



## President's Message:

Today's complex economic and political landscape renders accurate forecasts virtually impossible. In our volatile and connected world, traditional, linear forms of analysis have repeatedly gone haywire. Economic growth or down ward slide has direct relation and connection to the Political scenario and the intensity of Political influence on economy and decision making in the financial and industrial sectors.

In search for robust strategies, we need to widen our perspective, think in alternatives and consider different paths leading into different futures. The US \$ is enjoying a virtual joyous ride, despite the crisis back in US of A, and, seems to be gaining strength day by day. Rupee on the other hand is going head over heels against the US \$ sending shivers down the importers spine! Inflation is bound to raise its ugly head and make things worse for the economic scenario of our country, which, at one point of time, just couple of years ago, was threatening to out beat and race past the economic strengths of the major Super Powers, including China.

Since the current round of global uncertainties started after the downgrading of USA and the increasing threat perception of a Greek default, the rupee has been depreciating. Such wild fluctuations in the rupee exchange rate within a short span of time are unsettling and leaving its imprint on the rest of the economy. The depreciating rupee will add further pressure on the overall domestic inflation and since India is structurally an import intensive country, as reflected in the high and persistent current account deficits month after month, the domestic costs will rise on account of rupee depreciation.

There has been an unprecedented impact on the imports and turbulence has set in the industry already. This has also had an indelible impact on the costing and even a slightest of additional cost burden is proving to be counter-productive for the Importers and Service industry.

Into our second edition of our much appreciated and widely read newsletter, our team is striving their best to keep you updated with all latest notifications and news from Customs and other Finance Departments. Please give us your valuable feedback and let us know what you would like us to cover most in our forthcoming issues.

With warm regards,

**Jayyant Lapsiaa, President**

## AILBIEA celebrated its 11<sup>th</sup> Anniversary



*Mr. Jayyant Lapsiaa, President, AILBIEA addressing the audience. (L to R) Mr. Raj Chandaria, Vice Chairman & Managing Director, Aegis, Mr. Ramesh Krishnamurthy, National Procurement Director [South Asia], M/s. Hindustan Unilever Ltd., Mr. Nadir B. Godrej, Managing Director, M/s. Godrej Industries Ltd., Mrs. Shobha Chary, Chief Commissioner of Customs-Mumbai Zone 1, Mr. Rajeev Gupta, Chairman, MbPT, Mr. Vineet Kumar, Chief Commissioner of Customs-Mumbai Zone III, Mr. Anish Chandaria, Managing Director & CEO, Aegis and Mr. G. Chandrashekar, noted Journalist and Hon. Advisor of AILBIEA.*

### Mr. Jayyant Lapsiaa re-elected as Trustee of MbPT



*Mr. Jayyant Lapsiaa has been re-elected on the Prestigious Board of Trustees of Mumbai Port for the 3rd Consecutive term by the Ministry of Shipping, Government of India.*

## AILBIEA celebrated its 11<sup>th</sup> Anniversary

AILBIEA's 11<sup>th</sup> Anniversary celebrations along with Golden Jubilee of the Custom Act 1962 was held in a grand and befitting manner at the Regal Room, Hotel Trident, Mumbai 400 021. Mr. Nadir B. Godrej, Managing Director, Godrej Industries Limited set the



*Audience – senior officials from liquid bulk importers and exporters.*

ball rolling with his electrifying and captivating poem on various topics on Customs, Port, Octroi and other issues. The huge gathering of over 400 dignitaries was in splits by his hilarious poem. Mr. Ramesh Krishnamurthy, National Procurement Director [South Asia], Hindustan Unilever Limited spoke eloquently on various issues, particularly the soap industry that has been facing due to the EXIM trade. He appreciated the new norms introduced by the Customs and assured the Custom Authorities of joining hands to ensure compliance and adherence.

Mr. G. Chandrashekar, noted journalist [Specialized in Agri-commodities and other liquid Bulk products] presented the liquid bulk scenario vis-à-vis the

economic conditions prevailing in the country. He emphasized huge potential for the growth of imports in Liquid Bulk over the next ten years with increasing consumption and the growing economy. Mr. Raj Chandaria, Vice Chairman & Managing Director, Aegis Logistics Limited spoke on the high standards and high level of safety compliance set by Aegis Logistics Limited, which has state of the art installations at Mumbai, Kochi, Haldia and Pipavav.

Mr. Jayyant Lapsiaa, President, AILBIEA whilst complimenting the Customs for introducing new guidelines viz. Self Assessment and On Site Post Clearance Audit, appealed to the Members to pay due importance to the implications and compliance of these guidelines and not to be complacent. He said that AILBIEA's aim was to bring about holistic approach in addressing issues concerning the Liquid Bulk Trade. Mr. Lapsiaa complimented the Customs for the facilitation role in helping smooth operations of Liquid Bulk Imports and Exports.

Mr. Rajeev Gupta, Chairman MbPT gave insights into the Port's resolve in streamlining Estate related issues



*Mr. Rajeev Gupta, Chairman MbPT addressing the audience.*

and putting to optimum use of various port lands which are being lying unutilized and vacant. He assured AILBIEA of support and assistance from port in boosting Liquid Bulk Trade.

Mrs. Shobha Chary, Chief Commissioner of Customs Mumbai Zone 1 stressed on the Self Assessment and On Site Post Clearance Audit and requested all members of AILBIEA for high level of compliance. She said that Customs was always willing to assist and help the Liquid Bulk trade and resolve issues with constant interactions and meetings. She complimented AILBIEA for their excellent role in promoting EXIM Trade and for their fruitful interactions with Customs.

*With best compliments from*



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*Mrs. Shobha Chary, Chief Commissioner of Customs - Mumbai Zone-1, addressing the audience.*

Mr. Vineet Kumar, Chief Commissioner of Customs-Mumbai Zone III- complimented AILBIEA for their excellent performance in the last ten years and their proactive approach in the Customs Trade Facilitation meetings.

AILBIEA STELLAR AWARDS were conferred on the following on the occasion of the 11<sup>th</sup> Anniversary and Golden Jubilee of Customs Act, 1962.

#### **For Facilitating and Promoting EXIM TRADE:**

1. Mr. Ashish Pednekar-President-Maharashtra Chambers of Commerce and Industries
2. Mr. Mohan Nihalini-President-All India Importers and Exporters Association.

#### **AILBIEA MEMBERS FOR THEIR PERFORMANCE:**

1. M/s. Hazel Mercantile Ltd- highest imports of Liquid Bulk Chemicals at Mumbai Port
2. M/s. V.V.F. Ltd. –High exports of Liquid Bulk of Specialized products thru' Mumbai Port
3. M/s. Narendra Forwarders Pvt. Ltd. for Facilitation and high number of documents as Custom House Agents.

#### **Facilitating Recipient's of Word Custom Organization's Certificate of Merit:-**

1. Mr. P. Anjani Kumar- Additional Commissioner of Customs –Jawahar Custom-JNTP
2. Mr. Nailesh Gandhi-President –Bombay Custom House Agents Association.

#### **Facilitating and honouring Customs on occasion of Golden Jubilee of Customs Act 1962:-**

1. Mrs. Shobha Chary-Chief Commissioner of Customs-Mumbai –Zone 1
2. Mr. C.S. Prasad-Chief Commissioner of Customs-Mumbai Zone 11 [Jawahar Customs – JNPT]

3. Mr. Vineet Kumar-Chief Commissioner of Customs-Zone 111 [Airport, CFS, Appeals and Preventive]

The Awards for the trade and industry were given away by Mrs. Shobha Chary, Mr. Vineet Kumar and Mr. Rajeev Gupta.

Felicitations to Customs were done by Mr. Nadir Godrej, Mr. Ramesh Krishnamurthy and Mr. Raj Chandaria.

The glittering awards ceremony and the interactive session was preceded by a scintillating musical show which had renditions of some Classical old Hindi film songs and some traditional Indian cultural dances which regaled the august gathering set the stage for a perfect launch of the 11<sup>th</sup> anniversary celebrations.



*Mr. Vineet Kumar, Chief Commissioner of Customs-Mumbai III addressing the audience*

This grand event was attended by Commissioners of Customs, Additional Commissioners, and Officers from Mumbai and JNPT Customs. Port officials, Executive Members of other leading Trade Bodies and Bombay Customs House Agents Association and leading CEOs, COOs, and Directors from the Liquid Bulk Trade comprising of Industry representatives, Custom House Agents, barge Operators, Surveyors and others connected with the Trade.

*With best compliments  
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## AILBIEA STELLAR AWARDS 2012



*Hazel Mercantile Ltd.'s Mr. Ashok Desai receiving the AILBIEA STELLAR Award for highest imports of Liquid Chemicals from Mrs. Shobha Chary, Chief Commissioner of Customs Mumbai.*



*Mr. Mohan Nihalani, President All India Importers and Exporters Association receiving the AILBIEA STELLAR AWARD from Mr. Nadir B. Godrej, Chief Guest.*



*Mr. Satish Kulkarni of M/s. VVF Ltd. receiving the AILBIEA STELLAR award for high exports of Specialized Liquid Bulk Products from Mr. Vineet Kumar, Chief Commissioner of Customs-Mumbai Zone III*



*Mr. Nailesh Gandhi, President, Bombay Custom House Agents Association receiving the AILBIEA Felicitation for being conferred the WCO'S certificate of Merit from Mr. Ramesh Krishnamurthy, National Procurement Director, M/s. Hindustan Unilever Ltd.*



*Mr. Ashish Pednekar, President Maharashtra Chambers of Commerce and Industries receiving the award for Facilitating and Promoting EXIM Trade from Mr. Rajeev Gupta-Chairman MbPT.*



*Mr. A.K. Goswami, Additional Commissioner of Customs [JNPT] receives the AILBIEA's felicitations [on behalf of Mr. P. Anjani Kumar, Additional Commissioner Customs-JNPT] from Mr. Raj Chandaria, Vice Chairman & Managing Director, M/s. Aegis Logistics Ltd.*



*Mrs. Shobha Chary, Chief Commissioner of Customs-Mumbai Zone 1 receiving AILBIEA Stellar Award from Mr. Nadri B. Godrej, Managing Director, Godrej Industries Ltd.*



*Mr. Vineet Kumar, Chief Commissioner of Customs-Mumbai Zone III receiving AILBIEA Stellar Award from Mr. Anish Chandaria, Managing Director & CEO, Aegis*



*Mr. Rakesh Shah of Narendra Forwarders Pvt. Ltd. receiving the AILBIEA STELLAR Award for Promoting and Felicitating Liquid Bulk Trade from Mr. Rajeev Gupta, Chairman, MbPT.*



*Mr. Sudhir Malhotra, President, Aegis receiving AILBIEA Trophy from Mr. Jayyann Lapsiaa, President, AILBIEA.*



*Mr. Rakesh Mishra, Commissioner of Customs [Exports]-JNPT receives the AILBIEA's felicitations on the occasion of Golden Jubilee of Customs Act 1962 from Mr. Ramesh Krishnamurthy-National Procurement Director [South Asia]-Hindustan Unilever Ltd.*



*Mr. Raghu Warriar, Head – Corporate Communication & Branding, Aegis and Mr. Rajeev Gupta, Chairman, MbPT launching the first issue of AILBIEANEWS, the e-newsletter of AILBIEA.*



## MbPT to get security makeover

Mumbai Port Trust (MbPT) will be installing a network of advanced CCTV cameras to keep tabs on encroachers along the entire waterfront.

MbPT also commissioned the state-of-the-art vessel traffic management system (VTMS) to ensure proper movement of vessels." The VTMS will be installed at a cost of Rs 21 crore. On the Centre's instructions, we have appointed the Central Industrial Security Force to monitor activity along the coast and other sensitive areas," MbPT chairman Rajeev Gupta said." Speed boats will be purchased. An electronic surveillance system will be put in place near the marine oil terminal on Butcher Island and the jetty at Pir Pau," he added. The director general of lighthouse is in the process of implementing the automatic identification system in the main MbPT channel to aid navigation. The channel boundary will be marked out along with other vessels, to prevent ships from straying away from their route and avert the possibility of a collision."

The AIS is likely to be commissioned by July and will help track nearly 98% of the traffic," Gupta added.

## Mumbai Port Trust to set up facility to tackle oil spills

It's better late than never. Following a series of oil spills around the city coast in the last two years, the Mumbai Port Trust (MbPT) has finally woken up and

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decided to appoint an agency to develop facilities to combat oil spills of 700 tonne and above.

The National Oil Spill Disaster Contingency Plan (NOSDCP) stipulates that all ports maintain Tier-I Oil Spill Response (OSR) facilities.

An MbPT official said, "We are putting in a place a system which will ensure swift response to any incidence of oil spill in our waters. As of now, we have to depend on Coast Guard in case of oil spill. The maximum response time has been capped between 30 and 120 minutes depending on the location of the spill."

The MbPT recently floated tenders and invited bids to set up OSR facilities on the city's ports. The Rs.33 crore contract is likely to be awarded by July.

The successful bidder will have to set up an Oil Spill Response Center (OSRC), which will be functional 24X7, at the Marine Oil Terminal (MOT) on Jawahar Dweep, an island to the south of Elephanta Islands. The centre will be monitored by trained personnel and specialists for a period of five years.

Within four months of the awarding of the contract, the agency will have to set up the facility, which will include putting in service an OSR vessel and workboat in addition to other equipment like booms, skimmers, oil spill dispersants, storage tanks, etc, to tackle pollution.

The official said, "Oil spill incidents, including ship collisions, and grounding of vessels, in MbPT and Jawaharlal Nehru Port Trust limits will be dealt with by the agency."

## JNPT Handled Record Traffic during FY 2011-12



*Shri L. Radhakrishnan, IAS, Chairman, JNPT, congratulated for JNPT's performance in 2011-12 by Shri Alpesh Sharma, CEO, DP World. Also seen are Shri N.N.Kumar, IRS, Dy. Chairman, JNPT, Shri Pradeep Agarwal, CEO, APM Terminal.*

In the customary meeting with the Port Customers and other stake holders/agencies, the Chairman JNPT, Shri L. Radhakrishnan, IAS announced that the JN Port handled 65.75 million tonnes of total cargo during the financial year 2011-12, which is an all-time record



*Container Terminal*

for JNPT. The containerized cargo was 58.25 million tonnes and liquid cargo was 6.66 million tonnes and remaining 0.84 million tonnes of dry bulk and break bulk.

JN Port handled 4.32 million TEUs of container traffic during the financial year 2011-12 surpassing the previous highest of 4.27 million TEUs during the 2010-11. Out of the total traffic of 4.32 million TEUs, the share of JNPCT was 1.03 million TEUs, the share of NSICT was 1.40 million TEUs, and remaining 1.89 million TEUs were contributed by M/s. APM Terminals, Mumbai (APMT). JN Port remains largest the first among all the major ports in India in container handling with the market share of 55.63%.

### Highlights:

- JNPT's own terminal JNPCT increased its throughput by 19.72% over last year in terms of tonnage and 17.3% over last year in terms of TEUs. However, NSICT reduced its throughput by 8.8% in terms of TEUs with respect to the last year.

- The total traffic of 65.75 million tonnes and container traffic of 4.32 million TEUs is also the highest since the inception of the Port.
- JNP Container Terminal crossed more than 1 million TEUs/14.53 million tonnes - a growth of 19.72% year on year.
- Container traffic of 1.89 million TEUs handled at M/s. APMT, Mumbai is also the highest since the inception of the terminal. The previous highest was 1.86 million TEUs handled during the year 2010-11.

Addressing the gathering, Shri L. Radhakrishnan stated that steps are underway to develop additional capacity to match the demand from trade by developing the 4th Container terminal of 4.8 million TEUs capacity and 330 meter quay extension of 0.8 million TEUs capacity. A second phase dredging project for deepening the channel up to 17 meter to accommodate new generation vessels is being prepared by TCE and Ernt and Young jointly, SEZ of 267 ha. of area is being developed for first phase of land development, the 5th Mega container terminal at Nhava of additional 10 million TEUs capacity is being designed by M/s Scott Wilson, an additional liquid handling capacity of around four times will be result in a being designed by L&T Ramboll. Additional bulk/break bulk berths with modern facilities, captive berths, logistic parks and green initiatives for non-conventional energy and water conservation are other projects in the pipeline. The Chairman expressed gratitude for the support from port customers, terminal operators, employees, trade and other stake holders for the success of all JNPT's activities.

The Deputy Chairman, Shri N.N.Kumar in his concluding remarks specially thanked CISF for providing excellent security and gave the credit for record achievement to the dynamic leadership of the Chairman Shri L. Radhakrishnan.



*Liquid Cargo Terminal*

## CBEC Chairman Mr. S.K. Goel launched biometric smart card for CHAs, EXIM Trade

The Chairman of the Central Board of Excise & Customs (CBEC), Mr. S. K. Goel, launched the biometric smart card-based identification and authentication system for Custom House Agents (CHAs), importers and exporters.

CHAs and their employees, who are engaged in the clearance of exim cargo, are now issued these smart cards instead of the laminated plastic identity cards. The new cards contain personal as well as employment information of the bearer encoded in digital format in the embedded electronic chip.

Card readers placed at strategic locations within the Customs jurisdiction, like EDI service centers where import/export cargo clearance documents are filed, will screen the bearer of the card biometrically through fingerprint readers and cameras, identifying and authenticating the individual as the holder of the biometric card. Filing of documents will be allowed only after the authentication process.

The system boasts in-built measures to immediately alert the central control in case an invalid card is presented or if an impersonator attempts to clear the goods.

This system is being implemented for the first time in the Customs, Excise and Service Tax Departments. As an intelligence tool, it would curb cases of impersonation, smuggling, economic frauds, and the use of bogus identity cards, thereby helping secure the country's economic frontiers.

It covers all the three Customs zones in Mumbai, spread over a geographical area of about 100 sq. km, and has been designed to have minimal impact on transaction time.

Mr Goel unveiled a plaque announcing the inauguration of the biometric smart card system at a function attended by the Chief Commissioners of Customs Zones I, II and III, Ms Shobha L. Chary, Mr C. S. Prasad and Mr Vineet Kumar, respectively. Also present were Mr Ajit Kumar, Director-General of Valuation, Mumbai; Ms Sanghamitra Panda, Director-General, Service Tax, Mumbai; Mr M. Suresh, Chief Commissioner of Central Excise, Mumbai-I; and Ms A. Vasudev, Chief Commissioner of Central Excise, Mumbai-II.



The occasion also saw Mr Goel presenting the smart cards to Directors, Partners and Proprietors of prominent CHA firms. Among them were Mr Nailesh Gandhi, President of Bombay Custom House Agents' Association (BCHAA); Mr George Joseph, Senior Vice-President, BCHAA; Mr Ashish Pednekar, Vice-President of BCHAA and President of Maharashtra Chamber of Commerce, Industry & Agriculture; Mr Om Prakash Agrawal, immediate

past President of BCHAA; Mr Mark Fernandes, Managing Committee member of Indian Merchants' Chamber; Mr Mohan Nihalani, President of All India Importers & Exporters Association; and Mr Jayyant Lapsiaa, President of All India Liquid Bulk Importers & Exporters Association.

The inaugural function included a demonstration of the card validation process and also how a fraudulent card holder would be barred, his photograph captured and an e-mail alert generated to the CHA section.

Mr Nailesh Gandhi, in his address, welcomed the introduction of the card and hoped that it would help reduce frauds.

Your comments and contributions to better the next edition of AILBIEANEWS will be highly appreciated. Please write to [raghuwarrier@aegisindia.com](mailto:raghuwarrier@aegisindia.com) or [ailbiea@gmail.com](mailto:ailbiea@gmail.com)

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