



सत्यमेव जयते



NATIONAL TRS

NATIONAL TIME RELEASE STUDY

Across Seaports, Air Cargo Complexes, Inland Container Depots and Integrated Check Posts

2022



CENTRAL BOARD OF INDIRECT
TAXES AND CUSTOMS

DEPARTMENT OF REVENUE, MINISTRY OF FINANCE
GOVERNMENT OF INDIA





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Foreword

It gives me great pleasure to present the National Time Release Study 2022 (NTRS 2022) as a robust quantitative assessment of the EXIM cargo clearance process in the country, covering the four port categories, viz. seaport, inland container depot, air cargo complex and integrated check posts.

Trade facilitation and ease of doing business have been abiding concerns for the Government of India even before these initiatives acquired the contours of specific commitments under the Trade Facilitation Agreement (TFA), which has imparted enhanced rigour and urgency. These TFA commitments required gamut of initiatives by various government departments and other stakeholders at the border, as comprehensively listed in the National Trade Facilitation Action Plan (NTFAP), 2017-2020 drawn up by the National Committee for Trade Facilitation.

NTRS 2022 comes at an opportune time, as India has notified the implementation of all our Category B commitments on February 22, 2022, thereby fulfilling our commitments fully under the TFA. It is appropriate, therefore, for TFA recommended Time Release Study to undertake an honest assessment of our progress in meeting the legitimate aspirations of stakeholders for facilitative trade ecosystem and identifying possible areas for further improvements. It would perhaps be useful to consider the areas for further improvement in the context of on-going exercise to implement "TFA Plus" commitments under the NTFAP, including the infrastructure and technology improvements.

This third version of the NTRS should also be viewed through the prism of iterative improvement. It has stabilized the essential methodology of the study, building on the experience of JNCH TRS and previous national TRS. Its adoption of stable and consistent methodology will allow for easy inter-temporal comparison in the years ahead. Further, by dovetailing the NTRS 2022 with local Time Release Study by select major Customs formations, including JNCH, and by seeking deeper insights, this collective initiative celebrates the WCO theme for this year – Scaling up Customs Digital Transformation by Embracing Data Culture and Building a Data Ecosystem.

NTRS 2022 provides another cause for celebration – its findings reflect further improvement in our trade facilitation endeavour, as measured by significant drop in average cargo release time across port categories and moving closer to the targets set under the National Trade Facilitation Action Plan 2020-2023.

I congratulate Shri Rajiv Talwar, Member (Customs) for guiding the NTRS Team jointly led by Shri Vijay Singh Chauhan, Customs Authority for Advance Rulings and Shri Gaurav Masaldan, Joint Secretary (Customs) and all the team members for bringing out this elegantly designed and insightful Time Release Study.

Vivek Johri
Chairman, CBIC

01

Executive Summary

- 1.1 National Time Release Study (NTRS) 2022 presents the findings of the annual study of cargo clearance process through four categories of ports, namely seaport, inland container depot (ICD), air cargo complexes (ACC) and integrated check posts (ICP) on land borders for both import and export cargo. This study covers bills of entry (for import) and shipping documents (exports) filed during the first week of January 2022 for cargo clearance through 15 major customs formations, which were tracked till February 7, 2022.
- 1.2 The objective of NTRS 2022 is to present the broad national level quantitative assessment of the cargo clearance process for this year, place the same in comparison with the performance during the corresponding period of the previous year (COPPY) and measure the achievement in terms of distance travelled towards National Trade Facilitation Action Plan (NTFAP) targets.
- 1.3 NTRS 2022 marks the stabilization of the methodology and data sources for conducting both import and export time release study, which has significantly improved since the conduct of first formal Time Release Study at Jawaharlal Nehru Custom House (JNCH) in 2017 covering only import release time.
- 1.4 This year, NTRS is being accompanied by more detailed and nuanced local studies by certain major Custom Houses, including the JNCH, based on exactly the same dataset, seeking insights into different aspects of the local cargo clearance process.

Imports:

- 1.5 The study of the import release time this year is based on the analysis of 61,976 bills of entry vis-à-vis 53,844 bills of entry during NTRS 2021 (covering the bills of entry filed during the first week of January, 2021) showing an increase of 15.1 percent.
- 1.6 The average import release time in 2022 has improved over 2021 in respect of all the four port categories, varying from 2 percent for ICPs (where the average release time at 17.25

hours was already significantly below the NTFAP target of 48 hours) to 16 percent for air cargo complex (ACC). The average release time of sea cargo cleared at the sea ports and inland container depots have improved by 12 percent. The average release time across various port categories is given in Table 1 below.

- 1.7 Recognizing its role as a tool for performance measure, NTRS 2022 reports the distance travelled by the country towards NTFAP target¹, in respect of both import and export of cargo for the four port categories. As shown in the Table 1 below, the distance to the NTFAP target has improved by 8 percentage points in the case of inland container depots, 15 percentage points for ACC and 17 percentage points for seaports, with integrated check posts continuing to over-perform vis-à-vis the target.

Table 1: Average Release Time and Distance travelled to NTFAP target: 2022

| Port Category (1) | Average Release Time (Hour: minute) (2) | Distance travelled towards NTFAP target (in percent) (3) | NTFAP target (in hours) (4) | Percentage improvement in Distance travelled to NTFAP target in 2022 vis a vis 2021 (5) |
|-------------------|---|--|-----------------------------|---|
| Seaports | 94:42 | 74 | 48 | 17 |
| ICDs | 89:39 | 76 | 48 | 8 |
| ICPs | 17:07 | 100 | 48 | 0 |
| ACCs | 49:56 | 75 | 24 | 15 |

- 1.8 NTRS 2022 reports further progress in respect of the four-fold “Path to Promptness”² for import release time, namely:

- (i) Filing of advance bills of entry, allowing for pre-arrival processing,
- (ii) Enhanced levels of facilitation,
- (iii) Promotion of Authorised Economic Operator (AEO) scheme, and
- (iv) Increased utilization of Direct Port Delivery (DPD) scheme.

- 1.9 There has been a substantial increase in advance filing of bills of entry, from 37 percent in 2021 to 74 percent in 2022, pursuant to statutory push in this regard vide amendment made through the Finance Act, 2021. This has enabled higher degree of pre-arrival processing, thereby, lowering the release time, as highlighted in the section on ‘Pre-arrival processing’.

¹The distance travelled towards NTFAP target denotes the percentage share of fastest Bills of Entry for which Average Release Time is within the NTFAP Target.

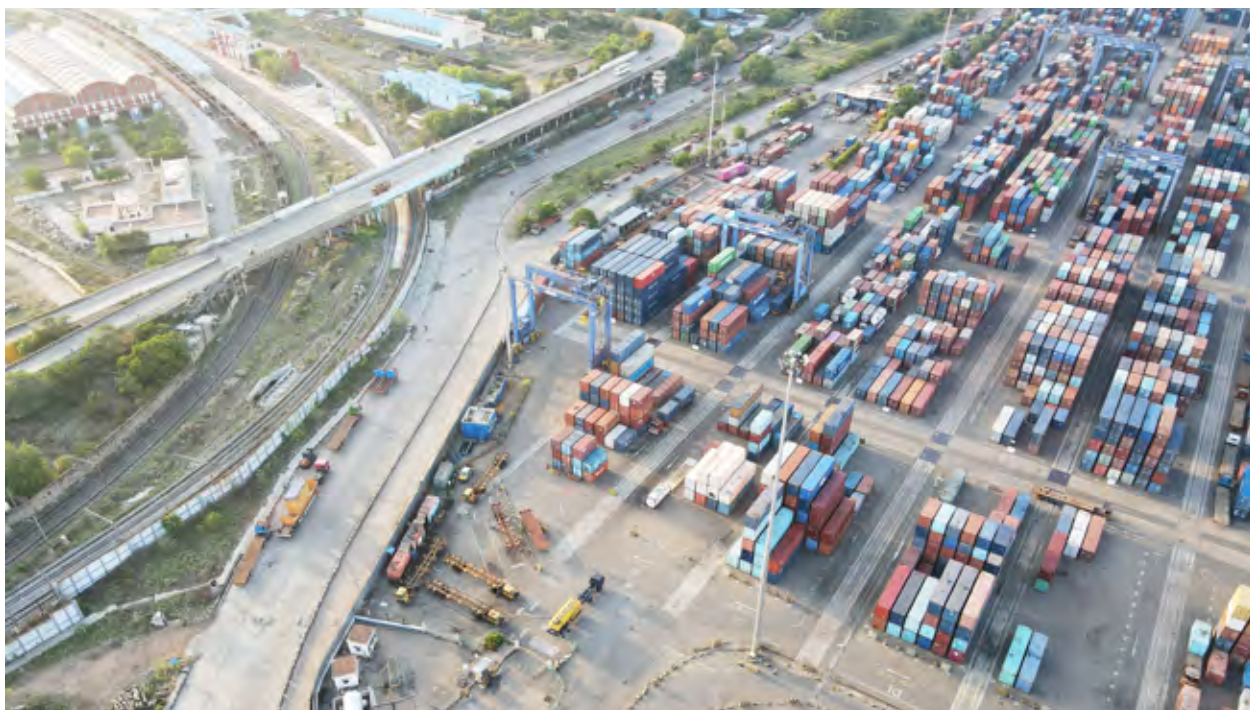
²The “path to promptness” was first recognized in the JNCH TRS 2019.

- 1.10 Higher levels of facilitation, consistent with a trust-based system driven by technology-enabled risk management system, are expected to result in better cargo release time. This continues to be validated by NTRS 2022, which reports that the average release time for facilitated bills of entry was lower than average release time for overall bills of entry, in respect of all the port categories. The overall facilitation level in 2022 has increased further to 85 percent from 81 percent in 2021.
- 1.11 While the average release time for AEO bills of entry (i.e., those filed by enrolled AEO clients and DPD bills of entry (i.e., bills of entry availing DPD facility) continue to be significantly lower than those not having the said features, the improvement in the uptake under the two schemes have been indifferent in 2022.
- 1.12 The bills of entry relating to cargo requiring additional regulatory clearance by the Participating Government Agencies (PGA) like Food Safety and Standards Authority of India (FSSAI), Plant Quarantine and others, covered under the rubric of “non-fiscal concerns” continue to report relatively higher cargo release time, with bills of entry relating to drugs and cosmetics reporting the best average release time among the PGAs that have onboarded the Single Window Interface for Facilitating Trade (SWIFT) initiative of the CBIC.
- 1.13 The stage-wise analysis of import release time has identified the time taken in payment of duty after assessment as the stage accounting for maximum time taken, noting a significant shift from delay in filing of the bill of entry or in assessment of the non-facilitated bills of entry, identified in the earlier TRS. The time taken from assessment to payment of duty has increased from 67.06 hours in 2021 to 88.37 hours in 2022.
- 1.14 This study has also identified increase in the recourse to amendments in the bills of entry, either by the importer for rectification of error or during the process of assessment as “impact dissipating” action, dampening the beneficial impact of advance filing of bills of entry and higher levels of facilitation.

Exports:

- 1.15 NTRS 2022 recognises the challenge in data sourcing for the conduct of Export TRS, which has been overcome to a large degree by merging the data from the customs automated system with those obtained from data sources of the local custodians. This has, however, required exclusion of shipping bills with inconsistency in timestamps from different sources. Notwithstanding, the large exclusions, the sample size for the Export NTRS 2022 is 50,656 shipping bills, as compared to 34,722 shipping bills for 2021.
- 1.16 The average export release time, as measured from the time of the arrival of the cargo at the customs station/port to its eventual departure by vessel/aircraft/railway/road, has reported an increase at seaport, inland container depots and air cargo in 2022 as compared to 2021. However, it is noteworthy that in the case of integrated check posts on land border, there has been 79 percent reduction in average export release time from 101:15 hours in 2021 to only 21:39 hours in 2022, thereby achieving the NTFAP target of 24 hours.

- 1.17 Under the export process, the shipping bills are mandatorily filed before the arrival of the cargo at the customs station, thereby ensuring pre-arrival processing. Further, the share of fully facilitated shipping bills has increased marginally from 87 percent in 2021 to 88 percent in 2022 across the four port categories.
- 1.18 The stage-wise analysis of export release data reveals that the share of the release time post grant of the Let Export Order (LEO) by Customs authorities (marking the completion of entire regulatory approvals) in the entire export release time varies from 60 percent in the case of integrated check post to 92 percent in the case of air cargo.
- 1.19 NTRS 2022 reports that while the distance travelled to NTFAP target of 24 hours for exports through integrated check posts on land border has been achieved. However, for the other three port categories the average release time continues to be very high and consequently distance to NTFAP targets also remains very high.
- 1.20 Noting further that the time taken from arrival of cargo to the grant of LEO, for air cargo at 4:04 hours is less than the NTFAP target of 12 hours and commendable 29.47 hours at the seaports, NTRS 2022 highlights the multiplicity of time-consuming processes involved in the export clearance after the grant of LEO. There is a tendency to cart export cargo to the gateway port, way in advance of the sailing date of the vessel, in order to avoid missing it. As a consequence, the cargo has to necessarily wait after regulatory procedures are completed- often for a long period of time.
- 1.21 NTRS 2022, based on its in-depth and multi-dimensional quantitative analysis, has made certain recommendations to address the challenges presented by the “impact dissipating” actions, such as delays in payment of duty and higher recourse to amendments to achieve the NTFAP target release time by 2023. On the export front, the recommendations acknowledge the substantively different nature of constraints that may require deeper analysis and initiatives covered under the rubric of “TFA Plus” of the NTFAP 2020-23.



02

Introduction

- 2.1 In the globalised world of today, the role of international trade in economic development is well recognised. No country can perhaps aspire to achieve economic progress without integrating into the global supply chain. Trade facilitation measures, generally understood to comprise simplification, modernization, and harmonization of export and import processes, as well as other measures going beyond export and import processes, such as those including infrastructural improvements, provide great fillip to international trade and streamline global supply chain.
- 2.2 Even as trade facilitation has been a priority for the Government of India for years, it has acquired greater focus and urgency since India ratified the Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO) in April 2016. TFA recognises the importance of regular performance measurement, and article 7.6 commends measurement of average cargo release time, including through the tool of World Customs Organization's Time Release Study (TRS).
- 2.3 National Committee on Trade Facilitation (NCTF) under the chairmanship of the Cabinet Secretary, which has been established in compliance of article 23.2 of the TFA, has drawn up a detailed time-bound National Trade Facilitation Action Plan (NTFAP) for domestic coordination and implementation of the commitments under the TFA and additional measures relating to infrastructure and technology augmentation. India has complied with all the commitments made under the TFA within the prescribed time periods. However, trade facilitation is a continuous process, and recognising the same, NCTF is currently monitoring the implementation of the second NTFAP 2020-23 focusing on the "TFA Plus" measures.
- 2.4 In India, Central Board of Indirect Taxes and Customs (CBIC) has been encouraging conduct of local TRS since 2013, when JNCH conducted the first TRS. NCTF too recognised the multi-purpose utility of TRS and provided for conduct of comprehensive annual National TRS. In compliance thereof, the first National Time Release Study (NTRS) was conducted as a two-phase exercise during 2019. The NTRS 2022 is the third annual NTRS and marks the stabilization of the methodology for both import and export TRS.

- 2.5 The NTRS 2019 was conducted across 15 port locations in India, covering four sea ports, three Inland Container Depots (ICDs), six Air Cargo Complexes (ACCs) and two Integrated Check Posts (ICPs). This coverage of NTRS has been retained. However, the conduct of NTRS in two phases - first from 1st to 7th August 2019 for seaports and ICDs, and second phase from 3rd to 9th September 2019 for ACCs and ICPs was found to be adversely impacted by weather conditions and misaligned with the timing of the local TRSs. Thereafter, NTRS 2021 was conducted in a single phase, covering the bills of entry and shipping bills filed in the first week of the calendar year, viz. from 1st to 7th January, 2021 with the objective to generate broadly comparable time series of average release time data for the ports, which have been conducting local TRS. Further, in view of the mechanism adopted for sourcing data from the customs automated system, supplemented by data from the custodians, it was felt unnecessary to conduct two-phase NTRS.
- 2.6 TRS has been recognised as a crucial tool for evidence-based policy making as well as for initiating local level measures to promote trade facilitation. While NTRS seeks to present broad national level trends relating to cargo release time, the sheer diversity of commodity-mix, infrastructure /manpower status, trader profile, etc. suggest that significant insights into clearance process, stakeholder quality and trade behaviour, etc. could emerge from local TRS. Therefore, this year NTRS 2022 is being complemented with local TRSs at select major field formations using exactly the same sample dataset, seeking to explore local issues and gain deeper insights based on sample sub-set pertaining to their ports.



03

Scope, Methodology and Data Source

3.1 NTRS 2022 seeks to present average national import and export release time for the calendar year 2022, based on the detailed quantitative analysis of bills of entry and shipping bills filed during the sample period of first week of January, 2022 at fifteen major customs stations, representing all four port categories.

3.2 **Geographical coverage:** The 15 customs locations covered include:

- (a) four seaports, namely (i) Jawaharlal Nehru Custom House (JNCH), also referred to as Nhava Sheva, (ii) Mundra, (iii) Kolkata, (iv) Chennai;
- (b) six Air Cargo Complexes (ACCs), namely (v) Ahmedabad, (vi) Bengaluru, (vii) Chennai, (viii) Delhi, (ix) Hyderabad, (x) Mumbai;
- (c) three Inland Container Depot (ICDs), namely (xi) Ludhiana, (xii) Tughlakabad, Delhi, (xiii) Whitefield, Bengaluru;
- (d) two Integrated Check Posts (ICPs), namely (xiv) Petrapole, West Bengal on India-Bangladesh border, and (xv) Raxaul, Bihar on India-Nepal border.



- 3.3 The customs locations also include different custodians at the covered seaport/ACC, associated CFSs catering to the seaports and transit cargo cleared through the said formations, even if they arrived at a different port/ACC.
- 3.4 The geographical coverage is representative of India's overall trade ecosystem as it covers approximately 80 percent of the bills of entry and 70 percent of the shipping bills filed with the customs automated system.

Unit of Study:

- 3.5 Indian TRS have invariably adopted bill of entry (in case of imports) and shipping bill (in case of exports) as the units for study, recognising that the documentary unit allow for ready electronic data from the customs automated system for all the four port categories, even as it acknowledges that useful insights may be gained from studying the sea cargo clearance process using containers (20 ft or 40 ft) as an unit.

Data Source:

- 3.6 One of the biggest strength of Indian TRS is that they are based on unimpeachable data sourced from the Customs Automated System maintained by Directorate General of Systems and Data Management, CBIC. Given that entire cargo clearance is handled in an electronic environment, precise timestamps indicating stage-wise progress of documentary clearance are readily available. This data is augmented with additional information about logistics/physical movement of cargo, obtained from the respective Custodians of the above port formations. Therefore, the findings of NTRS are significantly more robust than those reported by survey-based assessment of trade facilitation.

Performance Indicator:

- 3.7 NTRS takes average cargo release time as the performance indicator for both import and export cargo. This performance indicator is in line with the TFA provisions and adopts the WCO's definition of cargo release time as "the average release time is represented as the arithmetic mean of the time taken between arrival of the cargo at the port and its final release into the economy/final departure from the port via a standardized system. The lower the release time the better the performance."
- 3.8 More precisely, the import release time is calculated as the arithmetic mean of the time taken between 'Arrival of Goods' and grant of 'Out of Charge' by Customs upon completion of all regulatory requirements. Arrival of goods is represented by grant of Entry Inwards in case of seaports; arrival of cargo in case of ICDs and ICPs; and arrival of the aircraft in case of ACCs. Once Out of charge (OOC) orders are issued, goods can be cleared from the Customs station as per the convenience of the importer.
- 3.9 However, recognising the utility of quantifying the time taken by the trade in eventual evacuation of cargo from the customs station after the formal grant of OOC, perhaps due to transport or logistical constraints, NTRS 2022 has also reported the average time taken from grants of OOC to Gate Out (data for which have been obtained from the concerned custodians).

3.10 The average export release time is calculated as the arithmetic mean of the time taken between arrival of cargo at the port/customs station and final departure from the port/customs station. Final departure refers to the vessel-sail off in case of seaports; loading on the rake in case of ICDs; dispatch of the truck from the border gate in case of ICPs; and take-off of the aircraft in case of ACCs.

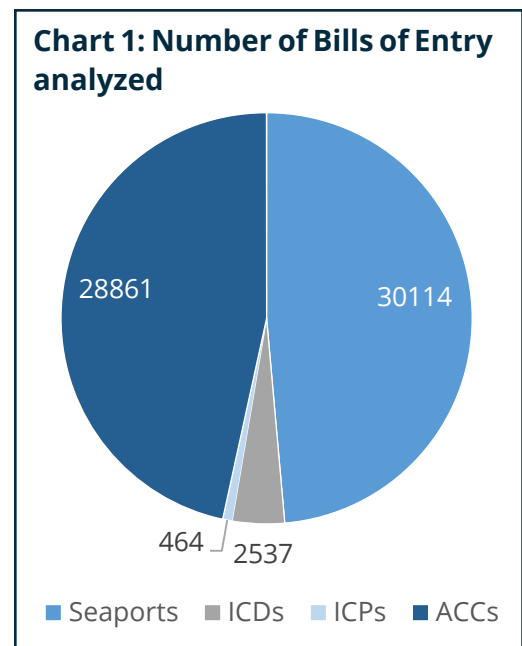
Sample Period:

3.11 As mentioned earlier, the sample period for the NTRS 2022 is 1st to 7th January 2022. Therefore, details of all the bills of entry and shipping bills filed between 1st and 7th January 2022 (the first week of the calendar year) were studied and tracked³ till 7th February 2022. The choice of 7th February to close the tracking is simply an administrative device meant to expedite the conclusion of the NTRS at the earliest, providing adequate time for follow-up action as part of TRS as a cyclical annual exercise.

Sample Size:

3.12 The total number of bills of entry initially taken up was 63,123. Thereafter, certain bills of entry were excluded for two sets of reasons: (i) those for which complete data was either unavailable or found unreliable; and (ii) significant outliers⁴ to retain the robustness of central tendencies of the sample. Upon exclusion of 1.8% bills of entry, the sample size for import release time works out to 61,976 bills of entry after exclusions⁵, the port category wise break-up of the same is given in Chart 1.

3.13 In case of export, the initial number of shipping bills taken up was 84,445. However, a much larger exclusion of about 40 percent was necessitated in the case of shipping bills, which is attributable to fact that export clearance process involves multiple and varied processes that take place after the grant of Let Export Order (LEO) by customs automated system. This has necessitated comprehensive merger of the data obtained from the customs automated



system with those from the database of different custodians, even for the critical data relating to the time of arrival of goods at the port and that of final departure from the port, which form the respective start and end points for analysis of export release time. Notwithstanding the challenges in the data merger, the sample size for export TRS at 50,656 shipping bills is both large and substantially higher than the sample size of 34,722 shipping bills underlying the NTRS 2021. It also marks a significant improvement over the first JNCH Export TRS 2018, which covered 199 shipping bills relating to six products. The

³Grant of Out of Charge in case of Imports and Let Export Order in case of Exports

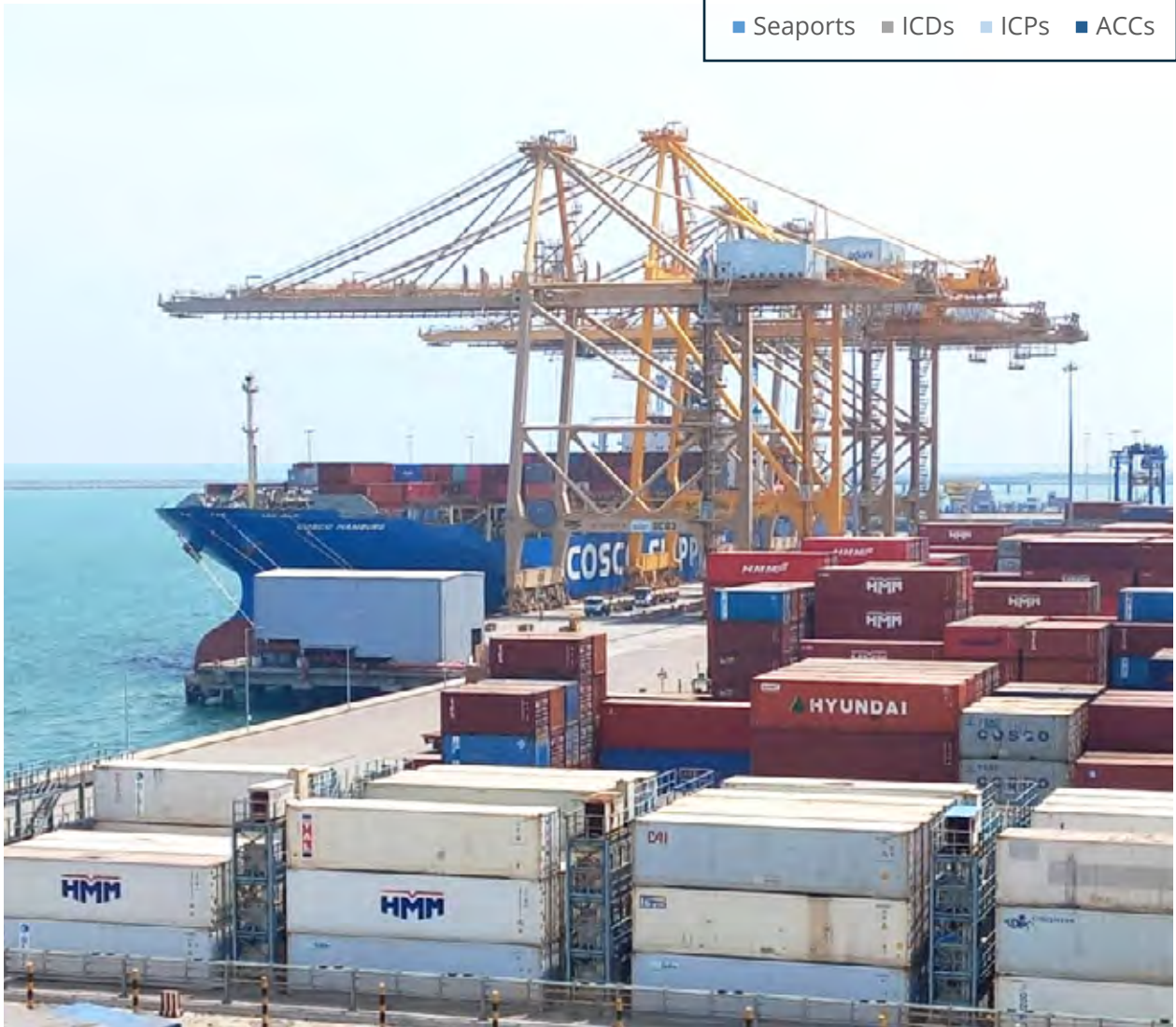
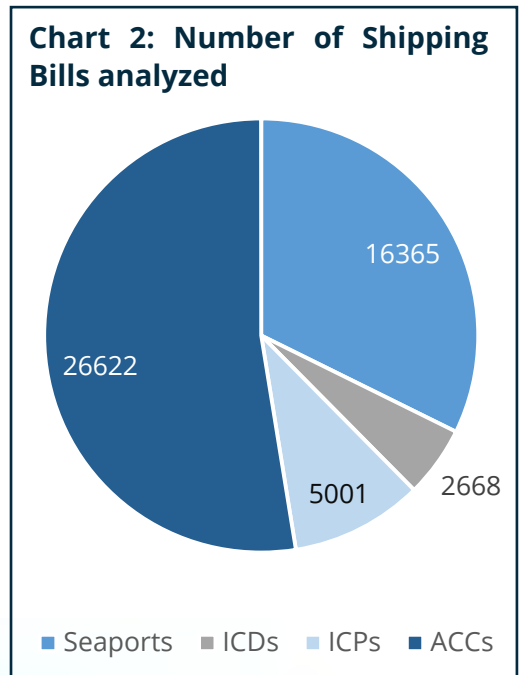
⁴Exclusions: a) BE/SB filed between 1st and 7th January 2022, for which release (OOC/Departure) was given after 7th February 2022; b) BEs in the study period relating to vessel granted entry inwards before 1st December 2021; c) Ex-bond BEs

⁵It includes 0.42%, 25.4%, 18.2% and 0.19% of bills of entry for Sea, ICDs, ICPs and ACCs respectively

port category wise break-up of the shipping bills analysed by NTRS 2022 after exclusions⁶ is given in the Chart 2.

Reporting format:

3.14 NTRS 2022 presents its analysis on port category basis, even as the underlying data in respect of the ports/stations included therein are annexed in this report. It, however, makes references to port-specific findings at appropriate places, adding richness to the quantitative analysis, in support of the point being made.



⁶It includes 62%, 27%, 3% and 19% of Shipping Bills for Sea, ICDs, ICPs and ACCs respectively

TRS as a Comparative Tool, a commendation and few words of caution:

- 3.15 NTRS 2022 presents a two-way inter-temporal analysis - comparison with performance indicators of the corresponding period of the previous year (COPPY) and comparison with targets⁷ set under the NTFAP 2020-2023. While a comparison with COPPY to assess the efficacy of the measures taken during the intervening period would be broadly in order, the impact of Covid19 disruptions may have impacted both sets of data. However, measurement of distance travelled to NTFAP target clearly impetus to redouble efforts to achieve the targets under next year.
- 3.16 A study that provides rich datasets for fifteen customs stations functioning under the same regulatory environment and administrative set-up is unique. The study also recognizes the potential use of NTRS in assessing the efficiency of the custodians and other facilities, performance of customs administration and other regulatory entities. However, such inter-spatial comparison would be possible with a more sophisticated analyses, those that inter alia factor in the impact of the importer and commodity-risk profile, which are broadly beyond the control of the custodian.
- 3.17 NTRS 2022 considers the average import release time for 80 container freight stations catering to the seaports of JNCH, Mundra, Chennai and Kolkata, which are known to have varying infrastructure and logistics capabilities, besides different trade and commodity mix, beyond their control. The Study found the average release time for these 80 CFSs to be 111:73 hours, with standard deviation of 32:38 hours. More interestingly, the average release time varied from a very impressive 41 hours, bettering the NTFAP target of 48 hours to 221:44 hours.
- 3.18 Similarly, the Study analysed the average import release time for air cargo through the six ACCs covered by NTRS 2022. It found that the average import release time for 69 airlines operating at these ACCs was 49:56 hours, but ranged between 20:84 hours (thus bettering the NTFAP target of 24 hours) to high of 757:55 hours, with 9 airlines reporting average release time in excess of 100 hours. It was also interesting to note that the average release time for four dedicated freight service providers was significantly higher at 83:19 hours than the average ACC release time of 49:56 hours.
- 3.19 In view of the above, the Study recognises that powerful insights with perhaps actionable inputs can emerge from more sophisticated analysis. However, with the present level of statistical rigor, use of NTRS 2022 as a tool for simplistic inter-spatial comparison even within the port category is not recommended.

⁷ The National Trade Facilitation Action Plan (NTFAP) target envisages to bring down the overall cargo release time for imports within 48 hours for Sea Ports, Inland Container Depot (ICD) and Integrated Check Post (ICP) and within 24 hours for Air Caro Complex (ACC). For exports, the revised NTFAP target envisages to bring down the overall cargo release time to 24 hours for the sea cargo, ICDs & ICPs and within 12 hours for ACCs.

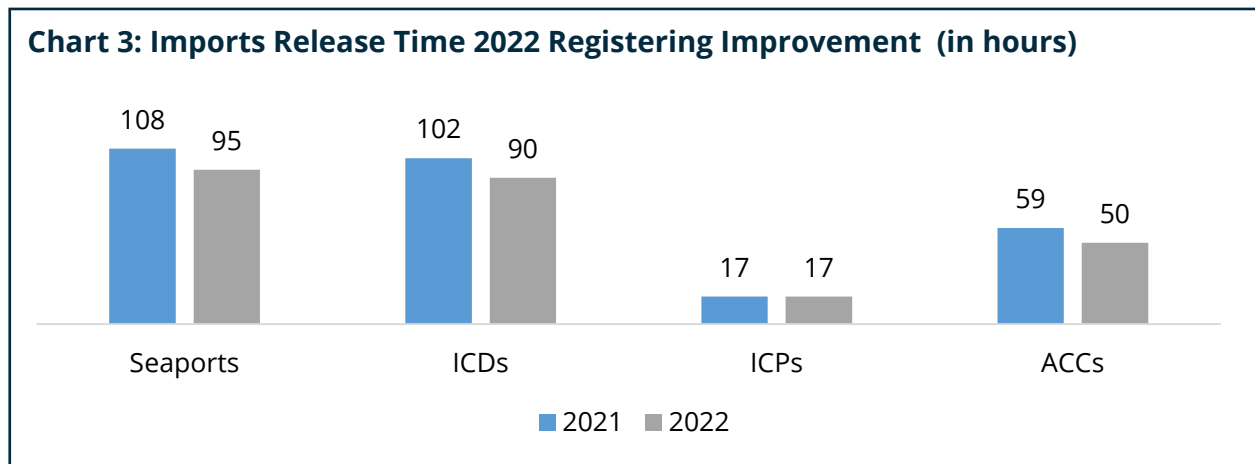
04

Section A: Import Release Time

4.1 The average import release time for the four port categories is presented in Chart 3 below. The average release time has improved for all the four port categories in 2022 over corresponding period of the previous year (COPPY) – by 2 percent for ICPs to significantly higher 16 percent for ACCs, as noted in Table 2 below. The average release time for the sea cargo cleared through the sea port or inland container depots have improved by 12 percent.

Table 2: Import Release Time across port categories

| Port Category (1) | ART - 2022 (Hour: minute) (2) | ART - 2021 (Hour: minute) (3) | Improvement over COPPY (in percent) (4) |
|-------------------|-------------------------------|-------------------------------|---|
| Seaports | 94:42 | 107:44 | 12 |
| ICDs | 89:39 | 102:07 | 12 |
| ICPs | 17:07 | 17:25 | 2 |
| ACCs | 49:56 | 59:29 | 16 |



- 4.2 The port-wise average release time is detailed in Annexure A. It reveals that 13 out of the 15 ports covered by this study have reported an improvement in the average release time, excluding only the two ICPs. Interestingly, the average release time for both ICP Petropole and ICP Raxaul have shown an increase - from 24:24 hours in 2021 to 31:18 hours in 2022 for ICP Petrapole and from 5:59 hours to 8:21 hours for ICP Raxaul, (thus remaining below the NFTAP target) even as the combined average release time for the two ICPs have reported an improvement by 2 percent. This apparent statistical paradox is explained by a significant increase in the share of bills of entry handled at ICP Raxaul in 2022, which has a significantly lower inter se average release time.
- 4.3 The maximum improvement in the average release time in 2022 over COPPY, among seaports was reported by Mundra (22 percent); among ACCs by Ahmedabad (25 percent) and among ICDs by Ludhiana (46 percent). Detailed analysis of performance of ICD Ludhiana finds that this improvement is on account of the first three components of the four-fold “Path to Promptness” namely:
- (i) Filing of advance bills of entry, allowing for pre-arrival processing,
 - (ii) Enhanced levels of facilitation,
 - (iii) Promotion of Authorised Economic Operator (AEO) scheme, and
 - (iv) Increased utilization of Direct Port Delivery (DPD) scheme.
- 4.4 At ICD, Ludhiana, the share of facilitated bills of entry increased from 67 percent in 2021 to 85 percent in 2022; enhanced level of facilitation was reflected through reduction in share of bills of entry targeted for examination from 21 percent in 2021 to 15 percent in 2022 and reduction in the share of bills of entry entailing amendment from 23 in 2021 to 20 in 2022; and increase in the share of AEO bills of entry from 10 percent in 2021 to 18 in 2022.



Distance travelled towards the NTFAP Target:

4.5 NTRS 2021 had developed the concept of measuring distance travelled to NTFAP target, computed by the percentage share of fastest bills of entry for which average release time is within the NTFAP target release time for that port category, as a readily understandable performance parameter. Adopting the same parameter, NTRS 2022 reports significant progress towards achieving the NTFAP target by seaports, ICDs and ACCs, even as ICPs continue to reflect 100 percent achievement.

Table 3: Distance Travelled Towards NTFAP Target:

| Port Category (1) | 2022 (in percentage) (2) | 2021 (in percentage) (3) | Improvement (in percentage points) (4) |
|-------------------|--------------------------|--------------------------|--|
| Seaports | 74 | 57 | 17 |
| ICDs | 76 | 68 | 12 |
| ICPs | 100 | 100 | 0 |
| ACCs | 75 | 60 | 15 |

4.6 Delving deeper, the study has found that 14 of the 15 ports have travelled closer towards the NTFAP target in 2022 as compared to COPPY, with Kolkata showing a marginal drop of 0.25 percent. ICD Ludhiana has reported the most commendable improvement of 40 percentage points, reason for which have been discussed in the preceding paras. The two ICPs at Petropole and Raxaul having met the NTFAP target in 2021 continue to sustain the performance.



05

Section B: Progress on Path to Promptness

- 5.1 In this section, progress regarding the four components of “Path to Promptness” that contribute to expeditious cargo release is discussed. At the outset, it must be mentioned that NTRS 2022 has found strong affirmation of the positive impact of the said four components on the improvement in the average release time.
- 5.2 As shown in Table 4, there is a general trend towards greater adoption of the trade facilitative practices. Most significantly, it is reflected in a substantial jump in the share of advance bills of entry (out of total bills of entry), which has increased from 37 percent in 2021 to 74 percent in 2022, driven mainly by the amendment carried out in section 46 of the Customs Act⁸ (vide the Finance Act, 2021) and related CBIC Circular 08/2021 dated 29th March 2021 essentially requiring advance/timely filing of bills of entry. This substantive jump is partly on account of change in the method of classification of advance bills of entry filed at the ICDs. Considering the bills of entry filed before the arrival of the cargo at the ICDs, whether by rail or road, and not before their arrival at the gateway port as was being done previously, as advance bills of entry, the share of advance bills of entry at ICDs have reached 85 percent, just below the seaports. However, the share of advance bills of entry at seaports have also witnessed a significant increase of 38 percentage points to 89 percent in 2022. The ACCs report a relatively lower share of advance bills of entry at 58 percent, despite more than doubling in 2022 over COPPY.
- 5.3 It is important to note that timely filing of bills of entry depends on the availability of requisite information/documents with the importer/Customs House Agent and the importer’s desire for expeditious clearance of cargo. For instance, in case of ACCs, many a time it has been seen that due to short duration of flights, requisite documents are not available on time with the importers. This would explain the lower share of advance Bills of

⁸As per Section 46 of the Customs Act, 1962, the importer may file the Bills of Entry 30 days in advance of expected arrival of the cargo. Vide Circular no.08/2021 dated 29.03.21, the importer is required to file Bill of Entry at least by end of the day preceding the actual arrival the cargo with few exceptions specified by the CBIC.

Entry at the ACCs vis-à-vis Sea ports and ICDs, as seen in table 4. However, the subsequent stage-wise analysis seems to suggest that behaviour of the importer/Customs House Agent also plays a major role in such delays/inability to file advance bill of entry.

Table 4: Progress on the Path to Promptness:

(Percentage share of bills in total bills of entry)

| Port Category (1) | Advance Bills of Entry (2) | | Facilitated Bills of Entry (3) | | AEO Bills of Entry (4) | |
|----------------------|-------------------------------|----------------|-----------------------------------|-----------|---------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Seaports | 89 | 51 | 81 | 76 | 31 | 31 |
| ICDs | 85 | 0 ⁹ | 75 | 72 | 20 | 12 |
| ICPs | 17 | 26 | 84 | 60 | 7 | 0 |
| ACCs | 58 | 26 | 90 | 87 | 31 | 47 |
| Total | 74 | 37 | 85 | 81 | 35 | 38 |

5.4 The share of facilitated bills of entry has continued to increase, reaching 85 percent in 2022 vis-à-vis 81 percent in COPPY. This increase in the levels of facilitation across port categories (and for 13 out of 15 ports/stations) is reflective of a trust-based cargo clearance system, wherein acceptance of the self-declaration by the trade upon system-driven scrutiny is the norm; and interventions are resorted to only in minimal number of necessary cases based on robust risk parameters. It is, however, recognised that the level of facilitation depends inter-alia on the importer/exporter profile and the commodity basket, which explains the variation in facilitation levels across different port categories. At the level of the ports covered by NTRS 2022, the facilitation levels ranged from 67 percent at Mundra seaport to 94 percent at ICP Raxaul.

5.5 The study notes that there is a significant variation in the share of AEO bills of entry across port categories and individual ports. In 2022, for individual ports, it varied from Nil at ICP Raxaul to a high of 51 percent at ACC Chennai. The study noted that there was slight decline in the overall share of AEO bills of entry across ports in 2022 as compared to 2021, during the sample period, which is attributable to the decline in share of AEO bills of entry at the ACCs, with the share of AEO bills of entry going up for ICDs and ICPs and remaining constant at 31 percent for the seaports. Among the ACCs, while all the six ACCs have witnessed a decline in the share of AEO bills of entry, only ACC Bengaluru has reported an increase in the number of AEO bills of entry in 2022 over COPPY. This study has not attempted an analysis of the reasons for decline in the share of AEO bills of entry, which would require more granular data at the IEC level.

⁹In case of ICDs, during the study of NTRS 2021, a Bill of Entry was said to have been filed in advance if it was filed prior to the grant of entry inward at gateway port. Whereas, in the present study, the Bill of Entry filed prior to the arrival of goods at the ICD are taken as filed in advance.

5.6 Table 5 below shows that the average release time for bills of entry with feature(s) of 'Path to Promptness' report better (lower) average release time. While advance bills of entry, facilitated bills of entry and AEO bills of entry, each by themselves across seaport, ACC and ICD report lower average release time than the overall release time for that port category, the best results are achieved when all the three features are combined, as shown in column (6) of the table 5 below. The results for ICPs are counterintuitive, attributable perhaps to small sample size and local factors.

Table 5: Average Release Time by Facilitation Parameters

| Port Category (1) | Overall (2) | Advance BE (3) | Facilitated ¹⁰ BE (4) | AEO BE (5) | Advance Facilitated AEO BE (6) |
|-------------------|-------------|----------------|----------------------------------|------------|--------------------------------|
| Seaports | 94:42 | 84:40 | 77:17 | 62:12 | 49:12 |
| ICDs | 89:39 | 81:16 | 75:59 | 56:22 | 53:07 |
| ICPs | 17:07 | 19:41 | 16:55 | 27:15 | 27:25 |
| ACCs | 49:56 | 38:15 | 44:16 | 37:11 | 27:09 |



¹⁰BEs under RMS Treatment code 2(Assessment only and no examination) and 4(No Assessment and No examination) are considered as facilitated BEs.

Pre-arrival processing on account of filing of advance bills of entry

5.7 The study also compared the average release time for advance and normal bills of entry during the sample period. The results presented in Table 6 below show that the average release time for advance bills of entry was lower by 51 percent of the average release time for the normal bills of entry for seaports. Similarly, the average release time for advance bills of entry was lower by 39 percent and 41 percent in the case of ICDs and ACCs respectively. The results for ICPs are counterintuitive for this dataset as well.

Table 6: Impact of Timely Filing of Bills of Entry on Average release time

| Port Category (1) | Normal Bills of Entry (2) | Advance Bills of Entry (3) |
|----------------------|------------------------------|-------------------------------|
| Seaports | 174:22 | 84:40 |
| ICDs | 134:31 | 81:16 |
| ICPs | 16:47 | 19:41 |
| ACCs | 65:44 | 38:15 |



Levels of Facilitation or Interdiction

- 5.8 The levels of facilitation and nature of interdiction vary depending on the extent or nature of risk. Based thereon, bills of entry are classified as: (a) fully facilitated bill of entry, wherein the self-assessment is accepted without any assessment or examination; (b) facilitated bills of entry, wherein only documentary verification and no physical examination is conducted; (c) non-facilitated bills of entry which may involve physical examination; and (d) first check, which is the most rigorous process, wherein assessment is contingent upon prior physical examination, which is resorted to in exceptional cases, including wherein the importer has doubts about the credibility of the supplier or nature/quality of goods (e.g. those bought as stock lot)
- 5.9 The benefit of facilitation is evidenced by significantly lower release time for facilitated bills of entry as compared to the non-facilitated bills of entry, which is consistent over all the four port categories. It was lower by 58 percent for ACCs, 54 percent for seaport, and 45 percent for ICDs, as shown in Table 7 below.
- 5.10 The Study also found broad correlation between degree/nature of intervention and average release time, with first of entry check bills involving the deepest intervention taking the maximum time and fully facilitated bills of entry cleared entirely on the basis of self-declaration taking the least time. In case of seaports and ACC, the average release time for fully facilitated bills of entry is less than 25 percent of the average release time for first check bills of entry.
- 5.11 The Study found that consistent with recognition of the impact of interventions on the cargo release time, the share of fully facilitated bills of entry was the highest among all categories, ranging from 54 percent for ICPs to 63 percent for seaports and impressive 83 percent for ACCs. On the other hand, there was minimal recourse to first check of about 1 percent for ACCs, 2 percent in the case of seaports and ICDs, and 9 percent in the case of ICPs.

Table 7: Facilitation Matters, as does Degree of Intervention

| Port Category (1) | Facilitated bills of entry (2) | Non-facilitated bills of entry (3) | Fully facilitated bills of entry (No assessment + no examination) (4) | First Check ¹¹ bills of entry (5) |
|-------------------|--------------------------------|------------------------------------|---|--|
| Seaports | 77:17 | 170:21 | 67:17 | 280:41 |
| ICDs | 75:59 | 138:30 | 72:06 | 229:49 |
| ICPs | 16:55 | 18:05 | 8:41 | 19:23 |
| ACCs | 44:16 | 107:50 | 42:33 | 173:13 |

¹¹The first check Bills of Entry are those Bills of Entry wherein the examination of cargo takes place before the assessment based on either request of the importer, where the importer is not aware of requisite details of the cargo imported or marking by Customs RMS/Authority for physical check, wherever necessary.

- 5.12 Previous TRS have recognized that assessment of bills of entry is often a time-consuming process. In this regard, during 2020, CBIC has rolled out Faceless Assessment as key enabler of Turant Customs, with the objective to ensure “uniform, anonymous Customs assessments and reduce interface between the Trade and Customs officers”. NTRS 2022 has attempted to discern the impact of Faceless Assessment by quantifying the average time taken in assessment of bills of entry, measured from filing of the bills of entry till completion of assessment for non-facilitated bills of entry.
- 5.13 The study has found the overall time taken in assessment of non-facilitated Bills of Entry for all the four port categories increased from 41:21 hours in 2021 to 50:47 hours in 2022. Further, while the assessment time has declined for ICDs from 76:17 hours in 2021 to 69:54 hours in 2022, during the same period, it has increased for the other three port categories – from 47:11 hours to 57:41 hours for seaports, from 9:13 hours to 14:10 hours for ICPs, and from 25:05 hours to 34:42 hours for ACCs. These findings suggest that there is a need for streamlining the Faceless Assessment scheme to minimize the time taken in the assessment process.



Trusted clients through Authorized Economic Operator (AEO) program

- 5.14 A trust-based facilitation measure i.e. the AEO program represents a modern approach to border controls based on the principle of “trust, then verify” versus the traditional approach of “verify, then approve.” The revised AEO programme, launched by CBIC in July 2016, recognizes the safe, secure and legally compliant importers/exporters as the trusted business partners of CBIC. These entities are entitled to a bouquet of benefits which are expected to have a positive impact on the overall release time.
- 5.15 In line with the expected outcome of the scheme, the average release time for AEO bills of entry is consistently lower than the non-AEO bills of entry under all categories, such as advance/normal, facilitated/ non-facilitated for the port categories of seaports, ACCs and ICDs. While the detailed comparative statement is at Annexure B, the following findings are worth highlighting:
- (i) Higher level of facilitation at 98 percent is accorded to AEO bills of Entry at ACCs vis-à-vis 84 percent for non-AEO bills of entry;
 - (ii) Similarly, facilitation level is 94 percent for AEO Bills of Entry at seaport and 96 percent at ICDs, as compared to 75 and 77 respectively for non-AEO bills of entry;
 - (iv) At seaports, 92 percent of AEO bills of entry were filed in advance as compared to 87 percent of non-AEO bills of entry, with comparative average release time of 55:22 hours for AEO bills of entry vis-à-vis 98:47 hours for non-AEO bills of entry;
 - (v) At ACCs, the average release time for AEO facilitated bills of entry at 35:04 hours was significantly lower than non-AEO facilitated bills of entry at 50:37 hours; similar comparison for seaports shows AEO facilitated bills of entry reporting 55:36 hours vis-à-vis 89:41 hours for non-AEO facilitated bills.
- 5.16 This study has, therefore, noted significant benefits of enrolment under AEO program in terms of twin benefits of higher levels of facilitation and lower release time vis-à-vis comparable category of non-AEO bills of entry. Notwithstanding the same, the on-boarding by the trade under the AEO scheme has been lukewarm, as seen from decline in the share of AEO bills of entry under NTRS 2022 to 35 percent vis-à-vis 38 percent in COPPY during the sample period.

Direct Port Delivery (DPD) Scheme

- 5.17 In 2008, CBIC introduced a flagship scheme called the Direct Port Delivery (DPD) facility, which allowed for the facilitated consignments to be given out of charge directly from the terminal premises. This works best at the CFS-based seaports like Nhava Sheva, Mundra and Chennai, that traditionally required the containers to be mandatorily moved from terminals to a nearby Customs Freight Station (CFS) for completion of customs formalities. By cutting down the need for movement of containers from terminal to CFS for border control purposes, it results in significant savings in time as well as cost.
- 5.18 As evident from Table 8 below, the average release time for DPD Bills of Entry is much less compared to the CFS bills of entry. It is interesting to note that in case of Mundra, release time for DPD containers has improved substantially from 123:54 hours in 2021 to 52:54 hours in 2022. It was learnt that earlier the container availing DPD facility was released only after the discharge of all the containers of the vessel in which the aforesaid DPD container has arrived. The above practice has now changed and the DPD containers are released without waiting for discharge of all the containers of the vessel.

Table 8: Direct Port Delivery - results in direct release time benefits

| Sea Ports (1) | All BE (2) | ART for DPD (3) | ART for CFS(non DPD) (4) |
|------------------|---------------|--------------------|-----------------------------|
| Chennai | 93:07 | 47:54 | 122:31 |
| Nhava Sheva | 88:23 | 75:03 | 106:10 |
| Kolkata | 144:23 | 59:41 | 202:12 |
| Mundra | 106:56 | 52:54 | 103:50 |

- 5.19 DPD uptake is calculated based on the number of equivalent TEUs opting for DPD. As gathered from the DPD cell of Nhava Sheva, DPD uptake is at 63 percent at Nhava Sheva. It is found that despite the time and cost savings of the DPD initiative, there was limited appetite for DPD facility. The reluctance of the importer to opt for the DPD facility appears to be attributable to concerns of logistics services, facilities offered by the CFSs and urgency for cargo delivery. Additionally, given the dynamics of the scheme, not every container can avail the benefits of the DPD scheme. For a 'Less than Container Load' (LCL) container requiring de-consolidation and for non-facilitated cargo mandated to undergo the stages of assessment and examination, realizing the benefits of DPD is difficult.
- 5.20 In view of the complex issues involved, mostly beyond the cargo clearance process covered by the NTRS, the study recognizes the need for a more detailed stakeholder consultation to understand the expectations and concerns of the trade regarding benefits and limitations of DPD facility for which the port authorities' active role would be necessary.

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Section C: Full container load (FCL) and Less than container load (LCL)

- 6.1 In the previous section, it was mentioned that the benefits of DPD scheme cannot be availed by importers filing LCL bills of entry. The distinction between LCL and FCL bills of entry may merit consideration for other reasons as well, including on the assumption that LCL cargo being small consignments can also serve as proxy for small importers. In the case of LCL cargo, goods covered by more than one bill of entry would be contained in a single container. FCL Bills of Entry may cover one or more than one container booked by one entity/importer.
- 6.2 In terms of the share of bills of entry filed, FCL cargo are more common accounting for 96 percent at Mundra seaport to 56 percent at Chennai. In terms of the total container numbers, FCL cargo account for the majority share, as seen in Table 9.
- 6.3 Since LCL cargo involves an additional stage of desegregation, it was earlier concluded that they would report higher release time vis-à-vis FCL bills of entry, as was first reported by JNCH TRS 2018. However, the aforesaid simplistic conclusion is not sustained by NTRS 2022, as shown in Table 9.



Table 9: Average import release time for FCL and LCL (by container)

| | Port (1) | All BE (2) | FCL (3) | LCL (4) |
|----------|-------------|---------------|----------------|---------------|
| Sea Port | Chennai | 93:07 | 111:56 (92.5%) | 79:59 (7.5%) |
| | Nhava Sheva | 88:23 | 94:40 (93.6%) | 86:08 (6.4%) |
| | Kolkata | 144:23 | 160:03 (99%) | 192:37 (1%) |
| | Mundra | 106:56 | 98:37 (99.6%) | 47:30 (0.4%) |
| ICD | Ludhiana | 76:02 | 62:47 (98.2%) | 98:58 (1.8%) |
| | Tughlakabad | 91:04 | 94:55 (93.6%) | 75:11 (6.4%) |
| | Whitefield | 88:48 | 91:21 (59.9%) | 59:16 (40.1%) |

- 6.4 It is interesting to note that the average release time for LCL cargo is lower than FCL cargo for Mundra, Chennai and even JNCH. However, at Kolkata seaport and Ludhiana ICD, the average release time for FCL cargo is lower than LCL cargo.
- 6.5 A stratified analysis reveals that the share of LCL bills of entry filed in advance is generally higher than that of FCL bills of entry filed in advance. For example, at Chennai and Mundra, about 94 percent of LCL bills of entry are filed in advance as against 91 percent and 84 percent of FCL bills of entry respectively. Further, the level of facilitation at about 92 percent for LCL bills of entry at Chennai is perceptibly higher than 76 percent in the case of FCL bills of entry.
- 6.6 It is understood that owing to the smaller size of LCL cargo, duty payment by the importer is prompt and there is generally an urgent requirement for cargo delivery which reduces the release time of the cargo. With the changing dynamics in the logistics sector, some of the service providers like consolidators pay duty on behalf of the importers, which results in faster clearance of the LCL cargo. Additionally, the rise of e-commerce sector has also created the need for faster clearance of LCL shipments.
- 6.7 Be that as it may, NTRS 2022 has not been able to draw definitive conclusions regarding the difference in the average release time for LCL bills of entry vis-à-vis FCL bills of entry, and recommends a more detailed analysis in this regard since a deeper insight may enable CBIC to improve the facilitative environment for the MSME sector.

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Section D: Impact of non-fiscal concerns, role of Participating Government Agencies (PGAs)

- 7.1 Import of various commodities entails non-fiscal concerns, which may require additional clearance or no-objection by the concerned regulatory authorities, duly empowered under the relevant statutes. The ecosystem of cross-border regulatory agencies is very large in India with over 50 agencies involved in EXIM trade governance. The extant cargo clearance process in electronic environment enables parallel processing of documents, as well as their pre-arrival processing through the Single Window Interface for Facilitating Trade (SWIFT) initiative of the CBIC, which seeks to promote Coordinated Border Management goal encouraged by the WCO.
- 7.2 The major regulatory agencies responsible for managing non-fiscal concerns include Food Safety and Standards Authority of India (FSSAI), Animal Quarantine and Certification Service (AQCS), Plant Quarantine Information System (PQIS), Drug Controller General (CDRUG), Wildlife Crime Control Bureau (WCCB) and Textile Committee (TC). These agencies have on-boarded the SWIFT initiative, and are generally referred to as the Participating Government Agencies (PGA).
- 7.3 NTRS has analysed the cargo release time of the bills of entry referred to the five PGAs that have joined SWIFT. It may be mentioned that certain other bills of entry not covered in this section may have required additional regulatory approval by agencies other than the five PGAs. However, other than bills of entry covering textile items, their numbers are likely to be very small and their impact on the average release time very insignificant.
- 7.4 In Table 10, the average release time for the five PGAs for different port categories has been presented. It shows that the average release time for bills of entry referred to the PGAs, other than CDRUG, are invariably higher than the average release time for the relevant port category. CDRUG, which has reported the best release time among all PGAs, has in fact reported average release time lower than the overall average for the ICPs. At the port level, it is seen that in the case of ACC Ahmedabad, ACC Hyderabad and the seaports of Nhava Sheva, Kolkata, and Mundra, the average release time for bills of entry marked

to CDRUG was lower than the overall release time for that port. NTRS 2022 applauds the achievement of CDRUG and recommends that a more detailed analysis of their best practices may enable other PGAs to streamline their clearance process as well.

Table 10: Participating Government Agencies (PGAs) – additional check requires additional release time

| Port Category (1) | All BE (2) | ART for BEs involving the following PGAs (3) | | | | |
|----------------------|---------------|---|--------|--------|--------|--------|
| | | AQCS | CDRUG | FSSAI | PQIS | WCCB |
| Seaports | 94:42 | 155:23 | 94:57 | 190:03 | 166:50 | 178:57 |
| ICDs | 89:39 | 108:33 | 117:52 | 222:55 | 193:05 | 205:23 |
| ICPs | 17:07 | 29:22 | 12:48 | - | 24:58 | - |
| ACCs | 49:56 | 116:17 | 68:41 | 234:16 | 214:26 | 53:55 |

7.5 However, it also appears that one of the possible reasons for lower average release time for bills of entry referred to CDRUG would be the sensitive nature of their cargo, including essential pharmaceutical items. These goods would have attracted high priority by CDRUG in the wake of the Covid-19 pandemic, which they seem to have met with commendable results.

7.6 NTRS 2022 has noticed that higher average release times for bills of entry referred to the PGAs is also on account of factors such as distance between the port and PGA laboratories, low frequency of sample collection, often constrained by lack of adequate manpower, training and capacity building and requirement of certain documents to be submitted in hard copy. For example, there is a lack of PGA testing facilities near ICD Ludhiana – the nearest AQ facility is in Delhi (with limited facility in Jalandhar), PQ in Amritsar and CDRUG in Baddi (Himachal Pradesh). Similar lack of testing facilities has been observed near other facilities, particularly ICPs. While the results of this NTRS do not highlight the constraining impact of these deficiencies, they are nonetheless very important.



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Section E: Stage-wise Analysis

- 8.1 The traditional cargo release was a simple sequential step-wise process, starting with the arrival of the cargo, followed by filing of the bill of entry subjected to various processes – assessment – optional examination – duty payment - registration, and eventual grant of out of charge. It was even considered possible to simply add up the time taken at various stages to quantify the cumulative cargo release time in majority of the cases.
- 8.2 However, various trade facilitative initiatives have disrupted the simple stage-wise process. The present architecture housed in an entirely electronic environment allows parallel processing, such as simultaneous verification by customs and PGAs. More significantly, extant statutory procedure allows pre-arrival processing - actually it encourages, and in certain cases mandates, filing of the bills of entry before the arrival of the cargo and imposes fees for late filing of bills of entry. Adoption of risk management and its gradual sophistication enables machine approval of self-assessment in most cases, and minimal recourse to assessment or examination by the customs officers. In majority of the cases, assessment is also completed before the arrival of the goods. In few cases, the importer opts to even pay the (self) assessed duty before the arrival of cargo. The statute provides for prompt payment of duty through charging of interest on late payment of duty. However, duty payment cannot be insisted upon before the physical arrival of cargo, the dutiable event being import of goods. To improve the efficiency of the various stages, online facilities have been provided and the processes of assessment made faceless. For most-trusted AEO clients, goods can even be cleared without payment of duty under the deferred duty payment scheme.
- 8.3 These transformative changes have made stage-wise analysis a challenging task. Nonetheless, such an analysis remains integral to Time Release Study. In NTRS 2022, the time taken at certain critical stages/events has been analysed. The extant provisions of the Customs Act mandate the importer to pay the import duty on the date of presentation of the Bill of Entry in the case of self-assessment or within one day (excluding holidays) from the date on which the Bill of Entry is returned to him in the case of assessment, reassessment or provisional assessment, except in cases of deferred duty payment.

8.4 In this section, the focus is on time taken in payment of duty and the average release time for the associated bills of entry. Based on detailed analysis, the following salient findings are highlighted.

- I. The study shows that there is a general preference to delay/defer payment of duty, and in most cases importers do not pay duty on the basis of self-assessment and await finalization of assessment, which results in marginally higher average release time, as shown in Table 11;
- II. Completion of the assessment process before the arrival of the cargo results in slightly higher time taken at the duty payment stage, which is most pronounced in the case of ICDs.
- III. At the aggregate level, time taken in payment of duty beyond one day for ACCs and two days for seaports and ICDs suggests that there is widespread non-compliance with regard to the payment of duty within the period prescribed for interest-free duty payment.

Table 11: Release time for BEs where payment is made after assessment

| Port Category (1) | ART for all Bes (2) | ART for cases where payment is made after assessment (3) | Share of cases where payment is made after assessment (4) | Time taken from Arrival to Payment (when Assessment before Arrival) (5) | Time taken from Assessment to Payment (when Assessment after Arrival) (6) |
|-------------------|---------------------|--|---|---|---|
| Seaports | 94:42 | 95:48 | 76% | 60:19 | 58:23 |
| ICDs | 89:39 | 90:55 | 89% | 81:34 | 64:24 |
| ICPs | 17:07 | 17:26 | 93% | 11:58 | 9:07 |
| ACCs | 49:56 | 53:43 | 79% | 33:23 | 34:52 |

8.5 The above conclusion regarding delays in payment of duty is also substantiated by the finding that in about 40 percent of bills of entry, interest for delayed payment of duty was paid. It is also interesting to note that this share is much higher than the 10 percent share of bills of entry which are filed late and attracted requisite fine for the delay. Further, the total amount of fees paid for delays in filing of bills of entry is substantially higher than the interest paid on delay in payment of duty assessed. It appears that the financial impact of delays in filings of bills of entry significantly outweigh the interest required to be paid for delayed duty payment, which seems to be influencing the importer behaviour. A more detailed study of these cases can bring greater insights to importer behaviour.

Table 12: Interest on Late Duty Payment and Fine on Delayed Filing of BE

| Port Category (1) | Share paying interest on duty (2) | Total interest amount (INR (3) | Share paying fine for delayed filing (4) | Total fine amount (INR) (5) |
|-------------------|-----------------------------------|--------------------------------|--|-----------------------------|
| Overall | 40% | 6.06 crores ¹² | 10% | 10.80 crores |
| Seaports | 37% | 4.40 crores | 11% | 6.64 crores |
| ICDs | 79% | 0.90 crores | 11% | 0.38 crores |
| ICPs | 21% | 9,500 | 2% | 89,000 |
| ACCs | 39% | 0.74 crores | 9% | 3.76 crores |

8.6 The study found that in cases of bills of entry, wherein the AEO client was eligible to avail the benefit of deferred duty payment, release time was significantly lower than the overall average release time. It may also be highlighted that NTFAP target release time was met in all these cases.

Table 13: ART for BEs involving deferred payment

| Port Category (1) | ART for all BEs (2) | ART for BEs involving deferred payment (3) | Share of BEs involving deferred payment (4) | ART for Advance BEs involving deferred payment (5) |
|-------------------|---------------------|--|---|--|
| Seaports | 94:42 | 42:44 | 7% | 36:31 |
| ICDs | 89:39 | 42:40 | 4% | 42:24 |
| ICPs | 17:07 | - | - | - |
| ACCs | 49:56 | 31:40 | 10% | 21:44 |

8.7 On the basis of aforesaid analysis, it is seen that with various trade facilitative measures such as pre-arrival and parallel processing through automated system, duty payment is now the most time-consuming step in the import-cargo clearance process.

¹²1 crore is equivalent to 10 million

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Section F: Time taken from Out of Charge (OOC) to Gate Out

- 9.1 The cargo clearance process is deemed to be completed with the grant of out of charge in the Customs automated system; and accordingly, 'grant of out of charge' has been considered as the final event in this process. The calculation of the average release time in NTRS 2022, consistent with the definition prescribed by the WCO Guide to TRS (2018), therefore, does not reckon any time taken by the trade in evacuation of the cargo after the grant of OOC.
- 9.2 Notwithstanding, the explicit acknowledgement that the time taken between OOC to Gate Out is not attributable to the cargo release process, NTRS 2022 has attempted to compute this delay in cargo evacuation post its clearance by correlating the data from the customs automated system and the custodians' database, assuming that it may indicate logistical challenge that the importer may face.
- 9.3 In the Table 14 below, average time taken from OOC to Gate Out is presented for the four port categories, which is seen to vary from 5 hours in the case of ICPs to 144:52 hours in the case of non DPD (CFS) cargo for seaports.

Table 14: Time taken in cargo evacuation after its release

| Port Category (1) | Arrival to OOC (2) | OOC to Gate Out (3) |
|-------------------|--------------------|----------------------------|
| Seaports | 94:42 | DPD : 40:29 CFS: 144:52 |
| ICDs | 89:39 | 66:04 |
| ICPs | 17:07 | 5:00 |
| ACCs | 49:56 | 18:58 |

9.4 In the case of seaports, the study recognizes three modes of evacuation –

1. DPD – DPD wherein containers are evacuated directly from the port terminal;
2. DPD-CFS wherein the containers upon grant of OOC are moved to CFS solely for post clearance storage purposes;
3. CFS wherein the containers are granted OOC after completion of cargo clearance process in the CFS and evacuated thereafter with a lag.

9.5 A simple comparison of the time taken in 2022 over COPPY presents an unclear picture, with some ports witnessing a reduction in the time taken from OOC to gate out, and others witnessing an increase. For JNCH, it is noted that the average time taken from OOC to gate out at CFSs catering to JNCH, on the basis of a limited sample study was reported to be 37:7 hours in 2017 and the comparable time taken has increased to 52:00 hrs in 2022.

9.6 It is understood that one of the reasons for the above delay is that certain approvals or payments by the importers are required to be made after the grant of OOC, which could be minimized by streamlining the said process and enabling parallel processing. This dwelling of the cargo at the CFS after grant of OOC could also be influenced by factors such as arrangement for storage/warehousing and transportation, urgency for cargo delivery by the importer depending on the requirement and storage space closer to the consumption points.



10

Section G: Impact Dissipating Actions

- 10.1 The study of the cargo clearance process by CBIC, aided by early JNCH Time Release Studies, had broadly identified delays in filing of bills of entry, time consuming assessment process and delays in payment of duty as three focus areas. Significant efforts, including statutory changes have been made to expedite the cargo clearance process. These have yielded commendable results as reflected in improved average cargo release times as well as further progress in distance travelled towards the NTFAP targets.
- 10.2 However, for the three major port categories, namely seaport, ICD and ACC, the distance travelled towards NTFAP targets is about 75 percent under NTRS 2022. This study has found that the expected improvement in the import release time on account of increase in advance filing of bills of entry and higher levels of facilitation, has not been fully realized. For the advance bills of entry, it was found that the bills of entry were filed on an average of about 76:22 hours¹³ prior to Entry Inwards/Arrival of cargo. Thereafter, for those advance bills of entry, which were accorded full facilitation by the customs automated system, self-assessment was accepted within an average timespan of 8 minutes. However, the anticipated gains on account of these two factors have not completely translated into the reduction in overall average release time.
- 10.3 For instance, in case of Kolkata seaport, the share of advance filing of bills of entry was 82 percent (with bills of entry filed on average 71:49 hours prior to Entry Inwards) and share of Bills of Entry completely facilitated by the customs automated system was 89 percent (with self-assessment of fully facilitated Bills of Entry accepted in average of 8 minutes). Notwithstanding the above, the average release time for Kolkata is the highest among all seaports under scope of this study at 144:23 hours.
- 10.4 In the analysis above, two major “impact dissipating” actions were identified:
1. Delay in payment of duty that dampens the advantages of advance filing of bills of entry and prompt full facilitation or expeditious completion of assessment. The

¹³86:40 hours for seaports, 106:39 hours for ICDs, 50:47 hours for ICPs and 56:00 hours for ACCs

statutory provisions relating to payment of interest on delayed payment of duty after (self) assessment have not been able to ensure prompt payment of duty.

2. Besides, delay in payment of duty, this study has identified amendments¹⁴ subsequent to filing of bills of entry either as part of assessment process or by the importer for curative purposes, as another “impact dissipating” action.
- 10.5 The study found that the share of bills of entry involving amendment has increased from 11 percent in 2021 to 32 percent under NTRS 2022, with substantially higher share of 44 percent for seaports. In order to understand the reasons for this increase, the sample data was analysed from different perspectives. Table 15 below presents the port category wise summary of the findings in this regard.

Table 15: ART for BEs involving Amendment

| Port Category | Overall ART (2022) | ART for BEs involving amendment (2022) | BE involving amendment (2022) | Time taken for Amendment (2022) |
|---------------|--------------------|--|-------------------------------|---------------------------------|
| Seaports | 94:42 | 105:14 | 44% | 16:44 |
| ICDs | 89:39 | 139:19 | 39% | 25:50 |
| ICPs | 17:07 | 14:39 | 3% | 5:15 |
| ACCs | 49:56 | 74:31 | 21% | 7:56 |

10.6 The Table 15 above shows that the bills of entry involving amendments reported higher release time as compared to the overall average release time for that port category to the extent of additional 49:48 hours in the case of ICDs, 24:45 hours in the case of ACCs and 10:43 hours in the case of seaports. However, when this differential in the average release time of the amended bills of entry vis-à-vis the overall average release time was compared with the specific time taken for the amendment process (i.e. from the filing for amendment of bill of entry to approval of such amendment, as recorded in the customs automated system) it was found to be significantly lower at 7:56 hours for ACCs (as compared to the overall differential of 24:45 hours; and 25:50 hours for ICDs (as compared to 49:48 hours). Interestingly, at the ICPs, while the average time taken in the amendment process was 5:15 hours, the average release time for the amended bills of entry was lower than the overall average release time.

10.7 Looking at the categories of bills of entry that may entail amendment, the study found that the amendment may involve both facilitated or non-facilitated bills of entry. For fully facilitated bills of entry, i.e. those which were cleared by the Risk Management Division

¹⁴Amendment of Bill of Entry is defined as, “Bonafide mistakes noticed after submission of documents, may be rectified by way of amendment to the Bill of Entry with the approval of Deputy/Assistant Commissioner. Amendment of Bill of Entry is permissible under Section 149 of Customs Act, 1962 and Levy of Fees (Customs Documents) Amendment Regulations, 2017, issued vide Notification No. 36/2017-Customs (N.T.) dated 11.04.2017, provides a number of amendments which can be allowed on payment of amount mentioned therein”.

(RMD) under the customs automated system with direction for “no assessment and no examination”, about 13 percent of those were subsequently recalled for assessment by the concerned field formations. Of these recalled bills of entry, 44 percent were finally assessed with amendments to the self-declared bill of entry.

- 10.8 In case of the non-facilitated bills of entry, the self-declaration by the importer is verified by the assessing officer, sometimes by seeking additional information or supporting documents from the importer, by way of raising ‘query’ through the customs automated system. For the seaport bills of entry, the study found that the average release time for queried bills of entry at 181:16 hours was significantly higher than the overall average release time of 94:42 hours. This intervention by way of query, however, was found to have resulted in amendment in case of 77 percent of bills of entry, thereby reflecting detection of deficiency or error in the self-declaration filed by the importer.
- 10.9 The study also found a significant correlation between amendment and the time of filing the bills of entry. It was found that while 37 percent of advance bills of entry subsequently filed for amendment, only 16 percent of the normal bills of entry involved amendment. It is understood that requests by importer for amendment to the advance bills of entry arises on account of non-availability of requisite information, particularly relating to Master Bill of Lading/Master Airway Bill. NTRS 2022 has found that about 89 percent of the amendment at ACCs, 82 percent at seaports and 71 percent at the ICDs were approved automatically by the customs automated system.
- 10.10 NTRS 2022 recommends appropriate strategy to reduce the need/proclivity for such amendments.



11

Section H: Export Release Time

- 11.1 Exports play a very important role in the economy, promoting economic growth and development, employment and the maintenance of balance of payments. Exports lead to a more competitive, productive and rapidly growing economy. Therefore, promotion and facilitation of exports has received highest priority of the Government. Enabling reduction in time and costs involved in exports are paramount for facilitation of exports.
- 11.2 The challenges to expeditious export clearance are, however, significantly different from import clearance process. This is due to the fact that unlike the import clearance process, export clearance process is fairly simple, entailing few regulatory approvals, which is reflected in high levels of facilitation of shipping bills and low clearance time from arrival of the goods at the customs station to grant of Let Export Order (LEO) by the customs. In the entire export process, the time taken by the regulatory authorities, including Customs, is in assessment of the shipping bill, verification of e-seal and grant of LEO post-registration.
- 11.3 As in the case of imports, the onus of filing of self-assessed shipping bill is completely on the exporter, and the same is invariably filed in advance, often well before the cargo leaves the exporters' premises. Thereafter, the exporter is responsible for bringing the goods from the factory to parking plaza/CFS/customs station. On arrival of the goods at the parking plaza/CFS/customs station, registration of the goods takes place; thereafter, upon verification of e-seal etc., Let Export Order is granted to goods clearing them for export.
- 11.4 After the grant of LEO, it is the logistics processes local to the respective ports that account for the time until the final departure of the vessel/aircraft/vehicle. In view of the peculiarities of the export clearance process, NTRS 2022 was conducted based on the data obtained from the customs automated system for the time stamps for filing of Shipping Bill till the grant of LEO and was supplemented with the data obtained from the Custodian's system for both the start and end point of export release time, i.e. arrival of goods at the port and final departure from the port. Thereafter, the time stamps from the Custodian systems were correlated with those available in the Customs IT system, to calculate the release time for the Shipping Bills, starting from and going beyond the data available in the

Customs IT system. Issues with merging different data sets, anecdotally understood to be attributable to the lags in data entry into the custodian system, have resulted in increased share of inconsistent/incomplete data points.

11.5 The time taken at each of these stages is shown in Table 16 below-

Table 16: Export Release Time: Delays after Grant of LEO

| Port Category (1) | Filing of Shipping Bill to Arrival of cargo at port (2) | Arrival of cargo to Departure (Export ART) (3) ¹⁵ | Arrival of cargo to LEO (4) | LEO to Departure (5) | Share of time taken from LEO to Departure in overall ART (6) |
|-------------------|---|--|-----------------------------|----------------------|--|
| Seaports | 41:24 | 191:41 | 29:47 | 162:03 | 85% |
| ICDs | 45:49 | 177:44 | 47:41 | 135:39 | 76% |
| ICPs | NA ¹⁶ | 21:39 | 11:07 | 13:04 | 60% |
| ACCs | 24:37 | 35:22 | 4:04 | 32:39 | 92% |

11.6 As seen in Table 16 above, the time taken from arrival of the goods to grant of LEO ranges from 4:04 hours in the case of ACCs to 47:41 hours in the case of ICDs. The time taken from arrival of the goods to grant of LEO is within the NTFAP target of 12 hours in the case of ACCs and that of 24 hours in the case of ICPs.

11.7 Likewise, in the case of seaports, the stage of LEO to departure accounts for 85 percent of the overall average release time, which is attributable to factors such as road congestion, time taken at terminal gate and within the terminal premises, loading of cargo on the vessel and time of departure of the vessel. It is therefore, evident that the export clearance process is dependent on the multiplicity of the processes involved after the grant of LEO by the Customs authorities.

11.8 The share of this stage in the overall average release time is highest to the extent of 92% in the case of ACCs. This time includes the time taken for loading of cargo in the aircraft and that for the departure of the flight, which is greatly dependent on the schedule of flights.

11.9 A break-up of this time, depending on the schedule of the aircraft is shown in Table 17 at following page.

¹⁵Departure refers to vessel sail off in case of seaports, take off of aircraft in case of ACCs, departure of truck from border gate in case of ICPs and loading on the reck in case of ICDs.

¹⁶For ICPs, time of filing of Shipping Bill is not available.

Table 17: Time from LEO to Departure based on Aircraft take-off schedule

| Schedule for Aircraft take-off | Time from LEO to Departure |
|--------------------------------|----------------------------|
| Midnight to 6 AM | 33:54 |
| 6 AM to Noon | 27:00 |
| Noon – 6 PM | 43:11 |
| 6 PM to Midnight | 24:53 |

11.10 The study also found that the average export release time for ICPs under NTRS 2022 has improved substantially, being reduced to almost one fifth of the average release time reported in 2021, as seen in Chart 4 below. However, the performance dipped slightly by 2 percent for seaports, and the dip was more significant for ACCs and ICDs, which could perhaps be attributable to the domestic disruptions caused due to Covid-19.

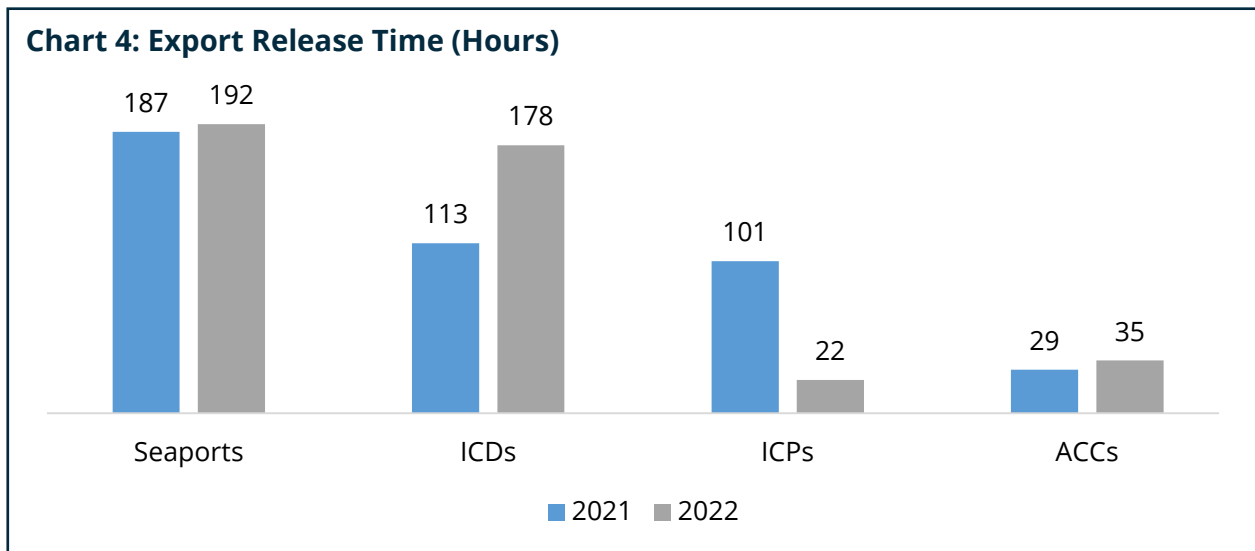


Table 18: Exports Release Time (Arrival of Goods at Port to Departure^{17,18})

| Port Category (1) | Export Release Time (2022) (2) | Export Release Time (2021) (3) | % Change (4) |
|-------------------|--------------------------------|--------------------------------|--------------|
| Seaports | 191:41 | 187:04 | 2% |
| ICDs | 177:44 | 113:03 | 57% |
| ICPs | 21:39 | 101:15 | -79% |
| ACCs | 35:22 | 29:17 | 21% |

¹⁷Departure refers to vessel-sail off for seaports, loading on the rake for ICDs, aircraft take-off for ACCs and dispatch of truck from border gate for ICPs.

¹⁸Timestamps for Arrival of goods at port and Departure are collected from logistics data of respective field formations. The analysis is performed on data that overlaps between customs data set from DG Systems (CBIC) and logistics data from respective field formations.

11.11 Export release time for all ports is detailed in Annexure A. When compared with the corresponding period of the previous year (COPPY), it was found that among seaports- Kolkata, among ACCs- Bengaluru and among ICDs- Ludhiana, reported maximum reduction in the average release time. Among ICPs, there was 54% reduction in the average release time in case of ICP Petrapole, attributable mainly to significant reduction in time taken from LEO to Departure.

Impact of facilitation:

11.12 After filing of the Shipping Bills electronically in the Customs automated system, based on risk analysis on various parameters, shipping bills are fully facilitated or subject to verification of self-assessment and/or examination. The study showed an increase in share of full facilitation across all port categories except in ACCs as seen in Table 19 below. The shipping bills that are not facilitated are understood to be mainly on account of non-fiscal regulatory concerns and may require No Objection certificate (NOC) from the concerned PGAs.

Table 19: Share of facilitation for exports (No Assessment No Examination)

| Port Category (1) | 2022 (2) | 2021 (3) |
|-------------------|----------|----------|
| Seaports | 89% | 80% |
| ICDs | 83% | 80% |
| ICPs | 84% | 73% |
| ACCs | 89% | 94% |

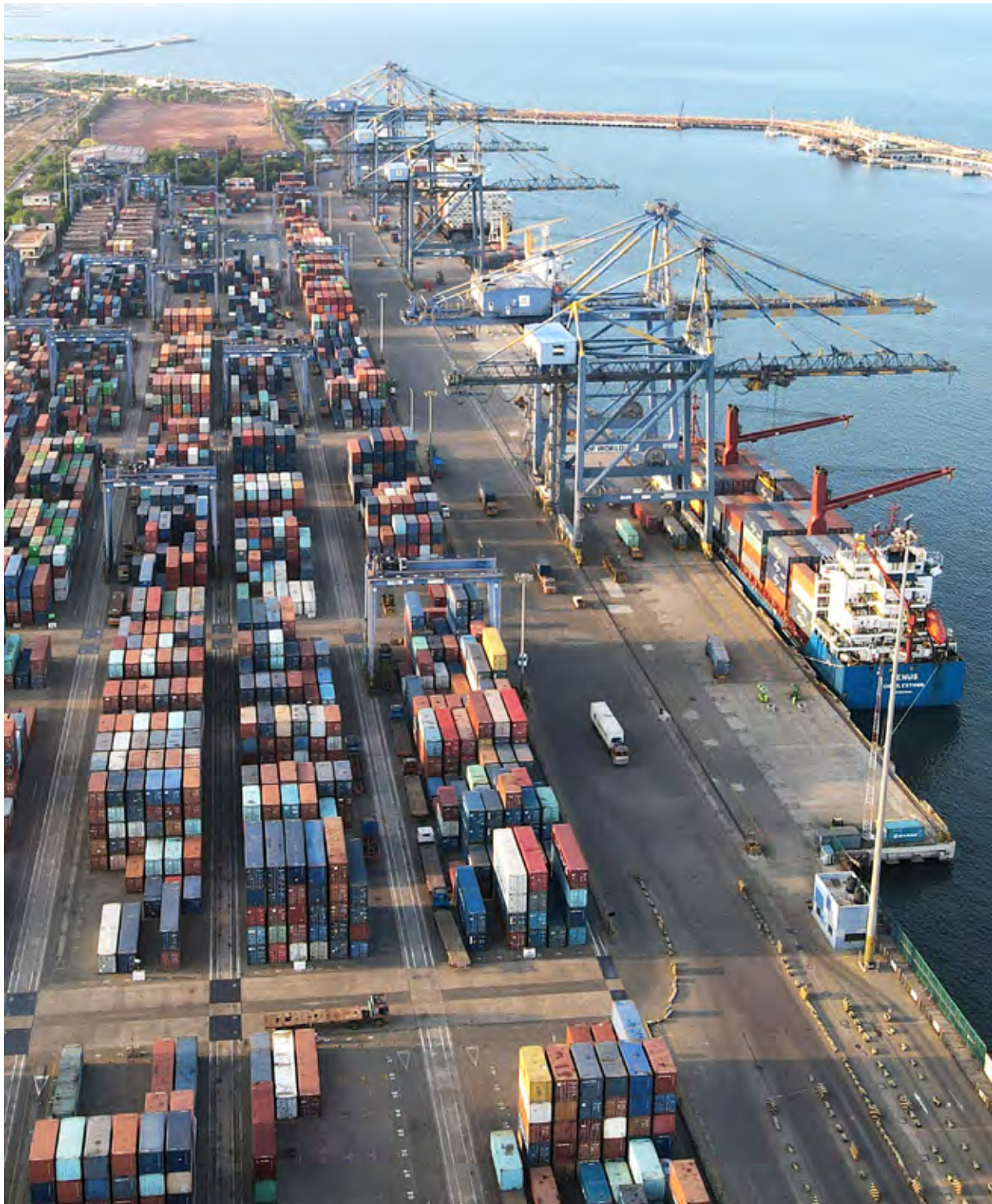
Distance travelled towards the NTFAP Target:

11.13 The present NTRS analyses the average export release time along with the distance covered towards the NTFAP target for different ports. The distance travelled towards NTFAP target denotes the percentage share of fastest Shipping Bills for which average release time is within the NTFAP Target as shown in Table 20 below.

Table 20: Distance travelled towards the NTFAP target

| Port Category (1) | Distance travelled towards NTFAP Target in exports (2022) (2) | Distance travelled towards NTFAP Target in exports from arrival of cargo to LEO (2022) (3) |
|-------------------|---|--|
| Seaports | 0.90% | 98.8% |
| ICDs | 6% | 45% |
| ICPs | 100% | 100% |
| ACCs | 47% | 100% |

- 11.14 It is noteworthy that during NTRS 2022, both the ICPs combined were within the NTFAP target.
- 11.15 NTRS 2022 highlights the logistics challenge faced by the export cargo, noting that the process of documentary clearance for exports is very streamlined and takes minimal time.



12

Conclusion and Recommendations

- 12.1 The conduct of NTRS 2022 in a time-bound manner pursuant to stabilization of the methodology, accompanied with simultaneous conduct of local TRS by select major Custom Houses has been an enriching and learning experience for the Team NTRS. The timely completion of the exercise is a result of cooperative efforts between the Team NTRS, nodal officers of the customs formations covered by the study (who have not only helped facilitate prompt collection of data from the concerned custodian but also helped clarify any data or technical issues), and officers of DG Systems and Data Management (who have readily provided all the required data from the customs automated system). The team also benefited from the experience and recommended learnings of NTRS 2021.
- 12.2 The findings of NTRS 2022 affirm the direction of the trade facilitative initiatives of the Government, particularly the four components of “Path to Promptness”, as reflected in the substantially lower average release time for bills of entry with the identified features. As a result of these initiatives, the cargo clearance process has travelled closer in 2022 to the NTFAP target release time for different port categories.
- 12.3 However, for achievement of the said NTFAP targets in a time-bound manner, multi-pronged initiatives would be required to be taken. In this regard, NTRS 2022 has identified two “impact dissipating” actions namely, delays in payment of duty after assessment and increase in bills of entry involving amendment that need to be resolved through appropriate mix of policy cum administrative actions.
- 12.4 The study has also highlighted the lack of appetite by the trade for AEO programme in terms of share of bills of entry filed, despite clear evidence of its benefits in terms of higher facilitation and lower average release time, which may be further examined taking into account granular data at the IEC level.
- 12.5 Faceless Assessment merits further streamlining to minimise the time taken at the assessment stage, which has been noted to have increased from NTRS 2021 to NTRS 2022.

- 12.6 The cargo clearance eco-system in the country involves many terminal operators, airports, custodians of ICD and CFSs, etc. This study has found that the average release time for these agencies vary significantly, which may be attributable to difference in the importer and cargo mix. However, it is felt that it is possible to use TRS tool for assessing the performance of various custodians, including private terminal operators, ICDs and CFSs using more sophisticated statistical tools. Such a quantitative analysis, would enable the government to draw up an evidence-based plan to incentivise cum nudge the concerned stakeholders to enhance their trade facilitative performance.
- 12.7 On the export front, even as the sample size for the study has increased considerably collating the data from the customs automated system and the concerned custodians, issues relating to data insufficiency and reconciliation were found in case of many shipping bills. This has resulted in a large number of shipping bills to be excluded from the sample. It is expected that these issues would be further ironed out before the conduct of next NTRS.
- 12.8 As regards, the average export release time, the study has found that there is a need to focus on the larger logistics issues that take considerable time after the grant of LEO, which continues to remain high despite compression of the time taken in regulatory clearance, as reflected in reduction in the time taken from arrival of the cargo to grant of LEO.
- 12.9 The study has also found that regulatory intervention in the case of shipping bills, which accounts for more than 10 percent of the shipping bills studied are mainly on account of involvement of PGAs and requirement of sample testing. It is, therefore, felt that strengthening the infrastructure and manpower, along with setting up of more and modern testing labs across the country and closer to seaports, ICDs and specifically ICPs would go a long way in facilitating export cargo.



Annexure A: Sample Size and Release Time for TRS 2022 and TRS 2021

Table 21: Import Sample Size

| | BEs Analysed (2021) | BEs Filed (2021) | BEs Filed (2022) | Excluded BEs (2022) | Share of Excluded BE (2022) |
|----------------|---------------------|------------------|------------------|---------------------|-----------------------------|
| Seaport | | | | | |
| Chennai | 5966 | 6197 | 10709 | 24 | 0.22% |
| Nhava Sheva | 15152 | 15591 | 15267 | 76 | 0.50% |
| Kolkata | 1858 | 1881 | 1631 | 7 | 0.43% |
| Mundra | 2518 | 2556 | 2633 | 19 | 0.72% |
| ICD | | | | | |
| Ludhiana | 251 | 254 | 187 | 0 | 0.00% |
| Tughlakabad | 2029 | 2408 | 2015 | 6 | 0.30% |
| Whitefield | 219 | 918 | 1198 | 857* | 71.54%* |
| ICP | | | | | |
| Petrapole | 261 | 261 | 279 | 103* | 36.92%* |
| Raxaul | 159 | 250 | 288 | 0 | 0.00% |
| ACC | | | | | |
| Ahmedabad | 353 | 353 | 369 | 2 | 0.54% |
| Bengaluru | 5139 | 5243 | 6100 | 25 | 0.41% |
| Chennai | 4461 | 4494 | 4554 | 5 | 0.11% |
| Delhi | 7035 | 7095 | 8012 | 4 | 0.05% |
| Hyderabad | 1004 | 1028 | 1219 | 5 | 0.41% |
| Mumbai | 7439 | 7566 | 8662 | 15 | 0.17% |

* Entries where arrival time (taken from logistics data) was not available, have been excluded.

Table 22: Import Release Time

| | Distance travelled towards NTFAP | | Average Release Time | | % Change |
|-----------------|----------------------------------|------|----------------------|--------|----------|
| | 2022 | 2021 | 2022 | 2021 | |
| Sea Port | | | | | |
| Chennai | 78% | 54% | 93:07 | 102:46 | -9% |
| Nhava Sheva | 80% | 65% | 88:23 | 100:08 | -12% |
| Kolkata | 23% | 20% | 144:23 | 144:45 | -0.25% |
| Mundra | 69% | 35% | 106:56 | 137:58 | -22% |
| ICD | | | | | |
| Ludhiana | 88% | 48% | 76:02 | 141:43 | -46% |
| Tughlakabad | 77% | 69% | 91:04 | 98:38 | -8% |
| Whitefield | 64% | 79% | 88:48 | 89:03 | -0.28% |
| ICP | | | | | |
| Petrapole | 100% | 100% | 31:18 | 24:24 | 28% |
| Raxaul | 100% | 100% | 8:21 | 05:59 | 40% |
| ACC | | | | | |
| Ahmedabad | 69% | 54% | 51:12 | 68:29 | -25% |
| Bengaluru | 74% | 65% | 54:55 | 57:15 | -4% |
| Chennai | 84% | 63% | 43:26 | 52:25 | -17% |
| Delhi | 80% | 61% | 42:32 | 54:56 | -23% |
| Hyderabad | 70% | 47% | 64:11 | 77:21 | -17% |
| Mumbai | 68% | 55% | 54:37 | 66:46 | -18% |

Note: Exclusions vary between 2021 and 2022; BEs pertaining to warehousing or taking more than 720 hours for clearance were excluded in 2021 study; in 2022, clearance after 7th February and arrival before 1st December have been excluded.

Table 23: Export Sample Size

| | SBs Analysed (2021) | SBs Filed (2021) | SBs Filed (2022) | Excluded SBs (2022) | Share of Excluded SB (2022) |
|----------------|---------------------|------------------|------------------|---------------------|-----------------------------|
| Seaport | | | | | |
| Chennai | 255 | 6153 | 6698 | 5685 | 84.88% |
| Nhava Sheva | 2439 | 23497 | 26075 | 16820 | 64.5% |
| Kolkata | 115 | 1654 | 1531 | 880 | 57.48% |
| Mundra | 7645 | 9797 | 8447 | 3001 | 35.53% |
| ICD | | | | | |
| Ludhiana | 384 | 501 | 476 | 5 | 1.05% |
| Tughlakabad | 283 | 1783 | 1681 | 29 | 1.73% |
| Whitefield | 520 | 1397 | 1501 | 956 | 63.69% |
| ICP | | | | | |
| Petrapole | 1453 | 1462 | 1554 | 158 | 10.17% |
| Raxaul | 159 | 3439 | 3611 | 6* | 0.17% |
| ACC | | | | | |
| Ahmedabad | 939 | 1945 | 2314 | 117 | 5.06% |
| Bengaluru | 2545 | 5172 | 5627 | 2976 | 52.89% |
| Chennai | 3040 | 3510 | 3886 | 675 | 17.37% |
| Delhi | 6737 | 10212 | 11569 | 2240 | 19.36% |
| Hyderabad | 1251 | 1280 | 1453 | 7 | 0.48% |
| Mumbai | 6445 | 7292 | 8022 | 234 | 2.92% |

* Data between regulatory and logistics data was merged based on the shipping bill number, and not shipping bill number + truck/container/AWB number as for others

Table 24: Export Release Time (Arrival to Departure)

| | 2021 | 2022 | % Change |
|----------------|-------------------------------------|--------|----------|
| Seaport | | | |
| Chennai | 183:4 | 181:38 | -1% |
| Nhava Sheva | 207:26 : 231:5 (CFS); 106:1 (PP) | 186:34 | -10% |
| Kolkata | 225:1 | 187:02 | -17% |
| Mundra | 180:1 | 202:49 | 13% |
| ICD | | | |
| Ludhiana | 111:3 | 97:54 | -12% |
| Tughlakabad | 105:1 | 196:21 | 87% |
| Whitefield | 118:4 | 190:17 | 61% |
| ICP | | | |
| Petrapole | 111:3 | 50:59 | -54% |
| Raxaul | 8:3 | 10:15 | 27% |
| ACC | | | |
| Ahmedabad | NA | 73:26 | - |
| Bengaluru | 40:4 | 30:05 | -25% |
| Chennai | 23:2 | 23:25 | 2% |
| Delhi | 29:5 | 37:33 | 29% |
| Hyderabad | 22:6 | 25:30 | 15% |
| Mumbai | 32:3 | 30:38 | -4% |

Annexure B: Path to Promptness Analysis for all ports

Table 25: ART for Advance BEs, RMS Facilitated and AEO clients

| Port | Overall Release Time (2022) | Advance BEs (2022) | RMS (2022) | AEO (2022) | AEO+ RMS+ + Advance (2022) |
|-----------------|-----------------------------|--------------------|------------|------------|----------------------------|
| Seaports | | | | | |
| Chennai | 93:07 | 87:05 | 73:48 | 63:55 | 50:57 |
| Nhava Sheva | 88:23 | 76:43 | 71:04 | 55:27 | 43:21 |
| Kolkata | 144:23 | 128:11 | 140:34 | 114:21 | 99:36 |
| Mundra | 106:56 | 95:23 | 85:59 | 74:33 | 53:21 |
| ICD | | | | | |
| Ludhiana | 76:02 | 71:42 | 71:09 | 37:10 | 38:21 |
| Tughlakabad | 91:04 | 81:28 | 75:36 | 60:05 | 58:13 |
| Whitefield | 88:48 | 86:39 | 81:36 | 57:16 | 50:21 |
| ICP | | | | | |
| Petrapole | 31:18 | 19:41 | 35:52 | 27:15 | 27:25 |
| Raxaul | 8:21 | NA | 8:25 | NA | NA |
| ACC | | | | | |
| Ahmedabad | 51:12 | 38:04 | 44:54 | 42:27 | 38:51 |
| Bengaluru | 54:55 | 42:46 | 48:30 | 43:27 | 34:51 |
| Chennai | 43:26 | 32:06 | 38:19 | 35:17 | 24:14 |
| Delhi | 42:32 | 31:35 | 38:55 | 33:59 | 23:22 |
| Hyderabad | 64:11 | 45:14 | 55:58 | 39:44 | 28:51 |
| Mumbai | 54:37 | 41:19 | 47:35 | 40:36 | 30:12 |

Table 26: Share of Advance BEs, RMS Facilitated and AEO clients

| Port | Advance (2022) | Advance (2021) | RMS (2022) | RMS (2021) | AEO (2022) | AEO (2021) |
|-----------------|----------------|----------------|------------|------------|------------|------------|
| Seaports | | | | | | |
| Chennai | 92% | 24% | 84% | 82% | 40% | 41% |
| Nhava Sheva | 88% | 61% | 80% | 77% | 29% | 31% |
| Kolkata | 82% | 57% | 89% | 78% | 20% | 14% |
| Mundra | 85% | 52% | 67% | 57% | 18% | 21% |
| ICD | | | | | | |
| Ludhiana | 92% | - | 85% | 67% | 18% | 10% |
| Tughlakabad | 84% | 0.4% | 77% | 73% | 8% | 12% |
| Whitefield | 86% | 0.5% | 70% | 75% | 26% | 17% |
| ICP | | | | | | |
| Petrapole | 44% | 41% | 69% | 39% | 18% | - |
| Raxaul | - | - | 94% | 93% | - | - |
| ACC | | | | | | |
| Ahmedabad | 61% | 30% | 83% | 84% | 17% | 18% |
| Bengaluru | 66% | 22% | 92% | 88% | 48% | 50% |
| Chennai | 50% | 17% | 92% | 91% | 51% | 56% |
| Delhi | 48% | 28% | 88% | 84% | 34% | 41% |
| Hyderabad | 50% | 15% | 89% | 87% | 28% | 44% |
| Mumbai | 65% | 33% | 89% | 86% | 40% | 47% |

Table 27: ART and Share for Combinations of Advance BEs, RMS Facilitated and AEO clients

| | AEO ADVANCE | | NON AEO ADVANCE | | AEO NORMAL | | NON AEO NORMAL | | AEO RMS | | NON AEO RMS | | NON-RMS AEO | | NON-RMS NON AEO | |
|----------|-------------|-------|-----------------|-------|------------|-------|----------------|-------|---------|-------|-------------|-------|-------------|-------|-----------------|-------|
| | Count | Share | Count | Share | Count | Share | Count | Share | Count | Share | Count | Share | Count | Share | Count | Share |
| Seaports | 55:22 | 92% | 98:47 | 87% | 142:43 | 8% | 183:15 | 13% | 55:36 | 94% | 89:41 | 75% | 159:57 | 6% | 168:05 | 25% |
| ICDs | 55:28 | 84% | 84:26 | 85% | 60:45 | 16% | 144:37 | 15% | 54:08 | 96% | 79:26 | 77% | 104:07 | 4% | 138:43 | 23% |
| ICPs | 27:25 | 34% | 18:28 | 13% | 27:08 | 38% | 16:28 | 75% | 28:37 | 56% | 16:21 | 70% | 02:24 | 3% | 18:26 | 13% |
| ACCs | 28:33 | 55% | 43:34 | 57% | 47:52 | 45% | 76:49 | 43% | 35:04 | 98% | 50:37 | 84% | 125:17 | 2% | 96:17 | 16% |

Table 28: Distance travelled towards NTFAP Target for Advance, Facilitated and AEO Bills

| | All BE | Advance BE | AEO BE | Facilitated BE | AAF BE |
|-----------------|--------|------------|--------|----------------|--------|
| Seaports | | | | | |
| Chennai | 78% | 79% | 93% | 87% | 98% |
| Nhava Sheva | 80% | 84% | 97% | 89% | 100% |
| Kolkata | 23% | 26% | 52% | 24% | 54% |
| Mundra | 69% | 73% | 87% | 81% | 97% |
| ICD | | | | | |
| Ludhiana | 88% | 90% | 100% | 92% | 100% |
| Tughlakabad | 77% | 80% | 91% | 86% | 91% |
| Whitefield | 64% | 63% | 94% | 61% | 84% |
| ICP | | | | | |
| Petrapole | 100% | 100% | 100% | 100% | 100% |
| Raxaul | 100% | NA | NA | 100% | NA |
| ACC | | | | | |
| Ahmedabad | 69% | 79% | 77% | 73% | 74% |
| Bengaluru | 74% | 82% | 83% | 78% | 92% |
| Chennai | 84% | 95% | 92% | 88% | 100% |
| Delhi | 80% | 92% | 92% | 83% | 100% |
| Hyderabad | 70% | 82% | 83% | 73% | 90% |
| Mumbai | 68% | 79% | 83% | 72% | 93% |

Annexure C: Stage-wise Analysis for all ports

Table 29: Overall time for stage-wise analysis

| | Payment Before Assessment | | Payment after Assessment | | Payment after Registration | | Payment Before Registration | | Cases of Deferred payment | |
|-----------------|---------------------------|-------|--------------------------|-------|----------------------------|-------|-----------------------------|-------|---------------------------|-------|
| | ARR to OOC | Count | ARR to OOC | Count | ARR to OOC | Count | ARR to OOC | Count | ARR to OOC | Count |
| Sea Port | | | | | | | | | | |
| Chennai | 227:32 | 111 | 98:03 | 9104 | 124:06 | 4650 | 78:57 | 4566 | 50:04 | 877 |
| Nhava Sheva | 178:14 | 171 | 93:28 | 13682 | 124:21 | 6185 | 74:20 | 7847 | 35:29 | 1194 |
| Kolkata | 171:13 | 28 | 147:30 | 1484 | 198:11 | 396 | 131:50 | 1116 | 85:24 | 51 |
| Mundra | 183:23 | 24 | 111:26 | 2405 | 138:17 | 1466 | 73:46 | 963 | 43:49 | 62 |
| ICD | | | | | | | | | | |
| Ludhiana | _ | 0 | 82:01 | 180 | 129:22 | 71 | 52:14 | 109 | 46:17 | 22 |
| TKD | 210:45 | 15 | 86:27 | 1920 | 138:05 | 551 | 67:40 | 1384 | 56:01 | 17 |
| Whitefield | 262:13 | 3 | 74:03 | 302 | 88:33 | 155 | 64:54 | 151 | 24:16 | 20 |
| ICP | | | | | | | | | | |
| Petra-pole | _ | 1 | 35:10 | 146 | 28:51 | 83 | 45:29 | 64 | _ | 0 |
| Raxaul | _ | 0 | 08:04 | 288 | 10:28 | 129 | 06:07 | 159 | _ | 0 |
| ACC | | | | | | | | | | |
| Ahmedabad | 94:05 | 3 | 51:50 | 335 | 66:30 | 126 | 43:56 | 212 | 38:48 | 3 |
| Bengaluru | 322:41 | 20 | 64:38 | 4539 | 69:36 | 2848 | 60:47 | 1711 | 34:43 | 509 |
| Chennai | 153:57 | 13 | 45:52 | 4177 | 52:31 | 2871 | 34:55 | 1319 | 28:34 | 500 |
| Delhi | 107:01 | 34 | 45:13 | 7319 | 51:39 | 4103 | 39:36 | 3249 | 31:03 | 1092 |
| Hyderabad | 129:50 | 13 | 72:04 | 961 | 82:09 | 633 | 55:31 | 341 | 33:48 | 5 |
| Mumbai | 225:30 | 41 | 57:00 | 8108 | 61:53 | 4006 | 54:11 | 4062 | 32:27 | 816 |

Table 30: Time taken from OOC to Port Gate Out

| All BE | 2021* | 2022 |
|-------------|---------------------------|----------------------------|
| Chennai | 52:37 (CFS); 69:11 (DPD) | 106:44 (DPD); 240:58 (CFS) |
| Nhava Sheva | 31:01 (CFS); 32:54 (DPD) | 20:05 (DPD); 52:00 (CFS) |
| Kolkata | 42:12 (DPD) | 53:45 (DPD); 39:48 (CFS) |
| Mundra | 111:35 (CFS); 38:58 (DPD) | 37:43 (DPD); 31:36 (CFS) |
| ICD | | |
| Ludhiana | 49:38 | 64:49 |
| Tughlakabad | 69:53 | 60:04 |
| Whitefield | 100:23 | 102:09 |
| ICP | | |
| Petrapole | 2:25 | 3:08 |
| Raxaul | 2:24 | 6:14 |
| ACC | | |
| Ahmedabad | 20:48 | 19:20 |
| Bengaluru | 11:50 | 16:31 |
| Chennai | 14:03 | 31:11 |
| Delhi | 11:55 | 11:08 |
| Hyderabad | 25:55 | 18:31 |
| Mumbai | 15:57 | 19:26 |

*Includes both W and H categories unlike other 2021 analysis

Table 31: Stage-wise Analysis for Exports

| Ports | Filing of Shipping Bill to Arrival | Arrival to Departure (Export ART) | Arrival to LEO | LEO to Departure | Share of LEO to Departure in ART |
|-------------|------------------------------------|-----------------------------------|----------------|------------------|----------------------------------|
| Chennai | 59:00 | 181:38 | 20:38 | 162:06 | 89% |
| Nhava Sheva | 34:41 | 186:34 | 33:02 | 153:32 | 82% |
| Kolkata | 52:10 | 187:02 | 24:13 | 162:49 | 87% |
| Mundra | 47:48 | 202:49 | 26:39 | 176:25 | 87% |
| Ludhiana | 25:18 | 97:54 | 24:24 | 73:33 | 75% |
| Tughlakabad | 48:45 | 196:21 | 42:58 | 153:41 | 78% |
| Whitefield | 65:23 | 190:17 | 87:12 | 134:42 | 71% |
| Petrapole | - | 50:59 | 26:36 | 24:56 | 49% |
| Raxaul | - | 10:15 | 3:55 | 8:11 | 80% |
| Ahmedabad | 19:46 | 73:26 | 6:30 | 73:08 | 99.6% |
| Bengaluru | 12:09 | 30:05 | 2:05 | 28:06 | 93% |
| Chennai | 27:17 | 23:25 | 1:27 | 22:10 | 95% |
| Delhi | 18:24 | 37:33 | 5:57 | 31:47 | 85% |
| Hyderabad | 43:56 | 25:30 | 11:17 | 25:17 | 99% |
| Mumbai | 33:13 | 30:38 | 2:25 | 29:36 | 97% |

Team-National Time Release Study 2022



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