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TARIFF AUTHORITY FOR MAJOR PORTS

G No. 137 **New Delhi,** **19 May 2014**

NOTIFICATION

In exercise of the powers conferred under Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes off the proposal of the Jawaharlal Nehru Port Trust for general revision of its Scale of Rates as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/62/2012-JNPT

The Jawaharlal Nehru Port Trust - - - Applicant

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Chandra Bhan Singh, Member (Economic)

O R D E R

(Passed on this 4th day of April 2014)

This case relates to a proposal from Jawaharlal Nehru Port Trust (JNPT) for general revision of its Scale of rates.

2.1 The existing Scale of Rates of the JNPT was last revised vide Order dated 18 February 2011. The validity of the SOR was prescribed till 31 March 2013.

2.2. In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trust Act, 1963, this Authority had passed a Common Order in September 2008 refining/ clarifying certain areas of the approach/ practice followed in tariff setting exercise of major port trust and private terminals thereat. In the said Order, the major port trust and private terminals are, inter alia, required to file their tariff proposals by 30 June of the financial year in which tariff revision falls due. Since the review of the Scale of Rates of JNPT fixed in February 2011 fell due in the financial year 2012-13, the JNPT was required to submit its proposal for revision of its tariff by 30 June 2012.

2.3. Accordingly, the JNPT was reminded in this regard vide our letter no. TAMP/39/2005-Misc dated 7 May 2012. In response, the JNPT vide its letter dated 18 June 2012 had requested for time till 31 July 2012 to file the proposal for revision of its tariff. This Authority decided to allow time to JNPT as requested by it to file its proposal. Since the JNPT did not submit its proposal by 31 July 2012, the JNPT was again requested to file its proposal vide our letter no. TAMP/39/2005-Misc dated 30 August 2012.

2.4. In this backdrop, the JNPT under cover of its letter No.JNP/Fin/TAMP/2012/404 dated 5 October 2012 filed a proposal for general revision of its Scale of Rates.

3.1. On a preliminary scrutiny of the proposal, it was seen that the JNPT had not furnished its proposed draft Scale of Rates. Since Clause 3.2.4 of the tariff guidelines of 2005 stipulates circulation of the revised proposed tariff to the users, the JNPT was requested vide our letter dated 15 October 2012 to furnish the proposed draft Scale of Rates alongwith the Annual Administration Report and Audited Annual Accounts for the years 2009-10 to 2011-12. The JNPT was also informed that its proposal dated 5 October 2012 will be taken up for further processing only after receipt of the proposed draft Scale of Rates, in view of the tariff guideline position.

3.2. In response, the JNPT under cover of its letter dated 22 October 2012 furnished only the Annual Administration Report and Audited Annual Accounts for the years 2009-10 to 2011-12. Subsequently, the JNPT vide its letter dated 19 December 2012 has submitted its proposed draft Scale of Rates.

4. The main submissions made by the JNPT in its proposal dated 5 October 2012 and 19 December 2012 are summarised below:

(i). The proposal is for the tariff cycle 2013-14 to 2015-16.

(ii). The actual traffic for the years 2009-10 to 2011-12 and the projected traffic for the years 2012-13 to 2015-16 are as follows:

Years	Container traffic (in lakh TEUs)	Cement & Bulk Cargo (in lakh TEUs)	Vessel Traffic (in nos.)
2009-10	7.76	11.68	2736
2010-11	8.76	12.22	2761
2011-12	10.28	9.17	2531
2012-13	12.00	9.00	2378
2013-14	12.70	10.00	2433
2014-15	13.50	11.00	2495
2015-16	14.20	11.00	2543

(iii). The amount transferred to the Escrow Account is as follows:

Years	Amount (₹ in Crores)
2009-10	257.57
2010-11	270.80
2011-12	264.03
Total	**792.40**

(iv). The details of the additions to the Gross Block of assets proposed during the years 2012 -13 and 2014-15, are given below:

Sl. No.	Details of Investment	Cost of investment (₹ in crores)
	For the year 2012-13	
1.	Upgradation of Roads & Yards in front of POC	5.25
2.	Micro Prismatic Retro reflective overhead gantry sign board.	0.77
3.	Electrification of the Rest Room & Gymkhana near CT shift officer inside port area at JNPT.	0.02
4.	DMSITC & Guaranteeing the performance of 03 new RMQC at MCB.	96.78
5.	Structural Rehabilitation of Container berth in JNPT (Phase-I)	1.24
6.	SITC of PCs & scanners, printers with operating system and associated softwares.	0.53
7.	Development of area in Zone-I on Eastern side of JNP CFS by earth filling and construction of road embankment in JNPT.	0.32
8.	SITC of IT power supply cable for STP at JNP.	0.10
	For the year 2012-13	
1.	Deepening and widening of approach channel to JNP (Phase-I)	1,300.00

(v). The estimated financial/ cost implications as shown in the consolidated income and cost statement furnished by the JNPT are summarised below:

(₹ in lakhs)

Sl. No	Particulars	2009-10	2010-11	2011-12	At existing tariff			
					2012-13	2013-14	2014-15	2015-16
(i).	Traffic (in MTs)	776222	876368	1027951	1200000	1270000	1350000	1420000
(ii).	Operating income	47,679.49	52,156.35	56,557.86	60,023.58	62,654.09	65,612.13	68,223.22
(iii).	Operating Cost	23,591.37	26,043.91	28,059.53	38,847.67	42,438.75	46,807.36	51,607.97
(iv).	Depreciation	7,659.44	7,548.70	7,687.40	7,889.52	7,704.26	11,195.10	14,843.34
(v).	Overheads	8,429.34	10,535.59	12,457.63	14,540.89	15,654.11	16,890.71	18,250.24
(vi).	FMI less FME	-2373.96	-5496.09	-7638.97	-10908.37	-11453.54	-12052.89	-7305.17
(vii)	Capital employed	57,302.58	52,063.65	54,053.38	62,617.59	64,605.55	73,166.25	76,393.58
(viii)	Return on Capital employed	9,168.41	8,330.18	8,648.54	10,018.81	10,336.89	11,706.60	12,222.97
(ix).	Net surplus / deficit	-3,543.03	-5,798.12	-7,934.22	-22,181.69	-24,933.47	-33,040.53	-36,006.47
(ix).	Net deficit as a percentage of operating income	-7.43%	-11.12%	-14.03%	-36.95%	-39.80%	-50.36%	-52.78%
(x).	Average	-10.86%			-36.95%	-47.65%		

(vi). As seen from the proposed draft Scale of Rates, the JNPT is seen to have sought the following percentage of increase over the prevailing tariff:

Sl. No.	Description	Increase sought by JNPT
1.	Vessel related charges	31%
2.	Container related charges	67%
3.	Cargo related charges	400%

(vii). The JNPT is also seen to have proposed some changes in the conditionalities in the proposed draft Scale of Rates.

5.1. In accordance with the consultative procedure prescribed, the JNPT proposals dated 5 October 2012 and 19 December 2012 were forwarded to the concerned users/ user organisations seeking their comments.

5.2. Subsequently, the JNPT vide its letter dated 25 February 2013 has stated that in case of Form-1, the note below point no.5 inadvertently remained unchanged due to oversight while forwarding their proposal in October 2012. Hence, the JNPT has forwarded a fresh Form-1 duly filled in indicating the average cost for typical port user at Sr. No.5 for inclusion in their earlier sent proposal. The JNPT had requested to substitute the earlier Form-1 with the fresh modified Form-1 and has also requested to circulate the modified Form-1 to the port users for their knowledge. Accordingly, the revised Form-1 was also forwarded to the concerned users/ user organisations

5.3. The comments received from the users were forwarded to JNPT as feedback information. The JNPT has furnished its comments on the comments of some of the users.

5.4. The Mumbai and Nhava-Sheva ship-Agents' Association (MANSA), while furnishing its comments on the general revision proposal of JNPT has drawn reference to its comments, furnished by it earlier vide its letters dated 20 June 2012 and 01 November 2012, with regard to the proposal earlier filed by JNPT for rationalisation and modification of the conditionalities prescribed in the then existing Scale of Rates of JNPT. The MANSA has reiterated the comments as they feel that it is evident from JNPT general revision proposal that they have not taken into account any of MANSA views while formulating the tariff proposal afresh. Accordingly, MANSA has re-submitted its comments put forth in their earlier letter dated 20 June 2012 and 1 November 2012 as part of their comments to the general revision proposal.

When the said comments of MANSA were forwarded to JNPT, the JNPT vide its letter dated 15 April 2013, by drawing reference to its letter dated 27 September 2012 (relating to rationalisation and modification of the conditionalities) has stated that they have already responded to the comments of MANSA then.

5.5. In addition to the reiteration of the above comments, the MANSA has furnished its additional comments on the general revision proposal of the JNPT. The JNPT has not furnished its comments on the additional comments of the MANSA.

6.1. Based on the preliminary scrutiny of the proposal, the JNPT was requested to furnish additional information/clarifications on various points vide our letter dated 4 June 2013. Subsequent to the joint hearing, the JNPT vide its letters dated 12 September 2013 and 20 September 2013 has furnished its reply on queries raised. Summary of queries raised by us and the response of the JNPT is brought out in the subsequent part of this order.

6.2. Prior to furnishing the reply to our queries and in response to our letter dated 4 June 2013 (issue of questionnaire), the JNPT vide its letter dated 17 July 2013 has made some submissions. We have vide our letter dated 31 July 2013 responded to JNPT. The submissions made by the JNPT and our reply thereon are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Submissions made by the JNPT</th><th>Our response thereon</th></tr>
<tr><td></td><td>The JNPT in its proposal dated 5 October 2012 has proposed for increase in the tariff as follows:

<table><tr><th>Activity</th><th>Tariff increase proposed</th></tr><tr><td>Bulk</td><td>5 times</td></tr><tr><td>Container</td><td>67%</td></tr><tr><td>Marine</td><td>31%</td></tr></table>
The proposal for tariff revision of Estate activity will be submitted separately.</td><td>No specific comments furnished by us.</td></tr>
<tr><td>(ii).</td><td>TAMP in its queries dated 4 June 2013 has asked the JNPT to recompute the operating income considering actuals of 2012-13 as base and review the estimated operating income for subsequent three years. TAMP has also asked the JNPT to consider the actual operating expenditure for the year 2012-13 as base and project expenditure in the cost statements considering the latest escalation factor i.e. for the cases to be disposed in 2013-14.

It is submitted that audit of the financial statements for the year 2012-13 is currently in progress by RAO / CAG and the final audit report would only be available by 20 September 2013. Hence it would be possible to revise the cost statements with audited financials only by the end of September 2013.</td><td>If the audited accounts are not available at this juncture, the JNPT may update the estimates for the year 2012-13 with actuals based on the provisional accounts for the year 2012-13 and review the estimates for the years 2013-14 to 2015-16 based on the said actuals for the year 2012-13, if required. Thereafter, a copy of the audited accounts can be forwarded to us.</td></tr>
<tr><td>(iii).</td><td>In this context, the JNPT has highlighted the past events of general revision of tariff granted to JNPT. The port was commissioned on 26th May 1989 and got revision in tis tariff only on two occasions i.e. January 1994 and March 1997. These revisions were approved by the Government prior to establishment of TAMP. TAMP came into existence from April 1997 onwards. The various Orders passed by TAMP resulted in following outcomes in case of JNPT tariff:</td><td>(Factual Position)</td></tr>
</table>

	(a). In the year 2000, TAMP issued Order maintaining status quo in JNPT Scale of Rates. (b). From 1 September 2004 TAMP issued Order reducing the vessel related charges by 10%. (c). From 1 February 2005 TAMP issued Order restricting the vessels related charges and cargo related charges of coastal vessels upto 60% of the foreign going vessels. (d). Vide Order notified in November 2006 the vessel related charges were reduced by 30% and container related charges by 15%. (e). Vide Order notified on 18 March 2011 no change in the existing Scale of Rates fixed in September 2006 was granted by TAMP. However, minor changes in conditionalities in Schedule 1.2(vii) (b) Chapter-I and insertion of a provision in existing note no.4(b) prescribed after schedule 2.5 of Chapter-II was granted and the validity was to remain in force upto 31 March 2013. (f). As per Order dated 9 May 2013 the Authority has extended the validity of existing Scale of Rates till 30 September 2013.	
(iv).	From the events as given above, it can be concluded that JNPT has never got any upward revision in tariff but only downward revisions have been granted since the inception of TAMP. It is further submitted that due to steep rise in input cost of operations namely electricity, fuel, wages and maintenance etc., it is very difficult to sustain the operations of the Port with the existing Scale of Rates. There was a decline in profit over the past financial year by 18.16%. the operating ratio excluding BOT income and expenditure for the financial year 2012-13 was 91.44%. In spite of increase in JNPT terminal traffic by 17.53% (in TEUs) and 8.31% (in MT), Port could not significantly influence the port profit because of the lower tariff rates. The Port's income has also been adversely affected by the decrease in BOT traffic consequent to reduction in BOT tariff by TAMP.	No Comments.
(v).	As no general revision in Scale of Rates has been granted to the JNPT since September 2006, a proposal dated 29 October 2008 was submitted considering 2007-08 as base on projections made for the years 2009-10 to 2011-12. TAMP has again requested JNPT to update the cost statements with actuals of the years 2008-09 & 2009-10 as base and furnish the estimates for the year 2011-12 & 2012-13. Accordingly, JNPT filed a revised proposal on 7 July 2010 on those lines. While evaluating the proposal in January 2011 / February 2011, TAMP had again asked JNPT to update the cost sheets based on certain additional information. Thereafter, TAMP passed Order maintaining status quo related to JNPT's Scale	(Narration of events relating to previous tariff cycles. Not relevant for current tariff cycle)

	of Rates dated 18 February 2011. In the year 2012, TAMP vide No.TAMP/39/2005-Misc. dated 7 May 2012 asked the port to file a proposal based on actuals of 2011-12 as base and consequently port filed its proposal on 5 October 2012. Now, TAMP vide letter dated 4 June 2013 has again asked port to revise the operating income and expenditure based on actual performance of 2012-13.	
(vi).	The replies to the queries of TAMP sought vide letter dated 4 June 2013 shall be submitted as soon as possible to facilitate the disposal of the proposal of JNPT.	JNPT was requested to furnish The requisite information/ clarification as sought by us vide our letter of even number dated 04 June 2013 at the earliest.
(vii).	It is not true that JNPT has not so far responded to the comments of any users / user organisation. It is stated that it has promptly responded to the queries of users and user organisations.	In this regard, it may be noted that Ultratech Cement Limited (UCL), Indian National Shipowners' Association (INSA), Container Corporation of India (CONCOR) and Mumbai and Nhava-Sheva Ship-Agents Association (MANSA) have furnished their comments, which have been forwarded by us to JNPT from time to time as feedback comment. The JNPT has responded to the comments of UCL and INSA vide its letter dated 28 February 2013 and 17 July 2013. We have not received the comments of the JNPT till date to the comments of CONCOR and MANSA. The JNPT to comment on the comments received from CONCOR and MANSA.

7. A joint hearing in this case was held on 30 August 2013 at the office of this Authority. The JNPT made a Power point presentation of its proposal. At the joint hearing, the JNPT and the concerned users/ organisation bodies have made their submissions.

8.1. As decided at the joint hearing, the JNPT was requested vide our letter dated 5 September 2013 to furnish its reply to the additional information/ clarification sought by us vide our letter dated 4 June 2013 and to furnish its comments on the comments of INSA, MANSA and CONCOR.

8.2. The JNPT has furnished its comments on the comments of the INSA, MANSA and CONCOR.

8.3. Further, as discussed at the joint hearing, it was brought to the notice of JNPT vide our letter dated 5 September 2013 that the submission of proposal by JNPT for revision of its estate related charges is overdue. In fact, in the JNPT general revision Order of September 2006 itself, the JNPT had been advised to file a proposal for revision of Estate Rentals within four months. However, in spite of reminders, the JNPT has not submitted its estate rental proposal. In this regard, it is relevant here to draw reference to the d.o. letter no.TAMP/48/2005-JNPT dated 10 February 2011, where by giving references to the various correspondence made by this Authority with JNPT on the matter, JNPT has been requested to expedite the submission of the proposal for revision of its estate related charges formulated in accordance with the Land Policy for Major Ports issued by the Government of India.

In fact, in response to our reminder d.o. letter no.TAMP/10/98-Misc. dated 2 November 2011, the JNPT vide its letter no.A/E/SR/Rvsn/2012/96 dated 12 January 2012 had stated that the JNPT is in the process of appointing a party for finalization of the estate related tariff of the port and that upon receipt of the Report from the party and acceptance thereafter, the proposal would be submitted to this Authority. Thereafter, the Port has stated in July 2013 that it would file the Estate Rental proposal separately. Since the JNPT did not file its proposal and that when this position was pointed out during the joint hearing, the JNPT stated that it would file the proposal for revision of estate related charges by 30 September 2013.

8.4. As decided at the joint hearing, the Container Shipping Lines Association (India) (CSLA) vide its letter dated 10 September 2013 has furnished its comments. The comments of CSLA were forwarded to JNPT for feedback information. The JNPT vide its letter dated 30 October 2013 has responded to the comments of CSLA.

9. As decided at the joint hearing, the JNPT was requested to furnish its response to the queries raised by us vide our letter dated 4 June 2013. After reminders, the JNPT responded in piecemeal. It furnished its partial response vide its letter dated 12 September 2013. Subsequently, the JNPT vide its letter dated 20 September 2013 and 25 September 2013 has furnished further additional information. The queries raised by us and reply furnished by the port through various communications are tabulated below:

Sl. No.	Queries raised by us	Response of JNPT
I.	**GENERAL:**	
(i).	The Cost statement furnished by JNPT for the Bulk handling activity (Form-5A (iii)) reflects an average deficit of around 243% at the existing level of tariff for the years 2013-14 to 2015-16. However from the proposed draft Scale of Rates, it is seen that the JNPT has sought around 400% increase in the cargo related charges. Similarly, the Cost statement furnished by JNPT for the Container handling activity (Form – 5A (ii)) reflects an average deficit of around 53% at the existing level of tariff for the years 2013-14 to 2015-16. However from the proposed draft Scale of Rates, it is seen that the JNPT has sought around 67% increase in the container related charges. The JNPT to furnish a note justifying the percentage increase in tariff sought by it in the proposed draft Scale of Rates for each activity / sub-activity.	The Cost statements furnished along with the forms for all the activities of the Port in the proposal furnished on 5th October, 2012 may please be seen. Bulk activity reflects average deficit of 239.40% at the existing level of tariff for the projected years 2013-14 to 2015-16. Similarly the container activity reflects average deficit around 53% at the existing level of tariff 2013-14 to 2015-16. TAMP has missed 2012-13 as the projected year though port has considered it as projected year. It may be observed in the following table that if the proposed increase is multiplied by the revenue generated in the projected years i.e. 2012-13 to 2015-16 at existing level of tariff, the total deficit generated in the period from 2012-13 to 2015-16 shall be wiped off. The new Cost statements furnished along with the forms for all the activities of the Port on 12th Sept., 2013 may also please be seen. Bulk activity reflects average deficit of 194.89% at the existing level of tariff for the period from 2006-07 to 2016-17. Similarly the container activity reflects average deficit around 67.05% at the existing level of tariff 2006-07 to 2016-17. The JNPT stated that if the proposed increase is multiplied by the revenue generated in the projected years i.e. 2013-14 to 2016-17 at existing level of tariff, the total deficit generated in the period from 2013-14 to 2016-17 shall be wiped off. (The JNPT has furnished a statement giving details of aggregate revenue for the period from 2009-10 to 2015-16 before proposed tariff revision and after proposed tariff revision to justify the percentage increase sought by it. It is seen from the statement that the port has sought to set off the 100% deficit for the years 2009-10 to 2012-13 in the proposed tariff revision which is not in line with the Tariff Guidelines 2005).
(ii).	JNPT to furnish a copy of the Minutes of the meeting of the Board of Trustees of JNPT in	The proposal was placed before the Board of Trustees as a Table paper in the Board meeting

	which the general revision proposal of JNPT was considered.	held on 31st October, 2012. The JNPT has furnished a copy of draft proceedings approving the Table paper. (The port has furnished only the table paper circulated to the Trustees and not the minutes of the meeting). It has further stated that the Table Paper for the revised proposal dated12th Sept. 2013 shall be placed in the ensuing Board Meeting to be held in September 2013. The same along with the draft proceedings shall be furnished to TAMP in due course. (However no such details / documents are received from JNPT till finalization of this case).
(iii).	The cost statements furnished by JNPT contain actuals for 2009-10 to 2011-12, estimates for 2012-13 and projections for the years 2013-14 to 2015-16. Since the financial year 2012-13 is already over, the JNPT to furnish its provisional annual accounts for the year 2012-13, if audited annual accounts are not available. The JNPT also to update the estimates for the year 2012-13 with actuals for the corresponding period and review the estimates for the years 2013-14 to 2015-16 based on the actuals for the year 2012-13, if required.	The JNPT has furnished a copy of unaudited annual accounts and stated that the CAG audit is in progress and the Audited annual accounts will be submitted as soon as the audit report for the same is received from CAG. The JNPT further stated that updated Tariff proposal with 2012-13 as base and the projection for the years 2013-14 to 2016-17 is enclosed. (The port has furnished revised cost statements along with its letter dated 12 September 2013 and further revised cost statements vide its letter dated 20 September 2013 followed by the revised proposed draft SoR vide its letter dated 25 September 2013).
(iv).	In the Undertaking forming part of the Cost statement formats, the JNPT has mentioned the proposed tariff will have a validity period of three years from 1 April 2010 to 31 March 2013. In this regard, it may be noted that the validity period of the proposed tariff is for a period of three years from 1 April 2013 to 31 March 2016.	TAMP has extended the validity period up to 30th Sept. 2013. The same has been noted while formulating the revised proposal dtd.12th Sept., 2013.
(v).	In respect of Sl.No.3 of Form -1, JNPT has stated that its pricing strategy is cost based. JNPT to bring out the impact of the anticipated improvement in the productivity on the unit price.	The JNPT has stated that there is no marked variation in unit cost for container and marine activities. Many of the Port old cranes & equipment's are likely to be replaced with the latest Post Panamax cranes & state of the art equipment's. Further additional Post panama cranes have been purchased and deployed over and above the replaced cranes. This will definitely improve the productivity.
(vi).	(a). The JNPT has not furnished the comparative position of current and proposed Scale of Rates with reasons for change as required under Sl. No.4 of Form-1 (Highlights) of cost statement formats. The JNPT to furnish a comparative statement of existing Scale of Rates and proposed Scale of Rates along with reasons for modifications proposed.	
	(b). Similarly, the JNPT to furnish the comparative position of the current and the proposed draft conditionalities along with reasons for modifications proposed.	
(vii).	The tariff guidelines of 2005 stipulate that tariff should be linked to benchmark of the levels of productivity. In this regard, with regard to the information sought at Sl. No. 6 of the Form – 1 to provide the current	The JNPT has stated that it has furnished a brief note on productivity enhancement measures proposed and targeted to be achieved in Annexure-6 of its letter dated 20 September 2013. (Annexure-6 contained details of TEUs

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<td>performance and targeted objective for productivity enhancement measures, the JNPT in the revised Form – 1 (submitted under cover of its letter dated 25 February 2013) has simply stated that copies of the Annual Administration Report for the relevant years are enclosed. It has not furnished the requisite information. The JNPT to furnish details of productivity enhancement measures proposed and targeted to be achieved during the tariff cycle under review taking into consideration the efficiency improvement on account of capital investments proposed during the tariff cycle.</td>
<td>per RMQC for the years from 2012-13 to 2015-16). The details furnished by the JNPT is tabulated below:
<table>
<tr><th>Year</th><th>Traffic (TEUs) Actual / projected</th><th>No. of RMQCs</th><th>TEUs per RMQC</th></tr>
<tr><td>2012-13</td><td>1208133</td><td>10</td><td>120813</td></tr>
<tr><td>2013-14</td><td>1300000</td><td>10</td><td>130000</td></tr>
<tr><td>2014-15</td><td>1400000</td><td>12</td><td>116667</td></tr>
<tr><td>2015-16</td><td>1500000</td><td>12</td><td>125000</td></tr>
<tr><td>2016-17</td><td>1550000</td><td>12</td><td>129167</td></tr>
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<td>(viii).</td>
<td>The JNPT has stated in a note below Sl. No.8 of revised Form-1 that the details of deviation shall be sent separately. However, we have not received any such details from JNPT so far. The JNPT to furnish the requisite details as per Sl. No.8 of Form-1.</td>
<td>Details of deviations from tariff guidelines are already indicated in the presentation given to TAMP on 30th August, 2013. The deviations relating to the inflation factor are in respect of electricity, fuel, salaries & wages, retirement benefits. (As per details furnished, the JNPT has considered an inflation factor of 17% for Electricity, 26% for Fuel and 12% for Salaries & Wages and Retirement benefits.)</td>
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<td>(ix).</td>
<td>Rebates and discounts, if any, over the notified ceiling tariff, allowed by JNPT during the years 2009-10 to 2012-13 to be furnished year wise.</td>
<td>The port has furnished actual rebates / discounts paid during the years 2010-11 to 2012-13 in Annexure-8 of its letter dated 20 September 2013, which is given below:
<table>
<tr><th>Year</th><th>Rebate/Concession / Discount</th></tr>
<tr><td>2010-11</td><td>₹15.82 Crores</td></tr>
<tr><td>2011-12</td><td>₹21.73 Crores</td></tr>
<tr><td>2012-13</td><td>₹24.66 Crores</td></tr>
</table>

The JNPT further stated that the rebates / discounts relate to volume, lashing, yard as indicated in the notified tariff. The rebates / discounts for the projected years from 2013-14 to 2016-17 are assumed to be on the same scale as availed in the year 2012-13 corresponding to the traffic in the projected years.</td>
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<td>(x).</td>
<td>As per clause 2.6.2 of the tariff guidelines of March 2005 it is necessary to conduct time and motion study of different operations and regularly adjust manning scales/ datum accordingly after due process of law. The action, if any, taken in this respect to be informed.</td>
<td>The Port has started an incentive scheme for improving productivity in container operations based on the no. of productive moves made in a shift. The incentive scheme has been designed by the engineers of National Productivity Council after conducting time and motion study of the container operations and manning. The incentive scheme is in vogue from October 2000. The efforts to modify the incentive scheme to meet the new Post panamax cranes is also in process.

Container Operations: The Port has installed crane Simulator costing ₹1.39 Crs. in 2009-10 for real time on job training relating to Port container operations to all the crane operators by rotation. The installation of the Simulator has enabled the Port to give on job training for real life crisis situations and the likely solutions. This has resulted in speeding up operations as also taking care of the safety aspects.</td>
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		The container maintenance personnel are also sent abroad for on-job training. Besides, engineers from abroad are invited to give on-job training relating to container operations. Marine Operations: The port has also placed order for Marine Simulator costing more than ₹30 lakhs to give on-job training to Pilots in tackling real life crisis situations. The Simulator received on 7th July, 2013 has been installed. The on-job training to Pilots with the help of Marine Simulator will enable the pilots to improve their knowledge, safe operations, operational efficiency and speed up marine operations.
(xi).	The port may examine whether any of the services qualifying under Section 42(3) of the Major Port Trusts Act are offered by any service provider authorized by the port. If so, the action initiated by the JNPT for fixation of tariff for such services as per the provisions of Chapter 7 of the tariff guidelines of 2005 to be intimated.	The Port has outsourced following services like garbage clearance from vessels as also removal of sludge oil from the vessels to registered contractors and for which tariff rates have been fixed. Further, certain services like tractor-trailer operations for container movement and reach stackers for yard operations / house-keeping have been outsourced though the Port is charging a consolidated tariff rate for the container operations.
(xii).	The JNPT to confirm that the traffic / financial implications of PPP projects to be commissioned in the Port within the three year period under review are captured in the cost statements filed by the port.	During the tariff cycle 2013-14 to 2016-17, construction of 330 m. berth awarded to M/s.DP World is likely to be commissioned in the later part of the year 2016-17. However likely traffic for M/s.DP World has not been considered while preparing the income calculations.
(xiii).	The JNPT has not furnished the Cost statement for the Estate Activity in the prescribed format. JNPT to furnish the same.	The proposal for revision of estate related tariff has also been enclosed in the new proposal dtd.12th Sept. 2013. Three times increase in the estate related rates has been sought for.
(xiv).	The JNPT has not furnished cost statement for sub-activities falling under the vessel related activity. JNPT to furnish the same in the prescribed format.	The costing system of the Port is not designed to capture the cost of sub activities falling under the vessel related activities. Hence, the information cannot be furnished in the required format in spite of best efforts made.
II.	**<u>COMPARISON OF ACTUALS WITH ESTIMATES</u>:**	
	Clause 2.13 of the tariff guidelines of 2005 requires this Authority to review the actual physical and financial performance at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing the prevailing tariff. In this context and with reference to Form – 7 of the tariff proposal filed by JNPT, the JNPT to clarify/ furnish the following:	
(i).	In the Form – 7, the JNPT has compared the estimates of the years 2009-10 to 2011-12 with the actuals for the said period. It may be recalled that during the general revision of JNPT in February 2011, the estimates for the years 2010-11 to 2012-13 have been relied upon. Therefore, the Form – 7 may be modified by excluding the comparison for the year 2009-10 and instead including the comparison of actuals vis-à-vis estimates for	The port has furnished revised Form-7 including comparison of actual v/s estimate for the period 2010-11 to 2012-13 along with reasons for variations.

<table>
<tr><td></td><td>the year 2012-13. The JNPT also to furnish reasons for variation in the actuals vis-à-vis estimates for each of the parameters in the cost statement, instead of making a general statement.</td><td></td></tr>
<tr><td>(ii).</td><td>At the time of revision of the Scale of Rates in February 2011, review of tariff of JNPT was based on the projections for 2010-11 to 2012-13. In Form-7, JNPT has furnished an analysis of variations of actual physical and financial performance for the years 2010-11 and 2011-12 with reference to the Revised Estimates for the relevant years. It is seen that the estimates considered by JNPT for the years 2010-11 and 2011-12 in Form-7 do not match with the projections relied upon in the Order of February 2011. The JNPT to modify the Form-7 so as to capture the estimates considered in the tariff Order of February 2011.</td><td>The JNPT has stated that the Form-7 has been modified to indicate the comparison of actuals v/s. estimate earlier made for the years 2010-11 and 2012-13. (It is observed that in the revised Form-7 also the port has not mentioned the estimates considered by TAMP in the Tariff Order dated 18.2.2011.)</td></tr>
<tr><td>(iii).</td><td>Form-7 does not contain details of estimated and actual traffic of the bulk and break bulk cargo handled during the years 2010-11 to 2012-13. JNPT to furnish the same.</td><td>The Port has furnished the details of estimated and actual bulk and break bulk cargo handled during the years 2010-11 to 2012-13 as given below:
<table>
<tr><td>Year</td><td>Estimate
(in MT)</td><td>Actual
(in MT)</td></tr>
<tr><td colspan="3">Cement:</td></tr>
<tr><td>2010-11</td><td>10,00,000</td><td>8,61,978</td></tr>
<tr><td>2011-12</td><td>8,00,000</td><td>6,84,998</td></tr>
<tr><td>2012-13</td><td>8,00,000</td><td>5,93,556</td></tr>
<tr><td colspan="3">General/ Break bulk:</td></tr>
<tr><td>2010-11</td><td>20,000</td><td>3,59,957</td></tr>
<tr><td>2011-12</td><td>--</td><td>2,32,475</td></tr>
<tr><td>2012-13</td><td>--</td><td>1,05,876</td></tr>
</table></td></tr>
<tr><td>(iv).</td><td>The actual bulk and break bulk cargo (including cement) handled during the years 2010-11 and 2011-12 is reported in the cost statement Form-2A at 1.22 million tonnes and 0.92 million tonnes respectively whereas in the Administration Report for the corresponding years the actual other bulk, break-bulk (including cement) and dry bulk cargo handled is reported at 1.08 million tonnes and 0.84 million tonnes respectively. JNPT to reconcile the difference and update the Form-2A, if necessary.</td><td>The difference in traffic as observed by TAMP relates to liquid cargo handled at anchorage which is on Port's account. The same has been erroneously included in the cargo handled by BPCL in the administration report. There is no need for any reconciliation</td></tr>
<tr><td>(v).</td><td>The operating income from container handling activity for the years 2010-11 and 2011-12 is reported at ₹25319.76 lakhs and ₹28253.59 lakhs respectively in the cost statements which are in agreement with the position reported in the annual accounts of the relevant years. However, it is observed that the container handling reported in the annual accounts include royalty receipts from private CFS operator operating in JNPT. The estimates of operating income furnished by JNPT in the cost statements for the subsequent years 2012-13 to 2015-16 also include estimated royalty income from private CFS operator.</td><td>The Port is having its own CFS and the CFS operations are outsourced under operations & maintenance contract. TAMP recognizes that the relationship between the CFS Operator of JNP-CFS and that of JNPT is governed by clause 7.2 of the Tariff Guidelines. The CFS operator is not a BOT/BOOT/BOLT operator. Hence the Port has been consistently including royalty receipt from the Private CFS operator in its container income. The same approach has been followed while formulating the revised proposal dtd.12th Sept. 2013 / 20th Sept. 2013.</td></tr>
</table>

	In this connection, it is may be noted that during last revision of tariff and as recorded in paragraph 11 (iii) (b) (i) of tariff Order dated 18 February 2011, the royalty income from private CFS operator at JNPT was considered by this Authority as Royalty / Revenue share under clause 2.8.3 of the 2005 tariff guidelines. The JNPT to exclude the royalty receipts from the private CFS operator from the container handling income and include it under Royalty / Revenue share receipts for all the years from 2010-11 to 2015-16 for a like to like comparison of actual with estimates and to have an uniform approach.	
(vi).	The actual operating income reported by the JNPT for the years 2010-11 and 2011-12 in the cost statements do not include the other income received from the BOT operators, viz. electricity charges, water charges, etc. Likewise, the actual operating expenditure reported by the JNPT in the cost statements for the said two years also do not include expenditure incurred in connection with the BOT operators for providing electricity, water, etc. The estimates of operating income and operating expenditure for the subsequent years 2012-13 to 2015-16 also do not include the above income and expenditure. In this connection, it is pointed out that as recorded in paragraph 11 (iii) (b) (iii), the other income from BOT operators, viz. Electricity and water charges and corresponding expenditure in respect of BOT operators was considered by this Authority in the tariff revision exercise for assessing the financial / cost position of the port as a whole. The JNPT to include the other income and corresponding expenditure in the cost statements for all the years from 2010-11 to 2015-16, following the approach adopted by this Authority in the last tariff Order.	The income from electricity and water charges recovered from BOT operators is nothing but reimbursement/recovery of the cost of power and water consumed by BOT operators based on the meter reading and paid for by the Port initially. As a matter of policy Port has excluded the entire income and expenditure attributable to BOT operators from the cost statements for tariff revision. Hence it is not proper to include electricity income and expenditure in the cost statement.
(vii).	During last revision of tariff in February 2011, an estimated expenditure of ₹136.21 lakhs in each of the years 2010-11 to 2012-13 was considered under other expenses under marine activity towards JNPT's share of expenses for installation of VTMS, as proposed by JNPT. But, it is observed from the actual expenses reported for 2010-11 and 2011-12, no expenditure has been incurred in this regard. However, an expenditure of ₹256.00 lakhs has been estimated for the year 2012-13 and onwards. In this connection, JNPT to clarify / furnish the following:	
	(a). The present status of the project and reasons for not incurring the expenses in 2010-11 and 2011-12.	The Port has settled the maintenance charges in two stages ₹300 lakhs in December 2011 and ₹298.74 lakhs in June 2012. ₹2.35 lakhs in May

		2013, thus it may be seen from the facts mentioned above that the actual payment made is far in excess of what has been claimed by Port earlier. The Port has entered into protocol agreement with the Mumbai Port Trust for sharing 50% of the capital cost including installation & commissioning of the new Vessel Traffic Management System (VTMS) installed by the Mumbai Port Trust. The VTMS is mainly used for monitoring the arrival and departure of vessels through the common user channel. The Mumbai Port Trust has incurred an amount of ₹19.58 Crs as capital & maintenance expenditure. The Port's share in respect of cost of the equipment & installation & commissioning is ₹9.79 Crs. Revenue expenditure to the extent of 3% per annum of the capital cost against share of maintenance expenditure has been considered in future for the proposed years in the new proposal.
	(b). Actual expenses incurred in the year 2012-13 and review the estimates for future years.	JNPT has stated that an equivalent amount will need to be reimbursed to MbPT in the future years also. (As per the revise cost statements filed by JNPT vide its letter dated 25 September 2013, the actual expenditure on this account has been shown as 'Nil' and the estimates for the subsequent 3 years (2013-14 to 2015-16 has been considered at ₹0.29 lakhs each reportedly calculated at 3% of JNPT's share of capital cost of VTMS system).
	(c). Justify the total estimated expenditure in this regard with documentary evidence.	JNPT furnished copies of ledger extracts of the Capital expenditure and the maintenance expenditure reimbursed to MbPT. (As stated above, estimates for the subsequent 3 years (2013-14 to 2015-16 has been considered at ₹0.29 lakhs each reportedly calculated at 3% of JNPT's share of capital cost of VTMS system).
(viii).	During last revision of tariff in February 2011, an estimated expenditure of ₹294.49 lakhs in each of the years 2010-11 to 2012-13 was considered under other expenses under estate activity towards Panchayat Tax, as proposed by JNPT. But, it is observed from the actual expenses reported for 2010-11 and 2011-12, no expenditure has been incurred in this regard. However, an expenditure of ₹3500.00 lakhs has been estimated for the year 2012-13 and onwards. In this connection, JNPT to clarify/ furnish the following:	
	(a). Reasons for not incurring the expenses in 2010-11 and 2011-12.	Expenditure for Panchayat tax has been incurred and the same is appearing in the ledger under Fees to Govt. authorities. Actual expenditure incurred during 2010-11 is ₹25.90 Crs.
	(b). Actual expenses incurred in the year 2012-13 and review the estimates for future years.	Actual expenditure incurred for panchayat tax during the year 2012-13 is ₹32 Crs. (JNPT furnished copies of ledger extracts vide its letter dated 20 September 2013).

	(c). justify the estimated expenditure in this regard supported with documentary evidence.	Estimated expenditure for the projected years 2013-14 to 2016-17 is ₹35 Crs. per year. The matter is at present under litigation.
(ix).	The tariff guidelines of March 2005 call for calculation of depreciation as per Companies Act for tariff fixation / revision purpose. Accordingly, during the reviews of tariff in 2006 and 2011, JNPT calculated depreciation as per the provisions of Companies Act, 1956 from the year 2005-06 onwards. In this proposal also JNPT appears to have calculated depreciation as per Companies Act and has furnished computation from the year 2005-06 onwards. In this connection, the JNPT to furnish / clarify the following:	
	(a). During the last revision of tariff in February 2011, the accumulated depreciation and closing net block as on 31.3.2006 as per Companies Act was reported by JNPT (in the revised cost statements) at ₹37720.04 lakhs and ₹78419.01 lakhs respectively based on which depreciation was calculated for the subsequent years from 2006-07 onwards. In the present proposal, the JNPT has reported the accumulated depreciation and net block as per Companies Act as on 31.3.2006 at ₹37393.12 lakhs and ₹78745.93 lakhs respectively. The JNPT to reconcile the difference and modify the cost statements, if necessary.	The accumulated depreciation of ₹37720.62 Lakhs and Net Block of ₹78418.43 are book figures as per Audited accounts for the year 2004-05 has been considered for calculation of Capital employed. A copy of audited Annual accounts for the year 2004-05 is already furnished to TAMP. The same has been adopted in the present proposal and the revised proposal dtd.12th Sept. 2013.
	(b). As recorded in paragraph 11 (xii) of tariff Order of February 2011, the actual depreciation for the years 2006-07 to 2009-10 was considered at ₹8286.30 lakhs, ₹8784.21 lakhs, ₹9078.61 lakhs and ₹9570.58 lakhs respectively, in the past period analysis, as reported by JNPT in the revised cost statements furnished during the proceedings of the case. In the present proposal, the JNPT has reported the actual depreciation for the same years at a lower level at ₹7983.43 lakhs, ₹8060.14 lakhs, ₹8320.06 lakhs and ₹7840.45 lakhs respectively resulting in understatement of accumulated depreciation and overstatement of net block as on 31 March 2010. The JNPT to clarify the position and modify the cost statements with the correct depreciation.	For the actual years 2006-07 to 2009-10 depreciation has been corrected/ recast due to inter-allocation of certain assets between the departments.
	(c). During last review of tariff in February 2011, the estimated depreciation for the years 2010-11 to 2012-13 was considered at ₹9741.57 lakhs, ₹10731.24 lakhs and ₹11488.09 lakhs respectively. However, in the present proposal, the JNPT has reported the actual depreciation for the said three years at ₹7734.20 lakhs, ₹7877.24 lakhs and ₹8089.64 lakhs respectively. The JNPT to furnish the reasons for such a wide variation indicating the actual depreciation on additions to the gross block during the said three years.	In the tariff order of February 2011 the depreciation for the years 2010-11 to 2012-13 was based on estimated capitalization of undergoing projects. While calculating the actual depreciation the actual capitalization of assets has been considered.

	(d). The estimated depreciation in respect of bulk handling activity was considered at ₹135.29 lakhs for the year 2010-11 as reported by JNPT. In this proposal, the JNPT has reported the actual depreciation under bulk handling activity at ₹751.20 lakhs. The JNPT to explain the reasons for such a huge difference in the depreciation under bulk handling activity.	The observation made by TAMP has been noted and the depreciation figures have been reviewed necessary corrections have been carried out.
	(e). The JNPT also to furnish a statement of reconciliation of depreciation as per annual accounts and as per Companies Act for the years 2005-06 to 2012-13, for our records and future reference.	The book depreciation for years 2005-06 to 2011-12 are available in the annual reports already furnished to TAMP.The depreciation as per companies act for the period 2005-06 to 2012-13 are available in the present proposal submitted to TAMP.
(x).	The actual Finance & Miscellaneous income (FMI) reported by the JNPT for the years 2010-11 and 2011-12 in the cost statements represent income from launch pass only and do not include other incomes, viz. profit on sale of assets, sale of unserviceable materials, etc. reported in the annual accounts of the relevant years. Likewise, the actual Finance & Miscellaneous expenditure (FME) reported by the JNPT in the cost statements for the said two years represent Pension/Gratuity/Leave encashment liability as per actuarial valuation and expenditure on hire of launches. It does not include other expenses like Bank charges, Gas agency expenses, etc. reported in the annual accounts. In this connection, it is reiterated that as recorded in paragraph 11 (iii) (d) and (e) of tariff Order of February 2011, the FMI other than interest on investment and staff advance and FME other than interest on loans as reflected in the annual accounts was considered by this Authority in the tariff revision exercise for assessing the financial / cost position of the port as a whole. The JNPT to follow the same approach and modify the actual / estimated FMI and FME reported in the cost statements for all the years from 2010-11 to 2015-16.	The Finance & Miscellaneous Income (FMI) reported for the actual years 2010-11 to 2012-13 in the cost statements contains income from launch pass only. All the other income has been excluded as it is uncertain / not of recurring nature / not related to the core activity of the Port. Similar treatment has been given for the items belonging to Finance & Miscellaneous Expenditure (FME). All the other expenses have been excluded as they are uncertain / not of recurring nature / not related to the core activity of the Port.
(xi).	The FMI reported in the annual accounts of 2010-11 and 2011-12, inter-alia includes Sundry income to the tune of ₹341.17 lakhs and ₹1966.29 lakhs respectively. The JNPT to furnish the list down the items covered under this head of income and also explain the reason for an increase of about 476% in the income for the year 2011-12 as compared to the year 2010-11.	The items covered under sundry income are listed below : • Sale Of Tender Forms • Recovery Of Hospital Chgs. Pvt. Patients • Liquidated Damages • Income From Plantation And Crops • Other General Income • Registeration Fees From Suppliers • Income From Gate Pass • Income From Bus Pass • Other Misc Income

		• Income From Warehouse Rental - Auction Sale The reasons for wide variation is mainly due to uncertain nature of the Incomes. Most of the income as indicated above are of uncertain nature and is not likely to re-occur every year.
(xii).	During last review of tariff in February 2011, the estimated additions to the gross block during the years 2010-11 to 2012-13 was considered at ₹168.83 crores, ₹165.39 crores and ₹17.82 crores respectively (refer paragraph 11 (xvi) a (xvi) of tariff Order dated 18 February 2011). The actual additions to the gross block during the said three years is reported at ₹122.80 crores, ₹148.88 crores and ₹184.63 crores (estimate) respectively in the cost statements. In this connection, the JNPT to furnish / clarify the following:	JNPT stated that the details of new additions made for the Actual Years 2010-11 to 2012-13 & the projected years 2013-14 to 2016-17 are furnished in a separate statement annexed to its letter dated 20 September 2013 (Annuxure-11). (The said Annexure-11 was not found enclosed and not received from JNPT till the finalisation of this case).
	(a). Details on materialization of the estimated additions to the gross block considered in the last tariff Order along with date of completion/commissioning, capitalized value, etc.	
	(b). Details of any new additions to the gross block which is not considered in the last tariff order.	
	(c). Furnish the item-wise details of additions in the cost statement (Form 4A) for all the years 2010-11 to 2015-16.	
(xiii).	During the proceedings of last revision of tariff in February 2011, in response to a query for classification of assets under business related and social obligation categories in line with the guideline provisions, the JNPT took a position that it considers all its assets as Business assets. However, as recorded in paragraph 11 (iii) (f) of tariff Order dated 18 February 2011, based on the details furnished by JNPT during general revision of tariff in 2006, certain assets were classified as Business Related assets and return was allowed at risk-free rate as per the tariff guidelines. In the present proposal also, the JNPT has not classified its assets into business, business related and social obligation categories as required in the tariff guidelines. The JNPT to classify its assets into the prescribed three categories and calculate return on capital employed, following the relevant provisions in the 2005 tariff guidelines, as advised in paragraph 11 (iii) (f) of tariff Order dated 18 February 2011.	JNPT stated that it has allotted all the Assets activity-wise for the various services rendered. The Port has classified the assets in to two categories namely a) Business Assets b) Business related Assets for the Tariff Revision Proposal. There are no assets created by the Port under the category of Social Obligation Assets.
(xiv).	As recorded in paragraph 11 (xvi) (c) of tariff Order dated 18 February 2011, the design capacity of the JNPCT was considered at 1.35 million TEUs for the year 2010-11 and 1.575 million tonnes per annum for the next two years 2011-12 and 2012-13 taking into	The JNPT stated that the designed capacity of the Port and actual capacity of the Port for the years 2010-11 to 2015-16 are furnished in Annexure-12 of its letter dated 20 September 2013. Based on the details furnished by the JNPT in Annexure-12, the capacity additions

<table>
<tr><td></td><td>account the additional capacity envisaged on account of acquisition / replacement of RMQCs. The JNPT to furnish the date of commissioning of the replaced / acquired/ shifted RMQCs at the berths and the actual capacity addition on account of the same.</td><td>considered by it for each of the years 2011-12 to 2015-16 are tabulated below:
<table>
<tr><th>Year</th><th>Capacity addition (in TEUs)</th><th>Reason</th></tr>
<tr><td>2011-12</td><td>1,50,000 - MCB</td><td>Replacement of three existing RMQCs at MCB with new RMQCs</td></tr>
<tr><td>2012-13</td><td>1,50,000 - MCB</td><td>Purchase of 1 new RMQC at MCB</td></tr>
<tr><td>2013-14</td><td>1,50,000 – MCB
7,50,000 – SDB</td><td>Replacement of 3 RMQCs at MCB and shifting of 3 old RMQCs to SDB</td></tr>
<tr><td>2014-15</td><td>--</td><td>--</td></tr>
<tr><td>2015-16</td><td>1,50,000 - MCB</td><td>Purchase of 1 new RMQC at MCB</td></tr>
</table></td></tr>
<tr><td>(xv).</td><td>During last revision of tariff in February 2011 (refer paragraph 11 (iii) (j) of tariff Order dated 18.2.2011), the past surplus accrued to JNPT during the period from 2006-07 to 2008-09 amounting to ₹24510.82 lakhs was decided to be set off over a period of five years commencing from 2011-12. Accordingly, two instalments amounting to ₹4562.78 lakhs each was adjusted against estimated net surplus / (deficit) for the years 2011-12 and 2012-13 leaving the balance to be adjusted in the years 2013-14 to 2015-16. The JNPT has not adjusted the above past surplus in the cost statements furnished in the present proposal for any of the years. The JNPT to set off the additional surplus and modify the cost statements.</td><td>JNPT stated that it is not in agreement with the adjustment made by the Authority relating to past surplus accrued to JNPT during the period 2006-07 to 2008-09 amounting to ₹24510.82 lakhs. The adjustment was made by TAMP unilaterally without giving any prior notice to the Port. The Port was not given any opportunity to give its views on the matter. As per the revised cost statement submitted on 12th Sept. 2013 Port is consistently in deficit from the year 2008-09 onwards and wipes of the surplus of the earlier year.</td></tr>
<tr><td>(xvi).</td><td>The JNPT to furnish a statement reconciling the actuals considered in the cost statements with the actuals reported in the Annual Accounts in respect of operating expenses, management and general overheads, depreciation, finance & miscellaneous income and finance & miscellaneous expenses for all the years 2010-11 to 2012-13. The JNPT also to furnish a statement reconciling the profit before tax as reflected in the accounts and the net profit before return as per cost statements for the years 2010-11 to 2012-13.</td><td>JNPT furnished statements showing reconciliation of actuals as per annual accounts and the actuals as per cost statements for the years 2010-11 to 2012-13 for Operating expenditure, Operating Profit and Net Profit.</td></tr>
<tr><td>(xvii).</td><td>Though the opening balance of the Gross Block of Fixed Assets as on 01 April 2011 as given in the Annual Accounts of the year 2011-12 matches with the opening balance of the Gross Block of Fixed Assets as on 01 April 2011 as given in the Cost statement (Form – 4A) for the year 2011-12, the closing balance of the Net Block of assets as on 31 March 2012 does not match with the closing net Block as on 31 March 2012 as furnished in the Form – 4A for the year 2011-12. JNPT to reconcile the difference.</td><td>The JNPT has furnished a revised form-4A along with its revised cost statements / proposal submitted vide its letters dated 12 September 2013 and 20 September 2013.</td></tr>
</table>

<table>
<tr><td>III.</td><td>CAPACITY:</td><td></td></tr>
<tr><td></td><td>The JNPT has not furnished the designed capacity of the port and actual / estimated capacity utilization for the years 2010-11 to 2015-16 as required in Form 2A of the cost statements. The JNPT to furnish detailed computation determining the designed capacity as per Note 2 to Form 2A of the tariff filing forms prescribed for Major Port Trusts for the bulk berth, Main Container berth and Shallow Draught Berths separately for the years 2010-11 to 2015-16 considering each of the capital investments made and proposed to be made during these years and the productivity / efficiency improvements achieved / expected to be achieved thereby.</td><td>The JNPT stated that the designed capacity of the Port and actual capacity of the Port for the years 2010-11 to 2015-16 are furnished in Annexure-12 of its letter dated 20 September 2013. (The Port has not furnished detailed designed capacity calculation in the Annexure-12. The details furnished by the port in Annexure-12 have already been brought out in an earlier paragraph).</td></tr>
<tr><td>IV.</td><td>TRAFFIC:</td><td></td></tr>
<tr><td>(i).</td><td>Clause 2.5.1. of tariff guidelines of 2005 stipulates that the traffic projections should be in line with the projections in the 5 year annual plan and current / expected growth. The JNPT may, therefore, furnish commodity-wise projections made in the MOU for the year 2013-14. The JNPT may confirm whether the traffic projections for the years 2013-14 to 2015-16 is as per the projections contained in the Business Plan of the Port for the corresponding years. If not, then the reasons for the variation to be furnished. The basis of estimation of traffic for the years 2013-14 to 2015-16 may also be explained.</td><td>The traffic projections are in line with the 12th Five Year Plan / RFD targets fixed in consultation with Ministry. In case of BOT operators realistic estimates have been obtained from the respective terminals and is as per the traffic projections made to TAMP by the BOT Operators.</td></tr>
<tr><td>(ii).</td><td>The JNPT has estimated the bulk and break bulk traffic for the years 2012-13 to 2015-16 at 9 lakh tonnes, 10 lakh tonnes, 11 lakh tonnes and 11 lakh tonnes respectively as against the actual traffic of 9.17 lakh tonnes reported for the year 2011-12. Likewise, the container traffic for the years 2012-13 to 2015-16 is estimated by the port at 12 lakh TEUs, 12.70 lakh TEUs, 13.50 lakh TEUs and 14.20 lakh TEUs as against the actual traffic of 10.28 lakh TEUs handled during the year 2011-12. The JNPT to update the traffic reported for the year 2012-13 with actuals and review the estimated traffic for the years 2013-14 to 2015-16 based on the actual traffic of 2012-13. The JNPT also to update the share of various types of containers for the year 2012-13 based on actual and revise the estimated share of containers considered for the years 2013-14 to 2015-16, if necessary.</td><td>The traffic projections for the years 2013-14 to 2016-17 for Bulk, Break Bulk, Liquid Cargo & Container are furnished in Annexure-14. The ratio of type of container traffic for the projections is based on the actuals for container traffic for 2012-13. The traffic projections furnished by the JNPT for the years 2013-14 to 2015-16 in Annexure-14 are tabulated below:
<table>
<tr><td>Particulars</td><td colspan="3">Traffic Projections</td></tr>
<tr><td></td><td>2013-14</td><td>2014-15</td><td>2015-16</td></tr>
<tr><td>JNPT Traffic:</td><td></td><td></td><td></td></tr>
<tr><td>JNPCT – Container traffic (in lakh TEUs)</td><td>13.00</td><td>14.00</td><td>15.00</td></tr>
<tr><td>Cement traffic (in lakh Tonnes)</td><td>7.00</td><td>7.00</td><td>7.00</td></tr>
<tr><td>General / Break bulk traffic (in lakh tonnes)</td><td>1.00</td><td>1.00</td><td>1.00</td></tr>
<tr><td>Total Bulk traffic</td><td>8.00</td><td>8.00</td><td>8.00</td></tr>
<tr><td>BOT Operators' Traffic</td><td></td><td></td><td></td></tr>
<tr><td>Liquid BPCL traffic (in lakh tonnes)</td><td>58.00</td><td>60.00</td><td>60.00</td></tr>
<tr><td>NSICT Container traffic (in lakh TEUs)</td><td>6.00</td><td>6.00</td><td>6.00</td></tr>
</table></td></tr>
</table>

GTIPL Container traffic (in lakh TEUs)	13.95	13.95	13.95

(iii).	The JNPT has estimated the container traffic at its terminal for the years 2012-13 to 2015-16 at a growth rate of 16.74%, 5.83%, 6.30% and 5.19% respectively over the actual/ estimates of respective previous years. The JNPT to furnish the reasons for estimating a higher growth rate for the year 2012-13 alone and the basis for the percentage increase considered in the subsequent years.	The projected traffic figures have been given by operation department and is as per the 12^{th} Five year plan/RFD Targets fixed in consultation with Ministry The traffic estimates for the projected years have been made with year 2012-13 as base as also considering the capacity addition due to the introduction of new cranes / port equipment.
(iv).	The JNPT to confirm that additional traffic on account of additional capacity proposed to be created during the years 2013-14 to 2015-16, if any, has been considered in the estimation of traffic.	The details of additional capacity creation due to installation of new cranes as also replacement of existing old cranes and other equipment's and additional traffic estimated to be handled are given in Annexure-12. The same has been considered in the projections.
(v).	The JNPT has estimated the bulk and break bulk traffic for the years 2012-13 to 2015-16 with a growth rate of -1.90%, 11.11%, 10% and 0% respectively over the actual / estimates of respective previous years. The JNPT to furnish the reasons for considering a drop or negative growth for the year 2012-13 as compared to the actual of 2011-12, alongwith the basis considered for the growth rate.	The Bulk handling facility at JNPT is limited to Shallow water berth. The Cement and other break bulk cargo traffic to be handled are based on the estimates provided by the Port Users/trend in last two years. The new proposal considers break bulk traffic of one lakh tonne per annum for each year for the projected years
(vi).	The reason for not anticipating any '60000 GRT & above' Coastal Vessel to visit the port to be explained.	The Coastal traffic handled by the Port is very limited/ negligible. At present only ONGC and Cement vessels of 10000 GRT are using the Port facility. The projections are based on the present trend.
(vii).	The actual vessel traffic for the years 2010-11 and 2011-12 is reported at 2761 nos. and 2531 nos. respectively. The estimated no. of vessels for the years 2012-13 to 2015-16 is considered at a lower level of 2378, 2433, 2495 and 2543 respectively. In this connection, the JNPT to:	
	(a). Update the vessel traffic for the year 2012-13 with actuals and review the estimate for next three years 2013-14 to 2015-16 based on actual of 2012-13, if necessary.	Vessel traffic for the projected years 2013-14 to 2016-17 updated with respect to actuals 2012-13. Further it is stated that as per the recent trend container vessels of larger parcel size are visiting the port and the BOT Terminals. Hence, though the no. of vessels may be lower but total GRT handled will be as per the traffic projections. (In the revised cost statements the total estimated GRT for the years 2013-14 to 2015-16 have been calculated based on the actual average GRT of vessels visited during 2012-13. The drop in no. of vessels and total GRT is seen to be on account of drop in the estimated traffic considered in respect of BOT operators and not on account of larger parcel size vessels).
	(b). In the vessel traffic estimate, the JNPT has considered the estimated traffic of 11.96 lakh TEUs per annum for NSICT and 13.95	Vessel traffic for BOT operators for the years 2013-14 to 2016-17 is based on the traffic projections given by the BOT operators. One of

<table>
<tr><td></td><td>lakh TEUs per annum for GTIPL uniformly for each of the years 2012-13 to 2015-16. The traffic considered by JNPT in respect of NSICT and GTIPL is seen to be much lower than the actual traffic handled by the respective terminals during the years 2010-11 and 2011-12. In this backdrop and in view of the observation at paragraph 2 (a) above, JNPT to review the vessel traffic for the years 2013-14 to 2015-16.</td><td>the BOT operators have also indicated their intention to reduce their throughput to the MGT as per agreement in the projected years due to the tariff reduction made by TAMP and not considering royalty / revenue share as pass-through cost.</td></tr>
<tr><td></td><td>(c). Review the estimated number of vessels and GRT of vessels proposed to be handled taking into consideration the commissioning of the container berth recently awarded under PPP mode.</td><td>At present, three PPP Projects namely – 4th Container Terminal, Chemical Terminal and 330 m. berth are in the pipeline. Out of the three PPP Projects only the 330 m. berth Is likely to be completed during the projected years upto 2016-17. No increase in traffic has been considered for NSICT/DP World as the project is likely to be commissioned in the later part of 2016-17.</td></tr>
<tr><td>V.</td><td>OPERATING INCOME:</td><td></td></tr>
<tr><td>(i).</td><td>The JNPT to update the estimated operating income considered for the year 2012-13 in respect of all main activities/sub-activities, based on actual and review the estimated operating income for the subsequent three years.</td><td>In the revised cost statements furnished vide letter dated 20 September 2013, operating income for the projected years 2013-14 to 2016-17 has been updated based on actuals 2012-13.</td></tr>
<tr><td>(ii).</td><td>Note 3 under Form 2B of the format prescribed for tariff proposal adopted by this Authority requires Major Port Trusts to provide detailed computation of income with reference to the estimated traffic. The JNPT to furnish detailed computation of income with reference to the estimated traffic at the existing Scale of Rates and the proposed Scale of Rates for all the years under consideration for each of the tariff items prescribed in the SOR for the years 2010-11 to 2015-16.</td><td>Form-2B has been updated to provide detailed computation of income with reference to estimated traffic at existing scale of rates and proposed scale of rates for all the projected years based on the breakup of actual traffic 2012-13. It is not possible to give breakup item wise as per existing scale of rates and proposed scale of rates of the total operating income for the existing years & the projected years as requested by TAMP.</td></tr>
<tr><td>(iii).</td><td>An analysis of average dwell time of different types of cargo/container for the three years 2010-11 to 2012-13 to be furnished. The JNPT to furnish the dwell time analysis, based on which it has estimated the storage income/dwell time charges for the years 2013-14 to 2015-16, as required under Note 1 to Form 2B.</td><td>The port has furnished the Actual Dwell time figures for the years 2010-11 to 2012-13 in Annexure-15 of its letter dated 20 September 2013, which are summarized below:
<table>
<tr><th>Particulars</th><th>2010-11</th><th>2011-12</th><th>2012-13</th></tr>
<tr><td>Average Dwell time (in days)</td><td></td><td></td><td></td></tr>
<tr><td>Import (by Road)</td><td>1.99</td><td>1.80</td><td>2.03</td></tr>
<tr><td>Import (by Rail)</td><td>4.57</td><td>4.44</td><td>4.31</td></tr>
<tr><td>Export (by Road)</td><td>5.52</td><td>5.90</td><td>5.87</td></tr>
<tr><td>Export (by Rail)</td><td>7.93</td><td>7.75</td><td>8.24</td></tr>
<tr><td>Storage Income (₹ In Crores)</td><td></td><td></td><td></td></tr>
<tr><td>Import</td><td>3.73</td><td>4.10</td><td>5.31</td></tr>
<tr><td>Export</td><td>13.20</td><td>15.17</td><td>15.68</td></tr>
</table>

(The JNPT has not estimated the storage charges for the years 2013-14 to 2015-16 based on the dwell time analysis. Hence, the details furnished by the JNPT in this regard are not</td></tr>
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<tr><td></td><td></td><td>found to be relevant).</td></tr>
<tr><td>(iv).</td><td>Apart from the increase in rates proposed, the JNPT has also proposed introduction of some new tariff items/ facilities. The year-wise additional revenue implication arising from these new tariff items to be quantified item wise and furnished for all the years under consideration with workings.</td><td>It is difficult to estimate additional revenue implication arising from new tariff items. The new tariff items have been added in the list so that the port does not have to approach TAMP again for this purpose. The revenue from the new tariff items will be known only after the port handles the new cargo.</td></tr>
<tr><td>(v).</td><td>With regard to Form 2A, JNPT to furnish detailed workings to determine the estimated income from ‘Hatch Cover’, ‘Handling Rebate’ and ‘Common Rail operations’ for the years 2013-14 to 2015-16. The reason for anticipating increased level of income from Hatch Cover’ and ‘Common Rail operations’ during the years 2013-14 to 2015-16 as compared with the actuals for the year 2011-12 to be explained.</td><td>The JNPT furnished details of Income / proposed income from Hatch Cover, ‘Common Rail operations’ as also rebates / proposed rebates for the years 2010-11 to 2015-16 in Annexure-16, which are also mentioned in the revised cost statement Form 2B. (The port has not furnished detailed workings).</td></tr>
<tr><td>(vi).</td><td>This Authority vide Order dated 28 June 2007 approved the proposal of JNPT to levy an additional amount of ₹400 per TEU towards Inter Terminal Rail Handling Operation (ITRHO) of ICD containers moved by rail at the terminals of JNPT. In this context, the JNPT to furnish the actual/ estimated income accruing to it on this account as well as the expenditure incurred in this regard, during the years 2010-11 to 2015-16, separately for each of the years under consideration.</td><td>The Port has furnished actual figures for CRO - NSICT & GTIPL in Annexure-17 and stated that the CRO Income/Expense is included in Container Income/ Container Expenses for the Actuals/ projected years.
<table>
<tr><td>Particulars</td><td>2010-11</td><td>2011-12</td><td>2012-13</td></tr>
<tr><td>CRO Share from NSICT / GTIPL</td><td>822.96</td><td>586.27</td><td>424.19</td></tr>
<tr><td>CRO Charges for NSICT / GTIPL</td><td>*</td><td>*</td><td>305.50</td></tr>
</table>
* For the years 2010-11 and 2011-12, the CRO share shown above is net of CRO charges payable to NSICT/ GTIPL.</td></tr>
<tr><td>(vii).</td><td>In the Form – 2B, the JNPT has not indicated the exchange rate considered by it in the estimation of income for the years 2013-14 to 2015-16. JNPT to furnish the same. Further, it may be noted that the exchange rate prevailing at the time of finalization of the case will be applied for estimation of income for the years 2013-14 to 2015-16.</td><td>The exchange rate adopted for the projected years 2013-14 to 2016-17 is 1 US$ = ₹54.40 i.e. the average exchange rate for the year 2012-13.</td></tr>
<tr><td>(viii).</td><td>The revision of estate rentals at JNPT is overdue. As per clause 2.11.5 of tariff guidelines of 2005, estate activity can be a contributor to meet the deficit in the port operations in the short term. In the present proposal of JNPT, the estate activity reflects a deficit position for all the years 2012-13 to 2015-16 at the existing tariff. In view of the above, it may be noted that no increase in tariff will be allowed in port activities to meet the deficit arising out of estate activity.</td><td>Estate proposal has also been included in our new tariff revision proposal dated 12 September 2013.</td></tr>
<tr><td>(ix).</td><td>The JNPT has estimated the income from estate activities for the years 2012-13 to 2015-16 with an annual escalation of 2%, except for recovery of electricity charges and lease rental from GTIPL. The lease rental from GTIPL is escalated at 5% per annum based on the provisions of License</td><td>The escalation factor adopted for the projected years has been aligned with the escalation adopted for cost for electricity. The recovery of electricity charges is only reimbursement claim for the electricity bill paid by the Port initially.
(The Port has maintained the escalation factor of 10% for recovery of electricity though it has</td></tr>
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<table>
<tr><td></td><td>Agreement. The recovery of electricity charges is escalated by the port at 10% per annum. The JNPT to furnish the basis for adopting an escalation factor of 10% for ‘recovery of electricity charges’ considered under income from estate activity.</td><td>considered an escalation factor of 17% in the cost of electricity).</td></tr>
<tr><td>(x).</td><td>JNPT to explain the nature of income captured under the head ‘Others’ as given at Sl. No. (A)(XI) and (B)(VII) of Form – 2B. JNPT to furnish workings to arrive at the said income for the years 2012-13 to 2015-16.</td><td>The income captured under head “others” are as stated below :
(i) (A)(XI) Electricity & monitoring charges, handling of non standard cargo, royalty from CFS and Miscellaneous Container Income.
(ii) (B)(VII) Miscellaneous Income Marine.</td></tr>
<tr><td>(xi).</td><td>The reason for projecting a reduction in the income from Bulk cargo during the years 2013-14 to 2015-16 as compared to the actuals for the year 2010-11 in the Form 2B to be explained.</td><td>The bulk cargo consist of cement and break bulk. Realistic estimates were obtained from cargo agent for the projected years.</td></tr>
<tr><td>(xii).</td><td>The reason for projecting a reduction in the income from Port dues, Pilotage and Berth hire during the years 2013-14 to 2015-16 as compared to the actuals for the year 2011-12 in the Form 2B to be explained.</td><td>The vessel related income i.e. port dues, pilotage & berth hire is based on GRT handled in a financial year. For the projected years GRT has been estimated based on the traffic projections.</td></tr>
<tr><td>VI.</td><td><u>OPERATING EXPENDITURE, DEPRECIATION & OVERHEADS</u>:</td><td></td></tr>
<tr><td>(i).</td><td>As is the practice followed by us every year, we would be, in due course, communicating the escalation factor that would be considered for projecting the expenditure in the cost statement, in respect of the cases to be disposed in the year 2013-14. The JNPT to take note of the said escalation factor and project the expenditure for the years 2013-14 to 2015-16, by considering the said escalation factor to be communicated by us, by taking the actuals for the year 2012-13 as base, in its revised proposal.</td><td>The revised proposal has been prepared considering the revised escalation factor of 7% as notified by TAMP on its website.</td></tr>
<tr><td>(ii).</td><td><u>Salary and Wages:</u></td><td></td></tr>
<tr><td></td><td>(a). As per Form 3 B of the cost statements, the average employee cost is estimated to increase by 10% per annum in each of the years 2012-13 to 2015-16 over the actual / estimate of respective previous year, taking the actual salary & wage cost of 2011-12 as the base. The no. of employees is considered at 1718 uniformly for all the years 2012-13 to 2015-16 at par with the actual no. of employees reported for the year 2011-12. In this connection, the JNPT to furnish / clarify the following:</td><td></td></tr>
<tr><td></td><td>(i). Justify the percentage increase in the average employee cost.</td><td>The JNPT has stated that percentage increase of 12% in average employee cost is based on actual increase trend in the last three years, as shown in Annexure-18. The details furnished by the JNPT in Annexure-18 are given below:
(₹ in lakhs)<table><tr><td>Particulars</td><td>2010-11</td><td>2011-12</td><td>2012-13</td></tr><tr><td>Salaries & Wages</td><td>120.74</td><td>141.81</td><td>182.09</td></tr><tr><td>Increase (%)</td><td>--</td><td>17.45%</td><td>28.40%</td></tr></table></td></tr>
</table>

		Provision made | | 4.67 | 31.93
	(ii). Provision made, if any, for revision of wage arrears with effect from 1 January 2012 for Class III and IV employees of Major Port Trusts.	The year wise provision made for wage revision w.e.f. 1st Jan 2012 is shown at Annexure-18. (The details furnished by JNPT in Annexure-18 are brought out in the port's reply to the preceding query).
	(iii). The reasons for not considering the reduction in manpower due to superannuation, etc. in the years 2012-13 to 2015-16.	The JNPT has stated that the posts on superannuation are not falling in the category of surplus posts to be abolished. They are sanctioned posts. The posts falling vacant on superannuation will be filled up by promotion/fresh recruitment. Hence, there is likely hood of reduction in manpower.
	(b). The JNPT to furnish the details of total salaries and wages cost actually incurred for the years 2010-11 to 2012-13 and estimated for the years 2013-14 to 2015-16 giving break-up of direct salaries & wages and salaries and wages included in Management Overheads.	The details of salaries & wages with breakup are given in the cost sheet for the actual / projected years.
	(c). The salaries and wages cost reported in Form 3B is not tallying with the employee remuneration reported in the activity wise cost statements furnished by JNPT for the major activities, viz. Container, Bulk and Marine. The JNPT to reconcile the total salaries and wages with the salaries and wages expenses reported in the activity / sub-activity wise cost statements (to be furnished).	The Salaries & Wages shown under the cost statements is direct cost of salaries & wages of the particular activity. However the salary & wages shown under Form 3B is for entire JNPT. The difference between the two figures is the salaries & wages of management & administration expenses included under Management and General Administration Overheads. (Even in the revised cost statements furnished by JNPT vide its letter dated 20 September 2013, the salaries and wages cost reported in Form 3B is not tallying with the employee remuneration reported in the activity wise cost statements).
	(d). The JNPT has furnished salary and wages cost in Form–3B for all the years under consideration for 1718 employees. The Salary and wage cost shown in Form-8 for the same number of employees is found to be varying with the salaries & wages reported in Form-3B. JNPT to clarify the position.	The observation made by TAMP has been noted. Form–3B & Form-8 have been revised. Both the Forms are showing the same position relating to number of employees for the actual/ projected years.
	(e). The National Tribunal Award of 2006 on manning scales has already been notified. Clause 2.6.2 of the tariff guidelines requires the port to regularly review and adjust the manning scales / datum. The JNPT to clarify whether the proposal of the JNPT is based on the revised manning scales. If not, JNPT to modify the estimation of salary and wage cost based on the revised manning scales awarded by National Tribunal in 2006.	The manning scale notified by the National Tribunal Award in 2006 is not adopted in JNPT. However, Incentive Scheme for enhancing productivity formulated in consultation with National Productivity Council is in vogue. Further, a revised incentive scheme is also under consideration & is being finalised with the Unions operating in JNPT after the replacement of the old cranes and introduction of new equipments.
	(f). Furnish the existing manning scales for different services, the manning scale proposed to be followed by the JNPT, if the National Tribunal Award is yet to be implemented, and cost thereon for the traffic estimation made during the years 2013-14 to 2015-16.	The JNPT has stated that existing manning scales for different services is given in Annexure-20. (In Annexure-20, the JNPT has furnished the details of no. of manpower posted for each equipment, viz. RMQC, RTGC, etc. for each shift. The details furnished by the JNPT was not found to be with reference to different services).

<table>
<tr><td></td><td>(g). JNPT to confirm that the estimation of incentive payments, if any, are made based on the revised datum, if any, announced in the National Tribunal Award of 2006.</td><td>The JNPT has furnished the actual payment made under the incentive scheme during the period 2010-11 to 2012-13 at ₹3.40 crores, ₹4.50 crores and ₹4.87 crores respectively. The port further stated that the estimates of the payment under Incentive Scheme for the projected years are based on the payment made in the year 2012-13.</td></tr>
<tr><td></td><td>(h). The reason for projecting around 32% increase in the salary and wage cost estimated during the year 2012-13 as compared to the actuals for the year 2011-12, to be explained.</td><td>The actual salaries & wages paid for the period 2010-11 to 2012-13 and the increase (%) is given in Annexure-18. Accordingly inflation factor of 12% has been considered in the projected years 2013-14 to 2016-17 against the inflation factor of 7% permitted by TAMP in the new proposal submitted on 12th Sept. 2013/20th Sep. 2013.

The main reason for the projected increase in salary is due to the wage revision 1533 class III & IV employees due from 1st January 2012 onwards. As per the latest information available increase of 10.5% in fitment pay and overall increase of more than 21% in the total wages is expected.</td></tr>
<tr><td>(iii).</td><td><u>Power cost:</u></td><td></td></tr>
<tr><td></td><td>(a). The JNPT has reported the actual power cost for the years 2010-11 and 2011-12 and estimated the power cost for the years 2012-13 to 2015-16. The JNPT to update the power cost for the year 2012-13 with actuals and review the estimates for the subsequent years, if necessary.</td><td>The JNPT has furnished the details of the Power Cost for the years 2010-11 to 2012-13 in Annexure 21, which is tabulated below:
<table>
<tr><td>Particulars</td><td>2010-11</td><td>2011-12</td><td>2012-13</td></tr>
<tr><td>Electricity amount as per GL</td><td>6190.11</td><td>7683.67</td><td>9126.76</td></tr>
<tr><td>Consumption (in units)</td><td>70465134</td><td>74411132</td><td>77490112</td></tr>
<tr><td>Electricity rate per unit</td><td>8.78</td><td>10.33</td><td>11.78</td></tr>
<tr><td>% increase over previous year rate</td><td>--</td><td>18%</td><td>14%</td></tr>
</table>
As the increase in the Unit cost is in the range of 14% to 18% the port has conservatively taken the inflation factor of 17% for the projected years against the TAMP permitted inflation factor of 7% in the new proposal submitted on 12th Sept. 2013/20th Sep.2013.</td></tr>
<tr><td></td><td>(b). The Form 3B furnished by JNPT does not contain details of units of power consumed and average cost per unit for cranes, machinery, floating crafts and others. The JNPT requested to furnish the actual power cost for the years 2010-11 to 2012-13 in terms of units of power consumed and average cost per unit. Similar details to be furnished for the subsequent years 2013-14 to 2015-16.</td><td>The Form 3B has been revised to indicate the units consumed year wise for the actuals/projected years.

No power meter is installed separately for each crane/equipment's by the Port. Data of power consumed, crane-wise/equipment-wise is not available.</td></tr>
<tr><td></td><td>(c). The JNPT has applied an escalation factor of 28% per annum for the years 2012-13 and 2013-14 and 17% per annum for the years 2014-15 and 2015-16 on the actual power cost reported for the year 2011-12 and thereafter adjusted it with reference to the traffic. The JNPT to justify the escalation</td><td>The JNPT has stated that as mentioned in the reply to Sr.No.3(b) above, the trend for the years 2010-11 to 2012-13 indicates the increase in the Unit cost is in the range of 14% to 18%, the port has conservatively taken the inflation factor of 17% for the projected years against the TAMP permitted inflation factor of 7%.</td></tr>
</table>

	factor of 28% and 17% adopted by it in the estimation of power cost.	
(iv).	**<u>Fuel cost:</u>**	
	(a). The JNPT has not furnished the details of average unit cost of fuel and consumption of fuel in Form 3B for any of the years. The JNPT to furnish the requisite details in Form 3B.	The Form 3B has been revised to indicate the fuel-units consumed year wise for the actuals/projected years. The port further stated that details of fuel units consumed in Container / Marine Operations for the years 2010-11 to 2012-13 are given Annexure-22, 23. (It is seen that Annexure-22 contained details of fuel rates (for bulk customers) prevailing on different dates from 29 January 2009 to 30 September 2013. The Annexure-23 reportedly sent by JNPT was not received at this office).
	(b). In the cost statements, the actual expenditure incurred on fuel during the year 2012-13 may be updated based on actual unit cost of fuel and consumption of fuel, and the estimates for the subsequent years to be reviewed based on actual of 2012-13.	The details have been updated in the revised proposal dtd.12th Sept. 2013/20th Sept. 2013.
	(c). The JNPT has applied an escalation factor of 12% per annum for the years 2012-13 to 2015-16 on the actual fuel cost reported for the year 2011-12 and thereafter adjusted it with reference to the traffic. The JNPT to justify the escalation factor of 12% adopted by it in the estimation of fuel cost.	The escalation factor now applied is 26% based on actual price of fuel observed for last three years.
(v).	**<u>Maintenance Dredging</u>**	
	(a). The actual / estimated maintenance dredging cost reported in Form 3B for all the years 2010-11 to 2015-16 is not supported with details of quantum of silt dredged and unit cost. The JNPT to furnish the requisite details in Form 3B.	Quantitative details have been updated in Form 3B. Maintenance dredging for the entire channel is scheduled during the year 2014-15 to 2016-17 and is likely to cost ₹100 Crs. Per year.
	(b).The actual dredging cost for the years 2010-11 and 2011-12 is reported at ₹1997.23 lakhs and ₹135.03 lakhs respectively. The JNPT has not estimated any maintenance dredging expenditure for the next two years 2012-13 and 2013-14. But for the next two years 2014-15 and 2015-16 the maintenance dredging expenses has been estimated at ₹907.38 lakhs and ₹1932.72 lakhs respectively. In this connection, the JNPT to furnish / clarify the following:	The maintenance dredging was not required in the year 2011-12 & 2012-13 because of the capital dredging project which commenced in August, 2012 is in progress. However maintenance dredging will be required from 2014-15 onwards as indicated in revised Form 3B. Due to the increase in length of the Channel Port will be required to dredge silt for the entire channel length from the Year 2014-15 to 2016-17. The same has been valued at the ₹100 crores Per year.
	(i).The reason for the huge reduction in the maintenance dredging expenses during the year 2011-12.	
	(ii). The basis adopted in estimating the maintenance dredging expenses for the subsequent years.	
	(c). The quantum of silt estimated to be dredged during the years 2013-14 to 2015-16 to be justified with reference to the actual quantum of silt dredged in the past three years and additional maintenance dredging required to be carried out for specific berths	In the past only the area alongside the berth and the entrance to the Port was dredged. Now the entire length of the channel is proposed to be dredged to maintain the uniform depth.

	and facilities, if any.	
	(d). The estimated unit cost of maintenance dredging for the years 2013-14 to 2015-16 also to be reviewed based on the actual unit cost of dredging incurred during the past years. The unit cost of dredging to be supported by documentary evidence.	The Port has awarded work for Capital Dredging of the entire JNPT channel in August, 2012 for deepening the channel upto assured depth of 14 metres. To maintain the assured depth through-out the channel, the maintenance dredging cost envisaged for the projected years is ₹100 Crs. per year as explained at Point No.VI-5-(b) above.
(vi).	**<u>Repair and Maintenance</u>**	
	(a). The actual repairs and maintenance expenses incurred during the year 2011-12 is reported at ₹1306.38 lakhs which is found to be around 74% more than the actual repairs and maintenance expenses of 2010-11 at ₹752.62 lakhs. The JNPT to furnish the reasons for the steep increase in the repairs and maintenance expenses during the year 2011-12.	The Port has undertaken major repairs of arterial roads catering to the port's road traffic. Increase in repairs and maintenance in the FY 2011-12 is mainly due to major repairs carried out to Rail Over Bridge (ROB) located at Karal junction which caters traffic going to NH-4B/private CFSs located in CIDCO area and also entire traffic going to Uran city. Further the new annual maintenance contract (AMC) for the port equipment's is also in place.
	(b). The repairs and maintenance expenses for the year 2012-13 is estimated at ₹1424.79 lakhs with an increase of 9% over the actual of 2011-12. The JNPT to update the repairs and maintenance cost for the year 2012-13 with actuals and the estimates for the next three years to be reviewed based on the actuals for the year 2012-13.	Repairs and maintenance expenses have been updated taking the actual of FY 2012-13 as the base. The repairs and maintenance cost for the projected years have been shown a) 50% to vary with traffic as also escalation factor permitted by TAMP of 7% p.a. b) balance 50% escalated as permitted by TAMP of 7%.
	(c). JNPT to confirm that one time repairs and maintenance costs incurred have not been considered in the expenditure relating to the years 2010-11 to 2012-13.	It is confirmed that one time repairs and maintenance cost have not been considered in the expenditure related to FY 2010-11 to 2012-13.
(vii).	**<u>Store Expenses:</u>**	
	(a). The actual expenditure on stores incurred during the year 2011-12 reported at ₹502.22 lakhs is found to be around 44% more than the actual stores expenses incurred during the year 2010-11 at ₹347.69 lakhs. The JNPT to furnish the reasons for the steep increase in the repairs and maintenance expenses during the year 2011-12.	All the port's equipments like RMQCs, RMGCs, RTGCs, Reach Stackers, Tractor Trailers are of imported origin. The equipments consume lot of spares and consumables which are imported. The lead time for imports of spares/consumables to be imported from USA/Europe varies from 3-6 months. The steep increase in the cost of stores is mainly due to the payments made for the spares/consumables in US dollars/Euro.
	(b). The expenditure on stores for the year 2012-13 is estimated at ₹451.71 lakhs with a reduction of around 10% over the actual of 2011-12. The reason for estimating the expenditure at a lower level to be furnished. The JNPT to update the stores cost for the year 2012-13 with actuals and the estimates for the next three years to be reviewed based on such actuals.	The Stores cost has been updated with the actual year 2012-13 as base for the projected years 2013-14 to 2016-17.
(viii).	**<u>Insurance:</u>**	
	(a). The actual insurance cost incurred during the year 2011-12 is reported at ₹478.87 lakhs which is found to be 172% more than the actual insurance cost of 2010-11 at ₹176.26 lakhs. The JNPT to furnish the reasons for the abnormal increase in the insurance cost during the year 2011-12.	Actual expenses in FY 2011-12 have increased due to two accidents which has occurred at Port namely collision of two vessels at sea one of which sailed from JNPT and another one was departing from MbPT. There was also another incident in which fire took place at Port Users building. Due to such type of incidents the Insurance premium has hardened.

		The port has added standalone terrorist risk cover as also loss of profit due to stoppage of Port operations in the Insurance package policy taken. Due to facts stated above the Insurance premium cover has increased. Further the assets proposed to be added each year to the gross block are assumed to be covered under insurance policy.
	(b). The insurance cost for the year 2012-13 is estimated at ₹510.00 lakhs with an increase of 6.50% over the actuals of 2011-12. The JNPT to update the insurance cost for the year 2012-13 with actuals and the estimates for the next three years to be reviewed based on such actuals.	Insurance cost of 2012-13 has been updated with actuals booked in accounts for 2012-13 at ₹271.32 lakhs. Further it is stated that an amount of ₹312.20 lakhs relating to prepaid insurance for 2011-12 has not been transferred to insurance expenditure code inadvertently. Thus total expenditure for the year 2012-13 is ₹583.52 lakhs only. For the projected years an amount of ₹600 lakhs has been considered with 7% escalation p.a. Further the assets proposed to be added each year to the gross block are assumed to be covered under insurance policy.
	(c). JNPT to confirm whether the insurance cost estimated for the years 2013-14 to 2015-16 factors the insurance cost on additions to the gross block of assets proposed during the said years under consideration.	Insurance cost for the year 2013-14 to 2016-17 factors in additions to gross block to be made during the projected years.
(ix).	**<u>Other expenses</u>:**	
	(a). The estimated increase in other expenses for the year 2012-13 is seen to be around 55% over the actuals of 2011-12. The JNPT to update the other expenses for the year 2012-13 with actuals and the estimates for the next three years to be reviewed based on such actuals.	Other expenses have been updated with respect to actuals of FY 2012-13.
	(b). The actual legal and professional charges incurred during the year 2009-10 is reported at ₹141.17 lakhs and for the years 2010-11 and 2011-12, this item of expenditure has increased to ₹246.96 lakhs and ₹387.92 lakhs respectively. The reasons for such a steep increase in the legal and professional charges to be furnished and the estimates for the future years to be reviewed, if necessary.	There are many disputed cases pending in courts/arbitration like salt pan cases, property tax/panchayat tax, 12.5% land. All these factors added to the legal & professional charges. Payment made to outside Medical Specialists called at Port's Hospital and payments for services of hired pilots for marine activities are booked under professional charges. Further charges of consultants called for advice are booked under the said head. The legal and professional charges have been updated with respect to actuals of FY 2012-13.
	(c). The actual expenditure on Engineering services for the year 2010-11 is reported at ₹1148.96 lakhs while for the next year 2011-12 it has reduced by around 42% to ₹666.14 lakhs. The JNPT to clarify the reasons for such steep decline.	The expenses on Engineering Services are apportioned to operating activities based on the service rendered by the dept. The amount apportioned to the line functions will depend on the services rendered by the Engineering Services dept. Hence the amount apportioned will vary from year to year. Expenses on engineering services have been updated with respect to actuals of FY 2012-13.
	(d). The actual other general expenses included under 'Other expenses' is reported at ₹276.59 lakhs for the year 2009-10 and for the next year 2010-11, it has increased by about 4 times to ₹1036.45 lakhs. Again for	Other general expenses have been updated with respect to actuals of FY 2012-13. The other general expenses are controlled based on the budget given to each department.

	the year 2011-12, the expenditure has come down to ₹639.47 lakhs. The JNPT to furnish item-wise break-up of expenses included under this head along with the reasons for oscillation in the other general expenses during the said three years.	
(x).	**Hire of equipment (Container Handling Activity):**	
	(a). The actual expenditure towards hire of equipment for the years 2010-11 and 2011-12 is reported at ₹2212.63 lakhs and ₹3022.10 lakhs respectively. For the year 2012-13, the said expenditure has been estimated at ₹4157.57 lakhs. The JNPT to update the figure of 2012-13 with actuals and furnish detailed workings in terms of Rate per TEU and throughput along with copies of contracts entered with private parties.	The actual cost of hire of equipment for the year 2012-13 has been taken as base for the projections. The details relating to hire of equipments are stated below: (i). Reachstackers: The Port has hired 7 Reach Stackers for port operations. The contract for the hire of Reach Stackers is in force for a period of three years i.e. from 12.08.2011 to 11.08.2014 and is extendable for a further period one year i.e. upto 11.08.2015 on mutual consent. There is a clause for reimbursement for fuel escalation. The no. of Reach Stackers to be hired over and above 7 will depend on the traffic handled. In the new contracts fuel escalation, expected higher rates/TEU and cost of new equipment to be hired are considered. In addition to above Port is Operating two self-owned Reach Stackers. (ii). Tractor Trailers: The new contract for hire of Tractor Trailers is effective for a period of three years i.e. from 01.10.2012 to 30.09.2015 and is extendable for a further period of two years i.e. upto 30.09.2017 on mutual consent. Total no. of tractor-trailers hired at present is 110. The no. of tractor-trailers to be hired over and above 110 will depend on the traffic handled. In the new contracts fuel escalation, expected higher rates/TEU and cost of new equipment to be hired are considered. The JNPT has furnished the details relating to amount paid and rate per TEUs for hiring of Reach stackers and Tractor Trailers hired in Annexure 24. The hiring of equipment cost is assumed to vary with the traffic handled plus 7% inflation as permitted by TAMP. The nos. of equipments hired will also vary with the traffic handled. Estimates of these expenses for future years 2013-14 to 2016-17 are based on throughput handled and escalation factor provided by TAMP. (In Annexure-24, the average rate per TEU for Reach Stacker for the years 2010-11 to 2012-13 is reported at ₹78.59, ₹95.58 and ₹124.55
	(b). The JNPT to justify the estimates of hire charges of equipment for the years 2013-14 to 2015-16 with detailed workings supported by documentary evidence.	

		respectively. For the next three years 2013-14 to 2015-16, the port has considered the rate per TEU at ₹111.39, ₹119.19 and ₹127.53 respectively. Likewise, in respect of Tractor Trailers, the average rate per TEU for the years 2010-11 to 2012-13 is reported at ₹173.91, ₹198.41 and ₹236.50 respectively and for the next three years 2013-14 to 2015-16, the port has considered the rate per TEU at ₹246.49, ₹263.74 and ₹282.20 respectively.)
(xi).	**<u>Hire of tugs and launches (Marine Activity):</u>**	
	(a). The actual expenditure towards hire of tugs and launches for the years 2010-11 and 2011-12 is reported at ₹4154.69 lakhs and ₹4493.00 lakhs respectively. For the year 2012-13, it is estimated with an escalation of around 31% at ₹5892.27 lakhs. The JNPT to update the figure of 2012-13 with actuals and furnish detailed workings in terms of Rate per launch / day along with copies of contracts entered with parties.	The proposal has been revised with the actual figures for 2012-13 as base. The number, rate per Tug/pilot launch/security launch is given in Annexure-25. (Annexure-25 was not found attached to the letters received from JNPT in respect of revised proposal and reply to queries) The port has furnished copies of the work orders for Tugs/Pilot launches/Security launches. (The copies of work orders in respect of some of the launches and tugs hired by the port were not received).
	(b). The JNPT to justify the estimates of hire charges of equipment for the years 2013-14 to 2015-16 with detailed workings supported by documentary evidence.	Port has entered in to the contract for Hire of Tugs/Pilots launches/Security launches after inviting sealed quotations through regular tender procedure. The charter hire charges quoted are per day excluding fuel, service tax for the period of the contract. The contract terms provide that the Port should supply the fuel for the hired Tugs/Pilot launches/Security launches.
	(c).The additional tugs / launches proposed to he hired, if any, to be justified along with cost implications.	No new Tugs or Port Crafts are assumed to be hired in the projected period of 2013-14 to 2016-17 in the new proposal dtd.12th Sept., 2013/20th Sept. 2013. However the decision to hire additional tugs/pilot launches will depend on the traffic handled. Further 7% escalation permitted by TAMP has not been availed.
(xii).	**<u>Management and General Overheads:</u>**	
	(a). The items of expenditure considered under the Management & Administration overheads to be listed out for all years 2010-11 to 2015-16.	The items of expenditure considered under management and general overheads are readily available in Schedule 19 to the Profit & Loss Account which is already submitted to TAMP.
	(b). The JNPT has reported the actual management & general administration expenditure for the year 2011-12 at ₹12457.43 lakhs and for the next year 2012-13, it is estimated at ₹14540.89 lakhs with an escalation of 16.72%. The estimate of 2012-13 is escalated at the rate of 7.66%, 7.90% and 8.05% per annum to arrive at the estimates for the years 2013-14 to 2015-16 respectively. The JNPT to update the estimate for the year 2012-13 with actual and justify the estimates for the years 2013-14 to 2015-16.	The proposal has been updated with the year 2012-13 as base for the projected years. As already stated, for the expenses relating to salaries & wages inflation factor of 12% has been considered against TAMP permitted inflation factor of 7%.
(xiii).	The basis of allocation of Management and General Overhead, Finance and	The basis of apportionment of Management and General Overheads to the operating activities is

<table>
<tr><td></td><td>Miscellaneous Income and Finance and Miscellaneous Expenditure between various activities / sub-activities may also be stated.</td><td>based on direct cost. It is further stated that the Finance & Miscellaneous Income and Expenses are not apportioned to the operating activities. However, some of the items which are directly attributable to operating activities are allocated e.g. income from auction sale of containers, income and expenditure of hiring of launches etc. Expenditure on retirement and superannuation benefits like contribution to LIC for pension, gratuity and leave encashment are apportioned to the operating activity based on salaries and wages.</td></tr>
<tr><td>(xiv).</td><td>JNPT to furnish the pension, gratuity and leave encashment fund position for the years 2010-11 to 2012-13 as per the Annual Accounts and the estimates for the years 2013-14 to 2015-16 in the following format:
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>2010-11</th><th>2011-12</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr>
<tr><td>(i).</td><td>Balance in the Pension Fund as of last date of previous year</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(ii).</td><td>Annual contribution made towards the pension fund</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(iii).</td><td>Pension payments made during the year</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(iv).</td><td>Interest accrued on the pension fund balance</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(v).</td><td>Balance in the pension fund as of last date of the year [(i) + (ii) - (iii) + (iv)]</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table></td><td>The JNPT stated that the Pension, gratuity and leave encashment fund position for the years 2010-11 to 2016-17 are given at Annexure-27.
(Annexure-27 was not found attached to the letters received from JNPT in respect of revised proposal and reply to queries. The details required to be furnished in Form 3-C relating to Pension Fund was also not furnished by the port)</td></tr>
<tr><td>(xv).</td><td>JNPT to confirm that the provision for pension/ gratuity/ leave encashment made in the annual accounts for the years 2010-11, 2011-12 and 2012-13 are on account of specific year pension payments and do not include past year liability.</td><td>Life Insurance corporation of India is managing the Port's Pension fund, Gratuity fund, Leave encashment fund. M/s LIC communicates to the Port the contribution to be made towards the respective funds based on the nos. of employees, their date of retirement, employees salary details, arrears of salary. The LIC arrives at the said contribution to the respective fund based on the actuarial valuation. The Port is making the contribution each year based on the demand received from LIC and the budget provision available. It is very difficult to indicate what portion of the contribution demanded by the LIC relates to present years/past years. Further, the wage settlement takes place three or four years after the date when it becomes due. In view of the facts stated above all contributions made to LIC are treated as contribution made for that year only.</td></tr>
<tr><td>(xvi).</td><td>JNPT to furnish a copy of actuarial valuation report as on 31 March 2013 for perusal. Break up of actuarial valuation of Pension Fund in respect of existing employees and the pensioners as of 31 March 2013 to be furnished. The provision for pension/ gratuity contribution for the year 2012-13 to be updated based on the actuarial valuation report.</td><td>Pension payments made by the Port to the pensioners is ₹21.08 lakhs per month as on Sept.2013. The nos. of pensioners at present nos. is 137. The JNPT has furnished copies of the actuarial valuation reports in respect of Group Leave encashment fund, Pension fund and Group Gratuity fund as on 1st March, 2013 given by LIC.</td></tr>
<tr><td>(xvii).</td><td>The estimates of pension/gratuity provision for the years 2013-14 to be reviewed and justified based on the actuarial valuation report as on 31 March 2013. The basis for estimates of pension/gratuity provision for the</td><td>The wage settlement of the Class-II, III & IV have recently been concluded though the official agreement is yet to be received. The wage revision of 1473 staff is due from 01.01.2012. As already indicated the nos. of employees, their</td></tr>
</table>

	years 2014-15 and 2015-16 to be furnished with justification.	date of retirement, employees' salary details, arrears of salary, actuarial valuation has been considered for estimation of pension, gratuity and leave encashment for the projected years.
VII.	**ROYALTY / REVENUE SHARE RECEIPTS & ESCROW ACCOUNT**:	
(i).	As stated earlier, during last revision of tariff, the royalty income from private CFS operator at JNPT was considered by this Authority under the Royalty / Revenue share and accordingly transferred to Escrow A/c for future infrastructure development. In the present proposal, the JNPT has considered the actual / estimated royalty receipts from the private CFS operator under Operating income for all the years from 2010-11 to 2015-16. The JNPT to exclude the royalty receipts from the private CFS operator from the operating income and include it under Royalty / Revenue share receipts, following the approach adopted by this Authority in the last tariff Order.	The Port is having its own CFS and the CFS operations are outsourced under operations & maintenance contract. The CFS operator is not a BOT/BOOT/BOLT operator. Hence the Port has been consistently including royalty receipt from the Private CFS operator in its container income. Hence, it is not proper for TAMP to treat the CFS operations income as Income from BOT operator and include the same in the infrastructure reserve.
	(a). This Authority vide Order No.TAMP/48/2011-GTIPL dated 19.1.2012 reduced the then prevailing tariff of GTIPL by 44.28%. However, the GTIPL has challenged the above Order and the said tariff Order has been stayed by the Bombay High Court. In this connection, for a better appreciation of the information contained in Form 9 and to recast the Escrow account, if required, the JNPT to clarify whether the revenue share relating to the BOT operator i.e. GTIPL has been considered based on the income calculated at the reduced level of tariff or at the pre-revised level of tariff of GTIPL.	The revenue share relating to BOT operator – GTIPL has been considered in Form 9 at the reduced level of tariff as notified by TAMP.
(ii).	As recorded in paragraph 11 (iii) (b) (ii) and paragraph 11 (vi) (e) of tariff Order of February 2011, the entire royalty / revenue share receipts, viz. actual for the year upto 2009-10 and estimates for the years 2010-11 to 2012-13 was transferred to Escrow Account in line with the approach adopted in the tariff Order of 2006, at the request of JNPT. In the present proposal (Form 9), the JNPT has considered transfer of royalty / revenue share receipts only to the extent of 50%. In this connection, the JNPT to furnish/ clarify the following:	
	(i). The reason for transferring only 50% of the revenue share to the Escrow account during the years 2013-14 to 2015-16.	The Port has transferred 100% of the royalty/ revenue share to the Escrow account during the years 2013-14 to 2016-17. However during the year 2010-11, 2011-12, and 2012-13, Port could transfer only 50% of the royalty/revenue share to the Escrow A/c due to insufficiency of the surplus. The infrastructure reserve has been utilised for common user facilities like arterial roads, capital dredging project Phase-I. The balance amount in the infrastructure reserve will

		be consumed in the capital dredging project Phase-I and Phase-II as the expenditure is to be borne out of the Ports own internal resources.
	(ii). Though only 50% of royalty / revenue share receipts is taken as transfer to Escrow A/c, the balance 50% of royalty / revenue has not been considered as operating income.	The Port has not considered the balance 50% of the royalty/ revenue share income as Operating Income for the years 2010-11 to 2012-13. Though the 50% amount is not transferred to infrastructure reserve, the amount will be ploughed back for infrastructure development of the Port and the areas in the vicinity like land development, arterial roads, Street lighting, capital dredging Phase-I, Phase-II, development of SEZ, 12.5% compensation to PAPs, Parking lot as the Major Port Trust Act permits the port to engage in infrastructure activities only. None of the BOT operators are creating any common user facilities like land development, arterial roads, Street lighting, capital dredging etc. As already indicated in the presentation made on 30th August, 2013, the capital dredging Phase-I work order issued for ₹1380 Crs., phase-II is likely to cost more than ₹6000 Crs. for deepening and widening of port channel 15 m. to 18 m.
	(iii). Since the tariff for the year upto 2012-13 was already fixed considering transfer of 100% royalty / revenue share receipts to Escrow A/c, the JNPT to consider 100% transfer of royalty / revenue share receipts to Escrow A/c upto 2012-13.	Due to the reasons already indicated in point (i) & (ii) above, the port has not transferred 100% but 50% of the royalty/revenue share income to infrastructure reserve.
(iii).	In paragraph 11 (vi) (e) of its Order of February 2011, the actual closing balance of the Escrow account as on 31 March 2010 had been arrived at ₹146126.18 lakhs. In the Form – 9 now furnished by the JNPT, the closing balance in the Escrow account for the year 2009-10 has been shown as ₹117989.97 lakhs. Considering that the details of the Escrow account in the Order of February 2011, is based on the actual position upto the year 2009-10 and the estimated position for the years 2010-11 to 2012-13, the JNPT to re-cast the Form – 9, by taking into consideration the opening balance of ₹146126.18 lakhs for the year 2010-11 as base and then taking into account the actual transfer to Escrow account, actual withdrawls from the Escrow account and the actual interest earned on the amount in the Escrow account during the years 2010-11 to 2012-13.	Form-9 has been modified/recast to take into account, the position as per actuals for the years 2010-11 to 2012-13.
(iv).	The JNPT has estimated the royalty receivable from NSICT and GTIPL considering the estimated traffic of 11.96 lakh TEUs per annum and 13.95 lakh TEUs per annum respectively for each of the years 2012-13 to 2015-16. It may be recalled that in the tariff Order of January 2012 passed in the case of GTIPL, the traffic of GTIPL was estimated to the tune of 1942375 TEUs,	The traffic projections relating to BOT operators have been obtained from the BOT operators in writing. The BOT operators have indicated their intention to reduce the traffic handled to minimum guaranteed throughput (MGT) due to the reduction in tariff notified by TAMP.

<table>
<tr><td></td><td>2000646 TEUs and 2060666 TEUs during the calendar years 2012 to 2014 respectively. Further, it may be recalled that in the tariff Order of February 2012 passed in the case of NSICTPL, the traffic of NSICTPL was estimated to the tune of 1493305 TEUs, 1538104 TEUs and 1584247 TEUs during the calendar years 2012 to 2014 respectively. The traffic estimated in the case of GTIPL and NSICTPL in their respective tariff Orders have been estimated based on the totality of the information collected during the respective proceedings. Therefore, the JNPT to review the estimated royalty receipts from NSICT and GTIPL for the years 2013-14 to 2015-16, by considering the traffic estimates as relied upon in the tariff Orders of NSICTPL and GTIPL as base.</td><td></td></tr>
<tr><td>(v).</td><td>As stated in paragraph 11 (vi) (e) of tariff Order of February 2011, the actual accruals in Escrow A/c upto 2008-09 should be spent within the year 2012-13. Accordingly, an amount of ₹94071.91 lakhs was earmarked to be spent during the years 2010-11 to 2012-13. However, as per Form-9 of the cost statements furnished by the JNPT, it is seen that the port has actually spent ₹23103.88 lakhs during the years 2010-11 and 2011-12 and has estimated to spend ₹3251.36 lakhs in 2012-13 thus aggregating to ₹26355.24 lakhs thereby leaving unutilized balance to the tune of ₹67716.67 lakhs. The JNPT to consider the said unutilized balance in the Escrow account as operating income for the years 2010-11 to 2012-13.</td><td>As already indicated the Form-9 has been re-cast to take in to account the latest position for the years 2010-11 to 2012-13 relating to infrastructure reserve creation and utilisation. There may be temporary miss match between the creation of infrastructure reserve and its utilisation mainly due to the utilisation of the funds in the capital dredging project phase-I, development of land which is having a long gestation period and is not allowed to be capitalised under TAMP 2005 guidelines until the full project is completed. The amount is proposed to be utilised for land development, arterial roads, Street lighting, capital dredging Phase-I, Phase-II, development of SEZ, Parking lots, ASIDE schemes as the Major Port Trust Act permits the port to engage in infrastructure activities only. None of the BOT operators are creating any common user facilities like land development, arterial roads, Street lighting, capital dredging etc. In fact the future BOT operators can be attracted for BOT projects only after the infrastructure facilities indicated above have been developed. Due to the reasons, it will be not be prudent to consider the unutilised balance in the escrow account as operating income.</td></tr>
<tr><td>(vi).</td><td>As stated above, the JNPT has reported the utilization from Escrow A/c during the years 2010-11 to 2012-13 at ₹16281.24 lakhs, ₹6822.64 lakhs and ₹3251.36 lakhs, totaling to ₹26355.24 lakhs. In this regard, the JNPT to furnish the details of assets created from Escrow A/c accumulations during the years 2010-11 to 2012-13, viz. nature of assets, date of commissioning and capitalized value, the activity /sub-activity classification etc. Likewise, the details of assets proposed to be created during the years 2013-14 to 2015-16 from the Escrow A/c accumulations which is</td><td>The JNPT furnished the list of assets created/proposed to be created out of accumulations in the infrastructure reserve for the actual years 2010-11 to 2012-13 & proposed years 2013-14 to 2016-17 in Annexure-30. The details furnished by the JNPT in Annexure-30 is summarised below:
Actuals 2010-11 to 2012-13: (₹ in lakhs)
<table>
<tr><th>Particulars/ Activity</th><th>2010-11</th><th>2011-12</th><th>2012-13</th></tr>
<tr><td>Container</td><td>6864.30</td><td>1147.07</td><td>713.60</td></tr>
<tr><td>Marine</td><td>--</td><td>--</td><td>979.30</td></tr>
<tr><td>Estate</td><td>9416.94</td><td>5675.56</td><td>395.94</td></tr>
<tr><td>Admn.</td><td>--</td><td>--</td><td>--</td></tr>
<tr><td>Business Related</td><td>--</td><td>--</td><td>103.52</td></tr>
<tr><td>Revenue</td><td>--</td><td>--</td><td>1630.00</td></tr>
</table></td></tr>
</table>

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<tr>
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<td>reported at ₹12750.00 lakhs, ₹142655.00 lakhs and ₹5500.00 lakhs may also be furnished. It may be ensured that the value of assets to be so furnished for the years 2010-11 to 2015-16 match with the figure of assets created out of infrastructure reserves shown at sl.no. VIIA of Form 4A.</td>
<td>
<table>
<tr><td>Exp.</td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td>16281.24</td><td>6822.63</td><td>3822.36</td></tr>
</table>
Estimates 2013-14 to 2015-16: (₹ in lakhs)
<table>
<tr><th>Particulars/ Activity</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr>
<tr><td>Container</td><td>--</td><td>5310.00</td><td>3500.00</td></tr>
<tr><td>Marine</td><td>--</td><td>148000.00</td><td>--</td></tr>
<tr><td>Estate</td><td>17358.00</td><td>1100.00</td><td>2800.00</td></tr>
<tr><td>Admn.</td><td>1000.00</td><td>4000.00</td><td>20000.00</td></tr>
<tr><td>Business Related</td><td>--</td><td>--</td><td>--</td></tr>
<tr><td>Revenue Exp.</td><td>--</td><td>--</td><td>--</td></tr>
<tr><td>Total</td><td>18358.00</td><td>158410.00</td><td>26300.00</td></tr>
</table>
</td>
</tr>
<tr>
<td>(vii).</td>
<td>As stated in Note–2 to Form–9, the JNPT has not considered the interest earned on the investment of the accumulations in the Escrow Account as income. The JNPT to credit the said interest income to Escrow Account as provided in the Form–9 for all the years under consideration.</td>
<td>The Port stated that it does not agree with stand/ interpretation taken by TAMP relating to the interest earned on the unutilised infrastructure reserve. The 2005 TAMP guidelines is silent on this point. In this context, it is submitted that large portion of the infrastructure reserve is being utilised for projects having long gestation period and not allowed to be capitalised as the project is not completed. The major portion of the unutilised amount is lying in capital work in progress. Due to this reason it is not proper to assume that the entire unutilised infrastructure reserve is invested by the Port and is having interest income. No interest has been earned as substantial portion is utilised in creation of assets which are under various stages of completion.</td>
</tr>
<tr>
<td>VIII.</td>
<td><u>CAPITAL EMPLOYED</u>:</td>
<td></td>
</tr>
<tr>
<td>(i).</td>
<td>As per details furnished in Form 4A, the JNPT has estimated additions to gross block to the tune of ₹184.63 crores, ₹212.50 crores, ₹1569.55 crores and ₹145.00 crores during the years 2012-13 to 2015-16 respectively. As stated earlier, the Form 4A to be updated with the actual additions to the gross block in the year 2012-13 with corresponding changes, if necessary, in the projections for the subsequent years.</td>
<td>Form-4A has been updated with the actual additions to the gross block in the year 2012-13 and corresponding changes in the projections for the subsequent years have been made based on the submissions made to the Govt. in the 12th five year plan/RFD.</td>
</tr>
<tr>
<td>(ii).</td>
<td>The Form – 4B furnished by the JNPT does not appear to cover all the additions proposed by the JNPT during the year 2013-14 to 2015-16, whose value exceeds ₹5 crores. The JNPT to furnish Form – 4B in respect of all the investments proposed to be made (exceeding ₹5 crores) and giving complete details regarding additions to the gross block for the years 2013-14 to 2015-16 along with justification for the proposed investments. The impact of the additional investment to be specified.</td>
<td>Form-4B has been updated to cover all the additions proposed by the Port for the value exceeding ₹5.00 Crs. based on the submissions made to the Govt. in the 12th five year plan/RFD. The justification for the proposed investments has already been given to Ministry of shipping.</td>
</tr>
<tr>
<td>(iii).</td>
<td>The present status in respect of additions proposed for the year 2013-14 to be furnished.</td>
<td>Additions proposed for FY 2013-14 has been furnished at Annexure-11. Form 4B has also been submitted to TAMP as per TAMP format.</td>
</tr>
<tr>
<td>(iv).</td>
<td>The status of action initiated in respect of additions proposed for the year 2014-15 to be intimated.</td>
<td>The JNPT stated that additions proposed for FY 2013-14 has been furnished at Annexure-11. Form 4B has also been submitted to TAMP as per TAMP format.
(The port has not furnished the present status of the projects).</td>
</tr>
</table>

<table>
<tr><td>(v).</td><td>The JNPT to confirm that the additions proposed to the gross block of assets are in accordance with the planned expenditure stated in RE/BE 2013-14/ 2014-15 and sanction of the Government, wherever necessary, is obtained in this regard. Also confirm that the capital outlay in the form of additions to the gross block of assets proposed for the years 2013-14 to 2015-16 is in line with five year plan envisaged by the Port.

JNPT to also confirm that the entire proposed expenditure in each of the years towards addition to the gross block will be capitalized in the books of accounts of the same year and also the assets worth the equal amount will be physically available for operation in the very same year.</td><td>The status of capitalisation for the projected years 2013-14 to 2016-17 are given in form 4B. The port is in the process of going to the Board and Govt. for RE 2013-14 and BE 2014-15 for approval of the Capital Budget in October 2013. The additions to the Gross Block are in line with the five year plan envisaged by the Port and approved by the Ministry. The addition to the gross block has been done considering the expected date of completion of the scheme and asset put to use and not merely based on making the capital expenditure. Further only assets exceeding ₹5 Crs. have been shown in the projections. There are many assets below ₹5 Crs. for which investments are planned but not shown in the projections.</td></tr>
<tr><td>(vi).</td><td>The purchase v/s hire decision, if any, taken before going in for the investments may also be informed.</td><td>It is confirmed that purchase v/s hire decision is taken before making investments in movable assets in any proposal placed before the Board.</td></tr>
<tr><td>(vii).</td><td>Details of project/ feasibility reports relied upon for taking the investment decisions along with the summary of the recommendations contained in those reports may be furnished for perusal. The JNPT to state whether these proposed additions will have the effect of addition to the traffic, reduction in unit cost and improvement in operational efficiency vide clause 2.6.3 of the tariff guidelines. Further, the scheme wise details of the projects to be furnished in the following format:

<table><tr><th>Sr. No.</th><th>Scheme</th><th>Value</th><th>Actual / Expected Date/ year of Commissioning</th><th>Status as on 31 March 2013</th></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td></tr><tr><td>3</td><td></td><td></td><td></td><td></td></tr><tr><td>4</td><td></td><td></td><td></td><td></td></tr></table></td><td>Any major capital investment proposal has to be placed before the Board of Trustees, Central govt., Public Investment Board for clearance/approval. The Board/Govt./ PIB examines the cost benefit analysis in respect of addition to the traffic, reduction in unit cost and improvement in operational efficiency submitted by the Port. Further the financial viability, funding of the project, displacement of Project Affected Persons and the environmental clearance has also to be obtained. It is only after all these approvals that the project can be implemented. Only the approved projects are taken in the proposal submitted to TAMP.

(The port has not furnished the scheme- wise details in the required format).</td></tr>
<tr><td>(viii).</td><td>The JNPT to confirm that only those assets which have been fully commissioned and in use have been included in the net block and the assets which have been disposed off or decommissioned have been excluded from the Net Block. It may be noted that the work in progress should be excluded.</td><td>It is confirmed that those assets which have been fully commissioned and put to use have been included in the net block of assets. Assets which have been disposed off or decommissioned are excluded from the net block. Work in progress has not been considered in the net block.</td></tr>
<tr><td>(ix).</td><td>The JNPT to furnish a detailed computation on calculation of depreciation on ‘additions to the gross block’ envisaged during the years 2013-14 to 2015-16. It is observed that JNPT has calculated depreciation on additions for full year, irrespective of the date of actual commissioning. It may be noted that as per the provisions of Companies Act, 1956, depreciation shall be calculated on pro-rata basis from the date of commissioning of the asset.</td><td>Detailed computation of depreciation are included in the working file (soft copy) forwarded to TAMP on 21st Sept. 2013 by email. It is not practically possible to consider the suggestion made by TAMP to calculate depreciation pro-rata basis for the projected years.</td></tr>
<tr><td>(x).</td><td>As already stated, the JNPT has considered the entire block of assets as Business assets.</td><td>The assets have been classified into business assets and business related assets. There are no</td></tr>
</table>

	The tariff guidelines of March 2005 prescribe classification of fixed assets into business assets, business related assets and social obligation assets. The JNPT has not classified its assets into the prescribed three categories. The net block of assets relating to the business assets/ facilities, business related assets/ facilities and social obligation assets/ facilities not directly or even indirectly related to port operation to be segregated as stipulated under Clause 2.9.7 and 2.9.8 of the revised tariff guidelines and shown from the year 2010-11 to 2015-16. The computation of Return on Capital Employed to be modified accordingly.	social obligation assets created by the Port. Return on capital assets has also been calculated accordingly.
(xi).	The JNPT to furnish basis for allocation of the net block of assets to the various activities and sub-activities along with workings.	The net block of assets has been allocated to various operating activities based on the nature of the assets with the help of which the services are rendered.
(xii).	With reference to the estimated expenditure on fixed assets, JNPT to furnish documentary evidence in respect of the capital value of various assets already commissioned. Similarly, documentary evidence indicating the value of works along with action taken to procure other assets to be added subsequently to be furnished.	The additions to the gross block, date of commissioning, assets head under which asset is added in the books of accounts are already verified by the CAG Auditors/Tax Auditors for each year. However work orders if still required to be seen by TAMP can be produced on case by case basis. (The port has not furnished the details / documents required).
(xiii).	In the working Capital computation, the JNPT has considered the entire annual actual / estimated expenditure towards Stores/ Spares during the years 2010-11 to 2015-16 as the amount of Inventory for the corresponding years. The JNPT to estimate the Inventory as per Clause 2.9.9. of 2005 tariff guidelines.	The inventories estimated as per TAMP guidelines 2005. (In the revised cost statements furnished vide its letters dated 12th / 20th September 2013 also, the port had considered the entire expenditure on stores/spares as value of inventory for working capital calculation, though norms allow only 6 months' consumption.)
(xiv).	The JNPT has not considered current liabilities in the computation of working capital for the years 2010-11 to 2015-16. The JNPT to modify the working capital computation considering the actual/ estimated current liabilities.	Book figures for current assets and current liabilities are not adopted for calculation of working capital even for actual years. There are clear cut guidelines for estimation of current assets in clause no 2.9.9. However, there are no specific guidelines for estimation of current liabilities in the tariff guidelines. Hence estimated current assets and current liabilities have been taken for working capital.
IX.	**SCALE OF RATES:**	
(i).	It is observed that the JNPT has formulated its proposed Scale of Rates (SoR) by considering an increase of: 31% over the existing vessel related tariff, 67% over the existing container related tariff, 400% over the existing bulk and general cargo related tariff, 52% over the existing vehicles (car) and equipment related tariff and	The increase proposed is based on the detailed cost sheets prepared activity-wise as per TAMP guidelines. The proposed increase is further revised based on the actuals of the financial year 2012-13 as base.

	100% to 2400% in respect of the other miscellaneous tariff items In this connection, the JNPT to justify the increase proposed by it in respect of each tariff item based on the estimated financial / cost position reflected in the cost statements for the respective activity / sub-activity for the years 2013-14 to 2015-16 at the existing level of tariff. The port to list out/ explain the benefit of productivity improvements accruing to users justifying this hike.	
(ii).	In the draft Scale of Rates, JNPT has proposed changes in the tariff items and conditionalities. As stated earlier, the JNPT to furnish a comparative statement of the existing and the proposed provisions giving reason for the changes proposed. The JNPT to furnish an analysis of additional revenue likely to accrue from each of such amendments during the years 2013-14 to 2015-16 along with workings.	The comparative statement of modifications in the conditionalities proposed was earlier given to TAMP. The same hold good for this proposal also.
(iii).	JNPT to confirm whether the changes proposed by the JNPT in its proposal submitted to us earlier with regard to rationalization of the Scale of Rates, have been incorporated in the proposed draft Scale of Rates.	The port has confirmed that the changes proposed earlier have been incorporated in the SoR.
(iv).	The reason for modifying the existing definition of ‘Foreign going vessel’, so as to state that foreign going vessel shall mean any vessel other than inland vessel, to be explained.	To avoid any ambiguity of condition, this definition has been modified so that appropriate charge can be levied.
(v).	In the existing SoR, the ‘Port Area’ is defined as custom bound area / port operational area. In the proposed draft SoR, the port has introduced a new definition for ‘Port Operational Area’ to mean the custom bound area where vessel / cargo operations take place and modified the existing definition for ‘Port Area’ to mean the notified port boundary limits. In this regard, the JNPT to clarify/ furnish the following:	As regards bifurcation of Port Area and Port Operational Area, Port Area include entire area notified within the boundary limit as the port was facing problems with Service Tax Authorities regarding Port Area and Port Operational Area. Port Operational Area means Custom bound area as per Customs Notification where cargo operations takes place whereas Port Area is total area as defined in the Gazette.
	(a). ambiguity in the present definition and the necessity now to have a distinction between Port Area and Port Operational Area and its impact in the Scale of Rates.	
	(b). how are the port related activities different from the port operations	
	(c). the port related activities to be listed down.	
	(d). It is not clear as to under whose notification the boundary limits would be specified.	
(vi).	The reason for modifying the definition for the term ‘Hazardous container’ so as to refer to hazardous goods as classified under IMDG Code to be explained. The acronym IMDG to be elaborated. The Scale of Rates of other	IMDG stands for International Maritime Dangerous Goods.

	major port trusts do not appear to have such a type of classification of hazardous cargo.	
(vii).	(a). The existing SoR of JNPT at clause (i) of General Terms & Conditions contains a standard provision explaining the circumstances/ documents under which vessels can be considered as 'coastal' vessels for levy of concessional charges as per Coastal Policy of the Government. This is based on a Common Order passed by this Authority in June 1998 for common adoption by all major port trusts. The JNPT has now proposed modification in the said provision and has also included a provision that the time of conversion for purpose of calculation of tariff, if the conversion takes place at JNPT, shall be as per the Customs Conversion Certificate. The existing standard provision is being implemented across all major ports. Therefore, the JNPT to bring out the ambiguity in the existing conditionality and justify the need for proposing an amendment, by clearly bringing out the reasons. The JNPT may also explain the reason to rely on the Jawahar Customs Conversion Certificate for the purpose of time of conversion.	To avoid any ambiguity of condition, this definition has been modified so that appropriate charge can be levied.
	(b). As per the existing standard provision in the SoR of JNPT, the conversion of US Dollar denominated tariff into Indian Rupees shall be based on the 'market buying rate notified by the RBI'. The JNPT has proposed to replace the 'market buying rate notified by the RBI' with 'RBI reference rate'. It may be noted that the existing note has been prescribed as per the stipulation contained in Clause 2.19.1 of the tariff guidelines of 2005. Therefore, this Authority may not be in a position to accede to the proposal of the JNPT to amend the said conditionality.	As regards 7 (b) it to clarify that RBI does not publish market buying rate and hence JNPT is adopting RBI reference rate which is notified by RBI on daily basis and is constant through the day. In case we adopt market buying rate of SBI or any other bank, the same is varying even during the day and difficult to adopt. Hence RBI reference rate is easier to apply and verify.
	(c). The penal interest prescribed in clause (vii) of 1.2 General Terms and conditions of the existing SoR of JNPT may be updated based on the Prime Lending Rate (PLR) of State Bank of India prevailing at present.	As regards Penal interest rate, we wish to inform that SBI has dispensed with prime lending rate and has now adopted base rate for levy of interest and depending on quality of customer and credit rating basis. Certain points above the base rate is applied. PLR of SBI is no more existing and hence we may have to fix standard rate to be applied during the currency of current tariff proposal.
	Chapter-II – Vessel related charges	
(viii).	The existing SoR of JNPT prescribes differential Port dues for three categories of vessels, viz. Bulk vessels, Container vessels, Car Carriers, among others. The existing port dues is highest in the case of bulk vessels followed by container vessels and the lowest rate is prescribed for car carriers. In the proposed SoR, the JNPT has modified/ regrouped the above mentioned existing categories of vessels in the following manner:	BPCL has laid pipeline for LPG and JNPT has envisaged expansion for setting up Liquid Terminal. Port has made provision for

	(i). Gas carriers, oil/ chemical tankers, bulk carriers, Mobile Offshore drilling units.	amendments including vessel which are likely to be called in future namely Gas Carrier, Oil/Chemical Tanker ships and car carrier. The reason for inclusion of more categories of vessel in Bulk vessel category which attract higher levy of Port dues is based on their type and characteristics where fits the mode. It is very difficult to estimate the additional revenue that will be generated per annum due to inclusion of such category and it has already been considered whilst making projection for future years. We have deleted lash vessel as the same is not expected that lash vessel will call at this Port again in future.
	(ii). Passenger ships, Container and other cargo ships.	
	(iii). Car Carriers (Ro-Ro).	
	In this connection, the JNPT to furnish / clarify the following:	
	(a). The rationale and the basis on which the existing category of the vessels have been elaborated.	
	(b). The category under which the Gas carriers, oil tankers, Mobile offshore drilling units, passenger ships and other cargo ships are considered at present for levy of port dues to be furnished.	
	(c). The reasons for inclusion of more categories of vessels in the bulk vessels category which attracts the highest levy of port dues to be explained.	
	(d). The additional revenue that will be generated per annum due to this re-classification during each of the years 2013-14 to 2015-16 to be furnished.	
(ix).	The note (6) prescribed under Schedule of Port Dues in the existing SoR provides exemption to the lash vessels making a second visit to pick up lash barges from the payment of port dues. In the proposed draft SoR, the JNPT has deleted this provision. That means, that as per the proposed Scale of Rates, the lash vessels making a second visit to pick up lash barges would attract port dues. The JNPT to justify charging of port dues on such vessels and furnish the year wise additional revenue accruals on this account during the years 2013-14 to 2015-16.	Port dues are levied to cover the maintenance expenditure of navigational channel. Hence it is justified to charge the Port dues whenever its uses the Port maintain channel.
(x).	As observed earlier, JNPT has formulated its proposed SoR considering an increase of 31% over the existing rates. However, it is observed that in respect of Pilotage cum Towage fee for first 30000 GRT (Sl. No.1 of Schedule 2.2 A), the increase proposed is at a higher level of 34.36%. The JNPT to clarify the position.	Same has already been corrected.
(xi)	The JNPT has proposed to include new provisions under the existing notes to Schedule 2.2. C – Shifting between terminals to the effect that the definition of 'Port convenience' prescribed therein shall apply only to the port operated terminal and the shifting of vessels carried out at the request of Private / BOT terminals would be chargeable as per normal shifting charges. In this connection, it may be relevant here to recall that this Authority vide Order dated 30 September 2008 had advised the JNPT to finalize the suitable conditionalities to govern the levy of shifting charges and list out in detail the various movement of vessels	Shifting between terminal wherein definition of Port Convenience has been restricted only to Port operated terminals and shifting vessel carried out at the request of private/BOT terminal was also deliberated in the joint meeting held on 30th August 2013. It was also brought out that it will be very difficult for Port to ascertain whether shifting is being carried out at the request of trade or terminal. In such a scenario it would be better for the Port to treat all such shifting as not for Port Convenience and in case it is at the request of terminal/shipping lines or request all terminals/shipping lines can take reimbursement from terminal.

	constituting 'terminal convenience' and 'JNPT convenience'. However, during the proceedings of last tariff revision exercise in 2011, which culminated into tariff Order dated 18 February 2011, the JNPT had simply stated that shifting carried out by the port for its convenience alone will constitute 'port convenience'. Since the port did not adhere to the advice rendered by this Authority to finalize the conditions and list out the various movements of vessels to distinguish between 'port convenience' and 'terminal convenience', this Authority vide paragraph 11 (xix) reiterated the advice rendered in the Order of 2008 and did not approve the proposed provision. In this context, the JNPT to adhere to the advice rendered by this Authority in its earlier Orders of 2008 and 2011 in order to examine the request of the port in this regard.	
(xii).	(a). The existing SoR of JNPT (Schedule 2.2. E) Prescribes rate for detention of pilots beyond 30 minutes in two slabs, viz. for the first one hour and for subsequent hour or part thereof, on sliding basis. In the proposed draft SoR, the JNPT has prescribed single rate without mentioning the unit of levy. The JNPT to mention the unit of levy in the SoR and justify the modification proposed along with year-wise additional revenue implications for the tariff cycle under review.	Unit of levy is US $/INR per hour. Since cancellation / detention is not a regular feature, additional revenue implication cannot be forecast with certainty.
	(b). The JNPT has proposed new Notes (i) and (ii) under existing Schedule 2.2.E – Cancellation and detention charges for pilots. The reason for proposing the introduction of new notes to be explained. The year wise additional revenue implication for the tariff cycle under review also to be furnished.	As regards sailing vessels, whenever a pilot is cancelled tugs which are brought alongside the berth have also to go back to their mooring point. This involves additional cost which is sought to be recovered. This was also discussed and informed during joint hearing held on 30.08.2013 in the office of the Authority.
(xiii).	The existing SoR of JNPT provides for levy of berth hire charges prescribed for main container berths at Shallow Draught Berths also but with a minimum discount of 20%. In the proposed SoR, the JNPT has included a condition stating that this discount will be discontinued after mechanization of Shallow Water Berth. In this connection, it is relevant here to point out that prescription of separate berth hire charges at Shallow Draught Berths and Liquid Cargo Jetty on cost basis is a pending issue at JNPT since 2003. For the reasons recorded in paragraph 11 (xxii) of tariff Order dated 18 February 2011, this Authority reiterated the position that JNPT should come up with a cost based proposal for levy of berth hire charges at the above said berths. Despite this position, the JNPT has now simply proposed to do away with the discount clause on the ground of	As regards existing SoR of JNPT which provides for levy of berth hire at Shallow Draught Berth with discount of 20%. Earlier very few vessel were calling at the berth and in order to encourage traffic at this berth created out of huge investment, a discount of 20% was provided for. The traffic has picked up over the years and container traffic has also substantially picked up. With the expected arrival of three more cranes between December 2013 to March 2014, 2 RMQCs will be shifted from Main Container Berth to Shallow draught Berth and with dredging at SDB, regular container vessels can also call at SDB and in such a scenario there is no justification for providing 20% discount which is proposed to be withdrawn after the cranes are commissioned.

	mechanization of SDB. As per clause 6.5.1 of 2005 tariff guidelines, the berth hire charges shall be prescribed by grouping berths having comparable services/facilities with rebate for major components of services/ facilities not provided. In view of the above, the JNPT to furnish a proposal for levy of berth hire charges at SDB, Liquid Cargo Jetty, Port craft berth, etc. based on the capital and operating cost incurred and the facilities provided at the said berths. The JNPT to furnish the details of mechanization works proposed to be carried out at SDB, investment proposed and the expected date of completion of the works.	
(xiv).	As per existing provisions in the SoR of JNPT (Note 3 (ix) in Chapter-II), penal berth hire charges shall not be leviable in the case of rain resulting in stoppage of operation. The JNPT has proposed to elaborate this provision as 'rain either before commencing cargo operation or during cargo operation or after completion of cargo operation'. The reason for proposing modification to the existing note to be explained. The JNPT to bring out the ambiguity in the existing provision and the necessity for the proposed modification to be justified.	Penal Berth Hire charges shall not be leviable in case of rain resulting in stoppage of operations. As regards clarifying that rain either before commencing cargo operations or during the cargo operations or after completion of operation and cargo operations has been sought to be proposed so that any delay in commencing of operations/sailing on account of these factors which may result in hatch not been opened, etc. so as to avoid unnecessary levy of penal berth hire charges has been brought out.
(xv).	As recorded in paragraph 11 (xxi) of tariff Order dated 18 February 2011, the definition of 'False signal' and a list of situations under which a vessel is unable to sail at the pilot booked time, was included in the SoR of JNPT as proposed by JNPT. In the draft SoR, the JNPT has now proposed certain modifications in the definition of 'False signal' and included two more instances of vessel's inability to sail, viz. Immigration NOC not on board and any other reason attributable to vessel/ vessel agents/ terminal. The reason for proposing modification to the existing note to be explained. The JNPT to explain the ambiguity in the present provisions and the need for proposing a residual clause in the above provisions with adequate justification.	False signal is one when, a vessel gives signal to sail out but is unable to sail out and list of such instances have been given. It was felt that the list may not be exhaustive and at the same time it was observed that in many cases immigration NOC was not on board hence two more instances have been included i.e. immigration NOC not on board or any other reason attributable to vessel/vessel agent as an umbrella provision. This provision is made to ensure that agent does not take shelter of any reasons already not covered in definition of false signal.
(xvi).	The JNPT has proposed an increase of 424% in respect of 'Garbage collection charges' over the existing charges, as against the flat increase of 31% proposed in all the vessel related tariff items. The JNPT to justify the steep increase along with year-wise additional revenue implications for the tariff cycle under review.	Garbage Collection charges has not been now allowed with 31%. The same has not now noted and allowed with general increase.
	<u>Chapter III – Container related tariff</u>	
(xvii).	Under General terms and conditions prescribed in Chapter III Container related tariff of existing SoR, the JNPT has proposed to introduce definitions for 'pure coastal container' and 'Part coastal and part foreign	The same has been done for better clarity.

	container' and has listed out the operations involved in each of the two types of containers. The reason for introducing such provisions to be explained. It may be relevant here to mention that this Authority vide Order No.TAMP/53/2008-JNPT dated 30 December 2009 had already clarified that there is a provision already available in the SoR of JNPT to charge containers from foreign port landing at JNPT for subsequent shipment to any Indian port or vice versa at 50% of the transshipment charges prescribed for foreign going vessels and 50% prescribed for coastal category.	
(xviii).	With regard to the proposal of the port to make the rates applicable for a Hazardous container to Reefer Hazardous and Tank Container, the JNPT to define the term 'Reefer Hazardous Container' and 'Tank Container'. Also, explain the reason for making the rates applicable for a Hazardous container to Tank Container.	The JNPT has stated that equal care has to be taken for Reefer Hazardous container and Tank container. The port has further stated that the definition has been incorporated in the Scale of Rates under Chapter 1.1 – Definitions.
(xix).	The JNPT has introduced a new note (5) under Schedule of charges for handling and movement of containers stating that Hazardous Empty container will be treated as Hazardous loaded container for the purpose of billing. The JNPT to clarify how container without any cargo can be classified as hazardous container.	It is to clarify that proposal to treat Hazardous empty container at par with hazardous loaded container for the purpose of billing has been amended and empty container will attract lower rate only and not rate as per loaded container.
(xx).	The JNPT has introduced new notes (Sl. No.1 to 5) under Schedule E - Shut out Containers charges, listing out the instances when shut out charge is not leviable. In this connection, the JNPT to clarify the following:	
	(a). Explain the reason for the proposed introduction of new conditionalities.	The purpose of introduction of new conditionalities as Ports desires to nationalize the levy of shut out charges for the vessels of category mentioned at Sr. No.1,2,3.
	(b). With regard to proposed note 1, it may be clarified how a shutout will enjoy exemption when a vessel is required to sail with shutout.	Shut out will enjoy exemption in case of vessels of category mentioned at Sr. Nos.1, 2 & 3.
	(c). It is observed that proposed note at Sl. No.5 is seen to be open ended giving room for interpretation. The JNPT to modify the same by mentioning specific instance in order to avoid ambiguity.	The port has stated that it is not possible to envisage a situation under which container may be shut out and therefore, the proposed clause is included to provide for non-levy of shutout charges due to reasons not attributable to shipping lines / agents.
(xxi).	Though the container related charges have been proposed to be increased by 67%, the JNPT has not proposed any increase in the rebate prescribed for a foreign container and coastal container at note no.5 under Section 3.3.2, if the port user provides lashing/ unlashing gang for lashing operations.	The port has stated that the rebates are proposed to be kept at constant.
(xxii).	In the proposed dwell time schedule in Section 3.3.3, the JNPT is seen to have reduced the free period in respect of the	

	following containers:	The Port has stated that the free days are in line with the notification issued by TAMP. (It is observed that the Authority vide Order dated 28 June 2007 had reduced the then existing free days in respect of the said categories of containers. The position reported by the JNPT is found to be in order.)
	(a). ICD Import & Export loaded moved by road from 7 days to 3 days.	
	(b). ICD Import & Export loaded or Empty moved by rail from 15 days to 7 days.	
	(c). Transshipment – Loaded from 30 days to 10 days.	
	(d). Transshipment – Empty from 15 days to 10 days. The reason for proposing a reduction in the free days in respect of the above to be explained. The financial implication arising out of reduction in free days to be furnished year wise for all years under consideration.	
(xxiii).	The JNPT has introduced new provisions for levy of storage charges in respect of longstanding containers/ cargo reportedly based on the policy guidelines issued by the Port vide its circular dated 22.11.2008 for disposal of longstanding container/cargo. The JNPT did not report this position in the last general revision of tariff proceedings resulted into Order dated 18 February 2011. The JNPT to furnish a detailed note explaining the necessity for incorporating the provisions of trade circular in the SoR after a lapse of about 5 years and the basis for each of the provisions.	Certain policy circulars were issued for disposal of long standing containerized cargo earlier and in order to clarify any doubt, the same has been made as a part of SOR.
(xxiv).	The JNPT has proposed an increase of 400% in respect of 'Storage charges on Uncleared goods' over the existing charges, as against the flat increase of 67% proposed in all the container related tariff items. The JNPT to justify the steep increase along with year-wise additional revenue implications for the tariff cycle under review.	The port has stated that increase in storage charges for the containers has been made as per the increase sought for Bulk Cargo i.e. 5 times.
(xxv).	(a). The existing SoR of JNPT do not contain the procedure and rates for handling TP containers between JNPT and GTIPL. In the proposed SoR, the JNPT has included the rates for handling TP containers between JNPT and GTIPL presumably based on the provisions contained in the existing SoR of GTIPL. However, the proposed SoR do not contain the procedure but prescribe only the rate applicable in case of transfer of TP containers between JNPT and GTIPL. This to be examined and suitable provisions to be included, if necessary.	The port has stated that inter-terminal transportation also exists between JNPT and GTIPL, and accordingly the same has been included in current SOR and rate prescribed therein have been provided for.
	(b). It appears that at clause (iii) of Schedule 3.3.6 of the proposed SoR relating to charges for inter terminal transfer between JNPT and GTIPL, the name of NSICT has been inadvertently included. This to be verified and corrected.	The name of NSICT had been inadvertently included instead of GTIPL which may be taken as GTIPL.
	(c). The additional charges to be levied by JNPT in respect of containers discharged by	The port has stated that the differential rates are based on the tariff of respective Terminals.

	GTIPL and loaded at JNPT is proposed at a higher level, i.e. ₹1428/- for 20' container than the rate prescribed for loading of containers discharged by NSICT which is ₹1282/- for a 20' container. The JNPT to justify.	
	Chapter IV – Charges for Dry Bulk and General Cargo	
(xxvi).	The JNPT has proposed a steep increase of 400% in all the existing dry bulk and general cargo related tariff items as against the average deficit of around 240% reflected in the cost statements furnished by the JNPT for bulk and general cargo handling activity for the years 2013-14 to 2015-16 at the existing tariff. The JNPT to justify the increase proposed over and above the increase warranted as per the cost position.	The JNPT has stated that the increase proposed is based on the cost statement.
(xxvii).	The JNPT has included a new provision under Note (5) of Schedule 4.2 (Handling charges with grab unloader) stating that when the rates are not available in the SoR of JNPT the same shall be adopted from the rates of other private terminal operators operating at JNPT on BOT basis. In this connection, it may be noted that the rates prescribed in the SoR of BOT operators would be based on the cost details of respective operators and for the services rendered by them. In view of the above, the JNPT to justify the above provision with details of services provided by JNPT vis-à-vis BOT operators and cost details.	As regards point No.27, the same was based on indication of providing of certain services at later date with a suitable provision being made in SOR so as to avoid problem in applying rate when the service is rendered. Since at present cost details are not available, the same cannot be furnished for present and will be furnished as soon as operations are actually started.
(xxviii).	As per the existing SoR, the charge for using weigh bridge facility is ₹2 per MT. The JNPT has proposed to increase this tariff to ₹50/- per MT which shows an increase of 2500%. The JNPT to justify such an exorbitant increase sought in the existing rate, along with the additional revenue likely to accrue to the JNPT in each of the years 2013-14 to 201 5-16. The JNPT to furnish the details of actual capacity utilization of the weigh bridge during the years 2010-11 to 2012-13.	Initially rate fixed was abnormally low and has not been revised for longer period and manual weigh bridge was replaced with electronic weigh bridge but with substantial capital expenditure and annual maintenance contract. Further if the rate is kept low there is tendency of trade to over use this facility. Since the rate outside are very high and in order to make genuine users to use this facility, the rates have been kept at ₹50 per MT which is reasonable as compared to outside market rate and being the facility provided inside the port operational area.
(xxix).	The JNPT has not proposed any increase in the existing rate of ₹200/- prescribed as annual License fee for passenger launches and cargo lighters. The JNPT to confirm the position.	As regards point No.29, increase proposed has been provided for annual license fee for passenger launches and cargo.
(xxx).	As per existing SoR, the penalty for cancellation of VIA issued is prescribed only in INR irrespective of the status of the container/ vessel whether foreign-going or coastal. The JNPT has now proposed to introduce the penalty in US Dollar also. The reason for the same to be furnished. The JNPT to explain the necessity of prescribing this tariff in Dollar terms and the exchange rate considered in arriving at the proposed	As regards point No.30 the cancellation of VIA issued earlier is applicable both for foreign and coastal vessel. Earlier there was a provision of single rate irrespective of the status of the vessel. Since foreign-going vessel attract charges denominated in US$ but collected in equivalent Indian Rupees, it is logical to apply dollar rate for cancellation of VIA in respect of such vessel. It is proposed to apply RBI reference rate on the day the VIA is cancelled.

	tariff to be furnished. Since the levy is penal in nature for cancellation of document. it may be clarified why penalty charge for cancellation of VIA cannot be levied in Rupee terms on foreign going vessels. The revenue implication on account of the proposed amendment may also be furnished.	Since there is no certainty with cancellation of VIA, revenue implication on account of proposed amendment cannot be furnished with certainty.
(xxxi).	Schedule 6.4 of the existing SOR at JNPT prescribes hire charges for the following five categories: (i). Tugs (ii). Pilot Launches (iii). Survey Launch (iv). Mooring Launch (v). M.L. Shevali/Apporva In the proposed SOR, the JNPT has made changes in this tariff schedule, viz. (i) separate rates have been prescribed for Tugs based on capacity of the tugs, (ii). new hire charges have been introduced for Security Launch and VIP Launches (Speed Launches) and (iii). The existing hire charges for Survey Launch, Mooring Launch and M.L Shevali/ Apporva have been deleted. In this connection, the JNPT to clarify/ furnish the following:	
	(a).Furnish workings with detailed cost elements to arrive at the proposed hire charges in respect of 50 tonne Tugs, 30 tonne Tugs and 60 tonne Tugs, Security Launch and VIP Launch in the prescribed formats.	The JNPT has stated that the hiring charges vary based on the capacity / year of hiring and hence it is not possible to furnish actual cost statement.
	(b). A proposal may be framed in such a manner that a single rate may be prescribed for groups of tugs on the basis of range of capacities rather than for individual tugs.	There is a vide variation in Daily rates of charter hire of Tugs with different capacity bollard pull. Hence single rate irrespective of Bollard Pull capacity cannot be accepted.
	(c). The reason for deleting the hire charges for Survey Launch, Mooring Launch and M.L Shevali/ Apporva to be furnished.	The port has stated that these launches have been disposed off.
	(d). If the Survey Launch, Mooring Launch and M.L Shevali/ Apporva have been disposed off, then it may be confirmed that the residual value of the said assets have been excluded from the block of assets. The treatment to the profit/ loss on sale of such assets in the cost statement to be furnished.	JNPT has confirmed that the residual value of this asset has been excluded from the block of Assets; but, the Profit/loss on sale of these assets has been ignored in the cost statements.
	(e). the reason for proposing 300% increase in the hire charges of Pilot Launch to be justified.	The increase is based on increased in daily rates of charter and increase in rates of fuel etc.
	(f). The additional revenue likely to be generated per year due to the above mentioned amendments to be furnished year wise for all the years under consideration.	The additional revenue likely to be generated per year cannot be quantified as hiring of Port crafts is not a regular activity.

10.1 While responding to the queries raised by us, the JNPT has revised its proposal to the extent of updating the figures for the year 2012-13 with actuals. Accordingly, the estimates for the years 2013-14 to 2015-16 have also undergone a change. The highlights of the revised proposal are summarized below:

(i). The port has modified the estimated traffic for the years 2013-14 to 2015-16 as given below:

Particulars	Actuals	Traffic Projections		
	2012-13	2013-14	2014-15	2015-16
JNPT Traffic:				
JNPCT – Container traffic (in lakh TEUs)	12.08	13.00	14.00	15.00
Cement traffic (in lakh Tonnes)	5.94	7.00	7.00	7.00
General / Break bulk traffic (in lakh tonnes)	1.06	1.00	1.00	1.00
Total Bulk traffic	7.00	8.00	8.00	8.00
BOT Operators' Traffic				
Liquid BPCL traffic (in lakh tonnes)	58.79	58.00	60.00	60.00
NSICT Container traffic (in lakh TEUs)	10.44	6.00	6.00	6.00
GTIPL Container traffic (in lakh TEUs)	20.07	13.95	13.95	13.95
Vessel Traffic:				
No. of vessels	2252	1859	1917	1958
Total GRT (in millions)	83.655	64.720	66.397	67.737

(ii). Estimates of Operating income for the years 2013-14 to 2015-16 have been modified with reference to modified traffic projections.

(iii). Estimates of Operating expenditure, Management & General overheads, FME and FMI have been modified based on the actual for the year 2012-13.

(iv). Escalation factor of 7% p.a. has been considered in the expenditure projections except employee cost, power and fuel.

(v). Escalation factor of 12% p.a. has been considered for estimation of salaries and wages cost and retirement benefits for the years 2013-14 to 2015-16 taking the actual of 2012-13 as the base.

(vi). Escalation factor for estimation of power cost has been considered at a higher level of 17% for the years 2013-14 to 2015-16. Likewise, escalation factor for estimation of fuel cost has been considered at 26% p.a. for the years 2013-14 to 2015-16.

(vii). The Port has considered the estimated expenditure towards maintenance dredging at ₹100 crores each for the years 2014-15 and 2015-16.

(viii). The estimated capital expenditure for the years 2013-14 to 2015-16 have been modified as given below:

Year	Capex (₹ in Crores)
2013-14	210.08
2014-15	1720.62
2015-16	452.40
Total	**2383.10**

(ix). The JNPT has considered an estimate of ₹ 100 crores for the year 2013-14 and ₹ 200 crores each for the years 2014-15 and 2015-16 under Finance & Miscellaneous Expenditure towards ASIDE Schemes. The JNPT has further stated that the expenditure towards ASIDE Schemes is proposed to be funded from Infrastructure Reserve and reduced the FME with equivalent amount in the corresponding years as transfer from Infrastructure Reserve.

(x). The JNPT has classified its assets into Business Assets and Business Related Assets and stated that the Return on capital employed in respect of Business Related Assets has been worked out as per TAMP guidelines. The Port further stated that port has no assets under the category of 'social obligation assets'.

(xi). The JNPT has stated that assets created out of Infrastructure Reserve have not been considered for claiming ROCE.

10.2. The increase proposed by JNPT in the revised proposal filed in September 2013 in comparison with the original proposal of October 2012 is given below:

Sl. No.	Activity	Tariff increase proposed in original proposal of October 2012	Tariff increase proposed in the revised proposal of September 2013
1.	Bulk cargo	5 times	5 times
2.	Containers	67%	218%
3.	Marine	31%	284%
4.	Estate	--	3 times

10.3. A comparative position of its original proposal dated 5 October 2012 and revised proposal dated 20 September 2013 is shown in the following table:

(₹ in lakhs)

Sl. No.	Particulars	Initial proposal dated 5.10.2012			Revised proposal dated 25.09.2013			
		2013-14 Estimates	2014-15 Estimates	2015-16 Estimates	2012-13 Actuals	2013-14 Estimates	2014-15 Estimates	2015-16 Estimates
1.	Traffic:							
	Containers (in lakh TEUs)	12.70	13.50	14.20	12.08	13.00	14.00	15.00
	Bulk (in lakh tonnes)	10.00	11.00	11.00	6.99	8.00	8.00	8.00
	Vessels (Nos)	2433	2495	2543	2252	1859	1917	1958
	Total GRT (in million tonnes)	79.64	81.24	82.60	83.655	64.720	66.397	67.737
2.	Operating Income at existing rates	**62,654.09**	**65,612.13**	**68,223.22**	**58,951.04**	**56,703.81**	**59,981.31**	**63,206.56**
3.	Total Operating cost	42,438.75	46,807.36	51,607.97	36,932.81	40,491.38	55,271.45	60,478.96
4.	Depreciation	7,704.26	11,195.10	14,843.34	7,647.48	6,655.82	10,394.74	15,146.15
5.	Management & General Admn. Overheads	15,654.11	16,890.71	18,250.24	14,166.64	15,582.28	17,439.28	20,161.37
6.	Finance & Misc. income	31.34	33.38	35.55	27.63	29.56	31.63	33.85
7.	Finance & Misc. expenses	11,484.88	12,086.27	7,340.72	13,595.84	24,818.25	17,036.89	19,072.05
8.	Capital employed	64,605.55	73,166.25	76,393.58	84,389.45	82,770.85	105,300.82	266,603.50
9.	Return on capital employed	10,336.89	11,706.60	12,222.97	13,810.49	13,550.11	17,144.71	43,369.40
10	Net Surplus /(Deficit) after return	**(24933.47)**	**(33040.53)**	**(36006.47)**	**(27174.59)**	**(44364.46)**	**(57274.13)**	**(94987.52)**
11.	Net Surplus/ (Deficit) as a % of operating income	-39.80%	-50.36%	-52.78%	-46.10%	-78.24%	-95.49%	-150.28%
12.	Average Net Surplus / (Deficit) as a % of operating income	-47.83%			--	-109.30%		

Note: The estimates furnished by JNPT for the year 2016-17, in its revised proposal of September 2013, has not been taken into account, considering the tariff cycle of 3 years commencing from 1 April 2013.

11. The JNPT vide its letter dated 23 December 2013 has forwarded the following modifications to be made on page 19 and page 20 of the draft Scale of Rates forwarded by it along with its revised proposal.

(i). Page 19 - The clause No. for "DWELL TIME CHARGES FOR CONTAINER, STORED IN THE PORT PRIMISES: may be read as 3.3.3 instead of 3.3.2.

(ii). Page 20 – Against Notes to the above clause the following addition may be carried out in point (8):

Existing point (8):
"Hazardous container shall attract 1.25 times the normal applicable charges."

To be modified after addition:
"Hazardous containers shall attract 1.25 times the normal applicable charges. The above charges will be applicable for all types of charges like handling, dwell time shut out etc.

12. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website http://tariffauthority.gov.in

13. With reference to the totality of the information collected during the processing of this case, the following position emerges:

(i). The existing Scale of Rates (SOR) of JNPT was approved in February 2011 with the validity till 31 March 2013. Considering the cost/ financial position for the port as a whole after adjusting the past surplus, status quo was maintained in the then existing tariff, in the tariff Order of February 2011.

The JNPT filed its proposal for revision of tariff in October 2012. During the processing of the case, since the financial year 2012-13 was already over, the JNPT was requested to update the cost statements with actuals for the year 2012-13. The JNPT was also requested to review the estimates for the years 2013-14 to 2015-16 based on the actuals for the year 2012-13. The JNPT filed its revised proposal in September 2013. Before filing the revised proposal, the JNPT narrated about its actions of furnishing the details in the past. They related to the past tariff cycles and not at all relevant for current tariff cycles. The revised proposal filed by JNPT vide its letters dated 20 September 2013 and 25 September 2013 along with the additional information/ clarifications furnished by the port till the finalisation of the case is taken up for consideration in this analysis.

In the meantime, the validity of the Scale of Rates of JNPT was extended up to 31 March 2014, with a condition that the additional surplus over and above the admissible cost and permissible return accruing to the JNPT for the period post 1 April 2013 will be set off fully in the tariff to be fixed for the next tariff cycle.

(ii). The general revision of the Scale of Rates of all major port trusts including JNPT is required to be carried out following the provisions contained in the tariff guidelines of March 2005. The extended validity of the tariff guidelines of March 2005 had expired on 30 September 2013. This Authority took up the matter with the Ministry of Shipping (MOS) vide letter dated 28 September 2013 followed by reminders, requesting the MOS to advise this Authority on the tariff guidelines to be followed by this Authority beyond 30 September 2013 to dispose of the tariff proposals filed by the Major Port Trusts including JNPT. The MOS vide its letter dated 13 December 2013 has extended the validity of the 2005 Guidelines till 31 March 2014 or until further orders, whichever is earlier. Thereafter, the revised proposal of JNPT of September 2013 was taken up for finalization following the provisions of the 2005 guidelines.

(iii). The existing tariff of the JNPT was fixed in February 2011 relying on the estimated financial / cost position for the years 2010-11 to 2012-13. As mandated by clause 2.13 of the tariff guidelines of March 2005, this Authority is required to review the actual physical and financial performance of the Major Ports / Private Operators thereat, at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing prevailing tariff. Therefore, the actual physical and financial performance of the JNPT during the years 2010-11 to 2012-13 are discussed in the following paragraphs.

(iv). (a). The actual traffic handled by the JNPT from 2010-11 to 2012-13 vis-à-vis the estimates relied upon during the last revision of tariff are tabulated below:

Year	Containers			Bulk cargo		
	Estimate	Actual	Variation	Estimate	Actual	Variation
2010-11	855732	876368	+2.41%	1213840	1221935	+0.67%
2011-12	1030000	1027951	-0.20%	800000	917473	+14.68%
2012-13	1030000	1208133	+17.29%	800000	699432	-12.57%
Total	**2915732**	**3112452**	**+6.75%**	**2813840**	**2838840**	**+0.89%**

As can be seen from the above table, the variation in traffic for both container and bulk cargo is positive, but the aggregate variation for the years 2010-11 to 2012-13 is less than 20%.

(b). The operating income, operating expenses and management overheads have been considered as per the annual accounts for the years 2010-11 to 2012-13 subject to the following adjustments/ observations.

(i). The JNPT vide its letter dated 20 September 2013 has furnished unaudited annual accounts for the year 2012-13 and stated that the audited annual accounts will be furnished as soon as the Audit report is received from CAG. However, the audited annual accounts for the year 2012-13 have not been received till the finalization of this case. Hence, the financial performance of JNPT for the year 2012-13 has been considered based on the unaudited annual accounts and is subject to review based on audited annual accounts, during the next review of tariff.

(ii). As recorded in paragraph 11 (iii) (b) (i) of tariff Order dated 18 February 2011 during last revision of tariff at JNPT, the royalty income from private CFS operator at JNPT was considered by this Authority as Royalty / Revenue share under clause 2.8.3 of the 2005 tariff guidelines clearly explaining the position that clause 2.8.3 of the tariff guidelines of March 2005, which stipulates transfer of Royalty/ Revenue share receipts to Escrow Account, is not confined only to such receipts from BOT operators but general in application. In its proposal filed in October 2012, JNPT did not consider the royalty income from CFS operator as royalty/ revenue share income but considered it again under container handling income. This point was brought to the notice of JNPT while seeking additional information/ clarification from JNPT in respect of this proposal. Despite the repeated advice rendered by this Authority, the JNPT has maintained its position of treating the Royalty/ Revenue share received from the private CFS operator under container handling income stating that CFS operator is not a BOT operator, without taking into account the provision of clause 2.8.3 in true spirit. It appears that the JNPT continues to treat this income under container handling income since as per the financial reporting system adopted by it, the income and expenditure from BOT operators alone are shown separately. Therefore, JNPT is once again advised that the provisions of Tariff Guidelines in this regard should be followed scrupulously as far as tariff fixation/ revision is concerned while the port is free to follow any relevant procedure for financial reporting. Therefore, we have once again excluded the actual/ estimated Royalty/ Revenue share receipts from private CFS operator for the years 2010-11 to 2015-16 from the container handling income and considered as ‘Royalty/ Revenue share’ receipt of the port.

(iii). As per clause 2.8.3 of the tariff guidelines of March 2005, the revenue share/ royalty receivable by the port should be applied first to meet the cost of surplus labour, if any. At least 50% of the balance should be maintained in an Escrow Account and utilised for the purpose of creation and/ or modernisation of port infrastructure facilities within a period of five years. As reported by JNPT, there is no surplus labour at the port. During the last two reviews of tariff at JNPT in September 2006 and February 2011, the JNPT was permitted to transfer 100% royalty/ revenue share receipts to Escrow Account, at the request of the port, since no maximum ceiling is stipulated in the guidelines for such transfer. However, in the present proposal, the JNPT has transferred only 50% of the actual royalty/ revenue share receipts during the years 2010-11 to 2012-13 to the Escrow Account citing insufficiency in profits to transfer 100% royalty/ revenue share. The port has not accounted the balance 50% of the royalty/ revenue share receipts under the operating income of the respective years stating that the amount will be ploughed back into capital investment for development of infrastructure facilities. Though the tariff guidelines 2005 envisage transfer of 50% of royalty/ revenue share receipts, 100% transfer was allowed by this Authority only at the request of the port at the time of last tariff revision. Hence, it may not be appropriate to set aside the balance 50% of the actual royalty / revenue share receipts during the years 2010-11 to 2012-13, which works out to ₹ 741.03 crores. Since the port has not transferred this amount to Escrow Account, in tune with the decision taken in the last tariff revision, this balance 50% has also been accounted under the Escrow Account.

(iv). Incidentally, it is relevant here to mention that in the tariff proposal, the port has considered the revenue share from GTIPL based on the reduced tariff approved by this Authority for GTIPL in January 2012 though the GTIPL has challenged the above order of this Authority and the Order is stayed by the Honb'le Bombay High Court. The revenue share receipts from GTIPL for the three years 2013-14 to 2015-16 is also estimated by the port on reduced tariff level only. In case, if the outcome of the case goes in favour of GTIPL, it will have an impact on the estimated revenue share receipts considered by JNPT in this proposal. In that case this will undergo change and it will be reviewed during the next tariff revision. In any case, since the matter is subjudice at present, the position taken by the port is relied upon.

(v). Considering the 5 years time allowed for utilisation of accruals in the Escrow Account, the accrual in the year 2008-09 should be tilized within the year 2012-13. The accumulation in Escrow Account as at the end of the year 2008-09 stands at ₹1026.39 crores. However, the port has reportedly utilized only ₹354.94 crores as at the end of 2012-13, resulting in an unutilized balance of ₹ 671.46 crores. It is relevant here to mention that as recorded in paragraph 11 (vi) € of tariff order dated 18 February 2011, any unutilized balance of Escrow Account based on the actual spending during the years 2010-11 to 2012-13 will be assessed and considered as operating income. Strictly going by this, this shortfall amount of ₹ 671.46 crores should be included as operating income in the tariff cycle 2010-11 to 2012-13. However, considering that the port has reported a huge commitment of capital expenditure towards capital dredging project in the next three years during which the shortfall utilization is likely to be wiped out, the shortfall in the utilization of Royalty/ Revenue share receipts upto the year 2012-13 has not been included under operating income for the purpose of past period analysis.

(vi). The JNPT has not considered the income received from the BOT operators other than Royalty / Revenue share as well as expenses incurred in respect of BOT operators in the cost statements. In this connection, it is relevant here to mention that as recorded in paragraph 11 (iii) (b) (iii), the other income from BOT operators, viz. Electricity and water charges and corresponding expenditure in respect of BOT operators were considered by this Authority in the tariff revision exercise for assessing the financial/ cost position of the port as a whole. While seeking additional information/ clarification with reference to this proposal, the port was once again requested to follow the approach adopted by this Authority during the last revision of tariff. However, the JNPT has reiterated its position and stated that income from electricity and water charges recovered from BOT operators is in the nature of reimbursement/recovery of the cost of power and water consumed by BOT operators based on the meter reading and as a matter of policy port has excluded the entire income and expenditure attributable to BOT operators from the cost statements for tariff revision. While the contention of the port that income from BOT operators from electricity/ water charges is in the nature of reimbursement may be a valid argument, it has to be borne in mind that such recovery done by the port also includes profit element as overheads. Further, the cost statement for Estate activity furnished by the port shows that the income by way of recovery of electricity and water charges from other port users/ employees and the related expenses are considered by the port under the Estate activity. That being so, not considering the similar nature of income and expenses from BOT operators alone for tariff fixation does not sound prudent. For the reasons stated above and with a view to consider the financial / cost position of the port as whole, we have reckoned with both income and expenses on this account in the past period analysis as well as in the estimates of future years, maintaining the approach adopted during the last revision of tariff in February 2011.

(vii). The annual accounts for the years 2010-11 to 2012-13 show lease rental income from GTIPL at ₹ 33.86 crores, ₹35.12 crores and ₹ 36.44 crores respectively. The JNPT has not considered this income in the cost statements. The reasons for setting aside this income from tariff purview remains unexplained. In our analysis, lease rental income from GTIPL as reported in the annual accounts of respective years has been considered under estate activity. The estimated lease rental income for next three years 2013-14 to 2015-16 has also been considered with an escalation of 5% p.a. as per the license agreement entered by JNPT with GTIPL.

(c). The JNPT has computed depreciation as per the provisions of the Companies Act from the year 2005-06 onwards, as stipulated in the tariff guidelines. During the last revision of tariff in February 2011, the accumulated depreciation and closing net block as on 31.3.2006 as per Companies Act was reported by JNPT at ₹37720.04 lakhs and ₹78419.01 lakhs respectively based on which depreciation was calculated for the subsequent years from 2006-07 onwards. In the present proposal, the JNPT has reported the accumulated depreciation and net block as per Companies Act as on 31.3.2006 at ₹37393.12 lakhs and ₹78745.93 lakhs respectively. This has resulted in overstatement of depreciation and understatement of closing net block from the year 2006-07 onwards on continuous basis. The JNPT has not furnished adequate and pointed response for the difference. In the absence of adequate response/ clarification, the closing net block as at 31 March 2006 considered by the JNPT in this proposal and the modified depreciation calculations furnished by the port for the subsequent years 2006-07 to 2012-13 have been relied upon.

It is further seen from the workings furnished by the JNPT that depreciation on all additions and deletions to the gross block during all the years (2005-06 to 2015-16) has been computed for the full year without taking into account the actual date of commissioning or deletion of individual assets. As per the Companies Act, the depreciation on additions and deletions shall be calculated on a pro rata basis from the date of such addition and in the case of deletion, upto the date on which the asset is sold, demolished or destroyed as the case may be. Despite the advice rendered by this Authority in this regard in the last tariff review Order, the port has followed the same approach. Though the JNPT has adopted to calculate depreciation as per Companies Act, in order to comply with the provisions of tariff guidelines, there may be benefit to the port in terms of higher depreciation or earlier amortization of assets. Therefore, the JNPT should adopt the provisions of the Companies Act fully and in true spirit. The approach followed by the port in not calculating the depreciation on additions/ deletions on pro-rata basis, as per Companies Act cannot be accepted. However, in the absence of details of actual date of addition or deletion of individual assets, we are constrained to consider the approach adopted by the port. In view of the above, the port **is** once again advised to follow the provisions of Companies Act fully in calculating depreciation.

(d). The JNPT in its proposal has considered the actual management and general overheads for the year 2012-13 at ₹141.67 crores as against the management and general overheads reported in the annual accounts at ₹ 135.40 crores. It is seen from the workings furnished by JNPT that it has considered the overheads relating to CISF expenses in respect of BOT operators though it has stated that the income and expenses in respect of BOT operators have not been considered as a matter of policy. In our analysis, as already stated, the BOT expenses as reported in the annual accounts have been considered. Hence, the management and general overheads reported in the annual accounts for the year 2012-13 at ₹135.40 crores is considered subject to adjustment of difference in depreciation (as per Companies Act) in respect of assets included under management and general overheads.

(e). The JNPT has considered only one item of Finance and Miscellaneous income, viz. ‘Income from launch pass’ in the cost statements. The other regular items of Finance & Miscellaneous Income reported in the annual accounts of JNPT are profit on sale of assets, income from guest house, income from gas agency, income from sale of unserviceable materials and sundry income. The sundry income reported in the annual accounts for the years 2010-11 to 2012-13 are at ₹3.41 crores, ₹19.66 crores and ₹ 77.74 crores respectively. When sought to furnish the break-up of sundry income, the port has simply listed out the description of items without mentioning the amount and stated that these items of income are uncertain in nature and not likely to recur.

In our analysis, we have considered all the items of Finance & Misc. Income as per annual accounts excluding interest from investment and loans and interest on staff advance, maintaining consistency with the position adopted in the last review. The Financial and Miscellaneous income considered by us for the three years 2010-11 to 2012-13 works out to ₹900.30 lakhs, ₹2160.05 lakhs and ₹7989.76 lakhs respectively as against ₹29.12 lakhs, ₹28.44 and ₹27.63 lakhs considered by JNPT for the corresponding years.

(f). Likewise, the JNPT has considered only two items of Finance & Miscellaneous Expenses (FME), viz. pension and gratuity contribution as per actuarial valuation and expenses on launch hire in the cost statements. The other items of Finance & Miscellaneous expenses include gas agency expenses, bank charges, guest house expenses, etc. In line with the approach adopted for Finance & Miscellaneous income, we have considered all expenses, excluding interest on loans, as reflected in the annual accounts of the said three years.

Apart from the above, the FME reported in the annual accounts for the year 2012-13 includes an amount of ₹ 16.30 crores towards the contribution made by the port to State Govt. under ASIDE Schemes. It is reported in the Annual Accounts that the said contribution was made by the port as per the Ministry's directions for the improvement of roads in Uran and Panvel Taluka. In the cost statements also, the JNPT has considered this item under FME but, however, has reduced it again by showing an equivalent amount as transfer from Infrastructure Reserve. In the Annual Accounts also the JNPT has mentioned that this expenditure is considered to be paid out of Infrastructure Reserve (Escrow Account) since it relates to creation of infrastructure facilities in the vicinity of the Port.

As per clause 2.8.3. the accruals in the Escrow Account shall be used for creation and/ or modernization of port infrastructure facilities. As such, the contribution made by the JNPT for improvement of roads outside the port area may not be an eligible investment as per guideline provisions. However, since the Ministry has given directions to the Port to contribute to the State Govt. for ASIDE scheme, the approach adopted by JNPT in considering this expenditure as spending from Escrow Account is reckoned with.

(g). The JNPT has furnished workings for activity wise capital employed for all the years from 2005-06 to 2015-16 along with depreciation workings. As already stated, the closing net block reported in the cost statements by the JNPT for the years 2010-11 to 2012-13 is considered.

Clauses 2.9.7 and 2.9.8 of the tariff guidelines of March 2005 stipulate that the net block of assets should be segregated into business assets/ facilities, business related assets/ facilities and social obligation assets/ facilities and prescribe a differential rate of return for each category of assets/ facilities. In the initial proposal, the JNPT stated that the port considers all assets as business assets. However, based on a query raised in this regard, the JNPT has subsequently classified some of its assets as 'Business Related Assets' and stated that no assets are classified under the category 'Social obligation assets'. The position reported by the port is relied upon and the value of business related assets reported by the port in its revised proposal is considered without any modification for all the years from 2010-11 to 2015-16.

The working capital for the purpose of capital employed has been considered by us as per norms prescribed in the tariff guidelines. Clause 2.9.9 of the tariff guidelines of March 2005 prescribes norms for admissibility of working capital. The details of working capital considered are as follows:

(i). As per the norms, two months' estate income and two months' terminal charges payable by Indian Railways are the limit for allowable sundry debtors. The terminal charges payable to Indian Railways are not relevant in the case of JNPT. We have considered the two month's estate income considered by us as the value of sundry debtors.

(ii). The limit on inventory for capital spares prescribed in the tariff guidelines is one year's average consumption and the limit on other items of inventory is six months' average consumption of stores excluding fuel. The JNPT has considered 12 months' consumption as the value of inventory for the years 2010-11 to 2012-13. The JNPT considers capital spares as a part of Fixed Assets. We have considered six months' actual consumption of other stores during the said years as the value of inventory.

(iii). The limit on cash balance prescribed in the tariff guidelines is one month's cash expenses. The cash balance is considered at one month's actual operating expenses and management and general expenses excluding depreciation during the years 2010-11 to 2012-13.

(iv). The JNPT has not considered any current liabilities in the estimation of capital employed on the premise that the guidelines do not prescribe clear cut norms for estimation of current liabilities. Clause 2.9.4 of the guideline clearly defines the term working capital as 'Current assets minus current liabilities'. Hence, not considering any current liabilities in the estimation of working capital will be non-compliance of guideline provision. During the last review of tariff in February 2011, this Authority considered some items of current liabilities, viz. dues payable to employees, misc. creditors, dues to other ports and accrued expenses which were found relevant to current assets. Following the same approach, same items of current liabilities as reflected in the annual accounts for the years 2010-11 to 2012-13 are considered as current liabilities for the respective years.

(v). Considering the admissible level of current assets and current liabilities, the working capital for the years 2010-11 and 2011-12 works out to ₹ 19.78 crores and ₹ 30.23 crores respectively. For the year 2012-13, the value of current liabilities is found to be more than the value of current assets, and, therefore, the value of working capital is considered as 'Nil' for the year 2012-13.

(vi). The JNPT has reported that it has deducted the value of assets funded from Escrow Account for the purpose of calculation of return on capital employed. It is observed from the workings furnished by the JNPT that it has deducted the gross value of assets funded from Escrow Account in a particular year from the capital employed arrived for that year. However, as per the guidelines, the assets created out of infrastructure reserve will not qualify for return, which means that the assets will not be eligible for return till it is fully written off. However, the JNPT has not considered the WDV of assets created out of Escrow Account on cumulative basis. We have worked out the written down value of assets funded from Escrow Account for the years 2010-11 to 2015-16 on cumulative basis and shown it separately in the cost statements. As per guideline provisions, no return has been allowed on these assets.

(h). In the revised proposal, the JNPT has considered additions to the installed capacity at 1,50,000 TEUS each in the years 2011-12 and 2012-13 on account of replacement of three RMQCs and purchase of one new RMQC respectively. Considering the installed capacity for container activity and bulk activity as reported by the port for the years 2010-11 to 2012-13, the capacity utilization for the said three years works out to 68.65%, 69.83% and 72.89% respectively. Accordingly, return on capital employed for the said three years is allowed at the maximum rate of 16% on business assets and at risk free rate of 6.35% on business related assets, as per the guidelines.

(i). Subject to the above adjustments, the Net surplus / (deficit) position after return for the years 2010-11 to 2012-13 shows a deficit of ₹ 34.11 crores, ₹ 32.67 crores and ₹ 86.62 crores aggregating to ₹ 153.39 crores.

(j). The variations in the actual performance of JNPT compared to the estimates, in respect of key parameters, are furnished in the table given below:

(₹ in crores)

Particulars	2010-11 to 2012-13 (Aggregate)		
	Estimates	**Actuals**	**Variance**
Container traffic (in lakh TEUs)	29.16	31.12	+6.75%
Bulk cargo traffic (in lakh tonnes)	28.14	28.39	+0.89%
Operating Income	1754.41	1905.61	+8.62%
Operating Expenses	977.07	1079.35	+10.47%
Management & Gen. Expenses	280.64	362.19	+29.06%
Finance & Misc. Expenses	116.17	276.92	+138.37%
Capital Employed	1663.32	1535.94	-7.66%
Return on Capital Employed	4.69%	5.23%	+11.53%

Clause 2.13 of the tariff guidelines of March 2005 prescribes a performance variation of + or – 20% for adjustment of past surplus. It can be seen from the above table that none of the key parameters, viz. traffic, operating income, operating expenses and capital employed show a variation of more than 20%. In fact, the parameters of traffic handled and operating income earned shows a positive variation of about 7% and 8% respectively. The positive variation of around 10% in operating expenses also found to be in tandem with the variation in traffic and operating income. But, there is a huge positive variation in the management and general overheads and Finance & Miscellaneous expenses which is around 29% and 152% respectively. The actual performance in terms of these two parameters is significant. In absolute terms, as against the aggregate estimated management overheads of around ₹ 280 crores, the port has actually spent around ₹ 362 crores, resulting in additional spending of ₹ 82 crores. Hence, the port is advised to take a note of this position and take all possible efforts to contain the management and general overheads in future.

In FME, the major expenditure is contribution to Pension, Gratuity and Leave salary Funds. As against the aggregate estimated Pension, Gratuity and Leave salary contribution of ₹ 107 crores, the port has actually contributed around ₹263 crores, resulting in a variation of ₹ 156 crores. The variation of ₹ 156 crores is on account of contribution done based on actuarial valuation, as reported by the port.

In view of the huge variation in management and general overheads and pension, gratuity and leave salary contribution as explained above, the aggregate cost/ financial position for the above three years turns out to be deficit to the tune of ₹153.39 crores, despite the marginal positive variation in traffic and operating income.

To sum up, none of the key parameters show a variation of more than 20%. In fact, the traffic and operating income show positive variation. Therefore, there is no case for adjustment of past deficit of JNPT for the years 2010-11 to 2012-13.

(v) (a). The JNPT projected the container traffic for the years 2013-14 to 2015-16 at 12.70 lakh TEUs, 13.50 lakh TEUs and 14.20 lakh TEUs respectively in the original proposal filed in October 2012. In the revised proposal filed by the port in September 2013, the port has revised upwards the estimated traffic marginally and considered at 13.00 lakhs TEUs, 14.00 lakh TEUs and 15.00 lakh TEUs respectively, as against the actual traffic of 12.08 lakh TEUs handled in the year 2012-13. The growth rate assumed by the port works out to around 7% p.a. taking the actual traffic of 2012-13 as the base. The port has confirmed that the estimated traffic figures furnished by the port are as per 12th Five year plan/ RFD targets fixed in consultation with the Ministry and also takes into account the capacity addition envisaged due to purchase/ replacement of cranes/ port equipment. As reported by JNPT, none of the PPP projects are likely to be commissioned in this tariff cycle, i.e. upto 2015-16 and hence no additional traffic has been considered on this account. Relying on the position reported by JNPT, the traffic estimates as furnished by the port for the years 2013-14 to 2015-16 are considered without any modification.

(b). The JNPT has estimated cement and break bulk cargo traffic of 8.00 lakhs tonnes each uniformly for all the years 2013-14 to 2015-16. The actual cement and break bulk cargo traffic handled by JNPT 2012-13 is reported at around 7 lakhs tonnes. When sought to explain the reason for not considering any growth rate in the traffic estimation, the port has stated that the handling of cement and break bulk cargo is limited to Shallow Draught Berths and the estimates are based on information provided by port users and trend in last two years. It is observed that the actuals for the last 3 years show declining trend. Therefore, the estimated traffic of 8 lakhs tonnes per year for each of the years 2013-14 to 2015-16 is considered in this analysis, relying upon the position reported by the port.

(c). The traffic estimates of BOT operators are relevant in this case for estimation of vessel related income for JNPT and estimation of Royalty / Revenue share receipts to JNPT from these terminal operators.

(d). In its revised proposal of September 2013, the JNPT has considered the traffic estimate of NSICT at 6 lakh TEUs each for the years 2013-14 to 2015-16 as against the actual traffic of 10.44 lakh TEUs reported for the year 2012-13. In respect of GTIPL, the port has estimated the traffic for the years 2013-14 to 2015-16 at 13.95 lakh TEUs for each year as against the actual traffic of 20.07 lakh TEUs reported for the year 2012-13. The JNPT has stated that the traffic estimates of BOT operators are based on the projections given by the BOT operators and one of the BOT operators has indicated their intention to reduce the throughput to MGT levels in view of the reduction in tariff effected by this Authority and due to not allowing royalty as pass through.

The traffic estimates of JNPT in respect of NSICT and GTIPL are not found to be realistic considering the actual traffic handled by the NSICT and GTIPL during the last 3 years. Hence, an increase of 3% p.a. over the actual traffic handled by the BOT Terminals during the year 2012-13, as reported by JNPT in Form-9 has been considered for traffic projections for the years 2013-14 to 2015-16, following the approach adopted by this

Authority in the last revision of tariff for the respective BOT terminals. It will not be correct on the part of this Authority to consider a different traffic estimates for the BOT operators for estimation of vessel related income and Royalty/ Revenue share receipts in the case of JNPT.

The vessel traffic estimation and total GRT estimation furnished by JNPT for the years 2013-14 to 2015-16 has been modified based on the modified traffic estimates considered by us in respect of NSICT and GTIPL.

(e). The traffic estimates of JNPT in respect of BPCL are relied upon in this analysis and considered for the purpose of estimation of vessel related income for JNPT and estimation of Royalty / Revenue share receipts to JNPT from BPCL.

(vi). (a). The JNPT has estimated the operating income for the years 2013-14 to 2015-16 based on the actual income earned from the respective activities during the year 2012-13. The income from container handling activity comprises of container handling charges, storage (dwell time) charges, Reefer monitoring charges, hatch cover opening charges, Common Rail charges and other miscellaneous income. The port has estimated income at the existing tariff level for the years 2013-14 to 2015-16 for all the above activities/ tariff items, based on the actual income realized during the year 2012-13 under respective activity/ tariff item, adjusted for the estimated traffic volume in TEUs for the years 2013-14 to 2015-16. The port has expressed its inability to furnish detailed computation for income estimates at the existing tariff level based on the tariff prescribed in the Scale of Rates. Therefore, the approach adopted by JNPT in the estimation of container handling income for the years 2013-14 to 2015-16 is relied upon.

As stated earlier, the JNPT has considered the estimated royalty receipts from the private CFS operator under container handling income stating that the CFS operator is not a BOT operator. For the reasons stated earlier, the estimated royalty receipts from the private CFS operator has been excluded from the operating income and considered under estimated royalty / revenue share receipts for the respective years.

(b). The income from bulk cargo handling activity is also estimated by the port based on the actual traffic and income for the year 2012-13 adjusted for estimated traffic for the years 2013-14 to 2015-16. It is observed from the workings furnished by the JNPT that it has considered the actual and estimated cement cargo volume only in the estimation of operating income for the years 2013-14 to 2015-16 on pro-rata basis. The estimation of operating income furnished by the port has been modified to take into account both cement and break bulk cargo. Further, due to a link error in the excel sheet workings, the wharfage income from bulk cargo has been wrongly estimated at a higher level for the years 2013-14 to 2015-16. The error has been rectified and the estimate of wharfage income has been modified.

The actual storage income from bulk cargo activity for the year 2012-13 is reported at ₹ 558.67 lakhs as against the actual for the year 2011-12 at ₹ 80.32 lakhs. Further, the actual storage income from bulk activity for the year 2010-11 is reported at ₹ 414.30 lakhs. The JNPT has considered the average storage income of last six years (2007-08 to 2012-13) for estimation of storage income for the next three years 2013-14 to 2015-16. Considering the huge variation in the storage income during the last 3 years, the approach adopted by the JNPT is relied upon. However, instead of last six years' average, an average of last 3 years' has been considered for estimation of storage income from bulk cargo handling activity for the years 2013-14 to 2015-16.

(c). The JNPT has estimated vessel related income also on the basis of actual income earned during the year 2012-13. The aggregate GRT of vessels under five major categories, viz. JNPCT container vessels, JNPT cement vessels, NSICT vessels, GTIPL vessels and BPCL vessels for the years 2013-14 to 2015-16 is estimated based on the actual aggregate GRT of respective group of vessels obtained during the year 2012-13 adjusted for estimated traffic volume for the years 2013-14 to 2015-16. The actual income earned by the port during the year 2012-13 under vessel related tariff items like Port Dues, Pilotage & Towage, Berth hire charges and Other vessel related income are extrapolated for the subsequent years 2013-14 to 2015-16 using the actual aggregate GRT for 2012-13 and estimated aggregate GRT for the subsequent 3 years on proportionate basis. While the approach adopted by the JNPT in the estimation of vessel related income for the years 2013-14 to 2015-16 is relied upon, for the reasons stated earlier, the total GRT estimated by the port for the above three years has been modified based on the revised container traffic estimates considered by us in respect of NSICT and GTIPL.

The JNPT has reportedly estimated vessel related income for the years 2013-14 to 2015-16 considering the actual (average) rate of ₹54.40 per US$ prevailing during the year 2012-13. The JNPT has not captured the impact of exchange rate fluctuation as per the prevailing market rate in the estimation of vessel related income. This Authority follows a uniform method of considering the exchange rate prevailing at the time of finalisation of tariff cases for conversion of dollar denominated rates in Indian Rupee for estimation purpose. Hence, the vessel related income estimated by the port for the year 2013-14 has been modified taking into account the average exchange rate prevailed from 1 April 2013 till finalisation of this case, which works out to ₹ 60.50 per US$. For the next two years 2014-15 and 2015-16, the vessel related income has been modified taking into account the exchange rate of ₹ 61.13 per US$ prevailing at the time of finalisation of this case, on proportionate basis, considering the base rate of ₹ 54.40 per US$ reported by JNPT for the year 2012-13.

(d). The Estate related income of JNPT comprises of Rent on land, Rent on buildings, rent from township, recovery of electricity and water charges and miscellaneous income. The JNPT has estimated the estate related income for the years 2013-14 to 2015-16 based on the actual estate related income earned during the year 2012-13 with 2% annual escalation per annum (compounded) as per the Land Policy Guidelines 2004, except in the case of recovery of electricity charges. An escalation factor of 10% is considered by JNPT over actuals of 2012-13, for income estimation purpose on account of recovery of electricity charges for the years 2013-14 to 2015-16.

The income estimates furnished by the port in respect of the above mentioned items is found to be in order and therefore, considered without any modification.

The JNPT has not considered estimated lease rental income from GTIPL for the years 2013-14 to 2015-16 under estate related income. As stated earlier in the analysis of past performance, the estimated lease rental income from GTIPL for the years 2013-14 to 2015-16 is considered based on the actual lease rental from GTIPL accounted by the JNPT for the year 2012-13 by applying an escalation factor of 5% p.a. as per the relevant provision of License Agreement entered into with GTIPL.

As already discussed in the analysis of past performance, the JNPT has not considered the income received from the BOT operators other than Royalty/ Revenue share as well as expenses incurred in respect of BOT operators in the cost statements and we have considered the other income and expenses in respect of BOT operators under estate activity. Following the same approach, the estimated other income from BOT operators (other than royalty / revenue share) is estimated for the years 2013-14 to 2015-16 at par with the actual other income reported for the year 2012-13 and considered under estate activity. Following the approach adopted during the last review of tariff, no escalation has been considered on income as well as expenses on account of BOT operators, on the premise that any escalation in the expenses would be fully compensated by the corresponding recovery from the BOT operators.

The estate related income under estate activity furnished by the port for the years 2013-14 to 2015-16 is considered subject to the above modifications.

The rates for estate rental are to be determined as per the Land Policy Guidelines announced by the Government. The revision of estate rental charges at JNPT is overdue. Nevertheless, the estimated income from estate rentals is considered in this exercise only to ascertain the overall financial/cost position of the port and to see whether the surplus, if any, arising from this activity could be utilized to cross-subsidize other deficit making activities, as provided in clause 2.11.5 of the tariff policy guidelines.

(e). The estimated Royalty / Revenue share receipts from the BOT operators furnished by JNPT for the years 2013-14 to 2015-16 based on estimated throughput of the respective BOT operators for the respective years are modified based on the modified traffic estimates considered by us for NSICT and GTIPL for the years 2013-14 to 2015-16. In any case, this will not have any impact on this tariff revision exercise since the entire royalty/ revenue share receipts during the years 2013-14 to 2015-16 are considered as accrual to Escrow Account, as proposed by the JNPT. As stated earlier, the estimated royalty receipt from the private CFS operator for the years 2013-14 to 2015-16 is also taken to Escrow Account.

The accruals and utilisation in the Escrow Account based on actuals for the years 2010-11 to 2012-13 and estimates for the years 2013-14 to 2015-16 are tabulated below:

(₹ in crores)

Particulars	Actuals			Estimates		
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Cumulative accruals upto 2009-10	1546.94	--	--	--	--	--
Less: Cumulative utilizations upto 2009-10	85.68	--	--	--	--	--
Opening Balance in Escrow Account	1461.26	1845.88	2311.92	2674.05	2993.86	1666.99
Add: Royalty / Revenue share receipts during the year	547.43	534.27	400.35	420.81	442.46	464.89
Sub total	2008.69	2380.15	2712.27	3094.86	3436.32	2131.88
Less: Utilisations during the year	162.81	68.23	38.22	101.00	1769.33	183.00
Closing Balance	**1845.88**	**2311.92**	**2674.05**	**2993.86**	**1666.99**	**1948.88**

As stated earlier, as per the tariff guidelines, the accumulations in the Escrow Account in a particular year should be utilised for infrastructure development within five years. Accordingly, the cumulative accruals in the Escrow Account up to 2011-12, which works out to ₹ 2628.64 crores (₹ 1546.94 + ₹ 547.43 + ₹ 534.27) should be utilised within the year 2015-16. As brought out earlier, the actual cumulative utilization from Escrow Account up to the year 2012-13 is considered at ₹ 354.93 crores, as reported by JNPT. The modified estimated utilizations from Escrow Account during the years 2013-14 to 2015-16 considered by us works out to ₹ 2053.33 crores, which is discussed in a separate paragraph later in this analysis. The cumulative utilization up to the year 2015-16 works out to ₹ 2408.26 crores (₹ 354.93 + ₹ 2053.33), which is lesser than the minimum spending requirement as per guidelines by ₹ 220.38 crores (₹ 2628.64 crores less ₹ 2408.26 crores). Therefore, the unutilized accruals in the Escrow Account as at the end of the current tariff cycle (i.e. 31 March 2016) amounting to ₹220.38 crores is adjusted from the estimated surplus/ deficit position for the purpose of this tariff revision exercise, which is discussed in the later part of the analysis.

(vii). Clause 2.5.1. of the revised tariff guidelines requires that the expenditure projections of the major ports / terminal operators should be in line with traffic adjusted for price fluctuations with reference to current movement of whole sale price index (WPI) for all commodities. This Authority has adopted an escalation factor of 7% for the purpose of projection of expenses in respect of the cases to be decided during the financial year 2013-14. The JNPT, in its revised proposal of September 2013, has stated that the inflation factor of 7% has been considered for the projections as per guidelines, except in the case of salaries & wages, electricity, fuel charges and contribution to pension & gratuity. The JNPT has claimed higher rate of escalation in respect of these items of expenses and given the reasons for the same. The estimated operating expenses are analysed below:

(viii). <u>Container handling activity</u>

(a). The JNPT has considered an higher escalation factor 12% p.a. in the estimation of salaries and wages cost for the years 2013-14 to 2015-16 over the actual salaries and wages cost of 2012-13, reportedly based on the actual trend of increase obtained during the last 3 years. The details furnished by JNPT in this regard show that the actual increase during the years 2011-12 and 2012-13 are at 17.45% and 28.40% respectively over the actual of respective preceding years. The port has reported that it has created provisions during the years 2011-12 and 2012-13 to account for the impact of wage revision of Class III and IV employees at Major Ports which was due from 1 January 2012. Ignoring the impact of provision created for wage revision as furnished by the port, the actual increase during the years 2011-12 and 2012-13 works out to 13.50% and 9.50% respectively, which shows that the escalation factor of 12% p.a. considered by the port is not realistic. Therefore, the salaries and wages estimates for the years 2013-14 to 2015-16 are moderated by applying 7% annual escalation over the actual / estimate of respective preceding years, taking the actual of 2012-13 as the base. No separate increase for wage revision is considered since the actual of 2012-13 already includes provision made by the port to account for wage revision impact.

The JNPT has reported the actual salaries and wages cost for the year 2012-13 at ₹ 153.95 crores in Form 3B. But, the sum of salaries and wages cost reported in the activity wise cost statements worked out to ₹ 163.21 crores. The reason for the difference remains unexplained. The sum of salaries and wages cost for the year 2012-13 reported in the activity wise cost statements is found to be in agreement with the annual accounts for the year 2012-13 and therefore, the same has been considered in our analysis for estimation of salaries and wages cost for the next three years 2013-14 to 2015-16.

(b). The JNPT has reported the actual unit power cost for the year 2012-13 (in Form 3B) at ₹ 11.78 per unit and estimated unit power cost for the next three years 2013-14 to 2015-16 by applying an escalation factor of 17% p.a. compounded. The port has furnished a statement showing the total electricity expenses during the years 2010-11 to 2012-13 as per its General Ledger, in support of the higher escalation claimed by it. As per the details furnished by the port, the actual increase in the unit power cost during the years 2011-12 and 2012-13 are at 18% and 14% respectively over the actual of respective preceding years. The port has not furnished recent bill copies from MSEB in support of the increase. In the absence of a valid documentary evidence, the higher escalation claimed by the port could not be considered. The estimated unit power cost for the years 2013-14 to 2015-16 is worked out by applying the normal escalation factor of 7% p.a. taking the actual unit power cost reported by the port for the year 2012-13.

The estimated consumption of power for the years 2013-14 to 2015-16 is considered based on the actual consumption of power for the year 2012-13, adjusted for estimated throughput for the years 2013-14 to 2015-16.

The total power cost in respect of container handling activity for the years 2013-14 to 2015-16 is worked out considering the estimated unit power cost and estimated power consumption for the respective years.

(c). The JNPT has reported the actual unit fuel cost for the year 2012-13 (in Form 3B) at ₹ 48.62 per litre and estimated unit fuel cost for the next three years 2013-14 to 2015-16 by applying an escalation factor of 26% p.a. compounded. The port has furnished a statement showing the increase in fuel price on various occasions during the period from 1 July 2009 to 30 September 2013, which shows that the unit fuel price which was at ₹ 32.90 per litre on 1 July 2009 has increased to ₹ 74.11 per litre on 30 September 2013. The port has further stated that though the average increase in unit fuel price during the years 2010-11 to 2012-13 works out to 51% p.a. it has claimed an increase of 26% p.a. only on conservative basis. The port has further stated that the fuel price has been increased drastically for bulk customer with effect from 18 January 2013 as compared to the retail customer. Based on the details furnished by the port, it appears that there is a case for considering higher escalation factor for fuel cost. However, it is observed from the statement furnished by the port, the price has been increased by 23% w.e.f. 18.1.2013, presumably due to introduction of dual pricing system for bulk customer and retail customers. Hence, factoring in such increase in working out the average price increase may not be realistic. In any case, in our analysis, we have considered fuel price for the year 2013-14 at ₹ 69.35 per litre based on the average price prevailed during the period from 1 April 2013 to 30 September 2013 for the first six months (₹64.59 per litre) and based on the price prevailed as on 30 September 2013 for the next six months (₹ 74.11 per litre). For the next two years 2014-15 and 2015-16, the estimated unit fuel price has been considered by applying normal escalation factor of 7% p.a.

The estimated consumption of fuel for the years 2013-14 to 2015-16 is considered based on the actual consumption of power for the year 2012-13, adjusted for estimated throughput for the years 2013-14 to 2015-16.

The total fuel cost in respect of container handling activity for the years 2013-14 to 2015-16 is worked out considering the estimated unit fuel cost and estimated fuel consumption for the respective years.

(d). The repairs & maintenance expenditure is estimated by the JNPT based on the actuals for 2012-13. The port has considered 50% of the expenses as variable and adjusted the same with reference to actual traffic of 2012-13 and estimated traffic for the years 2013-14 to 2015-16 and applied annual escalation of 7% pa. taking the year 2012-13 as the base. The balance 50% of the actual expenses of 2012-13 is directly escalated with 7% annual escalation (without adjusting for the estimated traffic) for estimating the expenses for the years 2013-14 to 2015-16, taking the year 2012-13 as the base. Considering that the JNPT had followed the same approach during last review of tariff and the same was considered by this Authority, the approach adopted by the JNPT in treating 50% of the repairs and maintenance cost as variable and 50% as fixed cost is considered in the current exercise also.

(e). Other Expenses:

The JNPT has reportedly considered all other direct expenses relating to container handling activity under other expenses. The major items considered under other expenses include consumption of material, water charges, minor works, employee welfare, employee incentive, hire of equipment, insurance, engineering services, Stores, PPD & others and other general office expenses like postage, printing & stationery, travelling expenses, training expenses, legal & professional charges, etc. These expenses are analysed as under:

(i). The approach adopted by the JNPT for estimation of 'consumption of material' is similar to repairs & maintenance which is considered by this Authority during last review of tariff at JNPT. Hence, the same is considered now also.

(ii). The JNPT has estimated hire charges for a fleet of 110 Nos. Tractor Trailers and 7 Nos. Reach Stackers.

The port has stated that the new contract for Tractor trailers is valid from 1 October 2012 to 30 September 2015 and extendable for a further period of two years. However, the port has not furnished a copy of the contract / work order in this regard. The port has considered a rate of ₹ 246.49 per TEU for estimation of hire charges for tractor trailers for the year 2013-14 and escalated the rate by 7% p.a. for estimating the hire charges for the next two years. In the absence of work order/ contract copies, the rate adopted by the port for the year 2013-14 could not be verified. However, considering the average rate per TEU of ₹ 236.50 reported for the year 2012-13 based on actual expenses, the rate considered by the port is relied upon. Therefore, the estimates of JNPT towards hire charges for tractor trailers are considered without any modification.

In respect of Reach stackers, the existing contract is effective from 12 August 2011 and valid up to 11 August 2014 and extendable for a further period of one year (i.e. upto 11 August 2015). Despite request, the port has not furnished a copy of the contract/ work order in this regard. The port has considered a rate of ₹ 111.39 per TEU for estimation of hire charges for Reach stackers for the year 2013-14 as against the actual average rate per TEU of ₹124.55 prevailed for the year 2012-13 based on actual expenses reported by the port. Since the contract is effective from the middle of the year 2011-12, the reason for considering a lower rate for the year 2013-14 compared to actual rate for 2012-13 remains unexplained. In the absence of work order copies furnished by the port, the rate per TEU considered by the port for the year 2013-14 is relied upon.

For the next two years 2014-15 and 2015-16, the port has escalated the rate by 7% p.a. taking the rate considered for the year 2013-14 as the base, which is found to be in order.

Therefore, the estimates of JNPT towards hire charges for Reach stackers for the years 2013-14 to 2015-16 are considered without any modification.

(iii). Employee incentive is estimated based on actual expenses for 2012-13 adjusted for estimated throughput without allowing escalation. The approach adopted by the JNPT is considered.

(iv). The JNPT has in its revised proposal estimated insurance cost for the year 2013-14 at ₹ 6.00 crores as against the actual insurance cost of ₹ 2.71 crores reported for the year 2012-13. To a query in this regard, the port has clarified that the actual insurance expenditure for the year 2012-13 is ₹ 5.84 crores and the difference is due to non-transfer of an amount of ₹3.13 crores paid in the year 2011-12 as pre-paid premium to insurance expenditure code. Relying on the position reported by the port, the estimated insurance cost of ₹ 6.00 crores for the year 2013-14 is considered without any modification. For the next two years the port has estimated the insurance cost with 7% annual escalation, taking the estimate of 2013-14 as the base and is considered without any modification. It is seen that the estimated insurance cost for the three years 2013-14 to 2015-16 are well within the limit of value of 1% of net block of assets.

The port has confirmed that the estimated additions to the gross block has been considered in estimating the insurance cost.

(v). All other expenses are estimated by JNPT based the actual expenses for the year 2012-13 with 7% annual escalation, taking the actual for the year 2012-13 as the base. Therefore, the estimates furnished by the JNPT for these items are considered without any change.

(ix). Bulk handling activity

The salaries & wages, power cost and repairs & maintenance are estimated by the JNPT following the same approach adopted for container handling activity. The other expenses for bulk handling activity include consumption of material, water charges, employee welfare and other general office expenses. The actual expenses in respect of minor works, employee welfare and legal & professional charges reported by the port in the cost statement for the year 2012-13 is 'Nil'. However, the port estimated these expenses for the next three years 2013-14 to 2015-16 based on the actual expenses reported for the year 2011-12 in respect of these items, applying an escalation factor of 7% p.a. The position reported by the port in this regard is relied upon and expenditure estimates furnished by the port for the years 2013-14 to 2015-16 is considered without any modification. Apart from the above, we have maintained the same approach, as elaborated under container handling activity for estimating the other expenses.

(x). Marine activity

(a). The estimates of expenses for the years 2013-14 to 2015-16 towards salaries & wages, power, fuel and repairs & maintenance furnished by JNPT are moderated following the same approach adopted in the case of 'container handling activity' as explained in the foregoing paragraphs. It is relevant here to mention that as far as marine activity is concerned, the actual total GRT for the year 2012-13 and the estimated total GRT for the years 2013-14 to 2015-16 has been considered, wherever the estimates are variable with reference to traffic throughput.

(b). The port has not estimated any amount towards maintenance dredging expenses for the year 2013-14 as against the actual dredging expenses of ₹ 50.57 lakhs reported for the year 2012-13. The port has clarified that there was no maintenance dredging carried out during the years 2011-12 and 2012-13 due to the ongoing capital dredging work and the actual expenses reported for the year 2012-13 is in respect of survey related expenses. The position reported by the port is relied upon.

For the next two years 2014-15 and 2015-16, the port has estimated an amount of ₹100 crores each towards maintenance dredging, considering the estimated quantity as 5 million cu. m. per year and a rate of ₹200/- per cu. m. The average maintenance dredging expenses incurred by the port during the years 2008-09 to 2010-11 is seen to be around ₹ 22 crores per year. The reason furnished by the port in this regard that there will be increase in the quantum of silt to be dredged due to increase in channel length merits consideration. However, the port has not furnished any scientific calculation for the quantity to be dredged and also not furnished any documentary evidence in support of the rate of ₹ 200/- per cu. m. considered by it. Considering that the estimate of ₹ 100 crores is seen to be on the much higher side compared to the average expenses incurred by the port in the past years and in the absence of requisite details furnished by the port on the excess quantum of silt likely to be dredged after deepening of channel, etc., the estimated maintenance dredging expenses of ₹ 100 crores each for the years 2014-15 and 2015-16 is moderated and considered at ₹ 60 crores for each of the two years. This will be reviewed at the time of next tariff revision based on the actual expenses incurred by the port.

(c). The other expenses under marine activity comprise of consumption of material, manning of port crafts, hire of tugs and launches, insurance, water charges, minor works, employee welfare and other general office expenses, which are analyzed below:

(i) During the last review of tariff in February 2011, the port had informed that outsourcing contracts for manning of port crafts is being discontinued and an amount of ₹ 97.56 lakhs per year was considered for the years 2010-11 to 2012-13 for the remaining 3 port crafts, relying on the position then reported by the JNPT. But, the port has reported an actual expenditure of ₹ 47.76, ₹ 199.84 and ₹ 223.41 lakhs for the corresponding three years 2010-11, 2011-12 and 2012-13 towards manning of port crafts in this proposal. The reasons for such a huge variation in this item of expense for the years 2011-12 and 2012-13, which is an outsourced item, remains unexplained. In any case, as already explained, the past period analysis of JNPT for the year upto 2012-13 has been done based on the position reported in the annual accounts.

The JNPT has estimated the expenditure towards manning of port crafts for the years 2013-14 to 2015-16 by applying an escalation of 7% p.a. taking the actual of 2012-13 as the base. In the absence of requisite details, the estimate of the port is relied upon in this analysis. However, following the approach adopted during the last review of tariff, the expenses considered by the port is moderated at par with the actual of 2012-13, uniformly for all the years 2013-14 to 2015-16, without allowing escalation.

(ii) The JNPT has considered an estimate of ₹ 49.11 crores, ₹52.01 and ₹52.16 crores towards hiring of tugs and launches during the years 2013-14 to 2015-16 respectively. Though the port has stated, in response to a query raised by us, that the details of no. of tugs, rate per tug, etc. are furnished in an Annex attached to its letter, the said annex was not received by us. At our request, the port has furnished copies of work orders in respect of some of the tugs and launches hired by it. It is seen from the workings furnished by the port that it has considered hire charges for 8 tugs and 7 launches in the estimation of hire charges. The port has confirmed that it has not considered any new tugs/ launches during the years 2013-14 to 2015-16. The port has not considered escalation in respect of this item, which is found to be in line with the approach adopted by this Authority during last review of tariff at JNPT. In the absence of requisite details furnished by the port, the estimates furnished by the port towards hiring of tugs and launches are relied upon without any change.

(iii) The postage and telegram expenses reported for the year 2012-13 under marine activity is nil. However, the port has estimated this expense for the next three years 2013-14 to 2015-16 based on the actual expenses reported for the year 2011-12. Following the approach adopted in the case of other expenses of bulk handling activity, we have relied upon the estimates of JNPT in respect of this item of expense.

(iv) The JNPT has considered a new item of expenses under marine activity towards JNPT's share of expenses relating to maintenance of VTMS Tower, which is reportedly estimated at 3% of the capital cost of ₹ 9.79 crores. It is seen from the workings furnished by the port that the port has worked out the 3% on ₹ 9.79 lakhs in lieu of ₹ 9.79 crores, which is rectified by us. Subject to the above, the estimate furnished by JNPT in this regard is considered by us.

(v) Apart from the above, we have maintained the same approach, as elaborated under container handling activity for estimating the other expenses.

(xi). <u>Estate activity</u>

(a). The estimates of expenses for the years 2013-14 to 2015-16 towards salaries & wages, power cost and repairs and maintenance furnished by JNPT are moderated following the same approach adopted in the case of 'container handling activity' as explained in the foregoing paragraphs, excepting that the adjustment of estimate based on traffic throughput has not been done in the case of estate activity.

(b). The JNPT has considered an estimate of ₹35 crores each for the years 2013-14 to 2015-16 towards Panchayat Tax, as against the actual expenses reported for the year 2012-13 at ₹32 crores. The port has reported that the matter is under litigation. It is observed from the annual accounts of JNPT for the year 2012-13 that the expenses reported for the year 2012-13 is the amount deposited with the Registrar General, High Court, Mumbai, as per the directions of the High Court. It is further observed that the total amount of demand raised by the Village Panchayat is to the tune of ₹ 129 crores. Therefore, the estimates of JNPT towards Panchayat Tax for the years 2013-14 to 2015-16 are relied upon without any change.

(c). All other expenses under estate activity, viz. consumption of material, water charges, minor works, general office expenses, etc. for the years 2013-14 to 2015-16 are estimated by JNPT based on the respective actual expenses for the year 2012-13, with 7% annual escalation, taking the year 2012-13 as the base. The estimates furnished by the JNPT in this regard are considered without any change.

(xii). As brought out earlier, the depreciation amount furnished by the JNPT for the years 2010-11 to 2012-13 as per Companies Act is considered by us without any modifications. The estimated depreciation of JNPT for the years 2013-14 to 2015-16 is also considered subject to modification of depreciation on estimated additions to the gross block during the above three years, which is discussed in the later part of this analysis. As stated earlier the JNPT has calculated depreciation on additions for full year without reckoning the date of commissioning of the individual assets and also not furnished details of scheduled/ expected date of commissioning for the proposed additions to the gross block during the years 2013-14 to 2015-16. The port has neither furnished the details of expected date of commissioning of the additions, despite specific request. In view of this, and maintaining the approach adopted by this Authority during the last review of tariff in February 2011, we have moderated the depreciation on all additions to the gross block considered by us during the years 2013-14 to 2015-16 at 50% of the annual depreciation on an average.

The estimated depreciation for the years 2013-14 to 2015-16 is allocated to various cost centres, viz. container handling, railway, bulk, marine, BOT and general administration assets based on the individual assets identified under each cost centre. The depreciation on railway assets is included under container handling activity and the depreciation on BOT assets and Business Related Assets is included under estate activity. The depreciation on general administration assets are added to the management and general overheads and allocated to the main activities on the basis of direct operating expenses including depreciation of the respective main activities for the respective years. The basis of apportionment considered by JNPT is relied upon in this analysis.

(xiii). The JNPT has considered 7% annual escalation over actual management and general overheads of the year 2012-13 for the purpose of estimation of overheads for the years 2013-14 to 2015-16, taking the year 2012-13 as base, except for salaries and wages component of the management and general overheads. In respect of salaries and wages component of overheads, the port has considered 12% annual escalation in line with the escalation factor adopted by it for salaries and wages. For the reasons stated earlier, we have considered an escalation of 7% p.a. in the estimation of salaries and wage cost. Therefore, the estimated management and general overheads for the years 2013-14 to 2015-16 are moderated by us by applying 7% annual escalation on the gross management and general overheads (including salaries and wages component), taking the actual of 2012-13 as the base. The JNPT has apportioned the estimated management overheads to various activities on the basis of direct operating cost which is also considered by us.

(xiv). The estimated Finance & Miscellaneous Income for the years 2013-14 to 2015-16 is maintained at the same level of actual Finance & Miscellaneous Income reported for the year 2012-13, excluding sundry income included under FMI. With regard to the actual sundry income of ₹ 77.74 crores reported for the year 2012-13, the port has stated that these incomes are not likely to recur. Relying on the position reported by the port, an amount of ₹ 1 crore each is considered as sundry FMI for each of the years 2013-14 to 2015-16. The estimated Finance & Miscellaneous Income for the years 2013-14 to 2015-16 are apportioned to the four activities based on the operating income of the respective activities for the respective years, as per the approach adopted by the JNPT.

(xv). As stated earlier, the Finance & Miscellaneous Expenses of JNPT comprise of pension and gratuity contribution as per acturial valuation and other items. The JNPT has considered a lump sum increase of ₹ 89.39 crores in the estimated contribution to pension and leave salary contribution for the year 2013-14 apart from the 12% annual escalation considered by it. It appears that the lump sum amount included in the estimated pension and gratuity contribution for the year 2013-14 is taking into account the impact of wage revision of Class III and IV employees from 1 January 2012. The position reported by the JNPT in considering the lump sum amount of ₹ 89.39 crores in the year 2013-14 is relied upon. However, the escalation factor of 12% considered by the port over the actual of 2012-13 has been moderated to 7% p.a.

The estimated FME considered by the port for the years 2013-14 to 2015-16 include an amount of ₹ 100 crores, ₹ 200 crores and ₹ 200 crores respectively towards contribution under ASIDE scheme, as against the actual contribution of ₹ 16.30 crores reported for the year 2012-13. The port vide its letter dated 18 March 2014 has stated that an amount of ₹ 100 crores for 2013-14 and ₹ 200 crores for 2014-15 has been earmarked towards ASIDE schemes as per the request received from the State Government in the meeting relating to the Infrastructure chaired by the Chief Secretary, Maharashtra Govt. Hence, the estimates are considered by us without any modification. As brought out earlier, the port has offset this expense by showing an equivalent amount as transfer from Infrastructure Reserve. For the reasons stated earlier, utilization of Escrow Account funds for this purpose is considered.

The estimates in respect of other items of Finance & Miscellaneous expenses for the year 2013-14 is considered by allowing 7% escalation over 2012-13 actuals, as furnished by JNPT.

For the next two years, the port has estimated the pension and leave salary contribution by considering 12% annual escalation over the estimate of 2013-14. Following the approach adopted in the case of salaries and wages, the 12% escalation factor adopted by the port has been moderated to 7% p.a. for all the years 2013-14 to 2015-16, taking the actual of 2012-13 as the base.

The port has apportioned the pension, gratuity and leave salary contribution component of FME to the various activities on the basis of salaries and wages cost of the respective activity. The rest of the FME is apportioned on the basis of direct operating cost. The approach adopted by the port is relied upon.

(xvi). (a). The JNPT has considered estimated additions to the gross block to the tune of ₹ 210.08 crores, ₹ 1720.62 crores and ₹503.40 crores during the years 2013-14 to 2015-16 in its revised proposal.

The port has confirmed that the additions to the gross block considered in the proposal are in line with the Five Year Plan/ RFD and justification for proposed investments have been furnished to the Ministry. The port has also confirmed that only assets have been considered as additions to the gross block on the basis of the date of commissioning/ usage and not merely based on the capital expenditure incurred by the port.

The details furnished by the port in Form 4 B in respect of additions to the gross block are seen to be incomplete and did not contain requisite details, viz. additional capacity, justification for investment, work order details, expected date of commissioning, etc. In response to a specific query to furnish the scheme wise/ project wise details of all additions to the gross block in terms of value, actual/ expected date commissioning and the status as on 31 March 2013, the port has stated that the requisite details are furnished in Annexure-11 to its letter dated 20 September 2013. As brought out in the factual position of this note, the said Annexure-11 was not received by us till finalization of this case. The port has also not furnished any documentary evidence in support of the capital estimates, despite specific request.

(b). The soft copy of the proposal furnished by the port, inter-alia, contained the details of plan schemes, viz. value of the scheme, expected date of award, expected date of completion and status. It is observed that the details mentioned in the soft copy, viz. date of completion, status reflect the old position and does not reflect the latest position. However, in the absence of requisite details received from the port, we are constrained to evaluate the additions to the gross block based on the above details to the extent found relevant.

(c). In this background, the details of additions to the gross block proposed by the port are discussed below:

2013-14:

(i) The following additions to the gross block estimated by the port during the year 2013-14 are considered without any modification, relying on the proposal of JNPT.

Sl. No.	Details of scheme	Amount (₹ in crores)
1.	Earth filling behind PUB and Container Road	9.50
2.	Installation of Radiological Detection system	15.00
3.	Compensation to Salt Pan lessees as per Mumbai High Court Judgement	1.00*
4.	Environmental measures for infrastructure development of port based industries	2.00
	Total	27.50

* To be funded from Escrow Account as reported by the port.

(ii) An estimate of ₹ 172.58 crores considered by JNPT in the year 2013-14 towards Rehabilitation of Project Affected Persons under 12.5% land scheme is shifted to the next year 2014-15 considering the expected date of completion reported by JNPT. As reported by the port, this expenditure will be funded from Escrow Account.

(iii) Likewise, the capital expenditure estimated by the port at ₹10.00 crores towards Captive Power Plant has been shifted to the year 2015-16 considering the expected date of commissioning as reported by JNPT.

(iv) To sum up, we have considered the additions to the gross block during the year 2013-14 at ₹ 27.50 crores as against the port's estimate of ₹ 210.08 crores.

2014-15:

(i) The following additions to the gross block estimated by the port during the year 2014-15 are considered without any modification, relying on the proposal of JNPT.

Sl. No.	Details of scheme	Amount (₹ in crores)
1.	Earth filling behind PUB and Container Road	18.10
2.	Upgradation of yards in port area	4.00
3.	Infrastructure works in Zone-V (Roads for 4th Terminal)	25.10*
4.	Centralised Parking Zone	6.00
5.	Infrastructure facilities for port based industries in Zone-I	3.00
6.	Railway infrastructure facilities in port area	5.00

7.	Purchase of 3 Nos. new RMQCs and replacement of existing two RMQCs	81.00
8.	Replacement of 1 No. RMGC	2.00
9.	Installation of Radiological Detection system	8.32
10.	Saline water ring system at JNPCT	6.50
11.	Compensation to Salt Pan lessees as per Mumbai High Court Judgment	1.00*
12.	Environmental measures for infrastructure development of port based industries	0.10
	Total	160.12

* To be funded from Escrow Account as reported by the port.

(ii) The JNPT has considered an amount of ₹ 1480.00 crores in the year 2014-15 towards deepening and widening of approach channel (Phase-I). As reported by the port, the work has been awarded in August 2012 at a cost of ₹1370.65 crores; 33% of the works have been completed upto August 2013 and the project is likely to be completed by September 2014. Though the likely completion period reported by the port falls in the year 2013-14, in the tariff proposal the port has considered the investment in the year 2014-15. The position reported in the tariff proposal is relied upon. The estimate considered by the port is moderated from ₹ 1480.00 crores to ₹ 1370.65 crores based on the awarded value of work and considered in the year 2014-15. As reported by the port, this expenditure will be funded from Escrow Account.

(iii) The capital expenditure considered by the port at ₹40.00 crores towards Captive Power Plant has been shifted to the year 2015-16 considering the expected date of commissioning reported by JNPT.

(iv) The following additions to the gross block envisaged by the port during the year 2014-15 have not been considered for the reasons indicated therein:

Sl. No.	Details of scheme	Amount (₹ in crores)	Reasons for not considering
1.	Upgradation of existing roads and yards in the port	3.00	Expected completion is reported to be in the year 2017.
2.	Construction of inter-changes in port area	5.00	Expected completion is reported to be in the year 2020.
3.	Construction of new ROBs within port limit	20.00	Expected completion is reported to be in the year 2020.
4.	12.5% Land scheme	10.00	The total value of the work is reported at ₹172.58 crores which is considered by the port in the year 2013-14 and shifted

			by us to 2014-15. This estimate is found to be in excess of the reported value of work and hence not considered.
5.	Augmentation of water supply and sewage system in Zone I to V	2.50	Expected completion is reported to be in the year 2017.
	Total	40.50	

(v) To sum up, we have considered the additions to the gross block during the year 2014-15 at ₹1703.35 crores (including the shifting of ₹ 172.58 crores from 2013-14) as against the port's estimate of ₹ 1720.62 crores.

2015-16:

(i) The following additions to the gross block estimated by the port during the year 2015-16 are considered without any modification, relying on the proposal of JNPT.

Sl. No.	Details of scheme	Amount (₹ in crores)
1.	Upgradation of yards in port area	15.00
2.	Construction of boundary wall to JNP area	8.00
3.	Infrastructure works in Zone-V (Roads for 4th Terminal)	5.00*
4.	Centralised Parking Zone	20.00
5.	Infrastructure facilities for port based industries in Zone-I	5.00
6.	Infrastructure works in Zone-I	4.00
7.	Railway infrastructure facilities in port area	10.00
8.	Purchase of 6 Nos. RTGC	59.60
9.	Upgradation of computer systems including NAVIS Gate Automation (IT infrastructure upgradation and ERP implementation)	44.80
10.	Replacement of VIP launch Apoorva	5.00
11.	Saline water ring system at JNPCT	2.50
12.	Port security works as per ISPS	5.00
13.	Compensation to Salt Pan lessees as per Mumbai High Court Judgement	28.00*
14.	Environmental measures for infrastructure development of port based industries	5.00
15.	Upgradation / rehabilitation of existing structures at JNP Township	51.00
	Total	267.90

* To be funded from Escrow Account as reported by the port.

(ii) In addition to the above, the capital expenditure considered by the port at ₹ 100.00 crores towards Captive Power Plant is considered by us at ₹ 150.00 crores in the year 2015-16 (i.e. including the estimate of ₹ 10 crores and ₹ 40 crores shifted from the years 2013-14 and 2014-15 respectively) considering the expected date of commissioning reported by JNPT. As reported by the port, this expenditure will be funded from Escrow Account.

(iii) The following additions to the gross block envisaged by the port during the year 2015-16 have not been considered for the reasons indicated therein:

Sl. No.	Details of scheme	Amount (₹ in crores)	Reasons for not considering
1.	Upgradation of existing roads and yards in the port	5.00	Expected completion is reported to be in the year 2017.
2.	Construction of inter-changes in port area	5.00	Expected completion is reported to be in the year 2020.
3.	Construction of new ROBs within port limit	20.00	Expected completion is reported to be in the year 2020.
4.	Development of waste disposal system at JNPT	4.00	Expected completion is reported to be in the year 2017.
5.	Augmentation of water supply and sewage system in Zone I to V	1.50	Expected completion is reported to be in the year 2017.
6.	IP Global Equity contribution	100.00	As per standard accounting practice, any equity contribution will not be considered under gross block.
	Total	135.50	

(iv) To sum up, we have considered the additions to the gross block during the year 2015-16 at ₹417.90 crores (including the shifting of ₹ 10 crores and ₹ 40 crores from 2013-14 and 2014-15 respectively) as against the port's estimate of ₹ 503.40 crores.

(d). The year-wise total additions to the gross block proposed by JNPT and considered by us are summarized below:

(₹ in crores)

Year	As proposed by JNPT	As considered by us	To be funded from Escrow Account in the estimates considered by us *
2013-14	210.08	27.50	1.00
2014-15	1720.62	1703.35	1569.33
2015-16	503.40	417.90	183.00
Total	**2434.10**	**2148.75**	**1753.33**

* Excludes contribution towards ASIDE schemes, since the same is not considered under capital addition, but considered as an outflow from the Escrow account by JNPT.

(e) As brought out above, the port has identified some of the additions to the gross block to be funded from Escrow Account accruals, which is considered by us also in so far as these assets are considered by us in the modified additions to the gross block.

(f) The modified value of closing net block of assets considered by us for the years 2013-14 to 2015-16 works out to ₹ 800.94 crores, ₹ 2408.47 crores and ₹ 2678.73 crores respectively as against ₹ 982.09 crores, ₹ 2592.25 crores and ₹ 2926.47 crores considered by JNPT for the corresponding years.

(g) As already explained in the past performance analysis, the cumulative Written Down Value of assets funded from Escrow A/c as at the end of years 2013-14 to 2015-16, which works out to ₹ 305.80 crores, ₹ 1863.46 crores and ₹ 1961.59 crores respectively have been deducted from the value of closing net block of assets of the respective years. At the cost of repetition it is clarified that the port has deducted the value of assets funded from Escrow Account during the years 2013-14 to 2015-16 from the closing net block of respective years without considering the written down value of assets funded from Escrow Account during the previous years.

(h) As stated earlier, the classification of business related assets as reported by JNPT is relied upon.

(i) The working capital estimates for the years 2013-14 to 2015-16 furnished by the JNPT are moderated as per the norms stipulated in the guidelines.

The sundry debtors and inventory are considered at two months' estimated estate rental income and one month's estimated value of consumption of materials for the years 2013-14 to 2015-16 based on the modified estimates considered by us. The admissible cash balance is considered on the basis of one month's estimated operating expenses and overheads excluding depreciation. In the absence of estimates for current liabilities, all items of current liabilities as considered in the past performance analysis is considered at par with the value reported for the year 2012-13, except in the case of 'Dues payable to employees'. The 'Dues payable to employees' as on 31 March 2013 is reported at ₹ 124.61 crores as against the outstanding of around ₹ 75 crores as at 31 March 2011 and 31 March 2012. In view of the abnormal increase in the 'dues payable to employees' reported as at 31 March 2013, the value of this item for the years 2013-14 to 2015-16 is estimated based on the average 'dues payable to employees' as at the end of the last 3 years 2010-11 to 2012-13.

Considering the estimated current assets and current liabilities as stated above, the working capital for the three years 2013-14 to 2015-16 is found to be nil, ₹ 150.74 lakhs and ₹ 914.76 lakhs respectively. The working capital is apportioned to the activities in the proportion of the closing net block of respective activities during the respective years.

The estimated capital employed after adjustment of WDV of assets funded from Escrow Account works out to ₹ 495.15 crores, ₹ 546.51 crores and ₹ 726.29 crores for the years 2013-14 to 2015-16 respectively which is considered for the purpose of allowing return.

(j). As brought out earlier, the container handling capacity considered for the year 2012-13 is 1.65 million TEUs per annum taking into account the conversion of factor of 12 considered by JNPT. The port has considered an increase of 2,25,000 TEUs in the container handling capacity for the year 2013-14 reportedly based on the proposed acquisition / replacement of RMQCs. (1,50,000 TEUs at Main Container Berths (MCB) on account of replacement of 3 Nos. of existing RMQCs with new ones and 75,000 TEUs at Shallow Draught Berth (SDB) on account of addition of 3 Nos. old RMQCs shifted from MCB to SDB). However, the port has considered the investment towards purchase of new cranes in the year 2014-15. Hence, the container handling capacity of the port for the year 2013-14 is maintained at the level of 2012-13. For the next year 2014-15, the container handling capacity is increased by 2,25,000 TEUs based on the position reported by the port for the year 2013-14 and considered at 1.875 million TEUs. In respect of 2015-16, the port has considered increase of 1,50,000 TEUs over the estimated capacity of the year 2014-15 based on the proposed acquisition of 1 RMQC. However, since the port has not considered the investment in this regard in the additions to the gross block for the year 2015-16, this additional capacity is not considered by us, in order to maintain uniformity in approach. Thus, the container handling capacity for the year 2015-16 is considered at 1.875 million TEUs.

The capacity utilisation for the three years 2013-14 to 2015-16, based on the capacity as stated above and estimated throughput, works out to be 78.66%, 74.39% and 79.46% respectively. The tariff policy guidelines of March 2005 provide for allowing maximum permissible return on capital employed, if the capacity utilisation is more than 60%. Since the capacity utilisation is more than 60% in all the three years, the return on capital employed at the maximum permissible rate of 16% on the value of business assets and at the risk free rate of 6.35% on the value of business related assets, which are the rates adopted by us for the year 2013-14, are considered for the years 2013-14 to 2015-16.

(xvii). Subject to the discussion above, the cost statements furnished by the JNPT for the port as a whole and for four main activities have been modified. The modified cost statements are attached as **Annex-I (a) to (e)**. The summarised results of cost statements are presented in the table given below:

Sl. No.	Particulars	Operating Income (₹ in crores)				Net Surplus (+) / Deficit (-) (₹ in crores)				Net Surplus (+) / Deficit (-) as a % of Operating Income			
		2013-14	2014-15	2015-16	Total	2013-14	2014-15	2015-16	Total	2013-14	2014-15	2015-16	Total
1.	JNPT as a whole	751.34	791.88	829.72	2372.94	(237.02)	(259.14)	(351.83)	(847.99)	-31.55%	-32.72%	-42.40%	-35.74%
2.	Container handling	336.17	362.03	387.89	1086.09	(271.62)	(205.52)	(245.71)	(722.85)	-80.80%	-56.77%	-63.35%	-66.56%
3.	Bulk handling	5.72	5.72	5.72	17.15	(10.90)	(8.72)	(9.67)	(29.28)	-190.62%	-152.47%	-169.13%	-170.74%
4.	Marine	210.17	220.79	228.52	659.49	50.77	(46.76)	(92.95)	(88.95)	24.15%	-21.18%	-40.68%	-13.49%
5.	Estate	199.28	203.34	207.59	610.21	(5.27)	1.86	(3.50)	(6.91)	-2.64%	0.92%	-1.68%	-1.13%

(a). As can be seen from the above table, there will be a net deficit amounting to ₹ 847.99 crores at the existing level of tariff during the years 2013-14 to 2015-16, which requires to be considered for tariff adjustment. Accordingly, there is a case for effecting an upward increase in the existing tariff of JNPT.

(b). But, before resorting to tariff increase, the following adjustments are found to be necessary:

(i). As recorded in paragraph 11 (xvii) (c) of tariff Order dated 18.2.2011, an amount of ₹ 45.66 crores being the left out additional past surplus pertaining to the period 2006-07 to 2009-10 has to be set off in the current tariff cycle.

(ii). As discussed elsewhere in this analysis, unutilised portion of royalty/ revenue share receipts as at the end of the tariff cycle, i.e. 31 March 2016 works out to ₹220.37 crores. It has to be recognized that this unutilized balance in the Escrow Account arises even after considering the estimated spending from the Escrow Account during the years 2013-14 to 2015-16 as furnished by the port, including contribution to ASIDE Schemes. Accordingly, granting an increase in tariff, without taking into account the said unadjusted amount may not be appropriate.

Hence, this amount of ₹ 220.37 crores is set off from the net deficit position of JNPT as shown above.

(iii). It is relevant here to mention that the revision of estate rental charges at JNPT is overdue. In September 2013, while responding to the queries raised by us, the JNPT is stated to have furnished the proposal for revision of its estate rentals seeking an increase. In this regard, it is relevant here to mention that as stipulated in Clause 8 of the 2005 guidelines, the lease rentals of any major port trust has to be processed as per the Land Policy Guidelines issued by the Government from time to time. Therefore, the proposal of JNPT for revision of its estate rentals is to be delinked from its general revision proposal and processed separately. Since the Government has announced the Land Policy Guidelines of 2014, the proposal filed by the JNPT in 2013, may have to be aligned with the provisions of the Land Policy Guidelines of 2014. Therefore, the JNPT is advised to file its estate rental proposal afresh, in line with the Land Policy Guidelines of 2014, within 60 days from date of notification of the Order passed in the general revision proposal of JNPT. The JNPT is further advised that its proposal to be filed should be complete in all respects to enable this Authority to dispose the proposal within 45 days, as per the time limit prescribed for this Authority in the Land Policy Guidelines of 2014.

In any case, when the existing lease rentals are revised, the existing charges are bound to go up. The extent of increase at this stage is not known. However, if an average increase of 20% in the existing estate related charges is considered, the port is likely to get additional revenue of around ₹ 82.19 crores in the remaining tariff cycle, which may offset the estimated deficit for the years 2014-15 and 2015-16. Hence, the amount of ₹ 82.19 crores is set off from the net deficit position as given above.

(c). After effecting the above adjustments, the net deficit position comes down to ₹ 499.77 crores, which is considered for effecting tariff increase. The activity wise adjusted net deficit position has been arrived at based on the proportion of net deficit reflected in each activity before the above adjustments (i.e. based on the ratio of net deficit position shown in the table above), which works out to ₹ 429.52 crores for container handling activity,₹ 17.40 crores for bulk handling activity and ₹52.85 crores for marine activity.

The net deficit as a percentage of estimated operating income for the remaining two years 2014-15 and 2015-16 (excluding estate activity) works out to 41.28% for the port as a whole. The activity wise net deficit as a percentage of estimated operating income for the years 2014-15 and 2015-16 works out to 57% for container handling, 152% for bulk handling and 12% for marine activity. The average deficit for container and bulk cargo handling activity, if seen together, works out to about 59%.

Based on the deficit position reflected above, an increase of 12% in the vessel related charges is approved.

As already brought out earlier, the revenue share from GTIPL has been calculated by JNPT based on the reduced tariff of GTIPL approved by this Authority vide its Order of January 2012. The Order of January 2012 has been stayed by the Hon'ble Bombay High Court. Incase, the judgment of the Hon'ble Bombay High Court goes in favour of GTIPL, the port will get a higher amount of revenue share from GTIPL, based on the level of income determined at higher level of tariff. Therefore, considering that the matter relating to GTIPL is subjudice and the resolution of the matter may have an impact on the financial position of the JNPT, granting an increase of about 59% in the cargo and container activity put together at this juncture, may not be appropriate.

Further, the port is likely to get some additional income on account of higher increase in miscellaneous tariff items approved at the request of the port, which is being discussed in the subsequent paragraphs.

Therefore, an increase of 40% in respect of container handling and bulk cargo related charges, may not be unreasonable. With an increase of 40% in the existing tariff for container and bulk cargo activity and 12% for marine activity, the additional income estimated to be generated during the remaining two years in the current tariff cycle works out to ₹ 331.50 crores, leaving a balance deficit of ₹168.27 crores. The JNPT is advised to bridge the revenue gap by resorting to cost cutting measures especially in overheads. Further, if the JNPT fastens its process of filing estate rental proposal, the port would be in a position to cover the left out deficit, without burdening the users of the facilities by the tariff increase.

In view of the foregoing, an increase of 12% in the marine related charges and 40% in the container related charges and bulk cargo related charges over the existing tariff of JNPT is approved.

(xvii). The JNPT in its original proposal filed in October 2012 has proposed modifications to the existing conditionalities in the Scale of Rates. In the revised proposal filed in September 2013, the port has maintained its position with regard to the modifications proposed in the original proposal. It is relevant here to mention that as advised by this Authority in the last general revision tariff Order of JNPT dated 18 February 2011, the JNPT filed a separate proposal for modification/ rationalization of conditionalities in the Scale of Rates. In the said proposal, the JNPT had not only proposed rationalization of the conditionalities but had also sought increase in the rates of some of the then existing tariff items. The Scale of Rates approved in February 2011 with validity upto 31 March 2013 was drawn up considering the overall financial/ cost position of JNPT for the tariff cycle ending 31 March 2013. The proposal was taken up in consultation with the port users and a joint hearing was also held. As decided at the joint hearing, the port was requested to restrict its proposal to modification/ rationalization of the conditionalities, in order to maintain the revenue neutral position and avoid adjustment of the then existing other tariff items. Since there was no comprehensive response from the port and in the meantime, the JNPT has filed its proposal for general revision of tariff, this Authority vide its Order dated 25 February 2013 had closed the said case stating that the proposal of the JNPT for modification to and rationalisation of the existing conditionalities would be considered on merits while disposing the general revision proposal of JNPT.

The JNPT has confirmed that the changes proposed by the JNPT in its proposal submitted to us earlier in April 2012 with regard to rationalization of the Scale of Rates, have been incorporated in the proposed draft Scale of Rates submitted in its proposal for general revision of Scale of Rates.

When sought to furnish a comparative statement of the existing and proposed conditionalities along with reasons for modifications, the port has stated that the details/ information furnished by it in connection with its earlier proposal holds good for this proposal also. Accordingly, the reasons/ justification furnished by the port for modification/ rationalization of the conditionalities along with comments of users and port's comments thereon, as brought out in the tariff Order dated 25 February 2013 have also been considered in this analysis.

(xviii). As per the existing SOR, the term 'Foreign going vessel' is defined to mean 'any vessel other than coastal vessel'. The definition for coastal vessel is also separately prescribed. The JNPT has proposed to modify the definition of 'Foreign Going vessel' to mean 'any vessel other than coastal vessel and inland vessel'. The JNPT has stated that the proposed modification is to avoid ambiguity and to levy appropriate charge. In this connection, it is observed that the existing SOR does not define 'Inland vessel'. That being so, modifying the definition of 'Foreign going vessel' alone to exclude 'Inland vessel' will not clarify the position. Hence, it is necessary to define 'Inland vessel' in order to amend the definition of Foreign Going vessel as requested by JNPT. Therefore, a definition for 'Inland vessel' adopting the definition prescribed for 'Inland vessel' in the SoR of Kolkata Port Trust is prescribed. Accordingly, the existing SOR of JNPT is modified by amending the existing definition for Foreign going vessel and introducing a definition for 'Inland vessel'.

(xix). The port has proposed to modify the definition of 'port area' and also proposed to introduce a new definition for 'port operational area'. According to the port, the 'port operational area' would mean custom bound area where port operations take place and 'port area' is the total area as defined in the 'Gazette'. The port has submitted that the differentiation between 'port area' and 'port operational area' was felt necessary as the port was facing problems with Service Tax Authorities. In this connection, it is noted that the port has neither explained the difficulties faced by it nor furnished adequate justification for the queries raised by us in this regard. However, on scrutiny of the position available in the existing SOR of other Major Port Trusts that in some of the ports, viz. VOCPT, CHPT, 'port limit' is defined as the limits notified by the Central Government in terms of Section 4 (2) of the Indian Ports Act, 1908. In some other ports, viz. Kandla Port Trust, the term 'port area' is defined as the 'custom bonded area'. However, in none of the ports, 'port operational area' is defined. Taking into account the position existing in the SoR of other Major Port Trusts, it is felt appropriate to slightly modify the existing definition of 'Port area' to mean 'custom notified area'. Therefore, the words 'Port operational area' appearing in the existing definition of 'Port area' is deleted. Further, in order to accede to the request of JNPT to have a definition for total port area, a new definition for 'Port limit' is introduced to mean the port boundary limits notified by the Central Government, in line with the definition available in the existing SOR of CHPT.

(xx). The port has proposed to replace the term 'IMO' appearing in the existing definition of 'Hazardous container' with 'IMDG Code' in order to bring clarity, as reported by the port. Relying on the position reported by the port the proposal of the port is considered and the definition of 'Hazardous container' prescribed in existing SOR of JNPT is modified.

(xxi). The existing SOR of JNPT contains standard provisions relating to the circumstances/ documents under which vessels can be considered as 'coastal' vessels for levy of concessional charges as per Coastal Policy of the Government, which is prescribed by this Authority in the Scale of Rates of all Major Port Trusts/ Private Terminals, based on a Common Order passed by this Authority in June 1998. The JNPT has proposed modifications to the existing provisions reportedly with a view to give more clarity to the existing position. The main modification proposed by JNPT is seen to be to clarify the time from which coastal rates would apply in case if the conversion takes place when the vessel is at JNPT. Hence, JNPT has proposed modification to the effect that the time of conversion, for the purpose of calculation of tariff, if conversion takes place in JNPT, shall be same as specified in Jawahar Customs Conversion Certificate. The request of JNPT to clarify the time of conversion, if the conversion takes place when the vessel is in JNPT appears to be reasonable. Hence, the following lines are inserted in the existing provisions in this regard:

"The time of conversion, for the purpose of calculation of tariff, if conversion takes place in JNPT, shall be same as specified in Jawahar Customs Conversion Certificate."

(xxii). The JNPT has proposed to replace the existing provision in the SOR regarding the conversion of US Dollar denominated tariff into Indian Rupee terms from the 'market buying rate notified by the RBI' to 'RBI reference rate' on the ground that RBI does not publish any market buying rate and adopting market buying rate of RBI is difficult as it varies even within the day. Hence, the port has proposed to adopt 'RBI Reference rate'. It is to be noted that the existing note has been prescribed as per the stipulation contained in Clause 2.19.1 of the tariff guidelines of 2005. It has to be borne in mind that the ibid guidelines allows the Major Port Trusts to adopt the market buying rate of State Bank of India or any other Public Sector Banks also. Therefore, this Authority is not in a position to accede to the proposal of the JNPT to amend the said conditionality. However, with a view to incorporate the provision of clause 2.19.1 fully giving options to the port to adopt the market buying rate of SBI or any other Public Sector Bank, the existing provision is modified suitably.

(xxiii). The general note proposed prescribing rate of penal interest on delayed payments / refunds is modified to reflect the penal rate of interest at 16.75% in terms of prevailing Prime Lending Rate of State Bank of India at 14.75% as stipulated in Clause 2.18.2 of the tariff guidelines of March 2005.

(xxiv). The port has introduced some new categories of vessels, viz. Gas carriers, Oil/ Chemical tankers, Mobile offshore drilling units, passenger ships, other cargo ships, etc. along with regrouping of the existing categories of vessels for the purpose of levy of 'Port Dues'. The port has reported that the vessels like Gas carriers, Oil / chemical tankers are expected to be handled in future as a part of port's expansion plan. The laying of pipelines by BPCL and the expansion plan of JNPT to handle additional liquid cargo by setting up a separate terminal would have captured the estimated traffic of cargo and vessels. Based on such estimates, the port would have been in a position to estimate additional revenue that is accruing to JNPT on account of the arrival of the said category of new vessels. However, the port has not furnished the cost details and revenue implications. Hence, the port's request to include 'Gas carriers, Oil / Chemical tankers and Mobile Offshore drilling units' are not considered.

With regard to Passenger ships and other cargo ships which the port has proposed to include the same under the category of container ships, the port has not clarified whether these types of vessels are being handled at present and under which category they are charged. The port has also expressed its difficulty to furnish additional revenue implication in this regard. In the absence of requisite details from the port, the proposal of the port is not considered. The existing grouping of different categories of vessels is maintained with the across the board increase in the rate approved for vessel related charges.

(xxv). The existing Note (1) (i) under Schedule of Port dues prescribes as follows:

"The port dues of a vessel entering the port of Jawaharlal Nehru will be assessed on its total GRT at the rate shown against the relevant vessel group according to GRT of that vessel."

The port has proposed to delete the words "according to GRT of that vessel" appearing at the end of the existing provision. It is seen that deleting these words does not appear to alter the meaning of the provision, as it stipulates that the vessel will be assessed on its total GRT. Hence, the modification proposed by the port is accepted.

(xxvi). The port has proposed to delete the existing Note (6) under Schedule of Port dues, which gives exemption to lash vessels making a second call to pick up empty / loaded Lash barges from payment of Port dues. Whilst in the reply to the queries relating to regrouping of vessels for levy of port dues, the port has stated that this provision is proposed to be deleted because the port does not expect the lash vessels to call on the port again, but in response to a specific query for this deletion, the port has stated that it is justified to levy charge whenever the vessels are using the channel. The stand / position of the JNPT is not clear. Further, the port has not furnished additional revenue implications on account of this modification. Accordingly, the proposal of the port to delete the existing note No.(6) under schedule Port dues is rejected.

(xxvii). The JNPT has proposed modifications to the heading of schedules 2.2 B and 2.2 C relating to shifting charges. As per the existing headings, schedule 2.2. B is applicable for shifting from one berth to another berth and schedule 2.2 C is applicable for shifting to Nhava Jetty, Bombay Port limits, Anchorage berth or anywhere within the JNPT limits. The JNPT has proposed to modify the heading for 2.2 B as applicable for shifting within the same terminal and the heading for 2.2 C is modified to mean shifting between terminals, anchorage and anywhere within JNPT limits. The explanation furnished by the port is that the proposed modifications are to bring clarity since the existing provisions do not cover shifting of vessels between JNPT berths and GTIPL berths. Thus, it appears that the proposal is only to bring more clarity to the practice in vogue for levy of shifting charges without involving any financial implication. However, the reasons for deleting the 'Bombay Port limits' from Schedule 2.2.C is not known. In view of the above, the proposed modifications to the heading of Schedule 2.2. B and 2.2 C are accepted with the re-insertion of 'Bombay port limits' in Schedule 2.2 C.

(xxviii). As brought out in the narration of factual position of this note earlier, the JNPT has proposed a note in the draft Scale of Rates stating that the definition of 'Port convenience' shall be applicable only to the JNPT operated terminal and all shifting carried out at the request of private/ BOT terminals are to be treated as for "terminal convenience" and chargeable. The JNPT is repeatedly stressing on this issue since a long time. The main reason cited by the port is that it is unaware of the reasons for shifting of vessels at BOT Terminals and hence it is very difficult to ascertain whether the shifting is carried out at the request of the trade or terminal. At the joint hearing, the port has taken a stand that all shifting at BOT terminals will be charged and the trade can claim refund from the Terminals, if the shifting are on account of the Terminals. On the other hand, the MANSA has stated that since the JNPT is rendering all vessel related services at BOT Terminals and collecting the charges, the 'Port Convenience' shall be commonly applicable for all Terminals. At the joint hearing, the JNPT has submitted it is for the Trade and Terminals to sort out the issue. However, the JNPT is not seen to have sorted out the issue in consultation with the Terminals and Trade. This Authority is not in a position to accept the stand taken by the port to keep itself away from the issue considering the overall responsibility of the JNPT as Licensor and especially considering the position that JNPT is rendering all vessel related services at BOT terminals and recovering the charges. It is felt that the Port can always insist the Terminals/ Trade to furnish the reasons for shifting, if there is a doubt. The JNPT has not at all come up with instances/ circumstances where the vessels are shifted for the convenience or benefit of the Terminals, despite specific request. Further, the provisions relating to 'Port Convenience' are commonly prescribed at all Major Port Trusts including the ports where private terminals are also operating. But, none of the Major Ports have come up with any issue.

In view of the above, the port's proposal to modify the SOR to the effect that 'Port Convenience' shall be applicable to JNPT operated terminal only cannot be accepted. The port is again advised to formulate a well analysed proposal in this regard in consultation with the terminal operator's and the trade.

(xxix). The JNPT has proposed to modify the existing Schedule 2.2. E (Sl. No.2 - rate for detention of pilots beyond 30 minutes) by clubbing the existing two sliding slab rates, viz. (i) for the first one hour and (ii) for subsequent hour or part thereof, into one single rate by considering the highest slab rate. The port has not furnished justification for this proposal and also expressed its difficulty in estimation of additional revenue implications, despite specific request. Hence, the proposal of the port is not considered.

(xxx). The JNPT has proposed to introduce two new notes under Schedule 2.2. E (Cancellation and detention charges for pilots) to the effect that detention of pilots beyond one hour shall be treated as cancellation and in such cases cancellation charges shall also be applicable and for a sailing vessel 'tug hire charges' shall also be applicable. The JNPT has cited availability of limited pilots as the reason for charging cancellation charges in addition to detention charges. In this connection, MANSA has objected to the proposal of the JNPT stating that when the vessel is not ready for sailing after pilots' boarding, the port is recovering penal berth hire charges, false signal charges and tug hire charges. On the proposed changes JNPT has to provide more information as to how many times such instances happen, financial impact and the reason for imposing the additional charges as contended by MANSA. The port may come out with a separate proposal with these data/ information. In view of the above, the proposal of the port to levy cancellation charges and tug hire charges also in addition to the detention charges is not considered.

(xxxi). As brought out in the factual portion of the note, the port has proposed a note under Schedule of Berth Hire Charges stating that the existing 20% discount applicable for Shallow Draught Berths (SDB) will be discontinued after mechanization of SDBs. According to the port, regular container vessels can also call at SDB with the proposed shifting of 2 RMQCs from Main Container Berth to Shallow draught Berth and with dredging at SDB and hence, there is no justification to continue the discount. It is not clear when the proposed usage of SDB for regular container vessels will materialize and what will be additional financial implications. Hence, it is appropriate that the port may come up with a separate proposal in this regard before commencement of usage of SDB for berthing of regular container vessels. In view of the above, the proposal of the port to withdraw the concession in berth hire charges at SDB is not considered for the time being.

(xxxii).(a). The existing Note 3 (ix) under Schedule 2.5 of vessel related charges, inter-alia, prescribes that penal berth hire charges are not leviable due to rain resulting in stoppage of operations. The JNPT has proposed to elaborate this provision by mentioning that penal berth hire charges are not leviable due to 'rain either before commencing cargo operation or during cargo operation or after completion of cargo operation'. The JNPT has clarified that the proposed modification is necessiated in order not to charge penal berth hire charges if there is a delay in commencement of cargo operations due to rain, etc. The proposed modification in this regard is seen to bring clarity to the existing provision and hence the same is accepted.

(b). The existing Note 3 (ix) under Schedule 2.5 of vessel related charges, inter-alia, prescribes that penal berth hire charges are not leviable if the idling of the vessels is attributable to the port. The JNPT has proposed to bring in a modification to the effect that this will be applicable only to the Port operated terminal. The modification proposed by JNPT appears to not allow exemption from penal berth hire charges in case if the idling is on account of BOT terminals. In this connection, the contention of the port may be right as the port need not be deprived of its right to levy penal berth hire charges if the idling of the vessel is attributable to BOT terminals. However, there may be circumstances when the idling of vessels at BOT terminals may be attributable to JNPT. Further there could be reasons that the ship may idle for reasons beyond the control of the BOT terminals. Hence, it is advised that the port may come out with detailed reasoning and circumstances under which the proposed changes are to be applied in consultation with the BOT operators. Hence there is no change effected as of now.

(xxxiii). The existing Note (4) (b) defines the term 'False Signal' and also lists out the instances constituting 'False Signal'. The port has proposed to include two more instances, viz. (i) Immigration not on board and (ii) any other reasons attributable to the Vessel / Vessel Agents/ Terminal. The contention of the port that the list of instances prescribed in the SOR may not be exhaustive appears to be logical and therefore, the two new instances proposed by JNPT is considered. It is to be noted that there is no objection from the users in this regard.

However, with regard to inclusion of 'Terminal' also in the residual clause, it is felt that the port has not furnished sufficient justification as to under what circumstances, the delay will be attributable to the Terminal after the boarding of the pilot. Hence, inclusion of the word 'Terminal' in the proposed residual clause is not accepted.

(xxxiv). The JNPT has proposed to introduce definitions for 'pure coastal container' and 'Part coastal and part foreign container' under Chapter III Container related Charges of existing SOR and has listed out the operations involved in each of the two types of containers. As brought out in the narration of factual position of this note earlier, this Authority vide Order No.TAMP/53/2008-JNPT dated 30 December 2009 had already clarified that there is a provision already available in the SOR of JNPT to charge containers from foreign port landing at JNPT for subsequent shipment to any Indian port or vice versa at 50% of the transhipment charges prescribed for foreign going vessels and 50% prescribed for coastal category. Further, the JNPT has also not furnished any justification for the proposed modification. In view of the above, the proposal of the port in this regard is not considered.

(xxxv). As per the existing SoR, the heading of schedule 3.3.1 B is prescribed as 'Hazardous Containers'. The JNPT has proposed to include Reefer Hazardous/ Tank Containers also under this heading in order to make the rates of Hazardous containers applicable for Reefer Hazardous/ Tank containers also. When sought to justify the proposal and define the Reefer Hazardous container and Tank container, the JNPT has stated that equal care has to be taken for Reefer Hazardous container and Tank container and definition is already available in the Scale of Rates. While the definition for the terms 'Reefer Container' and 'Hazardous container' are separately available, the definition for terms 'Reefer Hazardous container' and 'Tank container' are not available in the Scale of Rates. Hence, the contention of the port could not be accepted. Therefore, the proposed modification in the heading of schedule 3.3.1 B is not considered.

(xxxvi). The existing Note (4) under Schedule 3.3.1 (C) Transhipment containers prescribes a provision that parking space for Mobile Harbour Cranes (MHCs), away from the berths, will be provided free of cost to the customers. The JNPT has proposed to elaborate the existing provision, by specifying that parking space for mobile container handling cranes and other related equipment. The modification proposed by JNPT in this regard is considered.

(xxxvii). The JNPT has proposed to introduce a new Note (5) under Schedule 3.3.1 C Transshipment containers stating that Hazardous empty container to be treated as Hazardous loaded container for the purpose of billing. When sought to furnish justification for the proposed modification, the port has stated that it has withdrawn the modification proposed in this regard.

(xxxviii). The JNPT has introduced new notes (Sl. No.1 to 5) under Schedule 3.3.1 E (Charges for shut out Containers), listing out the instances when shut out charge is not leviable reportedly on the premise of rationalization. The instances listed by JNPT include (i) when a vessel is required to sail with shut outs for accommodating another vessel on port request, (ii) (a) the vessel has to sail at the first available tide and if the Terminal cannot complete the operations, (ii) (b) vessel has to sail to accommodate the incoming vessel due to tidal restrictions, (iii) when the containers could not be loaded due to break down of port cranes, (iv) when the containers could not be loaded due to bad weather conditions. The Port has also prescribed a residual clause (v) which states that 'For any other condition not specifically covered above with the approval of the Competent authority'. In this connection, it is stated that the proposed new conditions are generally seen to be a rationalization which will give relief to the users from the payment of shut out charges for no fault of theirs. However, with regard to the residual clause, it is felt that such a blanket clause may create ambiguity in identifying such instances and may further give rise to disputes. In view of the above, only the notes proposed by JNPT at Sl. Nos.(i) to (iv) is accepted and included in the revised proposed draft SOR.

(xxxix). The existing SOR of JNPT contains standard provisions regarding disposal of longstanding containers/ cargo, as per the Government Policy which is uniformly applicable to all Major Port Trusts. The JNPT has now introduced new provisions for levy of storage charges in respect of longstanding containers/ cargo reportedly based on the policy guidelines issued by the Port vide its circular dated 22.11.2008 for disposal of longstanding container/cargo. Since the JNPT did not report this position in the last general revision of tariff proceedings which resulted into Order dated 18 February 2011, the port was requested to furnish a detailed note explaining the necessity for incorporating the provisions of trade circular in the SOR after a lapse of about 5 years and the basis for each of the provisions. In response, the port has reiterated that the modifications are based on the policy circulars issued by the port. Since the port has not furnished adequate response and also there is objection from the trade mainly shipping lines for collecting ground rent beyond 75 days, the proposal of the port in this regard is not considered.

(xL). After the joint hearing, the port vide its letter dated 23 December 2013, has proposed to elaborate the existing Note (8) under Schedule 3.3.3 relating to levy of 1.25 time of charges for Hazardous containers, by clarifying that the 1.25 times of charges shall be applicable on all types of charges like handling, dwell time, shut-out, etc. The modification proposed by JNPT in this regard is seen to be to bring more clarity in the application of charges for Hazardous containers and hence, the proposed modification is considered.

(xLi). The existing SOR of JNPT contain the procedure and rates for handling TP containers between JNPT and NSICT but, it does not contain the procedure and rates for handling TP containers between JNPT and GTIPL. The JNPT has now proposed to include the rates for handling TP containers between JNPT and GTIPL on the ground that transportation of containers between JNPT and GTIPL is also in existence. Since the proposed SOR of JNPT did not contain the procedure for transshipment of containers between JNPT and GTIPL, the port was requested to examine the proposed provisions and make suitable modifications, if found necessary. The port has not furnished pointed response in this regard.

It is relevant here to mention that the JNPT as early as in the year 2007 filed a proposal for fixation of tariff for inter-terminal transshipment between JNPT and GTIPL. This Authority vide Order dated 14 July 2008 remitted the proposal back to the JNPT for resubmission with relevant cost details. As recorded in paragraph 8 (ix) of the ibid order, the JNPT was advised to include the procedure and charges for inter-terminal charges of transshipment containers between JNPT and GTIPL in its general revision proposal (then) to be filed by JNPT along with cost details and addressing the issues raised by the users in the said proposal. During the last review of tariff in February 2011, the JNPT had not proposed to include the procedure and rates for inter-terminal transfer between JNPT and GTIPL in its SOR. As brought out above, in the present proposal, the JNPT has proposed to include only the rates for transshipment of containers between JNPT and GTIPL. The JNPT has, however, has not furnished the cost details for the proposed rates and also not explained the action taken on the issues raised by the users, viz. development of a common yard for JNPT and GTIPL, etc. In any case, the JNPT has stated that inter-terminal transfer exists between JNPT and GTIPL and the proposed inter-terminal terminal charges are based on the tariff existing in the respective Terminals. In the absence of procedure for the transfer to GTIPL and the issues raised by the users remaining unaddressed, the proposed charges for inter-terminal transfer of containers between JNPT and GTIPL is deferred.

(xLii). The levy of charges for Inter Terminal Rail Handling Operations (ITRHO) is governed by separate orders. The income arising out of levy of charges for IRTHO and the expenditure connected therewith are considered in the overall income / cost position of the JNPT. Further, the rate of ₹ 400 per TEU was approved commonly applicable at the container terminals operated by GTIPL and NSICT apart from JNPT as proposed by the JNPT at the relevant point of time. That being so, there is no case to consider any increase in the existing rate of ₹ 400/- per TEU.

(xLiii). The JNPT has included a new provision under Note (5) of Schedule 4.2 (Handling charges with grab unloader) stating that when the rates are not available in the SOR of JNPT the same shall be adopted from the rates of other private terminal operators operating at JNPT on BOT basis. When sought to justify the proposal with cost details, the JNPT has stated that the clause is included with a view to make provision in the SOR for providing certain services in future and expressed its inability to furnish the cost details. Hence, the modification proposed by JNPT is not considered. The JNPT may, however, come up with a separate proposal for any new services it is likely to render in future using the relevant provisions applicable in the SOR in this regard.

(xLiv). The port has proposed to increase the charges for using the weighbridge facility from the existing ₹ 2/- to ₹ 50/- per MT. The port has reported that the manual weigh bridge was replaced with electronic weighbridge with substantial capital expenditure and the existing rate is abnormally low. The reasons for not proposing a separate cost based rates for the new electronic weigh bridge at the time of replacement remains unexplained. Further, the rate of ₹ 50/- per tonne appears to be exorbitant though the port claims that the proposed rate is comparable with the rates prevailing in the market. It appears that the port is inadvertently comparing the rate per vehicle with rate per MT. In view of the above, and recognizing the position reported by the port that the existing rate is very low, a 100% increase is considered for this tariff item and accordingly, a rate of ₹ 4/- per MT is approved. The additional financial implication in this regard is to be utilized to offset the balance left out deficit as brought in the earlier paragraph.

(xLv). The JNPT has proposed to include a provision under Schedule 4.3 Dwell time charges for dry bulk and general cargo that the Order dated 22 September 2009 issued by this Authority TAMP for sugar will apply till further Orders. In this connection, it is stated that the said Order dated 22 September 2009 was issued based on the directions from the Ministry of Shipping vide letters dated 21 August 2009 and 17 September 2009. The validity of the said order already expired on 31 March 2010 and this Authority has not extended it further as there was no direction from the Ministry in this regard. Hence, inclusion of the clause proposed by JNPT at this stage is not required.

(xLvi). As per existing SOR, the penalty for cancellation of VIA issued is prescribed only in Indian Rupee terms irrespective of the status of the container/ vessel whether foreign-going or coastal. The JNPT has proposed to introduce the penalty in US Dollar terms for VIA issued for Foreign Going Vessels on the premise that since foreign-going vessel attract charges denominated in US$ but collected in equivalent Indian Rupees, it is logical to apply dollar rate for cancellation of VIA in respect of such vessel. However, the port has not furnished the basis for arriving at the rate of US$ 180 per VIA. If the exchange rate of ₹62/- per US$ is considered, the rate proposed by JNPT in equivalent Indian Rupees works out to ₹ 11,160/- per VIA as against the rate of ₹2179/- proposed for VIA issued for coastal vessels. Hence, the reasons for fixing the VIA cancellation charges for foreign vessel at a much higher level remains unexplained.

In any case, though the justification furnished by JNPT for levying the charge in US$ terms for VIA issued for Foreign vessel appears to be logical, it has to be borne in mind that when different rates are prescribed for foreign and coastal vessel, the rate for coastal vessel shall be prescribed at not more than 60% of the rate fixed for foreign going vessel, as per the Govt. policy for coastal concession. The proposal of the JNPT is silent in this regard. Hence, the JNPT advised to come up with a proposal duly taking into consideration the coastal concession policy, along with the workings for arriving at the coastal rate. In view of the above, the proposal of JNPT for fixing dollar denominated rate for VIA cancellation for Foreign going vessels is not considered.

The JNPT has proposed the VIA cancellation charge at ₹ 2,179/- per VIA from the existing rate of ₹ 1,000/- per VIA seeking a 118% hike. Considering that this tariff item is a miscellaneous tariff item and the same has not been increased for a long time, a 50% increase over the existing rate is considered and a rate of ₹ 1,500/- per VIA (irrespective of foreign or coastal vessel) is approved.

(xLvii). (a). The existing SOR of JNPT under Schedule 6.4 contains rate for hiring of tugs at ₹ 10,000/- per hour or part thereof, irrespective of the capacity of the tugs. The JNPT has now proposed to prescribe Tug hire charges based on the capacity of the tugs and accordingly proposed rates at ₹ 24,000/-, ₹ 28,357/- and ₹39,000/- per hour for 30 Ton, 50 Ton and 60 Ton Bollard Pull Tugs respectively. The rates proposed by JNPT for different capacities are reportedly based on the capacity of the tugs and hiring charges payable by the port; however, the port has not furnished any cost details for arriving at the rates, despite specific request. It is not known why the port is reluctant to furnish the cost details when it claims that the rates are arrived based on the capacity of the tugs and year of hiring. In any case, considering that the hire charges payable by the port is based on the capacity of the tugs, prescription of capacity wise hire charges for tugs is considered.

As brought above, an increase of 12% is approved in the existing vessel related charges. Strictly speaking, this increase of 12% shall apply on tug hire charges also. However, it has to be recognized that the existing tug hire charge has not been revised since a long time and there is steep increase in the daily hire charges paid by the port for the hired tugs. Considering the above and in the absence of the cost details for the rates proposed by the port for different capacity of the tugs, the tug hire charges is fixed at 50% of the rates proposed by the port for the respective capacity of the tugs. Accordingly, the rate for tug hire charges is approved at ₹ 12,000/- for 30 Ton tug, ₹14,000/- for 50 Ton tug and ₹ 19,500/- for 60 Ton tug. The additional financial implication in this regard is to be utilized to offset the balance left out deficit as brought out earlier.

(b). The existing SOR of JNPT under Schedule 6.4 contains rate for hiring of Pilot Launch at ₹ 1,500/- per hour or part thereof, irrespective of the capacity of the tugs. The JNPT has proposed to increase this rate by 4 times, to ₹ 6,000/- per hour. As in the case of tugs, the JNPT has not furnished any cost details for arriving at the proposed rate. The pilot launches are also hired by the port from outside agencies and which would have increased considerably since the existing rate was fixed. Hence, following the approach adopted in the case of tugs, an increase of 50% is approved over the existing rate.

(c). The hire charges for survey launch, mooring launch and M.L. Shevali/ Apporva prescribed in the existing SoR are deleted as proposed by the port, since the port has stated that these launches have been disposed of.

(d). The JNPT has proposed to introduce hire charges for Security launch and VIP launches (Speed boats) at ₹ 6,000/- and ₹ 1,300/- respectively. The proposed rates of JNPT are not supported with any cost details. The operating expenditure towards hiring of tugs and launches, inter-alia, comprises of one security launch and another launch 'Manas'. It appears that the rates proposed by JNPT for Security launches and VIP launches are for these two launches respectively.

The daily hire charge for Security launch, as reported by the port, is ₹ 24,200/-. The hourly rate works out to ₹ 1012.50. Hence, a rate of ₹ 2,000/- is approved on adhoc basis for Security launch as against ₹ 6,000/- proposed by the port.

Likewise, the daily hire charge for Manas is reported at ₹ 30,600/- per day and the hourly rate works out to ₹ 1,275/. In the case of VIP launch, it appears that the port has proposed a rate of ₹1,300/- per hour just to recover the hire charges payable by it and has not considered any other expenditure/ overheads. Nevertheless, the proposal of the port in this regard is relied upon and the proposed rate is approved.

(xLviii).The JNPT has proposed an increase of about 4 times in the manpower hiring charges prescribed at Schedule 6.5. Considering the increase in the salaries and wages to the Port employees and the tariff item being miscellaneous in nature, an increase of 100% is allowed for this tariff item.

The JNPT has proposed an increase of 50% over the existing rate prescribed for Mobile Fire Tender service charges. Since the major component of expenses towards this service appears to be manpower cost and the tariff item being miscellaneous in nature, the increase proposed by the port is considered.

(xLix). As stated earlier, the validity of the existing Scale of Rates fixed in February 2011 is about to expire on 31 March 2014. Since the process of notification of the Order passed in this case may take some more time, the validity of the existing SOR of JNPT is deemed to have been extended beyond 31 March 2014 till the effective date of implementation of the Order passed.

14.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the revised Scale of Rates of the JNPT which is attached as **Annex-II**.

14.2. The revised Scale of Rates and conditionalities will come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and shall be in force till 31 March 2016. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

14.3 The validity of the existing Scale of Rates of JNPT is deemed to have been extended beyond 31 March 2014 till the effective date of implementation of the Order passed.

14.4 The tariff of the JNPT has been fixed relying on the information furnished by the port and based on various assumptions made as explained in the analysis. If this Authority at any time during the prescribed tariff validity period, finds that the actual position varies substantially from the estimations considered or there is deviation from the assumptions accepted herein, it may require the JNPT to file a proposal ahead of the schedule to review its tariff and to set off fully the advantage accrued on account of such variations in the revised tariff.

14.5 In this regard, the JNPT is requested furnish a report of the actual physical and financial performance within 15 days of completion of each quarter of a year in the same format in which the cost statement for the tariff proposals are filed. The report should also be accompanied with the reasons for variation from the estimates relied upon for fixing the tariff in force. If a variation of (+)/(-)20% is observed between the actual and the estimates for two consecutive quarterly period, this Authority may call upon the port to submit its proposal for an ahead of schedule review. If the JNPT fails to file a tariff proposal within the time limit to be stipulated by this Authority, this Authority may proceed *suo motu* to review the tariff.

(T.S. Balasubramanian)
Member (Finance)

Annex-I (a)

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Consolidated Income & Cost statement for the Port as a whole

(Rs. in lakhs)

Sr. No	Particulars	Actuals			Estimates furnished by JNPT			Estimates moderated by TAMP		
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
	Traffic									
	Container (TEUs)	876,368	1,027,951	1,208,133	1,300,000	1,400,000	1,500,000	1,300,000	1,400,000	1,500,000
	Bulk and others (Tonnes)	1,221,935	917,473	699,432	800,000	800,000	800,000	800,000	800,000	800,000
I	**Total Operating Income**									
	(i) Container handling income	24736.88	27633.27	31241.48	34259.25	36894.57	39529.90	33617.10	36203.03	38788.96
	(ii) Bulk handling income	636.97	394.66	707.34	391.96	462.25	545.14	571.63	571.63	571.63
	(iii) Marine income	16230.96	16672.72	18264.83	14130.54	14496.79	14789.36	21017.44	22079.33	22852.16
	(iv) Estate income (including income from BOT operators, other than Royalty/Revenue share)	15915.52	18586.99	19538.93	7922.07	8127.70	8342.16	19927.77	20334.23	20759.39
	Total - I	**57520.33**	**63287.64**	**69752.58**	**56703.81**	**59981.31**	**63206.56**	**75133.94**	**79188.22**	**82972.14**
II	**Operating Costs (excluding depreciation)**									
	(i) Container handling & storage	13216.74	15688.76	21238.56	23784.34	27158.81	31054.72	23241.82	25651.93	28184.64
	(ii) Bulk handling & storage	381.12	540.94	724.41	921.52	1055.58	1210.26	845.70	904.90	968.23
	(iii) Marine activity	8516.18	8035.83	8258.58	8398.42	19245.88	19923.40	8982.15	15752.61	16152.72
	(iv) Estate activity	8644.43	9576.13	13112.88	7387.09	7811.17	8290.59	13658.68	13921.65	14203.06
	Total - II	**30758.47**	**33841.66**	**43334.43**	**40491.38**	**55271.45**	**60478.96**	**46728.35**	**56231.09**	**59508.65**
III	Depreciation	7387.27	6573.45	7647.48	6655.82	10394.74	15146.15	6615.45	9448.66	13820.47
IV	Management & General Administration Expenses	10472.31	12394.35	13352.22	15582.28	17439.28	20161.37	14273.75	15259.03	17134.39
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	8902.28	10478.18	5418.45	-6025.67	-23124.16	-32579.91	7516.39	-1750.56	-7491.37
VI	Finance & Miscellaneous Income (FMI)	900.30	2,160.05	7,989.76	29.56	31.63	33.85	315.27	315.27	315.27
VII	Finance & Miscellaneous Expenses (FME)	5,752.71	7,910.81	14,028.76	34,818.25	37,036.89	39,072.05	33,949.77	36,061.52	17,185.83
a	Pension, Gratuity & Leave Salary contribution	5,369.27	7,505.49	13,429.13	24,644.99	16,851.51	18,873.69	23,308.17	15,375.01	16,451.26
b	Contribution to State Govt. for ASIDE Scheme	0.00	0.00	1,630.00	10,000.00	20,000.00	20,000.00	10,000.00	20,000.00	0.00
c	Others	383.44	405.32	599.63	173.25	185.38	198.36	641.60	686.51	734.57
d	Less: Transfer from Infrastructure Reserve	0.00	0.00	1,630.00	10,000.00	20,000.00	20,000.00	10,000.00	20,000.00	0.00
VIII	FMI Less FME (VI) - (VII a+b+c-d)	-4,852.41	-5,750.76	-6,039.00	-24,788.68	-17,005.26	-19,038.21	-23,634.50	-15,746.25	-16,870.56
IX	**Surplus Before Interest and Tax (V) + (VIII)**	4,049.87	4,727.42	-620.55	-30,814.35	-40,129.42	-51,618.12	-16,118.11	-17,496.81	-24,361.93
X	**Capital Employed**									
	(i) Business Assets	45113.61	48480.55	48817.81	82770.85	105300.82	266603.50	46007.28	51261.76	64341.11
	(ii) Business Related Assets	3820.06	3736.19	3625.59	3609.10	3489.21	8386.31	3507.26	3389.06	8287.85
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c	24489.97	30431.25	31646.11	0.00	0.00	0.00	30579.78	186346.45	196159.27
	Total - X	73,423.65	82,647.98	84,089.51	86,379.95	108,790.03	274,989.81	80,094.31	240,997.28	268,788.23
XI	**RoCE - Maximum permissible**									
	(i) Business Assets (16%)	7218.18	7756.88	7810.85	13243.33	16848.14	42656.56	7361.17	8201.87	10294.58
	(ii) Business Related Assets (6.35%)	242.57	237.25	230.23	306.77	296.58	712.84	222.71	215.21	526.28
	(iii) Social Obligation Assets (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - XI	7,460.75	7,994.13	8,041.08	13,550.10	17,144.72	43,369.40	7,583.88	8,417.08	10,820.86
XII	**Capacity Utilization**	68.65%	69.83%	72.89%	100.00%	100.00%	100.00%	78.66%	74.39%	79.46%
XIII	**RoCE adjusted for capacity utilization**	**7,460.75**	**7,994.13**	**8,041.08**	**13,550.11**	**17,144.71**	**43,369.40**	**7,583.88**	**8,417.08**	**10,820.86**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**-3,410.88**	**-3,266.71**	**-8,661.63**	**-44,364.46**	**-57,274.13**	**-94,987.52**	**-23,701.99**	**-25,913.89**	**-35,182.79**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I)**	-5.93%	-5.16%	-12.42%	-78.24%	-95.49%	-150.28%	-31.55%	-32.72%	-42.40%
XVI	**Aggregate Net Surplus / (Deficit)**		-15339.22			-196626.11			-84798.67	
XVII a	Balance surplus of 2006-07 to 2008-09 adjusted in the current tariff cycle as per paragraph 11 (xvii) (c) of tariff Order dated 18.2.2011								4565.62	
XVII b	Adjustment of past surplus / (deficit) for the years 2010-11 to 2012-13 based on actual performance								Nil	
XVII c	Adjustment of 50% of Royalty / Revenue share for the years 2010-11 to 2012-13 not transferred to Escrow Account								22037.31	
XVIII	**Balance Net Surplus / (Deficit) for Tariff Period**								-58195.74	
XIX	**Average Net Surplus/(Deficit) as a % of operating income**					-109.30%			-24.52%	

SUMMARY POSITION

(Rupees in lakhs)

Sr. No.	Particulars	Operating Income				Net Surplus / (Deficit)				Net Surplus / (Deficit) as a % of operating income			Average Surplus / Deficit %
		2013-14	**2014-15**	**2015-16**	**Total**	**2013-14**	**2014-15**	**2015-16**	**Total**	**2013-14**	**2014-15**	**2015-16**	
1	**JNPT as a whole**	**75133.94**	**79188.22**	**82972.14**	**237294.30**	**-23701.99**	**-25913.89**	**-35182.79**	**-84798.67**	-31.55%	-32.72%	-42.40%	-35.74%
(i)	Container	33617.10	36203.03	38788.96	108609.09	-27161.98	-20552.00	-24571.19	-72285.17	-80.80%	-56.77%	-63.35%	-66.56%
(ii)	Bulk	571.63	571.63	571.63	1714.89	-1089.62	-871.56	-966.82	-2928.00	-190.62%	-152.47%	-169.13%	-170.74%
(iii)	Marine	21017.44	22079.33	22852.16	65948.93	5076.68	-4676.40	-9295.20	-8894.92	24.15%	-21.18%	-40.68%	-13.49%
(iv)	Estate	19927.77	20334.23	20759.39	61021.39	-527.05	186.07	-349.59	-690.57	-2.64%	0.92%	-1.68%	-1.13%
	Total	**75133.94**	**79188.22**	**82972.14**	**237294.30**	**-23701.97**	**-25913.89**	**-35182.80**	**-84798.66**	**-31.55%**	**-32.72%**	**-42.40%**	**-35.74%**
					176272.91				-84108.09				-34.60%

Estimated deficit for the years 2014-15 & 2015-16 (Deficit of 2013-14 not considered since the year 2013-14 is almost completed)	**-84798.66**
Balance surplus for the years from 2006-07 to 2009-10 as per last tariff order	4,565.62
Estimated Surplus in the Escrow Account as at the end of 2015-16, adjusted in the estimated deficit for the tariff cycle 2013-14 to 2015-16	22,037.31
Balance deficit available now for Tariff adjustment	(58,195.73)
Less: Additional income likely to accrue on account of revision of estate rentals, assuming 20% increase over existing tariff	**8218.72**
Balance deficit considered for Tariff adjustment	**-49977.00**
Estimated surplus / (deificit) position as a % of operating income (excluding estate income) for the years 2014-15 & 2015-16	-41.28%

Activity wise increase proposed based on the deficit reflected
in each activity before adjustments mentioned above on proportionate basis

Marine	12%	**2695.89**
Bulk *	40%	**457.30**
Container *	40%	**29996.80**
		33149.99
Balance left out **		**-16827.01**

Annex-I (b)

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Container handling activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by JNPT			Estimates moderated by TAMP		
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
	Traffic (in TEUs)	876,368	1,027,951	1,208,133	1,300,000	1,400,000	1,500,000	1,300,000	1,400,000	1,500,000
I	**Total Operating Income**									
	(i) Handling charges	21080.90	24080.39	27503.45	29594.83	31871.35	34147.88	29594.83	31871.35	34147.88
	(ii) Storage Charges	1692.70	1926.44	2099.62	2259.28	2433.07	2606.86	2259.28	2433.07	2606.86
	(iii) Reefer Electricity & Monitoring	819.87	898.68	1379.84	1484.76	1598.98	1713.19	1484.76	1598.98	1713.19
	(iv) Income from Non-std. cargo	1121.82	703.78	249.57	268.55	289.20	309.86	268.55	289.20	309.86
	(v) Misc. container income	21.59	23.98	9.00	9.68	10.43	11.17	9.68	10.43	11.17
	(vi) Royalty from CFS Operator	0.00	0.00	0.00	642.15	691.54	740.94	0.00	0.00	0.00
	Total - I	**24736.88**	**27633.27**	**31241.48**	**34259.25**	**36894.57**	**39529.90**	**33617.10**	**36203.03**	**38788.96**
II	**Operating Costs (excluding depreciation)**									
	(i) Salary & Wages	6464.58	7828.52	9997.27	11196.94	12540.58	14045.44	10697.07	11445.88	12247.09
	(ii) Power	1070.26	1352.13	1786.08	2248.62	2833.26	3551.69	2056.43	2369.64	2716.62
	(iii) Fuel	639.90	612.36	813.95	1099.66	1486.88	2000.20	1249.18	1538.29	1763.52
	(iv) Repairs & Maintenance	130.28	106.62	145.10	161.16	179.32	199.23	161.16	179.31	199.21
	(v) Others	4911.72	5789.13	8496.16	9077.96	10118.78	11258.16	9077.98	10118.81	11258.20
	Total - II	**13216.74**	**15688.76**	**21238.56**	**23784.34**	**27158.81**	**31054.72**	**23241.82**	**25651.93**	**28184.64**
III	Depreciation	4797.40	5022.19	5972.59	5259.28	5526.11	6221.52	5223.66	4928.41	5570.27
		18014.14	20710.95	27211.15				28465.48	30580.34	33754.91
IV	Apportioned Management & General Administration Expenses	4945.50	6351.55	7126.63	9599.00	8680.29	9937.70	7616.80	7104.57	7887.31
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	1777.24	570.77	-3096.30	-4383.38	-4470.63	-7684.04	-2465.18	-1481.88	-2853.26
VI	Finance & Miscellaneous Income (FMI)	387.18	943.14	3578.54	0.00	0.00	0.00	141.06	144.13	147.39
VII	Finance & Miscellaneous Expenses (FME)	4881.18	6833.81	13675.26	31517.99	34713.36	36478.96	30693.13	33743.83	14702.03
a	Pension, Gratuity & Leave Salary contribution	4700.10	6626.10	11725.21	21517.99	14713.36	16478.96	20350.77	13424.20	14363.89
b	Contribution to State Govt. for ASIDE Scheme	0.00	0.00	1630.00	10000.00	20000.00	20000.00	10000.00	20000.00	0.00
c	Others	181.08	207.71	320.05	0.00	0.00	0.00	342.36	319.63	338.14
d	Less: Transfer from Infrastructure Reserve	0.00	0.00	1630.00	10000.00	20000.00	20000.00	10000.00	20000.00	0.00
VIII	FMI Less FME (net of transfer from Infrastructure Reserve)	-4494.00	-5890.67	-8466.72	-21517.99	-14713.36	-16478.96	-20552.07	-13599.70	-14554.64
IX	**Surplus Before Interest and Tax (V) + (VIII)**	-2716.76	-5319.90	-11563.02	-25901.36	-19183.99	-24163.00	-23017.25	-15081.58	-17407.90
X	**Capital Employed**	35037.69	39206.34	42719.39	42963.23	50232.75	58396.23	39852.54	49622.50	63230.04
	(i) Business Assets	20116.36	23994.39	27745.79	42963.23	50232.75	58396.23	25904.55	34190.12	44770.58
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c	14921.33	15211.95	14973.60	0.00	0.00	0.00	13947.99	15432.38	18459.46
	Total - X	35037.69	39206.34	42719.39	42963.23	50232.75	58396.23	39852.54	49622.50	63230.04
XI	**RoCE - Maximum permissible**	3218.62	3839.10	4439.33				4144.73	5470.42	7163.29
	(i) Business Assets (16%)	3218.62	3839.10	4439.33	6874.12	8037.24	9343.40	4144.73	5470.42	7163.29
	(ii) Business Related Assets (6.35%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - XI	3218.62	3839.10	4439.33	6874.12	8037.24	9343.40	4144.73	5470.42	7163.29
XII	**Capacity Utilization**	68.65%	69.83%	72.89%	100.00%	100.00%	100.00%	78.66%	74.39%	79.46%
XIII	**RoCE adjusted for capacity utilization**	**3218.62**	**3839.10**	**4439.33**	**6874.12**	**8037.24**	**9343.40**	**4144.73**	**5470.42**	**7163.29**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**-5935.38**	**-9159.00**	**-16002.35**	**-32775.48**	**-27221.23**	**-33506.40**	**-27161.98**	**-20552.00**	**-24571.19**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I)**				-95.67%	-73.78%	-84.76%	-80.80%	-56.77%	-63.35%
XVI	**Average Net Surplus/(Deficit) as a % of operating income**					-84.48%			-66.56%	

Annex-I (c)

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Bulk cargo handling activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by JNPT			Estimates moderated by TAMP		
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
	Traffic (in Tonnes)	1,221,935	917,473	699,432	800,000	800,000	800,000	800,000	800,000	800,000
I	**Total Operating Income**									
	(i) Wharfage charges	212.78	309.73	147.14	173.53	204.65	241.35	168.30	168.30	168.30
	(ii) Storage Charges	414.30	80.32	558.67	218.43	257.60	303.80	401.58	401.58	401.58
	(iii) Misc. bulk income	9.89	4.61	1.53	0.00	0.00	0.00	1.75	1.75	1.75
	Total - I	**636.97**	**394.66**	**707.34**	**391.96**	**462.25**	**545.14**	**571.63**	**571.63**	**571.63**
II	**Operating Costs (excluding depreciation)**									
	(i) Salary & Wages	130.09	153.27	210.36	235.60	263.88	295.54	225.09	240.84	257.70
	(ii) Power	168.95	287.19	418.70	577.73	675.94	790.86	512.43	548.30	586.68
	(iii) Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Repairs & Maintenance	3.41	0.10	0.14	0.16	0.17	0.19	0.16	0.18	0.20
	(v) Others	78.67	100.38	95.21	108.02	115.59	123.68	108.02	115.58	123.65
	Total - II	**381.12**	**540.94**	**724.41**	**921.52**	**1055.58**	**1210.26**	**845.70**	**904.90**	**968.23**
III	Depreciation	114.40	114.27	114.21	113.87	28.39	26.04	113.87	28.39	26.04
		495.52	655.21	838.62				959.57	933.29	994.27
IV	Apportioned Management & General Administration Expenses	136.04	200.94	219.64	342.20	287.88	329.59	256.76	216.83	232.33
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	5.41	-461.49	-350.92	-985.64	-909.60	-1020.75	-644.70	-578.49	-654.97
VI	Finance & Miscellaneous Income (FMI)	9.97	13.47	81.02	0.00	0.00	0.00	2.40	2.28	2.17
VII	Finance & Miscellaneous Expenses (FME)	99.56	136.30	256.58	452.78	309.59	346.75	439.77	292.23	312.20
a	Pension, Gratuity & Leave Salary contribution	94.58	129.73	246.72	452.78	309.59	346.75	428.23	282.47	302.24
b	Others	4.98	6.57	9.86	0.00	0.00	0.00	11.54	9.76	9.96
VIII	FMI Less FME (VI) - (VII)	-89.59	-122.83	-175.56	-452.78	-309.59	-346.75	-437.37	-289.95	-310.03
IX	**Surplus Before Interest and Tax (V) + (VIII)**	-84.18	-584.32	-526.48	-1438.41	-1219.20	-1367.50	-1082.07	-868.44	-965.00
X	**Capital Employed**	408.48	302.59	159.39				47.19	19.52	11.37
	(i) Business Assets	408.48	302.59	159.39	123.46	106.28	101.73	47.19	19.52	11.36
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
	Total - X	**408.48**	**302.59**	**159.39**	**123.46**	**106.28**	**101.73**	**47.19**	**19.52**	**11.37**
XI	**RoCE - Maximum permissible**	65.36	48.41	25.50				7.55	3.12	1.82
	(i) Business Assets (16%)	65.36	48.41	25.50	19.75	17.01	16.28	7.55	3.12	1.82
	(ii) Business Related Assets (6.35%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - XI	**65.36**	**48.41**	**25.50**	**19.75**	**17.01**	**16.28**	**7.55**	**3.12**	**1.82**
XII	**Capacity Utilization**	68.65%	69.83%	72.89%	100.00%	100.00%	100.00%	78.66%	74.39%	79.46%
XIII	**RoCE adjusted for capacity utilization**	**65.36**	**48.41**	25.50	**19.75**	**17.01**	**16.28**	**7.55**	**3.12**	**1.82**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**-149.54**	**-632.73**	-551.98	**-1458.16**	**-1236.21**	**-1383.78**	**-1089.62**	**-871.56**	**-966.82**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I)**				-372.02%	-267.43%	-253.84%	-190.62%	-152.47%	-169.13%
XVI	**Average Net Surplus/(Deficit) as a % of operating income**					-291.43%			-170.74%	

Annex-I (d)

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Vessel related activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by JNPT			Estimates moderated by TAMP		
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
	No. of vessels	2,761	2,531	2252	1,859	1,917	1,958	2331	2,427	2,507
	GRT of Vessels (in million)	88.98	86.69	83.66	64.72	66.40	67.74	86.56	89.99	93.14
	Average GRT	32,228.00	34,250.00	37,147.00	34,806.00	34,641.00	34,595.00	37,132.79	37,079.18	37,152.40
I	**Total Operating Income**									
	(i) Port Dues	4,321.98	4,423.39	4,848.84	3,751.29	3,848.52	3,926.19	5,579.59	5,861.49	6,066.66
	(ii) Pilotage	8,141.17	8,164.31	8,791.77	6,801.73	6,978.02	7,118.85	10,116.74	10,627.88	10,999.88
	(iii) Berth Hire	3,665.36	4,022.78	4,575.16	3,539.56	3,631.30	3,704.59	5,264.66	5,530.65	5,724.24
	(iv) Other income	102.45	62.24	49.06	37.96	38.94	39.72	56.45	59.31	61.38
	Total - I	**16,230.96**	**16,672.72**	**18,264.83**	**14,130.54**	**14,496.79**	**14,789.36**	**21,017.44**	**22,079.33**	**22,852.16**
II	**Operating Costs (excluding depreciation)**									
	(i) Salary & Wages	752.04	842.71	1,174.46	1,315.40	1,473.24	1,650.03	1,256.67	1,344.64	1,438.76
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00
	(iii) Fuel	992.75	1,074.36	1,152.30	1,119.29	1,441.74	1,846.71	1,713.48	2,037.07	2,255.93
	(iv) Repairs & Maintenance	131.54	538.45	158.85	150.73	163.11	176.08	172.91	188.75	205.63
	(v) Dredging	1,997.23	135.03	50.57	0.00	10,000.00	10,000.00	0.00	6,000.00	6,000.00
	(vi) Others	4,642.62	5,445.28	5,722.40	5,813.00	6,167.79	6,250.57	5,839.09	6,181.15	6,250.40
	Total - II	**8,516.18**	**8,035.83**	8,258.58	**8,398.42**	**19,245.88**	**19,923.40**	**8,982.15**	**15,752.61**	**16,152.72**
III	Depreciation	1,466.62	994.25	1,219.98	1,037.61	4,578.49	8,508.73	1,037.61	4,256.20	7,894.06
		9,982.80	9,030.08	9,478.56	9,436.03	23,824.37	28,432.13	10,019.76	20,008.81	24,046.78
IV	Apportioned Management & General Administration Expenses	2,740.62	2,769.31	2,482.45	3,118.63	6,327.15	7,579.90	2,681.09	4,648.54	5,618.87
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	3,507.54	4,873.33	6,303.82	1,575.88	-15,654.74	-21,222.67	8,316.59	-2,578.02	-6,813.49
VI	Finance & Miscellaneous Income (FMI)	254.04	569.05	2,092.13	29.56	31.63	33.85	88.19	87.90	86.83
VII	Finance & Miscellaneous Expenses (FME)	647.12	803.83	1,488.94	2,701.15	1,913.88	2,134.28	2,511.28	1,786.19	1,928.33
a	Pension, Gratuity & Leave Salary contribution	546.77	713.27	1,377.46	2,527.89	1,728.50	1,935.92	2,390.77	1,577.05	1,687.44
b	Others	100.35	90.56	111.48	173.25	185.38	198.36	120.51	209.14	240.89
								2,511.28		
VIII	FMI Less FME (VI) - (VII)	(393.08)	(234.78)	603.19	(2,671.58)	(1,882.25)	(2,100.43)	(2,423.09)	(1,698.29)	(1,841.50)
IX	**Surplus Before Interest and Tax (V) + (VIII)**	3,114.46	4,638.55	6,907.01	(1,095.70)	(17,536.98)	(23,323.10)	5,893.50	(4,276.31)	(8,654.99)
X	**Capital Employed**	8,267.57	7,415.86	7,045.88	6,909.52	4,271.34	159,984.21	5,983.14	140,342.37	142,744.55
	(i) Business Assets	8,267.57	7,415.86	6,066.58	6,909.52	4,271.34	159,984.21	5,105.10	2,500.59	4,001.29
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c	0.00	0.00	979.30	0.00	0.00	0.00	878.04	137,841.78	138,743.26
	Total - X	**8,267.57**	**7,415.86**	**7,045.88**	**6,909.52**	**4,271.34**	**159,984.21**	**5,983.14**	**140,342.37**	**142,744.55**
XI	**RoCE - Maximum permissible**	1,322.81	1,186.54	970.65				816.82	400.09	640.21
	(i) Business Assets (16%)	1,322.81	1,186.54	970.65	1,105.52	683.42	25,597.47	816.82	400.09	640.21
	(ii) Business Related Assets (6.35%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c (0%)									
	Total - XI	**1,322.81**	**1,186.54**	**970.65**	**1,105.52**	**683.42**	**25,597.47**	**816.82**	**400.09**	**640.21**
XII	**Capacity Utilization**	68.65%	69.83%	72.89%	100.00%	100.00%	100.00%	78.66%	74.39%	79.46%
XIII	**RoCE adjusted for capacity utilization**	**1,322.81**	**1,186.54**	970.65	**1,105.52**	**683.42**	**25,597.47**	**816.82**	**400.09**	**640.21**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**1,791.65**	**3,452.01**	5,936.36	**-2,201.22**	**-18,220.40**	**-48,920.57**	**5,076.68**	**-4,676.40**	**-9,295.20**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I)**				-15.58%	-125.69%	-330.78%	24.15%	-21.18%	-40.68%
XVI	**Average Net Surplus/(Deficit) as a % of operating income**					-159.71%			-13.49%	

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Estate activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Estimates furnished by JNPT 2013-14	Estimates furnished by JNPT 2014-15	Estimates furnished by JNPT 2015-16	Estimates moderated by TAMP 2013-14	Estimates moderated by TAMP 2014-15	Estimates moderated by TAMP 2015-16
	Traffic (in TEUs)	876,368	1,027,951	1,208,133	1,300,000	1,400,000	1,500,000	1,300,000	1,400,000	1,500,000
I	Total Operating Income									
	(i) Rent on Land	5840.63	6621.24	7045.17	6753.66	6888.73	7026.51	7186.07	7329.79	7476.39
	(ii) Rent on Buildings	301.71	363.63	376.74	370.91	378.33	385.89	384.27	391.96	399.80
	(iii) Rent from Township	15.70	15.51	27.98	15.82	16.13	16.46	28.54	29.11	29.69
	(iv) Recovery of Electricity charges	298.43	536.26	547.64	589.89	648.88	713.76	602.40	662.64	728.91
	(v) Recovery of water charges	114.48	177.05	132.15	180.60	184.21	187.89	134.79	137.49	140.24
	(vi) Misc. Estate income	12.05	10.98	10.94	11.20	11.42	11.65	11.16	11.38	11.61
	(vii) Lease Rental from GTIPL	3385.67	3512.22	3644.33	0.00	0.00	0.00	3826.55	4017.87	4218.77
	(viii) Income from BOT operators other than Royalty/Revenue share	5946.85	7350.10	7753.98	0.00	0.00	0.00	7753.98	7753.98	7753.98
	Total - I	**15915.52**	**18586.99**	**19538.93**	**7922.07**	**8127.70**	**8342.16**	**19927.77**	**20334.23**	**20759.39**
II	Operating Costs (excluding depreciation)									
	(i) Salary & Wages	38.26	42.99	67.99	76.15	85.29	95.52	72.75	77.84	83.29
	(ii) Power	944.29	1134.26	1266.46	1481.76	1733.66	2028.38	1355.11	1449.97	1551.47
	(iii) Repairs & Maintenance	487.39	661.21	447.08	478.38	511.86	547.69	478.38	511.87	547.70
	(iv) Others	2465.17	1956.19	4929.73	5350.81	5480.37	5618.99	5350.82	5480.35	5618.98
	(v) Expenses on BOT contracts	4709.32	5781.48	6401.62	0.00	0.00	0.00	6401.62	6401.62	6401.62
	Total - II	**8644.43**	**9576.13**	**13112.88**	**7387.09**	**7811.17**	**8290.59**	**13658.68**	**13921.65**	**14203.06**
III	Depreciation	1008.85	442.74	340.70	245.06	261.75	389.86	240.31	235.66	330.10
		9653.28	10018.87	13453.58	7632.15	8072.92	8680.44	13898.99	14157.31	14533.16
IV	Apportioned Management & General Administration	2650.15	3072.55	3523.51	2522.45	2143.96	2314.17	3719.10	3289.09	3395.88
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	3612.09	5495.57	2561.84	-2232.53	-2089.18	-2652.45	2309.68	2887.83	2830.35
VI	Finance & Miscellaneous Income (FMI)	249.11	634.39	2238.07	0.00	0.00	0.00	83.62	80.96	78.88
VII	Finance & Miscellaneous Expenses (FME)	124.85	136.87	237.98	146.34	100.06	112.07	305.57	239.27	243.28
a	Pension, Gratuity & Leave Salary contribution	27.82	36.39	79.74	146.34	100.06	112.07	138.40	91.29	97.69
b	Others	97.03	100.48	158.24	0.00	0.00	0.00	167.17	147.98	145.59
VIII	FMI Less FME (VI) - (VII)	124.26	497.52	2000.09	-146.34	-100.06	-112.07	-221.95	-158.31	-164.40
IX	**Surplus Before Interest and Tax (V) + (VIII)**	3736.35	5993.09	4561.93	-2378.87	-2189.25	-2764.52	2087.73	2729.52	2665.95
X	**Capital Employed**	29709.90	35723.18	34164.85	36383.73	54179.66	56507.65	34211.44	51012.88	62802.27
	(i) Business Assets	16321.20	16767.70	14846.05	32774.64	50690.45	48121.33	14950.44	14551.53	15557.88
	(ii) Business Related Assets	3820.06	3736.19	3625.59	3609.10	3489.21	8386.31	3507.26	3389.06	8287.85
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c	9568.64	15219.30	15693.21	0.00	0.00	0.00	15753.75	33072.29	38956.54
	Total - X	**29709.90**	**35723.18**	**34164.85**	**36383.73**	**54179.66**	**56507.65**	**34211.44**	**51012.88**	**62802.27**
XI	RoCE - Maximum permissible	2853.97	2920.08	2605.59				2614.78	2543.45	3015.54
	(i) Business Assets (16%)	2611.39	2682.83	2375.37	5243.94	8110.47	7699.41	2392.07	2328.24	2489.26
	(ii) Business Related Assets (6.35%)	242.57	237.25	230.23	306.77	296.58	712.84	222.71	215.21	526.28
	(iii) Social Obligation Assets (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Assets funded from Escrow A/c (0%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - XI	**2853.96**	**2920.08**	**2605.60**	**5550.71**	**8407.05**	**8412.25**	**2614.78**	**2543.45**	**3015.54**
XII	**Capacity Utilization**	68.65%	69.83%	72.89%	100.00%	100.00%	100.00%	78.66%	74.39%	79.46%
XIII	**RoCE adjusted for capacity utilization**	**2853.96**	**2920.08**	**2605.60**	**5550.71**	**8407.05**	**8412.25**	**2614.78**	**2543.45**	**3015.54**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**882.39**	**3073.01**	**1956.33**	**-7929.58**	**-10596.30**	**-11176.77**	**-527.05**	**186.07**	**-349.59**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I)**				-100.09%	-130.37%	-133.98%	-2.64%	0.92%	-1.68%
XVI	**Average Net Surplus/(Deficit) as a % of operating income**					-121.77%			-1.13%	

<u>Annex - II</u>

<u>SCALE OF RATES</u>

CHAPTER – I

1.1 DEFINITIONS – GENERAL

(i). **"Coastal Vessel**" shall mean any vessel exclusively employed in trading between any Port or place in India to any other Port or place in India having a valid coastal licence issued by the competent authority.

(ii). '**Inland Vessel**' shall mean any vessel registered as such under the provisions of Inland Vessels Act, 1917.

(iii). **"Foreign Going Vessel"** shall mean any vessel other than Coastal vessel *and inland vessel.*

(iv). **"Cold move**" shall mean the movement of the vessels without the main engines in operation.

(v). **"Hazardous Chemicals"** mean and include the chemicals referred under Schedule-I, Schedule-II and Schedule-III of Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 framed under Environment (Protection) Act, 1986 and Rules, as applicable from time to time.

(vi). **"Port Area"** shall mean the custom notified area of the port.

(vii). ***"Port Limit"*** *shall mean the boundary limits of the port as notified by the Central Government in the Gazette of India in terms of Section 4 (2) of the Indian Ports Act, 1908.*

(viii). **"Normal Container"** shall mean general type containers, not falling under special categories mentioned subsequently.

(ix). **"Reefer Container**" shall mean a refrigerated container used for carriage of perishable goods with provision for electrical supply to maintain the desired temperature.

(x). **"Hazardous Container**" shall mean a container containing hazardous goods as classified under *International Maritime Dangerous Goods (IMDG) Code.*

(xi). **"Transhipment Container**" shall mean a container, which is discharged from one vessel stored in the yard and transported through other vessel.

(xii). **"Over Dimensional Container**" shall mean a container, carrying over dimensional cargo beyond the normal size of standard container and needing special devices like slings, shackles, lifting beam etc. They also include damaged containers and other types which require special devices.

(xiii). **"Shut out Container**" shall mean a container which enters into the Port as an export intake for a particular vessel (as indicated by the Vessel Identification Advice Number, i.e. VIA No.) and is not connected to the particular vessel for reasons whatsoever, then the container is termed to be shut out container.

(xiv). **"Back To Town Container**" shall mean a container entering the port for export but unable to be exported for whatever reasons and taken back to town.

(xv). **"VIAN**" means Vessel Identification Advice Number.

1.2. GENERAL TERMS & CONDITIONS

(i). (a). A foreign Going Vessel of Indian Flag having a General Trading Licence can convert to Coastal run on the basis of a Customs Conversion Order.

(b). A Foreign Going Vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage License issued by Director General of Shipping.

(c). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods *or the time of conversion, as specified in Jawahar Customs Conversion Certificate, if the conversion takes place in JNP, whichever is later shall be applicable for the purpose of calculation of tariff.*

(d). In cases of such conversion, coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations; immediately thereafter, foreign going vessel rates shall be chargeable by the discharge ports.

(e). For dedicated Indian costal vessels having a Coastal Licence from the Director General of Shipping, no other document will be required to be entitled to Coastal rates.

(ii). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for classifying into 'coastal' or 'foreign run' category for the purpose of levying vessel related charges; and the nature of cargo or its origin will not be of any relevance for this purpose.

(iii). (a). Vessel related charges shall be levied on Shipowners/Steamer Agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian rupees after conversion of US currency to its equivalent Indian rupees at the *market buying rate notified by the Reserve Bank of India, State Bank of India or any other Public Sector Bank as may be decided by the port from time to time*. The date of entry of the vessel into the port limit shall be reckoned with as the day for such conversion.

(b). Container related charges denominated in US dollar terms shall be collected in equivalent Indian rupees based on the *market buying rate notified by the Reserve Bank of India, State Bank of India or any other Public Sector Bank as may be decided by the port from time to time,* prevalent on the date of entry of the vessel in case of Import containers; and on the date of arrival of the containers in the port premises in case of export containers.

(iv). A regular review of exchange rate shall be made once in thirty days from date of arrival of the vessels in cases of vessels staying in the Port for more than thirty days. In such cases the basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.

(v). For the purpose of calculating the dues the unit by weight shall be 1 tonne or 1,000 kilograms, the unit by volume measurement shall be 1 cubic metre and the unit by capacity measurement for liquids in bulk shall be 1,000 litres.

(vi). (a). The Vessel related charges for all Coastal vessels should not exceed 60% of the corresponding charges for other vessels.

(b). The cargo /container related charges for all Coastal cargo / containers, other than thermal coal, POL including crude oil, Iron Ore and Iron pellets, should not exceed 60% of the normal cargo / container related charges.

(c). In case of cargo related charges, the concessional rate should be levied on all the relevant handling charges for ship-shore transfer and transfer from / to quay to / from storage yard including wharfage.

(d). In case of container related charges, the concession is applicable on composite box rate. Where itemized charges are levied, the concession will be on all the relevant charges for ship-shore transfer, and transfer from / to quay to / from storage yard as well as wharfage on cargo and containers.

(e). For the purpose of this concession, cargo / container from a foreign port which reaches an Indian Port 'A' for subsequent transshipment to Indian Port 'B' will also qualify insofar as the charges relevant for its coastal voyage. In other words, cargo/containers from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.

(f). The charges for coastal cargo / containers / vessels shall be denominated and collected in Indian Rupee.

(vii). Interest on delayed payments / refunds:

(a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the JNPT shall pay penal interest on delayed refunds.

(b). The rate of penal interest will be *16.75%*. The penal interest rate will apply to both the JNPT and the port users equally.

(c). The delay in refunds will be counted only 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.

(d). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the JNPT. This provision shall, however, not apply to the cases where payment is to be made before availing the services / use of Port Trust's properties as stipulated in the Major Port Trust Act and / or where payment of charges in advance is prescribed as a condition in this Scale of Rates.

(viii). All charges worked out shall be rounded off to the next higher rupee on the grand total of each bill.

(ix). In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto 0.5 shall be taken as 0.5 unit and fractions of 0.5 and above shall be treated as one unit, except where otherwise specified.

(x). The users will not be required to pay charges for delays beyond a reasonable level attributable to the Port.

(xi). (a). Wherever a specific tariff for a service/cargo is not available in the notified Scale of Rates, the JNPT can submit a suitable proposal to the TAMP.

(b). Simultaneously with the submission of proposal, the proposed rate can be levied on an adhoc basis till the rate is finally notified.

(c). The adhoc rate to be operated in the interim period must be derived based on existing notified tariffs for comparable services/cargo; and, it must be mutually agreed upon by the Port/Terminal and the concerned user(s).

(d). The final rate fixed by the TAMP will ordinarily be effective only prospectively. The interim rate adopted in an adhoc manner will be recognized as such unless it is found to be excessive requiring some moderation retrospectively.

(xii). (a). The rates prescribed in this Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The JNPT may, if it so desires, charge lower rates and/or allow higher rebates and discounts.

(b). The JNPT may also, if it so desires, rationalize the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalization gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels. Provided that the JNPT should notify the public such lower rates and / or rationalization of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and / or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.

CHAPTER – II
VESSEL RELATED CHARGES

2.1. SCHEDULE OF PORT DUES:

Sr. No.	Vessels Chargeable	Rate per GRT		Frequency of payment in respect of the same vessel
		Foreign going Vessels (in US$)	**Coastal Vessels (in ₹)**	
1	(a) Bulk Carriers	0.1552	4.08	The charges are payable on each entry into the Port.
	(b) Container vessels	0.12	3.14	
	(c) Car Carrier Vessels (Ro-Ro)	0.0776	2.03	
2	Vessels of 10 tonne and upward other than those covered above (except fishing boats)	0.12	3.14	- do-
3	Tug Boats and river boats whether propelled by steam or diesel or other mechanical means	0.12	3.14	-do-
4	Off-shore vessels	-	1.05	-do-

Notes:

(1). (i). Port Dues of a vessel entering the Port of Jawaharlal Nehru will be assessed on its total GRT at the rate shown against the relevant vessel group.

(ii). Port Dues shall be applicable as coastal or foreign-going as per the status of the vessel at the time of entry into the Port.

(2). A vessel entering the Port in ballast and not carrying passengers shall be charged with only 75% of the Port Dues with which she would otherwise be chargeable.

(3). A vessel entering the port but not discharging or taking in any cargo or passenger therein (with the exception of such unshipment and reshipment as may be necessary for the purposes of repairs) shall be charged with only 50% of the Port Dues with which she would otherwise be chargeable.

(4). Port dues shall be levied at 50% of the above rates in the following cases:

(i). Vessel entering the port for repairs, dry docking in bunkers, provisions or water or for change of goods or discharging any sick member of the crew and sailing from the port without taking in passengers or cargo.

(ii). Telegraph vessel.

(5). (i). A vessel in distress with cargo or property brought into the port shall be charged full port dues.

(ii). A vessel in distress without any cargo brought into the port shall be charged 75% of the port dues.

(6). A LASH vessel making a 'second call' to pick up empty and / or laden fleeting LASH barges shall be treated as a vessel entering a Port, but not discharging or taking any cargo or passenger therein, and shall not be charged any Port Dues.

(7). For oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the "Remarks" column of the International Tonnage Certificate will be taken to be its gross tonnage for the purpose of levying Port Dues.

(8). **MBPT PORT DUES**:

Vessels Chargeable	Rate per GRT	Due how often chargeable in respect of same vessel
A vessel, which enters the Mumbai Port limits, but does not discharge or take in any cargo or passenger for the MBPT (with the exception of such unshipment and reshipment of cargo as may be necessary for purpose of repairs).	32% of the Port dues as prescribed in the MBPT Scale of Rates from time to time.	The due is payable on each entry into the Port.

2.2. A. SCHEDULE OF PILOTAGE-CUM-TOWAGE FEE:

Sr. No.	Size of Vessels	Rate per GRT	
		Foreign going vessels (in US$)	Coastal Vessels (in ₹)
1	First 30000 GRT	0.2667	6.99
2	Above 30000 upto 60000 GRT	0.2137	5.59
3	Above 60000 GRT	0.1869	4.89

2.2. B. SCHEDULE OF SHIFTING CHARGES FOR SHIFTING WITHIN THE SAME TERMINAL:

Sr. No.	Size of Vessels	Rate per GRT	
		Foreign going vessels (in US$)	Coastal Vessels (in ₹)
1	First 30000 GRT	0.0533	1.40
2	Above 30000 upto 60000 GRT	0.0427	1.11
3	Above 60000 GRT	0.0373	0.97

2.2. C. SCHEDULE OF SHIFTING CHARGES FOR SHIFTING FROM ONE TERMINAL TO ANOTHER, BOMBAY PORT LIMITS, ANCHORAGE OR ANYWHERE WITHIN THE JNPT LIMITS (OTHER THAN 2.2 B)

Sr. No.	Size of Vessels	Rate per GRT	
		Foreign going vessels (in US$)	Coastal Vessels (in ₹)
1	First 30000 GRT	0.1333	3.49
2	Above 30000 upto 60000 GRT	0.1068	2.79
3	Above 60000 GRT	0.0934	2.44

Notes:

(1). The above charges leviable for piloting-cum-towing of the vessels in and out of harbour as shown in the Schedule shall include services of pilots and tugs and other craft as may be required for one inward and one outward operations and shifting/s of vessels for 'port convenience'. Shifting at the request of the Vessels/***Terminals*** will attract separate shifting charges.

(2). The minimum charges under the schedule for Pilotage – towage fees for each visit to the Port shall be **US$ 211.68** for Foreign-going vessels and **₹5547.71** for Coastal vessels.

(3). Pilotage-cum-Towage shall be charged 50% of the prescribed rates for inward and outward leg of the vessel depending upon the status of the vessel at each leg i.e. either Foreign-going or Coastal.

(4). No charges shall be levied for shifting of a vessel for port convenience.

(i). "Port Convenience" is defined to mean the following:

(a). If a working cargo vessel at berth or / anchorage is shifted / unberthed for undertaking hydrographic survey work or for allotting a berth for the dredger or for attending to repairs to berths, maintenance and such other similar works whereby shifting is necessitated, such shifting shall be considered as "SHIFTING FOR PORT CONVENIENCE". The shifting made to reposition such shifted vessel is also considered as "SHIFTING FOR PORT CONVENIENCE."

(b). If a working cargo vessel is shifted from berth to accommodate an ousting priority, vessels, which are exempted from bearing shifting charges, such shifting shall be treated "PORT CONVENIENCE".

(c). Whenever a vessel is shifted to accommodate another vessel which cannot be berthed at other berths due to draft and LOA restrictions such vessel is considered as "SHIFTING FOR PORT CONVENIENCE".

(d). Whenever a vessel is shifted to accommodate another vessel having priority at the adjacent berth and unless that vessels shifts, another vessel cannot be berthed at the adjacent berth due to length restrictions such shifting is also considered as "SHIFTING FOR PORT CONVENIENCE."

(e). Whenever a vessel is shifted to accommodate another vessel carrying hazardous cargo which needs adjacent berth to be kept vacant for safety reason is also considered as "SHIFTING FOR PORT CONVENIENCE."

(ii). Whenever a vessel is shifted from berth to accommodate another vessel on ousting priority, the vessel shifted is exempted from the payment of shifting charges since the same is paid by the vessel enjoying the ousting priority or the shifting is treated as for PORT CONVENIENCE when the priority vessel is exempted from payment of such charges. However, this benefit will not be applicable in the following cases:

(a). Non-cargo vessel which in any case have to vacate berth when cargo vessels arrive.

(b). Vessels using the berth exclusively for over side loading/discharge.

(c). Vessels which are idling at berth without doing any cargo handling operations.

2.2. D. COLD MOVE CHARGES:

Sr. No.	Description	Rate
a)	In case the vessel has to be brought in and taken out as cold move.	Twice the normal rates.
b)	In case the vessel has one way cold move with engines shut off and the other way normal move with engines running.	One and half times the normal rates.
c)	Any shifting with cold move.	Twice the normal rates.

2.2. E. CANCELLATION CHARGES AND DETENTION CHARGES FOR PILOTS:

Sr. No.	**Description**	**Rate**	
		Foreign going vessels (in US$)	**Coastal Vessels (in ₹)**
1	a) Cancellation of requisition of Pilot with more than 4 hours notice.	Nil	Nil
	b) Cancellation of requisition for the services of Pilot with less than four hours notice.	70.56	1849.23
2	Detention of Pilot for more than 30 minutes beyond the booking time for which the requisition is made.		
	(a) For the first hour	70.56	1849.23
	(b) For subsequent hours or part thereof	35.28	924.62

2.2. F. PILOTAGE FEE FOR VESSELS NOT REQUIRING TUG ASSISTANCE:

Sr. No.	**Description**	**Rate per GRT**	
		Foreign going Vessels (in US$)	**Coastal Vessels (in ₹)**
1	Pilotage for Vessels not requiring tug assistance	0.0986	2.59

Note: The minimum charges for each visit to JN Port shall be **US$ 141.12** in case of foreign going vessels and **₹3698.46** in case of Coastal vessels.

2.3. SCHEDULE OF BERTH HIRE CHARGES:

Sl. No.	Description	Rate per GRT per hour or part thereof	
		Foreign-going Vessels (in US$)	Coastal Vessels (in ₹)
1	**For occupying JNPT Berth**		
	All Berths including Landing Jetty	0.0041	0.1008
2	**For occupying Anchorage Berth**	0.0020	0.0448

2.4. SCHEDULE OF FRESH WATER CHARGES (for water supplied to vessels for their own use):

Sr. No.	Description		Rate per metric tonne
1	Foreign going vessel	US$	2.82
2	Coastal Vessel	₹	73.96
3	ONGC Supply Vessels	₹	73.96

2.5. SCHEDULE OF GARBAGE COLLECTION CHARGES:

Sr. No.	Description	Unit	Rate per ship / hired port craft per visit of the garbage collector to the ship / hired port craft
1	Charges for collection of garbage from ships and hired port crafts.	₹	560.00

Notes:

(1). A composite berth hire charge shall be levied, at the rate of **US$ 0.2054** per hour or part thereof in respect of foreign-going boat/barge or a country craft and at the rate of **₹5.38** per hour or part thereof in respect of coastal boat/barge or a country craft occupying any of the JNPT berths or assisting in over side operation of a steamer berth along side any of the berths or at anchorage for purposes of cargo operation or any other purpose.

(2). A Composite berth hire charge shall be levied at the rate of **₹141.12** per day or part thereof in respect of small crafts (*), passenger launches or country crafts other than those hired by the JNPT, mooring at the landing jetty or any other berth.
*(A small craft shall mean a vessel not more than 20 meters in length).

(3). (i). Vessels shall be permitted to occupy the berth after completion of cargo operation without attracting Penal berth hire charges for the periods mentioned below:

(a). Container/Car carrier vessels - 2 Hours.
(b). All other than vessels at (a) above - 6 Hours.

(ii). Cargo operation in respect of the container vessel shall be considered complete after container lashings for which a period of 4 hours will be allowed after completion of loading.

(iii). Cargo operation in respect of the export of Rice, Wheat and Direct Reduced Iron shall be considered complete after inerting/fumigation and survey. The time allowed for fumigation, inerting and survey shall be reckoned as 24 Hours after completion of loading operations.

(iv). Cargo operation in respect of the export of Liquid Cargo shall be considered complete after pigging out/flushing out operations. The time for flushing out/pigging out shall be reckoned as 8 Hours after completion unloading where ships equipment is involved.

(v). All the vessels shall commence cargo operations within the time schedule specified below from the time the ship is brought along side the berth failing which penal berth hire charges shall be levied as prescribed in note - (viii) below.
a) Bulk/Tanker Vessels 4 Hours
b) All other Vessels 1 Hour

(vi). Vessels idling the Port's Cargo operation facilities due to not being ready to work even though the port is ready for its operation shall attract penal berth hire charges as prescribed in Note (viii) below. For the purpose of levy of penal berth hire charges, idling shall mean suspension/stoppage for any reason of cargo handling operation continuously for more than two hours.

(vii). Vessels carrying liquid cargo like Furnace Oil, Carbon Black Feed Stock (CBFS) and Bright Stock, viscous grades of lube oil, must have adequate heating arrangements on board the vessel to ensure and maintain the following average discharges rates for effective working of 20 hours per day.

(a). Furnace oil 400 MT per hour.
(b). Carbon Black Feed Stock 300 MT per hour
(c). Bright Stock 40 MT per hour.

In case it is observed that a vessel taken to berth does not have proper heating arrangements in working condition and the discharge rate is less than the above specified rates, JNPT reserves the right to pull the vessel out at the cost and risk of the vessel agent in case any other vessel is waiting for berthing or to charge the penal berth hire mentioned at Note - (viii) below, if the vessel is permitted to continue discharge.

(viii). Penal berth hire charges shall be levied as follows in addition to berth hire charges beyond the prescribed hours mentioned above:

Sr. No.	Description	Rate per GRT	
		Foreign Going Vessels (in US$)	**Coastal Vessels (in ₹)**
1	Upto 6 hours	0.0423	1.11
2	Above 6 hours but upto 12 hours	0.1270	3.33
3	Above 12 hours but upto 18 hours	0.2540	6.65
4	Above 18 hours per day or part of thereof	0.3387	8.87

(ix). Penal berth hire charges mentioned above shall not be leviable if the idling of vessels is attributable to the port or to adverse tidal conditions or bad weather and rain either before commencing cargo operation or during cargo operation on or after completion of cargo operation.

(x). If the berth is not immediately required, the port at its discretion, may allow a vessel to occupy berth after completion of cargo operation till such time as declared by the Port without attracting the penal berth hire. In this case normal berth hire charges shall be levied.

(4) (a). There shall be a time limit beyond which berth hire shall not apply; berth hire shall stop 4 hours after the time of vessel signaling its readiness to sail.

The time limit of 4 hours prescribed for cessation of berth hire shall exclude the ship’s waiting period for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

(b). There shall be a "Penal Berth Hire" equal to one day's berth hire charge for a false signal.

“False Signal is defined as inability of the vessel to sail at the pilot booked time or at the pilot boarding time, if the pilot boards on booked time but vessel sails after the booked time due to any of the following reasons:

1. Incomplete cargo operations inclusive of lashings and checking of reefer containers and documentation.

2. Inadequate GM (Metacentric Height)

3. Failure of Main Engine or any other machinery which may affect / delay the unmooring operations / sailing.

4. Non-availability of full power as per ship’s manoeuvring characteristics.

5. All dues to the port relating to the ship not having been settled.

6. Original valid port clearance not on board.

7. Certificate of Health Inspection not on board.

8. Immigration NOC not on board.

9. Non compliance with any of the port or statutory rules, regulations and requirements.

10. All crew not on board as per the minimum safe manning certificate of the vessel.

11. Actual draft more than the declared draft resulting in cancellation of sailing.

12. Navigational equipment (s) inoperational.

13. Any other reason attributable to Vessel / Vessel Agents.”

(c). The Master/Agent of the vessel shall signal readiness to sail only in accordance with the favourable tidal and weather conditions.

(d). The time limit of 4 hours prescribed for cessation of berth hire shall exclude the ship's waiting period for want of favourable tidal conditions.

(5). The period of 1 hour for levy of berth hire shall be reckoned from the time the vessel occupies berth/ jetty / anchorage berths. The berth hire charges are composite charges inclusive of work beyond normal shift hours including Sundays and holidays.

(6). For priority berthing, fees equivalent to berth hire charges for a single day or 75% of the berth hire charges for the period of stay, whichever is higher, shall be levied extra.

(7). For Ousting priority, fees equivalent to 100% of the normal Berth Hire charges for actual period of stay shall be levied extra.

(8). The fees for according 'priority/ ousting priority' realized in advance along with the requisition for priority/ousting priority shall be refunded if berthing is allowed only in the normal course of the vessel's arrival turn.

(9). The berth hire for the period in which the status of the vessel changes shall be charged on the basis of the status of the vessel at the beginning of the relevant hour.

(10). Berth hire charges shall not be levied for the period, when a vessel idles at berth due to breakdown of port owned equipment or power failure or any other reasons attributable to the Port.

(11). Berth hire charges for Shallow Water Berth, Port Craft and Port Craft Jetty:

Schedule No.2.3 of Berth Hire subject to a minimum of 20% discount in the applicable rates will apply to these berths. Note No.1 and 2 to the Berth Hire Charges shall also be applicable to the above mentioned berths.

CHAPTER – III

CHARGES FOR SERVICES RENDERED TO CONTAINERS AND CONTAINERISED CARGO

GENERAL TERMS AND CONDITIONS:

(i). Containers less than and upto 20 feet in length will be reckoned as one TEU for the purpose of Tariff.

(ii). All charges for containers more than 20' in length and upto 40' in length will be 150 per cent of the applicable charges prescribed in clause 3.3.1.

(iii). Handling charges for container more than 40' length and upto 45' in length will be 200 per cent of the applicable charges prescribed in clause 3.3.1.

(iv). Containers other than that of standard size requiring special devices or slings for handling will be charged twice the applicable charges under clause 3.3.1. Such a container will also include damaged containers and any other types requiring special devices.

3.3.1. CHARGES FOR HANDLING AND MOVEMENT OF CONTAINERS:

The following consolidated charges for handling and movement of container shall be payable by the Shipping Lines or Agents of vessels or cargo agents for services rendered in respect of containers and containerized cargo passing through the port.

A. NORMAL CONTAINERS/REEFER CONTAINERS:

Sr. No.	Description	Rate per TEU (in ₹)			
		Foreign Container		Coastal Container	
		Loaded	Empty	Loaded	Empty
1	From Ship to Container Yard or vice versa	3,094.00	2,499.00	1,856.40	1,499.40

2	From Container Yard to Container Freight Station or vice versa	1,100.40	1,100.40	1,100.40	1,100.40
3	From Container Yard to Railway flat or vice versa (ICD Container Rail only)	1,547.00	1,547.00	1,547.00	1,547.00
4	From Container Yard to Truck or vice versa (direct delivery and export intake)	476.00	476.00	476.00	476.00

B. HAZARDOUS CONTAINERS:

Sr. No.	Description	Rate per TEU (in ₹)	
		Foreign Container Loaded	Coastal Container Loaded
1	From Ship to Container Yard or vice versa	3,868.20	2,321.20
2	From Container Yard to Container Freight Station or vice versa	1,376.20	1,376.20
3	From Container Yard to Railway flat or vice versa (ICD Container Rail only)	1,933.40	1,933.40
4	From Container Yard to Truck or vice versa (direct delivery and export intake).	595.00	595.00

C. TRANSHIPMENT CONTAINERS:

Sr. No.	Description	Rate per TEU (in ₹) Foreign Container		Rate per TEU (in ₹) Coastal Container	
		Loaded	Empty	Loaded	Empty
1	1 – 3000 TEUs	3,570.00	3,094.00	2,142.00	1,856.40
2	3001 – 6000 TEUs	3,332.00	2,856.00	1,999.20	1,713.60
3	6001 – 9000 TEUs	3,094.00	2,618.00	1,856.40	1,570.80
4	Thereafter	2,856.00	2,380.00	1,713.60	1,428.00

Notes:

(1). Rate is based on total TEUs brought by the Shipping Lines or agents in the same financial year.

(2). A container originally declared as transshipment container, subsequently moved by rail or road will lose the identity as transshipment container and shall be treated as normal import container and prescribed charges as applicable shall be payable.

(3). Sliding Volume discount for transshipment containers on incremental traffic moved between Cochin Port/Tuticorin Port and JNPT are as follows:

Volume TEUs per year	1st year rebate	2nd year rebate	3rd year rebate	4th year rebate
Upto 6000 TEUs	Nil	Nil	Nil	Nil
6001 – 9000 TEUs	280.00	210.00	140.00	Nil
9001 – 15000 TEUs	350.00	280.00	210.00	Nil

(4). Parking space for mobile harbour container handling cranes and relevant equipments away from berths, free of cost to port customers.

D. OVER DIMENSIONAL CARGO CONTAINERS:

Sr. No.	Description	Rate per TEU (in ₹) Foreign Container		Rate per TEU (in ₹) Coastal Container	
		Loaded	Empty	Loaded	Empty
1	From Ship to Container Yard or vice versa	6,188.00	4,998.00	3,712.80	2,998.80

2	From Container Yard to Container Freight Station or vice versa	2,202.20	2,202.20	2,202.20	2,202.20
3	From Container Yard to Railway flat or vice versa (ICD Container Rail only)	3,094.00	3,094.00	3,094.00	3,094.00
4	From Container Yard to Truck or vice versa (direct delivery and export intake)	952.00	952.00	952.00	952.00

E. SHUTOUT CONTAINERS:

Sr. No.	Description	Rate per TEU	
		Foreign-going vessel (US$)	Coastal Vessels (₹)
1	Shutout Charges	49.0160	2,140.60
2	Transportation of shutout container from any place in the Port to quay and back to the designated area irrespective of location inside the terminal.(₹)	1,785.00	1,785.00

Shut out charges are not to be levied on the following instances:

1. When a vessel is required to sail with shut outs for accommodating another vessel on Port request.

2. (a). The vessel has to sail at the first available tide if the Terminal cannot complete the operations.
   (b). The vessel along side is forced to sail so as to accommodate the incoming vessel due to tidal restrictions.

3. When containers could not be loaded on board by Port due to break down of cranes.

4. When containers could not be loaded on board due to bad weather conditions.

F. REEFER MONITORING AND CONNECTION:

Sr. No.	Description	Rate per TEU			
		Foreign going vessel (In US $)		Coastal Vessel (In ₹)	
		Loaded	Empty	Loaded	Empty
1	Additional charges per 4 hours of part thereof for electricity consumption and monitoring of reefer containers	4.9028	4.9028	214.20	214.20

Note: Additional electricity charges at the prescribed rates will be applicable in case of Reefer Restow Containers also.

G. OTHER SERVICES RENDERED:

Sr. No.	Description	Rate per TEU (in ₹)			
		Foreign Container		Coastal Container	
		Loaded	Empty	Loaded	Empty
1	Shifting of containers from one yard to another yard within the terminal for customs inspection or any other purpose and subsequent loading of containers for Delivery.	2,023.00	2,023.00	2,023.00	2,023.00

2	Additional service charges for stacking containers in designated yard for custom examination or for any other purpose by prior arrangement.	238.00	238.00	238.00	238.00

Note: The consolidated charges as above include the following elements, viz. stevedoring, use of Gantry crane, use of transfer crane, wharfage on tare weight of containers, wharfage on containerized cargo, transportation and contribution towards railway infrastructure.

3.3.2. REBATES:

With the prior permission of JNPT authorities, rebates as follows shall be applicable to port users for carrying out various operations with their own arrangements when the JNPT equipments are out of order or not available because they are hired to other user or for any other reason.

Sr. No.	Description	Rate per TEU (in ₹)			
		Foreign vessels		Coastal vessels	
		Loaded	Empty	Loaded	Empty
1.a)	If the ship's gears are used for loading/unloading containers from ship to shore or vice versa –				
	Upto 20' in length	714.00	714.00	428.40	428.40
	Over 20' in length	952.00	952.00	571.20	571.20
1.b)	Transhipment containers handled at Shallow draught berth				
	Upto 20' in length	357.00	357.00	214.20	214.20
	Over 20' in length	476.00	476.00	285.60	285.60
2	If the Port user employs his own Tractor Trailer (TT) for transporting containers from Quay to container yard or vice versa -				
	Upto 20' in length	357.00	357.00	214.20	214.20
	Over 20' in length	536.20	536.20	322.00	322.00
3	If the user brings his own equipment for lifting containers from container yard to truck and vice versa				
	Upto 20' in length	298.20	298.20	298.20	298.20
	Over 20' in length	446.60	446.60	446.60	446.60
4	Rebate on Shut out charges on Containers shut out from Private yard				
	Upto 20' in length US$	20.8250	-	546.00	-
	Over 20' in length US$	31.2375	-	819.00	-

5. If the Port User provides lashing/unlashing gang for lashing operations of containers, then a rebate of **₹36.40** per foreign container and **₹22.40** per coastal container in handling charges shall be allowed. The rebate shall be limited to the number of containers actually lashed.

6. Any vessel performing more than 1000 TEUs in a single call shall qualify for a rebate amounting to the following percentage of the total handling charges applicable for the vessel:

   - More than 1000 TEUs but upto 1200 2%
   - More than 1200 TEUs but upto 1500 3%
   - More than 1500 TEUs but upto 1800 4%

- More than 1800 TEUs but upto 2200 5%
- More than 2200 TEUs but upto 2600 6%
- More than 2600 TEUs 7%

7. No rebate will be admissible for back to town containers handled by private equipments.

3.3.3. DWELL TIME CHARGES FOR CONTAINER, STORED IN THE PORT PREMISES:

Sr. No.	Particulars	Rate per container per day or part thereof (In US$) Foreign		Rate per container per day or part thereof (In ₹) Coastal	
		Upto 20' in length	Over 20' to upto 40' in length	Upto 20' in length	Over 20' to upto 40' in length
1	**Non-ICD Import & Export - Loaded**				
	First 3 days	Free	Free	Free	Free
	4-15 days	3.8675	7.7350	169.40	337.40
	16-30 days	7.7350	15.4700	337.40	676.20
	Thereafter	15.4700	30.9400	676.20	1,351.00
2	**Non-ICD Import & Export -Empty**				
	First 3 days	Free	Free	Free	Free
	4-15 days	3.8675	7.7350	169.40	337.40
	16-30 days	7.7350	15.4700	337.40	676.20
	Thereafter	15.4700	30.9400	676.20	1,351.00
3	**ICD Import & Export –Loaded moved by Road**				
	First 3 days	Free	Free	Free	Free
	4-7 days	3.2099	6.4198	140.00	280.00
	8-15 days	3.8675	7.7350	169.40	337.40
	16-30 days	7.7350	15.4700	337.40	676.20
	Thereafter	15.4700	30.9400	676.20	1,351.00
4	**ICD Import & Export – Empty moved by Road**				
	First 3 days	Free	Free	Free	Free
	4-15 days	3.8675	7.7350	169.40	337.40
	16-30 days	7.7350	15.4700	337.40	676.20
	Thereafter	15.4700	30.9400	676.20	1,351.00
5	**ICD Import & Export – Loaded or Empty moved by Rail**				
	First 7 days	Free	Free	Free	Free
	8-15 days	2.825	5.65	123.20	246.40
	16-30 days	3.4034	6.8068	148.40	296.80
	31-45 days	6.8068	13.6136	296.80	595.00
	Thereafter	13.6136	27.2272	595.00	1,188.60
6	**Transhipment - Loaded**				
	First 10 days	Free	Free	Free	Free
	11-45 days	3.8675	7.7350	169.40	337.40
	Thereafter	7.7350	15.4700	337.40	676.20
7	**Transhipment - Empty**				
	First 10 days	Free	Free	Free	Free
	11-30 days	3.8675	7.7350	169.40	337.40
	31-45 days	7.7350	15.4700	337.40	676.20
	Thereafter	15.4700	30.9400	676.20	1,351.00
8	**Shutout – Loaded & Empty**				
	1-15 days	3.8675	7.7350	169.40	337.40

	16-30 days	7.7350	15.4700	337.40	676.20
	Thereafter	15.4700	30.9400	676.20	1,351.00
9	**Back to Town – Loaded & Empty**				
	First 3 days	Free	Free	Free	Free
	4-15 days	3.8675	7.7350	169.40	337.40
	16-30 days	7.7350	15.4700	337.40	676.20
	Thereafter	15.4700	30.9400	676.20	1,351.00

Notes:

(1). The total storage period for a container shall be reckoned from the day following the day of landing upto the day of shipment/delivery/date of removal of the container and includes Sundays and Holidays but excludes Custom notified holidays and port non working days.

(2). Transshipment containers subsequently changing the mode of dispatch locally or to the container freight station for destuffing/stuffing shall loose the concessional dwell time as prescribed in Item (6) & (7) above. Dwell time charges for such containers shall be recovered at par with import containers as prescribed in item No.1 or 2 as applicable.

(3). Transshipment containers subsequently changing the mode of dispatch by rail to ICD shall be treated as other ICD containers for the purpose of levy of Dwell time charges fees and shall be charged at the rates in item (3) & (4) above. In such cases additional shifting charge will be applicable for movement of container from container yard to ICD yard.

(4). A container from foreign port landing at the JNPT for subsequent transshipment to an Indian Port on a coastal voyage or vice versa would be charged at 50% of the transshipment charges prescribed for foreign going vessels and 50% of that prescribed for coastal category.

(5). Normal import containers subsequently changing the mode of dispatch by rail to ICD will enjoy the free period applicable to normal import container only. In such cases additional shifting charges will be applicable for movement of container from container yard to ICD yard.

(6). The total storage period for a shutout container shall be calculated from the day following the day when the container has become shutout till the day of Shipment/delivery.

(7). Over high and over dimensional containers shall attract thrice the normal applicable charges.

(8). Hazardous containers shall attract 1.25 times the normal applicable charges. *The above charges shall be applicable for all types of charges like handling, dwell time, shut-out, etc.*

(9). In case of stuffing/de-stuffing the containers inside the port, the dwell time charges will be applicable as follows:

(i). Prior to stuffing, dwell time charges as applicable to empty containers will be charged.

(ii). Free period and dwell time charges as applicable to loaded export/import containers will be charged from the day following the day of completion of stuffing/ de-stuffing and intimation to Port.

(10). In the case of auction containers, after the auction is over, the empty containers will attract the dwell time charges as empty containers from the following day the destuffing is completed.

(11). The storage charges on abandoned FCL containers/shipper owned containers (whether import/export/transshipment) shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the day of landing/arrival of the container, whichever is earlier subject to the following:

(i). The consignee/consignor can issue a letter of abandonment at any time.

(ii). If the consignee/consignor chooses not to issue such letter of abandonment, the container Agent/MLO can also issue abandonment letter subject to the condition that-

(a) the Line shall resume custody of container along with cargo and either take back it or remove it from the Port premises; and

(b) the Line shall pay all Port charges accrued on the cargo and container before resuming custody of the container.

(iii). The container Agent/MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charge on container shall be continued to be levied till such time all the necessary actions are taken by the shipping lines for destuffing of cargo.

(iv). Where the container is seized/confiscated by the Custom Authorities and the same cannot be destuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the day the Customs order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and de-stuffing. Otherwise, seized/confiscated containers should be moved by the line / consignee from the port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the day o such removal.

(12). The storage charges shall not accrue for the period during which the JNPT is not in a position to deliver containers for reasons attributable to it when requested by the user.

3.3.4. CHARGES FOR MISCELLANEOUS SERVICES RENDERED TO THE CONTAINER VESSELS:

HATCH COVER CHARGES

A. OPENING OF HATCH COVER AND REPLACING IT :

Description	Rate per Hatch Cover	
	Foreign-going vessels (in US$)	Coastal Vessels (in ₹)
When placing it on the quay	73.5182	1,926.40
Without placing it on the quay	29.4000	771.40

Note: If only one operation is carried out, half of the hatch cover handling charges as above shall be levied.

B. ONE HATCH TO ANOTHER HATCH OR WITHIN THE SAME HATCH:

Description	Rate per TEU			
	Foreign-going vessels (in US$)		Coastal Vessels (in ₹)	
	Loaded	Empty	Loaded	Empty
(a) Hatch to hatch shifting (involving 1 move only)	24.5028	24.5028	642.60	642.60
(b) Other than (a) mentioned above	98.0210	98.0210	2,573.20	2,573.20

3.3.5. STORAGE CHARGES ON UNCLEARED GOODS:

Dwell time charges to be levied in respect of cargo which are sold in accordance with Sections 61 and 62 of Major Port Trusts Act, 1963-

Description	Rate per metric tonne per day (in ₹)
Storage of cargo in covered space destuffed from the long standing containers in case the original consignee comes forward to take delivery of cargo	35.70
Warehouse rental charges from 6th day till 20th day (both days inclusive) after the date of confirmation of sale of the uncleared cargo. First 5 working days are free.	107.10
Warehouse rental charges from 21st day onwards after the date of confirmation of sale of the uncleared cargo.	142.80

3.3.6. PROCEDURE AND CHARGES FOR INTER TERMINAL TRANSFER OF TRANSHIPMENT OF CONTAINERS BETWEEN THE JNPT AND THE NSICT

A. **Procedure for handling transshipment (TP) containers:**

(i). TP Containers discharged at the JNPT and bound to be loaded at the NSICT will be transported by the JNP TTs; and the JNP RTGCs will discharge these containers in the NSICT yard of 4G.

(ii). Similarly, TP Containers discharged at the NSICT and bound to be loaded at the JNPT will be discharged by the NSICT by using its RTGCs and TTs in CY31 of the JNPT.

B. **Charges for handling TP Containers between JNPT and NSICT:**

(i). If a container is discharged by the JNPT and loaded by the NSICT at its terminal, the charges will be as under:

50% of transshipment container handling charges as per the JNPT Scale of Rates will be charged to the Line by the JNPT. For the same container the NSICT will charge 50% of the transshipment container handling charges as per its Scale of Rates and, in addition, also levy a charge of ₹1,428/- (for 20' container) and ₹2,142/- towards inter-terminal transfer.

(ii). If a container is discharged by the NSICT and loaded by the JNPT at its terminal, the charges will be as under:

The NSICT will charge 50% of transshipment container handling charges to the Line as per its Scale of Rates. For the same container the JNPT will charge 50% of TP handling charges as per its Scale of Rates; and, in addition, also levy a charge of ₹1,794.80 (for 20’ container) and ₹2,692.20 (for 40’ container) towards inter-terminal transfer.

3.3.7. Inter Terminal Rail Handling charges is ₹400/- for 20' Container and ₹800/- for 40' container at all the JNPT Terminals.

CHAPTER-IV

CHARGES FOR DRY BULK AND GENERAL CARGO

4.1. WHARFAGE :

Sr. No.	Classification	Foreign Rate per Metric Tonne (In ₹)	Coastal Rate per Metric Tonne (In ₹)
1	Cereals/Pulses/Oilseeds	45.50	27.30
2	Foodgrains	45.50	27.30
3	Oil Cakes	45.50	27.30
4	Sugar	52.50	31.50
5	Salt	45.50	27.30
6	Pig Iron	136.50	81.90
7	Steel and Metal Scrap	91.00	54.60
8	Steel Pipes : a) Length less than 12 mtrs	164.50	98.70
	b) Length 12 mtrs or above	189.00	113.40
9	Steel Coils	150.50	90.30
10	Iron Ore Pellets	80.50	80.50
11	Iron Ore Fines and lumps	52.50	52.50
12	Bauxite	70.00	42.00
13	Direct Reduced Iron/Hot Briquette Iron	80.50	48.30
14	Sized Coal having not more than 10mm dia-mtr	52.50	31.50
15	Asbestos	105.00	63.00
16	Arms & Ammunition	175.00	105.00
17	Over Dimensional Cargo	875.00	525.00
18	Break Bulk	150.50	90.30
19	Machinery Parts	150.50	90.30
20	Limestone	77.00	46.20
21	Cement : - upto 5.0 lacs tones per annum	59.50	35.70
	- above 5.0 lacs tones per annum	53.55	32.13
22	Cement Clinker	59.50	35.70
23	Wood pulp	59.50	35.70
24	Paper Rolls	59.50	35.70
25	Timber/Wood/Bamboo per MT	105.00	63.00
	Per cu mtr	91.00	54.60
26	Steel Slab/Steel billets	189.00	113.40
27	Unenumerated items	189.00	113.40
28	Cargo abandoned/excess landed / confiscated by customs, uncleared/ condemned by Port Health Authority and ultimately destroyed by JNPT/Salvaged.	70.00	42.00

Note:

Before classifying any cargo under "unspecified" category under the wharfage schedule, the relevant customs classification should be referred to find out whether the cargo could be classified under any of the specific categories mentioned in the wharfage schedule.

4.1.2. VOLUME DISCOUNT FOR HANDLING CEMENT :

Vessels carrying Cement will be eligible for availing discounts on incremental traffic.

Traffic	Discount
Upto 300000 MTS	NIL
Above 300000 but upto 400000 MTS	5% of wharfage charges on exceeded quantity
Above 400000 but upto 500000 MTS	10% of wharfage charges on exceeded quantity
Above 500000 MTS	15% of wharfage charges on exceeded quantity

4.2. HANDLING CHARGES (WITH GRAB UNLOADER) :

Handling charges for steel coils and General Cargo with Grab unloader shall be **₹70/-** per MT for Foreign Cargo and **₹42/-** per Tonne for Coastal Cargo.

Notes:

(1). Package exceeding dimensions of 6 mtrs. X 2.5 mtrs. X 2.5 mtrs. or 3 MT in wt. shall be charged at rate applicable to Over Dimensional Cargo.

(2). Definition of Over Dimensional cargo shall not apply to steel pipes/coils slabs/steel billets.

(3). Wharfage charges on Timber/Wood/Bamboo shall be based on per MT or Per Cubic meter whichever is beneficial to the Port.

(4). In respect of vessels carrying on overside operation of loading and unloading of cargo without involving usuage of berths, wharfage charges at the rate of 75 percent of applicable rate shall be levied

(5). In respect of vessels carrying on loading and unloading of operation of cargo at the anchorage berth, wharfage charges at the rate of 50 percent of applicable rate shall be charged.

(6). Any cargo temporarily unloaded from a vessel on the jetty and reshipped back into the same vessel during the same voyage, will be liable to pay the import as well as export wharfage charges as may be applicable depending on the type of the cargo.

(7). Items of goods free of Wharfage :

(i). Bonafide passengers' baggage and personal effect accompanying them.
(ii). Postal articles/mail bags, manifested or unmanifested.
(iii). Ships stores and provisions for crew for consumption during voyage other than bunkering oil.

4.3. DWELL TIME CHARGES:

Dwell time charges per day for items specified in clause 4.1 shall be levied at the rate given below:

Sr. No.	Item	Rate per MT per day or part thereof (In ₹)
1	**Import**	
	1-7 days	Nil
	8-14 days	11.20
	15-21 days	22.40
	Thereafter	44.80
2	**Export**	
	1-15 days	Nil
	Thereafter	11.20

Notes :

(1). In case of import, dwell time shall be calculated from the day following the day vessel discharge is completed.

(2). In case of export, dwell time shall be calculated from the day following the day of receipt of cargo in JNPT.

(3). The export cargo which could neither be exported/nor found suitable for export shall be taken back to town by the consignor on payment of dwell time charges. A free period of 3 days will be allowed for such cargo from the day following the day of entry in JNPT and thereafter the dwell time charges shall be levied at the rate of **₹11.20** per month per MT per day or part thereof.

(4). Free Dwell time allowed shall be exclusive of custom notified holidays and port non-working days.

(5). The demurrage shall not accrue for the period during which the JNPT is not in a position to deliver cargo for reasons attributable to it when requested by the user.

4.4. WEIGHING CHARGES :

(1) The charges for using weigh bridge facility by the users for any cargo shall be **₹4/-** per MT.

CHAPTER – V

CHARGES ON MOTOR VEHICLES OR ANY OTHER EQUIPMENTS PASSING THROUGH THE PORT

5.1. STEVEDORING CHARGES:

Sr. No.	Item	Rate per vehicle/ equipment (In ₹)	Coastal Rates (In ₹)
1	Import/Export	49.00	29.40
2	Transhipment	56.00	33.60

5.2. WHARFAGE CHARGES:

Sr. No.	Item	Rate as a % of the following	Coastal Rates (In ₹)
1	Import	0.50% of the CIF Value	0.30% of Coastal Bill of lading value
2	Export	0.50% of the FOB Value	0.30% of Coastal Bill of lading value
3	Transhipment	0.65% of the CIF/FOB Value	0.195% of Coastal Bill of lading value

5.3. DWELL TIME CHARGES:

A. IMPORT / EXPORT / TRANSHIPMENT:

Sr. No.	Days	Gross Wt. of the motor vehicle / equipment in MT			
		< 1.0	>=1.0 <5.0	>=5.0 <10.0	>=10.0
		Rate per day/per vehicle or equipment			
1	1-15 days	Free	Free	Free	Free
2	16-30 days	35.00	70.00	140.00	280.00
3	Thereafter	70.00	140.00	280.00	560.00

B. BACK TO TOWN:

Sr. No.	Days	Gross Wt. of the motor vehicle / equipment in MT			
		< 1.0	>=1.0 <5.0	>=5.0 <10.0	>=10.0
		Rate per day/per vehicle or equipment			
1	0-3 days	Free	Free	Free	Free
2	4-14 days	35.00	70.00	140.00	280.00
3	15-21 days	70.00	140.00	280.00	560.00
4	Thereafter	140.00	280.00	560.00	1,120.00

Notes:

(1). The Dwell Time charges shall be levied for storage inside the Port other than the area leased out for the purposes of storage of cars.

(2). Dwell Time for import / transshipment of motor vehicles shall be calculated from the day following the last day of landing.

(3). Dwell Time for export / back to town of motor vehicles shall be calculated from the day following the day of receipt in the JNPT.

(4). The port user will have to pay an amount equivalent of 0.5% of FOB/CIF value as the case may be in addition to the wharfage charges as mentioned above if the ports equipment is used for loading/unloading of motor vehicles.

(5). Any vehicle meant for export taken back to town for any reason is termed as back to town vehicle and will be subject to dwell time as given in above schedule.

(6). Shut out charges for not loading on the vessel for which the vehicle/equipment is brought in ₹50/- per vehicle/equipment.

5.4. RECOVERY CHARGES FOR USE OF SPECIALIZED INFRASTRUCTURE FOR RECEIVING AND HANDLING VEHICLES ARRIVING BY TRAIN:

Sr. No.	Description	Rate per vehicle (In ₹)
1	Motor vehicles of less than 16.5 HP	273.00
2	Motor vehicles of ₹16.5 HP or above	406.00

CHAPTER – VI
MISCELLANEOUS CHARGES

6.1. LICENCE FEE FOR PASSENGER LAUNCHES AND CARGO LIGHTERS:

Licence Fees at the rate of **₹224/-** per annum will be charged for passenger launches/boats, mechanically propelled harbour crafts, cargo lighters, mechanically propelled deep sea trawlers, dump barges and other small crafts excluding non-mechanically propelled fishing boats, plying within the port limits of Jawaharlal Nehru Port, License will be issued subject to fulfillment of the following conditions :

(i). The applicant should be in possession of a valid passenger boat's survey certificate issued by the MMD under the Relevant Provision of Indian Vessel Act.

(ii). The launches/boats must be manned as per Statutory Requirement Specified.

6.2. WHARFAGE ON BUNKERING OIL SUPPLIED TO VESSELS:

Sr. No.	Item	Rate per MT (In ₹)
1	Wharfage on bunkering oil supplied to vessels	35.00

6.3. PENALTY CHARGE FOR CANCELLATION OF VIA ISSUED EARLIER:

Sr. No.	Item	Rate per Occasion per VIA (in ₹)
1	Penalty charges for cancellation VIA issued earlier	1,500.00

6.4. HIRE CHARGES FOR FLOATING CRAFT:

Sr. No.	Name of the Craft	Rate per hr. or part thereof (In ₹)
1.	Tug (Bollard Pull 30 T)	12,000.00
2.	Tug (Bollard Pull 50 T)	14,000.00
3.	Tug (Bollard Pull 60 T)	19,500.00
4.	Pilot Launch	2,250.00
5.	Security Launch	2,000.00
6.	VIP Launches (Speed Launches)	1,300.00

Note: Hiring charges shall be paid for minimum of 4 Hours.

6.5. MANPOWER HIRING CHARGES:

Sr. No.	Classification	Rate per person per hr. (In ₹)
1	Manpower hiring charges-Managerial	200.00
2	Manpower hiring charges- Non Managerial	150.00

Notes:

1. Manpower hiring charges shall be paid for a minimum of 4 hours.

2. The liability of personal risk and compensation under any statute in force has to be borne separately by the party requisitioning services of the JNPT Personnel.

6.6. Mobile Fire Tender Service Charges.

Sr. No.	Description	Rate per hour
1	Fire Tender service charge provided during emergency	3,000.00

Notes:

1. Once the fire tender service is provided, the charges will be levied for a minimum of 4 hours.

2. The charges is payable only when the services are requisitioned by the users or terminal operators or CFSs, etc.

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SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / DIFFERENT USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

F. No.TAMP/62/2012-JNPT	**-**	**Proposal from the Jawaharlal Nehru Port Trust for general revision of its Scale of Rates.**

A summary of the comments received from the users/ user organisations and response of the Jawaharlal Nehru Port Trust (JNPT) thereon are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Comments of user organisation</th><th>Response of JNPT</th></tr>
<tr><td>1.</td><td>M/s. UltraTech Cement Limited (UCL)</td><td></td></tr>
<tr><td>(i).</td><td>The UCL of Aditya Birla Group has a cement bagging and dispatch plant located near JNPT. The UCL has been continuously bringing in cement to JNPT in specialized dedicated cement carriers since October 1998. As of 31 December 2012, it has brought in about 8.7 million tonnes of cement through JNPT. The operation is entirely coastal and is vital to infrastructural development in and around Maharashtra.</td><td rowspan="5">(i). The proposal for revision of tariff for Bulk related activities have become due for the next tariff cycle and have been made to TAMP based on the TAMP's 2005 guidelines. It must be appreciated that the cost of rendering the port related services have gone up by manifold and it is just impossible to render the services at the same rates, terms and conditions. It may not be out of place to mention that no increase was suggested for bulk related activities in the last tariff proposal submitted to TAMP in 2008. The rates have been stagnant right from 1997 onwards and the port users have already derived the benefits of the lower rates. On the contrary, w.e.f. 1 February 2005, TAMP has substantially reduced costal vessels. Hence Port is finding very difficult to service its cost of electricity, fuel and maintenance charges in the current inflationary environment.

(ii) The TAMP guidelines states that cross subsidization of the tariff rates should be avoided and the increase in tariff should be reflected as far as possible, in the activity itself. The Port has scrupulously adhered to these guidelines of TAMP. The volume of bulk/ break bulk handled at Shallow Water Berth of JN Port forms a small portion of the total cargo handled by the Port. Hence, in absence of any economy of scale to recover the cost of operation and 16% Return on Capital Employment Port has no other option but to propose a stiff rise in existing tariff.

(iii). It is noted from the contents of the letter that the Port Users M/s. Ultra Tech Cement Ltd. is not opposed to increase in tariff per se. However, their main observation is relating to the percentage of increase now asked for by the Port. Since the proposal is based on actual calculation of cost of operation and 16% of Return on Capital Employed, objection of the user merely on percentage of the proposed</td></tr>
<tr><td>(ii).</td><td>The JNPT is currently charging ₹25.5 PMT as wharfage. The JNPT has proposed ₹127.50 PMT towards wharfage, which works to almost an increase of 510%. Cement being a vital commodity, such kind of steep increase would not only affect the operation but also affect consumers indirectly.</td></tr>
<tr><td>(iii).</td><td>The Government of India policy prescribes incentive for coastal movement of goods and cement has been accorded priority.</td></tr>
<tr><td>(iv).</td><td>This increase, coupled with increase in other vessel related charges proposed by JNPT, would put enormous pressure on the operation. The UCL has no objection in providing reasonable relief to JNPT. However, such huge increase should be avoided and discouraged at any cost.</td></tr>
<tr><td>(v).</td><td>The UCL has been the biggest and consistent user of JNPT facilities and has been contributing substantial revenue. The UCL have also been awarded by JNPT for the outstanding performer, year after year.</td></tr>
</table>

<table>
<tr><td></td><td></td><td>increase deserve rejection.

(iv). However, the Port has merely proposed 5 times increase of existing tariff rates to TAMP and TAMP is yet to grant the final increase.</td></tr>
<tr><td>2.</td><td><u>Shipping Corporation of India Limited</u> (SCIL)

The SCIL has no comments to offer.</td><td>--</td></tr>
<tr><td>3.</td><td><u>Indian National Ship owners' Association</u> (INSA) Letter dated 4.2.2013</td><td>JNPT letter dated 17 July 2013</td></tr>
<tr><td>(i).</td><td>Though the port in its proposal has advised by a note in Form-1 Section-5 that the vessel related cost will be increased by 21% only the actual tariff for three basic vessel handling charges for a container ship up to 30000 GRT is increased over 30% as mentioned below:
<table>
<tr><th>Container ship up to 30000 GRT</th><th>Existing rates</th><th>Proposed rates</th><th>Increase</th></tr>
<tr><td>Port Dues</td><td>0.1071</td><td>0.1403</td><td>31%</td></tr>
<tr><td>Pilotage</td><td>0.2381</td><td>0.3199</td><td>34%</td></tr>
<tr><td>Berth hire</td><td>0.0037</td><td>0.0048</td><td>30%</td></tr>
</table>

An appropriate correction is therefore necessary.</td><td>(i). The proposed increase of 21% and 46% has been mentioned in Form-I Section 5 due to oversight. The Same has been corrected in SOR submitted to TAMP and properly reflected in above mentioned letter from INSA. The increase submitted in the JNPT proposal is 31% in case of Vessel related charges and 67% in container related charges. A fresh copy of From-1 has been forwarded to TAMP vide our letter o. JNP/Fin./TAMP/2013/795 dtd. 25th Feb., 2013. Hence, no correction is required in case of proposed vessel related tariff.</td></tr>
<tr><td>(ii).</td><td>Similarly the increase in container related charges for basic handling are increased by 67% and not 46% as claimed in form-1. The details are given below:
<table>
<tr><th rowspan="3">Description</th><th colspan="3">Rate per TEU (in ₹)</th></tr>
<tr><th colspan="2">loaded</th><th rowspan="2">Increase</th></tr>
<tr><th>Existing</th><th>Proposed</th></tr>
<tr><td>From ship to container yard or vice versa</td><td>2210</td><td>3691</td><td>67%</td></tr>
<tr><td>From container yard to Railway flat or vice versa (ICD Container Rail only)</td><td>786</td><td>1313</td><td>67%</td></tr>
<tr><td>From container yard to truck or vice versa (direct delivery and export intake)</td><td>340</td><td>568</td><td>67%</td></tr>
</table></td><td>(ii). As clarified in para (i) above, the proposed increase in container related charges sought by the Port is 67% and not 46%. Hence, no correction is required in case of proposed vessel related tariff.</td></tr>
<tr><td>(iii).</td><td><u>Form-6 :</u>
With the increasing size of vessel, and near stagnant level of coastal traffic, the per unit cost for Container and Marine activity should reflect reduction in per unit cost. Port has advised to have made assumptions, same should be shared with trade to understand it's constrains. In spite of having the state of the art port and productivity of highest standard, and enviable efficiency, the per unit cost is not showing any benefit.</td><td>(iii). It may be seen from Form-6 there is no marked variation in the unit cost for container and marine activities. For the projected years, Port has adopted the escalation factor in cost as permitted by TAMP i.e. 6.5% and for few items like electricity, fuel and salaries & wages the escalation adopted is as per market trend. Hence, it may be seen that the savings in cost per unit is adversely affected by the inflation factor.</td></tr>
<tr><td>(iv).</td><td><u>Form-7:</u>
It can be seen from the actual performances and projections made in the last proposal that was based on the three following years projections, port to its credit has been able to achieve substantial reduction in its actual operating cost as compare to the estimated. Also the actual revenue during the three years under considerations shows that actual revenues are much higher than the estimated revenues.</td><td>As per clause 2.13 of the tariff guidelines 2005, the actual physical and financial performance shall be reviewed at the end of the prescribed tariff validity period with reference to projections relied upon at the time of fixing the prevailing tariff, variations more than +/- 20% as compared to the projections are observed, 50% of the benefit/ loss already accrued will be adjusted in the prospective fixation of the authority while fixation of the tariff. Hence, the concern of M/s. INSA shall be taken care of by the Authority while fixation of the proposed</td></tr>
</table>

	So the estimated provided with current proposal should be seen bearing in mind the definite trend to arrive at realistic tariff figures.	tariff.
(v).	Chapter-I Section 1.2 (iv) (d) of draft Scale of Rates: The application of coastal concessions on all activities of container handling is declared. However, the Scale of Rates Chapter-III Section-3 provides concession only for activities involved in movement from ship to yard. The lift on / lift off container from trailor, Reefer monitoring and connection charge, ODC container charges are not provided with any concession for coastal container. The applicability of concession should be for all descriptions under which charges are levied from the time the container arrives on trailor / train / ship till it is loaded on ship / trailor / train. The only exception should be for storage and SSR. Otherwise the purpose of concession is defeated. In other words LOLO wharfage, transportation, loading / discharging, carnage, restow, shifting, HAZ, Reefer, OOG etc. etc. tariff should have the provision of concession.	The JNPT has stated that reply to para No. (v) & (vi) shall be furnished separately. (The JNPT has not furnished its comments to the point no (v) and (vi) till date, as agreed by it.)
(vi).	INSA has already raised the issue of facilities & services required to be provided by port under MARPOL during last hearing. These should be spelt out with correct SOPs and the tariff as part of Scale of Rates. INSA is a signatory to the convention, and these services are required to be provided by law and should therefore be treated as integral part of port services.	
	E-mail dated 5 July 2013	
(vii).	With reference to the revised Form-1, INSA has stated that the port has correctly mentioned the change in average cost for typical port user. The increase proposed by the JNPT is 31% for vessels related charges, 675 in container related charges and 500% in bulk cargo related charges.	Comments as in para (i) above.
(viii).	Such an increase seem to be out of tune with Government efforts of setting special task force for reducing transaction cost for Indian Trade.	
4.	**Container Corporation of India Limited (CONCOR)**	
(i).	The comments were offered on the proposal earlier submitted by the JNPT for rationalisation and modification of the conditionalities prescribed in the existing Scale of Rates vide their letter dated 8 June 2012, which is summarised below:	(i). Handling and movement of containers from Container Yard to Railway Flat or vise-a-versa (ii). Handling and movement of containers from Container Yard to Truck and vice-versa
	(a). The proposed charges for handling and movement of containers (Chapter III, Para 3.3.1 -A4 & B4) from Container yard to Railway flat or vice versa (ICD container rail only) are ₹1105/-) for normal containers and ₹1381/- for hazardous/ tank containers. These charges are	In this regard we would like to clarify the following: Both the activities are composite activities consisting of the following sub-activities:

<table>
<tr><td></td><td>much higher as compared to the proposed charges of ₹340/- & ₹425/- respectively for the movement from container yard to Truck or vice versa.</td><td rowspan="3"><table>
<tr><td>Sr. No.</td><td>(i). Handling and movement of containers from Container Yard to Railway flat or vice-versa</td><td>(ii). Handling and movement of containers from Container Yard to Truck or vice versa</td></tr>
<tr><td>(a)</td><td>Lift on from ICD Yard</td><td>Lift on from Container Yard</td></tr>
<tr><td>(b)</td><td>Lift off to Tractor Trailer (JNPT)</td><td>Lift off to Tractor Trailer (Customer)</td></tr>
<tr><td>(c)</td><td>Transportation from ICD Yard to Railway sidings</td><td>-</td></tr>
<tr><td>(d)</td><td>Lift on from Tractor-Trailer by RMGC</td><td>-</td></tr>
<tr><td>(e)</td><td>Lift off to Rail Wagon by RMGC</td><td>-</td></tr>
</table>
(a). Activity (i) involves three more sub-activities than activity (ii). Also the activity (i) involves RMGC in addition to RTGC/Reach Stackers of activity (ii).
(b). hence, it can be concluded that the tariff for activity (i) has been kept on higher side compared to the tariff of activity (ii).</td></tr>
<tr><td></td><td>(b). In the national interest, JNPT may consider encouraging environment friendly rail transportation vis-à-vis road transportation in JNPT area. Excessive dependence on road transportation not only leads to road traffic congestion but also consumes additional fuel and creates air and noise pollution. Considering these factors, it is submitted that the proposed charges for the movement from container yard to railway flat may be kept comparable to the proposed charges for the movement from container yard to truck so that movement of containers by rail is not discouraged because of heavy difference in rates.</td></tr>
<tr><td>(ii).</td><td>Further, it is observed that there is further hike in the existing Scale of Rates of JNPT.</td></tr>
</table>

2.1. The Mumbai and Nhava-Sheva ship-Agents' Association (MANSA), while furnishing its comments on the general revision proposal of JNPT has drawn reference to its comments, furnished by it earlier vide its letters dated 20 June 2012 and 01 November 2012, with regard to the proposal earlier filed by JNPT for rationalisation and modification of the conditionalities prescribed in the then existing Scale of Rates of JNPT. The MANSA has stated to have reiterated the comments as they feel that it is evident from JNPT general revision proposal that they have not taken into account any of MANSA views while formulating the tariff proposal afresh. Accordingly, MANSA has re-submitted its comments put forth in their earlier letter dated 20 June 2012 and 1 November 2012 as part of their comments to the general revision proposal.

When the said comments of MANSA were forwarded to JNPT, the JNPT vide its letter dated 15 April 2013, by drawing reference to its letter dated 27 September 2012 (relating to rationalisation and modification of the conditionalities) has stated that they have already responded to the comments of MANSA then. Thus, a summary of the comments received from MANSA, comments of JNPT thereon and comments of MANSA on the comments of JNPT (relating to rationalisation and modification of the conditionalities) are juxtaposed below:

Sl. No.	Comments of Mumbai And Nhava-Sheva Ship-Agents Association (MANSA)	Response of JNPT	Comments of MANSA on the response of JNPT
(A).	**CHAPTER – I** **1.2. General Terms & Conditions** **1.2. vii (b)** - No proper		----

	justification for an increase in Penal Interest from 13% to 14.75% **Interest on delayed payments / refunds** Time frame in delay of payments should be same for the users and the port authorities.	This is as per Order passed by TAMP and therefore the same requires no change / modification.	
(B) (i)	**CHAPTER - II - VRC** **2.2 (C) - Definition of Port Convenience :** PORT means Jawaharlal Nehru Port. Accordingly port convenience should be applicable to all the Terminals operating within the port and not to be restricted to Port operated terminals especially when marine activity are undertaken by the port and charges are paid to JNPT directly by the users. In addition to this shifting is required only due to lack of infrastructure facility such as Draft / LOA prevailing in the port today. So it is not justified to restrict the definition of PORT only to JNP operated Terminal.	As regards restricting definition of shifting for port convenience of JNPT operated terminal only if shifting is carried out for the convenience of a private terminal or for the convenience of a vessel berthed at a private terminal, this cannot be treated as port convenience. Further, as the vessel related charges are levied on to the port users, and in this case on the vessel agent they can definitely seek reimbursement from the concerned private terminal, if the shifting was carried out for the convenience of the terminal. Therefore, the port convenience as defined should restrict the definition to JNP operated terminal only.	JNPT consists of three container Terminals, shallow water berth and Liquid Terminal which is operated by JNP and other private operators. Marine charges are collected by JNP directly from the users. The shifting of the vessel is actually necessitated for Ports convenience for following main reasons: 1. To accommodate larger vessel 2. To adjust the LOA and accommodate another vessel 3. Due to sailing restrictions 4. For better turnaround and maximum usage of available cranes The above requirements expose basically inadequacy or insufficient infrastructure facility inherent in the Terminals infrastructure being operated at JNP and for this reason the users should not be penalized for departmental movements of vessels within the port berths since obviously shiftings help enhancing the efficiency and augmenting the earning capacity of the Port, often at the cost of alongside working vessel. Need to emphasize that due to this shifting; the vessel is further delayed in her schedule. Therefore the

			Port should appreciate that these shifting has always benefited the overall performance of JNP. Hence we do not agree with JNP that this benefit should only to be extended to their operated Terminal.
(ii)	**2.2. (E) - Cancellation charges & detention charges for Pilots** MANSA is not in agreement with combining detention of pilot at par with cancellation of Pilot. It should be treated separately as per present procedure. Pilot cancellation charges should be separate and no additional tug hiring charges is to be levied in addition to pilot cancellation charges. Existing marine charges are as it is very high and the authorities need to look into reduction of the marine charges. Therefore it is not justified to impose additional charges by way of tug hire charges in addition to pilot cancellation charges.	When a pilot is booked, automatically the tugs are also booked. At the time, the pilot boards the vessel, the tugs also arrive at the ship. When pilot is cancelled, the tug are also cancelled which go back as does the pilot. The port is hiring the tugs at very high rates, also fuel consumed by the tug is paid by the port. Hence, the port is completely justified to collect tug hire charges as per charges prescribed in the Scale of Rates in addition to pilot cancellation charges.	1. When a pilot is booked and cancelled prior boarding, there is no need for the arrival of tugs at the vessel side, accordingly no tug cancellation charges can be applicable. 2. When a pilot is booked/ arrived on board and sailing cancelled after one hour of pilot boarding due to non readiness of vessel - In addition to the pilot cancellation charges, penal berth hire , false signal charges, and normal berth hire charges are levied . We are sure these additional levy of heavy charges are more than sufficient to cover the movement of tugs from shallow water berth. In view of the above, it is not justified to further burden the users by levying extra exclusive charges under a different head. This element was already covered in the existing charges which are comparably very high to international standards.
(iii).	**Port dues:** Port dues should be applicable only on the basis of VIA and not on each entry into the port especially when there is no safe anchorage available at JNP for the vessel which may be required to shift to outer roads before completion of cargo operations due to various reasons prevailing at JNP. The charges have been recovered only	On the issue of levy of Port Dues once in 30 days we wish to state that the port dues are levied to cover maintenance expenses of the navigation channel and whenever a vessel is shifted out to outer anchorage, the vessel makes use of the channel. Hence, it is completely justified to charge port dues to vessel whenever it uses the port maintained channel. It will	Our main request is not to levy additional port dues, if the vessel is shifted for Port's convenience due to operational constraints and non-availability of suitable anchorage or without completion of her declared cargo operation. View above, additional Port dues for such re-entries are not justified. MANSA request to refer to

	because of change in the nomenclature. Further this is in addition to the double pilotage charges already levied by the port. MANSA recommend that JNPT should make port dues payable once only for 30 days akin to recovery of ILH dues or at least not levy additional port dues for the vessels which is forced to shift due to operational and other issues. Additional port dues for such re-entry are not justified.	also be relevant to point out that earlier MbPT was charging port dues on the basis of once in 30 days and have now changed to each entry into MbPT limit.	the recent MBPT Circular stating not to levy additional port dues for a vessel which is shifted due to non-availability of berth or anchorage space.
(iv).	**2.3. Schedule of Berth Hire Charges** Note 3 & 4 - Point (A) request to add beak bulk and general cargo along with bulk and tanker vessels. Point (vi) & (ix) conditions should be applicable for all terminals within the port and not restricted to port operated terminals. User to be penalised only if the delay/ idling is directly attributed to the user. Point (x) - This should be applicable to all Terminals. The time limit of 4 hours prescribed for cessation of berth hire shall include the ship's waiting period for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities. (c) The Master / Agent will give the readiness based on the completion of cargo operations and not in accordance with favourable tidal and weather conditions.	As regards request to add break bulk and general cargo along with bulk and tanker vessels, the same can be considered. As regards point (vi) & (ix) to be applicable for all Terminals and not restricted to Port operated Terminal, it cannot be accepted as the provision can be misused without any cross verification. This cannot be also extended to all Terminals	---- MANSA reiterate their stand that no user is to be penalized for the delays which are not attributable to them. No way can this be misused and the reasons for stoppage of work, if any at Privately operated Terminals are known to all and are also declared in the daily port berthing meeting. This should be applicable to all incase the berth is not required immediately. As a policy decision, Port should allow the vessels in pressing need to occupy any berth at JNP when required if the berth is not in demand or use for cargo operation.
(v).	**Point (5) - False Signal**	As regards False Signal the	

	Request to follow the circular no JNP/DC/MARINE/CIRCULAR/2004/1062 issued on 27 May 2004 by Deputy Conservator. If item nos. 6, 7, 8, 10 are not available on board, port may shift the vessel at outer roads on the basis of undertaking by the Agents instead of holding the vessel at berth and attracting penal berth hire charges.	Port is levying penalty for False Signal as per referred circular. The same has now been incorporated in the Scale of Rates.	----
(vi).	**Chapter 2 - Point 12 - Discount allowable at Shallow Water Berth** Request to continue this benefit for vessels other than container vessels.	This discount shall be allowable only during the time till mechanisation is not completed and once the Shallow Water Berth is mechanised with installation of cranes, there is no justification for continuing discount at Shallow Water Berth. Further the discount is an option available with the Port and can be withdrawn at any time. Also cement carriers are calling at this port as their silos are situated nearby port premises which means that these vessels call at Shallow Water Berth by default and many break bulk vessels are calling at this port and not at MbPT to avoid octroi. Further transportation of break bulk cargo from JNPT is easier and economical. At times due to cement and break bulk carrier vessel berthing of container vessel get delayed. Hence, the decision of port to withdraw discount after mechanisation is in order.	No justification for withdrawing the discounts given to non-container vessels when the berth is mechanized for container operations. It is a common phenomenon as a gesture which has been encouraged by the Govt. and the Port Authorities so that industries are developed in and around port to minimize overall cost on transportation. Regret the remarks made by the Port and sincerely request to reconsider the decision in the overall interest of the EXIM Trade. The Port should put in efforts to reduce the costs further so as to attract more traffic and increase earnings instead of resorting to withdrawing of the existing facilities to increase revenues.
(C). (i).	**CHAPTER - III** **Hazardous Containers** There is no justification when the port authorities are not providing any additional facility or not even stacking hazardous boxes separately.	Port is having designated container yards (both import and export) for stacking hazardous containers as per the IMDG code and the same is being followed with separate handling equipment. We are, however, withdrawing the condition of treating Hazardous Empty Container	---

<table>
<tr><td></td><td></td><td>as loaded for the purpose of billing.</td><td></td></tr>
<tr><td>(ii).</td><td>Shut out containers.

Shut out charges are not levied for the following instances. Please add the following :

Shut out charges not to be levied if the vessel operator decides to skip the call and all export containers are moved under enblock to another vessel.</td><td>If the vessel operator decides to skip the call and all export containers are moved under enblock to another vessel, the same can be considered as a particular vessel skips its call and all export containers connecting to that particular vessel are loaded onto subsequent vessel enblock.</td><td>----</td></tr>
<tr><td>(iii).</td><td>Dwell time charges.</td><td></td><td></td></tr>
<tr><td></td><td>(a). ICD Import / Export loaded - moved by road

Request to maintain the free period 7 days as this requires substantial documentation process and generally involves ODC shipments requiring specialized equipment. Any reduction in free period results in unnecessary additional cost to the Trade / Line.</td><td rowspan="4">Dwell Time Charges and the free period of ICD and Transshipment containers has been reduced by TAMP with effect from August 2007 based on the meticulous study and analysis, highlighting various pros and cons, to achieve speedy evacuation of EXIM containers by JNPCT (as a result of which creating additional capacity) which is the prime concern at this juncture to minimize the transit time of a container (which will be benefited by all stake holders). Increase in free period will lead to congestion of Port in future rather.
Currently the average dwell time for the containers moved by various transport modes is follows:
<table><tr><th>Transport Mode</th><th>Average Dwelling in days</th><th>Free Period in days</th></tr><tr><td>ICD by Road</td><td>3.17</td><td>3</td></tr><tr><td>ICD by Rail</td><td>4.43</td><td>7</td></tr><tr><td>Transhipment</td><td>6.19</td><td>10</td></tr></table>
Dwelling of containers on above categories are reasonably well within the stipulated free period. Hence, the request of MANSA cannot be considered at this stage. Keeping in view the following advantages associated with reduction in dwell time, a conscious decision has been taken:</td><td rowspan="2">The movement of ICD containers entirely depends only on Port/ Terminal capacity to handle, availability of equipment, customs documentation, availability and placement of train etc. In addition to this the documentation procedure followed for transporting ODC containers by road is a lengthy and time consuming process and also requires specialized equipment. The delay if any is beyond the control of the shipping Agents/Lines.

The port is not granting any free period for those boxes which are held back by the Lines.

Request not to reduce the free period for those containers which are not moved for no fault of the users. There is absolutely no justification for reduction in existing free days.</td></tr>
<tr><td></td><td>(b). ICD Import / Export loaded or Empty moved by Rail

This movement is completely dependent on the rail service provider and the port infrastructure availability. In addition to this ICD loading is managed by the Terminal. Hence there is no need of any reduction in the free period and request maintain 15 days.</td></tr>
<tr><td></td><td>(c). Transhipment containers
JNPT is considered as a hub port and any drastic reduction in free period will definitely affect the Trade. Request to maintain atleast 15 days free period for TP containers.</td><td>Any attempt to reduce the free period will defeat the purpose of considering JNP as a hub port lest it would discourage Users to promote this transshipment operation.</td></tr>
<tr><td></td><td>(d). Longstanding containers

JNPT handles mainly</td><td>As per normal practice, the letter of abandonment/auction is sent by the shipping Line</td></tr>
</table>

	containerized cargo and it is clearly stated that 75 days ground rent is payable for longstanding containers. So we do not agree with port intention to levy any additional charges over above of this due to the delay in auctioning of containers or other factors which is not contributed by the Line.	- Speedy evacuation of ICD boxes from Port Terminals. - Decongestion of Port Containers Yards - Turnaround time of rakes handled at Port Terminals reduced further with sufficient pendency made available. - Total turnaround time of containers in Import and Export cycle reduced drastically. This will help the trade. - Planning of Export Yards streamlined. - Speedy evacuation of containers provides additional handling capacity within the same period. - Surge in EXIM cargo, if any, absorbed without any difficulty. - Shippers are discouraged to use Port Container Yards as their storage yards. - Shipping lines are compelled to clear the cargo within the stipulated to avoid demurrage. As regards the point made regarding longstanding container and perishable/ hazardous containers these points have already been covered vide JNPT Circular No.JNP/SM(CT)/Haz/2008/ 1792 dated 22.11.2008, copy of which is enclosed for ready reference and	and not by the consignee or shipper. The Line comes to know about the abandonment of cargo only after expiry of normal free period extended to the consignee. So the intimation from the Line/Agent should not be construed as taking custody of cargo/containers. As stated in our letter to TAMP, it is the duty of the custodian to release the empty containers to the Line after auctioning of the cargo within the period stipulated by TAMP without any conditions or cost(other than the 75 days storage (ground rent) to the shipping Line. Similar rule should also be applicable for Perishable and Hazardous Containers.
(iv).	Perishable / Hazardous containers: to be auctioned or destroyed by the port Authorities as per existing guidelines in the major port and TAMP without delay. Line will be responsible only for 75 days ground rent charges and actual destruction cost. All formalities and permission to be obtained by the custodian.		

		stand is as follows: (i). After auction of Import/Export cargo (dwelling in the Port beyond 60 days) the empty container will be delivered to the concerned Shipping Line/Agency against levy of 75 days of ground rent charges. (ii). Policy guidelines for disposal of long standing perishable / hazardous cargo abounded at JNPCT vide Circular No.JNP/SM(CT)/Hazz/2008/ 1792 dated 22.12.2008 to be included in the tariff (A copy of the circular is attached herewith).	
(D)	**Charges for Dry bulk and General Cargo - Chapter - IV**		
(i).	Request to redefine the OD cargo with a weight of more than 25 m. irrespective of the DIA.	----	---
(E)	**Miscellaneous charges - Chapter - VI**		
(i).	**VIA Cancellation Charges** VIA is obtained only after payment of VRC to the port which itself is a very huge amount. There is no other additional cost or activity incurred by the port due to such a cancellation and accordingly additional charges are not justified.	There is administrative cost involved and therefore, the charges proposed are justified and are also not very high.	The existing tariffs are more than adequate to cover the Administration cost if any incurred for the process. In addition to this we request the Port to give prompt refund due to Users of such huge amounts within 10 days of cancellation of the VIA.
(ii).	**Tug Hire Charges / Manpower Hiring Charges** More than 150% increase in Tug charges and manpower hiring charges is not justifiable in the present scenario.	As per decision taken in the joint hearing that this proposal is only for rationalization and no increase should be imposed, we are withdrawing the said increase proposed.	---

2.2. In addition to the reiteration of the above comments, the MANSA has furnished its additional comments on the general revision proposal of the JNPT. The JNPT has not furnished its comments on the additional comments of the MANSA. The comments of MANSA are given below:

(i). **Vessel Related Charges**

(a). On an average 30 percentage increase in port dues, Pilotage and Berth Hire charges have been proposed. MANSA does not find any justification for this increase in Vessel related charges especially when the traffic to the Port has increased considerably. Any increase in Tariff for vessel related charges will adversely affect the overall viability of vessel operation as an additional burden on the shipping Line/ Owner. It is requested to maintain the tariff without any increase for the present, if it cannot be reduced.

(b). MANSA also reiterates its earlier representation on multiple port dues being levied by JNPT for vessels required to be shifted to anchorage (extended port limit of MbPT) for operational convenience. This shifting was required only due to inadequate infrastructure like anchorage availability at JNPT. Further, no additional facilities are being provided / created to the vessels shifting to outer anchorage. The charges have been recovered only because of change in the nomenclature. Further this is in addition to the double Pilotage Charges. For your kind information, Mumbai Port has recently withdrawn this additional port dues for the vessels shifted to outer roads due to non- availability of inner anchorage. MANSA requests JNPT to withdraw this double payment due to above reasons.

(c). Any increase in vessel related charges at this critical phase would adversely affect the Shipping Trade.

(d). Further, as stated in its letter dated 1 November 2012, MANSA once again reiterates that Port means Jawaharlal Nehru Port and conditionalities related to Marine charges should be applicable to all the Terminals operating in the Port. Marine activities are common and the requested services are provided and charges are collected by JNPT and not by the individual Terminals.

(e). 2.2. (E) - Cancellation charges & Detention charges for pilots:

(i). When a pilot is booked and cancelled prior boarding, there is no need for the arrival of tugs at the vessel side, accordingly no tug cancellation charges can be applicable.

(ii). When a pilot is booked/ arrived on board and sailing cancelled after one hour of pilot boarding due to non readiness of vessel - In addition to the pilot cancellation charges, penal berth hire , false signal charges, and normal berth hire charges are levied . We are sure these additional levy of heavy charges are more than sufficient to cover the movement of tugs from shallow water berth.

(iii). In view of the above, it is not justified to further burden the users by levying extra exclusive charges under a different head. This element was already covered in the existing charges which are comparably very high to international standards.

(f). In 2.3. Schedule Of Berth Hire Charges, Notes 3(v) please include B/bulk Vessels in V (a)

(g). VI. Penal Berth Hire charges for stoppage of work should not be applicable if the reasons for stoppage are not attributable to the vessel. The condition should be applicable to all Terminals.

(h). (i). Berth hire should cease after 4 hours of submitting unberthing application irrespective of the reason. All reasons mentioned in the tariff proposal is beyond the control of Vessel or due to lack of infrastructure facility in the port

(ii). MANSA requests to not levy multiple penalties for occupying the berth after completion of discharge, as per present tariff proposal following charges applicable if a vessel stays after cargo operation inspite of no fault of the vessel.

1. Normal berth hire charges
2. Penal berth hire charges
3. Penal berth hire equal to one day berth hire

In addition to this respective Terminal also charges penal berth hire for the same reason. There is absolutely no justification to penalize the vessel with multiple penalties by different Authorities due to lack of availability of anchorage at JNP.

(iii). Vessel will give the readiness upon completion of cargo operation and incorporation of other conditions is not acceptable (JNP's own condition mentioned in 3 (i) is contradicting this conditionality)

(i). In most of reasons stipulated in the conditionality vessel can be shifted to anchorage (MBPT EXTENDED AREA) and no need of keeping the vessel at berth

(ii). **Container related Charges**

(a). MANSA does not see any justification for the quantum of increase in tariff proposed by JNPT. JNPT proposal for an increase of approximately 70 percent in overall container related charges are not at all justified when especially entire EXIM Trade is under pressure due to existing recession in international Trade. However, MANSA has requested to consider a reasonable revision, say, an increase of approx.

10 percent in container related charges, in view of the increase in the Container arrivals in JNPT.

(b). Free period granted to different category of containers has to be maintained invariably.

(iii). **Longstanding containers**

(a). JNPT handles mainly containerized cargo and it is clearly stated that 75 days ground rent is leviable for longstanding containers. MANSA does not agree with port intention to levy any additional charges over and above this, due to the delay in auctioning of containers or other factors which are not contributed by the Line. Further, MANSA also does not agree with the proposal of port to recover deficit from the shipping Line/Agents for the cargo not cleared by the consignee and subsequent delays caused from Port Authority to auction the cargo within the stipulated/ specified period given by the TAMP.

(b). Perishable/ Hazardous containers:
To be auctioned or destroyed by the port Authority as per existing guidelines in the Major Port Trust Act 1963 and TAMP without delay. Line will be responsible only for 75 days ground rent charges and actual destruction cost. All formalities and permissions to be obtained by the custodian.

(iv). **Charges of Dry bulk and General cargo / car carriers:**

(a). Proposal is completely unjustified. Increase of 400 percentage on cargo handling and storage charges at JNPT for the cargo which is handled with ships own facility without offering any additional assistance by the port is not at all proper.

(b). This increase is also incorporated for coastal cargo handling at JNPT. MANSA has requested to reduce the overall cost on cargo handling with vessel crane/ unloading facility or with Agents own shore-based (moving) crane or hired by him at his cost. Port charges on wharfage to be nominal, not too high or penal.

(v). **4.2 Handling charges – General cargo**

There is no facility presently available in the port to use Grab un-loader for discharging General cargo. This may be removed from the proposed tariff.

Notes:

(a). Request to re-define the OD cargo as follows instead of what is mentioned in the proposed tariff which is factually normal dimension and weight of cargo generally handled. In addition to this all this cargo is handled by the Ships gear or with the shore crane arranged by the user, no justification to charge additional charges on the basis of Dia of the cargo.

(b). However, we request to define OD cargo as Break Bulk package "with Unit weight of above 25 mt per unit irrespective of its DIA"

(c). Presently Port is not handling such cargo; it is requested to charge on MT basis.

(d). In respect of vessels discharging in anchorage or overside operation and subsequently the cargo is being discharged alongside berth, port should consider to levy only 30 percent wharfage at anchorage/ overside discharging.

(e). This is an operational requirement and accordingly requested to charge only a nominal fixed charge for such activity.

(vi). **Wharfage on bunkering:**

(a). This activity is normally considered as a facility provided by the Port to Vessel. Any increase in charge is not justified.

(b). Penalty charge for cancellation of VIA, Hire charges for floating craft, Man power hiring charges: no justification for such an increase in all these charges proposed by JNP.

(vii). **Fire Tender charges:**

This is an essential facility to be provided to the user by the port Authority for overall safety. We do not agree for such charges for emergency services.

(viii). Other points:

JNPT vide their letter JNP/Fin/TAMP/2012/375 dated 27th September 2012, has assured to withdraw following. However JNPT proposal is still reflecting the increase and conditionality

(a). Tug Hire /manpower hire charges.

(b). Schedule of berth hire charges Note (3) (V) adding b/bulk vessel and general cargo vessel.

(c). Shut out containers:

JNPT agreed to consider not levying shut out charges if a particular vessel skips its call and all export containers connecting to those vessels are loaded on to subsequent vessel.

3. A joint hearing in this case was held on 30 August 2013 at the office of the Authority. The JNPT made a Powerpoint presentation of its proposal At the joint hearing, the JNPT and the concerned users/ organisation bodies have made the following submissions:

<u>JNPT</u>

(i). Port did not get tariff increase so far. We have sought increase in tariff this time.

(ii). We have taken traffic of NSICT & GTIPL as projected by them for the years 2013-14 to 2015-16. They have restricted the traffic to MGT level because of tariff reduction, in their case.

(iii). We expect to handle larger parcel size vessels. Therefore, the number of vessels projected is less. Since NSICT traffic projections are going down, the GRT of vessels also goes down.

(iv). Capital dredging project was awarded in August 2012. 33% of work is completed as of now. Second stage of dredging cost has not been considered in the proposal.

(v). As per 2005 guidelines, unless projects are completed and commissioned, we do not get returns. This may be good for certain projects. But, not for big projects like dredging project where some benefit out of the investment accrues to the port and the users even before completion of the entire project.

(vi). We have revised our cost applying 7% escalation factor. But, we do not agree with even 7% escalation.

(vii). We are buying fuel in bulk. Rate of the fuel for bulk customers has been drastically increased as per Govt. policy.

(viii). We understand that hike in wage is around 10.5%. This factor will also add to our cost.

(ix). There is an increase in the electricity costs due to change in our categorization by MERC.

(x). Additional expenditure on land development under 12.5% Land schemes is proposed to be met from infrastructure reserve.

(xi). Our performance parameters of turnaround time, ship day, output are comparable. We do 20 moves per hour for containers. Our BOT operators do around 25 to 26 moves per hour. Our less performance is not due to inefficiency of labour. But, due to old machines and other external factors.

(xii). In our terminal, if we shift the vessel for our convenience, we do not charge. In the case of Private terminals, we do not know the reasons for shifting. Trade & Private terminals should sort out the issue.

(xiii). We have limited pilots. We charge cancellation charges for the reasons attributable to the trade.

(xiv). We have our RTGs, but we cannot hire man power. There is restriction on recruitment, if we have to own the cranes.

(xv). Port dues is levied for use of the channel. If MBPT has given relief, we will also examine it.

(xvi). We are ready to reduce vessel related charges. Are shipping lines ready to pass on the benefit to the trade?

<u>The Container Shipping Lines Association (CSLA)</u>

(i). Upper escalation of tariff is not desirable for lines.

(ii). We will not be able to support any tariff increase.

<u>Gateway Terminal India Private Limited (GTIPL)</u>

We support JNPT proposal for increase in tariff.

<u>Nhava Sheva International Container Terminals (NSICT)</u>

We support the JNPT proposal. They did not get increase for the last 14 years.

<u>Shipping Corporation of India (SCI) & Indian National Shipowners Association (INSA)</u>

(i). There is no clarity in coastal concession rates. Concession should be given from the time container arrives till shipment.

(ii). Reception facility should be at par with international norms. Port should take responsibility. It shall not be left to contractor.
(Chairman, JNPT: We have outsourced the activity to the Contractor authorized by the Maharashtra Government. It is free market. Ship owners can choose any contractor)

<u>Mumbai & Nhava Sheva Ship Agents Association (MANSA)</u>

(i). We have given written comments. Please take on record.

(ii). Marine Cost not only in JNPT but at other places also three times more than Dubai.

(iii). Port is the bailee of the cargo. It is duty of the port to deal with cargo expeditiously. Lines cannot be made to bear the storage charge beyond 75 days for cargo & container.

(iv). JNPT levies multiple port dues on vessels shifted to anchorage. Vessel is shifted for their own conveniences. Anchorage availability at JNPT is inadequate. Vessels shifted to outer anchorage are not provided with any additional facility. Pilotage also is levied twice. Mumbai Port has recently withdrawn the additional port dues on vessel shifted to outer anchorage due to non-availability of inner anchorage. Double levy of port dues should be withdrawn.

(v). There is much delay in implementation of projects. Cranes were installed after 12 years. Trade cannot be held responsible.

(vi). Conditions governing shifting of vessels for port convenience should be common at all the terminals operating at JNPT.

(vii). When vessel is not ready for sailing, port levies penal berth hire, false signal charge and tug hire charges. When pilot is booked and cancelled there is no need for the arrival of the tug. No tug cancellation charges should be levied.

Ultratech Cement Limited

Increase is justified. But steep increase in one go would be difficult. It would be better if the increase is granted in a phased manner.

MCHAA

We have no comments.

ICC

Coastal ship concessions to continue.

4. As decided at the joint hearing, the Container Shipping Lines Association (India) (CSLA) vide its letter dated 10 September 2013 has furnished its comments. The comments of CSLA were forwarded to JNPT for feedback information. The JNPT vide its letter dated 30 October 2013 has responded to the comments of CSLA. The comments of CSLA and the comments of JNPT thereon are tabulated below:

Sr. No.	Comments of CSLA	Response of JNPT
(i).	**Safe-guard interest of shippers, consignees and port users:** In the interest of the trade and due to the unprecedented turmoil on the currency front, economic landscape, precarious CAD; any rates increases at this juncture will make imports more expensive and nullify and gains made on the exchange rate for exports.	Comments of CSLA are in general, so no comments are offered.
(ii).	**Encourage competition/efficiency** Neighbouring terminals have been highly efficient and JNPT should bench-mark their performance vis-à-vis these terminals which has not taken place for the past few years. In spite of having new quay cranes the productivity levels and	We do not agree with the contention of CSLA. Subsequently induction of four RMQCs in the recent past, the productivity level as well as service level have increased appreciably. (a). Subsequent to induction of four RMQCs with effect December, 2011 the berth productivity increased from 38 moves per hour to 60 plus moves

<table>
<tr><td></td><td>service levels are far below the neighbouring terminal.</td><td>per hour on an average.
(b). Depending on the size of the vessel, volume on board and the available stowage, monthly average Gross Berth Productivity (GBP) varies from 57.16 moves per hour to 64.12 moves per hour (GBP of 35 moves for smaller parcel size vessels and 108 moves per hour for higher parcel size vessel). When we consider average of these GBP of all services, it works out to 60 plus moves per hour currently.
(c). The letters furnished by few of the operating Agencies at JNPT Terminals are enclosed herewith, which are self explanatory.
(d). In the neighbouring Terminal i.e at NSICT, the berth productivity is also in range of 60 plus moves per hour on an average on par with JNPT.
(e). This is to place on records that as against the strength of 18 RTGCs at JNPT, the neighbouring Terminals i.e. NSICT & GTI are having 29 & 50 RTGCs respectively.
(f). With the induction of one set of RTGCs (6 nos.), along with three more RMQCs, the productivity is expected to increase further form the existing levels.
(g). The waiting period of vessels at JNPT in the past one year subsequent to induction of four new RMQCs is in the range of 0.03 days.
(h). Even the turnaround time of the vessels has reduced considerably with increase in volume (parcel size), the following data is self explanatory.
<table>
<tr><th>Sr. No</th><th>Year</th><th colspan="2">Average parcel size</th><th>Turn around time</th></tr>
<tr><td>01</td><td>2010-11</td><td>920</td><td>1229</td><td>2.18</td></tr>
<tr><td>02</td><td>2011-12</td><td>1101</td><td>1452</td><td>1.66</td></tr>
<tr><td>03</td><td>2012-13</td><td>1449</td><td>1942</td><td>1.86</td></tr>
<tr><td>04</td><td>2013-14 (till sept-13)</td><td>1639</td><td>2206</td><td>1.27</td></tr>
</table>
(i). Performance of JNPT can not be compared with GTI as they are equipped with latest state of art equipment since the Terminal was commissioned recently.</td></tr>
<tr><td>(iii).</td><td><u>Tariff leverage to improve operational efficiency in the port and Long Term objectives – Competitive pricing and push performance of Indian Ports to internationally competitive levels:</u>

There no clarity on how this tariff increase will provide leverage to improve operational efficiency in the port. Structured action plan for rendering this advantage needs to be prepared by JNPT /TAMP for further evaluation</td><td>Operational efficiency has to be seen in tandem with appropriate Scale of Rates. It may please be noted that Port’s SOR has not seen any upward revision since 1999. On the contrary, there has been a reduction in the tariff in the year 2004.Port’s traffic has increased many folds since last tariff revision, whereas tariff has decreased in the scenario of increasing expenditure. Port will not be able to sustain with the existing tariff.</td></tr>
<tr><td>(iv).</td><td><u>TAMP to examine reasonableness of the costs to ensure inefficiencies/ uneconomic use; practices are not passed on to the users:</u></td><td></td></tr>
<tr><td></td><td>(a). The inter-terminal shifting of ICD containers has to be re-vamped. There is</td><td>(a). Since there is imbalance Imports and Exports, rail operators including CONCOR cannot generate trains</td></tr>
</table>

	a heavy cost paid by trade as rail operators are unable to provide dedicated trains. The terminal should give rail operators an ultimatum to stop this and abolish this additional more or at least reduce the high percentage of mixed trains from 8-90 percent levels. Other ancillary cost like shut-out, missed connections are not taken into account and difficult to gauge.	though JNPT is insisting the same since long. (b). However, JNPT in consultation with Trade partners and Ministry of Commerce have worked out a innovative concept for handling mixed trains. Since it involves additional moves for connecting the mixed box to the desired destination/Terminal, the cost has to be borne by the concerned Shipping Line, for which Port Terminals can not be held responsible. (c). Terminal is taking adequate care to ensure that the export container arriving by train do not miss their connection to the nominated vessel.
	(b). The yard-in yard concept exists only at JNPCT and is another inefficient operational model for export planning, feeding to the vessel.	(a). Currently, JNPT is having nine RMQCs supported by 18 yard RTGCs. (b). As per the existing International Container Terminal operating practices, we need to have 3 RTGCs against one RMQC. As against this, we have 2 RTGCs. (c). It is pertinent to note that the adjacent Terminals i.e. NSICT & GTI have got 29 and 50 RTGCs respectively. (d). Due to lengthy bureaucratic process, the system of augmenting additional equipment is slow. (e). In order to over-come the shortage of RTGCs, to sustain the existing productivity level, we have adopted the concept of operating Export containers through paved areas. (f). These paved areas are operated by concerned Shipping Lines handling their service through JNPCT where they are deploying their own equipment for handling exports. (g). Since they are deploying their own equipment, as a part of incentive, suitable compensation is paid to the concerned yard operator/Shipping Line in accordance with the SOR. It is pertinent to note that this has been accepted and approved by the TAMP. This concept has resulted in improvement in berth productivity considerably. Further, when the Export boxes are operated from paved areas, the same will have the following distinct advantages. i. All ICD exports received by train pertaining to paved area services operated will go directly to paved areas which automatically results in housekeeping of ICD boxes. ii. Export feeding will get expedited as the paved area operators will be using their own equipment. This will also help in reducing the idling of RMQCs during the course of loading on board. iii. Balance services operated from container yards equipped with RTGCs will get adequate number of dedicated export yards. This will also reduce the clashing of RTGCs during the course of loading. iv. Export yards equipped with RTGCs will become congestion free. v. More number (adequate) of RTGCs will be available for proper export intake and housekeeping of ICD export boxes received from train for the services operated from CY. vi. The turn-around time of vessel is expected to reduce.

		All the aforesaid factors will help us in uplifting the overall productivity. Once adequate number of RTGCs are acquired by the Port, the system of operating export boxes from paved area will be reviewed, if required.
	(c). Hot-seat arrangement is yet to become a reality; equipment down-time is high.	Considerable time is reduced during the shift change. However, in the course of time, with appropriate measures like incentive, hot seat exchange will take place. On an average, equipment covering both RMQCs & RTGCs are available to the tune of 94.79%, 95.86% respectively which is considered to be reasonable. We do not agree with the contention of CSLA that equipment down time is high. **If equipment down time is high, then it is very difficult to achieve waiting period of vessels prior to berthing which is currently 0.01 days.** It is pertinent to note that the average waiting period during the year 2012-13 was 0.58 days and from April, 2013 onwards the same is 0.01 days, which is considered as normal in any International Container Terminal operations.
	(d). Vessel shifting berths amongst the terminals is an expensive solution, which shipping lines are forced to accept due to certain inefficiencies/labour issues etc. in such unavoidable situation shipping lines should not be burdened to bear additional cost.	Vessel shifting has nothing to do with inefficiencies /labour issues. They are charged to the Shipping Agents as per prevailing practice and shifting lines should not be burdened to bear additional cost.
(v).	**<u>50% revenue/royalty of the port to be kept in an escrow account and be used for creation/modernization of port infrastructure facilities within 5 years:</u>** TAMP/JNPT to give clarity in usage of these funds and its effect on improvement of overall infrastructure facilities. The infrastructure improvement should also focus on connectivity between serving CGSs and terminal and over all road connectivity to the terminals as trade has suffered a lot due to these shortfalls. If the funds have not been used then it should be considered as port revenue.	TAMP has already issued guidelines for use of funds to ESCROW Account and transfer of funds to ESCROW Accounts. Port is strictly following TAMP's guidelines.
(vi).	**<u>Fresh investment/capacity creation will be assessed on various parameters:</u>** This will cover reduction in unit costs, generating additional business, increasing efficiencies and JNPT has to prove how this has benefited the trade.	Fresh investment need not always result in an additional capacity. Many equipments are replaced which have completed their economic life. Proposal of the TAMP has been worked out accordingly.
(vii).	**<u>Bearing the quid-pro-quo principle, tariff/charges leviable shall be commensurate with services rendered/facilities provided:</u>** ------	Tariff proposal has been worked out as per guidelines issued by TAMP and Port has no comments to offer in respect of tariff with commensurate with services rendered.
(viii).	**<u>Tariff for container handling will be linked to bench-mark levels of</u>**	CSLA comments are in general with respect to present trade scenario. However, as brought out

	<u>productivity, both for gate-side and vessel-side operations:</u> At this juncture, TAMP/JNPT has to establish and prove justification for the tariff hike and if yes then it has to be calibrated to a level that can be absorbed by the trade (say 5 to 7%) and the measures taken by JNPT to improve productivity, improve efficiencies, increase capacity etc. CSLA would also like to stress on the fact that at present several users from neighbouring state are using Nhava Sheva as gate way since the trade has been established over the years and many of them have not fully move to the new, better equipped terminals in their vicinity. Any increase in Nhava Sheva port tariff will only fuel the cargo shift out of Nhava Sheva which ultimately have adverse effect on the growth of the terminal. Hence in the interest of the trade and to incentivize business into Nhava Sheva /JNPT, with above submission, CSLA strongly opposes the tariff hike proposed by JNPT.	earlier, TAMP proposal has been worked out strictly in accordance with guidelines issued by TAMP. Moreover, SOR has not been revised for the last 14 years. Whereas operating expenditure has gone up multiple times, therefore, cost based tariff structure will prevail.

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