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Tariff Authority for Major Ports

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New Delhi,

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NOTIFICATION

In exercise of the powers conferred under Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby reviews its earlier Order dated 19 September 2008 fixing interim tariff for the Nhava-Sheva International Container Terminal Private Ltd., for review of its tariff as in the order appended hereto.

(Brahm Dutt)

Tariff Authority for Major Ports
Case No. TAMP/55/2008 – NSICT

The Nhava-Sheva International Container Terminal Ltd - - - Applicant

ORDER

(Passed on this 30th day of December 2008)

This Authority passed an Order on 19 September 2008 fixing interim tariff for the Nhava-Sheva International Container Terminal Ltd., (NSICT). This Order was notified in the Gazette of India on 29 September 2008 and the interim tariff fixed came into effect from 1 October 2008.

2. The tariff guidelines of 2005 stipulate a terminalwise cost plus return approach for fixation of tariff of major port trusts and the existing private terminals. This approach captures volume of traffic estimated to be handled by an operator in the future period for the purpose of determining revenue results. In its proposal dated 24 March 2008, the NSICT has raised certain issues arising out of application of terminalwise cost plus return approach. This Authority found some of the points raised by NSICT were relevant and, therefore, within the framework of the tariff guidelines of 2005, evolved an improved approach which will recognize volume efficiency achieved by an operator. Since this Authority desired to firm-up the revised approach in consultation with all relevant stakeholders, the proposal of NSICT was decided in an interim manner. The speaking Order passed by this Authority on 19 September 2008 elaborates the approach adopted and the reasons therefor. To recapitulate briefly, the approach adopted to fix the interim tariff is as follows:

- (i). In order to encourage volume efficiency, the tariff fixation will be based on volumes equivalent to the standard capacity of the terminal. The level of standard capacity is determined by applying the formula and relevant parameters provided in the tariff guidelines of 2008.
- (ii). For the purpose of determining Annual Revenue Requirement (ARR), gross value of assets as on 1 January 2008 which are required to handle the standard capacity of traffic is recognised.
- (iii). The estimated operating expenses to be incurred to handle volumes to the level of standard capacity is taken into account after subjecting it to the test of reasonableness based on the norms contained in the tariff guidelines of 2008.
- (iv). Tariff guidelines of 2005 permits partial pass through of royalty in the case of NSICT subject to the maximum of the amount quoted by the next lowest bidder provided there is loss. Therefore, the actual position of NSICT irrespective of standard capacity based position is considered to determine the quantum of pass through of royalty within the maximum permissible level.
- (v). The revised targeted revenue was determined by adding the quantum of royalty pass through to the original revenue requirement and the gap between the revenue at the existing tariff and the revised targeted revenue requirement was bridged by allowing tariff increase, which worked out to 10.3% in the case of NSICT for the period 1 January 2008 to 30 September 2009.

3. As committed in the tariff Order of 19 September 2008, a consultation proceeding with the relevant stakeholders in container handling was initiated. A consultation meeting was organized on 26 November 2008 which was followed by another meeting on 17 December 2008 at the request of some of the associations. The position emerged in the consultation process is discussed below:

- (i). There is a general endorsement of the approach of determination of tariff with reference to standard capacity.

- (ii). There was a demand to review the present policy of allowing only part of royalty as an item of cost in the case of terminals which came into being before July 2003 and disallowing the entire royalty / revenue share in the case of post-July 2003 terminals. It was suggested that full pass through of royalty should be allowed for pre-July 2003 terminals and at least royalty / revenue share payable on volumes to the extent of Minimum Guaranteed Throughput (MGT) should be considered for the post-July 2003 terminals.

It has to be recognized that the exercise undertaken is to refine the cost plus approach within the bounds and framework of the tariff guidelines of 2005, which are the policy direction of the Government. The intention is only to improve the methodology and not to effect any drastic modifications by exercising the discretionary power granted by those guidelines. The step taken to refine the approach itself is mandated by Clause 2.4.1. of the said guidelines which requires this Authority to make attempts to evolve normative cost and also the general guidance contained in Clause 2.2. (iii) which requires consideration of different factors like efficiency in performance and optimum capacity while prescribing tariff. As mentioned earlier, the tariff guidelines of 2005 are policy direction issued by the Government and, therefore, binding on this Authority. This Authority will be guided by the existing policy decision of the Government on the issue of allowing pass through of royalty / revenue share in tariff. The standard capacity based method adopted will, however, provide an avenue for an efficiency operator to meet the payment of royalty / revenue share which is not considered in tariff computation from the contribution made by the volumes handled in excess of the standard capacity.

- (iii). The Indian Private Ports and Terminals Association (IPPTA) has suggested to prescribe floor and ceiling of tariff level to enable the operators to work within a range of competition and feasible tariff balance. The method suggested by IPPTA depends heavily on its earlier suggestion to consider full pass through of royalty as explained in the preceding paragraphs. Since no change is to be effected in the existing policy of revenue share / royalty pass through, the suggestion is not very relevant at this juncture. In any case, the tariff fixed by this Authority are only ceiling levels and, therefore, sufficient flexibility is available to the operators to levy tariff within the ceiling level prescribed in the Scale of Rates.
- (iv). There was also a suggestion to consider gross-block of assets for the purpose of allowing return. Without going into the merit of suggestion, it is pointed out that the tariff guidelines of 2005 permits return only on net value of assets. It is true that the interim approach adopted by this Authority in NSICT case recognizes return on gross value of assets as on 1 January 2008 only for the purpose of determining revenue requirement. A careful perusal of the interim approach will reveal that the actual position was analyzed by allowing return only on net-block of assets which ultimately determined the quantum of pass through of royalty. The underlining principle is to reduce the pass through of royalty otherwise to be allowed as per the tariff guidelines. Therefore, allowing return on gross-block cannot be taken as automatic. It is to be seen in the light of reducing progressively the quantum of pass through of revenue share / royalty in the tariff computation.
- (v). The IPPTA has also suggested to effect certain changes in the values for some of the parameters to be applied for determining standard capacity based on the formula prescribed in the 2008 guidelines and also to recognize only 60% of the maximum capacity as the standard capacity. The tariff guidelines of 2008 are policy direction of the Government. It is not clear why a standard formula accepted as policy at the national level should be modified to suit the requirements of individual terminals. It is also to be recognized that the tariff guidelines of 2008 were promulgated after considerable deliberations at different levels. Besides, the norms relating to container handling contained in those guidelines rely upon the recommendations of the Prabhakaran Committee in

which many user organizations were also members and a study carried out by the National Maritime Academy, Chennai. This Authority is, therefore, not in favour of considering a method to determine the standard capacity which will be different from the one prescribed in the tariff guidelines of 2008.

4. It is thus clear that none of the stakeholders have any serious objection to the methodology adopted to determine tariff in the NSICT case in the September 2008 Order. The request and suggestions made in the consultation process are more for further liberalising the approach. That being so, this Authority decides to confirm the standard capacity based approach followed in the earlier tariff Order of September 2008 in the NSICT case. As already highlighted in the earlier Order of September 2008, the revised approach adopted results in a win-win situation for both the operators and users. The revised approach encourages an operator to handle higher level of volumes to improve his returns. With increase in volumes, it is possible to progressively reduce the level of royalty pass through in tariff which will lessen the tariff burden on users.

5. It may be recalled that the proposal of the NSICT dated 24 March 2008, which was disposed of through the September 2008 Order, was for tariff fixation for a three year period as required by the tariff guidelines of 2005. This Authority then decided to fix interim tariff only for one year in order to have the response of the relevant stakeholders on the standard capacity based approach evolved for the first time to determine tariff of the existing container terminals. Since the standard capacity based approach evolved in that Order is now decided to be followed finally, it is necessary for this Authority to prescribe tariff for the NSICT for the usual tariff validity period of three years. Instead of reviewing and revising the tariff retrospectively from October 2008, it is decided to carry out the review prospectively for the next three year period i.e., for 2009, 2010 and 2011. The actual position obtaining for the three months period for which the interim tariff was in force is also taken into consideration while determining the final tariff for the next three year period.

6. The NSICT vide its letter dated 2 December 2008 has requested this Authority to consider the following points while passing the final Order:

- (i). NSICT's optimal capacity should be determined at 1019052 TEUs instead of 1195740 TEUs by recognizing the fact that NSICT has only 6222 ground slots.
- (ii). Full pass through of royalty should be allowed.
- (iii). The past surplus arises from better utilization of the capacity and, therefore, such amount should not be adjusted while determining tariff.

7. The points raised by NSICT are more or less repetition of its pleadings made in the proceeding relating to the tariff Order of September 2008. As discussed in the earlier part of this Order, this Authority will adopt only the formula and the parameters prescribed in the tariff guidelines of 2008 for determining the standard capacity. The treatment of revenue share / royalty will be guided by the extant policy decision of the Government. The request for not adjusting past surplus made by the NSICT was discussed and disposed in the earlier tariff Order of September 2008 and there does not appear to be any reason for revisiting the earlier decision.

8. At our request, the NSICT vide its letter dated 9 December 2008 has informed that the container traffic to be handled by them in the year 2008 will be 1471313 TEUs including the estimated volume to be handled in the month of December 2008. Considering the fact that the NSICT operates at a level higher than its standard capacity and the growth trend of volumes at the terminal has moderated in the last few years and also recognizing the current economic situation, the estimated container traffic to be handled at NSICT for the next three years is considered at the same level as that of 2008. This is, however, subject to verification and necessary adjustment, in case of variation, at the time of next tariff review.

9. The NSICT has operated the facilities at the interim tariff for a period of 3 months from 1 October 2008 to 31 December 2008. Since the final tariff is to be implemented prospectively with effect from 1 January 2009, it is necessary to assess the financial position of NSICT arising out of the implementation of interim tariff for a period of 3 months with effect from 1

October 2008 to 31 December 2008. As the calculations reveal, the operation of interim tariff for the 3 months period from October 2008 to December 2008, at the actual traffic handled reported by NSICT, the operator would have earned Rs. 190 lakhs in excess of the permissible level. This excess revenue is considered for set off in the next year.

10. (a). An additional surplus of Rs.473.42 Crores over and above admissible cost and permissible return was quantified in the tariff Order of 22 July 2005 for the period 2000-01 to 2004-05. In order to smoothen the impact of this adjustment, the surplus was decided to be adjusted over a period of five years vide paragraph No. 10(xii) of Order dated 22 July 2005. Accordingly, a sum of Rs.142.02 Crores was adjusted in the estimates for the years 2005-06 to 2007-08 leaving a balance of Rs.94.68 Crores to be adjusted. Out of this balance amount, one installment of Rs.47.34 Crores was adjusted for the period October 2008 to September 2009 in the Order of September 2008. The balance amount of Rs.94.68 crores is fully adjusted now over the period from October 2008 to December 2010.
 - (b). In the September 2008 Order, the net surplus after admissible cost and return for the period April 2005 to September 2008 was assessed at Rs.217.36 crores, based on the actuals for the period April 2005 to December 2007 and estimated position for the period from January 2008 to September 2008. Since the actual traffic position for the year 2008 is now available, the assessment of actual net surplus after admissible cost and return for the period April 2005 to September 2008 is updated and quantified at Rs.217.34 Crores. A copy of the revised cost statement for the period from April 2005 to September 2008 is attached as **Annex-I**.
 - (c). Since the surplus pertaining to the period from 2000-01 to 2004-05 is fully adjusted during the period October 2008 to December 2010, the revised surplus of Rs.217.34 crores is considered for adjustment over a period of five years starting from the year 2011 following the same approach adopted in adjustment of past surplus pertaining to the period 2000-01 to 2004-05. One fifth of Rs.217.34 crores amounting to Rs.43.47 crores is adjusted in the year 2011. This leaves a balance of Rs.173.87 crores to be adjusted in the future tariff cycle commencing from January 2012.
11. Following the interim approach evolved in the earlier Order, which is now finalised after consultation with relevant users, the cost and financial position of NSICT for the period upto December 2011 was analysed. The calculation sheet is attached as **Annex-II**.
 12. Briefly, the following approach was adopted to draw up the calculation sheet:
 - (i). To arrive at the normative Annual Revenue Requirement (ARR) for the years 2009, 2010 and 2011 the ARR determined earlier for the year 2008 is indexed to inflation to the extent of 60% of WPI, which is 4.76% for the cases decided in the year 2008-09.
 - (ii). The total expenditure (excluding royalty) for the years 2009 to 2011 is estimated by applying the annual inflation index, wherever relevant, over the respective previous year's position.
 - (iii). As per the earlier Order, the net capital employed for the years 2008 and 2009 worked out to Rs.57012 lakhs and Rs.53112 lakhs, respectively. Since NSICT has not proposed any additions / deletions to the assets in the year 2010, the net capital employed for the years 2009, 2010 and 2011 is taken at Rs. 53112 lakhs, Rs.48394 lakhs and Rs.43392 lakhs, respectively. Return on capital employed at the rate of 16% is allowed on the net capital employed.
 - (iv). As decided in the earlier Order, the net surplus mentioned at paragraph 10 above are the sources for meeting the royalty payment. If the adjustment of past surplus brought out at paragraph No.10 above are also considered as source for meeting royalty payment as per the approach adopted in the interim Order, the royalty

payment on full traffic not covered by the above said source is seen to be Rs.2050 lakhs, Rs.10299 lakhs, Rs.14516 lakhs and Rs.14631 lakhs respectively for the said time periods. The corresponding uncovered royalty for the normative capacity level works out to Rs.1774 lakhs, Rs.8370 lakhs, Rs.11797 lakhs and Rs.11891 lakhs respectively for the said relevant years. It is to be noted that the royalty to be allowed as pass through for the standard capacity level is in the range of 38.49% to 46.21% of the actual royalty for the standard traffic, which is well below the maximum permissible limit of 69.50%. If this expenditure is not admitted as pass through, the NSICT may not achieve a return of 16% on the net assets which will be a loss to the operator. So, in order to avoid loss pass through of royalty to the extent of the percentages mentioned above is sufficient.

- (v). After adjusting the additional revenue earned in the interim tariff period, the adjusted revenue gap is Rs.4413 lakhs, Rs.8651 lakhs and Rs.9379 lakhs for the years 2009, 2010 and 2011 respectively at the pre October 2008 tariff level. Thus, a total deficit of Rs.22443 lakhs is to be covered by allowing tariff increase. If the general practice followed of allowing uniform increase is continued, it may result in the users paying more in the initial period of the tariff cycle for the revenue deficit to be incurred by the operator in the later years. The tariff guidelines of 2008 suggest annual tariff increase linked to 60% of WPI. Borrowing the concept will smoothen the impact of tariff increase from the point of view of users. The operator in any case will get the additional revenue from tariff increase to cover the revenue deficit assessed for the tariff cycle. Since projecting WPI for the future period is not feasible at this juncture, this Authority decides to peg the tariff increase in the subsequent years in the region of 3 – 4% over the tariff of the respective previous years which may be more or less expected to be in the region of 60% of WPI. Accordingly, in order to meet the revenue gap of Rs.22443 lakhs over the next 3 years period, this Authority decides to allow an across the board increase of 18% for the year 2009 in the pre October 2008 tariff. The tariff for 2009 will be increased by 3.27% for the year 2010 and the tariff of 2011 will be 3.86% more than the tariff of 2010.

13. The rate of penal interest on delayed payments by users and delayed refund by NSICT should be 2% above the PLR of SBI in terms of Clause 2.18.2. of the revised tariff guidelines. The penal interest is modified to reflect the prevailing PLR of 12.25%.

14.1 The revised Scale of Rates of the NSICT approved by this Authority based on the above discussion is attached as **Annex-III**.

14.2. The revised Scale of Rates will come into effect after 15 days from the date of this Order and shall remain valid for 3 years thereafter. The approval accorded will automatically lapse thereafter, unless specifically extended by this Authority.

14.3. The NSICT is required to furnish to this Authority a report of the actual physical and financial performance within 15 days of completion of each quarter of the year beginning from the first quarter ending on 31 December 2008, in the same format in which the cost statement for the tariff proposal is filed.

(**Brahm Dutt**)
Chairman

Annex I

NHAVA SHEVA INTERNATIONAL CONTAINER TERMINAL LIMITED					
Cost Statement for the period from April 2005 to September 2008.					
Sr. No.	Particulars	Actuals			
		2005 *	2006	2007	2008 **
	Traffic (In MTs / TEUs)	983395	1344574	1471723	1103485
I	Total Operating Income				
	Container handling income	33,459.59	39,185.57	41,626.64	31,211.28
	Others	52.46	51.35	46.32	34.74
	Total	33,512.05	39,236.92	41,672.96	31,246.02
II	Operating Costs				
	Operating & Direct Labour	862.31	1,162.22	1,253.67	980.70
	Maintenance Labour	340.87	535.70	548.98	446.79
	Equipment Running Costs	2,052.72	2,992.71	2,786.31	2,553.85
	Royalty / revenue share	3,375.40	6,998.35	10,661.97	10,491.49
	Equipment Hire	1,648.04	2,574.78	3,385.02	2,654.81
	Other expenses	793.18	810.10	968.25	759.59
	Technical Service Fee	377.17	320.75	326.98	245.24
	Total	9,449.69	15,394.61	19,931.18	18,132.47
III	Depreciation	3,639.86	4,787.05	4,624.88	3,428.16
IV	Overheads				
	Management & Administration overheads	199.61	519.45	386.49	344.52
	General Overheads	85.25	99.14	93.30	73.19
	Preliminary expenses & Upfront Payment write-off	18.00	24.00	24.00	18.00
	Others	1,717.62	1,417.17	1,307.68	1,138.79
	Total	2,020.48	2,059.76	1,811.48	1,574.50
V	Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)	18,402.02	16,995.49	15,305.43	8,110.89
VI	Finance & Miscellaneous Income (FMI)				
	Profit on sale of assets	0.00	30.88	35.61	0.00
	Total	0.00	30.88	35.61	0.00
VII	Finance & Miscellaneous Expenses (FME)				
	Loss on sale of assets	87.33	0.00	0.00	0.00
	Total	87.33	0.00	0.00	0.00
VIII	FMI Less FME (VI) - (VII)	87.33	0.00	0.00	0.00
IX	Surplus (V) + (VIII)	18,314.69	17,026.37	15,341.04	8,110.89
X	Capital Employed	69,363.98	65,316.76	60,292.55	57,012.13
XI	Return on Capital Employed	7,803.45	9,797.51	9,646.81	6,841.46
XII	Net Surplus (IX) - (XI)	10,511.24	7,228.86	5,694.23	1,269.44
XIII	Net Surplus for the period April 2005 to September 2008.	21733.52			

Notes:

* Pertains to the period of 9 months from April to December 2005.

** Pertains to the period of 9 months from January to September 2008.

Annex II

CALCULATION FOR TARIFF FIXATION AT NSICT FOR THE PERIOD FROM JANUARY 2009 TO DECEMBER 2011.

1) Normative Annual Revenue Requirement for Standard capacity level:

	Rs. In Lakhs
Normative Annual Revenue Requirement as in the September 2008 Order.	29416
Thus, normative revenue requirement for a period of 3 months in 2008	7354
Normative Revenue Requirement for the year 2009 derived from the September 2008 Order after applying escalation at 2.76% (60% of WPI). (Jan 09 - Mar 09 = 29416/12*3 + Apr 09 - Dec 09 = 29416*1.0276/12*9)	30025
Normative Revenue Requirement for the year 2010 after applying escalation of 2.76% (60% of WPI). (Jan 10 - Mar 10 = 30025/12*3 + Apr 09 - Dec 09 = 30025*1.0276/12*9)	30646
Normative Revenue Requirement for the year 2011 after applying escalation of 2.76% (60% of WPI). (Jan 11 - Mar 11 = 30646/12*3 + Apr 09 - Dec 09 = 30646*1.0276/12*9)	31281

2) Estimated Operating Cost for the actual traffic.

		Rs. In lakhs			
Sr.No.	Particulars	2008 (3 months)	2009	2010	2011
1	Operating & Direct Labour	327	1353	1415	1480
2	Maintenance Labour	149	616	645	674
3	Equipment Running Costs	814	3523	3685	3854
4	Equipment Hire	831	3661	3830	4006
5	Other expenses	253	1048	1096	1146
6	Technical Service Fee	82	327	327	327
	Depreciation	1143	5020	5002	5002
7	Management & Administration overheads	115	475	497	520
8	General Overheads	24	101	106	110
9	Preliminary expenses & Upfront Payment write-off	6	24	24	24
10	Others	380	1571	1643	1719
	Total Expenses excluding Royalty	4124	17717	18268	18862

3) Determination of Royalty pass through to allow 16% Return on Net block.

		Rs. In lakhs			
Sr.No.	Particulars	2008 (3 months)	2009	2010	2011
1	Actual Traffic (TEUs)	345404	1471313	1471313	1471313
2	Normative Revenue for the actual traffic (Step 1 updated).	8497	36945	37709	38490
3	Total Expenditure (excluding royalty) (as per Table 2)	4124	17717	18268	18862
4	Capital Employed (Net)	57012	53,112	48,394	43,392
5	Return on Capital Employed @ 16%	2280	8,498	7,743	6,943
6	Net Surplus after total Expense and ROCE (2 - 3 - 5)	2093	10729	11698	12685
7	Full Royalty on the actual traffic.	5326	25763	29765	31663
8	Maximum permissible Royalty pass through @ 69.50%.	3702	17905	20686	22006
9	Royalty not covered by net surplus (7 - 6).	3233	15033	18067	18978
10	Adjustment of balance Past surplus quantified for the period 2000-04 amounting to Rs.94.68 crores.	1184	4734	3551	0
11	Adjustment of Past surplus quantified for the period 2005-08 amounting to Rs.217.34 crores in five instalments beginning from 2011.	0	0	0	4347
12	Royalty not covered even after adjustment of past surplus (9 - 10 - 11).	2050	10299	14516	14631
13	Royalty to be added to the normative revenue requirement for the standard capacity level of 1.19 million TEUs.	1774	8370	11797	11891
14	Percentage of royalty to be allowed.	38.49%	39.98%	48.77%	46.21%
15	Average Royalty payable by NSICT per TEU (in Rs.)	1542.00	1751.00	2023.00	2152.00
16	Incremental royalty on account of increase in the average unit rate of royalty	-	13.55%	15.53%	6.38%

4) Targetted normative revenue after allowing royalty as in (3) above for standard capacity level of 1.19 million TEUs:

		Rs. In lakhs			
		2008 (3 months)	2009	2010	2011
	Normative Revenue as in 1 above	7354	30025	30646	31281
	Royalty to be added as cost(from (3) above)	1774	8370	11797	11891
	Targetted revenue requirement	9128	38395	42443	43171

5) Increase in tariff required

a. Targetted Normative Revenue Requirement (from 4 above)	9128	38395	42443	43171
b. Revenue for the actual traffic with respect of pre-October 2008 tariff.	9761	41580	41580	41580
c. Revenue for the standard capacity of 1195740 TEUs with respect of pre-October	8448	33793	33793	33793
d. Revenue Gap (a - c)	680	4603	8651	9379
e. Adjustment of the excess Revenue earned for the period October - December 20	-	190	-	-
f. Net Revenue gap (d - e)	680	4413	8651	9379
Total Revenue gap for 3 years		22443		

* Note:

	(Rs. in Lakhs)
Revenue gap for a period of 3 months from October 2008 to December 2008 (From Table 5 above)	680
Additional revenue on standard capacity of 298935 TEUs due to the interim Order	870
The additional revenue earned by NSICT over and above the revenue gap	190

SCALE OF RATES
NHAVA SHEVA INTERNATIONAL CONTAINER TERMINAL PRIVATE LIMITED

PREFACE

This Scale of Rates sets out the charges payable to Nhava Sheva International Container Terminal Limited for use of services and facilities provided at the Nhava Sheva International Container Terminal.

1.0 DEFINITIONS

In this Scale of Rates, unless the context otherwise requires, the following definitions shall apply:

- 1.1 "NSICT" means Nhava Sheva International Container Terminal, a company incorporated in India, its successors and assigns.
- 1.2 "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 license issued by the competent authority.
- 1.3 "Container" means the standard ISO container, suitable for the transport and stacking of cargo and must be capable of being handled as a unit and lifted by a crane with a container spreader.
- 1.4 "FCL" means Containers said to contain Full Container Load.
- 1.5 "Foreign going Vessel" shall mean any vessel other than a coastal vessel.
- 1.6 "Hazardous container" means a Container containing hazardous goods as classified under IMO.
- 1.7 "ICD" means Inland Container Depot.
- 1.8 "LCL" means Containers said to contain Less than full Container Load (Container having cargo of more than one importer/ exporter).
- 1.9 "Over Dimensional Container" means a Container carrying over dimensional cargo beyond the normal size of standard containers and needing special devices like slings, shackles, lifting beam, etc. Damaged Containers (including boxes having corner casting problem) and Container requiring special devices for lifting is also classified as Over Dimensional Container.
- 1.10 "Per day" means per calendar day or part thereof.
- 1.11 "Reefer" means any Container for the purpose of the carriage of goods, which require power supply to maintain the desired temperature.
- 1.12 "Port" means Jawaharlal Nehru Port Trust.
- 1.13 "Shut Out Container" means a container, which has entered the terminal for export for a vessel as indicated by VIAN and is not connected to the vessel for whatsoever reason.
- 1.14 "Transshipment container" means a Container discharged from one vessel, stored in NSICT and transported through another vessel.
- 1.15 "VIAN" means Vessel Identification Advise Number.

2.0 GENERAL

- 2.1 The rates prescribed in Sections 1,2,3,4,5,6,7,8 (except item No.(ii) and(iii)), 9 and item No.(ii) and (iii) of Section 10 will be subject to upward revision of 3.27% with effect from 1.1.2010 and the revised tariff will be subject to upward revision by 3.86% with effect from 1.1.2011.
- 2.2 Containers less than and upto 20' in length will be reckoned as one TEU for the purpose of tariff.
- 2.3 In general all charges for containers more than 20 feet in length and upto 40 in length will be 150% of the applicable charges.
- 2.4 Handling charges for containers more than 40' in length and upto 45' in length will be 200% of the applicable charges.
- 2.5 Containers other than that of standard size requiring special devices / slings / handling will be charged as per Section 4 below. Such containers will also include damaged containers and any other type requiring special devices.
- 2.6 Containerrelated charges denominated in US dollar terms shall be collected in equivalent Indian rupees. For this purpose, the market buying rate notified by the Reserve Bank of India, State Bank of India or its subsidiary or any other Public Sector Bank as may be specified from time to time prevalent on the date of entry of the vessel into the port limits (in case of import containers) and on the date of arrival of containers in the Terminal premises (in case of export containers) shall be applied for reconversion of the dollar denominated charges into Indian rupees.
- 2.7 All charges worked out shall be rounded off to the next higher rupee on the grand total of each bill.
- 2.8 (i) The user shall pay penal interest on delayed payments of any charge under this Scale of Rates. Likewise, the NSICT shall pay penal interest on delayed refunds.

(ii). The rate of penal interest will be 14.25% per annum. The penal rate chosen will apply to both the NSICT and the port users equally.

(iii). 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.

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

2.9 (i) 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.

(ii). A foreign going vessel of foreign flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.

(iii). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.

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

(v). For dedicated Indian coastal vessels having a Coastal licence from the Director General of Shipping, no other documents will be required to be entitled to coastal rates.

2.10 The consolidated charges as above include the following elements, viz Stevedoring, use of Gantry crane, use of transfer crane, lashing / unlashng, stowage planning etc., wharfage on tare weight of containers and containerized cargo, transportation and contribution towards railway infrastructure.

2.11 The users will not be required to pay charges for delays beyond a reasonable level attributable to the NSICT.

2.12 In case vessel idle due to non-availability or breakdown of the shore based facilities of NSICT or any other reasons attributable to the NSICT, rebate equivalent to berth hire charges payable to JNPT accrued during the period of idling shall be allowed.

3.0 Consolidated charges for movement and handling of containers and containerized cargo.

SECTION – 1 CHARGES FOR ALL NORMAL AND REEFER CONTAINERS

A. Ship to yard / yard to ship using port crane.

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Per Loaded Container		
Not Exceeding 20' in length	2699.84	1619.90
Exceeding 20' and upto 40' in length	4049.76	2429.85
Over 40" in length	5399.67	3239.80
Per ICD Container		
Not Exceeding 20' in length	2699.84	1619.90
Exceeding 20' and upto 40' in length	4049.76	2429.85
Over 40" in length	5399.67	3239.80
Per Empty Container		
Not Exceeding 20' in length	2180.64	1308.39
Exceeding 20' and upto 40' in length	3270.96	1962.58
Over 40" in length	4361.29	2616.77

B. Yard to CFS / CFS to yard – Transport and lifts at CFS

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Per Loaded Container		
Not Exceeding 20' in length	960.52	960.52
Exceeding 20' and upto 40' in length	1440.78	1440.78
Over 40" in length	1921.04	1921.04
Per Empty Container		
Not Exceeding 20' in length	960.52	960.52
Exceeding 20' and upto 40' in length	1440.78	1440.78
Over 40" in length	1921.04	1921.04

C. Yard to Rail / Rail to Yard for ICDs only

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
ICD Container		
Not Exceeding 20' in length	1349.92	1349.92
Exceeding 20' and upto 40' in length	2024.88	2024.88
Over 40" in length	2699.84	2699.84

D. Yard to Truck / Truck to Yard

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Loaded Container		
Not Exceeding 20' in length	415.36	415.36
Exceeding 20' and upto 40' in length	623.04	623.04
Over 40" in length	830.71	830.71
Empty Container		
Not Exceeding 20' in length	415.36	415.36
Exceeding 20' and upto 40' in length	623.04	623.04
Over 40" in length	830.71	830.71

Note: Normal containers are the general type containers, not falling under any special categories mentioned subsequently.

SECTION – 2 CHARGES FOR ALL TRANSHIPMENT CONTAINERS

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Loaded Container		
Not Exceeding 20' in length	3115.20	1869.12
Exceeding 20' and upto 40' in length	4672.81	2803.68
Over 40" in length	6230.41	3738.24
Empty Container		
Not Exceeding 20' in length	2699.84	1619.90
Exceeding 20' and upto 40' in length	4049.76	2429.85
Over 40" in length	5399.67	3239.80

Note:

- 1 A transshipment container is the one, which is discharged from one ship, Stored in the yard and transported through other vessel. A transshipment container sent to CFS, ICD or taken delivery locally shall be charged the local container rate.
- 2 A Shut out charge as per Section 7 shall apply if -
 - (a). The vessel nomination is changed ; or
 - (b). If the vessel nomination is changed from a later vessel to an earlier vessel after the earlier vessel is berthed.

SECTION – 3 CHARGES FOR ALL HAZARDOUS CONTAINER**A. Ship to yard using port crane.**

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Loaded Container		
Not Exceeding 20' in length	3374.80	2024.88
Exceeding 20' and upto 40' in length	5062.19	3037.32
Over 40" in length	6749.59	4049.76
ICD Container		
Not Exceeding 20' in length	3374.80	2024.88
Exceeding 20' and upto 40' in length	5062.19	3037.32
Over 40" in length	6749.59	4049.76
Transshipment Container		
Not Exceeding 20' in length	3894.00	2336.40
Exceeding 20' and upto 40' in length	5841.01	3504.60
Over 40" in length	7788.01	4672.81

B. Yard to CFS – Transport and lifts at CFS

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Loaded Container		
Not Exceeding 20' in length	1038.40	1038.40
Exceeding 20' and upto 40' in length	1557.60	1557.60
Over 40" in length	2076.80	2076.80

C. Yard to Rail for ICDs only

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
ICD		
Not Exceeding 20' in length	1557.60	1557.60
Exceeding 20' and upto 40' in length	2336.40	2336.40
Over 40" in length	3115.20	3115.20

D. Yard to truck

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Loaded		
Not Exceeding 20' in length	519.20	519.20
Exceeding 20' and upto 40' in length	778.81	778.81
Over 40" in length	1039.41	1039.41

SECTION – 4 CHARGES FOR ALL OVER DIMENSIONAL CARGO CONTAINERS.

A. Ship to yard using port crane.

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Loaded		
Not Exceeding 20' in length	5399.68	3239.81
Exceeding 20' and upto 40' in length	8099.53	4859.72
Over 40" in length	10799.37	6479.62
ICD		
Not Exceeding 20' in length	5399.68	3239.81
Exceeding 20' and upto 40' in length	8099.53	4859.72
Over 40" in length	10799.37	6479.62
Transshipment		
Not Exceeding 20' in length	5399.68	3239.81
Exceeding 20' and upto 40' in length	8099.53	4859.72
Over 40" in length	10799.37	6479.62
Empty		
Not Exceeding 20' in length	4361.28	2616.77
Exceeding 20' and upto 40' in length	6541.91	3925.15
Over 40" in length	8722.55	5233.53

B. Yard to CFS – Transport and lifts at CFS

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Loaded Container		
Not Exceeding 20' in length	1921.04	1921.04
Exceeding 20' and upto 40' in length	2881.56	2881.56
Over 40" in length	3842.08	3842.08
Empty Container		
Not Exceeding 20' in length	1921.04	1921.04
Exceeding 20' and upto 40' in length	2881.56	2881.56
Over 40" in length	3842.08	3842.08

C. Yard to Rail for ICDs only .

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
ICD		
Not Exceeding 20' in length	2699.84	2699.84
Exceeding 20' and upto 40' in length	4049.76	4049.76
Over 40" in length	5399.67	5399.67
Empty		
Not Exceeding 20' in length	2699.84	2699.84
Exceeding 20' and upto 40' in length	4049.76	4049.76
Over 40" in length	5399.67	5399.67

D. Yard to truck

Particulars	Foreign-going (in Rs.)	Coastal (in Rs.)
Loaded Container		
Not Exceeding 20' in length	830.72	830.72
Exceeding 20' and upto 40' in length	1246.09	1246.09
Over 40" in length	1661.45	1661.45
Empty Container		
Not Exceeding 20' in length	830.72	830.72
Exceeding 20' and upto 40' in length	1246.09	1246.09
Over 40" in length	1661.45	1661.45

SECTION 5 – Hatchcovers of vessels

Opening hatchcover and replacing it (charge per hatchcover)

- A. When placing the hatchcover on the quay
B. Without placing the hatchcover on the quay

Rate in US\$
83.00
33.21

SECTION 6 – Restows FCLs & MTs

Shifting containers within the vessel (per move)

A. Hatch to Hatch shifting

- FCL & MT 40'
FCL & MT 20'

B. Other than (A).

- FCL & MT 40'
FCL & MT 20'

Rate in US\$
41.50
27.67
166.00
110.67

Handling charges for containers more than 40' length and up to 45' in length will be 200% of the applicable charges.

SECTION 7 - Shut outs/ Renomination of containers**A. Shutouts Charges**

FCL & MT 40'

FCL & MT 20'

Rate in US\$	
	83.00
	55.33
Rate in Rs.	
	2655.00
	1770.00

B. Transportation of shutout containers

FCL & MT 40'

FCL & MT 20'

Note : In the case of Shutout Container, the free storage period will be given to the Container in accordance with free storage period prescribed at Serial no.5 of Section 9 from the time the container is first received till the shutout event. If the free storage period is exceeded, storage charges shall be calculated after the expiry of the free period up to the time of lift on.

SECTION 8**(i). Reefer Monitoring and Connection (per 4 hours)**

FCL & MT 20'

FCL & MT 40'

(ii). Pre- Trip inspection (including supply of electricity)**(iii). Clearing of containers**

FCL & MT 20'

FCL & MT 40'

Rate in US\$	
	8.30
	12.45
	50.00
	2.00
	4.00

- Note : 1 A refrigerated container used for carriage of perishable goods with provision for electrical supply to maintain the desired temperature is considered a reefer container.
- 2 Above tariff does not include parameter setting or repair and maintenance of malfunctioning reefers. Charges are also applicable to restow reefer containers.
- 3 Pre- trip inspection of the reefer containers, connection or disconnection services on board the vessel and cleaning of containers are optional services and shall be rendered when requested
- 4 Additional electricity charges of US\$ 33.21 for 20' & US\$ 49.81 for 40' per calendar day will be applicable in case of Reefer Restow Containers also.

SECTION 9 – Dwell time charges**Charges for Container storage**

Sl. No.	Particulars	Rate per container per day or part thereof (in US \$)		
		Upto 20' in length	Above 20' and upto 40' in length	Above 40' in length
1	Import-FCL & LCL			
	0- 3 days	Free	Free	Free
	4-15 days	3.84	7.68	11.52
	16-30 days	7.68	15.36	23.04
	Beyond 30 days	15.36	30.72	46.09
2	Export – FCL & LCL			
	0- 7 days	Free	Free	Free
	8-15 days	3.37	6.75	10.13
	16-30 days	6.75	13.51	20.26
	Beyond 30 days	13.51	27.01	40.53
3	Export / Import – Empty containers			
	First 15 days	3.84	7.68	11.52
	16-30 days	7.68	15.36	23.04
	Beyond 30 days	15.36	30.72	46.09
4	ICD – Import & Export – Loaded & empty (Moved by Rail)			
	First 7 days	Free	Free	Free
	8-15 days	1.67	3.34	5.01
	16-30 days	3.34	6.69	10.03
	31 - 45 days	6.69	13.37	20.06
	Thereafter	13.37	26.74	40.11
5	Transshipment – Loaded			
	First 7 days	Free	Free	Free
	8-45 days	3.84	7.68	11.52
	Thereafter	7.68	15.36	23.04
6	Transshipment – Empty			
	First 15 days	3.84	7.68	11.52
	16-30 days	7.68	15.36	23.04
	Beyond 30 days	15.36	30.72	46.09
7	Shutout – Loaded & empty			
	First 15 days	3.84	7.68	11.52
	16-30 days	7.68	15.36	23.04
	Beyond 30 days	15.36	30.72	46.09
8	Change of status to local delivery			
	First 3 days	Free	Free	Free
	4—15 days	3.84	7.68	11.52
	16-30 days	7.68	15.36	23.04

Beyond 30 days	15.36	30.72	46.09
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- 1 Storage period for a container shall be reckoned from the day following the day of landing upto the day of loading / delivery / removal of container. Free dwell time (storage) allowed shall be exclusive of customs notified holidays and port non-working days.
- 2 Transshipment containers whose status is subsequently changed to local FCL/LCL/ICD shall lose the concessional storage charges. The storage charges for such containers shall be recovered at par with the relevant import containers storage tariff.
- 3
In case of ICD container, if documentation is submitted within 48 hours of date of landing of containers, the storage period of 7 free days for loading the container on rail will be applicable. Else the free storage period prescribed for normal containers will be applicable.
- 4 Normal import containers subsequently changing the mode of dispatch to rail will enjoy the free period applicable to normal import containers only.
- 5 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.
- 6 Over high and over dimensional containers shall attract thrice the normal applicable charges.
- 7 For hazardous container, the storage charges shall be 25% more under the respective slab as given above.
- 8 The users will not have to pay storage charges for the period during which NSICT is not in a position to deliver/ shift the containers when requested by the users.
- 9 The storage charges on abandoned FCL containers/shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the date of landing of container , whichever is earlier subject to the following conditions:
 - (i) The consignee can issue a letter of abandonment at any time.
 - (ii) If the consignee chooses not to issue such letter of abandonment, the container Agent/MLO can also issue abandonment letter subject to the condition that,
 - (iii) the Line shall resume custody of container along with cargo and either take it back or remove it from the port premises; and
 - (iv) the Line shall pay all port charges accrued on the cargo and container before resuming custody of the container.
 - (v) 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 necessary actions are taken by the shipping lines for destuffing the cargo.
 - (vi) 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 date the Customs order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and destuffing. Otherwise, seized/confiscated containers should be removed by the Lines/consignee from the port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the date of such removal.

SECTION 10 - Procedure and Charges for Inter Terminal Transfer of Transshipment Containers between NSICT & JNPT.

The following procedure and charges for inter-terminal transfer of transshipment containers between JNPT and NSICT:

- (i) **Procedure for handling transshipment (TP) containers :**
 - a 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.
 - b 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.
- (ii) **Charges for handling TP Containers:**
 - a If a container is discharged by the JNPT and loaded by the NSICT at its terminal, the charges will be as under :
 - (i) 50% of transshipment container handling charges as per the JNPT Scale of Rates will be charged to the Line by the JNPT.
 - (ii) 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 Rs.1684.87 (for 20') or Rs. 2527.33 (for 40') towards inter-terminal transfer.
 - b If a container is discharged by the NSICT and loaded by the JNPT at its terminal, the charges will be as under:
 - (i) The NSICT will charge 50% of transshipment container handling charges to the Line as per its Scale of Rates.
 - (ii) For the same container the JNPT will charge 50% of TP handling charges and in addition, also levy charge towards inter-terminal transfer as per its Scale of Rates.

Section 11 - Miscellaneous Charges

S. No.	Particulars	Rate per Container (in Rs.)	
		Not exceeding 20' in length	Exceeding 20' in length and upto 40' in length
(i).	Fixing/ removal of seal	200.00	200.00
(ii).	Additional service charge for stacking containers in the designated yard for customs examination or for any other purpose, by prior arrangement.	236.00	354.00
(iii).	Charges for shifting within the Terminal for customs examination or any other purpose and subsequent loading of containers for delivery with Prior arrangement with user.	2212.50	3318.75
(iv).	POD Change	2482.00	3723.00
(v).	Change of status of Container from Rail to Road or vice-versa	2482.00	3723.00
(vi).	Fixing/removal of Hazardous Sticker (per container)	200.00	200.00
(vii).	One Door Open Charges per container	1000.00	1000.00
(viii).	Cancellation of documents - per EIR	100.00	100.00
(ix).	Non- declaration / Mis declaration of Hazardous containers	3000.00	3000.00
(x).	On- Wheel Customs inspection (per container)	600.00	600.00
(xi).	Vessel overstay due to User's fault - Rate per hour	100000.00	100000.00
(xii).	Sending Containers survey report/Photo at Gate through electronic process per container	400.00	400.00

Notes

- 1 Cancellation charges applies when EIR is cancelled at the request of customers.
- 2 "One Door Open" charge is applicable for handling container which requires only one door to be kept open (eg. Onion) and when door opening and securing is carried by the terminal.
- 3 "Fixing of Seal ". Bottle seals shall be fixed on every container arriving at the terminal - by rail /road/sea without a proper bottle seal on it, prior to allowing its entry. This shall be done without the written consent of the shipping line. The list of such containers on which a seal is affixed by the terminal shall be intimated to the lines. Seal charges will be applicable for removal of seals also.
- 4 "Fixing/ removal of Hazardous Sticker". Hazardous stickers indicating IMCO class only shall be affixed on a container carrying hazardous cargo. Similarly old stickers on the container shall be removed from a container carrying non-hazardous cargo. In either case, the customer has to intimate in writing to NSICT to undertake the said activity, within the terminal.
- 5 On- Wheel Customs inspection . The on-wheel inspection of a container shall be allowed at the nominated point only, on the written request of the customer. The container doors can be opened only under customs supervision. No stuffing/ destuffing, even partially, shall be permitted within the terminal premises.
- 6 Non- Declaration / Mis-declaration of Hazardous container. The Customer has to declare the hazardous nature of the cargo as per the IMCO rules and furnish the relevant hazardous details to NSICT. The above charges are only for non-declaration/mis-declaration of the hazardous nature of the container. The liabilities and cost towards the consequences arising due to non declaration or mis declaration shall, however , be on the customers account.