Chapter – 7

Role Of Shipping Lines, Freight Forwarders, Custom House Agent And Surveyors In The Working Of CONCOR

Introduction:

In previous chapter, a need for installation of multimodal logistics model in central region is discussed. The concept of “Single Window Clearance” and multimodalism has brought different agencies on a common platform and these agencies are providing specialized services to the trade. The technological advancement of timely services are replacing the traditional methods of cargo delivery. New concepts for efficient and reliable services are emerging in this fast changing scenario of trade and door-to-door delivery of cargo has also undergone a sea change. In this chapter role of different agencies e.g. Shipping Lines, Freight Forwarders, CHAs and Surveyors and their importance in the domestic & international trade is discussed.

The focus on services and its importance is increasing day by day in this competitive era. Service providers are now venturing out of the way to transform themselves into different services and as a result, users are getting value added services, which is an integral part of service industries. Container Corporation of India Ltd (CONCOR) has set up various ICDs and providing the “Dry Port” facilities to the International and Domestic trade. Shipping Lines, Freight Forwarders, Custom House Agents and Surveyors etc are
playing vital role in the working of CONCOR. These agencies are providing specialized services to their customers and infrastructure provided by CONCOR is a platform for their business.

The concept of integration of services has brought to the competitive and just – in – time deliveries of consignments. The dependability on individual service industries is minimized despite of their efficient style of working. There are various option are available for the users supported by various factors for the development of an efficient logistics services which includes transport infrastructure, simplified/streamlined documentation, liability regimes, industry standards and their network.

This chapter is divided in four sections. The role of shipping line, freight forwarder, Custom House Agent and surveyor is discussed in section – I, section II, section – III and section IV respectively. Working of these agencies is studied thoroughly and views on different aspect are also discussed.
SECTION – I

Role Of Shipping Lines:

Shipping Lines are playing an important role in Multimodalism by providing containers for domestic and International trade in the form of ‘Cabotage’ movement (Cabotage: Carriage of domestic cargo in international containers). In globalization\(^1\), shipping industry is shrinking the world. It is bringing countries and population close together and making them more independent. It is also providing easy access to markets abroad.

The most pressing issue for shipping lines are the business demand of finding a path to sustainable profitability, satisfying customer needs, planning for the huge capital investments necessary to keep up with the global trade, determining the most effective use of information technology to improve business efficiency and customer satisfaction. Efficiency and customer satisfaction is most complicated and difficult task, which is to be one’s priority.

In international business, shipping lines have made shipment more competitive, which enabled the importers/exporters to enter into the global market. Shipping Lines have succeeded in quietly becoming one of the most important foundations of global trading.
1. Strength:

Following can be the strength of shipping lines in domestic & international business.

- Shipping Lines has no barriers to enter in the domestic & international market.

- Shipping Lines can afford a large number of carriers to shipper an array of competitive services.

- Shipping Lines can be innovative and can invest in building an international transportation infrastructure to carry global trade.

- Shipping Lines provide efficient, low cost services to importers/exporters.

- Shipping Lines provides sufficient capacity to handle the demand of the trade including peak season also.
2. Working Flow Chart of Shipping Lines:

Shipping lines are working in an organized way so the procedural aspects are most important. Given below is the flow chart of working of shipping lines, First of all, flow chart for import is given below:

2.1 Import:

Intimation of vessel schedule to port authority

- Obtain Vessel Discharge Certificate

- Filing of Import General Manifest (IGM)

- Filing of Sub Marine Transshipment Permit (SMTP)

- Booking of Containers for their Final Destination (i.e. for ICDs/CFS)

- Transportation of Containers through CONCOR / CWC / Pvt. Transporters

- Collection of Bill of Lading along with Inland Haulage Charges (IHC)

- Releasing Examination Order for examination of goods

- Issue of Delivery Order for final delivery of goods

- Called for Empty containers back or market it for Export purpose
Flow chart for export working of shipping lines has been given below:

2.2 Export:

1. Freight Negotiation

2. Shipment schedule

3. Release Order for Container Stuffing

4. Export General Manifest (EGM)

5. Mate Receipt

6. Bill of Lading

7. Collection of Payment

8. Shipped on Board
3. Problems:

Following problems may be faced by shipping lines in domestic & international trade,

- Shipping Lines suffer from congestions and inefficiency of container terminal and sea port.

- Restricted sectoral services can be the obstacles in business development of shipping lines.

- Inavailability of empty containers restricts shipping lines to match the business demand.

- Lack of match for exports against import generated containers can be the major problem for shipping lines.

- Efficient utilization of containers in dwell time is the major challenge to shipping lines to compete.

The modern system of international exchange and specialization in sea transport has made possible by shipping industry which has regularized the shipment/vessel schedule to make international trade more effective. The ability to maintain regular schedules enabling merchants business to become less speculative and more a matter of supply and demand. The most significant factor in the development of international trade was the cheapening of ocean transport largely by economy in PROPULSION\(^2\). Modern equipments and
their technical improvements in machinery and fuel are continually making minimum transit at economical cost and increased space available for cargo. The competitive cost of sea transport is permitting raw materials and foodstuffs of relatively low value to enter international trade. Modern communications infrastructure also made it possible to put ships to better use.

4. Steps to be taken into consideration for organizing shipping industry:

The following points must be considered when evaluating suitability of logistics mode(s) for an international consignment:

a) Nature of the commodity, its dimensions/weight and whether any special facilities are required during transit, like Livestock requires special facilities, Gold requires special security/strong room and Meat requires refrigeration.

b) Degree of packaging and costs thereof. Air freight and containerization require less packaging.

c) Packaging to aid cargo handling. Palletized cargo facilitates handling by fork-lifts, light weight cartons are ideal for containers. Odd-sized cases may require special facilities.

d) Any statutory obligations imposed relative to the transit. like Australian trade requires special wood treatment.
e) Dangerous cargo. Regulations are stringent regarding its packaging, storage, and mixture with other cargoes during storage.

f) Terms of export contract. It may stipulate carriage by a particular line etc.

g) Suitability of available logistics services. Restrictions of container weight – capacity etc., special container requirements.
5. Details of Major Shipping Lines working in Central Region:

<table>
<thead>
<tr>
<th>Name of Shipping Line</th>
<th>Location &amp; Name of Sub agent at Central Region</th>
<th>Jurisdiction</th>
<th>Year of establishment at Central Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL India Pvt. Ltd.</td>
<td>Nagpur – M/s Thaparsons KV Shipping Agent</td>
<td>Nagpur Branch – Nagpur, Bhusawal and Raipur and Aurangabad also</td>
<td>Nagpur – 1997-98</td>
</tr>
<tr>
<td></td>
<td>Aurangabad – Controlled by Mumbai Branch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipping Corporation of India Ltd.</td>
<td>Nagpur – M/s Container Movement (Bombay) Transport Pvt. Ltd</td>
<td>Nagpur Branch – Nagpur, Bhusawal and Raipur and Aurangabad also</td>
<td>Nagpur – 1997-98</td>
</tr>
<tr>
<td></td>
<td>Aurangabad – R &amp; Y Logistics Pvt. Ltd</td>
<td></td>
<td>Aurangabad – 2001-02</td>
</tr>
<tr>
<td>Crescent Shipping Agencies Pvt. Ltd., (MISC)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nagpur – M/s MSC (India) Pvt. Ltd.;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aurangabad - M/s Hind Freight Services Pvt. Ltd, Pune</td>
<td>Nagpur Branch – Nagpur, Raipur and Bhusawal and Aurangabad Branch – Controlled by Pune</td>
<td>Nagpur – 2000-01</td>
</tr>
<tr>
<td></td>
<td>Aurangabad Branch - Controlled by Mumbai</td>
<td></td>
<td>Aurangabad - 2002-03</td>
</tr>
<tr>
<td></td>
<td>Aurangabad – controlled by Mumbai</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aurangabad – Controlled by Mumbai</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. Throughput Performance:

Given below throughput performance of shipping lines:

6.1 Exports: Export throughput performance of shipping lines is as given below:

Table 7.1 Shipping Line Wise Analysis of Central Region, ICD-Nagpur For Exports (TEUs)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Shipping Line</th>
<th>1999-00 (TUEs)</th>
<th>2000-01 (TUEs)</th>
<th>2001-02 (TUEs)</th>
<th>2002-03 (TUEs)</th>
<th>2003-04 (TUEs)</th>
<th>2004-05 (TUEs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MAERSK SEALAND</td>
<td>1648 (100)</td>
<td>2139 (129.79)</td>
<td>1867 (113.29)</td>
<td>2525 (153.22)</td>
<td>3841 (233.07)</td>
<td>5194 (315.17)</td>
</tr>
<tr>
<td>2</td>
<td>APL (I) LTD</td>
<td>1176 (100)</td>
<td>755 (64.20)</td>
<td>445 (37.84)</td>
<td>653 (55.53)</td>
<td>425 (36.14)</td>
<td>1895 (161.14)</td>
</tr>
<tr>
<td>3</td>
<td>SCI</td>
<td>706 (100)</td>
<td>887 (125.64)</td>
<td>526 (74.50)</td>
<td>643 (91.08)</td>
<td>539 (76.35)</td>
<td>1063 (150.57)</td>
</tr>
<tr>
<td>4</td>
<td>AREBEE STAR</td>
<td>676 (100)</td>
<td>741 (109.62)</td>
<td>1089 (161.09)</td>
<td>1762 (260.65)</td>
<td>1627 (240.68)</td>
<td>1221 (180.62)</td>
</tr>
<tr>
<td>5</td>
<td>MISC (CRESCEENT)</td>
<td>589 (100)</td>
<td>94 (117.83)</td>
<td>668 (13.41)</td>
<td>206 (34.97)</td>
<td>294 (49.91)</td>
<td>349 (59.25)</td>
</tr>
<tr>
<td>6</td>
<td>TRANSWORLD</td>
<td>388 (100)</td>
<td>844 (217.53)</td>
<td>614 (158.25)</td>
<td>738 (190.21)</td>
<td>540 (139.18)</td>
<td>989 (254.90)</td>
</tr>
<tr>
<td>7</td>
<td>CMA - CGM</td>
<td>251 (100)</td>
<td>123 (49)</td>
<td>227 (90.44)</td>
<td>554 (220.72)</td>
<td>350 (139.44)</td>
<td>1098 (437.45)</td>
</tr>
<tr>
<td>8</td>
<td>MSC INDIA</td>
<td>215 (100)</td>
<td>323 (150.23)</td>
<td>704 (327.44)</td>
<td>834 (387.91)</td>
<td>1056 (491.16)</td>
<td>2283 (1061.86)</td>
</tr>
<tr>
<td>9</td>
<td>PIL</td>
<td>128 (100)</td>
<td>361 (282.03)</td>
<td>390 (304.69)</td>
<td>401 (313.28)</td>
<td>314 (254.31)</td>
<td>490 (382.81)</td>
</tr>
<tr>
<td>10</td>
<td>CONTSHIP</td>
<td>111 (100)</td>
<td>160 (144.14)</td>
<td>163 (146.85)</td>
<td>492 (443.24)</td>
<td>402 (362.16)</td>
<td>498 (448.65)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5888 (100)</td>
<td>7027 (119.34)</td>
<td>6693 (113.67)</td>
<td>8808 (149.59)</td>
<td>9388 (159.44)</td>
<td>15080 (256.11)</td>
</tr>
<tr>
<td>Average :</td>
<td></td>
<td>393 (100)</td>
<td>468 (119.34)</td>
<td>446 (113.67)</td>
<td>587 (149.59)</td>
<td>626 (159.44)</td>
<td>1005 (256.11)</td>
</tr>
</tbody>
</table>

(Source: Record of ICD-Nagpur)

The table no. 7.1 show the performance of shipping lines at ICD, Nagpur in Central Region for exports. It is revealed from the table that the highest growth was witnessed to 15080 TEUs (i.e. an increase of 156.11%) in 2004-05 and lowest growth was witnessed from 805 TEUs (i.e. an increase of 13.67%) in 2001-02 over the base year 1999-00.
It is observed that Maersk Sealand is a leading shipping line at ICD-Nagpur. It has recorded highest growth of 5194 TEUs (i.e. an increase of 215.17%) in 2004-05 and the lowest growth was witnessed from 219 TEUs i.e. 13.29% in 2001-02. APL has recorded highest growth of 1895 i.e. 61.14% in 2004-05 and its lowest growth was witnessed from (-) 731 TEUs i.e. (-) 63.59% in 2003-04 and SCI has recorded its highest growth of 1063 TEUs i.e. increased to 50.57% in 2004-05 and its lowest growth was (-) 180 TEUs i.e. 25.50% in 2001-02.

It is also observed that MSC, PIL and CONTSHIP has performed consistently at ICD-Nagpur. MSC has recorded highest growth of 2283 TEUS i.e. an increase of 961.86% and its lowest growth was 215 TEUs, an increase of 50.23%. PIL has recorded highest growth of 490 TEUs i.e. 282.81% in 2004-05 and lowest growth was 233 TEUs i.e. 182.03%. CONTSHIP has recorded highest growth of 498 TEUs i.e. increase 348.65% and the lowest growth was 49 TEUs i.e. 44.14% in 2000-01.

Performance of major shipping lines e.g. APL and SCI was not steady during six years of study from 1999-00 to 2004-05. But is found that shipping lines e.g. MSC, PIL and CONTSHIP have performed steadily during the six years study. This is clear indication that the restriction of services to particular sectors and availability of containers for exports with competitive ocean freight is the main challenge for shipping lines at Central Region.

To get the business and growth oriented performance, it is recommended that services for maximum sectors/destination has to be introduced by shipping lines. It is also recommended that competitive ocean freight and services should be offered to exporters.
6.2: Imports: The import throughput performance of shipping lines is as given below:

Table No.: 7.2

SHIPPING LINE WISE ANALYSIS OF CENTRAL REGION, ICD - NAGPUR FOR IMPORTS (TEUs)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MAERSK SEALAND</td>
<td>1544 (100)</td>
<td>1455 (94.24)</td>
<td>3205 (207.58)</td>
<td>3755 (243.20)</td>
<td>3676 (238.08)</td>
<td>4652 (301.30)</td>
</tr>
<tr>
<td>2</td>
<td>APL</td>
<td>1128 (100)</td>
<td>768 (68.09)</td>
<td>543 (48.14)</td>
<td>807 (71.54)</td>
<td>1561 (138.39)</td>
<td>1802 (159.75)</td>
</tr>
<tr>
<td>3</td>
<td>AREBEE</td>
<td>775 (100)</td>
<td>708 (91.35)</td>
<td>1718 (221.68)</td>
<td>2272 (293.16)</td>
<td>1611 (207.87)</td>
<td>1148 (148.13)</td>
</tr>
<tr>
<td>4</td>
<td>SCI</td>
<td>502 (100)</td>
<td>388 (77.29)</td>
<td>600 (119.52)</td>
<td>530 (105.58)</td>
<td>700 (139.44)</td>
<td>813 (161.95)</td>
</tr>
<tr>
<td>5</td>
<td>CMA CGM</td>
<td>278 (100)</td>
<td>154 (55.40)</td>
<td>190 (68.35)</td>
<td>667 (239.93)</td>
<td>692 (248.92)</td>
<td>890 (320.14)</td>
</tr>
<tr>
<td>6</td>
<td>MSC</td>
<td>219 (100)</td>
<td>254 (115.98)</td>
<td>238 (108.68)</td>
<td>614 (280.37)</td>
<td>1122 (512.33)</td>
<td>1997 (911.87)</td>
</tr>
<tr>
<td>7</td>
<td>TRANSWORLD</td>
<td>178 (100)</td>
<td>298 (167.42)</td>
<td>145 (81.46)</td>
<td>565 (317.42)</td>
<td>404 (226.97)</td>
<td>675 (379.21)</td>
</tr>
<tr>
<td>8</td>
<td>CONTSHIP</td>
<td>80 (100)</td>
<td>144 (180)</td>
<td>407 (508.75)</td>
<td>635 (793.75)</td>
<td>473 (591.25)</td>
<td>824 (1030)</td>
</tr>
<tr>
<td>9</td>
<td>PIL</td>
<td>62 (100)</td>
<td>150 (241.94)</td>
<td>280 (451.61)</td>
<td>341 (550)</td>
<td>160 (258.06)</td>
<td>531 (856.45)</td>
</tr>
<tr>
<td>10</td>
<td>CRESCENT</td>
<td>35 (100)</td>
<td>92 (262.86)</td>
<td>345 (985.71)</td>
<td>432 (1234.29)</td>
<td>575 (1642.86)</td>
<td>353 (1008.57)</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td>4801 (100)</td>
<td>4411 (91.88)</td>
<td>7671 (159.78)</td>
<td>10618 (221.16)</td>
<td>10974 (228.58)</td>
<td>13685 (285.05)</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td>320</td>
<td>294</td>
<td>511</td>
<td>708</td>
<td>732</td>
<td>912</td>
</tr>
</tbody>
</table>

(Source: Record of ICD Nagpur)

Note: 1. 1999-2000 is assumed as the base year
2. Figures shown in brackets indicate the percentage over the base year.

Table no 7.2 shows the performance of shipping lines at ICD-Nagpur in central region for imports. The highest growth was witnessed to 13685 TEUs (i.e. an
increase of 185.05%) in 2004-05 and lowest growth was witnessed from (-) 390 TEUs i.e. (-) 8.12% in 2000-01 over the base year 1999-00.

M/s Maersk Sealand has recorded highest growth of 4652 TEUs i.e. an increase of 201.30% in 2004-05 and the lowest growth was (-) 89 TEUs i.e. (-) 5.76% in 2000-01. APL has recorded highest growth of 1802 i.e. an increase of 59.75% in 2004-05 and its lowest growth was (-) 585 TEUs in 2001-02 i.e. by (-) 51.86% and AREBEE STAR has recorded its highest growth of 2272 TEUs i.e. increased by 193.16 % in 2002-03 and its lowest growth was witnessed from (-) 67 TEUs i.e. by (-) 8.65% in 2000-01.

It is also observed that CRESCENT SHIPPING, PIL and CONTSHIP has performed consistently at ICD-Nagpur. CRESCENT SHIPPING has recorded highest growth of 575 TEUS i.e. an increase of 1542.86% and its lowest growth was 57 TEUs i.e. an increase of 162.86%. PIL has recorded highest growth of 531 TEUs, i.e. an increase of 756.45% in 2004-05 and lowest growth was 88 TEUs i.e. an increase of 141.94%. CONTSHIP has recorded highest growth to 824 TEUs i.e. by increase of 930% and the lowest growth was 64 TEUs i.e.an increase of 80% in 2000-01.

Performance of shipping lines was found steady but in year 2000-01 there was deterioration in throughput, it has happened due to low demand of import. To get steady and continuous growth in business, it is recommended that all shipping lines should market for imports at destination i.e. at Central Region.
SECTION - II:

Role of Freight Forwarder:

1. Definitions:

A freight forwarder (hereinafter called FORWARDER) is one who undertakes as a licensed Customs house agent, customs clearance and forwarding of goods on behalf of his customer, including if necessary, procurement and coordination of one or more modes of transport. He may also undertake to perform other functions connected with the main contract such as warehousing (including storage in transit) groupage or consolidation, packing, documentation, weighing and measurement of cargo, container leasing, insurance, foreign exchange transaction etc.

The definition of a freight forwarder as given by the US governments' Federal Maritime Commission is as follows: "A person carrying on the business of forwarding for a consideration who is not a shipper or consignee or a seller or a purchaser of shipments to foreign countries, nor has any beneficial interest therein, nor directly or indirectly controls or by any person having such a beneficial interest."

"The term carrying on the business of forwarding means the dispatching of shipments by any person on behalf of others by ocean going common carriers in commerce from the Country" and also includes "handling the formalities incidental to such shipments."

Freight forwarders are organizing, supporting, facilitating, planning and managing international and global logistics services. Services of freight forwarders span the entire logistics system. They are specialized in some of the
core aspect of the international business and plays vital role in entire logistics system with global network and provides combined services e.g. import/export documentation, customs clearance, sea transport, ship agency, air transport, road or rail transport or warehousing.

“Over the last, say 10 to 15 years\(^6\), freight forwarders remit has widened to include "value adding" services. This changed the scene from "asset based" to "service based" logistics. In short, they are promoting the concept of a lead logistics provider (LLP) or integrator. Apart from engaging in traditional freight forwarding activities, these integrators offer global contract services in response to a growing industrial demand caused by outsourcing of manufacturing activities where it is economically advantageous to do so. This outsourcing in turn leads to, e.g. partially manufactured items and consumer goods in need of transportation to their respective assembly plants and/or markets.”

Freight Forwarders are arranging shipments at very competitive rates for exporters/importers. The freight forwarders may also function as an advisor to his customer on consumer needs, new markets, competitive situations, export strategy, appropriate trader terms to be included in foreign trade contracts, documentary credits and in all aspect to his business.

Conveying the correct information at the right time and to the right recipient is important to initiate, facilitate and support the physical movement of goods. It is important to declare the goods and following customs procedures for export, transit and import, as well as correctly routing freight across a global logistics network and it is also necessary to prevent hold-ups at border crossings or transhipment facilities and to deliver the quality service demanded by customers.
The role of freight forwarder is expanding as the technique of movement of goods. Now a day, freight forwarders are well organized and providing the hurdleless services to the Exporters/Importers for the compliance of formalities involved in the movement of goods. They also render the services for collecting the revenue and remitting to the treasury of the government. Safe and timely delivery of the goods at the correct destination is the ultimate objective of any trading and that is all the more true in foreign trade. These agents play the major role in this operation and the volume of foreign trade is not small at all, if taken on a global level and the credit should be given to these agents for rendering their specialized services to the exporters/importers.

2. Scope:

In International trade, freight forwarders are rendering services to exporters/importers and perform procedural and documentary formalities. The Freight Forwarders are provided following services to their clients,

1) Exports:

   a) Select suitable mode of transport  
   b) Slot booking in the Vessel  
   c) Container Booking at Competitive rates  
   d) Insurance arrangement.  
   e) Cargo Consolidation  
   f) Weighment and measurement services  
   g) Payment of freight and other relevant charges  
   h) Arranging transport of containers/goods to the port.  
   i) Custom clearance  
   j) Documentation formalities
k) Monitoring shipment and follow up with other agencies
l) Arranging “Shipped on Board” bill of lading.
m) Assisting exporters for Export promotion schemes and claims

2) Imports:

a) Monitoring import movement & ETA (Expected Time of Arrival) etc on behalf of importers
b) Checking of Non-negotiable documents in advance to avoid delays in clearance.
c) Co-ordination with shipping lines and port authorities.
d) Payment of Inland Haulage Charges to Shipping Lines, if required.
e) Arranging custom clearance under different schemes.
f) Follow ups with different agencies.
g) Payment of duties
h) Delivery of custom cleared goods.

An importer should approach the selection of the right freight forwarder in much the same manner as he selects the right supplier of his goods or a lawyer. The selection process should ensure the competence and integrity of the candidates. Goods of considerable value as well as their controlling documents are entrusted to the freight forwarder. Since the importer will often seek the forwarding agent's advice and counsel on how best to protect or advance his interest, the relationship must be built on trust and confidence.

In some places, such as the United States, freight forwarders are required to be licensed and to post a bond (which most likely represents only a fraction of the value of cargoes entrusted to them). In many countries, however there are neither licensing nor bonding requirements.
The Government of India is planning to make registration mandatory for freight forwarders. The act would be made available to imports rather than exports, provided the Multimodal transport contract is entered in India. This means that it would be made applicable for Multimodal transportation within the country, including coastal movement of goods. This is decided at the behest of the Shipping Ministry in consultation with the Association of Multimodal Transport Operators of India (AMTOI) and the Director General of Shipping.

3. Indian Scenario:

In India, the freight forwarding Industry is more than 100 years old. Originally, the forwarder performed every routine and rudimentary functions like processing of documents in customs clearance of cargo from the docks. Those who attended the processing of documents were known as ‘Dalal’ while those who attended the clearance of cargo were known as ‘Muccadams’. The clearing agent who came on the scene later were allowed to handle both operations and also sign customs documents, a right which had been denied to the Dalals and Muccadams. In 1962, under the Customs House Agents Licensing Rules, all three categories were merged into one, known as the Custom House Agents.

The years that followed saw the formation of Customs House Agents Association at the ports and their federation into an apex body at the national level - the Federation of Freight Forwarders Associations in India. These bodies have received recognition from the Govt. and are given representation on several official bodies connected with trade and transport such as the Standing Committees for the promotion of exports, the Customs and Central Advisory Council, etc. They are also duly recognized by commercial bodies and given representation in various Chambers of Commerce and shippers
The Federation of Freight Forwarders Associations in India have laid down a set of standard trading conditions. This is based on the model evolved by the International Federation of Freight Forwarders Associations (FIATA) for the guidance of the freight forwarding Industry worldwide. Under these trading conditions, a forwarder is expected to take reasonable care of the goods entrusted to his care and comply with the instructions of his customer in matters relating to their transportation. He is liable only for his own faults, attributable to himself or his employees and not for the acts or omissions of carriers and other third parties. Even when he is liable, his maximum liability for loss of or damage to goods shall be limited to their market value.

These trading conditions are apparently applicable to a forwarder acting as an agent and would need updating to take care of situations when he assumes the role of a principal.

Over the years, the freight forwarding industry in India has shown substantial progress. At present, there are over 700 organizations in the country engaged in the business of freight forwarding. They consist of a wide range of organizations - probably from a one man organization engaged in local booking of shipping space or in customs clearance to big organizations doing forwarding business on an international scale. However, by and large, the services rendered by them are still of a conventional nature, reflecting the general conditions prevailing in the developing countries of the Asia Pacific region. In particular, there are two important areas - consolidation in sea freight (referred to earlier) and multimodal transport where Indian freight forwarders
have not yet been able to enter, mainly owing to lack of support from customer authorities. It is, however, expected that Govt will enact necessary legislations.

4. **List of Freight Forwarders working at Central Region:**

1) M/s R & Y Logistics Pvt. Ltd.,
2) M/s Ambika Forwarders
3) M/s Ganesh Forwarders Pvt. Ltd.,
4) M/s Bharat Shipping Pvt. Ltd.,
5) M/s Transline Cargo Shipping Pvt. Ltd.,
6) M/s Transworld Logistics Pvt. Ltd
7) M/s Ankur Logistics
8) M/s Royal Freight Forwarders
9) M/s Associated Container Line Pvt. Ltd.,
10) M/s TM International Logistics Ltd.,
11) M/s Thaparsons KV Shipping Agent
Section – III:

Role of Custom House Agent:

"Customs House Agent" means a person licensed under the Customs House Agents Licensing rules 1960 as amended from time to time, to act as agents for the transaction of any business relating to the entrance or clearance of any vessel or the import or export of goods or baggage in any Custom House

Section 146 of the Customs Act 1962 provides that Customs House Agents should take a licence for working as a CHA in any part of India. The Customs House Agents Licensing Rules 1960 also regulate the working of the CHAs in India.

Section 146 of the Custom Act is the enabling provision, which allows agents of importers and exporters to act on behalf of importers and exporters. This is necessitated by the highly involved and technical nature of the work to be done in connection with clearance of imports into and exports out of country. The importers and exporters themselves may have neither time nor the requisite knowledge on their own. Therefore, agents are allowed to act on their behalf. The work of the agents is governed by the Custom House Agent licensing Regulation, 1984 framed under this section read with section 157.

There are certain liabilities fastened on the agent of the importer or exporter under section 147. Some of these liabilities are in the nature of extension of and exceptions to the liability of an agent under the Indian Contract Act 1872. Sub-section (1) empowers the agent to do everything that an importer or an exporter can do. Filing a bill of entry, shipping bill, submitting supporting
documents therewith, helping in examination of goods, payment of duty on behalf of the principal, warehousing of goods, removal from warehouse. The common law principle that an agent’s actions bind the principal is given the status of a legal presumption. The consequences of all actions of a CHA will bind the importers and exporters on whose behalf they act. An agent who is authorized to act on behalf of the importer or exporter is treated as the owner of imported or exports goods. In respect of that particular transaction, a notice could be given to that agent. This does not normally extend to recovery of duty not paid or short paid by the owner, importer or exporter of goods. As an exception, this is permissible when the Deputy/Assistant Commissioner is of the opinion that such recovery from the owner, importer or exporter of goods is not possible.

1. **Essential features of CHA Licensing Regulations, 1984:**

   1. No ceiling for number of CHAs who can be appointed in a Customs House.
   2. Issue of regular licence is preceded by a period of grant of temporary licence.
   3. Prescribing criteria of experience and financial soundness for appointment.
   4. Grant of regular licence is subject to passing examination, satisfying minimum volume of business and complying with obligations under Regulation No.14.
   5. Change in the constitution of partnership or firm not to affect the operations of CHA.
   6. Commissioners have been empowered to prescribe fees to prevent excess billing by the CHAs.
2. Application for licence:

Under Regulation 4, every January, the Commissioner of Customs has to notify and advertise and call for applications from persons for acting as CHAs within his jurisdiction. Individuals, firms and companies can act as CHAs. In case of firms and companies, the application has to give the particulars of partner or director who will actually do the work of clearance of goods at the Customs station. Application is made in Form A.

3. Functions of CHA:

1. Preparation of various kinds of bill of entry and shipping bill.
2. Arrival entry and clearance of vessels.
3. Tariff classification and rates of duty.
5. Conversion of currency.
7. Procedures for assessment and payment of duty.
8. Examination of merchandise at the Customs stations.
12. Re-importation and conditions for free re-entry.
Regulation Act, 1973, Indian Explosives Act 1884, Arms Act 1959, Opium Act 1878, Drugs and Cosmetics Act 1940, Destructive Insects and Pests Acts 1914, Dangerous Drugs Act 1930 in so far as they relate to the clearance of the goods through Customs.

16. Refund procedures, appeals and revision petitions.

4. Working in other Customs Stations:

A person holding regular licence can work in all Customs stations as a CHA. If a place has both sea port and international airport, there is no need to seek the facility of separate licence from each place. Otherwise, for this purpose a separate application has to be made to the concerned Commissioner of Customs. The applicant should satisfy the commissioner that he has the financial soundness as prescribed under Regulation 6. Such an applicant has to satisfy the Commissioner that he has sufficient clients, that he can provide warehousing and transport facilities. Separate bond and bank guarantee should be given as in given to his regular Customs station, in Forms D and E.

5. Records to be maintained by the CHA:

CHAs have to maintain detailed, itemized and up to date books of accounts. The accounts should reflect all financial transactions entered into as a CHA. A copy of all documents such as shipping bill, bill of entry, transshipment application etc. must be maintained by the CHA for at least five years. These records should be made available for inspection by the officers of the department.
6. Duties and Obligations of a CHA:

6.1: Clearances only against authorization:

A CHA is required to clear goods for import or export only against specific authorization from the principal and must produce it whenever required by the Deputy/Assistant Commissioner.

6.2: Method of transacting business:

The CHA has to either personally clear the goods or clear it through an employee who is approved by the Deputy/Assistant Commissioner who is designated for this purpose by the Commissioner. All the documents prepared by him should prominently bear the CHAs name at the top of the document. The CHA should not attempt to influence the conduct of Customs officers in matters pending before him or his subordinates. There should be no threats, false accusations or duress against such officers. No promise of advantage or benefit or gift should be made or bestowed on such officers. Duty of CHA should be discharged with utmost speed and avoid delays. He cannot charge for his services in excess of rates approved by the Commissioner.

6.3: Personal interests of CHA, if he is a former Customs Officer:

If the CHA is a former officer of the department, he cannot represent any matter before a Customs officer, which he had personally considered as such officer. He cannot also use facts which came to his knowledge when he was an officer.

6.4: Duty to tender correct advise:

The CHA is duty-bound to advise the client to comply with the provisions of the Act and the regulations. If there is non-compliance of provisions by any
client, he is required to bring it to the knowledge of the Deputy/Assistant Commissioner. This regulation requires the CHAs to act as source of information to the department.

The CHA has to exercise diligence and ensure that he passes on correct information to the client, ensure that all information relevant for clearance or cargo or baggage is passed on to the client if it is relevant for clearance of cargo or baggage.

6.5: Accounting for money received:

The CHA has a duty to promptly pay to Government all money received from client for payment of duties and taxes. Similarly, any money received by him from the client or from the Government should be promptly and fully accounted to the client.

6.6: Liability as to information:

CHA should not attempt to gather information from Government records if it is not granted by the proper officer. Access to record maintained by him should not be denied, nor removed or concealed when sought by the Commissioner. There is a duty to maintain records and accounts as directed by the Deputy/Assistant Commissioner and produce them before that officer for inspection. All documents have to be prepared strictly in accordance with the rules and orders.

If the licence granted to a CHA is lost, it should be promptly reported to the Commissioner.

If there is failure in complying with obligations under Regulation 14, the Commissioner may prohibit a person from acting as a CHA within his jurisdiction.
As CHA licenses are issued to the person who has passed the Rule 9 exam of Customs and if they want to change the name of their firm, companies or concerns and its constitutions, following formalities have to be performed:

**6.7: Change in constitution of firms, companies, concerns:**

Any change in the partners or directors should be informed to the Commissioner [Regulation 15].

If there is any change in the constitution of the firm or company, an application for grant of temporary and regular licence should be made within 30 days of such change. If there is nothing adverse against the firm or company, the Commissioner will grant licence of the category held by the firm or company earlier. In the meantime, the concern may be allowed to continue its business as a CHA if an application to that effect is made to the Commissioner.

If the concern is not a firm or company, in case of any change in the constitution of the concern, permission will be granted to continue the business as CHA by the Commissioner. If the change occurs due to death of person who was licensed to act as a CHA, his legal heir who was assisting him in his work as CHA under Regulation 20 may be granted licence, if there is nothing adverse against that person and he also passes the examination.

If there is any change of qualified person acting on behalf of the firm or company, such information should be immediately given to the Deputy/Assistant Commissioner.

These Rules have been replaced by the Customs House Agents Licensing Regulations 1984 which is also amended from time to time. On May 5, 1994 Customs Notification, the CHA Licensing (third amendment) Regulations 1994 has come into effect and it provides that the license granted under
Regulation 10 shall be valid for a period of five years, but may be renewed from time to time in accordance with the procedure provided in sub regulation (2).

The Collector of Customs may, on application made by the licensee, before the expiry of the validity of the licence, under the above provision, renew the licence for the period of five years from the date of expiration of the original licence granted under regulation 10 or of the last renewal of such licence, as the case may, if the performance of the licensee is found to be satisfactory with reference interrelating to the following:

(a) Quantity or value of cargo cleared by such licensee conforming to norms as may be prescribed by the Collector of Customs.

b) Absence of instances of delay either in the clearance of goods or in the payment of duty for any reason attributes to such licensee and any complaints of misconduct including non-compliance of the obligations specified in regulation 14.

The Finance Ministry may issue guidelines to Custom Commissioners for granting reorganization to Custom House Agents (CHA) associations. The Central Board of Excise and Customs (CBEC) had come up with new licensing regulation for CHAs in February 2004.
7. List of CHAs working at Central Region:

1. M/s R & Y Freight Systems Pvt. Ltd.,
2. M/s Sea Trade Shipping (Export) Agencies.
3. M/s Ganesh Forwarders Pvt. Ltd.,
4. M/s Bharat Shipping Pvt. Ltd.,
5. M/s AL Freight International Pvt. Ltd.,
6. M/s Vikram Exports
7. M/s Tricon Shipping Pvt. Ltd.,
8. M/s Asian EXIM Services Pvt. Ltd.,
9. M/s Serwell Cargo Services
10. M/s Damani Shipping Pvt. Ltd.,
8. Throughput Performance:

CHAB-wise throughput performance is as given below:

8.1 Exports:

Table No.: 7.3

CUSTOM HOUSE AGENT WISE ANALYSIS OF CENTRAL REGION, ICD - NAGPUR FOR EXPORTS (TEUs)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>R &amp; Y Freight Systems</td>
<td>3971 (100)</td>
<td>3712 (93.48)</td>
<td>3173 (79.90)</td>
<td>4134 (104.10)</td>
<td>5245 (132.08)</td>
<td>6322 (159.20)</td>
</tr>
<tr>
<td>2</td>
<td>AL Freight International</td>
<td>1167 (100)</td>
<td>465 (39.85)</td>
<td>485 (41.56)</td>
<td>327 (28.02)</td>
<td>340 (29.13)</td>
<td>304 (26.05)</td>
</tr>
<tr>
<td>3</td>
<td>Vikram Exports</td>
<td>709 (100)</td>
<td>1041 (146.82)</td>
<td>837 (118.05)</td>
<td>737 (103.95)</td>
<td>850 (119.89)</td>
<td>718 (101.26)</td>
</tr>
<tr>
<td>4</td>
<td>Sea Trade</td>
<td>446 (100)</td>
<td>1424 (319.28)</td>
<td>1982 (444.39)</td>
<td>3361 (753.59)</td>
<td>3357 (752.69)</td>
<td>4606 (1032.74)</td>
</tr>
<tr>
<td>5</td>
<td>Bharat Shipping</td>
<td>381 (100)</td>
<td>630 (165.35)</td>
<td>420 (110.24)</td>
<td>303 (79.53)</td>
<td>135 (35.43)</td>
<td>246 (64.57)</td>
</tr>
<tr>
<td>6</td>
<td>Shri Ganesh Forwarders</td>
<td>137 (100)</td>
<td>- (0)</td>
<td>565 (412.40)</td>
<td>926 (675.91)</td>
<td>1052 (767.88)</td>
<td>1535 (1120.44)</td>
</tr>
<tr>
<td>7</td>
<td>Tricon Shipping</td>
<td>174 (100)</td>
<td>193 (110.92)</td>
<td>275 (158.05)</td>
<td>136 (78.16)</td>
<td>138 (79.31)</td>
<td>56 (32.18)</td>
</tr>
<tr>
<td>8</td>
<td>Asian EXIM</td>
<td>165 (100)</td>
<td>375 (227.27)</td>
<td>530 (321.21)</td>
<td>509 (308.48)</td>
<td>310 (187.88)</td>
<td>290 (175.76)</td>
</tr>
<tr>
<td>9</td>
<td>Sewell Cargo</td>
<td>76 (100)</td>
<td>202 (265.79)</td>
<td>215 (282.89)</td>
<td>456 (600)</td>
<td>636 (836.84)</td>
<td>804 (857.89)</td>
</tr>
<tr>
<td>10</td>
<td>Damani Shipping</td>
<td>9 (100)</td>
<td>20 (222.22)</td>
<td>564 (6266.66)</td>
<td>616 (6844)</td>
<td>640 (7111.11)</td>
<td>1050 (11666.66)</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>7235 (100)</td>
<td>8062 (111.43)</td>
<td>9046 (125.19)</td>
<td>11505 (159.22)</td>
<td>12703 (175.79)</td>
<td>15931 (220.47)</td>
<td></td>
</tr>
<tr>
<td><strong>Average:</strong></td>
<td></td>
<td>482</td>
<td>538</td>
<td>603</td>
<td>767</td>
<td>847</td>
<td>1062</td>
</tr>
</tbody>
</table>

(Source: Record of ICD, Nagpur) Note: 1. 1999-2000 is assumed as the base year 2. Figures shown in brackets indicate the percentage over the base year.
The Table no 7.3 shows the performance of Custom House Agents at ICD-Nagpur in Central Region for Exports. The highest growth was witnessed to 15931 TEUs (i.e. an increase of 120.47%) during 2004-05 and the lowest growth was witnessed from 827 TEUs i.e. an increase of 11.69% during 2000-01 over the base year 1999-00.

It is observed from table that M/s R & Y Freight System Pvt. Ltd is a leading CHA followed by M/s Sea Trade Shipping (Export) Agency. M/s R & Y Freight System Pvt. Ltd recorded highest growth of 6322 TEUs i.e. increase of 59.20% and the lowest growth was witnessed to (-) 798 TEUs i.e. (-) 20.10% in 2001-02. M/s Sea Trade Shipping (Export) Agency has recorded highest growth of 4606 TEUs i.e. an increase of 932.74% during 2004-05 and the lowest growth was witnessed to 978 TEUs i.e. by an increase of 219.28% in 2000-01. M/s Shri Ganesh Forwarders has witnessed to highest growth of 1535 TEUs i.e. an increase of 1020.44% and lowest growth was witnessed from 428 TEUs i.e. an increased of 312.40% during 2001-02.

M/s Serwell cargo and M/s Damani shipping made the modest beginning and performed consistently. M/s Sewell Cargo recorded 804 TEUs i.e. an increase of 957.89% and the lowest growth was witnessed from 126 TEUs i.e. an increase of 165.79%. M/s Damani Shipping recorded highest growth to 1050 TEUs i.e. an increase of 11566.60% and the lowest growth was witnessed to 11 TEU i.e. an increase of 122.22% over the base year 1999-00.
It is observed from table that the CHAs are in competition with each other and try to get business by breaking the clients. In such cases exporters are getting good rates but efficient services may not be ensured.

It is recommended that CHA should focus on customer services and not on to volume of customer. They should retain the customer by providing good services. It is also recommended that every CHA should focus on small and potential customer to maintain consistency in business.
**8.2 Imports:** CHAs throughput performance for imports is as given below:

Table No.: 7.4

CUSTOM HOUSE AGENT WISE ANALYSIS OF CENTRAL REGION, ICD - NAGPUR FOR IMPORTS (TEUs)

<table>
<thead>
<tr>
<th>SR. NO</th>
<th>Name of CHA</th>
<th>1999-2000 (TEUs)</th>
<th>2000-01 (TEUs)</th>
<th>2001-02 (TEUs)</th>
<th>2002-03 (TEUs)</th>
<th>2003-04 (TEUs)</th>
<th>2004-05 (TEUs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bharat Shipping</td>
<td>1087 (100)</td>
<td>741 (68.17)</td>
<td>1939 (178.38)</td>
<td>1508 (138.73)</td>
<td>1537 (141.40)</td>
<td>1324 (121.80)</td>
</tr>
<tr>
<td>2</td>
<td>Exim Services</td>
<td>153 (100)</td>
<td>903 (590.20)</td>
<td>1980 (1294.12)</td>
<td>3498 (2286.27)</td>
<td>3158 (2064.05)</td>
<td>5064 (3309.80)</td>
</tr>
<tr>
<td>3</td>
<td>R &amp; Y Freight System</td>
<td>803 (100)</td>
<td>732 (91.16)</td>
<td>229 (28.52)</td>
<td>269 (33.50)</td>
<td>148 (18.43)</td>
<td>1438 (179.08)</td>
</tr>
<tr>
<td>4</td>
<td>Shri Ganesh Forwarders</td>
<td>568 (100)</td>
<td>6 (1.06)</td>
<td>860 (151.41)</td>
<td>2420 (426.06)</td>
<td>3960 (697.18)</td>
<td>4834 (851.06)</td>
</tr>
<tr>
<td>5</td>
<td>Vikram Exports</td>
<td>500 (100)</td>
<td>547 (109.40)</td>
<td>179 (35.80)</td>
<td>191 (38.20)</td>
<td>290 (58)</td>
<td>219 (43.80)</td>
</tr>
<tr>
<td>6</td>
<td>Shabari International</td>
<td>321 (100)</td>
<td>281 (87.54)</td>
<td>313 (97.51)</td>
<td>142 (44.24)</td>
<td>231 (71.96)</td>
<td>204 (63.55)</td>
</tr>
<tr>
<td>7</td>
<td>Threestar Forwarders</td>
<td>54 (100)</td>
<td>464 (859.26)</td>
<td>618 (1144.44)</td>
<td>748 (1385.19)</td>
<td>418 (774.07)</td>
<td>182 (337.04)</td>
</tr>
<tr>
<td>8</td>
<td>Sai Shipping Services</td>
<td>306 (100)</td>
<td>366 (119.61)</td>
<td>890 (290.85)</td>
<td>1132 (369.93)</td>
<td>1181 (385.95)</td>
<td>211 (68.95)</td>
</tr>
<tr>
<td>9</td>
<td>S. Y. Ranade</td>
<td>3 (100)</td>
<td>24 (800)</td>
<td>223 (7433.33)</td>
<td>567 (18900)</td>
<td>767 (25566.6)</td>
<td>614 (20466.66)</td>
</tr>
<tr>
<td>10</td>
<td>D. S. Rawat</td>
<td>906 (100)</td>
<td>323 (35.65)</td>
<td>235 (25.94)</td>
<td>29 (3.20)</td>
<td>40 (4.42)</td>
<td>37 (4.08)</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td>4701 (100)</td>
<td>4387 (93.32)</td>
<td>7466 (158.82)</td>
<td>10504 (223.44)</td>
<td>11730 (249.52)</td>
<td>14127 (300.51)</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td>313</td>
<td>292</td>
<td>498</td>
<td>700</td>
<td>782</td>
<td>942</td>
</tr>
</tbody>
</table>

(Source: Record of ICD, Nagpur)

Note: 1. 1999-2000 is assumed as the base year

2. Figures shown in brackets indicate the percentage over the base year.
The table no 7.4 reveals the performance of CHAs at ICD-Nagpur in Central Region for imports, the highest growth was witnessed to 14127 TEUs, i.e. an increase of 200.51% in 2004-05 and the lowest growth was witnessed from (-) 314 TEUs, i.e. an increase of (-) 6.68% in 2000-01 over the base year 1999-00.

M/s Exim Services has recorded the highest growth to 5064 TEUs in 2004-05 i.e. an increase of 3209.80% growth in the year 2004-05 and the lowest growth was witnessed from 750 TEUs, i.e. an increase of 490.20% in 2000-01. M/s Shri Ganesh Forwarders has recorded highest growth to 4834 TEUs i.e. an increase of 751.06% in 2004-05 and the lowest growth was witnessed from (-) 562 TEUs i.e. (-) 98.94 % in year 2000-01.

M/s S Y Ranade recorded highest growth of 767 TEUs i.e. by an increase of 25466.66% in 2003-04 and the lowest growth was witnessed from 21 TEUs in 2000-01 i.e. an increase of 700% in 2000-01 over the base year 1999-00. M/s Sai Shipping Services made highest growth was witnessed to 1181 TEUs in 2003-04 i.e. an increase of 285.95% and the lowest growth was witnessed from (-) 95 TEUs i.e. by an increase of  (-) 31.05% during 2004-05.

The performance of CHA depends on the performance of their client and import of different commodities which are cleared on behalf of client. It is observed from the table that CHAs are in competition with each other and try to get the business by reducing clearance charges/agency charges etc.
It is also observed that the focus of CHAs is always on the big clients and in such cases they forget to render their services to importer who has small volume of business. In such cases CHAs those are concentrating small but potential customers can enjoy the consistency in business performances. It is recommended to focus on the importers with different commodities so that the impact of government policies or the effect of demand and supply of the commodities would not affect the business of CHA.
Section - IV:

Role of Surveyors:

As commerce and finance have increased in sophistication, the role of cargo surveyor has become more pivotal. Whilst it is the seller who frequently appoints the cargo surveyor, the buyer (or his bank) who may be parting with large sums of money in reliance on the documents produced by the cargo surveyor.

Risk is one factor that plagues the buyer and seller from carrying out a fair transaction, whether on a domestic or international level. As more stress is laid on the quality of the products transacted than before, buyers are more interested in getting their money's worth. They do, however, face a potential risk in guaranteeing the same due to logistical and demographic factors. Under many commodities contracts, the cargo surveyor inspects not only the condition and the quality of goods but also the cleanliness and suitability of the ship's holds/facilities and the operational procedures of the vessel.

Thus, the demand for inspection and quality assurance services is on the rise. This is because as global trade increases and the complexity of products and commercial transactions go up; the buyer and/or the seller want to minimize their risk exposure. As a result, prior to delivery, typically the shipper would like to have the consignment inspected for its conformance to contractual specifications, pre-shipment inspection, and sometimes, even post-delivery condition. That also puts the buyer at ease in terms of getting the right quantity and quality of material as per specifications ordered by him. Notwithstanding the advancement of technology, the demand for proper, quick, and accurate
information is on the rise, and therefore, the requirement of reliable and independent inspection agencies.

Surveying agencies serve two major functions:

- Provide its client with reliable and accurate information of the cargo inspected and thus put them at ease on the quality and quantity of products bought by them,
- Minimize the element of risk that exists in such transactions

The activities of surveying agencies can be varied and diverse. It can encompass virtually every aspect of ensuring or ascertaining the qualitative and quantitative nature of the products inspected, provided the inspection agency has the facilities and the expertise services. It can range from simple tally jobs to draft survey of vessels, loading and discharge supervision, qualitative assays, volumetric assessment and to complex assignments like design verification and validation of engineering projects and its inspection.

The need in surveyor and expert services is accounted for by the growing role of insurance companies. The valid conclusion of a competent expert may save time and money. The surveyor uses technical skills to establish the cause of loss or damage, assess the degree of damage and provide a complete picture of the situation in the report. This includes suitable recommendations as to minimizing or making good the damage, and if necessary, recommendations of the best market for the damaged goods. The surveyor is often seen as a troubleshooter.

The surveying agencies, thus, play a pivotal role in ensuring a fair and valid
transaction. For international transactions, it is imperative that the surveying agency is of international repute, have a wide global coverage and that its certificates are acknowledged by parties concerned. Buyers and sellers need to consider the above factors before appointing surveying agency. Other factors that buyers and sellers should consider are:

- the integrity of the certificates issued.
- the reliability and accuracy of information supplied
- the promptness of information provided
- Business ethics and code of conduct followed by the agency.

1. Special characteristics of Surveyor:

7. Confirms if incidence happened in reality and subsequently damage occurred.
8. Assesses the cause of damage with the help of physical evidence.
9. Assesses the nature and extent of damage sustained by the Container / vessel.
10. Recommends repairs to be carried out to the damaged container / vessel to bring the vessel in pre accident condition.
11. Prepares estimate for repairs.
12. Supervises the repairs and approves bills with certificate.
13. In case of collision if opposite vessel is damaged, surveyor has to inspect the vessel and survey report has to be issued without prejudice. Survey reports are confidential and are not available to other parties who may be instituting proceedings for third party liability damage.
In concluding, these agencies have now become an integral partner in trade and commerce and their role in such transactions have increased and become important than before. Where there is an initiative for quality, there is always be the necessity of independent qualified agency.

After thorough inspection, surveyor submits his detailed report to insurers/underwriter with his recommendations. Surveyor's fees is paid by the insurers irrespective of the even in no claim is recommended. Surveyors normally carry out complete and comprehensive survey and follow up repairs carried out following the survey. There may be difference between the repairs estimated by insured and Surveyor. In that case it is customary for surveyor to appoint underwriters to supervise the repairs done.

2. Name of Surveyor Agencies working at Central Region:

1) M/s Metcalf Hodgkinson Ltd

2) M/s Unique Marine Technical Services

3) M/s Master Marine Services Pvt. Ltd.,
**Important observations & recommendations:**

Important observations & recommendations regarding this chapter may be summarized as follow:

1) It is observed that competitive ocean freight is playing a major role to develop the business. To promote the business at Central Region, it is recommended that shipping lines should offer competitive ocean freight to the shippers.

2) As a value added services, it is important to provide online tracking system to communicate the exact position of shipment to consignee.

3) Managing shipment schedule as per requirement of consignee/consignor, delivery of goods should be the priorities of shipping lines and to meet these priorities, it is important to deliver the goods well in time. To meet these commitments and priorities, it is recommended that EXIM containers should be moved on time and as per requirement of customers.

4) It is observed that generation of import business at Central Region is important to match the requirement of exports containers so that maximum number of imports can be used for exports.

5) There are different kinds of customers in EXIM business with small or big volume. To attract the business the scheme of volume based discount can be offered.
6) In service industry it is essential to maintain the consistency in business, it is recommended that customer services and its requirement should be given priority especially in Central Region.

7) To maintain proper record of containers, its condition and also to increase the life of containers by proper repairs & maintenance, it is recommended that an independent survey agency should be appointed by shipping lines.

8) Shipping lines have developed their business at central region for various sectors. To provide the reliable and efficient services, it is recommended that shipping lines should open branch offices at ICD locations to facilitate the customers.

9) Now a days, requirement of container status in transit is the top most priority for everyone who is involved. To know the transit status of containers, it is suggested that container tracking system should be introduced by every service provider for container business.

10) For speedy movements of containers from/to ports for final destination i.e. ICDs/CFSs, it is recommended that connectivity with different port should be maintained to minimize the delays in movement of containers from port to ICDs/CFSs.

11) It is observed that due to lack of limited number of destinations for export, performance of some shipping lines was not satisfactory. To keep in view to develop the business and to perform consistently, it is recommended that shipping lines should open maximum service sector to facilitate the trade so
that the availability of adequate number of destination will create choices for the exporters/importers.

12) It is observed that due to low demand of imports, performance of imports was not steady. To keep the growth oriented performance, it is recommended that shipping lines should improve on strategy to develop the business for importers.

13) It is observed that accounting problems in Pre Deposit Accounts (PDA) at central region is a commercial problem and it should be rectified immediately so that delays in clearances can be minimized due to lack of sufficient balance in pre deposit account. It is recommended that CONCOR should arrange regular reconciliation with PDA holders.

14) Now a days, banks are reaching at door step of customers, unavailability of bank’s extension counter is a commercial problem at Central Region. It is recommended that CONCOR should initiate to open bank’s extension counter so that such difficulties should not be faced by users of ICDs at Central Region.

15) It is observed that present time of commercial transaction is not sufficient as per requirement of users of ICD. It is recommended that CONCOR should extend round the clock commercial transactions, which may reduce the delays and shall open the way to facilitate trade for fast and speedy clearances.

16) In some procedures CONCOR should adopt flexibility and as per convenience of trade, cash should be accepted against the commercial transactions.
17) Growth is always making a change in infrastructure, it is observed that an availability of space for handling of cargo and containers is not sufficient. It is recommended that for smooth and fast handling of containers and cargo, space of yard should be extended.

18) It is observed that CONCOR deploy equipments as per tender clause, which is decided as per business forecast. Some time it is not enough to satisfy the customers need. To meet the trade’s requirement and business demand it is necessary to deploy sufficient number of trailers at Central Region.

19) At ICD handling of containers where damage to containers is possible all the time, it is observed that there is need to repair the damage containers well in time to make its utilization as and when required. To ensure instant repairs, it is recommended that full fledged container repair facility and maintenance of containers should be made available to the trade.

20) It is observed that lack of coordination with port delaying the movement of containers from port to ICDs and some time port’s mistakes in stacking and unloading of containers at port. CONCOR should maintain proper coordination system and action of follow ups with port to minimize the delays in movement of containers and also these follow up will help them out to handle the containers efficiently.

21) It is observed that Custom House Agents compete with each other and reducing their rates to attract the exporters/importers. It is recommended that CHAs should concentrate on customer services and also it is recommended
that CHAs should focus on potential customer to render the services and not on
the business volume of customer.

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