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**PUBLIC NOTICE NO. 11 /2017**

Subject: – Guidelines on storage of imported cotton in V.O.C.  
 Chidambaranar Port Trust by International Traders - Reg.

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Attention of all Importers/Exporters /Custom Brokers/ Clearing Agents / Steamer Agents/Shipping agents/Trade and Industry and Public is invited to the Circular No.40/2016-Customs dated 26.08.2016, issued by Government of India, Ministry of Finance, Department of Revenue, New Delhi and Board's Circular No.4/2011-Cus dt. 10.1.2011, wherein, vide Annexure-A appended to the circular, CBEC has prescribed comprehensive guidelines on safety and security of premises where imported or export goods are loaded, unloaded, handled or stored. Further, the Public Notice No. 40/2016 Dated .08.2016, issued by this Custom House also may be referred.

2. Based on the recommendations and instructions, from the Ministry of Shipping, to explore the feasibility of handling raw cotton, in the Port by creating a free trade warehousing zone, on the request of M/s. Southern India Mills Association(SIMA), a meeting was convened by VOCPPT with the stake holders like SIMA members, Port users associations, Terminal Operators, Plant Quarantine (PQ) and Customs, wherein it was decided to create dedicated storage space within the VOCPPT premises, for storage of imported raw cotton in a phased manner in order to create benefits in terms of earnings in foreign exchange, attraction to foreign investment, employment opportunities, freight benefits to Exim Trade, low transshipment cost etc. The ultimate aim is to create a Free trade warehousing zone (FTWZ), inside the port premises similar to the facility available in other foreign ports.

3. Pursuant to the decision of meeting, the following guidelines are prescribed for, in so far relating the international transshipment of raw cotton containers through VOCPPT.

(i) The application for international transshipment of FCL cargo can be made by master of the vessel or his authorized agent, Non-Vessel Operating Common

Carrier (NVOCC) or any other person duly authorized in this behalf by the foreign supplier.

(ii) No goods for international transshipment should be unloaded from the vessel until the permission for the same has been given by the AC/DC authorized in this behalf by the Commissioner of Customs, on the basis of manifested details in IGM.

(iii) The details such as Container Number, description of goods etc. shall be mentioned in the Import General Manifest. In the electronic manifest, there are fields for specifying (a) Port of destination, and (b) 'cargo movement' code. Under Section 54(2) of the Customs Act read with Section 11, where any goods are imported into a Customs station are mentioned in the import manifest or the import report, as the case may be, as for "transshipment" to any place outside India such goods may be allowed to be so transhipped without payment of duty. As such, the Carrier will release Bill of Lading mentioning any other foreign port such as "Colombo" as the port of discharge and mentions "Colombo" in the bill of lading and the carrier will file a Import general manifest (IGM) in respect of containers as "Transshipment" prior to the arrival of the vessel. For cargo movement, there are three codes which need to be filled correctly with proper port of destination. These are explained in detail as follows:

(1) 'LC' - Local Cargo: This refers to the port code where cargo is delivered. It is the same as the port of arrival.

(2) 'TC' - Transshipment Cargo: It refers to international cargo and the port of destination shall be the port code where transshipment cargo is destined to or delivered.

(3) 'TI' - Transshipment to ICD: This is the local cargo where the cargo meant for transshipment to hinterland port i.e. ICD. The port of destination is the port code of the ICD.

As regards the electronic manifest message, there is a field to specify that whether the cargo is FCL or LCL or 'EMPTY'. This field is called 'Container Status'. The line and the sub-line numbers provide the inter-linkage between the cargo details and the container details. Therefore, the existing EDI System in ICES can be used for Customs documentation and processing.

(iv) The unloading of such ITP containers at gateway port would be in presence of Customs Officers. The containers would be taken to approved place / premises within the Terminal under Customs escort. DBGT would provide a segregated secure space for ITP containers. The imported ITP containers will be stored in the Dakshin Bharat Gateway Terminal(DBGT), inside the port. The Cotton importers afterwards may then identify the Indian as well as international buyers and clear the cargo according to their requirement i.e. LC, TC and TI as the case may be.

- v) However, the terminal operator Dakshin Bharat Gateway Terminal(DBGT), should create and provide the following facilities for storage of raw cotton
- a) Availability of adequate infrastructure - modern handling equipment for loading, unloading of containers from rail flats, chassis, their stacking, movement, cargo handling, stuffing/de-stuffing etc.
  - (b) Availability of sufficient secured area for segregation/ consolidation of cargo and for its safe handling.
  - (c) The premises need to be connected with Custom House on EDI to handle the transshipment in ICES.
  - (d) Logistics arrangements, if any, in movement of containers between approved place / premises and port.
  - (vi) Customs Officers would examine the Seal of the ITP Containers. In case of tampering of the Seal, such Container should be immediately resealed with the Customs Seal in the presence of the Custodian / Shipping agent and same should be recorded. Such containers will be examined 100% by the Customs Officers and findings recorded thereof. Such cases will be put up to the AC / DC in charge for further action.
  - (vii) LCL Cargo meant for a foreign port (any port outside India) would be de-stuffed in the presence of Customs Officer and stored in a secured area inside DBGT terminal. LCL/FCL Cargo may contain consignments meant for transshipment to any port outside India (Foreign Port) as well as consignments for home consumption or transshipment to Inland Container Depot (ICD). This would necessitate segregation of the two types of cargo at the time of de-stuffing and moving them to respective storage areas under customs escort. Till such time, sufficient precaution should be taken to avoid duplication / mixing up or manipulation of cargo meant for Transshipment / Home-consumption.
  - (viii) Whenever the LCL cargo are required to be exported to foreign destination, the re-stuffing of such LCL Cargo meant for the foreign port along with the export cargo would be done under the supervision of a Customs officer. Further Container would be sealed in presence of a Customs Officer.
  - (ix) The details of FCL/LCL cargo would be entered in Export General Manifest.
  - (x) Custodian would maintain the record of ITP FCL/LCL cargo, both loaded and unloaded, and submit a monthly summary to Customs. He shall execute a general bond for an amount equal to the approximate value of goods expected to be imported in 30 days for the purpose of international transshipment. In such bond, custodian should undertake to export transshipment cargo within 30 days or within extended period as Commissioner may allow and follow all the relevant Acts, Rules & Regulations in force.
  - (xi) Custodian would be responsible for safe handling of the imported raw cotton FCL/LCL cargo and ensure that there is no intermixing of transshipment cargo with other cargo lying with the custodian.

4. International transshipment of cargo needs to be effected within 30 days of Entry Inward of the importing ship. The provisions of Section 48 relating to the

procedure in case of goods not transhipped within 30 days after unloading shall apply to the goods meant for transhipment as these are covered under the scope of "imported goods".

5. As regards the cargo for domestic consumption, an issue arises which needs amendment from the status of "transhipment" to "Local imports" (LC) which also requires consignee amendment from "trader name" to "specific Indian consignee". As per section 30(3) of the Custom Act, if the proper officer is satisfied that the import manifest or import report is any way incorrect or incomplete, and that there was no fraudulent intention, he may permit it to be amended or supplemented. As such, in case of cargo of FCL/LCL containers of raw cotton, on the request of Liners or authorised person, the Import general manifest amendment will be considered on case to case basis without imposition of fine, subject to the procedures set out in the Section 6 of amendment to the Import General manifest of Customs Manual 2015.

6. Difficulties, if any, in implementation, may be brought to notice of this Office.

  
**ASHOK**  
आयुक्त / **COMMISSIONER**

C.No.VIII/48/05/2016-Cus.Pol.(PF)  
Customs Policy Section,  
Custom House, Tuticorin.  
Date: 09.05.2017

To

As per Mailing List I, II and III.  
Notice Board  
EDI Section, Custom House, Tuticorin for uploading in the website

Copy submitted to: The Chief Commissioner of Customs (Preventive), Trichy.