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TARIFF AUTHORITY FOR MAJOR PORTS

No. 257

New Delhi,

5 October 2013

NOTIFICATION

In exercise of the powers conferred under Sections 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal from the Jawaharlal Nehru Port Trust for revision of tariff for services rendered at its CFS / Buffer Yard, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/12/2011-JNPT

Jawaharlal Nehru Port Trust

- - - -

Applicant

QUORUM

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

ORDER

(Passed on 30th day of August 2013)

This case relates to the proposal dated 17 August 2012 from the Jawaharlal Nehru Port Trust (JNPT) for revision of tariff for services rendered at its CFS / Buffer Yard.

2.1. The JNPT in February 2006 had informed that with the approval of the Central Government u/s 42(3) of the Major Port Trusts Act, 1963, it has awarded a concession for management and operation of its Container Freight Station (CFS) to M/s. Speedy Multimodes Limited (SML) with effect from 1 January 2006 for a period of 20 years. As per the Work Order issued by JNPT, SML is to levy charges as per rates approved by TAMP vide notification No.TAMP/2/98-JNPT dated 28 May 1999 and No.TAMP/1/97-JNPT dated 28 June 1999 till the new rates are approved by TAMP.

2.2. Based on a proposal filed by SML for revision of rates for operation of CFS and BY of JNPT, this Authority vide its Order no.TAMP/27/2006-JNPT dated 28 June 2007 effected an across the board reduction of 15% in the then existing tariff for reason stated in the said Order. The Order was to come into operation from 22 August 2007. The SML, however, filed a Writ Petition no.1879 of 2007 (Lodging no.1776 of 2007) in the Hon'ble High Court of Bombay challenging the Order of June 2007.

2.3. On 22 August 2007, the Court issued an interim order to the effect that SML can continue to collect the tariff as per the old rate and the differential between the old rate and the new rate be deposited in a separate account which shall be subject to further Orders in the Petition.

2.4. Thereafter, on 11 August 2008, the Division Bench ordered as under:

- “(i). In our view, it will be appropriate on the part of the Petitioners to approach Respondent No. 1 which is a Statutory Authority in the matter for fixing the tariff in accordance with rules (BY JNPT).
- (ii). Therefore, we direct the Petitioners to move the Respondents in the matter and on such application being made, the Respondent would take into consideration the material placed on record by the Petitioners and if required allow them to tender documentary evidence in support of their contention and review tariff rates fixed by them in accordance with rules.
- (iii). The Petitioners state that they would apply to the Respondent No. 1 within a period of two weeks. On such application being made, the concerned authority will dispose off the same within a period of eight weeks.
- (iv). In the meantime, the interim order passed by the Court on 22nd August, 2007 by the learned single Judge of this Court shall continue for a period of four weeks after the Respondent No. 1 takes a decision in the matter and the same is communicated to the Petitioners.

- (v). Needless to say that as this Court has directed the Petitioners to approach Respondent No. 1 in the matter, all issues and contentions raised in this Petition are kept open, as this Court has not adjudicated the matter on merits.

The Petition stands disposed off accordingly.”

2.5. With regard to the Order of the Court requiring the Petitioner to file an application before TAMP within two weeks, the SML applied to the High Court of Bombay on 5 September 2008 to extend the time to file the application to TAMP by a period of eight weeks. The Court by its order dated 9 September 2008 granted 6 weeks extension from that day to SML to prefer an application to TAMP.

2.6. Accordingly, the SML vide its letter dated 20 October 2008, interalia, stated that it does not render any service that fall under Section 42 of the MPT Act, 1963 and that TAMP should fix tariff as provided in Chapter 7.2 of the guidelines dated 31 March 2005. In support of its contentions, SML submitted a legal opinion given by Retired Justice B. N. Srikrishna wherein it was stated that the Agreement between JNPT and SML would not fall within the purview of Section 42 (3) of the MPT Act and the rate to be applied should be one arrived at under Clause 7.2 of the tariff guidelines of 2005.

2.7. In this regard, it is relevant to mention here that as per Clause 7.2 of the tariff guidelines of 2005, in cases where authorisation arrangement u/s 42(3) is other than by way of a BOT concession agreement, ceiling rates will be prescribed for such services to be applied commonly at the concerned ports without reference to individual service provider. For this purpose, proposals for regulating these charges should be initiated by the concerned Major Port Trust.

2.8. The SML had not submitted any documents pointing out the errors apparent on the face of records considered by this Authority while passing its Order dated 28 June 2007. The SML had only submitted a legal opinion tendered by its legal Advisor suggesting that tariff with reference to the financial of SML is not in order and a common tariff should be fixed without reference to any individual service provider vide Clause 7.2 of the revised tariff guidelines.

2.9. Since the SML did not furnish any fresh documents along with the cost sheets, SML was requested to submit an application for review of this Authority's Order dated 28 June 2007 pointing out the errors, if any, apparent on the face of records considered in the relevant proceedings. The SML was requested to submit all relevant and supporting documents and an income - cost statement in the prescribed formats in compliance with the order dated 11 August 2008 of the Bombay High Court. The SML was also informed that in the absence of the documents, this Authority will not be in a position to reconsider afresh its decision dated 28 June 2007.

2.10. With regard to the submissions made by SML, this Authority also sought the legal opinion of the Additional Solicitor General who upheld the jurisdiction of TAMP to fix tariff for the operations of the JNPT CFS by SML.

2.11. The SML, vide its letter dated 1 December 2008 responded to our letter dated 11 November 2008 by reiterating its stand that based on the legal advice of Justice Shri. B. N. Srikrishna (Retd.), the Authority should fix its tariff in terms of Clause 7.2 of the revised tariff guidelines.

2.12. As per the order dated 11 August 2008 of the High Court of Bombay, on receipt of an application from SML with documentary evidence in support of its contentions, this Authority was to review, within a period of eight weeks, the tariff fixed vide this Authority's Order dated 28 June 2007 in accordance with the rules. Instead of submitting any fresh documents supported with cost sheets to enable this Authority to reconsider afresh its decision dated 28 June 2007, SML requested this Authority to fix the tariff in terms of clause 7.2 of the revised tariff guidelines, based on the legal opinion tendered by its legal Advisor.

2.13. The letter 1 December 2008 from SML was decided to be considered as the reference application. Accordingly, this Authority decided to dispose of the Application, as per

Orders of the Court within a period of 8 weeks i.e. 25 January 2009, after giving hearing to the SML. However, for the want of quorum of this Authority, this Authority was not in a position to decide on the application dated 1 December 2008 within the stipulated period. Therefore, an Affidavit was filed in the Hon'ble Court on 12 February 2009 seeking an extension of ten weeks time to enable this Authority to consider and dispose of the SML application dated 1 December 2008. The Hon'ble Court vide its Order dated 2 March 2009 granted ten weeks time from the date of the Order to enable this Authority to dispose of the application of SML.

2.14. In a joint hearing held on 18 February 2009 in respect of the application dated 1 December 2008, the JNPT clarified that the nature of license granted to SML is neither BOT nor BOOT and, therefore, the tariff to be fixed in this case is to be based on a proposal to be filed by JNPT as provided in clause 7.2 of the revised tariff guidelines.

2.15 After several reminders, the JNPT in September 2009 submitted a proposal for fixation of tariff at the CFS and Buffer yard, as stipulated in Clause 7.2 of the tariff guidelines of 2005.

3.1 Since it would take a minimum of three months' time to finalise the case of JNPT, an Affidavit was filed in the Hon'ble Court on 10 November 2009 seeking an extension of three months time to enable this Authority to consider and dispose of the JNPT proposal of September 2009. The Hon'ble Court vide its Order dated 12 November 2009 granted three months time to dispose of the proposals.

3.2 The JNPT proposal of September 2009 was disposed of by this Authority vide order dated 30 December 2009. For the reasons recorded in the tariff Order no.TAMP/35/2009-SML(JNPT) dated 30 December 2009, the proposal filed by the JNPT in September 2009 was remitted back to the port and the JNPT was advised to formulate a well analysed proposal with an independent assessment of the cost of providing different services at its CFS and forward the same to TAMP for prescribing ceiling rates for the CFS/ buffer yard services at JNPT. The JNPT was also advised to conduct an analysis relating to different operating costs and capital costs incurred at the JNPT CFS with reference to the legitimate expenses incurred at other CFSs.

3.3 A copy of the said Order was forwarded to our Advocate vide our letter no. TAMP/35/2009-SML(JNPT) dated 17 February 2010, requesting him to take appropriate action to inform the Hon'ble Court of the action taken by this Authority in compliance with the Court's Order dated 11 August 2008.

4.1. The JNPT, vide its letter dated 31 January 2011 filed a proposal for revision of tariff for services rendered at its CFS / Buffer Yard operated by the authorized service provider. However, on an initial scrutiny of the JNPT proposal it was found that the JNPT has not stated whether the different physical and cost parameters forming the basis of the proposal have been tested with reference to the legitimate expenses incurred at other CFSs. The JNPT was, therefore, requested vide our letter dated 1 March 2011 to comply with the directions given by this Authority in its Order dated 30 December 2009 and establish with an analysis that the port has carried out an independent assessment of the cost of providing different services at its CFS testing the reasonableness of the operating and capital cost incurred at its CFS with reference to the legitimate expenses incurred at other CFSs and review the actuals and estimates furnished by it in its revised proposal.

4.2. The JNPT vide its letter dated 15 April 2011 responded that it could not comply with the advice rendered in this Authority's Order dated 30 December 2009 regarding testing the reasonableness of different operating and capital cost with reference to the legitimate expenses incurred at the other CFSs, due to reluctance on the part of the other CFSs to share with the cost information. The methodology adopted by the port in formulation of its proposal as explained in its letter dated 15 April 2011 was not fully in line with the advice rendered by this Authority.

4.3. The JNPT had not made independent assessment of operating cost in respect of some of the items and the JNPT could not comply with the advice rendered by this Authority regarding testing the reasonableness of different operating and capital cost (number of equipment decided by JNPT was with reference to the projected traffic and some items of the operating cost like cost of power, water, overheads etc., were based on the indication given by the existing

operator) with reference to the legitimate expenses incurred at other CFSs. It may be recalled that his Authority in its Order dated 30 December 2009 had decided to consider the tariff fixation case for the services rendered by the JNPT CFS/ Buffer Yard in terms of clause 7.2 of the 'Tariff Guidelines, 2005', which calls for fixation of common tariff without reference to individual service provider, based on the proposal of the port. In the circumstances, and following the approach accepted by this Authority in fixation of common ceiling tariff under Clause 7.2 of the tariff guidelines of 2005 for operation of Harbour Mobile Crane (HMC) by private operators at some of the major port trusts like Paradip Port Trust (PPT), New Mangalore Port Trust (NMPT), V.O Chidambaranar Port Trust (VOCPT) and Visakhapatnam Port Trust (VPT), without reference to any individual service provider, the JNPT was requested vide our letter dated 20 May 2011 followed by reminders to review its proposal based on the normative capacity of the facility and in the light of other observations made in the letter with reference to the methodology adopted by JNPT in respect of some of the operating cost / capital cost items and file a revised proposal at the earliest.

5.1. In the meanwhile, some of the users/ user organisations of the JNPT CFS approached this Authority complaining about the illegal and unjustified collection of charges by the CFS operator in excess of the rates prescribed in the Scale of Rates of the CFS of the year 1999 thereby grossly violating of the Scale of Rates, approved by this Authority.

5.2. The said representations were forwarded to JNPT, with a request to examine the matter and take necessary action to ensure that the provisions of the Major Port Trusts Act, 1963 and the Licence Agreement entered between JNPT with the private operator are strictly complied with. The JNPT was also requested to keep us informed of the action taken by it in this regard.

5.3. Accordingly, the JNPT commissioned a Chartered Accountant firm to enquire about the complaints. The Chartered Accountant in its Report (copy furnished to us by JNPT) brought out the fact that the operator has charged at rates higher than the ceiling rates fixed by this Authority and that the said operator allowed another agency to operate from its premises at rates higher than the rates fixed by this Authority. Based on the findings of the Chartered Accountant, the JNPT requested this Authority to peruse the Report and furnish its comments.

5.4. In this regard, it was communicated to JNPT vide our letter no. TAMP/33/2012-JNPT dated 03 July 2012 that this Authority was not inclined to make any specific comments on the merits of the findings of the investigation commissioned by the JNPT. It was also communicated to JNPT that the JNPT can satisfy itself with the findings of investigation commissioned by it and take appropriate action at its end and ensure that the provisions of the Major Port Trusts Act, 1963 and the Licence Agreement entered into between the JNPT and the operator are strictly complied with.

6. In this backdrop, the JNPT under cover of its letter dated 17 August 2012 has filed its fresh proposal for revision of tariff for the services rendered at its CFS/ Buffer yard. Under Clause 7.2 of the tariff guidelines of March 2005 The JNPT has stated that the job was entrusted to independent firm of Chartered Accountants M/s. Deloitte Touche Tohmatsu Private Limited and that the port has examined and moderated the workings made by the Chartered Accountant firm. The JNPT has further stated that they have prepared the proposal for fixation of the tariff in accordance with the tariff guidelines and the proposed tariff will have validity period for three years from the date of publication in the Gazette of India. The salient features of the proposal are as under:

- (i). The proposal is seen to be based on normative basis and without reference to any service provider.
- (ii). The JNPT has estimated the capacity of the Container yard and Buffer yard at 276091 containers per annum as per the following container mix:

Container types	Unit	Normative capacity (100%)			Total
		Container yard		Buffer yard	
		Import	Export		
General	teus/ annum	159,026	39,757	144,903	343,686
Hazardous	teus/ annum	1.762	441	1.606	3.808

Reefer	teus/ annum	1,762	441	1,606	3,808
ODC	Containers/ annum	1,762	441	1,606	3,808
OT	teus/ annum	1,762	441	1,606	3,808
Total	teus/ per annum	166,075	41,519	151,325	358,918
Total	Containers/ per annum	127,750	31,937	116,404	276,091

Based on 70% utilisation, the JNPT has calculated the optimal capacity of the Container and Buffer yard at 193264 containers per annum. (251243 TEUs per annum)

- (iii). The Normative Capital Expenditure is considered at ₹8000.09 lakhs, breakup of which is given below:

Asset Head	Nos.	Unit cost	Total (₹)
Equipments			
Reachstacker			
Required number of equipment	3	32,735,565	98,206,696
Additional equipment required for downtime	1	32,735,565	32,735,565
Fork Lift 10 Tons			
Required number of equipment	1	2,750,000	2,750,000
Additional equipment required for downtime	0	2,750,000	0
Fork Lift 3 Tons			
Required number of equipment	4	1,650,000	6,600,000
Additional equipment required for downtime	1	1,650,000	1,650,000
Empty container handler			
Required number of equipment	1	10,772,440	10,772,440
Additional equipment required for downtime	0	10,772,440	0
Tractor trailer			
Required number of equipment	75	2,550,793	191,309,440
Additional equipment required for downtime	8	2,550,793	20,406,340
Other equipment (trolley, Ramps, weighing scales etc.)			1,500,000
60 tons electronic weighbridge	1	2,640,000	2,640,000
Diesel Generator Set	1	3,238,550	3,238,550
Office equipment			2,215,000
Furniture & fixtures			811,000
IT systems (software & hardware)			1,839,000
Site development - CFS & BY			181,521,988
Civil work			
Bonded warehouse			9,209,055
Other import warehouse			4,185,934
Other export warehouse			7,534,682
Export hazardous warehouse			2,092,967
Long standing cargo shed			0
Boundary wall & pavement for CFS			12,272,794
Renovation and Re-construction of office, roads and yard by operator			121,427,066
Roads and parking space by JNPT			69,343,371
Vehicles (for office use)	5	700,000	3,500,000
Utilities (Power provision, transformers, cabling)			12,247,008
Total cost			800,008,895
Add: Working Capital			4,965,837
Capital cost considered			795,043,058

- (iv). Return has been calculated at 16% of ₹7950.43 lakhs, which amounts to ₹1272.07 lakhs.
- (v). The Normative operative expenditure including depreciation and Overheads has been estimated at ₹8435.38 lakhs. The normative cost comprises of cost towards salary, power, fuel, repairs & maintenance, insurance, land lease rent, equipment hire charges, depreciation and general overheads.
- (vi). From the workings furnished by the port, it is seen that the JNPT has tried to arrive activity based costing for each activity carried out at the CFS/ Buffer yard facility.
- (vii). The JNPT has furnished the draft Scale of Rates along with statement of conditions.
- (viii). The handling charges proposed by JNPT are as follows:

Container Handling		₹
Import Operations		
CFS destuffing / Dock destuffing	per TEU	4,188.32
Factory destuffing	per TEU	2,814.66
Destuffing (at request of consignee/shipping agents) / Custom Examination	per TEU	1,814.91
Lift on/off - loaded container	per TEU	279.22
Lift on/off - empty container	per TEU	75.00
Cargo handling charges	per MT	125.71
Transportation for Container Scanning	per TEU	1,410.93
Shifting containers for washing / cleaning and stacking them back	per TEU	515.20
Export Operations		
Reworking charges	per TEU	3,955.11
Handling & Transportation	per TEU	4,206.12
Carting charges	per MT	-
Buffer Yard Operations		
Handling & Transportation	per TEU	2,528.13

7. In accordance with the consultative procedure prescribed, a copy of the JNPT proposal dated 17 August 2012 was forwarded to the concerned users/ user organisations seeking their comments. The comments received from the users were forwarded to JNPT as feedback information. The JNPT vide its letter dated 12 October 2012 and under cover of its letter dated 19 January 2013 has responded to the comments made by the users.

8.1. When the proposal was taken up on consultation with the relevant stakeholders, DBC Port Logistics Limited (DBCPLL) vide its letter dated 6 September 2012 made the following submissions:

- (i). The said CFS and BY are operated by DBCPLL as authorized service providers under a License.
- (ii). As per paragraph 2.17.2 of the revised guidelines for tariff fixation dated 31 March 2005, simultaneously with the submission of proposal, the proposed rate can be levied on an ad hoc basis till the rate is finally notified.
- (iii). There has not been any increase in rates since last many years and during this period the costs of providing various services in the CFS and BY have gone up multifold. DBCPLL is finding it extremely difficult to maintain its high standards of services at such uneconomical old rates.
- (iv). In light of the aforesaid and in view of the provisions of the said paragraph 2.17.2 of the 2005 Guidelines which expressly permit levy of the proposed rate as ad hoc

rate, DBCPLL intends to levy the proposed rate on an ad hoc basis till the rate is finally notified by TAMP.

- (v). Though the said 2005 Guidelines do not contemplate any prior approval or even intimation to TAMP in this behalf, out of abundant caution and with a view to maintain a harmonious atmosphere, it is requested that any objection be informed to DBCPLL within 7 days from the date of its letter, failing which DBCPLL shall proceed to levy the proposed rates as contained in the proposal sent by JNPT under cover of their letter dated 17 August 2012 as ad hoc rates as permitted under the said paragraph 2.17.2.

8.2. With regard to the submissions made by the DBCPLL, it is relevant to mention here that whenever a specific tariff for a service/ cargo is not available in the notified Scale of Rates, Clause 2.17.1 to 2.17.4 of the tariff guidelines allows a port or private terminal to submit a suitable proposal. With the submission of the proposal, the port can levy the proposed charges on an adhoc basis till the rates are finally notified, provided the adhoc rate is derived based on the existing notified tariff for comparable service/ cargo and it is mutually agreed upon by the Port/ terminal and the concerned users.

8.3. From the above, it can be seen that the major port/ private terminal who has mooted the proposal is to seek approval for implementation of rates on adhoc basis. However, the proposal filed by JNPT does not seek approval for implementation of rates on adhoc basis. It is the service provider who proposed to levy the rates on adhoc basis. Also, the Clause 2.17.2 quoted by DBCPLL is out of context and not relevant in the case of DBCPLL since the proposal of JNPT is for revision of tariff for a facility already existing.

8.4. Further, it is relevant to mention here that the tariff guidelines of 2005 are applicable to all the Major Port Trusts and private terminals operating at these ports under BOT/ BOOT. Whereas, it may be recalled that the JNPT vide its letter dated 17 February 2009 had categorically confirmed that the license to operate its CFS did not fall under BOT or BOOT arrangement.

8.5. In view of the above position, the copy of the DBCPLL letter dated 6 September 2012 was forwarded under cover of our letter dated 7 September 2012 to the JNPT advising the JNPT, being the licensor of its CFS, to ensure that tariff proposed by the port trust is not levied by DBCPLL at the JNPT CFS, before the tariff to be approved by this Authority statutorily comes into force.

9. Subsequently, the DBCPLL vide its letter dated 16 November 2012 made the following submissions:

- (i). The DBCPLL is operating the JNP CFS and BY at very old rates and the same has been resulting in severe hardship for DBCPLL financially and otherwise.
- (ii). The DBCPLL is also employing over 600 project affected people from the nearby villages who's livelihoods depend on them.
- (iii). The DBCPLL is struggling to meet the rising cost of supporting these large number of employees under the present rate structure.
- (iv). There has been immense increase in costs in the many years since the last revision of their tariff.
- (v). The DBCPLL is desirous to know the status of the subject proposal and the approximate time frame for the next steps.

10. Based on the preliminary scrutiny of the proposal, the JNPT was requested to furnish additional information/clarifications on various points vide our letter dated 12 December 2012. The JNPT vide its letter dated 19 January 2013 has responded to our queries. The queries raised by us and response of the JNPT are tabulated below:

Sl. No.	Queries raised by TAMP	Response of JNPT
1.	General:	
(i).	From the proposal filed by the JNPT, it is seen that the JNPT has furnished its proposal as per the formats prescribed for filing general revision proposal by the major port trusts. In this regard, it is relevant to mention here that, as the JNPT itself would have noticed that many of the forms prescribed in the said format are not relevant to the JNPT proposal in reference. Since the tariff for the JNPT CFS is to be arrived at based on normative basis, it is desirable that the JNPT files its proposal as per the format followed by the major port trusts including JNPT while submitting their proposals for fixing upfront tariff for the various PPP projects. This exercise may prove useful to the port as the port would be in a position to derive the rates for the various services rendered at the CFS yard/ Buffer yard from the assessed Revenue Requirement.	The TAMP upfront formats are not prescribed for CFS activities and as such the proposal to be submitted will have to be again given in the modified formats. The proposal was submitted in the forms applicable to Major ports after making appropriate modifications to reflect the "normative" approach used.
(ii).	While forwarding the proposal under cover of its letter dated 17 August 2012, the JNPT has stated, inter alia, that the job of framing a proposal based on the normative capacity was entrusted by M/s. DBC Port Logistics Limited (DBCPL) to independent firm of Chartered Accountants. Since the tariff for the CFS/ Buffer yard facility at JNPT is to be fixed without reference to the individual service provider, the reason for DBCPL entrusting the job of framing the proposal to the Chartered Accountant firm may be clarified. It may be categorically stated that the proposal dated 17 August 2012 filed by the JNPT is the proposal of the port trust and that it has no relevance to any individual service provider.	The normative proposal has been made by independent management consulting firm Deloitte Touche Tohmatsu India Private Limited after taking data / information from the market for operating CFS. This has been taken based on independent technical research and is in line with efficiency parameters, market analysis prevailing in the industry.
2.	<u>Capacity calculation:</u>	
(i).	(a). JNPT to confirm whether the area of land utilised towards CFS yard area, Buffer yard area, warehouse area etc. is in line with the land use plan of JNPT.	It is confirmed that the area of land utilized towards CFS yard area, buffer yard area, warehouse area etc. is in line with the land use plan of JNPT.
	(b). The basis for earmarking area for each item of the facility like warehouse, buildings, storage shed, parking etc. in the CFS area and Buffer yard area to be explained.	The area for warehouses was not earmarked, but an analysis was carried out to determine the warehouse requirements. The historical trend of traffic at CFSs in JN Port area shows that 1% of total traffic goes to Bonded warehouse, 2% of total traffic goes to FCL/LCL import warehouse, 1% of total traffic goes to export hazardous cargo shed and 5% goes to other export cargo shed. Based on this, total area required for each warehouse was determined and this was

		compared to the actual area occupied by the existing warehouses. <table border="1"> <thead> <tr> <th>Warehouse</th><th>Reqd. area (Sq. mtrs.)</th><th>Actual area (Sq. mtrs.)</th></tr> </thead> <tbody> <tr> <td>Import (Bonded warehouse)</td><td>15,487</td><td>11,000</td></tr> <tr> <td>Import (For FCL & LCL)</td><td>6,654</td><td>5,000</td></tr> <tr> <td>Export (For other)</td><td>7,228</td><td>9,000</td></tr> <tr> <td>Export (For hazardous)</td><td>1,446</td><td>2,500</td></tr> <tr> <td>Total Warehouse Area</td><td>30,815</td><td>27,500</td></tr> </tbody> </table> Based on this it was concluded that total area required for warehouses and total actual area is nearly same (only 10% difference), hence there is no need for further warehouse development / modifications. As far as other administration buildings and parking area is concerned, since there were no guidelines available for determining the "normative area", an estimation of the same was made based on the inputs provided by the Consultants.	Warehouse	Reqd. area (Sq. mtrs.)	Actual area (Sq. mtrs.)	Import (Bonded warehouse)	15,487	11,000	Import (For FCL & LCL)	6,654	5,000	Export (For other)	7,228	9,000	Export (For hazardous)	1,446	2,500	Total Warehouse Area	30,815	27,500
Warehouse	Reqd. area (Sq. mtrs.)	Actual area (Sq. mtrs.)																		
Import (Bonded warehouse)	15,487	11,000																		
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Total Warehouse Area	30,815	27,500																		
	(c). The reason for excluding 17471 sq. mtrs of land mentioned as non-CFS area from the capacity calculation may be explained. Further, the JNPT to confirm as in who's control would be the said piece of land i.e. JNPT or the CFS operator. If the said land would be under the control of the CFS operator, then it may be taken into account in the capacity calculation.	The said area is the "Long standing cargo shed" which is under JNPT's control. The CFS operator cannot use this shed for storage of other container cargo coming to the CFS. Hence, this has been excluded from normative capacity and cost calculations.																		
	(d). The analysis carried out by JNPT to show that out of the total area of 206963 sq. metres of CFS yard area, only around 66% would be available for handling and storage of containers, leaving around 34% for ancillary facilities to be furnished.	Since no specific guidelines was available, a detailed AutoCAD drawing was prepared of the CFS yard and based on the same the area available for handling & storage was calculated. The rest of the area is roads, unusable pockets. (The JNPT has furnished drawings in this regard.)																		
	(e). Similarly, the analysis carried out by JNPT to show that out of the total area of 54175 sq. metres of Buffer yard area, only around 95% would be available for handling and storage of containers, leaving around 5% for parking to be furnished.	The 5% area left is for office block, security cabin and visitors' vehicle parking combined. Since no specific guideline was available, a detailed AutoCAD drawing was prepared of the Buffer yard and based on the same the area available for handling & storage was calculated. (The JNPT has furnished drawings in this regard.)																		
	(ii). With regard to the capacity calculation of the various types of containers to be handled at the Container yard and the Buffer yard, as furnished by JNPT, JNPT to clarify/ furnish the following:																			
	(a). The basis/ reason for considering the area 50 sq. metres as one ground slot.	CFS is a facility exclusively used to reduce congestion of the Container Terminal in a port. The CFS provides facilities for stuffing and de-stuffing of cargo, storage of containers (import/export), custom clearance, transport																		
	(b). The basis for calculating the total number of ground slots by																			

considering 200 TEUs per hectare. While calculating the average number of ground slots, it may be borne in mind that in the case of upfront tariff fixation for the container terminal at New Mangalore Port Trust (NMPT) vide Order dated 30 December 2009, ground slots of 360 TEUs per hectare was considered which was based on the analysis of the NMPT with reference to the area occupied by a container and additional area required for movement of container handling equipment, space between containers etc. The same number of ground slots of 360 TEUs per hectare has been considered while fixing upfront tariff for the Mega Container terminal at Chennai Port Trust (CHPT).

facilities between port and CFS, CFS and empty container yard and re-export.

In the CFS yard as the container traffic and types of containers coming in the CFS varies from time to time and depending on the shipping lines, it becomes difficult for the operator to provide dedicated facilities in the CFS. Hence the area utilization is not as effective as that of the container yard at terminal. Therefore the ground slots per hectare of a CFS are lower in number than that of the container yard at the terminal.

As the number of activities in a CFS is more than at a container yard at a terminal hence the area required to handle each container is greater than at the port terminal. Also in the container yard at the terminal there is no warehousing facility provided hence its area can be more effectively utilized for stacking containers than in a CFS. So in a CFS the operations are more complex in nature than and not as streamlined as in case of the yard at the terminal.

In terminals RTGs are used as the container flow is unidirectional while in CFS the container flow is not unidirectional and reach stacker has to be used, hence the space requirement to accommodate the equipment movement in the yard is more in case of CFS than container yard at terminal.

In Order No: TAMP/40 /2008 – JNPT , upfront tariff fixation for container terminal at JNPT the ground slots of 286 TEUs per hectare has been considered , that works out to 35 sq mtr per ground slots. Similarly NMPT and CHPT in order TAMP/33/2009-NMPT and TAMP/47/2009-CHPT have considered 360 & 286 ground slots per hectare, that works out to be 27.78 sq mtr and 34.97 sq mtr per ground slot. However these are for port operations which differ from CFS operations for the reasons mentioned above. From the layout drawings provided by JNP CFS and conversion of the same into the AutoCAD drawing furnished in Annexure 1, the ground slot per TEU for the Container Yard and Buffer Yard was found to be 50 sqm per TEU (200 TEUs per hectare).

Parameters	Norms in Guidelines	Value considered by ports			
		JNPT (TAMP/40/2008-JNPT)	NMPT (TAMP/33/2008-NMPT)	CHPT (TAMP/47/2009-CHPT)	JNP-CFS (based on drawings)
Total Ground Slots (TEUs / Ha)	720	286	360	286	200
Area per ground slot (Sq. mtrs. / TEU)	13.89	35	27.78	34.97	50.00

This is supported by an IIMA Report (W.P.

		No.2006-04-09), which shows the average ground slot area per TEU as 50 sq. mtr. (The JNPT has furnished an extract of the said Report.)
	(c). The JNPT has considered an average stack height of 2.5 incase of General containers & Hazardous containers, height of 1 incase of ODCs & OTs and height of 2 incase of Reefer containers. In this context, it may be relevant to mention here that a common stack height of 3 has been considered while calculating the yard capacity of the upcoming container terminals under PPP mode while fixing upfront tariff for such projects, even when different types of containers are envisaged to be handled at the proposed facility. The JNPT to revise the stack height considered by it in the yard capacity calculation.	For general and hazardous containers stacking height of 2.5 has been taken from TAMP's 2008 guidelines. ODC & OT containers cannot be stacked one above the other and hence stacking height of 1 has been assumed. Reefers generally cannot be stacked more than 2 high because they need to be given continuous attention through necessary maintenance and supervision. If they are stacked higher, then they will have to be brought down every now and then for scheduled checks. Also to be noted is the fact that at port terminals, RTGs are used for container stacking which generally have a higher reach compared to reach stackers that are used at a CFS.
	(d). The analysis done by JNPT to arrive at the surge factor of 1.3 to be furnished.	The port has been taken from TAMP's 2008 guidelines.
	(e). The JNPT has considered an average dwell time of 8.75 days incase of all type of containers at the CFS and an average dwell time of 4.50 days in respect of all type of containers at the Buffer yard. In this context, the JNPT to justify the proposed benchmarking in respect of dwell time taking into account the best parameter prevailing in the CFSS operating in the JNPT vicinity.	The TAMP's 2008 guidelines specifies a norm for dwell time of 4 days for export and 2 days for import. However this is for a container terminal and cannot be used for a CFS for the same reasons as mentioned in point 2(ii)(a) above. Accordingly, we assumed dwell times based on average of those prevailing at all CFSS in the JNPT region. (The JNPT has furnished copies of the letters received by it from the various CFS operating in the JNPT vicinity, which gives information about their respective traffic, dwell time of their container cargo etc. The dwell time calculation shows weighted average of 8.75 days for container yard. In the case of Bonded Warehouse it is reported that the importer has to execute a 6 month bond with the Customs authorities. Most of the CFSS in the area do not operate a bonded warehouse. Hence, in the absence of a benchmark, dwell time of the JNP CFS alone was studied. Based on this analysis, an average dwell time of 90 days has been considered. For the Buffer Yard, in the absence of data of other CFSS available for reference, the dwell time was considered to be 4.5 days which is 50% (rounded off) of the container yard dwell time. This is because Buffer Yard is used only for stacking of factory stuffed export container and no other activities are performed therein.)

(iii).	The JNPT to review its optimal yard capacity in view of the points made above.	In view of the replies given above there is no change in the proposal submitted even after review.																
(iv).	(a). JNPT to furnish the basis for considering the container mix of the various types of containers out of the total optimal capacity.	This was based on the order passed by TAMP in the case TAMP/27/2006-JNPT. (The Order referred by JNPT is the Order passed on 28 June 2007 in respect of Speedy Multimodes Limited.)																
	(b). JNPT to furnish the actual container mix in respect of the containers handled at the CFS yard and the Buffer yard of JNPT during the last three years.	The entire calculation was based on normative approach and hence actual performance of the service provider has not been considered. This is also in line with TAMP's 2005 guidelines clause 7.2 which states that there should be no reference to individual service provider.																
	(c). JNPT to justify the assumption of considering 80% of the capacity as Import and the balance 20% as Export, with reference to actuals at the CFS yard and the Buffer yard of JNPT during the last three years.	The EXIM proportion is based on the traffic trends. The last three years data is as follows: (in TEUs) <table><tr><th>Year</th><th>2010</th><th>2011</th><th>2012 (upto October)</th></tr><tr><td>Import</td><td>43717</td><td>58959</td><td>56071</td></tr><tr><td>Export - BY</td><td>51655</td><td>38246</td><td>31566</td></tr><tr><td>Export - CFS</td><td>27910</td><td>33939</td><td>28656</td></tr></table> [JNPT has stated in the power point presentation made by it at the joint hearing that the import to export break-up of 80 : 20 is as per historical traffic trends]	Year	2010	2011	2012 (upto October)	Import	43717	58959	56071	Export - BY	51655	38246	31566	Export - CFS	27910	33939	28656
Year	2010	2011	2012 (upto October)															
Import	43717	58959	56071															
Export - BY	51655	38246	31566															
Export - CFS	27910	33939	28656															
3.	<u>Income Workings:</u> From the workings furnished by the JNPT for calculation of operating income, it is not clear how the JNPT has arrived at the operating income. The JNPT to furnish a detailed working to arrive at the income for the revised capacity. The details of the rate taken into account and the reference of the rate so adopted in the existing Scale of Rates to be indicated.	A backward calculation has been done, where Revenues under the new tariff = Estimated OPEX + Allowed return on capital employed. These revenues are then divided by the capacity to arrive at the tariff. The Annexure 4 of the TAMP forms may be referred for this calculation.																
4.	<u>Operating Cost:</u>																	
(i).	<u>Salary, Wages and Allowances:</u> (a). The JNPT has estimated salary, wages and allowances for contract labour meant for operating the equipment, management & administrative staff and labour at CFS and Buffer yard by considering certain number of labour/ employees under each category. While doing so, the JNPT has also furnished the requirement of each category of labour. However, how the requirement of each category of labour has been arrived at is not explained. Therefore, the JNPT to justify the benchmark in respect of number of labour/ employees considered under each category taking into account the efficient parameter in this regard prevailing in the industry.	1. Driver/operator: As per industry standards, each type of equipment requires 1 driver/operator per shift. The same has been considered in the calculations. 2. Cleaner: As per industry standards, each type of equipment requires 1 cleaner per shift. The same has been considered in the calculations. 3. Other labour: The labour requirement depends on the frequency of the maintenance required by the each type of equipment. This type of labour is not required for all the 3 shifts, in cases where the number of equipments is low. Accordingly, in such cases, labourers for only 2 shifts have been considered. Accordingly, the following has been considered: <table><tr><th>Particulars</th><th>Reach Stacker</th><th>Empty Container Handler</th><th>3 tonne & 10 tonne Forklifts</th><th>Tractor Trailers</th></tr><tr><td>Mainten-</td><td>10</td><td>NA</td><td>NA</td><td>NA</td></tr></table>	Particulars	Reach Stacker	Empty Container Handler	3 tonne & 10 tonne Forklifts	Tractor Trailers	Mainten-	10	NA	NA	NA						
Particulars	Reach Stacker	Empty Container Handler	3 tonne & 10 tonne Forklifts	Tractor Trailers														
Mainten-	10	NA	NA	NA														

	supported by documentary evidence.	<table><tr><td>ance Engineer</td><td></td><td></td><td></td><td></td></tr><tr><td>Mechanic</td><td>5</td><td>5</td><td>5</td><td>4</td></tr><tr><td>Electrician</td><td>10</td><td>NA</td><td>10</td><td>20</td></tr><tr><td>Mechanic Helper</td><td>15</td><td>15</td><td>15</td><td>4</td></tr><tr><td>Diesel & Oil Pump Operator</td><td>5</td><td>15</td><td>15</td><td>10</td></tr><tr><td>Welder</td><td>5</td><td>5</td><td>15</td><td>6.67</td></tr><tr><td>Tyrewala</td><td>5</td><td>5</td><td>5</td><td>10</td></tr><tr><td>Patawala</td><td>NA</td><td>NA</td><td>NA</td><td>10</td></tr></table> This has been taken based on independent technical research and is in line with efficiency parameters prevailing in the industry.	ance Engineer					Mechanic	5	5	5	4	Electrician	10	NA	10	20	Mechanic Helper	15	15	15	4	Diesel & Oil Pump Operator	5	15	15	10	Welder	5	5	15	6.67	Tyrewala	5	5	5	10	Patawala	NA	NA	NA	10
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Welder	5	5	15	6.67																																						
Tyrewala	5	5	5	10																																						
Patawala	NA	NA	NA	10																																						
	(b). JNPT to furnish documentary evidence in support of the cost of the following: (i). Each type of contract labour utilised for operating each type of equipment separately.	The CFS has 647 permanent labour which were there before the current operator took over. They have to be paid as per the agreement entered into with the union by CFS operator. The rest of the labour is contracted. (The port has furnished the Quotation of October 2012 received by it from a Manpower Supplier Agency, reflecting the rate for supply of each type of Labour. The quotation is for supply of various workman indicated in Annex-10 (Part A) for Reach Stackers, Fork Lift, Tracter, Trailer, empty container handler, additional labour required for warehouses and reefer containers. [The rates are for 8 hours working per day and inclusive of statutory benefits and service charges. Rates shall be enhanced by 5% every year.]																																								
	(ii). Each type of Management & Administrative staff separately.	Cost of Management and Administrative staff has been considered to be a part of "General Overheads". "General Overheads" have been assumed at 5% of value of gross fixed assets (TAMP's 2008 guidelines allows upto 15% of gross fixed assets).																																								
	(iii). Each type of labour at CFS and Buffer yard separately.	For permanent labour, rates used are as per agreement entered with Labour Union. (The copy of the Contract furnished by the port is a Memorandum of Settlement dated 25 January 2011 between Speedy Multimodes Limited and Nhava Sheva Port General Workers Union for a period of 3 years from 1.7.2010 to 30.6.2013). For other labour rates, it has referred to the Quotation as stated at (b) (i) above.																																								
(ii).	<u>Electricity charges:</u> JNPT to furnish/ clarify/ justify the following: (a). Documentary evidence in support of the unit rate of electricity at ₹11.83 per unit.	The electricity charges per unit are considered as per present MSEB norms. Copy of electricity bill is attached herewith which shows the average per unit rate 15.83. (The document furnished by the port is a Debit note raised by the JNPT on Speedy Multimodes Limited on 14 December 2012, towards electricity charges for November 2012 which																																								

		reflects the unit cost of power at ₹15.83. The JNPT has also furnished workings in support of the unit cost of power at ₹15.83.)
	(b). Electricity consumption of 3.60 units per TEU incase of Reefer containers to be justified taking into account the efficient parameter in this regard prevailing in the industry, supported by documentary evidence.	Electricity consumption for reefer container is as per the industry average (3.6 kw/hr/teu). This was taken from the "Container Handbook" published by GDV (German Marine Insurers) the extract of which has been furnished by the port.
	(c). (i). Electricity consumption of 2.90 units per hour incase of electronic Weigh Bridge to be justified taking into account the efficient parameter in this regard prevailing in the industry, supported by documentary evidence.	In the Order No: TAMP/39/2010 – MBPT passed on 2nd May 2011, per month power consumption has been considered 2100 units. This converts to 2.9 kw/hr assuming 30 days per month and 24 hrs per day. (The Order referred above is the Order passed on 02 May 2011 disposing of the proposal filed by Buthello Travels for approval of tariff for two 60 tonne electronic weighbridges installed in Mumbai Port Trust (MBPT) Docks.)
	(ii). It is seen from the workings furnished for consumption of 25044 units of power per annum for the electronic weigh bridge that the JNPT has considered power consumption for operation of the weigh bridge round the clock throughout the year (24 hours x 365 days). However, the capacity of the CFS/ Buffer yard facility has been determined at 70% utilization. Therefore, the weigh bridge may not have to be operated round the clock throughout the year. Estimated power consumption for operation of weigh bridge to be revised taking into account 70% utilization.	The weigh bridge will be plugged in for 24 hrs and 365 days, as we cannot determine the time the truck will be requiring the facility. Also in case no. TAMP/39/2010 – MBPT for fixation of tariff for two nos. 60 tonnes electronic weighbridges installed at Mumbai Port Trust docks by M/s. Buthello Travels on Build, Operate & Maintain basis, the electricity units consumed per month is taken as 2100 i.e. annual consumption will be 25200 units. Accordingly, our assumption of 25044 units is more or less the same.
	(d). (i). The purpose of considering electricity consumption of 61680 units per month under 'Others' is not understood. The JNPT to furnish the resources which require the power consumption of 61680 units per month. (ii). The basis for considering	These include electricity consumption of the administrative building, yard lightings, warehouse lightings etc. i.e. all electricity consumption other than by reefers and electronic weighbridge. This has been calculated after deducting reefer consumption from the average total consumption

	61680 units of power consumption for 'Others' to be furnished with workings. Further, this to be justified taking into account the efficient parameter in this regard prevailing in the industry, supported by documentary evidence.	at the CFS.																		
(iii).	<u>Fuel charges:</u> (a). Reach Stacker: (i). The basis for considering 4 moves per container and assumption of 15 moves per hour to arrive at the operational hours, to be explained.	We consider a stack of 3 rows and 3 columns. <table border="1"> <tr> <td>1</td><td>2</td><td>3</td></tr> <tr> <td>4</td><td>5</td><td>6</td></tr> <tr> <td>7</td><td>8</td><td>9</td></tr> </table> If the reach stacker wants to handle the 5th container then first it has to handle container number 1, container number 4, and container number 2 and then finally position container number 5 on the trailer truck. Further it has to reposition the containers number 1, 4 and 2. Hence totaling to 7 moves. Similarly to handle container number 4 first reach stacker has to handle container number 1 then container number 4. Further reposition the container 1, which adds to 3 moves per container. Hence on an average we have considered 4 moves per container. For moves per hour we have referred the technical specifications of reach stacker of Linde and Kalmar.	1	2	3	4	5	6	7	8	9									
1	2	3																		
4	5	6																		
7	8	9																		
	(ii). The benchmark of moves per container, moves per hour and the fuel consumption of 20 litres per hour for Reach Stacker considered by JNPT in its workings to be justified with reference to the efficient parameters in this regard, prevailing in the industry, supported by documentary evidence.	This has been taken based on telephonic discussions with the equipment provider and manufacturers. Also, Case No. TAMP/47/2007-NMPT order passed on 16th June 2010, considers 18 litres per hr consumption of fuel for reach stacker.																		
	(b). To handle the 2666 nos. of ODC containers and OT containers each, the JNPT has proposed use of the following equipment in the following manner: <table border="1"> <thead> <tr> <th>Equipm-ent used</th><th>ODC container %</th><th>OT container %</th></tr> </thead> <tbody> <tr> <td>Cranes - 15 MT</td><td>30%</td><td>50%</td></tr> <tr> <td>Cranes - 35 MT</td><td>30%</td><td>50%</td></tr> <tr> <td>Cranes - 75 MT</td><td>30%</td><td>0%</td></tr> <tr> <td>Fork Lift 10 Tonne</td><td>10%</td><td>0%</td></tr> <tr> <td>Total</td><td>100%</td><td>100%</td></tr> </tbody> </table>	Equipm-ent used	ODC container %	OT container %	Cranes - 15 MT	30%	50%	Cranes - 35 MT	30%	50%	Cranes - 75 MT	30%	0%	Fork Lift 10 Tonne	10%	0%	Total	100%	100%	Depending on the tonnage variation of the ODC and OT, we have to consider different equipments as using single higher capacity crane for every container would add to cost and add on to inefficiencies in handling of containers. For example if we use 75 tons crane for weighing 10 tons parcel, the fuel consumption and the hiring cost will increase than the 15 tons capacity crane, hence this will add extra cost to handle container.
Equipm-ent used	ODC container %	OT container %																		
Cranes - 15 MT	30%	50%																		
Cranes - 35 MT	30%	50%																		
Cranes - 75 MT	30%	0%																		
Fork Lift 10 Tonne	10%	0%																		
Total	100%	100%																		

	The reason/ justification for the above mentioned allocation of equipment to handle the ODC and OT containers to be furnished. Further, it may also be explained why a single capacity crane cannot be considered to handle ODC and OT containers instead of deployment of cranes of various capacities, as considered by JNPT.																																			
	(c). 75 tonne crane: (i). The basis for considering 2 moves per container and assumption of 17 moves per hour to arrive at the operational hours, to be explained.	The container has to be positioned first on ground after unloading from the trailer truck and then the crane has to reposition itself to move the container to its destined slot. Repositioning of the crane is necessary for the safe and efficient handling of container/cargo. Hence, 2 moves per container/cargo have been considered. The cargo generally handled by the 75 ton crane is over dimensional and heavy, hence to perform the handling operations efficiently and without damage, slows the operation time. The process of fastening the slings to the ODC, perform a balance check, lift-on and lift-off to specific slot or trailer takes approximately 120 minutes and same has been considered in calculating moves per day.																																		
	(ii). The benchmark of moves per container, moves per hour and the fuel consumption of 25 litres per hour for 75 tonne crane considered by JNPT in its workings to be justified with reference to the efficient parameters in this regard, prevailing in the industry, supported by documentary evidence.	This has been obtained based on discussions with the crane provider and information available in the public domain. <table><tr><td colspan="5">Diesel density (kg/lit) 0.86</td></tr><tr><td colspan="5">Fuel consumption = ((HP*gram/HP-hr)/1000/Diesel density) * Load factor</td></tr><tr><td colspan="4">75 ton crane (MANTIS - 14010)</td><td>Avg Fuel Consumption</td><td>JNPT Considered</td></tr><tr><td>HP</td><td>260</td><td></td><td></td><td rowspan="4">29.9</td><td rowspan="4">25.00</td></tr><tr><td>gram/HP-hr</td><td>165</td><td></td><td></td></tr><tr><td>Considering Load factor</td><td>100%</td><td>50%</td><td>30%</td></tr><tr><td>Fuel consumption (L /hr)</td><td>49.88</td><td>24.94</td><td>14.97</td></tr></table> The technical specifications used above have been taken from the 75 ton crane product guide. The JNPT has furnished a copy of the same.	Diesel density (kg/lit) 0.86					Fuel consumption = ((HP*gram/HP-hr)/1000/Diesel density) * Load factor					75 ton crane (MANTIS - 14010)				Avg Fuel Consumption	JNPT Considered	HP	260			29.9	25.00	gram/HP-hr	165			Considering Load factor	100%	50%	30%	Fuel consumption (L /hr)	49.88	24.94	14.97
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Fuel consumption = ((HP*gram/HP-hr)/1000/Diesel density) * Load factor																																				
75 ton crane (MANTIS - 14010)				Avg Fuel Consumption	JNPT Considered																															
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	(iii). There appears to be a mistake in the calculation as the cost of diesel at the rate of ₹46/- per litre has not been considered by the JNPT in the calculation. Instead, some other figure has been considered. JNPT to rectify the workings.	Noted. Has been corrected in revised forms.																																		
	(d). 35 tonne crane: (i). The basis for considering 2 moves per container and assumption of	The container has to be positioned first on ground after unloading from the trailer truck and then the crane has to reposition itself to move the container to its destined slot. Repositioning of the crane is necessary for the safe and efficient																																		

	handling 103 ODC/OT containers per day to arrive at the operational hours, to be explained.	handling of container/cargo. Hence, 2 moves per container/cargo have been considered. The cargo generally handled by the 35 ton crane is over dimensional and heavy, hence to perform the handling operations efficiently and without damage, slows the operation time. The process of fastening the slings to the ODC, perform a balance check, lift-on and lift-off to specific slot or trailer takes approximately 20 minutes and same has been considered in calculating moves per day.																																								
	(ii). The benchmark moves per container per day and the fuel consumption of 17 litres per hour with reference to the 35 tonne crane to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	This has been obtained based on discussions with the crane provider and information available in the public domain. This is as per the efficiency parameters prevailing in the industry. <table><tr><td colspan="5">Diesel density (kg/lit) 0.86</td><td colspan="2"></td></tr><tr><td colspan="5">Fuel consumption = ((HP*gram/HP-hr)/1000/Diesel density) * Load factor</td><td colspan="2"></td></tr><tr><td colspan="4">35 ton crane (MANTIS - 14010)</td><td colspan="2">Avg Fuel Consumption</td><td>JNPT Considered</td></tr><tr><td>HP</td><td>150</td><td></td><td></td><td colspan="2" rowspan="4">17.3</td><td rowspan="4">17.00</td></tr><tr><td>gram/HP-hr</td><td>165</td><td></td><td></td></tr><tr><td>Considering Load factor</td><td>100%</td><td>50%</td><td>30%</td></tr><tr><td>Fuel consumption (L /hr)</td><td>28.78</td><td>14.39</td><td>8.63</td></tr></table> The technical specifications used above have been taken from the 35 ton crane product guide. The JNPT has furnished a copy of the same.	Diesel density (kg/lit) 0.86							Fuel consumption = ((HP*gram/HP-hr)/1000/Diesel density) * Load factor							35 ton crane (MANTIS - 14010)				Avg Fuel Consumption		JNPT Considered	HP	150			17.3		17.00	gram/HP-hr	165			Considering Load factor	100%	50%	30%	Fuel consumption (L /hr)	28.78	14.39	8.63
Diesel density (kg/lit) 0.86																																										
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	(iii). There appears to be a mistake in the calculation as the cost of diesel at the rate of ₹46/- per litre has not been considered by the JNPT in the calculation. Instead, some other figure has been considered. JNPT to rectify the workings.	Noted. Has been corrected in revised forms.																																								
	(e). 15 tonne crane: (i). The basis for considering 2 moves per container and assumption of handling 274 ODC/OT containers per day to arrive at the total operational hours as 374 hours, to be explained.	The container has to be positioned first on ground after unloading from the trailer truck and then the crane has to reposition itself to move the container to its destined slot. Repositioning of the crane is necessary for the safe and efficient handling of container/cargo. Hence, 2 moves per container/cargo have been considered. The cargo generally handled by the 15 ton crane is over dimensional and heavy, hence to perform the handling operations efficiently and without damage, slows the operation time. The process of fastening the slings to the ODC, perform a balance check, lift-on and lift-off to specific slot or trailer takes approximately 7.5 minutes and same has been considered in calculating moves per day.																																								
	(ii). The benchmark of handling of containers and the fuel consumption of 8 litres per hour in respect of 15 tonne crane	This has been obtained based on discussions with the crane provider and information available in the public domain. This is as per the efficiency parameters prevailing in the industry.																																								

	to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	<table><tr><td colspan="6">Diesel density (kg/lit) 0.86</td></tr><tr><td colspan="6">Fuel consumption = ((HP*gram/HP-hr)/1000/Diesel density) * Load factor</td></tr><tr><td colspan="4">15 ton crane (MANTIS - 14010)</td><td>Avg Fuel Consumption</td><td>JNPT Considered</td></tr><tr><td>HP</td><td>100</td><td></td><td></td><td rowspan="4">11.5</td><td rowspan="4">8.00</td></tr><tr><td>gram/HP-hr</td><td>165</td><td></td><td></td></tr><tr><td>Considering Load factor</td><td>100%</td><td>50%</td><td>30%</td></tr><tr><td>Fuel consumption (L /hr)</td><td>19.19</td><td>9.59</td><td>5.76</td></tr></table> The technical specifications used above have been taken from the 15 ton crane product guide. The JNPT has furnished a copy of the same.	Diesel density (kg/lit) 0.86						Fuel consumption = ((HP*gram/HP-hr)/1000/Diesel density) * Load factor						15 ton crane (MANTIS - 14010)				Avg Fuel Consumption	JNPT Considered	HP	100			11.5	8.00	gram/HP-hr	165			Considering Load factor	100%	50%	30%	Fuel consumption (L /hr)	19.19	9.59	5.76
Diesel density (kg/lit) 0.86																																						
Fuel consumption = ((HP*gram/HP-hr)/1000/Diesel density) * Load factor																																						
15 ton crane (MANTIS - 14010)				Avg Fuel Consumption	JNPT Considered																																	
HP	100			11.5	8.00																																	
gram/HP-hr	165																																					
Considering Load factor	100%	50%	30%																																			
Fuel consumption (L /hr)	19.19	9.59	5.76																																			
	(iii). There appears to be a mistake in the calculation as the cost of diesel at the rate of ₹46/- per litre has not been considered by the JNPT in the calculation. Instead, some other figure has been considered. JNPT to rectify.	Noted. Has been corrected in revised forms.																																				
	(f). 10 tonne forklift: (i). The basis for considering 2 moves per parcel and assuming handling 15 moves per hour to be explained. (ii). The benchmark of moves per parcel, moves per hour and the fuel consumption of 8 litres per hour with reference to 10 tonne forklift to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	One move is considered for stuffing and another move for destuffing. 15 moves per hour is considered based on the information provided by the forklift provider and as per the industrial standards. This is based on telephonic discussions with equipment manufacturer. This is as per the efficiency parameters prevailing in the industry. TAMP specifies a rate of 10 ltrs per hour in its 2008 guidelines for multipurpose berths which is higher than what we have used.																																				
	(g). 3 tonne forklift: (i). The basis for considering 2 moves per parcel and assuming handling 15 moves per hour to be explained. (ii). The benchmark of moves per parcel, moves per hour and the fuel consumption of 5 litres per hour with reference to a 3 tonne forklift to be justified with reference to the efficient parameter in	One move is considered for stuffing and another move for destuffing. 15 moves per hour is considered based on the information provided by the forklift provider and as per the industrial standards. This is based on telephonic discussions with equipment manufacturer. This is as per the efficiency parameters prevailing in the industry. TAMP specifies a rate of 7 ltrs per hour for a 5 tonne forklift in its 2008 guidelines for multipurpose berths which is higher than what the port used.																																				

	this regard, prevailing in the industry, supported by documentary evidence.																	
	(h). Empty container handler: (i). The basis for considering 3.5 moves per TEU and assuming handling 15 moves per hour to be explained. (ii). The benchmark of moves per TEU, moves per hour and the fuel consumption of 12 litres per hour with reference to Empty container handler to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	Empty containers are stacked in the same way the loaded containers are stacked, hence the moves per teu considered are in line with the reach stacker. But, the empty container handling operations generally consists of handling empty from one trailer and putting on other trailer in case of the direct destuffing. In the mentioned operations moves per teu is limited to one. In case of container stuffing operations at the warehouse, the empty container handler has to handle the teu from the empty container yard, where the empties are stacked. To handle the stacked empty teus it has to make moves equivalent to reach stacker. Hence moves considered in case of empty container handler are less than the reach stacker. This is based on Kalmar's technical information manual for reachstackers. This is as per the efficiency parameters prevailing in the industry. (The document furnished by the port does not explicitly reflect the moves per hour).																
	(i). Tractor Trailers: (i). The basis for considering 4.43 hours of operation of each trailer to be explained.	Tractor trailer requires 4.43 hours to complete one trip from CFS to port as explained below – <table><tr><th>Tractor Trailer</th><th>Hours</th></tr><tr><td>Container load time for TT</td><td>0.08</td></tr><tr><td>Container unload time for TT</td><td>0.08</td></tr><tr><td>TT waiting time for formalities</td><td>0.33</td></tr><tr><td>Average TT wait at port gate due to congestion and other reasons</td><td>2.50</td></tr><tr><td>Average TT wait due to road congestion</td><td>0.50</td></tr><tr><td>TT travel time (CFS to port and port to CFS)</td><td>0.93</td></tr><tr><td>Total TT trip from CFS to port</td><td>4.43</td></tr></table> This assessment is based on prevailing conditions at JNPT.	Tractor Trailer	Hours	Container load time for TT	0.08	Container unload time for TT	0.08	TT waiting time for formalities	0.33	Average TT wait at port gate due to congestion and other reasons	2.50	Average TT wait due to road congestion	0.50	TT travel time (CFS to port and port to CFS)	0.93	Total TT trip from CFS to port	4.43
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Total TT trip from CFS to port	4.43																	
	(ii). The benchmark of hours of operation and fuel consumption of 5 litres per hour of trailer to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	This is based on extracts from the document “Heavy-Duty Truck Emissions and Fuel Consumption Simulating Real-World Driving in Laboratory Conditions” given in Annexure-12. The calculations are as follows: <table><tr><th colspan="2">Mileage of Trailer Truck</th><th></th><th></th></tr><tr><td>Option-1:</td><td></td><td></td><td></td></tr><tr><td>(Assumed maximum fuel consumption)</td><td>40 litre/ 100 km</td><td>Kms/litre</td><td>2.50</td></tr></table>	Mileage of Trailer Truck				Option-1:				(Assumed maximum fuel consumption)	40 litre/ 100 km	Kms/litre	2.50				
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	(j). Motor car: JNPT to furnish the basis for considering ₹5000/- per month per motor car as fuel cost, with workings.	This was an assumed value for general day to day use and operation of CFS.																																																												
	(k). Genset:																																																													
	(i). The basis for considering 60 hours of operation per month to be explained.	Due to frequent interruption in power supply in this area, provision of 60 hours per month has been made based on past experience																																																												
	(ii). The benchmark of hours of operation and the fuel consumption of 90 litres per hour in respect of Genset to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	For fuel consumption of the diesel generator please refer technical specifications of the Model MQP60IV as obtained from the equipment manufacturer.																																																												
		<table><tr><th colspan="2">Fuel System</th></tr><tr><td>Fuel Injection Pump Make</td><td>Stanadyne</td></tr><tr><td>Recommended Fuel</td><td>ASTM-D975/No.1 & 2 Diesel</td></tr></table>		Fuel System		Fuel Injection Pump Make	Stanadyne	Recommended Fuel	ASTM-D975/No.1 & 2 Diesel																																																					
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(iv).	<u>Repairs & Maintenance:</u> The basis for considering Repairs & Maintenance at 2% of gross block incase of equipment, 1% of the gross block incase of civil works and 15% of the gross block incase of computer and others to be justified. The benchmark of considering the various percentages considered towards repairs and maintenance to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	Civil and equipment repair and maintenance charges considered as directed in TAMP's 2008 Guidelines. There is no guideline available for cost of repairs of computers. They require more frequent maintenance as compared to equipments and 15% has been taken based on industry standards.																		
(v).	<u>Insurance:</u> The basis for considering Insurance cost at 1% of gross block of assets to be justified. The benchmark of considering the said percentage considered towards insurance to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	This has been considered based on TAMP's 2008 Guidelines.																		
(vi).	<u>Lease Rent:</u> (a). JNPT to confirm that the rate of ₹.21.83 per sq.m per month considered in the calculation of lease rent is the prevailing lease rental. In this regard, reference to the provision in the existing Scale of Rates of JNPT to be furnished. The JNPT to furnish workings to arrive at the rate of ₹.21.83 per sq.m per month from the existing Scale of Rates.	Lease rental is taken as ₹21.83 sq. mtrs. / month. This is based on rate for leasing of undeveloped land as mentioned in JNPT scale of rates as approved by TAMP. The rate has been adjusted using the inflation factor mentioned in the same scale of rates which states that: <i>"As per JNPT approved scale of rates, the rate of license fee as prescribed in the Scale of Rates notified on 19th March, 1997 has to be escalated by 10% with effect from 1st April, 1998 and thereafter by the same percentage after every two years as per the existing terms and conditions till 23rd February, 2004. From 24th February, 2004, till the date of announcement of the revised Land Policy Guidelines, the rates shall be escalated by 2% per annum"</i> Based on this escalation factor, following table shows calculation of lease rentals:																		

		<table> <tr> <th>Year from</th><th>Year to</th><th>Rate / sq. mtr. / month</th></tr> <tr><td>April 1997</td><td>March 1998</td><td>14.00</td></tr> <tr><td>April 1998</td><td>March 1999</td><td>15.40</td></tr> <tr><td>April 1999</td><td>March 2000</td><td>15.40</td></tr> <tr><td>April 2000</td><td>March 2001</td><td>16.94</td></tr> <tr><td>April 2001</td><td>March 2002</td><td>16.94</td></tr> <tr><td>April 2002</td><td>March 2003</td><td>18.63</td></tr> <tr><td>April 2003</td><td>March 2004</td><td>18.63</td></tr> <tr><td>April 2004</td><td>March 2005</td><td>19.01</td></tr> <tr><td>April 2005</td><td>March 2006</td><td>19.39</td></tr> <tr><td>April 2006</td><td>March 2007</td><td>19.77</td></tr> <tr><td>April 2007</td><td>March 2008</td><td>20.17</td></tr> <tr><td>April 2008</td><td>March 2009</td><td>20.57</td></tr> <tr><td>April 2009</td><td>March 2010</td><td>20.98</td></tr> <tr><td>April 2010</td><td>March 2011</td><td>21.40</td></tr> <tr><td>April 2011</td><td>March 2012</td><td>21.83</td></tr> </table>	Year from	Year to	Rate / sq. mtr. / month	April 1997	March 1998	14.00	April 1998	March 1999	15.40	April 1999	March 2000	15.40	April 2000	March 2001	16.94	April 2001	March 2002	16.94	April 2002	March 2003	18.63	April 2003	March 2004	18.63	April 2004	March 2005	19.01	April 2005	March 2006	19.39	April 2006	March 2007	19.77	April 2007	March 2008	20.17	April 2008	March 2009	20.57	April 2009	March 2010	20.98	April 2010	March 2011	21.40	April 2011	March 2012	21.83
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	(b). The JNPT has excluded the area of 17471 sq. metres of land towards the non-CFS area from the calculation of lease rentals. As stated earlier, if the said land would be taken into account in the capacity calculation, the lease rental for the said piece of land may also be considered by JNPT in the estimation of lease rentals.	The said area is the "Long standing cargo shed" which is under JNPT's control. The CFS operator cannot use this shed for storage of other container cargo coming to the CFS. Hence, this has been excluded from normative capacity and cost calculations.																																																
(vii).	<u>Water charges:</u> JNPT to furnish the basis for considering water charges at ₹27000/- per month, with workings.	Water Charges have been worked out based on the consumption pattern observed for last one year. The rate charged per KL is as approved by TAMP																																																
(viii).	<u>RTO Tax:</u> JNPT to furnish the basis for considering RTO tax applicable for each type of equipment, supported by documentary evidence.	RTO Tax receipts have been furnished by the port.																																																
(ix).	<u>Hire charges:</u> The JNPT has considered hire of some equipment. In this regard, it may be relevant to mention here that the tariff for the CFS/ Buffer yard facility may have to be fixed on a normative basis. That being so, only the normative number of equipment to meet the requirement of the optimal capacity of the facility appears to be relevant. Therefore, the element of hiring of equipment does not appear to fit into the normative approach. In view of this position, the JNPT to review the approach adopted by it for hiring of equipment.	Traffic at CFSs undergoes frequent changes. To take care of these drops and surges, they have to keep a combination of hired and owned equipment. Since variation levels will be different at each CFS and it will be difficult to predict them, an average 50:50 ratio of owned & hired equipments is considered.																																																
6.	<u>Capital Cost Estimation:</u>																																																	
(i).	<u>Civil Cost:</u> With reference to the civil costs, the JNPT to furnish the following:																																																	
	(a). A detailed cost analysis for the civil works required at the said	The CFS was handed over to the CFS Operator on as-is-where-is basis. Initial cost has been																																																

	facility. The details about quantum of the work along with the unit rate considered also to be furnished.	adopted from JNPT's books of accounts which have been audited by CAG of India. Subsequent repair and renovation of roads and shed which have been made by Licensee are considered as per audited book value.																		
	(b). The documentary evidence in support of the unit rate considered in the calculation to also be furnished.	The Assets considered are as per JNPT's books of accounts and Auditor's certificate enclosed for work carried out by the Licensee. (The JNPT has furnished extract of the Asset Register as on 31.03.2011).																		
	(c). It may be confirmed that the unit rate so considered for estimation of civil costs is as per the prevailing market rates.	Since these assets are permanent in nature & costs would be same irrespective of who operates the facility, the audited book value of the same has been considered																		
	(d). The civil works at the said facility to be justified with reference to the optimal capacity of the said facility.	The area for warehouses was not earmarked, but an analysis was carried out to determine the warehouse requirements. The historical trend of traffic at CFSs in JN Port area shows that 1% of total traffic goes to Bonded warehouse, 2% of total traffic goes to FCL/LCL import warehouse, 1% of total traffic goes to export hazardous cargo shed and 5% goes to other export cargo shed. Based on this, total area required for each warehouse was determined and this was compared to the actual area occupied by the existing warehouses. <table border="1"> <thead> <tr> <th>Warehouse</th><th>Reqd. area (Sq. mtrs.)</th><th>Actual area (Sq. mtrs.)</th></tr> </thead> <tbody> <tr> <td>Import (Bonded warehouse)</td><td>15,487</td><td>11,000</td></tr> <tr> <td>Import (For FCL & LCL)</td><td>6,654</td><td>5,000</td></tr> <tr> <td>Export (For other)</td><td>7,228</td><td>9,000</td></tr> <tr> <td>Export (For hazardous)</td><td>1,446</td><td>2,500</td></tr> <tr> <td>Total Warehouse Area</td><td>30,815</td><td>27,500</td></tr> </tbody> </table> Based on this it was concluded that total area required for warehouses and total actual area is nearly same (only 10% difference), hence there is no need for further warehouse development / modifications. As far as other administration buildings and parking area is concerned, since there were no guidelines available for determining the "normative area", an estimation of the same was made based on the inputs provided by DTTIPL and their technical sub consultants Zebec Marine Services.	Warehouse	Reqd. area (Sq. mtrs.)	Actual area (Sq. mtrs.)	Import (Bonded warehouse)	15,487	11,000	Import (For FCL & LCL)	6,654	5,000	Export (For other)	7,228	9,000	Export (For hazardous)	1,446	2,500	Total Warehouse Area	30,815	27,500
Warehouse	Reqd. area (Sq. mtrs.)	Actual area (Sq. mtrs.)																		
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Export (For hazardous)	1,446	2,500																		
Total Warehouse Area	30,815	27,500																		
	(e). The JNPT has considered a civil cost of ₹.12.14 crores towards renovation and reconstruction of office, roads and yard by the operator. This item of work appears to be related to the existing civil structure. As stated earlier, the tariff for the CFS/ Buffer yard facility may have to be fixed on a normative basis. Therefore, it is not clear why the cost of said renovation/ reconstruction is built in the	Irrespective of who is the CFS operator, renovation and reconstruction of office, roads and yards would have to be undertaken from time to time. This is an old facility first constructed in the year 1988-89. Hence, substantial repairs were required. Also tender terms require the CFS operator to maintain the facility in working condition. This will require renovation and reconstruction expenditure from time to time. Since this is an immovable asset, the book value has been considered. Since these assets are																		

	normative tariff to be fixed for the facility.	permanent in nature & costs would be same irrespective of who operates the facility, the audited book value of the same has been considered.
(ii).	Equipment Cost:	
	(a). The JNPT has considered certain number of Reachstackers, Cranes of various capacities, Fork lift of various capacities, Empty container handler, Tractor Trailer in its facility. The deployment of each type of equipment alongwith the number of deployment of each type of equipment to be justified with reference to the efficient parameter in this regard, prevailing in the industry, supported by documentary evidence.	Number of total equipment required for CFS Operations are based on the Optimal Capacity of CFS and the moves required per annum per equipment for yard operation to reach the optimal yard capacity. Calculations shown in Annexure 6 in the TAMP forms should answer this question adequately.
	(b). With reference to the cost of the various types of equipment, the JNPT to furnish the budgetary quotations/ invoices in support of the cost of each type of equipment.	The JNPT has furnished quotations for hire of various types of Equipment.
	(c). From the workings furnished by JNPT at Annexure – 2, it is seen that in addition to the required number of equipment, the JNPT has considered cost of additional equipment for downtime incase of Reachstacker, Forklift of 3 tonne, Tractor Trailor. In this regard, it may be relevant to mention here that the tariff for the CFS/ Buffer yard facility is to be fixed on a normative basis. In such a scenario, the JNPT to clarify whether consideration of the cost of additional equipment for standby purpose fits into normative approach. Only the number of equipment required to meet the optimal capacity of the facility may have to be considered in costing.	The additional equipments are considered as these equipments require frequent maintenance and during the mentioned maintenance time we need to have backup so that the operations are running smoothly. Further, additional equipments have been considered only in cases where the utilisation of existing equipments is very high. This is as per normal practice prevailing in the industry.
7.	<u>Scale of Rates:</u>	
(i).	The definitions as proposed at (viii) and (ix) to be modified suitably to refrain from giving reference to any service provider.	Noted. Has been corrected in revised forms.
(ii).	The proposed note at (x) under 'General Terms and Condiitonalties' to be modified in line with clause 2.18.2 of the tariff guidelines of 2005 and the rate of interest to be updated with the prevailing Prime Lending Rate of State Bank of India.	Noted. Has been corrected in revised forms.
(iii).	The reason for deleting the existing rate at Sl. No. (vii) of Section 2.4 under Chapter –II relating to 'Retrieval of loaded containers from Container yard and	The portion of weighment done on party's trailers is negligible. Hence, a single rate for both types of weighment was calculated.

	arranging weighment thereof at CFS weighbridge on party's trailers' to be explained.	
(iv).	The reason for deleting the existing charges prescribed at Section 2.8' Long standing Cargo operations' in the proposed Scale of Rates to be explained.	The long standing cargo shed is not being used by the CFS and hence the same has been ignored for cost and capacity calculations. So, tariff for the same has also been left out.
(v).	JNPT to explain the rationale behind proposing reduction in the free period from 5 days to 3 days in respect of Loaded containers handled at Buffer yard (Chapter – IV) to be explained. The financial implications arising out of such a proposed change to be furnished.	Since there was no guideline available, we referred to the free periods allowed by CFSs in the JNPT region. None of these CFSs offer any free period for both import and export containers. However, we have conservatively retained a period of 3 days as free period. (From the Details furnished by the port, it is seen that the CFS listed in the said list do not provide for any free days.)
(vi).	The reason for inserting a note that Buffer yard On-wheel inspection will be charged as per notifications by Customs from time to time, to be explained.	This is a statutory levy as per customs notification and hence we cannot prescribe a rate for it. [The port has furnished a copy of the Public Notice No.56/2009 dated 31 August 2009 issued by the Customs Authority in this regard.]
(vii).	The reason for deleting the activity 'Re-working service (destuffing the container and shifting the empty box to the empty yard within the CFS' at Sr. no.5.7 under Chapter – V of the existing Scale of rates to be explained.	Reworking of containers is considered to be a "Handling Service" as opposed to a "Miscellaneous service". Tariff for the same is included in Chapter-III Sr.No. 3.4. part (iv).
(viii).	The reason for prescribing a new rate towards 'Container Load Plan (CLP)' at Sr. no.5.11 under Chapter – V of the proposed Scale of rates to be explained The cost analysis to propose the rate for such activity at ₹.55 per TEU to be furnished.	All CFSs in the region charge for CLP. Since this is a miscellaneous service and separate costing is not possible for this service, we have normatively taken the lowest rate among the tariffs of other CFSs in the JNPT region.
(ix).	Similarly, the reason for prescribing a new rate towards 'Equipment Inspection Report (EIR) charges' at Sr. no.5.12 under Chapter – V of the proposed Scale of rates to be explained The cost analysis to propose the rate for such activity at ₹.50 per TEU to be furnished.	All CFSs in the region charge for EIR. Since this is a miscellaneous service and separate costing is not possible for this service, we have normatively taken the lowest rate among the tariffs of other CFSs in the JNPT region.

11.1. A joint hearing in this case was held on 17 December 2012 at the Office of this Authority. The JNPT made a power point presentation of its proposal. At the joint hearing, the JNPT, the concerned users and User organisations bodies have made their submissions.

11.2. As agreed at the joint hearing, the JNPT was requested vide our letter dated 26 December 2012 to take action/ furnish information on some points by 31 December 2012. After reminder, the JNPT vide its e-mail dated 30 January 2013 and letter dated 6 February 2013 has responded. The information sought by us and reply of the JNPT are tabulated below:

Sl. No.	Points raised by us	Response of JNPT
(i).	JNPT to furnish a copy of its proposal of August 2012 and a copy of the powerpoint presentation made at the joint hearing to the concerned	The JNPT has sent the soft copy of the presentation as well as the JNPT's proposal to all the stakeholders present in the joint hearing held on 17 December 2012 by e-mail on 18 December 2012 and again on 18 January 2013.

	stakeholders. The JNPT may, thereafter, hold a meeting at its level with the concerned stakeholders to give clarity to the stakeholders on its proposal and file a report in this regard along with a copy of the proceedings of the meeting before this Authority. This exercise may be completed by JNPT by 31 December 2012, as agreed by JNPT.	
(ii).	JNPT to furnish a note on the present status of the Court Case relating to the Writ Petition filed by the Speedy Multimodes Limited in 2007 alongwith the copies of all the orders passed by the Hon'ble Court in this matter. In this context, the JNPT may also intimate about the tariff being levied at present at the facility by giving reference to the tariff Order, based on which the present tariff is being levied.	The present status of the Court case related to writ petition filed by M/s. Speedy Multimodes Limited in 2007 is as given below: (i). By an order dated 22 August 2007, the Hon'ble High Court stayed the TAMP order dated 28 June 2007. (ii). By order dated 11 August 2008, the Division Bench of J.N. Patel and K.K. Tated JJ directed the petitioners (i.e. speedy) to approach the Respondent No.1 (i.e. TAMP) and directed the Respondent No.1 to "review tariff rates fixed by them in accordance with rules". (iii). By the same order dated 11 August 2008, the Hon'ble High Court dismissed the said petition but prescribing that the stay was to continue until 4 weeks after the TAMP Order was passed. (iv). By an affidavit dated 10 November 2009, TAMP has stated that at a joint hearing held before it on 18 February 2009, "it was decided that tariff had to be fixed based on a proposal from JNPT as the license granted by the JNPT to the petitioners was neither BOT or BOOT. In this regards, an opportunity was also afforded to the Petitioners to submit their specific proposal for tariff fixation with relevant data and evidence to JNPT. (v). JNPT submitted an application to TAMP on 14 September 2009. (vi). After considering the aforesaid affidavit, by an Order dated 12th November 2009, the Hon'ble High court extended time for TAMP to consider the application till 5th January 2010. (vii). TAMP issued an Order dated 30 December 2009, which was notified in the Gazette of India on 16 February 2010. (viii). The Scale of Rates dated 28 June 2007 came to an end on 31 December 2009 and has not been extended thereafter. (ix). To summarize, the Hon'ble High Court has acknowledged that the license is not that of a BOT or BOOT nature and that JNPT is to make a specific proposal for tariff fixation to TAMP and TAMP is to fix the tariff as per the rules.

		In this context, the JNPT submitted that the authorised service provider has been charging tariff as approved by TAMP and notified vide TAMP/2/98-JNPT dated 22 April 1999.																																																																										
(iii).	JNPT to list out deviations from 2008 Upfront Guidelines, giving reasons for each deviation. The users are also advised to point out such deviations and furnish their comments thereon.	The JNPT has furnished the list of deviations from 2008 upfront guidelines, which is given below: <table><tr><th>No.</th><th>Point</th><th>Norm specified in guidelines</th><th>What we have done</th><th>Reason</th></tr><tr><td>1</td><td colspan="4">Calculation of optimal yard capacity</td></tr><tr><td></td><td>a.</td><td>Ground slots</td><td>720 TEUs per hectare</td><td>200 TEUs per hectare</td><td>Reply given to TAMP queries at point no.2(ii)(a)</td></tr><tr><td></td><td>b.</td><td>Stacking height</td><td>2.5 TEUS</td><td>General – 2.5 Reefer – 2 ODC – 1 OT – 1</td><td>Reply given to TAMP queries at point no.2(ii)(c)</td></tr><tr><td></td><td>c.</td><td>Dwell Time</td><td>4 days for export 2 days for import</td><td>Average of 8.75 days for all containers at the CFS. Average of 4.50 days for all containers at the Buffer Yard.</td><td>Reply given to TAMP queries at point no.2(ii)(e)</td></tr><tr><td>2.</td><td colspan="4">Calculation of capital cost</td></tr><tr><td></td><td></td><td>Civil construction cost</td><td>As per the estimates given by the port trust for construction of civil works for achieving maximum capacity</td><td>Depreciated book value from audited accounts of costs incurred by JNPT and port operator for civil work.</td><td>Reply given to TAMP queries at point no.6(i) (c), (d) & (e).</td></tr><tr><td></td><td></td><td>Reachstacker requirement</td><td>1 for 9 RTGs</td><td>Based on optimal capacity.</td><td>CFS does not have RTGs.</td></tr><tr><td></td><td></td><td>Tractor trailer requirement</td><td>6 for each quay gantry crane</td><td>Based on optimal capacity.</td><td>CFS does not have quay gantry cranes.</td></tr><tr><td>3.</td><td colspan="4">Calculation of operating cost</td></tr><tr><td></td><td></td><td>Power consumption</td><td>8KWH / TEU</td><td>Details listed in Annexure-8 of TAMP forms.</td><td>Reply given to TAMP queries at point no.4(ii).</td></tr><tr><td></td><td></td><td>Fuel consumption</td><td>4 ltrs. / TEU</td><td>Details listed in Annexure-8 of TAMP forms.</td><td>Reply given to TAMP queries at point no.4(iii) (c), (d), (e), (f), (g), (i), (j) & (k).</td></tr><tr><td></td><td></td><td>Other expenses</td><td>10/15% of Gross fixed assets value depending on capacity of terminal.</td><td>5% of Gross fixed assets value.</td><td>Conservative estimate.</td></tr></table>	No.	Point	Norm specified in guidelines	What we have done	Reason	1	Calculation of optimal yard capacity					a.	Ground slots	720 TEUs per hectare	200 TEUs per hectare	Reply given to TAMP queries at point no.2(ii)(a)		b.	Stacking height	2.5 TEUS	General – 2.5 Reefer – 2 ODC – 1 OT – 1	Reply given to TAMP queries at point no.2(ii)(c)		c.	Dwell Time	4 days for export 2 days for import	Average of 8.75 days for all containers at the CFS. Average of 4.50 days for all containers at the Buffer Yard.	Reply given to TAMP queries at point no.2(ii)(e)	2.	Calculation of capital cost						Civil construction cost	As per the estimates given by the port trust for construction of civil works for achieving maximum capacity	Depreciated book value from audited accounts of costs incurred by JNPT and port operator for civil work.	Reply given to TAMP queries at point no.6(i) (c), (d) & (e).			Reachstacker requirement	1 for 9 RTGs	Based on optimal capacity.	CFS does not have RTGs.			Tractor trailer requirement	6 for each quay gantry crane	Based on optimal capacity.	CFS does not have quay gantry cranes.	3.	Calculation of operating cost						Power consumption	8KWH / TEU	Details listed in Annexure-8 of TAMP forms.	Reply given to TAMP queries at point no.4(ii).			Fuel consumption	4 ltrs. / TEU	Details listed in Annexure-8 of TAMP forms.	Reply given to TAMP queries at point no.4(iii) (c), (d), (e), (f), (g), (i), (j) & (k).			Other expenses	10/15% of Gross fixed assets value depending on capacity of terminal.	5% of Gross fixed assets value.	Conservative estimate.
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(iv).	JNPT to examine the actual position with regard to adequacy of the equipment at the existing facility and the equipment profile envisaged by it in its proposal and convey whether the equipment profile envisaged in the proposal is adequate enough to meet the requirement of the trade at the facility. In this context, the JNPT may also furnish a comparative position of the number of each type of equipment actually deployed at the facility and the number of equipment envisaged for deployment in the facility, with reasons	The equipment profile envisaged in the proposal is based on normative / optimal yard capacity calculation and the details have been furnished in Annexure-VI of the proposal. A statement showing comparative position of the no. and each type of equipment actually deployed at the facility and no. of equipments envisaged in the proposal, is given below: <u>Details of equipment:</u> As per the CFS tender and work order the following equipment are required to be deployed in the CFS / Buffer yard. <table><tr><th>Sl. No.</th><th>Equipment</th><th>Min. no. to be deployed.</th></tr><tr><td>1.</td><td>Reach Stacker</td><td>09 (out of 09 nos., 04 for CFS operations and 05 for Buffer Yards operations)</td></tr><tr><td>2.</td><td>Forklift (10 MT)</td><td>03</td></tr><tr><td>3.</td><td>Forklift (3 MT)</td><td>24</td></tr><tr><td>4.</td><td>Tractor Trailers</td><td>76 (out of 76 nos. 36 for CFS movement and 40 nos. for Buffer yard)</td></tr><tr><td>5.</td><td>Weighing scales (1MT)</td><td>03</td></tr></table>	Sl. No.	Equipment	Min. no. to be deployed.	1.	Reach Stacker	09 (out of 09 nos., 04 for CFS operations and 05 for Buffer Yards operations)	2.	Forklift (10 MT)	03	3.	Forklift (3 MT)	24	4.	Tractor Trailers	76 (out of 76 nos. 36 for CFS movement and 40 nos. for Buffer yard)	5.	Weighing scales (1MT)	03																																																								
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(v).	JNPT to furnish its comments on the written submissions made by the stakeholders.	JNPT has furnished its reply to the comments of the stakeholders, which has been incorporated in the relevant paragraph No.5.																																										
(vi).	JNPT to furnish a copy of its Board Resolution approving its proposal filed by it in August 2012.	There is no specific delegation under which the tariff proposal is required to be approved by the Board before submission to the regulatory authority i.e. TAMP. The present proposal is as per Clause 7.2 of TAMP guidelines of 2005 and is submitted in compliance of specific order of TAMP dated 30 December 2009, directing the port to submit proposal on normative basis. Hence, it was felt that, approval of the Board has not been specifically required as the directions of TAMP are being complied.																																										

12.1. As brought out at para 11.2 (i) above, the JNPT in its e-mail dated 30 January 2013 has stated that it has forwarded the soft copy of the presentation as well as its proposal only to the stakeholder present during the joint hearing, whereas, at the joint hearing, the JNPT was advised to furnish the requisite details to all the concerned stakeholders.

12.2. In view of this, the JNPT was again requested vide our letter dated 01 February 2013 to forward a copy of its proposal of August 2012 and a copy of its power point presentation to all the users, as per the list of users communicated to JNPT under cover of our letter of even number dated 31 August 2012. The JNPT was also requested to furnish the Report with regard to it holding a meeting at its level with the concerned stakeholders to give clarity to the stakeholders on its proposal.

12.3. Further, as decided at the joint hearing, the Bombay Custom House Agents' Association (BCHAA) was requested vide our letter dated 26 December 2012 to substantiate the submissions made by it during the joint hearing with necessary analysis. After reminder dated 15 January 2013 to BCHAA, the BCHAA vide its letter dated 29 January 2013 has stated that in spite of reminders, the JNPT has not provided and explained the details/ analysis of working related to its proposal seeking an increase in the Scale of Rates. A copy of the BCHAA letter dated 29 January 2013 was also forwarded to JNPT for appropriate action, vide our letter dated 1 February 2013, as mentioned in the preceding paragraph.

12.4. In this connection, the JNPT vide its letter dated 25 February 2013 has made the following submissions:

- (i). TAMP vide its letter dated 8 October 2012 has communicated that the copy of the JNPT proposal has been circulated to all the users / user organisations. The JNPT has also sent soft copy of its proposal as well as powerpoint presentation made to TAMP by e-mail on 18 December 2012 and 18 January 2013 to all the stakeholders who were actively interacting with the port in this proposal and whose e-mail IDs were available with port.
- (ii). The soft copy of the proposal and power point presentation have been sent to 7 users out of 14 users. (The JNPT has furnished the list of seven users to whom it has sent the soft copy of the proposal and power point presentation).
- (iii). JNPT does not have e-mail IDs for the remaining user association, who have been consulted by TAMP on the proposal. Hence, TAMP is requested to send soft copy of the proposal and presentation to the other user associations who have not received the same.
- (iv). The JNPT vide its letter dated 19 January 2013 has furnished detailed clarifications to the queries raised by TAMP. It is felt that meeting be held after the detailed clarifications are circulated by TAMP to all the stakeholders.
- (v). The suggestion of the port users for holding a meeting to clarify certain points is under active consideration of the port. However, the port users have not been able to agree to common date, time and place. The modalities for the same are being finalized.
- (vi). The port is in constant touch with the BCHAA regarding the various points raised by them and soft copy of the proposal was also mailed to them on more than two occasions as also holding the meeting of port users.

[However, we have not received any response from BCHAA after its letter dated 29 January 2013]

12.5. Based on the request made by the JNPT at point (iii) above, we have vide our e-mail dated 1 March 2013 forwarded the soft copy of the JNPT proposal of August 2012 and a copy of the powerpoint presentation made by it at the joint hearing to the users / user organisation whose e-mail ID's are not available with JNPT. With regard to point (iv) above, it is normally not the practice to circulate the queries raised by us and the subsequent clarification furnished by the ports to the queries raised, among the users/ user associations who have been taken on consultation on the proposal. These details form part and parcel of tariff order passed. Further, no such decision has been taken at the joint hearing to forward the detailed clarification furnished by the port among the users/ user organisations. This position was communicated to JNPT vide our letter dated 01 March 2013. In the said letter, the JNPT was also requested to expedite holding of the meeting and furnishing the Report.

12.6. Further, at the joint hearing, the JNPT had stated that some norms have been borrowed from 2008 Upfront Guidelines in formulating the proposal in reference and that there are some deviations from these norms. Therefore, as decided at the joint hearing, all the users/ user organisations were requested to point out such deviations and furnish their comments thereon. The Indian National Shipowners' Association vide its letter dated 9 January 2013 has furnished its comments.

12.7. A copy of the comments of INSA was forwarded to JNPT as feedback information. The JNPT has not responded in this regard till finalization of the case.

12.8. The Shipping Corporation of India Limited (SCI) vide its e-mail message dated 22 January 2013 has stated that it has no comments to offer. The other users have not responded inspite of reminder dated 15 January 2013.

13. As brought out earlier, as decided at the joint hearing, the JNPT was required to hold a meeting at its level with the stakeholders to give clarity to the stakeholders on its proposal

and furnish a report in this regard. After reminding JNPT vide our letters dated 15 January 2013, 01 February 2013, 01 March 2013 and 20 March 2013, the JNPT vide its letter dated 15 April 2013 has reported that it has held a meeting with the users on 12 April 2013 and has furnished a copy of the minutes of the said meeting. From the minutes of the meeting, it is seen that the meeting convened by JNPT was attended by the BCHAA, AMTOI, COSIA and DBCPLL apart from others from JNPT. The minutes of the meeting as furnished by the JNPT, is summarized below:

- (i). A presentation was made which adequately explained the approach followed for fixation of tariff in respect of the JNP Container Freight Station and Buffer Yard.
- (ii). JNPT requested the users to raise any question that they may have with regard to the presentation.
- (iii). The BCHAA asked for clarification on the 70% utilization taken by the JNPT in the tariff revision proposal. The JNPT has clarified that the same is as per the TAMP guidelines 2005.
- (iv). The AMTOI stated that they do not have any issues on the JNPT proposal but inquired as to what the rates would be charged. The JNPT has stated that the rates have still not been finalized by TAMP and once the rates are notified, the same shall be communicated to the trade. Further, the JNPT has stated that at the joint hearing held on 17 December 2012, TAMP specifically requested that a meeting of trade be called by JNPT whereby the methodology followed in the proposal submitted to TAMP may be explained to the trade.
- (v). The JNPT stated that it has replied to all the queries raised by the TAMP after the joint hearing held by it. TAMP has also forwarded to the JNPT a number of queries raised by the trade including BCHAA, IMC, INSA etc. JNPT has furnished its reply to the queries raised by the trade. As requested by the port users, the JNPT provided the copy of its replies furnished to TAMP to the port users.
- (vi). The port users are requested to seek any other clarifications within ten days of the meeting held by JNPT.
- (vii). JNPT has stated that it was an agreed position that none of those present had any objections with the methodology followed in the proposal for the JNPT CFS & BY and the same was acceptable to all those present at the meeting. All those present voiced their approval of the JNPT's statement.
- (viii). BCHAA raised some issues regarding allegedly overcharging its customers and providing inadequate service levels by the present JNP CFS operator. The JNPT clarified that it had done an independent audit of the matter and the audit report was placed before the Board of Trustees. The line of action to be taken was also obtained from the Additional Solicitor General of Maharashtra and was placed before the Board of Trustees. The Board of JNPT after deliberation had suggested the line of action to be taken relating to the said matter and the port is in the process of taking action on the lines suggested by the Board of Trustees.
- (ix). DBCPLL has stated that all efforts are being taken to ensure that customers receive high level of service and measures such as installing a complaint box in the CFS and went on to mention that not a single complaint has been received till date.

14. On scrutiny of the replies furnished by the JNPT vide its letter dated 19 January 2013, certain information gaps were observed. In view of this, the JNPT was requested to furnish further additional information / clarifications vide our letter dated 3 May 2013. The JNPT vide its letter dated 31 May 2013 has responded to our queries. The queries raised by us and response of the JNPT are tabulated below:

Sl. No.	Queries raised by TAMP	Response of JNPT
(i).	The JNPT to furnish the present status of the Court Cases as well as copies of the Orders passed by the Court.	Note on status of Writ Petition No. 1879 of 2007 1. On 28th June 2007, the Tariff Authority for Major Ports ("TAMP") passed an order on the application of Speedy Multimodes Ltd., now known as DBC Port Logistics Ltd. (hereinafter referred to as "DBC"), thereby fixing a Scale of Rates for the Jawaharlal Nehru Port Container Freight Station. 2. By the said Order, TAMP reduced the prevailing Scale of Rates by 15% across all rates. 3. Being aggrieved by the said Order ("impugned order"), DBC filed a Writ Petition against TAMP and JNPT before the Hon'ble Bombay High Court being Writ Petition No. 1879 of 2007 citing the impugned order as being uneconomical, unreasonable and erroneous. 4. The matter was heard on 22nd August 2007 before D.B. Bhosale J whereat His Lordship was pleased to pass an ad-interim order staying the said impugned order. 5. By an order dated 19th November 2007, A.M. Khandwilkar J allowed the Petitioners i.e. DBC to make certain amendments to the writ petition. 6. The matter came up on board on 11th December 2007 and was adjourned to 16th January 2008. 7. The matter came up on Board on 25th March 2008 and was adjourned to 15th April 2008. 8. The matter was heard by J.N. Patel and K.K. Tated JJ on 11th August 2008 and their Lordships directed that the Petitioners ie DBC approach the Respondents ie TAMP "for fixing the tariff in accordance with rules" and TAMP "take into consideration material placed on record by the Petitioners and if required allow them to tender documentary evidence in support of their contention and review tariff rates fixed by them in accordance with rules." By the said Order, their Lordships stated that the stay granted on 22nd August 2007 would continue until 4 weeks after TAMP passed an order upon such fresh proposal. The Hon'ble High Court then disposed off the said Writ Petition. 9. By an affidavit taken on record on 2nd March 2009, TAMP requested the Hon'ble High Court for further time to pass an order and time was extended by 10 weeks therefrom.

		10. The matter was mentioned on 12th November 2009 before Ranjana Desai and Mridula Bhatkar JJ in light that the 10 week extension sought by TAMP on 2nd March 2009 had expired on 17th May 2009 and no order had been passed till date. The Hon'ble High Court also took on record an affidavit filed by TAMP dated 10th November 2009 explaining certain reasons why TAMP was unable to meet the aforementioned deadline and inter alia stating that the License granted to DBC was not BOT nor BOOT. Their Lordships were pleased to further extend the time for passing an order by a further three months from 5th October 2009 i.e. until 5th January 2010. 11. TAMP passed an order dated 30th December 2009, which was published in the Gazette of India on 16th February 2010. As per the order dated 11th August 2008, the stay order expired four weeks after 16th February 2010, i.e. on 15th March 2010. Prior thereto, the validity of the impugned order lapsed on 31st December 2009 and hence there was no occasion to seek any further interim or other relief. JNPT has also furnished copies of the Orders passed by the Court.
(ii).	The reasons for variation in respect of all equipment and particularly with regard to variation in the number of tractor trailers.	Since the tariff proposal is to be prepared on a normative basis, the equipment requirement is determined based on optimal capacity of the CFS and BY. The actual number of equipments at the CFS would depend on the actual traffic and capacity utilisation levels. Hence, because different method are used to determine actual and normative levels of equipment there are bound to be differences in the same
(iii).	Optimal Capacity:	
(a).	While responding to some of the queries relating to the calculation of the yard capacity, the JNPT has stated that based on a detailed AutoCAD drawing, it has calculated the area available for handling & storage in the CFS yard and Buffer yard. Since the area requirement for handling and storage in the CFS yard and Buffer yard is not directly understood from the AutoCAD drawing, the JNPT to furnish a brief note explaining how the AutoCAD drawing establishes the area requirement for the CFS yard and Buffer yard.	From the layout drawings of the JNPT CFS, AutoCAD drawings were developed. These drawings were made to scale. The drawings also accounted for area for free movement of container handling equipments and trailers. Based on the drawing of the rest of the area, the consultants calculated the total ground slots in the CFS and By area. Dividing the total storage area in square meters available by the total ground slots, area required per ground slot was calculated. For the CFS container yard, this came to 137,266 sq. mtrs. divided by 2745 ground slots = 50 sq. mtrs. per TEU. A similar calculation was done for the Buffer Yard. This was compared to TAMP orders of other ports and external study reports of other CFSs. The basis for considering this measure for ground slots has been explained in the reply to the earlier set of TAMP queries point 2(ii)(a).
(b).	Similarly, while responding to a query to furnish the basis/ reason for considering the area 50 sq. metres as one ground slot, the JNPT has stated that based on the AutoCAD drawing, the ground slot per TEU for the Container Yard and Buffer Yard was found to be 50 sq.m per TEU. Since the area requirement of 50 sq.	

	metres per TEU is not directly understood from the AutoCAD drawing, the JNPT to furnish a brief note explaining how the AutoCAD drawing establishes the area requirement of 50 sq. metres per TEU.																
(c).	The JNPT to furnish a comparative position bringing out the activities that are undertaken in the container yard of a container terminal vis-à-vis the CFS facility, necessitating consideration of lower no. of TEUs per ground slots in a CFS facility.	Certain inherent characteristics differentiate the ground slots available at a port and a CFS. Generally, the ground slots per hectare of a CFS are lower in number than that of the container yard at the terminal. The following are the main differences identified: <table border="1"> <thead> <tr> <th>Sl. No.</th><th>Port Container yard</th><th>Container Freight Station</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Volume of type of container traffic remains relatively stable. Hence, operations can be designed in a manner to utilize the available space in the best manner.</td><td>Volume and type of containers coming in the CFS varies from time to time, it becomes difficult for the operator to provide dedicated facilities. Hence the area utilisation is not as effective as that of the container yard at a port.</td></tr> <tr> <td>2.</td><td>Number of activities are lesser and more streamlined</td><td>Activities for each container are greater in number and complexity.</td></tr> <tr> <td>3.</td><td>No warehousing facility. Hence, area can be utilized more effectively.</td><td>Provision for warehouses has to be made.</td></tr> <tr> <td>4.</td><td>RTGs are used as the container flow in unidirectional.</td><td>Container flow is not unidirectional and hence, reach stackers are to be used. Consequently, the space requirement to accommodate the equipment movement in the yard is more.</td></tr> </tbody> </table>	Sl. No.	Port Container yard	Container Freight Station	1.	Volume of type of container traffic remains relatively stable. Hence, operations can be designed in a manner to utilize the available space in the best manner.	Volume and type of containers coming in the CFS varies from time to time, it becomes difficult for the operator to provide dedicated facilities. Hence the area utilisation is not as effective as that of the container yard at a port.	2.	Number of activities are lesser and more streamlined	Activities for each container are greater in number and complexity.	3.	No warehousing facility. Hence, area can be utilized more effectively.	Provision for warehouses has to be made.	4.	RTGs are used as the container flow in unidirectional.	Container flow is not unidirectional and hence, reach stackers are to be used. Consequently, the space requirement to accommodate the equipment movement in the yard is more.
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(d).	The proposal of the JNPT is for fixation of tariff for container yard, buffer yard and bonded warehouse, as seen from Form-1 of the proposal dated 17 August 2012. Though the JNPT has calculated the storage capacity of the warehouse separately at 25548 TEUs per annum on a standalone basis, the same has not been accounted in the overall capacity calculation of the CFS and Buffer yard at 193264 TEUs. In other words, the JNPT is not seen to have considered the area of all the warehouses aggregating to 27500 sq. mtrs. in the capacity calculation. When the purpose of the various warehouses are also for storage of the containers, it is not clear why the said area of 27500 sq. mtrs. has been excluded by JNPT while determining the optimal capacity of the CFS facility. The JNPT to take into account the area of 27500 sq. mtrs. also in determining the optimal capacity of the facility.	The container yard and buffer yard are used for storage of containers whereas the warehouses are used for stuffing, de-stuffing and storage of cargo (contents of the containers). Since the dimensions, the stacking height and dwell times of cargo are different from the containers, it is necessary to calculate capacity of warehouses and the yard separately. Hence, the capacity of the yard is calculated as 251,243 TEUs/annum (=193,264 boxes / annum) and that of the warehouses is calculated as 25,548 TEUs/annum.															

(e).	With regard to the calculation of the storage capacity of the warehouse at 25548 TEUs per annum, the JNPT to clarify/ furnish the following:																																																																															
	(i). The basis for earmarking/ distributing the total area of each of the warehouse towards storage, stuffing/ destuffing and other movements in the ratio of 60:20:20 may be explained.	As per our observation from different CFSs, around 40% of total warehouses area is used for offices, cargo handling area and equipment movements. Only 60% area is used to stack the cargo. This was confirmed by measuring the total operational area in the CFSs layout drawing provided by JNPT CFS and same has been used in the drawing.																																																																														
	(ii). The basis for considering the area occupied by each TEU at 15 sq. mtr. Per TEU in a Bonded Warehouse, 50 sq. mtr. Per TEU in Other Imported Warehouse, 30 sq. mtr. Per TEU in Other Export Warehouse and 30 sq. mtr. Per TEU in Export Hazardous Warehouse may be explained.	From the analysis and general observations in other CFS warehouses, JNPT found various area requirements for the different type of warehouses. Area required for stacking of cargo per TEU varies due to different types of cargo characteristics and handling methods.																																																																														
	(iii). The basis for considering the dwell time of containers in a Bonded Warehouse at 90 days, in Other Imported Warehouse at 5.80 days, in Other Export Warehouse at 4.20 days and in other Export Hazardous Warehouse at 4.20 days may be explained. The dwell time of 90 days in the case of Bonded warehouse may be justified.	Data of average dwell time at all CFSs operating near the port was obtained by JNPT in response to a data request sent to all CFSs. A weighted average of dwell time at all CFSs was calculated which is given below: <table><tr><th rowspan="2">Sl. No.</th><th rowspan="2">Name of CFS</th><th colspan="2">Dwell time (in days)</th></tr><tr><th>Export Cargo</th><th>Import de-stuffed cargo</th></tr><tr><td>1.</td><td>Navkar Corporation Ltd</td><td>9.00</td><td>4.00</td></tr><tr><td>2.</td><td>CWC Distripark</td><td>2.50</td><td>4.00</td></tr><tr><td>3.</td><td>CWC Kalamboli</td><td>1.50</td><td>-</td></tr><tr><td>4.</td><td>CWC Impex park</td><td>4.00</td><td>2.50</td></tr><tr><td>5.</td><td>CWC Logistics park</td><td>2.50</td><td>2.50</td></tr><tr><td>6.</td><td>Balmer Lawrie</td><td>3.00</td><td>7.00</td></tr><tr><td>7.</td><td>Forbes & Company</td><td>4.30</td><td>14.42</td></tr><tr><td>8.</td><td>Gateway Distiparks Ltd</td><td>4.60</td><td>5.45</td></tr><tr><td>9.</td><td>Ameya Logistics</td><td>6.00</td><td>9.00</td></tr><tr><td>10.</td><td>Maharashtra State Warehousing Corporation</td><td>3.00</td><td>15.00</td></tr><tr><td>11.</td><td>Container Corporation of India Limited</td><td>2.00</td><td>1.00</td></tr><tr><td>12.</td><td>Navkar Corporation Ltd 2</td><td>9.00</td><td>4.00</td></tr><tr><td>13.</td><td>DBC Logistics (JNP CFS)</td><td>-</td><td>5.00</td></tr><tr><td>14.</td><td>ULA CFS</td><td>3.00</td><td>4.00</td></tr><tr><td>15.</td><td>CWC – D'node</td><td>5.50</td><td>2.50</td></tr><tr><td>16.</td><td>Punjab CONWARE</td><td>4.00</td><td>4.00</td></tr><tr><td>17.</td><td>Seabird Marine</td><td>3.37</td><td>8.69</td></tr><tr><td colspan="2">Weighted average</td><td>4.20</td><td>5.82</td></tr></table> The weight used here was the traffic (in TEUs) at each CFS. In case of bonded warehouse, the importer has to execute a 6-month bond with the customs authorities. Most of the CFSs in the area do not operate a bonded warehouse. Hence, in absence of a benchmark, dwell time at the JNP CFS alone was studied. Based on this analysis, an average dwell time of 90 days has been considered.	Sl. No.	Name of CFS	Dwell time (in days)		Export Cargo	Import de-stuffed cargo	1.	Navkar Corporation Ltd	9.00	4.00	2.	CWC Distripark	2.50	4.00	3.	CWC Kalamboli	1.50	-	4.	CWC Impex park	4.00	2.50	5.	CWC Logistics park	2.50	2.50	6.	Balmer Lawrie	3.00	7.00	7.	Forbes & Company	4.30	14.42	8.	Gateway Distiparks Ltd	4.60	5.45	9.	Ameya Logistics	6.00	9.00	10.	Maharashtra State Warehousing Corporation	3.00	15.00	11.	Container Corporation of India Limited	2.00	1.00	12.	Navkar Corporation Ltd 2	9.00	4.00	13.	DBC Logistics (JNP CFS)	-	5.00	14.	ULA CFS	3.00	4.00	15.	CWC – D'node	5.50	2.50	16.	Punjab CONWARE	4.00	4.00	17.	Seabird Marine	3.37	8.69	Weighted average		4.20	5.82
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(f).	Given that the containers would be stored in the different warehouses and that the JNPT would be levying charges for storage in warehouses, it is not clear how the income from the storage of containers in the warehouses have been captured in the revenue requirement of the CFS facility. JNPT to clarify the position. Also, the JNPT to give reference to the charges	The revenue requirement for storage in warehouse has been calculated by the same method as used for other services. The operating and capital cost of providing storage services in warehouses has been allocated to this service category. The total OPEX + ROCE, traffic/ capacity and dwell time have then been used to arrive at a per sq. mtr. per week rate for this service. These rates are shown in the draft																																																																														

	for storage in warehouses proposed in the draft Scale of Rates.	Scale of Rates in the section titled “Cargo storage / Demurrage charges” in Chapter-II and under the section titled “cargo storage / reservation charges” in Chapter-III.														
(g).	In the breakup of the total CFS area of 206963 sq. mtrs. furnished in Annexure 5, it is seen that the JNPT has not considered the ‘Other area’ of 2500 sq. mtrs. in the capacity calculation. The reason for excluding the said piece of land in the capacity calculation is not brought out. The JNPT to consider the said area also in determining the optimal capacity of the facility.	The other area includes boundary wall area and area for utilities like water storage tank, drainage, generator, substation etc. Since this area cannot be used for storage or handling of containers, it has been excluded for the purpose of capacity calculation.														
(h).	As per the breakup of the total CFS area of 206963 sq. mtrs. furnished in Annexure 5, after excluding the area of 27500 sq. mtrs. relating to the warehouses, 17471 sq. mtrs. relating to the Non CFS area, 15252 sq. mtrs. relating to the parking and 8488 sq. mtrs. relating to the gate complex, office building, infrastructure and other area, an area of around 138252 sq. mtrs. of land is available in the CFS area. However, the JNPT in the capacity calculation has considered an area of around 137264 sq. mtrs. of CFS area leaving a balance area of 988 sq. mtrs. The reason for not considering an area of around 988 sq. mtrs. of land in the capacity calculation remains unexplained. The JNPT to consider the said area also in determining the optimal capacity of the facility.	The JNP CFS drawing shows on scale that area covered by utilities and admin building is 8488 sq. mtr. However, while calculating the optimal capacity 5% of area available for storage in yard has been considered (as per the general observations of other CFS in the vicinity) as the area required for utilities & admin building that calculate. This comes to 9475 sq. mtr. This results in a difference of 988 sq. mtr., which is given below: <table><tr><th>Area breakup</th><th>Area (in sq. mtrs.)</th></tr><tr><td>Container yard area</td><td>206,963</td></tr><tr><td>(-) Area reserved for long standing shed</td><td>17,471</td></tr><tr><td>(-) Area reserved for warehouse</td><td>27,500</td></tr><tr><td>Available area except warehouse</td><td>161,992</td></tr><tr><td>(-) Area required for utilities & admin buildings</td><td>9,475</td></tr><tr><td>Area available for stacking</td><td>152,517</td></tr></table>	Area breakup	Area (in sq. mtrs.)	Container yard area	206,963	(-) Area reserved for long standing shed	17,471	(-) Area reserved for warehouse	27,500	Available area except warehouse	161,992	(-) Area required for utilities & admin buildings	9,475	Area available for stacking	152,517
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(i).	With regard to a query at point 2(iv)(c) to justify the assumption of considering 80% of the capacity as Import and the balance 20% as Export, with reference to actuals at the CFS yard and the Buffer yard of JNPT during the last three years, though the JNPT has furnished the figures of Imports and Exports during the last three years, the said figures do not justify the assumption of import export ratio at 80:20. JNPT to clarify the position.	The assumption given at point (h) above are based on the ratio of prevailing in the CFS operating in the nearby vicinity of the port. It is not based on the date of present service.														
(j).	Vide JNPT letter dated 15 April 2013, referring to a clarification sought by BCHAA in the meeting held by JNPT on 12 April 2013 with the users, the port has clarified that 70% utilization taken by JNPT is as per 2005 guidelines. However, it may be noted that 2005 guidelines do not provide for 70% utilisation. Therefore, the JNPT to justify consideration of 70% utilisation in the capacity calculation.	The utilisation factor has been taken as 70% based on TAMP’s 2008 guidelines. Reply furnished to the earlier reply to TAMP queries JNPT had referred to the 2008 guidelines only and not the 2005 guidelines.														
(iv).	<u>Operating costs:</u>															
(a).	With regard to a query at point 4(i)(b)(i) to furnish documentary evidence in support of the cost of each type of contract labour	As proposal is based on normative basis hence furnishing a copy of the contract / work order of the said agency is not practical.														

	for operating each type of equipment separately, the JNPT has furnished the copy of the Quotation of October 2012 received by it from a Manpower Supplier Agency. In this connection, the JNPT to furnish a copy of the Contract/ Work order issued to the said Agency highlighting the cost of each type of contract labour for operating each type of equipment separately, as considered by it in its calculations.																																														
(b).	The JNPT has not established how the deployment of 753 nos. of contract workers and 420 nos. of operating and direct labour is essential to handle the optimal capacity at the CFS and Buffer yard. Further, the JNPT has not established whether deployment of some of the category of the labour is required for all the three shifts in a day. The JNPT is, therefore, to furnish an analysis showing the relation between the number of each type of labour considered by the JNPT for operating each type of equipment and achieving the optimal capacity of the facility.	The deployment of workers at the CFS and BY is based on the normative number of equipment and the average number of workers required per equipment. The number of equipment has been determined based on the optimal capacity of the CFS and BY and efficiency levels of the equipment. The average number of workers per equipment is determined as follows: • Driver / operator: As per industry standards, each type of equipment requires 1 driver / operator per shift. The same has been considered in the calculations. • Cleaner: As per industry standards, each type of equipment requires 1 cleaner per shift. The same has been considered in the calculations. • Other labour: The labour requirement depends on the frequency of the maintenance requried by the each type of equipment. This type of labour is not required for all the 3 shifts, in cases where the number of equipments is low. Accordingly, in such cases, labourers for only 2 shifts have been considered. The following has been considered: <table border="1"><caption>Number of equipments served by a labourer</caption><thead><tr><th>Equi- pment</th><th>Maint- enance engi- neer</th><th>Mech- anic</th><th>Electri- cian</th><th>Mech- anic Helper</th><th>Diesel & Oil Pump Opera- tor</th><th>Welder</th><th>Tyre- wala</th><th>Pata- wala</th></tr></thead><tbody><tr><td>Reach Stack- ers</td><td>10</td><td>5</td><td>10</td><td>15</td><td>5</td><td>5</td><td>5</td><td>NA</td></tr><tr><td>Empty contain- er handler</td><td>NA</td><td>5</td><td>NA</td><td>15</td><td>15</td><td>15</td><td>5</td><td>NA</td></tr><tr><td>3 ton & 10 ton forklifts</td><td>NA</td><td>5</td><td>10</td><td>15</td><td>15</td><td>15</td><td>5</td><td>NA</td></tr><tr><td>Tractor trailers</td><td>NA</td><td>4</td><td>20</td><td>4</td><td>10</td><td>6.67</td><td>10</td><td>10</td></tr></tbody></table> This has been taken based on independent technical research and is in line with efficiency parameters prevailing in the industry. The labour requirement thus determined is shown as a part of Annexuers-10 and 11 of the TAMP forms.	Equi- pment	Maint- enance engi- neer	Mech- anic	Electri- cian	Mech- anic Helper	Diesel & Oil Pump Opera- tor	Welder	Tyre- wala	Pata- wala	Reach Stack- ers	10	5	10	15	5	5	5	NA	Empty contain- er handler	NA	5	NA	15	15	15	5	NA	3 ton & 10 ton forklifts	NA	5	10	15	15	15	5	NA	Tractor trailers	NA	4	20	4	10	6.67	10	10
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(c).	It may be recalled that during the proceedings of the case which culminated into the tariff Order of June 2007 passed by this Authority in respect of the Speedy Multimodes Limited, there was a mention about the existence of a dispute before Central Government Industrial Tribunal, raised by workers represented by Nhava	The dispute has not yet been resolved.																																													

	Sheva Port and General Workers' Union and the JNPT. During the said proceedings, it was reported that the dispute has not been resolved. JNPT to indicate the status of the said dispute. If the dispute has been resolved, JNPT to bring out the outcome and also the implications arising from the said dispute resolution.	
(d).	In the reply furnished by the JNPT at point 4(i)(b)(ii), the cost of Management and Administrative staff has been reported to have been considered as part of "General Overheads". Taking into account the salary of management and administrative staff at ₹ 52.65 lakhs per month (Refer Annexure 11), the annual salary of management and administrative staff works out to around ₹ 6.30 crores, whereas, the General Overheads in the Annexure 3 has been estimated at around ₹ 4 crores only. JNPT to reconcile the difference giving reasons for difference.	TAMP's 2008 guidelines specifies that for container terminals with capacity less than 0.5 million TEUs, 15% of Gross Fixed Assets shall be allowed as Other expenses. For other types of terminals, this percentage ranges from 1-10%. Since, there was no guideline available for estimating these expenses for a CFSs, a conservative figure of 5% has been assumed.
(e).	With regard to the reply furnished by the JNPT at point 4(i)(b)(ii), the JNPT to explain the basis for assuming "General Overheads" at 5% of value of gross fixed assets.	Reply as given to point (ii) (e) above.
(f).	In the Annexure 10, it is seen that though the JNPT has determined the requirement of no. of labour as 189 for carrying out operations in the warehouse, the cost of 240 labourers have been captured in the operating cost estimates. The JNPT to clarify and justify the consideration of cost of 240 labourers.	The casual labour requirement to handle optimal capacity comes to 189. However, the CFS had to retain 240 labourers as a part of the 647 permanent labour which was handed over to the current operator at the beginning of his contract. They would have to be employed and paid wages irrespective of who operates the CFS. Hence, normatively, the entire 240 labourers have been considered for tariff determination purposes.
(g).	In the calculation for determining the requirement of no. of the labour in the warehouse in Annexure 10, the JNPT has considered parameters like one gang consists of 7 labourers, one gang would be required to handle a TEU and that it would take about 2.5 hours to handle a TEU. In this regard, the JNPT to justify and furnish the basis for consideration of the each of the above mentioned parameters in the calculation of requirement of warehouse labour.	By observation and as industrial standard, one man can handle 150-175 bags in one 8 hour shift. On an overage one container contains 300 to 350 bags. So to unload or load an entire container in 2.5 hours, 7 labourers will be required.
(h).	With regard to a query at point 4(ii)(a), the JNPT has furnished documentary evidence in support of the unit cost of electricity at ₹15.83. However, in the workings furnished by the JNPT in Annexure 8, the unit cost of power has been considered at ₹11.83. JNPT to clarify the position.	Though the port may have to pay charges at a higher rate to the Electricity Board, the electricity charges per unit considered here are at the normative level as per present MSEB norms applicable to industrial consumers.
(i).	With regard to a query at point 4(ii)(d)(ii), to furnish the basis for considering 61680	One month's electricity bill of the JNPT amounts to ₹120,000 on an average. When this is divided

	units of power consumption for 'Others' with workings, justification and to be supported by documentary evidence, the JNPT has stated that the said electricity consumption is for administrative building, yard lightings, warehouse lightings and for all electricity consumption other than by reefers and electronic weighbridge. The bill furnished by the JNPT in support of its workings shows a monthly power consumption of 84257 units. It is not clear how the said power consumption of 84257 units can be converted into a monthly power consumption of 61680 units for the above mentioned purposes, after excluding the power requirement of reefers and weigh bridge. JNPT to explain the position with necessary workings and justification.	by unit cost i.e., 11.83 it gives monthly consumption of the CFS. Based on the fact that on an average 150 reefer TEUs are been plugged in for 24 hours a month and the per hour consumption of the TEUs is 3.6 kw, the monthly electricity consumption of reefer can be worked out. This reefer consumption is subtracted from the total consumption to get monthly consumption for other facilities of CFS. The monthly consumption for other facilities will not vary with traffic.
(j).	With regard to the document furnished by the JNPT in reply to the query at point 4(iii)(a)(i), the said document neither justifies consideration of 15 moves per hour nor the fuel consumption of 20 litres per hour incase of Reach stackers. JNPT to furnish the necessary workings to support the parameters considered by the JNPT in this regard.	For moves per hour JNPT has referred the technical specifications of reach stacker of Linde and Kalmar and also information available on public domain. The annexure-7 was wrongly referred to in our earlier set of replies. As far as fuel consumption is concerned, it has been taken based on telephonic discussions with the equipment manufactures. Also Case No.TAMP/47/2007-NMPT order passed on 16 June 2010, considers 18 litres per hour consumption of fuel for reach stacker.
(k).	With regard to the document furnished by the JNPT in reply to the query at point 4(iii)(h)(i), the said document does not justify consideration of 15 moves per hour and fuel consumption of 12 litres per hour incase of Empty container handler. JNPT to furnish the necessary workings to support the parameters considered by the JNPT in this regard.	Empty containers are stacked in the same way the loaded containers are stacked, hence the moves per hour considered are in line with that of the reach stacker. The fuel consumption is based on Kalmar's technical information manual for reachstackers. Details has been furnished to the earlier set of TAMP queries (3 rd table on page 6 of Annexure-11). This is as per the efficiency parameters prevailing in the industry.
(l).	With regard to the reply to the query at point 4(ix), the JNPT to certify that the rate on which the various equipment have been hired are based on competitive bidding process.	The rates are based on lowest quotation obtained from various service providers.
(m).	JNPT to confirm whether the depreciation has been calculated as per the provisions of the tariff guidelines of 2005.	In the proposal, depreciation has been calculated as per TAMP's 2005 guidelines. They state that depreciation under the straight line method as per the Companies Act, 1956 shall be allowed.
(v).	Capital costs:	
(a).	In the determination of capital cost comprising of civil costs and equipment costs, the JNPT is seen to have considered the net value of civil assets as per its books of accounts as on 31 March 2011 and the value of the equipment has been considered based on the cost that would be incurred if the said equipment were to be purchased now. Consideration of two different approaches for	The cost and capacity calculations in this proposal are to be done under "normative" basis. Though the 2008 guidelines provide guidance on calculation of capital costs for container terminals, there is no specific guidance available for CFSs. For the purpose of estimating capital costs, assets have been divided into 2 types – movable and immovable. As far as immovable assets are concerned, since these assets are permanent in nature & costs would be same

	determining two components of the capital cost is inconsistent. The JNPT to justify consideration of the purchase cost for determining the cost of the equipment, when the tariff guidelines of 2005 stipulates consideration of net block of assets for the purpose of allowing return.	irrespective of who operates the facility, the audited book value of the same has been considered. On the other hand, since movable assets are not permanent in nature and costs would differ from operator-to-operator, their current market value (based on market quotations) has been considered.																		
(b).	From the workings furnished by the JNPT at Annexure 6, it is seen that though only one number each of 75 tonne crane, 35 tonne crane and 15 tonne crane has been taken into account, the utilization factor of each of the said equipment is very low, i.e. it is only 13%, 11% and 4% respectively. Similarly, as shown in the workings of JNPT, the utilization of 1 no. of 10 tonne forklift and 7 nos. of 3 tonne forklift is also only around 9% and 34% respectively. Given that the utilization of the above mentioned equipment in each case is very low, the JNPT to review the requirement of the above mentioned fleet of equipment and propose the use of equipment in such a manner that the JNPT achieves the optimal capacity based on the maximum utilization of the equipment.	It has been correctly pointed out that the utilization rate of cranes is not reaching the optimal level. However, from time to time these equipment are required to handle the ODC and OT containers as they comes in the different shapes and sizes. Hence, because of the low utilisation and because of the fact that cranes are not required throughput the year, it was recommended that they be hired as and when required rather than purchased. In such a scenario, their utilization rates (which are based on annual operations) become irrelevant. On the other hand, even though utilisation of 10 tonne and 3 tonne for forklift is low, it is recommended that they are purchased because their continuous availability will ensure hassle free and efficient warehouse operations. One 3 tonne forklift cannot serve multiple warehouses because it is very difficult to keep on moving it between warehouses. Though the average utilisation is around 9% and 34% for 10 tonne and 3 tonne forklift respectively, forklifts in each warehouse have different levels of utilisation, which is given below: <table><tr><th>Equipment</th><th>Utilisation rate</th></tr><tr><td>Forklift 10 tonnes (combined utilisation for all operation)</td><td>8.70%</td></tr><tr><td>Forklift 3 tonnes</td><td></td></tr><tr><td>(a). Bonded warehouse</td><td>15.20%</td></tr><tr><td>(b). Import (FCL + LCL)</td><td>16.10%</td></tr><tr><td>(c). Export</td><td>15.00%</td></tr><tr><td>(d). Export – Hazardous</td><td>12.30%</td></tr><tr><td>(e). Direct de-stuffing</td><td>52.60%</td></tr><tr><td>(f). Direct stuffing</td><td>58.70%</td></tr></table>	Equipment	Utilisation rate	Forklift 10 tonnes (combined utilisation for all operation)	8.70%	Forklift 3 tonnes		(a). Bonded warehouse	15.20%	(b). Import (FCL + LCL)	16.10%	(c). Export	15.00%	(d). Export – Hazardous	12.30%	(e). Direct de-stuffing	52.60%	(f). Direct stuffing	58.70%
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(c).	While responding to the query at point 6(i)(b), the JNPT has furnished an extract of the Asset Register in respect of the Civil assets for the year 2010-11. In this regard, the JNPT to furnish the following:																			
	(i). An extract of the Asset Register in respect of the Civil assets may be furnished for the years 2011-12 and 2012-13 also.	The details of the Asset Register in respect of the Civil Assets is furnished.																		
	(ii). The extract of the asset register furnished by the JNPT shows the following: (i). Construction of additional shed and paving at CFS in the year 1996 (Sl.no.III(B)1). (ii). Additional container yard at CFS	These facilities have been considered for																		

	(Sl.no.IV(A)10) (iii). Construction of additional buffer yard (Sl.no.IV(A)21). JNPT to confirm whether the said facilities have been considered while determining the optimal capacity of the facility.	determining optimal capacity.
(d).	The JNPT to furnish an extract of the Asset Register (as furnished incase of civil assets) in respect of the Equipment costs for the year 2012-13 in respect of the CFS facility. The number of each type of equipment may also be indicated	JNPT does not own any equipment in respect of CFS/ BY facility. Hence furnishing asset Register Extract does not arise.
(e).	In the determination of capital costs, the JNPT has considered the amount of yard renovation and re-construction of office costs at ₹1214.27 lakhs. As seen from the CA Certificate furnished by the port, the amount represents the written down value as on 30 November 2011. In this connection, JNPT to furnish a Certificate from a Chartered Accountant certifying the written down value as on 31 March 2013.	The JNPT has furnished a Certificate from a Chartered Accountant, wherein the Chartered Accountant has certified that the Yard Renovation Account as on 31 March 2013 was ₹100,534,229/-, after charging depreciation as per the Companies Act.
(vi).	Scale of Rates:	
	In the Annexure 4, the JNPT has determined the per TEU rate in respect of the various services. However, no correlation can be drawn with per TEU rates derived in the Annexure 4 with the rates proposed in the proposed draft Scale of Rates furnished by the port. The JNPT is, therefore, to furnish workings to show that how the rate per TEU derived in the Annexure 4 has been converted to arrive at each of the proposed handling rates, storage charges and miscellaneous charges in the proposed draft Scale of Rates.	The JNPT has furnished the soft form of an additional worksheet titled 'Tariff calculations' and has stated that figures may not exactly match due to round offs.

15. On scrutiny of the replies furnished by the JNPT vide its letter dated 31 May 2013, it was observed that there are some gaps in their reply. In this regard, the JNPT was requested to furnish some information vide our letter dated 26 June 2013 followed by a reminder dated 16 July 2013. The JNPT vide its letter dated 16 July 2013 has responded to our queries. The queries raised by us and response of the JNPT are tabulated below:

Sl. No.	Queries raised by us	Response of JNPT																																											
(i).	With reference to the reply to the query at para (iii)(d) of its response dated 31 May 2013, if the Asset Register in respect of the Equipment deployed at its CFS is not available with JNPT, the JNPT to ascertain the written down value of each of the equipment including weighing scales deployed at the facility along with the actual number of each of the equipment so deployed as on 31 March 2013 and communicate the position to us.	The JNPT has furnished the written down value of the equipments as on 31.3.2013, as given below: <table><tr><th>Sl. No.</th><th>Type of Equipment</th><th>Nos.</th><th colspan="2">Written Down Value as on 31.03.2013</th></tr><tr><td>1</td><td>Tractor Trailers</td><td>133</td><td colspan="2">55139095</td></tr><tr><td>2</td><td>Reach stackers</td><td>10</td><td colspan="2">106779338</td></tr><tr><td>3</td><td>3 tonne Fork Lift</td><td>12</td><td colspan="2">6865557</td></tr><tr><td>4</td><td>10 tonne Fork Lift</td><td>1</td><td colspan="2">1303247</td></tr><tr><td>5</td><td>Weighing scales</td><td>7</td><td colspan="2">96147</td></tr><tr><td>6</td><td>Others (trolley, ramp/ basket)</td><td></td><td colspan="2">1136587</td></tr><tr><td></td><td>TOTAL</td><td></td><td colspan="2">171319971</td></tr></table>				Sl. No.	Type of Equipment	Nos.	Written Down Value as on 31.03.2013		1	Tractor Trailers	133	55139095		2	Reach stackers	10	106779338		3	3 tonne Fork Lift	12	6865557		4	10 tonne Fork Lift	1	1303247		5	Weighing scales	7	96147		6	Others (trolley, ramp/ basket)		1136587			TOTAL		171319971	
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(ii).	With reference to the reply to the query at para (iv) of its response dated 31 May 2013, though the JNPT has furnished the additional worksheet titled ‘Tariff calculations’, again, no correlation could be drawn with per TEU rates derived in the said Worksheet with the various rates proposed in the proposed draft Scale of Rates furnished by the port. The JNPT to furnish workings to show that how the rate per TEU derived in the Worksheet has been converted to arrive at each of the proposed handling rates, storage charges and miscellaneous charges in the proposed draft Scale of Rates.	The JNPT had made the necessary corrections and updated the Excel Worksheet and the tariff forms. But the “Proposed Scale of Rates” did not get corrected automatically, as it is a Word Document. This has resulted in minor differences between the rates appearing in the “Tariff calculations” worksheet and the draft Scale of Rates. (The JNPT has now furnished revised draft Scale of Rates and has also mentioned the specific reference number of the cells in the Excel Worksheet “Tariff calculations” where the rates have been calculated. The JNPT has also resent the entire Excel Worksheet.)																																											

16.1. With regard to a request made by us to JNPT to furnish the cost breakup of all the composite rates prescribed in the proposed SOR and to furnish the cost breakup of the sub-activity relating to the transportation of the empty containers from the CFS to the Empty container Yard, which forms part of the proposed composite rate of ₹4192/- per TEU, the JNPT vide its e-mail dated 01 August 2013 has responded as follows:

- (i). CFS de-stuffing includes 3 activities:
 - (a). Lift on/off
 - (b). Transportation from port to CFS
 - (c). Destuffing at CFS
- (ii). Cost allocation as shown in Annexure 4 (JNPT has referred to the Annexure 4 of the workings furnished by it earlier under cover of its letter dated 16 July 2013) has been made service-wise and not activity-wise. Hence breaking it further down into each activity will not give an accurate result.

For e.g. Tractor trailer is used for transporting containers and is also occupied during lift on/ off and de-stuffing - so TT cost will have to be divided amongst all these 3 activities. It is not possible to accurately determine the exact proportion in which the trailers will be used for these 3 activities.

- (iii). Hence, in absence of such information the composite rate of ₹4192 has been divided into each activity in the proportion of the rates in the current Scale of Rates.

16.2. Since the reply furnished by the JNPT did not address the queries raised by us, the JNPT was again requested to furnish the cost breakup and the tariff for transportation of the empty containers from the CFS to the Empty container Yard. In this regard, the JNPT vide its e-mail dated 01 August 2013 has stated that the element of 'destuffing' of ₹2050/- includes carrying of empty containers to the container yard premises. As regards scanning charges, the same are charged separately (over and above ₹4192/-) as mentioned in Chapter V, Sl. No.5.6 @ ₹1411 per TEU. (No information was sought from JNPT regarding scanning charges.)

17. 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>

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

- (i). Section 42(4) of the Major Port Trusts Act, 1963, read with Section 48 requires this Authority to notify the rates in respect of identified services provided by persons authorised under Section 42(3) of the Major Port Trusts Act. In cases where the authorisation arrangement under Section 42(3) is other than by way of a BOT Concession Agreement, Clause 7.2. of the tariff guidelines of March 2005 requires this Authority to fix ceiling rates for such services to be applied commonly at the concerned ports without reference to the individual service provider.

Initially, based on the position brought out by the Jawaharlal Nehru Port Trust in February 2006 of awarding the concession for management and operation of its Container Freight Station (CFS) to M/s. Speedy Multimodes Limited (SML) with effect from 1 January 2006, with the approval of the Central Government u/s 42(3) of the Major Port Trusts Act, 1963, this Authority, based on a proposal filed by SML, passed an Order dated 28 June 2007, approving the tariff for SML. Thereafter, for the reasons recorded in the factual position of this note, the JNPT clarified that the nature of license granted to SML is neither BOT nor BOOT and, that the tariff is to be fixed based on a proposal to be filed by JNPT as provided in clause 7.2 of the revised tariff guidelines.

As per Clause 7.2 of the tariff guidelines of 2005, in cases where authorisation arrangement u/s 42(3) is other than by way of a BOT concession agreement, ceiling rates will be prescribed for such services to be applied commonly at the concerned ports without reference to individual service provider. For this purpose, proposals for regulating these charges should be initiated by the concerned Major Port Trust and the tariff so fixed, will not undergo a change whether the port itself provides this service or has permitted a private operator to render the services. This case is, thus, taken up for prescription of ceiling rates for the CFS facility at JNPT following the stipulation contained in Clause 7.2. of the tariff guidelines of March 2005.

- (ii). As brought out earlier, this Authority vide its Order dated 30 December 2009 had, interalia, advised JNPT to formulate a well analysed proposal with an independent assessment of the cost of providing different services at its CFS and forward the same to this Authority for prescribing ceiling rates for the CFS/ buffer yard services at JNPT. The JNPT was also advised to conduct an analysis relating to different operating costs and capital costs incurred at the JNPT CFS with reference to the legitimate expenses incurred at other CFSs.

Accordingly, on initial scrutiny of the proposal filed by the JNPT in January 2011, it was found that the JNPT did not state whether the different physical and cost

parameters forming the basis of the proposal have been tested with reference to the legitimate expenses incurred at other CFSs. The JNPT was, therefore, requested to comply with the directions given by this Authority in its Order dated 30 December 2009 and establish with an analysis that the port has carried out an independent assessment of the cost of providing different services at its CFS testing the reasonableness of the operating and capital cost incurred at its CFS with reference to the legitimate expenses incurred at other CFSs and review the actuals and estimates furnished by it in its revised proposal.

In this connection, the JNPT expressed its inability to comply with the advice rendered in this Authority's Order dated 30 December 2009 regarding testing the reasonableness of different operating and capital cost with reference to the legitimate expenses incurred at the other CFSs, due to reluctance on the part of the other CFSs to share the cost information with JNPT. Further, the methodology adopted by the port in formulation of its proposal was not fully in line with the advice rendered by this Authority.

The number of equipment decided by JNPT was with reference to the projected traffic based on its own assessment of requirement of equipment; and, some items of the operating cost like cost of power, water, overheads etc., were based on the indication given by the existing operator. The JNPT had not made independent assessment of operating cost in respect of some of the items and the JNPT could not comply with the advice rendered by this Authority regarding testing the reasonableness of different operating and capital cost with reference to the legitimate expenses incurred at other CFSs. It may be recalled that this Authority in its Order dated 30 December 2009 had decided to consider the tariff fixation case for the services rendered by the JNPT CFS/ Buffer Yard in terms of clause 7.2 of the 'Tariff Guidelines, 2005', which calls for fixation of common tariff without reference to individual service provider, based on the proposal of the port. In the circumstances, and following the approach accepted by this Authority in fixation of common ceiling tariff under Clause 7.2 of the tariff guidelines of 2005 for operation of Harbour Mobile Crane (HMC) by private operators at some of the major port trusts like Paradip Port Trust (PPT), New Mangalore Port Trust (NMPT), V.O Chidambaranar Port Trust (VOCPT) and Visakhapatnam Port Trust (VPT), the JNPT was requested to review its proposal based on the normative capacity of the facility and in the light of other observations made in the letter with reference to the methodology adopted by JNPT in respect of some of the operating cost / capital cost items and file a revised proposal.

Further, and as stated earlier, Clause 7.2 of the guidelines requires tariff to be set without reference to individual operator. The guidelines envisage simultaneous operation of different authorized service providers in the same port, offering similar services and, therefore, require a common tariff to be fixed for the services without reference to any individual service provider. In the case of JNPT, no CFS operator other than the existing operator is providing CFS services under a licence granted by JNPT. Therefore, the advice rendered by this Authority in this context to JNPT to formulate a well analysed proposal with an independent assessment of the cost of providing different services at its CFS with an analysis relating to different operating costs and capital costs incurred at the JNPT CFS with reference to the legitimate expenses incurred at other CFSs, could not be complied with the port.

In the above circumstances, the JNPT was suggested to formulate its proposal based on normative capacity of the facility and normative costs for the reasons explained in the preceding paragraph.

- (iii). The JNPT has submitted a proposal in August 2012 for review of tariff for services rendered at its CFS / Buffer Yard without reference to any individual service provider. Subsequently, in July 2013, the JNPT has rectified some minor errors as pointed out by us earlier while raising queries. This proposal of JNPT along with the additional information/ clarification furnished by the JNPT during the

processing of this case have been considered in this analysis. Incidentally, the JNPT has stated that its proposal follows normative approach and not cost plus method. In this regard, it is stated that the proposal filed by the JNPT also follows cost plus method as stipulated in the March 2005 guidelines since the annual revenue requirement comprises of operating cost plus return on capital employed. The difference only being that the proposal takes into account the norm based costs and not the actual costs.

- (iv). The JNPT is of the view that as per its approved delegation of powers, Board approval is not necessary for proposal of CFS related tariff. The JNPT has also stated that approval of the Board has not been specifically obtained since the proposal under reference is in compliance of specific order of this Authority. In this regard, it is relevant to mention here that Clause 3.1.4 of the tariff guidelines of 2005 which requires a port trust to send its proposal to this Authority with the approval of the Board of Trustees of the Port, does not exempt any port from seeking approval from the Board of a port trust. Adherence to the direction given by this Authority in the relevant tariff Order earlier to JNPT to submit a well analysed proposal complying with the stipulations made, does not stop the port to obtain the approval of its Board. In any case, Clause 3.1.4 does not prohibit this Authority from entertaining the proposal, submitted by a port trust without the approval of its Board.
- (v). During the proceedings of the case in reference, the Bombay Custom House Agents Association (BCHAA) has raised an issue about this Authority not taking any action on the matter that the users were being over charged by the CFS operator and that the excess amount charged was not refunded to importers / exporters, when it was brought to the notice of this Authority by BCHAA earlier. In this regard, it is clarified that the said representation was forwarded to JNPT, with a request to examine the matter and take necessary action to ensure that the provisions of the Major Port Trusts Act, 1963 and the Licence Agreement entered between JNPT with the private operator are strictly complied with. As informed by the JNPT to this Authority, the port commissioned a Chartered Accountant firm to enquire about the complaints. The Chartered Accountant firm in its Report brought out that the operator has charged at rates higher than the ceiling rates fixed by this Authority and that the said operator allowed another agency to operate from its premises at rates higher than the rates fixed by this Authority. When the JNPT made a reference to this Authority in this regard, it was communicated to JNPT vide our letter no. TAMP/33/2012-JNPT dated 03 July 2012 that this Authority was not inclined to make any specific comments on the merits of the findings of the investigation commissioned by the JNPT. It was also communicated to JNPT that it can satisfy itself with the findings of investigation commissioned by it and take appropriate action at its end and ensure that the provisions of the Major Port Trusts Act, 1963 and the Licence Agreement entered into between the JNPT and the operator are strictly complied with. The JNPT is in the process of taking action on the matter, as noted from the minutes of the meeting held by the JNPT with the users on 12 April 2013.
- (vi). Clause 2.13 of the tariff guidelines requires the actual physical and financial performance to be reviewed at the end of the prescribed tariff validity period and in the context of variation of estimates with reference to actuals being more than 20%, 50% of the additional surplus by the operator during the tariff validity period is to be adjusted in the future tariff of the operator. In this regard, it is relevant to mention here that Clause 2.13 of the tariff guidelines of 2005 is relevant where the tariff is fixed on a cost plus return on capital employed approach. Since the tariff fixed for the JNPT CFS in 1999 is not based on cost estimates, invoking Clause 2.13 of the tariff guidelines of 2005 in this case is not found to be in order.
- (vii). Clause 2.4.1 of the tariff guidelines of 2005, interalia, advocates for making attempts to evolve normative cost of each component of port operations. As stipulated in Clause 2.4.1 of the tariff Guidelines of 2005, attempts have been

made to evolve Normative cost based tariff for port operations. A National Working Group was constituted under the Chairmanship of Shri. S. Prabhakaran, former Secretary to the Government of India. The Group consisted of representatives from trade, users and the private terminal operators as well. The Group in its Report submitted in July 2005 has concluded that it is neither feasible nor practical to mandate uniform norms. Further, as rightly pointed out by INSA, no specific guidelines have been laid down to cover the CFS operations.

Clause 7.2 of the said tariff guidelines, under which the proposal is being considered, does not specify any particular tariff fixing methodology but only talks about the procedural aspects of filing tariff proposal and fixing tariff irrespective of the operator. The advice rendered by this Authority vide tariff Order dated 30 December 2009 to JNPT for an independent assessment of the cost of providing different services at its CFS analyzing the different operating costs and capital costs incurred at its CFS with reference to the legitimate expenses incurred at other CFSs could not be fully complied with by the port earlier due to reluctance on the part of the other CFSs to share cost information with JNPT. In these circumstances, the JNPT has made an independent assessment of all operating costs and all capital costs. As reported by the JNPT, its proposal is based on independent technical research and in line with efficiency parameters, market analysis prevailing in the industry and is also stated to be formulated without reference to individual service provider. Since there are no specific guidelines for determining the normative tariff for the CFS facility under the 2005 tariff guidelines, the JNPT has stated to have borrowed certain concepts and norms from the upfront tariff guidelines of 2008. The JNPT has calculated the normative capacity, normative capital expenditure and normative operating expenditure and has determined the tariff for the CFS facility. Reportedly, the DBC Port Logistics Limited (DBCPLL) has no role in the proposal, as declared by the DBCPLL during the joint hearing. The proposal of JNPT is discussed elaborately in the subsequent paragraphs.

(viii). Capacity of the facility:

- (a). The optimal yard capacity as assessed by the JNPT is 145316 TEUs incase of Container yard and 105927 TEUs incase of the Buffer yard, aggregating to 251243 TEUs per annum. Considering a surge factor of 1.3, the yard capacity has been worked out by JNPT at 111782 containers incase of Container yard and 81482 containers incase of the Buffer yard, aggregating to 193264 containers per annum. The analysis of JNPT proceeds based on the optimal capacity of 193264 containers.

Further, the JNPT has also calculated the capacity of the warehouse at 25548 TEUs per annum. The container yard and buffer yard are used for storage of containers whereas the warehouses are used for stuffing, de-stuffing and storage of contents contained in the containers. Since the dimensions, the stacking height and dwell time of cargo are different from the containers, the JNPT has calculated the capacity of warehouse and yard separately.

(b). Area Requirement:

Out of the total area of 261267 sq. mtrs. of land, 206963 sq. mtrs. is the area of the container yard and the balance 54304 sq. mtrs of land is the area of the Buffer yard.

(i). Container yard:

- (a). The land utilization of the container yard measuring 206963 sq. mtrs., as given by the JNPT is summarized below:

Particulars	Area in sq.m
Warehouse	27500
Long standing shed & surrounding area - Non CFS area	17471
Utilities/ Buildings	9475
Parking	15252
Net available area	137265
Total	206963

- (b). The warehouse area of 27500 sq. mtrs is the aggregate of the actual area of Bonded warehouse at 11000 sq. mtrs., Import warehouse at 5000 sq. mtrs., Export warehouse at 9000 sq. mtrs. and Hazardous warehouse at 2500 sq. mtrs., at the facility. In the absence of norms available to determine the warehouse area requirement, the JNPT has reported to have carried out an exercise to determine the adequacy of the area requirement of the warehouse at 27500 sq. mtrs., which is explained below:
- (i). Considering that 1% of total traffic goes to Bonded warehouse, 2% of total traffic goes to FCL/ LCL import warehouse, 1% of total traffic goes to export hazardous cargo shed and 5% goes to other export cargo shed, the JNPT has determined the traffic that would be handled at each of the above mentioned warehouses. Since the said segregation of total traffic is reported to be based on the historical trend of traffic at CFSs in JNPT area, the same is relied upon in the analysis.
 - (ii). The JNPT has furnished the area requirement for storing each of the above mentioned container. The area requirement given by JNPT incase of Bonded warehouse, import warehouse, export warehouse and hazardous warehouse is 15 sq.m. per TEU, 50 sq.m. per TEU, 30 sq.m. per TEU and 30 sq.m. per TEU respectively, which is reported to be based on the position as observed in other CFS warehouses.
 - (iii). Considering the dwell time of 90 days incase of Bonded warehouse, 5.80 days incase of Import warehouse, 4.20 days each incase of Export warehouse and Hazardous warehouse, the JNPT has determined the area required for stacking at Bonded warehouse, Import warehouse, Export warehouse and Hazardous warehouse. Incase of the Import warehouse, Export warehouse and Hazardous warehouse, the said dwell time has been reported to be based on weighted average of the dwell time of all the CFSs operating near the port, as obtained by the JNPT from the said CFSs. Incase of Bonded Warehouse, a six month Bond has to be executed by the importer with the custom authorities, as reported by JNPT. It is further reported that Bonded Warehouse is absent in the CFSs around JNPT. Therefore, in absence of a benchmark, the JNPT has reported

to have analysed the dwell time at the JNP CFS alone. Based on such an analysis, it has considered an average dwell time of 90 days for the Bonded warehouse at its CFS.

- (iv). Further, in its analysis, the JNPT has considered that in a warehouse, incase of Import cycle, 20% of the area is required for stuffing/ de-stuffing, 20% of the area is required for other movement/ arrangement and 60% of the area for storage. Similarly, in a warehouse, incase of Export cycle, it has considered that 35% of the area is required for stuffing/ de-stuffing, 5% of the area is required for other movement/ arrangement and 60% of the area for storage. Accordingly, the JNPT has calculated the handling area requirement at Bonded warehouse, Import warehouse, Export warehouse and Hazardous warehouse. The percentage of area for storage (60%) and other requirements (40%) obtaining at its CFS is as per the position obtaining at other CFSs, as confirmed by the port.
- (v). Taking into account the stacking area requirement and the handling area requirement as calculated at (iii) and (iv) above, the JNPT has determined the area requirement for each of the Bonded warehouse, Import warehouse, Export warehouse and Hazardous warehouse, aggregating to 30815 sq. mtrs. as against the actual warehouse area of 27500 sq. mtrs. prevailing at JNPT.
- (vi). Since the area requirement determined by JNPT is seen to be comparable with the actual area being occupied by the existing warehouses at the JNPT facility, the JNPT has stated to have considered the actual area being occupied by the existing warehouses at 27500 sq. mtrs. for analysis purposes.
- (c). Since the 'Long standing cargo shed' of 17471 sq. mtrs is under the control of JNPT and cannot be used by the CFS operator, it has been rightly excluded for the capacity calculation purpose.
- (d). As far as utilization of land for administration buildings and parking area, in the absence of guidelines for determining the normative area, the JNPT has stated to have considered the said utilization of land based on the inputs provided by the Consultants. In this regard, it is relevant to mention here that as against the area of 8488 sq. mtrs. covered by utilities and admin building in actual, the JNPT has considered an area of 9475 sq. mtrs. towards the utilities, reportedly based on the position as observed at other CFSs.

When the entire analysis is based on the actual area relating to the Container yard and the Buffer yard of the JNPT CFS, there appears to be no justification to

consider an area of 9475 sq. mtrs. based on the position as observed at other CFSs instead of the actual area earmarked for the said purpose available at 8488 sq. mtrs. in the JNPT CFS. In view of this position, the area relating to the utilities at 8488 sq. mtrs. is considered in the analysis instead of 9475 sq. mtrs. considered by the JNPT, thereby resulting in the increase in the net available area by 987 sq. mtrs. to 138252 sq. mtrs, as compared to the area of 137265 sq. mtrs. considered by JNPT.

- (e). As per the details given by the JNPT, out of total area of the container yard at 206965 sq. mtrs., an area of around 66% i.e. 137265 sq. mtrs is open and available for handling containers at the CFS. Based on the modification to the area relating to parking and utilities, as explained in the preceding paragraph, the utilization works out to around 67% (i.e. 138252 sq. mtrs./ 206965 sq. mtrs.). It is noteworthy that even incase of fixation of upfront tariff for the dry port and multimodal logistics hub at Chennai Port Trust vide Order no. TAMP/67/2012-CHPT dated 24 January 2013, after identifying land towards Warehouse, Administration Building, Allied Building, Roads, Parking, Green Belt etc., around 66% of the total area available was accepted for storage of containers.
 - (f). Out of the total area of 13.73 hectares of land available at the container yard as given by JNPT, 12.388 hectares of land has been earmarked for handling general containers, 0.1373 hectares of land for handling hazardous containers, 0.1716 hectares of land for handling reefer containers, 0.6863 hectares of land for handling ODCs and 0.3432 hectares of land has been earmarked for handling Over Top containers. Incidentally, the area of 13.73 hectares stands modified to 13.83 hectares as explained in the preceding paragraph.
- (ii). Buffer yard:
- (a). As stated earlier, the area of the Buffer yard is 54304 sq. mtrs. Excluding the area of 129 sq. mtrs. towards office block and 2709 sq. mtrs towards parking, the JNPT has stated that an area of 51466 sq. mtrs is open and available for handling containers at the buffer yard. It is relevant to mention here that out of the total area of Buffer yard, around 95% of the total area is seen to be available for handling and storing of containers at the Buffer yard. Buffer yard is reported to be used only for stacking of factory stuffed export container and no other activities are performed therein.
 - (b). Out of the total area of 5.1466 hectares of land available at the buffer yard, as stated above, 4.645 hectares of land has been earmarked for handling general containers, 0.0515 hectares of land for handling hazardous containers, 0.0643 hectares of land for handling reefer containers, 0.2573 hectares of land for handling ODCs and 0.1287 hectares of land has been earmarked for handling Over Top containers.

- (iii). It is noteworthy that JNPT has confirmed that the area of land utilized towards CFS yard area, buffer yard area, warehouse area etc., is in line with the land use plan of JNPT.
- (c). Borrowing the formula prescribed in the 2008 upfront tariff guidelines for container terminal for determination of optimal yard capacity, the JNPT has estimated the optimal capacity of its facility. Considering the area requirement for each type of container, ground slots per hectare of land, average stack height for each type of container, surge factor and the average dwell time for each type of container, the JNPT has determined the optimal capacity of each type of container to be handled at container yard and buffer yard separately viz., general containers, reefer containers, hazardous containers, ODCs and OTs, and has considered the aggregate capacity as the optimal capacity of the Container yard and Buffer yard.

In this regard, it is relevant to mention here that in the upfront guidelines of 2008, which lists down the norms for calculating the optimal yard capacity of a container terminal, a single formula is prescribed for determination of the optimal capacity of the container terminal based on norms, irrespective of the type of containers envisaged to be handled at the container terminal. The formula prescribes to consider a common ground slot area, common stack height, common dwell time irrespective of the container mix envisaged at the facility and the said formula has been uniformly applied to determine the optimal yard capacity of the various container terminals at various major port trusts under the 2008 upfront tariff guidelines. In view of the above position, it is found appropriate to determine the optimal capacity of the CFS yard as a whole and the Buffer yard as a whole, without going into the nitty-gritty of the share of each type of container handled in the CFS yard and the Buffer yard.

- (d). The optimal capacity of the container yard and buffer yard is discussed below:
 - (i). Except for the ODCs, the JNPT has considered the area requirement of 50 sq. mtrs per TEU which results in the ground slots of 200 TEUs per hectare, for all type of containers handled at Container yard and Buffer yard. Incase of ODCs handled at Container yard and Buffer yard, the JNPT has considered the area requirement of 100 sq. mtrs per TEU, resulting in the ground slots of 100 TEUs per hectare.

With regard to the ground slots per hectare considered by the JNPT, it is relevant to mention here that generally while fixing the upfront tariff for handling containers, the ground slots of 360 TEUs per hectare has been considered. This is based on the analysis furnished by the New Mangalore Port Trust (NMPT) with reference to the area occupied by a container and additional area required for movement of container handling equipment, space between containers etc.

The JNPT is of the view that the ground slots of 360 TEUs per hectare adopted incase of yard of the container terminal cannot be taken as a base for the CFS. According to JNPT, since the activities undertaken at the CFS is more, different and complex when compared with the activities undertaken at the container yard, the area utilization incase of CFS is not as effective or streamlined as that of the container yard at a terminal. Also, the container flow is not unidirectional incase of CFS unlike the terminal, therefore, Reach Stackers are to be used in a CFS as compared to Rubber Tyred Gantry Cranes (RTGCs) being used in

container yard, thereby leading to more requirement of area for movement of Reach Stacker. Further, provision for warehouses in a CFS is to be made, unlike incase of a container terminal, due to which the area in a terminal can be utilized more effectively.

The upfront guidelines do not stipulate norms for a CFS facility. While fixing the upfront tariff in January 2013 for the Dry Port to be commissioned at the Chennai Port Trust, the ground slots of 360 TEUs per hectare has been considered based on the position reported by the CHPT. However, recognising the position now being highlighted by the JNPT about the difference in operation between a container yard and a CFS, this Authority is inclined to consider the ground slots of 200 TEUs per hectare, as requested by the port for the container yard and buffer yard. As stated earlier, since the individual capacity of the different type of containers is not being taken into account, the ground slots of 200 TEUs per hectare is considered in the capacity calculation of the Container yard and Buffer yard as a whole, without reference to the ground slots relating to the different type of containers.

As a measure of abundant caution, it is stated that consideration of the ground slots of 200 TEUs per hectare in the yard capacity calculation of the CFS should not be quoted as a precedence for determination of yard capacity of a container terminal.

- (ii). The JNPT has considered a stack height of 2.5 incase of general and hazardous containers, a stack height of 2 incase of Reefer containers and a stack height of 1 incase of ODCs and OTs handled at the container yard and buffer yard.

Though the upfront guidelines for the container terminal prescribe a stack height of 2.5, a stack height of 3 has generally been considered while fixing the upfront tariff for the container terminal.

However, according to JNPT, a stack height of 3 is possible at port terminals, as RTGs are used for container stacking which generally have a higher reach as compared to reach stackers that are used at a CFS. It is noteworthy that the CHPT in its upfront proposal relating to the dry port had also confirmed that at CFS, on an average, the stack height of 2.5 is taken as the norm for computing the Yard capacity. Based on the reasoning furnished by the JNPT, the stack height of 2.5 is considered.

As stated earlier, since the individual capacity of the different type of containers is not being taken into account, the stack height of 2.5 is considered in the capacity calculation of the Container yard and Buffer yard as a whole, without reference to the stack height relating to the different type of containers.

- (iii). Based on the ratio of import and export containers at 50:50, the upfront tariff guidelines specify average dwell time of 3 days, based on 4 days for export container and 2 days for import container. With regard to the dwell time, the JNPT is of view that the parameters listed in the guidelines are applicable for a container terminal and cannot be used for a CFS for the reasons brought out earlier. The JNPT has stated to have considered the dwell time of 8.75 days incase of container yard and 4.50 days incase of Buffer yard based on the average dwell time of the prevailing CFSs in the JNPT region. This position is relied upon.

- (iv). Accordingly, the capacity of the container yard at 70% utilization is calculated at 119437 containers at container yard and 86453 containers in the Buffer yard, thus aggregating to 205890 containers as against the figure of 111764 containers incase of Container yard and 84486 containers incase of the Buffer yard aggregating to 193264 containers, as assessed by the JNPT.
 - (v). With regard to the clarification sought by the BCHAA regarding consideration of the utilization factor of 70%, it is relevant to mention here that the tariff guidelines of 2005 do not prescribe any utilization factor. As rightly clarified by JNPT, it has considered the utilization factor, based on the norm as prescribed in the upfront tariff guidelines of 2008 for calculation of the optimal capacity. As already brought out earlier, the JNPT has adopted the formula prescribed in the upfront tariff guidelines of 2008, to determine the optimal capacity of the facility. Hence, the consideration of the utilization factor of 70%, as adopted by JNPT, is considered in the analysis. It is relevant to recall here that the utilization factor of 70% proposed by the major port trusts like New Mangalore Port Trust (NMPT), Paradip Port Trust (PPT) and V.O Chidambaranar Port Trust (VOCPT) and Visakhapatnam Port Trust (VPT) in determination of optimal capacity while fixing the hire charges Harbour Mobile Crane (HMC) being operated by the private operators has been accepted by this Authority.
- (e). The capacity of the warehouse is discussed below:
- (i). As stated earlier, the actual area of Bonded warehouse is 11000 sq. mtrs., Import warehouse is 5000 sq. mtrs., Export warehouse is 9000 sq. mtrs. and Hazardous warehouse is 2500 sq. mtrs., at the facility, aggregating to 27500 sq. mtrs. of warehouse area. Further, the area requirement for storing the container at Bonded warehouse, import warehouse, export warehouse and hazardous warehouse has been considered at 15 sq.m. per TEU, 50 sq.m. per TEU, 30 sq.m. per TEU and 30 sq.m. per TEU respectively, as brought out earlier.
 - (ii). Considering the dwell time of 90 days incase of Bonded warehouse, 5.80 days incase of Import warehouse, 4.20 days each incase of Export warehouse and Hazardous warehouse and taking into account the position that in a warehouse, 60% of the area would be available for storage, as discussed earlier, the JNPT has determined the warehouse capacity of Bonded Warehouse at 1784 TEUs per annum, Import warehouse at 3776 TEUs per annum, Export warehouse at 15643 TEUs per annum and Hazardous warehouse at 4345 TEUs per annum, thus aggregating to the warehouse capacity of 25548 TEUs per annum.
 - (iii). Though the capacity of the warehouse has been determined by the JNPT, the JNPT has not considered the same in the determination of the overall optimal capacity of the CFS facility. To a query raised in this regard, the port has clarified that the warehouse is for storage of the cargo contents of the container and not for storing containers. Thus, it appears that the cargo stuffed/ destuffed from the containers arriving at the CFS yard is stored in the warehouses. Therefore, it appears that warehouse is only complementary to the CFS facility and would not further enhance the overall capacity of the facility. It is also relevant here to mention that the purpose of determination of warehouse

capacity is to decide the requirement of number of 3 tonne forklift and 10 tonne forklift (discussed subsequently).

(ix). Clause 2.5.1 of the tariff guidelines of 2005 stipulates that the traffic projections should be in line with the projections in the five year/ annual plan and the current/ expected growth. In other words, if the existing traffic of the CFS facility is taken as base, then it would lead to determining the tariff for the CFS based on the existing position obtaining at the CFS controlled by the private operator, whereas, the proposal of the JNPT is to fix tariff for handling the traffic at the optimal capacity, without reference to any service provider. Therefore, the analysis proceeds further to determine the capital costs and operating costs required to achieve the said optimal capacity.

(x). Capital costs:
Clause 2.9.3 of the tariff guidelines of 2005 stipulates that Capital Employed will comprise of Net Fixed Assets plus Working Capital. The capital costs as furnished by the JNPT comprises of the civil costs and the equipment costs. In the determination of capital cost, the JNPT is seen to have considered the net value of civil assets as per its books of accounts as on 31 March 2011 and the value of the equipment has been considered based on the cost that would be incurred if the said equipment were to be purchased now. The capital costs are discussed below:

(a). Civil costs:
The civil assets comprise of the cost of the Bonded Warehouse, Import Warehouse, Export warehouse, Export hazardous warehouse, Boundary wall & pavement for CFS, Renovation and Re-construction of office, roads and yard by operator, Roads and parking space, Vehicles and Utilities (Power provision, transformers, cabling).

Since the civil assets are permanent in nature and its cost would be the same irrespective of whoever operates the facility, the consideration of net book value of the civil assets by the JNPT is found to be appropriate. In this regard, it is relevant to mention here that even otherwise, the tariff guidelines of 2005 require consideration of the net block of the assets only. Further, it is to be recognized that the entire civil assets as available, would be relevant to any operator of the facility and they being of permanent in nature and already in existence, they cannot be altered at this juncture, whatever be the capacity of the facility. Hence, the net book value of the civil assets is to be considered.

The JNPT in its workings has considered the audited net book value of the civil assets as on 31 March 2011. The figures furnished by the JNPT in respect of the civil assets has been updated to reflect the net book value of the civil assets as on 31 March 2013, based on the extract of the Asset Register furnished by the JNPT later, for the year ending 31 March 2013.

Further, in case of written down value of the renovation and re-construction of office, roads and yard as incurred by the operator, the JNPT has furnished the Chartered Accountant's Certificate with regard to the written down value as on 31 March 2013. Since, the amount has been incurred towards renovation and reconstruction presumably warranted by the wear and tear of the existing facilities, this is taken into account in this analysis, irrespective of the position whether it has been incurred by the JNPT or the operator.

Also, the written down value as on 31 March 2011 relating to the Site Development – CFS and BY at ₹18.15 crores considered by the JNPT under the Equipment costs have been updated and considered at ₹16.85 crores under civil assets as on 31 March 2013.

The total written down value of the civil assets as on 31 March 2013 works out to ₹3805.98 lakhs as against the written down value of ₹2418.13 lakhs considered by the JNPT, based on the written down value as on 31 March 2011. The change in position arises purely on account of updation of the WDV from March 2011 to March 2013 and also due to shifting of the costs relating to Site Development from Equipment costs to Civil costs.

(b). Equipment costs:

(i). The types and number of each Equipment and cost of each equipment considered by JNPT is given in the following table:

Sl. no.	Particulars	Nos.	Cost per unit	Total cost
(i).	Reach Stacker			
	Required number of equipment	3	32,735,565	98,206,696
	Additional equipment required for downtime	1	32,735,565	32,735,565
(ii).	Fork Lift 10 Tons			
	Required number of equipment	1	2,750,000	2,750,000
	Additional equipment required for downtime	0	2,750,000	0
(iii).	Fork Lift 3 Tons			
	Required number of equipment	4	1,650,000	6,600,000
	Additional equipment required for downtime	1	1,650,000	1,650,000
(iv).	Empty container handler			
	Required number of equipment	1	10,772,440	10,772,440
	Additional equipment required for downtime	0	10,772,440	0
(v).	Tractor trailer			
	Required number of equipment	75	2,550,793	191,309,440
	Additional equipment required for downtime	8	2,550,793	20,406,340
(vi).	Other equipments (trolley, Ramps, weighing scales etc.)			1,500,000
(vii).	60 tons electronic weighbridge	1	2,640,000	2,640,000
(viii).	Diesel Generator Set	1	3,238,550	3,238,550
(ix).	Office equipment			2,215,000
(x).	Furniture & fixtures			811,000
(xi).	IT systems (software & hardware)			1,839,000
(xii).	Site development - CFS & BY			181,521,988
	TOTAL			558,196,020

(ii). As stated earlier, the JNPT has taken into account, the market value of the equipment (as of the year 2012) on the ground that they are movable assets. The tariff guidelines of 2005 require consideration of the net value of the assets in the tariff fixation exercise, irrespective of whether the asset is movable or immovable.

During the officer level meeting, the JNPT sought to argue that since the tariff for the JNPT CFS is to be determined based on the normative approach, and since the civil structures do not have a direct bearing on the achievement of the optimal capacity, consideration of the net value of the civil structures is appropriate. However, it was viewed by JNPT that given that the equipment in the JNPT CFS are old and have been in operation for more than 7-8 years, the productivity level of old equipment would definitely be lower than that of the new equipment and therefore, the old equipment would not be in a position to achieve the optimal capacity. Therefore, it is not appropriate to consider the WDV of the equipment.

In this regard, it is noteworthy to mention here that when this Authority fixed tariff for operation of Harbour Mobile Cranes (HMCs) under Clause 7.2 following the normative approach, as proposed by the major port trusts like Paradip Port Trust (PPT), New Mangalore Port Trust (NMPT), V.O Chidambaranar Port Trust (VOCPT) and Visakhapatnam Port Trust (VPT), the Gross value of the Crane was considered as base to determine the written down value of the Crane for the subsequent years of operation in the tariff cycle and then return on the average written down value of the HMC was factored in.

The tariff for the JNPT CFS is fixed for the first time under Clause 7.2, following the normative approach. Accordingly, and recognizing the argument of JNPT in this regard, and following the approach adopted by this Authority in fixation of tariff for HMCs at other Major Ports, the gross value of the handling equipment viz., Reach Stackers, 3 tonne & 10 tonne Forklift, Empty container Handler, Trailers and Other equipment which contribute towards achieving the optimal capacity, is considered as base to determine the average written down value of the above mentioned equipment for the subsequent years of validity of the tariff cycle.

Such average written down value is considered only for the normative number of equipment required to carry out the operation in the CFS facility, since the JNPT is not in a position to test the reasonableness of the number of the existing equipment with reference to the position obtaining at other CFSs.

- (iii). In case of Reach Stacker, 3 tonne Forklift and Tractor Trailer, the JNPT has also considered cost of additional number of equipment towards downtime in addition to the number of equipment as warranted by the traffic to be handled at optimal capacity, on the ground that the utilisation of the above said equipment is very high and therefore, backup is required for smooth operations.

In this regard, it is relevant to mention here that incase of fixation of upfront tariff for the riverine jetty at Outer Terminal – I of KOPT as well as the multipurpose/ mechanical berths project at Shallukhali at KOPT, additional tripper trucks was considered as proposed by KOPT for any contingency like break down of the trucks and repairs and maintenance etc. Following the approach accepted in the case of KOPT, the additional number of Reach Stacker, 3 tonne Forklift and Tractor Trailer is considered in the analysis. This matter is discussed at length in the succeeding paragraphs.

Incidentally, the BCHAA has voiced its grievance during the proceedings about the insufficiency of the equipment at the facility. So, provision of additional number of equipment at the facility for downtime will be of relief to the users.

- (iv). In the calculation of the capital cost of the equipment, the JNPT in the case of Reach stackers, 3 tonne Forklifts and Tractor Trailers, after determining the number of equipment required to handle the traffic at the optimal level, has considered that 50% of the requirement of the above mentioned equipment would be on ownership basis and the balance 50% would be on hire basis. The JNPT has adopted the approach of 50:50 on ownership and hire, reportedly to take care of the frequent drops and surges in the traffic at CFS. Infact, during the Officer level meeting also, the

JNPT has stressed the deployment of 50% of the requirement of the equipment on hire basis and 50% on ownership basis, based on a similar situation prevailing at other CFSS operating in and around JNPT. Relying on the position reported by the JNPT, out of the total requirement of Reach stackers, 3 tonne Forklifts and Tractor Trailers, 50% of the requirement is treated on hire basis and 50% on ownership basis.

- (v). After repeated requests, the JNPT in July 2013 has furnished the written down value of each of the equipment as on 31 March 2013 along with the number of each type of equipment, as given below:

Sl. No.	Type of Equipment	Nos.	Written Down Value as on 31.03.2013
1	Tractor Trailers	133	55139095
2	Reach stackers	10	106779338
3	3 tonne Fork Lift	12	6865557
4	10 tonne Fork Lift	1	1303247
5	Weighing scales	7	96147
6	Others (trolley, ramp/ basket)		1136587
	TOTAL		171319971

- (vi). The analysis of the cost and number of each type of equipment required to achieve the traffic at optimal capacity is discussed in the succeeding paragraphs.

- (a). Reach Stacker:

- (i). Considering that the General, Reefer and Hazardous containers would be handled by the Reach stackers at the container yard and Buffer yard and that it would require 4 moves per container and that each Reach stacker would achieve 15 moves per hour and taking into account the operation of the reach stacker for 24 hours and 365 days and at 70% utilisation, the JNPT has determined that the facility would require about 6 reach stackers. Thereafter, considering that 50% of the reach stackers would be purchased and the balance would be hired, the JNPT has taken into account the capital cost of 3 reach stackers. Further, the cost of an additional reach stacker has also been taken into account for downtime/ break down of the reach stackers.
- (ii). The basis for considering an average of 4 moves per container has been explained in detail by JNPT and has been brought out in the factual position of the note. Since the basis furnished by JNPT appears to be logical, the position of average of 4 moves per container has been considered in the analysis.
- (iii). With regard to 15 moves per hour, the JNPT has reported to have relied upon the technical specifications of reach stacker as ascertained from the suppliers of reach stackers and hence relied upon.

- (iv). With regard to the productivity of the Reach stacker, it is relevant to mention here that incase of fixation of hire charges for the Reach Stacker procured by the New Mangalore Port Trust (NMPT) vide tariff Order no. TAMP/47/2007-NMPT dated 16 June 2010, a productivity level of 12 TEUs per hour has been considered, whereas, incase of the reach stacker of JNPT, as per the parameters considered by JNPT, it is seen that the productivity works out to about 7 TEUs per hour. In this regard, it is notable that, incase of NMPT, the Reach stacker was meant for usage in the core container handling operations at the berth, whereas as already explained by the JNPT, the arrangement of TEUs in the CFS yard, is in such a manner that it would take an average of 4 moves per container. Hence, the productivity of a Reach stacker at a CFS may not be comparable to the productivity of the Reach stacker at a container berth.
 - (v). Relying upon the position as brought out by the JNPT with regard to the parameters considered by it, it is seen that even taking into account the handling the additional number of General, Reefer and Hazardous containers arising due to increase in the traffic at optimal capacity, as discussed earlier, 6 number of reach stacker (rounded off) would be sufficient.
 - (vi). Further, for the reasons stated earlier, 50% of the requirement of the Reach Stackers are considered on ownership basis and 50% on hire basis.
 - (vii). In addition, for the reasons stated earlier, the cost of additional reach stacker required for downtime is considered in the analysis on ownership basis following the approach adopted by JNPT.
 - (viii). Since the tariff for the JNPT CFS is being fixed initially for a truncated period of 18 months, for the reasons explained in the later part of the analysis, the Gross value of each of the Reach Stacker furnished by the JNPT is considered as base to determine the average written down value of 4 number of Reach Stackers (being the 50% requirement of reach stackers on ownership basis plus an additional reach stacker for downtime) for the two years ending i.e. 31 March 2014 and 31 March 2015.
- (b). 10 tonne Forklift and 3 tonne Forklift:
- (i). The 10 tonne Fork lift is for handling of ODCs in the yard as well as in the warehouse and the 3 tonne Forklift is for usage in the various warehouses. Incase of the yard operations, the

JNPT has considered requirement of 2 moves per parcel and an achievement of 15 moves per hour.

- (ii). For the warehouse operation, considering the capacity of each type of warehouse as discussed earlier and the gross weight of each container at 14 tonne (reported to be based on industry standards), the JNPT has determined the quantum of cargo that would be de-stuffed at the various warehouses.

Further, considering the percentage of cargo to be handled at each type of warehouse and the average weight of the parcel at 6 tonne each, the JNPT has determined the number of parcels that would be handled by the Forklift.

Thereafter, considering the requirement of 2 moves per parcel and achievement of 15 moves per hour, the JNPT has determined the requirement of both Forklifts i.e. 3 tonne and 10 tonne at seven and one respectively. Further, considering that 50% of the 3 tonne forklifts would be purchased and the balance would be hired, the JNPT has taken into account the cost of acquisition of 4 forklifts.

- (iii). The basis for considering 2 moves per parcel incase of both 3 tonne forklift and 10 tonne forklift is reported to be based on the position that one move is required for stuffing and another move for de-stuffing. This position is relied upon.
- (iv). The basis for considering 15 moves per hour incase of both 3 tonne forklift and 10 tonne forklift is reported to be based on the information provided by the forklift provider and as per the industry standards.
- (v). As per the workings furnished by the port, the utilization of the one number of 10 tonne forklift at the various warehouses and at yard is seen to be very low at only around 10%. Likewise, the overall utilization of the seven number of 3 tonne Forklift at the warehouse is also seen to be around 33%. On a specific query with regard to under utilisation of both the equipment, though the JNPT admits to the low utilisation of the equipment, it is of the view that availability of both the type of Forklift will ensure hassle free and efficient warehouse operations. Also, the JNPT has stated that one number of 3 tonne forklift cannot serve multiple warehouses because it is very difficult to keep on moving it between warehouses.
- (vi). When a higher capacity 10 tonne forklift can be shuttled between the yard and the warehouses and also among the various warehouses, the constraints, if any, in making use of lower

capacity 3 tonne forklift only amongst the various warehouses remains unexplained. Therefore, based on the operational hours for the yard operations as well as the warehouse operations aggregating to 23080 hours per annum (after considering the increase in traffic at optimal capacity), it is seen that in total, 4 number of forklifts are sufficient to carry out the above operations at 70% utilisation.

Since the ODCs are also envisaged in the traffic and considering the position that 10 tonne forklift would be required to handle the ODCs, as per the opinion of JNPT, one number of 10 tonne forklift and 3 number of 3 tonne Forklift are considered.

- (vii). Further, for the reasons stated earlier, 50% of the requirement of the 3 tonne Forklifts are considered on ownership basis and 50% on hire basis.
- (viii). For the reasons stated earlier, the cost of an additional 3 tonne forklift towards downtime is considered on ownership basis in the analysis.
- (ix). Since the tariff for the JNPT CFS is being fixed initially for a truncated period of 18 months, for the reasons explained in the later part of the analysis, the Gross value of each of the 10 tonne forklift and 3 tonne forklift as furnished by the JNPT is considered as base to determine the average written down value of 1 number of 10 tonne forklift and for 3 number of 3 tonne forklift (being the 50% requirement of 3 tonne forklift on ownership basis plus an additional forklift for downtime), for the two years ending i.e. 31 March 2014 and 31 March 2015.

(c). Empty Container Handler (ECH):

- (i). The ECH is for handling the import empty containers arising due to de-stuffing of cargo at the warehouses and yard, which constitutes around 20% of the import traffic at optimal capacity. The ECH is intended for handling the empty containers at the yard. The JNPT has stated that it would require 3.5 moves per TEU and that the ECH would achieve 15 moves per hour. Taking into account the operation of the ECH for 24 hours and 365 days and at 70% utilisation, the JNPT has determined that the facility would suffice with 1 number of ECH.
- (ii). The basis for considering an average of 3.5 moves per container has been explained in detail by JNPT and has been brought out in the factual position of the note. Since the basis furnished by JNPT appears to be logical, the position of average of 3.5 moves per container has been considered in the analysis.

- (iii). With regard to 15 moves per hour, the JNPT has reported to have relied upon the technical specifications as ascertained from the suppliers of ECH.
 - (iv). Relying upon the position as brought out by the JNPT with regard to the parameters considered by it, the deployment of one number of ECH is considered in the analysis.
 - (v). Since the tariff for the JNPT CFS is being fixed initially for a truncated period, for the reasons explained in the later part of the analysis, the Gross value of the ECH as furnished by the JNPT is considered as base to determine the average written down value of the for the two years ending i.e. 31 March 2014 and 31 March 2015.
- (d). Tractor Trailer:
- (i). Tractor Trailers are envisaged to be used for movement of containers between CFS and the port, transporting of containers for Onwheel stuffing and destuffing, for taking the containers for Scanning and for movement of empty containers between the CFS and the Empty Container Yard (ECY), which is reported to be situated at a distance of about 20 kms. from the JNPT CFS.
 - (ii). Considering the number of containers falling under each of the above mentioned category, time required for the round trip and the distance covered in each round trip and the effective working time of the Trailers at 18 hours per day, the JNPT has determined the requirement of the trailers at 149 numbers. Thereafter, considering that 50% of the trailers would be on ownership basis and the balance would be hire basis, the JNPT has taken into account the capital cost of 75 trailers. In addition, the capital cost of 8 trailers (being 10% of the requirement of trailers on ownership basis) has also been taken into account for downtime/ break down of the trailers.
 - (iii). While calculating the time required for the round trip of movement of trailer from CFS to port and from CFS to ECY, the JNPT has factored the time required for loading, unloading of container, time required for the formalities, travel time etc. The JNPT has also included the additional time required for waiting at port gate due to congestion and waiting time arising due to road congestion.

With regard to factoring additional time required for the trailers due to congestion at the port gate and at road, it is relevant to mention here that it is a known position that congestion does exist in and around JNPT and as the trailers get stuck in the congestion and not available quickly for the

subsequent operation, there is an increase in the requirement of trailers for the CFS operation. During the Officer level meeting, the JNPT has stated that this would not be a permanent phenomenon as they have already initiated steps to ease congestion, which would in future, lead to quick availability of trailers for the subsequent operations.

For the reasons given above and since the tariff for the JNPT CFS is being fixed initially for a truncated period, for the reasons explained in the later part of the analysis, the additional time required for the trailers due to congestion in road and at the port gate is considered tentatively in the current analysis relying upon the time estimate, as given by the port. However, JNPT is advised to expedite its initiative and ease congestion, before the next review of tariff of CFS.

- (iv). Further, it may be recalled that while passing the Order dated 30 December 2009 in respect of the JNPT CFS, this Authority noted that the Shipping Lines recover charges from the consignees under some other fees recoverable by them and therefore, if the cost of transportation of the empty containers after de-stuffing at the CFS is included as part of CFS charges, then the consignee would pay twice for the same services. Therefore, this Authority, as mentioned in the said Order, was not inclined to recognize such incidence of expenses arising from unfair trade practice.

In this connection, the JNPT in its proposal under reference has factored in the capital cost as well as the operating cost of the trailers for the movement of empty containers from the CFS to the ECY. Though the JNPT is aware of the stand taken by this Authority in December 2009 in this regard, the JNPT in its proposal under reference has not brought out changes in the procedure of levy, if any, effected by it, which would ensure that the users would not be required to pay twice for the same services. Therefore, this Authority has not factored the capital cost as well as the operating cost of the trailers related to the movement of empty containers from the CFS to the ECY. Accordingly, the rate prescribed at serial no.(i) under "Handling and Transport operation" in Chapter-2 does not include the rate for transportation of empty containers from JNPT CFS to empty container yard. The relevant provision in the Scale of Rates has been suitably modified to reflect this position.

- (v). Owing to the changes effected, as mentioned above, the requirement of trailers works out to 149. Though the JNPT has also determined the requirement of trailers at 149 (75 nos. on

ownership and 74 nos. on hire), it is to be seen that the number of trailers worked out by us takes into account the trailers required for handling the additional containers arising due to increase in the traffic at optimal capacity, as discussed earlier.

- (vi). Further, for the reasons stated earlier, 50% of the requirement of trailers is considered on ownership basis and 50% of the requirement on hire basis.
 - (vii). As stated earlier, in addition to the number of trailers required to carry out the operation, the JNPT has also considered the capital cost of 8 trailers towards downtime/ break down of the trailers. For the reasons stated earlier, the same is considered in the analysis.
 - (viii). Since the tariff for the JNPT CFS is being fixed initially for a truncated period, for the reasons explained in the later part of the analysis, the Gross value of each of the Tractor Trailer as furnished by the JNPT is considered as base to determine the average written down value of 83 number of trailers (being 50% of the requirement of trailers on ownership basis, for the reasons stated earlier plus the additional trailers for downtime), for the two years ending i.e. 31 March 2014 and 31 March 2015.
- (e). The number of equipment as assessed by the JNPT and as considered by us is tabulated below:

Type of Equipment	Assessed by JNPT				Considered by us			
	Ownership	Hire	Downtime	Total	Ownership	Hire	Downtime	Total
Reach Stacker	3	3	1	7	3	3	1	7
10 tonne Forklift	1	0	0	1	1	0	0	1
3 tonne Forklift	4	4	1	9	2	1	1	4
Empty Container Handler	1	0	0	1	1	0	0	1
Tractor Trailer	75	74	8	157	75	74	8	157

- (f). The JNPT has considered the capital cost of Other equipment viz., trolley, Ramps, weighing scales etc. at ₹15 lakhs in its calculations. Since the tariff for the JNPT CFS is being fixed initially for a truncated period, for the reasons explained in the later part of the analysis, the Gross value of each of trolley, Ramps, weighing scales etc. as furnished by the JNPT is considered as base to determine the average written down value of the said other equipment for the two years ending i.e. 31 March 2014 and 31 March 2015.
- (g). Under the Equipment cost, the JNPT has also considered the cost of 60 tonne electronic weighbridge, Diesel Generator Set, Office equipment, Furniture & fixtures and IT systems (software & hardware).

The JNPT has not furnished the written down value of the above mentioned assets as on 31 March 2013. Considering that the said assets are basic requirement for the port operations, the reason for not furnishing the written down value of the said assets remain unexplained. Further, inspite of a specific request to furnish documentary evidence in support of cost of assets, the JNPT has not furnished the same. Since the value of these assets constitute an insignificant portion of the total asset base of the JNPT CFS, the cost of the said assets are considered as given by JNPT. The JNPT is, however, advised to furnish the written down value of the said assets during the next review of tariff of JNPT CFS.

(xi). Operating costs:

(a). Salary, Wages and Allowances:

- (i). The cost under this head of expenditure includes the wage cost of the contract labour deployed for operation of equipment deployed at the facility i.e. Reach stackers, 10 tonne and 3 tonne Forklifts, Trailers, Empty container handler. It also includes the cost of additional labour used incase of the Reefer containers, operating and direct labour in respect of the CFS and the Buffer yard like surveyors, supervisors, clerks, security guards, electrician, carpenter etc. and also includes the warehouse labour.
- (ii). Incase of the wage cost of the contract labour deployed for operation of the various equipment as listed above, the JNPT has considered the cost of operators, cleaners, engineers, mechanics and other labourers who would be directly involved in the operation of the said equipment.

Incase of operators and cleaners for each of the equipment, the cost has been calculated by JNPT for 1 no. of operator and cleaner per shift per equipment for three shifts. Incase of Engineer, Mechanic, Welder, Helper, Electrician and Tyrewala etc, the cost has been calculated based on the deployment of 1 no. of each of them per shift per equipment for two shifts on the ground that the requirement of the above said labour depends on the extent to which the equipment needs repair/ maintenance. Hence, the JNPT has considered no labour for the third shift.

The comments of the BCHAA that the manpower cost estimated by the JNPT for 3 shifts is incorrect is with reference to operation of CFS from 10.00 a.m. to maximum 10.00 p.m. In this regard, it has to be kept in view that the comments of the BCHAA regarding the working hours is with reference to the present service provider at the JNPT CFS whereas the manpower cost estimated by JNPT is for the operation of the facility for the traffic at optimal level at 70% utilization. Further, JNPT has considered that the CFS may receive containers at any point of time and the containers cannot be refused entry into the CFS. Inorder to render service to the containers received at any point of time, the labour and equipment should be made available throughout the day in all shifts at the CFS, as contended by JNPT. It is noteworthy that the entire complement of labour required for the operation of the equipment is not considered in the third shift and it is only the wages of the operator and cleaner of the equipment in the third shift that have been built into the costs. Also, it is to be noted that the JNPT may not be in a position to ignore the customs notification reportedly

requiring the JNPT CFS to be functional in the second and third shift also.

Based on the justification and independent analysis furnished by the JNPT for deployment of labour in the operation of second and third shift, wherever applicable, to handle the traffic at the optimal level, the manpower cost for deployment of contract labour is considered, subject to modification made in the number of contract labour arising due to change in the number of equipment as discussed in the earlier paragraphs.

- (iii). With regard to the cost of additional labour required incase of the Reefer containers, the JNPT has considered the cost in respect of one number of Surveyor/ Mechanic each in two shifts and two number of Electrician each in all the three shifts. Based on the justification and independent analysis furnished by the JNPT for deployment of labour in the operation of second and third shift, wherever applicable, to handle the traffic at the optimal level, as explained earlier, the additional manpower cost incase of Reefer containers is also considered.
- (iv). With regard to cost of each type of contract labour required, the port has furnished the copy of the Quotation from a Manpower Supplier Agency, which reflects the rate for supply of each type of Labour. The document furnished by the port in this regard is relied upon in the analysis.
- (v). With regard to the cost of the operating and the direct labour deployed at the CFS and the Buffer yard including the warehouse labour, it is to be first of all noted that this category of labour is in addition to the contract labour. As explained earlier, the contract labour is for operation of the various equipment whereas the operating and direct labour manpower is for operation of the CFS and the Buffer yard including the warehouse and is of permanent in nature.

It is noteworthy that as reported by the JNPT, the said manpower is the permanent labour which was handed over to the current operator at the beginning of his contract and who would have to be employed and paid wages irrespective of whoever operates the CFS. In other words, this permanent manpower is necessarily to be in the rolls of the CFS operator in terms of the agreement between the JNPT and the CFS operator, irrespective of the level of traffic handled at the CFS.

Therefore, the cost of the around 660 number of manpower (including 240 number of warehouse labour) built in by the JNPT is recognized, keeping in view the contractual obligation inspite of it not being based on any specific assessment with reference to the traffic at optimal capacity.

Further, the cost of such manpower is reported to be governed by a Memorandum of Settlement with the Workers Union for a period of 3 years ending 30 June 2013. The document furnished by the port in this regard is relied upon in the analysis. In this regard, it is relevant to mention here that while disposing the general revision proposal of CCTPL in the year 2012, the wage cost arising due to the CCTPL entering into a Long Term Settlement with the union of employees, was recognized.

- (b). Electricity costs:
- (i). The electricity cost has been calculated by JNPT by considering the units of consumption in respect of Reefer containers, 60 tonne weigh bridge and other purposes and by considering the unit cost of electricity at ₹11.83.

- (ii). Taking into account the power consumption of 3.6 units per hour per Reefer container and considering the consumption for 24 hours for 8.75 days, being the dwell time of containers in the container yard, the JNPT has determined the utilization hours per annum in respect of the Reefer containers handled in the container yard. Similarly, for calculating the utilization hours of the Reefer containers handled in the buffer yard, the JNPT has considered the dwell time of containers in the buffer yard at 4.5 days and has kept the other two parameters the same.

The electricity consumption of 3.6 units per Reefer containers per hour is reported to be based on industry standards and the said power consumption is supported by documentary evidence.

The electricity consumption for the additional number of Reefer containers arising due to increase in the traffic at the optimal capacity, as discussed earlier, has been factored.

- (iii). Based on the power consumption of 2100 units per month relied upon in the Order No.TAMP/39/2010–MBPT dated 2 May 2011 relating to the disposal of the proposal filed by Buthello Travels for fixation of tariff for two 60 tonne electronic weighbridges installed in Mumbai Port Trust (MBPT) Docks, the electricity consumption of 2.90 units per hour for 24 hours and for 30 days, incase of electronic Weigh Bridge has been considered by the JNPT in the proposal in reference

In this regard, it is relevant to mention here that in the case of fixation of tariff for the weighbridge installed at MBPT, in the absence of any exclusive consumption norms prescribed in the guidelines for weighbridge, the power consumption assumed by the operator had been considered. The consideration of power consumption for Weigh Bridge by JNPT has no other basis except for the precedence available that it has been considered incase of Buthello Travels. Nevertheless, in the absence of any other relevant information, the power consumption of 2100 units per month in respect of the weigh bridge, as considered in the case of MBPT, is relied upon in this analysis also.

- (iv). The JNPT has considered 61680 units of power consumption per month towards administrative building, yard lightings, warehouse lightings and for all electricity consumption other than for reefers and electronic weighbridge, under the head 'Others'. The consumption of 61680 units of power is reported to be based on the actual consumption at the JNPT CFS for the above mentioned purposes. This position, is therefore, relied upon in the analysis.
- (v). In support of the unit cost of electricity of ₹11.83 considered by JNPT in its calculation, the JNPT has furnished documentary evidence for the unit cost at ₹15.83. In response to a query in this regard, the JNPT has stated that though the port may have to pay charges at a higher rate to the Electricity Board, it has considered the per unit electricity charges at the normative level as per present MSEB norms applicable to industrial consumers. Hence,

the unit cost of electricity of ₹11.83 considered by JNPT in its calculation is considered in the analysis also.

(c). Fuel Expenses:

- (i). The Fuel expenses have been considered by the JNPT in respect of the Reach stackers, 75 tonne cranes, 35 tonnes cranes, 15 tonne cranes, 10 tonne forklift, 3 tonne forklift, Empty container handler, Tractor trailers, Motor Cars and Genset.
- (ii). In the calculation of the diesel cost, the JNPT has considered the cost of diesel at ₹46 per litre. The rate has been updated to ₹57.61 per litre, based on the prevailing rate of diesel.
- (iii). Before we proceed with the analysis of the fuel costs, it is relevant to mention here that as stated above, the fuel charges include the cost of fuel for operation of the 75 tonne crane, 35 tonne crane and 15 tonne crane also. It is seen that the JNPT has envisaged hiring of 1 number of each of the above mentioned crane. As seen from the workings furnished by the port, the 75 tonne crane is envisaged for handling the ODCs and the 35 tonne crane and the 15 tonne crane are envisaged for handling of ODCs as well as OT containers. Further, from the workings furnished by the JNPT, it is seen that the utilization of each of the above mentioned equipment has been assessed by JNPT at around 13%, 11% and 4% respectively. Given that the utilization of each of the above equipment envisaged to be taken on hire is seen to be very low, there does not appear to be any justification to envisage hire of all the three different types of cranes.

Based on the operational hours of each type of crane required to handle the ODCs and the OT containers, (after considering the increase in traffic at optimal capacity), it is seen that in total, 1 number of crane is sufficient to handle the ODCs and the OT containers at 70% utilisation.

Handling of OT containers by the 75 tonne crane has not been envisaged by the JNPT. Therefore, the 35 tonne crane, which has been envisaged to handle both ODCs and the OT is considered in the analysis. This has been done after taking into account the number of containers that are otherwise envisaged to be handled by the 75 tonne crane and the 15 tonne crane by the JNPT. Since the 35 tonne crane is envisaged to handle ODCs also, non-consideration of 75 tonne crane (which is exclusively envisaged to handle ODCs only) in the fleet of equipment, would not put JNPT at an operational disadvantageous position. Accordingly, hire of only the 35 tonne crane is considered in the analysis.

- (iv). Considering the annual operational hours of the Reach stackers, as discussed earlier, and a consumption of 20 litres per hour per Reach stacker, the JNPT has determined the fuel cost of the Reach stackers. The consumption of 20 litres per hour is reported to be based on the consumption of 18 litres per hour considered in the Order no. TAMP/47/2007-NMPT dated 16 June 2010 disposing of the proposal received from the New Mangalore Port Trust (NMPT) for fixation of tariff for the Reach Stacker procured by the port. In the said Order, based on the judgment of the NMPT, the fuel consumption of 18 litres per hour was relied upon. Now, in the case in reference, the JNPT has quoted the said Order so as to adopt a fuel consumption of 20 litres per hour. However, going by the fuel consumption considered in the case of

NMPT, the same is considered as the fuel consumption of the Reach stacker in the case of JNPT CFS also, since the reason for considering fuel consumption at a higher level of 20 litres per hour remains unexplained.

- (v). The JNPT in its proposal has sought fuel expenses in respect of the 35 tonne crane. However, from the copy of the document furnished by the JNPT in support of the hire charges of the 35 tonne crane, it is seen that the hire charges are inclusive of the fuel charges also. Therefore, no justification is found to consider fuel charges separately for the operation of the 35 tonne crane.
- (vi). Incase of 10 tonne forklifts and 3 tonne forklifts, considering the annual operational hours of the two types of forklifts, as discussed in the earlier paragraphs, and a consumption of 8 litres per hour and 5 litres per hour respectively for each of the above mentioned Forklifts, the JNPT has determined the fuel cost relating to the 10 tonne forklifts and 3 tonne forklifts. The fuel consumption of each type of the forklift as mentioned above is reported to be based the discussions with equipment manufacturer and as per the efficiency parameters prevailing in the industry.

Further, the JNPT has sought to justify the fuel consumption of 8 litres per hour for a 10 tonne forklift by stating that the upfront tariff guidelines of 2008 prescribe the norm of fuel consumption of 10 litres per hour incase of a 10 tonne forklift deployed in a multipurpose cargo berth. Similarly, the fuel consumption of 5 litres per hour for a 3 tonne forklift has been sought to be justified by stating that the upfront tariff guidelines of 2008 prescribe the norm of fuel consumption of 7 litres per hour incase of a 5 tonne forklift deployed in a multipurpose cargo berth. The fuel consumption considered by the JNPT does not match with the norms of the upfront guidelines quoted by the JNPT. In any case, based on the position reported by the JNPT that the fuel consumption considered by it is as per the industry standards, the same is relied upon in the analysis.

- (vii). Considering the annual operational hours of the Empty container handler, as discussed in an earlier paragraphs, and a consumption of 12 litres per hour, the JNPT has determined the fuel cost relating to the Empty container handler. The fuel consumption of the handler is reported to be based on discussions with the equipment provider and as per the product guide, which is relied upon in the analysis.
- (viii). In respect of the fuel consumption of the tractor trailers, the JNPT has determined the fuel cost based on the activities rendered by the tractor trailers viz. CFS to port movement, CFS to empty container yard and Container scanning.

Considering the annual operating hours in respect of each of the activity as mentioned above and based on the fuel consumption of 5 litres per hour per trailer, the JNPT has determined the fuel consumption in respect of the trailers. With regard to the fuel consumption, the JNPT has worked out the fuel consumption of the trailers based on three scenarios viz. minimum fuel consumption, maximum fuel consumption and average fuel consumption and considered the average fuel consumption at 5 litres per hour. The same is considered in the analysis, since the average figure irons out the extremes.

For the reasons stated earlier for not considering the capital cost as well as the operating cost of the trailers for the movement of empty containers from the CFS to the ECY, the fuel cost in respect of the said movement has not been considered in the analysis.

- (ix). In respect of motor cars, the fuel cost has been considered for a fleet of five cars, as discussed earlier, at the rate of ₹5000 per month per car. This is reported to be based on the assumed value for general day to day use and operation of CFS, by JNPT. This position is relied upon in the analysis.
- (x). Based on the past experience usage of genset for 60 hours in a month and considering a fuel consumption of 90 litres per hour, the JNPT has determined the fuel consumption of genset. The consumption of 90 litres per hour, which is reported to be based on technical specifications of the Model as obtained by the JNPT from the equipment manufacturer, is relied upon in the analysis.
- (d). Repairs and Maintenance:
 - (i). Incase of equipment like Reachstacker, 10 tonne forklift, 3 tonne forklift, Empty container handler, Tractor trailers, 60 Tonnes electronic weighbridge, Genset and Other equipment, the JNPT has considered the repairs and maintenance cost at 2% of the gross value of the assets. Incase of Office equipment and furniture and fixtures, the repairs and maintenance cost has been considered at 15% of the gross value of assets. Incase of civil works, 1% of the net value of the civil assets has been considered.
 - (ii). The approach adopted by the JNPT in respect of estimating the repairs and maintenance on civil assets at 1% of the net value is considered in the analysis, as it is in line with the approach (1% of the value of civil assets added to the gross block in the year) adopted by us in moderating the estimates of the repairs and maintenance cost, at the time of disposal of the general revision cases of the major port trusts and private terminals operating thereat.

However, in respect of the equipment, consideration of the gross value of the equipment for determining the capital costs, has been done away with, as explained earlier and therefore, the question of considering repairs and maintenance cost at 2% on the gross value does not arise. Therefore, the repairs and maintenance cost on the equipment is considered at 2% of the net value of assets, in line with the approach adopted by the JNPT to determine the repairs and maintenance in respect of civil assets on the net value. Infact, at the time of disposal of the general revision cases of the major port trusts and the private terminals thereat, the repairs and maintenance cost is estimated incase of all the assets except the civil assets, at 2% of the value of assets added to the gross block during the year.

No justification has been furnished by the JNPT for claiming the additional percentage of repairs and maintenance at 15% of the gross value of the Office equipment and furniture and fixtures. Therefore, it is also treated at par with other equipment (as done while disposing the general revision cases) and repairs and maintenance cost is allowed on the Office equipment and furniture

and fixtures at 2% of the net value of the assets considered by us in the analysis.

- (iii). Under the repairs and maintenance cost, the JNPT has also included the annual replacement cost of tyres incase of Reach stackers and Tractor Trailers. In this regard, it is relevant to mention here that at the time of disposal of the general revision cases of the major port trusts, the actual repair and maintenance of the previous year is taken as base and escalated by the applicable escalation factor to estimate the repairs and maintenance cost for the future years. Further, 1% in respect of civil assets and 2% in respect of other assets is allowed to cover the repairs and maintenance on the additions to the civil assets and other assets to the gross block of assets during the year. The said percentage is expected to meet all the repairs and maintenance in respect of the assets. Further, the JNPT has not furnished any document to support its justification for incurring an expenditure towards replacement of tyres of Reach stackers and Trailers. Therefore, the same is not considered in the analysis.

- (e). Insurance cost:

The JNPT has considered the insurance cost at 1% of the gross value of the equipment, office furniture and civil assets, reportedly based on the upfront tariff guidelines of 2008. However, for the reasons cited in the earlier paragraphs, consideration of the gross value of the equipment for determining the capital costs, has been done away with. Further, consideration of insurance cost on gross value is applicable only in respect of the upfront cases. Since, the fixation of tariff for the JNPT CFS follows the tariff guidelines of 2005, the question of considering insurance cost on the gross value does not arise. Therefore, the insurance cost is considered at 1% of the net value of assets.

- (f). Lease Rent:

Lease rentals have been determined by the JNPT for an area of 243796 sq. mtrs. of land at the rate of ₹21.83 per sq. mtr per month, for a period of 12 months.

The area of 243796 sq. mtrs. is arrived at by JNPT, after excluding the area of 17471 sq. mtrs. of Non CFS area relating to Long standing shed & surrounding area, from the total container yard area and the buffer yard area of 261267 sq. mtrs. As brought out above, the said area cannot be used for storage of other container cargo coming to the CFS, as reported by the JNPT. Hence, the JNPT has rightly excluded the said area in the lease rental calculation.

The rate of lease rental of ₹21.83 per sq. mtr is reported to be the lease rental for the year 2011-12. This rate is, therefore, updated by 2% escalation per annum following the stipulation contained in the Land Policy Guidelines of 2010 for each of the years 2012-13 and 2013-14. The rate, thus works out to ₹ 22.71 per sq. mtr. per month, which is considered in the analysis. Accordingly, the lease rentals have been worked out at ₹6.64 crores instead of ₹6.39 crores reported by the JNPT.

- (g). Water charges:

The said charges have been estimated by the JNPT based on the consumption pattern observed for last one year and by considering Water Charges as per the TAMP approved rates. This position is relied upon in the analysis.

(h). R.T.O Tax:
The JNPT has determined the annual RTO Tax in respect of each of the equipment viz., Reach Stacker, Tractor trailer, 3 tonne forklift, 10 tonne forklift and Empty container handler. The annual RTO Tax in respect of Reach Stacker is ₹40000/-, Tractor trailer at ₹33750/-, 3 tonne forklift at ₹2100/-, 10 tonne forklift at ₹6100/- and Empty container handler at ₹8500/-. The JNPT has furnished receipts with reference to payment of Road tax in respect of some of the equipment. This position has been relied upon. The increase in the number of equipment considered, as discussed earlier, has also been factored in the calculation of RTO tax.

(i). Hire charges:
The hire charges is considered in respect of Reach Stackers, 3 tonne Forklifts and Tractor Trailers. In respect of cranes, for the reasons cited in the earlier paragraphs, the hire charges is considered only in respect of the 35 tonne crane. In other words, hire charge is not considered in respect of the 75 tonne crane and 15 tonne crane, as claimed by the JNPT.

As per the documentary evidence furnished by the JNPT in support of the hire charges of the Reach Stackers, 3 tonne Forklifts and 35 tonne crane, it is seen that the document reflects a hire charge of ₹1000000/- (exclusive of fuel), ₹110000/- (inclusive of fuel) and ₹165000/- (inclusive of fuel) per month. The same is relied upon in the analysis.

The JNPT has not furnished the documentary evidence in support of the hire charges of the Tractor Trailers. In the absence of requisite details, the same is considered as furnished by the JNPT.

(j). Depreciation:
With regard to the calculation of depreciation, the JNPT has confirmed that the depreciation has been calculated as per the tariff guidelines of 2005. From the details furnished by the JNPT, it is seen that the JNPT has adopted the rates for depreciation of the various assets at the CFS as per the Straight Line Method as prescribed in the Companies Act. The approach adopted for calculation of amount of depreciation for each of the equipment as considered by the JNPT based on the purchase cost of the asset, is considered as base, subject to effecting changes in the depreciation in consonance with the number of equipment considered in the analysis, as discussed earlier.

(k). General Overheads:
The JNPT has stated to have considered the cost of Management and Administrative staff as "General Overheads". As per the details furnished by the JNPT, though the annual salary of management and administrative staff works out to around ₹6.30 crores, the JNPT has considered the General Overheads at around ₹4 crores. In reply to a query in this regard, the JNPT has sought to clarify that in the absence of a guideline available for estimating the said expenses for a CFS, it has considered the amount at 5% of the gross fixed assets. This approach is reported to be similar to the norm prescribed in the upfront tariff guidelines of 2008 for 'other expenses' incase of container terminals, where 15% of Gross Fixed Assets is prescribed towards 'other expenses' incase of container terminals with capacity less than 0.5 million TEUs and 10% of Gross Fixed Assets is prescribed incase of container terminals with capacity more than 0.5 million TEUs. Though the estimation of the 'Other Expenses' is on the gross values of the assets, the amount so estimated is considered without any change relying on the judgment of the JNPT in this regard.

- (xii). The JNPT has assessed the Working capital as negative figure. This has been analysed based on one month cash operating expenses less Current liabilities. Since the figure of Current Liabilities has been worked out by JNPT at a higher level as compared to the cash balance, it works out to be negative figure, as estimated by JNPT. Based on the approach adopted by the JNPT, the current liability is considered as one month operating expenses including depreciation. The cash balance is worked out at one month's cash operating expenses excluding depreciation. Since the working capital (current asset less current liability) works out to a negative figure, it is considered as NIL in the analysis.
- (xiii). Return on capital employed is allowed at the rate of 16% on the net value of the assets.
- (xiv). Subject to the above changes, the Annual Revenue Requirement comprising of the operating cost and the return on the capital employed works out to ₹95.12 crores as against the Annual Revenue Requirement of ₹97.26 crores, assessed by the JNPT.
- (xv). Subject to the changes as mentioned in the preceding paragraphs, a modified Cost statement is attached as **Annex-I(a)**. The allocation of the modified Annual Revenue Requirement among various services, following the approach adopted by JNPT, is attached as **Annex-I(b)**.
- (xvi). During the proceedings of the case in reference, it has come to light from the submissions made by JNPT that actual traffic of 123282 TEUs and 131144 TEUs have been handled at the JNPT CFS during the calendar years 2010 and 2011 respectively. As per the actuals furnished by the JNPT for the period from January 2012 to October 2012, the TEUs handled for the year 2012 proportionately works out to 139552 TEUs. Thus, it can be seen that the actual traffic is only about 52% of the assessed optimal capacity. This shows that the JNPT CFS is grossly underutilized.
- (xvii). Clause 7.2 of the tariff guidelines of March 2005, which stipulates fixation of tariff for a common user facility, does not specify any particular tariff fixing methodology. However, since Clause 7.2 is only part of the entire tariff guidelines of 2005, the cost plus regime of tariff fixation as prescribed in the tariff guidelines of 2005 would apply in those cases also, which are covered by Clause 7.2 of the tariff guidelines of 2005.
- (xviii). In cost plus approach, tariff is fixed based on realistic estimates for future tariff cycle, estimates being framed for the said tariff cycle based on the actuals of the previous tariff cycle. In the case of JNPT CFS, this Authority held in its Order dated 30 December 2009 that it may not be reasonable to rely on the actual cost of operations and capital cost of the existing operator for the reasons recorded in the said order dated 30 December 2009. Therefore, an exercise has been undertaken to assess the revenue requirement for operation of the JNPT-CFS based on the normative operating and normative capital cost estimates for the traffic estimates, based on the traffic for the year 2012 (actuals for the period from January to October 2012 as given by JNPT and pro-rated for the subsequent 2 months i.e. November and December 2012).
- (xix). It may be recalled that while estimating the traffic in respect of Gateway Terminals India Private Limited (GTIPL) and (Nhava Sheva International Container Terminal Private Limited (NSICTPL) in their respective general revision cases, an annual growth of about 3% in the traffic had been estimated. Following the same approach, the traffic at the JNPT CFS is also estimated by considering an annual growth of 3% over the financial year 2012-13.
- (xx). It is noteworthy that the tariff for the JNPT CFS is being fixed based on the normative operating costs and the capital costs for the reasons brought out earlier.

Though the JNPT has determined the normative operating costs and the normative capital costs independently and in a scientific manner, the efficacy of the parameters and norms adopted by the JNPT in its calculations may have to be tested before deciding to continue with the said approach for determination of the tariff in future. By the time the Order passed in this case comes into effect, it may be around October 2013. Therefore, the remaining six months period in the current financial year 2013-14 (October to March 2013) may not be sufficient enough to test the efficacy of the parameters and norms adopted by the JNPT. Therefore, it is felt appropriate to fix the tariff for the JNPT CFS initially for a truncated period of 18 months from October 2013 to March 2015, so that sufficient data of actual operation obtaining at the JNPT CFS will be available, to test the efficacy of the parameters and norms now adopted by the JNPT in the tariff determination.

- (xxi). The approach adopted by the JNPT in determining the tariff for the traffic at the optimal capacity based on the normative operating costs and the normative capital costs have been followed for determining the tariff for the traffic assessed for the years 2013-14 and 2014-15 based on the actuals/ estimates for the year 2012-13, subject to the modifications as discussed below:
 - (a). The BCHAA during the proceedings has mentioned that the JNPT CFS operates for 12 hours from 10 am to 10 pm, which has not been denied by the JNPT. Considering that it may not be appropriate to consider the salary and wage cost of the labour for 1.5 shifts, as the labour may have to be paid for the entire shift, the cost of salary and wages of the labour has been considered for 2 shifts.
 - (b). Since the estimated operating expenses for the year 2013-14 is based on the certain norms and parameters assumed by the JNPT and are not actual expenditure, no escalation on the estimated expenditure for the year 2013-14 is applied for estimating the expenses for the year 2014-15.
 - (c). The component of the cost of Equipment forming part of the Capital Employed, has been determined by considering the written down value of each of the equipment as of the year 2013-14 and 2014-15.
 - (d). Clause 2.9.10 of the tariff guidelines of 2005 requires to allow return linking it to the utilisation factor of the capacity of the facility, as assessed. Considering the traffic estimates for the year 2013-14 and 2014-15 at 144816 TEUs and 149161 TEUs respectively, and the capacity of the facility as assessed at 267679 TEUs, the capacity utilization works out to 54.10% and 55.72% respectively. Since, the capacity utilisation is less than 60%, the return is pro-rated and allowed at 14.43% and 14.86% respectively for the years 2013-14 and 2014-15.
- (xxii). Subject to above, the revenue requirement works out to ₹61.16 crores and ₹59.97 crores for the years 2013-14 and 2014-15 respectively. Thus, the revenue requirement for the truncated period from October 2013 to March 2015 proportionately works out to ₹90.55 crores. The cost statement in this regard, is attached as **Annex-II (a)**. The allocation of the Annual Revenue Requirement as assessed in this traffic approach among various services, follows the approach adopted by JNPT, is attached as **Annex-II (b)** and **II (c)** for the years 2013-14 and 2014-15 respectively.
- (xxiii). Based on the position that the tariff for the JNPT CFS is prescribed for a truncated period of 18 months only, as discussed earlier, the annual revenue requirement based on the traffic for the optimal capacity is also updated proportionately to reflect the position for the period of 18 months. This updated revenue requirement for the period of 18 months works out to ₹142.68 crores. Though the revenue requirement assessed for operating the facility at traffic at optimal capacity is

higher as compared to the revenue requirement calculated for the estimated traffic based on actuals at ₹90.55 crores, it has to be kept in view that in case of optimal capacity, the revenue requirement gets spread over a wider base of traffic as compared to the traffic estimated based on actuals. This is due to the reason that the facility is grossly underutilized, thereby leading to the fixed costs being borne by traffic at lower level. The proposal filed by the JNPT is based on traffic at optimal capacity of the facility. The tariff proceedings are conducted based on the proposal so filed by JNPT. The users / user organisations present in the meeting convened by JNPT on 12 April 2013 have unanimously endorsed the approach followed by JNPT in the proposal for determination of tariff. It is noteworthy that the approach followed by JNPT for fixation of tariff on the basis of traffic at optimal capacity of the facility is in line with the approach adopted by other major port trusts in the country for fixation of tariff for Harbour Mobile Cranes (HMCs) under Clause 7.2 of the tariff guidelines of 2005 and accepted by this Authority. Though the revenue requirement for 18 months based on the estimated traffic of ₹90.55 crores is lower than the revenue requirement of ₹142.68 crores as per traffic at optimal capacity, the unit rates worked out for the estimated traffic is seen to be higher as compared to the unit rates worked out for the traffic at optimal capacity. That being so, this Authority is not inclined to burden the users with the costs of underutilization of the facility. The JNPT is advised to take necessary steps to put the facility at optimal utilisation. Based on the above position, the tariff for the JNPT CFS facility is prescribed for the traffic at optimal capacity, for the present.

- (xxiv). Considering the annual revenue requirement that has to be earned for the various services rendered at the CFS and the BY, the JNPT has allocated the cost of operation including the Return on capital employed among various services like Handling, Storage and Miscellaneous, as listed below:
- (a). Handling services like CFS destuffing, Factory destuffing, Stuffing Export container, Stacking Factory stuffed containers, Destuffing (at request of consignee/ shipping agents), Shifting for washing/ cleaning and stacking it back, Cargo handling charges, Reworking charges, Transportation for Container Scanning.
 - (b). Storage services like storage of containers in CFS Yard, Storage of containers in Buffer Yard, Storage of cargo in import and bonded warehouse and Storage of cargo in export warehouse.
 - (c). Miscellaneous services like Weighment on weighbridge and Reefer plugging etc.

The costs and return have been allocated by JNPT among various services based on certain parameters like equipment, area etc., which is relied upon. Accordingly, the JNPT has drawn up the rate for each of the service, as listed above. Based on the approach adopted by the JNPT, the rates for each of the above mentioned services have been calculated with reference to the modified revenue requirement.

Under the existing arrangement, rates are not prescribed for full-fledged Buffer Yard operations. The cost of operation and capital costs considered by JNPT in estimation of its revenue requirement takes into account the cost related to carrying out operations at the Buffer Yard. Accordingly, it has proposed rates for Buffer Yard operations. Recognising that the Revenue Requirement estimated by JNPT takes into account the Revenue required for rendering services at the Buffer Yard and keeping in view that there is no objection from the users in this regard, this Authority approves the rates for the Buffer Yard based on the modified Revenue Requirement.

- (xxv). The BCHAA has stated that the services provided at the JNPT CFS are not upto the mark. In this regard, the JNPT is advised to ensure that the performance standards as considered by the JNPT in determination of tariff for the traffic at the optimal capacity are adhered to.

- (xxvi). The INSA in its comments on the proposal, interalia, has requested this Authority to include a provision in the tariff Order against misuse of the CFS resources for activities that are not its normal activities. We do not have the benefit of views of the JNPT in this regard, though a copy of the INSA comments was forwarded to the JNPT. Subject to the correctness of the comments of the INSA, the JNPT is advised to take necessary steps as per the Licence agreement entered into by it with the concerned service provider to stop misuse, if any, of the CFS resources.
- (xxvii). The definitions for the terms like 'Reefer containers', 'Hazardous Container' and 'Over dimensional container' prescribed in the proposed Scale of Rates of the JNPT CFS are same as the definitions for the similar terms prescribed in the Scale of Rates of JNPT and hence, is approved.
- (xxviii). The definitions for the terms like 'Free period', 'Demurrage', 'Full Container Load (FCL)', 'Less than a Container Load (LCL)', 'TEU' and 'Back to Town Cargo' in the proposed Scale of Rates of the JNPT CFS are same as the definitions for the similar terms prescribed in the Scale of Rates of other major port trusts/ private terminals and hence, is approved.
- (xxix). The definitions for the terms 'Container Freight Station (CFS)' and Buffer Yard (BY)' gives reference to the CFS and the BY of the JNPT and the respective address, which is approved.
- (xxx). The general terms and conditions proposed by the JNPT in the proposed Scale of Rates like Containers less than and upto 20 feet in length to be reckoned as one TEU, Handling and storage charges for containers more than 20' in length and upto 40' in length to be 150 per cent and 200 per cent of the charges applicable to containers upto 20' in length, Handling and storage charges for container more than 40' length to be 200 per cent and 300 per cent of the charges applicable to containers upto 20' in length, charging of Over dimensional containers at twice the rate applicable to containers upto 20' in length, Hazardous containers to attract 1.25 times the normal applicable charges, consignee not liable for payment of ground rent until the container is grounded and cleared, free time to commence after the container reaches the CFS from the Port Container Yard, interest on delayed payments, conditionality governing the flexibility provided to the CFS to levy charges lower than ceiling rates, conditionalities governing abandoned containers, users not required to pay charges for delays beyond reasonable level attributable to the CFS, ground rent to not accrue for the period during which the CFS is not in a position to deliver the containers for reasons attributable to it when requested by the users, are similar to the general terms and conditions prescribed in the Scale of Rates of other major port trusts as well as the private terminals. Hence, the said conditionalities are approved.
- (xxxi). In line with clause 2.18.2 of the tariff guidelines, the proposed note relating to penal interest for delayed payment by users/ refund by CFS has been modified to reflect the prevailing Prime Lending Rate of State Bank of India at 14.45% plus 2%.
- (xxxii). The JNPT has proposed a conditionality that CFS shall ensure that the container is available at the ground tier when the importer approaches for clearance of his consignment and that the consignee shall not be liable for payment of ground rent until the container is grounded and cleared. Since the proposed conditionality is in the interest of the trade, it is approved.

19. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the Scale of Rates of the JNPT CFS and BY, which is attached as **Annex-III.**

20.1. The Scale of Rates and conditionalities of the JNPT CFS and BY shall come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and would be in force till 31 March 2015. The approval accorded would automatically lapse thereafter unless specifically extended by this Authority.

20.2. The tariff of the JNPT CFS has been fixed relying on the information relating to the norms and parameters furnished by the JNPT and based on 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 position considered or there is deviation from the assumptions accepted herein, this Authority would require JNPT to file a proposal ahead of the schedule to review its tariff and to fully set-off the undue advantage accrued to the port on account of such deviation.

20.3. In this regard, the JNPT is requested to 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 proposal has been filed. Alongwith such a Report, the JNPT is also requested to file a Report showing the comparative position of each of the norms and parameters considered by it in its proposal under reference vis-à-vis the actuals achieved at the JNPT CFS and BY for each Quarter.

20.4. After the completion of the tariff validity period of 18 months, the JNPT is required to furnish to this Authority, within 60 days of completion of the period of 18 months, the actual physical and financial performance for the entire period of 18 months, duly certified by a Chartered Accountant, in the same format in which the cost statement for the tariff proposal has been filed. Alongwith such a Report, the JNPT is also requested to file a Report showing the comparative position of each of the norms and parameters considered by it in its proposal under reference vis-à-vis the actuals achieved at the JNPT CFS and BY during the said period of 18 months. If JNPT fails to provide such information within the stipulated time period, this Authority may proceed suo motu to review the tariff of JNPT CFS.

(T.S. Balasubramanian)
Member (Finance)

CALCULATION OF TARIFF FOR THE CONTAINER FREIGHT STATION/ BUFFER YARD AT JAWAHARLAL NEHRU PORT TRUST.

Amount in ₹

Sr. No.	Particulars	Estimates by JNPT in its proposal of July 2013		Estimates modified by TAMP	
		Container	Buffer Yard	Container	Buffer Yard
I	Optimal Yard Capacity				
	(i). General Containers				
	G=Ground slots per hectare in TEUs	200	200	-	-
	A= Area in hectares	12.388	4.645	-	-
	H=Average stack height	2.5	2.5	-	-
	P=Period or number of days	365	365	-	-
	S=surge factor	1.3	1.3	-	-
	D=Average dwell time	8.75	4.5	-	-
	Normative yard capacity = $G * A * H * P / (S * D)$ in TEUs	198753	144908	-	-
	Optimal Yard Capacity (70% of normative capacity) in TEUs	139127	101436	-	-
	(ii). Hazardous Containers				
	G=Ground slots per hectare in TEUs	200	200	-	-
	A= Area in hectares	0.1373	0.0515	-	-
	H=Average stack height	2.5	2.5	-	-
	P=Period or number of days	365	365	-	-
	S=surge factor	1.3	1.3	-	-
	D=Average dwell time	8.75	4.5	-	-
	Normative yard capacity = $G * A * H * P / (S * D)$ in TEUs	2203	1607	-	-
	Optimal Yard Capacity (70% of normative capacity) in TEUs	1542	1125	-	-
	(iii). Reefer Containers				
	G=Ground slots per hectare in TEUs	200	200	-	-
	A= Area in hectares	0.1716	0.0643	-	-
	H=Average stack height	2	2	-	-
	P=Period or number of days	365	365	-	-
	S=surge factor	1.3	1.3	-	-
	D=Average dwell time	8.75	4.5	-	-
	Normative yard capacity = $G * A * H * P / (S * D)$ in TEUs	2203	1605	-	-
	Optimal Yard Capacity (70% of normative capacity) in TEUs	1542	1123	-	-
	(iv). ODCs				
	G=Ground slots per hectare in TEUs	100	100	-	-
	A= Area in hectares	0.6863	0.2573	-	-
	H=Average stack height	1	1	-	-
	P=Period or number of days	365	365	-	-
	S=surge factor	1.3	1.3	-	-
	D=Average dwell time	8.75	4.5	-	-
	Normative yard capacity = $G * A * H * P / (S * D)$ in TEUs	2202	1605	-	-
	Optimal Yard Capacity (70% of normative capacity) in TEUs	1542	1124	-	-
	(v). OTs				
	G=Ground slots per hectare in TEUs	200	200	-	-
	A= Area in hectares	0.3432	0.1287	-	-
	H=Average stack height	1	1	-	-
	P=Period or number of days	365	365	-	-
	S=surge factor	1.3	1.3	-	-
	D=Average dwell time	8.75	4.5	-	-
	Normative yard capacity = $G * A * H * P / (S * D)$ in TEUs	2203	1606	-	-
	Optimal Yard Capacity (70% of normative capacity) in TEUs	1542	1124	-	-
	For Container yard and Buffer yard as a whole				
	G=Ground slots per hectare in TEUs	-	-	200	200
	A= Area in hectares	-	-	13.825	5.147
	H=Average stack height	-	-	2.5	2.5
	P=Period or number of days	-	-	365	365.0
	S=surge factor	-	-	1.3	1.3
	D=Average dwell time	-	-	8.75	4.5
	Normative yard capacity = $G * A * H * P / (S * D)$ in TEUs	-	-	221811	160556
	Optimal Yard Capacity (70% of normative capacity) in TEUs	-	-	155268	112389
	TOTAL OPTIMAL YARD CAPACITY (i + ii + iii + iv + v) (in TEUs)	145294	105932	155268	112389
	TOTAL OPTIMAL YARD CAPACITY (in Containers)	111764	81486	119437	86453
	TOTAL OPTIMAL YARD CAPACITY OF THE FACILITY (in Containers)	193250		205890	

Sr. No.	Particulars	Estimates by JNPT in its proposal of July 2013	Estimates modified by TAMP
II	Capital Cost		
		Amount in ₹	Amount in ₹
	(i). Civil Costs		
	Bonded Warehouse	9209055.00	8441633.89
	Import Warehouse	4185934.00	3837106.31
	Export warehouse	7534682.00	6906791.37
	Export hazardous warehouse	2092967.00	1918553.16
	Boundary wall & pavement for CFS	12272794.00	10946636.22
	Renovation and Re-construction of office, roads and yard by operator	121427066.00	100534229.00
	Roads and parking space by JNPT	69343371.00	64600202.34
	Site Development of CFS & BY	0.00	168490154.90
	Vehicles (for office use)	3500000.00	3500000.00
	Utilities (Power provision, transformers, cabling)	12247008.00	11422548.73
	Subtotal (i)	241812877.00	380597855.92
	(ii). Equipment Costs		
	Reachstacker (JNPT - 4 nos, TAMP - 4 nos.)	130942260.00	111300922.49
	10 tonne Forklift Trucks (JNPT - 1 no, TAMP - 1 no.)	2750000.00	2337500.00
	3 tonne Forklift Trucks (JNPT - 5 nos, TAMP - 3 nos.)	8250000.00	4207500.00
	Empty Container Handler (JNPT - 1 no, TAMP - 1 no.)	10772440.00	9156574.00
	Tractor Trailer (JNPT - 83 nos, TAMP - 83 nos.)	211715819.00	170431202.89
	Other Equipment (Trolley, Ramps, Weighing scales)	1500000.00	1275000.00
	60 tonne Electronic Weigh Bridge (1 no.)	2640000.00	2640000.00
	Diesel Genset	3238550.00	3238550.00
	Office Equipment	2215000.00	2215000.00
	Furniture & Fixtures	811000.00	811000.00
	IT systems (hardware & software)	1839000.00	1839000.00
	Site Development of CFS & BY	181521988.00	0.00
	Subtotal (ii)	558196057.00	309452249.38
	(iii). Total capital cost (i + ii)	800008934.00	690050105.30
	(iv). Working Capital		
	Cash balances less Current liabilities	-5000000.00	0.00
	(v). Total Capital Employed	795008934.00	690050105.30
III	Operating Cost Estimation		
	Salary, Wages and Allowances	256217878.80	253694818.80
	Electricity Charges	27982599.46	28079256.26
	Fuel Expenses	143187102.57	179234430.65
	Repairs & Maintenance	36844279.27	10030023.55
	Insurance Charges	7981698.95	6882111.05
	Land Lease Rental	63864800.16	66444938.09
	Water Charges	324000.00	324000.00
	RTO Tax	2986350.00	2982150.00
	Equipment Hire Charges	206404070.10	201480526.01
	Depreciation	59590051.32	51629335.77
	General Overheads	40000444.77	40000444.77
	Total	845383275.41	840782034.95
IV	Annual Revenue Requirement ARR		
	(a). Total operating cost	845383275.41	840782034.95
	(b). Return on Capital Employed @ 16%	127201429.44	110408016.85
	(c). Total Revenue requirement	972584704.85	951190051.79

Annex I (b)

Cost Allocation among services based on the Annual Revenue Requirement as assessed by TAMP

	Heads	Method of apportionment	Total Cost	Handling										Storage				Miscellaneous		
				CFS destuffing	Factory destuffing	Stuffing Export container	Stacking Factory stuffed containers	Destuffing (at request of consignee/ shipping agents)	Shifting for washing / cleaning and stacking it back	Cargo handling charges	Reworking charges	Transportation for Container Scanning	Storage of containers in CFS Yard	Storage of containers in Buffer Yard	Storage of cargo in import + bonded	Storage of cargo in export warehouse	Weightment on weighbridge	Reeler plugging		
				Import Total	Import Total	Total	Export (BY)	Total	Import Total	Import Total	Total	Import Total	Total	Import Total	Total	Total	Import Total	Total		
OPEX	Salary, Wages and Allowances	RS - Specific identification	95	4	18	6	20	4	4	-	0	-	22	16	-	-	-	-	-	-
		FL - Specific identification	89	13	-	16	-	13	-	13	-	-	-	-	-	8	28	-	-	-
		TT - Specific identification	1,283	117	468	146	529	-	-	-	-	23	-	-	-	-	-	-	-	-
		WH - Specific identification	1,026	241	-	301	-	241	-	241	-	2	-	-	-	-	-	-	-	-
		ECH - Specific identification	31	5	20	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Ref - Specific identification	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13
	Electricity charges	M&A - Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Area	88	2	3	2	1	1	1	2	0	0	51	19	3	3	-	-	-	-
	Electricity charges - Reefers	Specific identification	190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	190
	Electricity charges - Weighbridge	Specific identification	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
	Fuel Expenses	RS - Specific identification	272	11	43	19	69	11	11	-	0	-	63	46	-	-	-	-	-	-
		FL - Specific identification	68	10	-	12	-	10	-	10	0	-	-	-	6	21	-	-	-	-
		TT - Specific identification	1,348	123	491	154	556	-	-	-	-	24	-	-	-	-	-	-	-	-
		ECH - Specific identification	31	5	20	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Crane - Specific identification	33	2	6	2	7	2	2	2	0	-	8	6	-	-	-	-	-	-
		Common assets - Capacity	40	2	6	2	7	2	2	2	0	1	10	7	0	1	-	-	-	-
	Repairs & Maintenance	Equipment - RS - Specific identification	22	1	4	1	5	1	1	-	0	-	5	4	-	-	-	-	-	-
		Equipment - FL - Specific identification	1	0	-	0	-	0	-	0	-	0	-	-	0	0	-	-	-	-
		Equipment - TT - Specific identification	34	3	12	4	14	-	-	-	-	1	-	-	-	-	-	-	-	-
		Equipment - ECH - Specific identification	2	0	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Civil with - Area	2	0	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Common assets - Capacity	39	1	6	2	7	1	1	1	0	1	9	7	0	1	-	-	-	-
	Insurance	Equipment - RS - Specific identification	11	1	2	1	2	1	1	-	0	-	3	2	-	-	-	-	-	-
		Equipment - FL - Specific identification	1	0	-	0	-	0	-	0	0	-	-	-	0	0	-	-	-	-
		Equipment - TT - Specific identification	17	2	6	2	7	-	-	-	-	0	-	-	-	-	-	-	-	-
		Equipment - ECH - Specific identification	1	0	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Civil with - Area	2	0	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common assets - Capacity		37	1	6	2	6	1	1	1	0	0	9	6	0	1	-	-	-	-	
Lease Rental for land	Area	664	14	23	18	8	6	6	14	2	2	385	140	26	20	-	-	-	-	
	Water charges	3	0	0	0	0	0	0	0	0	0	2	1	0	0	-	-	-	-	
RTO Tax	RS - Specific identification	2	0	0	0	0	0	0	0	0	-	0	0	-	-	-	-	-	-	
	FL - Specific identification	0	0	-	-	-	-	-	0	0	-	-	-	0	0	-	-	-	-	
Equipment Hire charges	TT - Specific identification	28	3	10	3	12	28	-	-	-	-	-	-	-	-	-	-	-	-	
	RS - Specific identification	360	17	68	21	76	17	17	-	0	-	84	60	-	-	-	-	-	-	
	FL - Specific identification	13	2	-	2	-	2	-	2	0	-	-	-	1	4	-	-	-	-	
	TT - Specific identification	1,632	149	595	186	673	-	-	-	0	-	29	2	2	-	-	-	-	-	
	Crane - Specific identification	9	0	2	1	2	0	0	-	0	-	-	-	-	-	-	-	-	-	
	Equipment - RS - Specific identification	111	5	21	7	24	5	5	-	0	-	26	19	-	-	-	-	-	-	
Depreciation	Equipment - FL - Specific identification	7	1	-	1	-	1	-	1	0	-	-	-	1	2	-	-	-	-	
	Equipment - TT - Specific identification	222	20	81	25	91	-	-	-	-	4	-	-	-	-	-	-	-	-	
	Equipment - ECH - Specific identification	9	1	6	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Civil with - Area	10	1	-	1	-	-	-	-	1	0	-	-	3	2	-	-	-	-	
	Weighbridge - Specific identification	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	
	Common assets - Capacity	155	6	24	7	27	6	6	6	0	2	37	27	1	5	-	-	-	-	
General Overheads	Capacity	400	15	62	19	70	15	15	15	0	5	96	70	3	12	-	-	-		
Total OPEX =			8,408	779	2,005	979	2,213	340	73	310	4	93	812	431	56	103	6	204	-	
CAPEX	Reachstackers	Specific identification	1,113	52	209	65	236	52	52	-	0	-	258	187	-	-	-	-	-	
	Forklifts	Specific identification	65	9	-	12	-	9	-	9	0	-	-	6	20	-	-	-	-	
	Tractor Trailers	Specific identification	1,704	155	621	194	703	-	-	-	-	31	-	-	-	-	-	-	-	
	Empty container handler	Specific identification	92	15	59	18	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Civil warehouses	Area	211	25	-	31	-	-	-	25	4	-	-	74	53	-	-	-	-	
	Weighbridge	Specific identification	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26	-	
IWC	Other common assets	Capacity	3,689	142	569	178	643	142	142	142	1	50	889	643	32	114	-	-	-	
	Cash	(11 months Cash OPEX)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Current Liabilities	(11 months OPEX)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	ROCE =	16%	1,104	64	233	80	253	33	31	28	1	13	184	133	18	30	4	-	-	
OPEX + ROCE =			9,512	843	2,238	1,059	2,466	372	105	338	5	106	996	564	74	133	10	204	-	
Capacity (in TEUs) =			267,679	24,846	99,384	31,057	112,389	24,846	24,846	24,846	155	8,696	155,288	112,389	5,560	19,988	993	2,676	-	

Annex - II (a)

CALCULATION OF TARIFF FOR THE CONTAINER FREIGHT STATION/ BUFFER YARD OF JAWAHARLAL NEHRU PORT TRUST.

Sr. No.	Particulars	2013-14	2014-15
I	Traffic (In TEUs)	144816	149161
II	Operating Costs		
	Salary, Wages and Allowances	165088624	165929644
	Electricity Charges	19332833	19642112
	Fuel Expenses	102068730	104479198
	Repairs & Maintenance	4517540	3892261
	Insurance Charges	3994581	3550653
	Land Lease Rental	66444938	66444938
	Water Charges	324000	324000
	RTO Tax	1758800	1792550
	Equipment Hire Charges	106424525	108887142
	Depreciation	43843293	31857322
	General Overheads	40000445	40000445
	Total	553798308	546800265
III	Capital Employed	400855713	356021589
IV	Return on Capital Employed @ 14.43% in 2013-14 and 14.86% in 2014-15	57843479	52904808
V	Annual Revenue Requirement (II + IV)	611641787	599705073

Cost Allocation among services as per the tariff estimated based on actuals for the year 2013-14.

Annex - II (b)

(Rs. In lakhs)

	Heads	Method of apportionment	Total Cost	Handling										Storage				Miscellaneous	
				CFS destuffing	Factory destuffing	Stuffing Export container	Stacking Factory stuffed containers	Destuffing (at request of consignee/ shipping agents)	Shifting for washing / cleaning and stacking it back	Cargo handling charges	Reworking charges	Transportation for Container Scanning	Storage of containers in CFS Yard	Storage of containers in Buffer Yard	Storage of cargo in import + bonded	Storage of cargo in export warehouse	Weight on weighbridge	Reefer plugging	
				Import Total	Import Total	Total	Export (BY)	Total	Import Total	Import Total	Total	Import Total	Total		Total		Import Total	Total	
OPEX	Salary, Wages and Allowances	RS - Specific identification	51	2	10	3	11	2	2	-	0	-	12	9	-	-	-	-	
		FL - Specific identification	57	8	-	10	-	8	-	8	0	-	-	-	5	18	-	-	
		TT - Specific identification	482	44	176	55	199	-	-	-	-	9	-	-	-	-	-	-	
		W/H - Specific identification	1,026	241	-	301	-	241	-	241	2	-	-	-	-	-	-	-	
		ECH - Specific identification	26	4	17	5	-	-	-	-	-	-	-	-	-	-	-	-	
		Ref - Specific identification	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	
		M&A - Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Electricity charges	Area	88	2	3	2	1	1	1	2	0	0	51	19	4	3	-	-	
	Electricity charges - Reefers	Specific identification	103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103	
	Electricity charges - Weighbridge	Specific identification	3	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	
	Fuel Expenses	RS - Specific identification	181	7	29	13	46	7	7	-	0	-	42	30	-	-	-	-	
		FL - Specific identification	32	4	-	6	-	4	-	4	0	-	-	-	3	10	-	-	
		TT - Specific identification	733	67	267	83	302	-	-	-	-	13	-	-	-	-	-	-	
		ECH - Specific identification	17	3	11	3	-	-	-	-	-	-	-	-	-	-	-	-	
		Crane - Specific identification	18	1	3	1	4	1	1	-	0	-	4	3	-	-	-	-	
		Common assets - Capacity	40	2	6	2	7	2	2	2	0	1	9	7	1	2	-	-	
		Equipment - RS - Specific identification	4	0	1	0	1	0	0	-	0	-	1	1	-	-	-	-	
	Repairs & Maintenance	Equipment - FL - Specific identification	0	0	-	0	-	0	-	0	0	-	-	-	0	0	-	-	
		Equipment - TT - Specific identification	1	0	0	0	0	-	-	-	-	0	-	-	-	-	-	-	
		Equipment - ECH - Specific identification	2	0	1	0	-	-	-	-	-	-	-	-	-	-	-	-	
		Civil w/h - Area	2	0	-	0	-	-	-	0	0	-	-	-	1	1	-	-	
		Common assets - Capacity	36	1	5	2	6	1	1	1	0	0	8	6	1	2	-	-	
		Equipment - RS - Specific identification	2	0	0	0	0	0	0	-	0	-	1	0	-	-	-	-	
		Equipment - FL - Specific identification	0	0	-	0	-	0	-	0	0	-	-	-	0	0	-	-	
	Insurance	Equipment - TT - Specific identification	0	0	0	0	0	-	-	-	-	0	-	-	-	-	-	-	
		Equipment - ECH - Specific identification	1	0	1	0	-	-	-	-	-	-	-	-	-	-	-	-	
		Civil w/h - Area	2	0	-	0	-	-	-	0	0	-	-	-	1	1	-	-	
		Common assets - Capacity	34	1	5	2	6	1	1	1	0	0	8	6	1	2	-	-	
		Lease Rental for land	664	14	23	18	8	6	6	14	2	2	385	140	27	21	-	-	
		Water charges	3	0	0	0	0	0	0	0	0	0	2	1	0	0	-	-	
		RTO Tax	1	0	0	0	0	0	0	0	0	-	0	0	-	0	-	-	
	Equipment Hire charges	RS - Specific identification	16	1	6	2	7	-	-	-	0	-	-	-	0	0	-	-	
		TT - Specific identification	119	6	22	7	25	6	6	-	0	-	28	20	-	-	-	-	
		RS - Specific identification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		FL - Specific identification	940	86	343	107	388	-	-	-	-	17	-	-	-	-	-	-	
		Crane - Specific identification	5	0	1	0	1	0	0	-	0	-	1	1	-	-	-	-	
		Equipment - RS - Specific identification	98	5	18	6	21	5	5	-	0	-	23	16	-	-	-	-	
		Equipment - FL - Specific identification	6	1	-	1	-	1	-	1	0	-	-	-	1	2	-	-	
	Depreciation	Equipment - TT - Specific identification	159	15	58	18	66	-	-	-	-	3	-	-	-	-	-	-	
		Equipment - ECH - Specific identification	11	2	7	2	-	-	-	-	-	-	-	-	-	-	-	-	
		Civil w/h - Area	10	1	-	1	-	-	-	1	0	-	-	-	3	2	-	-	
		Weighbridge - Specific identification	3	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	
		Common assets - Capacity	152	6	23	7	26	6	6	6	0	2	35	26	2	8	-	-	
		General Overheads	400	15	60	19	68	15	15	15	0	5	93	68	6	22	-	-	
Capacity		5,538	540	1,096	678	1,191	307	52	297	4	53	703	352	54	93	6	112		
CAPEX	Reachstackers	Specific identification	222	10	42	13	47	10	10	-	0	-	52	37	-	-	-	-	
	Forklifts	Specific identification	18	3	-	3	-	3	-	3	0	-	-	-	2	6	-	-	
	Tractor Trailers	Specific identification	40	4	15	5	16	-	-	-	-	1	-	-	-	-	-	-	
	Empty container handler	Specific identification	97	16	62	19	-	-	-	-	-	-	-	-	-	-	-	-	
	Civil warehouses	Area	201	23	-	29	-	-	-	23	4	-	-	-	70	51	-	-	
	Weighbridge	Specific identification	23	-	-	-	-	-	-	-	-	-	-	-	-	-	23	-	
	Other common assets	Capacity	3,407	127	508	159	575	127	127	127	1	44	794	575	53	189	-	-	
WC	Cash (1 months' Cash OPEX)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Current Liabilities (1 months' OPEX)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	ROCE =	14.43%	578	26	90	33	92	20	20	22	1	7	122	88	18	35	3	-	
	OPEX + ROCE =		6,116	566	1,186	711	1,283	327	72	319	5	59	825	440	72	129	9	112	
	Capacity (in TEUs) =		144,816	13,441	53,767	16,802	60,803	13,441	13,441	13,441	84	4,704	84,012	60,803	5,560	19,988	537	1,448	
	Rate / TEU =		4,223	4,212	2,206	4,234	2,110	2,433	537	2,374	5,637	1,262	982	724	1,287	645	1,669	7,733	

	Heads	Method of apportionment	Total Cost	Handling								Storage								Miscellaneous	
				CFS destuffing	Factory destuffing	Stuffing Export container	Stacking Factory stuffed containers	Destuffing (at request of consignee/ shipping agents)	Shifting for washing / cleaning and stacking it back	Cargo handling charges	Reworking charges	Transportation for Container Scanning	Storage of containers CFS Yard	Storage of containers in Buffer Yard	Storage of cargo in import + bonded	Storage of cargo in export warehouse	Weightage on weighbridge	Reefer plugging			
				Import Total	Import Total	Total	Export (BY)	Total	Import Total	Import Total	Total	Import Total	Total	Total	Total		Import Total	Total			
OPEX	Salary, Wages and Allowances	RS - Specific identification	53	2	10	3	11	2	2	-	0	-	12	9	-	5	18	-	-		
		FL - Specific identification	57	8	-	-	8	-	-	8	0	-	-	-	-	-	-	-	-		
		TT - Specific identification	490	45	179	56	202	-	-	56	9	-	-	-	-	-	-	-	-		
		WH - Specific identification	1,026	241	-	301	-	241	-	241	1	-	-	-	-	-	-	-	-		
		ECH - Specific identification	26	4	17	5	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Ref - Specific identification	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9		
	Area - Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Electricity charges	88	2	3	2	1	1	1	2	0	51	19	4	3	-	-	-	-			
	Electricity charges - Reefers	Specific Identification	106	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106			
	Electricity charges - Weighbridge	Specific Identification	3	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-			
	Fuel Expenses	RS - Specific identification	181	7	29	13	46	7	7	-	0	-	42	30	-	-	-	-	-		
		FL - Specific identification	33	5	-	6	-	5	-	5	0	-	-	3	10	-	-	-	-		
		TT - Specific identification	755	69	275	86	311	-	-	-	14	-	-	-	-	-	-	-	-		
		ECH - Specific identification	3	3	11	3	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Crane - Specific identification	19	1	3	1	4	1	1	0	-	4	3	-	-	-	-	-	-		
		Common assets - Capacity	40	2	6	2	7	2	2	2	0	1	9	7	1	2	-	-	-		
	Repairs & Maintenance	Equipment - RS - Specific identification	2	0	0	0	1	0	0	-	0	-	1	0	-	-	-	-	-		
		Equipment - FL - Specific identification	0	0	-	0	-	0	-	0	0	-	-	0	0	-	-	-	-		
		Equipment - TT - Specific identification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Equipment - ECH - Specific identification	2	0	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Civil/wh - Area	2	0	-	0	-	-	-	0	0	-	-	1	0	-	-	-	-		
		Common assets - Capacity	33	1	5	2	6	1	1	1	0	0	8	6	0	2	-	-	-		
	Insurance	Equipment - RS - Specific identification	1	0	0	0	0	0	0	-	0	-	0	0	-	-	-	-	-		
		Equipment - FL - Specific identification	0	0	-	0	-	0	-	0	0	-	-	0	0	-	-	-	-		
		Equipment - TT - Specific identification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Equipment - ECH - Specific identification		1	0	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-			
Civil/wh - Area		2	0	-	0	-	-	-	0	0	-	-	1	0	-	-	-	-			
Common assets - Capacity		31	1	5	1	5	1	1	1	0	7	5	0	2	-	-	-	-			
Lease Rental for land	Area	664	14	23	18	8	6	6	14	2	385	140	27	21	-	-	-				
Water charges	Area	3	0	0	0	0	0	0	0	0	2	1	0	0	-	-	-				
RTO Tax	RS - Specific identification	1	0	0	0	0	0	0	0	0	-	0	0	-	-	-	-	-			
	FL - Specific identification	-	-	-	-	-	-	-	0	0	-	-	0	0	-	-	-	-			
Equipment Hire charges	TT - Specific identification	17	2	6	2	7	-	-	-	0	-	-	-	-	-	-	-	-			
	RS - Specific identification	119	6	22	7	25	6	6	-	0	-	28	20	-	-	-	-	-			
	FL - Specific identification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	TT - Specific identification	965	88	352	110	398	-	-	-	17	-	-	-	-	-	-	-	-			
	Crane - Specific identification	5	0	1	0	1	0	0	-	0	1	1	-	-	-	-	-	-			
	Equipment - RS - Specific identification	98	5	18	6	21	5	5	-	0	-	23	16	-	-	-	-	-			
Depreciation	Equipment - FL - Specific identification	6	1	-	1	-	1	-	1	0	-	-	1	2	-	-	-	-			
	Equipment - TT - Specific identification	40	4	15	5	16	-	-	-	-	1	-	-	-	-	-	-	-			
	Equipment - ECH - Specific identification	11	2	7	2	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Civil/wh - Area	10	1	-	1	-	-	-	1	0	-	-	3	2	-	-	-	-			
	Weighbridge - Specific identification	3	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-			
	Common assets - Capacity	151	6	23	7	26	6	6	6	0	2	35	26	2	8	-	-	-			
General Overheads	Capacity	400	15	60	19	68	15	15	0	5	93	68	6	22	-	-	-				
Total OPEX =			5,468	534	1,071	671	1,162	307	52	297	4	52	702	351	53	92	6	115			
CAPEX	Beachstackers	Specific identification	124	6	23	7	26	6	6	-	0	-	29	21	-	-	-	-			
	Forklifts	Specific identification	12	2	-	2	-	2	-	2	0	-	-	1	4	-	-	-			
	Tractor Trailers	Specific identification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Empty container handler	Specific identification	86	14	55	17	-	-	-	-	-	-	-	-	-	-	-	-			
	Civil warehouses	Area	192	22	-	29	-	-	22	4	-	-	-	67	48	-	-	-			
	Weighbridge	Specific identification	20	-	-	18	-	-	-	-	-	-	-	-	-	20	-	-			
MC	Other common assets	Capacity	3,126	117	467	146	529	117	117	1	41	730	529	47	169	-	-	-			
	Cash	(1 month: Cash OPEX)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Current Liabilities			(1 month: OPEX)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
ROCE =			14.86%	529	24	81	30	82	18	18	21	1	6	113	82	17	33	3			
OPEX + ROCE =			5,997	558	1,152	701	1,245	325	70	318	5	58	814	433	70	125	9	115			
Capacity (in TEU) =			149,161	13,845	55,380	17,306	62,627	13,845	13,845	80	4,845	86,532	62,627	5,580	19,988	553	1,491				
Rate / TEU =			1,020	4,027	2,080	4,068	1,898	2,286	2,286	5,460	1,260	891	1,260	891	1,552	7,171					

**SCALE OF RATES FOR THE CONTAINER FREIGHT STATION AND BUFFER YARD OF
JAWAHARLAL NEHRU PORT TRUST.**

CHAPTER - I

Definitions

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

- i. "Reefer Container" shall mean a refrigerated container used for carriage of perishable goods with provision for electrical supply to maintain the desired temperature.
- ii. "Hazardous Container" shall mean a container containing hazardous goods as classified under IMO.
- iii. "Free period" shall mean the period during which cargo/ container shall be allowed storage free of demurrage charges/ground rent charges and this period shall exclude Sunday(s), customs holidays and CFS's non-working days.
- iv. "Over dimensional container" shall mean a container carrying over dimensional cargo beyond the normal size of standard containers and needing special devices like slings, shackles, lifting beam etc. They also include damaged containers and other types which require special devices.
- v. "Demurrage" shall mean charges payable for storage of cargo within CFS's premises beyond free period, as specified in the scale of rates.
- vi. "Full Container Load" (FCL) shall mean a container containing cargo belonging to one consignee in the vessel's manifest.
- vii. "Less than a Container Load" (LCL) shall mean a container containing cargo belonging to more than one consignee in the vessel's manifest.
- viii. Container Freight Station (CFS) – shall mean the Container Freight Station of Jawaharlal Nehru Port Trust located at Sonari Village, Navi Mumbai, 400 707.
- ix. Buffer Yard (BY) – shall mean the Buffer Yard of Jawaharlal Nehru Port Trust located at Sonari Village, Navi Mumbai, 400 707.
- x. TEU means Twenty Equivalent Units – term for ISO container.
- xi. "Back to Town Cargo" shall mean a cargo entering the CFS for export but unable to be exported for whatever reason and taken back to town.

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. Handling charges for containers more than 20' in length and upto 40' in length will be 150 per cent of the charges applicable to containers upto 20' in length.
- iii. Storage/ground rent charges for containers more than 20' in length and upto 40' in length will be 200 per cent of the charges applicable to containers upto 20' in length.
- iv. Handling charges for container more than 40' length will be 200 per cent of the charges applicable to containers upto 20' in length.

- v. Storage/ground rent charges for containers more than 40' in length will be 300 per cent of the charges applicable to containers upto 20' in length.
- vi. Containers other than that of standard size requiring special devices or slings for handling will be charged twice the rate applicable to containers upto 20' in length. Such a container will also include damaged container and any other types requiring special devices.
- vii. Hazardous container shall attract 1.25 times the normal applicable charges.
- viii. The 'free time' will commence after the container reaches the CFS from the Port Container Yard.
- ix. CFS shall ensure that the container is available at the ground tier when the importer approaches for clearance of his consignment. The consignee shall not be liable for payment of ground rent until the container is grounded and cleared.
- x. Interest on delayed payments / refunds:
The user shall pay penal interest on delayed payments and the CFS shall pay penal interest on delayed refunds. The rate of interest will be 16.45% and will apply to both the CFS and the port users equally.

The delay in payments by user will be counted beyond 10 days after the date of raising the bills. This provision will not apply to the case where payment is to be made before availing of the services / use of CFS properties as stipulated in the MPT Act, 1963 and / or prescribed as a condition in the tariff.

The delay in refunds by the CFS will be counted beyond 20 days from the date of completion of services or on production of all documents required from the user, whichever is later.

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

(b). The CFS may, if it so desires, rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling level.

(c) The CFS should notify the public such lower rates and/or rationalisation 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.
- xii. 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 day of landing of the container, whichever is earlier subject to the following:
 - (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,
 - (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 de-stuffing. 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 de-stuffing of cargo.

(iv). Where the container is seized/confiscated by the Custom Authorities and the same cannot be de-stuffed within the prescribed time limit of 75 days, the ground rent/ storage charges will cease to apply from the day the Custom 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 removed 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 of such removal.

- xiii. Users shall not be required to pay charges for delays beyond a reasonable level attributable to the CFS.
- xiv. Ground rent/storage charges shall not accrue for the period during which the CFS is not in a position to deliver the containers for reasons attributable to it when requested by the users.
- xv. The handling and transport operations (export operations) shall incorporate provision of labour for chocking and lashing of cargo.

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IMPORT OPERATIONS

CHAPTER - II

GROUND RENT CHARGES ON LOADED CONTAINERS

Sr. No.	No. of days	Rate in ₹ per TEU
i	1 st to 3 rd day	Free
ii	4 - 7th day	51
iii	8 - 15th day	102
iv	16 - 30th day	205
v	31st day and beyond	307

Note:

The free period of three working days excludes the day of receipt of the container whether received during 1st, 2nd or 3rd shift.

Since operations at the CFS are chassis operations normally LCL containers will not be stacked thereat. If the containers are detained by any of the agencies having a hold, ground rent charges will still be levied as prescribed above. However, if the container is grounded due to no fault of the party, i.e. not providing of the door etc. for de-stuffing, no ground rent charges will be levied for such period.

GROUND RENT CHARGES ON EMPTY CONTAINERS:

Sr. No.	No. of days	Rate in ₹ per TEU per day
(i)	1 st to 15 th day	25
(ii)	16 th day onwards	100

HANDLING AND TRANSPORT OPERATIONS:

Sr. No.	Particulars	Rate in ₹
i	Transportation of loaded containers from the Container Yard of JN Port/NSICT/GTIPL to CFS, de-stuffing of the cargo and stacking the same in the import warehouse.	2,177 per TEU

ii	Transportation of Loaded Containers from the Container Yard of JN Port /NSICT/GTIPL to the CFS, and grounding / stacking & vice versa (additional charges for lift-on at the CFS on to the party's trailers and administrative charges towards entry).	2,502 per TEU Lift-on ₹ 145
iii	Transportation of Empty Containers from the Container Yard of JN Port /NSICT/GTIPL to the CFS, and grounding / stacking & vice versa (additional charges for lift-on at the CFS on to the party's trailers and administrative charges towards entry).	600 per TEU Lift-on ₹ 75
iv	De-stuffing operation, if carried out in the open, as per the request of consignees / shipping agents stuffing the cargo back after custom examination in to the container and stacking of loaded container in the container yard.	1,664 per TEU
v	After custom examination grounding the container (wherever necessary), de-stuffing and delivery of the cargo.	400 per TEU
vi	Lift on of the loaded containers on the road vehicles at the CFS container yard, transportation thereof to the Import warehouse, de-stuffing, inventorisation and stacking of the cargo.	1,209 per TEU
vii	Handling of the cargo (which will include) taking required number of packages from the stack/s, custom examination (including unpacking, repacking etc.) and placing them in the stack if necessary and /or loading of the entire consignment on to the mouth of trucks / vehicles at the import warehouse.	116 per MT

GENERAL OPERATIONS:

Sr. No.	Particulars	Rate in ₹
i	Lift on/ lift off the loaded containers into / from road vehicles of the party in the CFS complex/yard.	145 per TEU
ii	Lift on/ lift off the empty containers into / from road vehicles of the party in the CFS complex/yard.	75 per TEU
iii	Shifting of the empty container from CFS complex to washing/cleaning of the container and stacking it back at the nominated location in the CFS complex.	468 per TEU
iv	Movement/ shifting of cargo from one place to any other place within the complex.	116 per MT
v	Movement of containers between JNPT & MBPT nominated area and vice versa.	
	(a) Empty containers	1,500 per TEU
	(b) Loaded containers	3,000 per TEU
vi	Retrieval of loaded containers from container yard and arranging weighment thereof at CFS warehousing.	1,154 per TEU

CARGO STORAGE / DEMURRAGE CHARGES:

A free period of three working days will be allowed for the import cargo.

- Storage / demurrage charges @ ₹106 (Rupees one hundred and six only) per sq. mtr. per week on net area basis will be levied for cargo detained at the warehouse beyond the free period of three working days

It will be ensured that floor load bearing capacity does not exceed 0.33 MT per sq. ft.

- The utilisation of space will be computed on grid area basis, each grid being 6.25 sq. mtrs. Even for utilisation, the demurrage payable will be for full grid as the cargo covered by an ocean Bill of Lading will be treated as one consignment for the purpose of calculation of space utilised.
- The cargo lying uncleared beyond four weeks of storage, after the free period, a demurrage to the tune of 50% of the storage charges would be additionally levied on the consignment from the fifth week onwards.

LOCKING CHARGES:

The parties are required to lock their containers with their locks after examination, if the deliveries are taken the same day. ₹ 20 per night towards lock charges would be levied, if the CFS is requested to put its locks on behalf of the parties.

INSURANCE:

In accordance with the trade practices, imported stocks are normally insured from warehouse to warehouse, including 60 days transit storage time. It will be presumed that the stock being received at the CFS, are adequately insured against all possible risks during storage.

However, in case the insurance cover is required by any party against the risk of fire, flood, cyclone, theft etc. the same will be arranged by the CFS, on a written request, for which ad valorem charges ₹ 12.50 paise per ₹ 1000 value of the stocks will be levied, on weekly basis.

EXPORT OPERATIONS

CHAPTER –III

GROUND RENT CHARGES ON LOADED CONTAINERS

Sr. No.	No. of days	Rate per TEU per day
i	Upto 7 th day	51
ii	8-15 days	102
iii	16-30 days	205
iv	31st day onwards	307

GROUND RENT CHARGES ON EMPTY CONTAINERS:

Sr. No.	No. of days	Rate per TEU per day
(i)	1 st to 30 th day	Rs. 10
(ii)	31 st day onwards	Rs. 50

Note:

The date of receipt of empty containers as well as the date of delivery will be taken into account for calculating the ground rent of empty container.

CARGO STORAGE / RESERVATION CHARGES:

- A free period of seven days will be allowed for storage of export cargo from its receipt in the CFS.
- The storage charges for export cargo will be ₹ 74 per sq. mtr. per week. The minimum charges, however, will be taken for 5 sq. mtrs and in multiples thereof.

In case the area is utilised by the cargo in the general space and if the cargo is not stuffed within the free period of seven days from its receipt, charges will be payable by the party before the stuffing of cargo is taken up.

- While counting the number of days, the consignment received during the first shift will be taken as received on that particular day whereas consignment received during subsequent shift of that particular day will not be counted. The free time, however, will be calculated from the first date of carting against a particular shipping bill and not from the actual receipt of the entire cargo. In such cases, as the cargo will be lying in general area, the demurrage will be charged at 50% additional rates than the tariff from the initial date of carting giving seven days free time, if the cargo is not stuffed within four weeks of its receipt.

- iv. In case the reservation is for 400 sq. mtr. or above, the chargeable rate will be ₹236 per sq. mtr. per month.
- v. Reservation of space will be given for a minimum period of three months on advance payment for three months and in case the party wants to withdraw the reservation, one month notice will have to be given to cancel the reservation. The extension will be given on advance payments being made on a quarterly basis.

HANDLING AND TRANSPORT OPERATIONS:

Sr. No.	Particulars	Rate in ₹
i	Unloading the export cargo from the mouth of road vehicles of party at the export unit / open yard after due inventorisation and stacking at the storage point / yard. (excluding the warai charges)	FREE
ii	Providing labour and / or appropriate equipment for taking out the required number of packages for customs examination (which will also include unpacking /repacking etc. and placing them in rack / stack, if necessary) consolidating the consignment, shifting the nominated empty container to the stuffing point, stuffing the cargo in the container, arranging, locking, sealing etc. and transporting the loaded container to CY JN Port /NSICT/GTIPL.	3,787 per TEU
iii	Providing labour and / or appropriate equipment for taking out the required number of packages for customs examination (which will include unpacking / repacking etc. and placing them in rack / stack, if necessary) consolidating the consignment, shifting the nominated empty container to the stuffing point, stuffing the cargo, arranging locking and sealing.	2,820 per TEU
iv	Reworking of export containers: Providing labour and / appropriate equipment for taking out the required number of packages from the stuffed containers, packing / unpacking for custom examination if required, re-stuffing the packages in the containers and arranging locking and sealing.	3,666 per TEU

GENERAL OPERATIONS:

Sr. No.	Particulars	Rate in ₹
i	Lift on / lift off the loaded containers into / from road vehicles of the party in the CFS complex yard.	145 per TEU
ii	Lift on / lift off the empty containers into / from road vehicles of the party in the CFS complex yard.	75 per TEU
iii	Shifting of the empty container from CFS Complex to washing / cleaning of the container and stacking it back at the nominated location in the CFS complex.	468 per TEU
iv	Movement / shifting of cargo from one place to any other place within the CFS complex.	116 per MT
v	Loading of "Back to Town Cargo" on party's vehicles.	80 per MT
vi	Shifting of loaded containers from one location within the CFS complex at the designated place / arranging weighment thereof at CFS weighbridge.	1,154 per TEU
vii	Shifting of empty containers from one location within the CFS complex at the designated place.	200 per TEU
viii	Movement of empty containers from CFS to container yard of JN Port/NSICT/GTIPL or vice versa (including lift on / lift off at the CFS).	600 per TEU
ix	Movement of loaded containers from CFS to container yard of JN Port/NSICT/GTIPL or vice versa (excluding lift on / lift off at the CFS).	1,000 per TEU
x	Locking charges for partly stuffed container on behalf of users.	20 per container (irrespective of the length of the container) per day

BUFFER YARD OPERATIONS

CHAPTER- IV

GROUND RENT CHARGES FOR LOADED CONTAINERS:

Sr. No.	No. of days	Rate per TEU
i	First three working days excluding the day of arrival	Free
ii	4 - 7th day	100
iii	8 - 15th day	200
iv	16 - 30th day	400
v	31st day onwards	600

GROUND RENT CHARGES FOR EMPTY CONTAINERS:

Sr. No.	No. of days	Rate per TEU
i	First 15 th day	Rs. 25
ii	15 th day onwards	Rs. 100

HANDLING AND TRANSPORT OPERATIONS:

Sr. No.	No. of days	Rate per TEU in ₹
i	Receiving factory stuffed containers at BY, off-loading them from party's trailers, stacking with proper inventorisation and transporting them to the container yards of JN Port/NSICT/GTIPL after getting movement orders (excluding lift on/lift off at the BY).	2,438
ii	Receiving empty containers at BY, off-loading them from party's trailers, stacking with proper inventorisation and transporting them to the container yards of JN Port/NSICT/GTIPL after getting movement orders (excluding lift on/lift off at the BY).	600
iii	Lift on/Lift off of loaded containers	145
iv	Lift on/Lift off of empty containers	75

Note: Buffer Yard On-wheel inspection will be charged as per notifications by Customs from time to time.

MISCELLANEOUS SERVICES

CHAPTER –V

The below mentioned services will be provided by CFS subject to a specific request therefor in writing is made by the parties.

S.N	Services	Rate in ₹ Per TEU
5.1	Survey charges	100
5.2	Damaged container survey charges	100
5.3	Weighment charges	1,154
5.4	Sweeping charges	25
5.5	(For 4 hours or part thereof) Electricity supply, plugging, monitoring and pressure temperature inspection charges for reefer units	206
5.6	Container scanning charges	1,358

S.N	Services	Rate in ₹
5.7	Bond Insurance Charges	0.125% of assessed value plus custom duty
5.8	Bonded Cargo Storage Charges	106 per sq. mtr. per week for first 4 weeks 159 per sq. mtr. per week for fifth week onwards
5.9	Cargo Shifting Charges	116 for shifting cargo from one bay to another per MT.
5.10	Measurement Charges	1 per carton.
5.11	Container Load Plan (CLP)	55 per TEU
5.12	EIR (Equipment Inspection Report) Charges	50 per TEU

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/12/2011-JNPT	:	Proposal received from the Jawaharlal Nehru Port Trust for revision of tariff for services rendered at its CFS / Buffer Yard.
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A summary of the comments received from the users/ user organisations and the comments of Jawaharlal Nehru Port Trust (JNPT) thereon are summarised and tabulated below:

Sl. No.	Comments of user organisations	Response of JNPT
1.	<u>Indian Merchants' Chamber (IMC)</u>	
(i)	In order to enable us convey the comments and observations on the proposal, it is requested to forward the details of the existing tariff being recovered by JNPT at its CFS/ Buffer yard and what revision is being sought.	The JNPT has furnished a comparative statement to the IMC and copy endorsed to the Authority showing the existing tariff of JNP CFS and the proposed revision.
(ii)	The moderation in the workings carried out by the independent firm of Chartered Accountants may be forwarded to us for perusal.	
2.	<u>Indian National Shipowners' Association (INSA)</u>	
(i).	There is a case for an upward revision of overall tariff. However, before this can be granted, the reason for not seeking uniform increase among different activities may be clarified.	--
(ii).	Dwell time charges for import container is raised from ₹50 to ₹55 i.e. 10%, whereas handling charges are proposed to be increased at near 200% of existing tariff. Normally, capacity of CFS and dwell time has direct inverse relation. Keeping lower dwell time charges actually encourage tolerance to inefficiency. It is recommended by experts that what is needed are deterrent measures that would help in profitability of CFS and also achieving national objectives of reducing Logistics costs. This issue should be clarified by the CFS operator and deserves detailed examination. It is not clear if the proposal of low dwell time charges are well thought out and whether they will contribute to efficient use of the resources of the CFS.	Storage charges have been objectively calculated based on average dwell times at CFSS in the JNPT region. There is no separate adjustment made to arbitrarily increase/decrease dwell time charges.
(iii).	Similarly, in the case of tariff of MTY containers: (i). Lift on / lift off – This is retained at ₹ 75 per TEU. (ii). Storage upto 15 days is retained at ₹ 25 per TEU. However, the terminal charges for these two activities are near 800% of what is being	As has been rightly pointed out the CFS is meant to be used for handling and storage of laden containers rather than empty containers. There is a separate empty container yard in the JNPT region to which the empty containers are moved. The tariff has not been retained at the same level as earlier to attract more empty container traffic. This shall not

	prescribed in the proposed CFS tariff. The reason for retaining the rates at the same level as have been prevailing all along, is not clear, when a near 200% increase has been sought in the overall handling charges. Thus, the logic is not understood and this will actually lead to sub-optimum usage of resources which will finally lead to an increase in costs in the overall summary. The proposal also states that the CFS is not earning any revenue out of these activities.	happen because demand for CFS services in the JNPT region is not perfectly price elastic, i.e. traffic does not increase/decrease proportionately to change in tariff. Traffic depends on several other factors also. The reason for retaining the tariff at the same level is that as mentioned in the proposal, the CFS does not generate substantial revenues from this source owing to low traffic and hence there is no point in increasing these tariffs. Even if increased it won't contribute to making the CFS more profitable.
(iv).	All these are extremely surprising and not in congruence with or in conformity with the principles of tariff setting.	
(v).	There is a big danger in keeping such 'unrealistic' and low tariffs as the situation could expose the CFS to the risk of: - Being used as an Empty Yard, whereas the very idea of the CFS is to utilise it for operation of laden boxes, and - Allow inefficiency in the system i.e. congesting area and increasing shifting which will lead to reduced utilization of resources available in a CFS. Avoiding of low tariff will actually help improve efficiencies. Tariff measures should act as deterrent for misusing resources and causing unproductive activities.	
(vi).	TAMP is to look into these contradictions and discourage measures that contribute to inefficiency. The issues relating to import containers have been raised specifically because efficiency in container handling after discharge from ship is dependent largely on the handling efficiency at the CFS. INSA does not see any justifiable reason for having tariffs and provisions which would actually incentivize stalling of the container by allowing it to remain in the CFS as an Empty box rather than utilizing resources to increase efficiencies and thereby contribute towards lowering of logistics costs. Such efficiencies will also assist enhancing profitability of operations too.	
3.	<u>Indian Merchants' Chamber (IMC)</u>	
(i).	It appears that tariff have not been revised for more than a decade, though revision was sought in 2007.	
(ii).	The proposed revision appears to be very steep, as in some items, the increase sought is more than a 100% increase.	
(iii).	However, the proposed tariffs, when compared with other CFS's operating within the JNPT, the tariff appears to be very reasonable and competitive.	The JNPT has no comments to offer.

4.	<u>Bombay Custom House Agents Association (BCHAA)</u>	
(i).	The DBC Group (Speedy CFS) has overcharged the importers and exporters through respective CHA since last two years who were forced to pay excess charges in the past. A complaint from BCHAA was filed with TAMP which remains undecided and the excess amount charged was not refunded to importers / exporters.	The JNPT has not furnished any specific comments in this regard.
(ii).	In the past, the Speedy CFS has devised various method to overcharge the trade with the connivance of Shipping Agents. The DBC (Speedy CFS) tied up with the shipping company M/s. Hanjin Shipping to collect handling and transportation charges to importer / exporter at the time of issuance of Delivery, which was much higher than Scale of Rates approved by TAMP.	
(iii).	JNPT vide their letter No.JNPT/ADMN/CMA&S/2012/176 dated 23 January 2012 appointed a Chartered Accountant to verify the charges which has never happened and it is understood that the file has been closed without concluding the findings. Thereafter, a complaint was made to Chairman, JNPT personally but no action has been taken in this matter.	
(iv).	BCHAA disagrees with the amount of increase asked by the JNPT as the services of the CFS are not up to the mark and importer/ exporter have to pay more detention and demurrage charges due to inefficiency of the CFS.	
(v).	They have employed a sub-contractor for labour and equipment, but equipment are always in break-down condition and labour use all the tactics to extort money from the Trade. The management does not have control over labour and their sub-contractors.	
(vi).	BCHAA's submission is based on the minimal knowledge that they have on the terms and conditions of the agreements of authorised service provider with JNPT. BCHAA is surprised that why proposal is for Y+1 yearly only where as Y+1, Y+2, Y+3 year is available for comparison.	The proposal has been prepared following the normative approach for tariff fixation as against the cost-plus method. There is no reference to the historical data nor a forecast of the same over the next 3 years. Hence, only 1 year normative cost and capacity estimates have been provided.
(vii).	The proposal is based on the 70% utilization of the CFS capacity. BCHAA disagrees that inefficiency of 30% utilization should result in increase in cost of operations.	The JNPT has taken 70% as the optimal capacity utilisation based on TAMP's 2008 guidelines.
(viii).	BCHAA records their protest for increase proposed in column 5 of Form-1. The annexure-wise issues are discussed below:	
	<u>Annexure 1:</u> (a). Provides a list of the current services and proposed charges. BCHAA	The last tariff revision was done in 2007 through the order dated 28th June 2007, but it was never effective

	disagrees with the amount increase proposed as the last revision of charges was in 2009 and percentage of increase proposed is much higher than the comparable value/ amount increase in cost. The Annexure-9 of the proposal describes the percentage of increase demanded.	because of the High Court's stay order. The order dated 30th December 2010 never prescribed any rates but merely asked JNPT to submit a fresh petition based on independent assessment. Hence, the rates that we have used for comparison here are those that were prevailing prior to 2007. Another point that we would like to stress here is that since we are using the "normative approach" of tariff setting this becomes a case of "fixation" of fresh tariff rather than a "revision" of tariff.
	(b). The Scale of Rates mentioned in current column is not matching with the last Scale of Rates approved by the TAMP in 2009.	As mentioned above, the "current" scale of rates that we have used for comparison are those prevailing before the last TAMP order.
	(c). Transportation for scanning of containers is not importers / exporters responsibility and customs have issued PN that there will not be any charges for scanning of containers. These are optional charges. According to BCHAA no charges should be levied. If at all TAMP approves items No.6 & 7, the same should be levied under Miscellaneous charges not in the regular scheduled charges.	The containers have to move to CFS - Distripark for scanning which is 8 km from the CFS-JNP. This involves additional transportation cost. The Customs circular is only for CWC for not charging for Scanning. It is not applicable for Transportation charges. The JNPT has already grouped scanning charges as a part of Miscellaneous services (Chapter-V).
	(d). It has been mentioned in proposal that port to CFS is 7 K.M. distance. The increase proposed for to & fro container transportation is very much higher considering the distance.	The tariff is the output of a detailed calculation which is based on certain assumptions (as per Annexure 7 & 8 of the TAMP forms). It is requested that not the final tariff but the assumptions or the calculation be commented upon.
	(e). JNPT CFS has a privilege for being in the vicinity of JNPT and should not compare the rate with other private operators who are situated far away. The existence of JNPT CFS itself keeps the market forces in control.	This tariff petition is based on the normative method and hence there is no reference made to the rates charged by other private operators.
	<u>Annexure 2:</u> (a). The authorised service provider and port CFS do not have the sufficient equipment described in the proposal and they are unable to provide the required service as on date. They have sub-contracted the equipment operations and labour who are taking Trade for a ride. The CFS does not have control over their sub-contractors/ labour.	The actual number of equipments/labour depends on the existing traffic coming to the CFS. Since the tariff proposal is based on normative capacity and costs without reference to the actuals that the CFS operator or Port may have, there is bound to be a mismatch between the actual and normative equipment/labour requirements.
	(b). The proposal consists of the equipment cost and also the equipment hire cost which according	Some equipments are taken on hire and some are acquired. For those that are hired, we have taken hire

	to BCHAA is double for one operation only.	costs as a part of OPEX, while for those that are purchased, JNPT has taken acquisition price as a part of CAPEX. There is no overlap/double counting.
	<u>Annexure 4:</u> ROCE @ 16% added in to the cost is too much. OPEX and CAPEX charges are very high. The cost of ₹9707 includes both the cost of equipment and hire charges which is incorrect.	The ROCE% is based on TAMP 2005 guidelines and subsequent TAMP notifications. As mentioned above, there is no overlap between cost of equipments and hire charges.
	<u>Annexure 7:</u> Average dwell time of container yard is 8.75 days and buffer yard is 4.50 days. This itself is added revenue for the CFS. This is due to inefficiency to CFS operation, failure of equipments available in CFS or strike of labour at CFS.	Dwell time estimates are not those of the JN Port CFS alone, but based on average dwell times at all CFSs in the JNPT region. The port has furnished the CFS data related to all the CFSs operating in the vicinity at JNPT in Annexure-2. Thus there is no question of the dwell times being high on account of inefficiencies at the JN Port CFS.
	<u>Annexure 9:</u> BCHAA disagrees with the percentage of increase proposed. None of the cost of the CFS operation have increased in comparison to the proposed rate. 186% increase proposed is not a reasonable proposal.	The tariff increase is the output of a detailed calculation which is based on certain assumptions (as per Annexure 7 & 8 of the TAMP forms). It is requested that not the final tariff hike %, but the assumptions or the calculation be commented upon.
	<u>Annexure 10:</u> (a). The cost of the man power shown in this annexure is incorrect in the statements given by the port. The operation of CFS is from 10.00 a.m. to maximum 10.00 p.m. where as, cost shown is for three shift operation which is not correct, as there is no operation or service offered by the CFS.	As per our interactions with other CFS in the region, a container may come at any time during the day and it can't be refused entry into the CFS. Hence labour and equipment needs to remain available throughout the day in all 3 shifts. Also customs notification number 57 /2009 dated 31/08/2009 states that the JNP CFS shall be functioning in the second and third shift. Besides, the Jawahar Customs House has also started working 24 hours a day.
	(b). Assuming while denying that there is third shift operation then also limited staff is required for the operation of specific delivery or shipment in II nd or III rd shift. Hence cost included in proposed Scale of Rates is escalation calculated which is very incorrect. Hence this be deleted from the cost calculations.	Certain types of labour like electrician, mechanic, mechanical engineer, tyrewala patawala, pump operator etc. are not required in each shift. Their requirement depends on the extent to which the equipments need repair/maintenance. Hence for these types, no labour has been considered for the third shift. The labour requirement depends on the frequency of the maintenance required by the each type of equipment. This type of labour is not required for all the 3 shifts, in cases where the number of equipments is low. Accordingly, in such cases, labourers for only 2 shifts have been

		considered. Transportation and housekeeping work is carried out 24/7 in all the CFSs.
(ix).	Handling of Import Cargo Regulations in customs Areas 2009 have not been adhered to. Hence the proposal be rejected outright.	TAMP guidelines have no reference to these regulations. Hence, provisions of the same have not be taken into account.
(x).	The proposal does not have a copy of resolution passed by the Board of Trustees, hence it is assumed that the proposed Scale of Rates has been submitted without the knowledge of Board of Trustees.	As per the delegation of powers already framed and duly approved by Ministry, Board approval is not necessary for proposal of CFS related tariff.
	In view of the above, it is concluded by saying that the proposal of TAMP should not be accepted. JNPT may be requested to be more competitive inorder to attract more volumes of cargo from the trade, rather than devise methods to extort money from the trade.	
4.	<u>Shipping Corporation of India Limited (SCI)</u>	
(i).	The SCI has no comments to offer.	--

2. A joint hearing in this case was held on 17 December 2012 at the Office of the Authority. The JNPT made a power point presentation of its proposal. At the joint hearing, the JNPT, the concerned users and user organisations bodies have made the following submissions:

Jawaharlal Nehru Port Trust (JNPT)

- (i). It is the only port-owned CFS but license for operations given to Speedy Multimodes Limited, in the year 2006.
- (ii). Tariff for CFS is to be prescribed under Clause 7.2. as directed by TAMP.
- (iii). We have done independent assessment.
- (iv). All historical cost and losses suffered by existing operator in the past are not considered.
- (v). Differences between normative infrastructure and actual was within 10%.
- (vi). 360 ground slots relating to NMPT container terminal is not relevant for CFS operations.
- (vii). Tariff increase sought is over 2007 tariff.

Bombay Customs House Agents' Association (BCHAA)

- (i). Speedy has overcharged from 2007. We have proved.
- (ii). 3 years tariff is not fixed. Actuals for past 3 years and estimates for future 3 years not given as per TAMP formats.
- (iii). Increase sought is not commensurate with increase in cost.
- (iv). Scanning charge should be optional and included under miscellaneous charges.
- (v). Transportation distance is 7 km., from port to CFS as mentioned in the proposal. Cost of transportation should be commensurate with distance. Other CFS cannot be the basis.

Jawaharlal Nehru Port Trust (JNPT)

Our CFS charges are lowest in the area in spite of increase sought. But, our CFS does not have sufficient volume.

Bombay Customs House Agents' Association (BCHAA)

- (i). We face equipment problem and inefficient service.
- (ii). Hire charges of equipment also added. There is duplication.

Jawaharlal Nehru Port Trust (JNPT)

There is no duplication of equipment. If utilization of equipment is more than 70%, equipments are considered on ownership basis. If utilization is less than 70%, hire of equipment is envisaged.

Bombay Customs House Agents' Association (BCHAA)

Does it need approval of Board?

Jawaharlal Nehru Port Trust (JNPT)

It has come from Competent Authority.

Chamber of Small Industries Association (COSAI)

- (i). We have given our written comments.
- (ii). We endorse views of BCHAA

Indian National Shipowners' Association (INSA)

- (i). Storage is non-productive. We are concerned with Import. CFS is for handling laden containers. It should not be converted into a storage yard of empty containers.
- (ii). There is increase in tariff for some items and in respect of some items, the tariff is retained. This should not lead to services with high increase cross-subsiding the others.

Indian Merchants' Chamber (IMC)

- (i). Our boxes are going to Panvel, 40 KM away. Why our containers are not coming to JNPT CFS.
- (ii). There should be law to allow the importer to bring his container to the CFS of his choice.
- (iii). We have no facts & figures to dispute the proposal.
- (iv). We have no objection to the proposal. We should be assured that our cargo is cleared and there should be accountability.

DBC Port Logistics Limited (DBCPLL)

We have no role in the proposal. We have nothing to add as it is based on norms and guidelines.

3. At the joint hearing, the JNPT had stated that some norms have been borrowed from 2008 Upfront Guidelines in formulating the proposal in reference and that there are some deviations from these norms. Therefore, as decided at the joint hearing, all the users/ user organisations were requested to point out such deviations and furnish their comments thereon. The Indian National Shipowners' Association vide its letter dated 9 January 2013 have furnished its comments, which is summarised below:

Indian National Shipowners' Association (INSA)

- (i). There are no specific guide lines laid down covering exhaustive CFS operations. So, it would be necessary to provide flexibility to operator in making its proposal. The major differences between CFS and terminal operations that may justify deviations are as follows:

Sl. No.	Container Terminal	CFS
(i).	<u>Specific for Export Operations:</u> (a). All containers arrive during pre declared Maximum 6 days (Gate opened) for one particular named vessel for which a stack is already nominated. (b). Terminals have agreements for predetermined number of TEUs for a service/ vessel. So one vessel voyage is at centre of a terminal service. (c). Yard stowage planning has important criteria of weights and type of box. Individual shipper / shipping bill not relevant. (d). Terminals have tools to control inventory according to agreement with vessel operator.	(a). Cargoes / containers could arrive without reference to a particular vessel. (b). Such practice by CFS is impractical and CFSs service has a shipper / shipper bill and individual at its centre of focus. (c). Yard stowage has to consider individual shipper / shipping bill for documentation obligations. (d). Have little tools to control inventory.
(ii).	<u>Specific for Import Operations:</u> (a). Discharge from one vessel and yard storage in accordance with nominated CFSs for that vessel and which are few in numbers. (b). Terminals have tools to push evacuation of boxes from terminal.	(a). Boxes arriving from different ships and are to be stowed after grouping to facilitate delivery with minimum shifting. (b). Have no control on time taken for delivery i.e. yard inventory management is generally beyond own control.
(iii).	<u>General:</u> (a) No examination, stuffing / destuffing are carried out in terminal yard i.e. operations restricted to number of handling required and primarily to load or discharge sealed box on / from vessel / trailer.	(a) Have to provide facilities for examination of cargoes / containers, stuffing / destuffing boxes. Same box may be subjected to multiple examinations and handling. Therefore handling equipments and area required for their operations required are different and need to be of more versatile nature.

- (ii). INSA, therefore, has no reservations on CFS operator proposal which is not following the existing TAMP laid down guidelines rigidly, provided –
 - (a). There is reasonableness and the proposal is based on logic and principle of fairness is exercised.
 - (b). Tariff Order includes provisions to protect misuse of the CFS resources for activities that are not its normal activities.

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