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Tariff Authority for Major Ports

G. No.248

New Delhi,

03 July 2018

NOTIFICATION

In pursuance to the Ministry of Shipping, Government of India, communication vide letter no. PD-14033/34/2017-PD-V dated 06 June 2018 and in exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963, the Tariff Authority for Major Ports hereby notifies a Common Order incorporating a provision towards levy of Mandatory User Charge (MUC) on containers for the Logistics Data Bank Service to be rendered by Delhi-Mumbai Industrial Corridor Development Corporation in the Scale of Rates of all the Major Port Trusts and BOT operators operating thereat, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/46/2018-MUC.

QUORUM

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

ORDER

(Passed on this 8th day of June 2018)

The Ministry of Shipping (MOS) vide its letter No. PD-14033/34/2017-PD-V dated 06 June 2018 has conveyed to this Authority to issue a common Order applicable to all the Major Port Trusts and the terminals operating thereat, to prescribe a provision towards levy of Mandatory User Charge (MUC) on containers towards the Logistics Data Bank Service to be rendered by Delhi-Mumbai Industrial Corridor Development Corporation (DMICDC), in the Scale of Rates of all the Major Port Trusts and terminals operating thereat for the year 2018-19 at par with Jawaharlal Nehru Port Trust (JNPT).

2.1. In this regard it is to state that the Government of India is developing the Delhi Mumbai Industrial Corridor (DMIC) as a global manufacturing and investment destination and has incorporated a special propose Vehicle (SPV) namely the Delhi- Mumbai Industrial Corridor Development Corporation (DMICDC) for program managing the development of the DMIC Project. In this connection, to keep a track on the movement of containers across the ports to the ICDs and the end users, the DMICDC has developed the Logistic Data Bank (LDB) to integrate the information available with various agencies across the supply chain to provide detailed real time information within a single window. The project is intended to provide the near real time visibility of the container movement across the supply chain, thereby streamlining the container logistic movement.

2.2. Accordingly, this Authority vide its Order no. TAMP/49/2014-JNPT dated 13 February 2015 has approved the proposal of the JNPT to levy the Mandatory User Charge (MUC) on containers (except transshipment and coastal) handled at JNPT and at other BOT Terminals at JNPT viz., Nhava Sheva International Container Terminal Private Limited (NSICTPL) and Gateway Terminals India Private Limited (GTIPL) for the years 2016-17 to 2018-19. The rate of MUC approved for the year 2018-19 is ₹ 145/- per container.

3.1. Now, based on the communication received from the MOS to this Authority to pass a common Order for levy of MUC applicable to all the Major Port Trusts and private terminals operating thereat at par with JNPT, this Authority agrees to incorporate the provision relating to levy of MUC in the Scale of Rates of all Major Port Trusts and private terminals operating thereat, as approved in the Order dated 13 February 2015.

3.2. The collection of the MUC by the Major Port Trusts and private terminals operating thereat is for the service/ facilities made available by the DMICDC. Thus, the Major Port Trusts and private terminals operating thereat would only be collecting the MUC and remitting the same to DMICDC. In other words, the Major Port Trusts and private terminals operating thereat would only be acting as the collection agents on behalf of the DMICDC. Thus, levy of MUC shall not result in additional revenue to the Major Port Trusts and private terminals operating thereat and shall not put them in an advantageous position. Also, since no revenue is being generated on this account to the private terminals, no royalty/ revenue share shall be payable by the private terminals to their respective landlord Ports, on this item. In view of the above position and based on the communication received from the MOS to make the levy of MUC applicable to all the Major Port Trusts and private terminals operating thereat, the levy of MUC is made applicable to all the Major Port Trusts and to all the private terminals operating thereat governed by 2005, 2008 and 2013 Guidelines for fixation of tariff. 5% of the total MUC shall be passed on to the Major Port Trusts and the BOT Terminals operating thereat for collecting the MUC, as recorded in the JNPT Order dated 13 February 2015 vide paragraph no. 6 (ix) (a).

3.3. As a measure of abundant caution it may be noted that the prescription of MUC charge for the private terminals governed by 2008 and 2013 Guidelines shall not be quoted as a precedent for prescription of any other charges for the private terminals governed by 2008 and 2013 Guidelines.

3.4. The MUC Charge has already been approved for JNPT, NSICTPL and GTIPL vide Order No. TAMP/49/2014-JNPT dated 13 February 2015. Hence the MUC Charge is approved for all Major Port Trusts and BOT Terminal Operators operating thereat except JNPT, NSICTPL and GTIPL.

4.1. Accordingly, this Authority directs all the Major Port Trusts and the BOT terminals operating thereat except JNPT, NSICTPL and GTIPL to incorporate the following provision in their respective Scale of Rates:-

“An amount of ₹ 145/- per container will be levied on all containers (except transshipment and coastal) handled at the Major Port Trusts and terminals operating thereat towards Mandatory User Charge (MUC) for the Logistics Data Bank (LDB) service to be rendered by DMICDC. ”

4.2. The MUC of ₹ 145/- per container prescribed is at ceiling level. The Major Port Trusts and the private terminals operating thereat have the liberty to charge lower rates in consultation with DMICDC.

4.3. Tracking and viewing the movement of containers across the ports to the ICDs and end users would be provided to the users against the payment of MUC.

4.4. 5% of the total MUC shall be passed on to the Major Port Trusts and the BOT Terminals operating thereat for collecting the MUC.

4.5. No royalty/ revenue share is payable by the BOT Terminals operating thereat to the Port Trusts on the MUC collected by the BOT Terminals.

4.6. The MOS vide its letter no. PD-14033/34/2017-PD-V dated 06 June 2018 has already requested all the Major Port Trusts to coordinate with DMICDC to formulate a suitable proposal for levy of MUC and file the proposal before this Authority for approval of MUC with effect from 01 April 2019. Therefore, the MUC approved in this Order shall come into effect from the date of notification of the Order passed in the Gazette of India and shall remain valid till 31 March 2019. The approval accorded shall automatically lapse unless until specifically extended by this Authority.

5. For further details on the MUC and workflow of LDB Project, the Order No. TAMP/49/2014-JNPT dated 13 February 2015 may be referred to.

6. All the Major Port Trusts and the terminals operating thereat except JNPT, NSICTPL and GTIPL are directed to amend their Scale of Rates accordingly.

(T.S. Balasubramanian)
Member (Finance)