

Circular No. 15/2002-Cus.
25th February, 2002.

F.No.450/80/2001-Cus.IV
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Excise & Customs

Subject: Carriage of coastal cargo from one Indian port to another port in foreign going vessels-reg.

References have been received from the trade requesting the Board to allow Indian flag foreign going vessels operating in routes covering more than one Indian port to a port outside India, to carry containers carrying coastal goods along-with containers carrying imported/export goods. It has been stated that the desired facility will allow the foreign going vessels to carry coastal cargo on their voyage from one Indian port to another before they leave the last Indian port and are bound foreign shores, e.g. ships operating on route from Nhava Sheva-Cochin-Tuticorin to say Australia and vice-versa can be utilised to carry domestic containers from Nhava Sheva to Cochin and Tuticorin while en-route to foreign ports and similarly on return voyage, they can be utilised for carrying domestic containers from Tuticorin to Cochin and Nhava Sheva. According to the trade, the proposed facility will help create better capacity utilisation of ships and also reduce the transaction cost of exports and imports.

2. The proposal has been considered by the Board and it has been decided that Indian flag foreign going vessels operating in routes covering more than one Indian port to a port outside India and vice versa, shall be allowed to carry coastal containers along-with imported/export cargo between two Indian ports. The provisions of the Customs Act, 1962 relating to coastal cargo as also other statutory provisions, guidelines and instructions in this regard shall apply to such containers. The procedure in this regard shall be as follows:

(a) The consignor of any coastal goods in container shall submit to the proper officer the Bill of Coastal Goods in the prescribed form (in four copies) (Refer Notfn. No.424/76-Cus., dated 23.10.1976 as amended). Such Bill shall contain all the relevant particulars and the consignor shall subscribe to a declaration regarding the correctness of the contents thereof. The proper officer may, if satisfied with the declaration, order such examination as may be considered necessary by him to satisfy that the declaration is correct and then pass the Bill for Coastal Goods and return three copies to the consignor.

(b) The container containing such coastal goods shall be clearly painted with the words "**For Coastal Carriage Only**" on all sides. After examination of the goods is completed, the container shall be sealed with tamperproof one time bottle seal and then the same can be loaded on to the vessel.

(c) The Master of the vessel shall not permit the loading of such coastal cargo containers unless the Bill of Coastal Goods duly passed along with the permission of the proper officer to

load the container is received by him. On receipt of the documents, the Master shall prepare a Coastal Manifest in triplicate. A separate set of manifest shall be prepared for each coastal port for which the vessel is carrying coastal cargo. The proper officer may, after making necessary checks, make an endorsement on the manifest, retaining one copy of the manifest and return the other two copies to the Master of the vessel. The Master shall retain one copy as carrier's record and submit the other to the proper officer at the destination port along with the Bill(s) of Coastal Goods relating to the goods meant for that port.

(d) Before any coastal container is permitted to be loaded, the consignor or the Master of the vessel/his agent shall execute a bond in such form with such surety as the proper officer may decide, binding himself for an amount equal to the value of the goods. The same shall be enforced if the coastal cargo is not landed in India and is taken to a foreign port after the last Indian port of call.

(e) The Customs officer supervising the loading shall ensure that the particulars of the goods are entered in the Advice Book to be carried by the Master of the vessel in respect of such coastal cargo. The Master shall also carry one copy of the Bill of Coastal goods with him and shall deliver the same along with the Coastal Manifest to the Customs officer at the port of destination.

(f) The Customs officer at the destination port may verify that the coastal container is unloaded at the intended port and make a remark to this effect in the Advice Book.

(g) The Master of the vessel may not be given permission for the departure of the vessel unless it is established that the coastal cargo intended for that port has been discharged and the seals of the container are intact. In case the seals are not found to be intact, the Customs officer may cause the container to be opened and permit the vessel to leave only if there is no discrepancy between the contents of the container and the Bills of Coastal Goods delivered by the Master of the vessel. The proper officer may, however, permit the vessel to leave if the Master or his Agent submits a bond with such surety or security as he may consider necessary in respect of the containers where the seals are found to be tampered with.

(h) The reconciliation of coastal containers delivered with the Coastal Manifest and the entries in the Advice Book shall be completed at the last Indian port of call before the vessel leaves for foreign port. It shall be ensured that all charges and penalties due in respect of that vessel have been paid or the payment is secured by such guarantee or deposit of such amount as the proper officer at the port of loading may direct.

(i) In case of any tampering of seals or any discrepancy, the matter shall be reported to the Deputy/Assistant Commissioner, who may adjudicate the matter after issue of show cause notice. The procedures as applicable for non-coastal cargo will apply mutatis mutandis to deal with such situation. A quarterly report of such cases or discrepancies shall be sent to the Board by the concerned Commissioner.

3. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice/Standing Orders.

4. Difficulties, if any in implementation of these instructions, may be brought to the notice of the Board. Kindly acknowledge receipt of this Circular.