



## OFFICE OF THE COMMISSIONER OF CUSTOMS

**CUSTOM HOUSE :: PORT AREA :: VISAKHAPATNAM – 530 035**

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F.No.S23/175/1997-AP(pt-2)

Date :29.12.2017

### **MINUTES OF PERMANENT TRADE FACILITATION COMMITTEE (PTFC) MEETING**

**HELD ON 14.12.2017 AT 1600 HOURS IN CONFERENCE HALL,**

**CUSTOM HOUSE, VISAKHAPATNAM**

### **MEMBERS PRESENT**

S/Shri/Smt

1	Dr. D.K. Srinivas	Commissioner
2	Sudhakar Mishra	Additional Commissioner
3	H.S. Naskar	Deputy Commissioner
4	Dipak C. Zala	Deputy Commissioner
5	Ch. Hari Krishna Reddy	Assistant Commissioner
6	N. Varun Koundinya	Assistant Commissioner
7	P. Gopichand	Assistant Commissioner
8	P.V.S.S. Srinivas	Assistant Commissioner
9	T. Ravi Varma	Assistant Commissioner
10	B. Narendra Kumar	Assistant Commissioner
11	G.V.S.R. Sarma	Assistant Commissioner
12	Joginder Singh Mor	Assistant Commissioner

The following members from the trade attended the meeting.

S/Shri/Smt

S.No.	Name	Designation
1.	M.Venu Gopal	Secreatry, Visakhapatnam Custom House Agents Association
2.	NVK Murthy	Manager,Visakhapatnam Custom House Agents Association
3.	G SambaSiva Rao	President ,AP Chambers of Commerce & Industry
4.	S Anand Ram	SAIL
5.	R.Aiya samy	VCTPL
6	CAPT. Amarendra Mishra	VCTPL
7.	G.Sravan Kumar	Sravan Shipping
8.	R.Williams	Merilyn Shipping
9.	KV Sampath Kumar	Rich Mark
10.	V Sanyasi Rao	Varanasi Shipping
11.	Aashish Pakalapati	Merilyn Shipping
12.	M.Nageswara rao	R&Y Logistics
13.	L.Srinivasa Rao	Harika Shipping
14.	P.A.S.Srinivas	Hind freight
15.	N.Srinivasa Rao	Samsara Shipping

16.	B.Tarun Kumar	JM Baxi &Co.
17.	A.Suresh Kumar	JM Baxi &Co.
18.	Binayak Mahapatra	Boxco Shipping
19.	J.Sarma	Shiridi Sai Shipping
20.	Varun	Ganesh Forwarders
21.	Sarat Kumar	MAERSKLINE
22.	N.Abhi	Seaworld Shipping
23.	Prabhat Kumar	SAIL
24.	CH.Ravindra Kumar	S.S.logistics
25.	Venkat Raman	TransWorld GLS
26.	Easwar Vardhan	TransWorld GLS
27.	G.Dasaradhi	R.E.Shipping
28.	K.D.V.Ramana	R.E.Shipping
29.	P.Venkatesh	APL
30.	I.VenKateawara Rao	BTL
31.	S.Kishore	Integral
32.	T.G.Prabhakar	Varanasi International
33.	Ch.Venu babu	Sravan Shipping
34.	A.Suryanarayana	Sri Prasuna

2. At the outset Commissioner / Chairman welcomed all the participants.
3. Assistant Commissioner (Appg.) gave a presentation on the dwell time performance (Time related study) for the last three months. The Dwell time report for last three months is given below.

**DWELL TIME REPORT ON BE FOR THREE MONTHS**

VIZAG PORT INVTZ1	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017
INWARD-SUBMISSION	2days	1day 20hrs 29min	1day 21hrs 29min
SUBMISSION-ASSESSMENT	1day 12hrs 17min	1day 12hrs 16min	1day 16hrs 16min
ASSESSMENT-PAYMENT	2days 21hrs 29min	3days 13hrs 28min	4days 5hrs 31min
ASSESSMENT- REGISTRATION	5days 18hrs 40min	6days 8hrs 29min	6days 8hrs 29min
REGISTRATION-OUT OF CHARGE	13hrs 26min	11hrs 25min	8hrs 29min

## DWELL TIME REPORT ON SB FOR THREE MONTHS

VIZAG PORT INVTZ1	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017
FILING-LEO	2days 8hrs	2days 2hrs	2days
LEO - EGM	12days 13hrs	12 days 14 hrs	10days
EGM - DBK SCROLL	6days 16hrs	4days 7hrs	5days

Chairman appraised the improvement in the turnaround time for the last three months and directed to identify the stages at which longer time is taken and the agency responsible for it, so as to improve the performance further. Chairman appreciated the work done by AC(Drawback) and emphasized the need to make more efforts to bring down the drawback time to below 5 days.

4. Additional Commissioner took up the discussion on the agenda points with the action taken report on the minutes of previous meeting. The following points were discussed in relation the previous PTFC meeting.

### **Point No.1**

***Provision of a Touch Screen System in EDI Service Centre to facilitate trade in knowing the status of BEs, Bond Debits, etc.***

Additional Commissioner informed that the touch screen system placed at service centre is not functioning and the HCL technician informs that, it is not repairable. Replacement of the system will be looked into as per the procedure prescribed by Govt for procurement. However, EDI system is placed at CHA room where the trade can enquire the status of Bes, Bond debit etc. for the time being as stop gap measure.

**Point No.2**

***In the cases of clearance of imported paper products, cess is being paid manually after implementation of GST. The importers concerned are insisting for inclusion of cess in the BE itself and make full payment of duty and cess online to avoid inconvenience on the GST front.***

Additional Commissioner informed that the Paper Cess was levied under section 9 of the Industries (Development and regulation) Act, 1951. Since the said act was repealed vide taxation laws (Amendments) act, 2017 (Act No.18 of 2017) dt 4.5.2017, after the roll out of GST, presently, the said Cess is neither being reflected in the Bill of Entry nor being collected manually.

**(Point Closed)**

**Point No.3**

***In the case of clearance of Raw Cashew Nuts at Vizag, previously Customs was giving clearance after taking an undertaking from the importers and final clearance was accorded on receipt of test report from PHO office. Now clearances are being given only on receipt of PHO report which is taking a lot of time and it is for this reason that the importers are diverting their import consignments to other Ports. The Customs Brokers Association requested to accept the undertaking of importers and carry out provisional assessment pending receipt of the PHO report.***

Additional Commissioner informed that as per order dt.27.10.2017, issued by food safety and standards authority of India, Until the standards of Raw cashew nut are formulated, FSSAI need not detain import consignment, which only have a Plant Quarantine angle.

**Point No. 4    *The Visakhapatnam Customs Brokers Association requested for an amendment option for AD code.***

Additional Commissioner informed that Amendment of AD code is not within the ambit of customs; only bank can amend the AD code. A procedure to amend the AD code in BE is informed to the CHA Association and a Note is placed in the Notice board.

**(Point Closed)**

**Point No. 5**

*The Visakhapatnam Customs Brokers Association informed the practice followed earlier in the case of seal mismatch of containers where ADC's permission was obtained by the Examiner for conducting examination of cargo after breaking of seal. However, the Examiners are now insisting that the importers/Customs Brokers carry out amendment of seal number in the Bill of Entry. This can be done only after the IGM is amended first and the present procedure is badly delaying the import clearances. The VCB Association stated that the VCTPL authorities are informing Customs of any seal mismatch and in cases where containers are found without seal necessary permission of Customs is being taken to seal the containers with OTB seals. The VCB Association contends that permission is already being taken from Customs at the Terminal and the same permission need not be taken again at the CFS.*

The officers of import section informed that after arrival of the container at VCTPL, tallied details are with seal no. on the bill of lading and packing list. If no seal is found on the container, OTP is placed by VCTPL and forwarding the same to CFS under intimation to AC(Imp)/Supdt(Imp) and CFS. When there is mismatch, they are communicating the same to AC(Imp)/Supdt(Imp)/CFS.

As pointed out by the association, they are not taking any permission from Customs before transferring the container to CFS from VCTPL for mismatch /loss of seal. VCTPL is only intimating customs after removal but not taking any prior permission. Hence the question of taking permission from customs for the second time will not arise.

As and when the CHA approaches this office immediately, amendment is attended to, after payment of amendment fee.

Chairman directed AC(Appg. Main) to conduct a detailed study at the VCTPL and submit a report on the movement of containers at VCTPL to resolve the issue.

**Action: [AC(Appg. main)]**

**Points raised by Visakhapatnam Custom House Agents Association vide letter dated 20.11.2017 and discussed in the meeting are as under:**

Chairman requested importers to participate and take part in the PTFC meeting, so as familiarize themselves with the improvements in procedures and appreciate the steps that are being taken for ease of doing business.

***Point No. 1: As per our earlier request customs authorities has allotted a system at CHA association room in customs house, now we request you to give the view option for verification of the License balance, which will help the CHA's to know the exact balance in the license enable us to file error free BE at the time of filing BE itself.***

**Comments from EDI section:**

Chairman informed that an e mail has already been sent to Icegate, requesting them to add more features so that the customs broker can enquire the status of their documents.

***Point No.2. Import Containers related to SEZ should be cleared from the terminal (VCTPL) itself, however, the Lines are nominating the containers to their concerned CFS even for SEZ containers, due to late information to them. When the SEZ cargo containers are moved to CFSS, the CFS customs are not permitting for clearance and imposing fine and penalty for clearance of the SEZ containers at CFS. Hence, we request your good self to kindly look into the matter and permit us to clear SEZ cargo containers from the CSF or else to keep the containers at Terminal till 5 days from the data of Import.***

Commissioner informed that all SEZ import consignments are being released from VCTPL terminal only on submission of Transshipment approval issued by Assistant Commissioner of Customs as per Public Notice No 10/2015 dated 06.05.2015. All the containers are being released from Port Terminal only, if any container moves to CFS due to the mistake of the liners documentation / mention in the IGM Concerned, the same is being permitted from CFS to SEZ on imposing penalty under section 117 of the Customs Act,1962. Keeping the containers in VCTPL for 5 days from the date of import is a trade policy matter and the subject matter does not belong to Customs.

***Point No.3. Recently CHA association and Visakhapatnam Liners Association had a joint meeting to resolve the EGM errors and same from our side the following points has raised and requested the VLAA to consider, but still there is no response from them, so we request you to kindly take up with the Liners/Feeders for the great interest of the Trade.***

The officers of the Import/Export Section informed that regarding the EGM errors a Public Notice No 54/2017 dated 08.12.2017 has already been issued followed by a letter addressed to the Steamer Agents Association directing them to initiate necessary action for rectification of the EGM Errors occurring out of improper filing of EGMs.

*Chairman appraised* that EGM errors are less than 10% and most of the time the EGM's are closed without any hassle. It also informed that every week, all the EGM errors are being uploaded online and liners can check it weekly and resolve the same. Chairman suggested that CHA association and Visakhapatnam Liners Association should sort out by sitting together and chalk out a standard operating procedure to communicate the problems lying with EGM errors.

Commissioner suggested that all the stakeholders of trade to co operate among themselves and take the business to the next level.

**A) As regard to security deposits: We appreciate if in case procedure adopted as follows:**

- (i) In our opinion for CFS destuffing whether it is Liner nominated CFS or receivers/their agents nominated CFS the containers will be de-stuffed by the CFS operator. In view of above no security deposit should be collected from the importers/their agents. In case any security to be provided for damage the CFS operator has to look into this matter.**
- (ii) In case of FDS the Liners should nominate their surveyors immediately upon taking DO to check the containers/ tanker condition in the presence of CHA representative and give a certificate along with the FDS movement letter stating if there is any damage noticed or no damage while moving container to factory, so that after returning empty container it will be easy to identify if any damage effected at factory while de-stuffing.**
- (iii) If DO is expired and there is continuous holidays or Saturday & Sunday, we request the Liners to allow to off load the Empty containers by taking undertaking from CHA to pay the necessary charges on the next working day.**

**B) Some liners are not issuing DO without obtaining OOC, request to issue DO as sometimes will get OOC after 6 PM wherein Liners offices are closed by that time**

**C) (deleted)**

**D) Some liners are not issuing OBLs at vizag office and taking almost 3-4 days from the date of vessel sailing, which is causing financial hardship to exporters**

**E) Containers out movement charges are to be waived off as the liners are not arranging any permission from customs/CFS.**

- F) *There is no uniform rate of collecting of THC among the Liners and THC is varying from Liner to Liner. However, VCTPL is charging the THC with a specific rate to the Lines. Hence, the same amount should be charged to the importers by the Liners, if any excess amount they want to charge it has to be shown as their service charges instead of including in the THC. We brought this issue to the notice of Liner agent association but there is no proper response from the Liners/their agents.*

Chairman directed to obtain comments for points sub points A to F from shipping liners and points to be taken up in the next meeting.

**Action:[AC(Imp/Exp)]**

**Point No 4.**

*VCTPL is charging direct loading charges for the entire lot of containers meant for shipment even when there is only 1 or 2 containers delayed and entering into terminal after cut off time given by the terminal, because of this the exporters are incurring extra cost over and above the calculated export price. Hence, we intend to bring this issue to your kind notice for resolving the matter.*

Comments received from VCTPL. (Capt. Amarendra Mishra, Dy. General manager, Operations) on the above point are

- 1) Cut off time for export containers, is fixed in consultation with vessel operators, before arrival of vessel, in order to plan the vessel efficiently. Kindly note that the export containers are stored in the yard vessel wise taking into consideration discharge port and weight so as to load the containers on the vessel without delay.
- 2) Vessel operator/ Shipping line is submitting the load list document to terminal only after allowed for shipment is issued. This often is provided very late after vessel berthing and till such time the containers in the lot arrived after cutoff cannot be planned /loaded on the vessel.
- 3) Most importantly, "allowed for shipment" is taken by the CHAs from Customs very late after all the containers in the lot arrives in terminal and then submit this to the shipping line.
- 4) This results in additional shifting/ unproductive moves for the containers as they are not planned due to Non-readiness of documents and hence this charge is being levied to cover the additional handling cost involved.



- 5) The containers which arrive after the cutoff time therefore attract direct loading charges as per our tariff.

CHA Association expressed difficulties with VCTPL where there is one gate and there is huge congestion at the entry point, which leads to containers reaching the terminal after cut off time.

Considering the logistics difficulties with the VCTPL, where only one gate is available for the entry of containers, Chairman asked the VCTPL representatives to come up with a solution by the next meeting.

**Action:[VCTPL]**

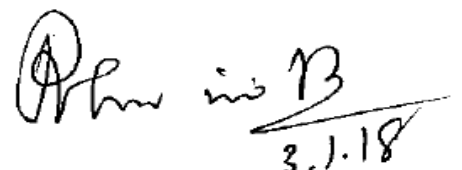
**Point No 5:**

***Ministry Agriculture has nominated the ADC (Addl. Drug Control) office and posted the officer here, but still they have not set up the office, for which all the trade (Importers/Exporters ) are suffering, So we request you to please look into this matter and do the needful to get the ADC office at Vizag at earliest.***

A letter was sent to the Dy. drug controller, o/o the Central Drugs Standard Control organization, requesting to expedite posting of Asst. Drug Controller at Visakhapatnam.

The meeting concluded with the Chairman thanking all the members.

This issues with the approval of the Commissioner.

  
3.1.18  
(P.V.S.S. Srinivas)

Assistant Commissioner (Appg. Main)

To

All Members

PERMANENT TRADE FACILITATION COMMITTEE

Custom House Visakhapatnam – by – Email