



TIME RELEASE STUDY 2018

**CENTRAL BOARD OF EXCISE AND CUSTOMS
JAWAHARLAL NEHRU CUSTOM HOUSE**

Based On The World Customs Organization Guidelines For Carrying Out Time Release Study

“

The goal of measurement is to not only do things right but do the right things and continuously improve doing that”

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Message from Chairman



I am very happy to learn that JNCH has conducted TRS 2018 setting a new benchmark for such studies in terms of scope, methodology and stakeholder involvement.

I am particularly impressed with the scope of study. It covers exports, highlights the role of the partner government agencies and commodities and processes that may merit enhanced attention in our national effort towards ease of doing business. The rigorous methodology adopted by collating data from various sources available with different stakeholders, including our partner government agencies and supplementing the same with surveys to identify possible reasons for outlier behavior is truly commendable.

The decision of JNCH to conduct the entire study with in-house resources and those of PGAs is reflective of the highest involvement and ownership of the entire team to the National Action Plan of achieving release time of 72 hours for import cargo and 48 hours for export cargo.

JNCH TRS 2018 is indeed a product of highest professional work and merits widespread circulation, including to relevant international bodies, reflecting the commitment and professionalism with which CBEC and all other stakeholders are approaching the task of trade facilitation.

I compliment the entire team of officers at JNCH led by Shri Vivek Johri, Chief Commissioner, Shri Vijay Singh Chauhan, Commissioner, Shri. Subhash Agrawal, Commissioner for their efforts towards progressive reduction in the release time and encapsulating the same in this study.

VANAJA N. SARNA
Chairman, CBEC



I am happy to learn that JNCH is releasing its Time Release Study 2018. It is a matter of great satisfaction that JNCH has conducted this TRS by engaging various stakeholders as partners. The enhanced awareness and greater sensitization about the impact of release time on the logistics environment of the country will bring about further improvement in release time in future.

I commend all stakeholders on the substantial reduction in the release time during the year to achieve overall release time of 144 hours. I exhort the entire team led by the Chief Commissioner, JNCH to strive towards being the first seaport in the country to achieve the TFA National Action Plan target of release time of 72 hours in a time-bound manner. This reduction in release time will lower transaction costs for the trade and industry and improve the ease of doing business in India.

I am very happy that JNCH has expanded the scope of TRS to cover exports for the first time. The importance of minimizing export release time for success of the Make in India scheme cannot be overemphasized.

I congratulate Shri Vivek Johri, Chief Commissioner, Shri Vijay Singh Chauhan, Commissioner, Shri Subhash Agrawal, Commissioner and the entire "TEAM TRS" on completing this excellent study in a time bound manner.

PRANAB KUMAR DAS

Member, CBEC

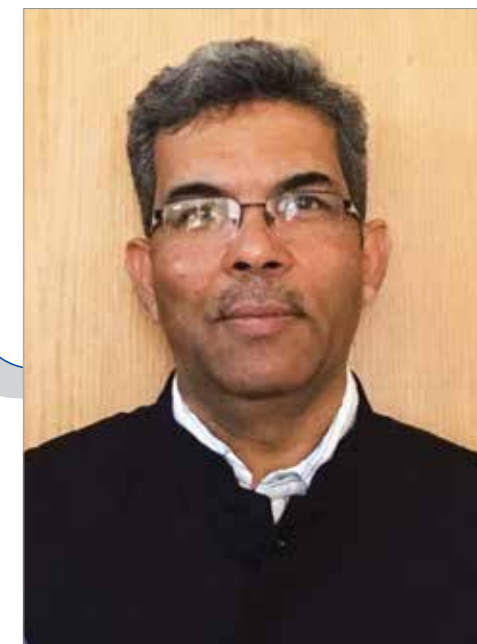
It gives me great pleasure to present the Time Release Study 2018 for Jawaharlal Nehru Custom House, the largest Custom House in the country.

TRS 2018 has many firsts to its credit, even as it seeks to maintain consistency of methodology adopted in the TRS 2017. This study was, unlike in the past, not a post facto statistical analysis, but a real-time sensitization exercise to highlight the role and importance of various stakeholders in the expeditious clearance of import and export cargo through JNCH. It urged all stakeholders to put their “Best Foot Forward”, the slogan under which the study was conducted.

A time release study for exports has been undertaken at JNCH for the first time. From the point of view of enhancing the competitiveness of our exports, it is critical that there is sufficient and constant focus on cutting the release time of export cargo as well.

It is also for the first time that we have used the datasets from the Port Terminals, CFSs and the Participating Government Agencies (PGAs) in carrying out this study. The trade was encouraged to participate in “live tracking” of bills of entry and shipping bills, with the objective to reaffirm the robustness of the timestamps and highlight the cumbersome sub-processes not captured through these timestamps. The team has also conducted small stakeholder surveys to highlight the factors that may explain the outliers.

The earlier TRS were used as tool to assess the overall efficiency of the customs processes and measure the release time for various categories of bills of entry cleared through a customs formation. This study attempts to compute the release time separately for commodities requiring the intervention of PGAs so that their process efficiencies draw our attention.



A Time Release Study of this nature rests on the philosophy that measurement is the first step towards improvement. However, this one goes one step beyond by involving stakeholders in the measurement exercise and in doing so would have sensitized them to the value of economizing on release time. As always, the study has helped generate suggestions for administrative and policy changes.

I wish to place on record my sincere appreciation for the entire ‘Team JNCH’ led by Shri Vijay Singh Chauhan, Commissioner and Shri Subhash Agrawal, Commissioner for conceptualizing, executing and completing this excellent study in a record time.

VIVEK JOHRI

*Chief Commissioner, JNCH
Mumbai Customs Zone II*

4 Executive Summary

This study presents the findings of the Time Release Study 2018 conducted at JNCH in respect of both import and export cargo, representing the first week of January 2018. On the import side, it is the most ambitious TRS conducted by JNCH and builds upon the experience of conducting TRS 2017. It also presents the first export time release study at JNCH.

TRS 2018 was conducted as a live sensitization cum learning exercise under the slogan of “Best Foot Forward” involving all stakeholders, unlike in the past when it was an ex-post statistical analysis.

The study has utilized various data sources, including customs, port terminals, CFSSs, participating government agencies (PGAs) like FSSAI, Drug Controller and Textiles Committee, DYCC, besides survey based live tracking of bills of entry and shipping bills. Small sample surveys have been attempted to identify reasons for outlier behavior.

TRS 2018 is an in-house effort, involving officers of JNCH, PGAs and select IRS officer trainees, aimed at developing capacity and at ownership of the results of the study.

Imports:

The study is based on the core methodology adopted for import TRS 2017. The sample period for the study was the first seven days of 2018, viz. January 1-7, so as to provide strictly comparable release time data.

The study has covered all the 14,973 bills of entry filed during the sample period and tracked them till February 7, when the data was frozen for analysis. It showed a growth of 18.7% over January 2017.

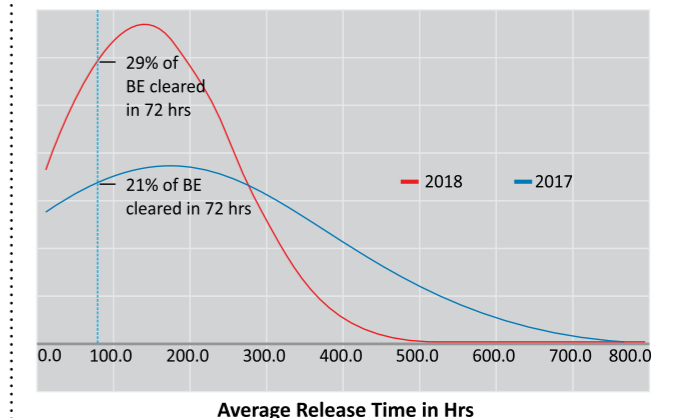
The standard definition of release time is the time taken from arrival of the goods (represented by entry inwards) to release of cargo by Customs (represented by grant of out of charge).

However, two sample studies have been conducted to quantify the time from berthing of the vessel to grant of entry inwards (31 minutes) and from “out of charge” given by customs to “gate out” by the importer (35.4 hours), identifying the reasons for delay in gate out.

The all-in-one average release time for imports has improved significantly from 181.34 hours for 2017 to 144.18 hours in 2018. This release time is at variance with the findings of the World Bank Ease of Doing Business Report. The World Bank perception of the release time of 267 hours for auto-components imported from South Korea is significantly higher than the comparable release time of 126.54 hours found under TRS 2018.

It reflects the distance to National Trade Facilitation Action Plan target of 72 hrs.

Essence of the Effort



The normal distribution above shows that: (a) **29% of bills of entry (as against 21% in 2017) were cleared within 72 hours;** (b) about 2/3 of the bills of entry were cleared in less than the average release time of 144 hours, with balance 1/3 of the consignments, adversely impacting the release time; and (c) significantly lower number of bills of entry entailed inordinate delays.

The study presents a four-way disaggregated and stratified release time data for different categories of bills of entry, preferred clients such as AEO and DPD, selected commodities and PGAs, and certain time-intensive sub-processes, to highlight the areas of success and concern.

The bill of entry with minimum release time of 11.01 hours was characterised by the four features that must be at the core of drive to reach

the TFA target of 72 hours, namely(a) higher share of advance bills of entry, (b) greater facilitation, (c) more AEO enrolment, (d) higher DPD clearances.

The release time for advance bills of entry was 113.54 hours vis-à-vis 187.30 hours for normal bills of entry. Despite this obvious benefit, only 58.7% percent of the bills of entry were filed before the arrival of the goods.

The facilitation levels have increased in 2018 over 2017: (a) full facilitation, with no assessment or examination has increased from 55.4% to 60.2%; and (b) second check with assessment only has increased from 6% to 11.2%. Consequently, the share of second check with assessment and examination has declined from 34% to 25.1% and first check from 4.1% to 3.5%.

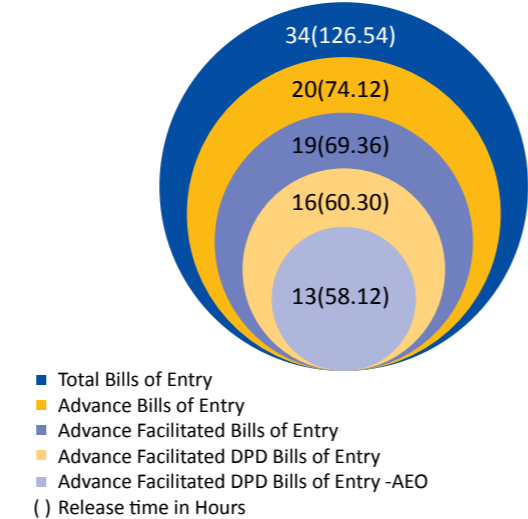
AEO bills of entry enjoyed higher full facilitation at 84.6% vis-à-vis overall 60.2% and had average release time of 103.06 hours. **The advance facilitated bills of entry filed by AEOs had an impressive release time of 69.18 hours.**

The number of DPD bills of entry have increased by 83.7% since 2017. **With full facilitation level of 75.1%, the average release time for DPD advance facilitated bills of entry was 65.36 hours.**

In terms of the cargo size, the release time was lowest for full container load (FCL) at 140.24 hours, slightly higher at 151.36 hours for less container load (LCL) and significantly higher at 249.36 hours for liquid bulk cargo.

The benefits of various facilitation measures are eloquently captured in the release time for auto-components imported from South Korea, which is taken into account for World Bank Ease of Doing Business Report. As shown below, **advance facilitated DPD bills of entry filed by AEO achieved release time of 58.12 hours.**

Auto-components from South Korea

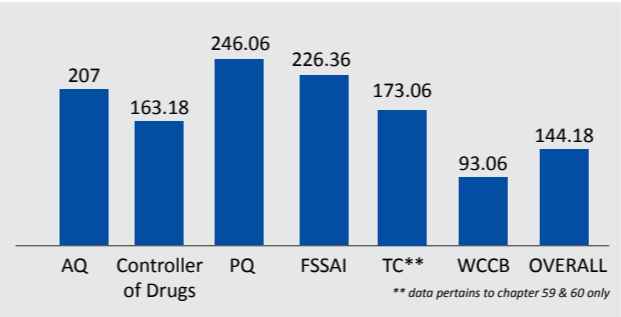


The study identified six categories of commodities, based on specific requirements associated with them, to highlight their impact on the release time, sometimes hidden in the arithmetic averages. The average release time is presented below:

- (a) Food items (chapters 7, 8 and 9): 247.18 hours;
- (b) Pharmaceuticals (chapter 30): 138.49 hours;
- (c) Fertilizers (chapter 31): 134.19 hours;
- (d) Plastics (chapter 39): 131.54 hours;
- (e) Textiles (chapter 59 and 60): 173.06 hours; and
- (f) Auto-components (tariff heading 8708): 91.52 hours.

The release time for bills of entry that were referred to participating government agencies under SWIFT were separately quantified to obtain a PGA wise perspective on the release time.

Partners in Common Pursuit



The study has quantified the release time in respect of three categories of bills of entry, which had entailed (a) query during the assessment, (234.42 hours), (b) process of scanning (180.47 hours) and (c) testing of goods in DYCC (207.58 hours) for careful consideration of the trade-off between facilitation and enforcement and to draw up a technology cum analytics driven approach to reduce the release time associated with these interventions.

The study has assessed the impact of three measures to “nudge” the trade towards (a) advance filing of bills of entry, which has increased from 53.3% in 2017 to 58.7% in 2018; (b) prompt filing of normal bills of entry, as measured by those filing normal bills of entry within 48 hours of entry inwards, which has increased from 48% in January 2017 to 79% in January 2018; and (c) prompt payment of duty, as measured by those paying duty within 48 hours of the assessment, which has increased from 42% to 46% during the same period.

The above findings on the compliance gap is validated by payment of cumulative late filing charges of Rs. 3.11 crore in 1201 cases and cumulative interest payment of Rs. 76.58 lakh in 6357 cases in respect of the sample bills of entry.

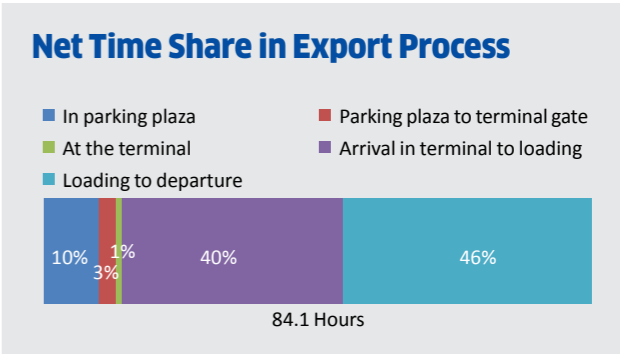
Exports:

The methodology adopted for computation of export release involved collection of data in respect of top five exporters in respect of each of six major categories of goods, viz. (i) frozen meat, (ii) frozen fish, (iii) pharmaceuticals, (iv) automobile parts, (v) two & three wheelers (bike, auto

rickshaw) and (vi) electrical machinery (falling under chapter 85).

The gross average export release time, measured from the time of departure of cargo from factory premises till departure of the vessel, was found to be 108 hours. **The net average export release time, arrived at by excluding the domestic transport time from the gross average export release time was 84.1 hours.** This is in line with the World Bank Ease of Doing Business Report 2018 finding of export release time of about 85 hours. There is significant variation in the average export release time, with net average export release time of 53.4 hours for frozen meat and 99.7 hours for electrical machinery.

The stage-wise average time taken in the export process is presented below:



The study has presented a set of recommendations for drawing up a roadmap, with clear timelines, involving various stakeholders and a concerted outreach programme by JNCH to “leap frog” to the TFA goal of 72 hours for import cargo and 48 hours for export cargo.

It is recommended that the frequency of time release study may be made annual.

Introduction- Objectives, Preparation, Scope and Methodology

INTRODUCTION:

Implementation of the trade facilitation measures has vast potential for greater economic benefits to the world by way of ensuring reduced trade transaction costs. Central Board of Excise and Customs (CBEC) has been at the forefront of continuously enhancing facilitation for trading across borders in sync with the Government of India's policy objective of improving the ease of doing business climate. Realizing that expeditious release of import/export consignments by border/regulatory agencies/entities is the sine qua non for trade facilitation, CBEC has mandated the customs formations at major seaports and airports to conduct Time Release Study (TRS) as per WCO guidelines. Moreover, following the service excellence standards under the "Sevottam" framework aimed at continuously improving the quality of public service delivery, CBEC has prescribed the time norms to be followed in respect of services being delivered for clearance of goods.

Appreciating the importance of WCO TRS tool in measuring and highlighting causal relationship between local clearance process and an effective trading system, the WTO - TFA has specifi-

cally recommended the use of WCO TRS methodology in clause 6 of Article 7 for conducting studies for calculating average release time. India ratified the WTO Agreement on Trade Facilitation (TFA) in April 2016 and started pursuing the trade facilitation agenda with renewed vigour. In order to optimize the gains of trade facilitation, National Committee on Trade Facilitation has spelled out its vision and developed an integrated roadmap for trade facilitation in the form of an action plan containing specific activities to further ease the bottlenecks to trade at the border.

The Indian vision of trade facilitation seeks to transform the trade ecosystem by reducing the time and cost of doing business. This is intended to be achieved by further simplification of procedures, easy access to all trade related information, use of technology and infrastructure augmentation. Facilitation of legitimate trade is a core objective of Indian Custom's modernization programme and the National Trade Facilitation Action Plan has set a goal of reducing the average release time for import goods to within 3 days for sea cargo and within 2 days for air cargo and Inland Container Depots and on the same day for Land Customs Stations. Similarly, the goal for release of export goods is below 2 days for sea cargo and on the same day for air cargo, Inland Container Depots and Land Customs Stations.

In pursuance of the above cited policy guidance provided by CBEC, JNCH has been regularly conducting studies to determine the average time taken between the arrival of the goods at the port and their release to the importer/agent since 2013. The previous studies since January, 2013 can be accessed at <http://www.jawaharcustoms.gov.in/index1.php>. The periodic time release data has helped JNCH in gaining useful insights in identifying the bottlenecks in the supply chain and guidance for required process improvements and/or regulatory changes, achieving the goal of optimized trade facilitation. JNCH in consultation with CBEC has implemented several recommendations of the previous TRS reports like electronic Single Window, Direct Port Delivery for imports and Direct Port Entry for exports.

JNCH TRS 2018 has been conceptualized and conducted in the above context.

OBJECTIVES:

This TRS was conducted with many objectives. It aimed at:

- (i) Spreading awareness about release time among all stakeholders and their role in its reduction. This was the primary motivation for conducting 'live' TRS;
- (ii) Measuring distance to National Trade Facilitation Action Plan target of release time of three days for import of sea cargo and two days for export of sea cargo;
- (iii) Identifying categories of bills of entry, commodities and sub-processes that are relatively more time-consuming, with a view to suggest measures to improve time release relating thereto;
- (iv) Improving coordinated border management by seeking to approximate release time associated with different prominent agencies;
- (v) Assessing the impact of statutory and administrative changes on trade behavior overtime and identify reasons for non-compliance through sample survey among outliers;
- (vi) Presenting first set of time release data for export cargo through JNCH; and
- (vii) Capacity building by involving incumbent officers, along with officer trainees in coordination with NACIN, Mumbai.

PREPARATION:

The preparations for this study began in the month of November after completion of TRS 2017. The scope of study was deliberated at the senior management level and with concerned officials of CBEC. Detailed discussions were held with Joint Secretary (Customs), who is a member of the TRS Working Group, constituted by the NCTF Steering Committee. It was decided that the study would be taken up with in-house resources and may be supplemented with inputs from officer trainees of 68th batch of Indian Revenue Service (Customs & Central Excise) through NACIN. The decision to rely on in-house resources was intended to obviate the perceived challenge of explaining the nitty-gritty of customs procedure to outside experts and create

greater awareness about the release time issues among officers and other stakeholders, including participating government agencies. More importantly, it was meant to create ownership of the report by those responsible for the improvements in release time at JNCH. Therefore, a team of officers under the leadership of Commissioner, NS-V was formed to draw up the Working Plan. Commissioner, NS- I and II and Commissioner NS-III and IV extended all support and advice in drawing up the Working Plan. Commissioner, NS-IV conceptualized the plan for first ever Export TRS at JNCH. Chief Commissioner, JNCH, with his deep insights in issues relating to the Trade Facilitation Agreement, provided regular guidance and encouraged the team. The

linkage between national level programme and JNCH level activities was ensured at different stages of the study.

The core team, headed by Shri Vijay Singh Chauhan, Commissioner, NS-V, consisted of three Deputy Commissioners, namely Shri Arun Prasath K, Ms. Monika Yadav and Ms. Shweta Yadav. Ms. Sruti Vijaykumar, officer trainee joined the core team at the analysis and drafting stage. Shri Subhash Agrawal, Commissioner, NS-IV conceptualized and led the exercise relating to the first export time release study at JNCH. Some other officers contributed to the completion of the specific sub-studies and many more worked enthusiastically to imbibe and spread the message of timely release of cargo (please refer to Credits).

Live tracking of bills of entry presented a difficult challenge. The tracking was expected to cover a period of more than a month, traversing a fair geographical distance covering the terminal, CFS, shipping lines, JNCH and offices of PGAs, etc. The customs officers, obviously could not be spared for this purpose. Therefore, it was decided to involve willing Customs Brokers (CBs), who were requested to record the journey of the bills of entry through a proforma sheet. The Group Deputy Commissioners supervised this exercise of 'live tracking' of bills of entry. The selection of the CBs and bills of entry has been done randomly and it is expected that the same would be free of any bias, given the decentralized manner in which the bills of entry have been picked up.

For the study of processes relating to PGAs, viz. FSSAI, ADC and Textile Committee, their participation and cooperation was solicited and received.

In order to spread awareness about TRS, the fora provided by monthly Permanent Trade Facilitation Committee (PTFC) and Customs Clearance Facilitation Committee (CCFC) were utilized. In addition, separate meetings of concerned customs officers, PGAs and Customs Brokers were also held at regular intervals.

The primary data identification period of January 01-07, 2018 was observed under the slogan of "Best Foot Forward - Gearing Up for Time Release Study January 2018". A buzz was sought to be created through putting up banners and posters and through social media. This period ended on January 07, 2018 with the identi-

fication of 14,973 bills of entry.

The interest and focus on timely release of cargo covered by the said 14,973 bills of entry, consistent with the due process and legitimate revenue and regulatory concerns, was continued till February 07, 2018. Regular monitoring and interactions were held with various stakeholders to understand the extent and nature of concerns that result in higher release time.

On February 07, 2018, the data was frozen for the purposes of calculation of release time. At the end of the said period, out of charge had been given to 14,782 bills of entry (accounting for 98.7 percent of the total bills of entry filed). Further, excluding 25 extreme outliers, wherein normal bill of entry was filed more than 60 days after the grant of entry inwards, 14,757 bills of entry, comprising the standard data set, were taken up for detailed analysis. The data, obtained from Directorate General of Systems, port terminals, CFSs, FSSAI, ADC, Textiles Committee, DYCC, live tracking of 200 bills of entry and small sample surveys, were thereafter taken up for analysis by the core group. The studies relating to PGAs were conducted in close coordination with the officers of the concerned PGA.

The methodology, sample size and duration of sub-studies were different for the reasons explained in the related chapters.

The methodology, scope and sample size relating to export TRS is discussed in the related Section.

SCOPE:

It was decided that the core focus of the study should be to present time release data that would be comparable with the TRS 2017. However, it was felt appropriate to conduct a wider and deeper study to answer various questions that policy-makers in Indian Customs and top management of JNCH face on regular basis. The study could not expand its scope further due to resource constraints, since it has been conducted without the help of any outside agency. This explains the reliance on smaller samples for different sub-studies.

This study covers both import and export release time. It is for the first time that release time is being calculated for export cargo.

On the import side, the present study began with 14,973 bills of entry filed during the sample period, viz. 01-07 January 2018, including both advance and normal bills of entry. At the end of the data collection period, viz. 07 February 2018, the study has excluded the following three categories of bills of entry: (a) 57 advance bills of entry that were purged since no entry inward was granted in these cases, (b) 134 bills of entry are still awaiting out of charge, and (c) 25 normal bills of entry, which were filed more than 60 days after the grant of entry inwards. Thus 216 bills of entry, accounting for 1.4 percent of the total bills of entry filed, were excluded. The salient aspects of these outliers have, however, been covered in the study. Therefore, the overall time release has been calculated in respect of 14,757 bills of entry filed during the sample period.

The study on the import side is aimed at quantifying the average release time for different categories of bills of entry. It is for the first time that a single average release time (all-in-one) for all bills of entry is being presented.

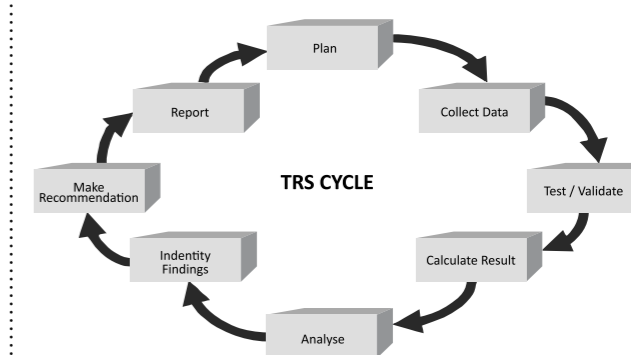
The live tracking of bills of entry is based on the attempted study of 200 bills of entry out of those filed in the relevant period.

The different sub-studies have been undertaken utilizing a smaller sample drawn from the population set of 14,757 bills of entry. For conven-

ience, the sample size and methodology for sub-studies have been explicitly stated in relevant chapters. In certain cases, the present results have been compared with previous results to highlight the impact of policy and administrative changes.

The scope of study has also been expanded to include the following: (a) the timeline for cargo release is being stretched by separately quantifying (i) the time taken from berthing of the vessel carrying import cargo to grant of entry inwards, and (ii) from grant of out of charge to gate out, although the core release time continues to be represented from grant of entry inwards to out of charge; (b) release time for certain selected commodities is being separately calculated to highlight, inter alia, the issues relating to compliance with the provisions of other allied Acts, being enforced by PGAs; (c) small studies to highlight the role and extent of certain sub-processes in the release time; (d) time pattern of filing bills of entry and payment of duty in the light of legal provisions and changes therein.

The plan and scope for TRS 2018 emanated from TRS 2017. The different stages of the study can be categorized into the following:



It is expected that this study would be followed by subsequent annual studies, beginning with TRS 2019 based on 01-07 January 2019 data, with such modifications and refinements, as may be required to meet its multiple objectives.

METHODOLOGY:

Data Source: The previous TRS involved post facto analysis of data obtained from Customs IT system. This study has expanded the data source to include data obtained from Customs IT system, Terminal Operating System, CFS, FSSAI, Textiles Committee, ADC, DYCC and special purpose surveys, including live tracking of bills of entry.

Categorization: This is a study of stratified sample of cargo categorised on the basis of bills of entry, wherein a single bill of entry may cover more than one container or goods covered by more than one bill of entry may be stuffed in one container (LCL cargo). The release time for LCL and FCL cargo, as well as liquid bulk cargo, has been separately quantified.

- **By bills of entry:** For the first time average release time for all bills of entry has been calculated. The average release time has also been calculated for the following categories of bills of entry, namely (a) facilitated bills of entry, (b) first check bills of entry, and (c) second check bills of entry, with assessment only and with both assessment and examination. The release time for advance and normal bills of entry has been separately calculated, recognising that the release time for these two categories of bills of entry require a different method.

- **By importer category:** Authorised Economic Operator (AEO) programme is the flagship programme of CBEC. In view of the various advantages provided to AEOs, it is expected that the release time for their cargo would be lower than non-AEO clients. Similarly, it is expected that the release time for DPD clients, the flagship initiative of JNCH, would be lower than non-DPD clients. Therefore, the study has presented the release time for AEO and DPD clients separately, seeking to highlight the

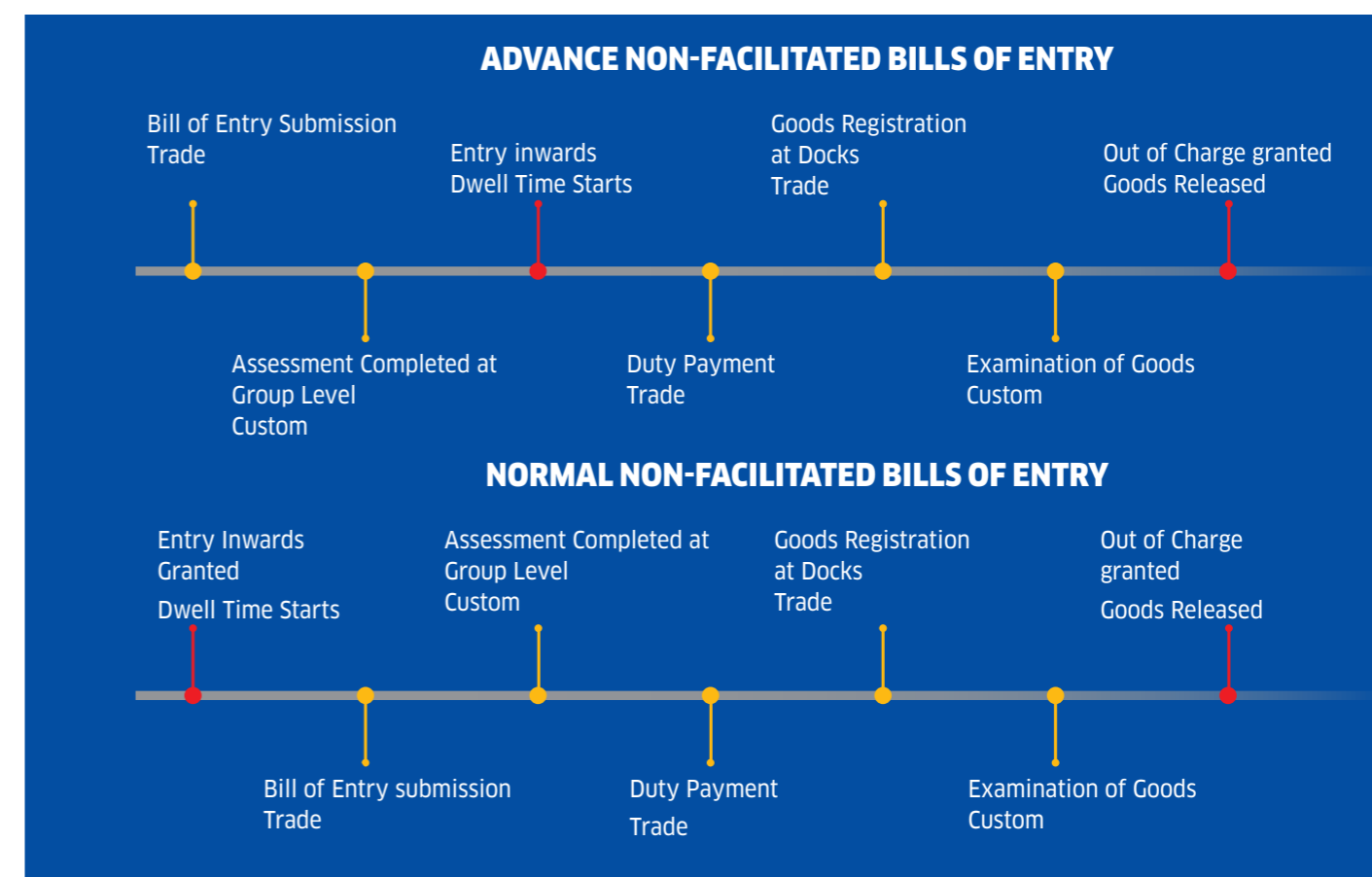
benefits of these schemes.

- **By commodity:** The release time for select commodities is separately calculated to highlight the challenges specific to those commodities. While the average release time in respect of these commodities has been calculated from the timestamps obtained from Customs IT system, the time taken in sub-processes by the PGAs or specified agencies has been analysed using the datasets of the concerned PGAs/agencies.

Sample Size: On the import side, the overall release time has been calculated in respect of 14,757 bills of entry filed during the sample period. These include all bills of entry filed for home consumption as well as for warehousing. However, they do not include ex-bond bills of entry. The sample size relevant for the release time in respect of the specific category of bills of entry has been explicitly mentioned at appropriate places.

Definition of release time: The release time in this study is defined as the time taken from the grant of entry inwards to grant of out of charge by customs in respect of both, normal bills of entry, wherein the bill of entry is filed after grant of entry inward, as well as advance bills of entry, wherein the bill of entry is filed before the grant of entry inward. Therefore, in the case of advance bills of entry, the time taken between filing of advance bill of entry and grant of entry inward has been ignored by setting the same to zero in respect of each such bill of entry. Similarly, the time taken in the sub-processes that are fully completed before grant of entry inward is assumed as zero; and where the process begins before the grant of entry inward but is completed after the same, only the time taken from grant of entry inward to the completion of the sub-process is taken into account.

The respective milestones for the processing of advance bills of entry and normal bills of entry, when not facilitated are given below:



Lengthening the timeline: Sample study was conducted in respect of all 46 vessels that berthed at various terminals of JNPT during the sampling period of 01-07 January, 2018 to quantify the time taken from actual berthing of the vessel till the grant of entry inward.

At the other end of the process chain, a sub-study was conducted covering five Container Freight Stations (CFS) to quantify the time taken by trade after being given out of charge till gate out from the CFS premises. Since the time stamps in Customs IT system end with the grant of out of charge, the gate out time in respect of each bill of entry was correlated with the data obtained from the CFS computer system.

Studying the sub-processes: The timeline for various sub-processes are available in the computer systems of the agencies involved and they have

been collated to quantify the time taken in different sub-processes. In few cases, manual data records and small surveys have been relied upon to quantify the time taken or reasons thereof.

Studying impact of major statutory and administrative changes: The results of this TRS have been compared with those of previous TRS to highlight the impact of certain changes: (a) time of filing of bills of entry; (b) time of payment of duty; and (c) utilization of DPD facility.

Facilitating comparison: Though the basic objective of the study is to quantify the release time for January 2018, in order to provide context and relevance to these numbers, the release times have been compared with those for January 2017, wherever available. In some cases, the data for the previous period have been worked out and presented in this study for the first time.

6

Jawaharlal Nehru Port Statistics

The Jawaharlal Nehru Port Trust (JNPT) at Navi Mumbai (formerly known as the Nhava Sheva Port) is India's largest containerized port handling 55% of the containerized cargo across all major ports in India. Commissioned on 26th May, 1989 the port has evolved from being a single government owned terminal to a world class facility with four terminals. The recently added fourth terminal at JNPT is expected to double its capacity to about 10 million TEUs by 2022.

Already, by the end of February 2018, the total

container traffic handled by JNPT has crossed 97% of the traffic handled last year. The turn-around time of the ships calling at JNPT will also be much faster because the new terminal can accommodate mother ships given its deep draft, longer quay length and cranes for handling bigger ships. Along with the successful implementation of DPD by JNCH, this newly added infrastructure is expected to give a much needed fillip to faster clearance of cargo enabling the country to meet the commitments made in the National Action Plan under TFA.

JNPT Container Traffic	(in TEU)										
	2016-17					2017-18 (upto Feb. 2018)					
	JNPCT	NSICT	APMT	NSIGT	JNPT port Total	JNPCT	NSICT	APMT	NSIGT	BMCTPL*	JNPT port Total
Vessel Discharge	7,63,521	316,846	942,634	227,485	22,50,486	674,942	233,005	993,042	292,421	4,382	21,97,792
Vessel Load	7,43,490	403,567	842,579	215,553	22,05,189	662,088	349,464	852,784	272,786	5,998	21,43,120
Transshipment	26,964	8,147	7,290	2,073	44,414	32,941	6,154	13,340	7,559	60	60,054
Total of Terminal	15,33,975	728,560	1,792,503	445,111	45,00,149	13,69,971	588,623	18,59,166	572,766	10,440	44,00,966

*BMCTPL commenced its operations w.e.f 29.01.2018
(Source: http://www.jnport.gov.in/performance_profile.aspx)

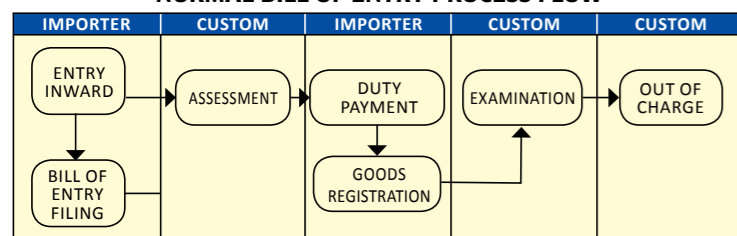
The New Terminal



Import Procedure

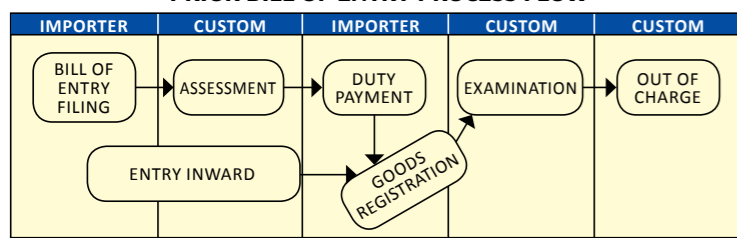
The standard import clearance process can be largely categorized into following stages commencing with filing of the Import General Manifest (IGM) by the Shipping Lines. This is followed by electronic submission of bill of entry by the importer or an authorized Custom Broker (CB) on his/her behalf based on self-assessment. The bills of entry which are filed after grant of entry inwards are known as **normal bills of entry**.

NORMAL BILL OF ENTRY PROCESS FLOW



The Customs Act, 1962 also provides the facility for filing bills of entry within thirty days of the expected arrival of the vessel. These bills of entry, which are filed before the grant of entry inwards, are called **advance bills of entry**. Filing of advance bills of entry enable initiation and processing of the documents even before the arrival of the goods, thereby resulting in reduction of the release time.

PRIOR BILL OF ENTRY PROCESS FLOW



Recognizing the importance of early filing of bills of entry in reduction of release time, the provisions of the Customs Act (Section 46) were amended vide Finance Act, 2017 to prescribe that the importer shall file a bill of entry before the end of the next day following the day (excluding holidays) on which the vessel carrying the goods arrive at customs station at which such goods are to be cleared for home consumption or warehouse. The law also provides for imposition of charge for late filing of bill of entry without sufficient cause for such delay. This TRS seeks to study the impact of the aforesaid amendment in the provisions relating to filing of bills of entry on the time taken by importers in filing such bills of entry by comparing the present data with those for 2017.

The self-assessed bills of entry, whether advance or normal, are thereafter processed by the Risk Management System (RMS). It is the RMS which essentially decides whether a bill of entry will be facilitated, i.e. the self-assessment by the importer is accepted as such or it merits verification by the group officer and examination by the docks officer. In cases where, the bills of entry are facilitated by RMS, the importer proceeds to make the duty payment and thereafter register the goods for subsequent out of charge. These bills of entry are called **facilitated bill of entry**.

The DPD facility has been extended to selected importers and the facility of direct clearance of cargo upon obtaining out of charge from the terminal premises is available to those bills of entry filed by DPD clients and facilitated by RMS. Viewed this way, **DPD bills of entry constitute a subset of facilitated bills of entry**. In case of DPD bills of entry, since out of charge is given from the terminal premises itself and the goods are not required to be moved to CFS for registration and out of charge, it is expected that the release time for such bills of entry would be significantly lower. It may be mentioned that certain facilitated bills of entry may belong to importers who are not eligible for DPD and certain bills of entry of DPD importers may not be facilitated. In both these cases, the goods are required to be moved to CFS pending assessment and examination, before eventual out of charge.

Among the non-facilitated bills of entry, which have been selected for scrutiny, there are two categories: (a) first those selected for assessment

only. In this case, the bill of entry is assessed by the respective group to which it belongs, and thereafter the goods are taken for registration after payment of customs duty. After carrying out final inspection of documents, the subject goods are given out of charge by the docks officer; (b) secondly, there may be a scenario where a bill of entry is selected for both assessment and examination. In this case after the assessment and duty payment is over, an examination of goods, based on an examination order by group officer/system instruction as deemed fit, is carried out. Thereafter, if the goods are found to be as per declaration by the docks officer, the subject consignment is given out of charge. **These bills of entry are covered under second check.**

Lastly, there are certain special categories of cargo, namely, second-hand machinery, certain chemicals, textiles, food items, drugs, highly sensitive items (designated as those which are prone to mis-declaration and evasion) undergo a procedure called first check. As the name suggests, the goods are first examined by the docks officer and based on his report and certain other parameters like test reports, certificates, including those by partner government agencies, as applicable, the goods are assessed by the respective assessing groups. After assessment, customs duties are paid and the goods are given out of charge by the docks officer. **These bills of entry are called first check bills of entry.**

Customs clearance also includes enforcement of various allied acts which determine the importability of goods. The role of partner government agencies (PGA) in the clearance of such cargo is crucial. CBEC has introduced a single window system to bring on one platform six PGAs for providing single documentation facility as well as common risk management system. However, in case of compliance with certain other allied laws, different procedures are prescribed, with ultimate responsibility of ensuring their compliance with the customs officers. Clearance for such goods can be under both facilitated as well as second or first check, depending on the conditions imposed on their importability and risk profile. The release time of such cargo is expected to be considerably longer in comparison to cargo which does not require reports/NOC from respective PGA namely Textile Committee, Animal Quarantine, Wildlife Crime Control Bureau, Drug Controller, FSSAI and Plant Quar-

antine. The impact on release time of cargo in cases requiring report/NOC from PGAs has been studied in greater detail in the ensuing chapters.

In the case of advance bill of entry, the self-assessment particulars are considered by the RMS immediately upon such filing and before the grant of entry inward. In case the bill of entry is facilitated, the importer can proceed to make payment of customs duty even before the entry inward and be ready for registration of the goods immediately upon arrival of the cargo. The process of registration and out of charge would be completed in the CFS in case of non- DPD cargo and at JNCH itself in the case of DPD cargo.

Since the release time seeks to capture the time taken in clearance of cargo after its arrival at the customs port, in the case of advance bill of entry, the time taken in the processes that are completed before grant of entry inward are assumed to be zero. It is reiterated that the time clock begins with the grant of entry inward even in the case of normal bill of entry.

Recognizing that grant of entry inwards is only an approximation of the arrival/berthing of the vessel at the terminal, a separate study has been conducted to examine the time difference between the berthing of the vessel and grant of entry inwards relating thereto.

8

Analysis of Import Data - categorization by bills of entry

8.1 ALL-IN-ONE: CONSOLIDATED DATA FOR ALL BILLS OF ENTRY

The National Trade Facilitation Action Plan (2017-2020) published by the National Committee on Trade Facilitation (NCTF) envisages bringing down the overall import cargo average release time to within three days (72 hours) for sea cargo. The benchmarking of JNCH performance against this goal requires calculation of average release time for all bills of entry filed during the sample period. However, the previous TRS had not estimated the average release time for all bills of entry covered by those studies.

Therefore, in order to provide context and facilitate easy comparison, the average release time for January 2017 has been calculated as part of this study. It is seen that the average release time for 12,431 bills of entry for January 2017 was 181.34 hours.

The overall average release time for 14,757 bills of entry for January 2018 has improved to 144.18 hours.

Therefore, the distance to TFA goal of 72 hours, which was 109.34 hours in January, 2017 has reduced to 72.18 hours. The study recognizes the challenge of effectively halving the overall

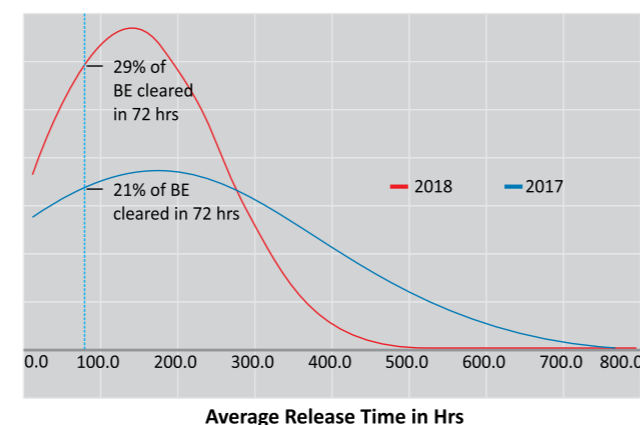
In this section, release time for different categories of bills of entry, such as advance vis-à-vis normal, facilitated vis-à-vis non-facilitated, bills of entry filed for full container load (FCL) vis-a-vis less than container load (LCL) or liquid bulk cargo, bills of entry filed by AEO or DPD clients, etc. have been presented at different levels of stratification. In this section, no distinction has been made on the basis of commodity or subsection of bills of entry to certain select processes, other than second check or first check bills of entry.

release time to achieve the TFA target and seeks to identify the stakeholders, commodities and processes, which must be the focus of the concerted effort in this direction.

The graph below represents the normal distribution of the bills of entry according to their release time for January 2017 (blue line) and January 2018 (red line). It shows that the percentage of bills of entry cleared within 72 hours has increased from 21% in 2017 to 29% in 2018.

Interestingly, it is seen that around two-third of the bills of entry were cleared with release time lower than the arithmetic mean of release time in both the years, suggesting that enhanced focus must be placed on expeditious clearance of those one-third bills of entry, focusing on commodities and processes that are found to be more time-consuming.

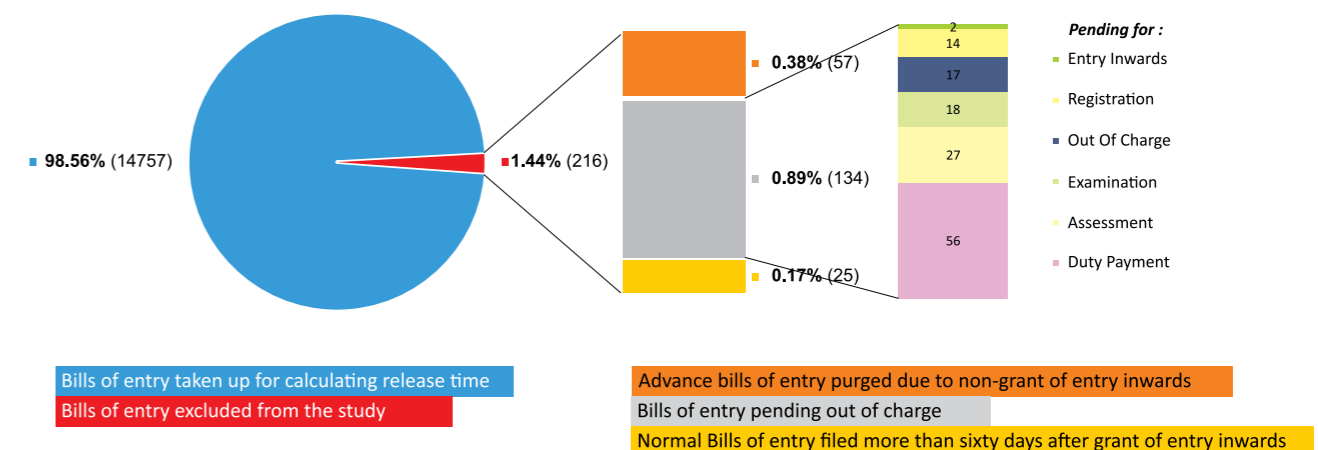
The essence of the effort



8.1.1 THE EXCLUDED BILLS OF ENTRY

During the sample period, 14,973 bills of entry were filed. Of these, 216 bills of entry, accounting for 1.4% of the total bills of entry filed, were excluded for the purpose of calculation of the average release time. It may be mentioned that the number of excluded bills of entry has declined from 385 in January 2017 to 216 in January 2018.

The reasons for exclusion, as applicable on 07 February, 2018, are summarized below:



The 134 bills of entry, which have not been given out of charge, have been separately taken up for scrutiny. It was found that in certain cases the required action was pending with the importers and in some other cases, prima facie, infringement including outright mis-declaration were detected. In those cases, the required process under the law which include investiga-

tion & adjudication procedures had not been completed at the time of freezing of data for analysis.

The 25 bills of entry, which were filed more than 60 days after the grant of entry inwards were excluded for the statistical reasons that these small outliers distort the representative quality of the arithmetic mean. Further, section

48 of the Customs Act provides for initiation of the disposal procedure in such cases of non-filing of bills of entry after 30 days of entry inwards. For example, these inordinately late filed bills of entry had an impact of about 12 hours in 2017 and 3 hours in 2018.

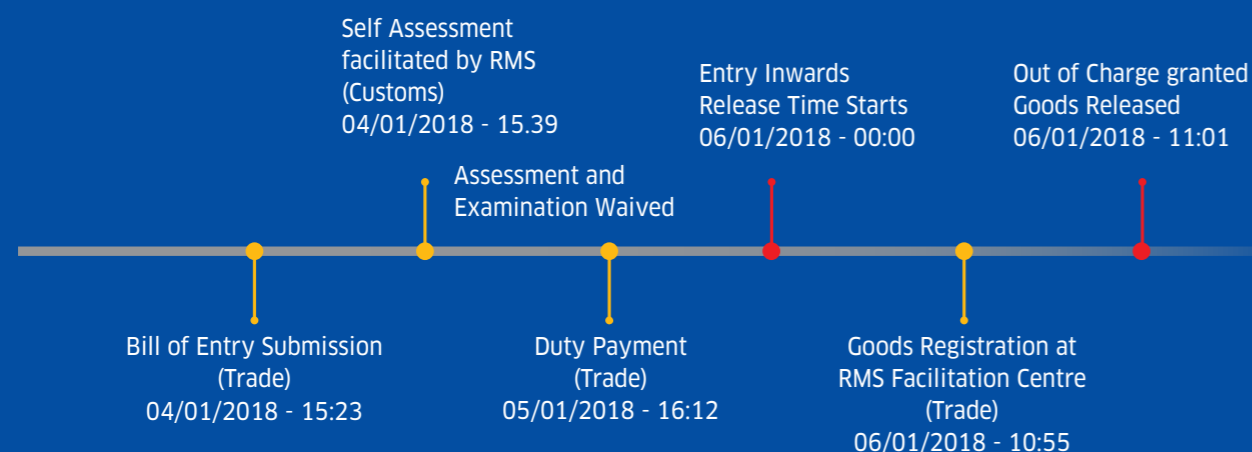
The study recommends that JNCH should initiate the process of disposal of such cargo immediately on expiry of stipulated 30 days' period.

8.1.2 AND THE WINNER IS ..

The study identified the bill of entry that was cleared during the study period with the minimum release time. The advance bill of entry No. 4675537 dated 04.01.2018 filed by M/s Mangalam (India) on behalf of M/s BASF India Ltd., an AEO and DPD client, which was cleared as a facilitated bill of entry, with no assessment or examination, had an impressive release time of 11.01 hours.

The fastest bill of entry was characterized by the four essential features that are at the core of JNCH drive to minimize release time, namely filing of advance bills of entry, enhanced level of facilitation, promotion of AEO scheme and increasing utilization of DPD scheme, consistent with prudent risk management parameters. The release time in respect of these four categories of bills of entry are discussed in the following sub-sections.

TIMELINE OF THE FASTEST BILL OF ENTRY



8.2 ADVANCE vs NORMAL BILLS OF ENTRY

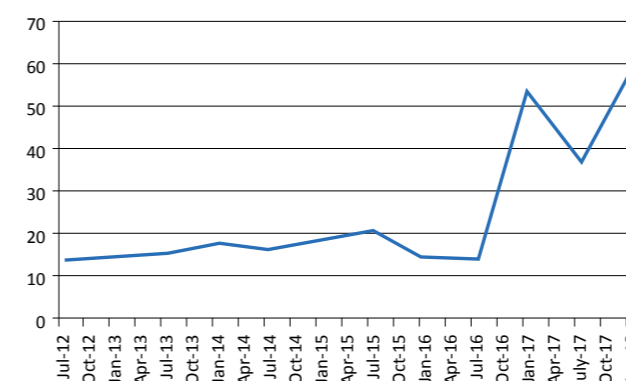
The critical role of filing advance bills of entry for overall reduction in release time cannot be overemphasized. While the departmental literature makes a distinction between advance and prior bill of entry, with former being those filed before the filing of the import general manifest (IGM) and the latter being filed after IGM but before grant of entry inward, this study refers to all bills of entry filed before the grant of entry inward as advance bills of entry.

Filing of advance bills of entry enables the initiation of the processing of the documents before the arrival of cargo, thereby saving the time in release after its arrival at the customs port. Recognizing the importance of encouraging the trade to file advance bills of entry, JNCH has been conducting outreach programmes since 2016. As a result, the share of advance bills of entry has increased significantly from 14.9% in July, 2016 to 53.3% in January, 2017.

During the present study period, 8663 bills of entry, accounting for 58.7% of the total number of 14,757 bills of entry were filed as advance bills of entry.

The average release time for all advance bills

Share of advance bills of entry

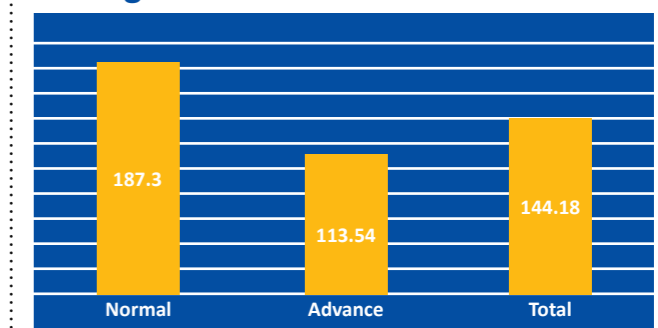


of entry has improved marginally from 119.12 hours in January 2017 to 113.54 hours in January 2018.

The study found that in January 2018, the average release time for 8,663 advance bills of entry at 113.54 hours was about 39.3% lower than 187.30 hours for 6,094 normal bills of entry in January 2017.

The study found it surprising that despite the obvious benefit of significantly lower release time, more than 40% of the bills of entry were not filed in advance. Therefore, the team reached out to customs brokers to identify the main constraints faced by the trade in filing advance bills of entry.

Average Release Time : Advance Vs Normal



The main reasons mentioned were: (a) delay in receipt of original documents from the consignor, particularly in cases of imports from south-east Asian countries and Middle East with shorter transportation time; (b) delay in receiving certificate of origin; (c) time and cost involved in amendment process, should there be need for such amendment, which is understood to be more likely in the case of LCL consignments, since the importer does not have the details of the Master Bill of Lading; (d) (misplaced) concern that duty payment liability will start immediately after completion of assessment, even before the arrival of the cargo; and (e) (misplaced) concern that any likely change in the exchange rate would require amendment in the bill of entry.

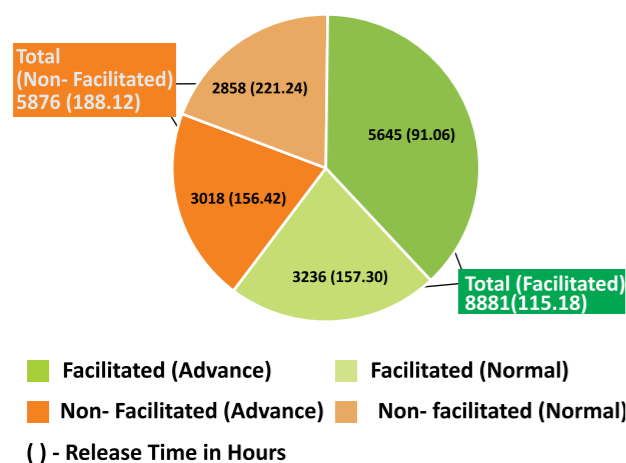
The study recommends that JNCH should continue with the outreach efforts clarifying misplaced doubts regarding timing of duty payment liability and exchange rate, explaining the public notices that allow filing bills of entry, even in the absence of original documents, and further simplify the amendment process. JNCH should also take lead in reaching out to other agencies for e.g., banks and shipping lines involved to ensure expeditious delivery of required documents to the importers.

8.3 FACILITATED vs NON-FACILITATED BILLS OF ENTRY

Increasing the level of facilitation has been one of the objectives of the risk management system of the CBEC. There are different grades of facilitation provided under the RMS, with the lowest risk category being cleared on the basis of self-assessment by the importer, without subjecting the cargo to either assessment or examination. In this sub-section, it is this lowest risk category bills of entry that have been treated as facilitated, often referred to as fully facilitated bill of entry. This level of full facilitation has increased from 55.4% (6,893 bills of entry) in January, 2017 to 60.2% (8,881 bills of entry) in January, 2018. Interestingly, RMS accorded full facilitation to 65% of the advance bills of entry, but to only 53% of the normal bills of entry. It may, however, be clarified that this statistical fact is not intended as an observation on the risk parameters under RMS.

The average release time for all facilitated bills of entry, including both advance and normal, has improved from 139.51 hours in January, 2017 to 115.18 hours in January, 2018.

The stratified release time for advance/normal and facilitated/ non-facilitated bills of entry is presented below:



STAGE-WISE ANALYSIS:

The average release time of facilitated bills of entry was found to be high at 115.18 hours and even for the advance facilitated bills of entry the release time was found to be higher than the TFA target of 72 hours. Therefore, the stage-wise analysis was done separately for advance and normal bills of entry.

In the case of advance bills of entry, the self-assessment is completed before entry inwards. The table below presents the comparative stage-wise average time taken in the case of advance bills of entry:

Stages	Stakeholder	January 2018		January 2017	
		In hours	%	In hours	%
Assessment to Payment*	Importer /CB	95.24	0	117.42	0
Entry inwards to payment**	Importer /CB	50.48	55.64%	73.24	72.80%
Payment to Registration	Importer/CB	37.06	40.85%	19.06	18.90%
Registration to Out of charge	Customs	3.18	3.51%	8.3	8.30%
Release time	All	91.12	100%	101.0	100%

- * Gross time taken from assessment to payment of duty
- ** Net time taken from entry inwards to payment of duty, ignoring the time from assessment to entry inwards.

The study reveals the following: (a) there is an improvement in the release time of about 9 hours, which is attributable to improvement of about 23 hours in payment of duty that is offset by 18 hours of additional time taken from payment of duty to registration; and (b) customs has reduced the time taken from registration to out of charge by about 5 hours to minimal about 3 hours. The improvement in the performance of customs in granting prompt out of charge is attributable to higher DPD clearance and mechanism for out of charge being given from JNCH itself.

In the case of normal facilitated bills of entry, there is an improvement of about 30 hours, which

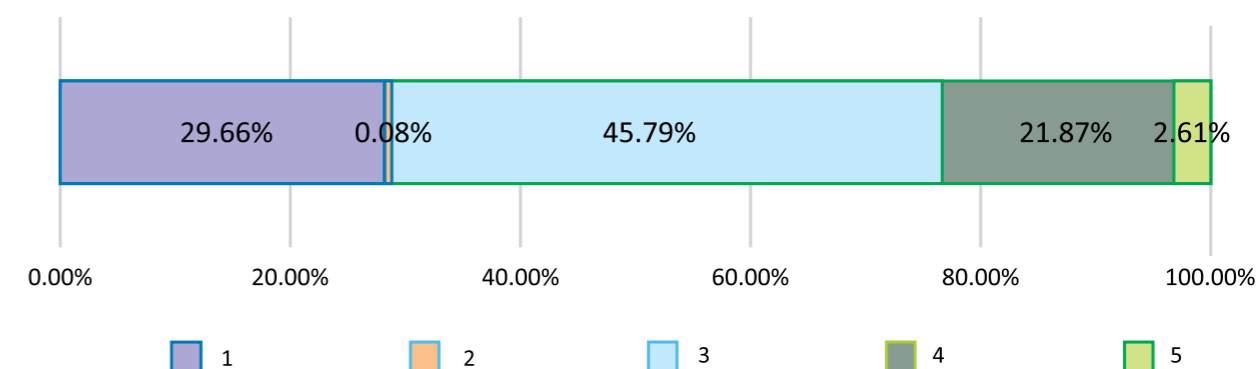
is attributable to significant reduction in the average time taken in filing of bills of entry by about 52 hours. This is evidently attributable to the introduction of provision for payment of charge for late filing of bills of entry. Unfortunately, the time taken by trade in the subsequent two processes of assessment to payment of duty and thereafter to registration has increased by about 25 hours. With customs further reducing the time taken from registration to out of charge by another 3 hours, the release time for normal facilitated bills of entry has improved by about 30 hours from January 2017 to January 2018.

STAGE-WISE TIME ANALYSIS OF NORMAL FACILITATED BILLS OF ENTRY

Sr. No.	Stages	Stakeholder	January 2018		January 2017	
			In hours	Percentage	In hours	Percentage
1.	Entry Inwards to Submission	Importer /CB	46.18	29.66%	98.18	53%
2.	Submission to Assessment	Customs	0.12	0.08%	0.08	0.04%
3.	Assessment to Payment of duty	Importer /CB	71.3	45.79%	57.12	31%
4.	Payment to Registration	Importer /CB	34.06	21.87%	23.24	13%
5.	Registration to Out of charge	Customs	4.06	2.61%	7.08	4%
	Release time	All	156.12	100%	186.2	100%

The graph below shows that the share of time taken by customs in the total release time is about 2.7%.

Normal Facilitated Bills of Entry



8.4 AEO vs NON-AEO

The Authorized Economic Operator (AEO) scheme is a flagship scheme of the CBEC, which entitles the entities with several benefits that are expected to result in relatively lower release time. The total number of importers/exporters registered as AEO with CBEC is about 400. In addition, about 125 logistics operators are also registered under the scheme. During the study period, 4,295 bills of entry were filed by these AEO importers, accounting for 29.1% of the total bills of entry filed.

The study affirms that higher level of facilitation is one of the obvious benefits of the AEO programme. It is seen that the full facilitation level for the AEO bills of entry was 84.6%, which was significantly higher than the average facilitation

level of 60.2%.

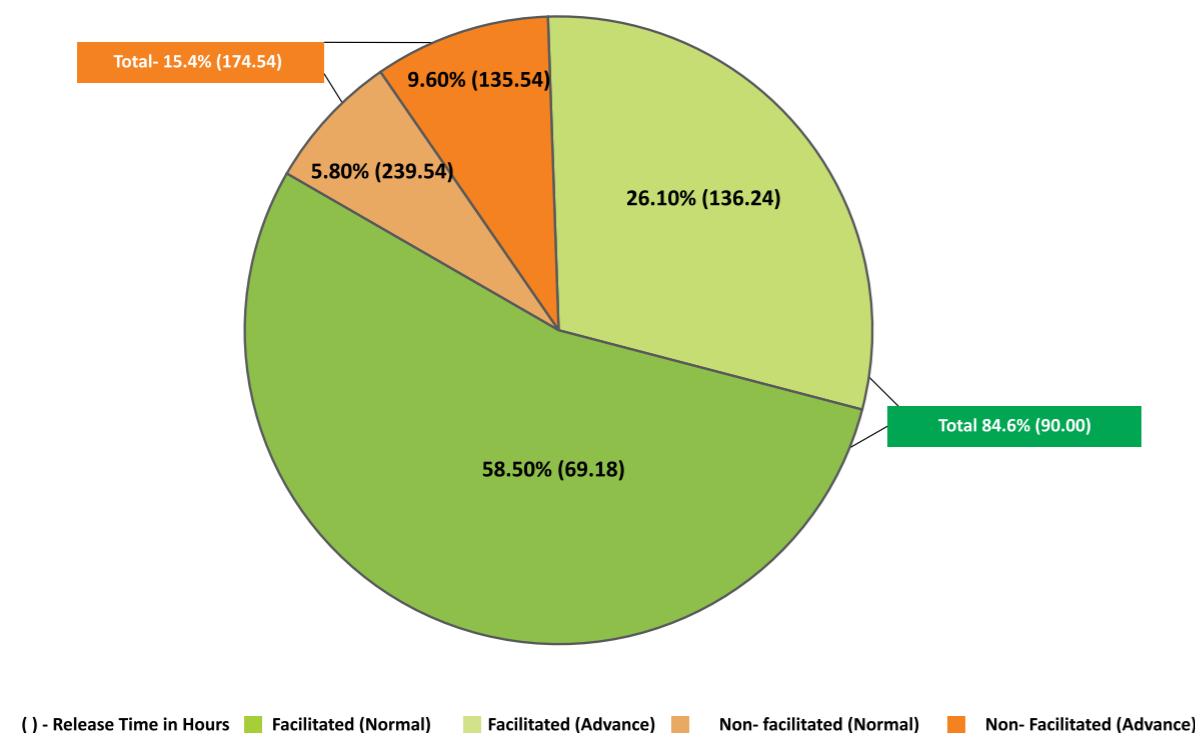
The average release time for AEO bills of entry was 103.06 hours as against the release time of 144.18 hours for all bills of entry.

The stratified release time data for AEO advance/ normal and facilitated/ non-facilitated bills of entry is presented below:

The study recognizes that the average release time of all advance facilitated bills of entry, constituting 58.50% of the total bills of entry filed by AEO importers, at 69.18 hours is better than the National Action Plan target of 72 hours. However, it is surprising that even among the AEO importers, 31.9% of bills of entry are filed as normal bill of entry.

The study recommends that JNCH should accord highest priority to the CBEC mandate of enrolling more members under the AEO scheme and interact closely with them to identify reasons that restrict filing of advance bills of entry and work towards removing those constraints, in consultation with the concerned stakeholders.

HELPS TO BE AEO



8.5 DPD vs NON-DPD

Direct Port Delivery (DPD) scheme is a flagship scheme at the JNPT, which is being spear-headed by JNCH in close cooperation with all stakeholders, to reduce the release time and improve the ease of doing business. The scheme allows cargo to be given out of charge directly from the terminal premises, thereby eliminating the requirement of containers being moved to CFSs for the purpose. The DPD scheme has been proactively promoted by JNCH since the second half of 2016. As a result, the number of DPD clients has increased from around 15 in January, 2016 to around 600 in January, 2017 and further to 1522 in January, 2018.

The number of bills of entry filed by DPD clients have increased by 83.7% from 3,067 (24.7% of the bills of entry filed) in January 2017 to 5,634 (38.2% of bills of entry) in January 2018. The level of full facilitation for the DPD bills of entry was 75.1%, as against average full facilitation level of 60.2%.

The average release time for DPD facilitated bills of entry has improved from 121.04 hours in January, 2017 to 84.48 hours in

January, 2018.

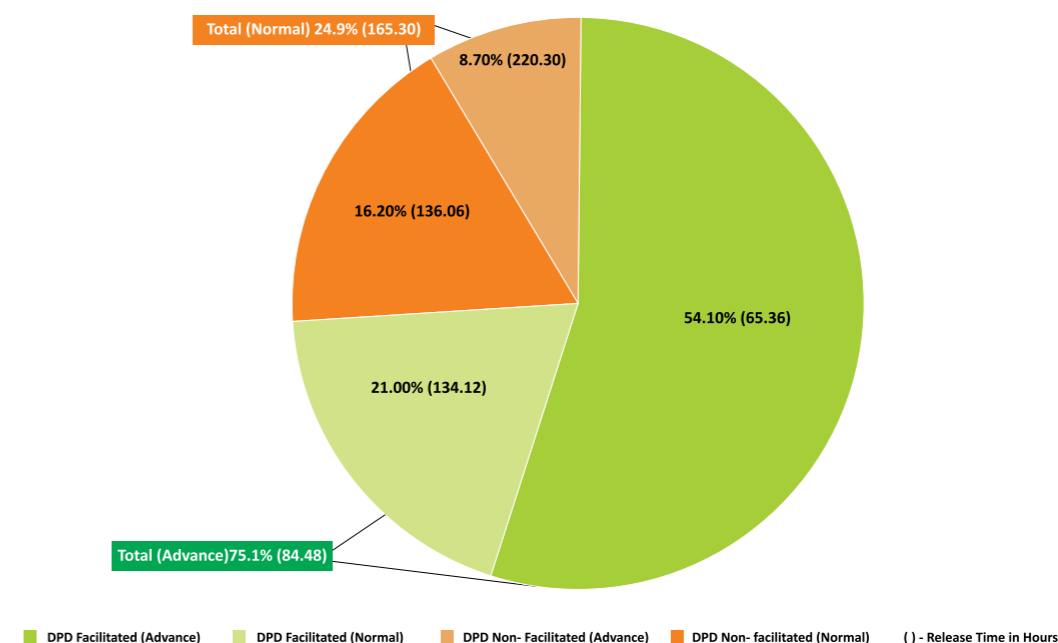
The release time for DPD facilitated vis-à-vis DPD non-facilitated bills of entry is presented below:

It is a matter of great satisfaction that the average release time target of 72 hours under National Action Plan under TFA has been significantly bettered at 65.36 hours in respect of advance facilitated DPD bills of entry.

The study recommends that promotion of DPD scheme should continue to be at the core of efforts by JNCH to reduce the release time. It may consider change in the present scheme that requires the DPD clients to intimate the shipping lines regarding DPD status in respect of each consignment to treating DPD status as the default option for all consignments of the enrolled clients.

The study also found that creation of facility for on-wheel examination/drawal of sample in the terminal premises would increase the off-take of DPD scheme and further reduce the release time for such bills of entry.

DPD BENEFITS



8.6 FULL CONTAINER LOAD vs LESS THAN CONTAINER LOAD

LCL cargo representing small consignments can be used as a proxy for small importers vis-à-vis FCL cargo representing large consignments. While LCL cargo would imply more than one bill of entry per container, FCL bill of entry may cover one or more than one container.

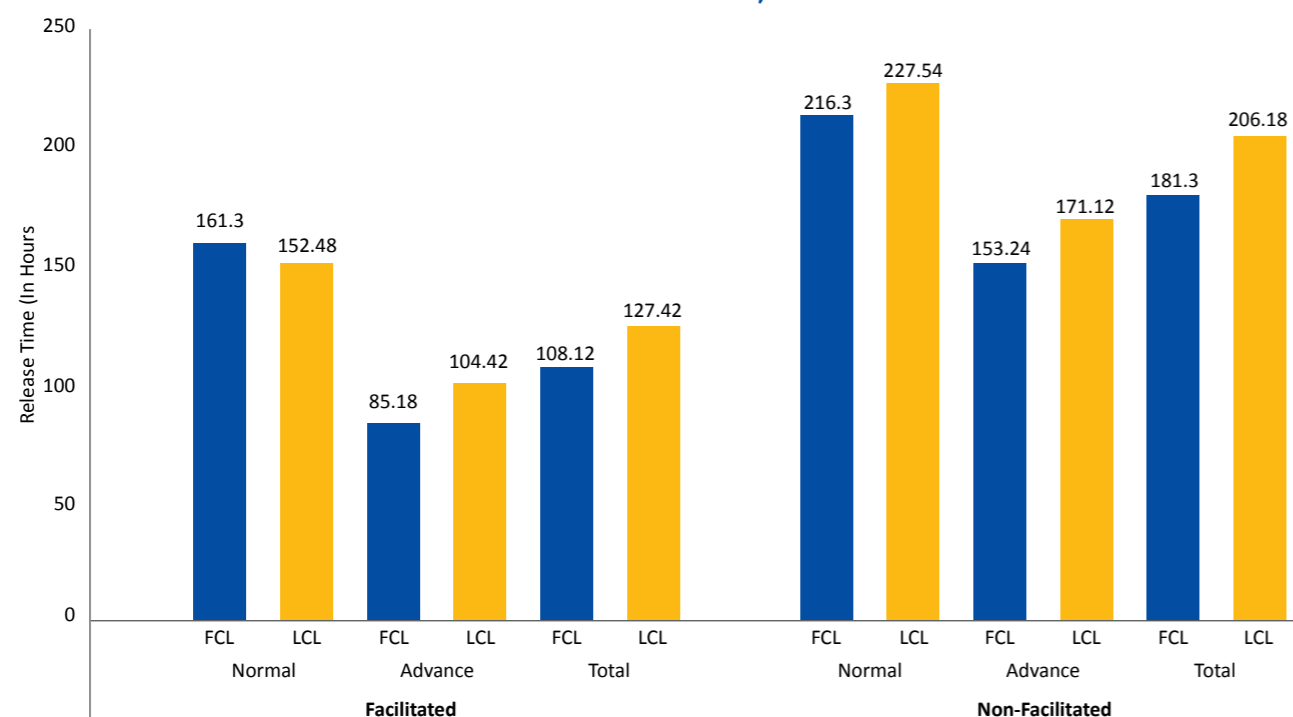
During the study period, 14,701 bills of entry related to either FCL or LCL cargo, with balance 56 bills of entry related to liquid bulk cargo were filed. Of these 14,701 bills of entry, 4,552 bills of entry (31%) related to LCL cargo, and the balance 10,149 (69%) of bills of entry related to FCL cargo.

The average release time for LCL bills of entry was 151.36 hours, whereas the release

time for FCL bills of entry was lower at 140.24 hours.

The stratified analysis of the release time for LCL bills of entry vis-à-vis FCL, presented below, reveal the following: (a) the share of LCL bills of entry filed as advance bill of entry at 47.9% is significantly lower than 63.6% for FCL bills of entry; (b) release time for LCL bills of entry is higher than the FCL bills of entry, except for facilitated normal bills of entry; and (c) the level of facilitation at 69.6% in the case of LCL bills of entry is perceptibly higher than 56.0% in the case of FCL cargo.

AVERAGE RELEASE TIME; FCL VS LCL



8.7 LIQUID BULK CARGO:

The processes and issues involved in clearance of bills of entry covering liquid bulk cargo are expected to be different from those relating to containerized cargo. During the sample period, 56 bills of entry (0.38% of all bills of entry) were filed covering liquid bulk cargo.

At JNPT, two berths are earmarked for vessels containing liquid cargo known as BPCL jetty. After berthing of the vessel and completion of the boarding formalities, the discharge of liquid cargo through pipe line to the tanks, known as shore tanks, takes place. During the discharge of the liquid cargo, ullage survey report (discharge port report of quantity of liquid bulk cargo) is prepared and signed by Master of the Vessel and surveyor and the Boarding Officer.

The liquid bulk cargo cleared through JNCH are of the following three types: (i) edible oil, including crude palm oil, soya bean oil, crude sunflower seed oil, crude kernel oil, RBD palm-olein oil; (ii) petroleum products, such as base oil; and (iii) chemicals, including butyl acrylic, acetone, phenol, acetic acid, aniline, etc.

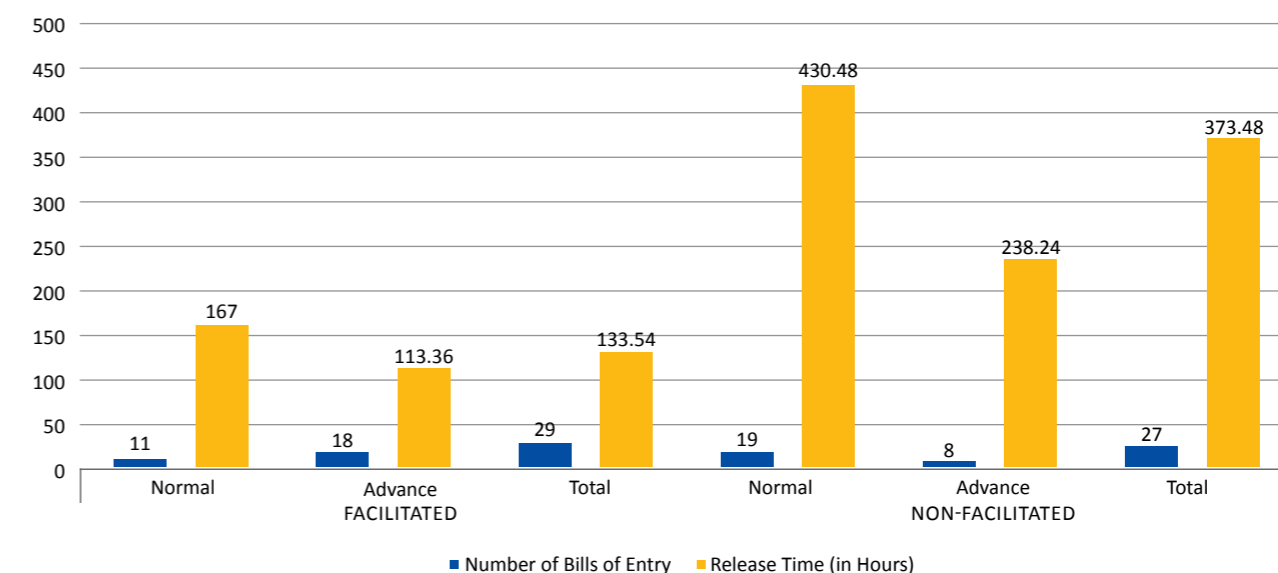
The clearance of liquid cargo takes place under either home consumption or warehousing bill of entry. These bills of entry can be filed either as advance or normal bill of entry. The shore tanks are owned and operated by M/s IMC Ltd, M/s Ganesh Benzoplast and M/s Suraj Agro Pvt. Ltd. These are appointed as Private Bonded Warehouse under section 58 of the Customs Act.

During discharge of liquid cargo sampling is done and representative samples, drawn in duplicate, are sent to DYCC or FSSAI as per nature of cargo, for test. In the case of edible oil, sample is sent to DYCC and FSSAI both for determination of grade of crude and content and to verify whether the same is fit for human consumption. Only after the receipt of test report from FSSAI and DYCC, goods are given out of charge.

For grant of out of charge, the bill of entry for home consumption or warehousing is presented to the Boarding Superintendent. In majority of the cases, the assessment is provisional and in the case of warehousing, they have to comply with the formalities of warehousing as well. After taking out of charge from Boarding Superintendent, importer files ex-bond bill of entry as per their requirement. Till then the cargo is kept in the bonded tank as stated above.

The average release time in respect of the 56 bills of entry filed in respect of liquid bulk cargo was 249.36 hours.

The disaggregated release time is presented below:



The study found that the facilitation level in the case of liquid bulk cargo is 51.8%. This lower level of facilitation is attributable to the bulk nature of cargo, the need for determination of the crude grade and content on account of applicability of tariff value in the case of many edible oils, and its edible status that may require no objection from FSSAI.

The study identified that the main reason for inordinate delay in giving out of charge to liquid bulk cargo is attributable to the need for test by FSSAI, which usually takes 6-7 days, since the samples are required to be sent to various laboratories in Mumbai and in some cases even outside Mumbai. The testing procedure by DYCC involves about 2-3 days.

The study found that the significantly higher release time for liquid bulk cargo results in payment of substantial rent for storing the cargo in shore tanks. More importantly, since this blocks the availability of shore tanks for further storage, it also results in pushback of the arrival and berthing of incoming vessel carrying liquid bulk cargo. The incoming vessels are, therefore, compelled to wait at the outer anchorage, entailing demurrage charges.

The study acknowledges that the present analysis based on the number of bills of entry does not accord due weightage to the problems associated with the high release time for liquid bulk cargo.

It recommends that JNCH should strive towards minimizing the release time for such cargo in close cooperation with FSSAI, since it is the testing requirement and associated cumbersome procedure that entail significant delays. Construction of additional shore tanks would also help in reducing the release time.

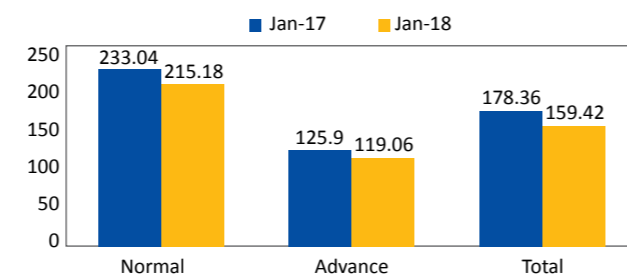
8.8 SECOND CHECK - ASSESSMENT ONLY

The second check bills of entry are those bills of entry that are identified by the RMS for assessment only, with no physical examination of the goods prescribed. The other category of second check bills of entry are those, wherein for assessment by group and physical examination by docks are prescribed. This study has, however, included both kinds of second check bills of entry under the category of non-facilitated bills of entry.

In January, 2017, 6% of the total bills of entry were subjected to second check with assessment only. The share of this category of facilitated bills of entry has increased to 11.2% (numbering 1,649) in January, 2018, along with the increase in the share of fully facilitated bills of entry from 53.2% in January 2017 to 60.2% in January, 2018. As discussed later in the study, there has been proportionate decline in the share of bills of entry, subjected to second check with assessment and examination and first check.

The study found that the average release time for second check bills of entry with assessment only has come down from 178.36 hours in January 2017 to 159.42 hours in January 2018.

The disaggregated release time for second check bills of entry are presented below:



The study recommends JNCH to conduct outreach programme to encourage trade to avail of e-sanchit facility for uploading supporting documents online.

8.9 SECOND CHECK - ASSESSMENT AND EXAMINATION

The bills of entry that are subjected to second check with assessment and examination are non-facilitated bills of entry, involving higher release time. Therefore, it has been the effort of CBEC to reduce the share of bills of entry under this category, subject to risk consideration.

The study found that, consistent with the CBEC objective, the number and share of bills of entry subjected to second check with assessment and examination has declined from 4,249 bills of entry (34%) during January 2017 to 3,698 bills of entry (25.1%) during January 2018. **However, the**

In order to identify the reasons for increase in the release time for such second check bills of entry, separate stage-wise analysis was conducted in respect of advance bills of entry. It was found that while the time taken by trade in payment of duty and by customs in giving out of charge after registration has come down, the time taken by the trade from payment of duty to registration of goods has increased from 22.24 hours in January 2017 to 61.36 hours in January 2018.

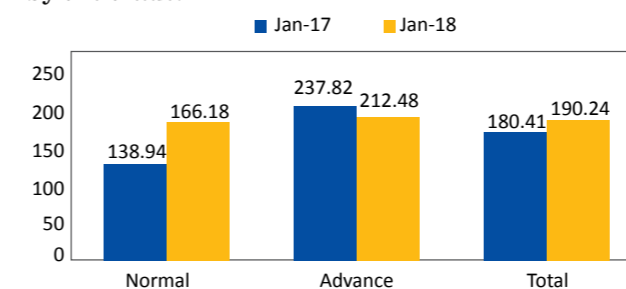
The study recommends that JNCH needs to

STAGE-WISE TIME ANALYSIS OF ADVANCE BILLS OF ENTRY

Stages	Stakeholder	January 2018		January 2017	
		Time taken (in hours)	Time taken (percentage)	Time taken (in hours)	Time taken (percentage)
Entry inwards to Payment of duty	Importer /CB	93.6	56%	110.74	75%
Payment to Registration	Importer/CB	61.36	37%	22.24	15%
Registration to Out of Charge	Customs	12.1	7%	14.74	10%

study found that the release time in respect of these second check bills of entry has gone up from 180.41 hours in January, 2017 to 190.24 hours in January, 2018.

The comparative release time, as presented below, show that the overall increase in release time is on account of increase in the release time of advance bills of entry by 27.24 hours, which cannot be attributed to late filing of bills of entry by the trade.



focus on this category of bills of entry, accounting for about 25% of total bills of entry, to significantly reduce the release time. The roadmap in this regard would need to critically examine the commodities and sub-processes, some of which are discussed later in the report, that continue to take relatively longer time.

It is also recommended that JNCH should also explore the possibility of greater use of technology in its examination and testing processes to reduce the time involved as well as improve the effectiveness of such examination/testing.

8.10 FIRST CHECK

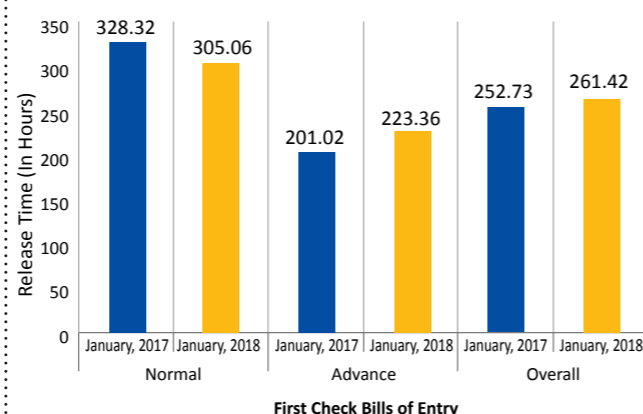
The first check bills of entry entail maximum release time, which is inherent in the processes involved in the customs clearance. The reasons that necessitate first check are well known (as briefly discussed below) and overtime JNCH has reviewed its policy to minimize the recourse to first check. As a result, first check was resorted to in the case of 4.1% of bills of entry in January 2017 and declined to 3.5% (529) of bills of entry filed in January 2018.

First check may be resorted to either at the initiative of the importer in case, she does not have complete information with her at the time of import and may request for examination of the goods before assessment of the duty liability. First check may also be undertaken in case the customs officer is of the view that the assessment should not be completed without prior examination of the goods. Some of the cases that have very high possibility of first check are: (a) cases of re-import wherein it is mandatory to verify that the goods imported are the same as the goods claimed to have been exported; (b) cases of import of all types of scrap that require 100% examination as per extant CBEC guidelines; and (c) cases of import of second hand/used machinery that requires examination along with valuation etc. by customs officers along with a chartered engineer to arrive at residual life and valuation of the goods. In a significant number of such first check cases, further time is taken in the adjudication process, wherever infringements of the provisions of the law are detected.

The study shows that the average release time for first check bills of entry increased from 252.43 hours in January 2017 to 261.42 hours in January 2018.

As shown below, this increase in the average release time is attributable to the release time for

advance bills of entry, which may be due to various reasons. The comparative release time for advance and normal first check bills of entry are presented below:



The study observed that the cases of first check are already very few and further reduction in its share would be possible with the installation of new scanning facility. JNCH should also explore the possibility of greater use of technology in its examination process to reduce the time involved as well as improve the effectiveness of such examination (see section on scanning queues).

9 Analysis of Import Data Categorization by commodities

9.1 ARE CHOCOLATES BITTER (FOOD ITEMS)

This sub-study has been completed in close cooperation with the officers of Food Safety and Standards Authority of India (FSSAI).

The process of clearance of food items is expected to be more time-consuming since the cargo requires clearance from the point of view of Food Safety and Standards Act, 2006. While the food items that may require “No Objection Certificate” from FSSAI may fall under different chapters of the Customs tariff, this sub-section has covered the release time of food items falling under Chapters 7 (edible vegetables and certain roots and tubers), 8 (edible fruit and nuts; peel of citrus fruit or melons) and 9 (coffee, tea, mate and spices) of the Schedule I to the Customs Tariff Act 1975 only as representative of all food items.

FSSAI is one of the PGA that is part of the Single Window Interface for Trade (SWIFT) initiative of CBEC. The SWIFT allows importers the facility to lodge their clearance documents online at a single point only. The required permissions, if any, from these regulatory agencies are expected to be obtained online without the importer having to approach these agencies, thereby reducing the need for interface with the concerned agencies.

The average release time, from grant of entry inwards to out of charge, for all 514 bills of entry relating to the three chapters and separately for

In this section release time has been presented in respect of certain specified commodities viz food, pharmaceuticals, fertilizers, plastics, textiles & auto-components that are expected to entail different release time on account of issues or procedures peculiar to these commodities. Some of the commodities covered in this section have been analyzed in close cooperation with the concerned participating government agencies, utilizing their database in addition to the standard customs data.

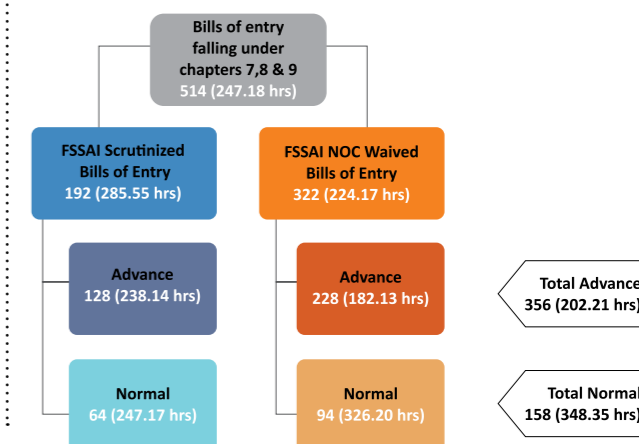
bills of entry selected by RMS for reference to FSSAI have been calculated from the Customs data.

It is seen that of the 514 bills of entry (accounting for 3.5% of all bills of entry) filed during the sample period, 214 bills of entry (41.6%) were referred to FSSAI by RMS, with balance 300 bills of entry being facilitated. Out of these 214, 2 bills of entry were further facilitated by Food Import Prioritization System (FIPS) and one was given out of scope, not being a food commodity, leaving out 211 for analysis by FSSAI. Out of 211 bills of entry, 6 bills of entry have not been scrutinized by FSSAI and 13 bills of entry are still pending out of charge. In one case, no objection certificate was denied by FSSAI.

The average release time for all food bills of entry was 247.18 hours, which is significantly higher than the overall average release time of 144.18 hours.

The average release time for 192 food bills of entry that were scrutinized by FSSAI was significantly higher at 285.55 hours.

The time release for different categories of bills of entry, separately for those that were sent to FSSAI and those where such NOC requirement was waived are presented below:



The study examined the FSSAI processes to assess the time taken in various sub-processes, which is briefly summarized below:

FSSAI process:

Recognizing the importance of expeditious clearance of imported food items, FSSAI has implemented the Food Import Prioritization System (FIPS) since Sept 19, 2016. FIPS comprises of three stages:

Stage I - Pre-Arrival Document Scrutiny (PADS), to avoid delay in scrutiny after arrival of consignment.

Stage II - Compliance based risk prioritization to exempt testing procedure based on compliance history of the product, formulated on the basis of specified parameters.

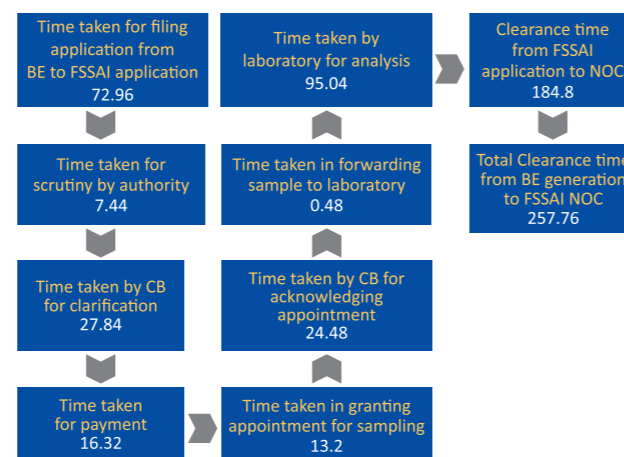
Stage III- Risk ranking based prioritization, inherent risk measure and control risk measure.

FIPS classifies certain items such as edible oils and fats, infant formulae, pulses, food colours, food additives, cereals, milk powder etc. as high risk items. The high risk food consignments are selected for visual inspection as per prescribed norms that include 100% sampling for first five consignments. Imported articles of food are being waived off from FSSAI procedure based on scientific FIPS and are being released directly.

The study considered the FSSAI dataset covering 214 bills of entry that were referred by the RMS. It showed that the average time taken by FSSAI in giving NOC from the time of submission of bill of entry was 10.74 days, which included about 4 days that were utilized by the concerned laboratory for the purpose of analysis. It may be mentioned that FSSAI currently maintains only date stamps and not time stamps. The study found that the same practice is being followed by other PGAs as well as DYCC. **It is recommended that all concerned agencies should be advised to shift to maintaining proper time stamp for better record and analysis.**

The analysis of FSSAI data has been conducted without segregating the normal and advance bills of entry, in view of the fact that the FSSAI process starts from the submission of the

bills of entry. The flow chart showing the average time taken at different stages of FSSAI clearance is presented below:



The study found that the process of obtaining NOC from FSSAI is long drawn and time consuming. It noted that FSSAI and JNCH have been trying, in consultation with importers/custom brokers, to streamline the said process. Given that a significant percentage of bills of entry are referred to FSSAI, the study recommends that there is an urgent need to further simplify and streamline the process involved in clearance of food items.

The study also found that there is perceptible lack of awareness among the trade about the recent initiatives by FSSAI regarding simplification of the process and therefore suggests early publication of digital handbook and outreach programme for the regular importers/customs brokers.

Investment in infrastructural facilities for food testing in close proximity to JNPT would reduce the inordinate time being currently spent in transporting the samples to various laboratories across Mumbai city and beyond. It is understood that the time taken for food analysis can also be substantially reduced by adoption of modern techniques for analysis such as Reverse Transcription Polymerase Chain Reaction (RT-PCR).

The testing of samples by FSSAI is a fee based activity and the study found that delay in payment of fees by importers was one of the reasons for long time taken in granting NOC. It is suggested that FSSAI may explore the possibility of introducing a Passbook scheme, on the lines of Textiles Committee or any similar facility.

9.2 PAINLESS PHARMACEUTICALS

This sub-section, covering the release time of pharmaceutical products falling under Chapter 30, has been completed in close cooperation with the officers of Assistant Drug Controller (ADC). It relies on the records and data maintained by ADC for calculation of the time taken in the sub-processes. However, the average time release calculation from grant of entry inwards to out of charge has been done based on the Customs data.

In India, import, manufacturing, sale and distribution of drugs is regulated under the Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945 made thereunder. Any substance falling within the definition of drug [Section 3(b) of the Act] is required to be registered before import into the country. In this backdrop, goods classifiable under chapter 30 of Schedule I to the Customs Tariff Act, 1975 require NOC from the Office of the Assistant Drug Controller to determine their importability.

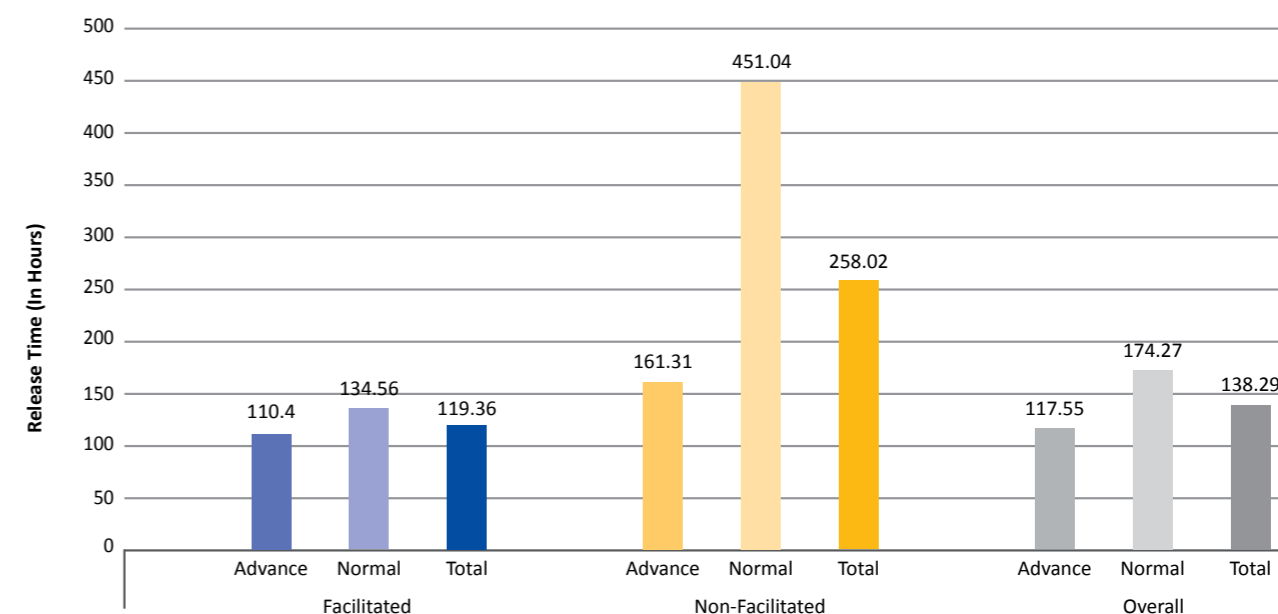
All the PGAs have been brought under the single window, wherein all the information required for import clearance by the concerned

agency has been incorporated in to electronic format of the Bill of Entry. The customs broker or the importer has to submit an “integrated declaration” electronically to a single-entry point, i.e. the Customs Gateway (ICEGATE). Upon filing of the integrated declaration, the bill of entry will automatically be referred to the concerned agency, if required, based on risk. The system has been modified to enable simultaneous processing of Bill of Entry by PGA and customs.

During the study period, only 22 bills of entry (0.15% of the total bills of entry) were filed covering goods falling under chapter 30. **The average release time in respect of these bills of entry was 138.49 hours, marginally below the overall release time of 144.18 hours.**

The study found that even though 19 bills of entry were facilitated by RMS, from revenue point of view, all the 22 bills of entry were required to obtain “no objection” from ADC. Therefore, it was felt that the difference in the release time between facilitated and non-facilitated pharmaceutical bills of entry should not be significant. Since the statistics appeared contrary to this understanding, granular data was scrutinized and it was found that in two of the three cases the delay was on account of unusually long time (of 10 and 16 days) taken by the custom broker in registration of goods.

The stratified time release data for pharmaceutical products is presented below:



The analysis of the data maintained by ADC suggest that they were able to grant NOC in 19 of the 22 cases on the same day of having received the sample and in balance three cases within next one day. However, it is seen that the time taken in drawal of samples from across various CFSs does take time that would need to be minimized in order to reduce the release time for pharmaceutical bills of entry.

9.3 PRODUCTIVITY MATTERS (FERTILIZERS)

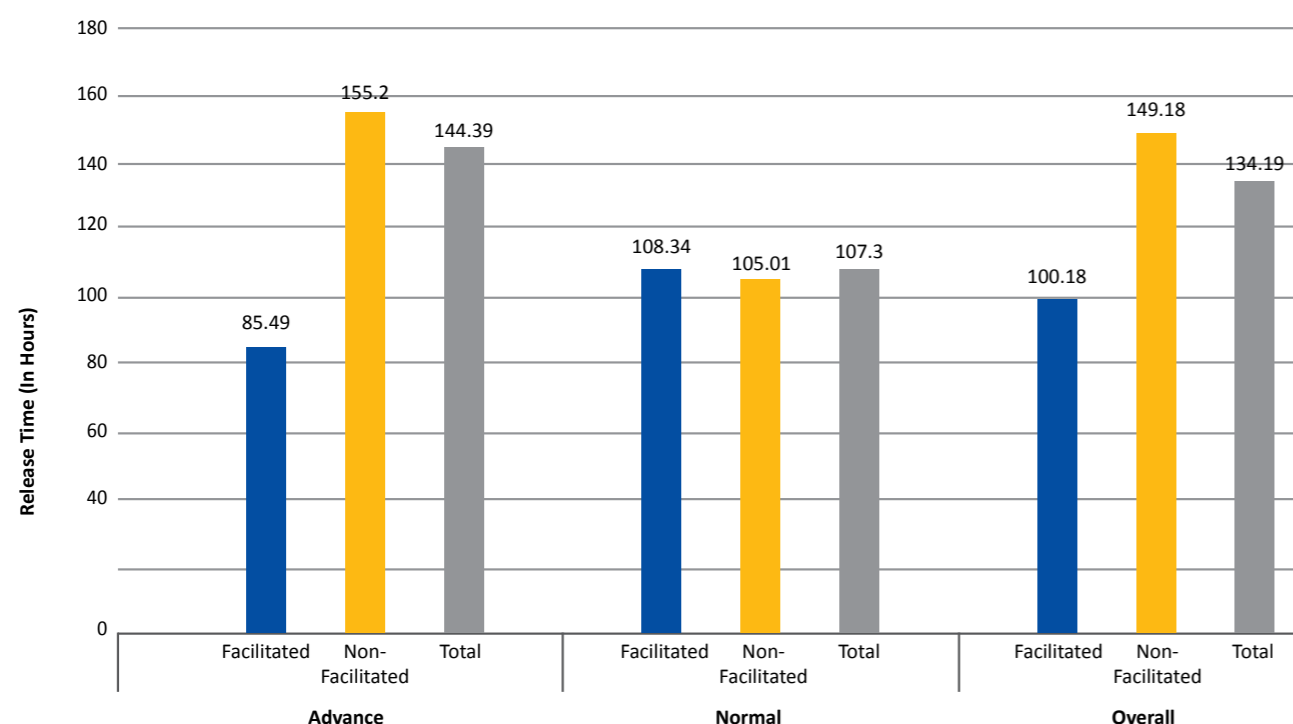
In this sub-section, release time of fertilizer items falling under chapter 31 has been presented. At present, clearance of fertilizer consignments is subject to mandatory sampling by Regional Fertilizer Control Laboratory (RFCL) for testing at their end. The Central Fertilizer Quality Control and Training Institute (CFQC&TI), Faridabad and its four regional fertilizer control laboratories under the Department of Agriculture Cooperation & Farmers Welfare take samples of imported ferti-

lizers at the discharge port for analysis thereof. Based on the analysis, the laboratories declare the samples as standard or non-standard in terms of the specifications laid down in the Fertilizer (Control) Order, 1985 (FCO), issued under the Essential Commodities Act, 1955. The FCO lays down as to what substances qualify for use as fertilizers in the soil, product-wise specifications, methods for sampling and analysis of fertilizers, procedure for obtaining license/registration as manufacture/dealer in fertilizers and conditions to be fulfilled for trading thereof, etc.

During the study period, 36 bills of entry (0.24% of the total bills of entry) were filed covering fertilizers falling under chapter 31. **The average release time in respect of these bills of entry was 134.19 hours, lower than the overall release time of 144.18 hours.**

The facilitation level for fertilizer bills of entry was 30.6%, as against the overall facilitation level of 60.2%. However, given the requirement to draw samples in all cases, even the facilitated bills of entry had to be recalled for provisional assessment by the group on furnishing test bond, pending test report from RFCL. This essentially means that each consignment has to wait for drawal of samples, post self-assessment before it can be given out of charge.

The data presented below highlights time taken in clearance of various types of bills of entry.



The study found that even though the average release time for fertilizer bills of entry is lower than the overall average, for all goods it is interesting to note that in the case of fertilizers, the time taken in the case of normal bills of entry does not improve with facilitation. This apparently surprising result, unique to this commodity, is explained by the fact that in the case of fertilizers, samples are mandated to be drawn from each consignment, thereby necessitating recall of facilitated bills of entry, which may explain the marginally higher time taken in clearance of facilitated bills of entry than the non-facilitated bills of entry. This conclusion is consistent with the stage-wise analysis showing significant time taken from registration to out of charge, sometimes upto three days, even in the case of facilitated bills of entry. This is mainly on the account of the need to draw samples only in the presence of RFCL officials, who are limited in number and visit the concerned CFS premises, as per sample drawal requirement and their availability.

The study recommends that creation of facility for on-wheel drawal of samples from the terminal premises would enable reduction in release time for fertilizers consignments, since it would obviate the need to transport the containers to CFSs for mere drawal of samples and provide a single point at the terminal premises for deployment of officers for such drawal.

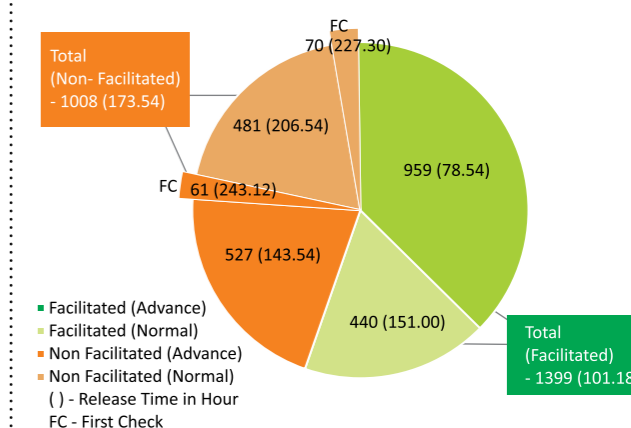
9.4 NOT TO BE SWEEP ASIDE (PLASTICS)

In this sub-section, release time for plastics and articles thereof falling under chapter 39 has been presented.

It was decided to analyze the release time for plastics separately since it was felt to be one category of items that was imported in large quantity through JNCH and also had perceptibly higher revenue risk on account of frequent mis-declaration of the grades of plastic, under valuation etc.

During the study period, 2407 bills of entry (16.3% % of the total bills of entry) were filed covering goods falling under chapter 39. The facilitation level for these goods at 58.1% was slightly lower than the average facilitation level of 60.2%. Further, it was seen that the percentage of first check at 5.4% was higher than the average first check of 3.5%.

However, the average release time in respect of all plastics bills of entry was lower at 131.54 hours vis-à-vis the overall average release time of 144.18 hours.



The study found that the lower release time for plastics, despite lower level facilitation and higher first check, was attributable to the following factors: (a) higher percentage of advance bills of entry at 61.7% as against the overall average of 58.7%; (b) the average release time for first check bills of entry for plastics was 234.48 hours as against the overall average first check release time of 261.42 hours. The lower time is attributable to the in-house streamlined, non-fee based facility for testing in DYCC at JNCH in cases that may require such tests.

9.5 KNOTTY PROBLEMS (TEXTILES)

This sub-study has been completed in close cooperation with the officers of Textile Committee, a body under the aegis of Ministry of Textiles.

The role of Textile Committee (TC) in the process of clearance of textile items is seminal. The duty structure in the entire section XI of the Customs Tariff Act, 1975 is based on the composition of the fabric/garment. Testing may also be necessitated by the fact that import of textile and textile articles are permitted subject to the condition that they shall not contain any of the hazardous dyes. Though textiles items may fall under any of the chapters of section XI, this sub-study covers textile items falling under Chapter 59 and 60 of the Schedule I of the Customs Tariff Act, 1975 as representative of all textile items.

This sub-study seeks to highlight the challenges in minimizing the release time of textiles consignment based on the analysis of data from customs dataset as well as TC.

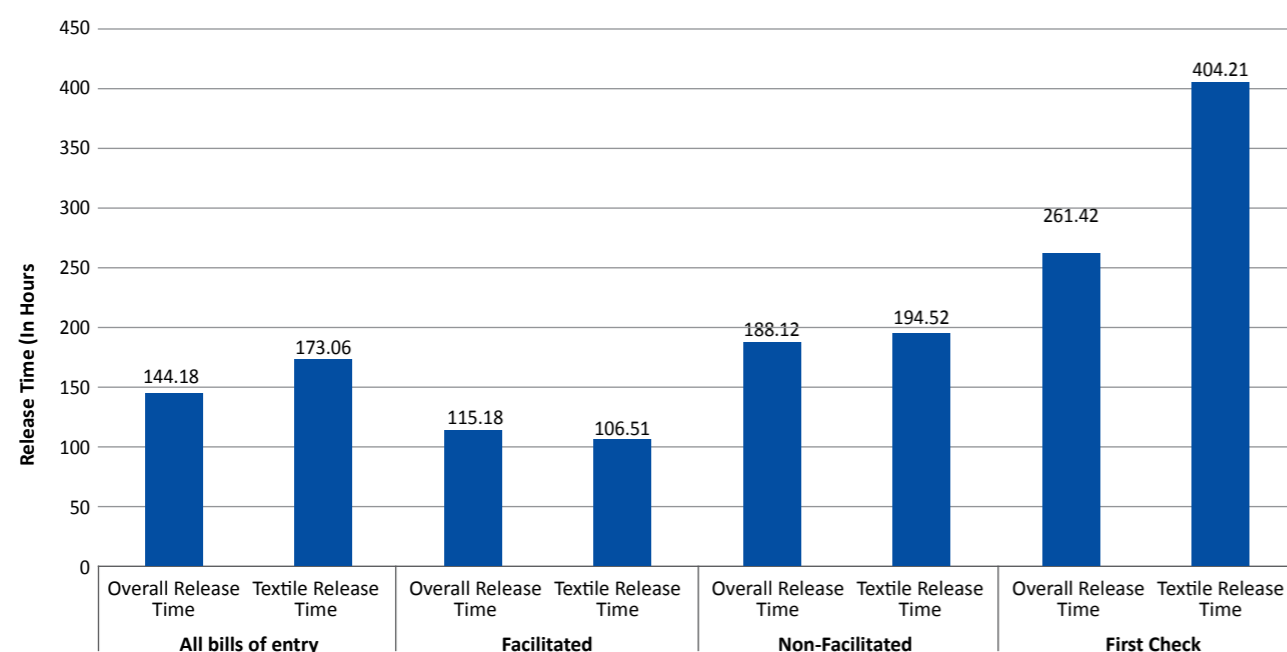
During the study period, 178 bills of entry (1.2 % of the total bills of entry) were filed covering goods

falling under Chapters 59 and 60. Out of these 178 bills of entry, 44 bills of entry were facilitated through RMS accepting the self-assessment by the importer, without requiring assessment or examination. It is noted that the full facilitation level for textiles items at 24.7% is significantly lower than the overall full facilitation level of 60.2%.

Of the remaining 134 non-facilitated bills of entry, 113 bills of entry were subjected to second check assessment. Ninety-nine out of the 113 bills of entry were assessed finally since they had a valid previous test report (PTR) of the imported item, meaning that the articles under import of the same description from the same supplier had undergone testing in the last six months. The remaining 14 were provisionally assessed. Out of the total bills of entry filed, 21 bills of entry were subjected to first check, i.e. the assessment was completed only after receipt of test report from TC. It is noted that the percentage of bills of entry subjected to first check at 11.8% was significantly higher than the overall level of 3.5%.

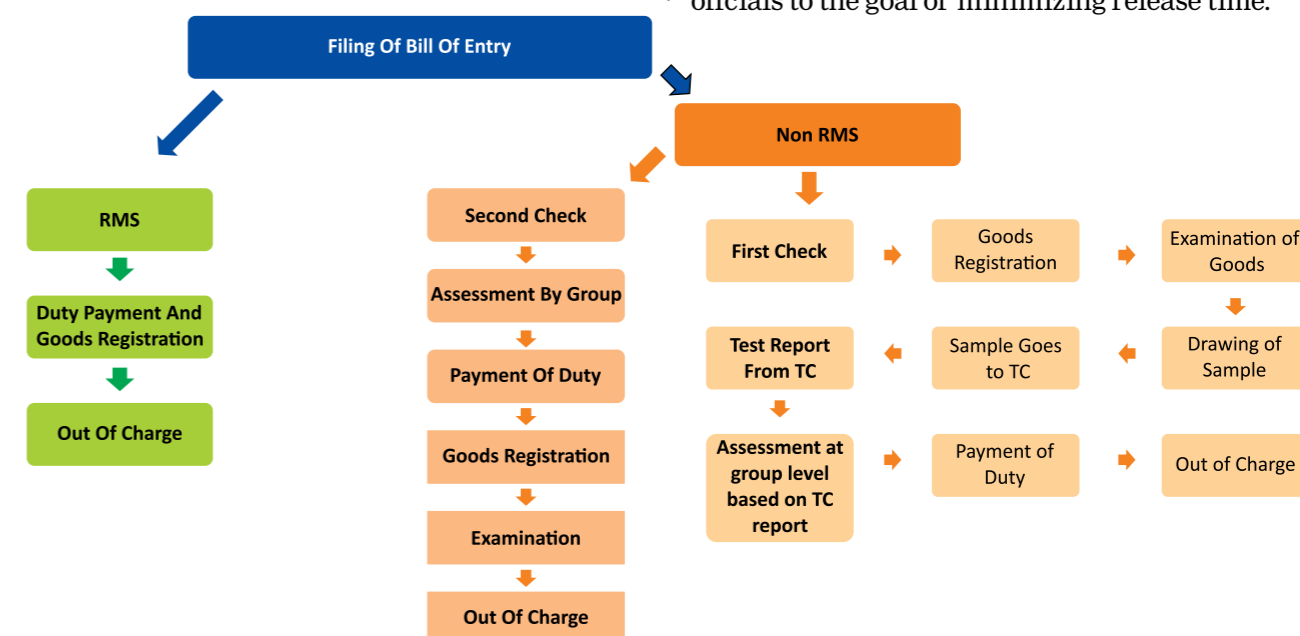
The average release time for 178 textiles bills of entry was 173.06 hours, as against the overall average release time of 144.18 hours.

The study compared the average release time data for textiles with the overall release time and found that the textiles time release is higher in respect of all categories of bills of entry, except facilitated bills of entry, as presented below:



The three primary reasons for the higher release time for textiles bills of entry were: (a) significantly lower level of facilitation (24.7% vis-à-vis 60.2%); (b) relatively higher level of bills of entry subjected to first check (11.8% vis-à-vis 3.5%); and (c) relatively higher release time of first check bills of entry (404.21 hours vis-à-vis 261.42 hours).

The flow diagram below represents the process of clearance of the bills of entry of textile items referred to TC.



The data maintained by TC showed that on an average it takes 3.85 days for giving a test report in case of first check bills of entry. Another significant factor contributing to this overall time taken by TC is that often there is delay in timely payment of testing fees by the importer/ custom broker. In the present study, in approximately 25% of cases that were referred to TC for first check, the average time taken by the importer/ custom broker for payment of testing fees was 3-4 days.

The study found that TC has introduced the facility of passbook system for payment

of testing fees by the importer/broker but its utilization is still unimpressive. It is recommended that JNCH, along with TC, may reach out to regular importers of textiles items to start using passbook system with TC.

The stage-wise time analysis in this case was constrained by the fact that TC presently maintains simple date wise records rather than precise timestamps. It is felt that maintenance of precise time stamps will improve the quality of time release study and enhance the sensitivity of officials to the goal of minimizing release time.

9.6 NOT YET ON AUTO-PILOT (AUTO COMPONENTS)

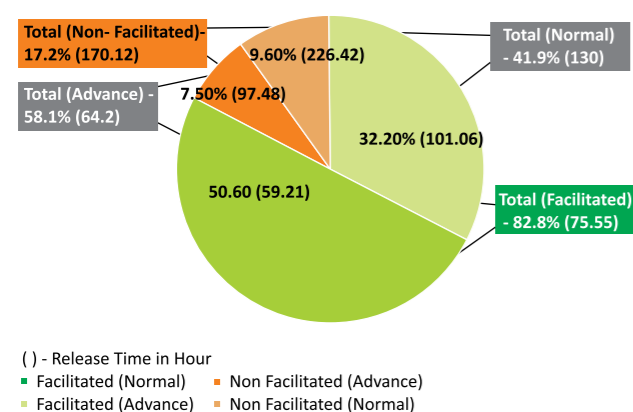
In this sub-section, release time in respect of bills of entry for auto-components falling under customs tariff heading 8708 has been presented.

The World Bank "Ease of Doing Business" Index takes into account the release time in respect of these goods imported into India through, inter alia, JNCH in its ranking exercise. It was, therefore, felt appropriate to present the disaggregated release time for auto-components.

During the sample period, 332 bills of entry, accounting for 2.2% of the total bills of entry, were filed covering goods falling under tariff heading 8708.

The average release time for these bills of entry was 91.52 hours.

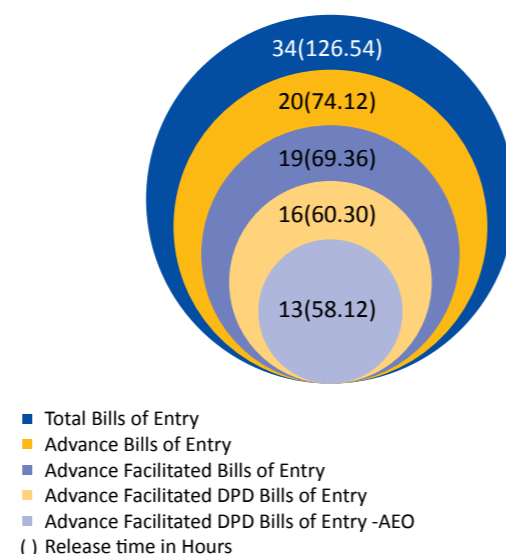
The study delved deeper to disaggregate these bills of entry under various categories to quantify the release time in respect of these bills of entry:



It is found that the average release time advance facilitated Bills of Entry was 59.21 hours.

9.6.1 AUTO COMPONENTS IMPORTED FROM SOUTH KOREA:

For import of auto components from South Korea, 34 bills of entry were filed during the sample period. These 34 bills of entry were cleared with an average release time 126.54 hours, which is significantly higher than the average release time of 91.52 hours for all auto component bills of entry. The graph below presents the progressively improving release time as the bills of entry are selected with features associated with lower release time.



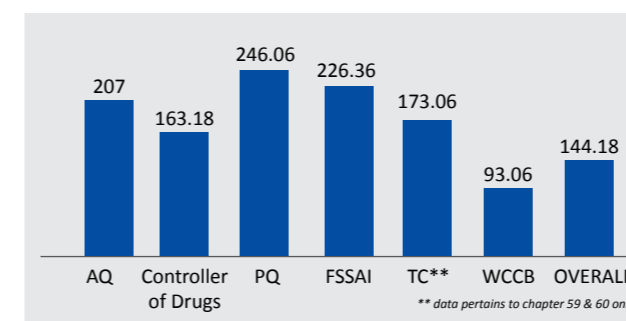
This finding of average release time of 126.54 hours for all imports of auto components from South Korea is substantially lower than the World Bank EODB perception of import release time of 267 hours. It is also seen that release time for advance facilitated bills of entry (55.9% of the total) at 69.36 hours was below the TFA target of 72 hours.

9.7 PARTNERS IN COMMON PURSUIT

SWIFT has been acknowledged as a major initiative of CBEC to improve ease of doing business and reduction in the cargo release time pertaining to those goods that require their no objection certificate. In the sub-sections above, the release time relating to food products, pharmaceuticals and textiles has been presented. For those studies, the starting point was the bills of entry submitted in respect of identified tariff chapters most associated with the concerned participating government agencies, namely FSSAI, Controller of Drugs (ADC) and Textiles Committee.

The study recognized that the requirement for obtaining PGA clearance may not be restricted to the tariff chapters covered therein. For example, food items were restricted to tariff chapters 7, 8 and 9 and pharmaceuticals to tariff chapter 30. Therefore, the study analyzed the SWIFT data to identify the bills of entry in respect of the PGAs and present the release time in respect thereof.

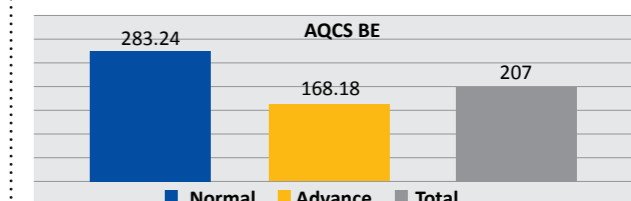
The bar chart below represents summary of all PGA release time.



9.7.1 ANIMAL QUARANTINE:

During the sample period, 107 bills of entry, accounting for 0.7% of all bills of entry were referred to AQCS. The average release time in respect of these bills of entry was 207.0 hours.

The stratified release time data is presented below:



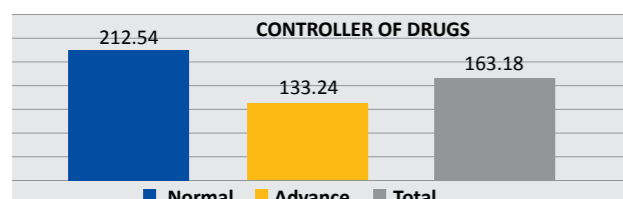
9.7.2 CONTROLLER OF DRUGS:

Under the Drug and Cosmetics Act, the regulation of manufacture, sale and distribution of drugs is primarily the concern of the State authorities while the Central Authorities are responsible for approval of new drugs, clinical trials in the country, laying down the standards for drugs, control over the quality of imported drugs, coordination of the activities of State Drug Control Organizations and providing expert advice with a view to bring about uniformity in the enforcement of the Drugs and Cosmetics Act.

During the sample period, 804 bills of entry, accounting for 5.4% of all bills of entry were referred to ADC. The average release time in respect of these bills of entry was 163.18 hours.

It may be recalled that in the section on pharmaceuticals, it was found that only 22 bills of entry were submitted in respect of chapter 30 and the release time in respect thereof was 138.49 hours.

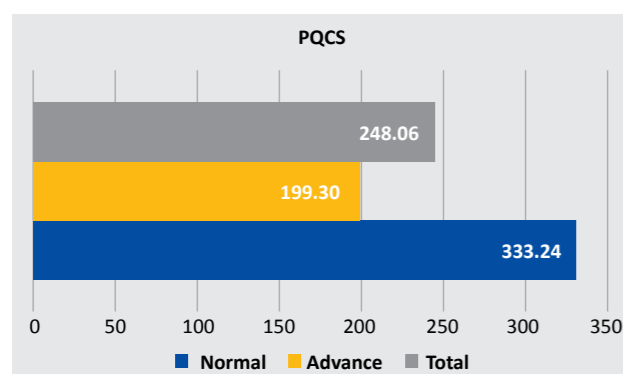
The stratified release time data for bills of entry referred to ADC is presented below:



9.7.3 PLANT QUARANTINE:

During the sample period, 638 bills of entry, accounting for 4.3% of all bills of entry were referred to PQCS. The average release time in respect of these bills of entry was 246.06 hours.

The stratified release time data is presented below:

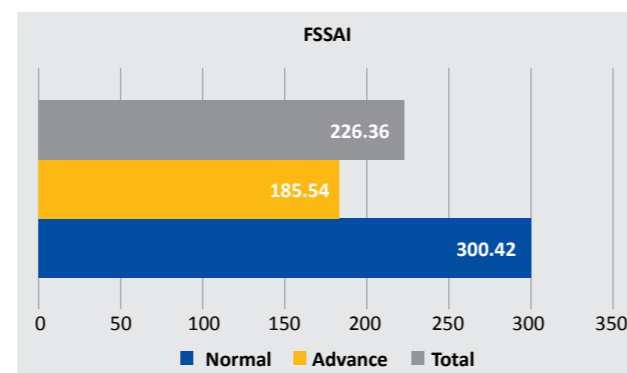


9.7.4 FSSAI:

The total number of bills of entry referred to FSSAI was 739 bills of entry, accounting for about 5% of the total bills of entry. The average release time for these bills of entry was 226.36 hours.

As mentioned above, of the total bills of entry referred to FSSAI, 214 related to goods falling

under chapters 7-9, some of these were not cleared till the time of freezing of data. The average release time in respect of the 192 bills of entry, wherein out of charge was given was 285.55 hours.



The following salient points need to be highlighted: (a) FSSAI has a significant footprint in the customs clearance process, with diverse commodity profile; (b) the release time in respect of FSSAI scrutinized bills of entry is significantly higher; (c) the higher release time is attributable to cumbersome multi-stage process, and lack of centralized laboratory to test the food items; (d) the extant arrangement for clearance of dual use items meant for non-food purpose has not yet stabilized.

The study has found that in terms of commodities, food items involve the highest release time. It has noted that JNCH and FSSAI, in cooperation with Single Window unit of CBEC, are working on improving the release time for bills of entry relating to items that may require scrutiny by FSSAI, by, inter alia, ensuring that bills of entry covering goods with dual use, meant for industrial use are not subjected to scrutiny by FSSAI.

9.7.5 WCCB

The study found that only one bill of entry during the sample period required no objection from WCCB.

The average release time in respect of this advance non-facilitated bill of entry was 90.36 hours.

10 Assessment of sub-processes

10.1 BEFORE THE BEGINNING: BERTHING OF VESSEL TO GRANT OF ENTRY INWARDS

WCO refers to release time as the arithmetic mean of the time taken between the arrival of the goods and their release into the economy via a standardized system. JNCH TRS calculates the time release starting from the grant of entry inwards, an event that carries precise time stamp in the Customs system, to the grant of out of charge, another event with precise time stamp in the same system. However, a question that arises is whether grant of entry inward precisely captures the time of arrival of the vessel or goods at JNPT.

This study, therefore, attempted to assess the time difference between the berthing of the vessel and grant of entry inward. For this purpose, the exact time stamps regarding the berthing of the vessels during the sample period of January 1-7, 2018 were obtained from the Terminal Operating System (TOS) and compared with the corresponding time stamp of grant of entry inwards.

JNCH has issued Public Notice No. 157/2016 to reduce the time gap between the berthing of the vessel and entry inward. The Public Notice enables the customs officer to grant entry inward when the vessel reports at the pilot station or upon boarding. It was expected that this procedure would advance the grant of entry inwards by upto 4 hours, allowing the discharge of cargo immediately after berthing of the vessel.

This study analyzed the data relating to all the 46 vessels that berthed at JNPT during the study period. It found that out of the 46 vessels, in the case of 26 vessels entry inward was granted before berthing as per the Public Notice. In the remaining 20 cases, the entry inward was granted immediately upon the berthing of the vessel. **Overall, the study found that the average time taken from the berthing of the vessel to grant of entry inwards is 31 minutes.** Therefore, it is concluded that entry inwards closely approximates the time of the arrival of the cargo at JNPT.

Delving deeper, the study found that the main reasons for not according entry inward before berthing of the vessel was late receipt of message from the agent and computer system being slow. **It is recommended that the shipping lines may be suitably advised to take full advantage of the facility accorded under JNCH Public Notice No. 157/2016.**

Looking at the process after berthing of the vessel, it was found that the average time taken from berthing of the vessel to start of container unloading in case of the 46 vessels was 1.43 hours. The average time taken in completing the unloading of the containers, from unloading the first container to the last one, was found to be 18.03 hours.

10.2 FILING OF BILLS OF ENTRY: DELAYS IN FILING BILLS OF ENTRY

The importance of timely filing of bill of entry for reduction in release time cannot be over-emphasized as it marks the initiation of the process of clearance of cargo not just by the customs but also by some PGAs such as FSSAI. As brought out earlier, the average release time for advance bills of entry is 113.54 hours, as against 187.30 hours for normal bills of entry.

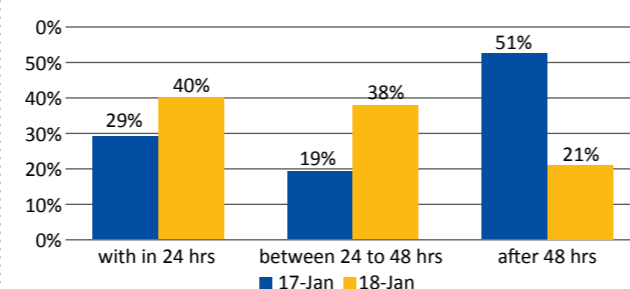
The legal provisions allow for advance bills of entry to be filed within 30 days before the arrival of the vessels. During the study period, 8663 bills of entry, accounting for 58.7% of the total bills of entry, were filed before grant of entry inward.

It is evident that prompt filing of the normal bills of entry immediately after the arrival of the goods would enable early release for such bills of entry. Both data and anecdotal evidence had suggested that there are several instances of very late filing of bills of entry. Recognizing the need for a legal provision to nudge the importers towards timely filing of bills of entry, section 46 of the Customs Act, 1962 was amended vide Finance Act 2017 to prescribe that the importer shall file the bill of entry before the end of the next day following the day (excluding holidays) on which the vessel arrives at a customs station. The amendment also provides for imposition of a charge where the bill of entry is not presented within the specified time without sufficient cause for such delay.

The study, therefore, attempted to assess the impact of this statutory change by comparing the time of submission of all normal bills of entry from grant of entry inwards during this sample period vis-à-vis January 2017, i.e. prior to the introduction of the provision for payment of charges for late filing of bills of entry.

The study noted that the number of normal bills of entry had increased only marginally from 5811 in January 2017 to 6094 in January 2018,

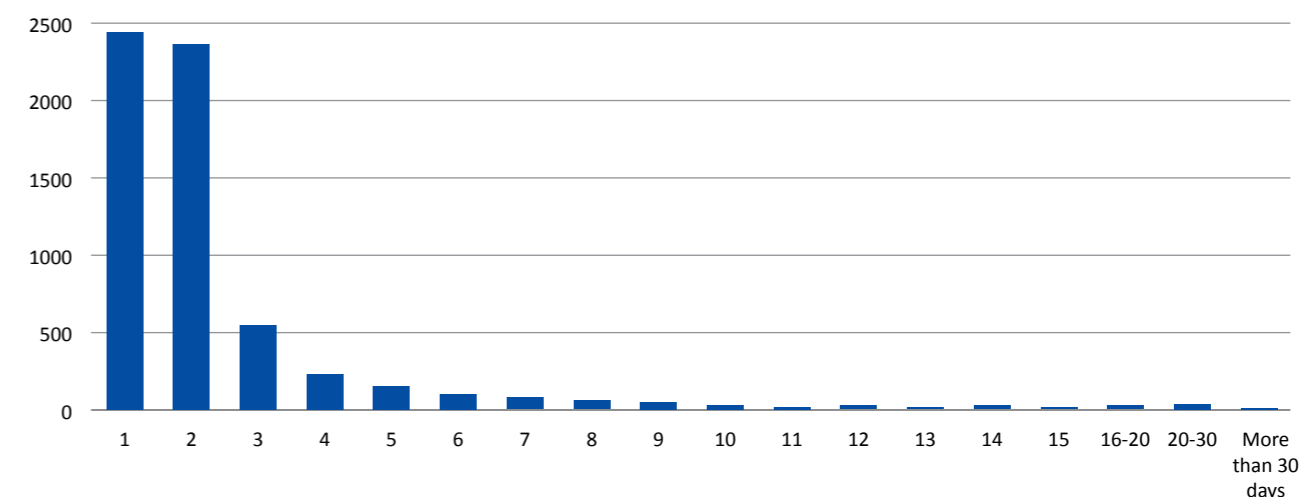
thereby resulting in decline in the share of normal bills of entry from 46.7% to 41.3% during the said period. Further, the number of bills of entry filed within 48 hours has increased by 70.4% from 2822 in January 2017 to 4808 in January 2018. The comparative share of bills of entry filed during specified period in January 2017 and January 2018 is presented below. Therefore, the study concluded that the introduction of provision to impose charges for late filing of bills of entry has nudged many importers towards prompt filing of bills of entry and thereby played an important role in the reduction in the overall release time.



The study, however, also noted with concern that 1286 normal bills of entry, accounting for 21% of the total normal bills of entry were filed after 48 hours. It is reasonable to assume that these bills of entry would not be eligible for the benefit of provisions relating to holidays. This conclusion is consistent with the data regarding actual collection of charges for late filing of bills of entry obtained from the records pertaining to payment of duty and other charges.

The graph in respect of sample bills of entry represents the number of normal bills of entry filed on days, as measured from the date of grant of entry inwards, revealing clearly that most of the bills of entry are filed within the first two days and yet a significant number of them are filed thereafter, entailing charges for late filing.

Time of filing bill entry



In what the study considers as its most surprising finding, it is seen that charges for late filing of bills of entry was paid in respect of 1201 normal bills of entry accounting for about 20% of the total normal bills of entry, with the total late charge collection of Rs. 3,10,95,532/-.

In view of the significant compliance gap in terms of timely filing of the bills of entry, a small sample survey amongst those filing the bills of entry late was attempted. Unfortunately, the response to the survey was tepid and the customs brokers were reluctant to formally respond to the survey. The most commonly cited reason was delay in receipt of documents.

The study recommends that JNCH should attempt at a deeper analysis and engagement with trade to ascertain the reasons for such significant compliance gap, so that necessary steps could be taken to capture the remaining gains in release time pursuant to the statutory change.

additional information to complete the assessment. Since the routine administrative supervision places significant importance on insisting that queries may be raised only in necessary case, it was decided to assess the extent of queries and its impact on release time. It was seen that the additional release time on account of queries will depend on the time taken by the importer in replying to the query and its scrutiny and decision, based thereon, by the officer. It is admitted that complete examination of the reasons, quality, and consequences of such queries is beyond the scope of this study.

The study found that queries were raised in the case of 778 bills of entry, accounting for 5.3% of total bills of entry. However, recognizing that queries can be raised only for non-facilitated bills of entry, the percentage of bills of entry with queries as a proportion of non facilitated bills of entry was 13.2%. The percentage of queried bills of entry among the normal bills of entry was found to be 13.9% and slightly lower at 12.7% among the advance bills of entry.

The study found that the average release time for these queried bills of entry was 234.42 hours, i.e. 90.24 hours more than the overall average release time of 144.18 hours. It was seen that the additional release time broadly corresponds with the average time taken by the trade in responding to the query, which works out to 86.30 hours. The average time taken by the trade in responding to the query was 89.12 hours in the case of normal bills of entry and slightly lower at 83.42 hours in the case of advance bills of entry.

The study recommends that there is a need

10.3 QUERIES IN ASSESSMENT

The assessment by group officers may in certain cases require them to raise queries either due to importer not providing the necessary information or the officer may needing certain

to focus on reducing the percentage of queried bills of entry by the group officers through exercise of greater sensitivity to the necessity of such queries and more regular and intensive supervisory control on the matter. Further, JNCH should engage with the customs brokers to reduce the time taken in responding to such queries, wider adoption of e-sanchit would mitigate higher release time.

10.4 CHEMICAL TESTS

In some cases, the assessment of bill of entry may require representative samples of the goods to be drawn and tested for determining its physio-chemical parameters, composition, purity/concentration, grade etc. The testing in many cases is conducted in DYCC, located in JNCH building itself. In some cases, due to requirement for specialized tests, samples are sent to other NABL accredited laboratories.

The goods sent for testing are either under first check examination (wherein assessment is completed after the receipt of the test report) or under second check examination (wherein the goods are cleared for home consumption after taking appropriate bond and bank guarantee). The decision to subject goods to testing involves additional time, which may be on account of process of drawl of sample, transport of samples from various CFSs located around JNPT to the laboratory, test process itself and communication of result to the

group officer for a decision in the matter.

In this sub-study, it was found that 112 bills of entry, accounting for 0.76% of the sample bills of entry were subjected to test by DYCC. More appropriately, 1.9% of non-facilitated bills of entry were subjected to tests. Interestingly, exactly 50% of these bills of entry were normal and balance advance bills of entry.

The average release time, as per the standard methodology, for all bills of entry sent to DYCC laboratory was 207.58 hours.

For normal bills of entry, the average release time was 233.37 hours, whereas it was lower at 182.52 hours for advance bills of entry. It is acknowledged that for more accurate analysis of the release time attributable to chemical tests, first check and second check bills of entry need to be treated differently.

However, it was felt that the objectives of this study would be met by analyzing the records maintained by DYCC to quantify the time taken by DYCC from the time of receipt of the sample to the communication of test results thereof to the concerned group. It found that the average time taken in the testing process, defined as the time taken from receipt of the sample to communication of its report by DYCC, was 138.10 hours for normal bills of entry and significantly lower at 89.01 hours for advance bills of entry. It is surprising that the time taken in testing process differ so significantly for advance and normal bills of entry. Discussions with the concerned officials suggested that this could be on account of few normal bills of entry that may have required more time consuming tests/retests at the behest of the importers. In this regard, it is relevant to note that six of the tests relating to normal bills of entry (10.7%) returned negative findings indicating possible mis-declaration by the importer, with a lower 4 negative test findings

(7.1%) for advance bills of entry.

The study found that chemical tests constitute an important compliance tool for enforcement purposes. It is, however, important to be selective in its use, given that such tests take, on an average, about 5 days' time. The chemical laboratory should also move to maintaining time-stamp regarding its processes from the present system of date-stamps.

In this regard, the study recommends that the present proposal for expansion and modernization of the DYCC laboratory may be pursued expeditiously.

10.5 SCANNING QUEUES

Scanning of containers is an effective method of non-intrusive inspection of cargo. It has the twin advantage of reducing release time by diverting higher percentage of suspicious containers for scanning before physical examination/clearance and simultaneously increasing the interdiction rate. JNCH is presently serviced by one mobile scanner installed at JNPT port terminal and a fixed scanner at the premise of CWC Impex Park CFS.

The process of installation of some more advanced technology scanners are at different stages of approval and completion. JNCH, in particular, is actively pursuing for early commissioning of the fixed scanner [X-ray Drive-through container scanner (Road) systems] by May, 2018.

Moreover, all the four operational terminals under JNCH have also initiated the procurement and installation of modern mobile scanners, each in their respective port premises.

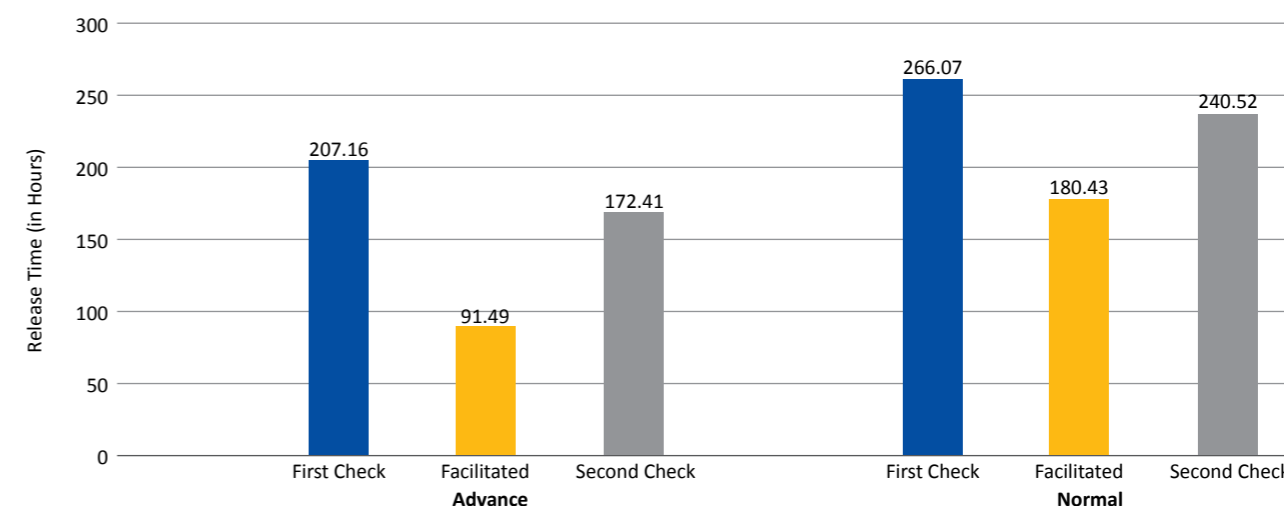
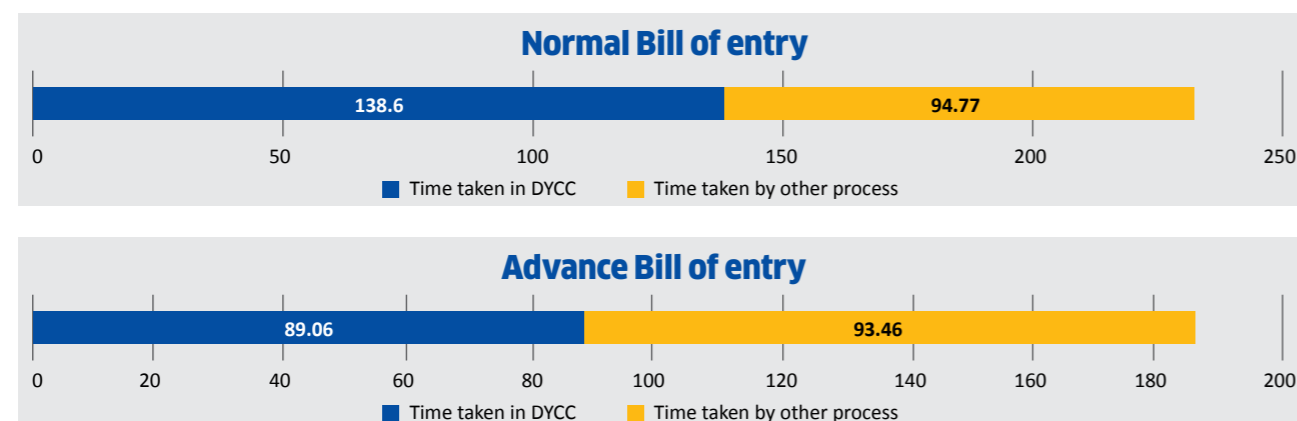
This sub-study is motivated by the desire to assess the time taken in the present scanning process and also to provide benchmark for quantifying the benefits of upcoming modern scanning facility on release time.

The study found that during the sample period, 1697 bills of entry, accounting for 11.3% of all bills of entry, were selected by RMS for scanning. These bills of entry covered 1725 containers. After accounting for the 22 bills of entry that have been excluded from the purview of the study for reasons stated earlier, this sub-study is based on the analysis of 1675 bills of entry covering 1703 containers. Out of the 1703 containers, 1173 containers were selected for scanning by fixed scanners and balance 530 by mobile scanners at the terminal premises itself.

The study found that the average release time for all the 1675 bills of entry selected for scanning was 180.47 hours, as compared to 144.18 hours for all bills of entry.

In view of the simpler scanning process and there being no need to transport the container to the distant facility for fixed scanner, the release time for bills of entry subjected to scanning by mobile scanner is about 21 hours lower than those by fixed scanner.

It was found that release time for normal bills of entry selected for scanning was about 84 hours more than the advance bills of entry selected for similar scanning, as presented below. This finding is consistent with the higher release time for normal bills of entry vis-à-vis advance bills of entry under all categories, albeit with varying



degree. JNCH may consider enquiring whether there is any causality between selection of container for scanning and late filing of bill of entry pertaining thereto.

JNCH has been cognizant of the problem of congestion at fixed scanner that may get aggravated due to variety of reasons. Therefore, administrative guidelines provide for diversion of container selected for scanning for 100% examination without scanning to mitigate the congestion problem. It was seen that approximately 34% of containers selected for scanning during the sample period were not scanned due to congestion at fixed scanner facility and, therefore, subjected to 100% examination in CFSs.

The sub-study found that the average release time in respect of 792 bills of entry which were selected for scanning and were actually scanned was 192.09 hours, whereas for the remaining 416 bills of entry, which were diverted from scanning for 100% examination had the average release time of 195.0 hours.

It may be mentioned that some of the containers selected for scanning by RMS are related to facilitated bills of entry. Therefore, decision to divert such containers for 100% examination in lieu of scanning would adversely affect the release time of such facilitated bills of entry.

This sub-study also attempted to quantify the approximate time that may be attributable to scanning process utilizing the data maintained by the port terminals and correlating the same with the CFS data. Accordingly, real time data relating to 1242 bills of entry, covering 1236 containers, which were received from the port terminals and CFSs were analyzed, starting with the “port gate out” time from the four terminals and ending with the “CFS gate in” time (referred to as “scanning dwell time”). Further, in order to exclude the outliers that may represent exceptional circumstances, 34 containers which had either taken less than 30 minutes or more than 120 hours from “port gate out to CFS gate in” were excluded from the analysis. It is presumed that the bills of entry with minimal time must have been allowed exemption from scanning due to down time of the scanning facility and therefore diverted to the CFS for examination, as per the prescribed procedure.

The sub-study found that the average “scanning dwell time” in respect of bills of entry selected for scanning by fixed scanner was 16.09 hours. It was 18.01 hours for those bills of entry, which were actually subjected to scanning but it was lower at 14.03 hours in case the scanning was

dispensed with in favour of 100% examination.

Therefore, it is an inescapable conclusion that the bills of entry selected for scanning, involving actual scanning time of just few minutes, result in a significantly higher release time on account of infrastructural and logistic issues.

The study expects that the operationalization of new fixed scanning facility by JNCH, located conveniently on the exit route from the terminals, would significantly bring down the release time in respect of the cargo selected for scanning by RMS. It is, therefore, recommended that JNCH must place highest priority on installation and operationalization of the new scanning facilities.

10.6 PAYMENT OF DUTY: DELAYS IN PAYMENT OF DUTY

For the process of expeditious customs clearance, it is important that the duty is paid by the importer immediately after assessment. Section 47(2) of the Customs Act, provides for payment of interest on late payment of duty. Prior to the amendment of the said section, vide Finance Act, 2017, the interest was attracted in case duty was not paid within two days (excluding holidays) from the date on which the bill of entry is returned to him for payment of duty. The section 47(2) now prescribes that the importer shall pay the import duty (a) on the date of presentation of bill of entry in the case of self-assessment, or (b) within one day (excluding holidays) from the date on which the bill of entry is returned to him for payment of duty in the case of assessment, re-assessment or provisional assessment.

One of the important component of TRS 2017 was to observe the impact of this statutory change on prompt payment of duty by the trade. In order to delineate the impact of reduction in the interest-free duty payment period, the study had presented the share of bills of entry, wherein duty was paid within 24 hours, 48 hours and after 48 hours for January and July 2017. Since, duty is not required to be paid in cases wherein the goods are either exempt from duty or the importer claims

benefit of specified exemption etc., only those cases that involved duty payment were considered for the purpose of this calculation. The study, did not take into account the impact of holidays, since that would have required a significantly more granular analysis. This methodology adopted in TRS 2017 has been retained, inter alia, to facilitate easy comparison.

It is seen that the number of bills of entry with duty payment liability increased by about 40% from 9,740 in January 2017 to 13,700 in January 2018, which is primarily attributable to larger number of commodities that on importation attract Integrated Goods and Service Tax (GST) than those that attracted Additional Duty of Customs, commonly known as countervailing duty under the earlier regime.

The comparative share of bills of entry on the basis of time taken in payment of duty after assessment is presented below:

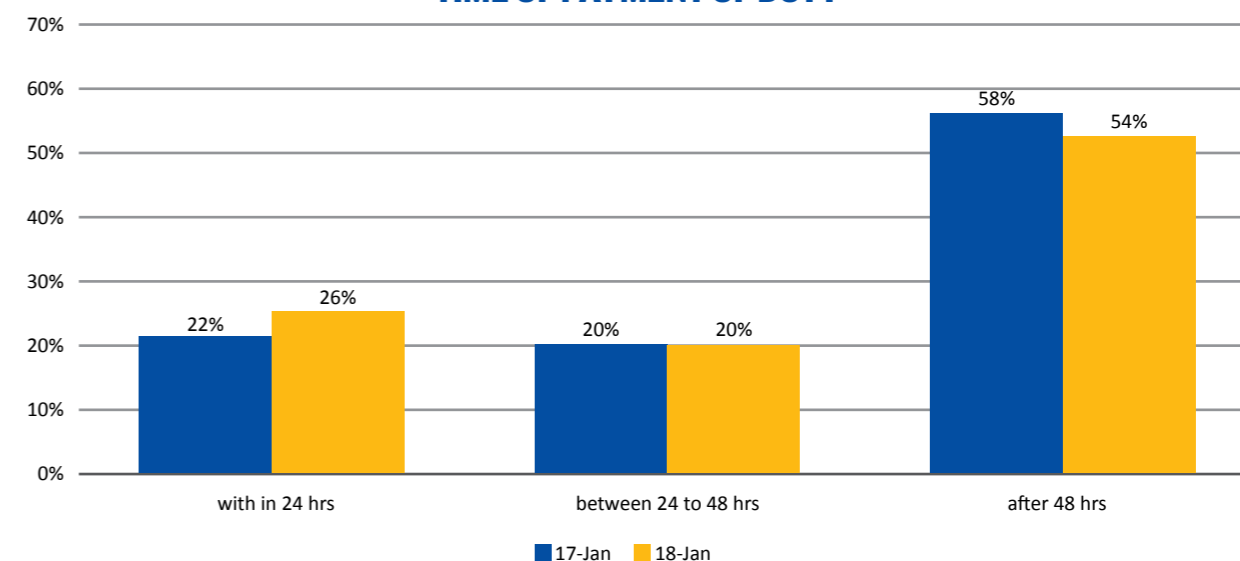
The Customs Act, as applicable during January, 2017 provided for imposition of interest on delayed payment of duty, wherein the importer

hours of assessment increased by about 65% from 2172 in January 2017 to 3594 in January 2018; (b) the total number of bills of entry wherein duty was paid within 48 hours of assessment increased by about 35% from 4074 in January 2017 to 6262 in January 2018; (b) of the 7438 bills of entry wherein duty was paid more than 48 hours after assessment, included 4900 advance bills of entry (65.9%) to which special dispensation applies.

The study attempted to identify the number of bills of entry wherein interest on delayed payment of duty was paid. It found that such interest was paid in 6357 bills of entry, accounting for 43.1% of the sample bills of entry. The total amount of interest paid in all these cases was Rs. 76,58,879/-, suggesting that the delays in payment of duty was for short periods of time.

Therefore, the study undertook a sample survey to reach out to importers/customs brokers who had delayed payment of duty to ascertain the reasons thereof. The response to

TIME OF PAYMENT OF DUTY



fails to pay the import duty, either in full or in part, within two days (excluding holidays) from the date on which the bill of entry is returned to him for payment of duty. It was seen that in January 2017, in the case of about 58% percent of the bills of entry duty was not paid within 48 hours, which has declined only marginally to 54% in January 2018.

The study delved deeper to identify the following salient points: (a) the total number of bills of entry wherein duty was paid within 24

the survey was indifferent, with many of the respondents ascribing the delay to paucity of funds or difficulties in arranging requisite funds. In small number of cases, wherein the clearance also required submission of bond or bank guarantee, the brokers ascribed the delay to time being taken in obtaining such bond/bank guarantees.

Thus, the study found that the legislative amendment to reduce the interest free period for payment of customs duty has nudged many importers to pay duty earlier. The study, however, acknowledges that it is a matter that calls for further enquiry as to why a significant number of importers do not pay customs duty in time, attracting interest burden and adversely impacting the release time.

10.7 IT AIN'T OVER YET: TIME TAKEN FROM OUT OF CHARGE TO GATE OUT

The customs clearance process is deemed to be completed with out of charge being issued by the concerned officer in the customs system, viz. ICES. Thereafter, the importer or her agent is at liberty to take out the goods from the terminal/CFS premises. However, there is an inevitable gap between the grant of out of charge by the customs officer and the actual gate out from the terminal/CFS premises. The time of actual transportation of goods out of CFS premises is recorded in the CFS computer system as "Gate Out". A view has been expressed that the computation of release time should be extended to gate out, instead of out of charge, as has been done in this TRS.

In order to quantify the average time taken from out of charge to gate out, TRS 2017 had taken a relatively smaller sample data from four CFSs regarding the actual gate out time in respect of the bills of entry pertaining to the said CFS and collated the same with the out of charge, bill of entry wise from the system. This study has followed the same methodology.

In January, 2017, for the sample of four CFSs covering 2148 bills of entry, the average time taken from out of charge to gate out was 37.7 hours.

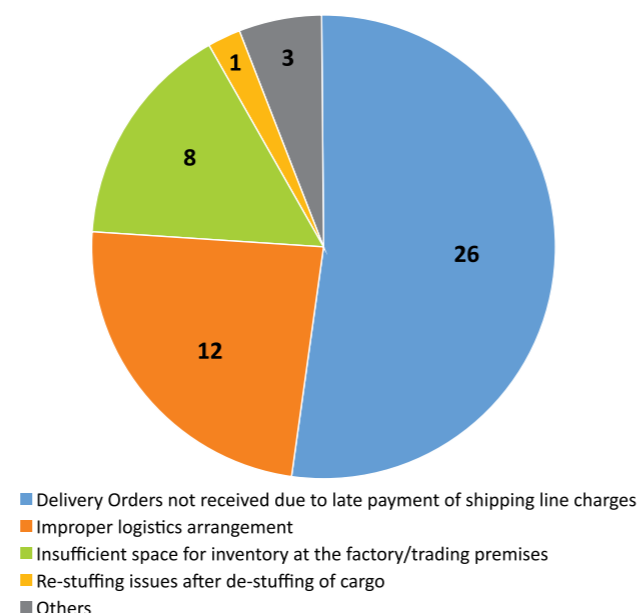
In the present sub-study, five CFSs, namely Navkar, Hind, Ameya, GDL and Seabird, were covered. It was found that the number of bills of entry covered during the study period was 881, the decline being attributable to the increase in

DPD scheme that allows the cargo to be cleared directly from the port terminal premises. The study shows a small decline in the average time taken from 37.7 hours in January 2017 to 35.4 hours in January 2018.

In order to understand the reasons for this large time taken by the trade, the study analyzed the data further to find that the average time taken in gate out for 75% of the bill of entry was 11 hours, suggesting that about three-fourth of the trade takes out the delivery within a day.

For understanding the reasons that lead to higher time taken by the balance 25% of the trade, the sub-study conducted a sample survey reaching out to top 10 outlier cases in respect of each of the five CFSs. The survey covering such 50 bills of entry revealed that the following as the reasons for delay in taking out of charge were: (a) Delivery Orders were not received due to late payment of shipping line charges; and (b) improper logistic arrangement, (c) insufficient space for inventory at the factory/trading premises, (d) due to re-stuffing issues after de-stuffing of the cargo, and (e) others.

Reasons-delay in gate out



The findings of this sub-study suggest that it is appropriate to treat grant of out of charge as the final event and the subsequent time taken from out of charge to gate out are not attributable to any process relating to customs clearance or trans-border movement of goods.

11 Live tracking of bills of entry

The live tracking of bills of entry was conceived with multiple objectives. It was intended to confirm the robustness of the timestamps in customs system, provide estimate of time taken in processes which do not bear specific stamp in the system, including those which involved PGAs and increase awareness about the time release among stakeholders.

For the purpose of live tracking, the study relied on the customs brokers, who were requested to provide data relating to their bill of entry, as per prescribed proforma (copy at annex - 1). For distribution of the proforma, implicitly representing the selection of bills of entry, the task was delegated to different assessment group in-charge, with clear mandate to obtain randomness and diversity of goods.

The survey was initiated with distribution of 300 proforma to different customs brokers. However, at the end of the study period, only 200 proforma were returned to the TRS team. About 80 of these submitted proforma did not contain the requisite details and were discarded. In many of the cases, the declared time for different stages of customs process appear to have been copied from the timestamps in the customs system.

After excluding the bills of entry that appeared to suffer from various infirmities, 120 bills of entry were found to be available for analysis.

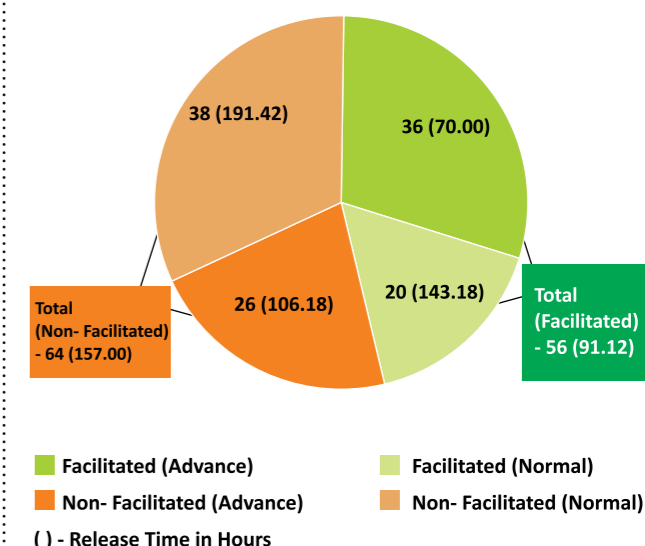
The average release time for these 120 bills of entry was 128.36 hours vis-à-vis 144.18 hours for all 14,757 bills of entry covered for the study.

The stratified release time for live bills of

entry is presented below. The results of the live survey are consistent with the release time for the entire sample of bills of entry, with advance bills of entry returning release time better than the normal bills of entry. Similarly, facilitation results in significant reduction in the release time. The release time for advance facilitated bills of entry for live bills of entry at 70.0 hours is lower than the release time of 91.06 for the full sample data. However, in view of the possibility of a selection bias in the bills of entry covered by the live tracking and the finding that many bills of entry referred to PGAs had to be excluded because of incomplete information, the study decided not to take credit for the lower release time arrived at through the live tracking of bills of entry.

The study, however, is of the view that the live tracking of bills of entry did serve the objective of spreading awareness regarding the importance of and issues associated with minimizing the release time.

Stratified release time



SECTION - C

12

Export Time Release: Introduction – Scope and Methodology

Introduction:

The importance of minimizing release time for export cargo is as important as for import cargo. The National Trade Facilitation Action Plan envisages regular Time Release Study for export cargo through seaports and other custom formations. The Action Plan has set the release time target for export of sea cargo to be within two days (48 hours). In order to benchmark the current performance of JNCH against the said target, TRS 2018 has included the first export time release study for JNCH. This study has been conducted to quantify the export release time by adopting a methodology that relies on real time data obtained through representative sample study.

The export TRS has attempted to cover all the shipping bills filed during the study period, viz. 1-7 January, 2018, based on the time stamps available in the customs system. However, the main conclusions are drawn from the sample study conducted with the active involvement of exporters/customs brokers in respect of certain shipping bills filed during the sample period. The study aimed at highlighting the impact of various measures taken by JNCH to minimise export release time, specially operationalisation of Export Parking Plazas (Document Processing Areas).

Scope & Methodology:

The scope and methodology adopted for the export time release study is as follows:

The study attempted to analyse the data obtained from the time stamps available in the customs system for the sample period and compared the same with the previous year. The data obtained from the customs system shows that 26,154 shipping bills were filed during the study period of seven days from 01-07 January 2018, which is 19.86% higher than the same period of January 2017. Taking the export release time to be from filing of the shipping bill to submission of the export general manifest, for all these shipping bills, was 404.4 hours. This data, however, does not approximate the actual export release time primarily because: (a) shipping bills, in general are filed days in advance of actual dispatch of export cargo, (b) statistical evidence suggest that the time stamp relating to stuffing does not capture the occurrence of actual event, (c) EGM is generally filed after export of goods.

In view of limited utility of the time stamps available in the customs system, it was decided that the export time release study may be undertaken through sample study. In order to keep the sample size manageable, given the constraint of time and resources, six commodities out of the top ten commodities being exported through JNPT/JNCH, viz. (i) frozen meat, (ii) frozen fish, (iii) pharmaceuticals, (iv) automobile parts, (v) two & three wheelers (bike, auto rickshaws) (hereinafter referred to as 2-3 wheelers) and (vi) electrical machinery, falling under chapter 85 (hereinafter referred to as electrical machinery), were identified. Thereafter, the top five exporters of each of the said commodities were selected for obtaining exports time release data using survey method.

The export release time, for the sample study, is defined as the cumulative time taken for the export of cargo, starting with the time when export goods are stuffed in the container (either self-sealed or supervised stuffing) till the sailing of the vessel on which the cargo is loaded. It includes the time taken by the exporter or customs or any other stakeholder at various stages of export. This release time is defined as gross export release time to distinguish the same from net export release time, arrived at by deducting the domestic transport time from the factory premises to the parking plaza/CFS. The export release time has been calculated in respect of each of the six selected commodity, besides the overall average export release time.

The study, therefore, presents the export release time based on the data supplied by the

- (v) Total time taken inside parking plaza /CFS,
- (vi) Total time taken from CFS / parking plaza to terminal gate,
- (vii) Time taken at the terminal gate,
- (viii) Time from arrival inside the terminal to loading on the vessel,
- (ix) Time from loading of container on the ship to departure of the vessel.

This study is based on the analysis of the data as provided by the selected exporters. In certain cases, exporters have not provided the exact details of certain time elements such as time taken at the terminal gate or time taken from arrival of cargo inside the terminal to loading on the ship etc. In such cases, export data have been analysed on the basis of the limited data available. However, efforts have been made to present the result of the study in an objective manner.

	Frozen Meat	Frozen Fish	Pharmaceuticals	Automobile Parts	Bikes & Autorickshaws	Electrical Machinery (Chapter 85)	Total
Number of exporters	2	6	3	3	4	3	21
Number of Shipping bills	20	24	14	23	105	13	199

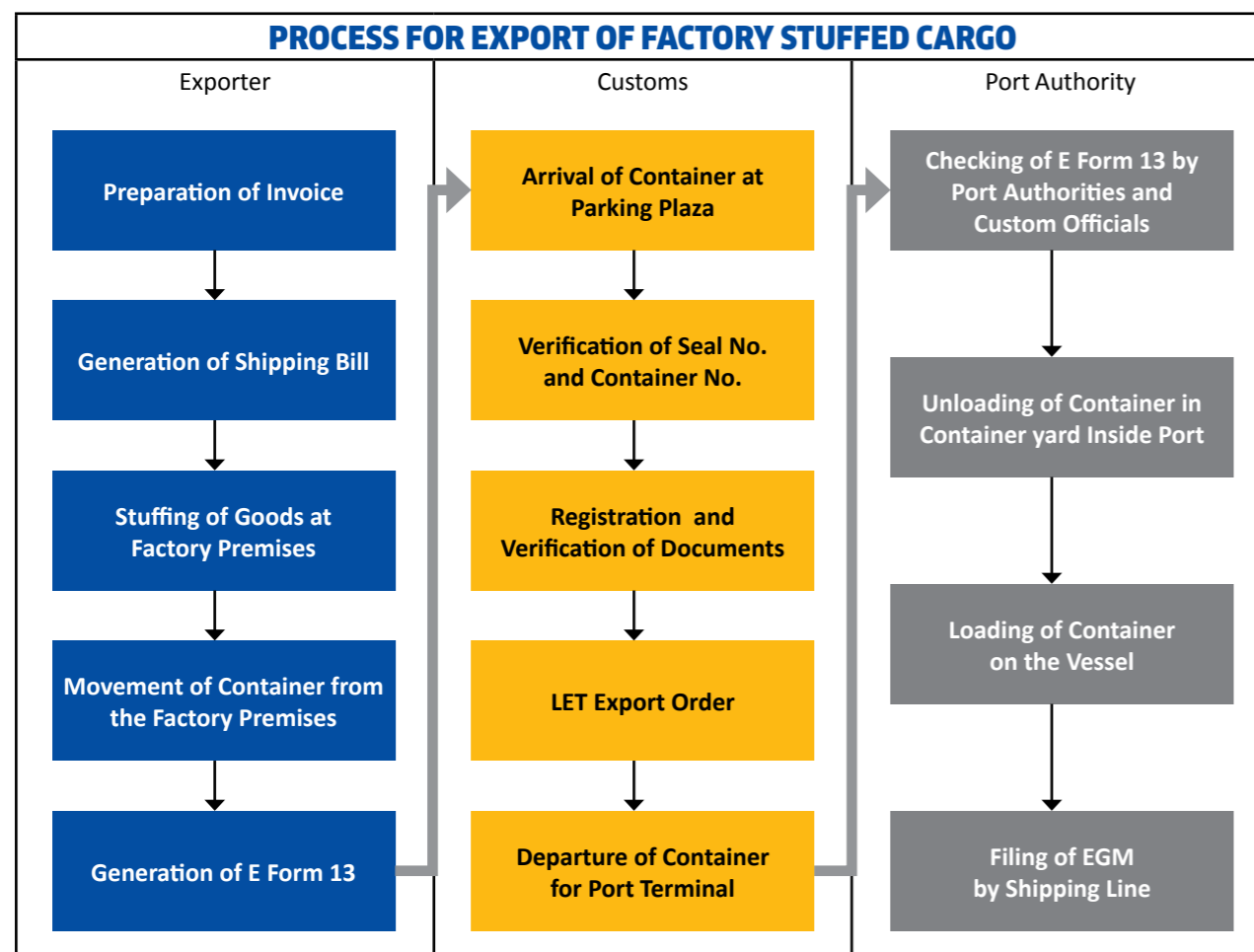
exporters, as per the details given below:

In addition to the gross and net export release time, the study presents the time taken at different stages of export, including sub-aggregation of certain stages, as mentioned below:

- (i) Total time taken from factory / place of export to Parking Plaza / CFS,
- (ii) Time taken for registration of goods,
- (iii) Time taken from registration to Let Export Order (LEO),
- (iv) Time taken from LEO to exit from parking plaza,

13 Export Procedure:

The export procedure is a multi-stage, multi-stakeholder process. It can be viewed to start with the physical process of movement of goods from the exporters' premises or with filing of the shipping bill. This study has treated the movement of the export cargo as the starting point for computation of the export release time. The flow chart representing a stylised export process is given below:



Certain salient features of the export process are highlighted below:

For clearance of export goods, the exporter or his agent has to obtain an Importer- Export Code (IEC) from the DGFT prior to filing of Shipping Bill. Under the EDI System, IEC number is received online by the Customs System from the DGFT. The exporter is also required to register Authorized Foreign Exchange Dealer Code (through which export proceeds are to be realised) and open a current account in the designated bank for credit of export incentives, if any. Further, all the exporters intending to export under the export promotion scheme need to get their licences etc. registered at JNCH, which requires, inter alia, presentation of relevant original documents and submission of bond and furnishing of security / surety.

Stuffing & sealing (including e-sealing):

At JNPT with its CFS-based model with Direct Port Entry (DPE) facility, the export procedure is as under:

For Factory Stuffed Containers:

- (i) The e-seals are affixed at the premises of the exporter, who himself files the shipping bills in the electronic form.

RFID e-seal based self-sealing procedure has been introduced as a measure of export facilitation. The detailed procedure for electronic sealing for containers by exporters under self-sealing has been prescribed by CBEC Circular No 26/2017 and 36/2017.

- (ii) The goods brought for the purpose of export can be taken to a CFS or allowed direct port entry through parking plazas at JNPT, as the case may be. When the factory stuffed container enters the Parking Plaza / CFS to obtain the Let Export Order (LEO), the e-seal is checked / examined/ verified by the customs officer with a e-seal reader / hand-held device (HHD).
- (iii) After verification of container number, seal number and integrity of seal, when the goods are presented for registration to customs, RMS indicates whether or not to examine the goods.
- (iv) If goods are not required to be examined, LEO is given and the container moves to the port terminal for being loaded onto the vessel with no further checks, except secu-

rity checks being conducted by CISF staff at the terminal gates. If the goods require examination, the containers are shifted to CFS for the same.

For CFS Stuffed Cargo:

In case of LCL cargo, the stuffing of container at CFS is done under customs supervision. After the LEO is given, the container is moved to the port terminal by the concerned CFS, without routing the same through the parking plaza.

DIRECT PORT ENTRY (DPE)

“Direct Port Entry” (DPE) for export cargo is a facility similar to the “Direct Port Delivery” (DPD) for the import cargo. The DPE facility has been extended to exporters as part of the initiative to provide ease in doing business through reduction in transaction time and cost.

The DPE facility was introduced at JNCH in October 2009 for the following five categories of cargo: (i) refrigerated containers; (ii) over dimensional cargo (ODC); (iii) motor vehicles; (iv) perishable non-refrigerated cargo; and (v) factory stuffed cargo of exporters having Status Certificate, 100% EOUs and units of SEZs.

In October 2016, the DPE facility was extended to all factory stuffed containers of all the manufacturing entities, thereby significantly increasing the number of exporters entitled to DPE.

OPERATIONALISATION OF DOCUMENT PROCESSING AREA IN THE THREE PARKING PLAZAS

Earlier, the consignments entitled for DPE were allowed to enter inside the terminal premises without LEO. However, with effect from 05.12.2016, the procedure has been modified and instead of allowing DPE without LEO, document processing area created by all the terminals were made operational and containers were allowed DPE after issue of LEO from such parking plazas, developed en-route to the terminal gates. As per the revised procedure, when the vehicles are brought to these parking plazas for completion of terminal documentation, customs also complete the documentation and issues LEO at the parking plaza.

This procedure has the following main advantages:

- Earlier, if the consignment was not facilitated by RMS, it was required to be brought back from the terminal to CFS for examination. Now, since the vehicle enters the port terminal after completion of customs formalities, the need for sending the consignment back to CFS is eliminated.
- Customs completes its formalities in the parking plaza only, thereby eliminating the need for any customs checks at the terminal gate. Customs relies on the documentation by terminals, RFID, checks by CISF / terminal staff to facilitate cargo.
- There is no need for DPE exporters to approach CFS for issue of LEO.

Drawal of samples:

Where samples are required to be drawn and tested, the customs officer proceeds to draw two samples from the consignment and enter the particulars thereof along with details of the testing agency in the ICES/EDI system.

Export General Manifest:

All the shipping lines/agents need to furnish the Export General Manifests, containing the details of all the export cargo loaded on the particular vessel to the customs electronically before departure of the vessel.

24 X 7 Export Clearances:

The facility of 24x7 customs clearance has been made available for specified exports, viz. factory stuffed containers and goods exported under “free shipping bills”, with effect from 31.12.2014.

While the broad procedure for export, as outlined above, is the same, there are certain variations in export procedure being adopted at three parking plazas and export through CFSs. For the sake of reference, export procedure when goods are routed through GTI Parking Plaza and GTI terminal is as follows.

E-Form-13:

- Shipping line issues E-form 13 to shipper / customs brokers with all required information;
- Factory stuffed containers approach the Parking Plaza.

Parking Plaza:

- All factory stuffed containers are first required to enter parking plaza,
- Pre-gate entry is done by terminal staff,
- Customs officer checks container number, seal number (including condition of seal) manually or by “electronic seal reader”,
- Customs broker/ exporter approaches customs officer in the Parking Plaza for registration,
- If documents are in order and the consignment is not selected by RMS for examination, then export clearance (LEO) is issued,
- Customs officer also gives approval in the Terminal Operating System to communicate to the terminal regarding the LEO accorded by customs.
- CFS/MT/ICD containers, which already have LEO, approach GTI Main Gate directly,
- Trailer proceeds to marshalling yard- check point, where container details are verified with handheld devices.

Terminal Gate:

- Trailer proceeds to GTI main gate,
 - RFID enabled BAT ID is mapped to truck carrying export containers,
 - Drop off ticket is generated and handed over to the driver.
- CISF check for:
 - Trailer number & container numbers,
 - Driver details.

Container Yard:

- Trailer moves to designated yard location mentioned on drop-off ticket.
- Job list generated by system is displayed to RTG operator for execution of the job.
- Driver displays BAT ID to RTG operator.
- RTG operator identifies the job from job list and container is offloaded in container yard as per location allocated.

Trailer moves to out gate and transaction is closed using BAT ID and “Equipment Interchange Report” is printed and handed over to the driver.

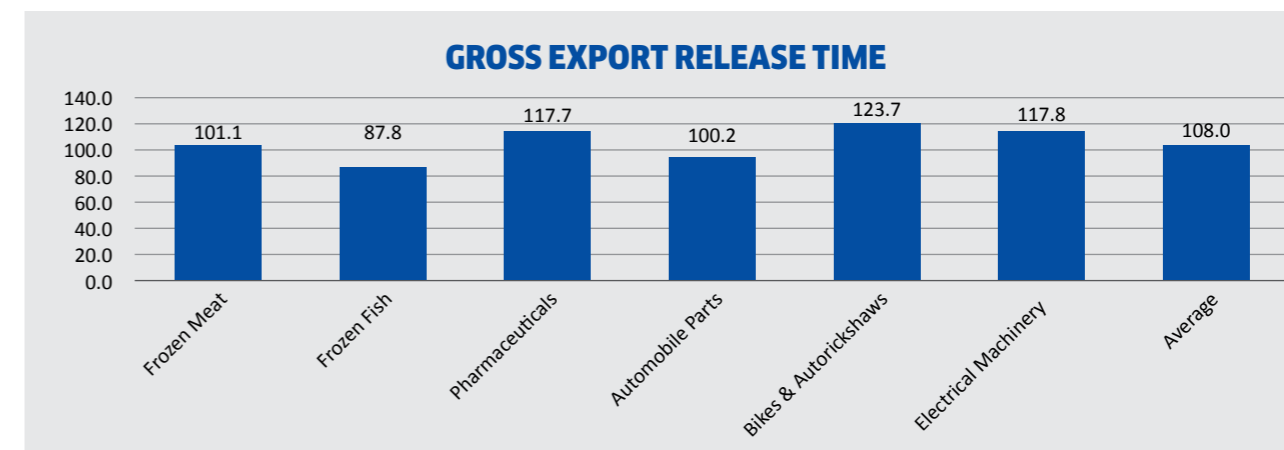
14

Analysis of export data

In this section, the gross and net export release time for selected commodities and the overall average release time are presented.

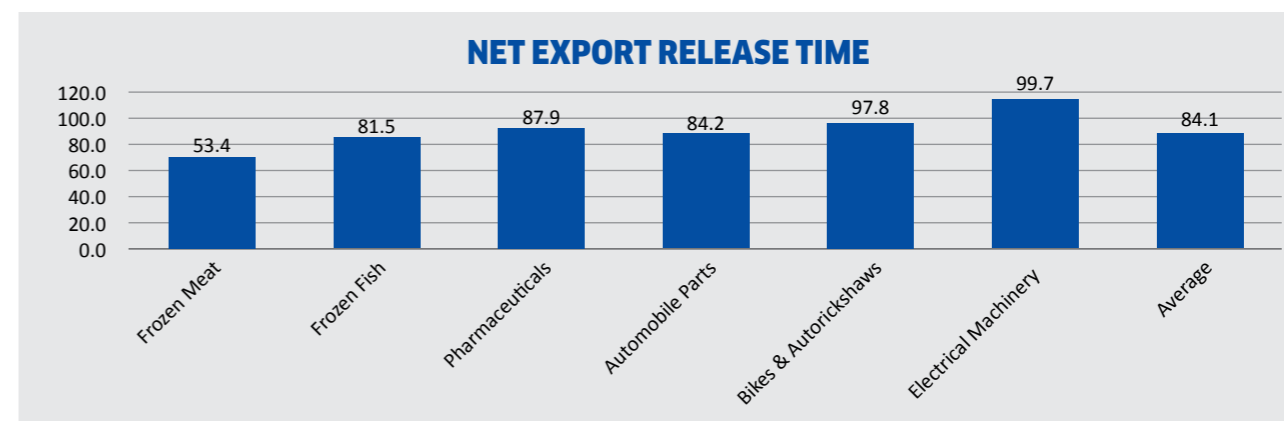
All-in-One Gross and Net Export Time Release:

The study found that the average gross export release time, in respect of all 199 shipping bills, from the time of departure of export cargo from the factory gate to the departure of the vessel from the port was 108.0 hours. As shown in the graph below, the average release time for different commodities vary from 87.8 hours for frozen fish to 123.7 hours for 2-3 wheelers.

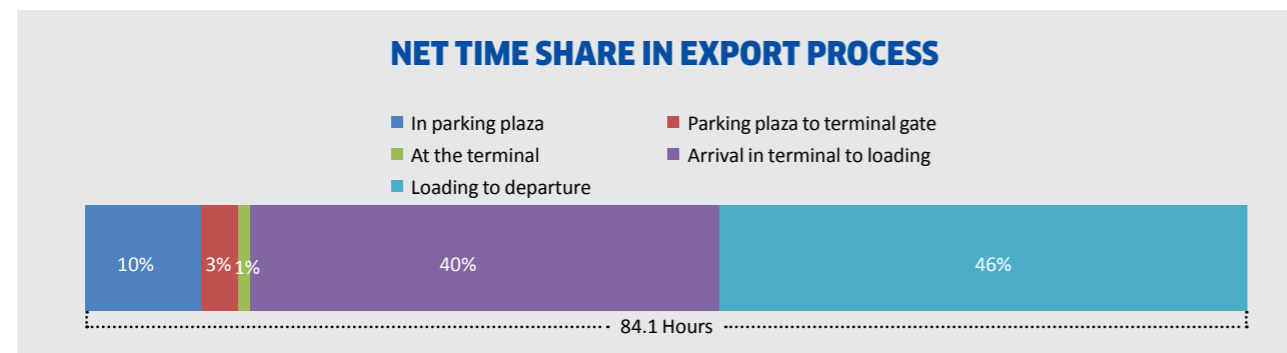


Since this export release time is expected to be significantly impacted by the domestic transport time, which would be dependent on the distance of the factory premises from JNPT, the study calculated the average net export release time, after excluding the domestic transport time. The study also expected that the net release time would reflect the priority accorded to refrigerated consignments in document processing and grant of LEO.

The average net export release time was 84.1 hours, varying between 53.4 hours for frozen fish to 99.7 hours for electrical machinery. This finding is consistent with the World Bank Ease of Doing Business 2018 report, which found the export release time to be 85 hours (excluding time taken in domestic transport).

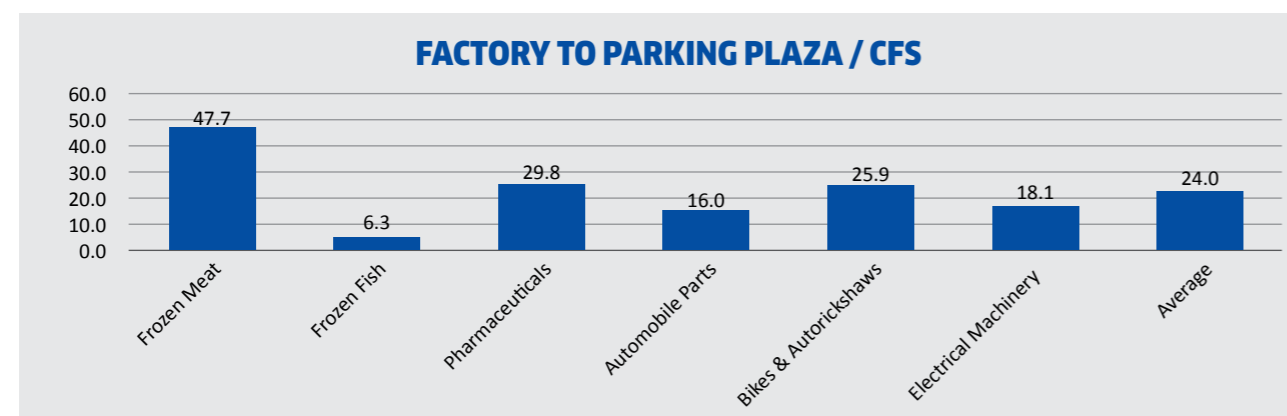


The graph below presents the share of time taken at different stages of the export process included in the net export release time, excluding the average domestic transport time of 23.9 hours. It shows that about 86% of the release time is accounted for after the arrival of the cargo at the terminal premises.



Time taken from factory/ place of export to Parking Plaza/ CFS:

This is dependent upon distance of factory / place of stuffing from the parking plaza. The study has revealed that the average time taken has varied between 47.7 hours for transport of frozen meat and 6.3 hours is taken during transport of “frozen fish” from factory / place of export to Parking Plaza / CFS.



Conclusion

Time of 6.3 hours in case of frozen fish indicates that congestion issues have been largely resolved as there is reduced congestion on the roads leading to parking plaza.

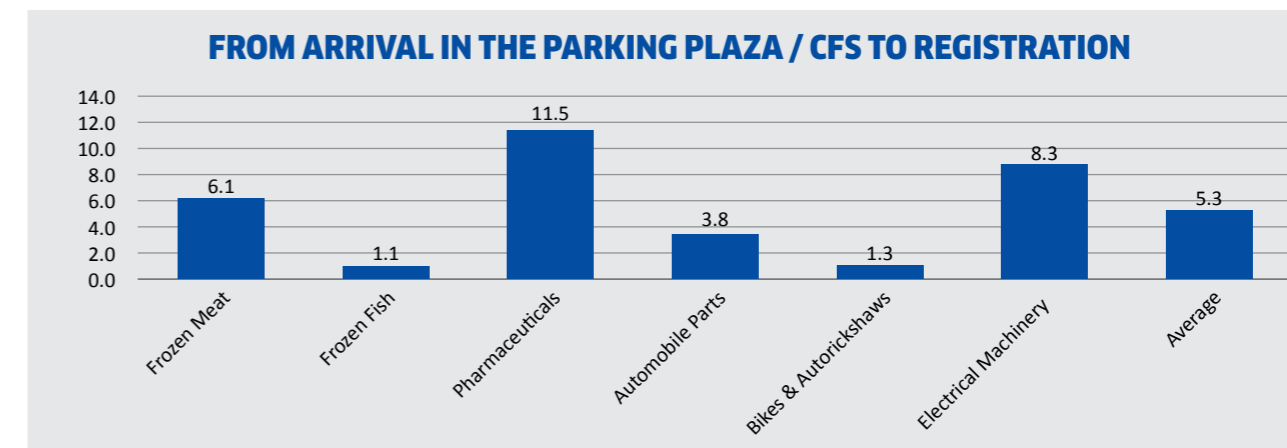
Time taken from arrival of goods in the parking plaza / CFS to presentation for registration:

As soon as container arrives in the parking plaza, the container number, seal number and condition of seal (through e-seal reader in case of electronic seal) is checked by Customs officer.

However, at times, even after arrival of goods in the parking plaza / CFS, the documentation including e-form 13 is not complete. Therefore, exporter / Customs Broker is required to

complete the documentation and only then present the goods for registration.

This fact is evident from the fact that out of six commodities, it is just 1.1 hours in case of “frozen fish” whereas it is 11.5 hours in case of pharmaceutical products. Even, shipping bill wise data reveals that even for commodity, say “frozen meat” out of 20 shipping bills involved in the study, time taken to present such goods for registration was around 1 hour in 16 instances whereas it was 25 hours in 4 instances. Minimum time indicates the time required to complete the process, if all documents are available and maximum time indicates that such consignments reached parking plaza without complete documentation, resulting in delay in presenting goods for registration.

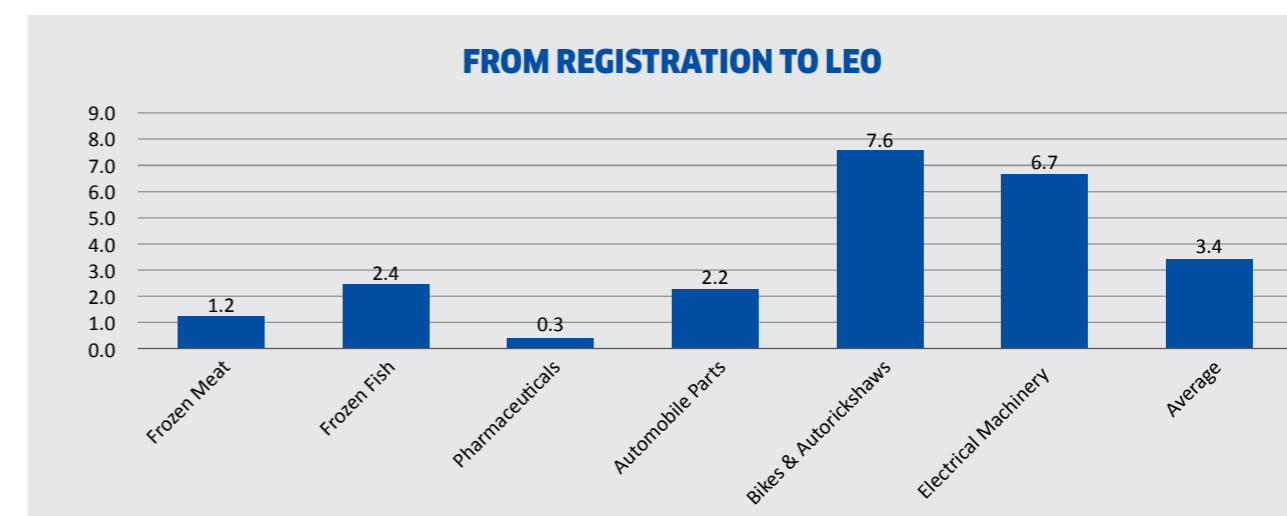


Conclusion:

If the documentation is complete, time taken from arrival of goods in the parking plaza / CFS to presenting such goods for registration is around 1 hour only, which also includes time taken for checking seal and container number.

Time taken from Registration to Let Export Order (LEO)

The reason for longer time is that whenever, during registration of goods, it is noticed that documents are not complete (eg. Phytosanitary Certificate / authorisation from DGFT not produced etc.), exporter takes long time. Also, if the consignment has to be opened and examined, the same requires to be transported to a nearby CFS and the time increases considerably as in some shipping bills pertaining to bikes & auto rickshaws, it is more than 70 hrs.

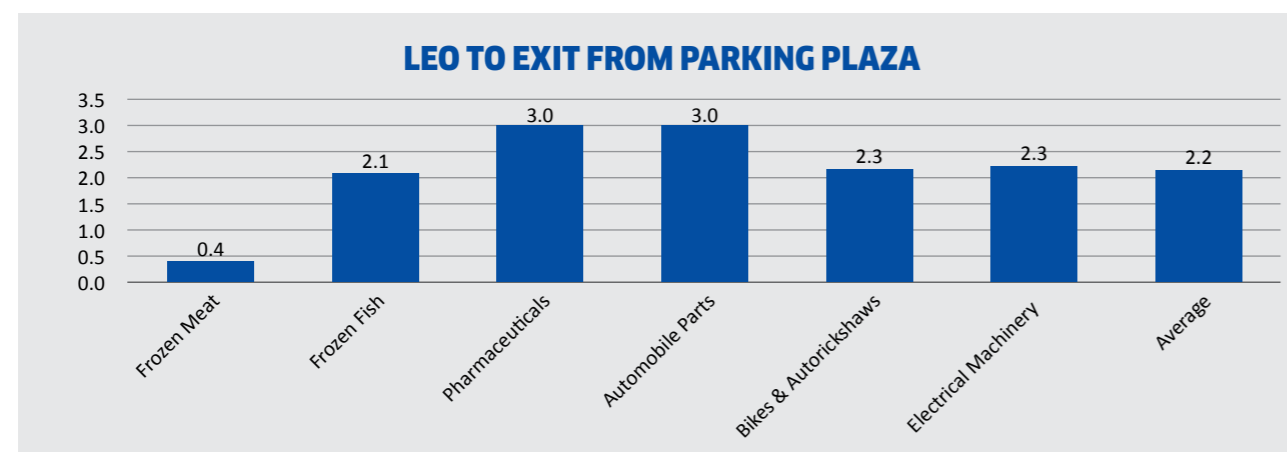


Conclusion:

Study also reveals that if the documentation is complete, time taken from registration to grant of LEO would be just 18 minutes (as revealed in the case of Pharmaceutical Products) if the container is not selected for examination by RMS.

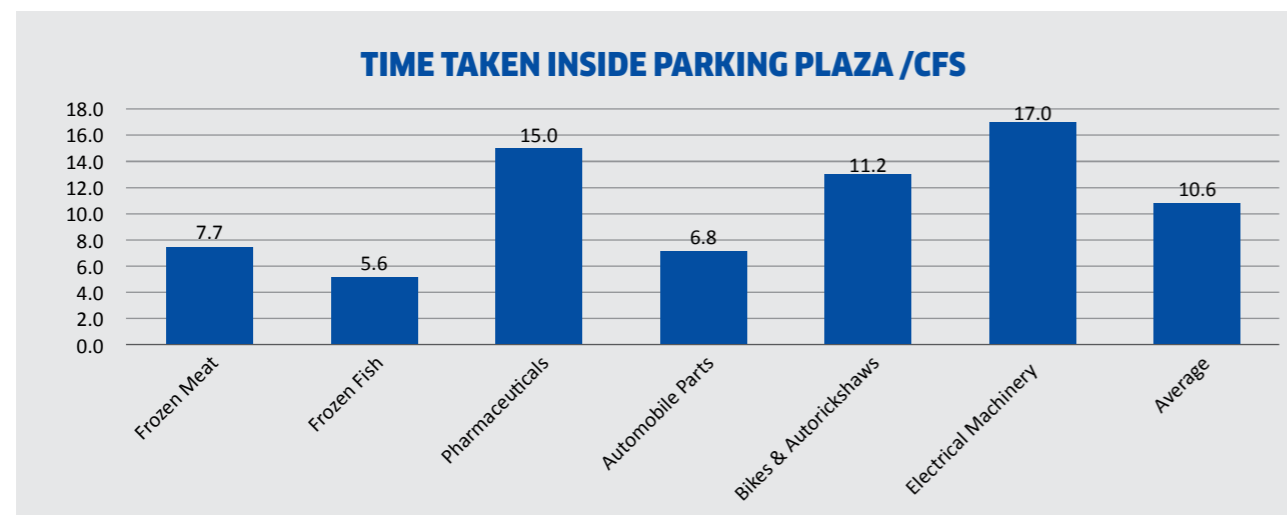
Time taken from LEO to exit from Parking Plaza:

As soon as LEO is given by Customs and approval in the Terminal Operating System is given, the container can be moved for export. Therefore, time taken from LEO to exit from Parking Plaza in large number of individual cases is less than 20 minutes (though average time is 2.2 hours). In certain cases, where container has arrived in advance and there is time left, exporter prefer to wait in the parking plaza before it decides to exit from parking plaza. Sometimes, time taken in making logistic arrangements also delays in exit. However, this is the time taken by exporter and not related to either Customs or any other regulatory authority including port terminal.



Total time taken inside Parking Plaza /CFS:

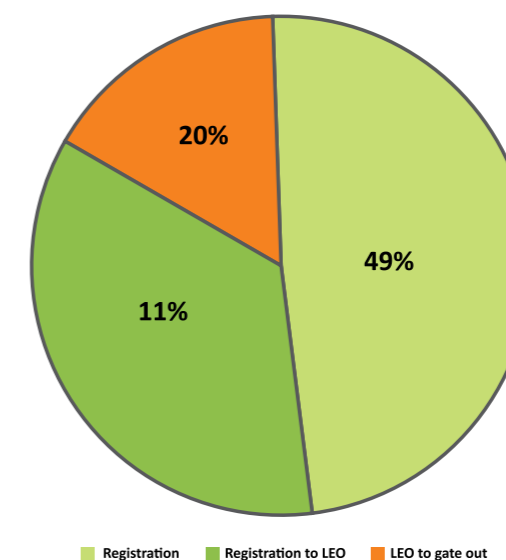
The time taken in the parking plaza includes the time taken for checking container number, seal number, registration of goods, and grant of LEO. Average time in respect of all the clearances is 10.6 hours, though it is just 5.6 hours in case of export of “frozen fish”.



JNCH recognizes the need for priority to reefer containers in the registration process and issue of LEO. The effectiveness of the public notices issued in this regard is the main reason for minimal time taken for frozen meat and frozen fish in this process.

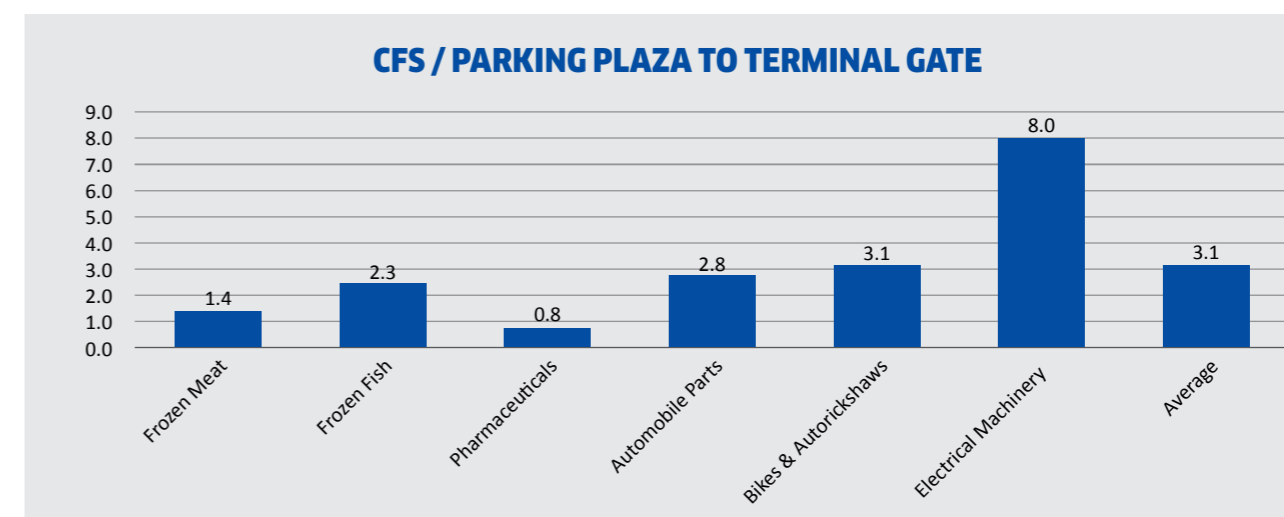
The graph below seeks to present the share of time taken in the three different processes completed in the parking plaza.

Time taken inside the parking plaza



Total time taken from CFS / Parking Plaza to Terminal Gate

This is the time taken in physical movement of the container from parking plaza / CFS to terminal gate. Generally, time taken is less when clearance is obtained from parking plaza as it is located closer to the terminal gate than the CFSs.



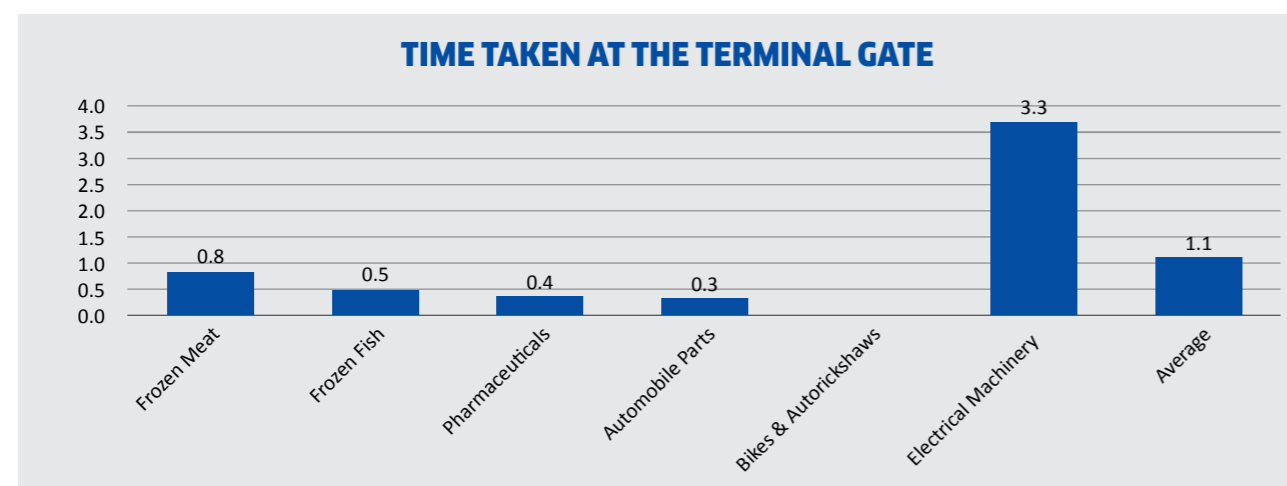
Except in the case of export of machinery, time taken from parking plaza / CFS to terminal gate is 1 hour to 3 hours. The reason for longer time in case of export of machinery is that mostly such containers are routed through CFS, which are mostly located far away as compared to parking plazas. Aforesaid time also indicates very positive outcome that congestion in the roads leading to terminal gates has been considerably eased out.

Positive impact of creation of Parking Plazas:

JNCH in co-ordination with terminal operators have converted the parking lots to processing areas and custom clearance procedures for factory stuffed containers commenced in parking plazas with effect from 05.12.2016. Prior to creation of parking plaza there were lot of cases where undocumented factory stuffed containers were standing on roads causing severe congestion and there used to be long queues of export containers for entering port. Operationalization of parking plazas has had major impact in reducing congestion as reflected in this study.

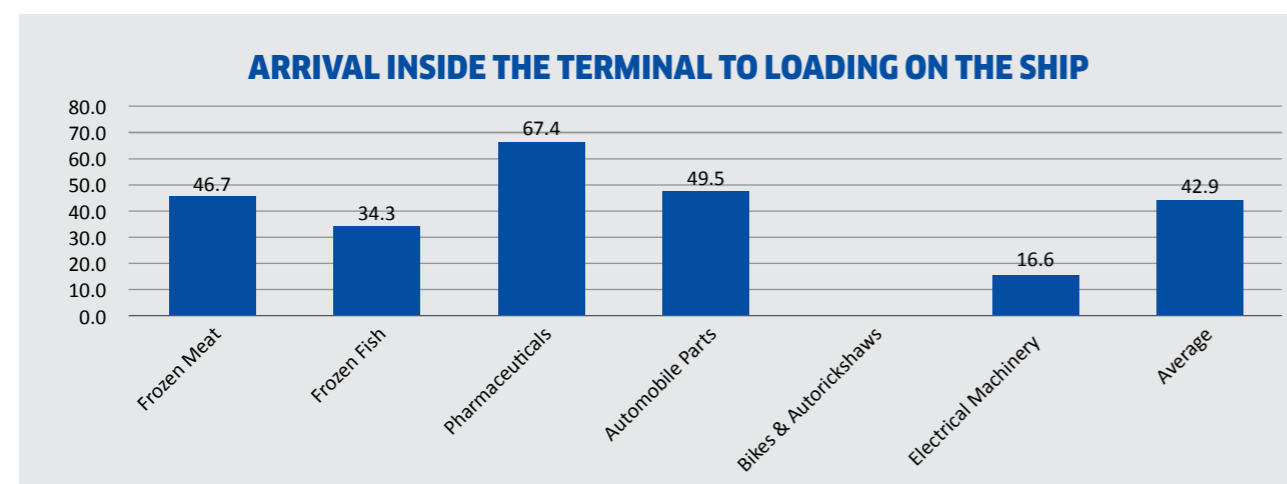
Time taken at the Terminal Gate:

Study indicated the time taken of around 18 minutes to 30 minutes. Interactions with exporters suggest that this time also included the waiting time for being in the queue at the terminal gate. This time includes the time taken at the terminal gate by terminal officials to generate drop off tickets, etc. as well as by CISF in conducting security inspections. It is acknowledged that all the terminals in JNPT have implemented RFID based Port entry of containers. The cargo details are captured in the RFID in the holding yards. This has resulted in reduction of time at the terminal gate. As mentioned earlier, there is no customs verification at the terminal gate.



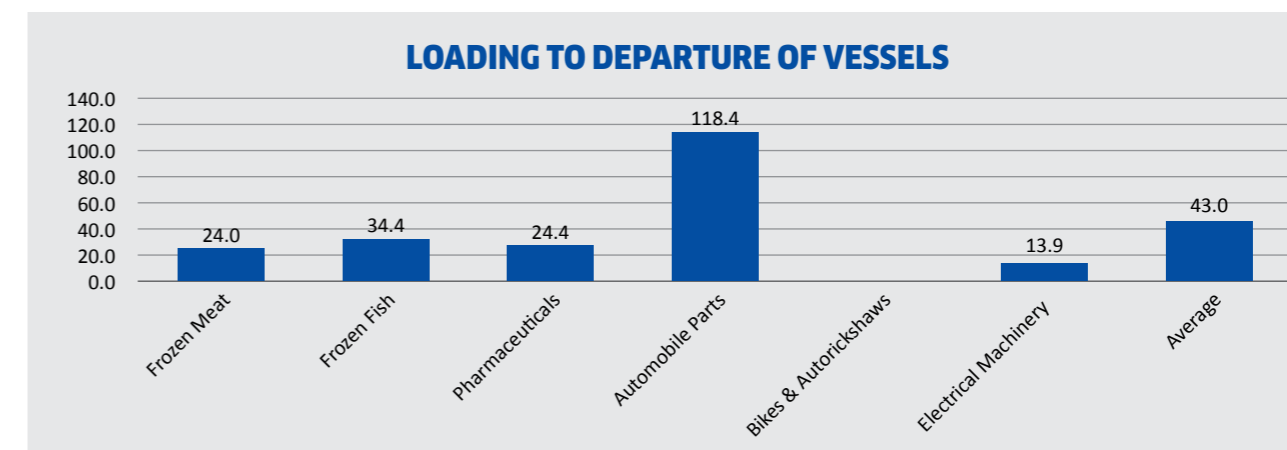
Time from arrival inside the Terminal to loading on the ship

In the case of export cargo, the time between the container entering the terminal and its loading on to a vessel is treated as the storage time. The free storage period provided by different terminals range from 3 days to 5 days in case of export by road. This study indicates that the actual storage time inside the terminal at around 43 hours is considerably lower than the free time allowed (exporter of “bike & auto” did not provide separate time for this segment).



Time from loading of container on the ship to departure of vessel:

For nearly half of the export shipments, exporter could not furnish details of exact time from the time of loading of container on the ship to sailing off / departure of vessel. However, this time is indicative of efficiency of port operation and ship turn-around time. This study indicated average time from loading of container on the ship to departure of vessel is 43 hours. However, this time is variable as there would be substantial difference in time when first container loaded on the ship and when the last container is loaded. Actual time should be the difference between time of loading of last container and departure of vessel.



SECTION - D

15

Conclusions and Recommendations

TRS 2018 has been an enriching and rewarding experience for the Team TRS. It has been successful in achieving to a very large extent the seven objectives that were set out at its inception. The decision to go for an in-house study has been vindicated in terms of the development of capacity for conceptualizing and conducting TRS and the quality of the study. It has helped in sensitizing officers of JNCH, participating government agencies and all other stakeholders towards the goal of minimizing release time of import and export cargo.

The conceptualization of export TRS has been a matter of great satisfaction. The presentation of first JNCH Export TRS has paved the way for a more ambitious study next year. This study found that the average release time for exports through JNPT is 84.1 hours, varying between 53.4 hours for frozen fish to 99.7 hours for electrical machinery. This finding is consistent with the World Bank Ease of Doing Business 2018 report, which found the export release time to be 85 hours, excluding time taken in domestic transport.

The all-in-one release time for imports at 144.18 hours represents a significant improvement over release time of 181.34 hours in January 2017. The results, however, show that the TFA goal of 72 hours is still distant and it would require concerted efforts and “leap frog” approach to reach that goal within a specified time period.

The study has highlighted the main areas of concern and action through its stratified multi-pronged disaggregated study focusing on categories of bills of entry, client accreditation, commodities with special clearance requirements and sub-processes entailing additional time.

Based on the detailed analysis, following recommendations are made for minimization of release time for import cargo:

- (i) RMD and JNCH may constantly review the risk parameters and profile to increase the full facilitation level (involving neither assessment nor examination). Strengthening of the feedback loop involving risk profile, interdiction results and constant revision of risk profile will enable increasing the facilitation levels, without threat to revenue or other compliance requirements.
- (ii) Since the release time for first check bills of entry (accounting for 3.5% share) is 261.42 hours and second check bill of entry with both examination and assessment (accounting for 25.1% of all bills of entry) is 190 hours, there is a need to think of ways of reducing their share as well as compressing their release time. In particular, the need for physical examination of cargo must be more carefully considered and scanning facility at the terminal premises should be strengthened.
- (iii) JNCH must enhance its outreach programme to increase the share of advance bills of entry, avail of e-Sanchit facility (for online uploading of supporting documents with bills of entry) to minimize the need to raise queries during assessment and to encourage prompt filing of normal bills of entry and prompt payment of duty.
- (iv) JNCH should engage with regular importers/exporters and logistic operators

to increase enrolment under the AEO and DPD scheme highlighting, inter alia, the significant benefits in terms of higher levels of facilitation, lower release time and direct savings in case of DPD clearance.

- (v) The partner government agencies, like FSSAI, ADC, PQ and TC should review their risk parameters and processes to reduce the share of interdicted bills of entry and minimize the associated release time. The PGAs and CBEC Single Window team should work towards setting targets for progressively increasing the facilitation levels assigned to each PGA.
- (vi) The PGAs and other agencies must be advised to modify their record management to register not just the date-stamp but precise time-stamps.
- (vii) JNCH should identify other major agencies that have role in clearance of cargo through JNCH, such as Central Insecticide Board, RFCL, DYCC, etc. and engage with them to streamline the processes so as to minimize the release time in respect of such cargo, including if possible, electronic transmission of test reports or no objection certificate through systems.
- (viii) Given the large geographical spread of the JNPT-JNCH-CFS-PGA-accredited laboratories, which entail significant transportation time, it is felt that there is a pressing need for developing a logistics hub in the vicinity of JNPT that may house various offices of PGAs, other stakeholders and state of the art laboratories, catering to main commodities imported or exported through JNPT.
- (ix) Prompt installation of new fixed scanner by JNCH and acquisition of mobile scanners by port terminals will help in reducing recourse to physical examination of goods, reduce the time involved in such scanning, besides improving interdiction and consequent effectiveness in risk profiling.
- (x) Special attention must be paid to streamline the process of clearance of liquid bulk cargo through, inter alia, putting in place special testing procedure by FSSAI, setting up of additional shore tanks, etc.

On the export side, the study found that creation and operationalization of parking plazas, catering to different terminals has reduced the customs processing time, besides eliminating movement of goods to CFS en-route to the terminals and congestion on the roads leading to terminal gates. Consequently, it has resulted in overall reduction of export release time.

The study recommends the following measures to further reduce the export release time:

- (i) Setting up of a centralised parking plaza catering to all the four terminals, with adequate facilities for scanning and examination of the containers.
- (ii) Expeditious completion of the infrastructural projects including widening of roads, construction of road over bridge, etc. This is expected to further reduce the time taken from parking plaza / CFS to terminal gates.
- (iii) The proposed testing facilities for import cargo may also be equipped with testing facility for perishable goods, etc.
- (iv) The outreach programme for enrolling AEO and DPD should also target exporters. The outreach programme should also impress upon the opportunity to benefit from increased certainty of time from Parking Plaza / CFS to terminal to better schedule their export consignments.

Taking note of the fact that monthly average dwell time for green channel (facilitated) and red channel (non-facilitated) bills of entry is being released by CBEC regularly on its website and the resource intensive methodology entailed in the TRS, it is recommended that the frequency of such studies should be made annual.

Glossary

- **Advance Bill of Entry**- Bill of entry, which is filed before the grant of entry inwards to a vessel.
- **Authorized Economic Operator**- A party involved in the international movement of goods in whatever function that has been approved by Customs as complying with specified standards.
- **Bill of Entry**- A document, giving account of goods imported, presented at a customs office, detailing the merchant, quantity of goods, their type, and place of origin or destination.
- **Container Freight Station**- It is a customs area set up as an extension of a customs station with the main objective of decongesting the port.
- **Direct Port Delivery**- A flagship scheme of CBEC & JNCH under which the out of charge is given directly from terminal premises instead of CFS, thereby reducing release time.
- **Direct Port Entry**- It is the export equivalent of DPD. Under this process, shippers need not route ready shipments through off-site container freight stations for verification and to secure an LEO, which is otherwise mandatory for all exports, thereby reducing release time.
- **Entry Inward**- The permission granted by proper officer to the master of the vessel to unload the goods.
- **Facilitated Bill of Entry**- These bills of entry are facilitated by RMS which means the self-assessment by the importer is accepted as such by the system.
- **First check assessment**- It is the practice of examining the goods before assessment.
- **Gate Out**- The final act of taking the goods outside the premises of CFS by the importer/custom broker.

- **Import General Manifest**- It is a document filed by the shipping line giving details of cargo arriving at the port of importing country.
- **Inland Container Depot**- ICD is an independent customs station, usually located in hinterland, like a port or air cargo unit for the purpose of customs procedures related to imports and exports.
- **Non-Facilitated Bill of Entry**- These are the bills of entry which are assigned to proper officer by RMS for either assessment only or, assessment and examination.
- **Normal Bill of Entry**- Bill of entry which is filed after the grant of entry inwards to a vessel.
- **Out of Charge**- It is the final procedure of import customs clearance to take delivery of imported goods.
- **Participating Government Agency**- These are specialized bodies due to their expertise in a particular field or due to them being the empowered agency under a statute to regulate the import of specified commodities.
- **Release time**- The time taken from the grant of entry inward to grant of out of charge by customs.
- **Risk Management System**- An IT driven system with the primary objective to strike an optimal balance between facilitation and enforcement and to promote a culture of self compliance in customs clearances.
- **Second check assessment**- This is the practice when goods are first assessed based on the records available and then examination takes place.
- **Sevottam**- An administrative measure to improve the quality of public services in India. The term Sevottam comes from the Hindi words "Seva" and "Uttam" and means excellence in service delivery.
- **Shipping Bill**- A declaration presented to customs by the exporter before goods can be exported out of the country.
- **Single Window Interface for Trade (SWIFT)**- A program which enables importers/exporters to file a common electronic 'Integrated Declaration' compiling information for customs and all PGAs. It replaces nine separate forms required by these 6 PGAs and Customs.
- **Let Export Order (LEO)**- The final procedure of export customs clearance procedures to export any goods outside country
- **Export General Manifest (EGM)**- A document filed by shipping carrier of goods after export has taken place.

ACRONYMS

ADC	- Assistant Drug Controller
AEO	- Authorized Economic Operator
AQCS	- Animal Quarantine and Certification Service
CBEC	- Central Board of Excise and Customs [It is being renamed as Central Board of Indirect Taxes and Customs (CBIC) through the Finance Bill 2018]
CCFC	- Customs Clearance Facilitation Committee
CFS	- Container Freight Station
DPD	- Direct Port Delivery
DPE	- Direct Port Entry
EDI	- Electronic Data Interchange
FCL	- Full Container Load
FSSAI	- Food Safety and Standards Authority of India
ICES	- Indian Customs EDI System
JNCH	- Jawaharlal Nehru Custom House
JNPT	- Jawaharlal Nehru Port Trust
LCL	- Less than Container Load
NACIN	- National Academy of Customs, Indirect Taxes and Narcotics
NCTF	- National Committee on Trade Facilitation
PQIS	- Plant Quarantine Information System
PTFC	- Permanent Trade Facilitation Committee
RMS	- Risk Management System
TC	- Textile Committee
TFA	- Trade Facilitation Agreement
TRS	- Time Release Study
WCCB	- Wildlife Crime Control Bureau
WCO	- World Customs Organisation
WTO	- World Trade Organisation

1. Survey for live tracking of bills of entry

1	Importer's Name			
2	Customs Broker's name			
3	Item description with CTH			
4	Country of origin			
5	Port of loading			
6			Date	Time
7	Bill of Entry No.			
8	IGM			
9	Any containers selected for scan	Yes/No		
10	Entry inward			
11	First check assessment	Yes/No	If yes, proceed a to c; if no, go to Sr. No. 15	
12	a) Date and time of examination			
13	b) Date and time of sample drawal			
14	c) Date and time of receipt of report from PGA			
15	Date and time of assessment			
16	Date and time of duty payment			
17	Date and time of entry of containers in CFS post scanning			
18	Date and time of goods registration			
19	Date and time of examination			
20	Date and time of OCC			

Signature

Name

Importer /CB

2. TRS survey -I

Bill of Entry No.

Date:

- Are you aware that Customs Act allows filing Bill of entry in advance of arrival of goods **YES/NO**
- Bill of Entry filed in advance / prior **YES/NO**
If No, please state the reason for not filing Advance/Prior Bill of Entry
 - Non receipt of import documents (please specify the document.)
 - Cargo being LCL in nature
 - Concern about interest accruing from the date of filing Bill of Entry
 - Could not find prospective customer
 - Others (please mention the reason)
- Whether duty paid on time after assessment without any interest thereon** **YES/NO**
If No, please state the reason
 - Insufficient fund
 - Could not find prospective customer
 - Others (please mention the reason)

Signature

Name

Importer /CB

3. TRS survey -II

Bill of Entry No.

Date:

1) Whether customs out of charge and gate out from CFS/Terminal on the same day **YES/NO**
If No, please state the reason
a) Delivery Order from Shipping lines not received due to non-payment/late payment of shipping charges
b) Logistics issue
c) Insufficient space for inventory
d) Destuffed delivery
e) Wanted to avail the free storage facility at CFS
f) Others (please mention the reason)

Signature

Name

Importer /CB

4. Survey for Export TRS

										SB NO. & DATE	AVG. COST INCURRED AT EACH STAGE FOR EACH CONTAINER (in Rs.)
1	Date & Time of completion of stuffing										
2	Date of preparation of invoice										
3	Date & Time, when truck/trailor leaves factory/ premises for export										
4	Date & Time of generation of E FORM-13										
5	Total time taken from factory to Parking Plaza / CFS										
6	Date and Time of arriving at Parking Plaza / CFS										
7	Date & Time of Registration of goods										
8	Date and Time of grant of LEO										
9	Date and Time of exit from Parking Plaza / CFS										
10	Total time taken inside Parking Plaza /CFS										
11	Date and Time of arrival at Port Terminal Gate										
12	Total Time taken from CFS / Parking Plaza to Terminal Gate										
13	Time taken at the Terminal gate										
14	Date & Time of arrival inside Terminal Area										
15	Date and Time of loading on ship										
16	Date & Time of departure of vessel										
17	Date & Time of filing of EGM										
18	Time taken from the time of leaving factory to time of export										



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CREDITS

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BEST FOOT FORWARD
TIME RELEASE STUDY JANUARY 2018

करदाता सेवा केन्द्र
TAXPAYER SERVICE CENTRE



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