Report of the
Comptroller and Auditor General
of India

for the year ended March 2017

Performance Audit of Working of Inland Container Depots (ICDs) and Container Freight Stations (CFSs)

Union Government

Department of Revenue
Indirect taxes -Customs

No.16 of 2018

Laid on the table of Lok Sabha and Rajya Sabha on 08 जनवरी 2019

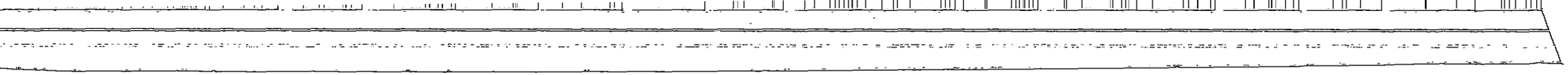


Table of Contents

Preface

This Report has been prepared for submission to the President of India under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit of 'Working of Inland Container Depots (ICDs) and Container Freight Stations (CFSs)'.

The instances mentioned in this Report are those which came to notice in the course of test audit conducted during the period 2017-18, and covering transactions of the period 1st April 2012 to 31st March 2017.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Audit wishes to acknowledge the cooperation received from Ministry of Finance (MoF), Department of Revenue (DoR), Department of Commerce, and its field formations at each stage of the audit process.

EXECUTIVE SUMMARY

An Inland Container Depot (ICD)/Container Freight Station (CFS) also known as dry ports are multimodal logistics centres with public authority status under Customs. They are connected to a seaport either by rail or road and serve as a transhipment point for export and import cargo. In addition to being transhipment points, they offer services for handling and temporary storage of import/export laden and empty containers, warehousing, temporary admissions, re-export. An ICD is generally located in the interiors of the country away from the servicing ports. CFS, on the other hand, is an off dock facility located near the servicing ports which helps in decongesting the port by shifting cargo and Customs related activities outside the port area. ICDs and CFSs provide much needed logistics infrastructure for movement of containerised cargo for imports and exports and thus play an important role in facilitating trade.

According to data maintained by Department of Commerce, as of March 2017 there were 129 ICDs. Of these, Maharashtra had the maximum number of ICDs (13), followed by Uttar Pradesh (11), Tamil Nadu (10), Gujarat (9) and Haryana (8). ICD Tughlakabad in Delhi NCR region is the largest ICD in the country spread over 44 hectares of land. There were no ICDs in the northern-most state of Jammu and Kashmir and only one ICD in Assam among all north-east states.

There were 168 CFSs in the country out of which Tamil Nadu had the highest number (50) followed by Maharashtra (48) and Rajasthan (24).

In 2016-17, a total of Rs 4.27 lakh crore worth of imports and exports was handled through 80 active ICDs in the country, of which trade worth Rs. 1.94 Lakh crore (approximately 46 *per cent* of total trade) was handled in five top ICDs of the country, namely, ICD Tughlakabad Delhi, ICD Whitefield Bengaluru, ICD Sabarmati Gujarat, ICD Tuticorin Tamil Nadu and ICD Garhi Harsaru in Haryana.

Annual growth of imports through ICDs between FY 13 and FY 15 ranged between 16 - 17 *per cent* , but declined to 0.6 *per cent* in FY 16 and picked up only marginally by 1.5 *per cent* during FY 17. The exports from ICDs grew at an impressive 27.5 *per cent* between FY 13 and FY 14, but slowed down to 8.2 *per cent* in FY 15 , 3 *per cent* in FY 16 and modest 4.3 *per cent* in FY 17.

During 2016-17, top items of imports through ICDs were machinery and electrical equipment, base metals plastics and rubber, chemicals, textiles and wood pulp and fibrous cellulosic materials. Top items of exports through ICDs included textiles, chemical products, machinery and electrical equipment,

base metals, vehicles and associated transport equipment and agricultural products . China was the largest source of Indian imports through ICDs, followed by Japan and South Korea, while main destination countries for India's exports through ICDs were USA, UAE and UK.

Performance audit of working of ICDs and CFSs was taken up with a view to assess the extent to which ICDs and CFSs are able to facilitate foreign trade of India through containerised movement of cargo. The audit objectives were to:

i. Examine the procedures for setting up and closure of ICDs and CFSs

ii. Assess the performance of ICDs and CFSs in providing containerised cargo handling and customs clearance facilities to facilitate trade, and

iii. Examine the regulatory framework for the operation of ICDs and CFSs.

The sample selected for test check included a total of 85 ICDs/CFSs under 35 Customs Commissionerates, out of which there were 44 ICDs (38 functional and 6 closed/non-functional) and 41 CFSs . The performance audit covered transactions over a five year period from 2012-13 to 2016-17.

This report is divided into five chapters. Chapter I presents an overview of the ICD/CFS sector. Chapter II delineates audit objectives, scope, sample selection methodology and criteria used for conduct of this performance audit. Chapter III, IV and V contain audit findings, conclusion and recommendations following each of the three objectives of this performance report.

This report contains twenty eight audit paragraphs including sub-paragraphs and eight recommendations. The performance audit has revenue implication of ₹ 573.21 crore.

Responses received from Department of Commerce (DoC) (January 2018) and Department of Revenue (DoR) (February 2018) have been included at appropriate places.

AUDIT FINDINGS

The important audit findings are narrated below.

Chapter 3 - Procedures for setting up of Inland Container Depots ICDs) and Container Freight Stations (CFSs)

Absence of framework for setting up of ICDs and CFSs

An Inter-Ministerial Committee (IMC) was constituted in 1992 to act as single window clearance for proposals for setting up of Inland Container Depots (ICD), Container Freight Stations (CFS) and Air Freight Stations (AFS). Ministry

of Commerce and Industry guidelines, 1992 prescribe the requirements for setting up of the ICDs and CFSs. Audit observed that two sets of guidelines were available on the Department of Commerce (DoC) website and none of them mentioned the notification or memorandum through which these were formalized. DoC stated that the guidelines were revised in September 2017 but the earlier guidelines were inadvertently not removed from its website. DoC further stated that there was no requirement of separate notification as these have been framed under the IMC's terms of reference. However, without reference to any formal notification of guidelines, Audit could not establish which of the two guidelines were formalized and the date from which revised guidelines came into effect.

Audit concluded that the existing guidelines lay down a checklist of steps to be followed while granting approvals that are more procedural in nature, and there is no policy document or framework laying down principles and objectives which would help the IMC members to evaluate the proposals.

Further, no role and responsibilities have been defined for the IMC or its constituent ministries beyond the approval process leaving the sector unregulated.

(Para 3.1)

Non-availability of basic data and lack of reliable data on number and status of ICDs and CFSs

Basic data relevant to setting up and operation of ICDs and CFSs, such as their number, location, operational status (i.e. functioning or closed), installed capacity, performance in terms of operating capacity, etc. was not available with the DoC which was the nodal Ministry under which the IMC was functioning.

On Audit's request for comprehensive data on number of ICDs established before and after the creation of IMC, DoC provided a list of ICDs and CFSs that had become functional after the creation of IMC in 1992 and stated that they did not have data prior to that year. The Central Board of Excise and Customs (CBEC), now CBIC[#] did not furnish any data to Audit. Audit therefore approached local Customs formations for details of ICDs and CFSs functioning under their respective jurisdiction and found several discrepancies between data maintained by DoC of functional ICDs/ CFSs and that collected through local Commissionerates. Audit noticed at least 27 instances of incorrect reporting and non-updating of status during test check of records.

[#]The CBEC renamed as the Central Board of Indirect Taxes and Customs vide Sec. 1 # 60 of the Finance Act, 2018.

Audit concluded that there is lack of single reliable source of data on the number of functional/operational/closed ICDs/CFSs.

(Para 3.2)

Approvals to new ICDs and CFSs without assessment of capacity created and utilised

New ICDs and CFSs were approved by the IMC without assessing the capacity created and utilized. Audit found that nearly forty *per cent* of ICDs and CFSs test checked were operating at less than half of their installed capacity and another one third were operating between 50-70 *per cent* of their capacity. In five CFSs attached to Kolkata port, although the capacity utilisation was only 74 *per cent* of their combined cargo handling capacity, a new CFS was granted permission to start operations. Audit observed that immediately after the new CFS became operational, volumes handled by one of the existing CFSs dropped drastically in nearly the same proportion as the volumes handled by the new CFS went up. In JNPT Mumbai, in 2012, capacity utilisation in 13 out of 27 CFSs attached to the port was reported in the range of 60-65 per *cent*, while that in 16 out of 29 CFSs in Chennai port was about 56 *per cent*. The IMC approved ten new CFSs in Maharashtra and twelve new ICDs in Tamil Nadu including six in Chennai during 2012-17.

DoC stated that proposals received by the IMC are business proposals from private developers whose viability depends on projected traffic volume.

Audit concluded that there is a proliferation of ICDs and CFSs in certain regions and in and around major port areas of the country and one of the main reasons for under utilisation of capacity created is setting up of multiple ICDs/CFS in close vicinity to each other. It has also resulted in overstretching of the resources of the Customs department.

(Para 3.3)

Audit pointed out other cases of delay in approval and operationalization of ICD and CFS projects, ICDs operating without fulfilling minimum land area requirement and cases of major investments made by the developer even before grant of IMC approval.

(Para 3.4, 3.5, 3.6)

Chapter 4- Effectiveness of ICDs and CFSs in facilitating trade in containerised cargo

ICDs functioning without adequate infrastructure

Custodians operating the ICDs and CFSs are responsible for providing the required infrastructure and security to the import/export goods being handled at their respective premises under various provision of Handling of Cargo in Customs Area Regulations (HCCAR) 2009. Among the test checked

ICDs, Audit found that in ICD Kottayam basic handling equipment like crane for loading and unloading of containers and reach stacker for lift-off operations were not available. Though the ICD was projected to handle 9000 TEUs[1] per year, only 9159 TEUs were handled during five year period of 2012-17. Only 25 exporters had availed of the ICD facilities till the time of audit.

In ICD Verna Goa, Audit noticed that minimum infrastructure requirements under HCCAR 2009 had not been fulfilled including violation of minimum area requirement. The notified area under ICD was 1.2 hectares which was far below the minimum area requirement of 4 hectares for ICD.

(Para 4.1)

Non availability of specified demarcated areas and space for storage of hazardous goods

HCCAR 2009 stipulates that it is the responsibility of the custodian to demarcate separate areas for unloading and storage of import and export cargo and provide separate space for fumigation of goods. Hazardous Waste (Management, Handling and Transboundary Movement) Rules 2008 and other relevant Government provisions should be observed by the custodian in respect of handling and storage of hazardous goods. Audit noticed several cases of violation of these provisions where ICDs / CFSs had not provided demarcated areas as per HCCAR 2009, nor made separate area available for handling hazardous goods.

(Para 4.2, 4.3)

Interruption in EDI connectivity

The Indian Customs EDI System (ICES) 1.5 is the Customs' integrated software for automation of Customs workflow used by both the department as well as importers/exporters. EDI connectivity plays an important role in facilitating speedy clearances for imports and exports.

Audit found that no log books for local connectivity failures were maintained and there were frequent breakdown of network in a few ICDs. DG (Systems) did not share information on the extent of EDI downtime.

(Para 4.4)

Chapter 5-Regulatory framework for the operations of ICDs and CFSs

Lack of proper monitoring of the movement of export and import cargo

The export transshipment module (ETM) in customs EDI system (ICES) allows electronic monitoring of container movement through exchange of electronic messages between the Customs and Port authorities, the ICDs and shipping

[1]Twenty-foot equivalent unit (TEU) denotes cargo capacity

lines. All carriers (shipping lines/ ICDs/ other carriers) engaged for transshipment of containers are necessarily required to register a bond/ bank guarantee along with application for export transshipment permit in the ICES application, which allows the container with export cargo to be transshipped from the ICD to the gateway port. As soon as the export general manifest is filed, i.e. cargo is ready to move, the bond which was debited initially get automatically credited. In the manual system, the monitoring is carried out through reconciliation of landing certificates for imported cargo and transference copies for exported cargo. The monitoring of cargo helps in preventing theft, pilferage of goods and containers. Audit found that in test checked ICDs under Noida, Kanpur, Bolpur, Chennai port and Kolkata port Commissionerates the ETM was not operational. In nine Commissionerates where manual system of monitoring was being followed, transference copies of shipping bills for exports had not been received even after 90 days of exports.

On the import side, Audit observed that the import transshipment module (ITM) was not functioning in test checked ICDs and CFSs due to technical glitches. Tracking of containers to their actual destination was not possible through the ICES.

(Para 5.1.1)

Pendency of uncleared cargo

From the data on undisposed containers collected by Audit from 85ICDs/CFSs test checked, it was seen that as on 31 March 2017 7877 containers occupying total storage area of 1.17 lakh square metres was pending for disposal. Out of these 3397 containers (57 *per cent*) were pending disposal for more than 3 years. Analysis of uncleared cargo revealed that pendency was mainly due to delays in issue of no objection certificates by Customs, delay in clearance certificates from participating agencies like plant quarantine and pollution control agencies, delay in implementing orders for destruction of cargo and delay in re-export of containers.

Among the undisposed containers, Audit found 469 containers of hazardous waste like metal scarp, municipal waste, used tyres and used war material, 262 containers of perishable goods like food items and 86 containers of teak/ timber logs

(Para 5.2)

Dumping of Hazardous waste

The Handbook of Procedures 2009-14 of Foreign Trade Policy regulates import of metal scrap and waste. Import of seconds and defective rags, PET bottles and waste is regulated as per the Import Policy under Schedule I of

ITC. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules 2008 regulate the import of metal scrap and used rubber tyres under special permission by the Ministry of Environment and Forest and clearance of State pollution control boards.

Audit found in test checked 85 ICDs and CFSs, as on 31 March 2017, that there were 469 containers of hazardous waste lying undisposed from periods ranging from one to seventeen years. These included live bombs, war material scarp in three ICDs in Rajasthan, 92 containers of used tyres, metal scarp and hazardous chemicals in one CFS under Mumbai Customs Zone II, 15 containers of hazardous cargo in ICD Tughlakabad and 50 containers of mixed waste in ICD Moradabad.

Through detailed analysis of some sample cases Audit found that the *modus operandi* for import of hazardous waste included import of cargo without mandatory documentation, import of municipal waste through high sea sales and imports of municipal waste by mis-declaring the cargo.

Apart from the fact that these imports were made possible due to laxity in implementing the laid down procedures, Audit also noticed absence of clear procedures for re-export of containers with hazardous waste that resulted in such containers lying undisposed.

(Para 5.3)

Undue advantage to importers under Section 23 of Customs Act

Under Section 23 of the Customs Act 1962, an importer may relinquish title to the imported goods under certain circumstances as long as the goods have not been assessed for domestic clearance or for deposit of goods in a warehouse. Audit found in cases of test checked ICDs and CFSs that as on 31 March 2017, 838 containers had been abandoned by the importers after filing of bills of entry. Scrutiny of such cases of abandoned cargo revealed that certain importers were routinely abandoning cargo while continuing to import similar goods. Audit did not find any recorded reasons which had led the importers to wilfully abandon goods of high value. The imported items involved parts of windmill, steel coils, rubber tyres etc.

(Para 5.4)

Internal control and internal audit

In ten sub-paragraphs under this topic, Audit has reported on issues indicating weak internal controls in the regulatory framework of ICDs and CFSs. These issues pertain to shortfall in execution of bond/bank guarantees and insurance by custodians, shortfall cost recovery charges, theft and pilferage of cargo, manual filing of bills of entry and shipping bills. Further,

Audit found that local Risk Management Committees (LRM), as required under a CBEC circular of 2007, were not set up in at least 12 ICDs from where data was received. Audit noticed deficiencies like non-constitution of post compliance audit (PCA) wings, pending scrutiny of documents selected for PCA audit, and non-existent internal audit.

(Para 5.8.1 to 5.8.10)

CONCLUSION

The existing guidelines of DoC for setting up of ICDs and CFSs lay down a checklist of steps to be followed while granting approvals that are more procedural in nature, and there is no policy document or framework laying down principles and objectives which would help the IMC members to evaluate the proposals. Instead of being an apex regulatory and monitoring body for the ICD/CFS sector, the role of IMC is limited to being an approval granting body with no responsibility to monitor the performance of the ICDs and CFSs once they are set up. Lack of information and data on ICDs and CFSs at DoC which is a nodal ministry hampers taking a holistic view on the infrastructure facilities available for managing container traffic in the country by the IMC before according approvals. Approvals are given on a case to case basis rather than viewing them against a wider perspective of capacity requirement.

Cases of ICDs which have been set up but are not functional due to lack of requisite infrastructure reflect wastage of capacity created. EDI connectivity, which plays a very important role in facilitating speedy clearance of export / import cargo, needs to be monitored continuously. However, Audit did not find data on EDI downtime maintained by any of the test checked ICDs and CFSs which raises questions on the effectiveness of monitoring of EDI functioning.

Analysis of uncleared cargo containers had revealed a plethora of issues that plague management of containerised cargo. While delay in obtaining requisite clearances for disposal of containers is one end of the problem, the problem is compounded manifold because of numerous instances of containers being dumped with hazardous waste materials. Government's response in dealing with dumped waste is greatly impeded due to lacunae in regulations, like provision to abandon containers under Section 23 (2) of Customs Act which was routinely used by some importers and lack of clarity in existing regulations for dealing with dumped municipal waste. Among other instances of violation of regulatory framework, many ICDs and CFSs

were found to be handling hazardous cargo without requisite clearances from the central and state pollution controls boards.

The internal control mechanism was found wanting as instances of shortfall in bonds, bank guarantees and insurance were noticed. Despite EDI system, manual filing of bills of entry and shipping bills was prevalent. Lacunae in post compliance audit functions and internal audit lead Audit to conclude that the overall compliance environment at ICDs and CFSs was weak.

SUMMARY OF RECOMMENDATIONS

In view of the audit findings and conclusion, Audit recommends:

1. *Government may draw up a policy level document for providing a robust framework that comprehensively defines the approval process as well as the monitoring and regulatory mechanisms. Such a mechanism cannot rely on the Customs Law alone, as it is a legislation primarily for safeguarding government revenue and regulating the cross border movement of goods and does not address the requirements of monitoring and regulation of dry ports sector.*
2. *A website on ICDs and CFSs may be developed by DoC where updated database and real time information on operations of ICDs and CFSs could be accessed by all stakeholders.*
3. *CBEC may consider introducing penal clause under HCCAR for CCSPs found flouting these requirements.*
4. *CBEC may consider making it mandatory for all EDI locations to maintain a system downtime database and share this information publicly as part of performance measure of CCSPs.*
5. *CBEC may consider bringing suitable modifications in ICES to automate the re-credit of bond by populating the landing certificate message into ICES. Board may also consider developing a reporting mechanism to independently monitor the uncleared cargo/ containers rather than relying upon the custodians report.*
6. *To check the large scale dumping of municipal and hazardous waste into India through cross border trade, provision in the Customs Act / Customs Regulations may be provided to invoke the Hazardous Materials (Management, Handling and Transboundary Movement) Rules, 2008 or any other relevant laws of the land to initiate stringent penal action including criminal action, if warranted, against defaulting importers and shipping lines. CBEC may issue relevant guidelines to its field formations in this regard.*
7. *CBEC may lay down procedures for re-export of hazardous waste in consultation with other concerned ministries like the Environment and Shipping to avoid any ambiguity in procedures*

8. *To address the risk of importers taking undue advantage of provisions of Section 23 for wilful abandoning of cargo routinely, Board may review the provision so that abandoning of cargo is allowed only as a rarest of rare case.*

CHAPTER- 1

ICDs AND CFSs IN INDIA: AN OVERVIEW

Inland Container Depots (ICDs) and Container Freight Stations (CFSs) are also called dry ports as they handle all customs formalities related to import and export of goods at these locations. In a multi modal transport logistics system, ICDs and CFS act as hubs in the logistics chain.

According to Ministry of Commerce and Industry (MoCI) guidelines, an Inland Container Depot (ICD)/Container Freight Station (CFS) may be defined as a common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under Customs control and with Customs and other agencies competent to clear goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export. Transshipment of cargo can also take place from such stations.

1.1 Distinction between ICD and CFS

ICD and CFS offer services for containerization of break- bulk cargo and vice-versa. Most ICDs are connected by rail to the respective gateway port, and this is a key difference between the ICD and CFS. CFSs are typically adjoining or are in close proximity to the mother port and often do not have rail connectivity.

An ICD is generally located in the interiors (outside the port towns) of the country away from the gateway ports. CFS, on the other hand, is an off-dock facility located near the servicing ports which helps in decongesting the port by shifting cargo and Customs related activities outside the port area. CFSs are largely expected to deal with break-bulk cargo originating/terminating in the immediate hinterland of a port and may also deal with rail borne traffic to and from inland locations.

1.2 Functions of ICDs and CFSs

The primary functions of ICD or CFS may be summed up as under:

a. Receipt and dispatch/delivery of cargo.
b. Stuffing and stripping of containers.
c. Transit operations by rail/road to and from serving ports.
d. Customs clearance.
e. Consolidation and desegregation of LCL cargo.
f. Temporary storage of cargo and containers.
g. Maintenance and repair of container units.

An overview of ICDs and CFSs is presented below.

1.3 Inland Container Depots

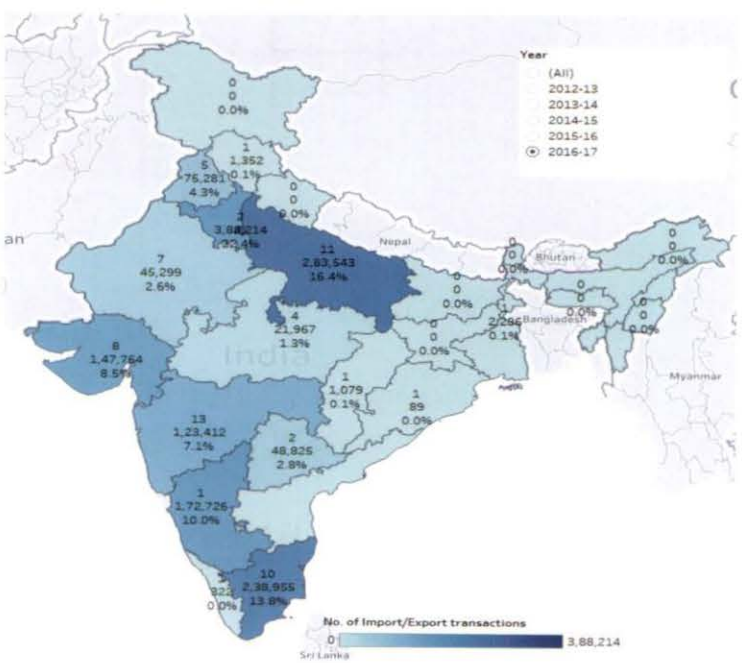
1.3.1 Geographical distribution of ICDs and Volume of Transactions

According to the data maintained by the Department of Commerce (DoC), there were 129 ICDs in the country as of March 2017 **(Appendix I).** According to the data provided by CBEC (now CBIC), there were 80 active ICDs in the country. These include the ICDs set up before the DoC was made the Nodal agency for setting up of ICDs in 1992.

As per the CBEC data on active ICDs, the state-wise distribution indicates that Maharashtra region has the maximum number of ICDs (13), followed by Uttar Pradesh (11), Tamil Nadu (10), Haryana (9) and Gujarat (8).Delhi has the largest ICD in India, namely ICD Tughlakabad. There are no ICDs in the northern-most state of Jammu & Kashmir and there is only one ICD at Amingaon, Assam which caters to the entire north-east.

In terms of volume of transactions, (Bills of Entry for Imports and Shipping Bills for Exports), the highest volume of trade through ICDs was generated in Delhi (22 *per cent*), Uttar Pradesh (16 *per cent*), Tamil Nadu (14 *per cent*), Karnataka (10 *per cent*), Gujarat (8.5 *per cent*) and Maharashtra (7 *per cent*). These six states together accounted for 78 *per cent* of India's total ICD transaction volumes.

Fig 1: Geographical distribution of ICDs and volume of transactions

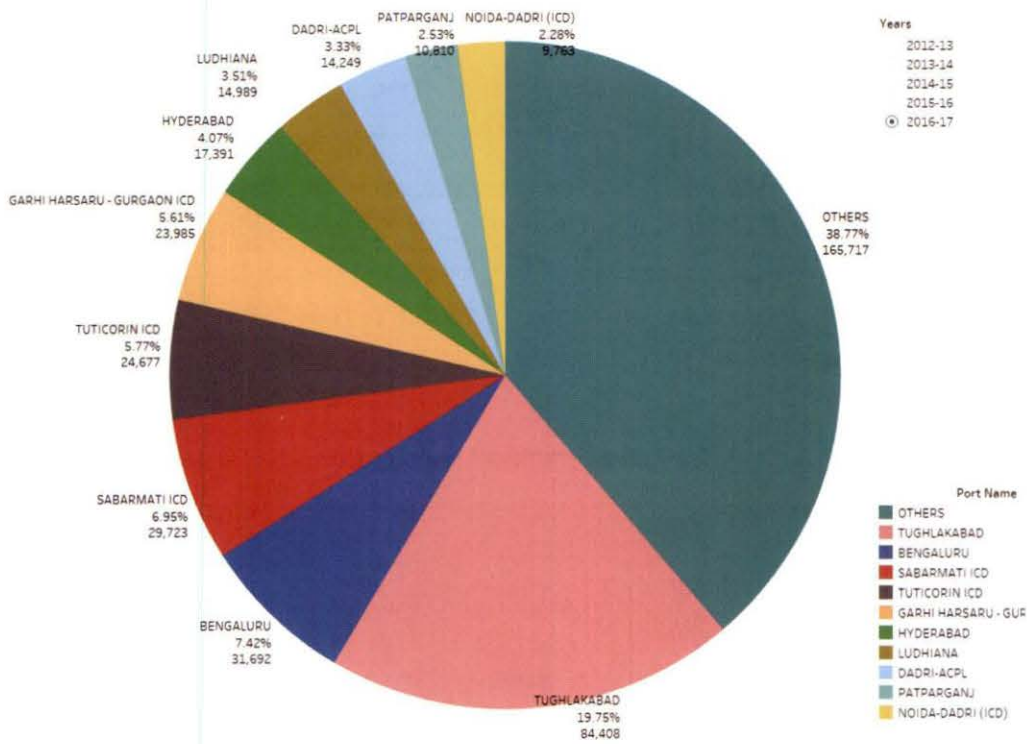


Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems), CBEC

1.3.2 Value of Imports and Exports handled through ICDs

In 2016-17, out of the 80 active ICDs in the country which handled a total of ₹ 4,27,404 crore worth of imports and exports, there were ten ICDs which accounted for 61.2 *per cent* of the total value of trade. Of these ten, there were five ICDs in particular, which accounted for ₹ 1,94,485 crore (45.5 *per cent*) of the exports and imports. These were ICD Tughlakabad, Delhi (19.8 *per cent*), ICD Whitefield, Bengaluru (7.4 *per cent*), ICD Sabarmati (7 *per cent*), ICD Tuticorin (5.8 *per cent*) and ICD Garhi Harsaru, Gurgaon (5.6 *per cent*).

Fig 2: Top 10 ICDs by value of Imports & Exports, 2016-17



Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems), CBEC.

(*The year-wise position of top ten ICDs handling the maximum value of trade can be seen in the digital version of this Report in the interactive graph by selecting a particular year)*

1.3.3 Trend of growth in imports and exports through ICDs

In absolute rupee terms, value of year-on-year imports through ICDs increased from ₹ 117,455 crore in FY 2013 to ₹ 162,469 crore in FY 2017. Growth trend indicated that imports grew at a rate of 16 *per cent* between FY 2014 and FY 2015 but started declining from FY 2016. The annual growth rate was a mere

0.6 *per cent* during FY 2016 and picked up only marginally to 1.5 *per cent* during FY 2017.

Value of exports through ICDs increased from ₹ 190,249 crore in FY 2013 to ₹ 264,935 crore in FY 2017. The annual growth rate was an impressive 27.5 *per cent* during FY 2014 but dropped to 8.2 *per cent* during FY 2015, declining further by 3.1 *per cent* in FY 2016 before the trend was reversed with an increase of a modest 4.2 *per cent* in FY 2017. The graph below shows the all-India trend of growth in Imports and exports through ICDs.

Fig 3: Year-on-year growth in value of imports & exports through ICDs

Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems), CBEC

(*The year-on-year trend of growth in value of imports and exports through individual ICDs can be seen in the digital version of this Report in the interactive graph by selecting a particular ICD port code)*

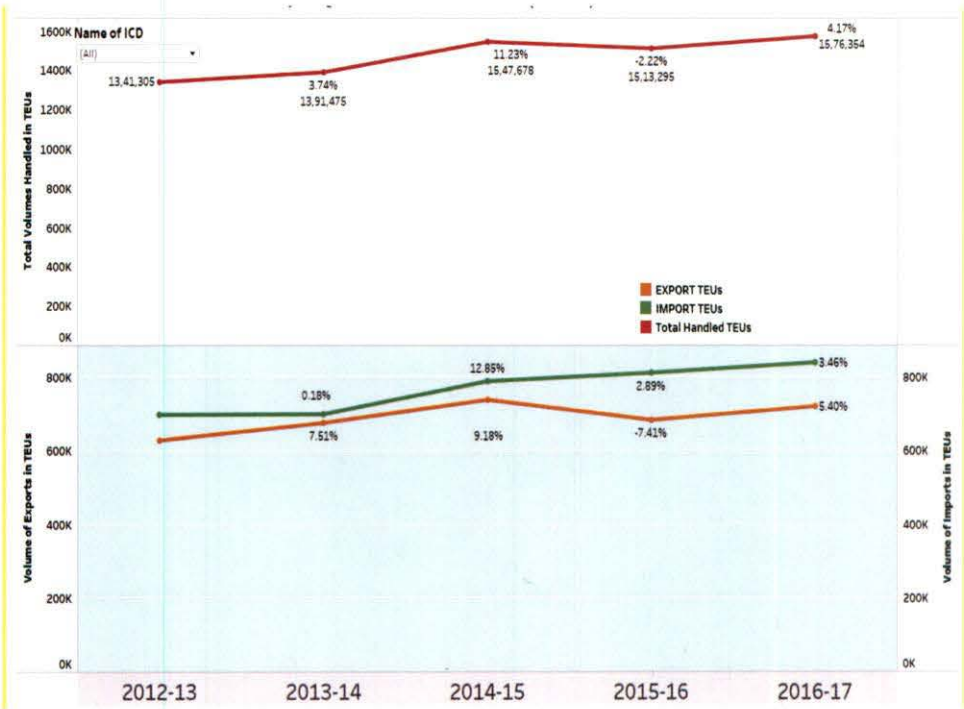
1.3.4 Trend of growth in volume of traffic (in TEUs) handled by ICDs

Data on volume of cargo handled annually in TEUs was available for 37 **(Appendix IA)** out of the 38[2] functional ICDs test checked in audit, from which it can be seen that TEUs handled by 37 ICDs increased from 13.41 lakh TEUs in FY 2013 to 15.96 lakh TEUs in FY 2017, an increase of 19 *per cent* over a four-year period.

[2]Out of a total sample of 44 ICDs selected for test check in Audit, 38 ICDs were functional during the audit period andremaining 6 were closed/non-functional

It is noticed that volume of containerized traffic handled by ICDs showed an increasing trend till FY 2015, after which there was a decline of 2.2 *per cent* in FY 2016. Decline in TEU volumes was mainly due to decline in export TEUs handled between 2014-15 to 2015-16. The growth rate again picked up by 4.2 *per cent* in FY 2017.

Fig 4: Year-on-year growth in Volume of Trade (in TEUs) at 37 audited ICDs



Source: Data available from 37 out of 38 functional ICDs test checked in Audit

(The year-on-year trend of growth in volume of Traffic in TEUs through individual ICDs can be seen in the digital version of this Report in the interactive graph by selecting a particular ICD name)

1.3.5 Commodity profile of imports and exports through ICDs

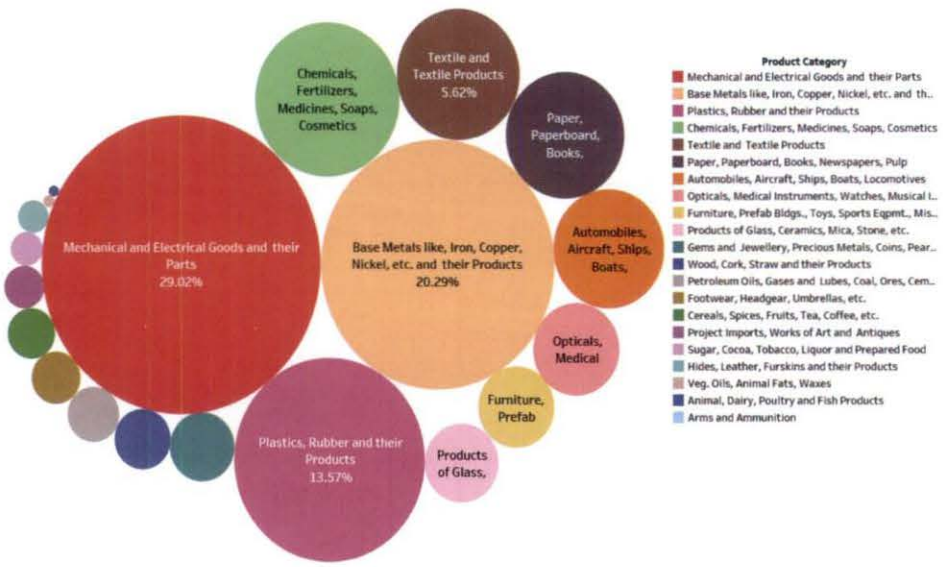
Transaction data of imports and exports over the period 2012-2017 was analyzed for the commodity profile of imports and exports taking place through the ICDs. The commodity profile is based on product categories defined in twenty one sections of the Indian Trade Classification Harmonized System (ITC-HS) and the equivalent sections of the Customs tariff schedule.

1.3.5 (i) Commodity profile of Imports

Major product categories imported (value-wise) through ICDs during FY 2013 to FY 2017 were (i) Mechanical and electrical equipment and their parts (26.4 *per cent*) (ii) Base metals like Iron, Copper, Nickel, etc. and their products (21.3 *per cent*) (iii) Plastics, rubber and their products (13.67 *per cent*) (iv) Chemicals, Fertilizers, Medicines, Soaps, Cosmetics, etc. (7.7 *per cent*) (v) Textiles and

textile products (5.6 *per cent*), etc. The commodity profile of imports remained largely the same throughout the five-year period 2013-2017, except in FY 2015 and FY 2016, when the product category 'Gems and Jewellery, Precious Metals, Coins, Pearls, etc. witnessed substantial imports and it was among the top five product categories imported in these two years.

Fig 5: Commodity profile of imports through ICDs



Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems), CBEC

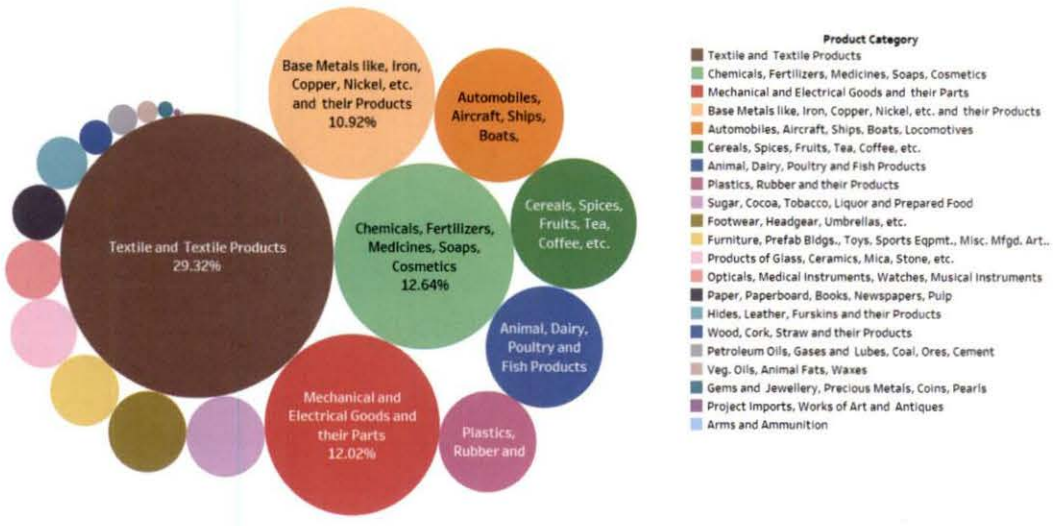
(The year-wise commodity profile of imports through individual ICDs can be seen in the digital version of this Report in the interactive graph by selecting a particular ICD port code and year)

1.3.5 (ii) Commodity profile of Exports

During FY 2013 to FY 2017, major product categories exported (value-wise) through ICDs were (i) Textiles and textile products (24 *per cent*), (ii) Chemicals, Fertilizers, Medicines, Soaps, Cosmetics, etc. (12.5 *per cent*) (iii) Mechanical and electrical equipment and their parts (12.3 *per cent*), (iv) Base metals like Iron, Copper, Nickel, etc. and their products (12.1 *per cent*) (v) Cereals, Spices, Fruits, Tea, Coffee, etc. (10.1 *per cent*), (vi) Automobiles, Aircraft, Ships, Boats, Locomotives, etc. (7 *per cent*). Textiles and Textile products have been the highest exported product category throughout the five-year period 2012-2017. The export value of this product category more than doubled from ₹ 37,601 crore in FY 2013 to ₹ 77,691 crore in FY 2017, the increase in their share of total exports through ICDs being from 19.7 *per cent* to 29.3 *per cent*. On the other hand, the product category 'Cereals, Spices, Fruits, Tea, Coffee, etc.', which was the second largest product category in FY 2013 and FY 2014, became the fifth largest product category in FY 2015 and slipped further to sixth position in FY 2016 and FY 2017. The export value of this product

category decreased from ₹ 31,252 crore to ₹ 16,620 crore during this five-year period.

Fig 6: Commodity profile of exports through ICDs



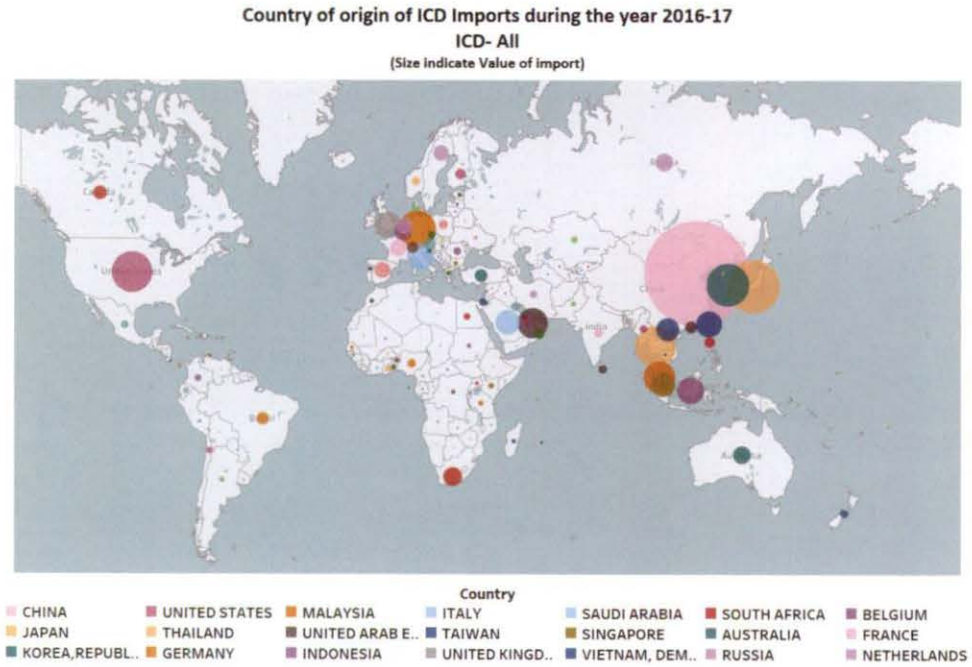
Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems)

(The year-wise commodity profile of exports through individual ICDs can be seen in the digital version of this Report in the interactive graph by selecting a particular ICD port code and year)

1.3.6 Country of origin of imports made through ICDs

As seen from Figure 7, in 2016-17 the largest source of India's imports through ICDs was China (34 *per cent*), followed by Japan (8.6 *per cent*), South Korea (5.7 *per cent*), USA and Thailand (*both* 5.1 *per cent*) and this trend has remained the same over the past 5 years.

Fig 7: Country of origin of imports made by India

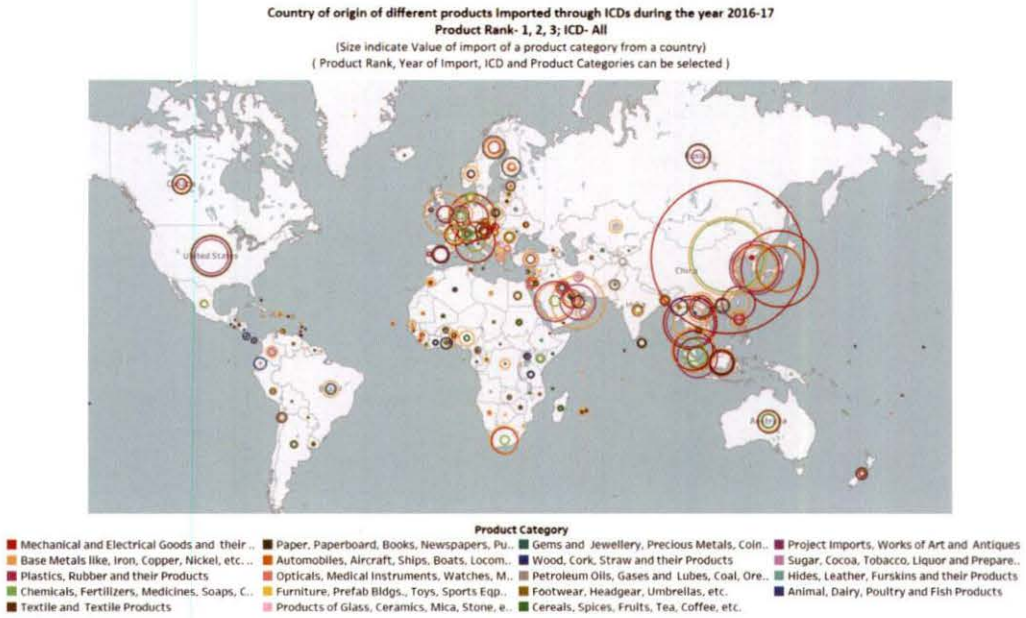


Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems)

(The year-wise trend of Country of origin of imports through different ICDs can be seen in the digital version of this Report in the interactive graph. Size of the bubbles indicates value of imports.)

Figure 8 shows the country-wise profile of different product categories imported through ICDs. It is seen that in 2016-17, China was the largest source of imports of all mechanical and electrical goods, base metals, chemicals and fertilizers, textiles, plastics and rubber products. USA was the largest source of paper and paper products and Japan was the largest source of imports of automobiles and parts thereof.

Fig.8: Country of origin of different products imported through ICDs



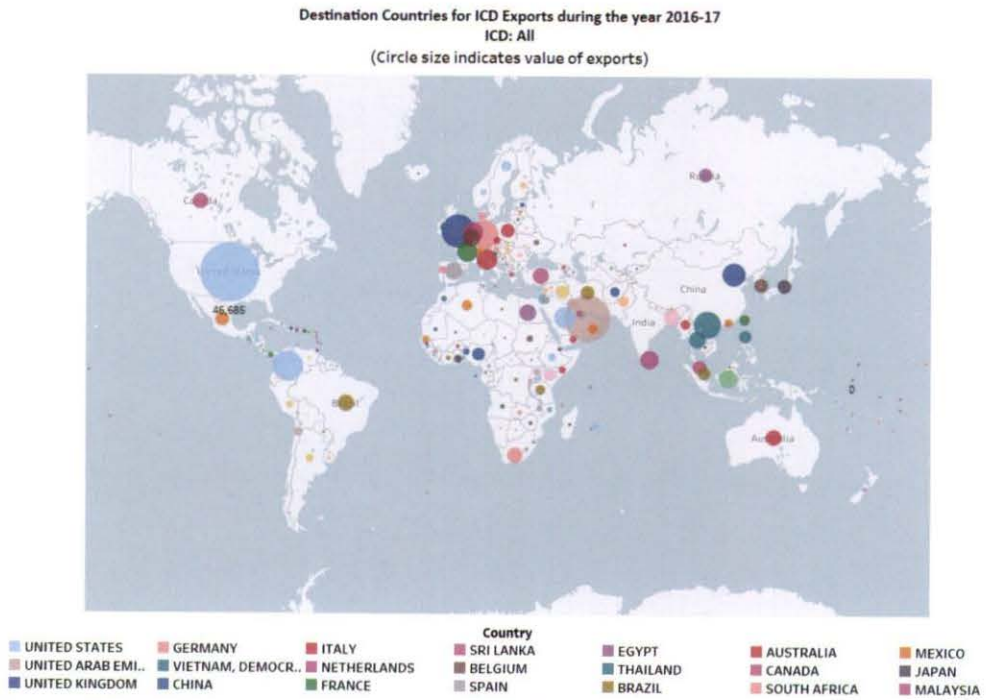
Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems)

(The year-wise trend of Country of origin of imports through different ICDs can be seen in the digital version of this Report in the interactive graph. Size of the bubbles indicates value of imports.)

1.3.7 Destination of exports from ICDs

As seen from Figure 9 in 2016-17, the main destination countries for India's exports from ICDs were USA (17.6 *per cent*), UAE (10.8 *per cent*), UK (5.6 *per cent*), Colombia (4.6 *per cent*) and Germany *(4 per cent)* .

Fig 9: Destination Countries for ICD exports from India

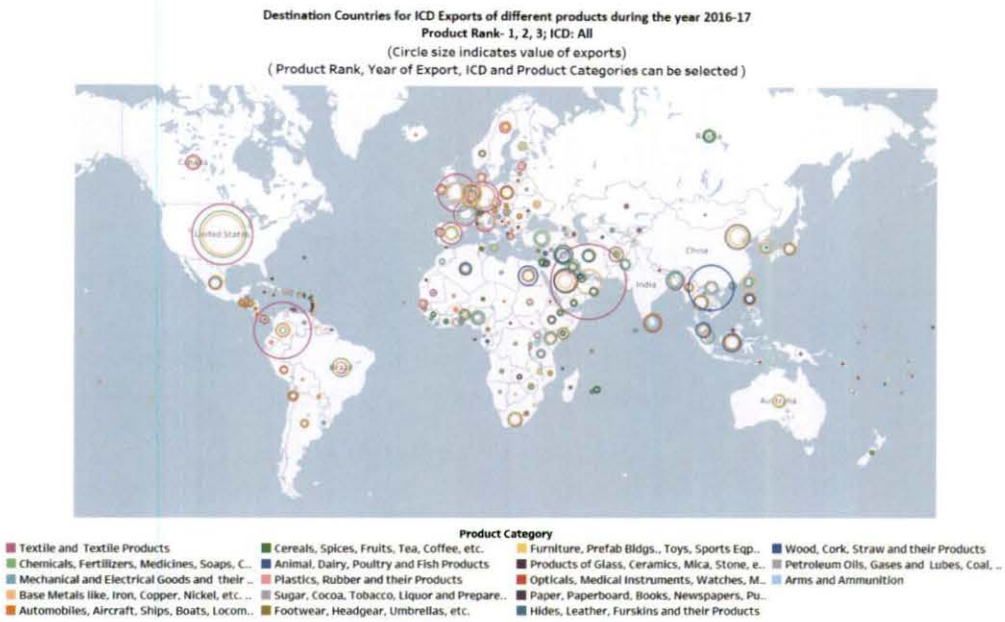


Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems)

(The year-wise exports through different ICDs can be seen in the digital version of this Report in the interactive graph by selecting a particular year and ICD Port Code).

Further, Figure 10 shows the country-wise profile of different product categories exported from ICDs. It is seen that in the year 2016-17, main exports to USA were chemicals and fertilizers, mechanical and electrical goods, base metals, automobiles and cereals, spices, fruits, tea, coffee, etc. while UAE was the main export destination for textile and textile products.

Fig. 10: Destination Countries for ICD Exports of different products



Source: ICD transaction data from 2012-13 to 2016-17 for 80 functional ICDs received from DG (Systems)

(The year-wise exports through different ICDs can be seen in the digital version of this Report in the interactive graph by selecting a particular year and ICD Port Code).

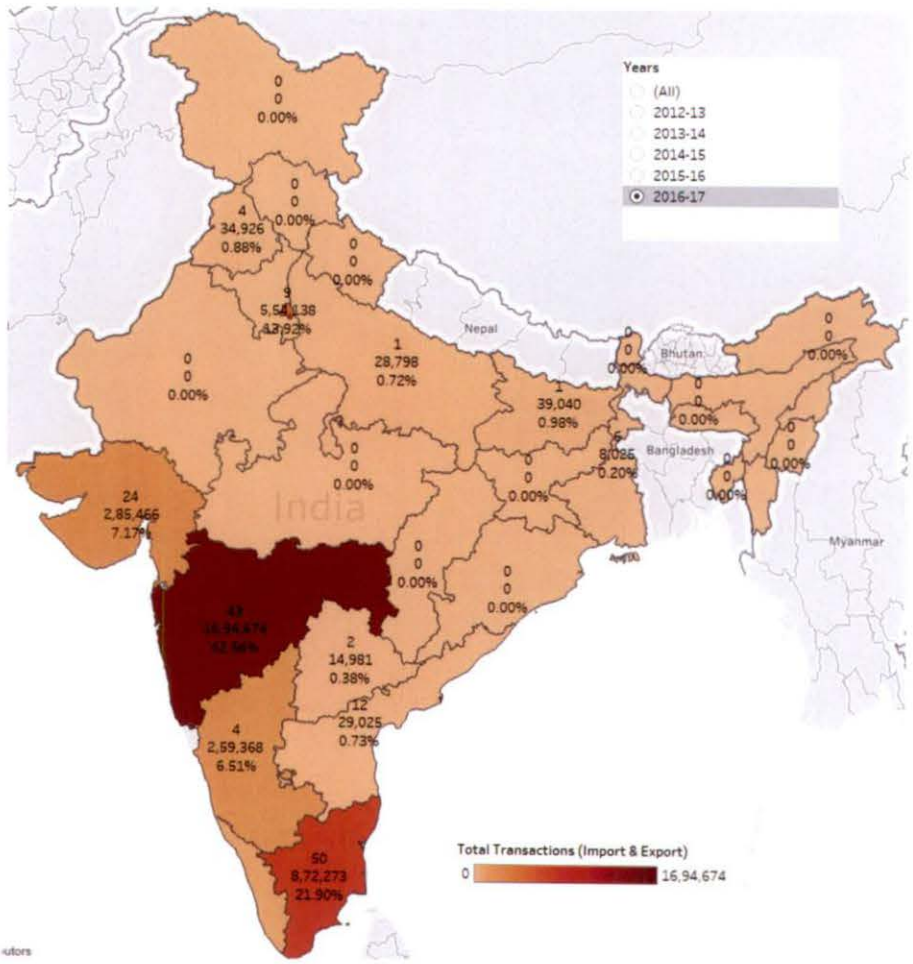
1.4 Container Freight Stations

According to the data maintained by the Department of Commerce (DoC), there were 168 CFSs in the country as of March 2017 **(Appendix I).**CBEC provided summarized data of these CFSs to Audit.

1.4.1 Geographical distribution of CFSs

As per the CBEC data for the year 2016-17, Tamil Nadu had the highest number of CFSs (50) followed by Maharashtra and Gujarat with 43 and 24 CFSs, respectively. As per the CBEC summarised data on CFSs, CFSs in Maharashtra handled the maximum number of import and export transactions (42.6 *per cent*) followed by CFSs in Tamil Nadu (21.9 *per cent*) and Delhi (14 *per cent*). However, since there are no CFSs in Delhi, it appears that the data may pertain to Air Freight Stations.

Fig 11:Geographical distribution of CFSs and volume of transactions



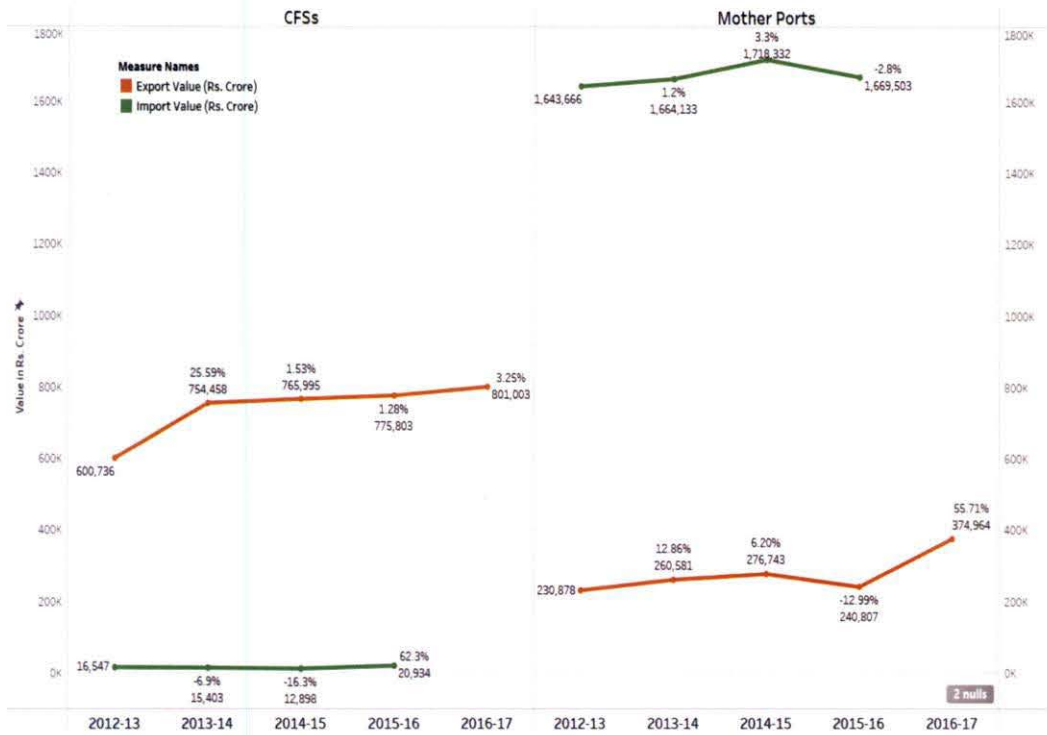
Source: Summarized transaction data from 2012-13 to 2016-17 for 168CFSs received from DG (Systems), CBEC

1.4.2 Value of Imports and Exports through CFSs *vis-a-vis* Mother Ports

CFSs function as an off-dock facility of the main/mother ports and their function is to help decongest the main ports by shifting cargo and Customs related activities outside the port area. CFSs are largely expected to deal with break-bulk cargo originating/terminating in the immediate hinterland of a mother port and may also deal with rail borne traffic to and from inland locations.

A comparative analysis of imports which were handled through CFS vis-à-vis the mother port shows imports handled through mother ports far exceeded the imports handled at concerned CFSs. On the other hand, value of exports effected through CFSs was much higher than the exports through mother ports. Thus it is clearly seen that CFSs are the preferred destination for handling of export consignments while imports through the main ports continue to predominate in comparison to the imports made through CFSs.

Fig 12: Value of Imports & Exports through CFSs *vis-a-vis* Mother Ports

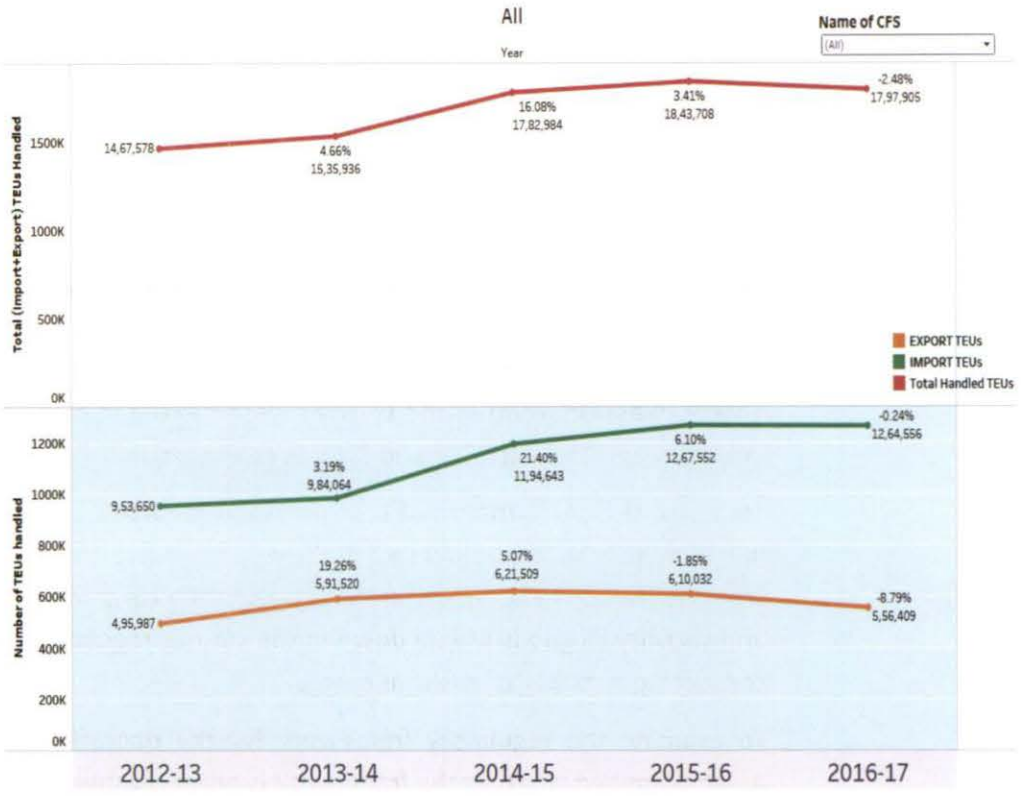


Source: Summary data of CFSs transactions for 2012-13 to 2016-17 provided by DG (Systems), CBEC

1.4.3 Trend of growth in volume of traffic in TEUs handled by CFSs

Data was collected from 40 out of 41 CFSs selected as sample in Audit **(Appendix IB)** on volume of cargo handled annually (in TEUs). TEUs handled by CFSs increased from 14.68 lakh in FY 2013 to 17.98 lakh in FY 2017, an increase of 22.5 *per cent* over a four-year period. However, there was a sharp decline of 8.8 *per cent* in the volume of exports in TEU terms as well as a marginal decline in volume of import TEUs, with a corresponding overall decline in total volume of traffic by 2.5 *per cent* in FY 2017 as compared to the previous year.

Fig 13: Year-on-year growth in Volume of Trade (in TEUs) at 40 Audited CFSs



Source: Data collected from 40 functional CFSs test checked in Audit

(The year-on-year trend of growth in volume of Traffic in TEUs through individual CFSs can be seen in the digital version of this Report in the interactive graph by selecting a particular CFS name)

CHAPTER- 2
AUDIT OBJECTIVES, CRITERIA AND AUDIT METHODOLOGY

2.1 Audit Objectives

Performance audit of working of ICDs and CFSs was taken up with a view to assess the extent to which ICDs and CFSs are able to facilitate foreign trade of India, through containerised movement of cargo. The audit objectives were:

To examine the procedures for setting up and closure of ICDs and CFSs: Audit examined whether the procedures were in consonance with laid down policies and whether the procedures facilitate the achievement of policy objectives. Audit also examined the systems put in place for implementing the policy with a view to assess whether the systems were helping in creation of the logistics infrastructure through ICDs and CFSs as envisaged in the government policies.

To assess the performance of ICDs and CFSs in providing containerised cargo handling and customs clearance facilities to facilitate trade : Audit examined whether the ICDs and CFSs were able to provide cargo handling infrastructure and security to goods as laid down in the various regulations and notifications concerning handling of customs cargo.

To examine the regulatory framework for the operation of ICDs and CFSs: Audit examined whether the framework is being complied with, whether these were sufficient for safeguarding government revenues and whether there was an appropriate internal control system including internal audit that promotes compliance, prevents misuse and enhances monitoring and coordination between the customs and other relevant entities involved in the operation of ICDs and CFSs.

2.2 Audit Scope, Sample, Audit Methodology and Audit Criteria

2.2.1 Audit Scope: The performance audit covered transactions over a five year period from 2012-13 to 2016-17. Audit covered the concerned ministries and their field formations, which included Ministry of Commerce and Department of Revenue/CBEC, customs field formations and custodians of ICDs and CFSs.

2.2.2 Sample: Audit selected 44 ICDs (38 functional and 6 closed/non-functional) and 41 CFSs under 35 Commissionerates out of 103 Commissionerates for this Performance Audit (**Appendix II**).

(i) Selection of ICDs - a two level selection method has been followed.

At the first level- an all-India risk matrix for ICDs was drawn up using data[3] for ICD like value and volume of exports and imports, number of importers, exporters using the ICD and product profile. All India ranking based on risk

[3] Data of imports and exports of 2012-13 obtained from ICES and DGFT.

weighted scores was defined. Top six ICDs[4] in the risk weighted list were compulsorily selected for audit.

At the second level –field office wise list of ICDs having a risk weighted score between 3-6, and less than 3 was compiled. Using data analytics and Tableau software for data representation, ICD wise risk profile was created for each ICD.

At least 50 *per cent* of the ICDs under each field (audit) offices' audit jurisdiction upto a maximum of 3 ICDs were selected. In addition and where applicable, the sample selected by field office included at least one ICD which had been closed during the audit period, and at least one new ICD setup during the audit period.

(ii) Selection of CFSs- Since all India data of imports and exports volume/value handled through CFSs was not available, the field offices, based on criteria given below selected 50 *per cent* of the CFSs falling under their jurisdiction.

- The criteria of selection was based on volume/value of cargo handled, past audit objections indicating significant risk of theft, pilferage, malpractices, nature of cargo handled specifically if hazardous and sensitive commodities are handled, and other relevant information.
- All CFSs pertaining to ICDs selected for audit were compulsorily selected.
- The total sample size selected for audit did not exceed 6 per office.

2.2.3 Audit Methodology: This audit has been conducted using the performance audit standards and guidelines as laid down by the CAG of India.

Data analytics were deployed in selection of sample, as stated above, as well as to report on key trends emerging from the data as reported in Chapter I.

Audit methodology included desk review of files, collection of data and data analysis, test check of bills of entry (BE)/shipping bills (SB) based transactions, walk through and physical examination of premises of the ICDs and CFSs, questionnaire based information collection and survey of the users and service providers for the period of 5 years from 2012-13 to 2016-17.

The entry conference was held on 7 July 2017 with the officials of Department of Revenue (DoR) (CBEC), Department of Commerce (DoC), CONCOR and Customs officials from ICD Tughlakabad to discuss the audit objectives and scope of audit. The audit findings and recommendation were discussed with the officials from DoR and DoC in an exit meeting held on 7 February 2018.

[4]ICD Tughlakabad, Ludhiana, Whitefield Bangalore, Sabarmati, Patparganj and Tuticorin

2.2.4 Criteria: Audit used relevant provisions of the Customs Act, 1962, Customs Tariff Act, 1975, Project Import Regulations, 1986, CBEC's Law Manual, CBEC's Customs Manual, Goods Imported Conditions of Transshipment Regulations, 1995, Handling of Cargo in Customs Areas Regulations, 2009, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and circulars and notifications of CBEC which were issued from time to time and were in effect during the period of audit, as criteria, to bench mark the findings.

CHAPTER- 3

PROCEDURES FOR SETTING UP OF INLAND CONTAINER DEPOTS (ICDs) AND CONTAINER FREIGHT STATIONS (CFSs)

Ministry of Commerce and Industry (MOCI) guidelines, 1992, available on the ministry's website, prescribe requirements for setting up of the ICDs and CFSs. These include a compulsory prior survey for providing sound economic justification for setting up an ICD or CFS, adequate provision of land, design and setup of the ICD and CFS to provide for smooth movement of containers, cargo and other vehicles, electrical facilities and storage including storage of hazardous materials.

The MoCI guidelines lay down the procedure for getting approval for setting up of ICD and CFS and for process of setting up of the same.

A coordination mechanism in the form of an Inter-Ministerial Committee (IMC) under the chairmanship of the Additional Secretary (Infrastructure), Ministry of Commerce, has been set up to oversee the process of approval and to monitor the functioning of ICDs and CFSs. It comprises representatives from the Department of Revenue, Ministry of Shipping, Ministry of Railways and the Ministry of Commerce. The Committee considers proposals submitted both by public sector as well as private sector entrepreneurs for setting up of new ICDs/CFSs.

Audit, through examination of Ministry level files and correspondence, looked into the existing framework, if any, for setting up of Inland Container Depots (ICDs) and Container Freight Stations (CFSs) in the country and the efficacy of the project approval process. Audit examined, *inter alia*, whether any need/impact analysis is conducted, whether data on the operational status and functioning of ICDs/CFSs are collected and updated by the nodal department.

3.1 Absence of framework for setting up of ICDs/CFSs

The Department of Commerce (DoC) is the nodal department for enabling infrastructure development related to ICDs, CFSs and Air Freight Stations (AFSs) and coordinates resolution of inter-departmental issues. The IMC was constituted by a Ministry of Commerce resolution in March 1992 to act as a Single Window Clearance for the proposals for setting up of ICDs, CFSs and AFSs.

The terms of reference of the IMC include specifying the parameters and guidelines for the approval of all new ICDs/CFSs. After approval of proposal by the IMC and issuance of the Letter of Intent (LoI) by the DoC, once the required infrastructure facilities are created, necessary permissions, EDI nodes

and customs staff are provided by the Customs department to make the ICD/CFS/AFS functional.

Audit observed that two sets of guidelines for setting up of ICDs/CFSs/AFSs were available on the website of the DoC. However, none of the guidelines mention the notification or memorandum through which they have been formalised or the date from which these came into effect.

DoC in their reply (January 2018) stated that while uploading the revised guidelines, the old guidelines were inadvertently not removed from the website by NIC. The office memorandum (OM) containing the minutes of the IMC meeting held on 19 September 2017 wherein the revised guidelines were approved was separately available on departmental website http://commerce.gov.in.They also stated that no separate notification or memorandum for framing the guidelines was required as these have been framed as per the Terms of Reference of IMC.

Though the DoC stated that there was no requirement for separate notification, their response does not address the fundamental issue of lack of a framework defining the objective and intent of setting up, functioning and monitoring of ICDS/CFSs.

The existing guidelines lay down a checklist of steps to be followed while granting approvals that are more procedural in nature, and there is no policy document or framework laying down principles and objectives which would help the IMC members to evaluate the proposals.

Further, no role and responsibilities have been defined for the IMC or its constituent ministries beyond the approval process, leaving the sector unregulated.

Audit would like to draw the attention of the Government to legislations that pertain to major and non-major ports and land ports which provide a framework for setting up, laying down an administrative structure and providing a regulatory framework of such ports.

Further, Audit found two sets of guidelines which are available on the web pages (http://commerce.nic.in/trade/national_tpa_guidelines.asp and www.commerce.nic.in) without any reference to a notification or memorandum to establish which of the two sets of guidelines are applicable and the date from which these have come into effect.

3.2 Lack of reliable data on number and status of ICDs and CFSs in the country

Being nodal agency for setting up of ICDs and CFSs in the country, DoC is expected to be a repository of all the basic data relevant to setting up and

operation of ICDs and CFSs, such as their number, location, operational status (i.e. functioning or closed), installed capacity, performance in terms of operating capacity, etc. This data is essential for ascertaining the viability of the proposed ICD/CFS project with reference to the number and performance of existing ICDs/CFSs in the project area and hence can serve as a valuable input for the IMC in the project approval process.

DoC was asked (July 2017) to provide data on ICDs and CFSs which were established before and after the setting up of IMC in 1992. DoC provided a list of 236 ICDs and CFSs which had become functional after the setting up of IMC and stated (July 2017) that they did not have data of ICDs and CFSs set up before 1992 but the CBEC may be having such data. The CBEC was requested (July 2017) to provide the said data, but no information has been furnished till date (February 2018).

In an effort to collect comprehensive data regarding number of ICDs and CFSs functioning in the country, including those established before the creation of IMC in 1992, Audit referred to other sources of information including information available in public domain on internet[5]. It was observed that this information only contained data on ICDs/CFSs post 1992 and thus was incomplete.

Therefore, Audit approached the local Customs formations for details of the various ICDs and CFSs under their respective jurisdictions, a comparison of which with the DoC data as on 30 June 2017 revealed several discrepancies, as tabulated below:

Table 1
Discrepancies in data in respect of status of ICDs and CFSs

ICD/CFS	Status as per DoC	Status as per local Customs Commissionerates	Reference Statement No. of Report
ICDs (9): Pawarkheda; (Kribhco- Hazira) Surat; Desur; Mathilakam; Bhadohi; GPIL Mandigobindgarh; PSWC Bhatinda; Bhilwara; Bhiwadi; **CFSs (6):**Vikram Logistics Hassan; Vikram Logistics Karwar; CWC Karwar; Sea Tech Services, Ernakulam; CONCOR Wellington Island, Kochi; PACE Aroor;	Functional	Non-Functional	1
ICDs (3): Surajpur; Varanasi; Udaipur **CFS (1):** CWC, Haldia	Functional	Closed	2
ICDs (8): Dighi; Nasik; Waluj; Aurangabad; Verna, Goa; Kottayam; GPIL Mandigobindgarh; PSWC Bhatinda.	CFSs	ICDs	3

Source: Data furnished by local Customs Commissionerates

[5]DoC response to Lok Sabha Unstarred Qs. Nos. 1843(H) dtd 28-11-16 & 1271(H) dtd 24-07-17.

From the data on ICDs and CFSs setup after 1992, as maintained by the DoC, Audit noticed at least 27 instances of incorrect reporting and non-updation of status (**Statements 1, 2 and 3**). Moreover, in the map depicting the state-wise count of ICDs/CFSs, as displayed on the MOCI website (www.imcdryports.commerce.gov.in/home.php), the number of functional ICDs in Nagaland is shown as eight, although as per the jurisdictional Customs commissionerate (Shillong), no such units exist there. Further, eight units have been reported as ICDs by the jurisdictional Customs but they are being reported as CFSs in DoC data.

Audit noticed that though the DoC guidelines require the ICDs and CFSs to send Quarterly Progress Reports (QPRs), no such QPRs were being submitted. Audit found that only four[6] ICDs/CFSs out of the 85 test checked in audit were sending such QPRs to the DoC.

Although the DoC has stated that they send reminders to the developers to provide the traffic details directly to DoC, no such reminders were found in the DoC files.

Thus, it is observed that the nodal ministry dealing with the setting up and functioning of ICDs/CFSs in the country has no reliable data on the number and status of functional ICDs and CFSs in the country.

DoC in their reply (January 2018) stated that Department maintains a database of ICDs/CFSs/AFSs for which IMC has accorded LoI for setting up of the facility and conducting operations under the Customs Authorities. In accordance with the terms of reference of the IMC, once an ICD or CFS commences its operations, the IMC has no role and it is governed by the provisions of the Customs Act and the Handling of Cargo in Customs Areas Regulations (HCCAR) 2009. The operational data is available with Customs, under whose jurisdiction the ICD/CFS operates, and they provide the same to IMC as and when required, after doing their own due diligence.

Further, in respect of discrepancies highlighted by audit, DoC stated that it is due to the interpretation of the word "Functional" by Audit in reference to data obtained from DoC and field offices of Customs and DoC. It was stated that in view of the audit observation, the same has been modified as "F= Commenced Operations" to clarify the interpretation. DoC also informed that in view of the observations of Audit, the data regarding ICDs/CFSs/AFSs has been sent to the CBEC for clarification and updation and shall be updated on receipt of information from them. Regarding incorrect depiction of ICDs in

[6]ICD Dadri; CFS CMA CGM Logistics Park Dadri, CFS Century Ply, JJP, Kolkata and CFS Century Ply, Sonai, Kolkata.

Nagaland, DoC stated that the map on the online module was under development and the same was developed after due corrections.

DoC's response that IMC has no role after the ICD/CFS commences operations is not acceptable. Being the nodal agency for ICD/CFS approvals, they are expected to be the custodian of comprehensive database on all ICDs and CFSs in the country which have been approved, and functioning or closed. The provisions of the Customs Act and the Handling of Cargo in Customs Areas Regulations may not be sufficient in themselves to monitor the operations of ICDs/CFSs as these are geared towards safeguarding of government revenue and Customs controls, rather than monitoring the operational performance of these units.

DoC's response regarding modification of "Functional" status of ICDs to "Commenced Operations" might have addressed the interpretation issues, it still does not address the larger problem that there is lack of a single reliable source of data on the number of functional/operational/closed ICDs and CFSs. Although DoC was in a position to maintain data on functional status of ICDs/CFSs in the country from the QPRs required to be submitted by the ICDs/CFSs, it did not take effective steps to ensure their submission and collection of data there from. Further, Audit could not verify the reply regarding status of ICDs in Nagaland as the URL in which the updated map was uploaded have not been provided (February 2018).

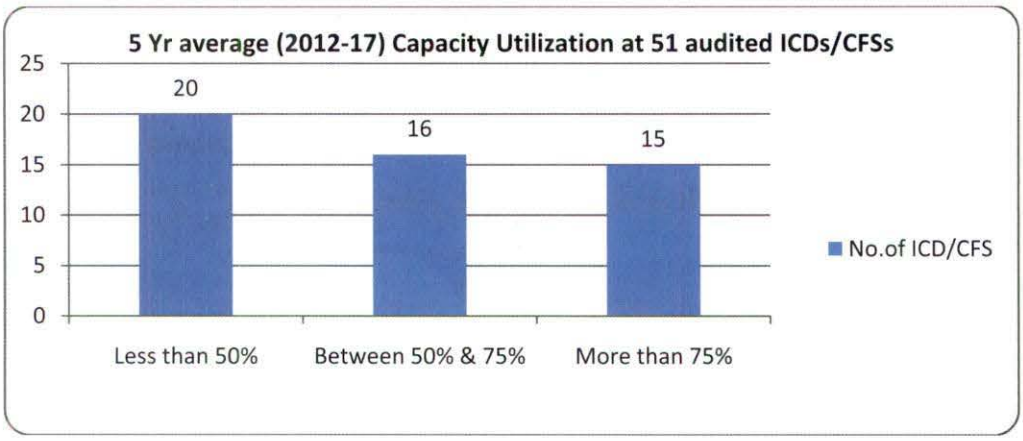
3.3 Approvals to setting up of new ICDS and CFSs without assessment of capacity created and utilised

The setting up of ICDs and CFSs leads to creation of infrastructure for handling of containerised cargo and facilitates the country's foreign trade, in addition to helping in decongesting ports and bringing customs clearance facilities to the doorstep of importers and exporters.

Audit observed that the DoC does not call for any data on the installed capacity of the ICDs and CFSs for granting approvals. From the prescribed application format for setting up of ICDs and CFSs, it is noticed that this information is not called for from the project developers and they are required to furnish only the import/export traffic projections for the area they are being set up in.

Since data on capacity created and capacity utilised was not available at the Ministry level, Audit sought to collect this information from the ICDs and CFSs that were selected for audit. Out of 85 ICDs and CFSs selected for audit, installed capacity and capacity utilisation data on 51 of the audited ICDs and CFSs was made available to Audit by local Commissionerates (Statement-4), which is depicted below:

Fig 14



Source: Data furnished by local Customs Commissionerates.

(i) It is observed that nearly forty *per cent* of these ICDs and CFSs were operating at less than half of their installed capacity and another one third were operating at between 50 to 75 *per cent* of their capacity. Out of the ten audited units in Maharashtra, capacity utilisation data was available for nine units (four ICDs and five CFSs), which shows that one (ICD Butibori) had become non-functional, seven were under-utilised[7] and only one (Navkar Corporation CFS) was working above its installed capacity (104 *per cent*). In Pune, four ICDs (Talegaon, Dighi, Chinchwad and Pimpri) were functioning within a 50 Km radius and the best performing among them, ICD, Talegaon, was functioning with a capacity utilization of only 31.73 per cent (5-year average) while the other three had a capacity utilisation of less than 7 *per cent* (ICD Dighi - 6.21 *per cent*, ICD-Chinchwad - 6.64 *per cent*, ICD Pimpri - 3.46 *per cent*). In spite of such low capacity utilization, anLoI for setting up of one more ICD at Bhamboli, Chakan, Pune was granted to APM Terminals Pvt. Ltd. in November 2016.

(ii) Similarly, it was observed that although the capacity utilisation of the five CFSs attached to Kolkata Port during 2016-17 was only 73.5 *per cent* of their combined handling capacity (2.01 out of 2.74 lakh TEUs) **(Statement-5),** a new CFS[8], was granted permission to start operations from March 2017. Immediately after the new CFS became operational, the volumes handled by one of the existing CFSs, viz. CWC, Kolkata dropped drastically in nearly the same proportion as the volumes handled by the new CFS went up. The Table below shows the comparative volumes of the two CFSs after the new CFS became operational:

[7] ICD Mulund, Mumbai; ICD Talegaon, Pune; ICD Ajni, Nagpur; Continental Warehousing (Nhava Sheva) Ltd; CWC Logistics Park (Hind Terminal); United Linear Agencies of India Ltd; Punjab State Container & Warehousing Corporation, Dronagiri;

[8] Phonex Logistics Pvt. Ltd., Kolkata

Table 2
Capacity utilisation of CFSs attached to Kolkata Port

Month	Cargo handled by CWC CFS, Kolkata (TEUs)	Cargo handled by new CFS (TEUs)
Jan 2017	5,287	Not operational
Feb 2017	5,167	Not operational
March 2017	5,503	Not operational
April 2017	1,559	2,875
May 2017	845	5,012
June 2017	203	6,435
July 2017	12	6,768

Source: data furnished by local Customs Commissionerates.

Thus, setting up of another CFS in the vicinity of existing CFSs where handling capacity was already under-utilised did not provide any additional benefits by way of providing greater decongestion of the gateway port. On the other hand, it seems to result in shifting of business from an already existing and high performing CFS to a new one, thereby adversely impacting its business. It is further noticed that another LoI has been issued[9] in October 2016 for setting up one more CFS at Kolkata port, leading to further proliferation of CFSs at the port.

(iii) In Haldia Dock Complex (HDC) under the Kolkata Port Trust, Audit noticed that HDC had an installed capacity of 2.5 lakh TEUs whereas its actual cargo handling requirement was 1.36 lakh TEUs and projected future cargo handling requirement was 1.5 lakh TEUs for 2017-18. Due to available spare capacity with the port itself, the capacity utilisation of the four CFSs attached to HDC was only 15.5 *per cent* during 2016-17.

(iv) In JNPT Mumbai, capacity utilisation[10] in 13 out of the 27 CFSs around JNPT Mumbai was reported to be in the range of 60-65 *per cent* in 2012 while in Chennai Port the capacity utilization in 2012 in 16 out of 29 CFSs was reported to be in the range of 56 per cent. The IMC approved setting up of ten more ICDs/CFSs in Maharashtra and twelve more in Tamil Nadu (including six in Chennai) during the period 2012-2017, resulting in further proliferation of ICDs/CFSs in these states.

The above capacity utilisation statistics and number of approvals granted for setting up of ICDs/CFSs in locations where under-utilised units already exist, shows that such approvals were granted without a proper need and/or impact

[9] Trans World Terminals Pvt. Ltd.

[10] Report of 2012 on 'Comprehensive study on the present status of ICD/CFS, their capacity and bottlenecks in the country' by Grant Thornton, commissioned by the DoC.

analysis and had resulted in proliferation of under-performing ICDs/CFSs in areas like Mumbai, Chennai, Kolkata, Haldia and Pune.

Scrutiny of the approval process revealed that although the IMC examines and grants approvals as per MoCI guidelines laid down and on the basis of comments furnished by the jurisdictional Commissioner of Customs and the concerned Port Authority, the guidelines neither lay down the criteria which the Port/jurisdictional Customs authority should consider while offering their comments, nor the criteria which the IMC should consider while examining proposals for setting up of ICDs/CFSs. Moreover, as already stated above, the prescribed application form does not call for any data on the existing and actual capacity utilisation of ICDs/CFSs already located near the project area, although this information is essential for arriving at an informed decision on the viability of the proposed project. As a result, crucial aspects such as, existing capacity of the ports and attached CFSs, capacity utilisation of existing ICDs/CFSs, future capacity requirements in the project area, extent of traffic congestion in port areas and approach roads to the project, impediments faced by existing units in the area, etc. are not being mandatorily examined during the approval process and approvals are granted merely on the basis of fulfilment of extant requirements specified in the guidelines.

DoC in their reply (January 2018) stated that the applicant indicates the traffic projections and the area available for the container circulation at the facility in his application. The application is circulated by DoC to the concerned nodal Ministries and CBEC, who do the due diligence from their perspective. CBEC gets the data and the physical infrastructure created, verified through its field offices. Once all the inputs are received from the nodal Ministries/CBEC, the same are put up to the IMC which is also represented by senior officials from all these Ministries/CBEC.

Further, DoR, a member of the IMC, is the regulatory authority for overseeing operations of all the operating facilities and at the stage of advance circulation of the proposal it examines the feasibility, need and impact analysis of proposal through its field formations. In the IMC meeting held on 19 September 2017, it was decided that in view of promoting Direct Port Delivery and also over saturation of Dry Port facilities at Chennai Port and Mumbai Port, proposals for setting up of CFSs are not to be approved.

During the exit meeting, the DoC officials stated that the proposals received by IMC are business initiatives from private developers for which the land is acquired on their own. Investment is made by the developers with the anticipation that it would be viable to run the business on the projected volumes and their success depends on the technology they employ and quality of services offered.

DoC's response regarding consideration of traffic projections in the context of business viability of the developer is not acceptable because IMC should have considered the existing installed capacity in the vicinity of the proposed unit in conjunction with traffic projections made by the developer to assess the viability of the unit. The MoCI guidelines do not lay down any parameters for assessing feasibility of proposals nor do they mandate any agency to conduct a needs or impact analysis of the proposed unit. Therefore, there is no uniformity in the assessment process followed for assessing viability of the proposals by the Port authorities or Customs. Further, no instances of refusal on the grounds of excess capacity were noticed during the period covered under audit. Decision to stop further approvals for CFSs has only been taken in September 2017.

Though DoC has stated that proposals received by IMC are business initiatives from private developers who would have assessed the viability of the business proposal, fact remains that this has led to a proliferation of ICDs and CFSs in certain regions and in and around major port areas of the country. As pointed out by Audit in the paragraph above, one of the main reasons for underutilisation of capacity created is setting up of multiple ICDs/CFSs in close vicinity of each other. It has also resulted in overstretching of the resources of the Customs department, since Customs staff is required to be deployed in each ICD and CFS and resources like EDI bandwidth and land space need to be provided at each of these ICDs and CFSs.

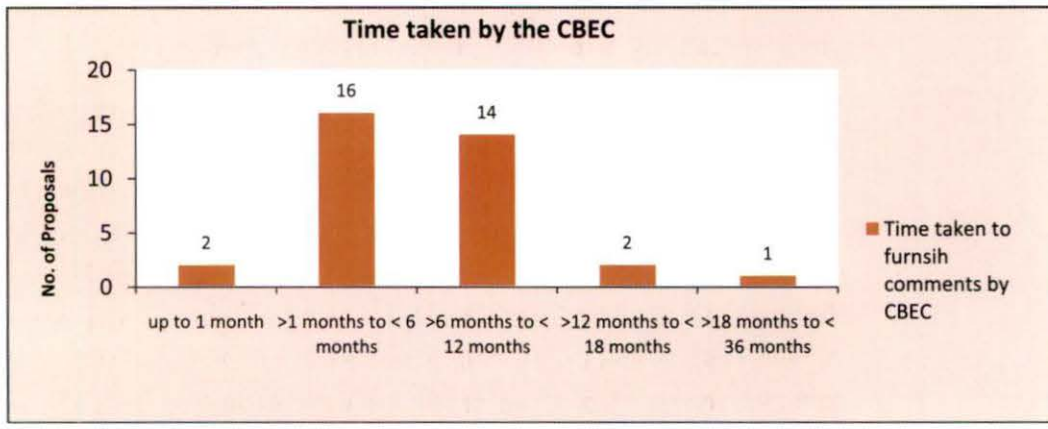
3.4 Delay in approval and operationalization of ICD and CFS projects

As per Para 5 of Part C of guidelines for setting up of ICDs and CFSs, on receipt of a proposal, the DoC would take action to obtain the comments from the jurisdictional Commissioner of Customs and other concerned agencies within 30 days and the decision of the IMC would be taken within six weeks of the receipt of the proposal under normal circumstances. Further, as per Para 7 of Part C of the guidelines, the applicant is required to set up the infrastructure within one year from the date of issue of LoI. The DoC may grant an extension of six months keeping in view the justification given by the applicant. Thereafter, a report would be submitted to IMC to consider extension for a further (final) period of six months. The IMC may consider extension or may withdraw the approval granted. Thus, the guidelines prescribe a maximum permissible period of two years for setting up of ICDs/CFSs.

During the period under audit (2012-2017), the DoC received 94 proposals for setting up of ICDs and CFSs. As of March 2017, one proposal was rejected and 71 proposals were approved by IMC while IMC's decision was pending in the remaining 22 proposals.

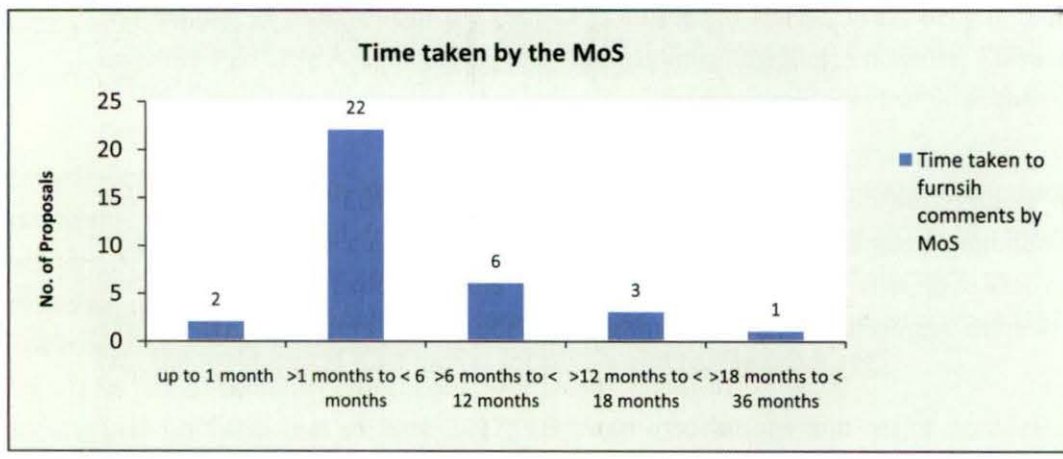
Audit test checked 40 out of 71 cases approved during 2012-17 and noticed that in 35 cases **(Statement 6)**, DoC issued LoIs to the developers with delays ranging from 3 to 35 months beyond the prescribed period of six weeks. The delays were mainly attributable to late submission of comments from CBEC and MoS. Age-analysis of delay in submission of comments by CBEC and MoS is as under:

Fig 15



Source: Department of Commerce documents

Fig 16



Source: Department of Commerce documents

It was also noticed that in 16 out of the remaining 22 proposals awaiting IMC decision as on 31 March 2017 **(Statement 7)**, delays ranging from five weeks to 125 weeks beyond the prescribed period of six weeks had already occurred due to non-receipt of comments from CBEC/MoS/MoR.

On being pointed out (August 2017), the DoC stated (September 2017) that inordinate delays in receiving comments of the CBEC has been a matter of concern for the IMC and that the 22 pending proposals had been included in the agenda for the next IMC meeting.

Further, from the data on 51 under implementation proposals furnished by the DoC (as on 31 March 2017) **(Statement 8)**, it was observed that 12 projects **(Statement 9)**had remained non-functional for periods ranging from two and a half to more than eleven years from the date of approval, with multiple extensions having been granted by the IMC on the request of the concerned developers. It was noticed that in nine[11] out of these twelve cases, the last recorded reasons for their being non-functional were the unavailability of certain facilities from Customs, such as, EDI connectivity and posting of customs staff or due to the non-issuance of customs notification.

DoC in their reply (January 2018) stated that DoC as the secretariat of IMC, on receipt of a complete application circulates it to all the Members of IMC for their comments who in turn seek inputs of their field formations. Efforts are made to obtain comments within the stipulated timelines so that the IMC can take a decision. The delays in comments from a Ministry are also reviewed in the IMC meeting. DoC also issues reminders regularly to the members for expeditious submission of their comments after their due diligence. Delay in commissioning of project occurs due to various reasons. In some cases due to Customs notifications, posting of Customs Staff, EDI installation, etc. and in some cases by the developer due to unforeseen financial constraints and natural disasters, which are beyond the control of the developer. However, before granting extensions, IMC carefully weighs the reasons attributed to such delays and takes a considered view thereafter on whether to grant an extension of the LoI.

DoC's response reinforces the fact that delays, both at the stage of grant of approval by the IMC and delays at the project implementation stage defeat the very objective of having IMC as a single-window platform for providing speedy clearance of proposals and facilitation of the process of setting up of ICDs/CFSs. Further, in view of the numerous extensions allowed by the IMC in these cases, the provision of maximum time limit of two years for operationalisation of ICDs/CFSs, as prescribed in the guidelines, has lost significance.

3.5 ICDs operating without fulfilling minimum land area requirement

As per Para 4 of the guidelines on setting up of ICDs/CFSs, the minimum area requirement for a CFS is one hectare and for an ICD, four hectare. However, a proposal could also be considered having less area on consideration of technological upgradation and other peculiar features justifying such a deviation. Audit noticed that these relaxations had been allowed by the local

[11]Sl. Nos. 1 to 9 of Statement -9

Customs authorities without due approval by the IMC or the Nodal department, the DoC, as illustrated below:

M/s KLPL, Kanpur was granted an LoI (June 2010) for setting up of ICD Panki, Kanpur on an area of 6.07 hectare and this area was notified as Customs Area in August 2010 by the jurisdictional commissioner of Customs. However, the Customs Area of the ICD was reduced to 1.62 hectare, i.e. much below the minimum area requirement for an ICD, by the Customs Central Excise & Service Tax Commissionerate, Kanpur through a 'Corrigendum' issued in April 2011, without following the due process of de-notification of a previously notified Customs Area. It was confirmed by the custodian that only 1.62 hectare of land was being used for Customs purposes and the remaining 4.45 hectare was being put to private use, such as for storage of empty containers, domestic handling, etc. Audit noticed that time taken for stuffing and sealing export cargo increased from 8 days in 2013-14 to 22 days in 2016-17 at ICD, Panki.

Similarly, in case of CFS operated by Central Warehousing Corporation (CWC) in Verna Industrial Estate Phase-IIB, Goa with an area of 2.32 hectare, it was notified as an ICD in year 2001 by the Commissioner of Customs & Central Excise, Goa even though it did not fulfil the land requirement for ICD. Further, an area of 1.07 hectare was de-notified in August 2003, leaving only 1.24 hectare area for functioning of the ICD, which was much lesser than the minimum required area of 4 hectare. Justification for relaxation of land requirements and IMC approval was not available on record.

On one hand such instances of ICDs/CFSs operating without the minimum area required for the operations, raise doubts as to whether these ICDs/CFSs are able to provide the requisite infrastructure services and adequate security and on the other hand, such instances also indicate that there may be a need to review the criteria for minimum land requirement for ICDs and CFSs.

DoC in their reply (January 2018) stated that the response may be furnished by DoR.

DoR in their reply (February 2018) stated that factual report is being obtained from the concerned field formations.

3.6 Investments made before grant of IMC approval

As per Para 6 of Part C of the guidelines for setting up of ICDs/CFSs, on acceptance of a proposal, an LoI will be issued to the applicant, which will enable the developer to initiate steps to create infrastructure.

It was noticed that in two cases, the developers had invested in creation of infrastructure even before the issue of LoI. Vaishno Container Terminal had

completed more than half of infrastructure required at the time of applying (May 2012) for setting up of ICD at Tarapur, Thane, Maharashtra. While the LoI was granted in December 2012, the ICD started functioning from August 2014. In another case, LCL Logistics (India) Pvt. Ltd., Haldia was appointed as Custodian and permitted to commence operations as a CFS at Haldia, West Bengal vide Kolkata (Port) Commissionerate Public Notice No. 44/2012 dated 6 December 2012, within 24 days of grant of LoI on 12 November 2012.

The average volume of traffic handled by CFS LCL Logistics, Haldia since its operationalisation in December 2012 has been only 15 *per cent* of its annual installed handling capacity. As observed earlier (Para 3.3 (iii)), this low volume of traffic at this CFS is due to the surplus containerised cargo handling capacity available with Haldia Dock Complex (HDC), which serves as the Gateway port for the CFS. This factor appears to have not been taken into consideration by the IMC while approving the proposal for setting up of this CFS.

These instances indicate that there may be a possibility that investments already made before issue of the LoI may become an overriding concern leading to IMC's approval rather than considerations like feasibility or requirement of the project. Since there is no policy on how and when an ICD or a CFS should be set up, there is no restriction on developers to initiate this process without getting an approval from the IMC. The guidelines of DoC are silent on this matter.

The IMC, in its minutes of meetings (March 2017) also mentioned that in many cases, developers had started making investments and creation of infrastructure before the issue of LoI. Further, the DoR also pointed out in May 2017 that, in the extant policy, examination of proposals by various ministries takes place only after the developer had already made substantial investment in the project which made the approval a *fait accompli.*

DoC in their reply (January 2018) stated that the guidelines have been revised to the extent that on approval of a proposal, the LoI will be issued to the applicant with conditions as may be considered necessary. Any investment in the development of infrastructure before the issue of the LoI would be at the risk of the developer concerned, and need not be made prior to obtaining the 'in-principle' approval of the Jurisdictional Customs Commissioners.

Conclusion

The existing guidelines of DoC for setting up of ICDs and CFSs lay down a checklist of steps to be followed while granting approvals that are more procedural in nature, and there is no policy document or framework laying down principles and objectives which would help the IMC members to evaluate the proposals. Further, no role and responsibilities have been

defined for the IMC or its constituent ministries beyond the approval process, leaving the sector unregulated. Thus, instead of being an apex regulatory and monitoring body for the ICD/CFS sector, their role is limited to being an approval granting body with no responsibility to monitor the performance of the ICDs and CFSs once they are set up.

Lack of information and data on ICDs and CFSs at DoC, which is the nodal ministry, hampers taking a holistic view on the infrastructure facilities available for managing container traffic in the country by the IMC, before according approvals. Approvals are given on a case to case basis rather than viewing them against a wider perspective of capacity requirement.

Statistics collected by Audit reveal that there is a substantive under utilisation of capacity created for handling container cargo, part of which is explained by the fact that IMC approvals are being granted for new ICDs and CFSs on a case by case basis and without consideration of existing capacity in the region.

Delay in granting approval to the proposals for setting up of ICDs and CFSs on account of delay in receipt of comments from the constituent ministries of the IMC defeat the very objective of having IMC as a single window platform for speedy clearance of proposals and speedy facilitation of the process of setting up ICDs/CFSs.

Recommendations

1. It is recommended that Government may draw up a policy level document for providing a robust framework that comprehensively defines the approval process as well as the monitoring and regulatory mechanisms. Such a mechanism cannot rely on the Customs Laws alone, as it is a legislation primarily for safeguarding government revenue and regulating the cross border movement of goods and does not address the requirements of monitoring and regulation of dry ports sector.

DoR in their reply, with regard to setting up of ICDs and CFSs stated (February 2018) that, role of Customs before issue of notification under the Customs Act, 1962 is recommendatory in nature. Once administrative approval for setting up of ICDs and CFSs is given by the Ministry of Commerce, such ICDs and CFSs are regulated in terms of the provisions of the Customs Act, 1962 and regulations framed thereunder. With regard to legislation for the Dry Ports in the country, Ministry of Commerce through IMC, may take suitable action.

During the exit meeting, DoC representatives stated that the issue of ICD/CFS could be covered under an overall ambit of Government's policy for setting up of multimodal transport logistics in the country.

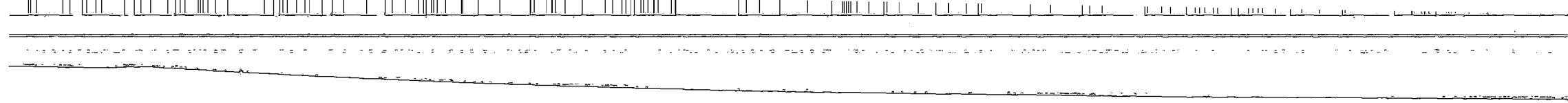
2. ***It is recommended that a website on ICDs and CFSs may be developed by DoC where updated database and real time information on operations of ICDs and CFSs could be accessed by all stakeholders.***

DoC in their reply (January 2018) stated that the website developed during the period of audit has real time information on approvals of dry ports.

The reply does not address the audit concern that at present there is no single source of information or nodal agency that can provide updated status of actual number, location and functional status of ICDs/CFSs in the country.

During the exit meeting, DoC officials stated that a portal on multi-modal transport logistics could be used as a single source of information.

DoR in their reply (February 2018) stated that they agree with the audit recommendation.



CHAPTER- 4

EFFECTIVENESS OF ICDs AND CFSs IN FACILITATING TRADE IN CONTAINERISED CARGO

The custodians of ICDs and CFSs, also known as Customs Cargo Service Providers (CCSP), are responsible for providing the required infrastructure and security to the import/export goods being handled at their respective premises. The Container Corporation of India (CONCOR), Central Warehousing Corporation (CWC), Punjab Warehousing Corporation (PWC) and Balmer & Lawrie are among public sector enterprises which have a significant presence in the container logistics sector including ICDs and CFSs. Apart from these, there are a significant number of private logistics companies which have set up ICDs and CFSs as custodians.

The Handling of Cargo in Customs Areas Regulations (HCCAR), 2009 provide for manner in which imported goods/ exported goods shall be received, stored, delivered or otherwise handled in a customs area. The CCSPs are required to ensure that adequate infrastructure, equipment and manpower is available for efficient loading, unloading, stacking, handling, stuffing and de-stuffing of containers, their storage, dispatch and delivery, including appropriate facility for handling hazardous cargo, connectivity with the Customs Electronic Data Interchange (EDI) system with power backup, etc. The premises within which an ICD or a CFS operates must be well secured and safe in respect of custody of the cargo, including avoiding pilferage and theft.

The Customs set up in an ICD is meant for examination of containers including supervision of stuffing and de-stuffing of containers, assessment and clearance of goods. Customs staff is deputed on permanent basis or on cost recovery charges basis. In CFS, Customs functions are limited to supervision of stuffing and de-stuffing of goods and examination. Assessment and clearance of goods takes place through the main ports/ICDs to which a CFS is attached. Customs officers deputed on cost recovery basis or merchant overtime basis discharge customs functions in CFSs.

The jurisdictional Customs Commissioner is responsible for ensuring that the custodians fulfil the requirements under HCCAR 2009.

Audit, examined the files and records available at the selected ICDs/CFSs and jurisdictional Customs authority, and facilities for cargo handling available at selected ICDs and CFSs to assess the extent to which these:

- meet the requirements under HCCAR 2009,
- are able to cater to the needs of the trade, and
- provide efficient and seamless transport logistics.

Audit noticed following illustrative cases:

4.1 ICDs functioning without adequate infrastructure

As per Rule-5 of HCCAR, 2009 the CCSP for custody of imported goods or export goods and for handling of such goods in a Customs Area, shall provide infrastructure, equipment and adequate manpower for loading, unloading, stacking, handling, stuffing and de-stuffing of containers, storage, dispatch and delivery of containers and cargo etc. including standard pavement for heavy duty equipment for use in the operational and stacking area to the satisfaction of the Commissioner of Customs.

I. ICD Kottayam, set up as a Public Private Partnership Project between the South Indian Chamber of Commerce & Industry and Kerala Industrial Infrastructure Development Corporation (KINFRA), a statutory body under the Government of Kerala, became functional from October 2009. The project was funded by ₹ 8.20 crore of Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) funds, which is a Central Government scheme for promoting exports.

It was noticed that though the ICD was projected to handle 9000 TEUs per year, only 9,159 TEUs were handled at the ICD during the five year period 2012-17, out of which only 609 TEUs (6.7 *per cent* of total volume) related to exports, and as against projection of more than thousand exporters availing ICD facilities, only 25 exporters had availed the facility till the time of audit. Audit found that basic handling equipment like Reach Stacker for lift-off and lift-on operations of containers were not available at the ICD. A Barge and Jetty, constructed at a cost of ₹ 2.51 crore for transportation of cargo between Kottayam and ICTT Vallarpadam through inland waterways, could not be put to use due to non-availability of crane for loading and unloading the containers to and from the Barge.

II. At ICD Verna, Goa, Audit noticed that minimum infrastructure facility requirements of the HCCAR 2009 had not been fulfilled. The minimum area requirement was violated since the notified area under the ICD is only 1.2 hectares which is far below the minimum area requirement of 4 hectares for ICDs. Audit found that EDI connectivity though installed from April 2015, was not functional due to unresolved issues with BSNL. Thus, importers and exporters were filing their BEs and SBs manually at Customs House Marmagoa, Goa. The ICD had a single gate for entry and exit, though the HCCAR require that entry and exit gates should be different. The ICD had installed an electronic weighing

bridge in September 2015, which was not being used by customs authorities.

DoR while accepting the audit observation stated (February 2018) that in ICD Kottayam at present there is no requirement of the crane for loading and unloading of container as the movement of containers through barges has not picked up. In ICD Verna, full-fledged EDI connectivity is in place, but for some technical issues manual permission was granted for clearance of cargo. Justifying use of gate for entry and exit of containers, DoR stated that it was done due to lower volume of cargo.

DoC's response further raises questions on the viability of these two ICDs.

Fig 17

Photograph of single entry/exit gate at ICD Verna, Goa

4.2 Non-availability of specified demarcated areas

Regulation 6 of the HCCAR 2009 stipulates that it is the responsibility of the custodian to demarcate separate areas for unloading and storage of imported goods and exported goods as well as provide separate space for handling goods for auction. Similarly, according to CBEC Instruction No. F. No. 450/19/2005-Cus IV dated 23 July 2013, all custodians were required to provide separate and dedicated storage space meant for fumigation and storage of post fumigated sites to enable plant quarantine authorities to carryout necessary checks for both imported and export consignments. Board had also instructed Commissioner of Customs concerned to ensure that the directions were complied with scrupulously and immediately.

Out of 85 ICDs and CFSs test checked in audit, it was observed that the required demarcated spaces were not made available at six ICDs and nine CFSs as detailed below:

Table 3

Non-availability of specified demarcated areas

Demarcated space not available	Name of ICD/CFS and jurisdictional Customs Commissionerate
Separate areas for storage of Import and Export cargo	ICD Moradabad under Meerut Commissionerate; ICD Panki under Kanpur Commissionerate; CFS CMA-CGM Logistic Parks Ltd., Dadri under Noida Commissionerate; ***(2 ICDS and 1 CFS)***
Separate area for storage of Auction cargo	ICD Moradabad under Meerut Commissionerate; ICD Panki under Kanpur Commissionerate; CFS CMA-CGM Logistic Parks Ltd., Dadri under Noida Commissionerate; Four ICDs/CFSs under Bengaluru Commissionerate: ICD Whitefield, CFS CWC-Whitefield, CFS Marigold Logistics P. Ltd. and CFS-HAL; CFS-CWC Panambur under Managluru Commissionerate; ICD Desur under Belgaum Commissionerate;***(4 ICDs and 5 CFSs)***
Separate area for Fumigation of cargo and post fumigation storage	ICD Moradabad under Meerut Commissionerate; ICD Panki under Kanpur Commissionerate; CFS CMA-CGM Logistic Parks Ltd., Dadri under Noida Commissionerate; Four ICDs/CFSs under Bengaluru Commissionerate: ICD Whitefield, CFS CWC-Whitefield, CFS Marigold Logistics P. Ltd. and CFS-HAL; CFS-CWC Panambur under Mangaluru Commissionerate; ICD Desur under Belgaum Commissionerate; CFSs under Kolkata (Port) Commissionerate: CWC, Kolkata, Century Ply (JJP) Kolkata, Century Ply (Sonai) Kolkata and LCL Logistix, Haldia; ICD Amingaon under Shillong Commissionerate; ICD Durgapur under Bolpur Commissionerate; ***(6 ICDs and 9 CFSs)***

Kolkata (Port) Commissionerate stated (December 2017) that all CFSs have been instructed to immediately provide separate fumigation/post fumigation sites. CGST Commissionerate, Bolpur stated (December 2017) that Custodian of ICD Durgapur has been requested to allot/demarcate an area for fumigation.

DoR while accepting the audit observation stated (February 2018) that in Noida Customs, ICD Moradabad and Bangalore City Commissionerates, Custodians have now allocated/demarcated separate area for storage and handling of hazardous and non-hazardous cargo. CWC Panambur, Mangaluru Commissionerate and Shillong Commissionerate has been asked to provide separate demarcated area and ensure that HCCAR 2009 regulations are complied with.

4.3 Non-availability of space for storing hazardous goods

As per guidelines issued vide Circular No. 4/2011-Customs dated 10 January 2011 and Circular No.40/2016 dated 26 August 2016, the imported goods or export goods which are hazardous in nature, shall be stored at the approved premises of the CCSP in isolated place duly separated from other general cargo, depending upon classification of its hazardous nature and the space allocated for storage of hazardous cargo within the notified premises should be of proper construction including appropriate heat or fire resistant walls, RCC roofing, flooring. The provisions of the Hazardous Waste (Management, Handling, Transboundary Movement) Rules, 2009 and the Manufacture, Storage and import of Hazardous Chemical Rules, 1989 and other relevant rules and regulations prescribed by the Government are to be adhered to in respect of storage and handling of such goods. No relaxation or exemption from requirements on safety and security of premises are to be allowed by Commissioners of Customs to the Custodians in terms of provisions of Regulation 7 of the HCCAR, 2009. The CBEC has also instructed the Commissioners to ensure that provisions pertaining to safety and security of premises are complied with strictly at the time of appointment of CCSP and monitored thereafter. Review of such obligations of Custodians who have been appointed earlier in terms of proviso to sub-regulation (2) to Regulation 10 was also mandated.

In spite of such stringent requirements to ensure proper storage and handling facilities for hazardous cargo at ICDs and CFSs, it was noticed that out of the 85 ICDs/CFSs audited, facilities for storage and handling of hazardous cargo were not available in 13 ICDs and 11 CFSs during the audit period (**Statement 10**). Moreover, the following instances of storage of hazardous goods in such ICDs/CFSs not equipped to store and handle hazardous cargo came to notice:

(a) At CFS Gateway Distriparks Limited, under Chennai IV Commissionerate, no separate area to handle hazardous cargo was earmarked. It was stated (July 2017) that no such cargo was handled by them. However, verification of uncleared cargo (UCC) files revealed that goods of hazardous nature viz., Phosphono Methyl Glycerine 2 Proplyamine (Glyphosate - 41 *per cent*) were imported and were lying uncleared.

(b) At ICD Patparganj, which does not have any separate area earmarked for storage/handling of hazardous cargo, hazardous cargo is kept in the open area outside the shed. Administrative buildings housing Customs and CWC offices, bank, etc. are situated adjacent to the cargo sheds within the cargo handling area which is a high risk area as accidents may occur during cargo handling activity. 30 containers containing flammable material like furnace oil, residue wax, base oil, etc. imported during the period 2000-2012 were lying

undisposed at this ICD. These included 18 containers of furnace oil expressly declared as hazardous by Central Revenue Control Laboratory (CRCL). CWC, the custodian of ICD Patparganj stated that specific area for such cargo is under development but no such document was shown to Audit.

(c) At CFS Gateway East India Pvt. Ltd. at Visakhapatnam and CFS CMA CGM Logistic Park P. LTD, Dadri, Noida, hazardous cargo was stacked with the normal cargo in the same storage space and at CFS Sharvan Shipping Services Pvt. Ltd., Visakhapatnam, hazardous goods were stored opposite the main entrance of the CFSs along with other cargo, leading to a risk of collision with cargo trucks/trailers entering the premises. These CFSs does not have separate facilities for storage and handling of hazardous cargo.

The storage and handling of hazardous cargo at ICDs and CFSs not equipped with separate storage and handling facilities for such cargo poses a high risk to the safety and security of both the men and materials at such locations. Moreover, since containerised cargo may at anytime turn out to contain hazardous cargo either due to genuine logistical errors or due to mis-declaration by unscrupulous importers, all CCSPs should mandatorily have facilities for storage and handling of hazardous cargo, irrespective of whether they normally handle hazardous goods or not.

Fig: 18 Photographs of hazardous cargo stored with ordinary cargo

Hazardous and normal cargo stacked together in same storage area at CFS Gateway East India Pvt. Ltd., Visakhapatnam	**Hazardous cargo stored opposite to the main entrance along with other cargo at CFS Sharvan Shipping Services Pvt. Ltd., Visakhapatnam**
	

DoR while accepting the audit observation stated (February 2018) that in CONCOR (CFS) and Gateway CFS under Visakhapatnam Commissionerate, separate area has been earmarked for handling of hazardous goods and no other goods are stacked along with hazardous goods. In Sravan (CFS) the pharma chemicals being hazardous goods were being stacked near the main entrance. In respect of ICD Patpargunj. DoR stated that the Custodian (CWC)

have advised their customers not to bring hazardous goods at this port since it is located in the heart of Delhi.

DoR further stated that show cause notices are proposed to be issued for violation of HCCAR 2009 against concerned CFSs.

DoR's response is not acceptable as it does not address the serious systemic issue of lack of appropriate safety standards and practices by the custodians of ICDs and CFSs with regard to handling of hazardous goods.

4.4 Interruption in EDI connectivity

The Indian Customs EDI System (ICES) 1.5 is an integrated Information System (IS) for automation of customs workflow, managed and maintained by the Directorate General of Systems and Data Management under the CBEC, through which the trading community can exchange information electronically with customs and other stakeholders. Smooth functioning of the system with minimal downtime is crucial for hassle free trade by facilitating filing of documents, exchange of information between different stakeholders, cargo movement, customs clearance, etc.

Interruptions in the availability of the Customs EDI service can occur either due to:

(a) Local issues such as an interruption in last mile connectivity between the ICES and the EDI terminals installed in the ICD or CFS, which is provided by the ICD and CFS custodian through the local telecom service provider, or

(b) Connectivity issues within the Customs EDI system itself, such as server failure, WAN connectivity issues, Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway (ICEGATE) issues, etc.

The custodian is responsible for restoring the last mile connectivity by taking up breakdown issues with the local telecom service provider, while responsibility for ensuring restoration of ICES service rests with Customs, which is to be ensured through timely reporting of ICES service interruptions by raising of 'Tickets' with the DG (Systems) SI Helpdesk called 'Saksham Seva'.

Audit assessed the efficiency of EDI connections at the ICDs and CFSs selected for audit by looking at the frequency of breakdown, and the extent of downtime being reported. Information on maintenance of downtime records was received from 38 ICDs and 40 CFSs.

(i) Audit found that log books for local connectivity failures and/or ICES downtime were being maintained in only six[12] out of 38 ICDs and three[13] out of 40 CFSs which provided information. However, the accuracy and completeness of even these few records was not verifiable in the absence of any laid down procedure to maintain a log of all such breakdowns and their duration. Moreover, neither any benchmarks/parameters nor any system has been devised by the CBEC to record and report on the slowness of connectivity which affects the customs EDI connectivity at field locations.

Frequent breakdown of EDI connectivity at ICD Durgapur

The Customs authority at ICD Durgapur stated that there were frequent and almost daily failures in EDI connectivity and repeated complaints were lodged with the EDI Helpdesk (Saksham Seva) but no manual records thereof were being maintained by the office. In most cases, the complaints were lodged over phone and as and when the problem was solved, the same was communicated (by Helpdesk) on phone. It was very difficult to maintain records of such phone calls. It was further stated that there was no such instruction to maintain record of complaints.

(ii) It was noticed in audit that this basic facility of EDI connectivity was not available at ICD Verna, Goa, under the Commissionerate of Customs, Marmagoa, at three out of the four CFSs located at Haldia, West Bengal, (LCL Logistics Pvt. Ltd., A. L. Logistics, and Apeejay Infra logistics) under the Kolkata (Port) Commissionerate and at the CFS Panambur, under the Mangaluru Commissionerate.

Non-availability of EDI connectivity at the ICD and CFS premises renders it impossible for the customs officers posted there to file cargo examination reports, grant Let Export Orders (LEOs) for export consignments, give Out of Charge (OOC) orders for import consignments, etc. in a timely manner, impacting the dwell time of cargo handled at such ICDs and CFSs.

Audit noticed that in June 2017, 18 trade associations and major corporate houses had jointly sought the Prime Minister's urgent intervention on the issue of frequent breakdowns in customs EDI System/ICEGATE, stating that trade and industry was facing severe hardships in importing/exporting and clearance of consignments almost on a daily basis due to downtime of the Customs EDI System, which had led to increase in dwell time for clearance, resulting in a tremendous increase in transaction cost. The representation further stated that although Trade and Industry had been regularly addressing

[12] ICDs: St. John's, Tuticorin; Irungattukottai, Chennai; Hosur, Trichy; Whitefield, Bengaluru; Amingaon, Assam; Loni, Noida.

[13] CFSs: Gateway Distriparks, Manali New Town, Chennai; Triway, Chennai; Balmer Lawrie & Co., Kolkata

the matter to the CBEC, the incidents of downtime had become more frequent.

Due to non-availability of downtime data with the ICDs/CFSs, the location-wise data on number of tickets raised for complaints relating to ICES unavailability received from various ICDs and CFSs and their resolution times was called from the DG (Systems) in September 2017, but the information is still awaited.

DoR in their reply (February 2018) stated that the observation of the Audit that no system has been devised to record the issues of slowness of connectivity is incorrect as the infrastructure has been provisioned by DG (Systems). There is a continuous monitoring of the quality and availability of the network connectivity (provided by DG (Systems)) at a particular location. Such information for the planned and unplanned downtime as well as network connectivity provisioned by DG (Systems) is systematically maintained and is readily available with DG, (System).

However, information asked for by Audit on the location-wise data on number of tickets raised for complaints relating to ICES unavailability received from various ICDs and CFSs and their resolution times has not been provided till date.

Conclusion

Audit noticed cases of ICDs set up but not functional as requisite infrastructure had not been provided which rendered the entire capacity created unutilized.

Demarcation of spaces for specified activities, including segregation of space for handling hazardous cargo as required under HCCAR 2009 was not done by a considerable number of ICDs and CFSs posing risk to life and environment.

EDI connectivity which plays a very important role in facilitating speedy clearances for imports and exports, needed to be monitored continuously. However, no instructions were issued by the CBEC for maintenance of EDI downtime records at the EDI locations from which the extent of non-availability of EDI facility can be ascertained and monitored locally. Moreover, the DG (Systems) does not share information on extent of EDI downtime with any of the stakeholders and there is no transparency in the performance of the DG (Systems) in this regard.

Recommendations

1. ***Segregation of spaces for specified activities including handling of hazardous goods is an important requirement for safety of personnel and prevention of environmental hazards. CBEC may consider introducing a penal clause under HCCAR for CCSPs found flouting these requirements.***

DoR in their reply (February 2018) stated that penal provisions already exist in the Handling of Cargo in Customs Areas Regulations. Further, all jurisdictional Chief Commissioners shall be asked to monitor the performance of the ICDs and CFSs in their jurisdiction in terms of the provisions under the Handling of Cargo in Customs Areas Regulations.

2. ***Information on downtime in all EDI locations should be readily available to all users and stakeholders as Customs EDI system is critical to expeditious clearance of cargo. CBEC may consider making it mandatory for all EDI locations to maintain a system downtime database and share this information publicly as part of performance measure of CCSPs.***

   DoR in their reply (February 2018) stated that there is a continuous monitoring of the quality and availability of the network connectivity (provided by DG (Systems)) at a particular location. As indicated above, such information for the planned and unplanned downtime as well as network connectivity provisioned by DG (Systems) is systematically maintained and is readily available with DG (Systems).

   However, this information is awaited.

CHAPTER-5

REGULATORY FRAMEWORK FOR THE OPERATIONS OF ICDs AND CFSs

The regulatory framework for ICDs and CFSs is derived from legislation, i.e, Customs Act 1962; Customs Tariff Act, 1975; Customs Manual and regulations like; Goods Imported (Conditions of Transshipment) Regulations, 1995; Handling of Cargo in Customs Areas Regulations, 2009; Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and Instructions, Circulars and Notifications issued by CBEC from time to time.

The regulatory framework lays down certain key requirements for monitoring of cargo passing through ICDs and CFSs, provisions for safeguarding government revenue, provisions for ensuring environment protection and requirement of internal control and internal audit.

Audit, through test check of transactions at selected ICDs and CFSs and examination of relevant records, examined the level and extent of compliance with the regulatory framework. In the process, audit also assessed whether the regulations were sufficient and their compliance was effective in safeguarding the government revenue.

5.1 Monitoring of cargo

With a view to ascertain the system for monitoring movement of containers from Gateway port to ICDs and CFSs and *vice versa* in respect of Import and Export cargo, Audit examined whether the monitoring was done manually or through transhipment module of ICES which involves exchange of messages electronically among Customs, Port authorities, ICDs and Shipping Agents for the transhipment of containerised cargo.

In the manual system of monitoring, to gather assurance that periodical reconciliation was carried out, Audit examined whether the landing certificates issued by the ICDs and CFSs are submitted to the Customs at the originating port in respect of import cargo and transference copy of the Shipping Bill along with a copy of EGM was received by ICDs and CFSs from Gateway port(s) in respect of Export cargo.

Analysis of pending unclaimed/un-cleared cargo at selected ICDs and CFSs was also conducted with a view to identify the reasons involved for long-standing containers which occupy storage space of the custodians and also to ascertain the nature of cargo and its impact on revenue as well as on the environment. At the transaction level, Audit exercised checks to ensure that the import and export restrictions/prohibitions on certain goods through specified ICDs were scrupulously followed.

5.1.1 Lack of proper monitoring of the movement of export cargo

An Export Transhipment Module (ETM) has been implemented in ICES for the transhipment of export containers from ICD or CFS to any other Gateway Port. The transhipment bond furnished by the carrier/custodian is now mandatorily required to be registered in the ICES application. A transhipper has to submit an Export Transhipment Permit (ETP) application in the ICES which would be verified by the Preventive Officer of the respective ICD or the CFS and an ETP Approval permit issued, which should accompany the container being transhipped. As soon as the ETP permit is issued, the Bond will be debited and would be suitably re-credited after successful filing of the Export General Manifest (EGM).

From the information provided to Audit, it was observed that the ETM was not operationalised in two ICDs and seven CFSs falling under Noida, Kanpur, Central Excise, Bolpur and Kolkata Port Commissionerate and in another 4 ICDs falling under Noida, Meerut and Shillong, NER Commissionerates, the status of operationalisation of ETM are not known (Statement 11).

CGST Commissionerate, Bolpur (December 2017) stated that message exchanging facility is not available in EDI system at ICD, Durgapur either for imports or exports, and data is being exchanged manually.

In Chennai Commissionerate where ETM was introduced in all ICDs and CFSs attached to Chennai Port vide Public Notice No. 158/2016 dated 13 July 2016, the ETM for transhipment of containers from ICDs and CFSs to other Ports viz., Ennore and Kattupalli Ports has not been operationalised due to non-assignment of necessary roles in the ICES to the customs officers posted at the CFSs. On being pointed out, the department stated (August 2017) that the roles in ICES will be assigned on receipt of requisition from the custodians.

Due to non-operationalisation of ETM at ICDs and CFSs, monitoring the delivery of export cargo transhipped from ICDs and CFSs to other Ports/ICDs/CFSs is done only through transference copy of shipping bills in terms of Board's circular No.57/98 dated 4 August 1998.

As per the aforesaid Circular, for goods exported from ICDs/CFSs, the transference copy of the shipping bills which is a proof of arrival of the cargo at the Gateway Port has to be received at the ICD or CFS within 90 days.

In thirteen ICDs and twelve CFSs falling under nine[14] Commissionerates, transference copies of shipping bills for the period of April 2016 to March 2017 were not received even after the lapse of more than 90 days from the date of

[14]Mumbai Customs Zone I, Shillong NER, Kolkata Port, Ludhiana, Ahmedabad, Kanpur, Jodhpur, Jamnagar, Mundra

exports of such goods **(Statement 12)**. At ICD Durgapur of Bolpur Central Excise and Customs Commissionerate, the reconciliation was not done by customs authority for the period from 2012-13 to 2014-15. In respect of ICD Mulund, the department stated that instructions have been given for timely reconciliation of the transference copies.

Non-operationalisation of Export Transhipment module and non-reconciliation of the transference copies of shipping bills being an alternative mechanism to monitor the movement of export cargo has rendered the monitoring inadequate.

DoR stated (February 2018) that ETM is functional at Chennai. In Mumbai I Commissionerate transference copies at ICD Mulund are now being received regularly after much persuasion, while the matter regarding receipt of transference copies for the past period is being pursued.

In respect of Shillong Commissionerate it was stated that EDI is not operational at ICD, Amingaon.

DoR's response confirms the audit observation that monitoring of container movement from ICD/CFS to gateway ports is not only heavily based on physical movement of documents which in itself is beset with many risks, even though ETM module has been made functional in the EDI system there is hardly any monitoring being done through the system.

5.1.2 Lack of monitoring for movement of import cargo

As per CBEC Circular No. 46/2005-Customs dated 24 November 2005 transhipment of containerized cargo from one Port to an Inland Port or ICD or CFS where the Indian Customs EDI System (ICES) is operational has been automated and would involve exchange of messages electronically among Customs, Port authorities, ICDs and Shipping Agents. The container arrival report, submitted electronically in the ICES system by the transporter at the destination ICD or CFS, will be matched with the transhipment message received from the Gateway Port based on which a 'landing certificate' message will be generated by the inland port/ICD/CFS which will be transmitted to the Gateway port for closure of IGM Lines.

In all 5 CFSs, falling under Kolkata (Port) Commissionerate and also in 7 ICDs and 6 CFSs falling under other six[15] Commissionerates, the monitoring of import cargo was done manually and no electronic exchange of messages for Transhipment of Cargo was being carried out **(Statement 13)**.

Further, even in those Commissionerates where the Import Transhipment Module (ITM) had been implemented, the 'Landing Certificate' acknowledging

[15]Ahmedabad, Hyderabad, Shillong NER, BolpurC.Ex., Mundra, Jamnagar

receipt of the containers is being issued manually by the Custodian of ICD to the Gateway port and the bond is also re-credited manually. Audit pointed out that a suitable provision in ICES needs be incorporated for electronic submission of 'Landing certificate' and 'automated re-credit of bond amount'.

Similarly, the movement of containers from Gateway Port to CFSs has also been automated and being monitored through ICES application but the module could not be used effectively in ascertaining the actual destination of containers. In Chennai Sea Customs Commissionerate, in the module, the destination of four containers was shown as Gateway Distriparks CFS and the corresponding BEs also indicated that the clearance had been given from that CFS. But on enquiry, the custodian stated that none of the containers were received and no Out of Charge (OOC) was issued from their CFS.

Only after the discrepancy was pointed out by Audit, the Container Movement Facilitation Cell (CMFC) of Chennai Customs Commissionerate, which monitors the movement of these containers, examined the issue and stated that one of the containers had actually moved to a SEZ location and the remaining three containers where directly taken out from the port under *Direct Port Delivery*(DPD).

Despite the automation in the movement of containers, tracking of containers as to its actual destination could not be ascertained by the department.

On the shortcoming in automation being pointed out, the department informed (October 2017) that DG (Systems), New Delhi has been addressed to automate the re-credit of bond by populating the landing certificate message into ICES and also accepted (November 2017) the need for additional provisions in ICES for identifying the location of the containers.

DoR while accepting the audit observation stated (February 2018) that presently the automated transhipment module is implemented between JNPT and ICD Tughlakabad and detailed procedure is being worked out by the DG (Systems) and will be circulated to all automated customs location.

Further, in response to shortcomings pointed out in automation, DoR stated that the provision is available in ICES software whereby the custodian can present arrival report electronically and also for automation of bond re-credit. However, as problems have been reported, the same is being rectified.

Final outcome is awaited.

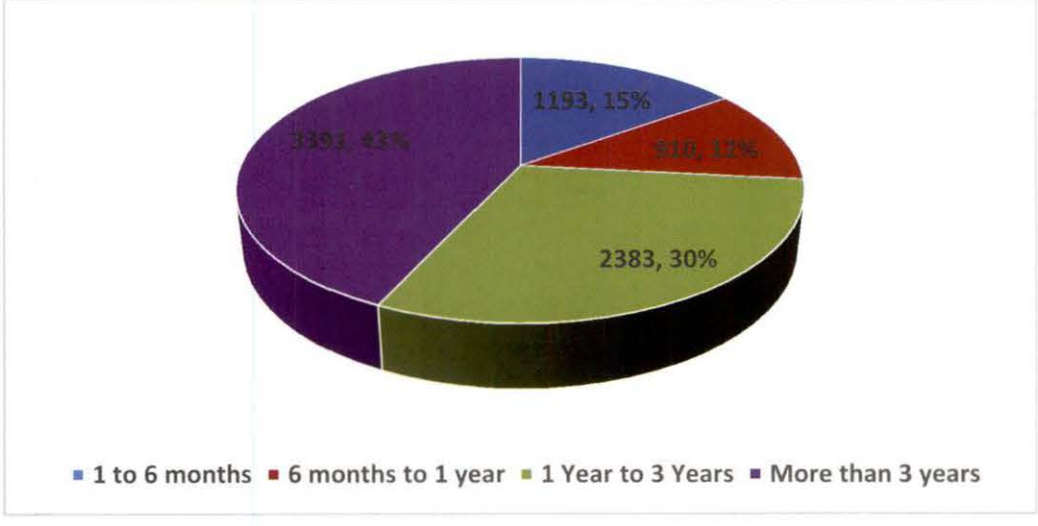
5.2 Pendency of uncleared cargo

As per Regulation 6(m) of HCCAR 2009, goods lying unclaimed, uncleared or abandoned may be disposed off by the custodian in the manner specified within a period of 90 days, which may be extended by the Commissioner of

Customs, on sufficient cause being shown. The custodian will furnish to the customs department the list of items with complete particulars such as Bill of Lading, Description of goods, weight, name of the consignee/consignor, etc to be considered for disposal.

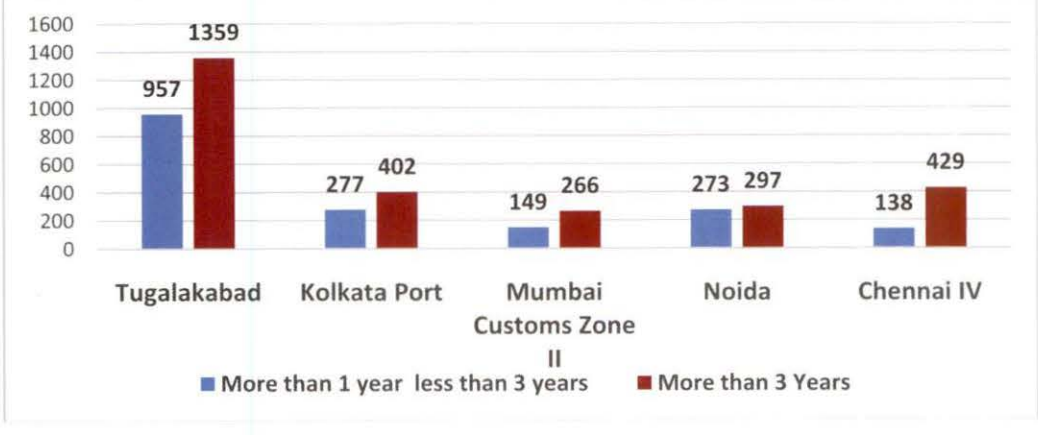
From the uncleared cargo details furnished by the custodians of the 85 selected ICDs and CFSs, it was observed that 7877 containers occupying storage space of 117052.22 m^2, were pending for disposal as on 31 March 2017 **(Statement 14)**, out of which 3391 containers involving storage space of 50390.26 m^2 were pending disposal for more than 3 years. A break up of the pendency status of the containers and the age-wise analysis of the pending cargo is shown below:

Fig 19 Age wise analysis



of the 5774 containers pending for more than 1 year, 4547 containers (79 *per cent*) are pending in the following five commissionerates.

Fig 20: Pendency – Top Five Commissionerates



A scrutiny of the status of the pending containers revealed that 3535[16] containers (45 *per cent*) are lying uncleared for more than 1 year due to delays at various stages **(Appendix III).**

Table 4

Reasons for Uncleared cargo

	Pending containers	
Status of pendency	**More than 3 yrs**	**Between 1 and 3 yrs**
Pending clearance after filing bill of entry	351	273
UCC Section	304	288
Warehouse Disposal	223	215
Destruction	151	65
Confiscated & Detained goods	1080	272
Others	-	313
Total	**2109**	**1426**

Analysis of the uncleared cargo cases pending for more than one year and more than 3 years revealed that the inordinate delay in clearance was mainly attributable to (i) issue of no objection certificate (NOC) by the customs department (ii) issue of clearance certificate by the various Participating Government agencies(PGA) like Plant Quarantine (PQ), Pollution Control Board (PCB), Port Health Officer (PHO), Food Safety and Standards Authority of India (FSSAI) etc., (iii) implementing the orders for destruction of cargo (iv) re-exporting the cargo in cases where such re-export orders had been issued.

Consequent to delay in initiating action for disposal of uncleared cargo, in four ICDs and six CFSs falling under ten[17] Commissionerates, 262 containers of perishable goods like food items, fruits, Medicines, Betel Nuts, Pulses etc., pending for a period ranging from 1 to 12 years were rendered unfit for human consumption **(Statement 15)**.

Further, in seven CFSs falling under Chennai Customs Commissionerate, 86 containers of Timber/teak logs were pending clearance for a period ranging from 2 to 10 years. The goods were ordered for destruction by the Regional PQ authorities but the destruction has not been carried out as the Commissionerate had sought clearance from the PQ Headquarters at New Delhi to avoid loss of revenue on account of the destruction and also to avoid the impact on environment due to incineration of the wooden logs.

At ICD CONCOR, Kanakpura, falling under Jodhpur Commissionerate, 27 live bombs and 19.4 MTS of war material scrap were lying undisposed since 2008 which is a serious cause for concern. Similarly, at ICD, Udaipur and ICD, Bhagat

[16]Details of ICD Tuglakabad not included as break up of pendency were not furnished

[17]Kandla, Chennai V, Chennai IV, Cochin, Tughlakabad, Vishakapatnam, Nagpur 1, Bengaluru, Tuticorin, Patparganj

Ki Kothi, falling under Jodhpur Commissionerate, 195 Kgs of empty cartridge shells and 102.8 MTS of war material scrap were lying undisposed since 2004.

Fig: 21

Photographs of uncleared war material in ICD Bhagat ki Kothi, Jodhpur

Though CBEC has laid down clear procedures[18] for expeditious disposal of unclaimed and uncleared cargo, the fact that 7877 containers of unclaimed and uncleared goods are lying undisposed reflects a poor compliance of Board's instructions. Audit has also noticed that 469 containers out of 7877 lying uncleared contain hazardous materials and municipal waste which poses a serious threat to the environment and safety (See Para 5.3).

Audit noticed that some importers, taking shelter under Section 23 of Customs Act, routinely abandoned the containers. As on 31 March 2017, in the selected ICDs/CFSs, 838 Containers were abandoned after filing of bill of entry, which remained uncleared (See Para 5.4).

DoR while accepting the audit observation stated (February 2018) that efforts are being made to clear the long pending cargos in a time bound manner.

5.2.1 Absence of independent mechanism to verify the uncleared cargo (UCC) report furnished by the custodian

Presently, the pending list of uncleared/unclaimed cargo is prepared by the custodian, using their own customized software and submitted to the department. However, many discrepancies were noticed in the list submitted by the custodian which the department could not detect due to lack of any independent cross verification mechanism. A few illustrative cases detected in the test checked CFSs is detailed below:

In CFS, M/s. Marigold Logistics (P) Ltd (Bengaluru), seven containers of unclaimed cargo imported between July 2015 and January 2016 was not reported in the Monthly Technical Reports (MTRs) submitted to the Commissioner of Customs by ICD.

[18] Circular 50/2005 dt 1.12.2005 , Procedure for disposal of uncleared/unclaimed cargo under Section 48 of Customs Act 1962

In Kolkata (Port) Commissionerate, the Special Disposal Cell (SDC) maintains only records/data of UCC cargo for which NOC for disposal are sought by the various CFS custodians from time to time, and does not maintain data on the total pendency of UCC at the various CFSs.

Kolkata (Port) Commissionerate (December 2017) replied that the data are acquired and compiled by the SDC as and when the custodian provides the same and there is no mechanism to verify the veracity of these data.

In Patparganj Commissionerate, disposal of goods were 'nil' during 2012-13 to 2016-17 whereas 423 numbers of cargo were shown as disposed in the uncleared cargo report furnished by the custodian (CWC) during this period.

In ICD Mulund falling under Mumbai Customs Zone I Commissionerate, 17 containers which were physically available in the ICD was not reflected in the inventory maintained by them.

In ICD Irungattukottai falling under Chennai V Customs Commissionerate, goods which remained uncleared for more than 180 days from the inward date did not figure in the UCC list of the ICD during the relevant period, which was confirmed from the fact that no monthly statement of uncleared/unclaimed cargo report was being submitted by the ICD to the Commissionerate.

In CWC, Virugumbakkam, a CFS under Chennai VI Customs Commissionerate, out of 472 lots of goods lying uncleared for more than one year, details of only 101 lots were submitted by the custodian to UCC section as of August 2017.

In Sanco CFS of Chennai V Customs Commissionerate, two containers imported in June 2009, which were lying unopened and unexamined for nearly 8 years, were not reported by the custodian in their monthly statement. When Audit pointed out, the department stated (September 2017) that the containers were not examined due to restrictions as these were hazardous and that steps have since been initiated to identify all such cases of cargo lying unopened in other CFSs for early disposal.

DoR in their reply stated (February 2018) that in respect of Bengaluru Conmmissionerate details of unclaimed cargo are now incorporated in the monthly report, and unclaimed cargo lying in seven containers have now been disposed off.

Replies in the remaining cases was awaited.

5.3 Dumping of Hazardous waste

As per Para 2.32.1 of the Handbook of Procedures, Vol. I, 2009-14, Import of any form of metallic waste, scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste / scrap

containing radioactive material, any type of arms, ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise. Import of seconds and defective, rags, PET bottles / waste is regulated as per the Import Policy prescribed under Schedule I of ITC (HS).

As per the Hazardous wastes (Management, Handling and Transboundary Movement) Rules, 2008, import of hazardous goods like metal scraps and used tyres without Pre-Shipment Inspection Certificate (PSIC) and permission from Ministry of Environment and Forest (MoEF) and clearance from State Pollution Control Board requires the importers to re-export the goods within 90 days from the date of its arrival into India and its implementation will be ensured by the concerned State Pollution Control Board.

From the Uncleared Cargo (UCC) details furnished by the custodians as on 31 March 2017, 469 containers of hazardous waste like metal scrap, municipal waste, used tyres were lying uncleared for a period ranging from one to seventeen years **(Statement 16)**. These included live bombs, war material scrap in ICDs Kanakpura, BhagatkiKothi and Udaipur (already reported in para 5.2 above), 92 containers of used tyres, metal scrap and hazardous chemicals in CFS Navkar Corporation under Mumbai Customs Zone II, 15 containers of hazardous cargo in ICD Tughlakabad and 50 containers of mixed waste in ICD Moradabad, among others. Audit noticed that the department had not initiated any action against the importers including those cases where re-export orders had been issued.

An examination of *modus operandi* leading to import of hazardous waste into India revealed that such imports take place partly due to laxity in following rules and procedures under the Customs Act, and partly due to the lacuna in the Customs Act itself. A few illustrative cases are discussed below:

(i) Import of hazardous cargo without mandatory documents

In five[19] CFSs and one[20] ICD falling under Mumbai Customs Zone II and Nagpur I Commissionerate respectively, 197 containers of metallic waste and scrap, used tyre scrap were imported between April 2007 and March 2017 by 79 importers without the required documents (PSIC, sales contract, Certificate from PCB, clearance from MoEF) and were lying unclaimed. This includes 20 containers pertaining to M/s Mumbai Fabrics Pvt. Ltd. who had been regularly importing and clearing similar goods.

Further, in the adjudication orders passed by the department in respect of five cases involving four importers under CWC Logistic Park CFS, Mumbai, for the

[19] Speedy Multimodes Ltd, CWC Logistics Park, United Linear Agency, Continental Warehousing, Navkar Corporation Ltd.
[20] Ajni ICD

irregular imports, no penalty was imposed on the shipping lines for loading such cargo without the mandatory documents as prescribed in Board Circular No.56/2004 dated 18 October 2004.

Fig: 22

Metal scrap lying unclaimed in ICD, Ajni, Nagpur

(ii) Import of municipal waste through High Sea Sales

In ICD Mulund falling under Mumbai Customs Zone I Commissionerate, 11 containers of "Old Mutilated Rags & Rugs" were imported (September 2016) by M/s Sparkgreen Energy (Ahmednagar) Pvt. Ltd on High Sea Sale (HSS) from M/s Netcradle India Pvt. Ltd. for a meagre value of ₹ 2.53 lakh and abandoned the cargo. Interestingly, M/s Netcradle India Pvt Ltd was engaged in the business of computer related activities (maintenance of website etc.) and M/s Sparkgreen Energy in the business of Power project thus making it evident that they were not the end users of the imported goods.

Fig: 23

Photograph of abandoned container of M/s Sparkgreen Energy at ICD Mulund

(iii) Imports of municipal waste by mis-declaring cargo

In Tuticorin Commissionerate, 20 containers of municipal waste were imported by five importers[21] by mis-declaring the goods as mixed plastic waste, waste paper and paper scrap.

From the details available, it was found that 10 out of 20 containers were imported from Saudi Arabia and United States of America. In all cases, the Tamil Nadu Pollution Control Board (TNPCB), Tuticorin had inspected the cargo and recommended for re-export to the sender. Based on TNPCB orders, the customs department imposed penalty on the importers and ordered for re-export of containers to the country of origin by the custodian. These orders were issued as early as in 2005 and latest by 2015 but no further follow-up action was initiated either by the importers or by the custodians to re-export the cargo. Thus, 20 containers with municipal waste continue to lie at Tuticorin ICD for periods ranging from two to eleven years.

At CMA-CGM Logistics Park Private Limited, Dadri of Noida Commissionerate, Audit found that one importer, M/s Anand Triplex Board Ltd imported 12 containers between 19 June 2009 and 27 June 2009 by declaring the contents as "waste paper" but which were found to contain highly contaminated municipal waste, domestic waste etc. All the containers were imported from Southampton, U.K. It was seen that all the containers are lying undisposed for a period ofeight years.

Failure to lay down the procedure for re-export of such cargo to the originating country and the accountability of person(s) responsible for such dumping has led to widespread dumping of municipal and hazardous waste.

DoR in their reply stated (February 2018) that in ICD Tughlakabad, Mumbai I, Mumbai II, Hyderabad and Tuticorin Commissionerates action had been initiated against defaulting importers by levy of redemption fine and penalty and by giving orders to re-export the cargo. Mumbai II Commissionerate further stated that disposal of uncleared hazardous waste is a time consuming process due to problems in coordination with the agencies who can bid for such cargo for safe disposal.

Fact remains that dumping of municipal waste is a growing menace in the country and disposal of uncleared hazardous waste which cannot alone be tackled through post facto actions in isolated cases. A concerted effort by strengthening laws with stringent penal clauses and improving coordination among related agencies to effectively block dumping of municipal wasteis needed.

[21] M/s Harbour Petrochem Industries (P).Ltd, M/s Vel Steel, M/s Global Infra India (P).Ltd, M/s Vedagiri Paper & Boards (P) Ltd, M/s G.S.N. Enterprises

As explained in the next paragraph certain clauses in the Customs Act may also be encouraging such imports need to be reviewed.

5.4 Undue advantage to the importers under Section 23 of Customs Act, 1962.

As per Section 23 of the Customs Act, the owner of any imported goods may, at any time before an order for clearance of goods for home consumption under Section 47 or an order for permitting the deposit of goods in a warehouse under Section 60 has been made, relinquish his title to the goods and thereupon he shall not be liable to pay the duty thereon, provided that the owner of any such imported goods shall not be allowed to relinquish his title to such goods regarding which an offence appears to have been committed under this Act or any other law for the time being in force. However, the provisions do not specify the conditions under which the goods could be abandoned.

As on 31 March 2017, in the selected ICDs/CFSs, 838 Containers were abandoned after filing of bill of entry, which remained uncleared. Scrutiny of the list of uncleared cargo revealed that certain importers routinely abandon the cargo while continuing to import and clear similar cargo. Such cases noticed in Chennai Customs Commissionerate are illustrated below:

(a) M/s Leitwind Shriram Manufacturing Limited imported (2015-16 and 2016-17) 'Parts of Wind Mill' in 25 BEs valued at ₹ 25.8 crore and abandoned the goods which were lying uncleared whereas similar imports made during the same period were cleared by the importer.

(b) Another importer M/s Kaizen Cold Formed Steel Private Limited imported (2015-16 and 2016-17) 'steel coils' in 89 BEs valued at ₹ 6.6 crore but the abandoned goods were lying uncleared while similar cargo was imported and cleared by the same importer at the same time.

(c) Similarly, M/s Falcon Tyres Ltd imported (2013-14 and 2014-15) 'Synthetic Butyl Rubber' in eight BEs valued at ₹ 3.2 crore and abandoned the goods which were lying uncleared though the importer continued to import and clear similar cargo.

(d) M/s International Flavours & Fragrances India Private Limited imported (2012-13 and 2016-17) 'Flavouring agents' valued at ₹ 2.60 crore through 26 BEs. The goods were lying uncleared as on 31 March 2017, while similar imports were cleared by the importer during the same period.

Audit did not find any recorded reasons which had led the importers to wilfully abandon the goods involving such high value. This was pointed out to the department to examine the grounds for such frequent abandoning of the

cargo and also to rule out the possibility of any *malafide* intention in relinquishing the cargo particularly when it involved huge remittances of foreign exchange to the consignor.

DoR in their reply (February 2018) stated that CBEC will examine the issue to rule out *malafide* intention in frequent abandoning of cargo.

5.5 Absence of mandatory compliance with environmental regulations

As per Ministry of Environment, Forest and Climate Change (MoEF) Notification No. S.O. 2265 (F) dated 24 September 2008, every occupier (Custodian) of the facility who is engaged in handling, storage, packaging, transportation etc of the hazardous goods shall be required to make an application to the State Pollution Control Board and obtain a clearance from the State Pollution Control Board within a period of sixty days from the date of commencement of the ICD. The clearance granted by the State Pollution Control Board under sub-rule (2) shall be accompanied by a copy of the field inspection report signed by that Board indicating the adequacy of facilities for storage, transportation, destruction etc., of the hazardous goods and compliance to the guidelines or standard operating procedures specified by the Central Pollution Control Board from time to time.

As per provisions (Rule 5) of the Hazardous Waste (Management and Handling Transboundary Movement Rules 2008) and the Water (Prevention and Control of Pollution) Act 1974, every person who is engaged in storage, collection, export and import of hazardous goods shall obtain No Objection Certificate (NOC) from State Pollution Control Board and Central Pollution Control Board. The NOC so obtained shall be renewed from time to time.

From the information furnished by 29 ICDs/CFSs, out of the 85 test checked in audit, 12 ICDsand 11 CFSs reported that clearance from the State/Central Pollution Control Board (PCB) was not obtained by the custodians even though hazardous cargo was handled **(Statement 17).** In addition, one ICD and six CFSs stored and handled hazardous goods for different durations without required renewal of NOC from pollution control boards as detailed below:

Table 5 : Unauthorised handling of hazardous cargo

Sl. No.	Name of CFS, ICD and Customs Commissionerate	Approval date for handling hazardous goods	Period of handling	Type of hazardous cargo
1	Speedy Multimodes Ltd., NhavaSheva-IV	5 Dec 2016	October 2011 to Sept. 2016	Dioxabicyclo octane, ethyl acetate, refrigerant gas, diclofenac sodium
2	CWC Logistics Park,NhavaSheva-III	3 Sep 2014	January 2012 to August 2014	Amino 4 chlorobenzene nitro flouride, empty chlorine cylinders, Zinc ash
3	ICT & IPL (previously United Liner Agencies), NhavaSheva -III	1 Dec 2016	March 2011 to November 2016	Sodium cyanide, acrylic acid, terephthaloy, refrigerant gas

Sl. No.	Name of CFS, ICD and Customs Commissionerate	Approval date for handling hazardous goods	Period of handling	Type of hazardous cargo
4	Continental Warehousing Corporation, NhavaSheva -I	19 Dec 2016	March 2011 to November 2016	Pellets, paints, raw wool, 2,2, dithiodibenzoic acid
5	Punjab State & Container Warehousing Corporation, NhavaSheva -III	13 Oct 2014	March 2011 and October 2014	Pellets, paints, alkalyte benzene, Grease
6	Navkar corporation Ltd., NhavaSheva-V	3 Sep 2014	March 2011 to August 2014	Ferrous Sulphate powder, firecrackers
7.	ICD, Ajni, Nagpur I Commissionerate	Goods handled without PCB certificate	July 2016 to March 2017	Metal scrap, hazardous waste

Source: Data furnished by local Customs Commissionerates

The abovementioned six CFSs attached to Nhava Sheva port had unauthorisedly dealt in hazardous cargo before receiving due approval from appropriate authority and thereby had put the safety of the other cargo and human lives at risk.

Kolkata (Port) Commissionerate stated (December 2017) that CFS CWC, Kolkatahas applied to PCB for clearance and the other audited CFSs have intimated that they don't need PCB clearance for their premises as they are not manufacturing/processing/recycling units. However, they have PCB clearance for Genset. CFS LCL Logistix, Haldia has intimated that they are applying for PCB clearance for their Genset. The department has added that no explicit provisions are available in HCCAR 2009 to empower the customs authority to implement the norms of Environmental Risk Assessment for CFSs.

Further, CGST Commissionerate, Bolpur, stated (December 2017) that there is no need of clearance from state and Central Pollution Control Board as there is no pollution generating machine at ICD, Durgapur.

The reply is not acceptable since ICDs cannot pre-empt that in future the ICD will not handle any hazardous goods. If required, Ministry may consider to amend HCCAR 2009 accordingly.

DoR in their reply (February 2018) stated that CBEC intends to ask all Chief Commissioners to inform all custodians about the observation of audit and also ask them to issue suitable instructions to all custodians.

5.6 Import and export of prohibited and restricted goods

"Prohibited Goods" as defined in Section 2(33) of the Customs Act, 1962 means "any goods the import or export of which is subject to any prohibition under the Customs Act or any other law for the time being in force". Thus, a prohibition under any other law can be enforced under the Customs Act, 1962. Under sections 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992, the Central Government can make provisions for prohibiting, restricting or otherwise regulating the import or export of the goods, which

finds reflected in the FTP laid down by DGFT, Department of Commerce. Some of the goods are absolutely prohibited for import and export whereas some goods can be imported or exported against a licence and/or subject to certain restrictions.

Certain products are required to comply with the mandatory Indian Quality Standards (IQS) and for this purpose exporters of these products to India are required to register themselves with Bureau of Indian Standards (BIS).

Responsibility of Customs has also been to ensure compliance with prohibitions or restrictions imposed on the import and export of goods under FTP and other Allied Acts. Import and Export of specified goods may be restricted/prohibited under other laws such as Environment Protection Act, Wild Life Act, Arms Act, etc. and these will apply to the penal provisions of the Customs Act, 1962 rendering such goods liable to confiscation under Sections 111(d)for import and 113(d) for exportofthe said Act. Thus, for the purpose of the penal provisions of the Customs Act, 1962 it is relevant to appreciate the provisions of these allied legislations.

Import and Export of prohibited Items: In ICD CONCOR, Tondiarpet falling under Chennai IV Commissionerate, items valued at ₹ 0.89 crore involving 43 consignments which were prohibited for export were found to be exported despite the prohibition in force on goods during the relevant period of exportation/importation **(Statement 18)**.

Import and Export of Restricted Goods: In four ICDs falling under four[22]Commissionerate, 49 consignments of restricted goods viz., Steel sheets, Steel melting scrap, Drugs and Pharmaceutical products etc., were cleared for importation and restricted items like Eri Cocoons was allowed for exportation. The value of cargo in respect of three consignment was ₹ 9.03 crore. The value of remaining consignments was not made available to audit. However, the documents for having fulfilled the mandatory clearance from MoEF or fulfilment of conditions as specified in Schedule 1 and Schedule 2 of ITC (HS) Import and Export Policy respectively, in respect of those goods was not furnished. **(Statement 19)**. Few cases are illustrated below:

(i) As per Rule 43A of the Drugs and Cosmetics Rules, 1945, as amended up to 31 December 2016, no drugs shall be imported into India except through the specified Ports and ICDs. The Commissioner of Customs, Ahmedabad in Public Notice dated 19 March 2007 issued instructions restricting import of drugs and pharma goods through ICD.

[22] Chennai V, Marmagoa , Ahmedabad, Shillong NER

In ICD Khodiyar, Gandhinagar, 14 consignments of drugs and pharma products falling under Chapter 30 of Customs tariff was imported and cleared during 2012-13 to 2016-17. The restriction imposed by the Commissioner on such imports was not enforced and the department allowed clearances of these goods through ICD.

(ii) In terms of Para 2.32 of Chapter-2 (Foreign Trade Policy 2009-14), Import of any form of metallic waste, scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste/ scrap containing radioactive material, any type of arms, ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise and Import of scrap would take place only through specified designated ports. ICD Verna has not been specified for such importation. 19 containers of Non-Alloy Steel Melting Scrap (506.79 MT) imported by Marmagoa Steel Ltd., through ICD, Verna was cleared though the ICD Verna was not included in the list of specified ports for handling scrap.

DoR in their reply (February 2018) stated that in Noida Customs clearance of restricted goods has been allowed only on production of import license issued by MoE&F. In Tughlakabad Commissionerate, Show Cause Notice had been issued proposing confiscation beside imposition fine and penalties. Further in ICD, Khodiyar, Ahmedabad the imported commodity was pharmaceutical drug which was cleared looking at the fact that it was bearing expiry date and might get contaminated had it been not cleared within due course of time. InICDVerna Goa a consignment of non-alloy steel melting scrap (506.79 MT) was imported through Marmagoa Port at Harbour but was stored at ICD Verna with prior permission.

Reply of DoR is not acceptable as the said import licenses in case of imports under Noida Commissionerate were not produced to Audit. Clearance of restricted drugs by Ahmedabad Commissionerate despite these being on the restricted list needs more convincing justification than mere fact that the drugs expiration date was approaching. Storage of metal scarp at ICD Verna was unlawful as the ICD is not on the list of ports authorized to handle metal scarp.

5.7 Safeguarding of Government revenue

5.7.1 Non realisation of foreign exchange

In terms of the provisions of Section 75(1) of Customs Act, 1962 read with the sub-rule 16 A (1) of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, where an amount of drawback has been paid to an exporter but the sale proceeds in respect of such export goods have not been realised within the time allowed under the Foreign Exchange Management Act (FEMA) 1999, such drawback amount is to be recovered. Sub-rule 16A (2) stipulates that if the exporter fails to produce evidence in respect of realisation of export proceeds within the period allowed under the FEMA 1999 or as extended by the Reserve Bank of India (RBI), the Assistant/Deputy Commissioner of Customs shall issue a notice to the exporter for production of evidence of realisation of export proceeds, failing which an order shall be passed to recover the amount of drawback paid to the claimant.

(a) In nine ICDs under seven[23] Commissionerates, department did not initiate any action to recover the duty drawback of ₹ 534.9 crore in 35092 consignments of exports where foreign exchange to the tune of ₹ 3838.46 crore remained unrealised. Details are furnished in **Statement 20**.

Out of nine ICDs, in four ICDs under four[24]Commissionerate, it was confirmed from Reserve Bank of India Foreign Exchange Outstanding statement (RBI_XOS) as on 31 December 2016 that export proceeds amounting to ₹ 3692.43 crore were not realised in 34013 SBs filed prior to 31 March 2016 involving duty drawback of ₹ 208 crore. Audit pointed out that no action was initiated by the department to recover the duty drawback involved.

Tuticorin Commissionerate stated (October 2017) that 125 Show Cause Notices (SCNs) were issued to the exporters for the pending Bank Realization Certificates (BRCs) from 2012 onwards and a special drive has been initiated to reduce the pendency.

However, no recovery details have been furnished and further reply is awaited.

(b) In ICD Mulund, department confirmed the demand in 54 cases and ordered that duty drawback of ₹ 13.95 crore was required to be refunded since export proceeds have not been realised even after the lapse of the period ranging from 2 to 8 years. In the absence of any appeal being filed by the parties concerned against these Orders-In-Original (OIO), the department ought to have initiated recovery action as provided in the Customs Act 1962.

[23]Tuticorin, Chennai IV, Chennai V, Bengaluru city, Jodhpur, Hyderabad, Mumbai Customs Zone I
[24]Tuticorin, Chennai IV, Chennai V, Mumbai Customs Zone I

Delay in initiating action for recovery of duty drawback of ₹ 13.95 crore was pointed out to the department.

In reply, department stated that in 46 cases initiatives are under way for recovery of drawback amount of ₹ 8.50 crore and in 7 cases involving drawback of ₹ 4.97 crore action could not be initiated as the exporters have gone on appeal. In one case involving drawback of ₹ 0.48 crore the charges were dropped.

However, department failed to pursue recovery of drawback amount in terms of Section 142 of the Customs Act which provides for issue of detention notice or by attachment of property.

DoR in their reply (February 2018) stated that in Bengaluru Commissionerate, M/s E-Land Apparel Ltd. (formerly known as Mudra Lifestyle Ltd.) has produced e-BRC. Further, Show Cause Notices have been issued with regard to other two exporters namely M/s Indsur Global Limited and M/s UB GlobalLimited for non-realisation of export proceeds.

In Tuticorin, Chennai IV, Jodhpur, Hyderabad and Mumbai Zone I Commissionerates, action have been initiated to recover the drawback in cases where the exports proceeds have not been realised.

Failure to monitor foreign exchange realisation in lieu of duty benefits availed by importers puts to question the entire revenue foregone of ₹ 534.9 crore.

5.8 Internal Control and Internal audit

Internal control including internal audit and inspection is an important management tool and comprises all the methods and procedures adopted by the management of an entity to assist in achieving business goals. Audit verified the criteria such as adherence to prescribed procedures, mechanisms to safeguard assets, systems in place to prevent and detect misuse including prevention and detection of fraud, and system of data management, accounting and internal reporting to assess the effectiveness of internal controls. For this, Audit relied on internal records, files, minutes of meetings, inspection reports and action taken on inspection reports to derive audit conclusions.

5.8.1 Shortfall in execution of Bond, Bank Guarantee and Insurance by custodians

According to Para 5(3) of HCCAR, 2009, the custodian has to execute:

I. a bond equal to the average amount of duty involved on the imported goods and ten *per cent* of value of export goods likely to be stored in the customs area during a period of 30 days;

II. furnish a bank guarantee (BG) or cash deposit equivalent to ten *per cent* of such duty;

III. insurance for an amount equal to the average value of goods likely to be stored in the customs area for a period of 30 days based on the projected capacity.

Further, in terms of Circular No.42/2016 dated 31 August 2016, the storage period for the purpose of calculation of bond and insurance to be taken by the custodian has been brought down from 30 days to 10 days.

Short execution of Storage bonds, BG and Insurance taken by custodians amounting to ₹ 703.62 crore, ₹ 1.75 crore and ₹ 398.97 crore respectively was noticed in seven ICDs falling under seven[25] Commissionerate out of 44 ICDs selected for test check **(Statement 21)**.

Similarly, short execution of storage Bond, BG and Insurance by custodians amounting to ₹ 450.38 crore, ₹ 39.06 crore and ₹ 8530.40 crore respectively was also noticed in fifteen CFSs falling under five[26] Commissionerates, out of 41 CFSs selected for test check **(Statement 22)**.

M/s CONCOR, custodian of ICD Mulund falling under Mumbai customs Zone I Commissionerate did not execute any storage bond since its operationalisation (1995) and even after the HCCAR, 2009 came into effect. Due to non-execution of bond amount of ₹ 44.51 crore, the customs revenue in respect of goods stored in the custody of the ICD was not safeguarded by the department.

In ICD Tughlakabad falling under Tughlakabad Commissionerate, the custodian executed a bond of ₹ 1051 crore for the period 17 March 2014 to 16 March 2019 only on 01 February 2017, which implies that the ICD was functioning for almost 3 years without any storage bond.

In ICD Patparganj, falling under Patparganj Commissionerate, the custodian (Container Warehousing Corporation) had renewed the custodian cum carrier bond for ₹ 100 crore only on 12 June 2017, after 15 months of the lapse of earlier storage bond on 21 March 2016.

Although ICD Amingaon under Shillong NER Commissionerate became operational since 01 June 1986, the custodian (CONCOR) executed the bond for ₹ 8 crore only on 23 June 2017.

M/s Speedy Transport Private Limited under Mumbai Customs Zone II Commissionerate was notified as co-custodian vide Notification No. 16/2005 dated 30 December 2005 but the department did not insist on executing BG by

[25] Kanpur, Noida, Bolpur C. Ex., Patparganj, Tughlakabad, Mumbai Customs Zone-1, Pune

[26] Noida, Kolkata, Kochi, Chennai IV, Mumbai Customs Zone II

the custodian even at the time of renewal of licence from 2010 to 2016 i.e. after the HCCAR, 2009 came into effect.

In respect of M/s CWC Logistics Park, CFS, falling under Mumbai Customs Zone II Commissionerate there was no insurance coverage during the period 15 May 2015 till 30 December 2015 in respect of goods stored.

M/s Balmer Lawrie & Co. Ltd., a CFS under Kolkata (Port) Commissionerate, was appointed as custodian vide P.N. 104/94 dated 1 November 1994 and even after coming into force of the HCCAR 2009, the custodian did not submit any bond required to be executed as per Regulation 5(3).

Kolkata Port stated (December 2017) that the CFSs have been asked to submit data on import value, export value and import duty for the year 2016-17 and based on the said data the CFSs have been directed to submit revised bank guarantee.

DoR, in their response (February 2018) stated that Custodians have been requested to comply with the audit observation.

5.8.2 Customs staffing and cost recovery charges

As per regulation 5(2) of HCCAR 2009, the custodian has to undertake to bear the cost of the Customs officers posted by the Commissioner at such customs area, on cost recovery basis, and shall make payments at such rates and in the manner prescribed, unless specifically exempted by an order of the Government of India in the Ministry of Finance;

In terms of Para 4 of Chapter 27 of CBEC Manual, for the purpose of customs clearance at the ICDs/CFSs, customs staff is provided on cost recovery basis by issue of a sanction order by the Administrative Wing of the Board. The custodians are required to pay @ 185 *per cent* of total salary of officers actually posted at the ICD or the CFS to be paid in advance for every quarter.

Cost recovery posts of ICDs/CFSs that have been in operation for two consecutive years with following performance benchmark for past two years will be considered for regularization.

(i) No. of containers handled by ICD - 7200 TEUs per annum

(ii) No. of containers handled by CFS - 1200 TEUs per annum

(iii) No. of B/E processed by ICDs/CFSs - 7200 per annum for ICDs and 1200 for CFSs.

(iv) Benchmark at (i) to (iii) shall be reduced by 50 percent for those ICDs/CFSs exclusively dealing with exports as per staffing norms.

However, the waiver of cost recovery charges would be prospective with no claim for past period.

Out of 44 ICDs selected as sample, in 15 ICDs falling under 12[27] Commissionerate, Cost recovery charges were pending recovery, of which in eleven ICDs, the amount recoverable was ₹ 20.11 crore and in the remaining 4 ICDs the amount of CRC recoverable could not be ascertained. **(Statement 23)**

Similarly, out of the Commissionerate records and the 41 CFSs selected for test check, audit noticed that in 23 CFSs falling under ten[28] Commissionerate, the CRC were pending recovery of which in 11 CFSs the amount recoverable was ₹18.24 crore and in the remaining 12 CFSs the amount recoverable could not be ascertained **(Statement 24)**.

DoR, in their reply (February 2018) stated that except ICD Tughlakabad and ICD Patparganj, which were not operating on cost recovery basis, action has been initiated to recover the dues or to regularise the cases where Custodians have sought waiver.

5.8.3 Inconsistency in posting of Customs officers

Century Ply JJP, CFS in Kolkata Customs Commissionerate was granted waiver from CRC till 24 February 2017. Audit observed that the CFS handled 47,748 TEUs and 16,265 documents in 2016-17, accordingly 13 Customs officers are required to be deputed in the CFS. However 18 officers were posted therein resulting in excess posting of officers in the CFS. In CFS, M/s Balmer Lawrie & Co. which handled 44,614 TEUs and 17,014 documents, the strength of customs officers was only ten.

In this connection, the Expenditure Management Wing, Directorate General of HRD, CBEC has instructed, *inter alia*, vide its letter dated 3 November 2015, that excess staff deployed over and above the staffing norms shall be withdrawn without causing disruption of work. Therefore, posting of officers in excess of the prescribed staffing norms and for which cost recovery charges are also not being realised, is unjustifiable and against the DG (HRD) norms.

In ICD Kalinganagar, no Customs staff was allocated for handling of Customs work. Staff of Jajpur Road Customs Division, were deployed to handle the work of Customs at the ICD on Merchant Overtime (MOT) basis. When reasons for non-posting of staff at ICD were brought to the notice (August 2017) of the jurisdictional Assistant Commissioner, it was replied (August 2017) that the matter was referred to Commissionerate of Customs (Preventive), Bhubaneswar.

At ICD Sanathnagar, 4 posts of Appraiser/Superintendent, 3 posts of TAs and 7 posts of Havildars were lying vacant out of the sanctioned posts. Similarly, at

[27] Nagpur I, Jodhpur, Belgaum C.Ex., Ludhiana, Trichy Cus. and C.Ex., Chennai IV, Marmagoa, Butibori, Ahmedabad, Tughlakabad, Patparganj, Noida

[28] Mundra, Jamnagar, Ahmedabad, Mangaluru, Kolkata, Bengaluru City, Kochi, Hyderabad, Noida, Kandla

ICD Thimmapur, posts of 2 TAs, 2 LDCs and 4 Sepoys were vacant during 2016-17. Considering the high volume of BEs and SBs filed, particularly in ICD Sanathnagar, the shortage of staff would have negative impact on both trade facilitation and quality of assessments.

DoR in their reply (February 2018) stated that the jurisdictional Commissioner at Kolkata has justified continued deployment of excess staff due to volume of work, while paucity of staff was stated as the reason for vacancies in ICD Kalinganagar and ICD Sanathnagar.

DoR's response reinforces the issue of uneven distribution of manpower pointed out by Audit. The staff deployment policy may need a review in order to rationalize the number of sanctioned posts that justify work load on an all India basis.

5.8.4 Theft and pilferage of cargo

The Custodian shall be responsible for the safety and security of imported and export goods under its custody and shall be liable to pay duty on goods pilfered after entry thereof in the customs area as envisaged in Regulation 6 of HCCAR, 2009.

In 2 ICDs and 2 CFSs falling under four[29] Commissionerates, theft and missing cargo was noticed (Statement 25) which indicates serious lapses on the part of the custodian in securing the premises and causing loss of revenue to the exchequer. Few instances are described below:

In Sanco Trans Limited, CFS Chennai falling under Chennai V Customs Commissionerate, 76430 Kgs of metal scrap was imported (November 2012) by M/s Vignesh Traders but remained uncleared by the importer. The department adjudicated (January 2015) the case and ordered for absolute confiscation of the goods. The cargo was subsequently e-auctioned in April 2016. But the highest bidder refused to take possession of the cargo as shortage of 34070 kgs of metal scrap was noticed. No action was, however, initiated by the department for fixing the responsibility for the shortage of cargo and the balance quantity is still lying uncleared.

M/s Speedy Multimodes Ltd., CFS, Mumbai failed to detect the systematic theft/pilferage of 36.29 MT 'Red sanders' from six containers stored in their safe custody due to negligence on the part of the CFS. The goods were confiscated by SIIB (X) and kept in the CFS for safe custody of Customs. The said case was noticed in the month of November/December 2014. A total of ₹ 12.29 crore was recovered from the CFS on 28 Oct 2016. Similar case of

[29] Mumbai Customs Zone I, Mumbai Customs Zone II, Chennai V and Jodhpur

theft/pilferage of 'Red sanders' was also noticed in M/s Punjab State Warehousing Corporation Ltd.

DoR in their reply (February 2018) pertaining to Mumbai I and II Commissionerates stated that the Custodians have been sensitized to follow the proper procedure and correct the anomaly, and intimate the action taken in the matter to the Commissionerates.

Audit is of the view that DoR seems to have washed its hands off from the issue of thefts and pilferage by simply passing on the instructions, instead of taking an investigative action for cases of thefts reported in Audit which could help in plugging systemic loopholes that may be making such thefts possible.

5.8.5 Filing of manual Bills of entry and Shipping Bills

As per Regulation 5 of HCCAR, 2009, one of the conditions to be fulfilled by the CCSP is that the custodian has to provide hardware, networking and the equipment for secure connectivity with the Customs Automated system and for exchange of information between Customs Community partners.

According to Sections 46 and 50 of the Customs Act 1962, import documents and Export documents are mandatorily required to be filed electronically (through EDI system). In order to prevent misuse, CBEC issued instructions on 4 May 2011, that manual processing and clearance of import/export goods shall be allowed only in exceptional cases and data for manual documents should be compulsorily entered and transmitted by all locations within the stipulated time period.

In eight ICDs and six CFSs falling under seven[30] Commissionerates, 11535 number of manual Bills of entry (BEs) and Shipping bills (SBs) were filed during the period from 2012-13 to 2016-17, which is against the principles of the instructions issued by the Board **(Statement 26)**.

In CWC Panambur CFS, which started operations in 1997, all the BEs were filed manually due to absence of ICES connectivity whereas in ICD Verna, which commenced operations in 2001, the manual filing was permitted due to non-operationalisation of the ICES system on account of technical issue related networking and BSNL lease line.

DoR in their reply (February 2018) informed that in ICD Tughlakabad most of the shipments cleared through manual clearance procedure comprise the manual shipping Bills filed at SEZs. Since the said Shipping Bills have been filed manually at SEZs, they cannot be cleared through ICES as there is no option in ICES for clearance of manual Shipping Bills through EDI System. In Hyderabad

[30]Mangaluru, Bengaluru, Hyderabad, Tughlakabad, Shillong NER, Bolpur CE, Ludhiana

Commissionerate manual filing is being permitted only after due permission from the Commissioner, only when it is not feasible to file EDI Shipping Bills.

5.8.6 Local Risk Management Committee not set up at ICDs to assess the local risks for assessment and examination

Para 5.1 to 5.3 of CBEC Circular No. 23/2007-Cus dated 28 June 2007 provides that a Local Risk Management (LRM) committee shall be constituted in each custom house and shall be headed by an officer not below the rank of Commissioner of customs. The Committee shall meet once every month to review trends in imports of major commodities and valuation with a view to identifying risk indicators.

(i) Decide the interventions at the local level, both for assessment and examination of goods prior to clearance and for PCA.

(ii) Review results of interventions already in place and decide on their continuation, modification or discontinuance etc.

(iii) Review performance of the RMS and evaluate the results of the action taken on the basis of the RMS output.

(iv) Send periodic reports to the RMD, as prescribed by the RMD, with the approval of the Commissioner of Customs.

CBEC had also subsequently assured the Public Accounts Committee (PAC) that LRM Committees had been constituted at all 89 EDI locations where RMS was operational, in response to PAC query regarding functioning of LRM Committees, in Paras 38 and 39 of the 23rd Report (2015-16) of the PAC (16thLok Sabha) on 'The CAG's Performance Audit on ICES 1.5' (*Report No. 11 of 2014)*

Out of 38 functional ICDs, in 12 ICDs[31]LRM Committee was not formed and in another 14 ICDs[32] though LRM Committee was formed and meetings conducted, it was not held on monthly basis as per Board's Circular. Remaining 12 ICDs did not furnish information about the constitution of LRM Committee. Only at ICD Pithampur (MP) it was noticed that LRM committee's meetings were conducted every month (Statement 27).

DoR in their reply (February 2018) stated that LRM monthly meetings will be held in accordance with CBEC circular No. 23/2007-cus.

[31]ICDs Sanathnagar, Kalinganagar, Thimmapur, Tumb, Dashrath, Amingaon, Mulund, Ajni, Verna, Tuticorin, Irungattukottai, Talegaon

[32] ICDs Whitefield, Dadri, Loni, Panki, Pitambur, Patparganj, Mandideep, Kottayam, GRFL, PSWC, Dhandhari Kalan, Kanech, Durgapur, Marripalem

5.8.7 Non-constitution of Customs Clearance Facilitation Committee

As per Board Circular no. 44/2016-Customs dated 22 September 2016, Customs Clearance Facilitation Committee (CCFC) was to be set up in the Commissionerate, having jurisdiction over ICDs. The CCFC would be headed by the Principal Commissioner of Customs or Commissioner of Customs for their respective jurisdictions. Its membership would include the senior-most jurisdictional functionary of various departments/agencies/stakeholder whose permission are required in the clearance of exported/imported goods. One of the mandates of CCFC is resolving grievances of members of the trade and industry in regard to clearance process of imported and export goods.

From the information provided by the department, only four[33] Commissionerates have stated that CCFC has been constituted to address the grievances faced by the importers/exporters availing the facilities of Inland Container Depots and four[34] Commissionerates had not constituted the Committee. Information in respect of 27 Commissionerates was, however, not furnished **(Statement 28).**

DoR in their reply (February 2018) in respect of ICD Patparganj, Noida, Nagpur, Mumbai I and Hyderabd Commissionerates stated that CCFCs have been constituted in respective commissionerates since 2016/2017 and meetings are being held regularly.

5.8.8 Non-renewal of approval for appointment of CCSP

As per Regulation 13 of HCCAR, 2009, the Commissioner of Customs may on application made by the CCSP before the expiry of the validity of the appointment under Regulation 10, renew the approval for a further period of five years from the date of expiration of the original approval granted under Regulation 10 or of the last renewal of such approval, as the case may be, if the performance of the approved Customs Cargo Service Provider is found to be satisfactory with reference to his obligations under any of the provisions of the Act and the rules, regulations, notifications and orders made there under.

Regulation 12(8) of the HCCAR 2009 provides that if any CCSP contravenes any of the provisions of these regulations, or abets such contravention or who fails to comply with any of the provisions of the regulation with which it was his duty to comply, then he shall be liable to a penalty which may extend to 50 thousand rupees.

[33] Tughlakabad, Indore, Shillong NER, Kolkata

[34] Noida, Meerut, Kanpur, Bhopal

As on 31 March 2017, three ICDs[35] and three CFS[36] were continuing the operations even though the approval for appointment as custodian was not renewed under regulation *ibid*.

In ICD Patparganj under Patparganj Commissionerate, the custodian applied for renewal of custodianship to Commissioner of Customs after 15 months of lapse of legal validity of custodianship but it could not be ascertained whether any approval for renewal of custodianship was granted.

M/s Speedy Multimodes Limited (previously M/s Speedy Transport Limited) in Mumbai Customs Zone II Commissionerate was appointed co- custodian of JNCH vide notification No. 16/2005 dated 30 October 2005 for a period of 5 years. Despite the expiry of the original custodianship approval on 31December 2010, the custodian continued the operations. The renewal for appointment as custodian was issued only on 28 October 2016 after lapse of more than 5 years.

On being pointed out by audit, M/s CWC Panambur renewed (September 2017) their custodianship vide Public Notice No.40/2017 dated. 27.11.2017, after a lapse of fifteen years.

This indicates poor monitoring on the part of the department in issue of extension of approvals and the penal provisions are not being invoked for failing to comply with the Regulations.

DoR in their reply (February 2018) in respect of ICD Patparganj, stated that before October, 2014, ICD PPG was functioning as the part of ICD TKD, and the custodian had executed their Bond on 22.03.2011 at ICD, TKD. Being a Public Sector Unit, CWC has fulfilled all the conditions under Cargo Handling Regulation Rules. The lapse was regularized for the intervening period. In future, care shall be taken that Bond is properly monitored. In respect of Mumbai I Zone, the Commissioner is regularly renewing CONCOR as CCSP for ICD/Mulund before the expiry of last renewal.

5.8.9 Deficiency in performance of Post Clearance Audit (PCA) wing

According to Board Circular No.15/2012 dated 13 June 2012, in order to implement self-assessment effectively and ensure its benefits to the trade, Board decided that current facilitation level under RMS should be enhanced significantly. Accordingly, it was decided to enhance facilitation level up to 60 *per cent* in case of ICDs by rationalising risk rules and risk parameters. Higher facilitation at the same time has led to need for more scrutiny of Bills of Entry at Post Clearance Audit (PCA).

[35] ICD Dhandari Kalan (Ludhiana), ICD Moradabad, ICD Amingaon

[36] CFS M/s Central Warehousing Corporation Kandla, M/s Balmer Lawrie & Co. Ltd. and M/s. CWC-Panambur,- Mangaluru

Out of 38 functional ICDs, in 25 ICDs PCA wing has been constituted and in five ICDs[37] PCA wing was not constituted till March 2017. Details of constitution of PCA wing in eight ICDs[38] were not furnished **(Statement 29)**. In three ICDs/CFSs[39], 15351 BEs were selected for PCA during 2012-13 to 2014-15 out of which 11072 were audited and remaining 4279 BEs became time barred as detailed in the **Statement 30.**

In view of the high facilitation levels prescribed by the Board, PCA assumes great significance and any leniency shown by the department would result in failure of procedure prescribed by the Board.

DoR in their reply (February 2018) stated that with the increase in facilitation levels, CBEC has recognized the need for greater importance to audit and accordingly three Audit Commissionerate at Delhi, Mumbai and Chennai have been notified to carry out such functions efficiently.

5.8.10 Non conduct of Internal audit

Out of 44 ICDs, in six ICDs internal audit was conducted by the jurisdictional Commissionerate and in 15 ICDs internal audit was not conducted. Remaining 23 ICDs did not furnish details of internal audit conducted.

Out of 41 CFSs audited, only in three CFSs internal audit was conducted by the jurisdictional Commissionerate and in ten CFSs internal audit was not conducted. Remaining 28 CFSs did not furnish information about conduct of internal audit **(Statement 31).**

DoR in their reply (February 2018) stated that with the increase in facilitation levels, CBEC has recognized the need for greater importance to audit and accordingly three Audit Commissionerate at Delhi, Mumbai and Chennai have been notified to carry out such functions efficiently.

Conclusion

The facility for online tracking of containers through Custom's EDI system is not only a much needed trade facilitation measure, it is also an important regulatory mechanism for the Customs department to monitor the container movement between ports and ICDs and CFSs. However, Audit noticed instances of non-operationalisation of export transshipment module and lacunae in import transshipment module which defeated the purpose of introducing the online tracking mechanism.

[37] Ballabhgarh, Marripalem, Amingaon, Verna, Kalinganagar

[38] Tondiarpet, Hosur, GRFL (Ludhiana), PSWC (Ludhiana), Dhandhari Kalan, Kanech, Patparganj, Sanand

[39] ICD Ajni, CFS Star Track Terminal, CFS Albatross Inland Port Pvt. Ltd.

Further, Audit found a huge pendency of 7877 containers which were lying uncleared in the ICDs and CFSs test checked during audit for periods ranging from one year to ten years. An analysis of uncleared cargo has revealed a plethora of issues that plague management of containerized cargo for imports and exports. While delay in obtaining NOC from customs authorities and other government agencies like plant quarantine, pollution control, food safety etc. for auction/disposal of containers is one end of the problem. Audit found that the problem is compounded manifold because of numerous instances of containers being dumped with hazardous materials. Test check by Audit has revealed that not only hazardous material like metallic scrap, mutilated rubber and war materials are imported through ICDs in violation of environmental regulations and customs procedures, the ICDs have also become a steady destination for dumping of municipal waste from abroad. Audit's scrutiny has revealed that many of the importers of such cargo are regular importers.

Government's response in dealing with dumping of hazardous materials and municipal waste is greatly impeded due to lacunae in regulations themselves. Audit noticed that Section 23(2) of Customs Act was routinely used by some importers to abandon containers. No action was taken by Customs to prevent such importers from importing similar goods in future, and at the same time Custom authorities were saddled with the uncleared containers. There is nothing in Customs Act or any other regulations to prevent importers from abandoning the cargo unless there are strictly unavoidable reasons.

Audit also noticed that while regulations for re-export of hazardous material are not effective as a result of which importers do not face stringent action for delay in following the re-export orders, there are no regulations which came to Audit's notice for dealing with dumping of municipal waste. As a result, containers with municipal waste continue to lie unattended at the ICDs and CFSs waiting to be incinerated which in itself is a serious environmental hazard.

Among other instances of violation of regulatory framework, many of the ICDs and CFSs were found to be handling hazardous cargo without the required clearance from central and state pollution control boards. Audit noticed cases of imports and exports of prohibited and restricted items indicating a weak monitoring system.

The internal control mechanism which reflects in robust regulatory procedures being followed was found wanting as instances of shortfall in bonds, bank guarantees and insurance were noticed. Despite implementation of EDI system, Audit found that manual filing of bills of entry and shipping bills was prevalent in eight ICDs and six CFSs. Absence of Local Risk management Committees and non-constitution of Customs Clearance Facilitation

Committees at many ICDs were other indications of weak regulatory and facilitation mechanisms. The Post Clearance Audit function was not set up in as many as 5 ICDs test checked by Audit. All these together lead Audit to conclude that the overall compliance environment at ICDs and CFSs was weak.

Recommendations

*1. **To strengthen the monitoring of container movement, Board may consider bringing suitable modifications in ICES to automate the re-credit of bond by populating the landing certificate message into ICES. Board may also consider developing a reporting mechanism to independently monitor the uncleared cargo/ containers rather than relying upon the custodians report.***

DoR stated (February 2018) that the provision is available in ICES software whereby the custodian can present arrival report electronically and also for automation of bond re-credit. However, as problems have been reported with their operations, the same is being rectified. On recommendation regarding development of a reporting mechanism to independently monitor un-cleared cargo/containers rather than relying upon the custodian's report, CBEC will examine the issue and take steps to improve reporting and monitoring mechanism.

*2. **To check the large scale dumping of municipal and hazardous waste into India through cross border trade, provision in the Customs Act / Customs Regulations may be provided to invoke the Hazardous Materials (Management, Handling and Transboundary Movement) Rules, 2008 or any other relevant laws of the land to initiate stringent penal action including criminal action, if warranted, against defaulting importers and shipping lines. CBEC may issue relevant guidelines to its field formations in this regard.***

DoR stated (February 2018) that provisions to impose penalty on the importers already exist in the Customs Act, 1962. Further, in cases of abetment of offence, Shipping lines are also liable to penal action. Implementation of suggestion regarding re-export of hazardous cargo by the importers at their own cost within stipulated time would require consultations with the nodal ministry. As CBEC intends to review the Handling of Cargo in Customs Areas Regulations the above recommendation to penalise a carrier, in such cases would also be considered.

*3. **To avoid any ambiguity in procedures for re-export of hazardous waste, Board may lay down these procedures in consultation with other concerned ministries like the Ministries of Environment and Shipping.***

DoR stated (February 2018) that the Ministry agrees with the observation that hazardous waste wrongfully imported should be re-exported back by the

concerned importer. Ministry would take necessary steps in consultation with the nodal ministry.

4. To address the risk of importers taking undue advantage of provisions of Section 23 for wilful abandoning of cargo routinely, Board may review the provision so that abandoning of cargo is allowed only as a rarest of rare case.

DoR stated (February 2018) that Ministry intends to examine the recommendation and if required suitable modifications shall be brought in the Act.

New Delhi
Dated: 09 July 2018

(SHEFALI S. ANDALEEB)
Principal Director (Customs)

Countersigned

New Delhi
Dated: 10 July 2018

(RAJIV MEHRISHI)
Comptroller and Auditor General of India

Glossary

Glossary

AFS	Air Freight Station
ASIDE	Assistance to States for Developing Export Infrastructure and Allied Activities
BE	Bill of Entry
BG	Bank Guarantee
BIS	Bureau of Indian Standards
CAG	Comptroller & Auditor General
CBEC	Central Board of Excise and Customs
CBIC	Central Board of Indirect Taxes and Customs
CCFC	Customs Clearance Facilitation Committee
CCSP	Customs Cargo Service Providers
CFS	Container Freight Station
CMFC	Container Movement Facilitation Cell
CRC	Cost Recovery Charges
CRCL	Central Revenue Control Laboratory
CWC	Central Warehousing Corporation
DGFT	Director General of Foreign Trade
DoC	Department of Commerce
DoR	Department of Revenue
DPD	Direct Port Delivery
EDI	Electronic Data Interchange
EGM	Export General Manifest
ETM	Export Transhipment Module
ETP	Export Transhipment Permit
FEMA	Foreign Exchange Management Act
FSSAI	Food Safety and Standards Authority of India
FTP	Foreign Trade Policy
FY	Financial Year
HCCAR	Handling of Cargo in Customs Areas Regulations
HDC	Haldia Dock Complex
HRD	Human Resources Development
HSS	High Sea Sale
ICD	Inland Container Depot
ICEGATE	Indian Customs Electronic Commerce/Electronic Data Interchange Gateway
ICES	Indian Customs EDI System
ICTT	International Container Transhipment Terminal
IMC	Inter-Ministerial Committee
IQS	Indian Quality Standards
IS	Information System
ITC	Indian Trade Classification
ITM	Import Transhipment Module

J&K	Jammu and Kashmir
JNCH	Jawaharlal Nehru Custom House
KINFRA	Kerala Industrial Infrastructure Development Corporation
LCL	Less than Container Load
LEO	Let Export Order
LoI	Letter of Intent
LRM	Local Risk Management
MoCI	Ministry of Commerce and Industry
MOEF	Ministry of Environment and Forest
MoR	Ministry of Railway
MoS	Ministry of Shipping
MOT	Merchant Overtime
MP	Madhya Pradesh
NER	North Eastern Region
NOC	No Objection Certificate
OIO	Orders-In-Original
OOC	Out of Charge
PAC	Public Accounts Committee
PCA	Post Clearance Audit
PCB	Pollution Control Board
PGA	Participating Government Agencies
PHO	Port Health Officer
PQ	Plant Quarantine
PSIC	Pre-Shipment Inspection Certificate
PWC	Punjab Warehousing Corporation
QPR	Quarterly Progress Report
RBI	Reserve Bank of India
RBI_XOS	Reserve Bank of India Foreign Exchange Outstanding Statement
RMD	Risk Management Division
RMS	Risk Management System
SEZ	Special Economic Zone
SB	Shipping Bill
SDC	Special Disposal Cell
SIIB	Special Intelligence and Investigation Branch
TEU	Twenty-foot Equivalent Unit
TNPCB	Tamil Nadu Pollution Control Board
UCC	Uncleared Cargo

Appendices

Appendix I

(Refer Chapter 1, Para 1.3.1, Para 1.4)

State wise details of Inland Container Depots and Container Freight Station

State	No. Of ICDs	No. Of CFS
Andhra Pradesh	9	5
Assam	1	0
Chandigarh	1	0
Chattisgarh	2	0
Delhi	2	0
Goa	1	1
Gujarat	13	23
Haryana	8	3
Jharkhand	2	0
Karnataka	3	7
Kerala	3	11
Madhya Pradesh	7	0
Maharashtra	25	40
Puducherry	1	2
Punjab	6	5
Rajasthan	10	2
Tamil Nadu	14	48
Telangana	0	2
Uttar Pradesh	20	9
West Bengal	1	10
Total	129	168

Source: DGFT.nic.in and reply to un-starred question No. 1843 (H) in Lok Sabha on 28November 2016.

Appendix IA

(Refer Chapter 1, Para 1.3.4)

	List of 37 audited ICDs for which TEU handled data is available
Sl No.	Name of ICD
1	ICD, Amingoan, Shillong/ NER
2	ICD, Durgapur, C Ex Bolpur WB
3	Sanand (INSAU 6)
4	ICD (INSBI6), Khodiyar
5	Dashrath (INBRC6)
6	ICD, TUMB, INSAJ6
7	ICD CONCOR, Kathuwas(INCML6)
8	ICD CONCOR Customs BGKT, Jodhpur (INBGK-6)
9	ICD CONCOR,Kanakpura, Jaipur
10	ICD, TDP, Jodhpur
11	Container Corporation of India Ltd (CONCOR), Whitefield
12	GRFL (INSGF6)
13	ICD-KANECH (INSNI6)
14	St.John/INTUT6
15	ICD IRUNGATTUKOTTAI
16	ICD KOTTAYAM, ERNAKULAM
17	ICD MATHILAKAM (INTCR6), CALICUT
18	ICD HOSUR
19	Tughlakabad
20	Patparganj
21	Ballabhgarh
22	Sonepat
23	ICD Mandideep (INMDD6)
24	ICD Pithampur (ININD6)
25	Kalinganagar ICD (INSKD6)
26	Thimmapur ICD (INTMX6), Mahaboobnagar, Dist.
27	Sanathnagar ICD
28	Marripalem ICD(INGNR6), Guntur
29	ICD Panki (INPNK6)
30	ICD LONI (INLON 6)
31	ICD MORADABAD (INMBD 6)
32	ICD Mulund, Mumbai(INMUL6)
33	ICD Talegaon, Pune(INTLG6)
34	ICD Ajni, Nagpur(INNGP6)
35	ICD Verna, Goa(INMDG6)
36	ICD PSWC (INDDL6)
37	ICD CONCOR, DADRI (INDER6)

Appendix IB
(Refer Chapter 1, Para 1.4.3)
List of 40 audited CFSs for which TEU handled data is available

Sl No.	Name of CFS
1	BALMER LAWRIE & CO. LTD/Kolkata.
2	Century Plyboards (I) LTD. -JJP
3	Century Plyboards (I) LTD. -SONAI
4	LCL LOGISTIX(I) PVT. LTD./Haldia
5	CWC-CFS, KOLKATA
6	Saurashtra Freight Pvt LTd./INSCF
7	M/s. Seabird Marine Services Pvt. Ltd. (CFS)
8	CWC CFS- (INADA6) Adalaj
9	Central Warehousing Corporation (CWC), Panambur
10	Marigold Logistics Pvt Ltd, Hoskote
11	HAL Cargo Complex, Bengaluru
12	Central Warehousing Corporation (CWC), Bengaluru
13	CFS-OWPL (INDDL6)
14	CFS-KCM (INLDH6)
15	ALLCARGO LOGISTICS LTD CHENNAI CFS - INMAA1AGL1
16	TRIWAY CONTAINER FREIGHT STATION, CHENNAI IV
17	BALMER CONTAINER FREIGHT STATION, CHENNAI IV
18	CWC MADAVARAM
19	Gateway Distripark Ltd
20	SANCO CFS
21	CFS Cochin Port (INCOK1), Cochin
22	MIV CFS (INCOK1),Cochin
23	Falcon CFS (INCOK1), Cochin
24	Sravan Shipping services P ltd , CFS, Visakhapatnam
25	CWC , CFS, Kukatpally
26	Gateway East India (p) Ltd, Visakhapatnam
27	BATCO , CFS, Muthangi
28	CONCOR, CFS, Visakhapatnam
29	ALBATROSS INLAND PORT PVT. LTD. (INAPL6)
30	Star Track Terminal (INSTT6)
31	CFS-Allcargo Logistics Park Ltd. (INDER6)
32	CMA CGM Logistic Park Pvt. Ltd. (INCPL6)
33	Continental Warehousing (NhavaSheva) Ltd.
34	CWC logistics Park (Hind Terminal)
35	United Linear Agencies of India (P) Ltd.
36	Navkar Corporation
37	Punjab State Container & Warehousing Corporation
38	Speedy Multimodes Ltd.
39	CFS:LCL Logistics (I) Pvt. Ltd., Pipavav
40	CFS: CWC Ltd., Kandla

Appendix II

(Refer Chapter 2, Para 2.2.2-Sample)

Sl. No.	Commissionerate	Name of the ICD	CFSs connected to ICD	CFSs connected to Port
1	Kandla			CFS Central Warehousing Corporation, Kandla
2	Jamnagar			CFS LCL Logistics (India) Pvt Ltd, Pipava
3	Mundra			CFS SeaBird Marine Services Pvt Ltd., Mundra
				CFS Saurashtra Freight Pvt Ltd, Saurashtra Enclave, Mundra
4	Ahmedabad	ICD Dashrath Vadodara	CFS Channi Vadodara	
		ICD Khodiyar Gandhinagar	CFS AdalajGandhinagar	
		ICD Sanand		
		ICD TUMB (Navkar Terminal Ltd.)		
5	Jodhpur	ICD CONCOR Jodhpur		
		ICD CONCOR, Kanakpura, Jaipur		
		ICD CONCOR, Khatuwas, Alwar		
		ICD Thar Dry Port, Jodhpur		
		ICD Udaipur		
6	Mangaluru			CFS CWC Panambur
7	Belgaum Central Excise	ICD Desur, Belgaum,		
8	Bengaluru City	ICD Whitefield	CFS CWC Whitefield	
			CFS HAL CargoComplex	
			CFS Marigold Logistics Pvt Ltd	
9	Ludhiana	ICD DhandhariKalan	CFS KCM	
		ICD GRFL		
		ICD Kanech		
		ICD PSWC	CFS OWPL	
10	Chennai IV	ICD CONCOR, Tondiarpet		CFS Balmer&Lawrie, Manali
				CFS Gateway Distriparks, Manali
				CFS Triway , Chennai
11	Chennai V	ICD Irungattukottai		CFS All Cargo , Tiruvottiyur
				CFS Sanco Trans, Chennai

Sl. No.	Commissionerate	Name of the ICD	CFSs connected to ICD	CFSs connected to Port
12	Chennai VI			CFS CWC Madhavaram
13	Kochi	ICD Kottayam		CFS Cochin Port
				CFS Falcon Infrastructure
				CFS MIV Logistics
14	Trichy Customs and CX	ICD Hosur		
15	Calicut Central Excise	ICD Mathilakam		
16	Tuticorin	ICD St. John's ICD		
17	Patparganj	ICD Patparganj		
		ICD Sonepat (started during the audit period)		
		ICD Ballabhgarh		
18	Tughlakabad	ICD Tughlakabad		
19	Indore and Bhopal	ICD Mandideep		
		ICD Pithampur		
		ICD Powerkheda		
20	Visakhapatnam			CFS CONCOR, Visakhapatnam
				CFS Gateway East India, Visakhapatnam
				CFS Sravan Shipping, Visakhapatnam
21	Hyderabad	ICD Sanathnagar, Hyderabad	CFS BATCO, Muthangi, Hyderabad	
			CFS CWC Kukatpally, Hyderabad	
		ICD Thimmapur village Mahboobnagar		
22	Bhubaneswar-1	ICD Kalinganagar, Jajpur		
23	Vijayawada	ICD Marripalem, Guntur		
24	Kolkata Port			CFS Balmer&Lawrie, Kolkata
				CFS Century Ply (JJP), Kolkata
				CFS Century Ply (Sonai), Kolkata
				CFS CWC, Kolkata
				CFS LCL Logistics (India) Pvt. Ltd, Haldia
25	Shillong, NER	ICD Amingaon		
26	Central Excise, Bolpur	ICD Durgapur		

Sl. No.	Commissionerate	Name of the ICD	CFSs connected to ICD	CFSs connected to Port
27	Noida	ICD Dadri	CFS Albastoss Inland Port	
			CFS Allcargo Logistic Parks Pvt Ltd	
			CFS CMA CGM Logistic Parks Pvt Ltd	
			CFS Star Track Terminals	
		ICD Loni		
28	Allahabad	ICD Bhadohi.		
29	Meerut	ICD Moradabad		
30	Kanpur	ICD Panki Kanpur		
31	Mumbai Customs Zone II			CFS Continental Warehousing (NhavaSheva) Ltd
				CFS CWC Logistics Park (Hind Terminal)
				CFS Navkar Corporation
				CFS Punjab State Container & Warehousing Corporation
				CFS Speedy Multimodes Ltd
				CFS United Linear Agencies of India Pvt Ltd
32	Nagpur-1	ICD Ajni, Nagpur		
		ICD Butibori, Nagpur		
33	Mumbai Customs Zone I	ICD Mulund, Mumbai		
34	Pune	ICD Talegaon, Pune		
35	Margaon, Goa	ICD Verna		
	Total	**44**	**13**	**28**

Appendix III

(Refer Chapter 5, Para 5.2)

Brief write-up on status of pendency of uncleared cargo

The custodian of ICD/CFS provides the details of status of pendency of uncleared/unclaimed cargo to the Commissionerate every month. The format of the status of pendency has been prescribed by the department to segregate cases of such cargo into various categories viz.,

Pending for clearance after filing of Bill of entry – Pending cases of uncleared cargo where bills of entry have been filed.

Pending with UCC section –

(i) Pending for want of NOC from Appraising Group, Special Intelligence and Investigation Branch (SIIB), Docks Intelligence Unit (DIU), DRI etc.

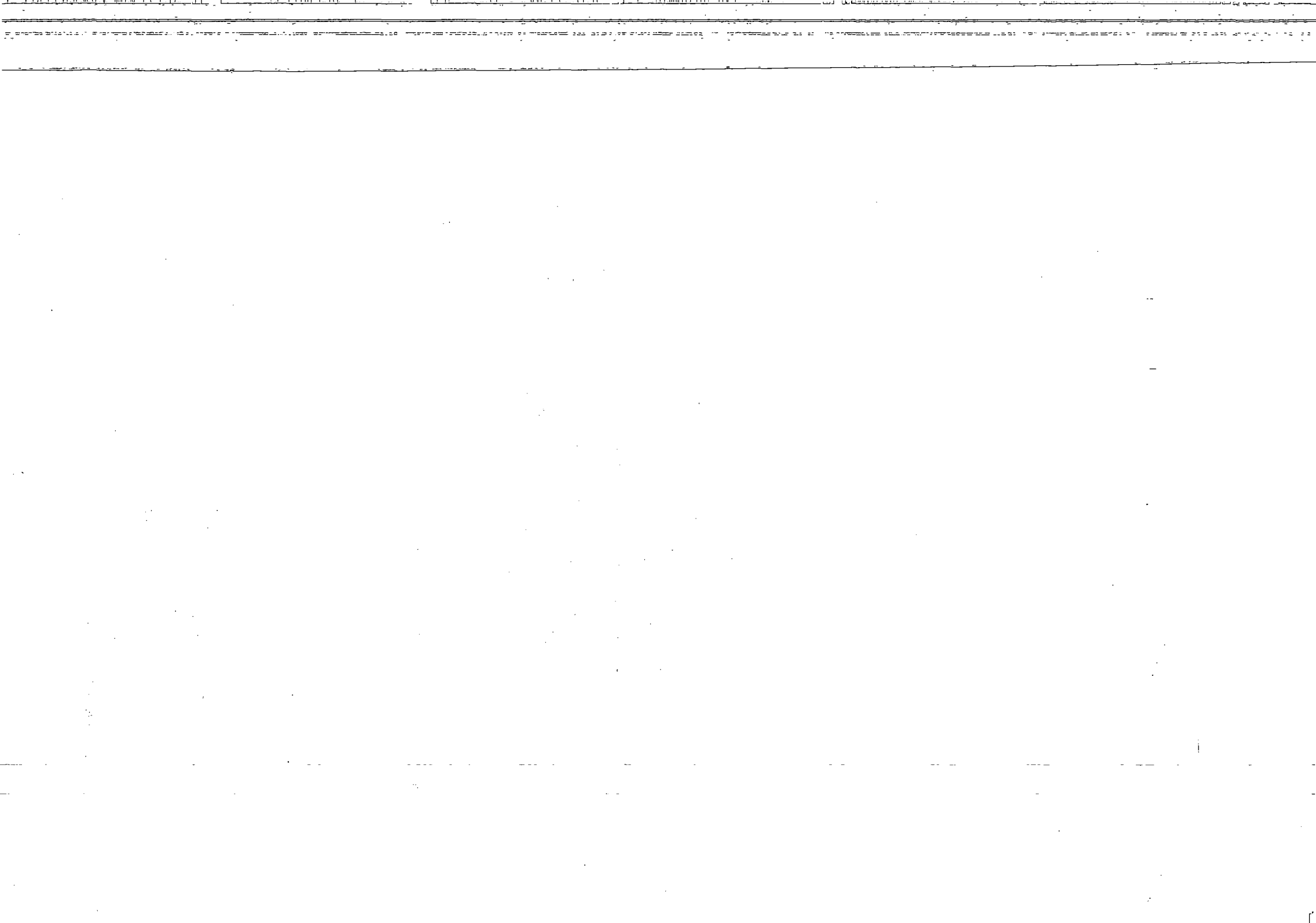
(ii) Pending for want of clearances from various authorities like Plant Quarantine (PQ), Animal Quarantine (AQ), Food Safety and Standards Authority of India (FSSAI), Drug Controller etc

Pending with Warehouse Disposal Unit – Seized and confiscated goods pending for disposal by the department upon finalisation of the case.

Pending for destruction – Cases where orders have issued by the adjudicating authorities for destruction of cargo due to non-fulfilment of compulsory customs clearances from various certification agencies like AQ, PQ, FSSAI, ADC etc.

Pending with various Intelligence Units – Cargo which are seized by the various units of Intelligence wings of the customs department like DRI, SIIB, DIU, RI, etc. and pending for finalisation of the case.

Others includes cases pending in Courts, Section 48 notice issued/not issued, cases pending under Section 49 (temporary warehousing) and for other reasons.



Statements

Statement 1

List of ICDs/CFSs found non-functional but shown as functional in DoC data

(Refer Para No. 3.2)

Sl. No.	Name/ location of ICD/CFS	Whether ICD/CFS	Place/ location	Jurisdictional Customs commissionerate	Whethe Private/Public	Status (Functional/ Non-functional/Under implementation/ non-operational/ closed)	No. & date of Customs PN/ notification for commencement of operations	Date/month of cessation of operations/ closure	Whether denotified by Customs authority	De-notification no. and date	Reason for closure/ inactivity	Jurisdictional Field Audit Office	Status as per DoC Data	DoR Notfn.12/97 Cus
1	ICD, Pawarkheda, Hoshangabad	ICD	Pawarkheda, Hoshangabad	Bhopal	Private	Non functional		NA	NA	NA	NA	Delhi	Functional	Notified
2	ICD-KRIBHCO-HAZIRA, SURAT	ICD	HAZIRA, SURAT	Ahmedaba	Private	Non functional	05/2011 dated 05.12.2011	October-2016	not denotified	NA	Lack of business	Ahmedabad	Functional	Notified
3	ICD Desur, Belgaum, Karnataka	ICD	Desur, Belgaum	Belgaum Commissionerate, Karnataka	Public	Non Functional since April 2014	01/2004 dt 16.8.2004	Not applicable	Not applicable	Not applicable	Not applicable	Bengaluru	Functional Location also incorrectly given as Maharashtra (altough actually in Karnataka)	Notified
4	ICD Mathilakam, Trissur	ICD	Trissur	Central Excise Commissionerate, Calicut	Private	Non-Functional	Notification No.1/2012 cus (NT) dated 7-3-2012	15-08-2015	No		Low volume of cargo and issues relating to connectivity to Gateway port	Chennai	Functional	Notified
5	ICD Bhadohi	ICD	Distt Sant Ravidas Nagar.	Custom CE&ST , Allahabad	Public	Non-Functional	79/2004- Cus (NT) dated 21.06.2004	N.A.	N.A.	N.A.	N.A.	Lucknow	Functional	Notified
6	CFS Vikram Integrated Logistics Pvt Ltd, Karwar	CFS	Karwar	Mangaluru Commissionerate	Private	Non-Functional	05/2006(NT) dated 22.03.2006	Not applicable	Not applicable	Not applicable	Not applicable	Bengaluru	Functional	CFS, Notfn not Reqd
7	Vikram Logistics and Maritime Services (P) Ltd at Hassan	CFS	Hassan	Mysore Commissionerte	Private	Non-Functional	Not available	Not applicable	Not applicable	Not applicable	Not applicable	Bengaluru	Functional	CFS, Notfn not Reqd
8	Central Warehousing Corporation, Karawar	CFS	Karwar	Mangaluru Commissionerate	Public	Non-Functional	Not available	Not applicable	Not applicable	Not applicable	Not applicable	Bengaluru	Functional	
9	GPIL	ICD	Village Saunti, Amloh Road, Mandigobindgarh	Ludhiana	Private	Non-Functional	Notf No 11/2008 dated07.10.2008	-	-	-	-	Chandigarh	Functional	
10	PSWC	ICD	Bhatinda Mansa Road, Bhatinda	Ludhiana	Public	Non-Functional	Notf No 02/1998 dated 05.01.1998	-	-	-	-	Chandigarh	Functional	
11	Sea Tech Services Ltd.	CFS	Thammanam, Ernakulam	Cochin Customs	Private	Non-Functional	Not available	Not available	Not available	Not available	Not available	Not available	Functional	CFS, Notfn not Reqd
12	CONCOR	CFS	Wellington Island, Kochi	Cochin Customs	Public	Non-Functional	Not available	Not available	Not available	Not available	Not available	Not available	Functional	CFS, Notfn not Reqd
13	PACE CFS Ltd.	CFS	Aroor, Alappuzha Ltd	Central Excise Commissionerate, Calicut	Private	Non-Functional	Not available	Not available	Not available	Not available	Not available	Not available	Functional	CFS, Notfn not Reqd
14	ICD Bhilwara	ICD	Bhilwara	COMMISSIONER OF Customs, JODHPUR, HQRS JAIPUR	Public	Non-Functional	Public Notice No. 21/1999 dated 01/12/1999	Dec-11	No	OIO No. 06/2012-commissioner dated 06/11/2012	Violation of provision of HCCAR, 2009 and Non-payment of cost recovery	Ahmedabad	Functional	
15	ICD Bhiwadi	ICD	ICD Bhiwadi	COMMISSIONER OF Customs, JODHPUR, HQRS JAIPUR	Public	Non-Functional	Public Notice No. 02/1999 dated 27/01/1999	Jun-12	No	OIO No. 02/2013-commissioner dated 28/02/2013	Violation of provision of HCCAR, 2009 and Non-payment of cost recovery	Ahmedabad	Functional	

Statement 2

List of ICDs/CFSs which were closed but shown as functional in DoC data

(Refer Para No. 3.2)

Sl. No.	Name/ location of ICD/CFS	Whether ICD/CFS	Place/ location	Jurisdictional Customs commissionerate	Whethe Private/Public	Status (Functional/ Non-functional/ Closed)	No. & date of Customs PN/ notification for commencement of operations	Date/month of cessation of operations/ closure	Whether denotified by Customs authority	De-notification no. and date	Reason for closure/ inactivity	Jurisdictional Field Audit Office	Status as per DoC Data	DoR Notfn.12/97 Cus
1	CWC CFS, Haldia	CFS	KOLKATA	KOLKATA Port	Public	CLOSED	No.27/2000 dated 20.04.2000	Apr-08	Yes	59/2016 dated 11.07.2016	Not Available	Kolkata	Functional	Notified CFS, DoR Notfn not Reqd
2	ICD SURAJPUR	ICD	Gr. NOIDA	Customs NOIDA	Public	CLOSED	32/2003 Cus (NT) dated 07.05.2003	01.07.2008	Yes	05/2012-cus dated 13.04.2012	Non pick up of business	Lucknow	Functional	Not Omitted
3	ICD Varanasi	ICD	Varanasi	Custom CE&ST , Allahabad	Public	CLOSED	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	Not applicable	NOT PROVIDED	Lucknow	Functional as CFS	Not Omitted
4	ICD Udaipur	ICD	Udaipur	COMMISSION-ER OF Customs, JODHPUR, HQRS JAIPUR	Public	CLOSED	Public Notice No. 21/1999 dated 01/12/2001	Oct-10	Yes	Public Notice No. 05/2007 dated 30/05/2007	Request made by the custodian i.e. Central warehousing Corporation for closing operation from 31.10.2006.	Ahmedabad	Functional as CFS	Not Omitted

Statement 3

List of ICDs which are still shown as CFSs in DoC data

(Refer Para No. 3.2)

Sl. No.	Name of ICD	Whether ICD/CFS (as per jurisdictional Customs authority)	Place/ location	Jurisdictional Customs commissionerate	Whether Private/Public	Status (Functional/ Non-functional/ Under implementation/ non-operational/ closed)	Jurisdictional Field Audit Office	Status as per DoC Data (ICD/CFS)
1	M/s Dynamic Logistics, Dighi	ICD	Dighi Pune, Maharashtra	Pune Customs	Private	Functional	Mumbai	
2	Container Corporation of India Ltd., Nasik	ICD	Nasik, Maharashtra	Nasik Commissioneate	Public	Functional	Mumbai	All these units shown as CFS in data maintained by the DoC
3	Central Warehousing Corporation, Waluj	ICD	Waluj, Maharashtra	Commissionerate Aurangabad	Public	Functional	Mumbai	
4	Container Corporation of India Ltd, Aurangabad	ICD	Aurangabad, Maharashtra	Commissionerate Aurangabad	Public	Functional	Mumbai	
5	Central Warehousing Corporation, Industrial estate Verna	ICD	Verna, Goa	Margaon, Goa	Public	Functional	Mumbai	
6	Kottayam Port & Container Terminal Service Pvt. Ltd.	ICD	Nattakam, Kottayam, Kerala 686013.	Central Excise Commissioner-ate, Ernakulam	Private	Functional	Chennai	
7	GPIL	ICD	Village Saunti, Amloh Road, Mandigobind-garh	Ludhiana	Private	Non Functional	Chandigarh	
8	PSWC	ICD	Bhatinda Mansa Road, Bhatinda	Ludhiana	Public	Non Functional	Chandigarh	

Statement 4

Summarised data for Utilisation of Installed Capacity (in TEUs) from 2012-2017

(Refer Para No. 3.3)

Sl. No.	Name	Commissionerate	Type	Annual Handling Capacity (in TEUs) in 5 yrs	Actual TEUs Handled in 5yrs	Capacity Utilisation %age
1	Saurashtra Freight Pvt LTd./INSCF	Mundra	CFS	270000	343490	127
2	M/s. Seabird Marine Services Pvt. Ltd. (CFS)	Mundra	CFS	420000	241299	57
3	CWC CFS- (INADA6) Adalaj	Ahmedabad	CFS	1800	2679	149
4	M/s. LCL Logistics (I) Pvt. Ltd. Pipavav (CFS)	Jamnagar	CFS	182232	95948	53
5	BALMER LAWRIE & CO. LTD/Kolkata.	Kolkata, Sea	CFS	270000	216642	80
6	Century Plyboards (I) LTD. -JJP **	Kolkata, Sea	CFS	500000	187818	38
7	Century Plyboards (I) LTD. -SONAI	Kolkata, Sea	CFS	240000	161618	67
8	LCL LOGISTIX(I) PVT. LTD./Haldia	Kolkata, Sea	CFS	260000	40294	15
9	CWC-CFS, KOLKATA	Kolkata, Sea	CFS	268800	279868	104
10	ICD, Amingoan Shillong/ NER	Shillong	ICD	25000	12144	49
11	ICD, Durgapur C Ex Bolpur WB	Bolpur, CX	ICD	120000	57042	48
12	ICD CONCOR, KATHUWAS (INCML6)	Jodhpur	ICD	45000	5713	13
13	ICD Concor Customs BGKT, Jodhpour (INBGK-6)	Jodhpur	ICD	150000	109089	73
14	ICD Concor Kankpura, Jaipur	Jodhpur	ICD	240000	206425	86
15	ICD, TDP, Jodhpur	Jodhpur	ICD	250000	75397	30
16	ICD-KANECH (INSNI6)	Ludhiana	ICD	156000	72116	46
17	CFS-OWPL (INDDL6)	Ludhiana	CFS	450000	190774	42
18	CFS-KCM (INLDH6)	Ludhiana	CFS	90000	39638	44
19	Gateway Distripark Ltd	Chennai- IV	CFS	972000	404244	42
20	ICD KOTTAYAM, ERNAKULAM	Ernakulam	ICD	36000	9159	25
21	CFS Cochin Port (INCOK1), Cochin	Cochin	CFS	79500	51805	65
22	MIV CFS (INCOK1),Cochin	Cochin	CFS	100000	81476	81
23	Falcon CFS (INCOK1), Cochin	Cochin	CFS	300000	133040	44
24	ICD MATHILAKAM (INTCR6), CALICUT	CALICUT, CX	ICD	36000	312	1
25	ICD HOSUR	Trichy-1	ICD	11520	943	8
26	TUGHLAKABAD	TUGHLAKABAD	ICD	2242000	1996062	89
27	Patparganj	Patparganj	ICD	300000	206356	69
28	Ballabhgarh	Patparganj	ICD	600000	176328	29
29	Sonepat	Patparganj	ICD	156000	79111	51

Sl. No.	Name	Commissionerate	Type	Annual Handling Capacity (in TEUs) in 5 yrs	Actual TEUs Handled in 5yrs	Capacity Utilisation %age
30	Kalinganagar ICD (INSKD6)	Bhubaneswar-1	ICD	1800	2260	126
31	Sravan Shipping services P ltd , CFS, Vskp	Visakhapatnam	CFS	300000	220068	73
32	Thimmapur ICD (INTMX6), Mahaboobnagar, Dist.	Hyderabad	ICD	18000	20469	114
33	Gateway East India (p) Ltd, Vskp	Visakhapatnam	CFS	480000	277152	58
34	BATCO , CFS, Muthangi	Hyderabad	CFS	39000	32121	82
35	Marripalem ICD(INGNR6), Guntur	Vijayawada	ICD	50000	69033	138
36	ALBATROSS INLAND PORT PVT. LTD. (INAPL6)	NOIDA	CFS	450000	336282	75
37	Star Track Terminal (INSTT6)	NOIDA	CFS	500000	254787	51
38	CFS-Allcargo Logistics Park Ltd. (INDER6)	NOIDA	CFS	266168	134280	50
39	CMA CGM Logistic Park Pvt. Ltd. (INCPL6)	NOIDA	CFS	396562	289907	73
40	ICD Panki (INPNK6)	Kanpur, CX	ICD	108500	104056	96
41	ICD MORADABAD (INMBD 6)	MEERUT	ICD	540000	243673	45
42	ICD Mulund, Mumbai(INMUL6)	NCH,Mumbai	ICD	296420	128194	43
43	ICD Talegaon, Pune(INTLG6)	Pune	ICD	360000	114219	32
44	ICD Ajni, Nagpur(INNGP6)	Nagpur-I	ICD	489000	442875	91
45	ICD Verna, Goa(INMDG6)	NCH, Goa	ICD	10000	2036	20
46	Continental Warehousing (Nhava Sheva) Ltd.	Mumbai Customs, Zone - II, JNCH	CFS	900000	519220	58
47	CWC logistics Park (Hind Terminal)	Mumbai Customs, Zone - II, JNCH	CFS	1800000	799420	44
48	United Linear Agencies of India (P) Ltd.	Mumbai Customs, Zone - II, JNCH	CFS	500000	368183	74
49	Navkar Corporation	Mumbai Customs, Zone - II, JNCH	CFS	625000	648408	104
50	Punjab State Container & Warehousing Corporation	Mumbai Customs, Zone - II, JNCH	CFS	480000	342642	71
51	ICD LONI (INLON 6)	NOIDA	ICD	288000	446790	155

Statement 5

Existing handling capacity of CFSs at Kolkata during 2016-17

(Refer Para No. 3.3(ii))

Sl. No.	Name of CFS	Annual Capacity (TEUs)	Cargo Handled (TEUs)
1	Balmer Lawrie &Co. Ltd.	54000	44614
2	Century Plyboards (I) Ltd., JJP	100000	47748
3	Century Plyboards (I) Ltd., Sonai	48000	32449
4	CONCOR	18000*	4,062
5	CWC	53760	72320
Total :		273,760	201,193

*@1500 TEUs/month: Ref:http://www.thehindubusinessline.com/economy/logistics/kolkata-port-launches-first-container-freight-station-built-by-concor/article1579384.ece. Data not provided by Kolkata (Port) Commisisonerate

Statement 6

Delay in issue of Letter of Intent (LOI) due to late receipt of comments from CBEC

(Refer Para No. 3.4)

Sl. No.	File No.	Name of Developer/ Applicant Name	Location	ICD/CFS	Date of receiving application	Date of asking comment	Date of LOI	Time taken to furnish comments by CBEC		Time taken to furnish comments by MoS		Period of delay in issuing LoI after deducting period of 6 weeks
								Date of receiving comment	Period used to furnish comments	Date of receiving comment	Period used to furnish comments	
1	16/33/2015-infra-i	M/s Vishakha Container Terminal Pvt. Ltd.	A.P	CFS	16.09.2015	20.10.2015	28.01.2016	04.01.2016	2 months & 14 days	03.12.2015	1 month & 13 days	3 months
2	16/31/2015-infra-I	M/s CONCOR,	Raipur	ICD	24.09.2015	09.10.2015	04.08.2016	20.07.2016	9 months & 10 days	29.10.2015	12 months 22 days	8 months
3	16/26/2014-infra-I	M/s Rishi Container Pvt. Ltd.	Gujarat	CFS	10.10.2014	18.11.2014	14.09.2015	18.06.2015	7 months	20.01.2015	2 months & 2 days	9.5 months
4	16/19/2014-infra-I	M/s Searbird Marine Services Pvt. Ltd. ,	Hazira	CFS	12.07.2014	08.10.2014	16.06.2015	18.05.2015	7 months & 10 days	20.01.2015	3 months & 12 days	8 months
5	16/07/2016-infra-I	M/s Hind Terminals Pvt. Ltd.	Hazira	CFS	08.04.2016	22.04.2016	15.11.2016	25.10.2016	6 months & 3 days	19.08.2016	3 months & 27 days	5.5 months
6	16/20/2015-infra-i	M/s Vishakha CFS Logistics Pvt. Ltd.	Vishakhapatnam	CFS	06.07.2015	19.08.2015	24.10.2016	04.10.2016	13 months & 15 days	03.12.2015	3 months & 14 days	14 months
7	16/15/2016-infra-I	M/s A. S. Shipping Agencies Pvt. Ltd.	A.P	ICD	08.06.2016	22.07.2016	30.03.2017	06.02.2017	6 months & 15 days	25.08.2016	1 month & 3 days	8 months
8	16/09/2012-infra-i	M/s Sical Multimodal & Rail Transport Pvt.	Chennai	ICD	23.04.2012	26.06.2012	07.12.2012	18.10.2012	3 months & 22 days	26.11.2012	5 months	5.5 months
9	16/08/2012-infra-i	M/s Glocal Pvt. Ltd, Butibori, Nagpur	Nagpur		19.04.2012	11.05.2012	14.01.2013	17.01.2013	8 months & 6 days	26.11.2012	2 months 5 days	7 months
10	16/07/2015-infra-i	M/s Prompt Terminals Pvt. Ltd., Tuticorin	Tuticorin		25.03.2015	30.03.2015	14.09.2015	13.05.2015	1 months & 13 days	10.06.2015	2 months 10 days	4 months
11	16/02/2016-infra-i	M/s Kern Enterprises Pvt. Ltd., ICD at Madurai	Madurai	ICD	31.12.2015	08.02.2016	04.08.2016	04.07.2016	4 months & 26 days	26.04.2016	2 months 18 days	5 months
12	16/08/2016-infra-i	M/s Transworld Terminals Pvt. Ltd.	Kolkata	CFS	08.04.2016	18.04.2016	24.10.2016	05.10.2016	5 months & 20 days	28.06.2016	2 months 15 days	4.5 months
13	16/21/2015-infra-i	M/s CONCOR	Vallarpadam	CFS	15.07.2015	29.07.2015	29.12.2015	11.09.2015	1 months & 13 days	01.09.2015	1 months 2 days	4 months
14	16/29/2014-infra-i	M/s CONCOR	Jharsuhura	ICD	19.11.2014	15.12.2014	21.09.2015	07.09.2015	6 months & 22 days	20.01.2015	1 months 5 days	8 months
15	16/16/2016-infra-i	M/s A. L. S. Tuticorin Terminals Pvt. Ltd.	Tuticorin	CFS	20.06.2016	24.06.2016	13.02.2017	06.10.2016	3 months & 12 days	19.08.2016	1 months 26 days	6 months

Sl. No.	File No.	Name of Developer/ Applicant Name	Location	ICD/CFS	Date of receiving application	Date of asking comment	Date of LOI	Time taken to furnish comments by CBEC		Time taken to furnish comments by MoS		Period of delay in issuing LoI after deducting period of 6 weeks
								Date of receiving comment	Period used to furnish comments	Date of receiving comment	Period used to furnish comments	
16	16/37/2015-infra-i	M/s Apollo World Connect Ltd.	Chennai	CFS	23.11.2015	21.12.2015	30.03.2017	05.10.2016	9 months & 14 days	16.08.2016	7 months 25 days	14 months
17	16/18/2010-infra-i	Kribhco Infrastructure Limited	U.P		24.05.2010	10.06.2010	14.06.2013	31.05.2013	35 months & 20 days	13.03.2012	19 months 2 days	35 months
18	16/35/2011-infra-i	NDR Infrastructure	Ennore		09.11.2011	21.11.2011	26.09.2014	13.2.2013	5 months & 24 days	13.03.2012	3 months 22 days	33 months
19	16/24/2013-infra-i	Nhava Sheva Logistics Pvt Ltd			26.06.2013	11.07.2013	09.04.2015	16.05.2014	10 months & 5 days	7.11.2014	25 months 26 days	19 months
20	16/30/2013-infra-i	Continental Warehousing Corporation	Panipat		26.08.2013	20.09.2013	05.09.2014	01.09.2014	11 months & 10 days	26.2.2014	5 months 6 days	10 months
21	16/28/2013-infra-i	M/s Saastha Warehousing Ltd.		CFS	1.8.2013	27.03.2014	10.06.2015	18.05.2015	13 months & 21 days	21.01.2015	9 months 24 days	20 months
22	16/22/2014-infra-i	M/s Krishnanpatnam Bay Area	Krishnanpatnam Bay Area,AP	CFS	27.9.2014	21.10.2014	14.09.2015	09.03.2015	4 months & 18 days	21.01.2015	3 months	9.5 months
23	16/36/2013-infra-i	M/s SIDCUL CONCOR	Uttarakhand		13.11.2013	25.11.2013	06.03.2014	26.02.2014	3 months & 1 days	26.2.2014	3 months 1 days	2 months
24	16/16/2012-infra-i	M/s Kesar Multimodal Logistics Pvt. Ltd.	M.P	ICD	05.09.2012	20.09.2012	09.12.2012	28.09.2012	8 days	26.08.2013	11 months 6 days	2 months
25	16/25/2015-infra-i	M/s Hind Terminals Pvt. Ltd.	Gujarat	ICF	22.10.2014	18.11.2014	14.09.2015	18.06.2015	7 months	20.01.2015	2 months 2 days	8.5 months
26	16/21/2013-infra-i	M/s Innovative B2B Logistics Pvt. Ltd.	Ludhiana	ICD	31.05.2013	02.08.2013	16.06.2014	29.10.2013	2 months 27 days	26.05.2013	24 days	10.5 months
27	16/35/2013-infra-i	M/s CONCOR	Kathuwas & Mandhan	ICD	18.10.2013	29.10.2013	06.03.2014	26.02.2014	3 months &27 days	26.02.2014	3 months & 27 days	3 months
28	16/31/2011-infra-i	M/s JWR Logistics Pvt. Ltd.	Raigad, Maharashtra	CFS	06.09.2011	21.12.2011	12.07.2012	20.01.2012	1 month	20.01.2012	29 days	8 months
29	16/10/2012-infra-i	M/s Vaishno Container Terminal	Tarapur, Maharashtra	ICD	30.05.2012	07.09.2012	07.12.2012	17.10.2012	1 month & 10 days	26.11.2012	2 months & 19 days	4 months
30	16/14/2012-infra-i	M/s EFC Logistics Pvt. Ltd.	Raigad, Maharashtra	CFS	17.07.2012	14.08.2012	17.04.2013	17.10.2012	2 months & 3 days	22.03.2013	7 months & 8 days	7.5 months
31	16/23/2012-infra-i	M/s VPL Integral CFS (P) Ltd.	Gangavaram	CFS	29.09.2012	12.10.2012	14.06.2014	28.02.2013	4 months & 10 days	26.11.2012	1 month & 15 days	7 months
32	16/11/2012-infra-i	M/s Arshiya Northern Domestics Distriparks Ltd.	Khurja, U.P	ICD	07.06.2012	06.07.2012	20.03.2013	21.08.2012	5 months & 15 days	08.07.2013	12 months	7.5 months
33	16/23/2016-infra-i	M/s Fortuna port services pvt. Ltd.	Kakinada,AP	CFS	06.09.2016	28.09.2016	17.05.2017	03.05.2017	7 months & 5 days	28.3.2017	6 months	6.5 months
34	16/07/2013-infra-i	M/s STP services pvt. Ltd.	Tiryvottiyr,Chennai	CFS	18.01.2013	08.04.2013	05.09.2013	08.07.2013	3 months			6 months
35	16/01/2012-infra-i	M/s Fairdeal Freight Solutions Ltd.	Gandhidham, Kutch, Gujrat	CFS	16.01.2012	7.05.2012	15.04.2013	12.02.2013	10 months & 2 days	22.03.2013	9 months & 4 days	13.5 months

Statement 7

ICDs/CFSs whose approval is delayed as on 31.03.2017 (with age analysis of delay)

(Refer Para No. 3.4)

Sl. No.	Proposal Type (ICD/CFS)	Place/ Location of ICD/CFS	State	Whether Private/ Public	Agency Name	Proposal receipt Date	Period of delay beyond 6 wks (in wks)	Reasons for delay
1	ICD	Guntur, Andhra Pradesh	Andhra Pradesh	Public	M/s Container Corporation of India (CONCOR)	30-12-2016	6 week	Comments awaited from CBEC
2	ICD	Nellore, Andhra Pradesh	Andhra Pradesh	Private	M/s Simhapuri Farmers Agriparks Pvt. Ltd.	2017-03-02	-	Comments awaited from CBEC & M/o Shipping
3	CFS	Vishakhapatnam	Andhra Pradesh	Private	M/s Vishakhapatnam Port Logistics Park Ltd.	16-03-2017	-	Comments awaited from M/o Shipping, Railways & CBEC
4	CFS	Khopta Village, Uran, Maharashtra. (JNPT area)	Maharashtra	Private	M/s Nhava Sheva CFS & Agri Park Pvt. Ltd.	17-09-2014	125 week	Comments awaited from CBEC
5	CFS	Dighode Village, district Raigad, Maharashtra	Maharashtra	Private	M/s SKIL Infrastructure Limited	18-08-2015	77 week	Comments awaited from CBEC & M/o Shipping
6	CFS	Village Kalambasure, Raigad, Maharashtra	Maharashtra	Private	M/s International Cargo Terminals Infrastructure Limited	2016-12-04	41 Week	Comments awaited from CBEC
7	CFS	Uran Taluka, Raigad Dist. Mumbai	Maharashtra	Private	M/s M. S. A. Global Logistics Pvt. Ltd.	2017-04-01	6 weeks	Comments awaited from M/o Shipping & CBEC.
8	ICD	Anekal, Bangalore, Karnataka	Maharashtra	Private	M/s Distribution Logistics Private Limited.	15-05-2015	90 weeks	Comments awaited from CBEC
9	ICD	Hoobli, Bangalore	Maharashtra	Private	M/s Sattva CFS & Logistics Pvt. Ltd.	23-03-2017	-	Comments awaited from CBEC
10	ICD	Fatehpur Village, Shankarpally Mandal, RR District, Telangana	Telangana	Private	M/s S.V. Multi Logitech Private Limited	2015-09-09	74 weeks	CBEC has not been recommended the project vide O.M dt. 08-03-2017. IMC will take decision in the next meeting.
11	CFS	Dist. South 24 Parganas, Wattguge, Sonapur road, Kolkata	West Bengal	Private	M/s Allcargo Logistics Ltd.	29-07-2016	26 weeks	Comments received from CBEC on 26-07-2017.
12	CFS	Revenue Survey no. 2/1, Vill- Bhorara, Tal- Mundra Kutch, Gujarat	Gujarat	Private	M/s Argus Container Freight Station Pvt. Ltd.	28-06-2016	30 weeks	Comments awaited from CBEC
13	CFS	Vill- Mota Kapaya, Taluka Mundra, Dist. Kutch, Gujarat	Gujarat	Private	M/s Ganatra Terminals Pvt. Ltd.	2017-10-01	5 weeks	Comments awaited from CBEC.
14	ICD	Varnama, Gujarat	Gujarat	Public	M/s Container Corporation of India (CONCOR)	2016-07-12	9 weeks	Comments awaited from M/o Railways & CBEC
15	ICD	Rajkot, Gujarat	Gujarat	Private	M/s Ala Agropower Pvt. Ltd.	2017-03-02	-	Comments awaited from CBEC & M/o Shipping
16	ICD	Kila Raipur, Punjab	Punjab	Private	M/s Adani Logistics Limited	2016-05-05	37 weeks	Comments awaited from CBEC
17	ICD	Ahmedgarh, Ludhiana, Punjab	Punjab	Public	M/s Punjab Logistics Infrastructure	28-11-2016	10 weeks	Comments awaited from CBEC
18	ICD	Kila Raipur, Dehlon Dist. Ludhiana, Punjab	Punjab	Private	M/s Hind Terminals Pvt. Ltd.	2016-10-10	13 weeks	Comments awaited from CBEC
19	CFS	No. 5, Ariyalur village, Madhavaram Taluk, Chennai	Tamil Nadu	Private	M/s Sabari Warehousing Pvt. Ltd.	28-08-2016	24 weeks	Comments awaited from M/o Shipping & CBEC
20	CFS	Vichoor, Chennai, Tamil Nadu	Tamil Nadu	Private	M/s Transworld Terminals Pvt. Ltd.	28-12-2016	10 weeks	Comments awaited from CBEC
21	CFS	Chennai	Tamil Nadu	Private	M.s Waymark Container Freight Station	23-11-2016	11 weeks	Comments awaited from CBEC
22	ICD	Kalinga nagar, Jajpur,	Odisha	Private	M/s Jindal Stainless Ltd.	2016-07-10	18 weeks	Comments awaited from CBEC, M/o Railway & Shipping

Statement 8

ICDs/CFSs whose setup/functioning is delayed as on 31.03.2017 (with age analysis of delay)

(Refer Para No. 3.4)

Sl. No.	Type (ICD/CFS)	Place/ Location of ICD/CFS	State	Whether Private/ Public	Agency Name	LoI/Approval Date	Period of delay beyond 2 yrs. (in yrs. & months)	Reasons for delay
1	ICD	Hyderabad	Andhra Pradesh	Private	M/s Allcargo Logistics Ltd.	2008-02-09	7 Y- 10 M	(Court case - Pending in Andhra Pradesh High Court)
2	CFS	Visakhapatnam	Andhra Pradesh	Private	Sravan Shipping Services Pvt. Ltd, Visakhapatnam	2012-02-02	3 Y- 5 M	Custodian Code, SSO ID and VPN ID are pending with Customs
3	CFS	Visakhapatnam	Andhra Pradesh	Public	CONCOR, Visakhapatnam	2015-12-02	-	Reported functional (**)
4	CFS	Kakinada, Andhra Pradesh	Andhra Pradesh	Private	Innovative Container Services Pvt. Limited	13-04-15	0 Y- 5 M	Due to Demonetization construction work got delayed.
5	CFS	Krishnanpatnam, Andhra Pradesh	Andhra Pradesh	Private	M/s Krishnanpatnam Bay Area CFS Pvt. Ltd.	14-09-15	-	Reported functional (**)
6	CFS	Visakhapatnam	Andhra Pradesh	Private	M/s SICAL Multimodal and Rail Transport Pvt. Limited	13-10-15	Within 2 yrs.	-
7	CFS	Visakhapatnam	Andhra Pradesh	Private	M/s Visakha Container Terminals Pvt. Limited	28-01-16	Within 2 yrs.	-
8	CFS	Nellore, Andhra Pradesh	Andhra Pradesh	Private	M/s Gateway Distriparks Limited	2016-04-08	Within 2 yrs.	-
9	CFS	Bavyavaram, Kasim Kota Mandal, Visakhapatnam	Andhra Pradesh	Private	M/s Visakha CFS & Logistics Pvt. Limited	24-10-16	Within 2 yrs.	-
10	ICD	Surareddy Palem, Ongole, Prakasam District	Andhra Pradesh	Private	M/s A.S. Shipping Agencies Private Limited, Chennai	30-03-17	Within 2 yrs.	-
11	ICD	Bihta, Patna	Bihar	Private	Pristine Magadh Infrastructure Pvt. Limited, Patna, Bihar	17-12-13	1 Y- 7 M	Customs Notification is awaited
12	ICD	Naya Raipur, Chhattisgarh	Chhattisgarh	Public	M/s CONCOR	2016-04-08	Within 2 yrs.	-
13	AFS	Kapashera, New Delhi	Delhi	Private	M/s Continental Carriers Pvt. Ltd.	2016-08-08	Within 2 yrs.	-
14	ICD	Ahmedabad, Gujarat	Gujarat	Private	Continental Warehousing Corporation (Nhava Sheva)	29-04-15	0 Y- 3 M	Customs Notification awaited.
15	CFS	Surat, Gujarat	Gujarat	Private	M/s Seabird Marine Services Pvt. Ltd.	2015-10-05	-	Reported functional (**)

Sl. No.	Type (ICD/CFS)	Place/ Location of ICD/CFS	State	Whether Private/ Public	Agency Name	LoI/Approval Date	Period of delay beyond 2 yrs. (in yrs. & months)	Reasons for delay
16	CFS	Vill: Mota Kapaya, Tal: Mundra - Kutch, Gujarat	Gujarat	Private	M/s Rishi Container Terminal Pvt. Ltd.	14-09-15	Within 2 yrs.	-
17	CFS	Hazira, Gujarat	Gujarat	Private	M/s Hazira Container Terminal Pvt. Ltd.	14-09-15	Within 2 yrs.	-
18	CFS	Village Zarpara, Mundra Taluka, Kutch, Gujarat	Gujarat	Private	M/s Landmark CFS Private Limited.	17-12-15	-	Reported functional (**)
19	ICD	Viramgam at District Ahmedabad	Gujarat	Private	M/s Gateway Rail Freight Limited	17-11-16	Within 2 yrs.	-
20	CFS	Hazira, Gujarat	Gujarat	Private	M/s Hind Terminal Private Limited	15-11-16	Within 2 yrs.	-
21	ICD	Rewari	Haryana	Private	Sanjivik Terminals Pvt. Limited	2009-05-01	-	Reported functional (**)
22	ICD	Village Janoli and Bhagola, Palwal, Distt .Faridabad	Haryana	Private	Hind Terminal Pvt. Limited.	2012-12-11	-	Reported functional (**)
23	ICD	Samalkha, Panipat	Haryana	Private	Continental Warehousing Corporation,	2014-05-09	0 Y- 10 M	Customs Notification awaited.
24	ICD	Rangreth	Jammu & Kashmir	Public	M/s Jammu & Kashmir State Industrial Development Corporation Ltd.	22-11-05	9 Y- 8 M	Customs Notification & posting of Customs staff are awaited
25	ICD	Kacharakanahalli Village, Bangalore	Karnataka	Private	Sical Multimodal and Rail Transport Limited.	2012-12-11	2 Y- 8 M	Partial land conversion is waited from State Govt.
26	ICD	Bangalore	Karnataka	Private	M/s Parlecha Infrastructure & developers	20-03-13	2 Y- 4 M	Customs Notification, Staff posting and EDI connectivity are pending.
27	CFS	Kalamessery, Kochi	Kerala	Private	M/s Periyar Chemicals Ltd.	14-06-13	2 Y- 1 M	
28	AFS	Devanhalli, Bangalore Rural	Karnataka	Private	M/s Pearl Port & Warehousing Pvt. Ltd.	14-09-15	Within 2 yrs.	-
29	CFS	Vallarpadam, Kochi, Kerala	Kerala	Private	M/s CONCOR	29-12-15	-	Reported functional (**)
30	ICD	Nagpur	Maharashtra	Private	M/s Distribution Logistics Infrastructure Pvt. Ltd.	14-01-11	-	Reported functional (**)
31	ICD	Butibori, Nagpur	Maharashtra	Private	M/s Glocal ICD Pvt. Ltd.	14-01-13	-	Reported functional (**)
32	CFS	Raigad, Maharashtra	Maharashtra	Private	Nhava Sheva Logistics Pvt Ltd.	2015-09-04	-	Reported functional (**)
33	CFS	Raigad, Mumbai	Maharashtra	Private	M/s Saastha Warehousing Ltd.	2015-10-05	0 Y- 2 M	Due to heavy rainfall construction work has been delayed

Sl. No.	Type (ICD/CFS)	Place/ Location of ICD/CFS	State	Whether Private/ Public	Agency Name	LoI/Approval Date	Period of delay beyond 2 yrs. (in yrs. & months)	Reasons for delay
34	CFS	Dighode, Uran, Raigad, Maharashtra	Maharashtra	Private	M/s Sarveshwar Logistics Services Pvt. Limited	21-12-15	Within 2 yrs.	-
35	ICD	Mihan Area of District Nagpur, Maharashtra	Maharashtra	Public	M/s CONCOR	2016-01-08	Within 2 yrs.	-
36	ICD	village Bhamboli, Khed Taluka, District Pune	Maharashtra	Private	M/s APM Terminals Ltd.	17-11-16	Within 2 yrs.	-
37	ICD	Jharsuguda, Odisha	Odisha	Public	M/s CONCOR	21-09-15	Within 2 yrs.	-
38	ICD	Ludhiana	Punjab	Private	Pristine Mega Logistics Park Pvt. Limited	19-07-13	2 Y- 0 M	Reported functional (**)
39	ICD	Hindaun, Rajasthan	Rajasthan	Private	Kribhco Infrastructure Limited	2012-12-11	2 Y- 8 M	Customs Notification awaited.
40	CFS	Anuppampattu village, Chennai	Tamil Nadu	Private	Sical Multimodal and Rail Transport Limited	2012-07-12	2 Y- 7 M	Clearance from the state Govt. is awaited.
41	CFS	Chennai Port	Tamil Nadu	Private	Central Warehousing Corporation	17-12-13 10/3/2015	0 Y- 4 M	Customs Notifications and Customs staff posting are pending
42	CFS	Ennore	Tamil Nadu	Private	NDR Infrastructure, Ennore Port	26-09-14	0 Y- 4 M	Reported functional (**)
43	CFS	Ayyanadaippu, Tuticorin	Tamil Nadu	Private	M/s Prompt Terminals (P) Ltd.	14-09-15	Within 2 yrs.	-
44	ICD	Madurai, Tamil Nadu	Tamil Nadu	Private	M/s Kern Enterprises Pvt. Ltd	2016-04-08	Within 2 yrs.	-
45	CFS	Ponneri Taluka, Thiruvallur, Tamil Nadu	Tamil Nadu	Private	M/s Supply Chain Logistics Pvt. Limited.	24-10-16	Within 2 yrs.	-
46	CFS	Thoothukudi Tuticorin	Tamil Nadu	Private	M/s A.L.S Tuticorin Terminal Pvt. Ltd.	13-02-17	Within 2 yrs.	-
47	CFS	Kattupalli Village, Ponneri Taluk, Tiruvallur, Chennai	Tamil Nadu	Private	M/s Apollo World Connect Pvt. Limited	30-03-17	Within 2 yrs.	-
48	CFS	Hyderabad	Telangana	Private	M/s Telangana State Trade Promotion Corporation	27-04-09	6 Y- 3 M	Customs Notification awaited.
49	CFS	Loni (Ghaziabad)	Uttar Pradesh	Private	World's window Infrastructure and Logistics Pvt. Ltd.	20-08-09	5 Y- 11 M	Awaiting for posting of Customs staff on CRB
50	ICD	Modi Nagar	Uttar Pradesh	Public	Kribhco Infrastructure Limited.	14-06-13	2 Y- 1 M	Customs Notification awaited
51	CFS	Khidirpur, Kolkata	West Bengal	Private	M/s Trans World Terminals Pvt. Limited.	24-10-16	Within 2 yrs.	-

(**): The developer has reported that their project become functional. The developer has been asked to submit the requisite documents i.e. copy of Customs Notification order, Order of Customs staff posting at their project, Location code order, EDI connectivity order, commencement order etc. so that status of the project could be updated from Under-implementation (UI) to Functional (F). The documents are awaited from the developer, on receipt of the same status would be updated.

Statement 9

List of the cases where extensions granted in excess of limit
(Refer Para No. 3.4)

Sl. No.	Type (ICD / CFS)	Place Location of ICD / CFS	Whether Private / Public	Agency Name	LoI / approval date	Month upto which infrastructure to be created	Last Extension granted and validity period	Remarks
1	CFS	Visakhapatnam Andhra Pradesh	Private	Sravan Shipping Services Pvt. Ltd, Vizag.	2012-02-02	Feb-14	IMC granted 8th extension valid upto 30.06.2017	DoC has stated (August 2017) that the CFS had remained non-functional due to non-allotment of Custodian Code, SSOID and VPN ID by Customs.
2	ICD	Bihta, Patna Bihar	Private	Pristine Magadh Infrastructure Pvt. Limited, Patna	2013-12-17	December, 2015	IMC granted 5th Extension valid upto 30.06.2017	DoC has stated (August 2017) that the ICD remained non-functional due to non issuance of Customs notification.
3	ICD	Samalkha, Panipat, Haryana	Private	Continental Warehousing Corporation,	2014-09-05	September, 2016	IMC granted 3rd Extension valid upto 03.03.2017	DoC has stated (August 2017) that the ICD remained non-functional due to non issuance of Customs notification.
4	ICD	Rangreth, Jammu & Kashmir	Public	Jammu & Kashmir State Industrial Development Corporation Ltd.	2005-11-22	November, 2007	IMC granted 9th Extension valid upto 24.03.2017	DoC has stated (August 2017) that the ICD remained non-functional due to non issuance of Customs notification and because posting of Customs staff was awaited.
5	ICD	Bangalore Karnataka	Private	Parlecha Infrastructure & Developers	2013-03-20	March, 2015	IMC granted 6th Extension valid upto 30.06.2017	DoC has stated (August 2017) that the ICD remained non-functional because issueance of Customs notification, posting of Customs staff and EDI connectivity were pending.
6	ICD	Hindaun, Rajasthan	Private	Kribhco Infrastructure Limited	2012-11-12	November, 2014	IMC granted 9th Extension valid upto 30.06.2017	DoC has stated (August 2017) that the ICD remained non-functional due to non issuance of Customs notification.
7	CFS	Hyderabad Telangana	Private	Telangana State Trade Promotion Corporation	2009-04-27	April, 2011	IMC granted 5th Extension valid upto 31.08.2017	DoC has stated (August 2017) that the CFS remained non-functional due to non issuance of Customs notification.

Sl. No.	Type (ICD / CFS)	Place Location of ICD / CFS	Whether Private / Public	Agency Name	LoI / approval date	Month upto which infrastructure to be created	Last Extension granted and validity period	Remarks
8	CFS	Loni, Ghaziabad UP	Private	World's Window Infrastructure and Logistics Pvt. Ltd.	2009-08-20	Aug-11	IMC granted Extension valid upto 19.2.2013	DoC has stated (August 2017) that the facility was awaiting posting of Customs staff on CRB.
9	ICD	Modi Nagar UP	Public	Kribhco Infrastructure Limited.	2013-06-14	June, 2015	8th Extension valid upto 30.06.2017	DoC has stated (August 2017) that the ICD remained non-functional due to non issuance of Customs notification.
10	ICD	Kacharakanahalli village, Bangaluru	Private	Sical Multimodal and Rail Transport Ltd.	12.11.2012	November, 2014	6th Extension valid upto 30.06.2017	DoC has stated (August 2017) that the ICD remained non-functional because partial land conversion was awaited from the Karnataka State Govt.
11	CFS	Anuppampattu Village, Chennai	Private	Sical Multimodal and Rail Transport Ltd.	07.12.2012	December, 2014	6th Extension valid upto 30.06.2017	DoC has stated (August 2017) that clearance from the TN state govt. was awaited.
12	CFS	Kalanessery, Kochi, Kerala	Private	M/s Periyar Chemical Ltd.	14.06.2013	June, 2015	IMC granted 3rd extension valid upto 13.06.2016.	No reasons for delay in operationalisation was stated by the DoC. However, as per DoC data as on 30.06.2017, the status of the project was still indicated as 'Under Implenmentation'.

Statement 10

Non-availability of facilities for storage and handling of hazardous cargo

(Refer Para No. 4.3)

Sl. No.	Name of the ICD/ CFS	ICD/CFS	Facilites for handling of hazardous cargo available
1	ICD, Whitefield, Bengaluru City Commissionerate	ICD	No
2	ICD, Desur, Belgaum, Commissionerate of Central Excise, Belgaum	ICD	No
3	ICD: GRFL	ICD	No
4	ICD: PSWC	ICD	No
5	ICD: Dhandhari Kalan	ICD	No
6	ICD: Kanech	ICD	No
7	ICD Patparganj	ICD	No
8	ICD CONCOR JODHPUR (INBGK6)	ICD	No
9	Kalinganagar, Jajpur, Odhisa	ICD	No
10	ICD Durgapur	ICD	No
11	ICD Moradabad	ICD	No
12	ICD Panki Kanpur	ICD	No
13	ICD Amingaon	ICD	No
14	Gateway Distriparks, Manali New Town - Chennai IV Comm.	CFS	No
15	Central Warehousing Corporation(CWC) Whitefield,	CFS	No
16	M/s Marigold Logistics Pvt Ltd	CFS	No
17	HAL Cargo Complex	CFS	No
18	CWC, Panambur	CFS	No
19	CFS: KCM Ludhiana	CFS	No
20	CFS: OWPL	CFS	No
21	Container Corporation of India (CONCOR), Visakhapatnam	CFS	No
22	Gateway East India, Visakhapatnam	CFS	No
23	Sravan Shipping, Visakhapatnam	CFS	No
24	Speedy Multimodes Ltd	CFS	No

Statement 11

Non-operationalization of ETM
(Refer Para No. 5.1.1)

Sl. No.	Commissionerate	Name of the ICD/CFS	Status
1	Noida	CFS Allcargo Logistic Parks Pvt Ltd	Non Operational
2	Noida	CFS CMA CGM Logistic Parks Pvt Ltd	Non Operational
3	Kanpur	ICD Panki Kanpur	Non Operational
4	Noida	ICD Dadri	Not Known
5	Noida	ICD Loni	Not Known
6	Meerut	ICD Moradabad	Not Known
7	Kolkata Port	CFS Balmer Lawrie, Kolkata	Non Operational
8	Kolkata Port	CFS Century Ply (JJP), Kolkata	Non Operational
9	Kolkata Port	CFS Century Ply (Sonai), Kolkata	Non Operational
10	Kolkata Port	CFS CWC, Kolkata	Non Operational
11	Kolkata Port	CFS LCL Logistics (India) Pvt. Ltd, Haldia	Non Operational
12	Shillong, NER	ICD Amingaon	Not Known
13	Central Excise, Bolpur	ICD Durgapur	Non Operational

Statement 12

Non receipt of transference copies of shipping bills
(Refer Para No. 5.1.1)

Sl. No.	Commissionerate	ICDs/CFSs
1	Ahmedabad	ICD Dashrath Vadodara
2	Ahmedabad	ICD Khodiyar Gandhinagar
3	Ahmedabad	ICD Sanand
4	Ahmedabad	ICD Tumb (Navkar Terminal Ltd.)
5	Ahmedabad	CFS Adalaj Gandhinagar
6	Jamnagar	CFS Central Warehousing Corporation, Kandla
7	Jamnagar	CFS LCL Logistics (India) Pvt Ltd, Pipava
8	Jamnagar	CFS Saurashtra Freight Pvt Ltd, Saurashtra Enclave, Mundra
9	Jodhpur	ICD Concor, Jodhpur
10	Jodhpur	ICD Concor, Kanakpura, Jaipur
11	Jodhpur	ICD Concor, Khatuwas, Alwar
12	Jodhpur	ICD Thar Dry Port, Jodhpur
13	Kanpur	ICD Panki
14	Kolkata Port	CFS Balmer Lawrie, Kolkata
15	Kolkata Port	CFS Century Ply (JJP), Kolkata
16	Kolkata Port	CFS Century Ply (Sonai), Kolkata
17	Kolkata Port	CFS CWC, Kolkata
18	Kolkata Port	CFS LCL Logistics (India) Pvt. Ltd, Haldia
19	Ludhiana	ICD GRFL
20	Ludhiana	CFS OWPL
21	Ludhiana	ICD Kanch
22	Mumbai Customs Zone 1	ICD Mulund
23	Mundra	CFS Channi Vadodara
24	Mundra	CFS SeaBird Marine Services Pvt Ltd., Mundra
25	Shillong NER	ICD Amingaon

Statement 13

Non monitoring of Transhipment of cargo through electronic message exchange
(Refer Para No. 5.1.2)

Sl. No.	Name of the Commissionerate	ICDs/CFSs
1	Ahmedabad	ICD Dashrath Vadodara
2	Ahmedabad	ICD Khodiyar Gandhinagar
3	Ahmedabad	ICD Sanand
4	Ahmedabad	ICD Tumb (Navkar Terminal Ltd.)
5	Ahmedabad	CFS Adalaj Gandhinagar
6	Bolpur C.Ex	ICD, Durgapur
7	Hyderabad	ICD, Thimmapur
8	Jamnagar	CFS Central Warehousing Corporation, Kandla
9	Jamnagar	CFS LCL Logistics (India) Pvt Ltd, Pipava
10	Jamnagar	CFS Saurashtra Freight Pvt Ltd, Saurashtra Enclave, Mundra
11	Kolkata Port	CFS Balmer Lawrie, Kolkata
12	Kolkata Port	CFS Century Ply (JJP), Kolkata
13	Kolkata Port	CFS Century Ply (Sonai), Kolkata
14	Kolkata Port	CFS CWC, Kolkata
15	Kolkata Port	CFS LCL Logistics (India) Pvt. Ltd, Haldia
16	Mundra	CFS Channi Vadodara
17	Mundra	CFS SeaBird Marine Services Pvt Ltd., Mundra
18	Shillong NER	ICD Amingaon

Statement 14

Commissionerate wise pendency of uncleared containers

(Refer Para No. 5.2)

Sl. No.	Commissionerate	over 30 days less than 180 days	More than 6m within one year	More than 1 year less than 3 years	More than 3 Years	Total	Space in Sqr Mtr
1	Tuglakakbad			957	1359	2316	34415.76
2	Kolkata Port	350	226	277	402	1255	18649.3
3	Mumbai Customs Zone II	299	198	149	266	912	13552.32
4	Noida	69	57	273	297	696	10342.56
5	Chennai IV	51	18	138	429	636	9450.96
6	Chennai V	66	20	92	175	353	5245.58
7	Ahmedabad	61	37	126	45	269	3997.34
8	Jamnagar	4	1	6	1	12	178.32
9	Ludhiana	29	23	68	64	184	2734.24
10	Visakhapatnam	44	61	53	12	170	2526.2
11	Indore and Bhopal	47	97	4	13	161	2392.46
12	Mundra	58	90	130	81	359	5334.74
13	Bengaluru City	56	11	35	13	115	1708.9
14	Hyderabad	13	8	33	47	101	1500.86
15	Kochi	30	42	16	0	88	1307.68
16	Ahmedabad	61	37	126	45	269	3997.34
17	Nagpur-1			10	46	56	832.16
18	Meerut	6	0	0	50	56	832.16
19	Tuticorin	9	14	3	28	54	802.44
20	Central Excise, Bolpur	0	0	3	18	21	312.06
21	Bhubaneswar-1		3			3	44.58
22	Jodhpur	0	0	0	1	1	14.86
	Total	1193	910	2383	3391	7877	117052.22

Statement 15

Delay in disposal of perishable cargo
(Refer Para No. 5.2)

Sl. No.	Name of the Commissionerate	Name of ICD/CFS	No.of containers Pending	No.of Lots Pending	Nature of cargo	Descn. of cargo	Pending Period (in years)
1	Bangalore	ICD,Concor	41	-	Perishable	Corn Gluten Meal, Turmeric Fingures, Vineger, Enzymes, Dry Ginger, Juices & Nectars, Food items, etc	1 to 10
2	Visakhapatnam	CFS, Sharvan Shipping`	18	3	Perishable	Yellow Peas and Raw cashew nuts	2
3	Visakhapatnam	CFS, Gateway East India ltd	23	6	Perishable	Raw cashew nut	1
4	Nagpur 1	ICD, Ajni	0	146 (MT)	Perishable	Feed Barley	5 to 6
5	Nagpur 1	ICD, Ajni	0	107 MT	Perishable	Sweeping (Rice & Cassia Tora)	5 to 6
6	Nagpur 1	ICD, Ajni	0	5 bags	Perishable	Toor Whole (sweeping)	5 to 6
7	Nagpur 1	ICD, Ajni	0	66 (MT)	Perishable	Rice	5 to 6
8	Tughlakabad	ICD Tughlakabad	164	-	Perishable	Cashewnuts, food stuff, Rice, soft drinks	9 months to 12 years
9	Patparganj	ICD Patparganj	0	304 Packages	Perishable	Metromedazole Tablets	8
10	Patparganj	ICD Patparganj	0	2 Packages	Perishable	Tea	2

Sl. No.	Name of the Commissionerate	Name of ICD/CFS	No.of containers Pending	No.of Lots Pending	Nature of cargo	Descn. of cargo	Pending Period (in years)
11	Patparganj	ICD Patparganj	0	1 Packages	Perishable	Milk Food	5
12	Ahmedabad	CFS Kandla	0	8 (MT)	Perishable	Tobacco Product	9
13	Chennai V		0	61	Perishable	Food Items, Fruits, Hon-ey,Premix, Pulses etc	1 to 9
14	Chennai V	Triway CFS	0	18	Perishable	Food items, Honey, Oil,Chilley etc	2 to 8
15	Tuticorin		5	10	Perishable	Betel Nuts	4 to 6
16	Cochin	Falcon CFS	10	-	Perishable	Split Betel Nuts	7
17	Cochin	MIV Logistics CFS	1	-	Perishable	Apple	1
Total			262	88			

Statement 16

Uncleared Cargo (Hazardous wastes)
(Refer Para No. 5.3)

Sl. No.	Commissionerate	Name of ICD/CFS	Descn. of goods	No. of Containers	Period for which pending (in Years)
1	Mumbai Customs, Zone - II,	CFS,Speedy Multimodes Ltd.	Pharmaceuticals, Chemicals, Grease, Dioxabicyclo Octane, Ethyl Acetate, Refrigerant Gas, Diclofenac Sodium, Metal Scrap and Used Tyres	38	1 to 11
2	Mumbai Customs, Zone - II,	CFS,CWC Logistics Park	Boronopol, Ammonia Solution, Hydrogen Peroxide, Empty Liquid Chlorine Cylinders, Zinc Ash, thinner, Metal Scrap and Used Tyres	14	3 to 9
3	Mumbai Customs, Zone - II,	CFS, United Linear Agency (ICT & IPL)	Sodium Cyanide, Acrylic Acid, Pallets, Araldite, Terephthaloy, Refrigerant Gas, Hepthaldehyde, Metal Scrap and Used Tyres	21	2 to 10
4	Mumbai Customs, Zone - II,	CFS,Continental Warehousing	Pallets & Paints, Metal Scrap and Used Tyres	22	1 to 7
5	Mumbai Customs, Zone - II,	CFS ,Punjab State Container and Warehousing Corporation	Pallets & Paints, Derivatives of Benzene, Grease	14	1 to 8
6	Mumbai Customs, Zone - II,	CFS,Navkar Corporation Ltd	Red Phosphorus, Phosphoric Acid, Heavy Alkalyte Benzene, Battery, Base Oil, Metal Scrap and Used Tyres	92	1 to 11
7	Nagpur-1	ICD Ajni	Coal tar pitch, Manganese, Alluminium Hydroxide, Waste papers, Teak logs, Scraps and Molybdenum compounds	56	1 to 8
8	Jodhpur	ICD,Concor, Kanakpura	27 numbers of Live Bombs and 19.4 MTS of war material scrap	0	3 to 9
9	Jodhpur	ICD, Udaipur	195 Kgs of empty cartridge shells	0	13

Sl. No.	Commissionerate	Name of ICD/CFS	Descn. of goods	No. of Containers	Period for which pending (in Years)
10	Jodhpur	ICD,Bhagat Ki Kothi	102.8 MTS of war material scrap	0	13
11	Tuticorin	Various CFSs	Municipal Waste	2	2 to 8
12	Tuticorin	Various CFSs	Used Tyres	94	1 to 6
13	Chennai V	Sanco CFS	8 Lots of scrap	0	4 to 9
14	Chennai IV	ICD Concor, Tondiarpet	2 Lots of scrap	0	6 to 9
15	Chennai IV	Balmer and Lawrie, CFS	20 Lots of scrap	0	1 to 13
16	Chennai IV	Triway CFS	5 Lots of scrap	0	3 to 9
17	Chennai IV	Gateway Distriparks CFS	1 Lot of scrap	0	5
18	Chennai V	All Cargo CFS	2 Lots of scrap	0	4 to 6
19	Chennai IV	ICD Concor	3 Lots of Used Tyres	0	4 to 12
20	Chennai IV	Balmer and Lawrie, CFS	4 Lots of Used Tyres	0	1 to 10
21	Chennai IV	Gateway Distriparks CFS	2 Lots of Waste Oil and Powder	0	6 to 16
22	Chennai IV	Balmer and Lawrie, CFS	3 Lots of Skull and Waste Paper	0	2 to 4
23	Chennai V	Sanco CFS	1 Lot of Waste Oil	0	5

Sl. No.	Commissionerate	Name of ICD/CFS	Descn. of goods	No. of Containers	Period for which pending (in Years)
24	Chennai IV	Triway CFS	1 Lot of Fabric waste	0	3
25	Tuticorin	St.Johns ICD	10 lots of waste paper	0	1 to 5
26	Cochin		1 lot of used tyres	0	5
27	Hyderabad	ICD, Thimmapur	Waste paper	3	3
28	Vishakapatnam	CFS, Sravan Shipping	205.10 MTs of PET Bottle and Paper scrap	0	4
29	Tughlakabad	ICD Tughlakabad	Hazardous cargo	15	1 to 8
30	Patparganj	ICD Patparganj	Furnace oil	18	5 to 17
31	Meerut	ICD Moradabad	Mixed waste	50	6 to 11
32	Customs NOIDA	CMA-CGM Logistics Park Pvt Ltd	Municipal and Domestic Waste	12	7
Total				469	

Statement 17

Clearance from State/Central Pollution Control Board
(Refer Para No. 5.5)

Sl. No.	Commissionerate	Name of the ICD/CFS	Whether ICD/CFS	Whether PCB clearances obtained	Environment Impact Assessment whether conducted	Remarks
1	Bolpur C.Ex.	Durgapur	ICD	No	No	The Department stated (December 2017) that No need for clearances from State and Central Board are not required from State and Central Pollution Board as there is no pollution generating machine in ICD
2	Shillong NER	Amingaon	ICD	No	No	
3	Kolkata	CWC, Kolkata	CFS	No	No	The Department has stated (December 2017) that PCB clearance was not required as they are not manufacturing / processing / recycling units.
4	Kolkata	Century Ply (JJP), Kolkata	CFS	No	No	
5	Kolkata	Balmer Lawrie, Kolkata	CFS	No	No	
6	Kolkata	Century Ply (Sonai), Kolkata	CFS	No	No	
7	Kolkata	LCL Logistics (India) Pvt. Ltd, Haldia	CFS	No	No	The Department has stated (December 2017) that there is no explicit provisions are available in HCCAR 2009 to empower the Customs authority to implement the norms of Environmental Risk Assessment for CFSs
8	Indore	Concor, Pithambur	ICD	No	No	
9	Indore	Concor,Mandideep	ICD	No	No	
10	Tughlakabad	Tughlakabad	ICD	Not furnished	Not furnished	
11	Patparganj	Patparganj	ICD	Not furnished	Not furnished	
12	Patparganj	Ballabhgarh	ICD	Not furnished	Not furnished	
13	Patparganj	Sonepat	ICD	No	No	Environmental clearance not obtianed. Case was treated as violation of environmental norms by the State Environment Impact assessment (EIA) authority, Haryana and the case was transferred to Ministry of Environment and Forest for clearance as a case of violation under sub section -13 (2) of EIA notification dated 14 March 2017.
14	Ahmedabad	Khodiyar	ICD	No	No	Deal with storage of hazardous cargo, clearance from State/Central Pollution Control Board was not obtained
15	Ahmedabad	Dashrath	ICD	No	No	Deal with storage of hazardous cargo, clearance from State/Central Pollution Control Board was not obtained
16	Ahmedabad	Adalaj	CFS	No	No	Deal with storage of hazardous cargo, clearance from State/Central Pollution Control Board was not obtained

Sl. No.	Commissionerate	Name of the ICD/CFS	Whether ICD/CFS	Whether PCB clearances obtained	Environment Impact Assessment whether conducted	Remarks
17	Jamnagar	CWC Kandla	CFS	Not furnished	Not furnished	
18	Jamnagar	LCL Logistics (India) Private limited, Pipavav	CFS	Not furnished	Not furnished	
19	Bangalore City	CONCOR	ICD	No	No	Deal with storage of hazardous cargo, clearance from State/Central Pollution Control Board was not obtained
20	Bangalore City	CWC, Whitefield	CFS	No	No	Deal with storage of hazardous cargo, clearance from State/Central Pollution Control Board was not obtained
21	Noida	Allcargo Logistics Pvt. Limited	CFS	No	No	
22	Kanpur	Panki, Kanpur	ICD	No	No	Not obtained prior to 2016-17
23	Noida	Star Track Terminal, Dadri	CFS	No	No	Not obtained prior to 2016-17
24	Noida	Loni	ICD	No	Not furnished	
25	Meerut	Moradabad	ICD	Not furnished	Not furnished	
26	Ludhiana	GRFL	ICD	No	No	
27	Ludhiana	OWPL	CFS	No	No	
28	Ludhiana	KCM	CFS	No	No	
29	Ludhiana	Dhandhari Kalan	ICD	No	No	

Statement 18

Import and Export of Prohibited goods
(Refer Para No. 5.6)

Sl. No.	Commissionerate	Name	Description of restricted / prohibited goods exported	Period of Exports	No. of consignments / containers	FOB Value (in crore)	Type	Authority
1	Chennai IV	ICD, CONCOR, Tondiarpet	Wheat Flour	May 2012 to January 2013	36	0.62	Prohibited for exports	Exempted from ban vide DGFT Notfn 31 only w.e.f 4.02.2013 (Prior to this ban was in force)
2	Chennai IV	ICD, CONCOR, Tondiarpet	Edible Oil	May 2012 to December 2012	7	0.27	Prohibited for exports	Edible oil: Notn.No.77 dt: 28.9.2011, Notn.No.9 dated 1.8.2012 and Notfn 24 dated 19-10-2012
					43	0.89		

Statement 19

Import and export of Restricted goods
(Refer Para No. 5.6)

Sl. No.	Commissionerate	Name	Description of restricted / prohibited goods imported	Period of import	No. of consignments/ containers	Assessable Value (In Crore)	Duty involved (In Crore)	Nature of restriction	Nature of irregularity
1	Chennai V	ICD, Irungattukottai	Steel Sheets imported by M/s. BSH Household Appliances Pvt Ltd	Aug-14	1 consignment	0.49	Details not furnished	DGFT Notification No. 44 (RE-2000)/1997-2002 dated 24-11-2000 . As per Appendix V to Schedule I of the ITC(HS) Classifications of Export and Import Items, shall be subject to compliance of the mandatory Indian Quality Standards and the exporter / manufacturer shall be required to register themselves with Bureau of Indian Standards(BIS)	Goods cleared without mandatory BIS certificate. Though the import of Steel sheets made subsequently were ordered to be re-exported due to non-production of BIS certificate, the clearance of similar imports without the mandatory BIS certificate was found not in order.
2	Mormugoan	ICD Verna, Goa	Non-Alloy Steel Melting Scrap 506.79 MT) imported by Marmagoa Steel Ltd	2012-13	19 containers	Details not furnished	Details not furnished	Para 2.32 of Chapter-2 (Foreign Trade Policy 2009-14), Import of any form of metallic waste, scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste / scrap containing radioactive material, any type of arms, ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise and Import of scrap would take place only through specified designated ports. ICD Verna has not been specified for such importation	The Department cleared the consignments though ICD Verna was not included in the list of specified ports for handling scrap.
3	Ahmedabad	ICD Khodiyar Gandhinagar	All goods under Chapter 30 consisting Drugs and Pharma products	2012-13 to 2016-17	14 consigments	7.83	Details not furnished	To have proper monitoring over the quality of import under drug and pharma goods a Public Notice dated 19-03-2007 was issued by the Commissioner of Customs, Ahmedabad instructing that drugs and pharma goods cannot be imported through ICD.	Department allowed commodity classified under CTH 30 (consisting of drugs and pharma product) in violation to the Public Notice
4	Shillong, NER	ICD, Amingaon	Eri Cocoons (10 MT)	Jan-14	1 consignment	0.71		DGFT Notification No. 03 (RE-2003)/2002-2007 dated 31.03.2003, Silkworm Cocoons are a 'Restricted Item' for which exports are permitted only under licence granted by the DGFT.	Exports were allowed without the mandatory export license. However Drawback of Rs. 71,554/- was also sanctioned
Total					49 consignments	9.03			

Statement 20

Non realization of Duty Drawback
(Refer Para No. 5.7.1)

Sl. No.	Commissionerate	Name of the ICD	Whether ICD/CFS	No. of Exports/ SBs	Period of Exports	Pending realisation (Amount in Crore)	Delay as on 31-3-17 (Months)	Drawback Paid/ Sanctioned (Amount in Crore)	Remarks
1	Tuticorin	St. John's ICD, Tuticorin (Private) of Tuticorin Customs Commissionerate	ICD	31007		2935.24		194.43	Confirmed from RBI XOS data. Duty drawback paid on Textile and Textile articles falling under Chapter 53 to 63 itself constituted 90 per cent. Shipping Bills were dated prior to 31-3-2016
2	Chennai V	ICD, Irungattukottai (Private) of Chennai V Customs Commissionerate	ICD	710		163.42		3.05	Confirmed from RBI XOS data. Duty drawback paid on Textile and Textile articles falling under Chapter 53 to 63 itself constituted 90 per cent. Shipping Bills were dated prior to 31-3-2016
3	Chennai IV	ICD, CONCOR, Tondiarpet (Public) of Chennai IV Customs Commissionerate	ICD	2296		593.77		10.62	Confirmed from RBI XOS data. Duty drawback paid on Textile and Textile articles falling under Chapter 53 to 63 itself constituted 90 per cent. Shipping Bills were dated prior to 31-3-2016
4	Bengaluru City	ICD, Whitefield, Bengaluru City Commissionerate	ICD	111	October 2014 to December 2015	13.28	Not available	0.63	The department in reply to Audit Enquiry stated that SCN is being issued
5	Jodhpur	ICD, CONCOR, KANAKPURA, JAIPUR (INKKU6)	ICD	957	March 2012 to December 2015	132.75	15	5.12	Department did not receive BRCs in the above cases. This has resulted in undue benefit to exporters up to that extent. Obection in respect of 2 ICDs under same commissionerate
6	Jodhpur	ICD, THAR DRY PORT, JODHPUR (INTHA6)	ICD						
7	Hyderabad	Sanathnagar, Hyderabad	ICD					312.59	Export proceeds were not being monitored and exporters had not sub-mitted BRCs
8	Hyderabad	Thimmapur village Mahboobnagar	ICD					8.32	Exports proceeds were not being monitored and exporters had not sub-mitted BRCs
9	Mumbai Customs, Zone - I	ICD Mulund, Mumbai(INMUL6)	ICD	11	April 2012 to December 2014			0.14	Confirmed with XOS statement. On reply from the Department, out of 149 cases, replies in respect of 138 cases accepted, and in respect of 11 cases, Department issued SCN for Rs.14.05 lakh.
		Total		35092		3838.46		534.9	

Statement 21

Short execution of Storage Bond, BG and Insurance (ICD)
(Refer Para No. 5.8.1)

Sl. No.	Commissionerate	Name of the ICD	Whether ICD/CFS	Bond shortage in Cr	BG shortage in Cr	Insurance shortage in Cr	Period for which shortage noticed
1	Kanpur	M/s Kanpur Logistics Park Pvt. Limited, Panki	ICD	37	0.99	120.53	2016-17
2	Noida	Concor, Dadri	ICD			180.64	2016-17
3	Bolpur C.Ex.	ICD Durgapur, WB	ICD			97.8	2016-17
4	Patparganj	ICD Ballabhgarh (ACTL)	ICD	19			2016-17
5	Tughlakabad	ICD, Tughlakabad	ICD	596			2014-15 to 2016-17
6	Mumbai Customs Zone 1	Concor, Mulund	ICD	45			Bond not executed from date of inception (1995)
7	Pune	KSH, Distriparks, Talegaon	ICD	8	0.76		2012-13 to 2016-17
				703.62	1.75	398.97	

Statement 22

Short execution of Storage Bond, BG, Insurance (CFS)
(Refer Para No. 5.8.1)

Sl. No.	Commissionerate	Name of CFS	Whether ICD/CFS	Shortage of Bond (in Cr)	Shortage of BG (in Cr)	Shortage of Insurance (in Cr)	Period for which shortage was noticed (Bond)	Period for which shortage was noticed (Insurance)
1	Noida	M/s Star Track Terminal Pvt Limited, Dadri, Noida	CFS	45.90	4.6	NIL	based on 2014-15	
2	Noida	M/s Allcargo Logistic Park Pvt. Ltd., Dadri, Noida	CFS	57.43	5.74	117.51	based on 2013-14	2016-17
3	Noida	CMA CGM Logistics Park Pvt. Ltd, Dadri, Noida	CFS			202.66		2016-17
4	Kolkata	Balmer Lawrie & Co., Kolkata	CFS	55.49		590.38	2014-15	2016-17
5	Kolkata	Century Ply. -JJP, Kolkata	CFS	18.64	1.96	557.61	2013-14	2016-17
6	Kolkata	Century Ply. -Sonai, Kolkata	CFS	19.14	2.62	619.26	2013-14	2016-17
7	Kolkata	LCL Logistix, Haldia	CFS	17.61	1.02		2014-15	NA
8	Kolkata	CWC, Kolkata	CFS	56.10			2016-17	NA
9	Chennai IV	Triway CFS	CFS	0		564	2016-17	2015-16
10	Kochi	Cochin Port	CFS	0			2016-17	2016-17
11	Kochi	MIV Logistics CFS	CFS	4.77	0.28	21.11	2016-17	2016-17
12	Mumbai Customs Zone II	Speedy Multimodes	CFS	13.00	11.75	1164	2016-17	2016-17
13	Mumbai Customs Zone II	CWC Logistics Park	CFS	45.02		1945.55	2015-16	2015-16
14	Mumbai Customs Zone II	United Liner Agencies Of India	CFS	44.75	4.48	2328.3	2015-16	2015-16
15	Mumbai Customs Zone II	Navakar Coporation Limited	CFS	72.53	6.61	420.02	2016-17	2016-17
				450.38	39.06	8530.40		

Statement 23

Non Recovery of Cost Recovery Charges (ICD)
(Refer Para No. 5.8.2)

Sl. No.	Commissionerate	Name of ICD/CFS	Whether ICD/CFS	Amount (Rs. in Cr)	Period not paid for in advance
1	Nagpur-1	Ajni, Nagpur	ICD	0.07	NA
2	Jodhpur	Thar Dry Port, Jodhpur	ICD	7.06	January 2006 to December 2016
3	Jodhpur	Concor Khatuwas, Alwar	ICD	0.003	Jan 2017 to June 2017
4	Belgaum Central Excise	Desur, Belgaum,	ICD	7.06	May 2005 to September 2007
5	Ludhiana	PSWC	ICD		2016-17
6	Trichy Customs and Central Excise	Hosur	ICD	1.27	April-2015 to June 2017
7	Chennai IV	CONCOR,	ICD	0.1	April 2015 to March 2016
8	Mormugoan	Verna, Goa	ICD	0.09	up to March 2017
9	Butibori	Nagpur-1	ICD	0.52	
10	Ahmedabad	Sanand	ICD	2.25	2012-13 to 2014-15
11	Ahmedabad	Dashrath Vadodara	ICD	NA	NA
12	Tughlakabad	Tughlakabad	ICD	NA	NA
13	Patparganj	Patparganj	ICD	NA	NA
14	Noida	Dadri	ICD	3.32	01.02.2011 to 31.03.2015
15	Noida	Loni	ICD	5.31	April 2012 to March 2017
			Total	20.11	

Statement 24

Non Recovery of Cost Recovery Charges (CFS)
(Refer Para No. 5.8.2)

Sl. No.	Commissionerate	Name of ICD/CFS	Whether ICD/CFS	Amount (Rs. in Cr)	Period not paid for in advance
1	Ahmedabad	CFS, Channi Vadodara	CFS	0.59	January 2016 to March 2017
2	Kandla	Central Warehousing Corporation, Kandla	CFS	0.56	2012-13 to 2016-17
3	Ahmedabad	Adalaj Gandhinagar	CFS	NA	2012-13 to 2016-17
4	Mangaluru	CWC, Panambur	CFS		July 2007 to till date
5	Kolkata	Apeejay Infra Logistics Pvt. Ltd	CFS	3.92	
6	Kolkata	Ralson Petrochemical Pvt. Ltd.	CFS	3.57	
7	Kolkata	LCL Logistics (India) Pvt. Ltd, Haldia	CFS	1.63	
8	Mundra	Saurashtra Freight Pvt Ltd, Saurashtra Enclave, Mundra	CFS	NA	NA
9	Mundra	SeaBird Marine Services Pvt Ltd., Mundra	CFS	NA	NA
10	Jamnagar	LCL Logistics (India) Pvt Ltd, Pipava	CFS	NA	NA
11	Bengaluru City	HAL Cargo Complex	CFS	0.53	April 16 to Sept 2017
12	Bengaluru City	Central Warehousing Corporation (CWC) Whitefield,	CFS		16.3.2013 to Sept 2017
13	Kochi	Cochin Port	CFS	1.77	Accrued upto 31-3-2017
14	Kochi	MIV Logistics	CFS	1.14	Accrued upto 31-3-2017

Sl. No.	Commissionerate	Name of ICD/CFS	Whether ICD/CFS	Amount (Rs. in Cr)	Period not paid for in advance
15	Hyderabad	Kukatpally	CFS	NA	2007-08 to 2016-17
16	Kolkata	Century Ply (Sonai), Kolkotta	CFS	NA	Oct-13 to Mar 17
17	Noida	Albastoss Inland Port	CFS	NA	February 2011 to March 2015.
18	Noida	Star Track Terminals	CFS	NA	01.02.2011 to 31.03.2015
19	Noida	CMA CGM Logistic Parks (P) limited	CFS	NA	April 2016 onwards
20	Noida	Allcargo Logistic Parks (P) Limited	CFS	NA	2015-16 and 2016-17
21	Kolkata	Century Ply JJP, Kolkotta	CFS	2.22	25-2-2017 to 31-12-2017
22	Kolkata	CONCOR	CFS	1.4	25-2-2017 to 31-12-2017
23	Kolkata	A.L.Logistics Pvt Ltd	CFS	0.91	1-4-2017 to 31-12-2017
Total				18.24	

Statement 25

Theft and Pilferage of cargo
(Refer Para No. 5.8.4)

Sl. No.	Commissionerate	Name of ICD/CFS	Whether ICD/CFS	Incident occurred	Nature of incident	Details of Incident	Conclusion/Audit Observation
1	Jodhpur	CONCOR, Jaipur	ICD	2013-14	Theft	Theft of 500 kg lead ingot was reported by the Custodian	Duty realised or not couldn't be verified due to non-furnishing of record.
2	Chennai V	Sanco Trans Limited, Chennai	CFS	Nov-12	Theft	34070 Kgs of metal scrap missing	Responsibilty was not fixed and balance goods were lying in the CFS despite e-auction because the bidder found shortage of goods during taking possession of said goods.
3	Mumbai Customs Zone II	Speedy Multimodes Ltd,	CFS	Dec-14	Theft	Systematic theft/pilferage of 36.29 MT 'Red sanders' from six containers	Rs.12.29 Crore were recovered from the CFS on 28 Oct 2016
4	Mumbai Customs Zone II	Speedy Multimodes Ltd,	CFS	February 17	Missing	Three Washing machine valued at Rs.41.97 lakh was missing during examination.	As per the records made available to audit, no evidence of police complaint or SCN or reply from the CCSP was found on record
5	Mumbai Customs Zone II	M/s Speedy Multimodes Ltd,	CFS		Pilferage	Three containers of confiscated "Zinc alloy turnings" got mixed with mud and had been washed away due to dismantled frame as the container was lying for almost 10 years.	The goods were not found at the time of valuation for the purpose of disposal. The said CFS neither produced the abovementioned cargo for valuation nor provided any information in this regard. This has resulted in loss of govt revenue.
6	Mumbai Customs Zone II	Mulund	ICD	Mar-17	Missing	One 40 feet container shown loaded under the ETMS was physically empty (Container No. MSKU0556166) . M/s Raj International Pvt Ltd imported Teak Wood Round logs from the country Balbao Panama through Maersk Shipping line and also paid import duty of Rs. 0.30 lakh on the Assessable value Rs. 3.25 lakh	Custodian had issued notice to importer (M/s Raj International) on 7 July 2011 under section 48 for un-cleared goods, despite know-ing that the container was empty.
7	Jodhpur	ICD Concor	ICD	Dec-14	Shortage	Theft due to tampering of seal	Shortage of 5780 Kg of re-melted lead was noticed

Statement 26

Filing of manual Bills of entry and Shipping Bills
(Refer Para No. 5.8.5)

Sl. No.	Commissionerate	Name of ICD/CFS	Whether ICD/CFS	Number of BEs/SBs manually filed	Whether BEs/SBs	Reasons for such manual filing	Total BEs/SBs filed
1	Mangaluru	CWC, Panambur	CFS	1359	BEs	Commenced operations in 1997. Filed manually due to absence of ICES connectivity,	1410
2	Bengaluru	Whitefield	ICD	2479	BEs & SBs	Not furnished	478704
3	Ludhiana	GRFL	ICD	346	BEs & SBs	Not furnished	346
4	Ludhiana	PSWC	ICD	83	BEs & SBs	Not furnished	83
5	Ludhiana	Kanech	ICD	1	BEs	Commenced operations in January 2015	1
6	Ludhiana	OWPL	CFS	6	BEs	Not furnished	6
7	Hyderabad	Sanathnagar	ICD	501	BEs/SBs	Approval for manual filing was not obtained from Commissioner who is the authority for giving such approvals.	
8	Shillong NER	Amingoan	ICD	2528	BEs/SBs	Due to system problem	5494
9	Bolpur WB, C Ex	Durgapur	ICD	1345	BEs/SBs	During 2012-13 to 2014-15	8199
10	NOIDA	Albatross Inland Ports	CFS	599	BEs/SBs	Not furnished	255192
11	NOIDA	Star Track Terminals	CFS	93	BEs/SBs	Not furnished	290044
12	NOIDA	CMA CGM Logistics Park Pvt. Ltd., Dadri	CFS	2180	BEs/SBs	Not furnished	195281
13	NOIDA	Allcargo Logistics Park Pvt. Ltd. Dadri	CFS	11	BEs/SBs	Permission grnated by Commissioner for manual filing	204527
14	KANPUR	Panki	ICD	4	BEs/SBs		45784
				11535			

Statement 27

Constitution of LRM
(Refer Para No. 5.8.6)

Sl. No.	Name of Commissionerate	Name of the ICD	Whether LRM was constituted	Meetings were held regularly
1	Ludhiana	ICD, GRFL	Yes	No
2	Ludhiana	ICD, PSWC	Yes	No
3	Ludhiana	ICD, Dhandhari Kalan	Yes	No
4	Ludhiana	ICD, Kanech	Yes	No
5	Hyderabad	ICD, Sanathnagar	No	-
6	Bhuvaneshwar	ICD, Kalinganagar	No	-
7	Hyderabad	ICD, Thimmapur	No	-
8	Vijaywada	ICD, Marripalem	Yes	No
9	Bengaluru	ICD, Whitefield	Yes	No
10	Belgaum	ICD, Desur	Not functional	-
11	Noida	ICD, Dadri	Yes	No
12	Kanpur	ICD, Panki	Yes	N0
13	Noida	ICD, Loni	Yes	No
14	Allahabad	ICD, Bhadohi	Not functional	-
15	Meerut	ICD, Moradabad	Not furnished	-
16	Ahmedabad	ICD, Tumb	No	-
17	Ahmedabad	ICD, Khodiyar	Not furnished	-
18	Ahmedabad	ICD, Dashrath	No	-
19	Ahmedabad	ICD, Sanand	Not furnished	-
20	Jodhpur	ICD, Katuwas	Not furnished	-
21	Jodhpur	ICD, Concor, BGKT,	Not furnished	-
22	Jodhpur	ICD, Concor, Kankpura	Not furnished	-
23	Jodhpur	ICD, Thar Dry Port, Jodhpur	Not furnished	-
24	Ahmedabad	ICD, Udaipur	Not furnished	-
25	Tughlakabad (Import)	ICD, Tughlakabad	Not furnished	-
26	Patparganj	ICD, Patparganj	Yes	No

Sl. No.	Name of Commissionerate	Name of the ICD	Whether LRM was constituted	Meetings were held regularly
27	Patparganj	ICD, Bhallabhgarh	Not furnished	-
28	Patparganj	ICD, Sonepat	Not furnished	-
29	Indore and Bhopal	ICD, Mandideep	Yes	No
30	Indore and Bhopal	ICD, Powerkheda	Not functional	-
31	Indore and Bhopal	ICD, Pithampur	Yes	Yes
32	Shillong	ICD, Amingoan	No	-
33	Bolpur	ICD, Durgapur	Yes	-
34	Mumai	ICD, Mulund,	No	-
35	Pune	ICD, Talegaon	No	No
36	Nagpur	ICD, Ajni	No	-
37	Nagpur	ICD, Butibori	Not furnished	-
38	Goa	ICD, Verna	No	-
39	Tuticorin	St. John ICD, Tuticorin	No	-
40	Chennai V	ICD, Irangattukottai	No	-
41	Chennai IV	ICD, Concor Tondiarpet	Not furnished	-
42	Trichy	ICD, Hosur	Not furnished	-
43	Ernakulam	ICD, Kottayam	Yes	No
44	Calicut	ICD, Mathilakam	Not furnished	-

Statement 28

Constitution of Customs Clearance Facilitation Committee
(Refer Para No. 5.8.7)

Sl. No.	Commissionerate	CCFC has been constituted
1	Tuticorin	Not furnished
2	Chennai V	Not furnished
3	Chennai IV	Not furnished
4	Trichy Customs and Central Excise	Not furnished
5	Kochi	Not furnished
6	Calicut Central Excise	Not furnished
7	Bengaluru City	Not furnished
8	Belgaum Central Excise	Not furnished
9	Ludhiana	Not furnished
10	Tughlakabad	Yes
11	Patparganj	Not furnished
12	Indore	Yes
13	Bhopal	No
14	Ahmedabad	Not furnished
15	Jodhpur	Not furnished
16	Hyderabad	Not furnished
17	Vijayawada	Not furnished
18	Bhubaneswar-1	Not furnished
19	Bolpur, Central Excise	Not furnished
20	Shillong, NER	Yes

Sl. No.	Commissionerate	CCFC has been constituted
21	Kolkata	Yes
22	Noida	No
23	Meerut	No
24	Kanpur	No
25	Allahabad	Not furnished
26	Mumbai Customs, Zone - I	Not furnished
27	Pune	Not furnished
28	Nagpur-1	Not furnished
29	Margaon, Goa	Not furnished
30	Chennai VI	Not furnished
31	Jamnagar	Not furnished
32	Mangaluru	Not furnished
33	Mumbai Custom Zone II	Not furnished
34	Mundra	Not furnished
35	Visakhapatnam	Not furnished

Statement 29

Constitution of PCA Wing
(Refer Para No. 5.8.9)

Sl. No.	Commissionerate	Name of the ICD	Whether PCA consituted
1	Tuticorin	St. John's ICD	Yes
2	Chennai V	ICD, Irungattukottai	Yes
3	Chennai IV	ICD, CONCOR, Tondiarpet	Not furnished
4	Trichy Customs and Central Excise	ICD, Hosur	Not furnished
5	Kochi	ICD, Kottayam	Yes
6	Bengaluru City	ICD, Whitefield	Yes
7	Patparganj	ICD Ballabhgarh	No
8	Patparganj	ICD Sonepat (started during the audit period)	Yes
9	Patparganj	ICD Patparganj	Not furnished
10	Indore and Bhopal	ICD Mandideep	Yes
11	Indore	ICD Pithampur	Yes
12	Ahmedabad	ICD Khodiyar Gandhinagar	Yes
13	Ahmedabad	ICD Sanand	Not furnished
14	Ahmedabad	ICD Dashrath Vadodara	Yes
15	Ahmedabad	ICD TUMB (Navkar Terminal Ltd.)	Yes
16	Jodhpur	ICD CONCOR JODHPUR (INBGK6)	Yes
17	Jodhpur	ICD, CONCOR, KANAKPURA, JAIPUR (INKKU6)	Yes
18	Jodhpur	ICD THAR DRY PORT, JODHPUR (INTHA6)	Yes
19	Jodhpur	ICD, CONCOR, KHATUWAS, ALWAR (INCML6)	Yes
20	Bhubaneswar-1	Kalinganagar, Jajpur	No
21	Vijayawada	Marripalem, Guntur	No
22	Hyderabad	Sanathnagar, Hyderabad	Yes
23	Hyderabad	Thimmapur village Mahboobnagar	Yes
24	Shillong, NER	ICD, Amingaon	No
25	Central Excise, Bolpur	ICD Durgapur	Yes
26	Noida	ICD Dadri	Yes
27	Noida	ICD Loni	Yes

Sl. No.	Commissionerate	Name of the ICD	Whether PCA consituted
28	Meerut	ICD Moradabad	Yes
29	Kanpur	ICD Panki Kanpur	Yes
30	Mumbai Customs, Zone - I	ICD Mulund, Mumbai(INMUL6)	Yes
31	Pune	ICDTalegaon, Pune(INTLG6)	Yes
32	Nagpur-1	ICD Ajni, Nagpur(INGP6)	Yes
33	Margaon, Goa	ICD Verna, Goa(INMDG6)	No
34	Ludhiana	ICD: GRFL	Not furnished
35	Ludhiana	ICD: PSWC	Not furnished
36	Ludhiana	ICD: Dhandhari Kalan	Not furnished
37	Ludhiana	ICD: Kanech	Not furnished
38	Tughkalabad	ICD : Tughkalabad	Yes

Statement 30

BEs selected/audited by PCA
(Refer Para No. 5.8.9)

Sl. No.	Commissionerate	Name of ICD/CFS	Period	No. of BEs selected for PCA	No. of BEs audited by PCA	No. BEs time barred
1	Nagpur- I	ICD Ajni	2012-13 to 2014-15	3433	2696	737
2	Noida	CFS Star Track Terminal	2012-13 to 2014-15	4386	2300	2086
3	Noida	CFS Albatrosss Inland Port Pvt. Ltd	2012-13 to 2014-15	7532	6076	1456
			Total	15351	11072	4279

Statement 31

Non conduct of Internal Audit
(Refer Para No. 5.8.10)

Sl. No.	Commissionerate	Name of ICD/CFS	ICD	Whether Internal audit Conducted	Period for which Internal audit was conducted
1	Ahmedabad	ICD TUMB	ICD	Not Conducted	-
2	Ahmedabad	ICD Khodiyar	ICD	Not Conducted	-
3	Ahmedabad	ICD Dashrath	ICD	Not Conducted	-
4	Ahmedabad	ICD Sanand	ICD	Not Conducted	-
5	Bhubaneswar-I	Kalinganagar	ICD	Not Conducted	Not applicable
6	Bolpur	Durgapur	ICD	Not Conducted	Not applicable
7	Chennai (IV)	ICD, Concor Tondiarpet	ICD	Not Conducted	Not applicable
8	Chennai IV	Balmer & Lawrie	CFS	Not Conducted	Not applicable
9	Chennai IV	Triway, CFS	CFS	Not Conducted	Not applicable
10	Chennai V	ICD, Irungattukottai	ICD	Conducted	Furnished
11	Chennai V	All cargi CFS, Tiruvottiyur	CFS	Not Conducted	Not applicable
12	Chennai IV	Gateway Distriparks Manali	CFS	Conducted	Furnished
13	Chennai V	Sanco Trans	CFS	Conducted	Furnished
14	Chennai VI	CWC, Madhavan	CFS	Conducted	Furnished
15	Ernakulam	ICD, Kottayam	ICD	Conducted	Furnished
16	Hyderabad	Thimmapur	ICD	Not Conducted	Not applicable
17	Indore	ICD Mandideep	ICD	Conducted	2012-13 to 2016-17
18	Kochi	Cochin port	CFS	Not Conducted	Not applicable
19	Kochi	MIV Logistic	CFS	Not Conducted	Not applicable
20	Kochi	Falcon infrastructrue	CFS	Not Conducted	Not applicable
21	Kolkata port	Century ply (JJP), Kolkata	CFS	Not Conducted	Not applicable
22	Kolkata port	Balmer lawrie	CFS	Not Conducted	Not applicable
23	Kolkata port	Century Ply (Sonai)	CFS	Not Conducted	Not applicable
24	Kolkata port	LCL Logistics (India) Pvt. Ltd. Haldia	CFS	Not Conducted	Not applicable
25	Margaon, Goa	Verna	ICD	Not Conducted	Not applicable
26	Mumbai	ICD, Mulund,	ICD	Not Conducted	Jun-16

Sl. No.	Commissionerate	Name of ICD/CFS	ICD	Whether Internal audit Conducted	Period for which Internal audit was conducted
27	Nagpur- I	Ajni	ICD	Not Conducted	Not applicable
28	Patparganj	ICD Sonepat	ICD	Conducted	2016-17
29	Pune	ICD Talegoan	ICD	Not Conducted	-
30	Shillong	Amingoan	ICD	Conducted	2014-15 TO 2016-17
31	Trichy	ICD Hosur	ICD	Not Conducted	Not applicable
32	Tuticorin	St.Johns ICD	ICD	Not Conducted	Not applicable
33	Vijayawada	Marripalem	ICD	Conducted	2012-13
34	Hyderabad	ICD Sanathnagar	ICD	Not Conducted	Not applicable