

F. No. SD-11018/4/2015-MD  
 Government of India  
 Ministry of Shipping  
 (Shipping Wing)  
 \*\*\*\*

413, Transport Bhawan, Parliament Street  
 New Delhi - 110001  
 Dated, the 5<sup>th</sup> of February, 2016

**OFFICE MEMORANDUM**

**Subject: Transparency in transaction cost - regarding.**

The undersigned is directed to refer to the meeting held in the Ministry on the above mentioned subject on December 21, 2015 and state that as decided therein, a team is being constituted in the Ministry of Shipping to identify and examine greivances that have arisen in the calendar year of 2015 comprising of the following members, namely:-

- |  |        |
|--|--------|
| (a) Representative of Directorate General of Shipping<br>[Not below the rank of Deputy Director General of Shipping] | Leader |
| (b) Representative of Container Shipping Lines Association-  | Member |
| (c) Representative of Shipping Coproation of India   | Member |
| (d) Representative of Federation of Ship Agent Association of India -  | Member |
| (e) Representative of Northern India Shippers Association -  | Member |
| (f) Representative of Western India Shippers Association -   | Member |
| (g) Representative of Inland Importers and Consumers Association-  | Member |

2. The team shall submit its report to the Ministry by March 31, 2016 including draft recommendations and necessary instructions for their implementation. The team may also coopt such members for the purpose as it deems fit.

3. The expenses relating to TA/DA incurred for attending the meetings of the Committee, if any, shall be borne by the respective organizations.

4. This issues with the approval of the competent authority.

*Abhinav Gupta*  
 (Abhinav Gupta) 05/02/16

Deputy Secretary to the Government of India  
 TeleFAX No. +91-11-2332 1672  
 Email Id: [abhinav.gupta@nic.in](mailto:abhinav.gupta@nic.in)

To:

- (i). Shri Amitabh Kumar, Joint Director General of Shipping, Directorate General of Shipping, Beta Building, i-Think, Techno Par, Kanjur Marg (East), Mumbai.
- (ii). Captain D. K. Tewari, Chairman, Container Shipping Lines Association, 4th Floor, N.W. 29, Senapati Bapat Marg, Dadar (west), Mumbai – 400 028.
- (iii). Chairman & Managing Director, Shipping Corporation of India, Shipping House, 245 Madame Cama Road, Mumbai – 400 021.
- (iv). Shri Ram Ramachandran, Vice Chairman, Federation of Ship Agent Association of India, 901 Arcadia Building, 9th Floor, N. C. P. A. Marg, 195, Nariman Point, Mumbai - 400 021.
- (v). Shri T. S. Ahluwallia, Vice President, Northern India Shippers Association, PHD House 4/2 Siri Institutional Area August Kranti Marg, New Delhi- 110 016.
- (vi). Shri P. N. Suri, Western India Shippers' Association, 414-416, Bezzola Complex, V.N. Purav Marg, Chembur, Mumbai.
- (vii). Shri Manan Goenka, Committee Member, Inland Importers and Consumers Association, 631, Lane No.11, Sadar Bazar, New Delhi-110006.

Copy for information to:

- (i) PPS to Secretary (Shipping).
- (ii) PS to Additional Secretary (Shipping).
- (iii) PS to Joint Secretary (Shipping).

भारत सरकार  
Government of India  
पोत परिवहन मंत्रालय  
Ministry of Shipping  
परिवहन भवन/Transport Bhavan  
1, संसद मार्ग /1, Parliament Street  
नई दिल्ली-110001/New Delhi-110001

No. SD - 11018/4/2015-MD - Part

Dated, the February 5, 2016

**Subject – Transparency in transaction cost. - Record of Discussion of the meeting held on December 21, 2015 – regarding.**

The undersigned is directed to refer to the meeting held in this Ministry on December 21, 2015 to discuss the issue concerning transparency in transaction cost and to forward herewith Record of Discussion of the meeting for information and taking appropriate action.

*Abhinav*  
(Abhinav Gupta) 05/02/16

Deputy Secretary to the Govt. of India  
Telefax: 011 23321672  
E-mail: [abhinav.gupta@nic.in](mailto:abhinav.gupta@nic.in)

Enclosure: As above

1. Shri Amitabh Kumar, Joint Director General of Shipping, Directorate General of Shipping, Beta Building, i-Think, Techno Par, Kanjur Marg (East) Mumbai
2. Captain D.K. Tewari, Chairman, Container Shipping Lines Association, 4<sup>th</sup> Floor, N.W. 29, Senapati Bapat Marg, Dadar (west), Mumbai-400028.
3. Shri S.S Dhingra, Senior Vice President, Shipping Corporation of India, Shipping House, 245 Madame Cama Road, Mumbai – 400021.
4. Shri Ram Ramachandran, Vice Chairman, Federation of Ship Agent Association of India, 901 Arcadia Building, 9th Floor, N.C.P.A. Marg, 195, Nariman Point, Mumbai - 400 021
5. Ms. Rupali, Adviser (Economic) Indian National Shipowners Association of India, 22, Makers Tower "F", Cuffee Parade, Mumbai.
6. Shri Vaneet Aggarwal, Committee Member, Delhi Customs Clearing Agents Association, 260-261, DDA Shopping Complex, Anarkali Bazar, Jhandewalan, New Delhi, Delhi 110055
7. Shri T.S Ahluwalia, Vice President, Northern India Shippers Association, PHD House 4/2 Siri Institutional Area August Kranti Marg, New Delhi- 110016.
8. Shri P.N. Suri, The Western India Shippers' Association, 414-416, Bezzola Complex, V.N. Purav Marg, Chembur, Mumbai.
9. Shri Manan Goenka, Committee Member, Inland Importers and Consumers Association, 631, Lane No.11, Sadar Bazar, New Delhi-110006.
10. Shri Satish Kohli, Advisor, Metal Recycling Association of India. 319, 3rd Floor, Reena Complex, Vidyavihar (West) 400086, Mumbai.

Copy for information to PS to JS (Shipping).

**MINISTRY OF SHIPPING**  
**MD SECTION**

**Subject: Record of Discussion of meeting held under the Chairmanship of Deputy Secretary (Shipping) regarding Transparency in transaction cost on December 21, 2015.**

The list of participants are annexed.

2. The meeting was chaired by Deputy Secretary (Shipping) on December 21, 2015 to discuss the gross malpractices being suffered by the importers and many other consumers in the absence of any regulation or law.

3. The issues pertaining to Levy of exorbitant charges by shipping lines were discussed in the meeting with respect to the following charges namely:-

i) **Inland haulage charges:** The inland haulage charges are high of various shipping lines like Maersk, MSC and CMA CGM compared to CONCOR. For eg- CONCOR charges Rs.37550/52550 for a 20/40 ft Dry container for weight slab 20-26 MT whereas Maersk line charges Rs.78685/ Rs.125,000.

ii) **Container Detention Charges (CDC):** High CDC charges are levied by shipping lines which is more than the cost of the container. If the containers stranded for some customs, delays or procedural delays or delays owing to documentation at the hands of importer/consignee for say 30 days more than 14 free day stipulated the CDC amounts to US\$ approximately US\$ 3000. The CDC is quoted in US\$ and the CDC is collected at absurd/ farcical exchange rates

iii) **Change of Destination Charges (COD):** If the bill of lading is stated for one final destination, and the consignee requests the line to change the Final destination, then the COD charges of Rs.20,000 to 40,000 are levied even when the containers have not arrived in Indian waters and no IGM is filed. It should not be more than US\$ 25 charges as B/L fee at the load port for issuance of a fresh b/l.

iv) **Terminal Handling charges at Destination:** The THC charges by port custodians are varying from Rs.2500-3000 per 20ft container depending on custodian whether CONCOR or "World window". It was mentioned that different lines are charging differently even though it is a published charge by custodian.

v) **"Delivery Order" charges:** The container line charge Rs.4000-5000 as delivery order (DO) charges for issuing the DO in favor of the port custodian. It was mentioned that if the members are presenting the original B/L to lines and inland haulage charges, then these DO charges should not be levied. If the importer is not able to pick up the container in 30 days a late DO fee of Rs.1200 to 2000 is charges over and above the CDC charges.

vii) **IGM Manifest charges:** The IGM Manifest charges of Rs.2000-4000 is charged by some lines and some do not charge the same. As per the Indian laws the Shipping lines are mandated to file IGM prior arrival of the vessel in Indian waters which is electronically filed through EDI.

viii) **Washing charges or cleaning charges:** The container cleaning/washing are charged even if the containers are delivered in washed condition. The washing charges of Rs.1000-4000 are levied. The most of the scrap is clean as per law and principally, when the line is accepting the commodity 'Scrap' then the same should not be levied on the receiver.

ix) **Empty Repo charges:** These charges are charges to reposition the empty container after emptying the imported cargo if the line is not able to find export cargo at the ICD of import. The costs vary from Rs. 2000 to 10,000. These charges are not stated at the time of booking of the container. They are imposed at the will of the line at the time of taking delivery order.

x) **Port Congestion Charges (PCC):** Some lines charge PCC of Rs.797-9570. The lines mostly bring cargo from Far East and Middle East destinations taking 5-10 voyage days. It is very rare that the port situation changes in such a short period of time. It was suggested that if the shipping lines know about the congestion at discharge port before the cargo is shipped, then the same should be a part of sea freight and not imposed at the time of import.

xi) **Empty return at different ports:** The containers imported at one ICD are forced by lines to 'empty return' the customer at a designated empty yard near a different ICD, involving cost of extra trucking (as truckers, instead of charging 2 way movement, charges 3 way movement) and involving extra toll charges and extra detention charges. If importers refuse to unload at different sites then separate charges are levied.

xii) **Container Damage charges:** Phenomenal Container damage charges (even in cases of patched floors, members have suffered costs of changing complete floors 1ft by 3ft damages. are charged in spite of " Fixed Repair Charges"/Container Maintenance Charge varying from Rs.600-2500 levied by the Shipping line even if there is a damage or not.

xiii) **Lines not accepting free days:** Free days were granted by load port by means of a certificate but the same was denied. It was also mentioned that refund and other costs are still awaited.

xiv) **High Sea charges:** Extra Cost charges without no extra movement, nor extra documentation despite importer effects a high seas sale as per policy.

xv) **Absurd charges in different headings:** Some of the charges are Lolo charges, Cost Recovery charges, Survey Charges and DET.

3.1. It was informed by the trade that 88% of the TEU's are cleared in first 12 days and balance 12% goes into detention. It was suggested by the importers and exporters that there should be transparency in charges prior to engagements. It was also

mentioned that internationally the transportation cost is 4.5 to 5% but in India it is 9%. It was discussed that efforts needs to be put in to decrease the transportation cost.

4. It was suggested that e-payment mode should be used by shipping lines for collection of all charges. CSLA may coordinate the process and provide fortnightly reports on the same to the Ministry.

5. It was discussed that a small team may be formed comprising of representatives of the trade, shipping lines and DG(S) who would interact with the trade and shipping lines, identify and examine grievances that have arisen in the calendar year of 2015 and submit a report to the Ministry by March 15, 2016.

6. Meeting ended with a vote of thanks to the Chair.

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**The list of participants:**

1. Shri Abhinav Gupta, Deputy Secretary, Ministry of Shipping
2. Shri D. K.Tewari, Chairman, CSLA
3. Shri Ram Ramachandran, Vice Chairman, FEDSAI
4. Smt Rupali, INSA
5. Shri Vaneet Aggarwal, Committee Member, DCCAA
6. Shri T.S Ahluwalia, Vice President, NISA & FIEO
7. Shri P.N Suri, President, NISA & Representative, WISA
8. Shri Manan Gogna, Committee Member, MRAI
9. Shri Satish Kohli, Advisor, MRAI
10. Shri S.S.Dhingra, Senior Vice President, SCI.

भारत सरकार  
Government of India  
पोत परिवहन मंत्रालय  
Ministry of Shipping  
परिवहन भवन/Transport Bhavan  
1, ससद मार्ग /1, Parliament Street  
नई दिल्ली-110001/New Delhi-110001

No. SD - 11018/4/2015-MD - Part

Dated, the February 5, 2016

**Subject – E-payment implementation by Shipping lines - reg**

The undersigned is directed to refer to the meeting held in this Ministry on December 21, 2015 on the above cited subject. In the meeting besides other it was suggested that e-payment mode would henceforth be used by shipping lines for collection of all charges and CSLA may coordinate the process and submit fortnightly reports to the Ministry.

2. Accordingly, you are requested to ensure compliance of above decision.

*Abhinav*  
(Abhinav Gupta) 05/02/16  
Deputy Secretary to the  
Govt. of India  
Tel.fax: 23321672  
E-mail: [abhinav.gupta@nic.in](mailto:abhinav.gupta@nic.in)

To,

Captain D.K. Tewari, Chairman, Container Shipping Lines Association, 4<sup>th</sup> Floor,  
N.W. 29, Senapati Bapat Marg, Dadar (west), Mumbai-400028.

✓ Copy to: Shri Amitabh Kumar, Joint Director General of Shipping, Directorate General of  
Shipping, Beta Building, i-Think, Techno Par, Kanjur Marg (East) Mumbai

Copy for information to PS to JS (Shipping).



FC No. 2015/12

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F. No. MTO-2(1)/2015

Dated: 12.02.16

OFFICE ORDER NO. 4 /2016.

Sub.: Constitution of a team to identify and examine grievances that have arisen in the calendar year 2015-reg.

In pursuance of the decision taken by the Ministry of Shipping Govt. of India, & conveyed vide its letter No. SD-11018/4/2015-MD dated 05.02.16, the following team is constituted to identify and examine grievances that have arisen in the calendar year 2015, with reference to this organization;

- 1.1 Shri Vatsalya Saxena, Deputy Director General of Shipping, ----- Leader  
Directorate General of Shipping, Govt.
- 1.2. Shri Manna Goenka, Committee Member, Inland ----- Member  
Importers and Consumers Association, New Delhi
- 1.3. Representative of Container Shipping Lines Association ----- Member
- 1.4. Representative of Shipping Corporation of India Ltd. ----- Member
- 1.5. Representative of Federation of Ship Agent Association ----- Member  
of India
- 1.6. Representative of Northern India Shippers Association ----- Member
- 1.7. Representative of Western India Shippers Association ----- Member

2. The said team shall submit its report to the Director General of Shipping, GoI for further submission to the Ministry of Shipping, GoI by 15.03.16,16 including draft recommendations and necessary instructions for their implementation. The team may also co-opt such other members for the purpose as it may deem fit.
3. The expenses relating to TA/DA incurred for attending the meetings of the committee, if any, shall be borne by the respective organization.
4. The Deputy and Assistant Directors General of Shipping (MTO), DGS,GoI shall provide the said list of grievances and secretarial assistance to the team leader.
5. This Issues with the approval of the competent authority.

श्रीप्र डाक  
SPEED POST

19 FEB 2016



(Subhash Barguzer)  
Deputy Director General of Shipping (MTO)

SPEED POST

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918 1118

I. Copy forwarded for an information to

1. Shri Vatsalya Saxena, DDG, ( F&A and Legal), DGS, GoI, Mumbai
2. Shri A.K.Srivastava, ADG(MTO and Coordination) DGS, GoI, Mumbai

II. Copy also forwarded for information with a request to please convey nomination of their respective organisation to this office by 16.02.16, latest, for further action, to:

1. Capt. B. B. Sinha, Chairman & Managing Director, Shipping Corporation of India, Shipping House, 16<sup>th</sup> floor, 245 Madam Cama Road, Mumbai- 400 021.
2. Capt. D.K. Tewari, Chairman, Container Shipping Lines Association, 4th floor, N.W. 29, Sneapati Bapate Marg, Dadar (West), Mumbai- 400 028.
3. Shri Ram Ramachandran, Vice-Chairman, Federation of Ship Agents Association of India, 901 Arcadia Building, 9th floor, N.C.P.A Marg, 195, Nariman Point, Mumbai- 400 021.
4. Shri T S Ahluwalia, Vice President, Northern India Shippers Association, PHD House 4/2 Siri Institutional Area August Kranti Marg, New Delhi – 110 016.
5. Shri P N Suri, Western India Shippers Association , 414-416, Bezzola Complex, V N Purav Marg, Chembur, Mumbai.

(Subhash Barguzer)  
Deputy Director General of Shipping (MTO)

*JE. Dh - on tour*  
*DDG (M 20)*  
*DDG (F&A) / 23/16*

भारत सरकार  
Government of India  
पोत परिवहन मंत्रालय  
Ministry of Shipping  
परिवहन भवन/Transport Bhavan  
1, संसद मार्ग /1, Parliament Street  
नई दिल्ली-110001/New Delhi-110001

प्राप्त तिथि:  
Received Date:  
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22388985  
आपक क्रमांक.....  
INWARD No.....

No. SD - 11018/4/2015-MD - Part

Dated, the February 24, 2016

**Subject -- Transparency in transaction cost – regarding.**

In continuation of this Ministry's Office Memorandum of even number dated February 05, 2016 constituting a team headed by officer not below the rank of Deputy Director General of Shipping to identify and examine grievances that have arisen in the calendar year 2015, the undersigned is directed to forward herewith a copy of letter dated July 19, 2014 addressed by M/s. Mumbaizone Customs Brokers Association to Hon'ble PM and other Ministers pointing out about the hardship being faced by the trade and stakeholders due to exorbitant charges being arbitrarily levied in non-transparent manner by shipping lines.

2. It is requested that grievances brought out by the petitioner in his representation may also be looked into by the said team.

*Imp of Early P. M. Grief*

*(Signature)*  
(A. P. Goel)

Consultant (Shipping)  
Tel.fax: 23715207  
E. mail: [aomd@nic.in](mailto:aomd@nic.in)

**Enclosure: As above**

To,

Director General of Shipping,  
Beta Building,  
i-Think Techno Park,  
Kanjur Marg (East),  
Mumbai-400 042

नौवहन महानिदेशक  
DIRECTOR GENERAL OF SHIPPING  
02 MAR 2016  
क्रमांक/No. 16

*PA*  
*Pl scan the doc*  
*email to committee*  
*members.*  
*4*  
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