



वित्त मंत्रालय / Ministry of Finance
राजस्व विभाग / Department of Revenue
सीमा शुल्क आयुक्त के कार्यालय / Office of the Commissioner of Customs
कस्टम हाउसए नई हार्बर एस्टेट / Custom House, New Harbour Estate
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Dated: 02.02.2014

**MINUTES OF THE PERMANENT TRADE FACILITATION COMMITTEE MEETING
HELD ON 29.01.2014 AT CUSTOM HOUSE, TUTICORIN**

The Permanent Trade Facilitation Committee Meeting (PTFC) of Tuticorin Customs Commissionerate was held at 16.00 Hrs. on 29.01.2014 at Custom House, Tuticorin under the Chairmanship of Shri. N.J.Kumaresh, Additional Commissioner of Customs.

2. The following Members from the Department and Trade participated in the Meeting.

Sl. No.	Name of the Officer S/Shri.	Designation
1.	N.J. Kumaresh	Additional Commissioner
2.	S.A. Uma Shankar Gaud	Joint Commissioner
3.	D. Ranjith Kumar	Assistant Commissioner
4.	A. Sakthi	Assistant Commissioner
5.	Piyush Bharadwaj	Assistant Commissioner
6.	Balmukund	Assistant Commissioner
7.	Manoj Kumar Sharma	Assistant Commissioner
8.	G. Sahayaraj	Technical Director (NIC)
9.	Dilip Mehta	Chemical Examiner (grade-II)
10.	G.J. Panicker	Superintendent (Policy)
11.	Ardhendu Karati	Inspector (Policy)

Sl. No.	Nominated Members S/Shri.	Name of the Organisation
1.	M.Ravichandran	Foreign Trade Development Officer, JDGT, Madurai
2.	Mrinal Sharma	Plant Quarantine Station
3.	S.J.Abhilash	-do-
4.	S. Ranganathan	SPICES Board
5.	Deepu Thomas	PSA SICAL Terminals
6.	L.Anand Morais	T.S.A.A.
7.	P.Ilango	S.K.Solutions
8.	C.Karthikeya Prabhu	NACFS - Tuticorin Chapter
9.	J.Celestine Villavarayar	
10.	L.Cecil Machado	All India Chamber of Commerce
11.	Raja Sankaralingam	
12.	D. Bremah	

13.	K. Pon Venkatesh	Tuticorin Custom House Agents Assn
14.	D.Ashok Kumar	
15.	A.S. Ramasamy	
16.	S.Sundara Krishnan	Tuticorin Eporter & Importer Chamber
17.	T.Ponselvaraj	St.John Freight Systems Ltd
18.	N.Ganesh	-do-
19.	K.Lakshmana Sankar	Loyal Textiles Mills Ltd
20.	P.Muthukumarasamy	-do-
21.	P.Sivakumar	Diamond CFS
22.	V.Manivannan	Sri Gomathi Mills P. Ltd.,
23.	A.Srinivasagan	Rajapalyam Textiles
24.	V.Maheswaran	Hari & Co
25.	W.Christopher	Raja Agencies
26.	P.Balasekar	Siva Agencies
27.	Sunil Vasudevan	Yarncom India P. Ltd.,
28.	S.Ramji Krishnan	Dakshin Bharat Gateway Terminal
29.	M.Reguramen	-do-
30.	S.Ganesh	Mohan Mutha Exports P.Ltd.,
31.	F.Barkathulla	-do-
32.	G.Jayantilal	-do-
33.	S.Sankara Narayanan	NACFS/ SICAL CFS

3. At the out set the Chairman Shri. N.J.Kumaresh, Additional Commissioner of Customs welcomed the members. Thereafter the points sponsored by various members/trade associations were taken up for discussion.

POINTS DISCUSSED:

**1. Exemption for Examination of Central Excise Sealed Containers
(Raised by: Tuticorin Custom House Agents' Association)**

The examination of Central Excise sealed containers at CFS – even if it is selected randomly by the system – is a duplicate work and it is causing great difficulty to the trade. Further, cargoes like frozen food items, table eggs and other bulk cargoes have practical difficulty for opening and examining. Therefore, a specific communication may be given to the Examining Officers, exempting examination of the Central Excise sealed containers of table eggs, frozen cargo, bulk stuffed cargo and perishables.

Comments: The Chairman informed that, RMS facilitation in Export being a new concept introduced in select Customs Stations, including Custom House Tuticorin, has got some teething problems. Difficulties faced by the Trade have been addressed to RMD Chief Commissioner (Preventive, Trichy. Being a conscious Policy decision, only RMD, Mumbai/ CBEC can decide the issue.

(Action: AC(Export)/ Supdt. Cus. Pol)

2 Delay in EGM Closure

(Raised by: Tuticorin Custom House Agents' Association)

Presently, EGM closure for all the vessels are withheld due to which there is a delay in drawback release, and this is causing great difficulty to the exporters to avail incentive from other government agencies within

stipulated time. Further, release of EP copy is essential for showing as proof of exports to the Central Excise authorities, which is now delayed.

Comments: The Chairman informed that all EGMs as on date have been filed. When all the relevant documents are available with the vessel agents, they can file and close the EGM.

(Action: Vessel Agents)

3. Delay in release of EP copy, where samples are drawn for testing (Raised by Tuticorin Custom House Agents' Association)

Of late, EP copies are not being released promptly, which is due to delay in receipt of Test Report results. Samples of plain papers withdrawn at the time of examination are kept at Customs for long and they have not been sent to Laboratory for getting Test results early.

There are instances of shipments for which EP copies are awaited for more than six months also. Proper system for sending the samples to the appropriate Laboratory for completing finalization of shipping bill process on a time-bound manner has to be initiated. This will help the exporters to fulfil the proof of exports requirements with Central Excise Department as well as to avail necessary benefits under Chapter-3 of Foreign Trade Policy from DGFT.

Comments: The Chairman informed that Samples are being sent for test purpose as and when received. However, in some cases delay occurs in sending samples due to delay in payment of test fees by the Exporter. If test is essential to decide drawback and if test is not done, AC can pass a speaking order after Personal Hearing.

(Action: **Export Assessment Section**)

4. Drawback pending for more than 1 year (Raised by Tuticorin Custom House Agents' Association)

There are about 80 Shipping Bills for which release of drawback claim is pending due to system error which occurred during the migration from ICES 1.0 version to 1.5 version. Proper approval from the DG System and verification of the shipments shall be done promptly and thereafter manual cheque shall be issued for those shipments, so that the exporters are provided with their eligible benefits.

Comments: The Chairman informed that DG (Systems) and Data Management, New Delhi has been addressed on case-to-case basis to overcome the glitch that occurred when the migration of ICES 1.0 to 1.5 versions took place. Director (NIC) has also been addressed to fix the technical problem.

(Action: **EDI section/Drawback section/ Director(NIC)**)

5. SADC Refund (Raised by Tuticorin Custom House Agents' Association)

Refund of SADC is being applied by the importers after payment of SADC and VAT to the Sales-tax department. Therefore, due to

delay in SADC refund, the importers have strain in their cash flow and the necessity for refund of SADC promptly is very essential for a healthy business transaction of the importers. It is therefore requested that the process of SADC refund is done promptly without any delay.

Comments: The Chairman informed that all the refund claims are processed in stipulated time. However when any discrepancies are noticed, the claimants are issued with deficiency memo for making good the omission. Such claim could be processed further only after the deficiencies pointed out are made good.

(Action: AC(Refund))

6. Final Assessment of Bill of Entry (Raised by Tuticorin Custom House Agents' Association)

The required documents for completing the final assessment are provided – and in spite of such situation, the final assessment is not being completed promptly.

Comments: The Chairman informed that, provisional Assessments are resorted to when the required documents are not furnished by the importer. A special Task Force has been formed to process the pending Provisional Assessment cases.

(Action: AC Import Assmnt/AC, PD Assessment section)

7. Post clearance issues (Raised by Tuticorin Custom House Agents' Association)

With respect to various post-clearance issues relating to Appeals, Refunds, Speaking orders, these are not being attended to promptly. These files are kept pending for long, as the officers are time-pressed with their current work of clearance of export and import consignments.

Comments: The Chairman informed that, wherever speaking orders are required by the importers the same are issued. Other works are being attended to in a time bound manner.

(Action: AC Import Assessment)

8. RMS import boxes – insistence on assessment at ICD /CFS (Raised by Tuticorin Custom House Agents' Association)

Import containers picked up by the RMS proceeds to the CFS with the remark on the examination order "Assessment and examination has not been prescribed for this BE". Further, the system in the examination text instructs the Superintendent "if FCL verify the container number and seal number".

Comments: The Chairman informed that the trade has mis-understood the phrase "Assessment and Examination has not been prescribed for this BE as if that no scrutiny of import documents are to be undertaken by

the Shed Examiners. It is the bounden duty of the Examining officers to scrutinize the import documents at their end and point out any deviation of classification and valuation and exemption issues which affect the interest of revenue. However, Shed Officers will send such bills to AC(Imports) or JC/ADC for necessary action.

9. **Valuation of Import Cargo (Raised by Tuticorin Custom House Agents' Association)**

Certain actual user, direct manufacturer import their raw material like rubber, paper, textile material etc. for their production on a regular basis throughout the year. The price of these raw materials is volatile based on the commodity price index and there will be a fluctuation of price based on the crude oil price, international market pricing, etc. Even though the importer substantiates the documents with their LC copy, bill of exchange, long time contract, agreement, freight differences, etc, the same are not considered. The value in the DOV system is taken irrespective of producing above documents.

Comments: The Chairman informed that, when the transaction value is as per the Valuation Rules they are accepted. However, when Import documents produced by the importers are neither certified by the Banks, nor are duly signed by the foreign suppliers, NIDB value and are being compared and proposal for enhancement of value is suggested by the assessment group and accepted by the Importers / Customs Brokers.

10. **Posting of Officers on MOT basis to ease congestion of laden and empty containers at the Terminal during week end days (Raised by Tuticorin Ship Agents' Association)**

Comments: The Chairman informed that during the week-end/holidays, Transshipment permission applied by the CFS operator / MLO operators are attended to on payment of appropriate overtime fees.

11. **Landing Permission Copy (TSA) (Raised by Tuticorin Ship Agents' Association)**

Liners are having procedure to re-shipment of the units in six month or extended period. So, there appears no necessity for checking every box while they are getting in. This will avoid Xerox cost to Liner / Depot as well as faster turning round of vehicles rather than searching and providing landing permission to each truck which itself is a very tedious process.

Comments: The Chairman informed that for monitoring the movement of Containers Transshipment Application is an essential document. Until EDI module of import side is launched the manual verification of TSA can not be dispensed with.

12. Delay in closure of EGM (Raised by Tuticorin Ship Agents Association)

Comments: The Chairman informed that this Point was already discussed.

**13. Using of IT tools for facilitation of documentation.
(Raised by Dhakshin Bharat Gateway Terminal)**

Comments: The Chairman advised the Representative to give a detailed write up to the Technical Director, NIC,/ DG (Systems).

(Action: Technical Director, NIC)

14. Cost Recovery Charges waiver to CFS / ICD (Raised by NACFS – Tuticorin Chapter)

The Cost Recovery post creation itself has not been done so far – and therefore the DG(HRD) is not able to process the waiver of Cost Recovery Charge. Although, the CBEC has provided a specific communication for creation of post under Post-facto creation, it is not being approved by Department of Expenditure. We therefore request for your kind intervention for sorting out this anomaly.

Comment: The Chairman informed that CBEC has advised that wherever cost recovery post are not approved officers will have to be withdrawn.

15. Disposal of detained / seized / confiscated goods (Raised by NACFS – Tuticorin Chapter)

There has been inordinate delay in the disposal of detained / seized / confiscated goods. It is very common that these goods are lying for more than 3 years at the CFS / ICD. A system should be evolved for making quick decision by the concerned authorities and the cargo shall be disposed off within 90 days as per the Regulation 6 (1)(m) of Notification No. 26/2009.

There has to be penalty for the Offender and they have to be advised for payment of rental charges – and if the Customs Department has wrongly confiscated, they have to bear the cost of storage to the CFS / ICD for a period beyond 3 months on a nominal rent basis.

Comment: The Chairman informed that the confiscated cargos, ripe for disposal are disposed through E auction with out time delay. Seized /confiscated cargo could not be disposed of since in some cases appeal is pending with appellate forums. Regarding Red sanders seized and deposited by DRI, DRI has been requested to take possession of red sanders since they have been permitted to export Red sanders. However, as per Handling of Cargo in Customs Regulations,2009 each CFS/ICD is expected to earmark a dedicated space for storage of detained/ confiscated goods.

16. **Streamlining of E-Auctioning Process and remedy for speedy disposal of the Uncleared cargo especially perishable items, lying at CFS/ICD (Raised by NACFS – Tuticorin Chapter)**

Comments: The Chairman informed that Perishable items are being disposed with out any time delay on getting necessary clearance from Food Test Laboratories. AC(Disposal) has ben advised to conduct at least one E-Auction per month and more frequently for perishable goods.
(Action:AC(Disposal))

17. **Shortage of Customs Officials- Request for posting adequate Officers and staff to meet the increasing work load (Raised by NACFS – Tuticorin Chapter)**

Comments: The Chairman informed that presently there is shortage of staff in all cadres. The Board is in the process of restructuring all the Cadres and once it is through adequate staff will be posted to Custom House.

18. **Provision for examination on MOT basis at every CFS (Raised by NACFS – Tuticorin Chapter)**

With regard to examination of Central Excise sealed containers at CFS / ICD, it has to be ensured that necessary provisions are made to carry out the examination with Customs officials under MOT basis for 24 hrs operation in at least in 2 or 3 CFS – and this can be on a rotation basis for every 2 months – so that all the CFSs / ICD will have the opportunity of handling Central Excise sealed containers after office hours under MOT basis in one financial year.

Comments: The Chairman informed that there is 30% shortage in the cadres of Superintendents and Inspectors. Hence, it will not be possible to post Officers on 24x7 basis

19. **Posting of officers (Raised by NACFS – Tuticorin Chapter)**

It is suggested that necessary Customs officers are posted at CFS / ICD on monthly rotation as against the 4-months rotation being followed now. We understand that monthly rotation is being followed by Chennai and Nhava Seva Customs.

Comments: The Chairman informed that rotation of Officers is an administrative issue and Trade stand to suffer if Officers are frequently rotated.

20. **The samples drawn on imports for confirming specification / nature of product are sent to Custom House Lab for testing, But there is a delay in testing because the equipment, there is not functioning. (Raised by Tuticorin Custom House Agents' Association)**

Comments: The Chairman requested Chemical Examiner, who was present to get equipment serviced early and take steps to modernize the laboratory.

(Action:Chemical Examiner)

21. To a query raised by an Exporter regarding export of crushed rock powder and Rock boulders under stone aggregate, Shri. M.Ravichandran Foreign Trade Development Officer of JDGFT, Madurai who was present informed that the matter has been addressed to the DGFT, New Delhi for clarification.

Shri. Mrinal Sharma, Plant Quarantine Officer, of Plant quarantine Station, Tuticorin with the permission of the Chairman presented a discussion of requirement of Pack House facility for Export of Vegetables & fruits to European Countries. A Brochure on the subject matter was distributed to the members present.

The Meeting was concluded after Shri. D.Ranjith Kumar, Assistant Commissioner proposed a vote of Thanks to the Chair and members.


एन जे कुमरेश / N.J. KUMARESH
अपर आयुक्त / ADDITIONAL COMMISSIONER

To

The Members of the Permanent trade facilitation committee

Copy submitted to the Chief Commissioner of Customs (Preventive) Trichy

Copy to

1. The Commissioner of Customs, Custom House, Tuticorin
2. the Additional Commissioner of Customs, Custom House, Tuticorin
3. The Joint Commissioner of Customs, Custom House, Tuticorin
4. All the Assistant Commissioners of Customs, Custom House, Tuticorin
5. The EDI Section with a direction to upload in the Official website