

F. No.36013/02/2017-Infra 1  
Government of India  
Ministry of Commerce and Industry  
Department of Commerce  
Infra-I Section  
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Udyog Bhawan, New Delhi  
Dated: ( ) August, 2017

**OFFICE MEMORANDUM**

Subject: Minutes of the meeting of the Special Inter-Ministerial Committee (IMC) held under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade (DGFT) on 26-07-2017 at Udyog Bhawan, New Delhi.-regd.

The undersigned is directed to refer the subject mentioned above and to enclosed the minutes of the Special Inter-Ministerial Committee (IMC) held on 26-07-2017 at Udyog Bhawan, New Delhi under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade (DGFT) for discussion of issues related to ICDs /CFSS /AFSS for your kind perusal and necessary action.

Encl : As above



(R. Rajakannu)

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To

1. Ministry of Civil Aviation (Ms. Vandana Aggarwal, Economic Advisor) Rajiv Gandhi Bhawan, New Delhi, Email: [vaggarwal@gov.in](mailto:vaggarwal@gov.in)
2. Central Board of Excise and Customs {Shri L. Satya Srinivas, Joint Secretary (Customs)}, Department of Revenue, North Block, New Delhi, Fax No. 23093475, E mail: [jscus@nic.in](mailto:jscus@nic.in)
3. Ministry of Railways (Shri Prabhas Dansana, Executive Director (TTS), Rail Bhavan, New Delhi, E- mail: [prabhasdansana@gmail.com](mailto:prabhasdansana@gmail.com)
4. Ministry of Shipping (Shri Rabindra Kumar Agarwal, Joint Secretary (SM), Parivahan Bhawan, New Delhi, Fax No. 23328549, E mail: [rabindra.a@ias.nic.in](mailto:rabindra.a@ias.nic.in).
5. Shri V. K. Sharma, Senior Technical Director, NIC

Copy to: PPS to DGFT(AVC), PS to JS (SC), PS to Dir (BP), US (RRK), Asst. Secy (AA)  
(AA)

**No.K-36013/02/2017-Infra-1**  
**Department of Commerce**  
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**Minutes of the meeting of the Special Inter Ministerial Committee (IMC) held under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General, Foreign Trade (DGFT) on 26-07-2017**

A meeting of the Special Inter-Ministerial Committee (IMC) was held on 26-07-2017 in Udyog Bhavan, New Delhi under the Chairmanship of Shri Alok Vardhan Chaturvedi Director General, Foreign Trade for discussing various issues pertaining to the setting up of Inland Container Depots (ICDs) / Container Freight Stations (CFSs) / Air Freight Stations (AFSs). Following officials participated in the meeting: -

- i. Ms. Vandana Aggarwal, Economic Adviser, Ministry of Civil Aviation.
- ii. Shri Sanjay Chadha, Joint Secretary (Infrastructure), Department of Commerce
- iii. Shri R.K. Agarwal, Joint Secretary, Ministry of Shipping.
- iv. Shri Satya Srinivas, Joint Secretary (Customs), CBEC
- v. Shri Vijay N Kothari, Director (NEA) Department of Commerce
- vi. Shri V.K. Sharma, Senior Technical Director, NIC
- vii. Shri P.C. Dhar, Technical Director, NIC
- viii. Shri Ravi Shekar, OSD, Ministry of Railways
- ix. Shri R. Rajakannu, Under Secretary, Department of Commerce
- x. Shri M. Rama Pratap, Section Officer, Infra-I Section.
- xi. Ms. Ankita Anand, Assistant Secretary, Department of Commerce

2. The following 03 issues as listed in the agenda for the meeting were discussed: -

(a) Various policy issues pertaining to setting up of ICDs / CFSs / AFSs in the country;

(b) Suggestions / Observations contained in Revenue Secretary's D.O. letter dated 25-05-2017 were examined specially in respect of applications from 03 developers viz M/s Adani Logistics Limited, M/s Punjab Logistics Infrastructure Limited and M/s Hind Terminals Private Limited for setting up of ICDs at Kila Raipur, Punjab;

(c) To discontinue receiving of applications manually as the online module for receiving / processing of applications for setting up of ICDs / CFSs / AFSs is ready.

3. JS (Infrastructure) explained the background and role of the IMC to the new Chairman of IMC.
4. Joint Secretary (Customs) mentioned that there is a need to re-look into the policy of granting permissions for setting up of ICDs / CFSs / AFSs. He mentioned that changes have taken place in infrastructure, latest technology etc., since issue of initial notification of IMC guidelines in 1992 and suggested for making changes in provisions like capacity being handled by ICDs/CFSs. In respect of AFS, the Economic Advisor (EA) from Ministry of Civil Aviation mentioned the considering the security aspect, some changes are required in the conditions for issue of LoI.
5. Joint Secretary (Infrastructure), Department of Commerce mentioned about the letter of Revenue Secretary to Commerce Secretary dated 25.5.2017 and expressed concern over the delay in providing comments by IMC member Ministries. He presented data regarding number of days taken to provide comments by members of IMC in respect of ICD/CFS/AFS received from 1.1.2015. In 2015, the average time taken by M/o Railways was 22days, while M/o Civil Aviation took 28 days, for M/o Shipping it was 67 days and CBEC was 264 days in 2015. While in 2016, it was observed that the average time taken by M/o Railways was 28 days, M/o Civil Aviation 18 days, M/o Shipping 91 days and for CBEC it was 166 days . He drew attention to the fact that the prospective developers who wish to set up ICDs/CFSs/AFSs in spite of having land, ready to put up infrastructure and bear the cost recovery charges, etc., for a limited period of their own, are unable to get clearance due to departmental delays.
6. JS(Customs) stated that one of main reason for delays on the part of CBEC is that the feasibility report is considered by the Jurisdictional Commissioner after the proposal has been placed before the IMC. JS (Infrastructure) drew attention to Chapter 27 para 3.2 of Customs Manual 2014 and IMC guidelines regarding 'Procedure for approval of ICD/CFS & its implementation' under which, it is mandated that *"The applicant should also send a separate copy of the application to the Jurisdictional Commissioner of Customs. The Commissioner of Customs will send his comments to the Department of Commerce and the CBEC within 30 days."* However, the applicants are unable to give advance copies as some of the Jurisdictional Commissioners are not accepting the same from the applicants. On this, JS (Customs) agreed that CBEC would reiterate these provisions and instruct all Jurisdictional Commissioners to accept the copy of feasibility report. JS(infrastructure) also informed that in the case of proposals for rail based projects, the application form has a provision for the applicant to indicate if he has obtained the in-principle approval of the Zonal Railways. This may not be strictly enforced as the in-principle approval by M/o Railways is

granted after the land is purchased and there is the possibility of it being operated as a road based facility.

7. JS (Customs) and JS (Ports) mentioned that considering that already 33 CFSs are functioning in Mumbai which are leading to congestion in Mumbai and also the fact that Direct Port Delivery (DPD) has been made operational in Mumbai Port, the IMC should restrict granting new permission for setting up of CFSs in Mumbai and also in Chennai as Chennai is also facing similar congestion due to proliferation of CFSs.

8. In the context of the 03 applications (M/s Adani Logistics, M/s Hind Terminals and Punjab Logistics) in Ludhiana, Punjab, it was reported by CBEC that setting up of these projects in Qila Raipur is economically unviable. However, it was observed that viability of a project is purely a business decision of the applicant organization and should be left to their wisdom. JS (Customs) stated that they have manpower constraints for the effective functioning of these projects, even though they are on cost-recovery basis.

9. After detailed deliberations, following decisions were taken : -

(i) Formal suggestions and the specific changes desired in the LoI/guidelines may be invited from stakeholders and IMC members which may be considered in the IMC.

(ii) In order to avoid multiple examinations by IMC and improve the Ease of Doing Business, an "in-principle" approval of viability of the project duly issued by the CBEC / Jurisdictional Customs Commissioner should be part of any future applications for setting up of ICDs / CFSs / AFSs. CBEC will issue necessary instructions to the Jurisdictional Customs Commissioners to examine the feasibility reports based on the tentative location of the project, as and when submitted by applicants and give 'in-principle' approval to the developer , who in-turn would furnish the in-principle approval along with his application to the IMC. The guidelines may be amended accordingly that the developer should obtain an 'in-principle' letter from the Jurisdictional Customs Commissioner regarding the feasibility of the proposal.

(iii) In view of the recommendations of JS (Customs) and JS (Ports), no more permissions will be granted for setting up of new CFSs in the vicinity of these two locations (i.e. Chennai & Mumbai) until congestion eases or any further decision by IMC.

(iv) In the context of the 03 applications (M/s Adani Logistics, M/s Hind Terminals and Punjab Logistics) in Ludhiana, Punjab, as requested by CBEC, CBEC will examine these proposals from manpower angle and furnish their comments. The applications would be placed before the

next IMC for its consideration.

(v) Manual applications relating to setting of ICDs/CFSS/AFSSs will now be discontinued. All applications for ICDs / CFSS / AFSSs should be received through the online module only. NIC will look into the option of e-sign in addition to digital signature which is mandated in the on-line application.

(vi) IMC members will ensure that the comments in respect of 22 pending applications are furnished within a fortnight. No physical application will be now handled in the division from 31.7.2017 and the other pending applications will be returned to the developer to file his application online only, with a physical copy to the Jurisdictional Customs Commissioner.

The meeting ended with a Vote of Thanks to the Chair