Circular No. 77/95
dated 30/6/95

F.No. 434/62/94- Cus- IV

Government of India
Ministry of Finance
Department of Revenue, New Delhi

Subject : ICDs / CFSs Movement of Cargo by Road Permitted

The undersigned is directed to refer to the issue of Notification No. 15/95-Cus.(NT) and No. 16/95-Cus.(NT) both dated 10.3.1995 relating to Inland Container Depots (ICD). Notification No. 15/95-Cus(NT) is a consolidated notification for places appointed by the Central Government as ICDs under clause (aa) of section 7 of the Customs Act, 1962. Notification No. 16/95-Cus(NT) rescinds various notifications appointing individual places as ICDs consequent to the issue of single notification for these ICDs.

2. The issue of a single notification listing out the places set up as ICDs for the purpose specified in the notification itself, is essentially a step towards administrative and legal simplification. The subject notification lists out the facilities located in each State and at one glance the trade and the Department would be in a position to know the existence of such facilities. It may, however, be seen that the facilities (ICDs) are indicated largely by the name of the places without further specific reference to their exact location in the particular place. This is a departure from the practise hitherto followed as in the individual notifications, now rescinded, the location of the facilities were very specifically mentioned. This departure is, however, not to create any element of confusion and it is to be ensured the facilities available to the trade are brought to the notice. for this purpose, it is suggested that appropriate notification as per section 8 of the Customs Act, 1962 may be issued wherever it has not been notified so far specifying the location and purpose of the ICD or of the Container Freight Stations (CFS) attached to the said ICD as required u/s 8 of the C.A. 1962. To ensure that the trade is well informed, suitable public notices/ trade notices would also be necessary.

3. It may also be noted that as regards the movement of cargo from and to the ICDs and CFSs, the policy of the Department has so far been to prefer such movement by the medium of rail transport wherever such link in provided. This is to cut down the possible revenue risk in view of the essential advantage of rail transport in terms of safety of goods in comparison to any other mode of transport such as, by road. However, having regard to the fact that rail transport may being equate to meet the requirement of the trade and also the fact that the revenue risk are being largely taken care of in view of the reducing tariffs over the time, the policy of movement of cargo from ICD and CFS has been reviewed.

4. As regards the ICDs, it has been decided that the movement of cargo cleared by Customs at the ICD for export may be either by road or by rail at the discretion of the custodian of the ICD. For this purpose, the custodian will be required to execute a bond with Assistant Collector of Customs incharge of the ICD which will act as revenue safeguard should the goods be lost in transit. This new dispensation may please be noted.

5. It may also be seen that at times, the ICDs/Ports are being serviced by CFSs. These CFSs are essentially feeder facilities for the ICDs/Port both for import and export cargo. Since a particular CFS would be linked to a specific ICD/ Port, the movement of export cargo from the CFS to the ICD may be generally be road only in view of short distance involved. Accordingly for movement of the export cargo from CFS to ICD / Port, we may have no objection to such movement by road or even by rail as per option of custodian of the CFS.

Here also, the custodian would be required to execute a suitable bond with the Assistant Collector of Customs in Charge of the ICD, which will act as a revenue safeguard should goods be lost in transit.

6. As may be noted, with the issue of Notification 15/95-Cus (NT) and 16/95(NT) no new facilities have been created, however, the existing facilities have simply been clubbed in one notification. Accordingly, as suggested above, this fact together with the exact location of the facility in your jurisdiction and further the Government policy regarding permitting the movement of goods from ICD/ CFSs may be informed to the trade by issue of suitable public notice/ trade notice. This would, however, be consequent to issue of the notification under section 8 of the Customs Act, 1962 by the concerned Commissioners wherever required to be issued.

Sd/-
(S.M. Bhatnagar)
Under Secretary to the Govt. of India

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