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TARIFF AUTHORITY FOR MAJOR PORTS

G No. 57

New Delhi, 24 March 2011

NOTIFICATION

In exercise of the powers conferred under Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes off the proposal of the Jawaharlal Nehru Port Trust for review of its tariff approved in September 2006 as in the Order appended hereto.

(Rani Jadhav)
Chairperson

Tariff Authority for Major Ports
Case No. TAMP/53/2007-JNPT

The Jawaharlal Nehru Port Trust

- - -

Applicant

ORDER

(Passed on this 18th day of February 2011)

This case relates to the review of the tariff of Jawaharlal Nehru Port Trust (JNPT) approved in September 2006.

2.1. The Scale of Rates of JNPT was last revised in September 2006 vide Order dated 28 September 2006. Since there was a significant variation between the actual container traffic for the year 2006-07 and the estimated traffic for the year 2006-07 relied upon by this Authority during the general revision of tariff of JNPT in September 2006, this Authority decided to review the tariff fixed for the container handling activity at JNPT ahead of schedule and advised JNPT to file a tariff proposal for all the activities at JNPT before 31 March 2008.

2.2. Considering the difficulties expressed by JNPT to file the proposal before the stipulated date of 31 March 2008, further extension of time upto 30 September 2008 to JNPT to file its tariff proposal.

2.3. Subsequently, the JNPT stated that it has formulated the tariff revision proposal and it is to be approved by the port's Board of Trustees before the proposal is submitted to this Authority. Since the JNPT Board meeting for the month of September 2008 was scheduled to be held in October 2008 and keeping in view any suggestion that may come up during deliberation in the Board meeting, the JNPT sought an extension of time upto 31 October 2008 to furnish its tariff proposal. This Authority acceded to the request of JNPT and granted an extension of time upto 30 October 2008 to JNPT to file its tariff proposal.

3. In this backdrop, the JNPT filed its tariff proposal on 29 October 2008. However, the JNPT did not furnish the proposed draft Scale of Rates, on the ground that since the increase in the rates proposed by the port may or may not be accepted by this Authority, it would furnish its draft scale of rates after the TAMP gives its decision. Since Clause 3.2.4. of the tariff guidelines of March 2005, *inter alia*, stipulates to circulate the revised proposed tariff to the users, it was not felt worthwhile to circulate an incomplete proposal without the proposed draft Scale of Rates to the users. Accordingly, we had requested JNPT, among other things, to furnish its proposed draft Scale of Rates. After reminders, the JNPT furnished the proposed draft Scale of Rates in December 2008.

4.1. The main points made by JNPT in its proposal dated 29 October 2008 as seen from the documents attached to the proposal are summarised below:

- (i). The actual traffic for the years 2006-07 and 2007-08 and the projected traffic for the years 2008-09 to 2011-12 are given below:

Years	Container Traffic (In Lakh TEUs)	Cement & Bulk cargo (In Lakh Tons)	Vessels	
			Traffic	Total GRT (in millions)
2006-07	13.05	6.27	2430	60.95
2007-08	12.61	7.44	2712	71.37
2008-09	12.25	6.75	2515	70.25
2009-10	12.25	6.75	2486	68.16
2010-11	12.25	6.75	2535	69.68
2011-12	12.25	6.75	2603	71.98

- (ii). Income from the BOT operators has not been considered as the same is intended to be transferred to an escrow account for making capital expenditure as per the tariff guidelines.

- (iii). The amount transferred so far to the Escrow account (being 100% of the royalty/ revenue share) is as follows:

Year	Amount (Rs. in Crores)
2005-06	79.00
2006-07	190.00
2007-08	336.00
Total	605.00

Rs.605 crores already set aside in the Escrow account together with future transfers to Escrow account is expected to take care of the expenditure on capital dredging and other projects not included in the capital expenditure projections.

- (iv). An amount of Rs.1200 crores approximately proposed to be incurred on capital dredging in future has not been considered as capital expenditure for the purpose of Return on Capital Employed (ROCE), as the same is intended to be set-off against transfer made in Escrow account.
- (v). The capital expenditure to be incurred as per the Annual Plan approved for the year 2008-09 by the Ministry and projections for 2009-10, 2010-11 and 2011-12 are as follows:

Year	Capital Expenditure (Rs. in Crores)
2008-09	175.17
2009-10	352.02
2010-11	405.43
2011-12	389.68
Total	1322.30

- (vi). As communicated by TAMP, ROCE @ 16% and inflation factor of 4.6% have been considered in the tariff proposal. However, the trustees of JNPT in the Board meeting, were of the opinion that the inflation factor of 4.6% is not in line with the real conditions prevailing in the current year and hence opined that a higher percentage should be allowed by TAMP while processing the JNPT proposal. An exchange rate of Rs.40.27 per US\$ being the average exchange rate prevalent during 2007-08 is considered in the tariff proposal.
- (vii). Change of the status of the port from an industrial consumer to a service consumer by the Maharashtra State Electricity Board (MSEB) has resulted in an increase in the average power tariff for the port as the concessional rates applicable for the industrial consumer are not available. This has been considered for estimating the power expenditure.
- (viii). Provisions have been made for the arrears of wage revision due for the employees from 1 January 2007, 13.5% interim advance on pre-revised basic pay from 1 January 2007 to 30 June 2008. Salaries of CISF personnel deployed at JNPT are also due for revision from 1 January 2006. Therefore, provision of 25% increase has been made for past years and annual escalation thereafter for normal increment, DA, etc.
- (ix). No new BOT operations are proposed to commence till the year 2011-12.
- (x). Certain dry bulk cargo like cement, steel coils are handled at Shallow Water Berth (SWB). It is proposed to mechanise SWB by installing Rail Mounted Quay Cranes (RMQC) on hire basis. Once it is mechanized, the scope for handling dry bulk cargo (mainly cement) will further reduce. Therefore, no increase in wharfage of general cargo is proposed. Since the prices of cement, steel coils are price sensitive and have an inflationary impact on the economy, it is proposed that no change be effected in the rates of general and dry bulk cargo.

- (xi). 2 nos. of RMQC's will be taken on hire from 2009-10 for handling containers at SWB at a fixed rate of Rs.510/- per TEU and this will involve an expenditure of Rs.6.89 crores per annum. Provision has also been made for fuel escalation, higher rates upon renewal, and better housekeeping.
- (xii). All cranes and floating crafts procured in 1989 are expected to be replaced. Capital expenditure projections have been made accordingly.
- (xiii). JNPT intends to hire 2 additional tugs and pilot launches from 2009-10 onwards, apart from the existing fleet of owned and hired floating crafts, to meet increased demand of vessel traffic at JNPT. The financial implication in this regard has been considered from April 2009 onwards.
- (xiv). With regard to the Estate related charges, a Committee headed by Chairman (JNPT) has been formed for fixation of tariff as per the Land policy guidelines. Pending submission of the report by the Committee, it is proposed that the estate related charges are left untouched in the present exercise.

Moreover, the estate related income mainly comprises of income from land leased to tank farm allottees. Any revision in tariff will not have any bearing, as there is a separate agreement for each allotment. With reference to the portion left out, it is not a significant portion of the estate related income.

4.2. The financial position reflected in the Cost statement furnished by JNPT is as follows:

Sr. No.	Activity	Operating Income at existing tariff (Rs. in Crores)				Net Surplus/ Deficit after Return (Rs. In Crores)				% Increase required in existing tariff
		2009-10	2010-11	2011-12	Total	2009-10	2010-11	2011-12	Total	
1	Cargo*	312.78	312.94	313.08	938.80	-41.22	-105.23	-146.06	-292.51	31.16%
2	Vessel	113.85	116.38	120.22	350.45	-49.86	-47.82	-45.71	-143.39	40.92%
3	Estate	91.99	94.74	97.60	284.33	-20.64	-37.08	-61.55	-119.27	41.95%

* Cargo activity includes the Container activity also.

4.3. The proposal of the JNPT is for an increase of 18% in the container tariff and an increase of 49% in the Vessel related charges. The additional revenue estimated on account of the proposed tariff increase is Rs.338.85 Crores for the years 2009-10 and 2011-12.

5. In accordance with the consultative procedure prescribed, a copy of the proposal from the JNPT was forwarded to the Nhava-Sheva International Container Terminal Limited (NSICT), Gateway Terminals India Private Limited (GTIPL), Bharat Petroleum Corporation Limited (BPCL) and also to the concerned user organizations including additional users suggested by the JNPT for their comments. The comments received from the various user / user organisations were forwarded to JNPT for its comments. The JNPT vide its letters dated 19 March 2009 and 21 April 2009 has furnished its comments.

6. Based on a preliminary scrutiny of the proposal, the JNPT was requested to furnish additional information / clarifications. The JNPT has furnished its reply. A summary of the queries raised and the clarifications furnished by the JNPT are tabulated here below:

Sr. No.	Queries raised	Reply of JNPT
(A).	General:	
(i).	JNPT to furnish a copy of the Minutes of the meeting of the Board of Trustees of JNPT in which the proposal of JNPT for review of its tariff was considered.	JNPT has furnished a copy of the minutes of the Board of Trustees of JNPT. The Board has approved the proposal of JNPT for 18% increase in container tariff and 49% increase in vessel charges.

(ii).	The JNPT to furnish the details as required at Sl. No. 2, 3, 4 and 8 of Form 1 as per the format prescribed in the tariff filing form for Major Port Trusts.	[JNPT has stated that it has already furnished the details in the proposal. But, no details are found.]																																																																																											
(iii).	The estimates of operating cost for the port as a whole for the year 2008-09 is generally found to be on a higher side as compared to the actuals for the year 2007-08. The estimated salary & wages cost, power cost, fuel, dredging expenses and repairs and maintenance expenses are higher by 23%, 82%, 49%, 62% and 33% respectively. JNPT to furnish the actual traffic and income / expenditure for the period April 2008 – December 2008 in the cost statement in the prescribed format for all the activities/ sub-activities. The estimates for the year 2008-09 to be adjusted accordingly with corresponding changes in the estimates for the succeeding years for all the activities/ sub-activities.	Our present system does not support preparation of quarterly cost sheet. However table paper on quarterly financial performance as presented to the board is enclosed. Actuals for financial year 2008-09 shall be furnished as soon as accounts closing work is complete. [The Table paper shows the comparative position of provisional financial results of the period April 2007 to December 2007 and April 2008 to December 2008].																																																																																											
(iv).	The Form 7 furnished by JNPT contains comparison of actuals with estimates for the years 2005-06, 2006-07 and 2007-08. The JNPT to include in Form 7, a similar comparison for the year 2008-09.	Refer (iii) above.																																																																																											
(v).	The JNPT has not indicated the productivity levels to be maintained for various operations/ services. The JNPT was advised vide Paragraph no. 15(xxviii)(a) of the earlier Order dated 28 September 2006 to make a beginning to evolve productivity levels for various operations / services. The JNPT to furnish details of the productivity levels for various operations / services. In this regard, Clause 6.8 of the tariff guidelines of 2005 be referred to.	The productivity level of JNPT will be recalculated on completion of various projects for moderation after procurement of equipments and on its commissioning.																																																																																											
(vi).	The JNPT to furnish break up of details of income receivable from the Concessions granted (and to be granted), (royalty/ revenue share and lease rentals receivable) for the years 2008-09 to 2011-12.	Details have been already furnished in Form-9, however duplicate copy is furnished. (summary of Escrow Account furnished by JNPT is tabulated below: <table><tr><td colspan="7">(Rs. In Crores)</td></tr><tr><td>Particulars</td><td>06-07</td><td>07-08</td><td>08-09</td><td>09-10</td><td>10-11</td><td>11-12</td></tr><tr><td></td><td>Actls</td><td>Actls</td><td>RE/BE</td><td>Projtn</td><td>Projtn</td><td>Projtn</td></tr><tr><td colspan="7">Royalty / Revenue Share (as the case may be) from</td></tr><tr><td>NSICT</td><td>111.19</td><td>168.65</td><td>215.34</td><td>185.55</td><td>205.45</td><td>240.35</td></tr><tr><td>GTIPL</td><td>72.45</td><td>160.72</td><td>168.83</td><td>208.52</td><td>219.35</td><td>224.08</td></tr><tr><td>BPCL</td><td>6.21</td><td>6.29</td><td>7.65</td><td>7.94</td><td>7.94</td><td>7.94</td></tr><tr><td>Total</td><td>189.85</td><td>335.66</td><td>391.82</td><td>402.01</td><td>432.74</td><td>472.37</td></tr><tr><td colspan="7">Surplus labour if any is NIL</td></tr><tr><td colspan="7">Cost of Surplus labour on account of privatization is NIL</td></tr><tr><td colspan="7">Royalty / revenue share applied to meet cost of surplus labour NIL</td></tr><tr><td>Transfer to escro a/c</td><td>189.85</td><td>336.00</td><td>392.00</td><td>402.00</td><td>433.00</td><td>472.00</td></tr><tr><td>O/p. Bal in escro a/c</td><td>269.00</td><td>605.00</td><td>997.00</td><td>1399</td><td>1232</td><td>1304</td></tr></table>	(Rs. In Crores)							Particulars	06-07	07-08	08-09	09-10	10-11	11-12		Actls	Actls	RE/BE	Projtn	Projtn	Projtn	Royalty / Revenue Share (as the case may be) from							NSICT	111.19	168.65	215.34	185.55	205.45	240.35	GTIPL	72.45	160.72	168.83	208.52	219.35	224.08	BPCL	6.21	6.29	7.65	7.94	7.94	7.94	Total	189.85	335.66	391.82	402.01	432.74	472.37	Surplus labour if any is NIL							Cost of Surplus labour on account of privatization is NIL							Royalty / revenue share applied to meet cost of surplus labour NIL							Transfer to escro a/c	189.85	336.00	392.00	402.00	433.00	472.00	O/p. Bal in escro a/c	269.00	605.00	997.00	1399	1232	1304
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(vii).	With reference to manning scale, the JNPT has stated that it is operating within its sanctioned strength. It may be noted that a major port trust should take necessary action to regularly adjust manning scale for different operations as stipulated in Clause 2.6.2 of the tariff guidelines of March 2005. The JNPT to state the steps taken in this regard.	The report is being examined & under consideration.																					
(viii).	The JNPT to furnish separate Cost statements for the Other Cargo handled/estimated to be handled during the years 2006-07 to 2011-12.	Other cargo handled is Cement which is included in Bulk activity. Cost estimate has been provided as per the cost statements.																					
(ix).	The JNPT is requested to furnish separate Cost statements for the containers handled at Main Container Berth and Shallow Water Berth for the years 2006-07 to 2011-12.	Cost statement 1(c) relates to main container berth and 1 (b) relates to Shallow water berth. The cost of handling containers at shallow water berth has been included in statement 1(c) and segregation between main berth and shallow water berth is not possible.																					
B.	Financial/Cost Statement:																						
1.	Capacity:																						
(i).	The JNPT has reported the designed capacity of the bulk berth at 1.20 million tonnes and of the container berth at 15 million tonnes. The JNPT is requested to furnish detailed computation to determine the designed capacity as required as per Note 2 to Form 2A of the tariff filing forms prescribed for Major Port Trusts. The designed capacity of the container berth may also be expressed in terms of number of TEUs.	JNPT has furnished computation of quay capacity of main berth and quay capacity of shallow water berth and yard capacity. <u>Quay capacity</u> <table><tr><td>(Main berth)</td><td>1.02 million TEUs</td></tr><tr><td>(Shallow water berth with ship gears)</td><td>0.08 million TEUs</td></tr><tr><td></td><td>-----</td></tr><tr><td>Total quay capacity</td><td>1.10 million TEUs</td></tr><tr><td></td><td>-----</td></tr></table> [Quay capacity of main berth is based on 8 no. quay cranes and 16.20 moves per hour per crane for 360 days at 70% utilization. Computation of quay capacity for Shallow Water Berth has not been furnished]	(Main berth)	1.02 million TEUs	(Shallow water berth with ship gears)	0.08 million TEUs		-----	Total quay capacity	1.10 million TEUs		-----											
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(ii).	The JNPT to determine and furnish with workings, the standard capacity for the main container berth and shallow water berth separately following the formula and parameters prescribed in the February 2008 tariff guidelines for calculation of optimal capacity. The capacity utilisation at main container berth and shallow water berth to be justified with reference to the standard capacity so determined.	Since these guidelines are applicable to new BOT projects, the workings have not been carried out.																																																												
2.	Traffic:																																																													
(i).	JNPT to confirm whether the traffic projections for the years 2008-09 to 2011-12 are in line with the projections in the 5 year / annual plan and the current / expected growth as stipulated in clause 2.5.1 of the revised tariff guidelines.	The traffic projections submitted are in line with current trends observed and are within achievable limits.																																																												
(ii).	The JNPT has handled around 302 vehicles and 1052 vehicles during the year 2006-07 and 2007-08 respectively. The reason for not projecting any vehicle traffic during the years 2008-09 to 2011-12.	JNPT is basically a container terminal. Vehicle traffic in 2006-07 and 2007-08 is negligible compared to total traffic. In future there may not be any scope for handling car carrier vessel.																																																												
(iii).	(a). The reason for projecting cement throughput during the years 2008-09 to	JNPT being basically a container terminal and with the projected container traffic the wharf																																																												

	2011-12 by around 9% less as compared to the actuals for the year 2007-08.	allocation for cement vessels shall be reduced. Hence less cement throughput has been considered.																																										
	(b). The JNPT has projected cement throughput at 6,75,000 tonnes for the year 2010-2011 in the cost statement. However, the JNPT vide its letter No.JNP/Fin/TAMP/2008/113 dated 24.11.2008 has projected the cement throughput for the year 2010-2011 at 6,57,000 tonnes. JNPT to clarify the reason for difference.	This may be read as 6,75,000 tonnes.																																										
(iv).	The JNPT to furnish the detailed breakup of the total container traffic into Foreign, Coastal and Transshipment and further divided into loaded, empty and Reefer as required as per Form 2A of the tariff filing forms prescribed for Major Port Trusts.	[The actuals for the period April'08 to Dec'08 furnished by JNPT are for Empty, FCL and LCL containers in the category of Export, Import, Restow and transshipment containers]																																										
(v).	(a). The container traffic for the year 2008-09 may be updated with actuals for the period April 2008 to December 2008 with corresponding change in the estimates for the subsequent years.	No change is required for future years.																																										
	(b). The reason for drop in the projected volumes of container traffic around 3% for the year 2008-09 to 2011-12 as compared to the actual container traffic for the year 2007-08.	The actual traffic for the year 2007-08 was related to boom in Indian economy and corresponding EXIM trade. Considering, commissioning of various container handling facilities in near future within the country and keeping in view the designed capacity of the port, practicable projections have been made.																																										
	(c). The reasons for not projecting any growth in container traffic during the years 2008-09 to 2011-12.																																											
(vi).	The actual number of vessels as given at Sl. No. V of Form 2A is 2430 and 2712 vessels for the years 2006-07 and 2007-08 respectively. The number of vessels as given in the Administration Report of JNPT is 2754 vessels and 3119 vessels for the corresponding period.	The no. of vessels included in Form 2A are cargo vessels only. Administration Report includes barges also for statistical purpose, which are not significant from the point of revenue generation.																																										
(vii).	(a). The reason for drop in the projection of number of vessels for the years 2008-09 to 2011-12 as compared to the actual number of vessels during the year 2007-08.	Reason for drop in projection in no. of vessels is due to drop in projected container traffic of JNPCT and NSICT.																																										
	(b). The projection of vessel traffic is based on the actual vessel traffic for a period of five months from April 2008 to August 2008. The vessel traffic for the year 2008-09 may be updated with actuals for the period April 2008 to December 2008 with corresponding change in the estimates for the subsequent years.	Details of Vessel traffic for period Apr-2008 to Jan-2009 are furnished. <table> <tr> <td>JNPT container vessels</td><td>600</td><td></td></tr> <tr> <td>NSICT container vessels</td><td>638</td><td></td></tr> <tr> <td>GTIPL container vessels</td><td>779</td><td></td></tr> <tr> <td>BPCL Tanker vessels</td><td>367</td><td></td></tr> <tr> <td>Dry bulk vessels</td><td>52</td><td></td></tr> <tr> <td>General vessels</td><td>7</td><td></td></tr> <tr> <td>RORO vessels</td><td>9</td><td></td></tr> <tr> <td><u>Barges</u></td><td></td><td></td></tr> <tr> <td> JNP</td><td>82</td><td></td></tr> <tr> <td> NSICT</td><td>46</td><td>240</td></tr> <tr> <td> GTIPL</td><td>112</td><td></td></tr> <tr> <td></td><td></td><td>-----</td></tr> <tr> <td>Total</td><td></td><td>2692</td></tr> <tr> <td></td><td></td><td>-----</td></tr> </table>	JNPT container vessels	600		NSICT container vessels	638		GTIPL container vessels	779		BPCL Tanker vessels	367		Dry bulk vessels	52		General vessels	7		RORO vessels	9		<u>Barges</u>			JNP	82		NSICT	46	240	GTIPL	112				-----	Total		2692			-----
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3.	Operating Income:	
(i).	The JNPT has considered the average exchange rate of Rs.40.25 per US \$ reportedly prevailing during 2007-08 for estimation of income arising from the dollar denominated tariff. The JNPT to update the estimates with reference to the prevailing exchange rate level with suitable provisions in future projections for exchange rate fluctuations.	The estimation is based on the average of actuals for the FY 2007-08 and are reasonable for forecasting purpose which can not in any case be predicted with certainty based on current volatile trends.
(ii).	Note 3 to Form 2B of the tariff filing forms prescribed for major port trusts requires the operator to provide detailed computation of income with reference to the estimated traffic at existing Scale of Rates and proposed Scale of Rates. However, no such computation has been furnished by JNPT. JNPT may furnish detailed computation of income for the revised estimates of traffic at the existing Scale of Rates as well as the proposed Scale of Rates with reference to the new facilities to be made available for the years 2008-09 to 2011-12 for all the activities/ sub-activities.	Form - 2 B already provided includes detailed computation of income under existing and proposed scale of rates. [The information earlier provided by JNPT in Form-2B is the consolidated position at the existing tariff and at the proposed tariff for the year 2009-10 to 2011-12 with break-up for container handling income, vessel related income, storage estate rentals and then no computation is furnished to show how the income has been calculated]
(iii).	This Authority vide Order dated 28 June 2007 approved the proposal of JNPT to levy an additional amount of Rs. 400 per TEU with retrospective effect from 15 February 2007 towards Inter Terminal Rail Handling Operation (ITRHO) of ICD containers moved by rail at the terminals of JNPT. Though the JNPT has stated vide its letter dated 24 November 2008 that it has included the income arising out of ITRHO and expenditure on account of ITRHO has been considered in the cost statement, the details are not available in the cost statement, in the absence of workings. The JNPT was advised vide our letter No.TAMP/23/2007-JNPT dated 21 January 2009 to de-link the ITRHO levy from its general revision proposal and file a separate proposal for a common rate for ITRHO. In this context, the JNPT to furnish the additional income accrued to it and the expenditure incurred relating to ITRHO during the year 2007-08 and in the estimates for the subsequent period, separately.	It is forming part of the overall income under container handling charges and expenditure on hire of equipments under container handling charges which are separately available.
(iv).	The JNPT to furnish the dwell time analysis, based on which it has estimated the storage income, as required under Note 1 to Form 2B.	Dwell time has been considered constant to the existing level and has been adjusted with respect to traffic.
(v).	The reason for not considering Royalty / Revenue share received/ receivable from the Licence granted for operation of JNPT CFS and Buffer Yard, for transfer to the Escrow Account.	The Licence granted for operation of JNPT CFS and Buffer Yard is not a BOT contract but operation of existing facilities. Hence such revenue has been considered under operating income and not under BOT income.

(vi).	The items along with their value considered in the actual / estimates of income under the head 'others' to be listed out for all the years under consideration.	The items considered under head "others" have been disclosed in Form 2 B alongwith their values.
(vii).	The estimated rental income on buildings for the year 2008-09 to the year 2011-12 is lower as compared to the actuals for the years 2006-07 and 2007-08.	In case of actuals 2006-07 and 2007-08 rent from quarters allotted to users has been inadvertently grouped under rent from buildings.
(viii).	As per Appendix – VI to the license agreement between JNPT and GTIPL the land rentals payable by GTIPL to JNPT will be as per the prevailing Scale of Rates of JNPT from time to time. The Scale of Rates of JNPT approved in September 2006 stipulates 2% escalation per annum in lease rental from 24 February 2004, the date of announcement of the revised Land Policy Guidelines. In this backdrop, the reason for estimating the lease rent from GTIPL by applying an escalation factor of 4% per annum.	As per agreement the lease rentals are to be escalated by 5% p.a. every year. Hence 2% has not been considered.
4.	<u>Operating Cost (Port as a whole):</u>	
(i).	The details of the expenditure furnished in Form - 3B is incomplete. The JNPT to furnish a revised Form - 3B giving all the relevant information with workings.	The details of expenditure are available in the profitability statement as well as the cost statement provided alongwith the tariff proposal. [Profitability statement does not show the workings for estimated power cost and fuel cost]
(ii).	The annual accounts for the years 2006-07 and 2007-08 reports income under "other charges" arising from BOT contracts and also the relevant expenditure. In this regard, JNPT to furnish / clarify the following:	The other charges include electricity, water and shared cost of CISF recovered/provided from/to the BOT operators.
	(a). The items of income and expenditure considered under "other charges".	
	(b). The treatment given in the cost statements to account for the said income and expenditure.	Such items of income and expenditure have been excluded in the cost statements.
(iii).	<u>Salary and Wages:</u> (a). The JNPT has stated that it has made provision towards wage revision arrears due for employees of the port with effect from 1.1.2007. The JNPT has already been allowed 15% increase in wage cost towards provision for wage revision for the period from 1 January 2007 to March 2009 in the last revision of the Scale of Rates of JNPT vide Order dated 28 September 2006. The JNPT to intimate the treatment given to the provision in the cost statement along with workings.	Since the revision is due from 01.01.2007 only, the provision is only for 2007 onwards. There is no double counting under this head.
	(b). The JNPT has furnished salary and wages cost in Form – 3B for a given number of employees for all the years under consideration. The Salary and wage cost shown in Form -8 for the	The Salary and wages cost in Form-8 also includes incentive, retirement benefits and other welfare expenses. Statement of reconciliation is furnished.

	same number of employees is found to be on a higher side as compared to the manpower cost in Form -3B.	
(iv).	<u>Dredging Cost:</u> (a). In Form -3B, the JNPT has shown the actual dredging cost for the year 2007-08 at Rs.989.50 lakhs. However, the dredging cost shown under the head of 'Port & Dock Expenditure' in the Annual Accounts for the year 2007-08 is found to be at Rs.993.85 lakhs.	Form 3B shows direct cost of dredging activity. However Port and Dock expenditure under Annual Accounts includes overheads related to dredging and marine survey activity.
	(b). The estimated dredging expenditure for the year 2008-09 is found to be considerably higher at around 62% as compared to the actual expenditure for the year 2007-08 and this expenditure is further escalated by 6.25% each in the subsequent years. The estimated dredging cost to be justified with detailed workings for the years 2008-09 to 2011-12.	Certain works pertaining to FY 2007-08 got spilled over to 2008-09 and hence expenditure on higher side in that year. There after upto 2011-12 expenditure is kept constant at Rs. 17 crores.
(v).	<u>Repairs and Maintenance:</u> The repairs and maintenance cost estimated for the year 2008-09 is found to be higher by around 35% as compared to the actual for the year 2007-08. JNPT to justify the estimates for the year 2008-09.	This is due to taking over of container handling equipments from the lessor and increased repair and maintenance of Buildings and roads.
(vi).	<u>Insurance:</u> (a). The actual insurance cost incurred for the years 2006-07 and 2007-08 as shown in the Annual Accounts of JNPT for the respective years is Rs.364 lakhs and Rs.305 lakhs respectively as against the estimates of Rs.401.82 lakhs and Rs.401.90 lakhs for the years 2006-07 and 2007-08, considered by this Authority in the review of the tariff of JNPT in September 2006. JNPT to explain the reasons for variation in the light of paragraph 14(xiv)(h) of Order dated 28 September 2006.	Initially the premium is higher for large sum insured. Depending upon claims and port package policy being subject to reinsurance from the international markets, the premium amount varies depending upon various factors.
	(b). The JNPT has estimated insurance cost for the years 2008-09 to 2011-12 applying an escalation factor of 4.6% per annum over the respective previous years taking the actuals for the year 2007-08 as base. Whether the additions to the gross block of assets proposed during the years 2008-09 to 2011-12 have been considered for estimating insurance cost.	Yes.
(vii).	<u>Other expenses:</u> (a). The items considered with cost details under the head "other expenses" to be listed out.	The details of operating expenses are available in the individual as well as consolidated cost statements. However, the detailed statement is furnished.
	(b). The estimated increase in Other Expenses of around 25%, 12% and 5% respectively during the years 2009-10 to	The increase is mainly due to hire of equipments, cranes, tugs and pilot launches and depreciation as per Co. Act.

	2011-12 as compared to the respective previous years to be justified.	
(viii).	<u>Management and General Overheads:</u> (a). The items of expenditure considered with cost details under the Management & Administration overheads to be listed out.	<u>As per schedule 19 to the Annual Accounts</u> 1. Management & Secretarial Practice 2. Accounting & Audit 3. Labour & Welfare expenses 4. Medical Expenses 5. Store Keeping 6. Expenditure on Building and Roads 7. Port Management Computer Centre 8. Engineering & Workshop 9. Depreciation [The JNPT has reconciled the position. The difference is due to adoption of depreciation rates as per Companies Act in the cost statements]
	(b). The JNPT has furnished the actual management & general administration expenditure for the year 2007-08 in the Cost statement at Rs.6780.03 lakhs, whereas the Management and General Administration Overheads for the year 2007-08 is shown at Rs.6787.03 lakhs in the Annual Accounts.	
	(c). The estimated Management & Administration overheads for the year 2008-09 are about 15% more than that of the year 2007-08. JNPT to justify the estimates for the year 2008-09.	The arrears on account of sixth pay commission payable to CISF & provision towards wage revision arrears due for employees under this activity have contributed to the increase.
	(d). The manner of allocation of Management & Administration overheads to all activities and sub-activities may be furnished.	The apportionment has been done based on the ratio of direct cost of the individual activity.
(ix).	<u>Depreciation:</u> (a). The cumulative depreciation at the beginning of the year 2008-09 as shown in Form – 4A at Rs.61943.85 lakhs to be substantiated with workings taking into account the depreciation calculated as per the provisions of the Companies Act from the years 2005-06 to 2007-08 for the purpose of tariff fixing. In this regard paragraph no. 14(xvii) of the Order dated 28 September 2006 to be referred to.	JNPT has furnished detailed calculation for arriving at the accumulated depreciation of Rs.61943.85 lakhs at the beginning of the year 2008-09.
	(b). The depreciation figures for the years 2008-09 to 2011-12 shown in Form – 3 Aand Form – 4A differ.	The difference in depreciation is included in other expenses/ Management and Administration Expenses. Total depreciation shown in Form-3A & Form-4A is same.
	(c). The JNPT has proposed additions to the tune of Rs.175.17 crores, Rs.352.20 crores, Rs.405.43 crores and Rs.389.68 crores each during the years 2008-09 to 2011-12 respectively. However, Form – 4B giving details regarding every additional item of capital expenditure added/ proposed to be added to the Gross block during the years 2008-09 to 2011-12 has not been furnished by JNPT. Further, it appears from Paragraph 14 of the Agenda note attached to the JNPT proposal that the port has calculated depreciation based on the capital expenditure incurred in a particular year irrespective of time of fully commissioning of the asset. Cost of fully commissioned assets and in use will only be considered while computing allowable	Detailed working are furnished, it is difficult to pinpoint exact periods of commissioning of assets as procedures of certain assets are subject to various approvals & have longer delivery periods. In such a scenario, the assumption made is uniform & justifiable.

	depreciation as stipulated in Clause 2.9.5 of the tariff guidelines of 2005. Therefore, the JNPT to furnish workings for the depreciation calculated for the years 2008-09 to 2011-12, giving reference to the rate of depreciation adopted as per the Companies Act and taking into account the period of commissioning of each asset.	
5.	<u>Operating Cost (Container Handling Activity):</u>	
(i).	The estimated repairs & maintenance cost for the year 2008-09 is found to be 265% more than the actuals for the year 2007-08. The estimated expenditure for the year 2008-09 to be justified. Further, the reason for escalating the repairs & maintenance cost from the year 2009-10 onwards at 10% per annum to be clarified.	Due to ageing of equipment certain major refurbishment expenditure is to be incurred as the process of replacement has been delayed. Hence the expenditure projected is justifiable.
(ii).	Detailed workings for the actual expenditure towards hire of equipment for the year 2006-07 and 2007-08. The estimated hire charges of equipment for the year 2008-09 is found to be 24% more as compared to the actuals for the year 2007-08. Further, the expenditure for subsequent years is escalated by 10% each year. The JNPT to justify the estimates with workings supported by documentary evidence.	Actual figures have been taken from annual accounts and escalated as per estimation. Hire charges of equipments are based on contracts for certain periods & upon renewal rates may vary. Hence the projections made are in order. [JNPT has not furnished workings for the estimates and documentary evidence]
6.	<u>Operating Cost (Marine Activity):</u>	
(i).	The estimated expenditure for the year 2008-09 towards manning of tugs is seen to be around 20% more as compared to the actuals for the year 2007-08. The JNPT to justify the estimated expenditure along with copies of manning contracts, if any.	Manning contracts are for certain periods and upon renewal rates may vary. Hence the projections made are in order.
(ii).	The estimated expenditure towards hire of tugs / pilot launches for the year 2009-10 is around 65% more than the estimates for the year 2008-09. The estimates for the subsequent years 2010-11 and 2011-12 are also found to be on the higher side as compared to the actuals for the years 2006-07 and 2007-08. The estimated expenditure for the year 2009-10 appears to be on account of the port's proposal to hire two additional tugs and two additional pilot launches from April 2009. In this regard, it is seen that there is neither any substantial increase in the number of vessels estimated to be handled nor reduction in the cost of operation of port crafts. In fact, the JNPT has handled more vessels in the year 2007-08 as compared to the estimated number of vessels to be	The requirements of tugs can not be solely attributed to no. of vessels. In case of bunching of vessels at all the three terminals then the vessel have to wait which is not correct. Hence the requirement projected is in order and justified. [JNPT has not furnished documentary evidence for hiring of two additional tugs and two additional pilot Launches]

	handled in the subsequent years. The need for hiring two additional tugs and two additional pilot launches from April 2009 to be justified with workings supported by documentary evidence.	
7.	<u>Finance and Miscellaneous Income:</u> In line with the approach adopted by this Authority in the JNPT Order dated 28 September 2006 (Paragraph 14(ii)(b)(ii)), the financial and miscellaneous income as revealed in the annual accounts except interest income on general fund investments and interest income on staff advances will be considered under this head of income. The financial and miscellaneous income estimated for the years 2008-09 to 2011-12 to be reviewed in line with this approach.	This has already been factored into and certain income like scrap sale etc. are difficult to be estimated.
8.	<u>Finance and Miscellaneous Expenditure:</u>	
(i).	As per Paragraph 14(ii)(b)(ii)) of the last Order dated 28 September 2006, the financial and miscellaneous expenditure as revealed by the annual accounts except interest on loans and provision for loss on sale of assets will be considered under this head of expenditure. The financial and miscellaneous expenditure estimated for the years 2008-09 to 2011-12 to be reviewed in line with the last tariff Order.	Expenditure on hire of launches and retirement and terminal benefit like pension and gratuity have been factored whilst arriving at F&M expenditure. The impact of pay revision has been inbuilt resulting in a higher increase.
(ii).	The estimated finance & miscellaneous expenditure for the year 2008-09 is found to be 140% of the actual expenditure for the year 2007-08. Further, the estimates for the subsequent years are arrived applying 12% escalation for each year.	
9.	<u>Capital Employed:</u>	
(i).	As per the tariff filing forms prescribed for major port trusts, the port trusts are required to provide information on the additions to Gross block as per Form - 4B. The JNPT has proposed additions to the tune of Rs.175.17 crores, Rs.352.20 crores, Rs.405.43 crores and Rs.389.68 crores each during the years 2008-09 to 2011-12 respectively. The JNPT is requested to furnish Form 4B duly filled in giving the details regarding every additional item of capital expenditure added / proposed to be added to the Gross Block during the years 2008-09 to 2011-12.	Detailed workings are furnished. [The information furnished by JNPT is a copy of the Asset Register. The proposed capital investments mainly relate to construction of peripheral road from CFS Road to SH-54, construction of fly over bridge, strengthening of approaches ,. cost of RMGC, VIP Launch, expenditure on salt pan land, development of area behind service berth, etc]
(ii).	The breakup for the actual capital expenditure incurred during the years 2006-07 and 2007-08 may be furnished tallying with the capital additions shown in the Annual Accounts of the respective years. The reason for variation, if any,	[Stating that the breakup for the actual capital expenditure incurred during the years 2006-07 and 2007-08 are available in the schedule 3 of Annual Accounts of the respective year, the JNPT has not furnished any further information in this regard.]

	between the estimates considered during the last review of JNPT tariff in 2006 and the actuals may be explained. In this regard, paragraph 14(xix)(a),(b), (c) and (d) of Order dated 28 September 2006 to be referred.	
(iii).	With reference to the fresh investments envisaged for the years 2008-09 to 2011-12, JNPT to clarify / furnish the following for each of the capital item:	The projections made are in line with the estimates furnished to Govt. of India from time to time and forming part of eleventh plan projections.
	(a). Details of the project/ feasibility reports relied upon for taking such investment decisions along with the summary of recommendations contained in those reports.	
	(b). Present status of implementation of these investment schemes and the likely completion time.	
	(c). An analysis in terms of Clause 2.6.3. of the revised tariff guidelines may be furnished for each of the capital additions.	
	(d). Anticipated reduction in unit operating cost, additional traffic projected and improvement in operational efficiency due to the proposed additions to the assets.	Whilst some are replacement others are fresh acquisitions. In the current scenario, it is difficult to project any increase in the volume of traffic.
(iv).	In the Form-4A, the JNPT has considered the entire block of assets as Business assets. The tariff guidelines of March 2005 prescribe classification of fixed assets into business assets, business related assets and social obligation assets. This Authority had advised JNPT vide Paragraph no. 14(xx) of the Order dated 28 September 2006 to undertake the exercise of classifying the assets. The JNPT has not classified its assets into the prescribed three categories. The net block of assets relating to the business assets/ facilities, business related assets/ facilities and social obligation assets/ facilities not directly or even indirectly related to port operation to be segregated as stipulated under Clause 2.9.7 and 2.9.8 of the revised tariff guidelines and shown from the year 2005-06 onwards to 2011-12. The computation of Return on Capital Employed to be modified accordingly. In the absence of information from JNPT regarding classification of assets during the last review of tariff, this Authority had considered the business related assets at an amount of Rs.10 Crores on ad-hoc basis for the purpose of allowing Return at the Risk free rate. This Authority in the tariff cases of other major port trusts like Kolkata Port Trust and Chennai Port Trust has considered business related	Port considers all the assets as business assets.

	assets and social obligation assets on an ad-hoc basis for the purpose of allowing Return, in the absence of the classification of assets by the port.	
(v).	The JNPT to furnish break up of the net fixed assets pertaining to the respective activity considered in the Cost statements and the details of allocation of common assets to the different activities, with the basis for such allocation of common assets.	Detailed workings are furnished. [A consolidated statement of fixed assets with details pertaining to container, bulk and marine activity has been furnished]
(vi).	In the Working Capital estimates, the JNPT has considered the entire annual estimated expenditure towards Stores/ Spares during the years 2008-09 to 2011-12 as the amount of Inventory for the corresponding years. The JNPT to estimate the Inventory as per Clause 2.9.9. of revised tariff guidelines.	[JNPT has furnished activity-wise inventory value considered by it in calculation of working capital]
10.	Other points:	
(i).	With reference to Form – 9, containing the details of Escrow Account for the years 2006-07 to 2011-12 created from the royalty/revenue share received / estimated to be received by JNPT, the JNPT to furnish / clarify the following:	
	(a). During the proceedings relating to the review of tariff of JNPT in September 2006, JNPT proposed to operate Escrow Account for the royalty / revenue share receipts from the year 2005-06 onwards. The annual accounts of JNPT for the year 2005-06 show that the port has accounted for the royalty / revenue share receipt at Rs.7997.20 lakhs received from the NSICT (Rs.7327.88 lakhs), (Rs.627.35 lakhs) and GTIPL (Rs.41.97 lakhs). If there is no outflow from the escrow account during the year 2005-06, the Escrow Account would show a sum of Rs.7997.20 lakhs as the opening balance for the year 2006-07. It appears that the JNPT has considered only Rs.7900 lakhs as opening balance for the year 2006-07. The reason for considering the opening balance at Rs.7900 lakhs instead of Rs.7997 lakhs to be clarified.	Block amounts have been set apart in escrow account which anyhow includes 50% of royalty/revenue share and there is a marginal difference.
	(b). With respect to the estimated royalty receivable from NSICT, the JNPT has considered estimated traffic of 10 lakh TEUs each for the year 2009-10 and 2010-11 and 11 lakh TEUs for the year 2011-12. This Authority vide its Order dated 30 December 2008 in the case of NSICT tariff has considered a traffic level of 14,71,313 TEUs each for the years 2009 to 2011 for the reasons stated in paragraph 8 of the said Order. Further, the JNPT has reported in Form No. 9 the	The traffic projection of NSICT, were made in consultation with them at the time of tariff revision exercise and no revision is warranted as any variation will only affect escrow account.

	actual traffic of NSICT for the years 2006-07 and 2007-08 at 1359125 TEUs and 1508056 TEUs, respectively. For the year 2008-09, 1480000 TEUs have been considered. In this backdrop, the estimated royalty receipt for the years 2009-10 to 2011-12 to be reviewed.	
	(c). With regard to the calculation of royalty receivable from BPCL, JNPT has considered 3.850 million tonnes for the year 2008-09 and 4 million tonnes each for the years 2009-10 to 2011-12. In the proceedings relating to the revision of tariff of BPCL vide Order dated 7 August 2007, the BPCL furnished traffic projection of 4.79 million tonnes for the years 2008-09 and 5.48 million tonnes for the year 2009-10. Therefore, the estimates of royalty receivable from BPCL for the years 2008-09 to 2011-12 to be reviewed.	The figures indicated are achievable figures and no revision is warranted as any variation will only affect escrow account.
	(d). As regards the utilization of the accumulations in the Escrow Account, the JNPT has stated that the entire estimated expenditure of Rs.1200 Crores towards capital dredging is proposed to be met from the accumulations in the Escrow Account. As per the details furnished in the Escrow Account, the utilization of funds for capital dredging will commence from the year 2009-10. As the year 2009-10 is fast approaching, the JNPT to convey steps taken to implementing the project from the year 2009-10. A copy of the Government sanction in this regard to be furnished.	All efforts to commence the dredging projects at the earliest are being taken up.
	(e). It appears from the Note – 2 of Form – 9 that the JNPT has considered the interest earned on the investment of the accumulations in the Escrow Account as income. The JNPT to credit the said interest income to Escrow Account as provided in the Form – 9.	All interest incomes have not been considered.
(ii).	The actual hire charges of RTGs for the years 2006-07 to 2008-09 incurred by JNPT to be furnished for verification with reference to the estimates considered by this Authority in the fixation of the tariff of JNPT in September 2006. The reasons for variation, if any, between the actuals and estimates to be explained. In this regard, paragraph 14(xiv)(d) of Order dated 28 September 2006 to be referred to.	The lease agreement with M/s ABG and Warner ended in to 2007-08. There was a proposal to hire RMQCs which could not materialize.
(iii).	The actual hire charges tractor trailers for the years 2006-07 to 2008-09 incurred by JNPT to be furnished for verification with reference to the estimates considered by this Authority in the fixation of the tariff of JNPT in	This is not separately disclosed but shown under hire of equipment in Annual accounts.

	September 2006. The reasons for variation, if any, between the actuals and estimates to be explained. In this regard, paragraph 14(xiv)(b) of Order dated 28 September 2006 to be referred to.	
(iv).	The actual expenditure incurred by JNPT towards minor works for the years 2006-07 to 2008-09 to be furnished for verification with reference to the estimates considered by this Authority in the fixation of the tariff of JNPT in September 2006. The reasons for variation, if any, between the actuals and estimates to be explained. In this regard, paragraph 14(xvi) of Order dated 28 September 2006 to be referred to.	The actual figures have been taken from Annual accounts and escalated as per estimation.
C.	<u>Scale of Rates:</u>	
(i).	The JNPT has formulated its proposed Scale of Rates considering an increase of 18% over the existing container related tariff at JNPT and an increase of 49% over the existing vessel related tariff at JNPT. The benefit of productivity improvements accruing to users justifying this hike to be listed out.	While some additions to the assets are replacements others are fresh acquisitions. It is difficult to project any increase in the volume of traffic in the current scenario.
(ii).	The proposed note 1.2 (vii) (b) under Chapter – 1 to be modified in line with clause 2.18.2 of the revised tariff guidelines and the rate of interest to be updated with the prevailing Prime Lending Rate of State Bank of India.	Yes.
(iii).	This Authority vide its Order dated 30 September 2008 had advised JNPT to finalise suitable conditionalities to govern the levy of shifting charges when the JNPT shifts the vessels at the terminals operated by the licensees and list out in detail the various movements of vessels constituting “terminal convenience” and “JNPT convenience”, in consultation with NSICT/ GTIPL/ BPCL. The JNPT vide Note no. (4)(ii)(a) and (b) under Section 2.2.C of Chapter – 2 has proposed a simple note stating that all shifting carried out at private/ BOT terminals are to be treated as for “Terminal Convenience” and chargeable. The various movements of vessels at the terminals operated by the licensees constituting “terminal convenience” and “JNPT convenience” have not been listed out. It is also not brought out whether JNPT had consultation with NSICT/ GTIPL/ BPCL in this regard. A comprehensive note in this regard to be proposed.	Every shifting involves substantial expenditure. If due to improper planning or for the requirement of BOT operators, if shifting is classified as port convenience there is a tendency to misuse and cause unnecessary financial burden. Hence this conditionality has been inserted. The shifting if any carried out at JNPCT/SWB for its convenience only then it will be classified as Port convenience.
(iv).	This Authority vide its Order dated 28 March 2007 had advised JNPT to formulate a proposal for prescribing a	There is no such move at present.

	separate berth hire rate for the liquid cargo jetty based on the capital and operating cost incurred and the facilities provided thereat. We have not received any such proposal from JNPT. Separate berth hire rate for Liquid cargo jetty may be proposed based on the capital and operating cost incurred and the facilities provided at the liquid cargo jetty.	
(v).	JNPT has proposed a conditionality at Note 3(iii) below Schedule 2.4 indicating the time of completion of cargo operation in respect of export of liquid cargo. Since the liquid cargo is being handled by BPCL, the conditionality in this regard has become redundant. The JNPT to examine the relevance of this condition and consider deleting it. In this regard, paragraph no. 14(xxiii)(i)(ii) of Order dated 28 September 2006 may be referred to.	Since the berth hire accrues to JNPT, this condition is relevant.
(vi).	This Authority vide Paragraph no. 14(xxiii)(iv)(k) of the JNPT Order dated 28 September 2006 had advised JNPT to come up with a cost based proposal for levy of berth hire charges at Shallow draught berth/ port craft berth/ port craft jetty. The port has neither come up with a separate proposal nor has included the same in the current general revision proposal. The JNPT to propose berth hire charges at Shallow draught berth/ port craft berth/ port craft jetty based on the capital and operating cost incurred and the facilities provided at the said berths.	There is no move to have separate berth hire rate for each berth as it will only lead to more complications for users as well as Port.

7. Since there were some gaps in the information / clarification furnished by the JNPT, the JNPT was requested to furnish further additional information / clarifications. The JNPT has furnished its reply. A summary of the queries raised and the clarifications furnished by the JNPT are tabulated here below:

Sr. No.	Queries raised	Reply of JNPT
(A). General:		
(i).	As the financial year 2008-09 is already over, the JNPT to furnish the actual traffic and income / expenditure for the period April 2008 to March 2009 in the cost statement in the prescribed formats for all the activities / sub-activities with corresponding changes in the estimates for the succeeding years for all the activities / sub-activities. A copy of the provisional draft Annual Accounts for the year 2008-09 may also be furnished.	The annual accounts for the financial year 2008-09 are furnished. The actual cost statements of the Port for the year 2008-09 for the four main activities namely bulk, container, marine and estate are furnished. It may not be practical to make corresponding changes in the estimates for the succeeding years for all the activities / sub-activities as the proposal for tariff revision was submitted after taking approval from the Board of Trustees.
(ii).	The comparison of actuals with estimates for the year 2008-09 may be furnished in Form 7.	The comparative statement of actuals with estimates for the year 2008-09 (Form 7) is furnished.

(iii).	Modernization of port facilities may be a continuous process and the effect of such projects will be factored when they are commissioned. The productivity parameters based on the facilities available / to be created in the 3 year period under consideration may be furnished. In the absence of productivity levels to be maintained for various operations / services, this Authority may have to take its view on implementing Clause 2.8 of the guidelines of March 2005 in respect of JNPT.	The details of the productivity parameters based on the facilities available / to be created in the 3 years period under consideration are furnished. [JNPT has stated the following: It is having 8 RMQCs in its main container berth having quay length of 680 meters, as per the details given below: <table><tr><td>(i). Post Panamax RMQC</td><td>3 Nos</td></tr><tr><td>installed in 1989</td><td></td></tr><tr><td>(ii). RMQC taken on lease</td><td></td></tr><tr><td>in 1995</td><td>1 No</td></tr><tr><td>in 1997</td><td>2 Nos</td></tr><tr><td>in 2002 (super post panamax RMQC)</td><td><u>2 Nos</u></td></tr><tr><td>Total</td><td><u>8 Nos</u></td></tr></table> (ii). The RMQCs acquired in 1989 have already completed their economic life period of 20 years in March 2009. (iii). In order to modernize / create port facilities in the year 2009-10 to 2011-12, it has planned to replace the 3 RMQCs acquired in 1989, which are expected to be installed in 2011-12. (iv). Port is also in the process of acquiring one more Super Post Panamax RMQC to its main berth in the year 2010-11, so that there will be 9 RMQCs on the main container berth. (v). Based on the RMQCwise productivity for the 8 RMQCs observed during the year 2008-09, the average gross crane productivity for the year 2008-09 is stated as 15.81 moves per hour per crane. (vi). The average crane productivity for the 2 nos Super Post Panamax RMQC of 2002 is approximately 20 moves per hour per crane in the year 2008-09. (vii). With the addition of one more Super Post Panamax RMQC in the year 2010-11 (total 9 RMQCs), the gross average crane productivity is shown as 16.12 moves per hour per crane. (viii). With the replacement of 3 RMQCs (acquired in 1989) with new 3 Super Post Panamax RMQCs in the year 2011-12, the average gross crane productivity for the 9 RMQCs is shown as 18 moves per hour per crane. (ix). It has further stated that inspite of the completion of above stated new schemes, it may not be able to achieve productivity of 25 moves per hour per crane due to physical constraints like rail span of 20 meters and inability to use operation of twin lift].	(i). Post Panamax RMQC	3 Nos	installed in 1989		(ii). RMQC taken on lease		in 1995	1 No	in 1997	2 Nos	in 2002 (super post panamax RMQC)	<u>2 Nos</u>	Total	<u>8 Nos</u>
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Total	<u>8 Nos</u>															

(iv).	Form – 9 furnished by JNPT contains only details regarding royalty / revenue share receivable from concessions granted. Please furnish details of lease rentals receivable from concessions granted (and to be granted) for the year 2008-09 to 2011-12, as already requested.	Lease rental receivable from GTIPL (Rs. in Lakhs) <table><tr><td>Year</td><td>Amount</td></tr><tr><td>2007-08</td><td>3050.21</td></tr><tr><td>2008-09</td><td>3148.04</td></tr><tr><td>2009-10</td><td>3299.11</td></tr><tr><td>2010-11</td><td>3431.07</td></tr><tr><td>2011-12</td><td>3568.31</td></tr></table>	Year	Amount	2007-08	3050.21	2008-09	3148.04	2009-10	3299.11	2010-11	3431.07	2011-12	3568.31
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(v).	The award of the National Industrial Tribunal on manning scales for port operations have since been notified by the Ministry of Labour in the Gazette of India vide Notification No. L-3/011/1/2000-IR(M), dated 23 May 2006. A comparative statement showing the existing manning scale and the revised manning scale as per the Tribunal Award may be furnished. Manpower cost under various activities may be shown as per actual / estimates under the existing scenario and if Tribunal award is implemented for the throughput projections for the years 2009-10 to 2011-12.	JNPT has furnished the details. It has stated any change in the manning scale needs to be discussed with the unions before they can be implemented so that the industrial relations are not disturbed.												
(B). (1). Financial / cost statement:														
(i).	Please furnish detailed computations for determination of the quay capacity of Shallow Water Berth (SWB) at 80,000 TEUs.	The detailed computations for determination of the quay capacity of Shallow Water Berth (SWB) are furnished. [10.19X24X1.3X360X70%=80,118 TEUs]												
(ii).	Though the formula and parameters prescribed in February 2008 guidelines for calculation of optimal capacity are applicable to new BOT projects, the JNPT is again requested to determine and furnish with workings, the standard capacity of the main container terminal and SWB separately following the formula prescribed in the guidelines of February 2008 and adopting the parameters prevalent in JNPT.	The standard capacity of the main container terminal and Shallow Water Berth (SWB) are furnished. <u>Main Berth:</u> 8 X 360 X24 X16.2X0.7X1.3 = 10.2 LakhTEUs <u>SWB</u> 10.19 X 24 X1.3X360X0.7 = <u>0.80 Lakh TEUs</u> <u>11.00 Lakh TEUs</u> <u>Capacity in the year 2009-10:</u> <u>Main Berth</u> (a). 6 RMQCs X 1.25 lakh TEUs per annum 7.50 Lakh TEUs (b). 2 RMQCs X 1.50 lakh TEUs per annum 3.00 Lakh TEUs (c). SWB <u>0.80 Lakh TEUs</u> <u>11.30 Lakh TEUs</u> <u>Capacity in the year 2010-11:</u> (a). 6 RMQCs X 1.25 lakh TEUs per annum 7.50 Lakh TEUs (b). 3 RMQCs X 1.50 lakh TEUs per annum 4.50 Lakh TEUs (c). SWB <u>0.80 Lakh TEUs</u> <u>12.80 Lakh TEUs</u> <u>Capacity in the year 2011-12:</u> (a). 3 RMQCs X 1.25 lakh TEUs per annum 3.75 Lakh TEUs (b). 6 RMQCs X 1.50 lakh TEUs per annum 9.00 Lakh TEUs (c). SWB <u>0.80 Lakh TEUs</u> <u>13.55 Lakh TEUs</u>												

	(2). Traffic:																																																																																																																					
(i).	Please furnish traffic projections for the cargo/containers estimated to be handled by JNPT at its terminals for the years 2009-10 to 2011-12 as per the 5 year / annual plan.	<table><tr><th colspan="5">Projected Traffic (in Lakhs)</th></tr><tr><th>Particulars</th><th>2008-09</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr><tr><td>Cement (tons)</td><td>6.75</td><td>6.75</td><td>6.75</td><td>6.75</td></tr><tr><td>Containers (TEU)</td><td>12.25</td><td>12.25</td><td>12.25</td><td>12.25</td></tr></table>	Projected Traffic (in Lakhs)					Particulars	2008-09	2009-10	2010-11	2011-12	Cement (tons)	6.75	6.75	6.75	6.75	Containers (TEU)	12.25	12.25	12.25	12.25																																																																																																
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(ii).	JNPT has not furnished detailed break-up of the total container traffic into foreign, coastal and transshipment and further divided into loaded, empty and Reefer as required as per Form 2A. Some traffic details furnished by JNPT relate to the period April 2008 to December 2008. Please furnish the requisite details as per Form – 2A for all the years under consideration.	The container traffic giving the detailed break-up for the projected years 2009-10 to 2011-12 are given. The projections are based on the actual container traffic handled in 2007-08.																																																																																																																				
(iii).	JNPT has not updated the vessel traffic for the years 2008-09 based on the actuals for the period April 2008 to January 2009 and effected any changes in the estimated vessel traffic for the years 2009-10 to 2011-12. Since the Financial Year 2008-09 is already over, the actual vessel traffic for the year 2008-09 may be furnished and the estimated vessel traffic for the years 2009-10 to 2011-12 may be updated.	JNPT has furnished the actual vessel traffic breakup for the year 2008-09, which is as given below: <table><tr><th>Sr No</th><th>Particulars</th><th>Number of Vessels</th><th>Total GRT</th><th>Average GRT</th></tr><tr><td>1</td><td>JNP Container Vessel</td><td>665</td><td>15957599</td><td>23996</td></tr><tr><td>2.</td><td>Dry Bulk vessels</td><td>57</td><td>647421</td><td>11358</td></tr><tr><td>3.</td><td>BPCL Tankers</td><td>409</td><td>7180810</td><td>17557</td></tr><tr><td>4.</td><td>RORO vessels</td><td>11</td><td>440178</td><td>40016</td></tr><tr><td>5.</td><td>General Vessels</td><td>7</td><td>78144</td><td>11163</td></tr><tr><td>6.</td><td>NSICT container vessels</td><td>697</td><td>25273549</td><td>36260</td></tr><tr><td>7.</td><td>GTIPL container vessels</td><td>859</td><td>27185560</td><td>31648</td></tr><tr><td>8.</td><td>JNP Barges</td><td>87</td><td>174429</td><td>2005</td></tr><tr><td>9.</td><td>NSICT Barges</td><td>50</td><td>99669</td><td>1993</td></tr><tr><td>10.</td><td>GTIPL Barges</td><td>120</td><td>246984</td><td>2058</td></tr><tr><td></td><td>Total</td><td>2962</td><td>77284343</td><td>26092</td></tr></table> JNPT also furnished the estimated vessel traffic breakup taken for projections for the year 2009-10, 2010-11 and 2011-12 which is given below : <table><tr><th>2009-10</th><th>Traffic</th><th>GRT</th><th>No. of Vessels</th></tr><tr><td>Cement</td><td>675000</td><td>591604</td><td>53</td></tr><tr><td>JNPT-CT</td><td>1225000</td><td>16409116</td><td>714</td></tr><tr><td>NSICT</td><td>1000000</td><td>16352258</td><td>460</td></tr><tr><td>GTIPL</td><td>1675000</td><td>29156420</td><td>951</td></tr><tr><td>BPCL</td><td>4000000</td><td>5655903</td><td>308</td></tr><tr><td>Total</td><td>3900000</td><td>68165301</td><td>2468</td></tr></table> <table><tr><th>2010-11</th><th>Traffic</th><th>GRT</th><th>No. of Vessels</th></tr><tr><td>Cement</td><td>675000</td><td>591604</td><td>53</td></tr><tr><td>JNPT-CT</td><td>1225000</td><td>16409116</td><td>714</td></tr><tr><td>NSICT</td><td>1000000</td><td>16352258</td><td>460</td></tr><tr><td>GTIPL</td><td>1762000</td><td>30670813</td><td>1000</td></tr><tr><td>BPCL</td><td>4000000</td><td>5655903</td><td>308</td></tr><tr><td>Total</td><td>3987000</td><td>69679694</td><td>2535</td></tr></table>	Sr No	Particulars	Number of Vessels	Total GRT	Average GRT	1	JNP Container Vessel	665	15957599	23996	2.	Dry Bulk vessels	57	647421	11358	3.	BPCL Tankers	409	7180810	17557	4.	RORO vessels	11	440178	40016	5.	General Vessels	7	78144	11163	6.	NSICT container vessels	697	25273549	36260	7.	GTIPL container vessels	859	27185560	31648	8.	JNP Barges	87	174429	2005	9.	NSICT Barges	50	99669	1993	10.	GTIPL Barges	120	246984	2058		Total	2962	77284343	26092	2009-10	Traffic	GRT	No. of Vessels	Cement	675000	591604	53	JNPT-CT	1225000	16409116	714	NSICT	1000000	16352258	460	GTIPL	1675000	29156420	951	BPCL	4000000	5655903	308	Total	3900000	68165301	2468	2010-11	Traffic	GRT	No. of Vessels	Cement	675000	591604	53	JNPT-CT	1225000	16409116	714	NSICT	1000000	16352258	460	GTIPL	1762000	30670813	1000	BPCL	4000000	5655903	308	Total	3987000	69679694	2535
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	(3). Operating income:																																				
(i).	Form-2B furnished by JNPT under cover of its letter dated 29 October 2008 contains only the following information: (a). Break-up of income from port specific cargo for all the years under consideration. (b). Break-up of container related income for the years 2006-07 and 2007-08 into foreign, coastal and transshipment and further divided into loaded, empty and reefer. (c). The estimated container handling income for the years 2008-09 to 2011-12 given under existing and proposed Scale of Rates are consolidated figures. Break-up of container related income into foreign, coastal and transshipment and further divided into loaded, empty and reefer is not given for the years 2008-09 to 2011-12. In short, the information furnished is only allocation of revenue under different categories. It does not explain how the revenue under each categories is determined vis-à-vis the tariff approved in the Scale of Rates / proposed Scale of Rates. The JNPT has not furnished detailed computation of income under existing and proposed Scale of Rates. Likewise, no detailed computation is given for the vessel related income. Please furnish the requisite computations.	The JNPT has furnished the following: (a). The breakup of estimated income from port specific cargo for the years 2009-10 to 2011-12. (b). The breakup of container related estimated income for the years 2009-10 to 2011-12. (c). The breakup of vessel related estimated income for the years 2009-10 to 2011-12. [JNPT has not furnished detailed computation of income under existing and proposed Scale of Rates].																																			
(ii).	JNPT has sated that the income arising on account of Inter Terminal Rail Handling Operations (ITRHO) forms part of overall container handling income and expenditure on ITRHO forms part of expenditure on hire of equipments. In this connection, information on ITRHO may be furnished in the following formats:	Details of ITRHO operations are as follows: <table><tr><th colspan="5">TEUs handled at JN port as a whole</th></tr><tr><th>From</th><th>To</th><th>Total ICDs handlings</th><th>Mixed Handlings</th><th>% age</th></tr><tr><td>Feb-07 (15 to 28)</td><td>Mar-07</td><td>114026</td><td>35495</td><td>31.13%</td></tr><tr><td>Apr-07</td><td>Mar-08</td><td>1010380</td><td>336581</td><td>33.31%</td></tr><tr><td>Apr-08</td><td>Mar-09</td><td>995948</td><td>329586</td><td>33.09%</td></tr><tr><td>Apr-09</td><td>Aug-09</td><td>458432</td><td>169443</td><td>36.96%</td></tr><tr><td>Total</td><td></td><td>2578786</td><td>871105</td><td>33.78%</td></tr></table>	TEUs handled at JN port as a whole					From	To	Total ICDs handlings	Mixed Handlings	% age	Feb-07 (15 to 28)	Mar-07	114026	35495	31.13%	Apr-07	Mar-08	1010380	336581	33.31%	Apr-08	Mar-09	995948	329586	33.09%	Apr-09	Aug-09	458432	169443	36.96%	Total		2578786	871105	33.78%
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	Table – I (Income from ITRHO at the existing level of tariff) <table><tr><th>Period</th><th>ICD volumes in terms of TEUs handled by the container terminal operated by JNPT under ITRHO</th><th>Rate per TEU (in Rs)</th><th>Income (1)X(2)=(3)</th></tr><tr><td></td><td>(1)</td><td>(2)</td><td>(3)</td></tr><tr><td colspan="4">(Actuals)</td></tr><tr><td>2006-07</td><td></td><td>400</td><td></td></tr><tr><td>2007-08</td><td></td><td>400</td><td></td></tr><tr><td>2008-09</td><td></td><td>400</td><td></td></tr><tr><td colspan="4">(Estimates)</td></tr><tr><td>2009-10</td><td></td><td>400</td><td></td></tr><tr><td>2010-11</td><td></td><td>400</td><td></td></tr><tr><td>2011-12</td><td></td><td>400</td><td></td></tr></table>	Period	ICD volumes in terms of TEUs handled by the container terminal operated by JNPT under ITRHO	Rate per TEU (in Rs)	Income (1)X(2)=(3)		(1)	(2)	(3)	(Actuals)				2006-07		400		2007-08		400		2008-09		400		(Estimates)				2009-10		400		2010-11		400		2011-12		400		The income from ITRHO has been considered in the total income while making the estimated projections for 2009-10 to 2011-12. As regards Table-I it will not be appropriate to multiply Column(1) with Column(2) as indicated in Table-I as the size / type of the containers will be different.				
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	Table – II (Expenditure on ITRHO – hire of equipments) (Rs. in lakhs) <table><tr><th>Period</th><th>Share of Equipment hire charges for handling containers under ITRHO</th><th>Share of equipment hire charges for handling containers other than ICD containers under ITRHO</th><th>Total expenditure (1) + (2) = 3 (As furnished by JNPT in Annex – 2.1 to its letter dated 29.10.2008)</th></tr><tr><td>(1)</td><td>(2)</td><td>(3)</td><td>(4)</td></tr><tr><td colspan="4">(Actuals)</td></tr><tr><td>2006-07</td><td></td><td></td><td>2133.80</td></tr><tr><td>2007-08</td><td></td><td></td><td>2655.14</td></tr><tr><td>2008-09</td><td></td><td></td><td>3300.00 *</td></tr><tr><td colspan="4">(Estimates)</td></tr><tr><td>2009-10</td><td></td><td></td><td>3630.00</td></tr><tr><td>2010-11</td><td></td><td></td><td>3993.00</td></tr><tr><td>2011-12</td><td></td><td></td><td>4392.00</td></tr></table> * Estimate to be updated with reference to actuals for 2008-09.	Period	Share of Equipment hire charges for handling containers under ITRHO	Share of equipment hire charges for handling containers other than ICD containers under ITRHO	Total expenditure (1) + (2) = 3 (As furnished by JNPT in Annex – 2.1 to its letter dated 29.10.2008)	(1)	(2)	(3)	(4)	(Actuals)				2006-07			2133.80	2007-08			2655.14	2008-09			3300.00 *	(Estimates)				2009-10			3630.00	2010-11			3993.00	2011-12			4392.00	The amount shown year-wise in Table-II, Column(4) relating to ITRHO expenditure in TAMP’s letter is not correct. These amounts pertain to hire of equipments which have been utilized in the entire container handling operations & not only ITRHO operations as considered in Table-II Column(4). The expenditure relating to ITRHO operations alone is not available separately in Port’s accounting system as already communicated from time to time.				
Period	Share of Equipment hire charges for handling containers under ITRHO	Share of equipment hire charges for handling containers other than ICD containers under ITRHO	Total expenditure (1) + (2) = 3 (As furnished by JNPT in Annex – 2.1 to its letter dated 29.10.2008)																																											
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	(4). Operating Cost (Port as a whole)																																													
(i).	The profitability statement (Annex 2.1) and the cost statement (form -3B) do not contain the workings for the actual / estimated power and fuel cost and break-up of Repairs and Maintenance Cost into Repairs to machines, Repairs to buildings and others. Please furnish the workings.	The information of the estimated power & fuel cost for 2009-10 to 2011-12 are furnished. The breakup of repairs & maintenance cost into repairs to machine, repairs to buildings and other repairs for the years 2008-09 to 2011-12 are also furnished by JNPT. [Workings are not furnished]																																												
(ii).	Information may be furnished in the following format regarding other income arising out of BOT contracts and other expenditure on BOT contracts: (In Rs) <table><tr><th rowspan="2">Particulars</th><th colspan="2">Actuals</th><th colspan="2">Estimates</th></tr><tr><th>2008-09</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr><tr><td>(i). Other charges realized from BOT contracts</td><td></td><td></td><td></td><td></td></tr><tr><td>(a) NSICT</td><td></td><td></td><td></td><td></td></tr><tr><td>(b) BPCL</td><td></td><td></td><td></td><td></td></tr><tr><td>(c) GTIPL</td><td></td><td></td><td></td><td></td></tr><tr><td>Total</td><td></td><td></td><td></td><td></td></tr><tr><td>(ii) Expenditure on BOT contracts</td><td></td><td></td><td></td><td></td></tr><tr><td>(a) NSICT</td><td></td><td></td><td></td><td></td></tr></table>	Particulars	Actuals		Estimates		2008-09	2009-10	2010-11	2011-12	(i). Other charges realized from BOT contracts					(a) NSICT					(b) BPCL					(c) GTIPL					Total					(ii) Expenditure on BOT contracts					(a) NSICT					Other income and other expenditure arising out of BOT contracts have not been considered for making tariff projections.
Particulars	Actuals		Estimates																																											
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(iii).	The aggregate of the year-wise other expenses furnished in Form – 3B and furnished in Annex-6 to JNPT letter dated 19 March 2009 do not tally. Please reconcile and furnish a reconciliation statement.	The revised statement for the other expenses in Form-3B and data furnished earlier in Annexure-6 are furnished. [The total of year-wise other expenses shown in Annex – VI furnished earlier tally with the figures shown for other expenses in the Revised Form – 3B. The summary of other expenses is given below: (Rs. In Lakhs) <table><tr><td>Particu-lars</td><td>2007-08</td><td>2008-09</td><td>2009-10</td><td>2010-11</td><td>2011-12</td></tr><tr><td>1. Hire of equipment</td><td>2655.14</td><td>3300.00</td><td>3630.00</td><td>3993.00</td><td>4392.30</td></tr><tr><td>2. Hire of new ranes</td><td>-</td><td>-</td><td>688.50</td><td>688.50</td><td>688.50</td></tr><tr><td>3. Manning of tugs</td><td>201.12</td><td>241.34</td><td>252.45</td><td>264.06</td><td>276.21</td></tr><tr><td>4. Manning of port crafts</td><td>295.37</td><td>308.96</td><td>323.17</td><td>338.03</td><td>353.58</td></tr><tr><td>5. Hire of Tugs & Pilot Launches</td><td>2336.50</td><td>2443.98</td><td>4023.70</td><td>4208.79</td><td>4402.40</td></tr><tr><td>6. Depre-ciation</td><td>8501.86</td><td>9145.09</td><td>10721.86</td><td>12856.66</td><td>13871.95</td></tr><tr><td>7. Others like water, postage, printing & stationary, legal & professional charges, Engg servi-ces, train-ing exp etc</td><td>3525.83</td><td>3520.02</td><td>3664.82</td><td>3816.28</td><td>3974.62</td></tr><tr><td>Total</td><td>17515.82</td><td>18959.39</td><td>23304.50</td><td>26165.32</td><td>27959.56</td></tr></table>						Particu-lars	2007-08	2008-09	2009-10	2010-11	2011-12	1. Hire of equipment	2655.14	3300.00	3630.00	3993.00	4392.30	2. Hire of new ranes	-	-	688.50	688.50	688.50	3. Manning of tugs	201.12	241.34	252.45	264.06	276.21	4. Manning of port crafts	295.37	308.96	323.17	338.03	353.58	5. Hire of Tugs & Pilot Launches	2336.50	2443.98	4023.70	4208.79	4402.40	6. Depre-ciation	8501.86	9145.09	10721.86	12856.66	13871.95	7. Others like water, postage, printing & stationary, legal & professional charges, Engg servi-ces, train-ing exp etc	3525.83	3520.02	3664.82	3816.28	3974.62	Total	17515.82	18959.39	23304.50	26165.32	27959.56
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(iv).	Depreciation It is reiterated that cost of fully commissioned assets and in use will only be considered while computing allowable depreciation as stipulated in Clause 2.9.5. of the tariff guidelines of March 2005. The JNPT is again advised to revise the workings for depreciation taking into account the period of commissioning of each asset.	It is very difficult to visualize when the assets proposed to be acquired in the projected years 2009-10, 2010-11 & 2011-12 will be actually put to use. JNPT reiterate that the depreciation taken for the projected assets are conservative, reasonable and as per Schedule XIV of Companies Act as per TAMP guidelines. The depreciation is claimed accordingly.																																																											
	(5). <u>Operating cost</u> (Container handling activity)																																																												
(i).	The details of major refurbishment expenditure incurred / to be incurred for equipments may be furnished.	The JNPT has stated that most of container handling equipments are of imported origin. The major refurbishment expenditure incurred for the equipments include replacement of spares parts and consumables which have to be imported based on the preventive / predictive maintenance at regular intervals. In addition, repairs and maintenance have to be carried out during breakdown of equipments. The cost has been shown under consumption of materials in the detailed cost sheets already provided. The periodical repairs and maintenance works are carried out by Container Terminal Maintenance Section and by Workshop & Auto-Garage Section of Engineering Services. The details of projected repairs and maintenance expenditure are furnished.																																																											
(ii).	The JNPT is again requested to substantiate the estimates of hire charges of equipment with workings supported by documentary evidence.	The work order for hire of equipment for operations namely tractor-trailers, reach stackers are furnished.																																																											

		The work order copies show the following rates and duration of contract: 1. <u>Hire of 90 Nos Tractor Trailers for transportation of containers within JNPT:</u> Work order issued to six parties for supply of 15 TTs each. (i). Per 20' loaded container Rs. 161.27 Per 20' empty container Rs. 119.27 (ii). The rates for more than 20' loaded and empty container shall be 1.5 times of the rates of 20' respective containers. (iii). Contract period is 3 years from 1.4.07 to 31.03.2010 extendable for a further period of 2 years at the same rates. (iv). Contract is governed by the escalation / de escalation clause which will be based on the price of diesel. 2. <u>Hire of 5 Nos. Reach Stackers for transportation of containers within JNPT.</u> (i). Per 20' loaded container Rs. 164.00 Per 20' empty containers Rs. 100.00 (ii). The rates for more than 20' loaded containers and empty containers shall be 1.5 times of the rates 20' respective containers. (iii). Contract period is 3 years from 12.08.2007 to 11.8.2010. (iv). Contract is governed by the escalation / de escalation clause which will be based on the price of diesel.
	(6). Operating cost (marine activity)	
(i).	As already requested, JNPT to furnish copies of manning contracts for manning of tugs for the year 2008-09.	The work orders for the manning contracts for manning of tugs are furnished. [(i). JNPT has entered into a contract with a private party for manning, operation & maintenance of port's 3 tugs (Group – A) in January 2001 initially for a period of 5 years, extendable for further period upto a maximum of 2 years on the same terms and conditions vide port's letter dated 02.01.2001. The Schedule of Rates is as follows: <u>Monthly charges per tug per month</u> 1. Operation, Manning & victualling Rs. 4 Lakh 2. Maintenance charges Rs.0.95 lakh 3. Supply of storages & Chemicals Rs. 0.45 lakh 4. Painting charges for above deck Rs.1.80 lakh 5. Painting charges for underwater Rs. 1.75 lakh

		(ii). It is seen from the copies of documents furnished by JNPT that it has seen extending the contract from time to time with 6% escalation only on the head “operations, manning and victualling. A copy of JNPT letter dated 3 March 2009 issued to the concerned private party states that the said contract is extended from 01.03.2009 until further orders. The details of extension of contract are not furnished. (iii). JNPT has entered into a contract with a private party for manning, operation and maintenance of JNPT owned Launches (Group – B), comprising of 3 pilot Launches, 2 VIP Launches and 2 Mooring Launches for a period of 3 years and the tentative date of commencement of contract is indicated as 02 April 2007. No documentary proof is furnished for the said work beyond 2009-10. (iv). It appears that the port has entered a contract with another private party for providing services of Mooring crew. The copy of the contract furnished by JNPT states about only extension of the contract for a period of three months from 15.07.2009 to 15.10.2009 with scope of work and rates payable to the concerned party.]										
(ii).	Para (ii) JNPT is again requested to furnish the workings for the estimated expenditure towards hire of tugs / pilot launches supported by documentary evidence.	The work orders for the hire of tugs / pilot launches are furnished. (i).The copy of document dated 07.09.2000 furnished by JNPT shows that it has entered into a Charter Party Agreement with a private party for sale of one 45 tonnes Bollard Pull Tug and charter back the same to JNPT. The contract is valid for a period of 10 years and extendable by 2 years. A 5% annual compoundable escalation, on first year’s charter rate, is allowable during this period. The charges payable for the first year contract is Rs. 139,500 per day. The rebate offered by the private party for first year during the warranty period is Rs. 9900 per day. JNPT to provide, while tug is on hire, fuel, water, electricity, port charges and ante-pollutants. (ii). The rates and validity period for hire of tugs / Launch as seen from the copy of documents furnished by JNPT are as given below: <table><tr><th>Sr. no</th><th>Vessel</th><th>Letter of Acceptance</th><th>Validity</th><th>Rate (in Rs Per day)</th></tr><tr><td>1</td><td>One Tug</td><td>24.10.07</td><td>5 years from date of commencement of services extendable for a further period of 2 years at the same rates, terms &</td><td>131660</td></tr></table>	Sr. no	Vessel	Letter of Acceptance	Validity	Rate (in Rs Per day)	1	One Tug	24.10.07	5 years from date of commencement of services extendable for a further period of 2 years at the same rates, terms &	131660
Sr. no	Vessel	Letter of Acceptance	Validity	Rate (in Rs Per day)								
1	One Tug	24.10.07	5 years from date of commencement of services extendable for a further period of 2 years at the same rates, terms &	131660								

				conditions		
		2	One Tug	13.4.06	-do-	123075
		3	One Tug	13.4.06	-do-	123075
		4	One Security Launch	29.08.06	-do-	8750
		5	Two High Speed pilot Launches	02.04.08	-do-	22500 / per day per launch
	(7). Capital employed					
(i).	Para (i) The Annexure-9 furnished by JNPT under cover of its letter dated 19 March 2009 gives only information regarding gross block of assets, additions to gross block and depreciation for the years 2007-08 to 2011-12. Please furnish Form-4B duly filled in giving the details regarding every additional item of capital expenditure added / proposed to be added to the gross block during the years 2008-09 to 2011-12, as already requested.		The break-up of the additional items of capital expenditure proposed to be added to the gross block during the period 2009-10 to 2011-12 are furnished. [Main items include Road works, Rehabilitation measures, Development of waste disposal system, upgradation of VTMS system, construction of additional rail lines, Merry go round linkage, upgradation of existing Roads and yards, construction of new ROB's, Reclamation of Port areas, augmentation of water supply & sewage system, Acquisition of 6 RTGs, replacement of one RMGC, 3 Tugs, 3 pilot launches, 2 mooring launches, upgradation of computer system, acquisition of one new super post panamax size RMQC, replacement of 3 RMQCs procured in 1989 with super post panamax size RMQCs, construction of Marine Chemical Terminal & Captive Power Plant].			
(ii).	JNPT has proposed additions to Gross Block to the tune of Rs.175.17 Crores, Rs.352.20 Crores, Rs.405.43 Crores and Rs.389.68 Crores during the years 2008-09 to 2011-12, respectively. Please furnish present status of implementation of these investment schemes for each of the capital item and the likely completion time.		The present status of implementation of investment schemes for each of the capital item and the likely completion time are furnished. [Widening of roads scheduled in 2009-10 completed. It has placed work orders for acquisition of one New Super Post Panamax size RMQC in August 2009 and for replacement of one RMGC in September 2009]			
(iii).	JNPT has stated that it considers all its assets as business assets. However, the Annex-9 (asset register) of JNPT letter dated 19 March 2009 reveals that the port has business assets / business related assets like Quarters, Schools, Hospital, Canteens, Restrooms, Shopping Centres, Club, Multipurpose Hall, Bus Shelters, etc. Incidentally, the asset register furnished by the JNPT does not contain full information in the sense that information regarding accumulated depreciation and net block for each item of the assets for the respective years have not been furnished. As already stated, Clause 2.9.7 and 2.9.8 of the tariff guidelines of March 2005 stipulates that the net block of assets should be segregated into business assets / facilities, business related assets / facilities and social obligation assets/facilities. The JNPT is, therefore, again		All the assets of the Port have been considered as business assets for the purpose of tariff revision proposal as already replied. Further, quarters in the Port Township is also given on rent to Customs and other port users / shipping agents. The Port Hospital is also catering to outside patients like Customs Officers, port users / contract labours / school teachers on chargeable basis. There are two schools located in the port township run by Indian Education Society and St. Mary's respectively. Many of the students in both the schools are from the vicinity and are not wards of JNPT employees. The port canteens inside the port and hospital / Administration Building are also being used by port users / shipping agents on chargeable basis. The shops in the shopping centre are also being used by other residents and the general public in the vicinity besides township resident. There are no hotels or any nodal hospitals, schools within the radius of 15 kms. and			

	requested, as already advised by this Authority vide paragraph no.14(xxi) of the Order dated 28 September 2006, to segregate the assets as stipulated under Clause 2.9.7 and 2.9.8 of the tariff guidelines 2005 and show from the year 2005-06 onwards to 2011-2012. The computation of return on capital employed may be modified accordingly.	within the vicinity of the port. These facilities have been provided to improve the efficiency of the workforce as also to promote trade as the facilities cater to the shipping agents, shipping lines and port users. In view of the facts stated above, all these assets have been treated as business assets. All these assets have been considered as business assets.
	(8). Other points	
(i).	The JNPT is again requested to re-cast and furnish the escrow account by correctly considering the inflows to the escrow account during the year 2005-06 (Rs.7997.20 lakhs), traffic level of 14,71,313 TEUs each for the years 2009, 2010 and 2011 as considered by this Authority vide Order dated 30 December 2008 in the case of NSICT, traffic level of 4.79 million tonnes for the year 2008-09 and 5.48 million tonnes for the year 2009-10 vide Order dated 7 August 2007 in the case of BPCL and crediting the interest earned on the investment of the accumulations in the escrow account to the escrow account as provided in Form-9.	The projections made at the time of considering tariff revision proposal are reasonable based on global recessionary trend in traffic then prevailing. Copy of the statement is furnished.
(C).	Scale of Rates	
(i).	The response of JNPT that there is no move at present to prescribe separate berth hire rate for liquid cargo jetty and shallow draught berth / port craft berth / port craft jetty completely ignores the advice rendered by this Authority vide Orders dated 28 March 2007 and 28 September 2006, respectively, in this regard. Separate berth hire rate for liquid cargo jetty and shallow draught berth / port craft berth / port craft jetty based on the capital and operating cost incurred and the facilities provided thereat should be prescribed.	There is no move to levy separate berth hire charges for liquid cargo jetty, shallow draught berth / port craft berth / port craft jetty as already replied. The berth hire charges are levied based on the overall variable and fixed costs for all the berths and the vessel related operational services to be rendered to the vessels. The detailed break-up of costs are not available separately in the port accounting for shallow draught berth, liquid cargo berth and the other berths. Only single berth hire rate is levied for all the berths for better management control.

8.1. The JNPT was requested to update the cost statements with the actuals for the years 2008-09 and 2009-10 and to furnish estimates for the year 2012-13 by 31 May 2010. Expressing difficulties to furnish the updated cost statement by 31 May 2010, the port sought some more time to furnish the details. In view of the extended validity of the existing Scale of Rates of JNPT from 1 April 2009 and the directions of Ministry of Shipping vide Ministry's letter dated 6 May 2010 to all the Major Ports to complete the tariff setting exercise by 31 July 2010, this Authority was not inclined to keep the proceedings open indefinitely and the JNPT was requested to file the updated cost statements by 15 June 2010. The JNPT indicated that it would furnish the requisite information by 1st week of July 2010. After a reminder, the JNPT has filed a revised proposal in July 2010 for the tariff cycle of three years with actuals for the years 2007-08 to 2009-10 and projections for the year 2010-11 to 2012-13. The revised proposal of the JNPT is as given below:

Sl. No.	Activity	Tariff increase proposed
1.	Bulk	7 times
2.	Containers	46.00%
3.	Marine	21.00%
4.	Estate	48.00%
5.	Port as a whole	37.00%

The JNPT further stated that it would submit its proposals for revision of charges for Bulk activity and Estate Rentals separately.

8.2. JNPT has reported that it has not considered the escalation factor of 3.76% in respect of the following cost items and further explained the reason for considering different rates of escalation as summarized below:

- (i). The estimate for Electricity charges has been increased by 10% per annum in the projected years since port is classified under commercial category and commercial rate is being charged by Maharashtra State Electricity Distribution Company Ltd (MSEDCL). The rate has increased from Rs.4.50 per unit to Rs.7.00 per unit in June 2008 and further increase is expected in 2010-11 and in the projected years.
- (ii). Diesel rate has been increasing steeply and the increase is effected twice in a year. Therefore, an escalation factor of 10% has been considered in the projected years.
- (iii). In view of annual increment of 3% and increase in DA by 7% in the new wage agreement, an escalation factor of 10% has been considered in the projected years for estimation of salary and wages.
- (iv). In case of Pension & Gratuity, additional increase of 50% is taken in 2010-11 over the base year 2009-10 since actuarial valuation will be considering recent pay revision where staff have been granted new fitment of 23% on Basic Pay + DA + Dearness Pay as also increase in gratuity limit from Rs.3.50 lakhs to Rs. 10.00 lakhs.

In case of officers, fitment is expected at 30% on Basic Pay plus allowances. Apart from the above, recent increasing trend in inflation is considered.

8.3 The JNPT, subsequently furnished the draft Scale of Rates for its revised proposal, including the rates for Bulk activity and Estate Rentals, in December 2010. At our request, the JNPT also furnished the following documents / information in January / February 2011.

- (i) Actual traffic achieved during the period 1/4/2010 to 31/1/2011.

Commodity	Traffic handled
Dry Bulk – in tonnes	715526
Break Bulk – in tonnes	175591
Liquid – in tones (JNPT)	120416
Total Bulk	1011533
Containers – in TEUs	
(i). Main Berth	666222
(ii). SWB	46888
Total Containers	713110

- (ii). Modified Form 4A (Capital employed details)
- (iii). Revised Form – 4B (Details of additions to Gross Block with copies of relevant work orders)
(This form was not found in its revised proposal dated 7 July 2010)
- (iv). Revised Form – 9 (Escrow Account).
- (v). Daily Exchange rate for the period 01.04.2010 to 28.01.2011.

- (vi). Marine vessels considered in the revised proposal and copies of relevant work orders.
- (vii). Copies of work orders for 1 RMGC, 4 RMQCs, Reachstackers and TTs
- (viii). Copies of electricity bills for March 2010 and December 2010 and details actual electricity cost for the year 2009-10 and for the period from April 2010 to December 2010 giving month-wise details of consumption in units and value.
- (ix). The JNPT has stated that it considered the insurance expenses for port assets at Rs. 2.65 Crores excluding service tax in its revised proposal. It has now stated that the actual premium paid by the port for the year 2010-11 is Rs. 3.72 Crores excluding service tax and furnished a copy of the document in support of the payment made by it and has requested us to consider the amount of Rs. 3.72 Crores for the year 2010-11.
- (xi). As regards the estimated salaries and wages, it has stated the following:
 - (a). The Employee remuneration excluding incentive for the year 2010-11 considered in the projections for the year 2010-11 is Rs. 9603.30 lakhs. The actual employee remuneration excluding incentive for the said period works out to Rs. 10892.96 lakhs which may be allowed as expenditure for the year 2010-11.
 - (b). It can be seen that the increase in remuneration paid works out to 13.42% as compared to the estimates for the year 2010-11. The annual increase of 3% per annum is already committed in the wage agreement besides DA increase, cafeteria.
 - (c). The port furnished the distribution of actual salary for the year 2009-10 among main activities and service departments.
- (xii). The reason for 48% increase in the estimates towards contribution for pension, gratuity and leave encashment for the year 2010-11 over the actuals for the year 2009-10 is the expected increase in the actuarial valuation by LIC due to increase in salaries and wages, as explained in the preceding paragraph.
- (xiii). The JNPT has informed that during the year 2009-10 an amount of ₹.8.00 crores has been billed towards ITRHO charges. Assuming the same trend will continue during the projected years the ITRHO charges is projected as income based on the change in traffic during the said period.
- (xiv). The JNPT has stated that the rates arrived at in the departmental estimates have been adopted for Reach Stackers and Tractor Trailers in the projected years 2011-12 and 2012-13 pending finalization of the tenders and signing of the contracts for the hired equipments.
- (xv). With reference to the projection made for the year 2010-11, JNPT is levying the existing tariff for more than 9 months in the year 2010-11, which may be kept in view while revising the tariff.

8.4. A comparative position of its original proposal dated 29 October 2008 and revised proposal dated 7 July 2010 is shown in the following table:

Sl. No.	Particulars	Initial proposal Dated 29.10.2008			Revised proposal Dated 07.07.2010			
		2009-10 Estimates	2010-11 Estimates	2011-12 Estimates	2009-10 Actuals	10-11 Estimates	11-12 Estimates	12-13 Estimates
1.	<u>Traffic:</u>							
	Containers (TEU)	1225000	1225000	1225000	776222	780000	1030000	1030000
	Liquid (Tonnes)	4000000	4000000	4000000	6627475	6000000	5500000	5500000
	Bulk (in tonnes)	675000	675000	675000	1038678	1020000	800000	800000

	Vehicles (Nos)	-	-	-	756	-	-	-
	Vessels (Nos)	2486	2535	2603	2736	2751	2864	2976
2.	Operating Income at existing rates (Rs. in Lakhs)	51862.09	52406.32	53089.97	47679.49	47433.69	55235.33	56290.24
3.	Total Operating cost (In lakhs)	26794.84	28115.47	29610.89	23591.37	27233.85	30856.72	33473.72
4.	Depreciation	10721.86	12856.66	13871.95	8820.96	10072.65	11078.93	11367.43
5.	Overheads	8104.34	8424.38	8757.87	8446.33	9058.62	9641.66	10568.90
6.	Finance & Miscellaneous income	35.00	35.00	35.00	25.22	23.67	24.56	25.48
7.	Finance & Miscellaneous expenses	1446.81	1609.31	1730.67	2399.18	3546.92	3680.29	3818.66
8.	Capital employed	100003.93	127801.85	153033.40	80190.74	84804.36	85245.78	77790.16
9.	Return on capital employed	16000.63	20448.30	24485.34	12830.52	13568.70	13639.32	12446.43
10	Net Surplus / (Deficit) after return at existing rate (Rs. in lakhs)	(11171.39)	(19012.80)	(25331.76)	(8383.65)	(16023.39)	(13637.03)	(15359.42)
11.	Net Surplus/ (Deficit) as a percentage of operating income	(-)21.54%	(-)36.28%	(-)47.71%	(-)17.58%	(-)33.78%	(-)24.69%	(-)27.29%
12.	Average Net Surplus / (Deficit) as a percentage of operating income	(-)35.28%				(-)28.32%		

9.1. A joint hearing in this case was held on 9 July 2010 at the office of this Authority in Mumbai. The JNPT made a power point presentation of its revised proposal. At the joint hearing, JNPT and the concerned users/ organisation bodies have made their submissions.

9.2. As decided at the joint hearing, a copy of the revised proposal dated 7 July 2010 was forwarded to the concerned user organizations for their comments. The MANSA, JNPT LCBUA & BCCI and GTIPL have responded referring to the proceedings of the Joint hearing.

9.3. As per the decision taken at the joint hearing, the JNPT was requested to furnish additional information / clarifications. The JNPT has responded. The additional information / clarifications sought and the response of JNPT are summarized below:

Sr. No.	Additional information / clarifications sought	Response of JNPT										
(i).	Assessment of capacity with detailed calculation duly taking into consideration the productivity improvement envisaged and capital expenditure projected.	The capacity has been assessed as per the guidelines of Ministry of Shipping vide its letter No. DW/DTO-2/2009, dated 28 July 2009 and 13 April 2010. The yearwise capacity of the container terminal operated by JNPT is as follows: <table><tr><th>Year</th><th>2009-10</th><th>2010-11</th><th>2011-12</th><th>2012-13</th></tr><tr><td>TEUs in Million</td><td>1.2</td><td>1.00</td><td>1.30</td><td>1.52</td></tr></table> [JNPT has produced a statement showing the capacity of the three container berths at 0.924 Million TEUs and capacity of the SWB at 0.073 Million TEUs as on 31.03.2010. The stated capacity of 0.997 Million TEUs as on 31.03.2010 is based on the number of container berths, average ship berthday output and berth occupancy at 70% for	Year	2009-10	2010-11	2011-12	2012-13	TEUs in Million	1.2	1.00	1.30	1.52
Year	2009-10	2010-11	2011-12	2012-13								
TEUs in Million	1.2	1.00	1.30	1.52								

		container berth and 60% for SWB. The statement further shows the following: (a). Capacity as on 31.03.2010 (in Million TEUs) 0.997 Augmentation of capacity due To procurement of one RMQC In 2010-11 0.15 Augmentation of capacity due To procurement of 3 RMQCs in replacement of 3 old RMQCs in 2010-11 0.15 Total capacity in 2010-11 1.297 (b). Capacity for the year 2011-12 Capacity addition in 2011-12 NIL Therefore, total capacity in 2011-12 1.297 (c). Capacity for the year 2012-13 (i).Augmentation of capacity by Acquiring 3 RMQCs in 2012-13 At main container berth 0.15 (ii). Augmentation of capacity at SWB due to shifting of 3 existing RMQCs from main container Berth to SWB 0.070 (iii). Capacity as of the year 2011-12 1.297 Total capacity for the year 2012-13 1.517																														
(ii).	Productivity details for the last year and expected productivity parameters for the next 3 years.	The details are as given blow: <table><tr><th>Partic ulars</th><th>Units</th><th>2009- 10</th><th>2010- 11</th><th>2011- 12</th><th>2012- 13</th></tr><tr><td>Traffic</td><td>Lakh TEUs</td><td>7.76</td><td>7.80</td><td>10.30</td><td>10.30</td></tr><tr><td>Avg. Berth Stay</td><td>Days</td><td>1.15</td><td>1.15</td><td>1.00</td><td>0.99</td></tr><tr><td>Turn arnd time on port a/c</td><td>Days</td><td>1.49</td><td>1.46</td><td>1.29</td><td>1.26</td></tr><tr><td>Gross crane produc.</td><td>Move per hour per Crane</td><td>15.03</td><td>14.00</td><td>17.5</td><td>19.5</td></tr></table> Note: 1. Increase in crane productivity is due to installation of state of the art new equipment in	Partic ulars	Units	2009- 10	2010- 11	2011- 12	2012- 13	Traffic	Lakh TEUs	7.76	7.80	10.30	10.30	Avg. Berth Stay	Days	1.15	1.15	1.00	0.99	Turn arnd time on port a/c	Days	1.49	1.46	1.29	1.26	Gross crane produc.	Move per hour per Crane	15.03	14.00	17.5	19.5
Partic ulars	Units	2009- 10	2010- 11	2011- 12	2012- 13																											
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Turn arnd time on port a/c	Days	1.49	1.46	1.29	1.26																											
Gross crane produc.	Move per hour per Crane	15.03	14.00	17.5	19.5																											

		phased manner.																				
		2. The productivity of the terminal also depends upon the type of vessel, construction of vessel and its parcel size.																				
(iii).	Detailed justifications for the traffic forecast assumed in the revised proposal. The traffic forecast should be compared with the projections contained in the Business Plan of the port and variations, if any, should be explained with reasons.	In view of global recession the traffic projections as projected in the Business Development Plan of the port needed further review. On review, the revised traffic projection are as follows: In Million TEUs <table><tr><th>Year</th><th>2009-10 Actuals</th><th>2010-11</th><th>2011-12</th><th>2012-13</th></tr><tr><td></td><td></td><th colspan="3">Estimates</th></tr><tr><td>Traffic proj. as per Business dev. Plan for JN Port</td><td>5.19</td><td>5.93</td><td>6.75</td><td>7.70</td></tr><tr><td>Re-assd traffic proj. for JN port</td><td>4.06</td><td>4.20</td><td>4.39</td><td>4.60</td></tr></table>	Year	2009-10 Actuals	2010-11	2011-12	2012-13			Estimates			Traffic proj. as per Business dev. Plan for JN Port	5.19	5.93	6.75	7.70	Re-assd traffic proj. for JN port	4.06	4.20	4.39	4.60
Year	2009-10 Actuals	2010-11	2011-12	2012-13																		
		Estimates																				
Traffic proj. as per Business dev. Plan for JN Port	5.19	5.93	6.75	7.70																		
Re-assd traffic proj. for JN port	4.06	4.20	4.39	4.60																		
(iv).	Details of transaction from the escrow account during the last 3 years along with the estimated position for the next 3 years. Project-wise details of capital expenditure incurred / to be incurred from the escrow account should be furnished.	Capital expenditure incurred / to be incurred from the escrow account (Rs. in Crores) <table><tr><th>Year</th><th>Amount</th><th>Purpose</th></tr><tr><td>2009-10</td><td>85.67</td><td>Roads</td></tr><tr><td>2010-11</td><td>1.00</td><td>Capital dredging</td></tr><tr><td>2011-12</td><td>366.00</td><td>12.5% scheme for rehabilitation of Project Affected Persons & capital dredging</td></tr><tr><td>2012-13</td><td>400.00</td><td>Capital dredging</td></tr><tr><td>Total</td><td>852.67</td><td></td></tr></table>	Year	Amount	Purpose	2009-10	85.67	Roads	2010-11	1.00	Capital dredging	2011-12	366.00	12.5% scheme for rehabilitation of Project Affected Persons & capital dredging	2012-13	400.00	Capital dredging	Total	852.67			
Year	Amount	Purpose																				
2009-10	85.67	Roads																				
2010-11	1.00	Capital dredging																				
2011-12	366.00	12.5% scheme for rehabilitation of Project Affected Persons & capital dredging																				
2012-13	400.00	Capital dredging																				
Total	852.67																					
(v).	Detailed note analysing the need to continue with the differential rates for port dues for bulk cargo and other vessels.	In the notified tariff for port dues, rates have been kept at higher level for bulk vessels followed by container, car carriers and other vessels. Earlier, port dues were being levied on the basis of NRT and pilotage and berth hire on the basis of GRT. Subsequently, it was decided to rationalize and to levy all the charges on the basis of GRT of vessels. Ministry whilst communicating the said direction also indicated that on account of such conversion the revenue implication due to the conversion should be neutral and there should not be any higher charges due to said levy on the GRT basis. Accordingly, the ratio of NRT to GRT in respect of different type of vessels calling at the port was determined and the port dues rate was arrived at																				

9.4. At the joint hearing, the MANSA raised an issue regarding the necessity to prescribe suitable conditionalities governing shifting of vessels. The MANSA agreed to immediately furnish a note in this regard to JNPT. The JNPT was advised to examine the suggestions of MANSA and furnish its response to Authority. The JNPT has stated in this regard that the suggestions of MANSA regarding conditionalities governing shifting of vessels is being examined separately and shall be replied in due course. However, we have not received the response of JNPT till finalization of this case.

10. 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>

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

- (i). The existing Scale of Rates (SOR) of JNPT was approved in September 2006 with the validity till 31 March 2009. Considering the revenue surplus position for the port as a whole and for individual activities, 30% reduction in the then existing vessel related charges and 15% reduction in the then existing container related charges was effected. Though the next review of tariff of JNPT was due from 1 April 2009, considering the significant variation in actual performance during the year 2006-07 vis-à-vis estimates considered while reviewing the tariff in September 2006, it was decided to review the tariff at JNPT ahead of the schedule and JNPT was advised to file a tariff proposal on or before 31 March 2008. The JNPT filed its tariff proposal in October 2008 and subsequently furnished the draft Scale of Rates in December 2008 which was taken up on consultation.

The validity of the Scale of Rates of JNPT was extended from time to time beyond 31 March 2009, till 30 September 2010 with a condition that the additional surplus over and above the admissible cost and permissible return accruing to the JNPT for the period post 1 April 2009 will be set off fully in the tariff to be fixed for the next tariff cycle.

The revised proposal filed by JNPT vide its letter dated 7 July 2010 and the draft Scale of Rates filed subsequently in December 2010 along with the clarifications / additional information / documents furnished by the port subsequently till the finalisation of the case is taken up for consideration in this analysis.

- (ii). The existing tariff of the JNPT was fixed in September 2006 relying on the estimated financial / cost position for the years 2006-07 to 2008-09. As mandated by clause 2.13 of the tariff guidelines of March 2005, this Authority is required to review the actual physical and financial performance of the Major Ports / Private Operators thereat, at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing prevailing tariff.

The JNPT has operated the facilities during the year 2009-10 also applying the tariff fixed in September 2006. Therefore, the actual physical and financial performance of the JNPT during the years 2006-07 to 2009-10 are discussed in the following paragraphs.

- (iii). (a). The actual traffic handled by the JNPT from 2006-07 to 2008-09 vis-à-vis the estimates relied upon during the last revision of tariff are tabulated below:

Year	Containers (in TEUs)			Bulk cargo (in tones)		
	Estimate	Actual	Variation	Estimate	Actual	Variation
2006-07	888400	1305062	46.90%	704000	626990	-10.94%
2007-08	870000	1260923	44.93%	600000	746325	24.39%
2008-09	995000	1063435	6.88%	200000	825851	312.92%
Total	2753400	3629420	31.82%	1504000	2199166	46.22%

As can be seen from the above table, the variation in traffic is positive. The aggregate variation in actual container traffic compared to estimates works out to 31.82% for the years 2006-07 to 2008-09. During the last review of tariff at JNPT, some of the user associations commented that the traffic estimates of JNPT was on the lower side and conservative and JNPT also did not substantiate the reason for considering lower traffic projections. Therefore, it was stated in the last order that if any additional surplus is found to have accrued to JNPT due to variation of actual performance in traffic, such advantage accrued to JNPT will be set off fully in the next review. Since the variation between the actual traffic handled and estimated traffic during the said three years is more than 20%, full

additional surplus for the years 2006-07 to 2008-09 is to be adjusted, which is discussed in the later part of this analysis.

- (b). The operating income, operating expenses and management overheads have been considered as per the annual accounts for the years 2006-07 to 2008-09, subject to the following adjustments.
- (i) The JNPT has considered the Royalty received from the private CFS operator under container handling income stating that CFS operator is not a BOT operator. The private CFS operator (M/s.Speedy Multimodes Ltd.) at JNPT is not a BOT operator, as already clarified by this Authority vide its Order dated 30 December 2009 passed in the case of a proposal filed by the JNPT for revision of rates for operations at its CFS / Buffer Yard. However, clause 2.8.3 of the tariff guidelines of March 2005, which stipulates transfer of Royalty / Revenue share receipts to Escrow Account, is not confined only to such receipts from BOT operators but general in application. Therefore, this item has been excluded from the container handling income and considered as 'Royalty / Revenue share' receipt of the port which is taken under the Escrow Account.
 - (ii) As per clause 2.8.3 of the tariff guidelines of March 2005, the revenue share / royalty receivable by the port should be applied first to meet the cost of surplus labour, if any. At least 50% of the balance should be maintained in an Escrow Account and utilised for the purpose of creation and / or modernisation of port infrastructure facilities within a period of five years. As reported by JNPT, there is no surplus labour at the port. Further, the JNPT has transferred entire royalty / revenue share receipts during the said years to Escrow Account. During the last review of tariff at JNPT in September 2006, the JNPT was permitted to transfer the 100% royalty / revenue share receipts to Escrow Account since no maximum ceiling is stipulated in the guidelines for such transfer. The accumulation in Escrow Account as at the end of the year 2008-09 stands at ₹102639.37 lakhs. Considering the 5 years time allowed for utilisation, the accrual in the year 2005-06 should be utilised within the year 2009-10. Therefore, the Royalty / Revenue share receipts during the years 2006-07 to 2008-09 have not been included under the head of income in the respective years.
 - (iii) The JNPT has not considered the income received from the BOT operators other than Royalty / Revenue share in the cost statements. In this regard, the port has stated that major part of such other income is relating to recovery of electricity and water charges and CISF related expenses from the BOT operators and it has not considered both income and expenses on this account. With a view to consider the financial / cost position of the port as whole, both income and expenses on this account have been reckoned with in the past period analysis.
- (c). During the last review of tariff, the JNPT calculated depreciation as per the provisions of the Companies Act from the year 2005-06 onwards, as stipulated in the tariff guidelines. The JNPT has maintained the same position in this tariff revision also and has furnished workings for depreciation as per Companies Act from the year 2005-06 onwards. The depreciation for the year 2005-06 as per Companies Act reported by JNPT and considered during the last review was at Rs.75.92 crores. However, it is seen from the workings now furnished by the JNPT that the depreciation for the same year is reported at Rs.82.32 crores, resulting in reduction in the opening net block of assets for the year 2006-07 to the

extent of Rs.6.40 crores. The reason for the difference in actual depreciation claimed earlier and furnished now remains unexplained.

It is further seen from the workings furnished by the JNPT that depreciation on all additions and deletions to the gross block during all the years (2005-06 to 2012-13) has been computed for the full year without taking into account the actual date of commissioning or deletion of individual assets. As per the Companies Act, the depreciation on additions and deletions shall be calculated on a pro rata basis from the date of such addition and in the case of deletion, upto the date on which the asset is sold, demolished or destroyed as the case may be. In the absence of details regarding actual date of addition or deletion of individual assets, the position reported by the JNPT is relied upon from the year 2006-07 onwards.

- (d). The JNPT has considered only two items of Finance and Miscellaneous income, viz. 'Income from launch pass' and 'Income from auction sale' in the cost statements. The other regular items of Finance & Miscellaneous Income reported in the annual accounts of JNPT are penalty for short fall in throughput, profit on sale of assets, income from gas agency, income from auction sale and sale of unserviceable materials. Maintaining consistency with the position adopted in the last review, all the items of Finance & Misc. Income as per annual accounts excluding interest from investment and loans and interest on staff advance have been considered. The income accounted towards penalty for shortfall in MGT has also been considered in line with the position adopted in the last review.
- (e). Likewise, the JNPT has considered only two items of Finance & Miscellaneous Expenses, viz. pension and gratuity contribution as per actuarial valuation and expenses on launch hire in the cost statements. The other items of Finance & Miscellaneous expenses include gas agency expenses, bank charges, guest house expenses, etc. In line with the approach adopted for Finance & Miscellaneous income, all expenses, excluding interest on loans, as reflected in the annual accounts of the said three years have been considered in the past period analysis.
- (f). The JNPT has furnished workings for activity wise capital employed for all the years from 2005-06 to 2012-13 along with calculation of depreciation. It is seen from the workings furnished by the JNPT that it has not adjusted the accumulated depreciation of the deleted assets in arriving at the closing accumulated depreciation for all the years from 2005-06 to 2010-11, resulting in understatement of closing net block of assets at the end of each year. Though this was pointed out to the JNPT officials in an officer level meeting with an advice to furnish clarifications / additional information on the gaps found in their revised proposal, the requisite details in this regard were not received from port. In the absence of requisite details, the closing net block position as reported by the JNPT is considered from the year 2006-07 onwards.

Clause 2.9.7 and 2.9.8 of the tariff guidelines of March 2005 stipulate that the net block of assets should be segregated into business assets/facilities, business related assets/ facilities and social obligation assets/facilities and prescribe a differential rate of return for each category of assets/facilities. The JNPT has taken a stand that the port considers all assets as business assets. However, to a specific query in this regard pointing out that the asset register of JNPT contains a number of items like Quarters, Schools, Hospital, Canteens, Restrooms, Shopping Centres, etc. which need to be segregated from the business assets, the JNPT has reiterated its stand and has stated that the Quarters, Hospital,

Schools, Canteens, Shops, etc. are also used by general public from the vicinity, port users, customs officers, contract labourers, etc. There are no hotels or any nodal hospitals, schools, within the radius of 15 Kms. and within the vicinity of the port and these facilities have been provided to improve the efficiency of the workforce as also to promote trade. Though the port has justified the necessity of providing the basic facilities in the vicinity of the port, strict application of tariff guidelines warrants classification of these assets / facilities into business related assets and social obligation assets, as the case may be. Further, during the last revision of tariff, the JNPT had stated that school building and hospital equipment may be considered under business related assets and furnished the value of net block of these assets as on 31 March 2005 as ₹668.42 lakhs. In the last review of tariff at JNPT in September 2006, value of hospital building is considered on ad hoc basis at ₹1000.00 lakhs and included the same as business related assets for the purpose of allowing risk free return. In this tariff revision exercise also, we have maintained the quantum of business related assets at ₹1668.42 lakhs as adopted in the last review of tariff at JNPT, in the absence of requisite details like the gross block, accumulated depreciation and closing net block of these assets as at the end of the respective years. However, the JNPT is again advised to classify the assets into the three categories as stipulated in the guidelines.

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

- (i) As per the norms, two months' estate income and two months' terminal charges payable by Indian Railways are the limit for allowable sundry debtors. The terminal charges payable by Indian Railways are not relevant in the case of JNPT. Two month's estate income on the basis of annual accounts has been considered as the value of sundry debtors.
- (ii) The limit on inventory for capital spares prescribed in the tariff guidelines is one year's average consumption and the limit on other items of inventory is six months' average consumption of stores excluding fuel, as stipulated in the tariff guidelines of March 2005. The JNPT considers capital spares as a part of Fixed Assets. The consumption of capital spares during the years 2006-07 to 2009-10 is reported as 'Nil'. Six months' actual consumption of other stores during the said years has been considered as the value of inventory.
- (iii) The limit on cash balance prescribed in the tariff guidelines is one month's cash expenses. The cash balance is considered at one month's actual operating expenses and management and general expenses excluding depreciation during the years 2006-07 to 2008-09.
- (iv) The items of current liabilities relevant to the current assets are considered as reflected in the annual accounts for the years 2006-07 to 2008-09.
- (v) Considering the admissible level of current assets and current liabilities, the working capital for these three years is found to be negative and, therefore, considered as 'Nil'.
- (g). Considering the installed capacity of the port for container activity and bulk activity as reported in the annual accounts for the years 2006-07 to

2008-09, the capacity utilization for the said years 2006-07 to 2008-09 works out to 105.49%, 93.95% and 79.92% respectively. Accordingly, return on capital employed for the said three years is allowed at the maximum rate on business assets and at risk free rate on business related assets applicable for the respective years.

- (h). Subject to the above adjustments, the Net surplus / (deficit) position after return for the years 2006-07 and 2007-08 shows surplus of ₹16787.79 lakhs and ₹7903.56 lakhs respectively while the position tumbles in the year 2008-09 to a marginal deficit of ₹180.53 lakhs. The reason for deficit position in the year 2008-09 appears to be due to drop in container traffic handled compared to the previous two years and increase in operating expenses and management overheads. The aggregate net surplus for the years 2006-07 to 2008-09 works out to ₹24510.82 lakhs.
- (i). The variations in the actual performance of JNPT compared to the estimates, in respect of key parameters, are furnished in the table given below:

(Rs. in lakhs)

Particulars	2006-07 to 2008-09 (Aggregate)		
	Estimates	Actuals	Variance
Container traffic (in TEUs)	27,53,400	36,29,420	+31.82%
Bulk cargo traffic (in tonnes)	15,04,000	21,99,166	+46.22%
Operating Income	131,278.59	171,225.96	+30.43%
Operating Expenses	49,324.72	68,576.14	+39.03%
Management & Gen. Expenses	14,139.99	20,060.29	+41.87%
Capital Employed	272,376.44	188,181.64	- 30.91%
Rate of Return on Capital Employed	23.96%	29.04%	+21.22%

Clause 2.13 of the tariff guidelines of March 2005 while prescribing performance variation of + or – 20% for adjustment of past surplus, stipulates review of both physical and financial performance. In this case, all the key parameters show a variation of more than 20%. As brought out earlier, the last Order passed in September 2006 specifies that, the advantage accrued to JNPT due to variation in actual traffic will be set off fully in the next review and will not be considered in terms of clause 2.13 of the revised tariff guidelines. Accordingly, the entire additional surplus of ₹24510.82 lakhs for the period from 2006-07 to 2008-09 should be adjusted.

- (j). Further, it has been recorded in para 14 (xxii) of the Order relating to last review of tariff at JNPT in September 2006 that though the cost position warranted reduction to the extent of approximately 60% in the existing vessel related charges and 15% in the existing container related charges, an across-the-board reduction of 15% in the then existing container related charges and 30% in the then existing vessel related charges was only effected considering the infrastructure development proposals initiated by JNPT at that time. However, it was stated in the said Order that the additional surplus, left unadjusted is to be assessed at the end of the tariff validity period and set off fully in the tariff to be fixed for next cycle commencing from the year 2009-10. It was also stated that the additional surplus earned during the year 2006-07 due to operation of the pre-revised rates upto the date of effective implementation of the Order would be fully adjusted in the next tariff cycle. The total estimated surplus for the years 2006-07 to 2008-09 was at ₹45156.76 lakhs, out of which the impact of reduction effected in the last Order at the estimate level was to the extent of ₹21210.64 lakhs, leaving an unadjusted balance of ₹23946.12 lakhs at the estimate level. The year-wise break-up for this unadjusted surplus works out to ₹11540.17 lakhs, ₹5316.93 lakhs and ₹7089.02 lakhs for the years 2006-07 to 2008-09 respectively, which

includes the additional surplus earned by JNPT in the year 2006-07 due to operation of the old higher rates till the implementation of the revised rates. The actual surplus for the years 2006-07 to 2008-09 amounting to Rs.24510.82 is inclusive of the total unadjusted balance of ₹ 23946.12 lakhs as stated above and should be adjusted in the current tariff cycle.

It is relevant to mention here that during the recent revision of tariff at NSICT and GTIPL, the private container terminal operators at JNPT, the past surplus was considered for adjustment over a period of five years. However, there are specific mentions made in the last Order passed by this Authority in September 2006 for review of tariff at JNPT for adjustment of full surplus in the next review. The options of adjustment of entire past surplus in the current tariff cycle vis-à-vis spreading over the adjustment for a period five years are weighed and it is felt that it may not be necessary to adopt a different yardstick for JNPT. Accordingly, the net additional surplus of ₹.24510.82 lakhs for the years 2006-07 to 2008-09 is set off over a period of five years.

- (iv). As stated earlier, the validity of the existing SOR expired on 31 March 2009 and the extension granted beyond this date was subject to the condition that the additional surplus over and above the admissible cost and permissible return accruing to the JNPT for the period post 1 April 2009 will be set off fully in the tariff to be fixed. Keeping this stipulation in view the actual performance of the port during the year 2009-10 is analysed in the following paragraphs.

The actual traffic handled during the year 2009-10 is reported at 776,222 TEUs and 10,39,737 tonnes of bulk cargo. The operating income reported in the audited annual accounts, excluding Royalty / Revenue share receipts, is Rs.52152.00 lakhs.

The direct operating expenses, depreciation, management & administration overheads, finance & miscellaneous income and finance & miscellaneous expenses are considered following the approach adopted for the years 2006-07 to 2008-09, as explained earlier. Accordingly, the direct operating expenses and management and general expenses is considered at ₹27,712.55 lakhs and ₹8445.93 lakhs respectively as reflected in the annual accounts. The depreciation as per Companies Act as furnished by JNPT is considered at ₹9372.97 lakhs. The Finance & Miscellaneous Income (excluding interest on investments and interest on staff advance) and Finance Miscellaneous Expenses (excluding interest on loans) is considered at ₹1847.92 lakhs and ₹2576.03 lakhs, as reflected in the annual accounts.

The value of Net Fixed Assets as at 31 March 2010 is considered at ₹48,465.73 lakhs, after deducting an amount of ₹8576.40 lakhs towards gross value of assets created from Escrow Account from the closing net block of ₹57,033.19 lakhs as furnished by JNPT. It is seen from the details furnished by the JNPT that the assets funded from Escrow Account comprise of Wharves, Roads and Bridges. For the subsequent years 2010-11 to 2012-13, the Written Down Value of these assets are deducted from the closing net block after allowing depreciation as per Companies Act, as per details furnished by JNPT. The net working capital for the year 2009-10, arrived at as per norms, is found to be negative and hence considered as 'Nil'. The actual capacity utilisation at JNPT during the year 2009-10 is found to be 60.91%. Hence, the maximum permissible return of 16% is allowed on the business assets and risk free rate of return of 6.10% is allowed on the business related assets, following a similar approach adopted for the years 2006-07 to 2008-09. The net position after return for the year 2009-10 works out to a deficit of ₹1696.90 lakhs which is adjusted against the additional surplus of Rs.24510.82 lakhs for the years 2006-07 to 2008-09, and the balance surplus of ₹ 22813.92 lakhs is to be set off over a period of five years commencing from this tariff cycle, as brought out earlier. The relevant tariff cycle in this case would be

the years 2010-11 to 2012-13. The adjustment of past surplus is shown in the cost statements only for the years 2011-12 and 2012-13, as the year 2010-11 is already over.

- (v) (a). The JNPT projected the container traffic for the years 2008-09 to 2011-12 at 12.25 lakhs TEUs for each year in its proposal filed in October 2008. In the revised proposal filed by the port in July 2010 with actuals upto 2009-10 and including estimates for the year 2012-13, it has modified its earlier traffic projections to 7.80 lakhs TEUs, 10.30 lakhs TEUs and 10.30 lakhs TEUs for the years 2010-11 to 2012-13 respectively. It is noted that the actual traffic handled by the JNPT during the years 2008-09 and 2009-10 was at 10.63 lakhs TEUs and 7.76 lakhs TEUs respectively as against the initial estimate of 12.25 lakhs TEUs each for the same years. When sought to justify the traffic forecast assumed in the revised proposal compared with business plan of the port, JNPT has stated that in view of the global recession the traffic projections made in the business plan was further reviewed and revised to 42.00 lakhs TEUs and 43.90 lakhs TEUs and 46.00 lakhs TEUs for the years 2010-11 to 2012-13 respectively. It is seen that the revised traffic projection details furnished by the JNPT is for the entire JNPT, including terminals operated by NSICT and GTIPL. The share of each terminal in the total projection for the years 2010-11 to 2012-13 as furnished by JNPT is given below:

Terminal	2010-11	2011-12	2012-13
JNPT	7.80	10.30	10.30
NSICT	16.30	15.00	15.20
GTIPL	17.90	18.60	20.50
Total	42.00	43.90	46.00

- (b). The GTIPL has stated that though its quay side capacity has gone upto 1.80 million TEUs, considering other constraints such as market condition, labour productivity and evacuation, the terminal would be able to handle 1.60 to 1.80 million TEUs in the next two years and indicated diversion of some traffic from its terminal to JNPT in view of the capacity additions proposed by the JNPT.

The BCCI has also expressed its reservations on the traffic projected by the JNPT. It has stated that considering the growth rate from the year 2005-06 to 2007-08 and current economic recovery path, the traffic estimates in respect of the terminal operated by JNPT should be 10.47 lakhs TEUs, 12.61 lakhs TEUs and 14.00 lakhs TEUs for the years 2010-11 to 2012-13 respectively.

- (c). Subsequently, the JNPT furnished the actual traffic handled by it from April 2010 to January 2011 in the year 2010-11 as 713110 TEUs. The traffic for the next two months in the year 2010-11 is estimated based on the average actual monthly traffic from April 2010 to January 2011 and the total estimated traffic for the year 2010-11 is considered at 8,55,732 TEUs as against the 7,80,000 TEUs estimated by JNPT. That being so, the traffic estimates furnished by JNPT for the next two years 2011-12 to 2012-13, are relied upon in this analysis.
- (d). The JNPT has estimated bulk cargo traffic of 10.20 lakhs tonnes for the year 2010-11 and 8.00 lakhs tonnes each for the years 2011-12 and 2012-13. The actual bulk cargo traffic handled by JNPT from April 2010 to January 2011 is reported at 10.12 lakhs tonnes. The estimated traffic for the year 2010-11 is, therefore, revised with the actual traffic handled up to January 2011 and extrapolating the actuals for the next two months and considered at 12.14 lakhs tonnes.

With regard to the reduced level of estimated throughput of 8.00 lakhs tonnes each for the years 2011-12 and 2012-13, the JNPT has reported that the Shallow Draught Berth (SDB), where bulk cargo is being handled, is proposed for mechanisation by shifting of RMQCs from Main Container Berth to SDB and, therefore, the scope of handling bulk cargo would reduce in future. Relying on this reported position, the reduced level of traffic estimates for the years 2010-11 and 2012-13 are considered without any change.

- (e). The traffic estimates of JNPT in respect of NSICT, GTIPL and BPCL are relied upon in this analysis and considered for the purpose of estimation of vessel related income for JNPT and estimation of Royalty / Revenue share receipts to JNPT from these terminal operators.
- (vi). (a). The JNPT has estimated the operating income for the years 2010-11 to 2012-13 based on the actual income earned from the respective activities during the year 2009-10. The income from container handling activity at the existing tariff is estimated for the years 2010-11 to 2012-13 based on the actual container handling income realised during the year 2009-10 adjusted for the estimated traffic volume in TEUs for the years 2010-11 to 2012-13. As stated earlier, the JNPT has considered the estimated royalty receipts from the private CFS operator under container handling income stating that the CFS operator is not a BOT operator. For the reasons stated earlier, the estimated royalty receipts from the private CFS operator are not considered under operating income. However, following the approach adopted by the JNPT for the royalty / revenue share receipts from the BOT operators, 100% of the estimated royalty / revenue share receipts from the private CFS operator are also taken to the Escrow Account.
- (b). The income from bulk cargo handling activity is also estimated based on the actual traffic and income for the year 2009-10 adjusted for estimated traffic for the years 2010-11 to 2012-13. While the income from bulk cargo for the year 2010-11 is increased based on the revised estimated traffic for the said year, the estimates for the next two years are considered as furnished by JNPT.
- (c). The JNPT has estimated vessel related income also on the basis of actual income earned during the year 2009-10. The aggregate GRT of vessels under five major categories, viz. JNPCT container vessels, JNPT cement vessels, NSICT vessels, GTIPL vessels and BPCL vessels for the years 2010-11 to 2012-13 is estimated based on the actual aggregate GRT of respective group of vessels obtained during the year 2009-10 adjusted for estimated traffic volume for the years 2010-11 to 2012-13. The actual income earned by the port during the year 2009-10 under vessel related tariff items like Port Dues, Pilotage & Towage, Berth hire charges and Other vessel related income are extrapolated for the subsequent years 2010-11 to 2012-13 using the actual aggregate GRT for 2009-10 and estimated aggregate GRT for the subsequent 3 years on proportionate basis.

The JNPT has further adjusted the estimated vessel related income for exchange rate fluctuation by considering the actual (average) rate of ₹47.48 per US\$ for the year 2009-10 and estimated exchange rate of ₹ 44.63 per US\$ for the years 2010-11 to 2012-13. The JNPT has stated that the exchange rate considered for the projections are based on the average of the annual US\$ average rate for the three financial years 2007-08, 2008-09 and 2009-10, viz. ₹44.63 per US\$. This Authority follows a uniform method of considering the exchange rate prevailing at the time of finalisation of tariff cases for conversion of dollar denominated

rates in Indian Rupee for estimation purpose. Though the volatile market condition is cited as the reason by the JNPT for considering the average rate and the argument is also supported by the GTIPL, it is felt that average rate of last 3 years cannot be considered as an indicator for the future exchange rate estimation. Therefore, the approach adopted in considering the exchange rate for conversion of vessel related income is maintained in this case. Accordingly, the estimated vessel related income up to January 2011 in the year 2010-11 is adjusted with the average of actual rates prevailing during the period from April 2010 to January 2011 at ₹45.65 per US\$, based on the daily exchange rate details furnished by the JNPT. The estimated income for the remaining two months in the year 2010-11 and the estimated income for the years 2011-12 and 2012-13 are adjusted with the exchange rate of ₹45.64 per US\$ prevailing at the time of analysis of this case.

- (d). The JNPT has estimated the Estate related income for the years 2010-11 to 2012-13 based on the actual estate related income earned during the year 2009-10 with 2% annual escalation per annum (compounded) as per the Land Policy Guidelines 2004, except in the case of lease rentals receivable from GTIPL. The actual lease rental from GTIPL accounted by the JNPT for the year 2009-10 is escalated by 5% p.a. as per the License Agreement entered into with GTIPL. The recovery of electricity charges and water charges are considered by JNPT under estate related income. The estimates of such income for the years 2010-11 to 2012-13 are also considered subject to moderation of escalation factors considered by the JNPT.

An escalation factor of 10% is considered by JNPT over actuals of 2009-10, for income estimation purpose on account of recovery of electricity charges for the years 2010-11 to 2012-13. The 10% escalation is considered for the year 2010-11 based on the increase in electricity cost in 2009-10 vis-à-vis 2010-11 considered in the estimated power cost. For the next two years, applicable escalation rate of 3.76% p.a. is considered over the estimate of 2010-11, taking the year 2010-11 as the base.

The estimated recovery of water charges for the three years 2010-11 to 2012-13 are escalated with 3.76% p.a. over the actual of 2009-10, taking the year 2009-10 as base. The estimated miscellaneous estate related income for the said three years is kept at the same level of 2009-10, as furnished by JNPT.

The rates for estate rental are to be determined as per the Land Policy Guidelines announced by the Government. In spite of repeated reminders from us and assurance given by the JNPT from time to time, the port has not filed any proposal for revision of estate rentals at JNPT so far. Nevertheless, the estimated income from estate rentals are considered in this exercise only to ascertain the overall financial/cost position of the port and to see whether the surplus, if any, arising from this activity could be utilized to cross-subsidize other deficit making activities, as provided in clause 2.11.5 of the tariff policy guidelines.

- (e). The estimated Royalty / Revenue share receipts from the BOT operators furnished by JNPT for the years 2010-11 to 2012-13 based on the actual royalty / revenue share receipts for the year 2009-10 adjusted for estimated throughput of the respective BOT operators for the years 2010-11 to 2012-13 are relied upon. In any case, this will not have any impact on this tariff revision exercise since the entire royalty / revenue share receipts are considered as accrual to Escrow Account, as proposed by the JNPT. As stated earlier, the estimated royalty receipt from the CFS operation for the years 2010-11 to 2012-13 is also taken to Escrow

Account. The accruals to Escrow Account and utilizations from the Escrow Account with actual from the years 2006-07 to 2009-10 and estimates for the years 2010-11 to 2012-13 are tabulated below:

Particulars	Actuals				Estimates		
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Opening Balance	7997.20	27529.48	61801.38	102639.37	146126.18	203689.34	261456.77
Add: Royalty / Revenue share receipts during the year	19532.28	34271.90	40837.99	52054.27	57563.16	57767.43	62723.04
Sub total	27529.48	61801.38	102639.37	154693.64	203689.34	261456.77	324179.81
Less: Utilisations during the year	0.00	0.00	0.00	8567.46	0.00	0.00	0.00
Closing Balance	27529.48	61801.38	102639.37	146126.18	203689.34	261456.77	324179.81

As stated earlier, as per the tariff guidelines, the accumulations in the Escrow Account in a particular year should be utilised for infrastructure development within five years. Accordingly, the estimated accruals up to 2008-09 amounting to Rs.102639.37 lakhs should be utilised within the year 2012-13. After deducting the amount actually utilised during the year 2009-10 amounting to Rs.8567.46 lakhs, the balance amount to be spent during the years 2010-11 to 2012-13 works out to Rs.94071.91 lakhs. The JNPT has stated that it proposes to utilize the Escrow Account accumulations for the capital dredging project at a revised estimated cost of Rs.1300 crores and Rs.241.00 crores towards allotment of land to the Project Affected Persons. Therefore, the accruals to the Escrow Account up to 2008-09 are not considered as operating income in this tariff revision exercise. However, the actual amount spent from Escrow Account during the years 2010-11 to 2012-13 will be assessed during the next tariff review and unutilised amount, if any, will be considered as operating income.

- (f). As brought out earlier, the JNPT has not considered the income received from the BOT operators other than Royalty / Revenue share during the years 2006-07 to 2009-10 for the purpose of tariff fixation as well as not considered any estimated income in this regard for the years 2010-11 to 2012-13. Since we have recognised such other income received from the BOT operators in the past period and in order to consider the comprehensive financial / cost position of the port as a whole, the estimated income on this account for the years 2010-11 to 2012-13 is taken at par with actual income realised during the year 2009-10. The expenses corresponding to such income is also estimated for the years 2010-11 to 2012-13 at the level of 2009-10 actuals without allowing any escalation, on the premise that any escalation in the expenses would be fully compensated by the corresponding recovery from the BOT operators.
- (vii). Clause 2.5.1. of the revised tariff guidelines requires that the expenditure projections of the major ports / terminal operators should be in line with traffic adjusted for price fluctuations with reference to current movement of whole sale price index (WPI) for all commodities. The JNPT had, in its proposal of October 2008, stated that the then prevailing inflation factor of 4.6% was not in line with the real conditions and a higher percentage should be allowed by TAMP while processing the JNPT proposal. In the revised proposal of July 2010, JNPT has stated that even though the current inflation rate is in the range of 6% to 12% from 2007-08 to 2009-10, in the tariff revision proposal ROCE of 16% and inflation factor of only 3.76% have been considered for the projections as per TAMP guidelines. However, it has also stated that it has considered higher rates of

escalation for certain items of expenses like salaries & wages, electricity & fuel charges, pension & gratuity, etc. and offered its justification in support of the same. The estimates of operating expenses are discussed in the following paragraphs.

(viii). Container handling activity

- (a). The JNPT has considered 10% annual escalation over the actual Salaries & Wages for the year 2009-10 for estimating the said item of expense for the years 2010-11 to 2012-13. Subsequently, the port has furnished the revised estimate of salaries & wages for the year 2010-11 for the port as a whole at ₹10,892.96 lakhs factoring the officers' pay revision announced by the Government in August 2010 and considering actual salaries & wages upto December 2010. The revised estimate for salaries & wages furnished by the JNPT for the year 2010-11 is relied upon and the estimates furnished by the JNPT for the next two years are moderated by applying 3.76% annual escalation taking the estimate for 2010-11 as the base.
- (b). The JNPT has considered 10% annual escalation over the actual power cost for the year 2009-10 for estimating the power cost for the years 2010-11 to 2012-13. Subsequently, the port has furnished the actual power cost for the period from April 2010 to December 2010. The estimated power cost furnished by the JNPT for the year 2010-11 is revised based on the actual power cost furnished by JNPT up to December 2010 by extrapolating the same for the next 3 months. The estimates for the next two years 2011-12 and 2012-13 are, however, moderated applying the escalation factor of 3.76% p.a. taking the estimate of year 2010-11 as the base. The JNPT has not furnished the details of units consumed and average cost per unit in the format prescribed in the cost statement. In the absence of such details, we are not in a position to evaluate the efficiency in terms of units consumed per TEU and average cost per TEU. The reason for not furnishing the requisite details is not furnished especially when the private terminal operators at JNPT are able to furnish such details. Therefore, JNPT is advised to furnish complete details in the prescribed format in next review of its tariff.
- (c). The JNPT has considered 10% annual escalation over the actual fuel cost for the year 2009-10 for estimating the fuel cost for the years 2010-11 to 2012-13. The JNPT has quoted the actual escalation in fuel price from January 2009 to June 2010 in support of considering higher rate of escalation by it. However, since the JNPT has not furnished the consumption and average unit cost of fuel for the relevant years, we are not in position to revise the estimated fuel cost taking into account the actual unit fuel cost prevailing at the time of analysis of this case. That being so, we have moderated the estimates furnished by the JNPT for the years 2010-11 to 2012-13 in this regard applying the escalation factor of 3.76% p.a. over the actual fuel cost for the year 2009-10, by taking the year 2009-10 as base.
- (d). The repairs & maintenance expenditure is estimated by the JNPT based on the actuals for 2009-10. The port has considered 50% of the expenses as variable and adjusted the same with reference to actual traffic of 2009-10 and estimated traffic for the years 2010-11 to 2012-13 and applied annual escalation of 3.76% pa. taking the year 2009-10 as the base. The balance 50% of the actual expenses of 2009-10 is directly escalated with 3.76% annual escalation (without adjusting for the estimated traffic) for estimating the expenses for the years 2010-11 to 2012-13, taking the year 2009-10 as the base. Though the JNPT has not furnished any basis for considering 50% as variable and 50% as fixed cost, the approach adopted by the JNPT is relied upon.

(e). Other Expenses:

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

- (i) The approach adopted by the JNPT for estimation of 'consumption of material' is similar to repairs & maintenance and is relied upon.
- (ii) The JNPT has estimated hire charges for a fleet of 90 Nos. Tractor Trailers and 7 Nos. Reach Stackers for which it has furnished work order copies. In respect of Reach stackers, the JNPT has considered existing rates up to January 2011 and has considered departmental estimates for estimating hire charges from February 2011 onwards, as reported by it. However, it is seen from the documentary evidence furnished by the JNPT, the present contract is extended up to July 2011. Therefore, the present rates are considered up to July 2011 and the departmental estimates furnished by JNPT are relied upon and considered from August 2011 onwards.

In respect of Tractor Trailers, the JNPT has considered existing rates up to April 2011 and departmental estimated rate from May 2011 onwards. However, the documentary evidence shows that the existing rates are valid up to March 2011 only. Therefore, we have considered existing rates up to March 2011 and considered departmental rates from April 2011 relying upon the estimated departmental rate furnished by JNPT. It is also seen that the departmental estimate for future contract considers only 80 tractor trailers instead of 90 Nos. in the existing contract. The estimated hire charges from April 2011 are adjusted accordingly.

The estimates of hire charges towards Tractor Trailers and Reach stackers are not directly linked to rate per TEU as mentioned in the work order and estimated throughput. It is reported by the JNPT that the charges payable to the contractor are based on the effective moves operated by them and also there is a minimum payment obligation on the part of JNPT. Hence, the port has calculated the estimates based on the actuals for 2009-10 adjusted for estimated throughput. The position reported by the JNPT is relied upon.

- (iii) Employee incentive is estimated based on actual expenses for 2009-10 adjusted for estimated throughput without allowing escalation. The approach adopted by the JNPT is considered.
- (iv) The JNPT has in its revised proposal estimated insurance cost based on actual of 2009-10 with applicable escalation factor of 3.76% p.a. The JNPT has subsequently furnished the actual insurance premium paid by it for the year 2010-11 supported with documentary evidence. We have revised the estimate for the year 2010-11 based on the document furnished by JNPT. The estimates for the next two years are kept at the same level of 2010-11 without allowing any escalation. It is seen that the estimated insurance cost for the three years 2010-11 to 2012-13 are well within the limit of value of 1% of gross block of assets.
- (v) All other expenses are estimated by JNPT based the actual expenses for the year 2009-10 with 3.76% annual escalation, taking the year 2009-10

as the base. Therefore, the estimates furnished by the JNPT for these items are considered without any change.

(ix). Bulk handling activity

The salaries & wages, power cost and repairs & maintenance are estimated by the JNPT following the same approach adopted for container handling activity. The other expenses for bulk handling activity include consumption of material, water charges, employee welfare and other general office expenses. We have maintained the same approach, as elaborated under container handling activity for estimating these expenses.

(x). Marine activity

- (a). The estimates of expenses for the years 2010-11 to 2012-13 towards salaries & wages, power, fuel and repairs & maintenance furnished by JNPT are moderated following the same approach adopted in the case of 'container handling activity' as explained in the foregoing paragraphs.
- (b). The JNPT has estimated the maintenance dredging expenses based on the actuals for the year 2009-10 with 3.76% annual escalation, taking the year 2009-10 as the base.
- (c). The other expenses under marine activity comprise of consumption of material, manning of port crafts, hire of tugs and launches, insurance, water charges, minor works, employee welfare and other general office expenses. The estimated expenses towards manning of port crafts and hire of tugs and launches are analyzed below:
 - (i) The actual expenses towards manning of port crafts for the year 2009-10, which is an outsourced item, is reported at ₹653.83 lakhs in the annual accounts. The JNPT has stated that since 3 existing port crafts are discarded from April 2010, the manning contracts in respect of these crafts are dispensed with and estimated an amount of ₹107.61 lakhs uniformly for the years 2010-11 to 2012-13 towards this item of expense. The estimate furnished by JNPT is considered. However, it is seen from the workings furnished by the JNPT that the estimates furnished by it includes service tax. As per Rule 3 of CENVAT Credit Rules, 2004, a provider of taxable service shall be allowed to take credit of the service tax paid on any input service received by the provider of output services and the credit is used for payment of service tax on output services. The port may utilize the benefit available in the statute and avoid loading the burden on the users. Therefore, the service tax component included in the estimate of JNPT is excluded.
 - (ii) The JNPT has estimated an amount of ₹5248.27 lakhs, ₹6022.70 lakhs and ₹6091.80 lakhs for the years 2010-11 to 2012-13 respectively towards hire of tugs and launches. The workings furnished by the JNPT show that the existing fleet of tugs and launches include 5 tugs and 3 pilot launches. It is seen from the documentary evidence furnished by the JNPT in support of its estimate that the period of contract is 5 years with provision for extension for another two years without any escalation in the daily hire rate. However, in respect of Tug Purnima the contract period is 10 years with an extension of 2 years, with provision for escalation of 5% p.a. in the daily hire rate. The workings furnished JNPT show that the daily hire rate is payable for all the 365 days in a year. An arithmetical error noticed in the daily hire rate considered for Tug Purnima by JNPT is rectified and the estimates furnished by JNPT are moderated by excluding the service tax

component considered by JNPT, for the reasons stated in the preceding paragraph.

The JNPT has considered additional hire charges of ₹25,000 per day towards replacement of Tug Purnima from April 2010 onwards towards. However, it has not furnished any documentary evidence in support of the additional hire charge. Therefore, the additional hire charges considered for Tug Purnima is not considered.

In addition to the above, the JNPT has considered hiring of 3 tugs, 3 pilot launches, one security launch and one multipurpose boat. It is reported that the hiring of 3 new tugs are in lieu of 3 port owned crafts discarded from April 2010. The JNPT has also furnished the documentary support for hiring 3 tugs and 1 pilot launches which are already taken on hire during the year 2010-11. In respect of the balance vessels, the port has reported that it has considered the departmental estimates as the contracts are yet to be finalized. The estimates furnished by JNPT in this regard are considered subject to exclusion of service tax component, as explained earlier. The total expenses considered towards hire of tugs and launches work out to ₹4084.64 lakhs, ₹4712.76 lakhs and ₹4755.16 lakhs for the years 2010-11 to 2012-13 respectively. Though the port has not furnished any justification for hiring 3 new pilot launches, one security launch and one multipurpose boat, we have considered the estimated hire charges for these additional vessels assuming that they are as per the operational requirement of the port.

- (iii) The remaining items of other expenses are considered following the same approach adopted under the 'container handling activity' as explained in previous paragraphs.
- (iv) The JNPT has considered a new item of expenses under marine activity towards JNPT share of expenses relating to maintenance of VTMS Tower at ₹136.21 lakhs for each of the years 2010-11 to 2012-13. The capital cost of erection of VTMS tower at JNPT end is included under additions to gross block for the year 2010-11, which is discussed in the later part of this analysis. Therefore, the estimate furnished by JNPT in this regard is considered subject to verification of actual in the next tariff review.

(xi). Estate activity

- (a). The estimates of expenses for the years 2010-11 to 2012-13 towards salaries & wages furnished by JNPT are moderated following the same approach adopted in the case of 'container handling activity' as explained in the foregoing paragraphs.
- (b). The JNPT has estimated the power cost for the years 2010-11 to 2012-13 based on actual expenses for the year 2009-10 with 10% annual escalation, taking the year 2009-10 as the base. As stated earlier, the JNPT subsequently furnished actual power cost from April 2010 to December 2010. The estimate of power cost for the year 2010-11 is revised by taking the actual from April 2010 to December 2010 and extrapolating the same for the next 3 months. The estimates for the next two years 2011-12 and 2012-13 are considered by applying 3.76% annual escalation over the estimate for the year 2010-11, taking the year 2010-11 as the base.
- (c). All other expenses under estate activity, viz. repairs & maintenance, consumption of material, water charges, minor works, general office expenses, etc. for the years 2010-11 to 2012-13 are estimated by JNPT

based on the respective actual expenses for the year 2009-10, with 3.76% annual escalation, taking the year 2009-10 as the base. The estimates furnished by the JNPT in this regard are considered without any change.

- (xii). As brought out earlier, the depreciation amount furnished by the JNPT for the years 2006-07 to 2008-09 as per Companies Act is considered without any modifications. Similarly, the estimated depreciation on existing assets for the years 2010-11 to 2012-13 is also considered without modification. The additions to the gross block furnished by JNPT are discussed in the later part of this analysis. As stated earlier, the JNPT has calculated depreciation on additions for full year without reckoning the date of commissioning of the individual assets and also has not furnished details of scheduled/ expected date of commissioning for the proposed additions to the gross block during the years 2010-11 to 2012-13. In view of this, we have moderated the depreciation on all additions to the gross block considered during the years 2010-11 to 2012-13 to 50% of the annual depreciation on an average.

The estimated depreciation for the years 2010-11 to 2012-13 is allocated to various cost centres, viz. container handling, railway, bulk, marine, BOT and general administration assets based on the individual assets identified under each cost centre. The depreciation on railway assets is included under container handling activity and the depreciation on BOT assets is included under estate activity. The depreciation on general administration assets are added to the management and general overheads and allocated to the main activities on the basis of direct operating expenses including depreciation of the respective main activities for the respective years. The basis of apportionment considered by JNPT is relied upon in this analysis.

- (xiii). The JNPT has considered 3.76% annual escalation over actual management and general overheads of the year 2009-10 for the purpose of estimation of overheads for the years 2010-11 to 2012-13, taking the year 2009-10 as base. The estimated management and general overheads for the years 2010-11 to 2012-13 estimated by JNPT are considered without any change. The JNPT has apportioned the estimated management overheads to various activities on the basis of direct operating cost which is also considered.
- (xiv). The estimated Finance & Miscellaneous Income for the years 2010-11 to 2012-13 is maintained at the same level of actual Finance & Miscellaneous Income reported for the year 2009-10, excluding penalty for shortfall in throughput. The estimated Finance & Miscellaneous Income for the years 2010-11 to 2012-13 are apportioned to the four activities based on the operating income of the respective activities for the respective years, as per the approach adopted by the JNPT.
- (xv). As stated earlier, the Finance & Miscellaneous Expenses of JNPT comprise of pension and gratuity contribution as per actuarial valuation and other items. The JNPT has considered 50% increase in the pension and gratuity contribution for the year 2010-11 over the actual contribution in the year 2009-10, considering the impact of officers' pay revision implemented in the year 2010-11. The position reported by the JNPT is relied upon and 50% increase is considered for the year 2010-11. However, the estimates in respect of other items of Finance & Miscellaneous expenses for the year 2010-11 is considered by allowing 3.76% escalation over 2009-10 actuals, as furnished by JNPT. The estimates for the next two years, including pension contribution are estimated with 3.76% annual escalation over the estimate of 2010-11, taking the year 2010-11 as the base.
- (xvi). (a). The JNPT has considered estimated additions to the gross block to the tune of Rs.30609 lakhs, Rs.65485 lakhs and Rs.56200 lakhs during the years 2010-11 to 2012-13 in the revised cost statement (Form 4A) furnished by it. The JNPT also furnished the details of individual assets proposed to be added to the gross block during the said years (Form 4 B). The year-wise

additions proposed by the JNPT as per details furnished by it in Form 4B are tabulated below:

(₹ in lakhs)

Sl. No.	Details of additions	2010-11	2011-12	2012-13	Total
(i)	Acquisition of 3 new RMQC on replacement of existing 3 old RMQC on buyback system	6400.00	2100.00	0.00	8500.00
(ii)	Acquisition of 1 new RMQC and shifting of one existing old RMQC from MCB to SDB	3200.00	0.00	200.00	3400.00
(iii)	Acquisition of 3 new RMQC and shifting of two existing old RMQC from MCB to SDB	1800.00	7000.00	2200.00	11000.00
(iv)	Acquisition of 1 new RMGC in replacement of 1 existing RMGC	1935.00	0.00	0.00	1935.00
(v)	Environmental Measures for Infrastructure Development for port based industries	325.00	200.00	200.00	725.00
(vi)	Upgradation of existing roads and yards	1500.00	1000.00	300.00	2800.00
(vii)	Infrastructure facilities for port based industries Zone II	500.00	50.00	50.00	600.00
(viii)	Rehabilitation Of existing structures (ROB at Karal)	100.00	200.00	100.00	400.00
(ix)	Upgradation of Computer System / Data centre	85.00	450.00	0.00	535.00
(x)	Upgradation of VTMS Tower	51.00	0.00	0.00	51.00
(xi)	Earth filling Zone V	2542.00	0.00	0.00	2542.00
(xii)	Earth filling Zone II	3002.00	0.00	0.00	3002.00
(xiii)	Earth filling Zone V	4480.00	0.00	0.00	4480.00
(xiv)	Development of area in Zone I	4714.00	0.00	0.00	4714.00
(xv)	Structural Rehabilitation Of ROB at Karaj Junction	0.00	1335.00	0.00	1335.00
(xvi)	Infrastructure facilities for port based industries Zone V	10.00	500.00	500.00	1010.00
(xvii)	Development of Waste Disposal System	90.00	50.00	50.00	190.00
	Total as furnished as per Form 4B	30734.00	12885.00	3600.00	47219.00
	Total As furnished in Form 4A	30509.00	12785.00	3500.00	46794.00

The reason for difference between the position reported in the cost statement (Form 4A) and the details furnished in Form 4 B remains unexplained. Since Form 4 A does not provide break up for the proposed investments, we have gone by the position reported in Form 4 B which provides break up for the proposed investments. The details of proposed additions to the gross block are discussed below:

- (i) The JNPT has furnished a copy of the work order placed by it for acquisition of 3 new RMQCs on replacement of 3 existing RMQCs on buy back arrangement. The scheduled completion period for this work as per the work order is May 2011. As per tariff guidelines of March 2005, only completed and commissioned assets are to be considered under capital employed for the purpose of allowing return.

Since the commissioning of this asset is expected only in 2011-12, the estimate of ₹64.00 crores considered by the JNPT in the year 2010-11 is shifted to the year 2011-12, i.e. the total estimate of ₹85.00 crores is considered in the year 2011-12.

- (ii) In respect of Sl. No. (ii) in the above table, the JNPT has furnished a copy of the work order for acquisition of one new RMQC. Though the scheduled completion period for this work as per the work order is Nov 2010, the JNPT has not stated that the work is completed as per schedule. It appears that the work is yet to be completed. Hence, the estimate of Rs.32.00 crores is considered in the year 2011-12. The JNPT has not furnished any documentary support for the estimate of Rs.2.00 crores considered in the year 2012-13 for the same work. It appears that this estimate is for shifting of one existing RMQC from Main Container Berth to Shallow Draught Berth. We have relied upon the estimate furnished by the port and considered the same.
- (iii) Apart from the above, the JNPT has also proposed acquisition of 3 new RMQCs and shifting of 2 existing RMQCs to the SDB and has phased the estimated total capital outlay of Rs.110.00 crores over the years 2010-11 to 2012-13. As far as the status of the work is concerned, the JNPT has stated that global tenders have been invited. The estimate is also not substantiated with any documentary evidence. Considering that the finalisation of tenders might take some more time and thereafter, a minimum of 15 to 18 months time may be required for completion of the work as seen from the copies of work orders furnished by the JNPT for similar works, in all eventuality, the work may materialise only in the fag end of this tariff cycle or in the early part of the next tariff cycle. Therefore, the estimate of JNPT in this regard to the tune of Rs.110.00 crores is not considered .
- (iv) The work under Sl. No.(iv) relates to acquisition of one new RMGC on replacement basis. The work order copy furnished by JNPT in this regard substantiates the estimate furnished by it. Though the scheduled completion time as per work order is mentioned as February 2011, the JNPT has not furnished any details on the present status of the work. Therefore, the estimated cost of this work is considered in the year 2011-12.
- (v) In respect of work envisaged at Sl. No.(v), the JNPT has stated that the work scheduled for the year 2010-11 is already completed at a value of Rs.325.00 lakhs. Though the port has not furnished any documentary support, the position reported by it is relied upon and the estimates for all the years 2010-11 to 2012-13 are considered without any modification.
- (vi) As reported by the JNPT, the upgradation of roads and yards work mentioned in sl. no. (vi) of the table is partly completed in the year 2010-11. It has furnished work order copies for Rs.1004 lakhs for works completed during the year 2010-11 and also for Rs.839.00 lakhs for works to be completed during the year 2011-12. Accordingly, out of the total estimate of Rs.2800 lakhs furnished by JNPT, Rs.1004.00 lakhs and Rs.839.00 lakhs are considered in the years 2010-11 and 2011-12 respectively and the balance amount of Rs.957.00 lakhs is considered in the year 2012-13.
- (vii) Likewise, in respect of work envisaged at sl. no. (vii), an amount of Rs.496.00 lakhs is considered in the year 2010-11 based on the documentary evidence furnished by the port and Rs.50 lakhs each are

considered in the years 2011-12 and 2012-13 respectively relying upon the estimates furnished by the port.

- (viii) The estimate for work at sl. no. (viii) – Rehabilitation of existing structures at ROB Karal is not supported with any documentary evidence. However, the JNPT has stated that the work pertaining to the year 2010-11 is already completed. Relying upon the position reported by the port, the estimate of JNPT towards this work for the years 2010-11 to 2012-13 is considered without any modification.
- (ix) In respect of upgradation of computer system /data centre (sl. no.ix) proposed at an estimated cost of Rs.535.00 lakhs, the port has stated the works to the tune of Rs.85.00 lakhs is already completed in the year 2010-11 supported with documents. It has further stated that the balance of Rs.450 lakhs is earmarked for procurement of hardware / software to be decided by the consultant engaged by it for this purpose and would be incurred within this tariff validity period. Considering the position reported by port, the total estimate of Rs.535.00 lakhs is considered in a phased manner, viz. Rs.85.00 lakhs in the year 2010-11 and Rs.225.00 lakhs each in the years 2011-12 and 2012-13.
- (x) The capital expenses towards upgradation of VTMS tower proposed by the JNPT is considered at Rs.45.00 lakhs in the year 2010-11 based on the documents / details furnished by the port and the balance of Rs.5.00 lakhs is considered in the year 2011-12.
- (xi) The earth filling works and area development work mentioned at Sl.No.(xi) to (xiv) in the above table at a total cost of Rs.14738 lakhs are already completed in the year 2010-11 as reported by the port along with documentary evidence. Therefore, the estimates towards these works are considered without any modification.
- (xii) The structural rehabilitation of Road Over Bridge (ROB) at Karal junction at an estimated cost of Rs.1335.00 lakhs proposed during the year 2011-12 is supported with copy of work order placed by the port on a private firm. Therefore, the estimate is considered .
- (xiii) The estimate for the work envisaged by the JNPT towards Infrastructure facilities for port based industries at Zone V (sl. No. xvi) is not supported with any documentary evidence. The port has also not stated anything about the status of the work. Therefore, the said estimate amounting to Rs.1010.00 lakhs is not considered .
- (xiv) In respect of work mentioned at Sl. No. xvii of the table – Development of waste disposal system, the JNPT has stated that the work pertaining to the year 2010-11 for a value of Rs.90.00 lakhs is already completed. Though documentary evidence is not furnished by the port for this estimate, the position reported by the port is relied upon and the estimate proposed by the JNPT in the years 2010-11 to 2012-13 is considered without any modifications.
- (xv) In addition to the above, the JNPT has also proposed capital outlay in respect of capital dredging amounting to Rs.814 crores and allotment of land to Project Affected Persons under 12.5% Land Scheme of the Government amounting to Rs.241 crores during the years 2010-11 to 2012-13. However, the port has not considered both the items in the Capital Employed stating that the expenditure on these accounts are proposed to be met from the accumulations in the Escrow Account maintained by it for infrastructure development. Therefore, the said

capital outlay is not included in the capital employed and return is not allowed.

- (xvi) With the above changes, the year-wise total additions to the gross block proposed by JNPT and considered are as follows:

(₹ in crores)		
Year	As proposed by JNPT	As considered
2010-11	307.34	168.83
2011-12	128.85	165.39
2012-13	36.00	17.82
Total	472.19	352.04

- (xvii) The Written Down Value of assets funded from Escrow A/c as at the end of years 2010-11 to 2012-13 have been deducted from the value of closing net block of assets of the respective years. This amount is again allocated to the four main activities in the ratio of closing net block of assets as at the end of respective years. Though the JNPT was specifically requested to furnish separate cost statements for each of sub-activities covered under the container handling activity and marine activity, the JNPT expressed its inability to furnish the same stating it does not maintain the cost details for the sub-activities. Though the reported position is relied upon in this analysis, the JNPT is advised to initiate suitable action to furnish the details in the prescribed format in the next review.
- (xviii) The value of closing net block of assets considered works out to Rs.54448.67 lakhs, Rs.60615.14 lakhs and Rs.51267.77 lakhs respectively for the years 2010-11 to 2012-13.
- (xix) As brought out earlier, the JNPT has not classified any of its assets under 'business related assets' and 'social obligation assets' categories, stating that it considers all its assets as business assets and it has also not furnished any details in this regard. However, with a view to comply with the provisions of tariff policy guidelines in this regard, which are binding on us, we have maintained the value of business related assets uniformly at Rs.1668.42 lakhs for all the three years, at par with the value adopted for the earlier years 2006-07 to 2009-10. The business related assets are allocated to 'Estate Activity' following the approach adopted during the last review of tariff.
- (b). The working capital estimates for the years 2010-11 to 2012-13 furnished by the JNPT are moderated following the norms stipulated in the guidelines. The sundry debtors and inventory is considered at two months' estimated estate rental income and one month's estimated value of consumption of materials for the years 2010-11 to 2012-13. The admissible cash balance is considered on the basis of one month's estimated operating expenses and overheads excluding depreciation. In the absence of estimates for current liabilities, the value of current liabilities is considered at par with the amount considered for the year 2009-10. Considering the estimated current assets and current liabilities as stated above, the working capital for the said three years is found to be negative and, therefore, taken as Nil. Hence, the value of closing net block of assets as furnished in the preceding paragraph is considered as capital employed for the respective years for the purpose of allowing return.
- (c). The container handling capacity for the year 2009-10 reported in the annual accounts in terms of tonnage, works out to 1.35 million TEUs per annum taking into account the conversion of factor of 12 considered by JNPT. Keeping in view the additional investment considered towards purchase /

replacement of RMQCs, the additional capacity is considered at 2,25,000 TEUs per annum from 2011-12 onwards, as furnished by the JNPT. Thus, the container handling capacity for the years 2011-12 and 2012-13 is considered at 1.575 million TEUs each.

Capacity utilisation for the three years 2010-11 to 2012-13, based on the capacity assessed by the port and estimated throughput, works out to be 67.54%, 66.80% and 66.80% respectively. The tariff policy guidelines of March 2005 provide for allowing maximum permissible return on capital employed, if the capacity utilisation is more than 60%. Since the capacity utilisation is more than 60% in all the three years, the return on capital employed at the maximum permissible rate of 16% on the value of business assets and at the risk free rate of 6.10% on the value of business related assets, which are the rates adopted for the year 2010-11, are considered for the years 2010-11 to 2012-13.

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

Sl. No.	Particulars	Operating Income (Rs. in lakhs)				Net Surplus (+) / Deficit (-) (Rs. in lakhs)				Net Surplus (+) / Deficit (-) as a % of Operating Income			
		2010-11	2011-12	2012-13	Total	2010-11	2011-12	2012-13	Total	2010-11	2011-12	2012-13	Total
1.	JNPT as a whole	49645.48	54857.68	55902.07	160405.23	(6685.48)	(1400.64)	(1036.62)	(9122.73)	(13.47%)	(2.55%)	(1.85%)	(5.69%)
2.	Container handling	23376.37	28136.92	28136.92	79650.21	(6207.28)	(2783.24)	(3777.74)	(12768.26)	(26.55%)	(9.89%)	(13.43%)	(16.03%)
3.	Bulk handling	279.96	184.51	184.51	648.98	(449.68)	(467.63)	(437.83)	(1355.15)	(160.62%)	(253.45%)	(237.29%)	(208.81%)
4.	Marine	15987.81	16223.66	16945.11	49156.58	529.53	1251.17	2077.49	3858.19	3.31%	7.71%	12.26%	7.85%
5.	Estate	10001.34	10312.59	10635.53	30949.46	(558.06)	599.07	1101.44	1142.45	(5.58%)	5.81%	10.36%	3.69%

- (a). As can be seen from the above table, there will be a net deficit amounting to Rs.9122.73 lakhs at the existing level of tariff during the years 2010-11 to 2012-13, even after adjustment of two instalments of past surplus.
- (b). The position shown above is based on adjustment of the additional past surplus for the years 2006-07 to 2009-10 amounting ₹228.14 crores over a period of five years from 2011-12. Accordingly, the additional surplus set off in the period of 2 years from 2011-12 and 2012-13 covered under current tariff cycle works out to ₹91.26 crores, leaving a balance surplus of ₹136.88 crores for adjustment in the next cycle. It is desirable to exhaust all the other options before considering tariff increase. Therefore, the estimated overall net deficit for the years 2010-11 to 2012-13 amounting to around ₹91.23 crores may also be taken to be met from past surplus which will permit maintaining status quo in the existing tariff for all activities. Consequently, the balance additional surplus left for adjustment in the next tariff cycle will stand reduced to ₹45.65 crores. There will be no change in the rates prescribed in the existing Scale of Rates of JNPT which may continue for the current cycle also.
- (xviii). The revised proposal filed by JNPT in July 2010, which was circulated to the concerned users, did not accompany the draft Scale of Rates. The JNPT subsequently, after completion of consultation process and as late as in December 2010, furnished a revised draft Scale of Rates. Some of the main tariff items in which modifications proposed by the JNPT in the draft Scale of Rates furnished in December 2010 vis-à-vis draft Scale of Rates furnished by it earlier along with its original proposal are listed below:
- Schedule of Port Dues
 - Schedule of Shifting charges
 - Schedule for cancellation charges and detention charges for pilots.
 - False signal and penal berth hire
 - Situations which are considered as false signal.
 - Instances where shutout charges are not levyable.

- (vii). Storage charges for normal / abandoned long standing containers.
- (viii). Storage charges for long standing containers confiscated and auctioned by customs for cargo landed before 31 December 1998 and after 31 December 1998
- (ix). Procedure and charges for ITRHO of transshipment of containers between the JNPT and GTIPL.
- (x). Changes in the existing schedule of hire charges for floating craft.

The revised draft Scale of Rates furnished in December 2010 was not supported by reasons and justifications for the changes proposed in the tariff items and relevant conditionalities. Further, there was no indication in the revised tariff proposal filed by the port in July 2010 of the changes which have been subsequently effected in the draft Scale of Rates filed in December 2010.

In view of the above position, this Authority is not in a position to consider the modifications proposed by JNPT. The JNPT is, however, advised to come up with a proposal for rationalisation and changes in the conditionalities with reasons and justifications for the proposed changes in the Scale of Rates which will be taken up in a separate tariff proceeding. However, changes proposed in its draft Scale of Rates filed along with its original proposal and circulated among users is discussed in the following paragraphs.

- (xix). As brought out in the narration of factual position of this note earlier, the JNPT has proposed a note in the draft Scale of Rates filed along with its original proposal stating that all shifting carried out at the request of private / BOT terminals are to be treated as for “terminal convenience” and chargeable.

In this connection, it is relevant to recollect here that this Authority in its Order dated 30 September 2008, disposing off a reference received from MANSA seeking clarification on certain conditionalities governing levy of the vessel related charges at JNPT, found that there is a case for prescription for conditionalities to govern the levy of shifting charges when the JNPT shifts the vessels at the Terminals operated by the GTIPL and NSICT. This Authority, therefore, advised the JNPT in the said Order to finalise suitable provisions in consultation with the NSICT / GTIPL / BPCL in this regard. It was advised to JNPT that such provisions should list out in detail, various movements of vessels constituting “terminal convenience” and “JNPT convenience”.

However, the various movements of the vessels at the terminals operated by the licensees constituting “terminal convenience” and “JNPT convenience” are not listed out inspite of specific advice rendered by this Authority in this regard. It has also not been made clear by JNPT whether it had consultations with the other terminal operators at JNPT. The proposed provision is not approved and JNPT is advised to comply with the suggestion given in the Order of September 2008.

- (xx). The levy of charges for Inter Terminal Rail Handling Operations (ITRHO) is governed by separate orders. The income arising out of levy of charges for ITRHO and the expenditure connected therewith are considered in the overall income / cost position of the JNPT. Further, the rate of ₹400 per TEU was approved commonly applicable at the container terminals operated by GTIPL and NSICT apart from JNPT as proposed by the JNPT at the relevant point of time. That being so, there is no case to consider any increase in the existing rate of ₹ 400 per TEU.
- (xxi). In the existing arrangement, there is a provision for levy of penal berth hire equal to one day's berth hire charge for a 'false signal'. The port has proposed the following definition for false signal and has proposed to list out the following situations under which a vessel is unable to sail at the pilot booked time.

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

1. Incomplete cargo operations inclusive of lashings and checking of reefer containers and documentation.
2. Inadequate GM (Metacentric Height)
3. Failure of Main Engine or any other machinery which may affect / delay the unmooring operations / sailing.
4. Non-availability of full power as per ship's manoeuvring characteristics.
5. All dues to the port relating to the ship not having been settled.
6. Original valid port clearance not on board.
7. Certificate of Health Inspection not on board.
8. Non compliance with any of the port or statutory rules, regulations and requirements.
9. All crew not on board as per the minimum safe manning certificate of the vessel.
10. Actual draft more than the declared draft resulting in cancellation of sailing.
11. Navigational equipment (s) inoperational."

The listing out of the situations under which a vessel is unable to sail at the pilot booked time will avoid billing disputes and keeping in view that there is no objection from the users, the proposal of the JNPT in this regard is approved.

- (xxii). in August 2003 this Authority approved the then existing berth hire charges to be applied for shallow draught berth / port craft berth/ port craft jetty subject to a minimum of 20% discount in the applicable rates on the undertaking given by the JNPT to furnish relevant cost details in the next revision of its tariff. During the proceedings for the revision of tariff undertaken vide tariff Order of September 2006, the JNPT pleaded to consider separately the fixation of tariff for vessels handled at such berths and requested to continue with the arrangement approved in August 2003 till such time. Acceding to the request of the JNPT, this Authority in the last tariff Order dated 28 September 2006, had advised JNPT to come up with a cost based proposal for levy of berth hire charges at shallow draught berth / port craft jetty / port craft berth. The port neither came up with a separate proposal nor included the same in the current general revision proposal. To a query in this regard, the JNPT simply replied that there is no move at present to prescribe separate berth hire charges for liquid cargo jetty and the other above said berths completely ignoring the advise rendered by this Authority.

When the port was again insisted to follow the advice of this Authority the response of the JNPT is that the detailed break-up of cost are not available separately in its accounting. This response of the port does not found to be acceptable in this age of electronic data generation.

The earlier stand of this Authority requiring JNPT to come up with a cost based proposal for levy of berth hire charges at the above said berths is reiterated.

- (xxiii). The general note proposed prescribing rate of penal interest on delayed payments/ refunds is modified to reflect the penal rate of interest at 14.75% in terms of prevailing Prime Lending Rate of State Bank of India at 12.75% as stipulated in Clause 2.18.2 of the tariff guidelines of March 2005.
- (xxiv). As stated earlier, the validity of the existing Scale of Rates fixed in September 2006 expired on 30 September 2010. Since the process of notification of the Order passed in this case may take some more time, the validity of the existing SOR of JNPT is deemed to have been extended till the effective date of implementation of the Order passed.

12.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the following changes in the existing Scale of Rates of the JNPT.

- (i). The existing clause prescribed in schedule 1.2 (vii) (b) of Chapter-I is replaced with the following:
 "The rate of penal interest will be 14.75% p.a. The penal interest rate will apply to both the JNPT and the port users equally."

- (ii) The following provision is inserted below the existing Note 4 (b) prescribed after schedule 2.5 of Chapter-II – Vessel Related Charges:

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

1. Incomplete cargo operations inclusive of lashings and checking of reefer containers and documentation.
2. Inadequate GM (Metacentric Height)
3. Failure of Main Engine or any other machinery which may affect / delay the unmooring operations / sailing.
4. Non-availability of full power as per ship's manoeuvring characteristics.
5. All dues to the port relating to the ship not having been settled.
6. Original valid port clearance not on board.
7. Certificate of Health Inspection not on board.
8. Non compliance with any of the port or statutory rules, regulations and requirements.
9. All crew not on board as per the minimum safe manning certificate of the vessel.
10. Actual draft more than the declared draft resulting in cancellation of sailing.
11. Navigational equipment (s) inoperational.”

12.2. The revised Scale of Rates and conditionalities of the JNPT will come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and shall be in force till 31 March 2013. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

12.3 The validity of the existing Scale of Rates of JNPT is deemed to have been extended beyond 30 September 2010 till the effective date of implementation of the Order passed.

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

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

(Rani Jadhav)
Chairperson

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Consolidated Income & Cost statement for the Port as a whole

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals				Estimates furnished by JNPT			Estimates moderated by TAMP		
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
	Traffic handled										
	Container (TEUs)	1,305,062	1,260,923	1,063,435	776,222	780,000	1,030,000	1,030,000	855,732	1,030,000	1,030,000
	Bulk incl. Vehicles (Tonnes)	626,990	746,325	825,851	1,039,737	1,020,000	800,000	800,000	1,213,840	800,000	800,000
I	Total Operating Income										
	(i) Container handling income	34316.32	31326.12	27241.55	21204.37	21849.60	28852.68	28852.68	23376.37	28136.92	28136.92
	(iii) Bulk handling income	181.04	171.80	241.98	239.56	235.25	184.51	184.51	279.96	184.51	184.51
	(iv) Marine income	15837.01	11920.51	14114.18	16017.37	15350.04	15865.06	16570.56	15987.81	16223.66	16945.11
	(v) Estate income	8205.62	8724.33	9760.11	9678.78	9998.79	10333.08	10682.50	10001.34	10312.59	10635.53
	(vi) Income from BOT operators other than Royalty / Revenue share	2207.01	2667.74	4310.64	5011.92	0.00	0.00	0.00	5011.92	5011.92	5011.92
	Total - I	60747.00	54810.50	55668.46	52152.00	47433.69	55235.33	56290.24	54657.40	59869.60	60913.99
II	Operating Costs (excluding depreciation)										
	(i) Container handling & storage	12077.93	10536.15	11215.37	12115.62	13309.89	15671.47	17420.45	14004.05	15150.82	15674.23
	(ii) Bulk handling & storage	265.47	336.14	349.81	357.94	385.96	372.61	417.94	345.27	303.13	314.52
	(iii) Marine activity	5242.88	5873.04	7263.13	8197.97	10152.60	11243.61	11864.61	8975.86	9794.43	10065.90
	(iv) Estate activity	1912.87	2444.87	2640.30	2919.84	3385.40	3569.02	3770.72	3451.45	3570.15	3693.30
	(v) Expenditure for BOT operators	1868.28	2475.03	4075.37	4121.18	0.00	0.00	0.00	4121.18	4121.18	4121.18
	Total - II	21367.43	21665.23	25543.98	27712.55	27233.86	30856.71	33473.72	30897.81	32939.71	33869.13
III	Depreciation	8114.28	8608.77	8899.49	9372.97	10072.65	11078.93	11367.43	9543.96	10533.63	11290.48
IV	Management & General Administration Expenses	4536.60	6728.91	8794.78	8445.93	9058.62	9641.66	10568.90	9018.69	9350.36	9694.50
V	Operating Surplus / (Deficit) (I) – (II) – (III) – (IV)	26728.69	17807.59	12430.21	6620.55	1068.56	3658.03	880.19	5196.94	7045.90	6059.88
VI	Finance & Miscellaneous Income (FMI)	887.73	890.64	3,521.45	1,847.92	23.67	24.56	25.48	394.62	394.62	394.62
VII	Finance & Miscellaneous Expenses (FME)	1,320.04	742.63	6,618.69	2,576.03	3,546.92	3,680.29	3,818.66	3,730.43	3,870.69	4,016.23
VIII	FMI Less FME (VI) - (VII)	(432.31)	148.01	(3,097.24)	(728.11)	(3,523.25)	(3,655.73)	(3,793.18)	(3,335.81)	(3,476.07)	(3,621.61)
IX	Surplus Before Interest and Tax (V) + (VIII)	26,296.38	17,955.60	9,332.97	5,892.44	(2,454.69)	2.30	(2,912.99)	1,861.13	3,569.83	2,438.27
X	Capital Employed	64,235.93	63,669.88	60,275.83	48,465.73	84,804.36	85,245.78	77,790.16	54,448.67	60,615.14	51,267.77
	(i) Business Assets	62567.51	62001.46	58607.41	46797.31	84,804.36	85,245.78	77,790.16	52780.25	58946.72	49599.35
	(ii) Business Related Assets	1,668.42	1,668.42	1,668.42	1,668.42	0.00	0.00	0.00	1668.42	1668.42	1668.42
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	RoCE - Maximum permissible	9,508.59	10,052.04	9,513.50	7,589.34	13,568.70	13,639.32	12,446.43	8,546.61	9,533.25	8,037.67
	(i) Business Assets	9,385.13	9,920.23	9,377.19	7,487.57	13568.70	13639.32	12446.43	8,444.84	9,431.48	7,935.90
	(ii) Business Related Assets	123.46	131.81	136.31	101.77	0.00	0.00	0.00	101.77	101.77	101.77
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	Capacity Utilization	105.49%	93.95%	79.92%	60.91%	100.00%	100.00%	100.00%	67.54%	66.80%	66.80%
XIII	RoCE adjusted for capacity utilization	9,508.59	10,052.04	9,513.50	7,589.34	13,568.70	13,639.32	12,446.43	8,546.61	9,533.25	8,037.67
XIV	Net Surplus / (Deficit) (IX) - (XIII)	16,787.79	7,903.56	(180.53)	(1,696.90)	(16,023.39)	(13,637.02)	(15,359.42)	(6,685.48)	(5,963.42)	(5,599.40)
XV	Total Surplus for the years 2006-07 to 2009-10 set off over a period of five years from 2011-12			22,813.92		-	-	-	-	4,562.78	4,562.78
XVI	Total Net Surplus / (Deficit) for Tariff Period					(16,023.39)	(13,637.02)	(15,359.42)	(6,685.48)	(1,400.64)	(1,036.62)

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Container handling activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals				Estimates furnished by JNPT			Estimates moderated by TAMP		
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
	Traffic (in TEUs)	1,305,062	1,260,923	1,063,435	776,222	780,000	1,030,000	1,030,000	855,732	1,030,000	1,030,000
I	Total Operating Income										
	(i) Handling charges	31567.22	28698.60	24438.67	19311.10	19947.12	26340.43	26340.43	21289.18	25624.67	25624.67
	(ii) Storage Charges	1622.55	1528.29	1896.35	1118.23	1123.67	1483.82	1483.82	1232.77	1483.82	1483.82
	(iii) Reefer Electricity & Monitoring	1055.23	715.00	767.82	641.53	644.65	851.27	851.27	707.24	851.27	851.27
	(iv) Income from Non-std. cargo	69.51	24.31	114.38	122.37	122.97	162.38	162.38	134.90	162.38	162.38
	(v) Misc. container income	1.81	359.92	24.33	11.14	11.19	14.78	14.78	12.28	14.78	14.78
	(vi) Income from BOT operators other than Roavty/Revenue share	1293.76	1602.71	2286.48	2254.44	0.00	0.00	0.00	2359.94	2570.65	2522.63
	Total - I	35610.08	32928.83	29528.03	23458.81	21849.60	28852.68	28852.68	25736.31	30707.57	30659.55
II	Operating Costs (excluding depreciation)										
	(i) Salary & Wages	2730.90	3971.20	4509.87	5425.06	5967.57	6564.32	7856.18	6192.43	6425.25	6666.84
	(ii) Power	734.52	668.29	729.50	869.41	961.01	1395.92	1535.51	1215.08	1517.52	1574.58
	(iii) Fuel	994.33	900.85	790.57	684.10	756.17	1098.39	1208.23	782.53	977.31	1014.06
	(iv) Repairs & Maintenance	29.20	66.77	137.02	363.90	378.50	455.82	472.96	396.92	455.82	472.96
	(v) Others	7588.98	4929.04	5048.41	4773.15	5246.65	6157.02	6347.56	5417.09	5774.92	5945.79
	(vi) Expenses on BOT contracts	1157.23	1358.89	2129.01	2116.48	0.00	0.00	0.00	2116.48	2116.48	2116.48
	Total - II	13235.16	11895.04	13344.38	14232.10	13309.89	15671.47	17420.45	16120.53	17267.30	17790.71
		13235.16	11895.04	13344.38	14232.10						
III	Depreciation	4208.44	4194.32	4410.36	4824.08	5724.20	6716.91	6993.46	4929.87	5771.66	6540.16
IV	Apportioned Management & General Administration Expenses	2675.68	3565.60	4525.30	4340.19	4621.79	5147.44	5754.27	4701.44	4971.33	5247.70
V	Operating Surplus / (Deficit) (I) – (II) – (III) – (IV)	15490.80	13273.87	7247.99	62.44	-1806.28	1316.86	-1315.50	-15.53	2697.28	1080.98
VI	Finance & Miscellaneous Income (FMI)	520.39	535.08	1867.87	831.21	0.00	0.00	0.00	185.81	202.40	198.62
VII	Finance & Miscellaneous Expenses (FME)	925.69	532.24	5524.45	2152.18	3005.51	3118.52	3235.78	3161.83	3283.94	3410.52
VIII	FMI Less FME (VI) - (VII)	(405.30)	2.84	(3,656.58)	(1,320.97)	(3,005.51)	(3,118.52)	(3,235.78)	(2,976.02)	(3,081.54)	(3,211.90)
IX	Surplus Before Interest and Tax (V) + (VIII)	15,085.50	13,276.71	3,591.41	(1,258.53)	(4,811.79)	(1,801.66)	(4,551.28)	(2,991.55)	(384.26)	(2,130.92)
X	Capital Employed	25434.11	22730.68	21784.71	18566.05	44117.83	48322.27	44675.53	20098.30	29620.47	24646.13
	(i) Business Assets	25434.11	22730.68	21784.71	18566.05	44117.83	48322.27	44675.53	20098.30	29620.47	24646.13
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	RoCE - Maximum permissible	3815.12	3636.91	3485.55	2970.57	7058.85	7731.56	7148.08	3215.73	4739.27	3943.38
	(i) Business Assets	3815.12	3636.91	3485.55	2970.57	7058.85	7731.56	7148.08	3215.73	4739.27	3943.38
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	Capacity Utilization	105.49%	93.95%	79.92%	60.91%	100.00%	100.00%	100.00%	67.54%	66.80%	66.80%
XIII	RoCE adjusted for capacity utilization	3,815.12	3,636.91	3,485.55	2,970.57	7,058.85	7,731.56	7,148.08	3,215.73	4,739.27	3,943.38
XIV	Net Surplus / (Deficit) (IX) - (XIII)	11,270.38	9,639.80	105.86	(4,229.10)	(11,870.65)	(9,533.23)	(11,699.36)	(6,207.28)	(5,123.53)	(6,074.30)
XV	Adjustment of past surplus					0.00	0.00	0.00	-	2,340.29	2,296.56
XVI	Total Net Surplus / (Deficit) for Tariff Period					(11,870.65)	(9,533.23)	(11,699.36)	(6,207.28)	(2,783.24)	(3,777.74)

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Bulk cargo handling activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals				Estimates furnished by JNPT			Estimates moderated by TAMP		
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
	Traffic (in Tonnes)	626,990	746,325	825,851	1,039,737	1,020,000	800,000	800,000	1,213,840	800,000	800,000
I	Total Operating Income										
	(i) Wharfage charges	157.65	167.11	223.45	220.83	216.86	170.09	170.09	258.07	170.08	170.08
	(ii) Storage Charges	7.63	3.02	0.00	18.50	18.39	14.43	14.43	21.62	14.25	14.25
	(iii) Misc. bulk income	15.76	1.67	18.53	0.23	0.00	0.00	0.00	0.27	0.18	0.18
	(iv) Income from BOT operators other than Royalty/Revenue share	6.83	8.79	20.31	25.47	0.00	0.00	0.00	28.26	16.86	16.54
	Total - I	187.87	180.59	262.29	265.03	235.25	184.51	184.51	308.22	201.37	201.05
II	Operating Costs (excluding depreciation)										
	(i) Salary & Wages	124.87	126.11	96.17	106.50	117.15	128.87	154.23	121.56	126.13	130.88
	(ii) Power	45.79	106.70	130.89	185.90	200.81	173.25	190.58	155.69	106.47	110.47
	(iii) Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Repairs & Maintenance	0.14	0.18	8.73	0.21	0.22	0.20	0.21	0.24	0.20	0.20
	(vi) Others	94.67	103.15	114.02	65.33	67.78	70.29	72.93	67.78	70.33	72.97
	(vii) Expenses on BOT contracts	25.43	43.35	66.40	62.53	0.00	0.00	0.00	62.53	62.53	62.53
	Total - II	290.90	379.49	416.21	420.47	385.96	372.61	417.94	407.80	365.66	377.05
III	Depreciation	125.56	135.29	135.29	135.29	135.29	135.29	135.29	135.29	135.29	110.84
IV	Apportioned Management & General Administration Expenses	64.24	114.11	140.49	126.37	126.57	116.77	130.40	119.33	104.17	100.48
V	Operating Surplus / (Deficit) (I) – (II) – (III) – (IV)	-292.83	-448.30	-429.70	-417.10	-412.57	-440.16	-499.12	-354.20	-403.75	-387.32
VI	Finance & Miscellaneous Income (FMI)	2.75	2.93	16.59	9.39	0.00	0.00	0.00	2.23	1.33	1.30
VII	Finance & Miscellaneous Expenses (FME)	33.14	16.94	119.44	43.65	59.00	61.22	63.52	62.97	64.69	66.87
VIII	FMI Less FME (VI) - (VII)	(30.39)	(14.01)	(102.85)	(34.26)	(59.00)	(61.22)	(63.52)	(60.74)	(63.36)	(65.57)
IX	Surplus Before Interest and Tax (V) + (VIII)	(323.22)	(462.31)	(532.55)	(451.36)	(471.57)	(501.38)	(562.64)	(414.94)	(467.11)	(452.89)
X	Capital Employed	725.95	664.91	526.54	330.72	771.34	634.94	503.44	217.14	99.21	0.00
	(i) Business Assets	725.95	664.91	526.54	330.72	771.34	634.94	503.44	217.14	99.21	0.00
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	RoCE - Maximum permissible	108.89	106.39	84.25	52.92	123.42	101.59	80.55	34.74	15.87	0.00
	(i) Business Assets	108.89	106.39	84.25	52.92	123.42	101.59	80.55	34.74	15.87	0.00
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	Capacity Utilization	105.49%	93.95%	79.92%	60.91%	100.00%	100.00%	100.00%	67.54%	66.80%	66.80%
XIII	RoCE adjusted for capacity utilization	108.89	106.39	84.25	52.92	123.42	101.59	80.55	34.74	15.87	0.00
XIV	Net Surplus / (Deficit) (IX) - (XIII)	(432.11)	(568.70)	(616.80)	(504.28)	(594.99)	(602.97)	(643.19)	(449.68)	(482.98)	(452.89)
XV	Adjustment of past surplus					0.00	0.00	0.00	-	15.35	15.06
XVI	Total Net Surplus / (Deficit) for Tariff Period					(594.99)	(602.97)	(643.19)	(449.68)	(467.63)	(437.83)

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Vessel related activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals				Estimates furnished by JNPT			Estimates moderated by TAMP		
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
	No. of vessels	2,430	2,712	2,730	2,736	2,751	2,864	2,976	2,822	2,865	2,979
	GRT of Vessels (in million)	60.958	71.371	76.759	85.269	86.932	89.849	93.844	88.523	89.849	93.844
	Average GRT	25086	26317	28117	31165	31600	31372	31534	31369	31361	31502
I	Total Operating Income										
	(i) Port Dues	3787.44	3104.91	3742.65	4317.01	4137.15	4275.96	4466.10	4309.04	4372.61	4567.05
	(ii) Pilotage	8546.98	5963.13	7189.99	8176.01	7835.38	8098.26	8458.38	8160.92	8281.31	8649.57
	(iii) Berth Hire	3413.73	2781.90	3099.74	3440.52	3297.18	3407.80	3559.34	3434.17	3484.83	3639.80
	(iv) Other income	88.86	70.57	81.80	83.83	80.34	83.03	86.73	83.68	84.91	88.69
	(v) Income from BOT operators other than Royalty/Revenue share	597.07	609.88	1184.65	1702.96	0.00	0.00	0.00	1614.04	1482.23	1519.22
	Total - I	16434.08	12530.39	15298.83	17720.33	15350.04	15865.06	16570.56	17601.85	17705.89	18464.33
II	Operating Costs (excluding depreciation)										
	(i) Salary & Wages	397.86	492.72	588.96	623.00	685.30	753.83	902.18	711.12	737.86	765.60
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	908.60	878.36	824.10	822.48	922.38	1048.66	1204.82	885.98	933.06	1011.19
	(iv) Repairs & Maintenance	77.35	181.32	66.97	117.45	123.05	129.84	137.80	124.19	129.84	137.80
	(v) Dredging	1137.05	989.50	2236.82	2446.07	2538.04	2633.47	2732.49	2541.33	2636.88	2736.03
	(vi) Others	2722.02	3331.14	3546.28	4188.97	5883.82	6677.81	6887.31	4713.24	5356.79	5415.28
	(vii) Expenses on BOT contracts	502.34	757.47	1378.75	1432.10	0.00	0.00	0.00	1432.10	1432.10	1432.10
	Total - II	5745.22	6630.51	8641.88	9630.07	10152.60	11243.61	11864.61	10407.96	11226.53	11498.00
III	Depreciation	2490.30	2566.86	2577.85	2605.81	2339.35	2348.85	2358.35	2669.46	2813.75	2823.30
IV	Apportioned Management & General Administration Expenses	1270.48	2042.93	2850.01	2768.08	3033.25	3125.12	3352.30	2891.62	2995.80	3044.81
V	Operating Surplus / (Deficit) (I) - (II) - (III) - (IV)	6928.08	1290.09	1229.09	2716.37	-175.15	-852.52	-1004.70	1632.81	669.81	1098.22
VI	Finance & Miscellaneous Income (FMI)	240.16	203.61	967.77	627.89	23.67	24.56	25.48	127.08	116.71	119.62
VII	Finance & Miscellaneous Expenses (FME)	274.06	142.49	805.37	324.81	461.48	478.84	496.84	441.29	457.80	472.98
VIII	FMI Less FME (VI) - (VII)	(33.90)	61.12	162.40	303.08	(437.81)	(454.28)	(471.36)	(314.21)	(341.09)	(353.36)
IX	Surplus Before Interest and Tax (V) + (VIII)	6,894.18	1,351.21	1,391.49	3,019.45	(612.96)	(1,306.80)	(1,476.06)	1,318.60	328.72	744.86
X	Capital Employed	13756.16	11888.76	9372.78	5952.26	10016.00	7886.94	5735.57	4931.71	2668.43	315.30
	(i) Business Assets	13756.16	11888.76	9372.78	5952.26	10016.00	7886.94	5735.57	4931.71	2668.43	315.30
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	RoCE - Maximum permissible	2063.42	1902.20	1499.65	952.36	1602.56	1261.91	917.69	789.07	426.95	50.45
	(i) Business Assets	2063.42	1902.20	1499.65	952.36	1602.56	1261.91	917.69	789.07	426.95	50.45
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	Capacity Utilization	105.49%	93.95%	79.92%	60.91%	100.00%	100.00%	100.00%	67.54%	66.80%	66.80%
XIII	RoCE adjusted for capacity utilization	2,063.42	1,902.20	1,499.65	952.36	1,602.56	1,261.91	917.69	789.07	426.95	50.45
XIV	Net Surplus / (Deficit) (IX) - (XIII)	4,830.76	(550.99)	(108.16)	2,067.09	(2,215.52)	(2,568.71)	(2,393.75)	529.53	(98.23)	694.41
XV	Adjustment of past surplus					0.00	0.00	0.00	-	1,349.40	1,383.08
XVI	Total Net Surplus / (Deficit) for Tariff Period					(2,215.52)	(2,568.71)	(2,393.75)	529.53	1,251.17	2,077.49

JAWAHARLAL NEHRU PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Estate activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals				Estimates furnished by JNPT			Estimates moderated by TAMP		
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
	Traffic (in TEUs)	1,305,062	1,260,923	1,063,435	776,222	780,000	1,030,000	1,030,000	855,732	1,030,000	1,030,000
I	Total Operating Income										
	(i) Rent on Land	4612.55	4999.35	5828.68	5633.05	5745.71	5860.63	5977.84	5745.71	5860.63	5977.84
	(ii) Rent on Buildings	252.58	252.19	253.45	312.54	318.79	325.17	331.67	318.79	325.17	331.67
	(iii) Rent from Township	19.39	19.22	20.14	18.94	19.32	19.71	20.10	19.32	19.71	20.10
	(iv) Recovery of Electricity charges	245.18	277.22	336.48	374.44	411.88	453.07	498.38	411.88	427.37	443.44
	(v) Recovery of water charges	114.92	120.58	164.79	68.14	68.14	68.14	68.14	70.70	73.36	76.12
	(vi) Misc. Estate income	27.25	5.57	8.53	6.38	6.39	6.39	6.39	6.38	6.38	6.38
	(vii) Lease Rental from GTIPL	2933.75	3050.21	3148.04	3265.29	3428.55	3599.98	3779.98	3428.55	3599.98	3779.98
	(viii) Income from BOT operators other than Royalty/Revenue share	309.36	446.36	819.20	1029.05	0.00	0.00	0.00	1009.68	942.18	953.53
	Total - I	8514.98	9170.70	10579.31	10707.83	9998.79	10333.08	10682.50	11011.02	11254.77	11589.06
		8514.98	9170.69	10579.31	10707.83	9998.79	10333.08	10682.50	11011.02	11254.77	11589.06
II	Operating Costs (excluding depreciation)										
	(i) Salary & Wages	21.54	31.72	102.66	37.77	41.55	45.70	54.70	43.11	44.73	46.42
	(ii) Power	594.42	522.76	683.28	944.35	1038.79	1142.66	1256.93	1081.25	1121.91	1164.09
	(iii) Repairs & Maintenance	165.85	379.11	633.55	554.46	575.31	596.94	619.38	575.31	596.94	619.38
	(iv) Others	1131.06	1511.28	1220.81	1383.26	1729.76	1783.72	1839.71	1751.78	1806.57	1863.41
	(v) Expenses on BOT contracts	183.28	315.32	501.21	510.07	0.00	0.00	0.00	510.07	510.07	510.07
	Total - II	2096.15	2760.19	3141.51	3429.91	3385.40	3569.02	3770.72	3961.52	4080.22	4203.37
		2096.15	2760.19	3141.51	3429.91	3385.40	3569.02	3770.72			
III	Depreciation	1289.98	1712.30	1775.99	1807.79	1873.81	1877.88	1880.33	1809.34	1812.93	1816.19
		1289.98	1712.30	1775.99	1807.79	1873.81	1877.88	1880.33	1809.34	1812.93	1816.19
IV	Apportioned Management & General Administration Expenses	526.20	1006.27	1278.98	1211.29	1277.02	1252.33	1331.93	1306.30	1279.06	1301.51
		526.20	1006.27	1278.98	1211.29	1277.02	1252.33	1331.93	1306.30	1279.06	1301.51
V	Operating Surplus / (Deficit) (I) – (II) – (III) – (IV)	4602.65	3691.94	4382.83	4258.84	3462.56	3633.85	3699.51	3933.86	4082.56	4267.99
		4602.65	3691.94	4382.83	4258.84	3462.56	3633.85	3699.51	3933.86	4082.56	4267.99
VI	Finance & Miscellaneous Income (FMI)	124.43	149.02	669.22	379.41	0.00	0.00	0.00	79.50	74.18	75.08
		124.43	149.02	669.22	379.41	0.00	0.00	0.00	79.50	74.18	75.08
VII	Finance & Miscellaneous Expenses (FME)	87.14	50.96	169.44	55.39	20.92	21.71	22.53	64.35	64.27	65.87
		87.14	50.96	169.44	55.39	20.92	21.71	22.53	64.35	64.27	65.87
VIII	FMI Less FME (VI) - (VII)	37.29	98.06	499.78	324.02	(20.92)	(21.71)	(22.53)	15.15	9.91	9.21
		37.29	98.06	499.78	324.02	(20.92)	(21.71)	(22.53)	15.15	9.91	9.21
IX	Surplus Before Interest and Tax (V) + (VIII)	4,639.94	3,790.00	4,882.61	4,582.86	3,441.64	3,612.14	3,676.98	3,949.01	4,092.47	4,277.20
		4,639.94	3,790.00	4,882.61	4,582.86	3,441.64	3,612.14	3,676.98	3,949.01	4,092.47	4,277.20
X	Capital Employed	24319.72	28385.53	28591.79	23616.70	29899.16	28401.64	26875.62	29201.51	28227.04	26306.34
	(i) Business Assets	22651.30	26717.11	26923.37	21948.28	29899.16	28401.64	26875.62	27533.09	26558.62	24637.92
	(ii) Business Related Assets	1668.42	1668.42	1668.42	1668.42	0.00	0.00	0.00	1668.42	1668.42	1668.42
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	RoCE - Maximum permissible	3521.16	4406.54	4444.05	3613.50	4783.87	4544.26	4300.10	4507.07	4351.15	4043.84
	(i) Business Assets	3397.69	4274.74	4307.74	3511.73	4783.87	4544.26	4300.10	4405.29	4249.38	3942.07
	(ii) Business Related Assets	123.46	131.81	136.31	101.77	0.00	0.00	0.00	101.77	101.77	101.77
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	Capacity Utilization	105.49%	93.95%	79.92%	60.91%	100.00%	100.00%	100.00%	67.54%	66.80%	66.80%
		105.49%	93.95%	79.92%	60.91%	100.00%	100.00%	100.00%	67.54%	66.80%	66.80%
XIII	RoCE adjusted for capacity utilization	3,521.16	4,406.54	4,444.05	3,613.50	4,783.87	4,544.26	4,300.10	4,507.07	4,351.15	4,043.84
		3,521.16	4,406.54	4,444.05	3,613.50	4,783.87	4,544.26	4,300.10	4,507.07	4,351.15	4,043.84
XIV	Net Surplus / (Deficit) (IX) - (XIII)	1,118.78	(616.54)	438.56	969.36	(1,342.23)	(932.12)	(623.12)	(558.06)	(258.68)	233.36
		1,118.78	(616.54)	438.56	969.36	(1,342.23)	(932.12)	(623.12)	(558.06)	(258.68)	233.36
XV	Adjustment of past surplus					0.00	0.00	0.00	-	857.75	868.08
						0.00	0.00	0.00	-	857.75	868.08
XVI	Total Net Surplus / (Deficit) for Tariff Period					(1,342.23)	(932.12)	(623.12)	(558.06)	599.07	1,101.44
						(1,342.23)	(932.12)	(623.12)	(558.06)	599.07	1,101.44