

COMMISSIONER OF CUSTOMS

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PROCEDURE FOR COMPUTERISED PROCESSING OF SHIPPING BILLS UNDER THE INDIAN CUSTOMS EDI SYSTEM-EXPORTS

Introduction of computerised processing of Shipping Bills (S/B) in the Custom House, Cochin, under the Indian Customs EDI System-Exports (the system for short), has been announced by Public Notice No. 127/98 dated 12.11.98. The processing would be in phases: Duty free white S/B, drawback S/B, DEEC S/B (only under specified notifications) and dutiable yellow S/B, in that order. The white S/B would be introduced from 30 November 1998. The S/Bs relating to export of jewellery, 100% EOU, EPCG, EPZ, DEPB, Pass Book, re-export and not specified DEEC cases would, however, continue to be processed manually.

1.2. Under the system, there would be no processing of paper documents except statutory declarations and endorsements until "Let Export" order stage. Till such time exporters/CHAs are given access to file documents electronically, they would have to avail the facility of filing the documents through the Service Centre (the Centre for short) set up in the Custom House.

2. PROCEDURE FOR GR-1

2.1. There is a proposal to do away with GR-1 forms; the date for which will be notified shortly until such time the existing practice of filing GR-1 forms will continue. Under the revised procedure, exporters (includes CHAs also) would be required to file a declaration in the form SDF (Appendix I) in the Service Centre. It would be filed at the stage of "goods arrival". One copy of the declaration would be attached to the original copy of the S/B generated by the system and retained by the Customs. The second copy would be attached to the duplicate S/B (the exchange control copy) and surrendered by the exporter to the authorised dealer for collection/ negotiations.

2.2. Till that is done, the exporters are required to obtain a certificate from the bank and through which they would be realising the export proceeds (Appendix 1A). If the exporter wished to operate through different banks for the purpose, a certificate would have to be obtained from each of the banks. The certificate would be submitted to Custom at the Service Centre and registered in the system. These would have to be submitted once a year for confirmation or whenever the bank is changed.

2.3. In the declaration form (Annexure A or B) to be filed by the exporters for the electronic processing of export documents, the exporters would need to mention the name of the bank and the branch code as mentioned in the certificate from the bank. The System will verify the details in the declaration with the information captured in the system through the certificates registered earlier.

2.4. In the case of S/Bs processed manually, the existing arrangement of filing GR 1 forms would continue.

3. DATA ENTRY OF SHIPPING BILLS

3.1. The procedure for registration of IEC codes, PAN numbers, CHAs licence numbers and/or account numbers by the exporters and CHAs has already been as detailed in the Public Notice No. 127/98 dated 12.11.98. The S/Bs cannot be generated in absence of registration in the system.

3.2. For the purpose of filing the S/B, the exporters would present, at the Centre, a declaration in form Annexure A (for exports without claim for drawback) or Annexure B (for exports under claim for drawback) along with copy of the invoice. The guidelines for filling up these forms are at Annexures G, H, I and J. The form should be complete and signed by the exporter or his authorised CHA. Incomplete or unsigned forms would not be accepted.

3.3. In respect of items subject to cess, the corresponding serial number of the Cess Schedule appended at Annexure D should be mentioned. A printed challan generated by the system would be handed over to the exporter. The cess amount indicated should be paid in the Cash Section of the Custom House, under a receipt (See Para 3.9).

3.4. In the beginning, data entry for S/B will be made only at the Centre. Later, it is proposed to provide the facility for remote EDI connectivity and it should be possible to file S/Bs electronically from offices of exporters or of CHAs through dial-up modems using telephone lines.

3.5. The exporters would have to pay charges at the following rates to the Centre Operator: -

S/Bs having up to five items	Rs. 60
For every additional block of five items	Rs. 10
Amendment fees for a block of five fields	Rs. 10

3.6. The declarations would be accepted at the Service Centre between 10.00 A.M to 4.30 P.M. and will be entered in the system the same day.

3.7. The validity of S/B in the system would be 15 days, after which it would stand automatically deleted. The exporters would have to file the declarations afresh after that.

3.8. The Centre Operator shall carefully enter the data entered in the declaration (Annexure A or B) and hand over the resultant checklist to the exporters for confirming the correctness of entries. The exporter would make the corrections, if any sign the checklist and return it to the Operator. The Operator shall make corrections in the corresponding data and submit the revised checklist to the exporter for re-confirmation. This process would be repeated till the exporter signs a clean checklist in token of correctness of the entered data.

3.9. On submission of the electronic S/B, the system would generate a S/B number. The Operator would endorse it on the final checklist and return it to the exporter. No copy of the S/B would be made available to the exporter at this stage. However, the TR-6 challan, for payment of cess generated simultaneously would be made available to the exporter (para 3.3 supra).

3.10. For all exports requiring examination in the docks, the procedure is detailed in Section 7 below.

3.11. For all exports requiring examination outside the docks namely, Container Freight Stations, factory premises etc., the procedure is detailed in Section 8.

4. OCTROI PROCEDURE, QUOTA ALLOCATION AND OTHER CERTIFICATION

4.1. The processing of S/Bs involving allocation of ready made garments quota by the Apparel Export Promotion Council (AEPC) will change with the introduction of the system. The quota allocation label will be pasted on the export invoice instead of S/B. Allocation number of AEPC would be entered in the system at the time of S/B data entry. The quota certification on export invoice should be submitted to Customs along with other original documents at the time of examination of export cargo.

4.2. As a transitional measure, AEPC certification on S/B form would be accepted. However, in these cases, S/B number should be indicated on the invoice when goods are presented for examination.

4.3. For determining the validity date of the quota, the relevant date would be the date on which the full consignment is presented for examination and the date is recorded in the system.

4.4. The certification of other agencies, such as, the Cotton Textiles Export Promotion Council; the Wildlife Inspection Agency under CITES; the Engineering Export Promotion Council; the Agricultural Produce Export Development Agency (APEDA) and the Central Silk Board the All India Handicraft Board should also be obtained on the invoice. Similarly, the no objection of the Asst. Drug Controller and of the Archaeological of Survey India would be obtained on the invoice. The transitional arrangements would also be the same as in the case of AEPC certification.

4.5. The exporters would have to make use of export invoice or such other documents as required by the Octroi Authorities for the purpose of octroi exemption. The State authorities have been informed suitably.

5. ARRIVAL OF GOODS AT EXPORT EXAMINATION SHEDS IN DOCKS

5.1. The existing procedure of permitting entry of goods, brought for the purpose of examination (and subsequent "Let export" order), in the docks on the strength of S/B shall be discontinued. The Cochin Port Trust (CPT) will permit entry of the goods on the strength of CPT Form - VIII, the checklist, the data entry form (Annexure C) and the declaration (Annexure A or B). CPT would endorse the quantity of goods entering the docks in Form - VIII and on the reverse of the checklist.

5.2. The goods should be brought for examination within 15 days of filing of declaration in the Centre. In case of delay, a fresh declaration would need to be filed.

5.3. If at any stage subsequent to the entry of goods in docks, it is noticed that the declaration has not been registered in the system, the exporters will be solely responsible for the delay in shipment of goods and any damage, deterioration or pilferage.

6. PROCESSING OF SHIPPING BILLS

6.1. The S/B shall be processed by the system on the basis of declaration made by the exporter. However, the following S/B shall require clearance of the Assistant Commissioner (AC): -

- i. Duty free S/B for FOB value above Rs. 10 lakh.
- ii. Free Trade Sample S/B for FOB value above Rs. 25,000.
- iii. Drawback S/B where the drawback exceeds more than Rs. one lakh.
- iv. DEEC S/B for FOB value over Rs. One lakh.

6.2. Apart from verifying the value and other particulars for assessment, the AC may call for the samples for confirming the declared value or for checking classification under the Drawback Schedule. He may also give special instruction for examination of goods.

6.3. If the S/B falls in the categories indicted in para 6.1 above, the exporter should check up with the query counter at the Centre whether the S/B has been cleared by AC, before the goods are taken for examination. In case AC raises any query, it should be replied through the Centre or, in case of EDI connectivity, through terminals of the exporter/CHA. After all the queries have been satisfactorily replied to, AC will pass the S/B.

7. CUSTOMS EXAMINATION OF EXPORT CARGO

7.1. On receipt of the goods in the Export Shed in the docks, the exporters will contact the System Examining Officer (SEO) and present the checklist with the endorsement of CPT, declaration along with all

original documents such as Invoice, Packing List, AR-4, etc. He will also present additional particulars in form at Annexure C.

7.2. SEO will verify the quantity of the goods actually received against that entered in the system. He will enter Annexure C particulars in the system. He would hand over the original documents to the Appraiser. No examination orders shall be given unless the goods have been physically received in the Export Shed. It may, however, be clarified that Customs may examine all the packages/goods in case of any discrepancy.

7.3. The Examining Officer may inspect and/or examine the consignment and enter his report in the system. There will be no written examination report. He will then mark the Electronic S/B to and forward the checklist along with the original documents to the Appraiser in charge. The Appraiser will also verify the restrictions & prohibitions in force under the Foreign Trade (Development & Regulation) Act, 1992 and the Allied Acts. If the Appraiser is satisfied that the particulars entered in the system conform to the description given in the original documents (including AEPC quota and other certifications and the provisions of various Acts) and the physical examination, he will proceed to give "Let Export" order for the shipment and inform the exporters. The Appraiser would retain the checklist, the declaration and all relevant original documents with him.

7.4. In case of any violation of law or variation between the declaration in S/B and the documents or physical examination report, the Appraiser will mark the electronic S/B to AC Exports. He will also forward the documents to AC and advise the exporters to meet him for settlement of dispute. In case the Exporter agrees with the views of the Department, the S/B would be processed finally. Where the exporter disputes the views of the Department, the case would be adjudicated following the principles of natural justice.

8. PROCEDURE IN CASE OF CONTAINERS STUFFED OUTSIDE DOCKS AREA

8.1. Containers stuffed in factories/Private CFS would enter the CPT through Gate No.09. CPT would permit entry in the docks on the basis of Form - VIII and the checklist. The Preventive Officer at the Gate will verify the seal on each container with reference to the examination report of the Officer supervising the stuffing and make an endorsement on the checklist and Annexure C. Thereafter, the exporter would present the Invoice, Annexure C and the checklist along with all the original documents such as, Packing list, AR-4, DEEC/Drawback Declaration etc., as applicable, to SEO at "Port CFS" yard. SEO will enter all the particulars along with the seal No. in the system and submit the S/B electronically to the Appraiser for consideration of "Let Export" order. The restrictions & prohibitions in force under the Foreign Trade (Development & Regulation) Act, 1992 and the Allied Acts will also be verified before the "Let Export" order is given. This practice will follow in respect of goods stuffed in private CFS till such time as electronic connectivity is established at the private CFS (other than Port CFS).

8.2. The samples drawn, if any, in the factory should be brought to the Export Shed in CPT along with the container and handed over to SEO. SEO would enter the details in the system and forward the samples to the Customs Laboratory at Cochin Custom House.

8.3. The system may require re-examination of the factory stuffed container on a random basis. If the container is selected for re-examination by the system, the procedure as given in para 7.2 supra will be followed. The examination would, however, be carried out in Container Parking Yard. The Shed Appraiser may also decide to re-examine the container in which case he will obtain the approval of AC Export.

8.4. Either way, once the Appraiser is satisfied, he will proceed to allow "Let Export" for the shipments and inform the exporter. The Appraiser would retain the checklist, the declaration and all relevant original documents with him. He would further follow the procedure at Para 7.4, wherever required.

8.5. This procedure will also apply to containers stuffed in factories and sealed by the manufacturer-exporter under notification No. 36/98-CE dated 2.9.98.

8.6. This procedure would, mutatis mutandis, apply to the containers stuffed in the CFSs (other than Port CFS) till such time as all CFSs within the jurisdiction of Commissioner of Customs, Cochin would be provided connectivity with the system. At the CFSs, the existing procedure would continue with the only difference that the examination report would be recorded on the reverse of the checklist and no "Let Export" order will be given at this stage. As soon as the connectivity is provided, and from the date to be notified, procedure outlined in para 7.2 supra will become applicable.

9. GENERATION OF SHIPPING BILLS

9.1. As soon as the Shed Appraiser gives "Let Export" order, the system at the Wharf/Port CFS would print two copies of the S/B i.e., original, for Customs and the duplicate, for the exporter. Declaration in the Form SDF (Appendix 1) will be attached to the Shipping Bill wherever applicable (See Para 2.1). On both the copies, the Appraiser will obtain the signatures of the E.O., on the examination report and of the representative of the CHA, on the S/B. Name and identity card number of the representative of the CHA should be clearly mentioned below his signature. The Appraiser will also sign the Shipping Bill at the specified space.

9.2. One more copy, Export Promotion copy will be generated only after the vessel has sailed and goods have been physically exported in full. The Preventive Officer at the Section Office will authenticate this copy after verification of the Mates Receipt.

9.3. The original AEPC quota and other certificates will be retained with the original copy of the Shipping Bills and recorded in the Export Shed.

10. PAYMENT OF MERCHANT OVERTIME (MOT)

10.1. For the time being the present manual system for payment of Merchant Overtime (MOT) charges will continue.

10.2. MOT charges will be required to be paid by exporter when the goods are examined by Customs for allowing "Let Export" beyond the normal office hours. No charges would be required to be paid on normal working days when the examination itself is being done for "Let Export during Office hours. In addition, no charges would be required to be paid if the exporter wants the goods to be entered in CPT/CFS only for meeting the quota deadlines.

11. DRAWAL OF SAMPLES

11.1. Where the Appraiser of Customs orders for samples to be drawn and tested, the Examining Officers will proceed to draw two samples from the consignment and enter the particulars thereof along with name of the testing agency in the system. Three copies of the test memo will be prepared and signed by the Examining Officer, the Appraiser and the exporter. The disposal of the three copies would be as follows:

- i. Original to be sent along with the sample to the testing agency.
- ii. Duplicate copy to be retained with the second sample.
- iii. Triplicate to be handed over to the exporter.

11.2. AC may, if he deems necessary, order for sample to be drawn for purposes other than testing such as visual inspection and verification of description, market value enquiry etc.

12. QUERIES

With the discontinuance of the assessment of S/B in the Export Department, there should not be any queries. The exporter, during examination, can clarify doubts, if any. In case where the need arises for a detailed answer from the exporter, a query can be raised in the system by the Appraiser, but would need prior approval of AC Exports.

The S/B will remain pending and cannot be printed till the exporter satisfies the AC.

13. AMENDMENTS

13.1. Corrections/amendments in the checklist can be made at the Service Centre provided the system has not generated the S/B number. Where corrections are required to be made after the generation of the S/B No. or, after the goods have been brought in the docks/CFS, amendments will be carried out in the following manner.

- i. If the goods have not yet been allowed "Let Export", AC may allow the amendment.
- ii. Where the "Let Export" order has been given, the Additional/Deputy Commissioner Exports would allow the amendments.

13.2. In both the cases, after the permission for amendments has been granted, the Assistant Commissioner (Exports) will approve the amendments on the system. Where the print out of the S/B has already been generated, the exporter will surrender all copies of the S/B Bill to the Appraiser for cancellation before amendment is approved in the system.

14. SHORT SHIPMENTS, SHUT OUT, CANCELLATION AND BACK TO TOWN PERMISSIONS

AC Export will give permission for issue of short shipment certificate, shut out or cancellation of S/B, on the basis of an application made by the exporter and on verification of the report of the Officer supervising the stuffing given on the Shipping Bill. The S/B and the corresponding Bill of Lading (B/L) particulars would need to be cancelled/modified in the system before granting such permission. AC should check the status of the goods in the corresponding Export General Manifest (EGM), before granting permission. In case a fresh Shipping Bill is to be generated due to reasons of short shipments/shut out etc., the exporter will surrender all copies of the Shipping Bill along with the application.

15. CHANGE OF VESSEL NAME AND AMENDMENT OF FREIGHT AMOUNT

15.1. It is mandatory for the exporters to indicate vessel name in Annexure C. The request for change in the name of vessel (and not in respect of any other parameter, not even freight) after "Let Export" and before loading shall be made by the exporters/Steamer Agent/Shipping Line in writing. The Appraiser (Superintendent Preventive Wharf, after Office hours) will permit the amendment and the designated SEO/P.O. will carry out the change in the system. The system will generate an amendment No., which will be endorsed on the application. Cancellation of "Let Export" order or re-print of S/B will not be required for this purpose.

15.2. If the freight/insurance amount undergoes a change before "Let Export" is given consequent to the change of vessel, corresponding changes would also need to be made in the S/B with the approval of AC Exports. But if the change has taken place after the "Let Export" order, approval of Additional/Deputy Commissioner would be required. Non-intimation of such changes would amount to mis-declaration and may attract penal action under the Customs Act, 1962. In such cases, the exporter will surrender all copies of the Shipping Bill along with the application.

16. RECONSTRUCTION OF LOST DOCUMENTS

Duplicate print out of EDI S/B cannot be allowed to be generated if it is lost, since extra copy of Shipping Bills are liable to be misused. However, a certificate can be issued by the Customs stating that "Let Export" order has been passed in the system to enable the goods to be accepted by the Shipping Line, for export. Drawback will be sanctioned on the basis of the "Let Export" order already recorded on the system.

17. RE-PRINT OF SHIPPING BILLS

Similarly, re-prints can be allowed where there is a system failure, as a result of which the print out (after the "Let Export" order) has not been generated or there is a misprint. Permission of AC Exports would be necessary for the purpose. The misprint copy shall be cancelled before such permission is granted.

18. EXPORT OF GOODS UNDER CLAIM FOR DRAWBACK

18.1. Processing of drawback claims under the system will be applicable for all exports except in respect of claims relating to EPZ/100% EOU and cases of re-export of imported goods under Section 74 of the Customs Act, 1962. For the excluded categories, the export S/B will be filed manually and the Drawback claims shall also be filed separately with the Asst. Commissioner of Customs (Drawback), as hitherto.

18.2. For export goods under claim for drawback, the exporters will file declaration in Annexure B. The declaration in Annexure C would also be filed when the export goods are presented at the Wharf/Port CFS for examination & "Let Export". In addition they should file a declaration in Appendix III.

18.3. The exporters have been, vide P.N. No. 127/98 dated 12.11.98, advised to open their accounts with the State Bank of India, Cochin Port Trust Branch, Wellington Island, Cochin. This has been done to enable direct credit of the drawback amount to their accounts, obviating the need for issue of separate cheques by post. The exporters have to indicate their account number opened with the Bank in the declaration form (Annexure B). Shipment for exports under claim for drawback would not be accepted in case the account number of the exporter in the State Bank of India, Cochin Port Trust Branch is not indicated in the declaration form.

18.4. The exporters should also give their account number, along with the details of the bank through which the export proceeds are proposed to be realised.

18.5. Export Declarations involving a drawback amount of more than Rs. One lakh will be processed on screen by the Asst. Commissioner of Customs before the goods can be brought for examination and for allowing "Let Export".

18.6. The drawback claims are sanctioned subject to the provisions of the Customs Act; the Customs and Central Excise Duties Drawback Rules, 1995 and conditions prescribed against heading/sub-headings of the Drawback Schedule. In order to sanction the drawback through EDI System, the exporters are required to submit declarations as per Appendix III and appropriate declaration, if any, alongwith the Shipping Bills as per Appendixes IV to XIV. The details of the declarations being submitted shall be mentioned in the appropriate column of proforma at Annexure "B". The rates of drawback under some S.S Nos. are dependent upon certain conditions as mentioned in the Drawback Schedule. In order that the EDI System processes the claims correctly, exporters are advised to give the correct Sl.No. of the relevant declaration applicable to their case on the declaration as well as in the Column "Condition No." in the table given in proforma at Page No.3 of Annexure B. The S.S. Nos. of the relevant declarations which are not applicable for the exporter may be deleted.

18.7. The chart at Annexure "F" to this Public Notice shows the S.No. of different Appendixes to be filed by the exporters for goods falling under respective S.S.Nos. of drawback schedule. The

exporters and CHAs are advised to ensure that the declaration in required Appendix is filed as indicated below.

- (a) Several specified sub-headings mentioned in the Drawback Schedule are dependent on the condition that MODVAT facility has not been availed. In order to claim drawback under such sub-headings, the exporters are required to file a declaration in Appendix - IV. They should produce a certificate in support from the Superintendent of Central Excise in charge of the factory of production. In case a merchant exporter is exporting the goods, the certificate of the supporting manufacturer would have to be produced.
- (b) All the exporters claiming drawback are required to file a declaration in Appendix - III.
- (c) The Drawback rates under several sub-headings mentioned in the Drawback Schedule are dependent on the condition that MODVAT facility has not been availed. In order to claim drawback under such sub-headings, the exporters are required to file a declaration as per Appendix - IV to this Public Notice and produce a certificate to this effect from the Superintendent of Central Excise incharge of the factory of production.
- (d) The drawback in respect of S.No. 28.26, 28.261, 29.15, 29.16, 30.01 and 30.02 is subject to the condition that Drugs and Pharmaceuticals exported are other than those mentioned below the said S.S. Nos. The exporters availing drawback under these S.S. Nos. are required to file a declaration as per **Appendix - V**.
- (e) The drawback in respect of goods falling under S.S. Nos. 03.01, 04.01, 07.01, 08.01, 09.01, 16.01, 17.01, 18.01, 19.01, 20.01, 20.10, 20.15 and 21.01 packed in OTS cans is Rs. 11.00 per kg.(applicable rate) of the net weight of empty containers. The drawback of Central Excise duty actually paid on the OTS cans used in the packing of the export goods can be obtained by filing brand rate applications. The exporters availing drawback @ Rs. 11.00 per kg.(applicable rate) of the net weight containers only under these S.S.Nos. are required to file declaration as per Annexure - IV alongwith the certificate from the Superintendent of Central Excise that MODVAT facility has not been availed of on any of the inputs. However, the exporters who intend to avail drawback at the all Industry rate of Rs. 11.00 per kg.(applicable rate) As well as Central Excise duty paid on OTS cans shall file shipping bill under Brand Rate and while getting brand rate fixed shall request for fixation of brand rate @ 11.00 per kg. (applicable rate) of net weight of empty containers as Customs portion and actual excise duty paid on the OTS cans as excise portion. It will not be possible to sanction drawback of all Industry rate for Customs portions and then at brand rate for Central Excise portion on the same shipping bill.
- (f) The drawback in respect of goods falling under S.S. Nos. 30.04, 30.05, 30.06, 30.07 and 30.14 is dependant on the grammage of tablets and exporters availing drawback under these S.S.Nos. shall file a declaration as per **Annexure - VII**.
- (g) In respect of goods under S.S. Nos. 30.03 declaration as per Appendix - VIII is required .
- (h) The draw back rates under S.S. Nos. 30.10 and 30.11 are applicable or 1000 boxes of 14 tablets each in their **Appendix B** while furnishing information on computer. If the number of tablets in a box is less or more than 14, they should declare the number of boxes in such a way that each box contains only 14 tablets.
- (i) In respect of goods under S.S. 48.03 to 48.09 and 95.01, declaration as per Appendix - IX is required to be filed.
- (j) The drawback in respect of goods at S.S. No. 72.01, 72.03, 72.05, 72.07, 72.09, 72.11, 87.13, 87.14, 87.15, 87.16, 87.17, 87.19, 87.21, 87.22, 87.23, 87.24, 87.25, 87.26, 87.27, 87.29, 87.30, 87.31, 87.32, 87.33, 87.34, 87.35, 87.36, 87.37, 87.38, 87.40,

87.41, 87.43 and 87.44 is subject to the condition that only duty paid imported steel has been used in the manufacture of goods under export. The exporters availing drawback under these S.S. Nos. are required to file declaration as per **Appendix - X**.

- (k) The drawback in respect of S. S. Nos. 73.10, 73.18, 73.20, 73.24, 84.01, 84.02, 84.03, 84.04, 84.05, 84.06, 84.061, 84.062, 84.49, 84.50, 84.60, 84.61 and 87.12 is subject to the condition that duty paid imported steel has been used in the manufacture of export product. A declaration to this effect should be made on S/B and Invoice and a certificate from Superintendent of Central Excise to this effect should be produced. The exporters claiming drawback under these S. S. Nos. are required to file declaration in **Appendix XI**.
- (l) The drawback under S. S. Nos. 85.56 is subject to the condition that imported colour Monitor Tubes have been used in the export goods and documentary evidence in this regard is produced. The exporters exporting goods under this S. S. No. 85.56 are accordingly required to file declaration in **Appendix XII**.
- (m) The drawback under S. S. No. 84.10, 84.11 and 84.12 is subject to the condition that the order/contract and relevant shipping documents give clear indication of FOB prices charged for pump and electric motor separately. If so, drawback on motor is admissible @ 7% (applicable rate) and @ 4.4% (applicable rate) in respect of pump. The exporters claiming drawback under these S. S. Nos. are required to file declaration in **Appendix XIII**. If the FOB prices of motor and pump are not available separately, drawback @ 3% (applicable rate) on total FOB value is admissible and exporter is required to delete S. No. 2 of the Appendix in such a case. However, if separate prices are available, S. No. 1 of the said appendix should be deleted and the value of electric motor and pump should be written separately in **Annexure B** so that the system can calculate rates of Drawback on both the components at appropriate rates. The value of the motor shall be mentioned against S. S. No. 84.121 and that of pump against S. S. No. 84.122.
- (n) The exporters of leather articles claiming All Industry rate of drawback are required to file a declaration as per **Appendix XIV**.
- (o) The Exporter of electric fans, if exporting regulators along with the fans are required to separately enter S. S. No. of fans and S. S. No. of regulators in **Annexure B**, so that the system may process the claims for fan as well as regulator. Similarly, the exporters of bicycle/cycle rickshaw, if exporting accessories also, should fill relevant S. S. Nos. for bicycle/cycle rickshaw accessories separately.
- (p) The rate of drawback for German silver Artware falling under S. S. No. 74.22 is dependent upon content of copper, zinc and nickel. The exporter of this product is required to file this information in **Annexure B**, showing content of copper against S. S. No. 74.221, content of zinc against S. S. No. 74.222 and of nickel against S. S. No. 74.223.
- (q) The rate of the drawback for galvanised Iron Artware with brass falling under S. S. No. 74.23 is dependent upon content of brass and iron. Exporter of this product is required to file the information in the **Annexure B** showing the content of brass against S. S. No. 74.231 and content of iron against S. S. No. 74.232.
- (r) The drawback rates under S. S. No. 73.31, 74.25, 75.02, 78.02 and 79.02 are at the rates applicable under the relevant S. S. Nos. specified in the Schedule in proportion to the material content. The **Annexure B** in such cases shall be filled claiming drawback under the relevant S. S. Nos. at the rates mentioned therein and the quantity content in the export product of each of the constituents shall be shown under the respective S.S. Nos.

- 18.8 After actual export of the goods, the drawback claims will be processed through the system by the Officers of Drawback Section on first come first served basis. There is no need for filing separate drawback claims. The status of S/B and sanction of drawback claim can be ascertained from the Query Counter set up at the Centre. If any query has been raised or deficiency noticed, the same will be shown on the terminal provided there. The exporter or his authorised representative may obtain a printout of the query/deficiency from the Centre, if he so desires. Exporters are advised to reply such queries expeditiously and get the replies entered in the system. The claim will come in queue of the system as soon the reply is entered.
- 18.9 Shipping Bills in respect of goods under claim for drawback against brand rates would also be processed in the same manner, except that drawback would be sanctioned only after the original brand rate letter is produced to AC Export and is entered in the system. The Exporter should specify the S. S No. of Drawback as 98.01 for such provisional claims in Annexure B.
- 18.10 All the claims sanctioned on a particular day will be enumerated in a scroll and transferred to the State Bank of India, Cochin Port Trust Branch, Wellington Island, Cochin through the system. The bank will credit the drawback amount in the respective accounts of the exporters on the next day. Bank will send a fortnightly statement to the exporters of such credits made in their accounts.
- 18.11 The Steamer Agent will transfer the EGM electronically to the system, so that the physical export of goods is confirmed. The system will process the claims only on receipt of the EGM.
19. EXPORT OF GOODS UNDER THE DEEC SCHEME
- 19.1. Only S/B pertaining to DEEC Books issued on or after 1.4.95 will be processed in the system. This would cover DEEC Books issued under the following notifications: -
- i. 079/95 Cus. dated 31.3.95
 - ii. 080/95 Cus. dated 31.3.95
 - iii. 106/95 Cus. dated 02.6.95
 - iv. 107/95 Cus. dated 02.6.95
 - v. 148/95 Cus. dated 19.9.95
 - vi. 149/95 Cus. dated 19.9.95
 - vii. 030/97 Cus. dated 01.4.97
 - viii. 031/97 Cus. dated 01.4.97
- 19.2. All exporters intending to file S/B under the DEEC scheme including those under the claim for drawback should first get their DEEC Books entered in the Centre by producing the original DEEC Book. A print out of the particulars entered will be given to the exporters for their confirmation. After the confirmation by the exporter, by way of signing the printout along with the Identity Card No. of the CHA, the DEEC Book should be presented to the Appraiser, DEEC Cell for verification and registration in the system. The Registration No. of the DEEC Book would be furnished to the exporter and should be mentioned in Annexure A or B. Thereafter, it would not be necessary for the exporter to produce the original DEEC Book for processing of export declarations.
- 19.3. For all exports under the DEEC scheme, the exporter should file the declarations at Appendix II (in all cases) and Appendix III (where drawback is claimed in addition to DEEC benefits). These declarations should be signed by the exporters themselves and not by the CHA (or representative).
- 19.4. Appendix II requires declarations to be made regarding availment/non-availment of MODVAT or regarding observance/non-observance of specified procedures prescribed in the Central Excise Rules, 1944. The declaration should be supported by certificates (AR-

4 or any other evidence of non-availment of MODVAT) issued by the jurisdictional Central Excise officer. The "Let Export" would be allowed only after verification of all these certificates at the time of examination of the goods. The fact of filing Appendix II or III should be mentioned in Annexure A or B.

19.5. Appraiser Exports and AC Exports will process, on the screen all export declarations for DEEC. After the declarations have been so processed and accepted, the goods can be presented for examination along with the DEEC book and "Let Export" as detailed in para 7.2 supra.

19.6. The requirements in regard to computerised processing of DEEC Shipping Bills are as follows: -

- i. Where benefits under the both DEEC and the Drawback Schemes are sought to be availed of, exporters should file both the declarations in Appendices II and III.
- ii. The options set out in Appendices II and III should be read carefully and whatever not applicable should be struck out.
- iii. Exporters availing of DEEC benefits in terms of Notifications No. 148/95 and 149/95 both dated 19.9.95 or 30/97 dated 1.4.97 should subscribe to the declaration at S. No. 1A of Appendix II, if the export goods have not been manufactured by availing of the procedure under Rule-12 (1) (b) or 13(1)(b) of the Central Excise Rules, 1944.
- iv. Exporters possessing a DEEC Book in terms of Notification No. 149/95 dated 19.9.95 and desirous of availing of the benefit under Notification No. 49/94-CE (NT) dated 22.9.94 should subscribe to the declarations at S. No. 1(B) of Appendix II.
- v. Similarly, Exporters availing of benefits in terms of Notification Nos. 79/95 or 80/95 both dated 31.3.95, 106/95 or 107/95 both dated 2.6.95 or 31/97 dated 1.4.97 shall subscribe to the declaration at S. No. 1 (A) or 1(C) of Appendix II, as the case may be.
- vi. Exporters who wish to avail DEEC benefits but do not propose to claim any drawback need file only the declaration in Appendix II.

19.7. It is also clarified that those exporters who propose to fulfil export obligations themselves have to sign declaration at S. No. 2A of Appendix II. However, if the export obligations are being fulfilled by exports through a third party, the exporter is required to strike out S. No. 2A and subscribe to S. No. 2B of Appendix II. In such a case, the name of the DEEC licence holder as well as that of the exporter shall be given and both have to sign the said declaration.

19.8. As regards the declaration in Appendix III, the options are set out in Sl. No. 4 & 5. Exporters are required to subscribe to the correct option and delete the other(s). Exporters who are exporting goods under DEEC Scheme shall delete declaration at Sl. No. 5A of Appendix III and shall subscribe to the Sl. No. applicable to them.

19.9. Those Exporters who possess a DEEC book under notification No. 79/95, 80/95, 30/97 or 31/97 and intend to claim the Central Excise portion of drawback shall subscribe to declarations at Sl. No. 5B of Appendix III. Those exporters who are exporting goods under DEEC but intend to avail at the brand rate of drawback shall subscribe to the declaration at Sl. No. 5C of Appendix III. Such exporters are, required to file their S/B in Annexure B. Exporters, who are having DEEC books under notifications other than 79/95, 80/95, 30/97 and 31/97, are not entitled for All Industry Rates of drawback.

19.10. It is clarified that:-

- i. While giving details relating to DEEC operations in the forms at Annexure A/B, the exporters should indicate the Sl. No. of the goods being exported in the column titled "ITEM S. NO. IN DEEC BOOK PART E" OF Annexure A/B.

- ii. If inputs mentioned in DEEC Import book only have been used in the manufacture of the goods under export, in column titled "ITEM S.NO IN DEEC BOOK PART C" of Annexure A/B, the exporters are required to give S. No. of inputs in Part -C of the DEEC Book. They need not fill up column titled "DESCRIPTION OF RAW MATERIALS".
- iii. If some inputs which are not in Part-C of the DEEC Book have been used in the manufacture of the goods under export and the exporter wants to declare such inputs, he shall give the description of such inputs in column titled "DESCRIPTION OF RAW MATERIALS"
- iv. In the column "IND/IMP", exporters are required to write "N", if the inputs used are indigenous and "M", if the inputs used are imported.
- v. In column titled "Cess Schedule Sl No." relevant Serial No. of the Schedule relating to Cess (at Annexure D) should be mentioned.

20. EXPORT GENERAL MANIFEST

20.1. Arrangements are being made for all Steamer Agents to furnish the EGMS giving details of S/Bs and Bills of Lading to the Customs electronically. In the meantime, they should enter the EGM in the system through the Centre on payment of fee @ Rs. 60 per EGM. After the entry of the EGM, a checklist will be generated which has to be signed by Steamer Agent certifying the correctness of data. They shall be liable for penal action, if incorrect or incomplete EGMS are submitted. The Service Centre would be receiving the EGMS for data entry between 9 AM and 11 AM and between 6 PM and 8PM.

20.2. Apart from submitting EGMS electronically, the Steamer Agent would continue to file manual EGMS along with the duplicate copies of the S/Bs as per the present practice. Since the disbursement of drawback to exporters is dependent on the filing of EGMS by the Steamer Agent, they are advised to file the EGMS soon after the vessel has departed. The manual EGMS would be entered in the register at the Export Department and the Steamer Agents are advised to obtain acknowledgements indicating the date and time at which the EGMS were received.

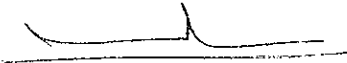
21. GRIEVANCE HANDLING

The Assistant Commissioner Export may be contacted for removal of difficulties and settlement of problems faced at any stage of the export clearance.

S/d-

(T.K. Jayaraman)
Commissioner of Customs

ATTESTED


(V. I. SAMUEL)

ASSISTANT COMMISSIONER OF CUSTOMS
AND SYSTEMS MANAGER