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Tariff Authority for Major Ports

G.No.170

New Delhi,

28 April 2017

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby approves tariff on adhoc basis for the services rendered by Central Warehousing Corporation at the Container Freight Station; Kandla Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/53/2016-CWC

Central Warehousing Corporation

Applicant

QUORUM:

- (i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Rajat Sachar, Member (Economic)

ORDER

(Passed on this 29th day of March 2017)

This case relates to the proposal dated 10 November 2016 received from Central Warehousing Corporation (CWC) for revision of tariff for services rendered by Central Warehousing Corporation at the Container Freight Station (CFS) at Kandla Port Trust (KPT). The CWC while filing the proposal for general revision of its Scale of Rates (SOR) has also sought approval of the Authority to levy proposed rate provisionally. It is relevant here to state that the CWC had earlier filed a proposal dated 31 August 2016 which was incomplete and was not accompanied with cost statements. The CWC filed the complete proposal vide its letter dated 10 November 2016, which has already been taken on consultation with KPT and users / user associations.

2.1. The existing SOR of CWC was last approved by this Authority vide Order No.TAMP/35/2010-CWC dated 06 January 2012 which was notified in the Gazette of India on 01 March 2012. The Order prescribed the validity of the SOR till 31 March 2014. This Authority has extended the validity of the existing SOR of the CWC based on the request of CWC from time to time and the last extension being till 31December 2016 vide Order dated 17 November 2016.

2.2. While extending the validity of the existing SOR, this Authority has stipulated that if any additional surplus over and above the admissible cost and permissible return emerges for the period post 1 April 2014, during the review of its performance, such additional surplus will be set off fully in the tariff to be determined.

3. It is relevant here to mention that, as stated by the CWC in its proposal, the Kandla International Container Terminal Private Limited (KCITPL) has also approached the Authority for notification of SOR in its name stating that as per concession agreement signed with KPT, the construction activities of Phase I are likely to be completed by the third week of December 2016 and KICTPL intends to commence the commercial operations by 21 December 2016. The process of notification of SOR on KICTPL is underway separately.

4.1. The highlights of the proposal are as follows:

(i). Traffic (actual and projected)

Sl. No.	Particulars	2011-12	2012-13	2016-17 (Actuals/ Estimates)	2017-18	2018-19	2019-20
1.	Container traffic in TEUS	39222	21744	16100	40300	44350	48780
2.	Minimum Guaranteed Throughput	120099	72703	96400	122400	129600	136800
3.	Assessed capacity of the terminal	51600	51600	51600	51600	51600	51600
4.	Capacity utilization	76%	42%	31%	78%	86%	95%

(ii). Summary of the cost statement:

Particulars	Actuals at existing tariff			Estimates at existing tariff		
	2011-12	2012-13	2016-17 (Actuals/ Estimates)	2017-18	2018-19	2019-20
Traffic (in TEUS)	39222	21744	16100	40300	44350	48780
Income (in lakhs)	550.74	536.74	350.72	980.83	1077.82	1178.63
Operating expenditure including overheads	669.88	616.60	586.78	1004.69	1085.39	1172.35
Depreciation	99.67	96.78	96.78	96.78	96.78	96.78
Total exp						
Capital Employed	1845.56	1857.86	1730.42	1730.42	1580.56	1445.70
ROCE	210.43	117.43	80.99	185.16	186.39	185.88
Net deficit	(429.23)	(294.07)	(413.83)	(305.80)	(290.74)	(276.38)
Net deficit as % of operating income	-82%	-56%	-123%	-32%	-28%	-24%

(iii). Net income / deficit for the past period as submitted by CWC**:

SI. No.	Estimates				Actuals				
	Particulars	2011-12	2012-13	2013-14	TOTAL	2011-12	2012-13	2016-17	TOTAL
	Surplus (Deficit) before return	159.24	202.94	(349.95)	12.23	(218.81)	(176.64)	(332.84)	(728.29)
	Capital Employed	2054.42	2034.26	2113.62		1845.56	1857.86	1730.42	
	ROCE	312.43	300.01	475.20	1087.73	276.83	278.68	259.56	815.07
	Net Surplus (Deficit) after return	(153.19)	(97.07)	(825.15)	1075.41	(429.23)	(294.07)	(413.83)	(1137.13)
	Net Surplus/ (deficit) as a % of Operating Income	(14%)	(8%)	(259%)	(94%)	(82%)	(56%)	(123%)	(87%)

** subject to verification.

(iv). The tariff increase/ new tariff items proposed by the CWC are summarised below:

Sr. No.	Description	Proposed increase / (decrease) over the existing approved tariff in %	
		2016-17	2017-18 onwards
(i).	Storage Charges:		
(a).	Storages charges for import operations	Status quo	32% to 36%
(b).	Storages charges for export operations	0% to 27%	32% to 36%
(c).	Storage charges on covered area basis on weekly tariff for import and export operations	New item	32% to 36%
(d).	Storage charges on open bounded area basis on weekly tariff as well as monthly tariff (Reservation basis) for import operations	New item	33%
(ii).	Ground Rent:		
(a).	Ground rent upto 30 days slab for import and export operations	Status quo	33%
(b).	Ground rent in export operations (31 st day to 40 day)	Status quo	33%
(c).	Ground rent in export operations from 41 st day onwards	Status quo	33%
(iii).	Charges for handling container at CFS, transportation and other service:		
(a).	Various services offered at CFS for handling, transportation, stuffing/ destuffing, etc.	0% to 125%	7% to 17%
(b).	TO / FRO at CFS, Kandla Port	11%	10%
(c).	RMS Container Examination: Retrieval of the loaded container stacked in the yard by grounding (which may include transportation within the complex) for facilitating Seal Verification and loading customs cleared loaded container on trailer. As mentioned in clause XXI-3(b)]	New item	8%

4.2. The CWC has also furnished the tariff of other nearby CFSs and stated that they will also revise their tariff after commencement of Container Terminal at KPT, which will be definitely on higher side to existing one.

4.3. As stated earlier, the proposal dated 10 November 2016 has been taken up on consultation with the concerned users/ user associations. The comments of KPT and users/ user organization are awaited.

4.4. It is relevant here to stated that CWC has, vide its letter dated 7/9 November 2016, requested to allow CWC to realize Marketing Facilitation (MF) charges at the rates as proposed to the Authority to avoid any financial losses to CWC till approval of the Authority of its proposal or 31 December 2016 whichever is earlier. Further, the CWC has stated that any excess MF charges realized from users beyond approved tariff will be considered for refund with the approval of Corporate Office.

5.1. Subsequently, the CWC vide its letter dated 27 December 2016 has made following submissions for approval of rates on provisional basis:

- (i). It is gathered that Customs Notification in respect of commencement of operations at Container Terminal at Kandla Port has been issued and operations at our CFS Kandla Port shall also start on the arrival of Container Vessels.
- (ii). To execute CFS operations at CFS-KPT, H&T contractor has been appointed and the contract will also commence from the date of commencement of operations at Container Terminal at Kandla Port. The H & T rates in most of the items, under new contract are slightly higher in comparison to existing TAMP approved tariff. The Statement showing H&T rates of new contractor and existing tariff at CFS-

Kandla Port has been furnished by the CWC-CFS. The contract is valid for four years from the date of commencement of operations and extendable for a further period of one year on the same rates, terms and conditions.

- (iii). Existing tariff at CFS-KPT as approved vide Order dated 06 January 2012 and extended from time to time based on the request of CWC and the last extension is valid upto 31 December 2016. The existing tariff which was approved by TAMP initially from 1 April 2012 onwards is still continuing. After commencement of operations at existing tariff, CWC has to pay more amount to new H&T contractor towards execution of CFS operations and will get lesser amount from users, resulting revenue loss to CWC.
- (iv). To avoid revenue loss to CWC, CWC has submitted proposal for tariff revision to TAMP vide letter dated 10 November 2016 in two parts – (a) tariff upto 31 March 2017 and (b) tariff from 01 April 2017 onwards and this may be a better option.
- (v). Circular dated 28 November 2016 issued by the KPT may be referred to, wherein it is stipulated that KPT will realize revised on-board labour charges for handling of containers till the approval of the TAMP is received / notified. Accordingly, CWC has requested to permit to realize proposed tariff to avoid any revenue loss to government exchequer.

Accordingly, the CWC has requested to allow to realize proposed SOR from 1 January 2017 to 31 March 2017 as per their proposal (Part-A of SOR) and also requested to convey approval in respect of tariff proposed from 1 April 2017 onwards at the earliest.

5.2. Subsequently, the CWC vide its letter dated 09 February 2017 has informed that it had a trade meet on 03 February 2017 and as an outcome of the trade meet, the proposal needs to be reviewed. The CWC has also informed that they will forward a revised tariff proposal considering trade requirements within couple of days.

6.1. In this backdrop, the CWC has, vide its letter dated 17/18 February 2017 forwarded proposal which contains the proposal of CWC, revised cost statement (excluding for the years 2013-14 to 2015-16), comparable tariff of other CFSs in Gandhidham and SOR. With regard to the cost statement for the years 2013-14 to 2015-16, the CWC has stated that the container terminal at KPT was non-functional resulting the NIL operations at CFS-KPT. There was only expenditure with almost NIL income. The CWC has also requested for exemption for providing the information with regard to financial years 2013-14 to 2015-16 and the annual accounts furnished for this period may be considered to finalise the tariff proposal.

6.2. The highlights of the revised proposal in comparison with the Original proposal dated 10 November 2016 are as follows:

- (i). Traffic projections:

Sl. No.	Particulars	As per the Original proposal dated 10 November 2016				As per the revised proposal dated 17/18 February 2017			
		Actuals / Estimates	Projections			Actuals / Estimates	Projections		
		2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20
1.	Container traffic in TEUS	16100	40300	44350	48780	11000	52300	55750	59400

- (ii). Summary of the cost statement at the existing tariff level:

Particulars	As per the Original proposal dated 10 November 2016				As per the revised proposal dated 17/18 February 2017			
	2016-17 Actuals/Estimates	2017-18	2018-19	2019-20	2016-17 Actuals/Estimates	2017-18	2018-19	2019-20
Traffic (in TEUS)	16100	40300	44350	48780	11000	52300	55750	59400
Income (in lakhs)	350.72	980.83	1077.82	1178.63	412.99	2183.45	2270.86	2358.54
Operating expenditure including overheads	586.78	1004.69	1085.39	1172.35	689.71	2155.87	2255.80	2357.08
Depreciation	96.78	96.78	96.78	96.78	96.78	96.78	96.78	96.78
Total Expenses					786.49	2252.65	2352.58	2453.86
Capital Employed	1730.42	1730.42	1580.56	1445.70	1730.42	1730.42	1580.56	1445.70
ROCE adjusted for capacity utilisation	80.99	185.16	186.39	185.88	20.39	88.57	86.35	83.43
Net deficit	(413.83)	(305.80)	(290.74)	(276.38)	(393.89)	(157.77)	(168.08)	(178.74)
Net deficit as % of operating income	(123%)	(32%)	(28%)	(24%)	(96%)	(7%)	(7%)	(8%)

(iii). Net income / deficit for the past period as submitted by CWC at the existing tariff level **:

SI. No.	Estimates				Actuals/Estimates			
	2011-12	2012-13	2013-14	TOTAL	2011-12	2012-13	2013-14	TOTAL for 2011-12 & 2012-13
Surplus(Deficit) before return	159.24	202.94	(349.95)	12.23	(218.81)	(176.64)		(395.45)
Capital Employed	2054.42	2034.26	2113.62		1845.56	1857.86		
ROCE adjusted for capacity	312.43	300.01	475.20	1087.73	276.83	278.68		555.51
Net Surplus (Deficit) after return	(153.19)	(97.07)	(825.15)	1075.41	(429.23)	(294.07)		(723.31)
Net Surplus/(deficit) as a % of Operating Income	(14%)	(8%)	(259%)	(94%)	(82%)	(56%)		

** subject to verification.

Note: The CWC has not furnished the costing for the years 2013-14 to 2015-16

(iv). The tariff increase/ new tariff items proposed by the CWC is summarised below:

Sr. No.	Description	Proposed increase / (decrease) over the existing approved tariff in %		
		Original proposal dated 10.11.2016		Revised proposal dated 17/18.02.2017
		2016-17	2017-18 onwards	
(i).	Storage Charges:			
(a).	Storages charges for import operations	Status quo	32% to 36%	33% to 36%
(b).	Storages charges for export operations	0% to 27%	32% to 36%	33% to 36%
(c).	Storage charges on covered area basis on weekly tariff for import and export operations	New item	32% to 36%	New item
(d).	Storage charges on open bounded area basis on weekly tariff as well as monthly tariff (Reservation basis) for import operations	New item	33%	New item
(ii).	Ground Rent:			
(a).	Ground rent upto 30 days slab for import and export operations	Status quo	33%	25% to 27%
(b).	Ground rent in export operations (31 st day to 40 day)	Status quo	33%	-67%
(c).	Ground rent in export operations from 41 st day onwards	Status quo	33%	Status quo
(iii).	Charges for handling container at CFS, transportation and other service:			
(a).	Various services offered at CFS for handling, transportation, stuffing/ de-stuffing, etc.	0% to 125%	7% to 17%	3% to 167%
(b).	TO / FRO at CFS, Kandla Port	11%	10%	-11%

(c).	RMS Container Examination: Retrieval of the loaded container stacked in the yard by grounding (which may include transportation within the complex) for facilitating Seal Verification and loading customs cleared loaded container on trailer. As mentioned in clause XXI-3(b)]	New item	8%	New item
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6.3. The CWC has also pointed out certain typographical errors in the existing SOR and proposed for rectification as follows:

Prescribed in the existing SOR	Rectification proposed in the proposed SOR
(A). Storage charges	
<u>Export:</u> Storage Charges (Covered) On General (Per MT/Day basis) Upto 7 days From 7th day onwards	<u>Export:</u> Storage Charges (Covered) On General (Per MT/Day basis) Upto 7 days From 8th day onwards
(B). Ground Rent	
Loader Container (per TEU/day basis) 1 to 3 days 3 days to 15 days	Loader Container (per TEU/day basis) 1 to 3 days 4 days to 15 days

6.4. The CWC has also proposed certain changes in the conditionalities as follows:

Sl. No.	Existing conditionalities	Revised conditionalities
	<u>Storage Charges</u>	
1	First 3 days will be free for the import LCL cargo in CWC godown, in respect of containers received from KPT at CWC-CFS.	Deleted (since it is redundancy and contents already mentioned in table)
	<u>Ground Rent</u>	
1.	All Empty containers that are stuffed at CWC-CFS will have 30 days free storage.	All Empty containers at CWC-CFS will have 30 days free storage.
5.	30 days free period will be allowed for parking of empty containers at CFS, Kandla Port.	Deleted (Since it is covered under revised point-1 above)
6.	Free period in case of empty containers will commence from the date of parking of empty container at designated yard of CFS, Kandla Port, irrespective of time of arrival of such containers.	Deleted (As the free period will start date and time of arrival/ entry of empty container in CFS and therefore have no relevance)

6.5. Accordingly, the CWC has requested for approval for continuation of tariff beyond 31 December 2016 to 03 February 2017 and approval for proposed tariff. The CWC has also requested to ratify the action of CWC to levy the proposed tariff from 04 February 2017 stating that the KICTPL has commenced its operations from 04 February 2017 and revised / proposed tariff is to be made implemented from the date of commencement of Container Terminal Operations i.e. 4 February 2017.

6.6. On perusing revised proposal, it is seen that the cost statement forwarded by the CWC does not contain the financial information for the years 2013-14 to 2015-16. The CWC has also not forwarded a copy of the balance sheet for the years 2011-12 to 2015-16. Further, the CWC has also not furnished any minutes of trade meet held on 03 February 2017 as informed by them vide its email dated 9 February 2017.

6.7. Hence, we have vide our letter dated 20 February 2017 requested the CWC to furnish the proposal of CWC, Cost statements pertaining to financial years 2013-14 to 2015-16, Balance sheet for the years 2011-12 to 2015-16 alongwith the schedules forming part of it and Copy of minutes of the trade meet held on 03 February 2017, which was followed by a reminder dated 02 March 2017.

6.8. In response, the CWC vide its email dated 08 March 2017 has informed that preparation of Cost statements pertaining to financial years 2013-14 to 2015-16 is under progress and will be submitted within couple of days and Balance sheet for the years 2011-12 to 2015-16 alongwith the schedules forming part of it. The CWC has also forwarded a copy of minutes of the

trade meet held on 03 February 2017. In response to the feedback received from different trade partners, the CWC has stated that the proposal was re-examined by CWC and proposed the revised tariff to extend the benefits to the shipping lines/agents. The CWC has proposed to modify the existing conditionalities viz., to extend the free days for empty container from 10 days to 30 days and the free carting period from 3 days to 7 days. To compensate this, authorities decided to increase the empty LIFT ON/OFF from ₹400 per TEU to ₹700 per TEU.

6.9. The revised proposal dated 17/18 February 2017 has been taken up on consultation with the KPT and concerned users/ user organisations. The comments of KPT and users/ user organization are awaited.

7.1. With regard to the seeking approval for implementation of proposed tariff provisionally on adhoc basis from the date of commencement of commercial operations at container terminal by KICTPL, the following position emerges:

- (i). The existing SOR of CWC was last approved for the tariff cycle 2011-12 to 2013-14 by this Authority vide Order No.TAMP/35/2010-CWC dated 06 January 2012 and no tariff increase was granted since 2014 for want of proposal from CWC-CFS. Considering the request made by the CWC from time to time stating that there is no container operations at KPT and hence no IMPEX vessel is reporting at KPT resulting in virtually nil business at CWC-CFS Kandla port. This Authority has extended the validity of the existing SOR from time to time. Without any IMPEX container traffic at port, the tariff proposal will not be justifiable.
- (ii). Before proceeding to analyse the request made by the CWC, it is relevant here to state that the Tariff guidelines, 2005 do not prescribe any methodology for granting adhoc approval at the proposed tariff. Further, none of the BOT operators ever approached for levy of proposed tariff on adhoc basis and undertaken to refund the excess levy, if any, over the final rate approved by this Authority. Since the CWC-CFS has given an undertaking to refund the excess amount collected, if any, the request of CWC-CFS for adhoc approval is taken up.
- (iii). As stated earlier, the CWC has furnished the actuals only for the years 2011-12 and 2012-13 and stated to be no operations during the years 2013-14 to 2015-16 and there was only expenditure and almost NIL income. As per the Profit & Loss Accounts for the years ended 31 March 2014, 31 March 2015 and 31 March 2016 furnished by the CWC, negligible income was recorded during these years amounting to less than a lakh rupees. However, substantial expenditure was incurred during those years. As per Form-7 i.e., comparison of actuals vis-à-vis estimates for the years 2011-12 and 2012-13 considered in the Order No.TAMP/35/2010-CWC dated 06 January 2012 furnished by the CWC, the cost position reflects a deficit position amounting to ₹1137.13 lakhs.
- (iv). The actuals / estimates for the year 2016-17 and estimates for the years 2017-18 to 2019-20 at the existing tariff, as furnished by the CWC, also reflect a deficit position amounting to ₹872.92 lakhs. Thus, it emerges from the cost statements furnished by the CWC that the CFS at KPT is in deficit position and would continue to be in deficit at the existing tariff.
- (v). As stated earlier, the CWC has appointed the H&T contractor for undertaking operations of ISO containers and allied services at CFS, KPT and the contract will commence from the date of commencement of operations at Container Terminal at KPT. The CWC has also forwarded a copy of the agreement dated 26 July 2016 entered into with M/s.Abrar Forwarders. It is seen from the agreement furnished by the CWC that the charges as per H &T contract in comparison with the existing tariff for some of the tariff items/ services viz., Import loaded movement, De-stuffing of general cargo and scrap/ Heavy cargo, Transportation of Export Loaded container, Inland container shifting, Lift on/ Lift off of Loaded container, Movement of container for weighment and reworking of containers, are higher. However, with regard to the other services, the rates as per the contract awarded are lower than the existing approved tariff.

- (vi). It is seen from the copy of the minutes of trade meet held on 03 February 2017 forwarded by the CWC, the trade partners at the trade meet requested for extension of free period for empty containers and carting and does not mention anything about consent for the proposed tariff by the users / user associations. However, the CWC has stated that considering the feedback received from different trade partners at the trade meet, the proposal was re-examined by CWC and proposed the revised tariff to extend the benefits to the shipping lines/agents. The CWC has also stated that the request of the trade for extension of free period for empty containers and carting has been considered and accordingly proposed.

As stated above, the minutes of the meeting does not mention anything about the consent of the users / user associations for the proposed tariff. The CWC has not reported any objections of the users / user associations present at the trade meet to the increase sought in the tariff by the CWC.

- (vii). As stated earlier, the CWC has forwarded the copy of tariff levied at nearby CFS operated by CONCOR and Arvind Joshi and Co. However, the proposed tariff of CWC could not be compared with that tariff being levied by CONCOR and Arvind Joshi and Co. as it is seen from their tariff schedules that the services provided are not identical. However, the storage charges for some services proposed by CWC are lower than the storage charges being levied by CONCOR and Arvind Joshi and Co.
- (viii). As stated earlier, the revised proposal dated 17/18 February 2017 filed by CWC has been taken on consultation. The response/ comments of the KPT and users/ users associations on the proposal dated 17/18 February 2017 are awaited. A joint hearing on the case in reference is scheduled to be held in April 2017. Thus, it may take some more time for the case to mature for the final disposal of this Authority.

7.2. In view of the above position and considering that the KICTPL has already commenced its operations at its Container Terminal as reported by the CWC, the rates under new H&T agreement are slightly higher than the existing approved tariff for some services and considering the actual deficit position at the existing tariff and the confirmation given by the CWC for refund of excess levy over and above the final tariff to be approved by this Authority, this Authority is inclined to grant adhoc approval to levy the tariff as proposed by the CWC which is attached as **Annex** from 04 February 2017 to 30 June 2017 or till the effective date of the implementation of final tariff, whichever is earlier, subject to the condition that if the final rates to be approved by this Authority are lower than the adhoc rates, the difference between the final tariff and the adhoc tariff is fully refunded by the CWC to the concerned users, as agreed by CWC-CFS.

7.3. Clause 2.13 of the Tariff Guidelines of 2005 provides for assessment of actual physical and financial performance of the operator with reference to the estimates at the end of the tariff cycle and effect necessary adjustments in the tariff to be approved for the next tariff cycle subject to the conditions specified in clause 2.13. In the case in reference, the estimates based on which final tariff will be approved are yet to be firmed up. Therefore, the estimates to be firmed up will be subject to review while fixing tariff for the tariff cycle beyond the tariff cycle of 2016-17 to 2018-19 and not the tariff being approved on adhoc basis.

(T.S. Balasubramanian)
Member (Finance)

CENTRAL WAREHOUSING CORPORATION
Scale of Rates

ADHOC

This Adhoc Scale of Rates sets out the charges payable to the Central Warehousing Corporation for the services and facilities provided at its Container Freight Station at Kandla Port Trust.

General Terms and Conditions.

- (1).
 - (i). The user shall pay penal interest @ 16.05% on delayed payments of any charge under this Scale of Rates. Likewise, the CWC shall pay penal interest on delayed refunds.
 - (ii). The delay in refunds will be counted only 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.
 - (iii). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the CWC. This provision shall, however, not apply to the cases where payment is to be made before availing the services as stipulated in the Major Port Trusts Act and/or where payment of charges in advance is prescribed in this Scale of Rates.
- (2). The storage charges on abandoned FCL containers/shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the date of landing of container, whichever is earlier subject to the following conditions :
 - (i). The consignee can issue a letter of abandonment at any time.
 - (ii). If the consignee chooses not to issue such letter of abandonment, the container Agent/MLO can also issue abandonment letter subject to the condition that,
 - (a). the Line shall resume custody of container along with cargo and either take back it or remove it from the port premises; and
 - (b). the Line shall pay all port charges accrued on the cargo and container before resuming custody of the container.
 - (iii). The container Agent/MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charge on container shall be continued to be levied till such time all

necessary actions are taken by the shipping lines for destuffing the cargo.

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

3. Users shall not be required to pay charges for delays beyond a reasonable level attributable to the CWC

CHAPTER - I GROUND RENT AND STORAGE CHARGES

1.1. Storage Charge

Sl. No.	Description of Service	Rate (in ₹)
A.	Import Operations	
I.	STORAGE CHARGES (COVERED)	
(i).	On General (per MT / Day) Basis	
(a).	Up to 3 days	Free
(b).	From 4 th day to 30 days	6.65
(c).	31 st day onwards	9.30
(ii).	AREA (per sq. mtr.) BASIS	
(a).	Weekly Tariff (per sq. mtr. per week*)	66.00
(b).	Monthly (Reservation) (Per sq. mtr. per month*)	226.00
II.	OPEN BONDED	
(i).	AREA (per sq. mtr.) BASIS	No free period
(a).	Weekly Tariff (per sq. mtr. per week*)	30.00
(b).	Monthly (Reservation) (Per sq. mtr. per month*)	100.00
B.	Export Operations	
I.	STORAGE CHARGES (COVERED)	
(i).	On General (per MT / Day) Basis	
(a).	Free Period	Upto 7 days
(b).	From 8 th day onwards	6.65
(ii).	AREA (per sq. mtr.) BASIS	
(a).	Weekly Tariff (per sq. mtr. per week*)	60.00
(b).	Monthly (Reservation) (Per sq. mtr. per month*)	226.00
(iii).	VOLUME (per CBM) BASIS (OPEN)	
(a).	On Weekly Basis (per CBM per week*)	15.00
(b).	On Monthly Basis (per CBM per month*)	60.00

*Week / month will be charged on "per sq. per week / month or part thereof basis"

Notes:

- (1). 7 days free period will be allowed for stuffing of export cargo.
- (2). While counting free days Customs notified holidays and CFS non-operating days falling in between or succeeding the free period will not be counted.
- (3). **INSURANCE:**

It will be presumed that the stock being received at the CFS, Kandla port are adequately insured by the user against all possible risks during storage including interests of the Customs. Thus, in any eventuality, CWC shall not be responsible for any insurable claims/risks including consequential losses. Same assumption will also apply for export cargo warehouses.

However, in case the insurance cover is required by any party against the risk of fire, flood, cyclone, theft, etc., the same will be arranged by the CWC, CFS, Kandla on a written request, for which advalorem charge at the rate of 12.50 paise per ₹1000/- value of the stocks will be levied, per week or part thereof.

- (4). For cargo stored in open area on the request of users, storage charges would be 25% less than the rate prescribed for covered area.
- (5). 25% extra charges will be levied for hazardous cargo.
- (6). Storage charge on cargo shall not accrue for the period when CWC is not in a position to deliver/shift the import/export cargo when required by the user.
- (7). Considering the nature of cargo and other allied factors in respect of storage practice, the storage charges for metal scrap will be on area basis and for stone etc. charges will be on PMT basis. Regarding storage charges for other bulk cargo and to decide cargo storage in open / covered the Manager (CFS), will obtain permission of Regional Manager.

1.2. Ground Rent

Sl. No.	Description of Service	Rate per container per day (in ₹)
1.	IMPORT OPERATIONS	
(i).	Ground Rent (Loaded Container) (per TEU / per day basis)	
(a).	1 to 5 days	Free-including date of arrival & closed holidays
(b).	6 to 15 days	190
(c).	16 to 30 days	250
(d).	31 st day onwards	500
2.	EXPORT OPERATIONS	
(i).	Ground Rent (Loaded Container)	

	(per TEU / per day basis)	
(a).	1 to 3 days	Free-Incl. date of Stuffing & closed holidays
(b).	4 days to 15 days	190
(c).	16 th day onwards	250
(ii).	Ground Rent (Empty Container) (per TEU / per day basis)	
(a).	Free period	30 days
(b).	31 st day to 40 day	10
(c).	from 41 st day onwards	30

Note: FEU tariff will be double of TEU tariff.

Notes:

- (1). All empty import containers that are stuffed at CWC CFS will have 30 days free storage.
- (2). Three days free period is allowed on export containers after stuffing and/ or sealing of the container.
- (3). Five days free period including date of arrival of the container in the CFS will be allowed for import containers brought from KPT.
- (4). For reefer plugging facility charges (@ ₹275/-per TEU and ₹400 per FEU per 4 hours or part thereof will be levied) in addition to ground rent.
- (5). **INSURANCE:**

It will be presumed that the stock being received at the CFS, Kandla port are adequately insured by the user, against all possible risks during storage including interests of the Customs. Thus, in any eventuality, CWC shall not be responsible for any insurable claims/risks including consequential losses. Same assumption will apply for export cargo warehoused.

However, in case the insurance cover is required by any party against the risk of fire, flood, cyclone, theft, etc., the same will be arranged by the CWC,CFS, Kandla on a written request, for which advalorem charges at the rate of 12.50 paise per ₹1000/- value of the stocks will be levied, per week or part thereof.

- (6). 25% extra charges will be levied for hazardous cargo containers/ oversized /over dimensional containers.
- (7). Ground rent on container shall not accrue for the period when the CWC is not in a position to deliver/shift import/export containers for reasons attributable to the CWC.

CHAPTER-II
Marketing Facilitation (MF) TARIFF

Sl. no.	Description of Operations	Rate (in ₹)
A.	IMPORT OPERATIONS	
(i).	Import Loaded Movement + LO: Providing road vehicles at Container Yard, Kandla Port and taking over loaded containers placed by Terminal operators on the vehicles provided by the contractor, after due inspection of the condition of the container, the lock & seals and on completion of the required formalities, transporting the same to the Container Freight Station, CWC, Kandla Port (under custom escort wherever / whenever required), lift-off & stacking in the CY up to three high [As mentioned in Clause No. XXI –1	
	TEU	1800
	FEU	2700
(ii).	De-stuffing: De-stuffing the container as per the procedure laid down; inventorisation of the cargo and stacking the same in the Import Warehouse / Open Yard (preferably by means of mechanical equipment) and carrying empty containers to the ECY or any other designated area within the CFS Complex and stacking them three high [Irrespective of time lag between different operations as mentioned in Clause No.XXI-(2)	
(a).	General cargo	
	TEU	2500
	FEU	3750
(b).	Scrap/ Heavy cargo	
	TEU	3800
	FEU	5700
(iii).	Examination: De-stuffing of the loaded container stacked in the yard by grounding them, wherever necessary (which may include transportation within the complex) for facilitating custom examination and stuffing the cargo back into the same container or any other containers after custom examination or loading the cargo / container on to road vehicles and stacking the loaded / empty container as the case may be in the LCY / ECY or any other designated area. [As mentioned in clause no. XXI-3 (a)]	
(a).	General cargo	
	Cargo Handling up to 25%	
	TEU	1600
	FEU	2400
(b).	Cargo Handling beyond 25%	
	TEU	2200
	FEU	3300
(c).	Scrap/ Heavy cargo	
	TEU	2600
	FEU	3900
(iv).	RMS Container Examination: Retrieval of the loaded container stacked in the yard by grounding (which may include transportation within the complex) for facilitating Seal Verification and loading customs cleared loaded container on trailer. As mentioned in clause XXI-3(b)]	
	TEU	1410
	FEU	2115

(v).	Cargo Delivery: Arranging Customs examination of cargo (which would include unpacking and re-packing of packages, providing suitable straps etc, or weightment, sealing wherever required on free of charge), and placing them in the stacks / open yard, if necessary, and loading the entire consignment in to trucks / vehicles provided by the importer/CHA at the import warehouse/ open yard [As mentioned in Clause No .XXI(4)	
(a).	Cargo Delivery from Godown/Yard	Per QTL
	Manual	8.20
	Mechanical	10.20
(b).	Cargo delivery from Loaded Container	
	Manual	8.20
	Mechanical	10.20
B.	EXPORT OPERATIONS	
(i).	Carting: Unloading the cargo from the trucks / vehicles provided by CHA/Exporter/User at CWC, CFS complex and stacking the same in the Export Godown / Open Yard by means of suitable mechanical equipment or by any other appropriate means, after due inventorisation [As mentioned in Clause No. XXI(5)]	
	Manual (PER QTL)	8.20
	Mechanical (PER QTL)	10.20
(ii).	Examination, Stuffing : Providing labour or appropriate equipment and arranging custom examination (which would include unpacking and re-packing of packages providing suitable straps / scales or weightment wherever / whenever required on free of cost) and re-stacking , if necessary, and consolidating the stocks / cargo, shifting of nominated empty container after retrieving the same from CFS container yard, Placing the container , stuffing , locking & sealing and subsequent internal movement of the loaded container to make space available for keeping the next container for stuffing purpose. [As mentioned in clause no. XXI(6)	
(a).	A. General Cargo	
	TEU	2500
	FEU	3750
(b).	B. Scrap/ Heavy Cargo	
	TEU	3800
	FEU	5700
(iii).	Direct Stuffing : Unloading the cargo from the vehicles at CFS complex and stacking the same in the yard by means of suitable mechanical equipment or by any other appropriate means, after due inventorization. Providing labour or appropriate equipment for customs examination (which would include weightment wherever/whenever required on free of cost), and consolidating the nominated stocks/cargo, shifting the nominated empty container after retrieving the same from CFS container yard, Placing the container at Stuffing point, stuffing the let-export cargo in to the nominated container by use of suitable mechanical equipment or by other means, locking and sealing container on completion of required formalities after following the prescribed procedure, subsequent internal movement of the loaded container to make space available for keeping the next container for stuffing purpose. [As mentioned in Clause No. XXI(7)	
(a).	A. General Cargo	
	TEU	2800
	FEU	4200
(b).	B. Scrap/ Heavy Cargo	
	TEU	4000
	FEU	6000

(iv).	Transportation of Export loaded container: Providing road vehicles at CWC-CFS Kandla port, Lift-On, taking over the loaded Export Container and transportation of the same from CFS to CSY, Kandla Port (under custom escort wherever/ whenever required) and handing over the same to the port authorities, obtaining clear "EQUIPMENT INTERCHANGE REPORT" (EIR) & to submit the same to CWC-CFS authorities [As mentioned in Clause No.XXI(8)]	
	TEU	1800
	FEU	2700
(v).	GENERAL OPERATIONS Empty Container Movement: Providing suitable vehicles and arranging transportation of Empty Container after due inspection about condition of the container (A) from CSY- Kandla Port Trust to CWC-CFS Kandla Port (B) From any other CFS / Container yard within a road distance of 15 kms. from the CFS Kandla Port, to CWC-CFS Kandla Port, (Lift-on/off inside CSY Kandla Port/ Other designated Yard would not be on account of contractor) lift-off & stacking up to three high in CWC-CFS, CY or vice-versa [As mentioned in clause No. XXI (9)]	
(a).	TO/FRO CFS-Kandla Port	
	TEU	800
	FEU	1200
(b).	TO/FRO any Yard < 15 Kms	
	TEU	1400
	FEU	2100
(vi).	Inland Container Shifting: Shifting of empty / loaded containers (including lift on/ lift-off) from one location to another location within the CWC-Container Freight Station Complex at the designated place including stacking the same upto three high by use of appropriate handling equipment. [As mentioned in clause No. XXI(10)]	
(a).	EMPTY CONTAINER	
	TEU	990
	FEU	1485
(b).	LOADED CONTAINER	
	TEU	1320
	FEU	1980
	Note: Not applicable if shifting of container is required for retrieval of the container for onward movement / any delivery thereof or for normal housekeeping.	
(vii).	Lift on / Lift off: (including retrieval) of containers into / from road vehicles of parties at the Container Freight Station, CWC, Kandla Port. [As mentioned in clause No. XXI (11)]	
(a).	EMPTY CONTAINER	
	TEU	700
	FEU	1050
(b).	LOADED CONTAINER	
	TEU	1000
	FEU	1500
(viii).	Washing, etc.: Shifting of empty containers from any location within CFS complex to Washing / Cleaning / Repair Yard and back to any location in the CWC, CFS complex as prescribed (washing and cleaning to be done by the contractor with out any extra remuneration) As mentioned in clause No. XXI(12)	
	TEU	1100
	FEU	1650
(ix).	Movement / shifting of cargo from one place to any other place for weighment or other purpose, within same godown [As mentioned in clause No. XXI(13)](Rate Per QTL)	

	MANUAL	11
	MECHANICAL	13
(x).	Movement/ shifting of cargo from one place/ godown/ CY to any other place/ godown/ CY for weighment or other purpose, within CWC-CFS complex (As mentioned in clause no. XXI-14)	
	PER QTL	13
(xi).	Palletization: Providing the labour for palletization of cargo including preparation of pallets of appropriate size, strapping as per requirement (material i.e. ready wooden pallets, straps, nails or other material required for the purpose of preparation of pallets will be arranged by the party) & stacking the pallets in the designated stack ([As mentioned in Clause XXI (15)])	
	PER QTL	14
(xii).	Bagging: Providing labour for filling up loose cargo/ bag cargo in to the fresh bags (materials to be provided by the party), stitching them, weighment (wherever required) & stack the same at the appropriate place. [As mentioned in Clause XXI (16)]	
	PER QTL	15
(xiii).	Reworking of Container: Providing the labour and appropriate equipment for destuffing of the cargo from the container and restuffing the cargo in the same or other nominated container after completing the formalities as required by Manager (CFS) [As mentioned in clause XXI (17)]	
(a).	Reworking up to 25%	
	TEU	2200
	FEU	3300
(b).	Reworking beyond 25%	
	TEU	2600
	FEU	3900
(xiv).	Back to town i.e. Loading of Shut out cargo	
	PER QTL	11
(xv).	Locking Charges (On user's request):	
	PER Container	54
(xvi).	Charges for Fumigation	
(a).	Fumigation Charges with Methyl Bromide	
	TEU	1800
	FEU	3400
(b).	Fumigation Charges with Aluminium Phosphide	
	TEU	600
	FEU	1000
