

**OFFICE OF THE CHIEF COMMISSIONER OF CUSTOMS MUMBAI ZONE-II,
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Date:17.02.2017

**MINUTES OF CUSTOMS CLEARANCE FACILITATION COMMITTEE (CCFC)
MEETING HELD ON 31.01.2017 AT JNCH**

The 14th Meeting of Customs Clearance Facilitation Committee (CCFC) was held on 31.01.2017 at 3.00 P.M. in the Conference Room at 6th floor of Jawaharlal Nehru Custom House under the Chairmanship of Dr. John Joseph, Chief Commissioner of Customs, Mumbai Zone-II.

2. Following persons from Regulatory Agencies and representing various stakeholders attended the meeting:

Sr. No.	Name of the Organization	Name of the Representative & Designation (S/Shri)
1	JNPT	Jagdish Patil, Manager
2	JNPT	P.B. Mukherjee, Dy. Manager
3	PQ	Dr. A. Siddiqui, Deputy Director(Entomology)
4	PQ	Dr. K. L. Gurjar, Deputy Director
5	TEXTILES COMMITTEE	Ms. Vimal Oval, Asst. Director
6	FSSAI, WR, MUMBAI	V.K. Pancham, Deputy Director.
7	O/o ADC (I)	Gulshan Taneja, ADC (I)
8	O/o ADC (I)	Arvind R. Hiwale, Drugs Inspector
9	WCCB	B.S. Khati, Wildlife Inspector
10	CONCOR	Anil Sonawane, GGM
11	CONCOR	Hemant Nadkar, Sr. Executive
12	CIDCO	Bais N. C., SE
13	APM TERMINAL	Kamal Jain, CEO
14	APMT	Prashant Mhatre, Manager
15	DP WORLD-NSICT/NSIGT	Ravinder Singh, CEO
16	D.P. WORLD	Starry Menezes, G. M. Commercial
17	D.P. WORLD	Capt. Alok Mishra, G.M. Operations

18	CSLA	D. K. Tewari, Chairman
19	CSLA	Norman Fernandez, Secretary
20	CSLA	Sagar Dange, DGM
21	CSLA	Capt. K.S. Chauhan, GM
22	CSLA	Mukund. R., Director
23	CFSAI	Nishit Joshi, VP
24	CFSAI	Arun Adak, Hon Secretary
25	CFSAI	Laksha Tadadikar, COO
26	CFSAI	S.M. Salian, Sr. G.M.
27	CFSAI	Venkat Narayanan, E.A.
28	MANSA	Subhash Rajkumar, Sub Committee member
29	MANSA	Victor Fernandes, AGM
30	MANSA	Manish Kumar, Sr. Manager
31	BCHAA	Hiren Ruparel, Managing Committee
32	BCHAA	Paresh Thakkar, Managing Committee
33	BCHAA	MJ Rai, Managing Committee
34	ZIM	Capt. Samir Ghosh, AVP
35	R.C.C.I.	Shankar Shinde, Member
36	ICTPL	Jacob Thomas, COO
37	OOCL	Choo Joon Ghee, MD
38	K LINE INDIA-CSLA	B. Chakraborty, MD
39	PIL	Capt. Sanjay Gujral, GM
40	Maersk LINE	Arun Hegde, Regional Manager (West)
41	MSC	Dhananjay Javadeker, VP OPS India Ops.
42	CMA-CGM	Aniruddha Lele, Head India Operations
43	WISA	Paresh Shah, Member
44	MSWA/USIIC	Omprakash Agrawal, Vice President
45	VIP Industries (Invitee)	Swaraj Singh, GCM
46	VIP Industries (Invitee)	Nihar Sarkar, Head Logistics

The Department was represented by the following officers:

Sr. No.	Name of the Organization	Name of the Representative & Designation (S/Shri)
1.	Customs	Sh. Shrawan Kumar, Commissioner of Customs, NS-III
2.	Customs	Sh. Subhash Agrawal, Commissioner, NS-IV & NS-G
3.	Customs	Sh. Vijay Singh Chauhan, Commissioner of Customs, NS-V
4.	Customs	Sh. M. R Mohanty, Commissioner of Customs, NS-II
5.	Customs	Dr. Ashir Tyagi, Addl. Commissioner of Customs, CCO
6.	Customs	Sh. Rahul Nangare, Addl. Commissioner of Customs
7.	Customs	Sh Rahul Gawande, Dy. Commissioner, CCO
8.	Customs	Sh. B L Reddy, Dy. Commissioner, CCO

3. The Chair welcomed all the members and Meeting started with introduction of all present for further discussions.

4. TIME RELEASE STUDY:

Sh. B L Reddy, DC/CCO made a power point presentation on Time Release Study/Dwell Time study for the month of Dec, 2016. Study was made on the basis of EDI data of Dec, 2016 vis-à-vis Nov, 2016 and Dec, 2015 for Facilitated and Non-facilitated Bills of Entry. It was focused on time taken by Customs, Trade and Participating Government Agencies (PGAs).

(i) In case of RMS facilitated Bills of Entry for the month of Dec, 2016, the average time taken by Customs for clearance (including assessment and from registration to out of charge) was 9.12 hrs., whereas, Importer/CB took around 95.06 hrs. Out of total time of 104.18 hrs., the Customs has taken only 8.75 % of the total time and the trade (importer/CB) accounted for, substantial time, of 91.25 % of the total time.

(ii) Similarly, as per time release study for 'non-facilitated' Bills of Entry, which are assessed by Groups, for the month of Dec. 2016, time taken by Customs is 22.09% (22.82 hrs.), whereas, trade (importer/CB) have taken 77.91% (80.50 hrs.) of the total time. The time taken by Customs from filing of Bill of Entry to Assessment is 13.12 hrs.

and from Registration to Out of Charge is 9.7 hrs. Similarly time taken by trade from assessment to payment is 62.47 hrs. and 17.43 hrs. from payment to registration of goods.

Comparison of dwell time data for Dec. 2016 with data of Dec. 2015 revealed that there is significant gain of 30.48 hrs. in Dec. 2016, in the overall time from Entry Inward to Out of Charge.

(iii) On the basis of random sampling of Bills of Entry for the month of Dec 2016, the average time taken by various PGAs for issuance of NOC was as follows:

FSSAI: The average time taken by FSSAI for release of NOC was 6.4 days. The best case scenario was 1 day and the maximum time taken was 11 days.

ADC: The average time taken by ADC for release of NOC was 2 days. In best case scenario, ADC released NOC in 01 day and in worst case scenario, ADC released NOC in 04 days.

AQ: The average time taken by AQ for release of NOC was 3.1 days. In best case scenario, AQ released NOC on same day and in worst case scenario, AQ released NOC in 05 days.

PQ: The average time taken by PQ for release of NOC was 1.4 days. Most of the NOCs were released on same day and maximum time taken was 02 days.

Textile Committee: The average time taken by TC for release of NOC was 7.9 days and best case being 04 days and 09 days was the maximum time.

WLRO: The average time taken by WLRO for release of NOC was 4.4 days; in best case 03 days and maximum delay is 07 days.

From the comparison of dwell time of PGAs, the best performer was PQ who were releasing NOC on an average of 1.4 days and TC has taken maximum time of 7.9 days for issuance of NOC.

PERFORMANCE OF TRADE:

As per the directions of Chair, performance of importers and Customs brokers, on the basis of efficiency was analyzed as per the table below:

Best performing Importers in terms of Dwell Time and No. of Bs/E filed during Dec. 2016:

<u>Entry Inward to Submission of B/E</u>		
No. of Bills of Entry filed	IEC Code	Name of Importer
1 to 25	308004132	DHIRAJ ALLOY AND STAINLESS STEEL PVT.LTD
26 to 50	388133252	RUCHI SOYA INDUSTRIES LTD
more than 50	513070605	OPPO MOBILES INDIA PVT. LTD.
<u>Assessment to Duty Payment</u>		
No. of Bills of Entry filed	IEC Code	Name of Importer
1 to 25	3113014808	INDUSTRIAL SUPPLIERS CORPORATION
26 to 50	305089749	VINSPRI DISTRIBUTORS PVT.LTD.
more than 50	389008478	BAJAJ ELECTRICALS LTD
<u>Payment to Registration</u>		
No. of Bills of Entry filed	IEC Code	Name of Importer
1 to 25	308058747	STAR TOYS
26 to 50	304062332	SARA EXPORTS
more than 50	305061542	SUNALCO ALLOYS PVT. LTD.

Worst performing Importers in terms of Dwell Time and No. of Bs/E filed during Dec. 2016:

<u>Entry Inward to Submission of B/E</u>		
No. of Bills of Entry filed	IEC Code	Name of Importer
1 to 25	316903621	D K MARINE SERVICES
26 to 50	508020778	UTTAM CHAND RAKESH KUMAR
more than 50	304078646	VIMAL INTERTRADE PVT. LTD.
<u>Assessment to Duty Payment</u>		
No. of Bills of Entry filed	IEC Code	Name of Importer
1 to 25	511025335	GANPATI SPIRITS
26 to 50	303069449	S. V. DISTRIBUTORS PVT. LTD.
more than 50	508078512	RAD ELAN DISTRIBUTORS PVT LTD
<u>Payment to Registration</u>		
No. of Bills of Entry filed	IEC Code	Name of Importer
1 to 25	307010686	PINNACLE ENTERPRISES
26 to 50	3108018817	BENTELEER AUTOMOTIVE INDIA PVT. LTD.
more than 50	300073259	HUNTSMAN INTERNATIONAL INDIA PVT. LTD.

Best performing CBs in terms of Dwell Time and No. of Bs/E filed during Dec. 2016:

Entry Inward to Submission of B/E		
No. of Bills of Entry filed	CB No.	Name of CB
1 to 25	AKWPR8024MCH001	NUCLEUS LOGISTICS
26 to 50	AAAFJ2657ACH001	JAYANT TRANSPORT CO
more than 50	AACCT3226ECH001	TRANZFREIGHT LOGISTICS SOLUTIONS PVT. LTD.
Assessment to Duty Payment		
No. of Bills of Entry filed	CB No.	Name of CB
1 to 25	AAAFH1532LCH001	H.T.SHAH & SONS
26 to 50	AAEPD3132CCH001	GLOBAL TRADE LINKS
more than 50	AABFI0434KCH002	ICS CARGO
Payment to Registration		
No. of Bills of Entry filed	CB No.	Name of CB
1 to 25	ABWPD4781ECH003	M/S ELINC CLEARING & FORWARDING
26 to 50	AAACA5383KCH001	AL FREIGHT INTERNATIONAL PVT.LTD.
more than 50	AAECA7144GCH002	APS FREIGHT & TRAVELS PVT.LTD.

Worst performing CBs in terms of Dwell Time and No. of Bs/E filed during Dec. 2016:

Entry Inward to Submission of B/E		
No. of Bills of Entry filed	CB No.	Name of CB
1 to 25	AFGPD0944RCH001	H.P. DAGHA SHIPPING & LOGISTICS
26 to 50	AAECS3718ACH001	SHARP LOGISTICS PVT.LTD.
more than 50	AAACB1856ACH001	BLUE SEA SHIPPING AGENCY P.LTD.
Assessment to Duty Payment		
No. of Bills of Entry filed	CB No.	Name of CB
1 to 25	AALFR3254JCH003	RAO CLEARING AGENCY
26 to 50	AAAFK3903ACH001	KAMAT & CO
more than 50	ACIPT0058RCH002	ATHARVA LOGISTICS
Payment to Registration		
No. of Bills of Entry filed	CB No.	Name of CB
1 to 25	AABCE4699KCH001	EVERSHINE CLEARING & FORWARDING P.LTD.
26 to 50	AAAFH2136ECH001	H.MANGALDAS AND CO.
more than 50	AEQPK0448CCH001	J K SHIPPING & LOGISTICS

Thereafter, pending issues from earlier CCFCs were taken up for discussion.

5. Direct Port Delivery (DPD):

In the last CCFC, the Chair observed that cost saving is crucial to the success of DPD and had asked Port Authorities and Terminal Operators to rationalize the deposit charges for DPD clients.

NSICT/NSIGT representative, Informed that all terminals have different charges and they are not insisting on any Deposits. They are maintaining PD Account for the registered customers and their charges are not customer specific/ volume specific, but are common across the board.

GTI/APM Terminals informed that they maintain PD account for registered DPD customers. Their charges are Rs. 1800/- for 20 ft. container and Rs. 2700/- for 40 ft. container. Their charges are same across board for all customers. They have a revenue share agreement with JNPT and have requested JNPT to waive off revenue share for DPD clients. NSICT/NSIGT informed that they maintain PD account for registered DPD customers and their charges are different for NSICT and NSIGT terminals. For NSICT, it is Rs. 2212/- for 20 ft. container and Rs. 3318/- for 40 ft. container and for NSIGT it is Rs. 2604/- for 20 ft. container and Rs. 3906/- for 40 ft. container

The Chair enquired whether 24 hours is counted as 1 shifting's or 2 shifting's towards levy of handling charges. NSICT/NSIGT informed that they take up to 24 hours as 1 shifting, and 24-48 hours as 2 shifting's. GTI Terminals informed that they take 24 hours as 1 shifting, 24-72 hours as 2 shifting's and above 72 hours as 3 shifting's and handling charges are collected accordingly.

Commissioner (General) Shri. Subhash Agrawal, remarked that all Terminals require to evolve a transparent mechanism on charges/tariff for DPD clearance by issuance of Public Notice. He cited the case of M/s General Motors, who are DPD clients since 2008, and however, discontinued DPD in 2015 when the Port terminals started collecting handling charges for 2 Shifting's.

M/s VIP Industries (invitee) informed that after availing DPD facility, their costs have gone up and highlighted irrationality in levy of charges by various players in the DPD matrix. He pointed out that they are importing 50-60 containers at a time and due to space constraint, on clearance, they have to hire a place for storage or warehouse

in some CFS resulting in payment to Terminal as well as CFS. Their earlier cost was Rs. 7,000/- per container which has gone up to Rs. 15,000/- after availing DPD facility. Moreover, the transporters are charging extra for DPD containers as they have to wait for a long time. He further pointed out that the Terminals are collecting ASR (Additional Service Request) charges for change of CFS code. Terminals have clarified that ASR charges are levied only in case of change of Group code/CFS code after arrival of the container in the Terminal. The Chair expressed displeasure at the levy of additional charges leading to escalation in cost for DPD clients. He has further clarified that when the CFS is already nominated by DPD client, Terminals should not levy any additional charges and same shall be stacked in that particular CFS heap. In case Importer engages any CFS for transportation (after OOC) the same shall be stacked in that particular CFS heap only.

CSLA pointed out that out of 778 importers, who are eligible for DPD clearance as per Public Notice issued by Customs, only about 450 importers have, so far, registered with port terminals for DPD delivery and raised concern that, in respect of non-registered importers, Terminals are charging Shipping Lines and sought a clarification in this regard. Commissioner (General) Shri Subhash Agrawal suggested that in all such cases, the port terminals should charge CFS Speedy instead of shipping line.

A representative of WISA informed that after getting Customs OOC for DPD containers, they have to submit OOC copy at office of the port terminals to get the containers released from their system causing delay in entry of trucks and evacuation of containers. It was further suggested that if charges are paid online, they will submit all documents to staff of Port terminals in Parking Plaza so that physical movement inside the terminal can be avoided and delay in evacuation of container's can be curbed.

NSICT and other Terminals have agreed to consider the above proposals/suggestions and assured the Chair that in a weeks' time they would solve this issue.

The Chair clarified that, if any DPD client has not mentioned preferred CFS code and not taken DPD delivery within 48hrs, containers shall be moved to Speedy CFS. In all such cases, there will be no Port terminal or shifting charges. The Chair further directed that stacking of Containers is Port Terminal's internal requirement

based on operational needs and there should be separate heaps for importers registered for DPD and a Single Heap for unregistered DPD importers.

The Chair informed that Department attaches great importance to DPD scheme and sought cooperation of all stakeholders for the success of the initiative. He further emphasized the need for rationalization of charges and directed all the three Port Terminals to publish the charges and asked Commissioner (General) Shri Subhash Agrawal to coordinate with all terminals in formulating Standard Operating Procedure (SOP), covering all issues for DPD clearance and get them published on their website. It was agreed upon by consensus that the process would be completed in 02 weeks time. **(Action: - Port Terminals; Commissioner (G))**

6. Land allotment:-

JNPT informed that land allotment to PGAs has already been done and no application is pending with them.

Textile committee informed that they have already started a lab in PUB from Dec21, 2016. **(Point - closed)**

7. Gate Automation:

JNPT informed that it will be functional by 15th Feb, 2017. **(Action: - JNPT)**

8. E-Delivery Order:

As assured in last CCFC, the Department has issued Public Notice no.158 dated 25.11.2016 and subsequent clarification vide P.N. No. 169/2016 dated. 08.12.2016 in this regard.

CSLA lamented that very few importers are availing facility of Advance E-Delivery order and requested trade to utilize the facility for efficient and faster clearance.

WISA informed that some Shipping Lines refuse to give online invoices. Chair informed that specific cases may be brought to the notice of the department and any case of non-issuance of Advance Delivery order and E- invoices shall be viewed seriously. **(Point - closed)**

9. Movement of containers from port to CFS and levy of additional charges:

Commissioner (General) Shri. Subhash Agrawal clarified that notices have already been issued to NVOCC in this regard. **(Point - closed)**

New points:-

1. Points sponsored by participating Government Agencies (PGAs):

a. ADC:

- (i) ADC office is unable to draw samples for test or verify label for physical verification as per Drugs & Cosmetics Rules from those consignments which are under DPD/RMS system.
- (ii) For Dual Use items consignments, ADC is unable to verify the label that whether “Not For Medicinal Use” is mentioned or otherwise and even cannot direct the importer to label the same before delivery.
- (iii) “Dual Use” items and some pure pharmaceutical/Medical Devices/Cosmetics items permitted under the import license being imported from this port are not visible on this office’s Single Window Online Clearance System.

b. FSSAI:

- (i) Exchange of Food items via single window. Very few applications are being received by FSSAI for exchange of food items by single window.
- (ii) Land issue. They have sent proposal to HQ, New Delhi for possession of land which is under process.
- (iii) Cancellation of appointment (Global Commodities) – case. CHA has asked for cancellation of appointment as few of the food items in his application were waived off.
- (iv) NOC in spite of waiver. In a particular NOC if there are 8 food items out of which 2 have been waived but still CHA/Importer is applying for all the 8 items. Either CHA should apply for only 6 items, since 2 items have already been waived or else all 8 food items should need NOC from FSSAI.

c. Plant Quarantine:

- (i) Direct Port delivery should not be made applicable for release of agricultural commodities of Schedule VI and schedule VII of PQ Order, 2003 other than the 168 commodities, in which 5% PQ inspection is mandatory due to bio security threats.

The Chair clarified that as per Public Notice No. 182/2016 dated 23.12.2016, in case of FCL containers containing import consignments of items requiring mandatory NOC from the respective PGAs, wherein the importer/customs broker has filed Bill of Entry for Home Consumption and wherein the requirement of NOC has been waived by the Single Window System, the respective PGAs would draw the samples as per the existing laid down procedure. The Docks Officer would, after Examination, give out of charge without waiting for NOC from the respective PGA by satisfying himself that a 'No Use Bond' has been executed by the Importer and the same has been duly accepted by the Deputy/Assistant Commissioner of Customs of the concerned Group. It would be incumbent upon the Importer to intimate Customs and concerned PGAs about the place of storage if the goods are being stored in a Customs de-bonded area or in DTA.

- (ii) Import consignment and Export Consignment packed with wooden packing materials (Pallets, wooden drum, wooden boxes) without ISPM-15 treatment mark should bring to the notice of Plant Quarantine Officials for further conveyance of non-compliances to the exporting country.

The Chair clarified that Public Notice no. 11/2014 dated 01.04.2014 requiring all such cases of violation to be referred to PQ has been issued.

- (iii) Agricultural products/plant materials which require NOC from PQ should not go in RMS for release directly.

With regard to the points at Sr. No. a, b & c (iii) raised by PGAs such as ADC, FSSAI and PQ, the Chair clarified that under SWIFT, upon filing of the Integrated Declaration, the Bill of Entry is automatically referred to the concerned agency. The system automatically identifies import goods that require clearance by participating Government Agency (PGAs). Such selection is also risk based. There are still some cases noticed where the items are referred incorrectly to PGAs or not automatically referred in some cases that deserved to be referred. To identify such cases and to rectify the problems, the Board has created a Working Group comprising representatives of PGAs and major Custom Houses, and these points may be raised before the relevant committee.

(Point - closed)

2. Issuance of out of Scope by FSSAI.

BCHAA raised the issue that for issuance of out of scope, FSSAI is seeking documents and same may cause delay in Clearance. FSSAI clarified that OOS is given online only after scrutiny of the application and when Bill of Entry is reflected in their system all details are not available and documents are sought to verify the item details.

Commissioner Shri. Vijay Singh Chauhan (NS-V) emphasized that FSSAI can ask for all documents for giving out of scope or NOC and that matter will be taken up with RMD as how items under Chapter Heading 29 are referred to FSSAI. He also asked FSSAI to take up the matter with their higher authorities. For system related issues references were being made to EDI/RMS/Single window team.

(Action: - EDI, FSSAI)

3. CSLA on long standing containers:

The Chair clarified that an early action will be taken in this regard by way of disposal of such containers. During last six months, a total of 7166 such containers have been disposed by the Disposal Section. **(Point - closed)**

4. Transmission of shipping bills filed under MEIS scheme prior to 30.09.2015 not yet transmitted:

The Chair clarified that DGFT has issued a Public Notice no. 47/2015-20 dated 08.12.2015 on transmission of Shipping Bills filed between 01.06.2015 to 30.09.2015. In respect of shipping Bills filed during this period, where declaration of intent 'Y' has not been marked and 'N' has been ticked inadvertently in the 'reward item box', all these S/Bs are transmitted by CBEC. In this Custom House all such Shipping Bills were transmitted at one time. EDI is empowered to transmit all other cases as and when documents are submitted by Exporters/CBs. **(Point - closed)**

5. Entry time of containers at Parking Plaza should be treated on par with gate cut-off time of port terminals.

BCHAA requested Port Terminals to treat the entry time of containers at Parking Plaza as Gate cut off time of port .Port Terminals expressed inability citing practical problems.

The Chair directed all the port terminals to do a study of time taken from parking plaza to port terminal and specify lead time so that there will be increased transparency and the Exporter is sure about the chance of cargo going by the designated vessel.

(Action: Port Terminals)

6. Availability of Shipping Lines at PUB for acceptance of Export documents after LEO:

BCHAA sought availability of Shipping Lines at PUB for collection of export documents on completion of LEO and the same would save lot of time and cost for the exporters.

CSLA have informed that Master Marine, surveyors, are available at PUB and expressed inability to open all shipping lines offices at PUB for this purpose.

The Chair suggested that issue can be resolved by exploring the option of message exchange of LEO copy between Customs and Shipping lines and assured the members that matter will be taken up with ICEGATE. **(Action- EDI)**

7. Infrastructure and Amenities at Parking Plaza for operational staff: BCHAA raised the issue of non-availability of sheds, seating for their staff, power, etc.

The Chair asked the port terminals to install portable cabins with seating arrangements and fans, within 15 days. **(Action: Port Terminals)**

This issues with the approval of the Chief Commissioner of Customs, Mumbai Zone-II.

Sd/-

(17.02.2017)

(B. LOKANATH REDDY)

Assistant Commissioner of Customs,
CCO, JNCH, Nhava Sheva

Copy to:

1. Member (Customs), Member (Zone), CBEC, New Delhi
2. All Pr. Commissioner/Commissioner of Customs, JNCH, Mumbai Zone-II
3. DC/EDI, JNCH (with a request to upload the minutes on website)
4. All members of CCFC Meeting (via e-mail)
5. Officers concerned
6. Office Copy