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F.No. S10/14/2016-Prev

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STANDING ORDER No. 14 / 2016

Sub: - Treaty of Transit between Government of India and Government of Nepal – Procedure for movement of goods in transit through India between Visakhapatnam Port and Nepal - Regarding.

Attention of all the officers concerned is invited to the Letter of Exchange signed on 19.02.2016 between Ministry of Commerce, Government of India and Ministry of Commerce, Government of Nepal for Operationalisation of Traffic-in-Transit between Visakhapatnam Port and Nepal. Accordingly, this office has issued the Public Notice No.14 /16 dated 03.08.2016, wherein the detailed Import/Export procedure for movement of goods in transit through India between Visakhapatnam Port and Nepal has been mentioned.

2. As per the Letter of Exchange, the Traffic-in-Transit is allowed between Visakhapatnam Port and Nepal with the following exceptions :-

- i. The movement of traffic-in-transit between Visakhapatnam Port and Nepal will be in sealed containers only.
- ii. The traffic-in-transit via Visakhapatnam Port shall either pass through any of the four road routes specified in Para “iii” below or through the rail routes connecting Visakhapatnam-Jogbani or /and Visakhapatnam-Birgunj. The movement of transit traffic through rail route connecting Visakhapatnam-Jogbani shall be subject to following conditions:

- (a) Movement of cargo will be in full rake only.
- (b) Cost of transshipment if any, will be borne by the consignor/consignee.

iii. **Road Route:-**

The road routes between Visakhapatnam and Nepal will be as follows:

- a) **Biratnagar:** Road connecting Visakhapatnam - Bhimuniapatnam - Srikakulam - Chatrapur - Cuttack - Bhadrak - Baleswar - Kharagpur - Dunlop Bridge - Barrakpore - Krishnanagar - Malda - Raiganj - Dalkola - Purnia - Araria - Forbesganj - Joghani - Biratnagar.
- b) **Birgunj:** Road connecting Visakhapatnam - Bhimuniapatnam - Srikakulam - Chatrapur - Cuttack - Deogarh - Gumla - Ranchi - Kodaram - Nawada - Biharsharif - Bakhtiyarpur - GandhiSetu(Patna) - Hajipur - Muzaffarpur - Motihari - Sugauli - Raxaul - Birgunj.
- c) **Bhairahawa:** Road connecting Visakhapatnam - Bhimuniapatnam - Srikakulam - Chatrapur - Cuttack - Deogarh - Gumla - Ranchi - Hazaribagh - Barhi - Aurangabad - Sasaram - Varanasi - Ghazipur - Gorakhpur - Nautanwa(Sonauli) - Bhairahawa.
- d) **Nepalgunj:** Road connecting Visakhapatnam - Bhimuniapatnam - Srikakulam - Chatrapur - Cuttack - Deogarh - Gumla - Ranchi - Hazaribagh - Barhi - Aurangabad - Sasaram - Varanasi - Paunpur - Sultanpur - Lucknow - Baharaich - Nepalgunj Road - Nepalgunj.

iv. **Rail Route: -**

The operation of rail services between Visakhapatnam and Birgunj would be governed by the India - Nepal Rail Services Agreement, while transit of goods will be governed by the Treaty of Transit.

I. IMPORT PROCEDURE

When goods are Imported from third countries for Nepal in transit through India, the following procedure shall be observed: -

1. (a) Transit of Nepalese Imports, shall be allowed against Import Licences issued by the Government of Nepal, wherever such Licences are issued, and Letters of Credit opened through a Commercial bank in Nepal.
- (b) In case of Nepalese Imports for which there is no requirement of Import Licence or Letter of Credit, the Jurisdictional Nepalese Consul General, Deputy Consul General or Consul shall furnish the following certificate on the Customs Transit Declaration:

"I have verified that the goods specified in this Declaration and of the quantity and value specified herein have been permitted to be Imported by the Government of Nepal without the requirement of Import Licence or Letter of Credit."

Note: The Government of Nepal shall arrange to supply through the Embassy of India at Kathmandu or directly to the Principal Commissioner of Customs, Visakhapatnam, the specimen signature or signatures of official or officials who are authorised to sign Import Licences issued by the Government of Nepal. It shall also arrange to have a copy each of the Import Licences, wherever such licences are issued by it for such goods, sent directly to the Principal Commissioner of Customs, Visakhapatnam.

A) Procedure at the Port of Entry (Custom House, Visakhapatnam)

2. At the Indian port of entry (i.e., Custom House, Visakhapatnam), the Importer or his Agent (hereinafter referred to as the Importer) shall present a Customs Transit Declaration containing the following particulars to Nepal Unit of Custom House:

- (a) Name of the ship, Rotation number and Line number;
- (b) Name and address of the Importer;
- (c) Number, description, marks and serial number of the packages;
- (d) Country of consignment and country of origin, if different;
- (e) Description of goods;
- (f) Quantity of goods;

- (g) Value of goods;
- (h) Import Licence number and date;
- (i) Letter of credit number, date and name and address of issuing bank;
- (j) Route of transit (one of the mutually agreed routes); and
- (k) A declaration at the end in the following words:–

"I/We declare that the goods entered herein are for Nepal, in transit through India and shall not be diverted en - route to India, or retained in India"

"I/We declare that all the entries made herein above are true and correct to the best of my/our knowledge and belief".

3. The Customs Transit Declaration shall be made in sextuplicate. All copies along with the bill of lading, invoice, packing list and a copy of the Import Licence issued by the Government of Nepal, wherever such Licence is issued, and a copy of the letter of credit, authenticated by the Jurisdictional Nepalese Consulate in India or the issuing Bank, shall be presented to the Custom House. The copy of the Import Licence and the Letter of Credit so presented shall be examined by the Nepal Unit of Custom House, against the copy of the Import Licence and/or the statement of particulars of the Letter of Credit received directly from the Government of Nepal. No other additional document may be asked for, except where considered necessary for clearance of specific goods.

4. In respect of containerized cargo, the following examination procedure shall be followed:

(i) On arrival of the Nepalese containerized cargo, the Indian Customs officer posted at the VCTPL/CFS, shall check the One Time Seal (OTL) of the container put on by the shipping agent or the carrier authorised by the shipping company. If found intact, the Customs officer at the VCTPL/CFS shall affix an additional One Time Seal (OTL) in all Nepalese Traffic - in - Transit and the seal serial number will be endorsed in the Customs Transit declaration and the same will be verified at the Land Customs Station or at the Border railway station, as the case may be. Thereafter the Customs officer shall allow transportation of the containerised cargo, without examination, unless there are valid reasons to do otherwise.

(ii) In case where the One Time Seal (OTL) on the container arriving at the seaport in India is found broken or defective, the Indian Customs authorities shall make due verification of the goods to check whether the same are in accordance with the Customs

Transit Declaration, put fresh One Time Seal (OTL) and allow the container to move to the destination. The serial number of the new One Time Seal (OTL) shall be endorsed in the Customs Transit Declaration.

5. Goods shall be transported from the Customs port of entry to the border Land Customs Station by the means of transport in the manner provided below: -

(a) Arms, ammunition and hazardous cargo shall not be transported by road.

NOTE:

(1) With reference to hazardous cargo, exception can be permitted as shall be mutually agreed.

(2) Petroleum products, chemical fertilizers and industrial alcohol shall be allowed to be transported by road, subject to compliance with fire, safety and other statutory requirements.

(b) Sensitive goods for Imports, as specified by the Government of India from time to time with prior intimation to the Government of Nepal, shall be permitted transit by container, either by road or rail at the option of the Importer.

(c) Goods other than those mentioned at sub - paragraphs (a) and (b) above shall be permitted transit by marine containers either by road or rail at the option of the Importer.

6. The sensitive goods (Annexure - A), as specified by the Government of India from time to time with prior intimation to Government of Nepal, shall be covered by an insurance policy or a bank guarantee and/or such legally binding undertaking (Annexure - B) to the satisfaction of the Principal Commissioner of Customs, Visakhapatnam, and letter of authority (Annexure - C) to the Nepal Unit of Custom House in the manner indicated below: -

(a) Goods moving by rail up to the border shall be covered by an insurance policy or a bank guarantee (Annexure - D), at the option of the Importer, for an amount equal to the Indian Customs duties (including anti dumping duty and safeguard duty wherever applicable) on such goods. This insurance policy or bank guarantee shall be assigned to the Principal Commissioner of Customs, Visakhapatnam, and the amount shall become payable to the Principal Commissioner in the event of the goods not reaching Nepal.

(b) Goods moving by road in trucks belonging to Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation shall be covered by an insurance policy or a bank guarantee, at the option of the Importer, for an amount equal to the Indian Customs duties (including anti dumping duty and safeguard duty wherever applicable) on such goods. This insurance policy or bank guarantee shall be assigned to the Principal Commissioner of Customs, Visakhapatnam, and the amount shall become payable to Principal Commissioner in the event of the goods not reaching Nepal. In addition, Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation, as the case may be, shall give an undertaking to the Principal Commissioner of Customs, Visakhapatnam, to pay the difference between the market value of goods in India and the declared C.I.F. value plus Indian Customs duties (including anti dumping duty and safeguard duty wherever applicable) in the event of the goods not reaching Nepal.

(c) Goods moving by road in trucks other than those mentioned at sub - paragraph (b) above shall be covered by an insurance policy or a bank guarantee, at the option of the Importer, for an amount equal to the difference between the market value of the goods in India and the declared C.I.F. value. Market value is being calculated at a flat rate of 1.75 times of C.I.F. value declared by the Importer on the CTD. The insurance policy or bank guarantee shall be assigned to the Principal Commissioner of Customs, Visakhapatnam, and the amount shall become payable to the Principal Commissioner in the event of the goods not reaching Nepal.

(d) The insurance policy shall be obtained by the Importer from an insurance company authorised to do business in India on such terms and conditions, to the satisfaction of the Principal Commissioner of Customs, Visakhapatnam, which will guarantee that the insured amount shall become payable forthwith to the Principal Commissioner on receipt of a notice to the insurance company from the Principal Commissioner of Customs, Visakhapatnam, after satisfying himself that the goods have not reached Nepal. The market value for this purpose will be calculated as 1.75 times of C.I.F. value declared on the CTD for the purpose of insurance policy or for execution of undertaking as the case may be in addition to the antidumping duty and safeguard duty if applicable except, for the commodities where the Customs duty is 100% or nearby it viz., Betelnut, Spices (cardamom, cloves, cassis etc.), liquor, cigarettes etc. In the case of transit of all such commodities where the rate of duty is higher than normal peak rate, the

Insurance coverage/Undertaking will cover the admissible amount of Customs duty in addition to anti dumping duty and safeguard duty if applicable, irrespective of sensitive/non - sensitive goods whether taken by road or rail.

NOTE:

1. In respect of goods belonging and consigned to the Government of Nepal under sub - paragraph (a) and (b) above, no insurance or bank guarantee shall be required, provided an undertaking or a further undertaking, as the case may be, is given by Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation in lieu thereof.
 2. In the event of goods carried by rail not reaching the booked destination, Indian Railways shall, where liable as carriers under the Indian Railways Act, pay the C.I.F. price to the Importer.
 3. When the Customs Transit Declaration, duly endorsed and authenticated, both by the border Land Customs Stations in India and Nepal, is received at the corresponding Indian border Land Customs Station within the prescribed period, it will be accepted as an evidence that goods have reached Nepal.
 4. The expression "Indian Customs duties" wherever it appears in the Treaty, Protocol and Memorandum shall mean such duties as are levied on Import of goods into India.
7. For goods other than those specified as sensitive by the Government of India in terms of paragraph 6 above, the Importer shall furnish, to the satisfaction of the Principal Commissioner of Customs, Visakhapatnam, a legally binding undertaking (as prescribed in Annexure B) that the amount equal to the difference between the market value of the goods in India and the declared C.I.F value shall be paid, on demand, to the Principal Commissioner of Customs, Visakhapatnam, in the event of the goods not reaching Nepal. Further they have to submit a letter of authority (as prescribed in Annexure C), Income Tax registration certificate and Registration Certificate issued by the Department of Commerce, Government of Nepal. Market value is being ascertained at a flat rate of 1.75 times of C.I.F. value declared by the Importer on the C.T.D.
8. The Nepal Unit of Custom House shall provide to the concerned department of Government of Nepal, from time to time, details of cases where the goods, including those goods which have not been insured, do not appear to have crossed into Nepal. Government of Nepal

shall thereupon carry out inquiries and make all possible efforts to ensure that the concerned persons pay the dues to the Government of India.

9. After the Nepal Unit of Custom House is satisfied as regards the checks contemplated in the preceding paragraphs, it shall endorse all the six copies of the Customs Transit Declaration. The original copy shall be handed over to the Importer. Quadruplicate copy will be retained by the Nepal Unit of Custom House. The remaining copies will be sent to VCTPL/CFS for release of the goods. The VCTPL/CFS officers after making necessary verifications and endorsements shall send duplicate and triplicate copies by post to the Indian Customs officer at the border. In order to avoid delay in postal transmission, duplicate and triplicate copies of the Customs Transit Declaration, along with copy of the original Railway Receipt/Lorry Receipt, shall be handed over to the Importer or his authorized representative in a sealed cover, if he so desires. This facility shall, however, be denied to the Importer who defaults in the production of these documents within a reasonable time to the Indian border Customs officer. The quintuplicate copy shall be retained in the VCTPL/CFS and sixth copy shall be sent to Nepal Unit after making entries of one time seal number and vehicle number.

10. In case of any suspicion of pilferage, traffic - in - transit shall be subject to checks by the Indian Customs during the period that they are in transit, as may be necessary, particularly at the point of railway transshipment from broad - gauge to meter - gauge.

11. Registers to be maintained:

a) Nepal Unit of Customs House: The register to be maintained at Nepal Unit is enclosed as Annexure - E containing the following particulars.

- i) CTD No. & Date
- ii) Name of the Importer
- iii) Name of the CHA
- iv) Letter of Credit / CGN No.
- v) Land Customs Station
- vi) Route
- vii) Bill of Lading No.
- viii) Description of Goods
- ix) Quantity of the goods
- x) CIF value of the Goods

- xi) Market Value of the goods
 - xii) Sensitive/Non - sensitive
 - xiii) Bond/ Insurance details
 - xiv) Date of receipt of duplicate CTD from LCS
 - xv) Date of receipt of triplicate CTD from LCS
 - xvi) Remarks
- b) VCTPL/CFSs: The register to be maintained at VCTPL/CFSs is enclosed as Annexure - F containing the following particulars.
- i) CTD No. & date
 - ii) Date of receipt of CTDs
 - iii) Name of the Importer
 - iv) Name of the CHA
 - v) Seal No. date of affix
 - vi) Lorry Receipt No.
 - vii) Vehicle No.
 - viii) Remarks
- c) Monthly abstract of all the entries should duly be prepared and countersigned by the Assistant/Deputy Commissioner at the end of the month.
- d) Any other registers as the section may feel deemed fit for effective monitoring of the movement of goods.

B) Procedure at Land Customs Station (India)

12. On arrival of the containerised cargo at the border Land Customs Station or at the border railway station, as the case may be, the following examination procedure will be followed:

- (i) On arrival of the Nepalese containerised cargo, the Indian Customs authorities posted at the Land Customs Station or the railway station shall merely check the One Time Seals (OTL) of the container put on by the shipping agent or the carrier authorised by the shipping company and the Customs authorities at the sea port or during the transit and, if found intact, shall approve for onward transmission of the containerised cargo, without examination of the cargo unless there are valid reasons to do otherwise.

(ii) In case where the One Time Seals (OTL) of the container is found broken or defective, the Indian Customs authorities posted at the Land Customs Station or the railway station, as the case may be, shall make due verification of the goods to check whether the goods are in accordance with Customs Transit Declaration and conform to the Import Licence, wherever such Licence is issued, and the letter of credit.

(iii) If, on verification, the goods are found in accordance with the Customs Transit Declaration and conform to the Import Licence, wherever such Licence is issued, and the letter of credit, the Indian Customs authorities posted at the border land customs station or the railway station shall put fresh One Time Seal (OTL) and approve for onward transmission of the container. The serial number of the new One Time Seal (OTL) shall be endorsed by the Indian customs authorities posted at the border Land Customs Station or the railway station on the Customs Transit Declaration.

13. On arrival of traffic - in - transit mentioned at paragraph 11 above at the border Land Customs Station or at border railway station, as the case may be, the Importer shall present the original copy of the Customs Transit Declaration duly endorsed by the Indian Custom House of entry, to the Indian customs officer at the border Land Customs Station, who shall compare the original copy with the duplicate and triplicate received by him and will, after satisfying himself as regards the checks contemplated at paragraph 11 above, endorse all the copies of the Customs Transit Declaration. The goods in transit shall be allowed onward movement by road or by rail, as the case may be, only after clearance as above by the Indian Customs officer at the Land Customs Station or the railway station. The Indian Customs officer shall, thereafter, through such escorts or supervision as may be necessary, ensure that the goods cross the border and reach Nepal. He, or in cases where there is an Indian Customs officer posted right at the border, such officer will certify on the copies of the Customs Transit Declaration that goods have crossed into Nepal. The Indian Customs officer shall then hand over the original copy of the Customs Transit Declaration to the Importer, send the duplicate to the Indian Custom House at the port of entry, send the triplicate to the Nepalese Customs officer at the corresponding Nepalese post and after it is received back duly endorsed by the Nepalese customs officer, retain it for his records.

14. If a consignment in transit is received at destination in more than one lot, the separate lots of the consignment covered by one Customs Transit Declaration may be presented in separate lots and the Indian Customs officer at the border shall release the goods so presented after

necessary examination and check of relevant documents and goods and after making the necessary endorsement. In such a case the Indian Customs officer at the border shall send the triplicate copy of Customs Transit Declaration to the Nepalese Customs officer at the corresponding Nepalese post only after release of the entire consignment as covered by the Customs Transit Declaration.

15. In cases where the duplicate and triplicate copies of the Customs Transit Declaration are not received at the Customs office of that the Indian Customs office of exit, the Indian Customs officer will, by telephonic/ e - mail or other quick means of communication with the Customs office of entry, seek confirmation to ensure against delay and then on the basis of aforesaid confirmation allow dispatch of goods.

C) Procedure at Land Customs Station (Nepal)

16. The Nepalese Customs officer shall:

(i) endorse a certificate over his signature and authenticate it under Customs stamps on the original copy of the Nepalese Import Licence, if any, letter of credit and the original and the triplicate copy of the Customs Transit Declaration that the packages correspond in all material respects with the particulars shown in the Declaration and in all material respects with the Nepalese Import Licence and the letter of credit, wherever required or opened, as the case may be, and that the goods have been cleared from the Nepalese Customs custody for entry into Nepal.

(ii) hand over, under acknowledgement, duly endorsed and authenticated original copy of the Customs Transit Declaration to the Importer, who will present it to the corresponding Indian border Land Customs Station under acknowledgement within fifteen days of the date on which transit was allowed at the Indian port of Importation or such extended time as the concerned Assistant Commissioner of Indian Customs may allow. For every week or part thereof delay in presenting the original Customs Transit Declaration duly certified as above, the Importer shall pay a sum of Rupee 1/- for every Rupees 1000/- of the Indian market price of the goods to the Assistant Commissioner of Customs of the concerned Indian border Land Customs Station.

(iii) send the triplicate copy of the Customs Transit Declaration duly endorsed directly to the corresponding Indian border land customs station.

II. EXPORT PROCEDURE

When goods from Nepal are cleared for export to third countries, in transit through India, the following procedure shall be observed:

A) Procedure at Land Customs Station(Nepal)

1. The designated officer in charge of the Nepalese Customs office at the border shall furnish the following certificate on the Customs Transit Declaration;

"I have verified that the goods specified in this Declaration and of the quantity and value specified herein have been permitted to be exported under Licence number..... dated..... (wherever issued) and under letter of credit number dated issued by (Name and address of the issuing bank)"

Signature with Seal

Note: The requirement of giving particulars of letter of credit in the above certificate will not apply in the case of goods for the export of which from Nepal, no letter of credit is required under the laws of Nepal.

B) Procedure at Land Customs Station(India)

2. The exporter or his agent (hereinafter referred to as the exporter) shall present to the Indian Customs officer at the border Land Customs Station (LCS) through which the goods are to enter India, a Customs Transit Declaration containing the following particulars :

- (a) Name and address of the exporter;
- (b) Number, description, marks and serial number of the packages;
- (c) Country to which consigned;
- (d) Description of goods;
- (e) Quantity of goods;
- (f) Value of goods;
- (g) Export Licence number and date;
- (h) Country of origin of the goods;
- (i) Letter of Credit number, date and name and address of issuing bank;
- (j) Route of transit (one of the mutually agreed routes);
- (k) Indian Customs office of entry from Nepal; and

(l) A declaration at the end in the following words:–

"I/We declare that the goods entered herein are for export from Nepal to countries other than India and shall not be diverted en - route to India, or retained in India"

"I/We declare that all the entries made herein above are true and correct to the best of my/our knowledge and belief".

Signature

3. The Customs Transit Declaration shall be made in quadruplicate. All copies along with invoice, packing list and a copy of the letter of credit, authenticated by the concerned Nepalese bank, shall be presented to the Indian Customs officer at the entry point. No additional document will be asked for by the Indian Customs, except when considered necessary for clearance of any specific goods.
4. (a) For the containerized goods, the Indian Customs authorities at the point of entry into India shall observe the following procedure:
 - (i) On arrival of the Nepalese containerized cargo, the Indian Customs officer posted at the border Land Customs Station shall merely check the One Time Seal (OTL) of the container put on by the shipping agent or the carrier authorized by the shipping company and if found intact, shall allow transportation of the containerized cargo, without examination, unless there are valid reasons to do otherwise.
 - (ii) In case where the One Time Seal (OTL) on the container arriving at border Land Customs Station in India is found broken or defective, the Indian Customs authorities shall make due verification of the goods to check whether the goods are in accordance with the Customs Transit Declaration and shall put fresh One Time Seal (OTL) and allow the container to move to the destination. The serial number of the new One Time Seal (OTL) shall be endorsed in the Customs Transit Declaration.
- (b) The Indian Customs officer at the point of entry into India shall make such selective percentage examination of packages and contents as may be necessary to check whether:
 - (i) the goods are in accordance with the Customs Transit Declaration;

- (ii) the goods are such as have been specified as sensitive by the Government of India from time to time with prior intimation to Government of Nepal; and
- (iii) they are of origin as declared in the Customs Transit Declaration;

5. The goods, as specified as sensitive (Annexure A) by the Government of India from time to time with prior intimation to Government of Nepal, shall be transported from the Indian Customs border post to Visakhapatnam port in closed containers (to be provided by the exporter) which can be securely locked. The containers shall be locked and duly sealed after the examination by the border Customs officer.

6. After the Indian Customs authorities at the border Land Customs Station are satisfied as regards the checks contemplated in the preceding paragraphs, it shall endorse all the copies of the Customs Transit Declaration. The original copy shall be handed over to the exporter. The duplicate and triplicate will be sent by post to the Principal Commissioner of Customs, Visakhapatnam and the quadruplicate copy shall be retained. In order to avoid delay in postal transmission, duplicate and triplicate copies of the Customs Transit Declaration, along with copy of the original railway receipt, shall be handed over to the exporter or his authorized representative in a sealed cover, if he so desires. This facility shall, however, be denied to the exporter who defaults in the production of these documents within a reasonable time.

7. The sensitive goods for export (Annexure A), as specified by the Government of India from time to time with prior intimation to Government of Nepal, shall be covered by an insurance policy and/or such legally binding undertaking to the satisfaction of the concerned Commissioner of Customs in the manner indicated below:

(a) Goods moving by rail up to the seaport shall be covered by an insurance policy or a bank guarantee, at the option of the exporter, for an amount equal to the Indian Customs duties on such goods. This insurance policy shall be assigned to the concerned Commissioner of Customs and the amount shall become payable to the concerned Commissioner of Customs, in the event of the goods not reaching Visakhapatnam Customs.

(b) Goods moving by road in trucks belonging to Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation shall be covered by an insurance policy or a bank guarantee, at the option of the exporter, for an amount equal to the Indian Customs duties on such goods. This insurance policy or bank guarantee shall be assigned to the

concerned Commissioner of Customs, and the amount shall become payable to the concerned Commissioner in the event of the goods not reaching Visakhapatnam Customs. In addition, Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation, as the case may be, shall give an undertaking to the concerned Commissioner of Customs, to pay an amount equal to the difference between the market value of goods in India and their C.I.F. value plus Indian Customs duties in the event of the goods not reaching Visakhapatnam Customs.

(c) Goods moving by road in trucks other than those mentioned at sub - paragraph (b) above shall be covered by an insurance policy or a bank guarantee, at the option of the exporter, for an amount equal to the difference between the market value of the goods in India and their CIF value. This insurance policy or bank guarantee shall be assigned to the concerned Commissioner of Customs having jurisdiction over the Land Customs Station and the amount shall become payable to the concerned Commissioner in the event of the goods not reaching Visakhapatnam Customs.

(d) The insurance policy shall be obtained by the exporter from an insurance company authorised to do business in India on such terms and conditions, to the satisfaction of the concerned Commissioner of Customs, which will guarantee that the insured amount shall become payable forthwith to the concerned Commissioner on receipt of a notice to the insurance company from the concerned Commissioner of Customs, after satisfying himself that the goods have not reached Visakhapatnam Customs.

NOTE:

1. In respect of goods belonging to and consigned by Government of Nepal under sub - paragraph (a) and (b) above, no insurance or bank guarantee shall be required, provided an undertaking or a further undertaking, as the case may be, is given by Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation in lieu thereof.
2. In the event of goods carried by rail not reaching the booked destination, Indian Railways shall, where liable as carriers under the Indian Railways Act, pay the C.I.F. price to the exporter.
3. When the Customs Transit Declaration, duly endorsed and authenticated by the Visakhapatnam Customs, is received at the concerned border Land Customs Station within the prescribed period, it will be accepted as an evidence that goods have reached Visakhapatnam Customs.

8. For goods other than those specified as sensitive by the Government of India in terms of paragraph 7 above, the exporter shall furnish, to the satisfaction of concerned Commissioner of Customs, a legally binding undertaking that the amount equal to the difference between the market value of the goods in India and their C.I.F. value shall be paid on demand to the concerned Commissioner of Customs, in the event of the goods not reaching Visakhapatnam Customs.

9. The concerned Commissioner of Customs shall provide to the concerned department of Government of Nepal, from time to time, details of cases where the goods, including those goods which have not been insured, do not appear to have reached Visakhapatnam Customs. The Government of Nepal shall thereupon carry out inquiries and make all possible efforts to ensure that the concerned persons pay the dues to the Government of India.

10. In case of any suspicion of pilferage, the goods as have been specified as sensitive by the Government of India from time to time with prior intimation to the Government of Nepal shall, while in transit through India, be subject to such checks by the Indian Customs, as may be necessary, particularly at the point of railway transshipment from meter - gauge to broad - gauge.

C) Procedure at Custom House, Visakhapatnam

11. On arrival of goods at Visakhapatnam Port, the exporter shall present the original copy of the Customs Transit Declaration duly endorsed by the Indian border Land Customs Station to the Nepal Unit of Custom House. This copy shall be compared by the Nepal Unit of Custom House with the duplicate and triplicate received from the Indian border Land Customs Station. In case of goods which have moved under seals and locks, the VCTPL officer shall check the seals and locks and where there is suspicion that they have been tampered with, will examine the goods to identify them with the corresponding Customs Transit Declaration. After the verification as contemplated in this paragraph is completed by the Custom House, it shall permit the export of the goods and will in case of goods specified as sensitive by the Government of India from time to time with prior intimation to the Government of Nepal, ensure that these are duly shipped. After the goods have been shipped, the VCTPL officers shall endorse all the copies of the Customs Transit Declaration, hand over the original to the exporter and send the triplicate copy to the Indian border Land Customs Station and retain the duplicate.

12. Registers to be maintained:

a) Nepal Unit of Customs House: The register to be maintained at Nepal Unit is enclosed as Annexure - G containing the following particulars.

- i) CTD No. & Date
- ii) Name of the Importer
- iii) Name of the CHA
- iv) Land Customs Station
- v) Route
- vi) Description of Goods
- vii) Quantity of the goods
- viii) Market Value of the goods
- ix) Date of receipt of CTDs from LCS
- x) Remarks

b) VCTPL: The register to be maintained at VCTPL is enclosed as Annexure - H containing the following particulars.

- i) CTD No. & date
- ii) Date of receipt of CTDs
- iii) Name of the Importer
- iv) Name of the CHA
- v) Seal No. affixed by the LCS
- vi) Lorry Receipt No.
- vii) Vehicle No.
- viii) Remarks

c) Monthly abstract of all the entries should duly be prepared and countersigned by the Assistant/Deputy Commissioner at the end of the month.

d) Any other registers as the section may feel deemed fit for effective monitoring of the movement of goods.

d) Flow of Communication

13. The Custom officer at the concerned border Land Customs Station shall send fax/e - mail communication on a daily basis to the Principal Commissioner of Customs, Visakhapatnam, giving details of the export goods dispatched vide Customs Transit Declaration. The fax/e - mail message will be followed by a post copy in confirmation. The Nepal Unit of Custom House shall also forward the list of exported goods received vide CTDs and shipped from Visakhapatnam, through fax/email to the concerned Land Customs Station.

The flow of communication (Fax/ e - mail) with regard to Exports is as follows:

a) Immediately after dispatch of the goods on transshipment to Visakhapatnam

Land Customs Station(Nepal) —————> Custom House
Visakhapatnam

b) Immediately after receipt of the goods at LCS (India)for transshipment to Visakhapatnam on CTD.

Land Customs Station(India) —————> Custom House
Visakhapatnam

c) Immediately after shipment of the goods covered under CTD.

Custom House
Visakhapatnam —————> LCS(India) & LCS(Nepal)

14. The Nepalese export cargo not shipped due to valid reasons will be permitted to be returned to Nepal according to the procedure applicable for the Nepalese Import cargo.

15. Difficulties, if any, in the implementation thereof, may be brought to the notice of Assistant Commissioner (I & E) immediately.

- sd -

F.No. S10/14/2016 - Prev.
Dated: 17.08.2016

(C.RAJENDIRAN)
PRINCIPAL COMMISSIONER OF CUSTOMS

To

- 1) Chief Commissioner of Customs, Central Excise & Service Tax, Visakhapatnam
- 2) Pr. Commissioner of Customs, Visakhapatnam

- 3) Addl. Commissioner of Customs, Visakhapatnam
- 4) All AC/DC of Custom House, Visakhapatnam
- 5) EDI, for uploading on website
- 6) Office Copy

ANNEXURE - A

List of Sensitive items of Import Goods

1. Silk Yarn and fabrics, raw silk (tussar and other)
2. All kinds of Bearings
3. Watches and parts thereof
4. Household Electrical and Electronic goods and parts thereof (including telephones, Mobile Phones, fax machines, music system, Video Camera, TV, Organ, all kind of torches)
5. Computer and parts thereof
6. Synthetic Yarn and fabrics
7. Spices
8. Car Air - conditioner, Compressors, Car accessories and spare parts
9. Photographic goods (photo films, papers and cameras)
10. Pharmaceutical bulk drugs and formulations
11. Betel Nut
12. Oxytetracycline
13. RBD Palmolein, Coconut oil, Oil/fat of animal origin
14. Plastics (HDPE/LDPE/LLDPE/PP Granules and Films)
15. Ferrous and Non - Ferrous Scrap

List of Sensitive items of Export Goods

1. Negative list of articles not allowed preferential entry into India under the industry safety trade (Presently Alcoholic liquors/beverage and other concentrates except industrial spirits, perfumes and cosmetics with non Nepalese/Indian Brand names cigarettes and tobacco).
2. Other goods restricted for Import into India under international conventions to which India is a signatory.
3. Third country goods.

ANNEXURE - 'B'

FORM OF UNDERTAKING

(ON RS. 50/- NON - JUDICIAL STAMP PAPER)

(To be executed by Nepalese Importer/CHA)

KNOW ALL MEN BY THESE PRESENTS THAT I/We.....(CHA's name & address) hereinafter called to as the "Importer" (with expression include its successes/heirs, executors, administrators & legal representative) an/are held and firmly bound upto the President of India hereinafter called the "President"(which expression shall include his successors and assigns) in the sum of Rs.....(MV - CIF) (Rupees.....) to be paid to the President for which payment well and truly to be made. I/We bind myself/ourselves, my/our successors, heirs, executives, administrators and legal representatives firmly by these presents.

Sealed with my/our seals this.....day..... of20.....

WHEREAS

The Principal Commissioner of Customs, Custom House, Visakhapatnam(hereinafter called the "proper officer")has agreed to allow transit of the goods in terms of para 9A of the Import Procedure of the Memorandum to the Protocol to the Treaty of Transit between Nepal and India - 1999(hereinafter referred to as Treaty).

CTD No. and Date

Importers Name and Address.

Vessel name/Rot. No./Line No.

Description of the goods and quantity, CIF value and M.V..

Amount payable in terms of para 9A of the Treaty as above, (MV - C.I.F.)

NOW THE CONDITION of the above written undertaking in such that: -

1). The Importer shall pay the amount equal to the difference between the market value of the goods in India and their CIF value on demand to the Principal Commissioner of Customs, Visakhapatnam in the event of the goods not reaching Nepal, in terms of para 9A and 9B of Import of the said treaty.

2). The President through the Principal Commissioner of Customs for Custom House, Port Area, *Visakhapatnam - 530 035 or other officer may recover the said sum of Rs...../ - (Rupees.....)* in terms of para 9A in the manner prescribed under para 9A and 9B of the Import procedure under the Memorandum to the Protocol to the Treaty of the Transit between Nepal and India effective from 6th Januray, 1999 and /or by other laws enforaceable, if any.

IN WITNESS WHERE OF the Importer has herein set and subscriber its hands and seals the date, month and year first above written.

SIGNED AND DELIVERED by and
On behalf of the Importer it:

..... in the presence of:

1.....

2.....

Accepted
For & on behalf of the president of India
(Designation of the authorized officer)

In the presence of:

1.....

2.....

ANNEXURE - C

TO WHOM IT MAY CONCERN

1. This is to certify that we have authorized M/s.....(CHA's name & full address) to clear the goods under B/L No..... dated.....& L/C No..... dated, Ex. S.S.....and to forward the goods to destination by Road.
2. I*.....Proprietor/Partner/Director of M/s.***..... hereby also authorized Shri***..... Proprietor/Partner/Director of M/s****..... to execute a legally binding undertaking in terms of para 9A of the Import Procedure of the Memorandum to the Protocol to the Treaty of Transit between Nepal and India dated 06.01.1999.
3. I hereby undertake to pay the amount equal to the difference between the market value of the goods in India and their C.I.P. Value on demand to the Principal Commissioner of Customs, Visakhapatnam, in the events of the goods not reaching Nepal.
4. The President through the Assistant Commissioner of Customs will recover the amount as specified in Para 3 above in terms of para 9A & 9B of the above treaty.

(Importer's full signature)

(Name and designation)

(Seal)

Signature verified by

Letter of Credit/

Issuing Bank

Note: * Authorised Signatory in full Name.

 ** Firm's Name & Address.

 *** Authorised Signatory in Full Name of CHA

 **** Full Name of CHA

ANNEXURE - 'D'

FORM OF BANK GUARANTEE(ON STAMP PAPER)
(ON RS. 50/- NON - JUDICIAL STAMP PAPER)

To

The President of India,
Acting through the Assistant Commissioner of Customs,
Custom House, Port Area,
Visakhapatnam - 530 035.

Whereas the President of India acting through the Assistant Commissioner of Customs for Custom House, Port Area, *Visakhapatnam - 530 035, Ministry of Finance, Department of Revenue, Government of India* (hereinafter referred to as the Govt.) has agreed to allow transit of goods described in the schedule below Imported by M/s.....(Full expended name of the Importer with complete address) hereinafter referred to as Importer in terms of para 9 of the Import Procedure under the Memorandum to the Protocol to the Treaty between Nepal and India dated 06.01.1999.

SCHEDULE

1. C.T.D. Sl. No. & Date
2. Name of the vessel
3. (a) Rot. No.
(b) Line No.
4. Description of the goods.
5. Quantity.
6. C.I.F. value of the goods/market value of the goods.
7. Amount payable, (MV - C.I.F.)

1. We.....(indicate the name and full address of the bank) (*hereinafter referred to as the Bank*) at the request of the Importer do hereby unconditionally and irrevocably undertake to pay Government an amount not exceeding Rs.....(in figures)(Rupees.....Only) in the event of the goods not reaching Nepal in terms of Para - 9 of the Importer procedure of Memorandum to the Protocol to the India - Nepal Treaty, 1999.

2. We.....(indicate the name of the bank) *do hereby undertake to pay the amount due and payable under this guarantee without any demur or protest, merely on a demand from the Government stating the amount claimed is due in the event of the goods not reaching Nepal. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this present.*
3. *We undertake to pay to the Government any money so demanded not with standing any dispute or disputes raised by the Importer in any suit or proceeding pending before any Court or Tribunal relating thereto and our liability under these presents being and unequivocal.*
4. *That this guarantee shall remain in force for one year from the date of issue i.e.....and shall be auto renewed from time to time till finalization of the matter in consultation with the Importer. If this guarantee is not duly auto renewed by the Bank/Importer, the bank of its own shall pay the entire amount of the guarantee to the Government immediately after the expiry of the guarantee even in absence of any demand from the Government and the payment will be made by A/c Payee Cheque in favour of “Principal Commissioner of Customs, Visakhapatnam”.*
5. *That this guarantee shall not be discharged by any change in the Constitution of the Importer or of the bank.*
6. *That the Guarantor will not revoke the guarantee without prior consent of the Government.*
7. *Protective Clause to limit monitoring liability and validity of the Bank Guarantee kept by the Bank.*

Dated..theDay....., 20.....

(Signature of the Authorised person of the Bank)

(Indicate the Name & Address of the Bank)

F. No.....

Date.....

From: The Assistant Commissioner of Customs,
Custom House, Port Area,
Visakhapatnam - 530 035.

To: The Manager,

.....(Name of the Bank)

.....(Address of the Bank)

Sub: - Bank Guarantee No.....date.....

Sir,

Please refer to your above mentioned Bank Guarantee executed on Behalf of M/s - - - -
- - - - -
- - - - - (Name of the Importer) for Rs. - - - - -
- - - - - (Rupees in figure) and be
informed that the same has been accepted be me.

It is requested that all the future correspondence may be made with the undersigned
referring the above mentioned file No., Name of the Importer and the amount of Guarantee.

Yours faithfully,

Assistant Commissioner of Customs

**ANNEXURE -
E**

Format of Register to be maintained at Nepal Unit of Custom House.

IMPORT

CTD No. Date	Name of the Importer	Name of the CHA	Letter of Credit/CGN No.	Land Customs Station	Route	Bill of Lading No.	Description of Goods	Quantity
1	2	3	4	5	6	7	8	9

CIF value of the goods	Market Value of the goods	sensitive/non - sensitive	Bond / Insurance details	Duplicate CTD received from LCS on (Date)	Triplicate CTD received from LCS on (Date)	Remarks
10	11	12	13	14	15	16

ANNEXURE - F

Format of Register to be maintained at VCTPL / CFS

IMPORT

CTD No.	Date	Name of the Importer	Name of the CHA	Seal No. & Date of Affix	Lorry Receipt No.	Vehicle No.	Remarks
1	2	3	4	5	6	7	8

Abstract to be prepared at the end of every month

ANNEXURE – G

Format of Register to be maintained at Nepal Unit of Custom House.

EXPORT

CTD No. Date	Name of the Importer	Name of the CHA	Land Customs Station	Route	Description of Goods	Quantity
1	2	3	4	5	6	7

	Market Value of the goods	Date of Receipt of the CTD	Remarks
	8	9	10

ANNEXURE - H

Format of Register to be maintained at VCTPL

EXPORT

CTD No.	Date	Name of the Importer	Name of the CHA	Seal No. & Date of Affix	Lorry Receipt No.	Vehicle No.	Remarks
1	2	3	4	5	6	7	8

Abstract to be prepared at the end of every month