



OFFICE OF THE DEVELOPMENT COMMISSIONER
MINISTRY OF COMMERCE & INDUSTRY,
SEEPZ-SEZ, ANDHERI (EAST), MUMBAI – 400 096.

F.No. Seepz-Sez/Customs/PN/47/2018-19

Dated 05.12.2018

Public Notice No. 51/2018

Subject: Standard Operating Procedure on "Removal of Scrap, Residual Dust, Hazardous Waste/Batteries, Septic Tank Waste and E-waste items by SEZ Units into DTA – SEZ"- regarding-

In view of recent observations with regard to mis-declaration of weight of the scrap by some units, it has become necessary to review the procedure considering the non availability of weighment facility within the SEEPZ-SEZ premises. Henceforth the following procedure will be followed by all concerned for removal of subject goods in DTA.

1) **Scrap items:** - The removal of scrap of the unit in Domestic Tariff Area is covered under Rule 47(1) of the SEZ Rules 2006. As per prevailing practice the scrap is cleared on payment of duty calculated based on the weight declared by the unit in accordance with existing Instruction issued vide F.No. S/1-Misc-19/2012-13-Seepz-Sez dated 17.12.12. The following procedure will be adopted by all concerned henceforth:

a) The Unit intending to clear the scrap shall submit an application to the Specified Officer and copy to Estate Manager (for deputing a caretaker) item wise quantity of the scrap and details of the vendor empanelled with SEEPZ and pay the provisional applicable duty on declared scrap.

b) The scrap meant for removal will be placed at a demarcated area in the unit's premises for inspection. Inspection of the said scrap lot will be carried out by Sr.AO and AO in presence of Unit's representative & empanelled vendor. Unit will have to remove the inspected scrap on the same or next working day of inspection on payment of provisional duty on declared quantity. Unit/vendor will bring the empty truck with the slip of tare weight in the loading area of the unit. Further, proper description of the scrap items will be given by the unit and verified by concerned AO/Sr.AO and counter signed. The scrap items which can be quantified within the unit's premises will be weighed under the supervision of the AO/Sr.AO. The remaining scrap items which could not be weighed due to the weight limits or odd/large dimensions will be loaded in the said vehicle along with the weighed items. The process of loading will be carried out under general supervision of authorized officer and in presence of unit's representative, vendor empanelled with SEEPZ and the caretaker. The caretaker authorized by Estate Manager will be present and carry out videography of the entire loading process of the vehicle.

c) The loaded truck will then be taken to the nearest weigh bridge outside SEEPZ-SEZ (till a weigh bridge is installed within SEEPZ-SEZ) under Preventive escort by AO and caretaker for weighment purpose. After the weighment the loaded truck will be released. Based on weighment slips, the AO will mention the description wise weight of all scrap items and final duty will be calculated by Sr.AO accordingly.

e) The Unit will have to pay the differential duty within 3 working days from the date of intimation of final duty.

2) **Residual Dust:**- On removal of residual dust, derived during the manufacturing process, the contents of gold and silver therein is required to be ascertained for payment of applicable duty. The following process will be adopted:-

a) The Unit will submit the request letter to the Specified Officer for removal of residual dust declaring the contents of Gold and silver therein along with details of the vendor empanelled

with SEEPZ. Unit will also submit an undertaking to pay the differential duty, if any, after receipt of test report from RBI-Mumbai.

b) Based on the declared content, provisional duty will be calculated. After payment of provisional duty by the unit, the subject residual dust will be weighed within the Unit premises and three representative samples of 1 kg each will be withdrawn from the homogenous mixture of the said dust. These samples will be sealed with customs punch seal and same will be endorsed by the unit's representative, AO and Sr.AO.

c) After weighment and sampling the residual dust will be loaded in the vehicle which will be sealed with Customs P/seal. The entire process will be carried out under Customs supervision, in presence of unit's representative, vendor empanelled and the caretaker Authorised by Estate Manager to carry out the videography of above process.

d) If the weighment of the dust is not possible within the unit's premises, in such a case post withdrawal of sample, the entire quantity of residual dust will be loaded on the vehicle which will be taken to the nearest weigh bridge under preventive escort and caretaker and after its weighment the loaded vehicle will be released. Prior to loading, unit will produce the empty weight receipt of the vehicle.

e) Of the three sealed samples, one sample will be forwarded to Govt. MINT (RBI-Mumbai) for assaying and ascertaining the gold and silver contents in the said residual dust. On receipt of assaying report from MINT, the final duty will be calculated and the Unit will have to pay the differential duty within 3 working days from the date of communication.

3. Septic Tank waste (Unit premises) - On removal of Septic tank waste, the contents of gold and silver therein is required to be ascertained for payment of applicable duty. The septic / gutter tank waste is in wet condition. Samples in wet condition will be drawn for drying purpose (either in furnace / natural weather conditions). The following process will be adopted:-

a) Unit will submit a letter to Specified Officer along with the details of empanelled vendor approved by Seepz/MPCB/State Pollution Control board for disposal of Gutter/Septic tank waste along with an undertaking on payment of final duty, if any post receipt of MINT report. Unit will be required to pay provisional duty on the declared content.

b) On payment of provisional duty, on the request of unit, on the designated date/day, empty vehicle after receipt of tare weight will be allowed for loading purpose. Subsequently, 03 representative samples in dry form from the subject septic tank waste will be drawn as per procedure for onward submission to MINT for assaying and for ascertaining the ratio to determine dry weight of waste.

c) The Entire process will be carried out under Customs supervision, in presence of unit's representative, vendor empanelled and the caretaker will carry out its videography. The vehicle loaded with wet sludge will be taken to weigh bridge under preventive escort and caretaker for weighment. After weighment, the loaded vehicle will be released.

d) On receipt of MINT report, final duty will be calculated as per procedure and Unit will be asked to pay differential duty, if any. The differential duty will be paid within 3 working days from the date of communication.

4. E- Waste items and Batteries: - Recently, E-waste is being cleared as per Public Notice No. 30/2016 dated 09.06.2016. The process as envisaged in above Public Notice for clearance of E Waste will be adopted for clearance of both Batteries and E-Waste henceforth.

5. Other Hazardous waste: Such items are being cleared as per the provisions of Rule 39 of SEZ Rules, 2006.

a) Unit will submit a letter to Specified Officer along with the details / documents of empanelled vendor approved by Seepz/MPCB/State Pollution Control board for disposal of hazardous waste along with an undertaking on payment of applicable duty, if applicable..

b) Unit will submit the list and photographs of such waste collected for destruction purpose. They will pay back any export benefits, if any, taken on these materials. The application of the unit will be processed and duty, if applicable, will be paid accordingly. In case, the destruction/disposal will be done by way of land filling etc. where no recoverable/reusable contents will be obtained by such disposal, the same will be allowed without payment of duty subject to fulfillment of provisions of Rule 39 of SEZ Rules, 2006.

c) The unit will intimate the date and time for inspection of these waste and after inspection Sr.AO & AO the same will be loaded on the designate vehicle of empanelled vendor. The loading process will be supervised by Authorized officer and caretaker who will carry out its videography. Post loading the vehicle will be punch sealed for onward movement in DTA and disposal of the subject Haz. waste will be done under supervision of Authorised Officer on MOT basis.

d) The waste is meant for destruction purpose after completion of customs process. The unit and the empanelled vendor will ensure smooth movement of the vehicle till their destination and further process of destruction. Against the destruction of Haz waste, the unit will submit a utilization certificate from the dismantler / recycler within 90 days from the date of removal of goods in DTA.

6. **Removal of Capital Goods:-** For removal of capital goods, separate procedure will be notified, since the matter is presently under consideration of Ministry of Commence.

7. Mandatory compliance:-

- 1) It is the responsibility of the unit to declare the weight / description as per Rule 75 of the SEZ Rule 2006, Segregation of the scrap items must be placed in the demarcated area, only inspected items should be loaded, Unit should provide a vehicle to the AO & caretaker to enable them to escort and carryout the weighment of loaded vehicle.
- 2) Unit should select the vendor empanelled by Seepz authorities only. The Estate section of Seepz from time to time will empanel the vendor and issue a list of vendors which will be displayed on the website of Seepz-Sez authority. Unit will issue gate pass to the selected vendor and will ensure that the gate pass is surrendered to the security staff at the exit gates. Entry in the Seepz Service centre will be restricted for such authorized vendors designated by the unit and they will communicate with the concerned authorities only and not with any other staff. Deviation will be viewed serious and unit will be penalized @ Rs.10,000/- for first instance, Rs.15000/- for second instance and Rs.20000/- for the third instance. Later on the SEEPZ authority will have the discretion to any other action against the defaulter.
- 3) The designated representative of the unit and the selected empanelled vendor will be present during the entire process of inspection, weighing and loading of the vehicle.
- 4) The goods which can be quantified within the unit's premises will be weighed in the supervision of the AO/Sr.AO. The remaining scrap items which could not be weighed due to the weight limits or odd/large dimensions will be weighed in DTA under preventive escort and caretaker.
- 5) Videography of the entire loading process will be carried out by the Seepz Caretaker nominated by Estate Manager and loading will be done under general supervision of the Concerned AO.
- 6) Loading will be allowed upto 5.00 pm and movement of vehicles upto 6.00 pm from gate no.2 only on all working days. However, for exceptional circumstances and deviations, approval of specified officer will be required.
- 7) The goods for weighment or final clearance will be allowed under gate pass issued by the Specified Officer, AO & SR.AO and endorsed by the authorized representative of the unit, empanelled vendor and caretaker supervising the loading process.
- 8) Unit will have to pay the differential duty within three working days from the date of intimation.
- 9) The scrap / packing materials etc attracts IGST/Customs duty and hence it will be the responsibility of the unit to ensure that it should not be disposed off in the general waste bin (kundi). Unit will be responsible for all acts of omission & commission.

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- 10) The process of removal of scrap / dust / e-waste etc will be completed within three working days from the date of payment of provisional duty unless any clarifications thereof are required to be complied with.
 - 11) Any deviation on the above will be viewed seriously against the unit in terms of BLUT Executed and the concerned officia s.

This is issued with the approval of Development Commissioner, Seepz-SEZ.

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5/12/28
(ASHISH MISHRA)
Specified Officer

Copy to:

1. The Jt. Development Commissioner, SEEPZ-SEZ, Mumbai.
2. The Dy. Development Commissioner, SEEPZ-SEZ, Mumbai.
3. All Sr Authorised Officers, Authorised Officers, SEEPZ-SEZ, Mumbai.
4. All Assistant Development Commissioners, SEEPZ-SEZ, Mumbai.
5. Estate Section, SEEPZ-SEZ, Mumbai.
6. All SEEPZ-SEZ units through e-mail.
7. IT Section-for uploading on website.