#### File No.CUS/13/2021-TECH -O/O-COMMR-CUS-MANGALURU

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NEW CUSTOM HOUSE, PANAMBUR, MANGALURU - 575 010				
दिनांक/Date: 07.01.2021				

DIN No.20210172MQ00000D75A

## PUBLIC NOTICE NO.02/2021 dtd.07.01.2021

Sub: Procedure in respect of discharge and clearance of Dry Bulk Cargo (Coal and Coke) after grant of Out of Charge (OOC) - Reg.

Attention of all the Importers, Customs Brokers, Shipping Lines, Port Authorities and other Stake Holders is drawn towards the procedure in respect of the discharge and clearance of Dry Bulk Cargo (Coal and Coke) after grant of out of charge (OOC).

- 2. The handling and delivery of Dry bulk Cargo (Coal and Coke) was done by M/s NMPT prior to M/s Chattinad Mangalore Coal Terminal Pvt Ltd. (M/s CMCTPL) were appointed as Custodians.
- 3. However, after M/s CMCTPL started handling Dry bulk cargo, they started weighing the Dry Bulk Cargo (Coal and Coke) at the time of delivery, after Out of Charge given by the Customs. Due to the said practice, some instances have arisen, especially during monsoon season wherein after the discharge of the Bill of Entry quantity cargo, some more cargo remained in their yard and they have been asking the importers to get clearance from Customs.
- 4. Representations have been received from importers with regard to the difficulties experienced in discharge and clearance of dry bulk cargo namely Coal and Coke.
- 5. The request of the importers has been examined and for ease of doing business and facilitating trade, a set of instructions is being issued on the same as follows:
- (i) In respect of dry bulk cargo, an independent survey report should be prepared by the carrier and the consignee and such report should be countersigned by the Customs Officer before discharge of the Cargo. Such

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report should be accepted for the purpose of ascertaining the actual cargo unloaded.

(ii) Thus, in respect of dry bulk cargo customs duty is required to be recovered on the quantity ascertained on the basis of draft survey report jointly signed by the consignee/owner or his agent, carrier, custodian and Customs Officer. Further, as per paragraph 7.08(i) of the appraising manual, in case of Coal and Coke, shortage up to 2% of the manifested quantity may be allowed and no further weighment of coal is warranted.

### Shortages in Manifested Quantities - Instructions as per 7.08(i)

The following instructions shall be followed in respect of the shortages observed in the manifested quantities.

#### Coal and Coke

Shortages up to 2% of the manifested quantities may be allowed without penalty under Section 116 of the Customs Act, 1962. If the deficiency exceeds 2%, the agents of the vessel should be required to explain the shortage and if their explanation is not satisfactory, penalty should be imposed under section 116 of the Customs Act for the whole shortage.

- 6. Since the duty on Coal is already paid on the basis of weighment determined in draft survey, there do not appear to be any danger to revenue in case certain shortage/excess are noticed upon physical weighment conducted at a time of delivery of the cargo out of the port by the custodian. Once particular quantity of coal is given out of charge by the proper officer of Customs, the custodian can deliver the cargo to the parties concerned on the basis of delivery order issued by the shipping agent. They may use weighbridge inside or outside the Port.
- 7. In view of the above, it has been decided that the procedure of 100% weighment of the dry bulk cargo (coal and coke) before dispatch may not be required, since Customs Duty is collected based on the draft survey report.
- 8. Action to be taken in terms of decisions taken in this Public Notice will be considered Standing Order for the purpose of officers/staff. In case of any difficulty, the specific issue may be brought to the notice of Shri. Joannes George, Joint Commissioner of Customs, New Customs house, Panambur, Mangaluru (Mobile No.9747872349).

(इमामुद्दीन अहमद/ IMAMUDDIN AHMAD) आयुक्त, सीमा शुल्क/ COMMISSIONER OF CUSTOMS मंगलौर/MANGALURU

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All concerned (as per mailing list)

Copy submitted to: The Chief Commissioner of Customs, Bengaluru Zone for information.