



MINISTRY OF FINANCE :: DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER OF CUSTOMS
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C.No.VIII/48/64/2009-Cus.Pol.

Dated 27.08.2010

**MINUTES OF THE REVIEW MEETING HELD BY COMMISSIONER,
CUSTOM HOUSE, TUTICORIN IN AUGUST, 2010.**

In the previous Review Meeting held by the undersigned on 14.06.2010, specific works have been allotted to each Section. The work has been reviewed and the details are listed below. It should be ensured that wherever the officers are internally rotated or freshly posted, the outgoing officers must brief the incoming officers in detail about the ongoing work and its methodology of disposal. The excuse of "not knowing" all the work assigned to the Section will not be acceptable at all. The officers posted in the Section will be fully responsible from the very beginning of assuming charge.

VIGILANCE

- a) The pendency of disciplinary cases have been reviewed and necessary action has been taken. It is upto-date.
- b) According to the numerical strength of the officers posted in the Commissionerate and available postings, it has been worked out that all Superintendents and Inspectors posted to the Commissionerate for 3 years will work for 26 months in Sensitive charges and 10 months in Non-Sensitive charges.

c) The Non-sensitive charges are :-

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|-------------------------------|-------------------|-------------------------------|
| 1. Vigilance | 2. Statistics | 3. Arrears Recovery Cell |
| 4. Administration | 5. Review | 6. Legal |
| 7. Adjudication | 8. Customs Policy | 9. MCD-II |
| 10. EDI | 11. Audit, | 12. P.D. Bonds |
| 13. ICD Office | 14. CHA Section | 15. EPCG Monitoring |
| 16. DEEC & Schemes Monitoring | 17. PRO, | 18. MCD-I(Includes E.P. Copy) |

d) The Sensitive charges would be :-

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|---------------------------|---------------------------------|----------------------------|
| 1. ICD Export Assessment | 2. SIIB | 3. ICD Office E.P. Copy |
| 4. Export Assessment | 5. Bonds & Disposal | 6. ICD Drawback & Refunds, |
| 7. Import General(IG) | 8. C.H. DBK & REF | 9. Import Assessment, |
| 10. ICD Import Assessment | 11. Docks | 12. Old Port Examination |
| 13. CWC (Nhava Sheva) CFS | 14. KSPS CFS | 15. Hari & Co. CFS |
| 16. SEC CFS | 17. Export Examination | 18. CONCOR CFS |
| 19. ICD Examination | 20. CWC CFS | 21. CCFS CFS |
| 22. Import Examination | 23. Raja CFS | 24. Vilson CFS |
| 25. DSA CFS | 26. A.S. Shipping Agencies CFS. | |

The Superintendents and Inspectors would be posted in a Section normally for 8 months. However, the postings in Wharf Examination, Docks, CFS, ICD Examination will only be for 4 months. In addition to this, it is proposed that the officers posted in CFS examination for 4 months will also be rotated on monthly basis within the different CFSs. It is possible that for adhering to norms of 26 months and 10 months, there would be rotation of officers before or beyond the posting period of 8 months or 4 months in some cases. However, on administrative requirements and at the discretion of Commissioner some officers would be deviated from all the above norms.

P.R.O. / SUPDT.(ADMN.)

- 1) The works assigned to them have been satisfactorily completed.
- 2) Regarding the land purchase from Government Authorities, I have been intimated that District Collector has shown inability to allot any land. However, the undersigned had a meeting with District Collector who has opined that he will try to locate land adjacent to Municipal limits for Customs Colony which will be minimum around 3 acres. PRO / Supdt.(Admn.) should follow this up with his office. I was also informed that land is available with the Salt Department. However, due to some policy decision, the land can't be allotted at the moment. It is instructed that formal proposal should be made to appropriate authorities immediately through Commissioner. Formal proposals should also be sent to District Collector apart from Salt Department.

MCD SECTION (IGM DESK)

After the last Review Meeting, 107 IGMs in June, 108 IGM in July and 69 IGM in August have been closed. The closure of IGM job have been satisfactorily initiated. However, list of pending IGMs must be closed regularly at a higher speed. Further, action should immediately be initiated against the defaulting Shipping lines filing the IGM and are not giving details for closure of IGMs. This work should be started first from the year 2005 onwards on priority.

MCD SECTION (EGM DESK)

The stock of the EGM pendency has been taken by the Section. 627 EGMs were pending. In the last 2 months, 71 EGMs have been closed. The Section has been able to write letters to all the Steamer agents whose EGMs are pending closure for rectifying the errors. The Section should also write to all the CFSs where stuffing reports have not been entered and consequently some of the Shipping Bills have shown errors. The defaulting Shipping Agents should be issued Show Cause Notices, if they do not comply with the notices sent to them. No EGM for closure were attended after 2007. The MCD EGM Desk is now started working towards the closure of this job, which should be continued through out the year regularly. The non-compliance of Shipping agents should be punished as per law. Necessary computer connectivity should be provided to the Section on new 1.5 Version.

STATISTICS

After the last review meeting, I noticed that all the reports for the month of June have been sent on time without exception. This is praise worthy. However, because of introduction of 1.5 Version, the reports have been delayed in August, 2010. The generation of various reports through EDI in the existing menu should be understood fast. All the other reports, which cannot be generated locally, should be followed with Directorate of

Systems very closely with reminders every 3rd day. The assistance of help desk should be taken extensively.

ADJUDICATION

Review of all the Call Book cases have been completed. Adjudication of over 1 year cases are satisfactorily progressing. It must be ensured that the adjudicating authority must not keep any cases pending above 1 year by the end of September, 2010.

EPCG MONITORING CELL

The work undertaken by the officers of EPCG Monitoring Cell has been completed. All the licences have been taken into consideration and necessary action of reviewing of Bank Guarantees have been taken. The work of the Section is appreciated specially with respect to dedication towards the completion of backlog despite persistent infrastructural difficulty. The methodology of approach has led to correct upkeep of records as on date. The records have been updated. The recoveries have been done. Cases have been closed. All defaulters with respect to EODC have been served with a notice. The action for recovery from pending defaulters is now required. The officers have gone beyond my brief and are preparing a weekly abstract register for continuous monitoring. The undersigned would like the other officers of the Commissionerate to emulate the working of this Section. Well done.

DEEC SECTION

- 1) The Standing Order dated 03.06.2010 has not been followed. The first and the foremost thing is that the Section have to check up Bank Guarantees expiry date submitted alongwith the DEEC Licences in all cases where EODC period was over. The Bank Guarantee needs to be revoked immediately. This is not done. Although a list of Bank Guarantee has been drawn and kept properly yet action is to be taken on them by the Section.
- 2) There are 51 Registers in DEEC Section with all the details of DEEC licences. For registers 1 to 31, Show Cause Notices have been issued by the erstwhile officers. The registers show some of them have been adjudicated and the present status of the SCN was not entered in the register. The earlier SCNs need to be adjudicated immediately by the respective adjudicating authority. This should be done in a time bound manner i.e., by October, 2010. From register No.32 to 49, only 3 registers have been taken up for sending the demands for violation of EODC period. It is necessary that all violators should be sent the Demand Notice immediately. The replies received are to be considered by the Department on merits. In case the replies are not received or they do not deserve closure there is a need to issue SCN to the defaulters and adjudicated thereafter. Action as per the minutes of review meeting dated 14.06.10 has not been fully taken. Please also refer to last para in Standing Order No.6/2010 dated 03.06.10, which should be followed henceforth by all concerned in the DEEC Section and supervisory officers.
- 3) Section needs to update records so that the system of monitoring is continuous and should not require to change when a new set of officers join the Section on transfers.

LEGAL SECTION

The Section has studied the Court cases. It is found that 55 cases filed by parties in the Hon'ble High Court, Chennai are favourable to the Department. After going into the merits of each case, it is noticed that the Department is very strong on merits and there are all the chances to win these 55 cases. I have already directed the Section on the methodology of approach for early hearing and disposal of these cases. This includes approaching our advocates, meeting them, briefing them and giving support to them. Ultimately, we should realize the amount at the earliest. Similar exercise has to be done for favourable cases of the Department in CESTAT. Addl. Commissioner in-charge must review the CESTAT cases of similar nature. He should draw a plan for early hearing and disposing the case for favourable review at the earliest. This job should be completed by September, 2010.

ARREARS OF REVENUE

The Statements of Arrears of Revenue have been recasted and corrected after checking all individual files. I had instructed to list out top 25 defaulters under persuasive action and unrestrained cases to be taken for recovery on priority. I find that over Rs.40 Crores are locked in this case where immediate action can be taken. I have gone through these 25 cases and given specific instructions in each case for necessary action. These cases must be taken on priority. Similarly action for recovery in other cases must be taken by the Section and the in-charge Addl. Commissioner should monitor regularly.

EDI SECTION

The migration to 1.5 Version system is having large number of teething problems. We are constantly facing complaints and requests on day-to-day working of assessment and related activities. Two more Superintendents have been posted this month to help sort out the problems and communicate to Directorate of Systems (DOS) quickly. The EDI Section is required to daily monitoring of all the issues very closely. They should understand the issues themselves first so that calling for solutions from DOS become easier. This will also enable them to brief the officers in the Commissionerate effectively.

IMPORT GENERAL (IG)

The Transshipment Permissions granted by the Section since 2007 were not accounted for. I am happy to note that all the transshipments permits given from 2007 have been reconciled. In addition to that the action for collection of duty from the Ship Agents on vessels converted from foreign run to coastal run have also been recovered. This was not being done since 2007. Duty amount of Rs.54 Lakhs have already been collected and an amount of Rs.50 Lakhs will be collected in the coming month. The total arrears therefore collected will cross Rs.One Crore. This process should also be attended regularly henceforth. The officers posted in this Section have done well on all aspects of the jobs required to be attended by them.

DISPOSAL SECTION

The target of work given to Disposal Section has been achieved. The Section has been able to realize an amount of Rs.14.96 Lakhs from sale of rice from the State Government. The confiscated rice was sold to State Government.

All the uncleared cargo was put for E-Auction in 29 lots through MSTC, Chennai. 9 consignments were sold and Rs.54 Lakhs were realized. The 2nd E-auction is scheduled on 31st August, 2010. Amongst the confiscated goods, which are ripe for disposal, Red Sanders are to be disposed as per the Hon'ble Supreme Court Judgment and Government's direction. The matter has been taken up with Forest Department. This should be followed every fortnight. I have observed that amongst the seized goods the vehicles can be disposed under Section 110 of Customs Act. The disposal has to be done early for these 13 seized vehicles. They should get the reserve price fixed so that these 13 vehicles can be disposed off.

AUDIT SECTION

The work of the Section was reviewed. As directed by me in June, 2010, all 25 cases of SOFs have been revisited and discussed. The review results have been shown to the undersigned. Further, 89 paras pending have also been taken up for closure file-wise. They have made necessary correspondences for closure. However, I find that 27 replies have to be given by Import Section, which they have not done despite reminders. It is directed that they should reply to these 27 paras by the end of September, 2010. Similarly, 3 replies have to be given by Bonds, which they should give immediately. The CRA should be informed that the paras where Show Cause Notices have been issued should be closed. The Board's instructions in this regard should be quoted.

While reviewing the performance of Audit Section, I find that the Superintendents have worked hard and systematically updated all records. However, the Inspector posted in this section, Shri. Rajiah has absented himself by taking leave on one pretext or the other even after my review meeting in June, '10. This appears to be a case of avoidance of work. Mr. Rajiah is directed to join the duties immediately. Further, the attitude of such inspectors has brought indiscipline in the Commissionerate. The Inspectors absenting themselves for long periods during non-sensitive postings will not count in the period of such postings on the advise of controlling officer. The future posting orders may take this aspect into consideration. In case of deliberate absence of any officer, necessary disciplinary action may also be contemplated.

The Audit Section has completed their job satisfactorily despite the absence of one Inspector. The Section should be provided with the printer and a new key board.

DRAWBACK SECTION

Till date, 2828 Show Cause Notices involving 2,06,235 Shipping Bills amounting to Rs.1421.20 Crores have been issued. This has covered 95% of amount not covered by BRC in the Custom House. The progress is satisfactory. For smaller amount where BRCs have not been received we should write strong letters to the defaulters first before issuing SCNs. Pending drawback claims should also be attended. The job of monitoring BRC was not undertaken for the last seven years, has now been taken up.

PROVISIONAL ASSESSMENT

The progress in finalisation of Provisional Assessment is poor. The Section has not been able to meet the target set by me in June, 2010. All the points mentioned in the minutes of the review meeting dated 14.06.10 have not been followed at all. It is directed that the cases which can be finalized should be taken up on priority and the progress of finalisation should be completed by Asst. / Deputy Commissioner on routine day-to-day basis. The Addl. Commissioner should monitor the progress. The cases pending as on July, 2010 is 1291. Out of these, 928 cases are more than 1 year.

ST. JOHN ICD

During the Review meeting in June, 2010, it was instructed by the undersigned that all the Sections as in Custom House should also work similarly at the ICD. Similar pendencies and methodology was required to be adhered to. I direct the in-charge Addl. Commissioner, Shri R. Jagannathan to take a review meeting for the working of all the Sections at the ICD on the similar lines as above. His review meeting should be conducted any time in September, 2010.

R. J. Jagannathan
 27/9/10
 (AJAY DIXIT)
 COMMISSIONER

Copy submitted to the Chief Commissioner of Customs(Prev.), Chennai.

Copy to :

- 1) Shri S. Chandramohan, Addl. Commissioner, Custom House, Tuticorin.
- 2) Shri R. Jagannathan, Addl. Commissioner, Custom House, Tuticorin.
- 3) All the Deputy / Assistant Commissioners, Custom House, Tuticorin.
- 4) The Asst. Commissioner, St. John ICD, Tuticorin.
- 5) All the Sections in Custom House, Tuticorin – For necessary action.
- 6) All Sections in St. John ICD, Tuticorin.
- 7) All Customs Officers in all CFSs, Tuticorin.