mail to Appraising Main

(Export) Section on amx24082012nhavasheva@gmail.com for taking up the issue in the upcoming PTFC meeting.

7. The meeting ended with thanks to the Chair.

8. This issues with the approval of Commissioner of Customs (Export), JNCH.

(A.K.Goel)
Joint Commissioner of Customs
Appraising Main (Export), JNCH

To,

All the Members of PTFC by e-mail

Copy to:-

1. The Chief Commissioner of Customs, Mumbai Zone-II, JNCH, Sheva.
2. The Commissioner of Customs (N.S.-Gen, II & IV), JNCH, Sheva
3. All ADC/JC, DC/AC of Customs (N.S.-Gen, II & IV), JNCH, Sheva.
4. AC/EDI for uploading on JNCH website.
5. Office Copy.