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सीमाशुल्क आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS
सीमाशुल्क गृह, पत्तन क्षेत्र, विशाखपट्टणम् - 530 035
Custom House, Port Area, Visakhapatnam - 530 035

F.No. S4/281/2011-Bonds.

Date: 21.06.2013.

PUBLIC NOTICE NO. 09 / 2013

CUSTOMS PROCEDURES FOR OPERATION OF DUTY FREE SHOP AT VISAKHAPATNAM PORT TRUST, VISAKHAPATNAM.

- 1.1 The following shall be the procedure for the receipt, stock, and sale of imported non-duty paid goods at M/s. India Tourism Development Corporation (ITDC) Limited, (herein after referred to as the licensee) the DUTY FREE SHOP (DFS), licensed under Section 58 (1) of the Customs Act 1962 as a Private Bonded Warehouse located at AE Electrical Store, Electrical Foreman 3 & 4 Office rooms, Dock Area, Visakhapatnam port trust, Visakhapatnam.
- 1.2 The Private Bonded Warehouse (PBWH) licence issued shall include the duty free shop apart from the Main Bonded Warehouse (MBWH) and will be covered by a valid PBWH License and shall be subject to usual conditions as per Chapter IX of the Customs Act, 1962. The Licensee shall also enter into a General Bond for a suitable amount, (as required by sub Sec. (2) of Sec. 59 of Customs Act 1962) which will be registered in the usual manner in the Bond Department of the Custom House.
- 1.3 The licensee has to pay the cost recovery charges/MOT charges, as decided by the Commissioner, for the services of the Customs officer (s) posted at the MBWH / DFS.
- 1.4 The following classes of goods shall be received in the Main Bonded warehouse (MBWH) of the DFS. All receipts shall be effected only under the Customs Supervision.

- (a) Goods imported by Sea or Air for being directly warehoused in the (MBWH) of the DFS.
- (b) Imported non-duty paid goods already deposited in a Customs Bonded Warehouse (CBWH), transferred in bond to the MBWH of the DFS;

2. RECEIPT OF GOODS:

2.1 As stipulated u/s 59(1) & (2) of the Customs Act 1962 and in the Circular No 99/95 dt. 20.09.95 issued by the Central Board of Excise and Customs, the Licensee shall, for the goods imported by Sea or Air, file an Into-Bond Bill of Entry indicating the General Bond Number allotted to the Licensee in the Custom House or Air Cargo complex, as the case may be, get the same duly assessed to duty in the usual manner and get the General bond debited in the normal course. After the original Bill of Entry is detached in the Bond Department of the Custom House, the licensee shall arrange to escort the packages to the Main Bonded Warehouse of the Duty Free Shop together with the duplicate and triplicate copies of the Bill of Entry. The normal escort procedure will be applicable in this respect.

2.2 In the case of imported non-duty paid goods, already deposited in a Customs Bonded Warehouse under the jurisdiction of this Commissionerate, and intended to be transferred in bond to the MBWH of DFS, the licensee shall obtain a space availability certificate in the prescribed format from the Bond Officer in charge of MBWH of DFS. The licensee shall file an application in the prescribed format (Annexure-V) in triplicate to the Bonds Department of the Custom House. The same shall be scrutinized in the Bond Department and put up for approval of Assistant / Deputy Commissioner of Customs (Bonds). After approval, the Bond Officer in-charge of the Customs Bonded warehouse from where the goods

are intended to be transferred shall make necessary entries in the bond register before goods are permitted for removal. The original application shall be retained by the said Bond Officer and the duplicate and triplicate copies bearing suitable endorsements will be returned to the Licensee who will present the same to the Bond Officer of MBWH of DFS where the goods have to be deposited / rewarehoused. The Bond Officer of MBWH of DFS shall receive the goods and escort the same to the MBWH of DFS and shall make necessary entries in the MBWH warehouse registers and after endorsing the receipt of the goods on the duplicate and triplicate copies of Annexure-V, the duplicate copy shall be forward to the Bond Officer in charge of the Customs Bonded warehouse from where the goods were procured and the triplicate copy shall be retained in the MBWH of DFS for records.

2.3 In the event the goods covered by para 1.4 above are imported at a Sea port or Airport located outside the city, the goods will be permitted to be warehoused at that Port or Airport in the first instance and then transferred in Bond as per provisions of the Customs Act, in the usual manner.

2.4 In cases referred to in paras 2.2 and 2.3 above, the requisite documents like duplicate copy of the application / transfer bond copy shall be forwarded by Departmental Officers by post / dak (tapal), as the case may be, to the Assistant Commissioner, in charge of the DFS.

3. STORAGE PROCEDURE:

3.1 Upon arrival of the goods at the Main Bonded Warehouse the Bond Officer in charge of the Bonded Warehouse shall receive the same in the presence of the licensee or his authorized representative and allow bonding of the goods inside the Main Bonded Warehouse. The Bond Officer shall check, examine and

inventorise in detail the packages received with reference to the details on the relevant copy of the duplicate bill of entry or triplicate copy of the application form / transfer bond mentioned in paras 2.2 and 2.3 above, as the case may be, acknowledge receipt thereon, indicate that the goods have been warehoused / re-warehoused in all the relevant documents and make entries in the relevant Registers. He shall return the necessary documents to the concerned Departments by registered post or through Dak (Tapal) for further action at their respective end and other copies shall be retained in the MBWH for record. In cases where the duplicate copies of the documents are received by post, the triplicate copies presented by the licensee shall be compared with the duplicates before the packages are examined and inventorised.

3.2. The licensee shall enter the receipt in the stock register to be maintained at MBWH of DFS as per Proforma at 'Annexure I'. The stock register shall be maintained commodity-wise and separately for (i) Goods Imported by Sea (ii) Goods imported by air (iii) Goods transferred from another Customs Bonded Warehouse. The said Register of Bonded goods shall be maintained separately for each of the above mentioned category. The register shall be entered and updated immediately on receipt of the goods each time and shall be signed by the licensee & the Bond officer. Each item shall be separately stacked in the Main Bonded Warehouse in a manner as necessary for easy identification. Stock card (Bin card) shall be maintained for each item separately for each receipt as per 'Annexure-II' and shall be displayed in front of each stock. The Bin card shall be updated and should indicate the actual quantity available at any given time.

3.3 For transferring the bonded goods from the Main Bonded Warehouse (MBWH) to the DFS, the licensee shall make an application in quadruplicate to the Bond Officer in charge of the

MBWH in the format prescribed at "Annexure-III". The Bond officer in charge of the MBWH shall verify the correctness of the application and enter the details in the MBWH register before permitting removal. The Bond Officer in charge of the MBWH shall retain the original copy of the application and duplicate, triplicate and quadruplicate copies shall be released to the licensee. The goods shall be permitted removal from the Main Bonded Warehouse (MBWH) only under escort of the Bond officer in charge of the MBWH and duly accompanied by the duplicate, triplicate and quadruplicate copies of the application. On receipt of the goods in the DFS, the licensee or his authorized representative in the DFS shall acknowledge the receipt particulars on all the three copies of the application and the same shall be certified by the Bond officer in charge of the DFS. The duplicate copy shall be returned to the main Bonded Warehouse and filed there for records. The DFS shall keep the triplicate & quadruplicate copies with them for records. The DFS shall maintain separate Bond register in the same manner as prescribed for the Main Bonded Warehouse at para 3.2. The maintenance of the registers and storage of the goods by DFS shall be as prescribed at Para 3.2 above.

3.4 On sale of the goods covered by the transfer application (Annexure-III), the details of the sales made, which shall include Date of sale, the name of the Vessel, Name of sign-off crew / passenger, passport No., description of the goods, quantity sold and sale proceeds will be entered in the DFS Bond register and also on the triplicate copy of the transfer application and the same shall be certified by the Bond Officer in charge of DFS after physical verification of the stocks correlating the same with the Bond registers and the sale registers maintained in the DFS. The triplicate copy of the transfer application along with the triplicate copy of the sale vouchers, shall be returned to the officer-in-charge of the main Bonded Warehouse who in turn will verify the quantity, price

particulars etc., and after entering the particulars in the Bond register maintained at MBWH, the duplicate & triplicate copies along with the bond register will be forwarded to the Superintendent (Bonds) for making endorsement and linking the documents to the general bond and the Bill of Entry or the transfer Bond concerned. After all the goods covered by a Bill of Entry / transfer bond (under which they were received from another warehouse / Custom House) have been sold and accounted for in the above manner, the Bill of Entry / transfer bond, as the case may be shall be closed by the Superintendent (Bonds) and forwarded for Audit clearance. Differential duty together with interest, if any, recoverable on that portions of the goods which has not been proved to have been sold in the manner prescribed or re-exported with the permission of the Proper officer of Customs, as the case may be, shall be recovered from the licensee and further necessary action shall be taken in accordance with the provisions of the law. On completion of the disposal of the entire goods satisfactorily in the manner detailed above and on clearance from audit, the warehousing bond sub entry shall be cancelled and full credit of the duty payable shall be accorded in general bond under intimation to the licensee.

3.5 The Main Bonded warehouse shall have the double locking facility, one Key will be with the Bond officer and the other with the licensee. The working hours of the DFS shall be 10AM to 6PM. The licensee shall pay in addition to the cost recovery charges if any, the MOT/ Service charges for the services rendered by the customs officers beyond the prescribed working hours/ Sundays/holidays/ and beyond the customs area on working days. The receipt, disposal, etc. of the goods in the Main Bonded Warehouse and in the duty free shop shall also be recorded in the computer of the licensee which shall be available for inspection by Customs Authorities and verification by Bond officer as and when required.

particulars etc., and after entering the particulars in the Bond register maintained at MBWH, the duplicate & triplicate copies along with the bond register will be forwarded to the Superintendent (Bonds) for making endorsement and linking the documents to the general bond and the Bill of Entry or the transfer Bond concerned. After all the goods covered by a Bill of Entry / transfer bond (under which they were received from another warehouse / Custom House) have been sold and accounted for in the above manner, the Bill of Entry / transfer bond, as the case may be shall be closed by the Superintendent (Bonds) and forwarded for Audit clearance. Differential duty together with interest, if any, recoverable on that portions of the goods which has not been proved to have been sold in the manner prescribed or re-exported with the permission of the Proper officer of Customs, as the case may be, shall be recovered from the licensee and further necessary action shall be taken in accordance with the provisions of the law. On completion of the disposal of the entire goods satisfactorily in the manner detailed above and on clearance from audit, the warehousing bond sub entry shall be cancelled and full credit of the duty payable shall be accorded in general bond under intimation to the licensee.

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4. SALE OF GOODS AT DFS:

4.1 All the imported non-duty paid goods permitted to be received and stocked in the DFS shall be sold by the licensee only to the international passengers / signing off Crew members / Master of the foreign going vessel (as ship stores), on obtaining from them payment in freely convertible foreign currency. However, signing-on / on-board crew members are not permitted to purchase the goods directly from the DFS. Every sale shall be covered by a sale voucher in triplicate (which shall be deemed to be the Shipping Bill under Sec.69 or sale receipt under Baggage rules, as the case may be) as per the format at "Annexure IV" which inter-alia shall indicate, the name of the passenger / Crew member/ foreign going vessel to whom the sale was effected, the passport No. and date of arrival or departure as the case may be, name of the vessel. The passenger / sign off crew member/ Master of the foreign going vessel shall append full signature on the sale voucher, as it appears in his / her passport. A copy of the passport wherever applicable shall be attached to the sale voucher. The sale voucher should be serially numbered and prepared in triplicate. All the sale vouchers shall be counter signed by the Bond Officer in charge of DFS before effecting the sale / supply of the bonded stores. The original shall be handed over to the passenger / signoff crew member / Master of the vessel and the duplicate shall be filed in the Duty Free Shop. The triplicate copy shall be attached to the triplicate copy of transfer application which shall be forwarded to MBWH as mentioned in para 3.4.

4.2 It shall be the responsibility of the licensee to ensure that sales are made only to the foreign going vessels. Further, it shall be the responsibility of the licensee to inform every passenger / crew member who disembarks or signs off as the case may be, at this Port and who purchases goods from DFS, that all such purchases will be governed by Baggage Rules, 1998, as amended from time to time and all the provisions of the Customs Act and the EXIM Policy

would be applicable to these goods as they apply to regular accompanied baggage of the passenger/crew member at the time of their final clearance or signing off as the case may be, from the vessel. The sale voucher shall contain the above provisions and Sign Boards may be placed at prominent locations near the Duty free shop for information / compliance of all concerned. Individuals who try to divert / smuggle the goods purchased from the DFS shall be held responsible for contravening the provisions of the Act and the goods so seized, shall be dealt with as per the provisions of the Customs Act, 1962 by the Customs department.

4.3 The Master / Person in charge of the foreign going Vessel shall place the order / indent for the entire quantity of the bonded goods required, duly certifying the foreign going status of Vessel. The representative of the DFS shall approach the Superintendent of Customs (Docks) who in turn will certify the foreign going status of the vessel on the indent. The representative of the DFS shall approach the Bond Officer in charge of DFS with the indent for supply the bonded goods to the vessel. The Bond officer shall reconfirm foreign going status of the vessel before effecting the supply and escort the bonded goods from DFS to the vessel at intervals and shall be delivered on Board in the presence of the representative of the DFS and kept in the bonded locker under seal. The details of the supply to the vessel shall be endorsed in the Store list of the concerned vessel by the Bond Officer. The Master of the vessel shall issue the bonded goods from the locker to the individual crew members as per their entitlement, if due, after obtaining the permission from the Superintendent of Customs (Docks).

4.4 The goods purchased from the duty free Shop shall not be delivered at the duty free shop except in the case of disembarking passengers / signing-off crew members who intend to have final

clearance / signing off at Port. However, crew members of coastal / coastal-run vessels as well as signing -off crew members of coastal / coastal-run vessels are not entitled to purchase the goods from the DFS. The signing-off crew member of vessels in foreign run who intends to purchase the goods from the DFS shall approach the Superintendent of Customs (Docks) at Customs Main Gate who in turn shall authenticate the request of the crew member and issue a certificate, duly indicating the name of the crew / vessel and rotation number of the vessel and the sale voucher also shall mention the rotation number of the vessel invariably.

4.5 Licensee is required to give monthly statement of stock and sale of duty free goods in DFS in prescribed format by first week of every month showing bond number-wise and sale voucher number-wise, credit and debit of stock and also details of the foreign currency remittances etc. to the Superintendent of Customs (Bonds) for verification.

5. AUDIT / VERIFICATION

5.1 The Stock of goods lying in the MBWH/DFS and the accounts thereto shall be liable for verification by the Customs Officer.

5.2 The Internal Audit Department of the Custom House shall regularly check the receipt of stock with reference to the triplicate copies containing the detailed inventory and stock register. They shall also check that all sales made during the period have been adjusted in the stock books with reference to the sale vouchers issued. Internal Audit Department will also verify that the sales have been effected only against payment in approved foreign currencies.

5.3 The above procedure will be reviewed from time to time. Any difficulty in implementation and suggestions for improvement may be brought to the notice of Commissioner of Customs or Additional

Commissioner of Customs or Deputy / Asst. Commissioner of Customs, Custom House, Visakhapatnam immediately.

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(M. PONNUSAMY)
 COMMISSIONER

Attested

24/6/13

(N.K. YADAV)
 Asst. Commissioner of Customs (Bonds)
 सहायक आयुक्त (सीमाशुल्क)
 N.K. YADAV, I.R.S.
 Asst. Commissioner of Customs
 सीमाशुल्क भवन, विशाखपट्टणम
 Customs House, Visakhapatnam

To

1. M/s. India Tourism Development Corporation (ITDC), VPT, Visakhapatnam.
2. Chief Commissioner of Customs & Central Excise, Visakhapatnam.
3. P.A. to Commissioner of Customs, Custom House, Visakhapatnam.
4. Additional Commissioner of Customs, Custom House, Visakhapatnam.
5. Assistant / Deputy Commissioner of Customs (Preventive & IAD) , Custom House, Visakhapatnam.
6. The Superintendent of Customs (Docks), Port Area, Visakhapatnam.
7. NOTICE BOARD
8. GUARD FILE

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ANNEXURE-III**APPLICATION FOR TRANSFER OF GOODS FROM MBWH TO DUTY FREE SHOP**SL. NO. _____
Dated: _____**Part A:**

- 1) Description of the all items to be shifted:
- 2) Quantity required to be shifted:
- 3) Bond No. & Date:
- 4) Bond Valid till / extended till:
- 5) Present condition of goods to be shifted:
- 6) Whether fit for further bonding in DFS:
- 7) Value of the goods to be shifted:
- 8) Duty involved:
- 9) DFSW (Order) No:
- 10) Date & time of removal from warehouse:
LF. NO. of warehouse register.
- 11) Remarks if any:

Bond Officer i/c of MBWH**Part B:**

- 10) Date of receipt in DFS and enter into
- 11) Whether goods received in good condition in the DFS
- 12) L.F. No. of stock register in DFS:
- 13) Remarks, if any

**Signature of
Authorized Representative of DFS****Bond Officer****Superintendent (B)**

ANNEXURE-IV

BONDED WAREHOUSE
DUTY FREE SHOP, VISAKHAPATNAM PORT TRUST, VISAKHAPATNAM

CASH MEMO

SL. NO. _____
Dated: _____

NAME IN CAPITALS

NATIONALITY _____

PASSPORT NO. _____ VESSEL: _____

Rotation No. of Vessel. _____

TRAVELLER'S CHEQUE NO.

ADDRESS OF T.C. HOLDER _____

QUANTITY	PARTICULARS	EURO	USD	OTHER CURRENCIES
	TOTAL			

Amount in figures:

Sales Assistant

Signature of Customer

Signature of Bond Officer i/c DFS

**APPLICATION FOR TRANSFER OF GOODS FROM CUSTOMS Bonded
warehouse to MBWH of DUTY FREE SHOP**SL. NO. _____
Dated: _____**Part A:**

- 01) Description of the all items to be transferred:
- 02) Quantity required to be transferred:
- 03) Bond No. & Date:
- 04) Bond Valid till / extended till:
- 05) Present condition of goods to be transferred:
- 06) Whether fit for further bonding in MBWH of DFS:
- 07) Value of the goods to be shifted:
- 08) Duty involved:
- 09) Date & time of removal from warehouse:
 LF. NO. of warehouse register.
- 10) Remarks if any:

Bond Officer i/c**Part B:**

- 11) Date of receipt in MBWH of DFS :
- 12) Whether goods received in good condition in the MBWH of DFS:
- 13) L.F. No. of stock register in MBWH of DFS:
- 14) Remarks, if any

**Signature of
Authorized Representative of DFS Bond Officer i/c MBWH****Superintendent (B)**