

## A STUDY ON OPERATIONS OF THE CUSTOMS HOUSE AGENTS IN IMPORTS

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### ABSTRACT

Import in simple words means selling goods abroad or Import refers to outflow of goods and services and inflow of foreign exchange. Each country has its own rules and regulations regarding the foreign trade. An importing company must maintain and meet various documentation requirements in order to comply with all national laws and regulations. The type of goods, the manufacturing process, the industry, and the nation to which the goods are to be imported all influence the documentation process. Every five years, the Ministry of Commerce and Industry of the Government of India releases the Import Policy. Developing import potential, enhancing import performance, promoting international trade, and establishing a positive balance of payments are the general goals of EXIM policy. This project is aimed at understanding import documentation and clearance procedure.

### 1. INTRODUCTION

Today, importing goods from abroad has become a big business. Everything from beverages to cars and a staggering list of other products that might have never imagined has now become a part of the global importing. However, the long-term success profitability of the import business greatly depends on the imports knowledge and understanding about the international market and foreign market analysis. An individual or business man or an importer needs to import because there are certain things that can't grow or manufacture in his home country. Price factor is also an important reason for import of products. business man or an importer needs to import because there are certain things that can't grow or manufacture in his home country. Price factor is also an important reason for import of products.

### CUSTOMS HOUSE AGENTS

In India, a customs house agent (CHA) is licensed to act as an agent for transaction of any business relating to the entry or departure of conveyances or the import or export of goods at a customs station. CHAs maintain detailed, itemized and up-to-date accounts. A CHA license may be temporary or permanent. The Custom House Agents can avail transactional services for Imports & Exports. The services available includes E- Filing of Import & Export documents, Status of Query Reply and Real time Summery Tracking.

### 2. NEED FOR THE STUDY

Shipping is considered as the cheapest means of transport. Large quantities of goods can be transported through this mode. For the operations of the CHA the need is to analyses the documents used for CHA in import. To know the import procedures for CHA activities. To know about the consignment cleared and delivered on time to the customers. To know the sector to be targeted in future and improve the service and quality level of the company. To know about the import documentation for customs.

### 3. STATEMENT OF OBJECTIVES

#### Primary Objectives:

To study the Effectiveness & operational performance of CHA in imports and to suggest the measures to improve the clearance operations.

#### Secondary Objectives:

- To study about the process of CHA.
- To find out the problems involved in clearing operations of the goods.
- To identify the time lag, arise during the import clearance operations.
- To know the customers perception, expectations and satisfaction on services of Forwarder.

### 4. REVIEW OF LITERATURE

Rupin S Parikh (2012) in this article, the researcher has stated that custom house agents are very important person whenever you are importing or exporting any goods. By definition he is a person who has acquired a license to act as an agent for transaction of any business related to departure or entry of transportations or the exporting or importing goods

at any custom station. Generally, the business that imports or exports goods don't have knowledge about the rules and regulations of the government neither do they have any time to look into these matters. Hence, they appoint an agent to act on their behalf. However, all the duties performed by the CHA are administered by a government body known as Custom House Agent Licensing Regulations.

**Wood (2002)** the researcher has highlighted that Intermediaries have an important role to play in the shipping industry. They provide various vital services to shipping lines as well as shippers and an important link between the two intermediaries exist because they improve the efficiency of marketing channels.

## 5. RESEARCH METHODOLOGY

### Descriptive Research:

A fact-finding investigation with appropriate interpretation is called a descriptive study. Because it focuses on specific facets or dimensions of the problem under investigation, it is more focused than an exploratory study. Its purpose is to collect descriptive data and offer information needed to create more complex research.

## 6. PERCENTAGE ANALYSIS

**TABLE 1: SHOWING THE OCCUPATION**

Choices	Response	Percentage
Self employed	55	41%
Full time employee	49	36%
Part time employee	31	23%
<b>Total</b>	<b>135</b>	<b>100%</b>

**INFERENCE:** 36% of respondents work full-time, 23% work part-time, and 41% of the respondents are self-employed.

**TABLE 2: SHOWING THE COMPANY'S SHIPMENT PER ANNUM**

Choices	Response	Percentage
20ft	28	21%
40ft/40'high cube	107	79%
<b>Total</b>	<b>135</b>	<b>100%</b>

**INFERENCE:** 21% of response reported annual shipment of 20ft cubes, while 79% reported 40ft/40' high cubes.

**TABLE 3: SHOWING THE SERVICES USED**

Choices	Response	Percentage
International Freight Forwarding	16	12%
Cargo Consolidation	24	18%
Cargo Warehousing	18	13%
Container Handling Agents	17	13%
Domestic Freight Forwarding	16	12%
Customs Clearance	16	12%
Forwarding Agent	18	13%
Air & Sea Cargo Handling Service	10	7%
<b>Total</b>	<b>135</b>	<b>100%</b>

**INFERENCE:** 12 percent of respondents use international freight forwarding, 18% use cargo consolidation, 13 percent use cargo warehousing, 13 percent use container handling, 12 percent use domestic freight forwarding, 12 percent use customs clearance, 13 percent use forwarding agents, and 7 percent use cargo and sea handling services, according to the survey's findings.

**TABLE 4: SHOWING THE YEARS OF EXPERIENCE IN IMPORT**

Choices	Response	Percentage
< 5 Years	32	24%
5 – 15 years	46	34%
15 – 25 years	34	25%
> 25 years	23	17%
<b>Total</b>	<b>135</b>	<b>100%</b>

**INFERENCE:** Survey reveals 34% of respondents have 5-15 years of experience in logistics, 25% have 15-25 years, 24% are less than 5 years, and 17% have 25+ years.

**TABLE 5: SHOWING THE FREQUENCY OF SHIPMENTS FOR FORWARDER**

Choices	Response	Percentage
Yearly	34	25%
Monthly	46	34%
Weekly	32	24%
Daily	23	17%
<b>Total</b>	<b>135</b>	<b>100%</b>

**INFERENCE:** Table displays that 25% of response use yearly shipments with Forwarder (P) Ltd, 34% use monthly shipments, 24% use weekly shipments, and 17% use daily shipments.

**TABLE 6: SHOWING VOLUME ROWTH OF SHIPMENTS FOR LAST YEAR**

Choices	Response	Percentage
0 – 2%	14	10%
2 – 5%	20	15%
5 – 10%	38	28%
10 – 20%	50	37%
20%	13	10%
<b>Total</b>	<b>135</b>	<b>100%</b>

**INFERENCE:** The majority of respondents reported a growth in shipments volume from 0-2% to 20-20% last year, with 15% indicating a 2-5% increase and 28% indicating a 5-5% increase.

**TABLE 7: SHOWING TIME TAKEN TO RESOLVE PROBLEMS**

Choices	Response	Percentage
Immediate resolution	31	23%
Less than a day	24	18%
Between 1 and 2 days	31	23%
Between 3 and 6 days	31	23%
A week more	18	13%
<b>Total</b>	<b>135</b>	<b>100%</b>

**INFERENCE:** Forwarders takes immediate resolutions, 18% take less than a day, 23% take 3-6 days, 1-2 days, and 13% take a week more.

#### Chi-Square Tests

	Value	df	symp. Sig. (2-sided)
Pearson Chi-Square	378.324 <sup>a</sup>	9	.000
Likelihood Ratio	334.690	9	.000
Linear-by-Linear Association	130.382	1	.000
N of Valid Cases	135		

**INFERENCE:** The alternate hypothesis is accepted, indicating a correlation between Forwarder years of import experience and the frequency of shipments.

### 7. FINDINGS OF THE STUDY

- According to the survey, 41% of participants work for themselves, 36% are full-time workers, and 23% are part-timers.
- 21% of participants stated they shipped 20-foot cubes on a yearly basis, whereas 79% reported 40-foot or 40-foot-high cubes.
- International freight forwarders account for 12% of respondents to the survey, followed by cargo consolidation services (18%), cargo warehousing (13%), container handling agents (13%), domestic freight forwarding (12%), customs clearance (12%), and forwarding agents (13%).
- Based on the survey results, 34% of participants have more than five to fifteen years of experience in the logistics industry, 25% have fifteen to twenty-five years, 24% have less than five years, and 17% have twenty-five or more years.
- According to the table, 25% of respondents ship annually with Forwarder (P) Ltd, followed by monthly shipments at 34%, weekly shipments at 24%, and daily shipments at 17%.
- The media was the primary source of information for most respondents (9%)—word-of-mouth was cited by 82%, banners by 2%, leaflets by 5%, and other sources by 1%.
- Forwarder (P) Ltd accepts resolutions within 24 hours, while 18% require less than a day, 23% require 3-6 days, 1-2 days, and 13% require a week or longer.
- According to the table, 25% of respondents ship with a forwarder once a year, 34% once a month, 24% once a week, and 17% once a day.
- 15% of the respondents cited labour laws, port capacity, long-run transit times, plant capacities, carrier options, logistics availability, and manpower availability as the main obstacles to growing import volume.
- Regarding the Forwarder's assessment of people and relationships, 9% disagree, 16% agree, 34% neutral, 25% agree, and 16% completely agree.
- 40% of respondents believe Forwarder provides all information, 30% need more, 16% unhappy, and 14% very less, with 16% dissatisfied and 14% dissatisfied with their information.
- According to the survey results, 41% of participants think Forwarder is already good, while 59% think it should be improved.
- A week or longer was required for 13% of responders, whereas 23% reported quick resolution, 18% took less than a day, 23% took 3-6 days, and 1-2 days.

### 8. SUGGESTION

1. The company should increase promotions to establish its brand in the market, as respondents reported rarely visualizing company advertisements, a serious suggestion for Forwarder.
2. The company should prioritize effective transportation arrangements to improve pricing, delivery performance, and customer satisfaction.
3. The company should step up its promotions to build its brand across the marketplace. Given that the majority of respondents indicated they hardly ever visualize the company's ads, the business ought to consider this as a serious recommendation to market Forwarder.

4. In order to enhance pricing, delivery efficiency, and customer contentment, the organization have to provide top priority to efficient transportation arrangements.
5. To save money on warehousing and inventory duplication, the business should centralize its inventory and use quick shipping to fulfil orders.
6. Increase the manpower in the department.
7. The duration between an order's receipt, delivery, and payment should be shortened by the business.
8. Effective logistics information management is crucial for the company as it facilitates the linking of channel partners and facilitates better logistics decision-making.
9. Channel performance is closely linked to information flows such as customer orders, billing, inventories, and labelling, which are essential for maintaining customer satisfaction.
10. Information flows that are critical to preserving client happiness, such as customer orders, billing, inventories, and labelling, are intimately related to channel success.
11. The main service issue is the delivery delay, primarily due to routing issues, requiring the shipment to be directly routed to Chennai or Bangalore.
12. The forwarder uses Indian Airlines for goods transfer from India, with only two daily pickups from Chennai.
13. Effective logistic information management is crucial for the company as it facilitates better decision-making by linking channel partners and sharing information.
14. Information flows such as customer orders, billing, inventory labelling, and customer data have a major impact on channel performance.

## 9. CONCLUSION

The internship provided valuable knowledge about shipping documents and customs clearance procedures. The management department and Forwardr are grateful for the opportunity. Importers using Forwarder should analyse their expectations, satisfaction levels, and current service providers before choosing a service provider, as timely delivery is a major factor in almost every industry.

## 10. BIBLIOGRAPHY

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