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TARIFF AUTHORITY FOR MAJOR PORTS

G.No.440 **New Delhi,** **02 December 2019**

NOTIFICATION

This Authority, in exercise of the powers conferred on it under Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), had disposed of the proposal received from the V. O. Chidambaranar Port Trust (VOCPT) for general revision of its Scale of Rates, on 10 October 2019. Considering the time involved for notifying (Speaking) Order along with the Scale of Rates, approved by this Authority, this Authority decided to notify only the revised Scale of Rates immediately. Accordingly, the Scale of Rates approved by this Authority on 10 October 2019 was notified in the Gazette of India on 22 October 2019 vide Gazette No.363. It was stated in the said Notification that this Authority will notify the Speaking Order, in due course of time. Accordingly, this Authority hereby notifies the Speaking Order connected with disposal of the proposal of the VOCPT for general revision of its Scale of Rates as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No.TAMP/15/2019-VOCPT

V.O. Chidambaranar Port Trust - - - Applicant

QUORUM

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

O R D E R
(Passed on this 10th day of October 2019)

This case relates to a proposal dated 27 February 2019 received from the V.O. Chidambaranar Port Trust (VOCPT) for general revision of its Scale of Rates (SOR).

2.1. The existing SOR and Performance Standards of the VOCPT was last approved by this Authority vide Order No.TAMP/29/2016-VOCPT dated 17 September 2016 which was notified in the Gazette of India on 10 October 2016 vide Gazette No.370. Subsequently, a speaking order was notified in the Gazette vide No.427 dated 28 November 2016. The validity of existing SOR of VOCPT was expiring on 31 March 2019. The validity of SOR stands extended till 30 September 2019 vide TAMP letter No.TAMP/39/2015-Misc. dated 29 March 2019.

2.2. Subsequently, the VOCPT had filed a few proposals in piecemeal. A summary of those proposals and approval of this Authority are tabulated below:

Sl. No.	Proposal	Order details	Gazette No. and Date of Notification
1.	Amendments to SOR	TAMP/82/2016-VOCPT dated 29 March 2017	207 / 18 May 2017
2.	Revision of Anchorage Charges	TAMP/12/2017-VOCPT dated 24 May 2017	293 / 25 July 2017
3.	Notes on Pollution Mitigation Measures	TAMP/82/2016-VOCPT dated 29 March 2017	346 / 11 September 2017
4.	Corrigendum dated 19 March 2018 to the Order No. TAMP/29/2016-VOCPT dated 17 September 2017	---	140 / 3 April 2018
5.	Amendment in the SOR regarding applicability of Reference Rate of Reserve Bank of India in place of market buying rate of SBI for conversion of US $ denominated tariff into Rupee terms.	TAMP/29/2016-VOCPT dated 19 March 2018	150 / 11 April 2018
6.	Incorporation of two additional entries in the SOR towards License Fee for entry of vehicles / equipment	TAMP/64/2018-VOCPT dated 27 November 2018	511 / 18 December 2018
7.	Amendments to productivity norms for Dry Bulk Cargo and to penalties and incentives in relation to other vessels	TAMP/53/2018-VOCPT dated 18 January 2019	75 / 21 February 2019

3.1. All the Major Port Trusts were governed by the Tariff Guidelines of 2015 for fixation of SOR for handling cargo, vessel and rendering miscellaneous services.

3.2. The Ministry of Shipping (MOS), vide its letter No.IWT-II/28/2018-IWT dated 26 December 2018 has issued the new "Tariff Policy for determination of Tariff for Major Port Trusts, 2018" for determination of SOR which are due for revision in Major Port Trusts with effect from 1 April 2019 under Section 111 of the Major Port Trusts (MPT) Act 1963. In compliance with the direction issued by the Government of India, this Authority has notified the Tariff Policy, 2018 in the Gazette of India vide Gazette No.17 dated 16 January 2019. The Tariff Policy, 2018 has come into effect from 26 December 2018. The said Tariff Policy, 2018 was forwarded to all Major Port Trusts including VOCPT vide our letter No.TAMP/79/2018-Misc. dated 25 January 2019. Thereafter, as per Clause 1.5 of the Tariff Policy, 2018, Working Guidelines to operationalize the Tariff Policy is notified in the Gazette of India vide Gazette No.29 dated 30 January 2019. The said Working Guidelines, 2018 was forwarded to all Major Port Trusts including VOCPT vide our letter No.TAMP/79/2018-Misc. dated 04 February 2019.

4.1. In this backdrop, the VOCPT has filed its proposal following Tariff Policy, 2018 vide its letter dated 27 February 2019 for general revision of its SOR. The proposal of the VOCPT is summarized below:

(i). As per the ARR computation with respect to revised Tariff Guidelines, 2018, the requirement of percentage of increase on the existing tariff is 33.13% in respect of Port and (-)9.00% in respect of CHD. Port has proposed:

(a). In respect of Port increase of 30% on the existing tariff.
(b). In respect of CHD, dispensing the existing method of collecting differential rate of Labour Levy for different cargoes, an average rate of ₹30/- per M.T. is proposed considering the operating expenditure incurred and tonnage handled during the year 2017-2018 for CHD.

(ii). Schedules are subsumed to 3 slabs viz., upto 30,000 GRT, 30,001 to 60,000 GRT & above 60,001 GRT considering the current arrival pattern of vessels in VOCPT and proposed capital dredging to increase the draft being planned, to handle higher parcel size vessels. [Schedules 2.2.1 (Pilotage Fee), 2.4.1 (Berth Hire), 2.7 (Lighterage)].

(iii). The existing schedule of shifting charges are dispensed with to the benefit of users and one shifting charge is proposed free by subsuming in the Pilotage Fees. Beyond one free shifting, 35% of pilotage charges is proposed as shifting charges as against the existing 25% within the same breakwater and 50% across breakwaters. [Schedule No. 2.2.3 (i) and 2.2.3 (ii)]

(iv). Various cargoes and coal handled at VOCPT have been re-grouped as per the present cargo arrival pattern. Regrouping of coal is as given below:

Dry Bulk – Coal	
(i).	All types of Coal
(a).	Mechanical
(b).	Manual
(ii).	Coking Coal
(a).	Mechanical
(b).	Manual
(iii).	Met Coke / Pet Coke

[Schedule No. 3.1]

(v). The tariff for open space has been delinked from General SOR and proposed to be regulated under Land Policy Guidelines, 2014 and hence the said Schedule has been deleted. [Schedule No.3.3]

(vi). Photo Entry Permit, Temporary Passes and License for Entry of vehicles and equipments are proposed to be regulated within the Board Powers considering the requirement of ISPS Rules and Security issues and not a source of revenue and it is on cost to cost basis. Hence, TAMP has been requested to keep the charges out of the purview of TAMP and this is also not a service rendered by the Port basically being regulatory in nature. [Schedules 5.12, 5.13 and 5.16]

(vii). In respect of demurrage charges, the existing number of slab rates are reduced to two under two categories, wooden logs and other cargoes. [Schedule No.3.2.1 and 3.2.2]

(viii). The separate schedule of Cess for Pollution mitigating measures are brought under wharfage Schedules. [Schedule No.3.1.2.]

4.2. The VOCPT has requested to consider the Port proposals for revision of tariff as per the notified guidelines for determination of Tariff for Major Port Trusts, 2018.

4.3. The VOCPT has furnished detailed computation of Annual Revenue Requirement (ARR) under Form 1 for Port, Form 1 for CHD and detailed computation of Revenue estimation at the proposed rate in Form 3 for Port and CHD. The ARR and revenue estimation are duly certified by the practicing Chartered Accountant and Financial Adviser and Chief Accounts Officer. All other annexures required as per the working guidelines issued by TAMP are also furnished.

(i). A summary position of ARR computation for Port furnished by VOCPT is tabulated below:

(₹ in Lakhs)

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	9,939.48	10,615.41	10,204.16
(ii).	Management & General Overheads	8,133.73	8,733.47	9,475.77
(iii).	Finance and Miscellaneous expenses (FME)	13,523.29	18,059.76	15,161.73
	Total Expenditure 1=(i)+(ii)+(iii)	**31,596.50**	**37,408.64**	**34,841.66**
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	1,844.33	1,466.47	1,379.00
	(b). Allocated Management & Administrative Overheads	1,457.26	1,000.88	1,280.56
	(c). Allocated FME	1,645.47	1,334.23	1,254.65
	Subtotal 2 (i)=[(a)+(b)+(c)]	**4,947.06**	**3,801.58**	**3,914.21**
(ii).	**Interest on loans**	-	-	-
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	(a).	-	-	-
	(b).	-	-	-
	(c).	-	-	-
	Subtotal 2 (iii) = [(a)+(b)+(c)]	-	-	-
(iv).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment etc. (list out each of the items)**	4,800.00	8,733.33	9,120.67
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	4,076.51	4,262.87	4,900.54
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**			
	(a). Operating Expenses	-	-	-
	(b). Depreciation	76.05	76.05	76.05
	(c). Allocated Management and Administrative Overheads	-	-	-
	(d). Allocated FME	-	-	-
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	76.05	76.05	76.05
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)	**13,899.62**	**16,873.83**	**18,011.46**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	**17,696.88**	**20,534.81**	**16,830.20**
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			**18,353.96**
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			127,478.34
	(ii). Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)			18,892.91
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.			1,132.90
	(iv). Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts. (VII Berth ₹2637.70 lakhs + VIII Berth ₹2375.04 lakhs + NCB-1 1732.05)			32,505.17
	(v). Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2018			-
	(vi). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines			
	(a). Inventory			357.82
	(b). Sundry Debtors			697.64
	(c). Cash			2,386.14
	(d). Sum of (a)+(b)+(c)			3,441.60
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]			116,174.79
(6).	**Return on Capital Employed 16% on Sl. No.5(vii)**			**18,587.97**

(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**	**36,941.93**
(8).	Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI is 3.45% and the indexed ARR for the year Y4 will be (7) x 1.0345)	**38,216.42**
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**	**38,216.42**
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.9 above**	**36,676.76**

(ii). A summary position of ARR computation for Cargo Handling Division (CHD) furnished by VOCPT is tabulated below:

(₹ in Lakhs)

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	5,880.99	5,442.53	4472.73
(ii).	Management & General Overheads	-	-	-
(iii).	Finance and Miscellaneous expenses (FME) as per Accounts	6,646.86	8,703.01	10,854.61
	Total Expenditure 1=(i)+(ii)+(iii)	**12,527.85**	**14,145.54**	**15,327.34**
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	-	-	-
	(b). Allocated Management & Administrative Overheads	-	-	-
	(c). Allocated FME	-	-	-
	Subtotal 2 (i)=[(a)+(b)+(c)]	-	-	-
(ii).	**Interest on loans**	-	-	-
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	(A). Payment of Wage revision arrears / VRS exgratia	-	-	-
	(B). Arrears of Pension / Commutation of Pension	-	-	-
	(C). Arrears of Gratuity	-	-	-
	Subtotal 2 (iii) = [(a)+(b)+(c)]	-	-	-
(iv).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment etc. (list out each of the items)**	3,164.75	4,238.45	6,898.67
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	-	-	-
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2018.**			
	(a). Operating Expenses	-	-	-
	(b). Depreciation	-	-	-
	(c). Allocated Management and Administrative Overheads	-	-	-
	(d). Allocated FME	-	-	-
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	-	-	-
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)	3,164.75	4,238.45	6,898.67
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	9,363.10	9,907.09	8,428.67
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			9,232.96
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			4.28
	(ii). Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)		-	
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.		-	
	(iv). Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts.		-	
	(v). Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2018.		-	
	(vi). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines			
	(a). Inventory		-	
	(b). Sundry Debtors		-	
	(c). Cash			1,276.92
	(d). Sum of (a)+(b)+(c)			1,276.92
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]			1,281.20
(6).	**Return on Capital Employed 16% on Sl. No.5(vii)**			**204.99**
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**			**9,437.95**
(8).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI**			**9,763.56**

	is 3.45% and the indexed ARR for the year Y4 will be (7) x 1.0345)	
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**	**9,763.56**
(10).	**Revenue Estimation at the Proposed Indexed SOR within the Ceiling indexed ARR estimated at Sl. No.9 above**	**7,767.00**

(iii). As per the said Form 3, the total revenue estimated at the proposed tariff is ₹366.77 crores for Port and ₹77.67 crores for CHD.

(iv). The Performance Standards proposed by VOCPT in Form - 6 are as follows:

Sl. No.	Performance Parameters	Proposed Performance Standards
(1).	**Cargo Related Services**	
(a).	Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups	
	(i). Overall output per ship berth day (in MT)	10,456
(b).	Average moves per hour (in TEUs) in respect of Containers	-
(2).	**Vessel Related Services**	
(a).	Average Turnaround Time of Vessels (in days)	3.73
(b).	Average Pre-Berthing Time of Vessels (in hours)	10.8
(3).	Any other parameters found relevant by the Port	-

5. The VOCPT has furnished the Annual Administration Reports along with Audited Annual Accounts for the three years 2015-16, 2016-17 and 2017-18 and a copy of Board Resolution approving the general revision of the SOR of the port. The VOCPT vide its letter dated 23 March 2019 has submitted the Board Resolution.

6. The VOCPT has vide its e-mail dated 28 February 2019 intimated that entire Scale of Rates revision proposal has been published on the Port website on 25 February 2019. Also, email has been sent to the users/ stakeholders on 26 February 2019 regarding publication of Scale of Rates revision proposal on the Port website on 25 February 2019 and requesting them to furnish comments to the Port and TAMP within 15 days i.e. on or before 12 March 2019.

7. A copy each of the comments received from the concerned users/ user organisations and BOT operators on the subject proposal was forwarded to VOCPT as feedback information. The VOCPT vide its emails dated 16 May 2019 and 28 August 2019 has furnished its reply. The Villavarayar and Son (VAS) vide its letter dated 07 June 2019 and TANGEDCO vide its letter dated 13 June 2019 have furnished their comments. A copy of the comments received from VAS and further comments received from TANGEDCO were forwarded to VOCPT vide our letters dated, 14 June 2019 17 June 2019**.** The VOCPT has furnished its comments vide its email dated 28 August 2019.

8.1. Based on the preliminary scrutiny of the proposal, it was observed that there are certain information gaps/ deficiency in the proposal of VOCPT. The VOCPT was, therefore, vide our letter dated 28 May 2019 requested to furnish requisite information/ clarification by 10 June 2019. After reminder, the port has vide letter dated 8 July 2019 furnished requisite information/ clarification. A summary of additional information/ clarification sought by us and reply furnished by VOCPT thereon is tabulated below:

Sl. No.	Information/ Clarification sought by us	Reply furnished by VOCPT
(A).	**FOR PORT**	
1.	**<u>Annual Revenue Requirement (FORM – 1)</u>**	

<table>
<tr>
<td>(i).</td>
<td>Estate Related Expenses (Sl.No.2 (i)(b) & (c):
Note 1 under Form-1 require the port to furnish a working reconciling the amount reported in the Audited Annual Accounts and the figures considered in Form-1. The VOCPT has not furnished requisite reconciliation statement. VOCPT to provide the same.</td>
<td>As required, statement reconciling the figures shown in Form-1(Port) with respect to figures reported in Audited Annual Accounts is furnished vide Annexure-I.</td>
</tr>
<tr>
<td>(ii).</td>
<td>Sl. No.2 (iv): 2/3 of the Contribution to the Superannuation funds like Pension Fund, Gratuity Fund and Leave Encashment Fund:

As per Clause 2.2 of the Tariff Policy 2018, 1/3rd of the Contribution to the Superannuation funds (Pension Fund, Gratuity Fund and Leave Encashment Fund) need to be considered in the ARR computation which means 2/3rd to be excluded. The VOCPT has considered for exclusion 2/3rd at ₹9120.67 lakhs being Contribution towards Pension Fund and Gratuity funds for the years 2017-18. The Audited Annual Accounts of the VOCPT for the years 2017-18 has reported Contribution to the Pension Fund and Gratuity Trust Fund which is part of the Superannuation Fund as ₹24029 lakhs. 2/3 of this amount comes to ₹16019.30, which does not match with the amount of ₹9120.67 Lakhs excluded by VOCPT.

The VOCPT to make necessary correction in Form-1 in the ARR computation so as to be in line with the Tariff Policy 2019. The VOCPT is requested to furnish modified ARR (Form -1) duly certified by the Practicing Chartered Accountant/ Cost and Management Accountant.</td>
<td>The 2/3rd of Contribution to Pension & Gratuity considered as per Audited Annual Accounts 2017-18 is as detailed below which is correct as it is divided between Port & CHD and put together reported as ₹16,019.30 lakhs and tallied only:-
(₹ in Lakhs)
<table>
<tr><th colspan="5">Details of 2/3rd Contribution considered for exclusion in Form-1 Port & CHD for 2017-18</th></tr>
<tr><th>Sl. No.</th><th>Description</th><th>Port</th><th>CHD</th><th>Total Figures as per Audited Annual Accounts</th></tr>
<tr><td>1.</td><td>Pension</td><td>12,681.00</td><td>9,275.00</td><td>21,956.00</td></tr>
<tr><td>2.</td><td>Gratuity</td><td>1,000.00</td><td>1,073.00</td><td>2,073.00</td></tr>
<tr><td>3.</td><td>Total</td><td>13,681.00</td><td>10,348.00</td><td>24,029.00</td></tr>
<tr><td>4.</td><td>2/3rd of above considered in Form-1</td><td>9,120.67</td><td>6,898.67</td><td></td></tr>
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<td>(iii).</td>
<td>Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10 of the Tariff Policy, 2018 (Sl. No. 2 (vi) of Form-I):

The VOCPT has excluded depreciation of ₹76.05 lakhs, ₹76.05 lakhs and ₹76.05 lakhs in the years 2015-16, 2016-17 and 2017-18 respectively towards captive berth. However, the port has shown nil exclusion of operating expenses, allocated Management & Administrative Overhead (MAO) and allocated Finance & Management Expenses (FME) towards captive berth. The port to confirm that it has not incurred any expense other than depreciation for captive berth. The port may also indicate the captive berth for</td>
<td>In respect of captive berths operated on PPP mode, the Port only provides the facility of berth and waterfront area to the BOT Operator. Other than that no administrative expenses and Management overhead are incurred by the Port. Hence, depreciation towards the berth constructed by the Port alone is considered under Form-1 as done in the previous SOR revision. The captive berths are NCB-I, NCB-II, Berth No.VII & VIII.</td>
</tr>
</table>

	which this adjustment is done by the VOCPT in the ARR computation.	
(iv).	The title of Sr. No. (2) (iv) of Form- 1 (Port and CHD) furnished by the VOCPT is not in line with the Form 1 attached to Working Guidelines 2018. The port to correct the same in line with the title given in Sl. No.(2) (iv) of the Working Guidelines 2018.	In respect of captive berths operated on PPP mode, the Port only provides the facility of berth and waterfront area to the BOT Operator. Other than that no administrative expenses and Management overhead are incurred by the Port. Hence, depreciation towards the berth constructed by the Port alone is considered under Form-1 as done in the previous SOR revision. The captive berths are NCB-I, NCB-II, Berth No.VII & VIII.
2.	**<u>Capital Employed (Sl. No. 5 (iii) & (iv) of Form-I):</u>**	
(i).	As per Form 1 the Net fixed assets as on 31.03.2018 has to be taken as per Audited Annual Accounts. The Audited Annual Accounts shows a net fixed assets at ₹127482.62 lakhs. The VOCPT has excluded ₹4.28 lakhs net fixed assets of CHD (Refer CHD form 1) and ₹26064 lakhs to arrive at net fixed assets at ₹101414.34 Lakhs. The port may explain and furnish the reason for exclusion of ₹26064 lakhs. The VOCPT to examine and may clarify on what account the deduction is made by the port to arrive at the net fixed assets.	As per Sl.No.5 (iv) – Capital Employed of Form-1, value of fixed assets if any incurred towards captive berths transferred to BOT operator is to be excluded. Accordingly, the dredging cost of ₹260.64 incurred in front of Berth and basin of berth NCB-II operated on BOT basis is excluded from the total net fixed Assets of ₹1,274.83 crores as on 31.3.2018 (as per audited annual accounts).
(ii).	As per Clause 2.4 of Working Guidelines 2015 for computation of capital employed, the port has to exclude net value of fixed assets transferred to BOT operators as on 31 March 2018. As per Audited Annual Accounts, the VOCPT has excluded ₹32505.17 towards net value of fixed assets transferred to BOT operator as on 31 March 2018. It is seen from the excel working furnished by VOCPT that the port has excluded net value of fixed assets transferred to berth VII ₹2637.70 lakhs + VIII berth ₹2375.04 lakhs + NCB-1 ₹1732.05 and ₹26063.82 towards dredging NCB-II which comes to ₹32808.61. The figures considered in Form 1 and Excel sheet do not match with a variation in both figures of ₹303.44 lakhs (32,808.61-32505.17). The VOCPT to re-examine this in light of above observation and report the correct position along with detail explanation thereof.	Under the Form-1 workings, the Net Block value of dredging cost of ₹260.64 crores has been considered for deduction twice one under Sl. No.5 (i) and Sl. No.5 (iv) and the same is corrected now and revised Form-1(Port) is enclosed as Annexure-II and as per the revised statement the Annual Revenue Requirement of the Port is ₹381.20 crores whereas the earlier ARR is ₹338.06 crores.
(iii).	As per Clause 2.5 of the Working Guidelines limit on inventory for capital spares will be one year average consumption and in case of other items of inventory the limit is six months average consumption of stores excluding fuels. It is seen from excel working that the VOCPT has arrived at the allowable	The inventory value of ₹201.49 lakhs shown under the Balance Sheet of 2017-18 is the closing stock of inventories available with the Port. As per the Clause 2.5 of the Working Guidelines the consumption of inventory for capital spares will be one year average consumption and in case of other items of inventory the limit is six months average consumption of stores excluding fuels. Hence, the total stores consumption excluding the fuel (₹825.77 lakhs) as per audited annual accounts with the

<table>
<tr><td></td><td>inventory, by considering store fuels (₹1540.4- 824.77/2) and arrived at ₹357.82 lakhs. The Audited Annual Account of VOCPT shows inventory of ₹201.49 lakhs. The VOCPT to therefore correlate the figures considered in Form 1 with audited annual account for the year 2017-18.</td><td>limit of six months is considered in Form-1. The figures considered is in order.</td></tr>
<tr><td>(iv).</td><td>As per Clause 2.5 of the Working Guidelines limit on cash balance will be one month's cash expenses. The VOCPT has arrived the allowable cash balance at ₹1804.39 lakhs. While going through the excel sheet provided by VOCPT it is seen that VOCPT has considered Operating expenses of ₹19679.93 lakhs, pension payment of ₹4754.92 lakhs and deducted depreciation for the year 2018 of ₹2782.23 lakhs and one month of the aggregate i.e. ₹1804.39 lakhs is considered as cash expenses. However, the figures considered by VOCPT do not match with the Audited Annual Accounts. The VOCPT to, therefore, correlate the figures considered in Form 1 with audited annual account for the year
2017-18.</td><td>As far as VOCPT is concerned, the actual payments made towards operating expenditure and pension payments made is to be considered as required cash expenses. Out of the total operating expenditure the depreciation is a non cash expenditure hence the same is excluded and total cash balance required for working capital requirement is worked out considering Operating expenses of ₹19,679.93 lakhs, pension payment of ₹4754.92 lakhs and deducted depreciation for the year 2018 of ₹2782.23 lakhs and one month of the aggregate i.e. ₹1804.39 lakhs has been arrived as detailed below:-

(₹ In Lakhs)
<table>
<tr><th>Sl. No.</th><th>Description</th><th>Amount</th></tr>
<tr><td>1</td><td>Form-1 (S.No. 1(i))</td><td>10,204.16</td></tr>
<tr><td>2</td><td>Form-1 (S.No. 1(ii))</td><td>9,475.77</td></tr>
<tr><td>3</td><td>Total Operating Exp. (Port 196,79.93+CHD 4472.73=24152.66 – as per Pg.No.53 of Annual Report 2017-18)</td><td>19,679.93</td></tr>
<tr><td>4</td><td>Pension payment (Port4754.92 + CHD 2405.28=7160.18 – as per Page Nos.113 – Income & Expenditure of Pension Fund of Annual Report 2017-18)</td><td>4,754.92</td></tr>
<tr><td>5</td><td>Depreciation (Port -2782.23 + CHD 0.87 = 2783.10 –As per Page Nos. 109 of Annual Report 2017-18)</td><td>2,782.23</td></tr>
<tr><td>6</td><td>Total cash payments (3+4-5)</td><td>21,652.62</td></tr>
<tr><td>7</td><td>Average expenditure for one month (6/12)</td><td>1,804.39</td></tr>
</table></td></tr>
<tr><td>3.</td><td><u>Revenue estimation (Form-3):</u></td><td></td></tr>
<tr><td>(i).</td><td>The port has stated in para 1 of the highlights of the proposal that the total traffic handled by the Port during the year 2017-18 is ₹365.83 lakhs tonnes as reported in the Administrative Report of the port for the year 2017-18. It is seen that the port, while estimating revenue at proposed SOR, has considered the revenue earned during the year 2017-18 and increased it by the proposed tariff hike of 28.39% to arrive at estimated revenue at the proposed Scale of Rates. As per the format prescribed for estimating the revenue, the VOCPT is required to estimate revenue for each tariff items viz. cargo, vessels and miscellaneous services at the proposed rate for the actual traffic handled by the port in the year 2017-18.</td><td>Under Revenue Estimation (Form-3), the Revenue is estimated based on the cargo handled by the Port itself and in respect of vessel related charges the same is considered for the entire vessels handled since the VRC is being collected by Port only (except NCB-I) the breakup of the cargo handled at VOCPT is detailed below:-
<table>
<tr><th>Cargo Handled</th><th>2017-18</th></tr>
<tr><td>Port</td><td>184.69</td></tr>
<tr><td>NTPL – NCB-I – Captive</td><td>36.03</td></tr>
<tr><td>TCTPL - NCB-II – PPP</td><td>3.20</td></tr>
<tr><td>Container cargo – BOT/PPP</td><td>141.91</td></tr>
<tr><td>Total</td><td>365.83</td></tr>
</table></td></tr>
<tr><td>(ii).</td><td>Further, the revenue of 2017-18 considered by VOCPT in Form 3 does not match with the actual revenue reported in the Audited Annual Accounts. e.g. For port dues, Pilotage Fees earning considered by VOCPT in Form 3 for the</td><td>The estimated income has been arrived considering the 2017-18 tonnage hence the actual income received during the year 2017-18 as per audited annual accounts is escalated with 3.45%. The revised Form-3 (Revenue Estimation) showing the earnings considering 2017-18 tonnage tallied with Audited Annual Accounts 2017-18</td></tr>
</table>

<table>
<tr><td></td><td>year 2017-18 based on actual traffic for the year 2017-18 is ₹3550.38 lakhs and ₹6313.95 lakhs which do not match with port dues of ₹3431.98 lakhs and Pilotage Fees of ₹3326.83 lakhs and to wage and mooring fees at ₹3208.15 lakhs reported in the Audited Annual Accounts for the year 2017-18. The variation in the revenue reported in the Audited Annual Accounts for the year 2017-18 and actual income in the Form- 3 to be reconciled.</td><td>is enclosed vide Annexure-III & IV. Hence figures already reported is correct.</td></tr>
<tr><td>(iii).</td><td>The VOCPT has proposed rationalisation of slab structures of some tariff items. The rationalised slab structure tariff is increased beyond 28%. The port may relook into this and capture the revenue in rationalised structure slab wise.</td><td>On rationalization of slab structures as per MOS directions, the increase of tariff for lesser parcel size is inevitable. To overcome this, the Port propose to decrease the proposed vessel related charges by 10% from 30% and increase the Labour levy by ₹20/- per M.T from ₹30/- per M.T. However, one more slab has been included to rationalize the increase proposed as decided in the Joint Hearing. Accordingly, the revised revenue estimation for both Port & CHD is submitted vide. It is also to inform that the proposed increase is lesser than the overall percentage increase required as per ARR. [Finally Port has proposed ₹50/- per tonne]</td></tr>
<tr><td>(iv).</td><td>In view of the above, VOCPT to furnish modified revenue estimate (Form- 3), with detailed working in support of the revenue estimates. While estimating the revenue at the proposed tariff for the actual traffic of 2017-18, VOCPT is also requested to furnish the following:</td><td>Yes. Modified revenue estimate (Form-3) is enclosed vide Annexure-III & IV for Port and CHD retrospectively.</td></tr>
<tr><td>(a).</td><td>Confirm that the total GRT vessel considered in the revenue estimates for vessel related charges matches with the actual total GRT of the vessel handled by the port for the year 2017-18. In case of mismatch, if any, the VOCPT to reconcile the difference.</td><td>It is confirmed that the total GRT vessel considered in the revenue estimates for vessel related charges matches with the actual total GRT of the vessel handled by the port for the year 2017-18.</td></tr>
<tr><td>(b).</td><td>As per Administrative Report the total volume of cargo handled by VOCPT is 365.83 lakhs tonne. The VOCPT may confirm that volume of cargo considered in the revenue estimates matches with the actual cargo handled and reported in the Administrative Report. In case of variation, the difference is to be reconciled.</td><td>Yes. Port considered the total volume of cargo handled by VOCPT of 365.83 lakh tonnes for the vessel related income and in respect of cargo related charges Port considered 184.69 lakh tonnes excluding the tonnage handled through' PPP operations as detailed below:-
<table>
<tr><th>Description</th><th>2017-18</th></tr>
<tr><td>Wharfage cargo</td><td>184.69</td></tr>
<tr><td>NTPL</td><td>36.03</td></tr>
<tr><td>TCTPL - NCB-II</td><td>3.20</td></tr>
<tr><td>Container cargo</td><td>141.91</td></tr>
<tr><td>Total</td><td>365.83</td></tr>
</table></td></tr>
<tr><td>(c).</td><td>The estimate of revenue from vessel related charges do not seem to capture the prevailing exchange rate. The port may indicate the exchange rate considered in the revenue estimates and that it reflects the prevailing exchange rate.</td><td>The impact of foreign exchange fluctuation due to increase in the exchange rate during 2017-18 with that of prevailing exchange rate is captured and the increase is 9.08%.</td></tr>
<tr><td>(d).</td><td>It is seen from the revenue estimation at the proposed Scale of Rates (Form 3) that the port has not captured any revenue impact in respect of some tariff items proposed in the Scale of Rates</td><td>The details of revenue impact of the respective tariff items proposed in Form-3 is furnished separately and enclosed vide Annexure-VII which is summarised below:
List of Tariff items captured in the Form-3 of Proposed SOR.</td></tr>
</table>

<table>
<tr>
<td></td>
<td>(SOR). The list of such items for which no revenue is captured in Form 3 is attached as Annex- A.</td>
<td>
<table>
<tr><th>Schedule No.</th><th>Description</th><th>Amount Captured in Form-3</th></tr>
<tr><td>2.2.2</td><td>Miscellaneous Pilotage fees</td><td>Pilotage including Towage</td></tr>
<tr><td>2.3</td><td>Tug Hire fees</td><td>Pilotage including Towage</td></tr>
<tr><td>2.4.2</td><td>Berth Hire Charges for other Vessels</td><td>Berth Hire fees</td></tr>
<tr><td>2.5</td><td>Lighterage Operation fee in respect of Vessels at anchorage</td><td>Nil</td></tr>
<tr><td>3.1.1</td><td>Wharfage Charges for few cargo items</td><td>Wharfage - others</td></tr>
<tr><td>3.3</td><td>Storage fee</td><td>Since open Space Storage delinked it is not considered</td></tr>
<tr><td>3.4</td><td>Storage fee for Marshalling Yard</td><td>Others</td></tr>
<tr><td>4.1</td><td>Charges for Special Services to reefer containers</td><td>Nil</td></tr>
<tr><td>4.2</td><td>Storage rent on empty and loaded containers</td><td>Nil</td></tr>
<tr><td>4.3</td><td>Demurrage charges for containerized cargo</td><td rowspan="3">Demurrage Charges</td></tr>
<tr><td></td><td>(a).4.3.1 Containerized Import Cargo</td></tr>
<tr><td></td><td>(b). 4.3.2 Containerized Export Cargo</td></tr>
<tr><td>5.01</td><td>Weighment Charges</td><td>Nil since the weighbridge is operated by HSCL</td></tr>
<tr><td>5.02.1</td><td>Charges for occasional use of Wharf Cranes and other Cranes</td><td>Hire Charges - Wharfage Crane</td></tr>
<tr><td>5.02.2</td><td>Charges for Hire Grab to Masters, Owners or Agents of Vessel</td><td>Hire Charges - Wharfage Crane</td></tr>
<tr><td>5.04</td><td>Rent for occupation of compartments in the coal mazdoor lines in the port premises</td><td>Others</td></tr>
<tr><td>5.05</td><td>Charges for Hire of Dry dock to the Owners of sailing vessels and to other government departments of dry docking their vessels</td><td>Nil</td></tr>
<tr><td>5.06</td><td>Charges for taking photographs or shooting of films in the harbour premises</td><td>Others</td></tr>
<tr><td>5.07</td><td>Passenger toll and charges for various types of vehicles accompanying passengers</td><td>Nil</td></tr>
<tr><td>5.08</td><td>Issue of duplicate copy of bills and receipts etc.</td><td>Others</td></tr>
<tr><td>5.09</td><td>Charges for recovery of overhead expenses for supply of electricity by port.</td><td>Electricity overhead</td></tr>
</table>
</td>
</tr>
<tr>
<td>(e).</td>
<td>Though the SOR proposes new tariff for the following items, the port has not shown any revenue for these items in Form 3:
3.1.1 Schedule of Wharfage Dues:

(i). Liquid Bulk- Types of Coal-Diesel oil, Furnace Oil etc.</td>
<td>There were no new tariff items proposed and the proposed classification is only re grouping based on current arrival pattern of cargo to provide clarity. Hence, all the items mentioned has already been captured in Form-3 except the one Ro Ro Vessel – Automobile through Ro Ro vessels for handling below 1600 CC etc. since the same is not yet handled by the Port and the same is considered as Nil.</td>
</tr>
</table>

	(ii). Dry Bulk- All types of Coal-Mechanical, Manual, Met and Pet Coke etc., (iii). Dry Bulk Cargo- Clinkers , cu. concentrate, Garnet Sand, Gypsum Sand, Gypsum In, Iron Ore, Lime in bulk, Potassium Sulphate (Mop,Sop), Sugar, Sulphar, Urea, Wheat. (iv). Break Bulk-Cashew Kernal Fruits, construction material (v). Ro Ro Vessel – Automobile through Ro Ro vessels for handling below 1600 CC etc. The port may confirm no traffic/ services are rendered by the VOCPT for the above items in the year 2017-18.	
4.	**<u>Scale of Rates:</u>**	
(i).	The VOCPT has proposed a few new tariff items / conditions and has proposed lot of rationalisation / simplification of the existing SOR and has also proposed for deletion for few tariff items/ conditions. Clause 2.12. of the Working Guidelines 2018 stipulates that if a new condition is introduced or if existing condition is modified due to operational or any other contingency, the port may prescribe such modification with reasons thereof and capture the financial / revenue impact in the ARR. The basis adopted for new items is to be furnished and its financial effect to be captured in the revenue estimations in Form-3. The port to capture financial impact, if any, on account of the modifications proposed in the draft proposed SOR.	The Port has not proposed any new item of tariff but only re-grouping/ rationalizing the existing tariff items/conditionalities is done for simplification which do not have any financial impact on the revenue estimation. The Port after reviewing the existing terms & conditions of Scale of Rates has proposed to remove the redundant/obsolete portions only.
(ii).	**<u>General Terms and Conditions</u>**:	
(a).	<u>Note ((iii) (a):Criteria for levy of vessel related charges (VRC) at Concessional Coastal rate and foreign rate:</u> The VOCPT has proposed for addition of the words "stated in the conversion certificate issued by the statutory authority like Customs" and proposed for deletion of words "the vessel starts loading coastal goods. It is relevant to state that the existing note no. (iii) (a) prescribed in the existing SOR is approved by this Authority vide its Order No.TAMP/53/2015-VOCPT dated 29 September 2015 based on the clarification issued by the Director General of Shipping and the Coastal concession policy issued by the then	Agreed to.

	MSRTH as a common adoption Order. The VOCPT to, therefore, retain the existing note as approved by this Authority as a common adoption Order.	
(b).	<u>Existing Note (xviii):</u> The VOCPT has proposed for deletion of existing note (xviii) relating to users not required to pay charges for delays beyond a reasonable level attributable to the VOCPT. The reason cited by the port is that specific provisions are available in respect of stoppage of berth hire after vessel readiness signal and anchorage charges when the vessel is ready but the berth is not ready. In this regard, the VOCPT to kindly note that the said note is general in nature which is uniformly prescribed in the SOR of all Major Port Trusts and hence may be retained in the proposed SOR as well.	Agreed to.
(c).	<u>Existing Note (xix) (b) and Proposed Note (xviii) (b)</u> The existing note is proposed to be modified to state that the priority berthing will be considered as per the Guidelines / Order issued by the Ministry of Shipping/Govt. of India from time to time and also as per prevailing Berthing Policy directed by Ministry of Shipping, Government of India. Since the existing note is one of the notes from the common adoption Order issued by Authority vide Order No.TAMP/14/2016-Misc dated 16 Feb 2016, in compliance of the MoS letter No.PT-11033/51/2014-PT dated 4 September 2014, the same may be retained to have more transparency in the SOR.	The proposed condition is not in violation to the orders of the Ministry of Shipping and try to bring clarity and standard applicability of the directions issued by MOS from time to time without resorting to any specific approval. For example Ministry issues specific direction regarding priority berthing for Fertilizer vessels for a particular period, Food grain vessel which needs to be implemented immediately without resorting to any approval.
(d).	<u>Note (xx) (a) and (b)</u> The proposed note stipulates that the next annual indexation will be from April 2017 subject to the VOCPT achieving the performance standard notified along with the SOR. The estimated ARR arrived by the port based on actuals for the years 2015-16 to 2017-18 has been indexed by 3.45% for the year 2018-19. The proposed SOR along with the performance standards will apply for the year 2019-20 from the date it is made effective. That being so, as per clause 2.8 of the Tariff Policy 2018, the next indexation shall be from 1 May i.e. from 1 May 2020. Hence the proposed note may	Agreed to.

<table>
<tr><td></td><td>be corrected accordingly to be in line with the Tariff Policy, 2018.</td><td></td></tr>
<tr><td>(iii).</td><td><u>Schedule 2.2.1 Pilotage Charges</u>

The port has rationalized the existing slab structure from 6 slab to 3 slabs in line with the Working Guidelines. The proposed restructuring of slabs results into increase in existing rate beyond 30%. (Up to 30,000 GRT- Increase 38.48% for Coastal and 38.46% for Foreign) (14.43-10.42/10.42*100) The VOCPT may relook into this.</td><td>The rationalization of slab for pilotage has been proposed based on the directions of the MoS. However, at Joint Hearing Users raised their objections and requested for a review in the slabs proposed. Considering the request made by the Users and no. of vessels handled by the Port in the particular slab as against total vessels, the proposal has been reviewed and 4 slabs have been proposed as against 3 slabs proposed in the original proposal. The revised slabs and rates proposed for pilotage services are as follows:

<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Size of vessel</th><th colspan="2">Rate per GRT</th></tr>
<tr><th>Coastal vessel (in ₹)</th><th>Foreign-going vessel (in US $)</th></tr>
<tr><td>1</td><td>Upto 20,000</td><td>13.47</td><td>0.5162</td></tr>
<tr><td>2</td><td>20,001 to 30,000 GRT</td><td>13.92</td><td>0.5338</td></tr>
<tr><td>3</td><td>30,001 - 60,000 GRT</td><td>11.13</td><td>0.4270</td></tr>
<tr><td>4</td><td>60,001 and above GRT</td><td>9.74</td><td>0.3736</td></tr>
</table>

Accordingly, the revised revenue estimation for Port is submitted vide Annexure-III. Also, as per working guidelines, Port can adjust the tariff across the services within the overall required ARR. At the proposed increase, the required ARR is not met leaving unbridged shortfall of ₹52.20 crores.</td></tr>
<tr><td>(iv).</td><td><u>Schedule 2.2.3 Shifting Charges:</u>

The VOCPT has proposed a note below the table of Shifting Charges wherein instead of “Shifting Charges” the Word “Pilotage Fee” is stated. This inadvertent error to be corrected.</td><td>The word “Pilotage fee” may be read as “Shifting Charges”.</td></tr>
<tr><td>(v).</td><td><u>General Note relating to Schedule 2.2.1, 2.2.2 and 2.2.3 Note no. (3) (i) (f)</u>

Sl. No. 8 (b):
The VOCPT has proposed new note stating that in case of shifting between berths within harbour basin, shifting charges shall be collected at 35% of pilotage fee prescribed in schedule 2.2.1. In this regard, port to furnish the reason for introduction of this new note and the basis for 35%.

Further port to capture the revenue from this Note accordingly in the Form-3.</td><td>At present VOCPT has one deep draft common user berth i.e., No.IX (Draft 14.20 mtr.) and all deep draft vessels are initially berthed here and after lightening such vessels are shifted to the suitable berth. Hence in order to encourage the Trade, the Port has proposed to remove charges for the first shifting irrespective of the distance and for subsequent shifting, Port proposes to collect shifting charges at 35% of pilotage fee. The 35% tariff is arrived based on the average of tariff under the schedule 2.2.3 (i) & (ii) of existing SOR. With regard to capturing of revenue from this activity, it is to submit that from the events precedent there was no second shifting has been recorded since past and hence, the revenue if any, from the proposed scale is negligible and will be compensated with that of the first shifting which was made free.</td></tr>
<tr><td>(vi).</td><td><u>2.3 Schedule of Tug Hire Fees:</u>

The port has proposed to do away with existing rates of Tug hire fees for foreign going vessels stating that the usage of Tug and other crafts are for miscellaneous purposes not related to vessel related services. Hence the relevance of Foreign and coastal</td><td>The Tug hire charges are being collected based on the requirement of the Users for miscellaneous services only viz., ship comes for repairing, off shore supply vessels (OSV) irrespective of the flag of the vessel.
Since the Tug hire service is not for pulling or pushing of any commercial vessel for core purposes, it cannot be treated as vessel related service and hence, does not fall under the ambit of clause 10.1.1 of working guidelines. Considering the purpose of the tug hire, the</td></tr>
</table>

	distinction is not required, in the opinion of VOCPT. The rates, therefore, are made common by converting the current coastal rate of 60% converted into single rate of 100%. The VOCPT has proposed increase in tariff rates in the range of 113% to 121%. In this regard, it is to state that though the tug services may be provided for miscellaneous purposes but it is a vessel related service. As per clause 10.1.1 of the Working Guidelines vessel related charges for foreign going vessels need to be denominated in US dollars and recovered in Indian Rupees. That being so, the port may consider prescription of the rate for foreign and coastal vessel separately as per the prevailing position to comply with the Working Guidelines. The port has not estimated revenue from this item. The port may also capture revenue from this tariff item in Form 3 based on 2017-18 actuals.	rate has been proposed to be prescribed in Indian Rupees only as there was no difference in service either for foreign or coastal With regard to estimation of revenue on this activity, the same has already been considered under the Pilotage income.
(vii).	<u>Schedule 2.4 Berth Hire Charges:</u> The port has proposed rationalization in slab structure of berth hire charges based on the clause 10.9 of the Working Guidelines 2018. The port to furnish the basis for the rationalized tariff as increase in proposed tariff sought by VOCPT is in the range of 42.37% for foreign going vessel to 43.80% for coastal vessels for first slab of 30000 GRT as against 30% stated in its covering letter. The port may also capture revenue from this tariff item in Form 3 based on 2017-18 actuals slab wise.	
(viii).	<u>2.4.2 Schedule for Berth hire charges for other vessels Note No.4:</u>	
(a).	The existing note 4 under the above schedule prescribes productivity norms for assessing the Berthing occupancy for levy of penal berth hire charges. The VOCPT has proposed for deletion of existing note no.(4) relating to productivity norms for dry bulk cargo and penalties and incentives citing that continuous monitoring is applied whenever changes in berthing norms take place. The port to clarify as to how its proposal for deletion of the existing note 4 complies with the Berthing Policy, 2016.	As per clause 7.2 of the Berthing Policy performance for the different commodities along with the anchorage charges have to be computed every quarter by all Ports in the first year until target norms are reached. Subsequently, the norms can be calculated every year or upon upgradation of infrastructure at berths. Further, Ports are required to share target norms with end customers and agents at the beginning of the 1st quarter to allow them time to incorporate them into charter parties. In view of the above, since the berthing norms is to be reviewed on each quarter wise and subsequent year wise including the same in the scale of rates which is going to be revised once in 3 years seems does not serve the purpose. Hence, it has been decided to delink the productivity norms from the General SOR and it will be decided considering the cargo handled by the Users
(b).	This Authority vide its Order No.TAMP/53/2019-VOCPT dated 18 January 2019 had, based on the proposal	

<table>
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<td></td>
<td>of the port, amended the said note. In the said Order, it was brought out to the VOCPT that the Berthing Policy lays down standardized guidelines for all major ports to compute performance norms for different dry bulk commodities, taking into account the infrastructure available at ports. In view of the above position, the VOCPT was advised to examine the possibility of arriving at the productivity norms following the relevant parameters prescribed in the Berthing Policy during the next revision. The port has not adhered to the advice rendered in the said Order.

The VOCPT is, therefore, requested to kindly relook and examine the possibility of arriving at the productivity norms following the relevant parameters prescribed in the Berthing Policy as stated in the said Order instead of proposing the deletion of the existing provision.</td>
<td>with that of infrastructure available at the respective berths on annual basis and inform the same to Users for further course of action from their end as per the Berthing Policy. Further, VOCPT has come to know that even other Ports also following the same procedure as proposed by VOCPT.</td>
</tr>
<tr>
<td>(ix).</td>
<td>The VOCPT has proposed deletion of Schedule 2.6.1 Anchorage Fees stating the reason of rationalisation is to benefit the user. Clause 6 of the Berthing Policy, 2016, issued by the MOS prescribes guidelines for levy of anchorage charge. The proposal of the VOCPT to delete anchorage charge is not in line with the Berthing Policy, 2016. The port to, therefore, examine and consider to propose anchorage charge in line with the Berthing Policy, 2016. Revenue from this item may also be captured in Form 3.</td>
<td>VOCPT, propose to remove the entire Anchorage charges due to the following reasons:-

(1). The levy of Anchorage charges is a deterrent factor to the Shippers operating in the common hinterland and being preferred to operate at private ports where there is no anchorage charges.

(2). Though the Berthing Policy, 2016 provides levy of anchorage charges this will lead to increasing the landed cost to the Users and they may prefer to handle the said cargo in private ports. Further, as per clause 2.7 of Tariff Policy, 2018 states that any change or increase in tariff have to ensure that it will not leads loss of traffic.

(3). Even some of the major ports also not levying anchorage charges in the competing scenario to attract cargo to their Ports which will result in lower landed cost.

In view of the above, Port has decided to not to levy any anchorage charges. However, the relevant schedule will be included with the approval of the TAMP as and when the waiting time crosses abnormally due to the action of Users.</td>
</tr>
<tr>
<td>(x).</td>
<td>The Port has rationalised the Schedule 2.7 Lighterage Operations fee in respect of vessel at Anchorage. Further, the port has proposed for deletion of the existing notes related to this schedule. The VOCPT to furnish the reasons for proposing deletion of the existing notes related to this schedule.</td>
<td>The rationalization of slab for Lighterage charges has been proposed based on the directions of the MOS. However, the same has been reviewed considering the points raised by the Users/User Association at Joint Hearing conducted by TAMP and accordingly, 4 slabs have been proposed as against 3 slabs in the proposal as follows:
<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Particulars</th><th colspan="2">Rate per hour or part thereof</th></tr>
<tr><th>Coastal vessel (in ₹)</th><th>Foreign - going vessels (in US$)</th></tr>
<tr><td>1.</td><td>0 to 20,000 GRT</td><td>0.0357</td><td>0.0014</td></tr>
</table>
</td>
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<table>
<tr><td>2.</td><td>20,001 - 30,000 GRT</td><td>0.0391</td><td>0.0015</td></tr>
<tr><td>3.</td><td>30,001 - 60,000 GRT</td><td>0.0313</td><td>0.0012</td></tr>
<tr><td>4.</td><td>60,001 GRT and above</td><td>0.0274</td><td>0.0011</td></tr>
<tr><td>5.</td><td>Double Banking</td><td colspan="2">In respect of a vessel which is double banked with another vessel occupying a berth it will be charged half of the above charges specified in the above schedule.</td></tr>
</table>
The Notes governing Sch. 2.7 relates to those vessels which are over and above 10.7 mtr draft and which cannot be handled at the relevant point of time due to draft restrictions. However, the current draft available at this Port is 14.20 mtr and with this available draft the Notes in the existing SOR is redundant and hence not necessary. Hence, the same has been removed.
</td>
</tr>
<tr>
<td>(xi).</td>
<td>
<u>Schedule 3.1.1 Wharfage Due:</u>
As per the Government's coastal concession policy, tariff for only coastal thermal coal does not enjoy coastal concessional rate. As per the Schedule of Wharfage Dues prescribed in the existing Scale of Rates of VOCPT, thermal coal and coal by whatever name described in Customs Document and used for Thermal Power Plants do not enjoy coastal concessional rate. The other coastal coal cargo like charcoal, coal and coke handled through coal jetty (other than thermal coal) and coal by whatever name described in Customs Document other than coal used for Thermal Power Plants enjoy concessional rate. However, the VOCPT has proposed uniform rate for foreign as well as coastal for all types of coal cargo, the reasons for which may be explained.
<u>Sl.No.7 RO RO Vessels</u>
(a). The port to furnish the basis for proposed change in nomenclature of this tariff item from existing two categories of RO-RO Vessels for handling upto and above 1400 CC to 1600CC and deletion of existing tariff for import and export.
(b). The port has proposed for deletion of existing note related to this tariff item which states that for vehicle with laden containers with trailer, the tariff will be collected at composite rate covering both vehicle as prescribed above and container separately collecting the rate of container as per prevailing Scale of Rates vide Sl.No.6 of this schedule. The port may justify the deletion of existing note. The port may also clarify as how the tariff for vehicle with laden container with trailer will be charged.
</td>
<td>
In respect of wharfage proposed for Coal & Coke the following may be replaced:-
<table>
<tr><th rowspan="3">Sl. No.</th><th rowspan="3">Description</th><th rowspan="3">Unit</th><th colspan="4">RATES (in ₹)***</th></tr>
<tr><th colspan="2">Zone A</th><th colspan="2">Zone B</th></tr>
<tr><th>Foreign</th><th>Coastal</th><th>Foreign</th><th>Coastal</th></tr>
<tr><td>1</td><td>Charcoal in bags/bulk.</td><td>1 M.T.</td><td>45.66</td><td>27.39</td><td>19.56</td><td>11.74</td></tr>
<tr><td>2</td><td>Coal by whatever name described in Customs Document and used for Thermal Power Plants</td><td>1 M.T.</td><td>61.96</td><td>61.96</td><td>--</td><td>--</td></tr>
<tr><td>3</td><td>Coal by whatever name described in Customs Document other than sl.no.2 above.</td><td>1 M.T.</td><td>61.96</td><td>37.17</td><td>37.17</td><td>22.30</td></tr>
<tr><td>4</td><td>Metallurgical Coke/ Petroleum Coke</td><td>1 M.T.</td><td>74.36</td><td>44.61</td><td>--</td><td>--</td></tr>
</table>
As far as wharfage in respect of RO-RO vessels is concerned, no change has been proposed in the nomenclature of tariff item from existing two categories of RO-RO Vessels for handling upto 1600CC and above 1600 CC with the increase in tariff by 18.39% as per the revised proposal.
The said Note is deleted inadvertently and included in the revised SOR.
</td>
</tr>
</table>

(xii).	Schedule 3.1.2 Cess for pollution mitigating measures / spillage charges for dry bulk cargo: The existing SOR prescribes cess for pollution mitigating measures exclusively for 16 dusty cargoes excluding cargo handled through closed conveyors. The VOCPT has now proposed the said cess on all dry bulk cargo excluding cargo handled through closed conveyors within port limits. The VOCPT may furnish the reasons for extending the cargo profile for levy of this cess. The port to show that the revenue estimate captures the entire cargo profile for which the tariff is proposed.	Port has taken various measures to mitigate the pollution level in the Port area as per the norms of Pollution Control Board like providing wind barriers, Road sweeping machines, water sprinklers, Fog machine etc., and it has been proposed to levy the cess on all dry bulk cargo except those cargoes which moves through closed conveyor connected outside the Green Gate. The anticipated revenue from this cess is already been captured under Form-3.
(xiii).	Schedule 3.2.1. Demurrage Charges – Free Period:	
(a).	The VOCPT has restructured this schedule and proposed increase in free period for import and export cargo. The VOCPT to confirm that the revenue estimate captures the revenue implication of increase proposed in the free period.	The VOCPT is facing decline in traffic throughput for the last two years and with a view to attract the cargo handling at this Port the free period has been increased for both of Import & Export. The revenue implication will be compensated with that of additional cargo expected. The financial implication on this account cannot be quantified.
(b).	Note 3 (ii) The port has proposed for deletion of the existing note 3(ii) whereas retained note 3(i). . Note 3(i) relates to free period for all exports except salvaged goods. In view of proposed deletion of existing note 3 (ii) which relates to Salvaged goods, there will be gap in the SOR on this item. The VOCPT may, therefore, relook and make necessary correction in the proposed SOR.	The Note 3 (ii) is proposed to be retain and accordingly the proposed SOR corrected.
(b).	Note 5 The port has reduced the free period from existing 21 days to 10 days in case of goods shut out by vessel and subsequently shipped by another vessel. The port to furnish the reason for reduction proposed in the free period for this item.	The volume of shut out cargo handled is very minimum and therefore it is reduced from 21 days to 10 days.
(xiv).	3.2.2 Schedule of Demurrage Charges:	
(a).	The VOCPT has reduced the existing 3 slabs to 2 slabs and also proposed for increase in tariff for Zone A. The existing tariff for Zone B is 50% of Zone A. Whereas, the port has proposed 75% of the rate of Zone A for Zone B. The port to furnish the reason for reduction in slabs and increasing applicability of rate for Zone B.	The reason for re looking of the slabs according to the cargo is mainly due to the area occupied or required to be occupied by the relevant cargo. Further, in order to ease of doing business with this Port the same has been categorized under two slabs with the increased free days. With regard to proposal for increase in tariff by additional 25% for Zone-B, it is in order to ensure quick evacuation of cargo at Zone-B where there is restrictions on the land parcels and anticipated increase in capital as well as revenue expenditure for creation and maintenance of the said land parcels.

<table>
<tr><td>(b).</td><td>The VOCPT has proposed for deletion of existing Note (ii) below the Schedule 3.2.2 which relates to declaring ware house as transit area during exigency. The port may furnish the reasons for proposed deletion.</td><td>There was no change in the purpose of allotment of transit sheds/warehouse and the change proposed is being an operational convenience and the arrangement shall be approved by the competent authority on case to case basis in both the scenarios i.e., existing as well as proposed to facilitate the Trade.</td></tr>
<tr><td>(xv).</td><td><u>Schedule 3.3 Storage Fee:</u></td><td></td></tr>
<tr><td>(a).</td><td>The VOCPT has restructured the schedule from existing on “weekly basis” to “day basis” for covered Space. Further, the existing 4 slabs are proposed to be reduced to 2 slabs. The port may furnish the basis for restructuring of the Schedule and also to capture the revenue from this items in Form 3.</td><td>For operational and calculation of storage fee convenience, the slabs have been changed to day basis as against weekly basis. However, the revised tariff scheduled increasing the number of slabs is tabulated below:
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Unit</th><th>Rates for Zone A (in ₹)</th></tr>
<tr><td>1</td><td>COVERED SPACE</td><td></td><td></td></tr>
<tr><td>(i).</td><td>For the first 15 days</td><td>Per 10 sq. mtr./week or part thereof</td><td>252.75</td></tr>
<tr><td>(ii).</td><td>From 16th day to 30 days.</td><td>do</td><td>505.50</td></tr>
<tr><td>(iii).</td><td>From 31st day to 45 days.</td><td>do</td><td>758.25</td></tr>
<tr><td>(vi).</td><td>Thereafter for every 7 days.</td><td>do</td><td>884.61</td></tr>
<tr><td>2</td><td>MP Shed</td><td>Per sq. mtr. / per month or part thereof</td><td>73.38</td></tr>
<tr><td colspan="4">For Zone ‘B’ 75% of the rates prescribed above shall apply.</td></tr>
</table></td></tr>
<tr><td>(b).</td><td>Notes 3 and 9 below the Schedule are proposed for deletion. The port may furnish the reasons for deletion of the said notes.</td><td>The existing Notes 3 and 9 below the schedule may be retained.</td></tr>
<tr><td>(xvi).</td><td><u>Schedule 4.3 Storage rent on empty and loaded containers:</u>

The port has proposed for deletion of note no (1) and (3). The port may furnish reasons for deletion of said two notes from the existing Schedule.</td><td>The Note (1) proposed for deletion is in reference to the methodology adopted by the one of the Container Terminal Operator at the relevant point of time which has no relevance now and the Note (3) is also not relevant since the port not handled any containers in port operated berths.</td></tr>
<tr><td>(xvii).</td><td><u>Schedule 4.4 Demurrage charges for containerised Cargo:</u>

The port has proposed for deletion of Note no (5) under the heading General notes. The said note states that storage charges on container/ demurrage charges on cargo shall not accrue for the period when the VOCPT is not in a position to deliver/ ship cargo when requested by the users. The port to furnish the reason for deletion of said note. Further, the port may retain the said note which is general in nature and is also proposed by all the Major Port Trusts.</td><td>Currently, the Port does not provide any services for container vessels in view of the dedicated berths being operated by the BOT/PPP operator and hence the Note (5) is redundant and not required.</td></tr>
<tr><td>(xviii).</td><td><u>Schedule 5.02 Charges for hire of Grabs, Schedule 5.03. Charges for hire of cranes, fork lift truck and other mechanical appliances for purpose not specified in schedule 5.2. and 5.2.1</u>
The port has proposed for deletion of existing Schedules on above items. The port may furnish the reasons thereof.</td><td>The Grab capacity is generally prescribed unit is CBM and not in Tonne. Other cargo handling equipments are not in operation.</td></tr>
</table>

(xix).	<u>Schedule 5.05. Charges for hire of dry dock to the owners of sailing vessels and to other government departments for dry docking their vessels.</u> Note No.(5). It is seen that the proposed note is incomplete as compared to existing note. The port may relook into and propose a complete note.	There is no change in Note No.(5) of the proposal and it is only a typographical error which was corrected in the revised draft SOR.
(xx).	<u>Mandatory User Charges:</u> The port has not proposed Mandatory User Charge for container to be levied on all containers (except transhipment 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 based on the Order No.TAMP/46/2018-MUC dated 8 June 2018 approved by this Authority as common Order for all Major Port Trusts and terminals operating thereat. In this regard it is to state that the validity of the rate approved is till 31 March 2019 which stands extended till 30 June 2019. The DMIDC has recently filed a proposal for revision of mandatory user charges beyond its validity which is being processed separately. The rate as and when approved in DMIDC case shall be made applicable to VOCPT also. According port may proposed the MUC schedule in the proposed SOR.	As far as VOCPT is concerned, at present the two BOT Operators viz., M/s. PSA SICAL Terminal Ltd., (VII Berth Container Terminal) and M/s. DBGT (VIII Berth Container Terminal) only handle the container operations and no containers have been handled at Port operated Berths and hence the proposal of MUC schedule in the Port's SOR is not required.
5.	**Performance Standards**	
	The port may furnish the basis of the proposed Performance Standards for cargo related service and vessel related services with reference to the actual performance parameters achieved in the year 2017-18.	As per clause 3.1 of working guidelines, the Major Port Trusts shall commit Performance Standards for cargo related and vessel related. Accordingly, Port has proposed the Performance Standards considering the actuals in the recent past, facilities available and the User interests in this regard.
B.	**FOR Cargo Handling Division (CHD) – FORM -1**	
(i).	General: The Audited Annual Accounts for the year 2015-16 and 2016-17 show the accounting figures for CHD separately. The Annual Audited Accounts for the year 2017-18 does not show the CHD accounting figures separately. The VOCPT to furnish the Audited Annual Account figures of CHD for the year 2017-18 considered in Form- 1 duly reconciling with the Accounts.	As decided by the Competent Authority, the Annual Audited Accounts of CHD has been merged with Port Accounts from the year 2017-18 onwards consequent on its merger with Port. However, the copy of CHD Accounts for the year 2017-18 is enclosed vide Annexure-V for reference.
(ii).	Annual Revenue Requirement (FORM – 1): Interest on Loan (Sl.No.2(ii):	The observation pointed out by the Authority has been noted and accordingly the same has been reduced while arriving the revised ARR of CHD under Form-1and furnished vide Annexure-VI.

	As per Clause 2.2 (ii) of the Working Guidelines 2018, interest on loan is to be excluded. As against the above position the VOCPT has considered Nil figures for the year 2015-16. The Audited Annual Accounts of the VOCPT for the year 2015-16 reported the Interest on Loan of ₹120.50 lakhs. The port has, however, not considered to exclude, interest on loan in the ARR computation. The VOCPT is, therefore, requested to make necessary correction in Form-1 in the ARR computation of CHD so as to be in line with the Tariff Policy 2018. The VOCPT is requested to furnish modified ARR (Form -1) duly certified by the Practicing Chartered Accountant / Cost and Management Accountant.	
(iii).	Revenue Estimation -CHD (Form -3): Please indicate the actual cargo traffic handled by CHD. Confirm that the traffic of 2017-18 considered in Form 3 is the actual traffic handled by CHD. In case of any variation, please reconcile giving reasons for variation	The actual traffic of 155.34 lakh tonnes considered for the year 2017-18 in Form-3 is confirmed.
(iv).	Scale of Rates - Section 6.1- Levy of Charges for obtaining services of cargo handling workers from Cargo Handling Division: The port has proposed reduction in existing CHD levy. The port has proposed uniform rate of ₹30 per M.T. for supply of labour. The Annual Revenue Requirement (ARR) for CHD is ₹9688.91 lakh as against the revenue estimated at the proposed SOR is ₹4659.24 lakhs which is 48.09% of ARR. Therefore, the port may justify the proposed reduction in existing levy for supply of labour from CHD for cargo handling operations.	As per the request made by the Port in the Joint Hearing held on 29.05.2019 to the Authority, the present proposal of uniform rate of ₹30 per M.T. for supply of labour is proposed at ₹50 per M.T. Hence, the proposed revenue estimation in respect of CHD will be increased from ₹46.59 crores to ₹77.67 crores and by which the unbridged gap with respect to ARR for CHD will be reduced. Further to state that even though there was an option to increase the levy Port cannot increase the levy considering the stiff competition from the private Ports situated nearby and hence it is has been proposed at ₹50/- per M.T even though there was an opportunity to recover ARR.

8.2. Subsequently, the VOCPT vide its email dated 08 August 2019 has forwarded a copy of the Board Resolution No. 28 dated 17 July 2019 approving the modifications made in the proposal for Revision of Scale of rates.

9.1. A joint hearing in this case was held on 29 May 2019 at the VOCPT premises. The VOCPT made a brief Power Point presentation of its proposal. A copy of Hard copy of the Power Point presentation is given by the VOPCPT. At the joint hearing, the VOCPT and the concerned users / user organizations have made their submissions.

9.2. At the joint hearing, the VOCPT has expressed its intention to examine to propose one more slab upto 20,000 GRT and another slab from 20,000 GRT to 30,000 GRT for levy of Vessel related Charges (VRC). The port also intended to examine to raise the labour levy for supply of labour from Cargo Handling Division for Stevedoring from the proposed rate of ₹30/- per tonne to ₹50/- per tonne. After reminder dated 26 June 2019, VOCPT vide its letter dated 08 July 2019 has made the following submissions:

(i). Considering the users request, the proposed increase in vessel related charges and Cargo Related Charges in respect of Port is reduced from the proposed 30% increase to 20% and to compensate the above reduction, and to recover the required Annual revenue requirement (ARR), the Port has proposed to increase the earlier proposed labour levy of ₹30/- per MT to ₹50/- per MT for all cargo items.

(ii). The increase proposed in vessel related charges and cargo related charges is over and above the prevailing tariff after applying applicable indexation for 2018-19 and 2019-20 (as on date).

(iii). The revised draft SOR is also enclosed. It is also informed that while revisiting the proposal, the figures in Form-1 and Form-3 need to be changed. It will be submitted with Chartered Accountant's Certificate in due course.

9.3. Subsequent to that the VOCPT has vide its letter dated 20 August 2019 furnished final revised ARR computation for both Port and CHD along with Revenue Estimates duly certified by the Chartered Accountant. The Port has also furnished modified Form-4 - Statement on Working Capital, detailed comparison of existing and proposed SOR wherever changes are incorporated in the prescribe d Form-5 and revised proposed SOR. The revised ARR Computation for Port and CHA is given below:

(i). A position of ARR computation for Port furnished by VOCPT is tabulated below:

(₹ in Lakhs)

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	9,939.48	10,615.41	10,204.16
(ii).	Management & General Overheads	8,133.73	8,733.47	9,475.77
(iii).	Finance and Miscellaneous expenses (FME)	13,523.29	18,059.76	15,161.73
	Total Expenditure 1=(i)+(ii)+(iii)	**31,596.50**	**37,408.64**	**34,841.66**
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	1,844.33	1,466.47	1,379.00
	(b). Allocated Management & Administrative Overheads	1,457.26	1,000.88	1,280.56
	(c). Allocated FME	1,645.47	1,334.23	1,254.65
	Subtotal 2 (i)=[(a)+(b)+(c)]	**4,947.06**	**3,801.58**	**3,914.21**
(ii).	**Interest on loans**	-	-	-
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	(a).	-	-	-
	(b).	-	-	-
	(c).	-	-	-
	Subtotal 2 (iii) = [(a)+(b)+(c)]	-	-	-
(iv).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment etc. (list out each of the items)**	**4,800.00**	**8,733.33**	**9,120.67**
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	**4,076.51**	**4,262.87**	**4,900.54**
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**			
	(a). Operating Expenses	-	-	-
	(b). Depreciation	76.05	76.05	76.05
	(c). Allocated Management and Administrative Overheads	-	-	-
	(d). Allocated FME	-	-	-
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	76.05	76.05	76.05
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)	**13,899.62**	**16,873.83**	**18,011.46**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	**17,696.88**	**20,534.81**	**16,830.20**
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			**18,353.96**
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			127,478.34
	(ii). Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)			18,892.91
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.			1,132.90

	(iv). Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts. [Figures updated as per excel working given by VOCPT VII Berth ₹2512.10 Lakhs + VIII Berth ₹2266.48 Lakhs+ NCB-1 ₹1662.77+ Dredging expense for NCB-II ₹26,063.82]	32,505.17
	(v). Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2018	
	(vi). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines	
	(a). Inventory	357.82
	(b). Sundry Debtors	697.64
	(c). Cash	2,386.14
	(d). Sum of (a)+(b)+(c)	3,441.60
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]	**116,174.79**
(6).	**Return on Capital Employed 16% on Sl. No.5(vii)**	**18,587.97**
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**	**36,941.93**
(8).	Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI is 3.45% and the indexed ARR for the year Y4 will be (7) x 1.0345)	**38,216.42**
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**	**38,216.42**
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.9 above**	**36,676.76**

(ii). A summary position of ARR computation for Cargo Handling Division (CHD) furnished by VOCPT is tabulated below:

(₹ in Lakhs)

Sl. No.	**Description**	**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	5,880.99	5,442.53	4472.73
(ii).	Management & General Overheads	-	-	-
(iii).	Finance and Miscellaneous expenses (FME) as per Accounts	6,646.86	8,703.01	10,854.61
	Total Expenditure 1=(i)+(ii)+(iii)	**12,527.85**	**14,145.54**	**15,327.34**
(2).	**Less Adjustments:**			
		-	-	-
(i).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment etc. (list out each of the items)**	3,164.75	4,238.45	6,898.67
(ii).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	-	-	-
(iii).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2018.**			
	Total of 2 = 2 (i)+2 (ii)+2 (iii)	3,164.75	4,238.45	6,898.67
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	**9,363.10**	**9,907.09**	**8,428.67**
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			9,232.96
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			**4.28**
	(ii). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines			
	(a). Inventory			-
	(b). Sundry Debtors			-
	(c). Cash			1,276.92
	(d). Sum of (a)+(b)+(c)			1,276.92
	(iii). Total Capital Employed			1,281.20
(6).	**Return on Capital Employed 16% on Sl. No.5(vii)**			**204.99**
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**			**9,437.95**
(8).	**Indexed ARR for the year (7) x 1.0345)**			**9,763.56**
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**9,763.56**
(10).	**Revenue Estimation at the Proposed Indexed SOR within the Ceiling indexed ARR**			**7,767.00**

9.4. The main modifications done by the VOCPT in the revised SOR are summarised below:

(i). Flowing from the request made by users at joint hearing the Port has proposed 4 slabs in pilotage fee as against 3 slabs proposed in the original proposal.

(ii). Consequent to above, the labour levy earlier proposed at ₹30/- per tonne is proposed to be ₹50/- per tonne.

(iii). The Port has also proposed 4 slabs for Lighterage fees as against 3 slabs proposed earlier.

(iv). The Port has proposed rates for both Foreign going and Coastal vessel separately for Tug Hire Charges as against uniform rates proposed in its original proposal.

(v). The Port has regrouped the cargo items and has proposed revised output norms taking the average of the earlier output norms. The Port has retained the existing Penalty and Incentive linked to the output norms.

(vi). The Port has included the Schedule of Storage Fee for Open Space which was not proposed in its original proposal.

9.5. As per Form 3 furnished by the port, the percentage increase indicated by the port is 18.36% over the existing tariff as on 1.5.2019 after applying indexation factor of 3.45% upto 30.4.2019 and 4.26% w.e.f. 1.5.2019 for port dues and cargo related charges. The port has rationalised the pilotage, berth hire charges etc. reducing the number of slabs. The tariff increase proposed by the port after taking into consideration the tariff as on 30.4.2019 after applying the applicable indexation factor of 3.45% for the vessel and cargo related charges works out as follows:

Sr. No.	Particulars	% increase/ decrease proposed by the port
1	Port Dues	23.46% increase
2	Pilotage fee	(a). 29% to 43% increase for various slabs upto 30000 GRT. (b). Nil increase for vessels between 30000 to 60000 GRT (c). (-)13% reduction for vessels above 60,000 GRT
3	Shifting Charges	First shifting proposed to be free. (i). For second shifting for movements between berths 63% to 80% increase for various slabs upto 30000 GRT, 26% increase for vessels above 30000 to 60000 GRT and 10% increase over 60000 GRT. (ii). For second shifting from specified berths to other berths (-) 10% to 45% reduction across various slabs.
4	Berth Hire	(a) 81% to 202% increase for various lower slabs below 20000 GRT. (b) 33% to 44% increase for vessels of 20000 to 30000 GRT (c) (-) 2 t0 14% % reduction for vessels above 30,000 GRT
5	Wharfage	23.43% increase

10. The VOCPT has subsequently vide email date 5 September 2019 furnished following additional clarification:

(i). As regards the Ministry's Letter No.SW-15011/2/2016-MG dated 03.11.2017 to all Major Port Trusts, it is informed that the said concession is applicable for cruise tourism only. Cruise tourism is different from Ferry service. Ministry's letter dated 03.11.2017 is applicable for cruise vessels only. Hence passenger toll charges applicable for ferry service may please be approved as proposed by Port.

(ii). Met Coke is different from Pet Coke. Met Coke is not a by product of crude oil and hence this Authority may segregate the tariff into two categories-one Met Coke and another Pet coke and the proposal is approved with coastal concession for Met coke) and without coastal concession for Pet Coke.

11.1. As regards proposed deletion of Schedule 5.06. (Rental charges for rooms for use in connection with shipping operation), 5.07. (Rent for allotment of room for steamer agents within the foreshore premises) and 5.08. (Rent for occupation of compartments in the coal mazdoor lines in the port premises), the Port has in Form-5 stated that the deletion of above mentioned Schedules prescribed in existing SOR is as per revised Delegation of Powers (DOP) approved by the Government whereby the rates to be regulated by powers of Chairman vide serial number 43 of Section 2 of Annexure-I to DOP.

11.2. In this regard, the VOPCT has subsequently vide its email dated 26 August 2019 has forwarded copy of Ministry of Shipping (MOS) letter No.F.No. 17011/1/2005-PG Dated at the 11th February, 2015 relating to delegation of enhanced financial powers to Port Trusts addressed to Chairmen of all Major Port Trusts (MPT). As per Annexure-I relating to delegation of power to MPTs [Non-Statutory], Sr. No. 1 relates to fix standard / market rent for residential and non-residential building and to fix penal rent for which full powers have been delegated to chairman of concerned MPT.

12. 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.

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

(i). The Scale of Rates (SOR) of V.O. Chidambaranar Port Trust (VOCPT) was last revised by this Authority vide Order No.TAMP/29/2016-VOCPT dated 17 September 2016. Subsequent to the said Order, this Authority has approved a few amendments, revision and new rates in its general SOR based on the proposals of the port and these have been brought out in an earlier paragraph and hence not repeated here.

The validity of the SOR of VOCPT approved vide Order dated 17 September 2016 expired on 31 March 2019. The validity of said existing SOR of VOCPT was extended upto 30 September 2019 and communicated to all Major Port Trusts including VOCPT vide our letter No.TAMP/39/2005-Misc. dated 29 March 2019. The VOCPT has, vide its letter dated 27 February 2019 filed the proposal for general revision of its SOR under the Tariff Policy, 2018 and Working Guidelines to operationalize the Tariff Policy, 2018. The requisite information/ clarification sought by us vide our letter dated 28 May 2019 was furnished by the port after reminders vide its letter dated 8 July 2019. Subsequently, the port has vide email dated 20 August 2019 has furnished revised ARR and modified estimates of revenue at revised SOR and further clarification vide email dated 5 September 2019. The final revised proposal filed by VOCPT vide its letter dated 20 August 2019 along with submissions made by the port during the processing of the case are considered in this analysis.

(ii). (a). Clause 2.1 of the Tariff Policy, 2018 requires each Major Port Trust (MPT) to assess the ARR which is the average of the sum of Actual Expenditure as per the final Audited Annual Accounts of the three years (Y1), (Y2) and (Y3) subject to certain exclusions as prescribed in Clause 2.2 of the Tariff Policy, 2018 and the Working Guidelines issued by this Authority plus Return at 16% on Capital Employed including capital work-in-progress obtaining as on 31st March Y3, duly certified by a practicing Chartered Accountant/ Cost Accountant.

(b). The port has furnished ARR computation and revenue estimates for the port and for Cargo handling Division (CHD) separately based on the Audited Annual Accounts for the years 2015-16, 2016-17 and 2017-18. The Annual Accounts of the port for the years 2015-16 and 2016-17 report the figures of the CHD and port separately. For the year 2017-18, the CHD figures have been merged with the accounts of the port. The port has however, furnished a copy of the Revised Estimates for the year 2018-19 wherein the figures of CHD for the year 2017-18 is reported separately total duly matching with Accounts.

The VOCPT has assessed the ARR based on Audited Annual Accounts for three years i.e. 2015-16 (Y1), 2016-17 (Y2) and 2017-18 (Y3) following the clause 2.1. of the Tariff Policy 2018 and the Working Guidelines notified by this Authority and the ARR is duly certified by a practicing Chartered Accountant. The VOCPT has excluded the expenses not admissible in ARR computation for arriving at the Average annual expenses for the year 2015-16, 2016-17 and 2017-18. The ARR estimated by the VOCPT duly certified by the practicing Chartered Accountant is relied upon and considered except for one modification in the computation of ARR of the port for the reasons explained below.

The tariff for port railway services is not fixed by this Authority; it is fixed by the Railway Board. The Railway activity in VOCPT is in deficit for the two years 2016-17 and 2017-18 whereas for the year 2015-16 it is in surplus. Therefore, average expenditure of the railway activity to the tune of ₹356.99 lakhs [(₹370.28 + ₹342.86 + ₹357.84)/3] is excluded and the net deficit in the railway activity (i.e. excess of railway expenditure over railway income) for the years 2016-17 and 2017-18 is added to the ARR. Such an approach has been adopted by this Authority while disposing of the general revision proposals filed by the Mormugao Port Trust (MOPT), the New Mangalore Port Trust (NMPT) and Mumbai Port Trust (MBPT).

(iii). Subject to one modification as explained above, the modified average expenses of the port excluding CHD for the years 2015-16, 2016-17 and 2017-18 works out to ₹180.33 crores as against ₹183.54 crores assessed by the VOCPT.

(iv). The VOCPT has arrived at capital employed of the port in line with provision prescribed in Clause 2.4 of the Working Guidelines considering the net fixed assets plus capital work-in-progress as on 31 March 2018 reported in the Audited Annual Accounts. The VOCPT has considered the net fixed assets plus capital work-in-progress as on 31 March 2018 reported in the Audited Annual Accounts. The port has excluded net fixed assets relating to estate activity to the tune of ₹11.33 crores and net fixed assets relating to fixed assets transferred to BOT operators for berth no.VII, VIII North Cargo Berth (NCB) – I and capital expenditure for dredging NCB-II aggregating to ₹325.05 crores which are relied upon. There is some typographical error in the description by the VOCPT which is corrected based on the breakup of ₹325.05 crores given by the port in the excel working. There is no capital expenditure reported by port relating to captive berths. Working capital is computed as per norms prescribed in clause 2.5 of Working Guidelines. The total capital employed arrived by VOCPT for the port is ₹1161.75 crores. Return on Capital Employed at 16% is ₹185.88 crores which is considered in the ARR computation.

(v). The ARR comprises of the average of the expenditure for the three financial years 2015-16 to 2017-18 plus 16% ROCE. Further, as per Clause 2.7 of Working Guidelines, the said ARR needs to be indexed @ 100% of the WPI applicable for the year 2018-19 at 3.45%. The ARR assessed by the VOCPT is ₹382.16 crores and modified ARR assessed by us is ₹378.84 crores for the year 2018-19.

The final detailed working of ARR calculation furnished by the VOCPT which is duly certified by Chartered Accountant is considered. This is subject to minor modification as explained in the analysis. The detailed ARR calculation furnished by the port and modified ARR calculation by us are attached as **Annex - I (a) and (b)** respectively. A summary of the ceiling indexation ARR furnished by the VOCPT is given below:

(**₹ in crores**)

Sr. No.	Particulars	ARR computation furnished by the VOCPT	ARR computation furnished by VOCPT modified by TAMP
1	Average admissible Expenses for the years 2015-16, 2016-17 and 2017-18	183.54	180.33
2	Capital employed as on 31.03.2018 including capital work in progress as on 31.03.2018 and working capital as per norms	1161.75	1161.75
3	Return on capital employed @ 16%	185.88	185.88
4	ARR as on 31 March 2018 (2=1+2)	369.42	366.21
5	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (3.45%)	382.16	378.84
6	Ceiling Indexed Annual Revenue Requirement (ARR)	382.16	378.84
7	Revenue estimated by the VOCPT at proposed rate	366.77	366.77

(vi). As regards CHD, the port has assessed the estimated ARR for three years i.e. 2015-16 (Y1), 2016-17 (Y2) and 2017-18 (Y3) following the clause 2.1. of the Tariff Policy 2018 and the Working Guidelines notified by this Authority and the ARR is duly certified by a practicing Chartered Accountant. The ARR estimated by the VOCPT duly certified by the practicing Chartered Accountant considering the average expenses relating to CHD for the said three years plus 16% ROCE is ₹94.38 crores and ceiling indexed ARR after applying indexation factor of 3.45% for the year 2018-19 is assessed at ₹97.64 crores. The ARR duly certified by the practicing Chartered Accountant is relied upon and considered. The detailed ARR calculation furnished by the port for CHD is attached as **Annex- II**. A summary of the ceiling indexation ARR furnished by the VOCPT and considered by us for the CHD is given below:

(**₹ in crores**)

Sr. No.	Particulars	ARR computation furnished by the VOCPT and considered by TAMP for CHD
1	Average admissible Expenses for the years 2015-16, 2016-17 and 2017-18	92.33
2	Capital employed as on 31.03.2018 including capital work in progress as on 31.03.2018 and working capital as per norms	12.81
3	Return on capital employed @ 16%	2.05
4	ARR as on 31 March 2018 (4=1+2)	94.38
5	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (3.45%)	97.64
6	Ceiling Indexed Annual Revenue Requirement (ARR)	97.64
7	Revenue estimated by the VOCPT at proposed rate	77.67

(vii). (a). As per Clause 2.5 of Tariff Policy 2018, for drawing the SOR, the VOCPT has considered the actual cargo traffic in tonnes excluding the cargo traffic of BOT operator for PPP project and GRT of vessel handled by the port during the year 2017-18. The port has to draw the proposed SOR within the ceiling indexed ARR of ₹378.84 crores for port. The tariff increase proposed by the port after taking into consideration the existing tariff after applying the applicable indexation factor of 3.45% for the vessel and cargo related charges is brought out in para 9.5 of the earlier part of the Order and hence not reiterated.

(b). As regards vessel related charges, the port has rationalised the slabs in the pilotage fee and berth hire charges. Clause 10.9. of the Working Guidelines stipulate that in case of port dues and berth hire, there will be a single slab of GRT and pilotage and shifting charges will be prescribed in three slabs. In the existing SOR of the VOCPT, the port dues is prescribed in the single slab separately for sailing vessel and ships/ steamers and the pilotage fee is prescribed in 6 slabs and berth hire in 7 slabs. In the original proposal, the port had rationalised the schedule of pilotage fee, shifting charges and berth hire into three slabs to fall in line with the provision in the working guidelines.

Tuticorin Ship Agents Association (TSAA), All India Chamber of Commerce and Industries (AICCI), Indian Chamber of Commerce and Industries (ICCI) have objected the proposed tariff as it leads to steep hike in some of the lower slabs. TSAA has stated that though the port has stated that average hike works out to 30%, in the case of smaller size vessels (GRT less than 30000 MT) the increase seems to be very exorbitant. It is to the tune of 30% to 54% in pilotage fee for vessels of 10000 to 30000 GRT and 38% to 236% increase in berth hire charges for vessels of 3000 to 30000 GRT. In the year 2018, 89% of container vessels were below 30,000 GRT, 99% of liquid bulk vessels were below 30,000 GRT, 47% of Dry Bulk vessels were below 30,000 GRT and a total of 72% vessels were under below 30,000 GRT.

The port has clarified that the rationalised slab is proposed as per the Working Guideline provision and moreover, the increase proposed is with the average increase of ₹15 per M.T in the case of foreign vessels and ₹10/- per M.T in the case of coastal vessels which the trade can bear. Further, since the port is in the process of continuously increasing the draft by increasing expenditure, it is necessary to attract bigger size vessels and achieve higher productivity. The port has further stated that the surplus to the port in respect of vessel related earnings is comparatively very less and earnings of the cargo related service has to subsidise the loss of vessel related service. Due to rationalisation, it is inevitable but to propose higher rate of increase for lower GRT vessels in comparison to higher GRT vessels

Subsequently, in view of the objection raised by the users/ user associations, the port has examined the proposed slabs and in the final proposed SOR and has proposed to rationalise the slabs in pilotage fee, shifting charges and berth hire charges into four slabs as against three slabs proposed in its original proposal. A statement furnishing existing tariff applicable, proposed tariff and percentage increase at the proposed tariff is prepared and is attached as **Annex - III.**

Since the proposal of the port is to encourage higher GRT vessels which will improve the productivity of the port and the proposed rationalised slabs are closer to the three slabs prescribed in the Working Guidelines and also considering that the revenue estimate is within the ceiling ARR, the proposed rationalisation in the vessel related charges is approved. It is relevant here to state that in SOR of most of the other Major Port Trusts the vessel related charges are prescribed as per the slabs which were earlier stipulated in the Tariff Guidelines 2005 and the same incorporated in the Working Guidelines as well.

(c). As per Clause 2.6 of Tariff Policy 2018, the Major Port Trusts have the flexibility to determine the rates to respond to the market forces based on commercial judgment and draw the Scale of Rates within the ceiling of indexed ARR, duly certified by a practicing Chartered Accountant. The tariff increase proposed by the port and justification furnished by the port for the proposed increase is brought out in the earlier paragraph of the agenda note and hence note reiterated. The port has stated that in the past port extended required concessions to the deserved categories for the incremental cargo handled. Hence, the users can handle more incremental cargo and utilize the facility of such concession.

For estimating vessel related income at the proposed rate, the port has not furnished item wise revenue estimate at the proposed rate despite request. The actual vessel related income for the year 2017-18 has been taken as base by VOCPT and thereafter the port has estimated revenue for the future by taking into account the percentage increase sought by the port. For estimating vessel related revenue from foreign vessels, the impact of foreign exchange variation has also been captured by the port. The revenue estimate as furnished by the port which is duly certified by the Chartered Accountant is relied upon. In the Form 3 relating to revenue estimates furnished by the port, the percentage increase in tariff given by the port is updated and shown with reference to the indexed rate as on 30.4.2019 after considering 3.45% indexation factor for the year 2018-19 following the methodology adopted by the port.

For wharfage related income, the port has given detailed working of revenue estimation indicating each of the tariff items in the proposed SOR and the actual cargo traffic in tonnes exclusively handled by the VOCPT in the year 2017-18. The port has reconciled the cargo traffic reported for the year 2017-18 vis-à-vis that considered in the revenue estimate. For a few tariff items, where there is no revenue is found to be estimated, the port has given the reasons for not capturing revenue for a few items which are mostly miscellaneous items and for a few tariff items, the port has indicated that the revenue estimates are merged with revenue estimate of other items.

The revenue estimation by the VOCPT at the proposed tariff and traffic of 2017-18 has been duly certified by the Chartered Accountant and hence been relied upon.

Clause 2.6 of the Tariff Policy, 2018 gives flexibility to Major Port Trusts to fix the tariff within the ceiling ARR. The revenue estimated by the port at the proposed rate is ₹366.77 crores for port operation which is within the modified estimate of ARR of ₹378.84 crores leaving a revenue gap of ₹12.07 crores.

As regards CHD, the revenue estimated by the port at the proposed rate is ₹77.67 crores which is within the estimated ARR of ₹97.64 crores leaving an uncovered revenue gap of ₹19.97 crores.

The revenue estimated by the VOCPT at the proposed tariff for both Port and CHD and is found to be within the ceiling ARR and hence this Authority is inclined to approve the increase in existing tariff as proposed by VOCPT.

The revenue estimated by the port at the proposed rates for Port and considered by TAMP after correcting the percentage increase at the indexed rate as on 30.4.2019 and revenue estimated by the port for CHD activity is attached as **Annex-IV** and **V** respectively.

The consolidated ARR estimated for the port and the CHD works out to ₹476.48 crores (378.84 crores + 97.64 crores) and total revenue estimate at the proposed rate is ₹444.44 crores (366.77 crores + 77.67 crores) leaving revenue gap of ₹32.04 crores.

(viii). (a). In the existing SOR, two separate shifting charges schedules are prescribed for shifting between specified berths and for shifting from specified berths to another berths. In the proposed SOR, the port has rationalised and proposed uniform shifting charges leviable from second shifting only. The TSAA has stated that though first shifting is free, at the rate proposed for second shifting, the increase is too high to the tune of 69% to 94 % for vessels of 20000 to 30000 GRT. The port has clarified that with a view to rationalize the tariff, the first shifting is proposed as free. With regard to subsequent shifting, since, considerable equipment has to be utilized for movement, shifting charges have been proposed at 35% of the pilotage fee. However, the port contends that chances of second shifting are very meagre and hence the proposal does not have any impact.

(b). The TSAA has objected to the increase in respect of wharfage for LPG of ₹45 per cum (from ₹155.89 to ₹200.15) and as regards windmill blades by ₹105 PMT (from ₹155.00 to ₹260) which is exorbitantly high.

The port has clarified that in respect of increase in wharfage of LPG, (the increase over the indexed rate as of 30.4.2019 works out to 23.43% on the existing rates), the rate proposed is to recover the required Annual Revenue Requirement (ARR).

As far as Wind Mill Blades is concerned, the port was earlier collecting at advalorem wharfage @ 0.30% of manifested value which worked out to ₹1,650/- per tonne. As against, that the port has proposed only ₹260/- per tonne in the proposed SOR. It is relevant to here to state that the existing SOR does not prescribe separate wharfage rate for Wind Mill Blades. From Form 3 furnished by the port, it is understood that the port applies the wharfage rate for machinery at ₹161.79 per tonne for wind mill blades and the increase works out to 60.7%. The port has clarified that per tonne rate is proposed by the port to dispense with the advalorem wharfage and to comply the Guidelines and at the same time to compensate the loss of wharfage earnings through wind bill blades. The wind mill blades occupy more space with lesser weight having high value. For the reasons and justification given by the port, the proposed increase in these cargo items is approved as the port has captured revenue estimate for these items and the total revenue estimated by the port is within the estimated ARR.

(c). IMCOLA, an HMC operator in VOCPT, has requested the port to waive off the Labour levy completely for volumes handled by the HMCs of IMCOLA Cranes taking into consideration the revenue share earned by the port. The port has stated that the levy for deployment of labour from CHD is reduced to ₹30/- per M.T. which is subsequently revised by the port to ₹50/- per tonne as against the existing tariff of ₹72.00 per M.T. The Port is not in favour of extending the concessional rate of ₹1/- per ton since it has suffered a loss of ₹5 Crores.

(ix). The comparative statement giving the existing conditionalities and proposed conditionalities wherever the port has proposed amendment/ deletion in the existing conditionalities along with remarks/ reasoning as furnished by the port during the analysis of the case is updated with brief remarks/ analysis of this Authority in the last column for accepting or rejecting each of the modifications/ deletions proposed by the port. The said comparative position is attached as **Annex-VI**. The proposed modification/ deletion in the existing conditionalities is approved taking into consideration the remarks/ reasoning furnished by the VOCPT and remarks/ analysis thereon given in the said Annex.

(x). This Authority has passed a common adoption Order No.TAMP/46/2018-MUC dated 08 June 2018 incorporating a provision towards levy of Mandatory User Charge (MUC) of ₹145/- per container for 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 BOT operators operating thereat in pursuance of MOS communication vide letter No.PD-14033/34/2017-PD-V dated 06 June 2018. The validity of the rate approved till 31 March 2019 has been extended till 30 September 2019. This Authority has recently vide Order No.TAMP/12/2019-MUC dated 24 July 2019, approved revised Mandatory User Charges (MUC) for DMICDC's Logistics Data Bank (LDB) project across all the Major Port Trusts and BOT operators operating thereat.

Therefore, the revised MUC on containers for the Logistics Data Bank Service rendered by DMICDC approved by this Authority for a period of two years for common adoption by all Major Port Trusts and BOT terminals thereat shall be applicable in case of VOCPT also. Hence a suitable note is prescribed in the revised SOR of VOCPT under Chapter IV as schedule 4.4. in this regard.

(xi). Clause 3.7 of the Working Guidelines issued by this Authority to operationalise the Tariff Policy, 2018 stipulate that ordinarily the Order approved by this Authority shall come into effect after expiry of 30 days from the date the Order is notified in the Gazette.

(xii). Some of the users/user associations have objected to the tariff increase proposed by the VOCPT. In this regard, it is relevant here to mention that as per clause 8.1 of the Tariff Policy, 2018, the rates prescribed in the Scale of Rates are ceiling levels; rebates and discounts are floor levels. The VOCPT may exercise the flexibility to charge lower rates and/or allow higher rebates and discounts.

Further, as per Clause 2.7 the Tariff Policy, 2018, the VOCPT is requested to ensure that as a result of revision in the SOR there will not be loss of traffic to the port.

(xiii). As per Clause 3.1 of the Tariff Policy, 2018, the Major Port Trusts shall also commit Performance Standards for cargo related services in terms of average ship berth day output, average moves per hour in case of container handling. It is not necessary to commit cargo-wise ship berth day output. Instead, the Major Port Trusts may propose overall average ship berth day output. For vessel side services, the port shall prescribe Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and any other parameter which is found relevant by the Port.

The Tariff Policy, 2018 does not prescribe any method or basis for proposing performance standards. When sought the basis for the proposed Performance Standards for cargo related service and vessel related services with reference to the actual performance parameters achieved in the year 2017-18, the port has clarified that the Performance Standards are proposed considering the actuals in the recent past, facilities available and the User interests in this regard. The VOCPT has committed overall Performance Standards for cargo related services in terms of average ship berth day output at 10,456 MT. The port has also proposed Performance Standards in terms of average turnaround time of vessels at 3.73 days and average pre-berthing time of vessels at 10.8 hours.

The average ship berth day output proposed by the output is lower than 10,500 MT per day prescribed in the existing SOR. The average of this parameter for the last three years 2015-16 to 2017-18 reported in the Administration Report of the VOCPT works out to 10885 which is prescribed.

As regards Performance Standards in terms of average turnaround time of vessels, the proposed parameter at 3.73 days is higher than the average of last three years of 2015-16 to 2017-18 achieved by the port at 3.55 days and existing prescribed parameter of 3.3 days. That being so, it is prescribed at 3.55 days based on the average of last three years achieved by the port. As regards pre-berthing time proposed by the port at 10.8 hours, it is improvement over the existing parameter prescribed at 33.6 hours. The average performance of this parameter for the last three years is 8.24 hours which appears to be influenced by 2015-16 achievement which is very much lower compared to achievement in subsequent two years. Hence, pre-berthing is prescribed at 9.36 hours based on actual achievement for the year 2017-18 figure which is also closer to the pre-berthing parameter proposed by the port. In view of the above analysis, the improved performance standards is prescribed along with SOR.

It is relevant to mention here that the Performance Standards committed by the Port are to be considered for the operations carried out exclusively by the Port within the port premises, with its own equipment and will not be applicable to the private service provider authorised by the port for rendering services with his equipment for whom separate benchmark performance standards prescribed in the relevant Order shall be applicable.

(xiv). As per Clause 2.8 of the Tariff Policy, 2018, SOR will be indexed annually to inflation to the extent of 100% of the variation in Wholesale Price Index (WPI) announced by the Government of India. Such adjustment of SOR will be made every year and the adjusted SOR will come into force from 1st May of the relevant year to 30th April of the following year. Further, as per clause 3.2 of the Tariff Policy, 2018 to be read with clause 2.8 of the Tariff Policy, 2018, annual indexation in SOR at 100% of the WPI is applicable subject to achievement of Performance Standards committed by Major Port Trusts. If a particular port does not fulfil the Performance Standard, no indexation would be allowed during the next year. It is relevant to state that in the instant case indexation for the year 2018-19 is already considered in the ARR and for drawing the SOR. The next annual indexation in SOR will be applicable from 1 May 2020 subject to achievement of Performance Standards in the year 2019-20. That being so, a note is inserted in the SOR to the effect that the SOR approved by this Authority is subject to automatic annual indexation at 100% of the WPI to be announced by this Authority. The annual indexation will be from 1 May 2020 subject to the VOCPT achieving the Performance Standards notified alongwith the SOR. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year. The Tariff Policy, 2018 stipulates that annual indexation in the SOR will be automatic subject to achievement of Performance Standards. It does require the Major Port Trusts to approach this Authority for the same. In order to have transparency, the port is advised to declare the Performance Standards achieved for the period 1 January to 31 December vis-à-vis the Performance Standards notified by this Authority at the level committed by the port within one month of end of the calendar year to this Authority. If the Performance Standards as notified by this Authority are achieved by the port, then the port can automatically index the rates prescribed in its SOR at 100% of WPI announced by this Authority and apply the indexed SOR w.e.f. 1 May of the relevant year. The indexed SOR by the VOCPT to be intimated by the port to the concerned users and to this Authority.

(xv). The validity of the existing SOR of the VOCPT was last extended till 30 September 2019 or till the effective date of implementation of the revised Scale of Rates, whichever is earlier. By the time the Order notifying the revised SOR and Performance Standards notified by this Authority separately comes into effect, it will be around November 2019. That being so, the existing Scale of Rates is deemed to have been extended from the date of expiry till the revised SOR notified separately comes into effect.

(xvi). As per Clause 3.8 of Working Guidelines, the SOR notified shall remain valid for 3 years after expiry of 30 days from the date of notification of the Order in the Gazette of India. Therefore, the validity of the revised SOR is prescribed for a period of 3 years from the date the revised SOR approved by this Authority comes into effect.

(xvii). (a). As per clause 7.1 of the Tariff Policy, 2018, the rates prescribed in the Scale of Rates are ceiling levels. The ports may, if they so desire charge lower rates. The VOCPT may exercise the flexibility to charge lower rates and/ or allow higher rebates and discounts.

(b). As stated earlier, as per Clause 2.7 the Tariff Policy, 2018, it is for the VOCPT to ensure that as a result of revision in the SOR there will not be loss of traffic to the port.

(c). If there is any error apparent on the face of record considered, the VOCPT may approach this Authority for review of the tariff fixed within 30 days from the date of notification of the Order passed in the Gazette of India. The VOCPT may also for any justifiable reasons, approach this Authority for review of the tariff fixed giving adequate justification/ reasoning within 30 days from the date of notification of this Order passed in the Gazette of India.

(d). The modifications proposed by VOCPT in the conditionalities governing the Scale of Rates are considered for approval based on justification/ clarification furnished by VOCPT. The VOCPT may, if necessary, come up with a proposal for amending any of the conditionalities approved, even before the expiry of the tariff validity period.

14.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the revised SOR and the Performance Standards of the VOCPT which have been notified separately. The effective date of the revised Scale of Rates and conditionalities governing the application of revised Scale of Rates will remain the same as already indicated in the separate Order dated 10 October 2019 and shall be in force for a period of 3 years from the date of effect of revised SOR. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

14.2. The revised SOR notified by this Authority separately vide Notification No.363 on 22 October 2019 shall come into effect after expiry of 30 days from the date of notification of the SOR in the Gazette of India and shall be in force for a period of 3 years from the date the revised SOR comes into effect. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

14.3 The VOCPT has committed Performance Standards for cargo related services in terms of average ship berth day output, average moves per hour in case of container handling. For vessel side services, the port has committed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and idle time at berth Port.

14.4. The indexation of SOR as provided in Clause 2.8 of the Tariff Policy, 2018 is to be read with Clause 3.2 of Tariff Policy, 2018. If VOCPT does not meet the Performance Standard, the VOCPT is not eligible for indexation during the next year.

14.5. As per Clause 6 of the Tariff Policy 2018, the VOCPT shall furnish to this Authority annual reports on cargo traffic, ship berth day output, average turnaround time of ships, average pre-berthing waiting time as well as the tariff realized for each of its berth. In addition, for the container berths, annual reports shall also be provided on average moves per crane hour and average dwell time for containers. The annual reports shall be submitted by the Ports within 60 days following the end of each of the year. Any other information which is required by this Authority shall also be furnished to them from time to time

14.6. As per Clause 4 of the Working Guidelines this Authority shall publish all the information received by it from VOCPT under clause 6 of the Tariff Policy, 2018 on its website. However, this Authority shall consider a request from VOCPT about not publishing certain data / information furnished which is commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data / information in question and the likely adverse impact on their revenue/ operation upon such publication. This Authority's decision in this regard would be final.

(T.S. Balasubramanian)
Member (Finance)

Annex-I (a)

Form - 1 (Port)

Computation of Annual Revenue Requirement under Tariff Policy, 2018 for Determination of Tariff for Major Port Trusts.

Rs. in lakhs

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	9,939.48	10,615.41	10,204.16
(ii).	Management & general Overheads	8,133.73	8,733.47	9,475.77
(iii).	Finance and Miscellanous expenses (FME)	13,523.29	18,059.76	15,161.73
	Total Expenditure 1=(i)+(ii)+(iii)	31,596.50	37,408.64	34,841.66
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	1,844.33	1,466.47	1,379.00
	(b). Allocated Management & Administrative Overheads	1,457.26	1,000.88	1,280.56
	(c). Allocated FME	1,645.47	1,334.23	1,254.65
	Subtotal 2 (i)=[(a)+(b)+(c)]	4,947.06	3,801.58	3,914.21
(ii).	**Interest on loans**	-	-	
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	(a).	-	-	-
	(b).	-	-	-
	(c).	-	-	-
	Subtotal 2 (iii) = [(a)+(b)+(c)]	-	-	-
(iv).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**	4,800.00	8,733.33	9,120.67
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	4,076.51	4,262.87	4,900.54
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2018.**			
	(a). Operating Expenses		-	-
	(b). Depreciation	76.05	76.05	76.05
	(c). Allocated Management and Administrative Overheads		-	-
	(d). Allocated FME		-	-
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	76.05	76.05	76.05
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)	13,899.62	16,873.83	18,011.46
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	17,696.88	20,534.81	16,830.20
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			**18,353.96**
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)		127,478.34	
	(ii). Add:Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)		18,892.91	
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.		1,132.90	
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts. (VII Berth Rs.2637.70 Lakhs + VIII Berth Rs.2375.04 Lakhs+ NCB-1 1732.05)		32,505.17	
	(v). Less : Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2018			-
	(vi). Add : Working Capital as per norms prescribed in **clause 2.5.** of the Working Guidelines			
	(a). Inventory		357.82	
	(b). Sundry Debtors		697.64	
	(c). Cash		2,386.14	
	(d). Sum of (a)+(b)+(c)		3,441.60	
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]		116,174.79	
(6).	**Return on Capital Employed 16% on Sl. No. 5(vii)**			18,587.97
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**			36,941.93
(8).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI is 3.45% and the indexed ARR for the year Y4 will be (7) x 1.0345)**			**38,216.42**
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**38,216.42**
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl No. 9 above**			**36,676.76**

Annex-I(b)

Form - 1 (Port)

Computation of Annual Revenue Requirement under Tariff Policy, 2018 for Determination of Tariff for Major Port Trusts as furnished by VOCPT and modified by TAMP

Rs. in lakhs

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	9,939.48	10,615.41	10,204.16
(ii).	Management & general Overheads	8,133.73	8,733.47	9,475.77
(iii).	Finance and Miscellanous expenses (FME)	13,523.29	18,059.76	15,161.73
	Total Expenditure 1=(i)+(ii)+(iii)	31,596.50	37,408.64	34,841.66
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	1,844.33	1,466.47	1,379.00
	(b). Allocated Management & Administrative Overheads	1,457.26	1,000.88	1,280.56
	(c). Allocated FME	1,645.47	1,334.23	1,254.65
	Subtotal 2 (i)=[(a)+(b)+(c)]	4,947.06	3,801.58	3,914.21
(ii).	Expenditure relating to Railway Activity	370.28	342.86	357.84
(iii).	**Interest on loans**	-	-	
(iv).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	(a).	-	-	-
	(b).	-	-	-
	(c).	-	-	-
	Subtotal 2 (iii) = [(a)+(b)+(c)]	-	-	-
(v).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**	4,800.00	8,733.33	9,120.67
(vi).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	4,076.51	4,262.87	4,900.54
(vii).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2018.**			
	(a). Operating Expenses		-	-
	(b). Depreciation	76.05	76.05	76.05
	(c). Allocated Management and Administrative Overheads		-	-
	(d). Allocated FME		-	-
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	76.05	76.05	76.05
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)+ 2(vii)	14,269.90	17,216.69	18,369.30
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	17,326.60	20,191.95	16,472.36
(4).	Add: Excess of Railway Expenditure over income through Railway Activity	-	59.48	48.16
(5).	Net Total Expenditure after all adjustments (3) + (4)	17,326.60	20,251.43	16,520.52
(6).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			**18,032.85**
(7).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)		127,478.34	
	(ii). Add:Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)		18,892.91	
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.		1,132.90	
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts. (correct figures as per excel working given by VOCPT is VII Berth Rs.2512.10 Lakhs + VIII Berth Rs.2266.48 Lakhs+ NCB-1 Rs.1662.77+ Dredging expense for NCB-II Rs.26,063.82 Lakhs)		32,505.17	
	(v). Less : Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2018			-
	(vi). Add : Working Capital as per norms prescribed in **clause 2.5.** of the Working Guidelines			
	(a). Inventory		357.82	
	(b). Sundry Debtors		697.64	
	(c). Cash		2,386.14	
	(d). Sum of (a)+(b)+(c)		3,441.60	
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]		116,174.79	
(8).	**Return on Capital Employed 16% on Sl. No. 5(vii)**			18,587.97
(9).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**			36,620.81
(10).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI is 3.45% and the indexed ARR for the year Y4 will be (7) x 1.0345)**			**37,884.23**
(11).	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**37,884.23**
(12).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl No. 9 above**			**36,676.76**

				Annex- II
			Form - 1 (CHD)	
Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2018 by VOCPT and considerd by TAMP				
				Rs. in lakhs
Sl. No.	**Description**	**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	5,880.99	5,442.53	4472.73
(ii).	Management & general Overheads	-	-	-
(iii).	Finance and Miscellanous expenses (FME) as per Accounts	6,646.86	8,703.01	10,854.61
(iv)	Less: Contribution to Pension Fund		-	-
(v)	Balance F & M Expenditure		-	-
(vi)	Add: Pension Fund shortfall in the opening		-	-
	Total Expenditure 1=(i)+(ii)+(v)+(vi)	12,527.85	14,145.54	15,327.34
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	-	-	-
	(b). Allocated Management & Administrative Overheads	-	-	-
	(c). Allocated FME	-	-	-
	Subtotal 2 (i)=[(a)+(b)+(c)]	-	-	-
(ii).	**Interest on loans**	-	-	-
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	(A).Payment of Wage revision arrears	-	-	-
	(B). Payment of VRS exgratia	-	-	-
	(C)Arrears of Gratuity	-	-	-
	Subtotal 2 (iii) = [(a)+(b)+(c)]	-	-	-
(iv).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**	3,164.75	4,238.45	6,898.67
	Subtotal 2 (iii) = [(a)+(b)]			
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	-	-	-
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2018.**			
	(a). Operating Expenses	-	-	-
	(b). Depreciation	-	-	-
	(c). Allocated Management and Administrative Overheads	-	-	-
	(d). Allocated FME	-	-	-
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	-	-	-
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)	3,164.75	4,238.45	6,898.67
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	9,363.10	9,907.09	8,428.67
(i)	Add: 1/5th of the contribution to the pesion Fund relating to previous years			
(iii)	Add: 1/5th of the Arrears of Pension/Commutation of Pension relating to previous years			
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			9,232.96
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			4.28
	(ii). Add:Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)			-
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.			-
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts.			-
	(v). Less : Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2018			-
	(vi). Add : Working Capital as per norms prescribed in **clause 2.5.** of the Working Guidelines	**As per Form 4 & Note 4**		
	(a). Inventory			-
	(b). Sundry Debtors			-
	(c). Cash			1,276.92
	(d). Sum of (a)+(b)+(c)			1,276.92
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]			1,281.20
(6).	**Return on Capital Employed 16% on Sl. No. 5(vii)**			204.99
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**			9,437.95
(8).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI is 3.45% and the indexed ARR for the year Y4 will be (7) x 1.0345)**			**9,763.56**
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**9,763.56**
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl No. 9 above**			**7,767.00**

Annex- III

Statement showing comparion of existing vessel related charges, proposed tariff and % increase sought by VOCPT.

	2.1 SCHEDULE OF PORT DUES:	Rate / GRT / Entry							
Sr. No.	Particulars	Existing		Indexed tariff as on 30.04.2019 (3.45%)		Proposed		% Increase over indexed tariff	
		Coastal vessel (in ₹)	Foreign - going vessel (in US$)	Coastal vessel (in ₹)	Foreign - going vessel (in US$)	Coastal vessel (in ₹)	Foreign - going vessel (in US$)	Coastal vessel (in ₹)	Foreign - going vessel (in US$)
1	Ships/steamers	6.70	0.2572	6.9312	0.2661	8.55	0.3285	23.36%	23.46%
2	Sailing vessel	3.36	0.1286	3.4759	0.1330	4.3	0.1642	23.71%	23.42%

	2.2.1. SCHEDULE OF PILOTAGE FEES	Rate / GRT								
Sr. No.	Size of vessel	Existing		Indexed tariff as on 30.04.2019 (3.45%)		Size of vessel	Proposed		% Increase over indexed tariff	
		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal vessel (in ₹)	Foreign-going vessel (in US $)		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal vessel (in ₹)	Foreign-going vessel (in
1	Upto 10,000 GRT.	9.08	0.3484	9.3933	0.3604	0 to 20,000GRT	13.47	0.5162	43%	43%
2	10,001 - 15,000 GRT.	9.40	0.3604	9.7243	0.3728		13.47	0.5162	39%	38%
3	15,001 - 20,000 GRT.	9.73	0.3734	10.0657	0.3863		13.47	0.5162	34%	34%
4	20,001 – 25,000 GRT.	10.08	0.3865	10.4278	0.3998	20,001-30,000 GRT	13.92	0.5338	33%	34%
5	25,001 – 30,000 GRT.	10.42	0.3996	10.7795	0.4134		13.92	0.5338	29%	29%
6	Above 30,001	10.77	0.4127	11.1416	0.4269	30,000-60,000GRT	11.14	0.427	0%	0%
		10.77	0.4127	11.1416	0.4269	60,001 and above	9.74	0.3737	-13%	-12%

	2.2.3 Shifting Charges	Rate / GRT								
Sr. No.	Size of vessel	Existing		Indexed tariff as on 30.04.2019 (3.45%)		Size of vessel	Proposed		% Increase over indexed tariff	
		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal vessel (in ₹)	Foreign-going vessel (in US $)		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal vessel (in ₹)	Foreign-going vessel (in US $)
A	Shifting between specified berths.									
1	Upto 10,000 GRT.	2.53	0.0968	2.62	0.1001		4.71	0.1807	80%	80%
2	10,001 - 15,000 GRT.	2.62	0.1001	2.71	0.1036	0 to 20,000GRT	4.71	0.1807	74%	74%
3	15,001 - 20,000 GRT.	2.71	0.1037	2.80	0.1073		4.71	0.1807	68%	68%
4	20,001 - 25,000 GRT.	2.80	0.1074	2.90	0.1111	20,001-30,000	4.87	0.1868	68%	68%
5	25,001 - 30,000 GRT.	2.90	0.111	3.00	0.1148	GRT	4.87	0.1868	62%	63%
6	Above 30,001	2.99	0.1147	3.09	0.1187	30,000-	3.90	0.1495	26%	26%
		2.99	0.1147	3.09	0.1187	60,001 and above	3.41	0.1308	10%	10%
B	Shifting from specified berths to other berths.									
1	Upto 10,000 GRT.	5.04	0.1936	5.21	0.2003		4.71	0.1807	-10%	-10%
2	10,001 - 15,000 GRT.	5.22	0.2002	5.40	0.2071	0 to 20,000GRT	4.71	0.1807	-13%	-13%
3	15,001 - 20,000 GRT.	5.41	0.2075	5.60	0.2147		4.71	0.1807	-16%	-16%
4	20,001 - 25,000 GRT.	5.59	0.2148	5.78	0.2222	20,001-30,000	4.87	0.1868	-16%	-16%
5	25,001 - 30,000 GRT.	5.78	0.2221	5.98	0.2298	GRT	4.87	0.1868	-19%	-19%
6	Above 30,001	5.98	0.2293	6.19	0.2372	30,000- 60,000GRT	3.90	0.1495	-37%	-37%
		5.98	0.2293	6.19	0.2372	60,001 and above	3.41	0.1308	-45%	-45%

Note : Uniform shifting charges proposed in the revised SOR instead of 2 separate schedules

	2.4.1 SCHEDULE OF BERTH HIRE CHARGES	Rate / GRT / hour								
Sr. No.	Particulars	Existing		Indexed tariff as on 30.04.2019 (3.45%)		Size of vessel	Proposed		% Increase over indexed tariff	
		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal vessel (in ₹)	Foreign-going vessel (in US $)		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal vessel (in ₹)	Foreign-going vessel (in US $)
I	Upto and inclusive of 3,000 GRT	0.096	0.0037	0.09931	0.00383		0.1932	0.0075	95%	96%
1	3,001 to 10,000 GRT	0.064	0.0024	0.06621	0.00248	0 to 20,000GRT	0.1932	0.0075	192%	202%
2	10,001 to 15,000 GRT	0.083	0.0032	0.08586	0.00331		0.1932	0.0075	125%	127%
3	15,001 to 20,000 GRT	0.102	0.0040	0.10552	0.00414		0.1932	0.0075	83%	81%
4	20,001 to 25,000 GRT	0.140	0.0054	0.14483	0.00559	20,001-30,000	0.2105	0.0081	45%	45%
5	25,001 to 30,000 GRT	0.153	0.0059	0.15828	0.00610	GRT	0.2105	0.0081	33%	33%
6	30,001 GRT and above	0.166	0.0064	0.17173	0.00662	30,000- 60,000GRT	0.1684	0.0065	-2%	-2%
		0.166	0.0064	0.17173	0.00662	60,001 and above	0.1474	0.0057	-14%	-14%

2.7 Schedule of Lighterage Operation fee in respect of vessels at anchorage:		Rate / GRT / hour								
Sr. No.	Particulars	**Existing**		**Indexed tariff as on 30.04.2019 (3.45%)**		**Size of vessel**	**Proposed**		**% Increase over indexed tariff**	
		Coastal vessel (in ₹)	**Foreign-going vessel (in US $)**	**Coastal vessel (in ₹)**	**Foreign-going vessel (in US $)**		**Coastal vessel (in ₹)**	**Foreign-going vessel (in US $)**	**Coastal vessel (in ₹)**	**Foreign-going vessel (in US $)**
I	Upto and inclusive of 3,000 GRT	0.0193	0.00074	0.01997	0.00077	0 to 20,000GRT	0.0357	0.0014	79%	83%
1	3,001 to 10,000 GRT	0.0126	0.00049	0.01303	0.00051		0.0357	0.0014	174%	176%
2	10,001 to 15,000 GRT	0.0166	0.00064	0.01717	0.00066		0.0357	0.0014	108%	111%
3	15,001 to 20,000 GRT	0.0206	0.00079	0.02131	0.00082		0.0357	0.0014	68%	71%
4	20,001 to 25,000 GRT	0.0279	0.00107	0.02886	0.00111	20,001-30,000 GRT	0.0391	0.0015	35%	36%
5	25,001 to 30,000 GRT	0.0306	0.00117	0.03166	0.00121		0.0391	0.0015	24%	24%
6	30,001 GRT and above	0.0332	0.00128	0.03435	0.00132	30,000-60,000GRT	0.0313	0.0012	-9%	-9%
		0.0332	0.00128	0.03435	0.00132	60,001 and above	0.0274	0.0011	-20%	-17%

Annex-IV -Form - 3 PORT

Revenue Estimation at the proposed Scale of Rates as furnished by VOCPT and considered by TAMP after correcting the percentage increase at the indexed rate as on 30.4.2019

Sl. No.	Description	Existing tariff with escalation of 3.45% & 4.26% as per applying by VOCPT		Indexed tariff as on 30.4.2019 after appying 3.45% indexation factor		Proposed Tariff		Unit of levy	Actual traffic exclusively handled by the Port during the year 2017-18			Earnings for 2017-18 Tonnage	Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff as given by VOCPT in the revenue estimates based on indexed rate as on 1.5.2019	% increase in the tariff furnished by the port re-calculated by TAMP to give % increase over the indexed tariff as on 30.4.2019 by TAMP
		F	C	F	C	F	C		F	C	Total	Total			
1	Port Dues	0.2774	7.23	6.93	0.27			per GRT				3,431.98	4,742.92	18.39%	Refer previous Annex
2	Pilotage including Towage							per GRT				6,103.38	9,140.42	23.84%	
	One shifting unbundled in 2008 @ 10% - element														
3	Shifting Charges							per GRT				251.63			
4	Berth hire fees including cranage							per GRT				4,283.16	6,789.70	39.31%	
5	Supply of water to shipping														
6	Anchorage fees (in proposed sor anchorage fee deleted by VOCPT. Anchorage fees prescribed by TAMP at the existing level in the revised SOR to fall in line with the policy of the Govt.)							per GRT				568.54	-	-	-
2	Wharfage charges:														
	Coal by whatever name described in Customs Document and used for Thermal Power Plants	52.34	52.34	50.20	50.20	61.96	61.96	M.T.	61.92	-	61.92	3,240.89	3,836.84	18.39%	23.42%
	Coal by whatever name described in Customs Document other than above.	52.34	31.40	50.20	30.12	61.96	37.18	M.T.	26.85	-	26.85	1,405.33	1,663.75	18.39%	23.42%
	Fertilizer finished	56.47	33.88	54.17	32.49	66.86	40.11	M.T.	3.25	-	3.25	183.53	217.28	18.39%	23.43%
	Rock Phosphate	45.45	27.27	43.59	26.15	53.81	32.29	M.T.	10.13	-	10.13	460.44	545.11	18.39%	23.44%
	Sulphur	45.45	27.27	43.59	26.15	53.81	32.29	M.T.	0.63	-	0.63	28.64	33.90	18.39%	23.44%
	Copper Concentrate	75.76	45.45	72.66	43.59	89.69	53.81	M.T.	12.79	-	12.79	968.91	1,147.08	18.39%	23.43%
	Timber Logs	42.70	25.62	40.96	24.57	50.55	30.33	M.T.	4.20	-	4.20	179.33	212.31	18.39%	23.43%
	Furnace Oil	89.53	89.53	85.87	85.87	105.99	105.99	M.T.	1.96	-	1.96	175.48	207.74	18.39%	23.43%
	Granite	68.87	41.32	66.05	39.63	81.53	48.92	M.T.	0.16	-	0.16	11.02	13.05	18.39%	23.43%
	Ilmenite sand	26.17	15.70	23.78	14.27	30.98	18.59	M.T.	0.67	-	0.67	17.53	20.76	18.39%	30.27%
	Phosphoric Acid	117.08	70.25	112.29	67.38	138.60	83.16	M.T.	0.40	0.84	1.24	105.84	125.30	18.39%	23.43%
	Cement	48.21	28.92	46.24	27.75	57.07	34.24	M.T.	0.70	0.30	1.00	42.42	50.22	18.39%	23.42%
	Caustic soda Lye	53.72	32.23	51.52	30.91	63.60	38.16	M.T.	-	0.69	0.69	22.24	26.33	18.39%	23.44%
	LPG	162.53	97.52	155.89	93.53	192.42	115.45	M.T.	1.72	-	1.72	279.55	330.96	18.39%	23.43%
	Naptha	96.42	96.42	92.47	92.47	114.15	114.15	M.T.	2.34	0.30	2.64	254.54	301.34	18.39%	23.43%
	Diesel	63.36	63.36	60.77	60.77	75.01	75.01	M.T.	-	0.05	0.05	3.17	3.75	18.39%	23.44%
	VCM	117.08	70.25	112.29	67.38	138.60	83.16	M.T.	0.79	-	0.79	92.49	109.50	18.39%	23.43%
	Liquid Ammonia	117.08	70.25	112.29	67.38	138.60	83.16	M.T.	1.74	-	1.74	203.71	241.17	18.39%	23.43%
	Sulphric Acid	68.87	41.32	66.05	39.63	81.53	48.92	M.T.	-	0.68	0.68	28.10	33.27	18.39%	23.43%
	Palmoil	63.36	38.02	60.77	36.47	75.01	45.01	M.T.	3.53	-	3.53	223.66	264.78	18.39%	23.44%
	Constrn. Materials	24.80	14.88	23.78	14.27	29.36	17.62	M.T.	5.32	0.45	5.77	138.63	164.12	18.39%	23.45%
	Machineries	161.79	97.07	155.18	93.11	191.54	114.93	M.T.	-	-	-	-	-	18.39%	23.44%
	Windmill blade (*)	161.79	97.07	-	-	260.00	156.00	M.T.	0.44	-	0.44	71.19	114.40	60.71%	-
	Limestone	26.17	26.17	25.10	25.10	30.98	30.98	M.T.	13.60	-	13.60	355.91	421.36	18.39%	23.45%
	Salt	6.89	4.13	6.61	3.96	8.15	4.89	M.T.	0.59	-	0.59	4.06	4.81	18.39%	23.34%
	Pet Coke (*)	52.34	31.40	-	-	74.36	44.62	M.T.	0.49	0.26	0.75	33.81	48.04	42.07%	-
	Iron & Steel	48.21	28.92	46.24	27.75	57.07	34.24	M.T.	0.40	-	0.40	19.28	22.83	18.39%	23.42%
	Others	57.85	34.71	55.48	33.29	68.49	41.09	M.T.	22.20	4.30	26.50	1,433.51	1,697.11	18.39%	23.44%
									176.82	**7.87**	**184.69**	**9,983.19**	**11,857.11**		
8	Demurrage charges											381.67	487.36	18.39%	23.42%
9	Licence storage fee														
10	Covered space within Sec. Wall											742.62	948.25	18.39%	23.42%
11	Covered space outside Sec. Wall											3.26	4.16	18.39%	23.42%
12	Open space within Sec. Wall nowavailable proposed for de link												1,166.87		
13	container storage charges now available proposed for de link												10.25		
14	Hire charges - wharf crane											72.81	92.97	18.39%	23.42%
15	Hire charges - other handling equip.											4.20	5.36	18.39%	23.42%
16	Way leave charges now available proposed for de link												18.51		
17	Licence fee for entry of vehicles now available proposed for de link												60.20		
18	Licence fee for entry - eqipments now available proposed for de link												485.76		
19	Licence fee for entry fee - Others now available proposed for de link												0.96		
20	Electricity overhead	1.24				1.47						0.25	0.32	18.39%	23.42%
21	Pollution cess on dusty cargoes	5.39				6.38					71.31	713.10	844.23	119.53%	93.19%
21	Others											18.08	21.40	18.39%	23.42%
	Total estimated Revenue at the proposed tariff											**25,737.70**	**36,676.76**		

* Existing SOR of VOCPT do not prescribed wharfage rate for these cargo items. VOCPT has, however given the wharfage rate applied by them for these cargo in this statement.

Annex - V - Form - 3 (CHD)

Form - 3 (CHD)

Revenue Estimation at the proposed Scale of Rates as furnished by VOCPT and considered by TAMP after correcting percentage increase at the indexed rate as on 30.4.2019															
Sl. No.	Description	Existing tariff as of 1.5.2019 with indexation of 3.45% & 4.26% aapplied by VOCPT		Earnings at Existing tariff	Indexed tariff as on 30.4.2019 after appying 3.45% indexation factor		Proposed Tariff		Unit of levy	Traffic Estimates 2017-18			Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff as given by VOCPT	% increase over the indexed tariff as on 30.4.2019 calculated by TAMP
(1)	(2)	(3)			(4)		(5)		(6)	(7)			(9) = 5*7	(10) = (5-3)/3	(11) = (5-4)/4
		Foreign	Coastal	Amount	Foreign	Coastal	Foreign	Coastal		Foreign	Coastal	Total			
	Levy for supply of labour from CHD														
1	All cargoes other than Coal at Coal Jetty-II and Salt	75.07	45.04	9,407.43	72.00	43.20	50.00	50.00	Per M.T	125.27	0.08	125.35	6,267.50	-33.39%	-30.56%
2	Coal at Coal Jetty-II	55.02	55.02	1,091.55	52.77	52.77	50.00	50.00	Per M.T	19.84	-	19.84	992.00	-9.12%	-5.25%
3	Salt	90.08	54.05	54.05	86.40	51.84	50.00	30.00	Per M.T	0.60	-	0.60	30.00	-44.50%	-42.13%
4	C & F operations at Transit Shed and Warehouse etc.,	43.53	43.53	131.90	41.75	41.75	50.00	30.00	Per M.T	3.03	-	3.03	151.50	14.86%	19.75%
5	For Zone-B	43.53	26.12	415.72	41.75	25.05	50.00	30.00	Per M.T	9.55	-	9.55	477.50	14.86%	19.75%
				11,100.65						**155.26**	**0.08**	**155.34**	**7,767.00**		
	Total estimated Revenue at the proposed tariff														

Annex-VI

<table>
<tr><td colspan="6">Comparison of existing SOR and conditionalities vis-à-vis proposed conditionalities where changes are made along with reasons/ justification for amendments given by VOCPT and remarks of TAMP thereon</td></tr>
<tr><td colspan="2">Existing SOR</td><td colspan="2">Proposed SOR</td><td>Reasons / Justification for amendments Given by VOCPT</td><td>Remarks/Analysis of TAMP</td></tr>
<tr><td colspan="2">1.1. Definitions - General</td><td colspan="2">1.1. Definitions - General</td><td></td><td></td></tr>
<tr><td>1.2</td><td>General Terms & Conditions</td><td>1.2</td><td>General Terms & Conditions</td><td></td><td></td></tr>
<tr><td>(v)
(a)</td><td>Vessel related charges shall be levied on shipowners / steamer agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the Reference Rate notified by the Reserve Bank of India or the market buying rate notified by State Bank of India from time to time. The date of entry of the vessel into the port limit shall be reckoned with as the day for such conversion.</td><td>(v)
(a)</td><td>Vessel related charges shall be levied on shipowners / steamer agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the Reference Rate notified by the Reserve Bank of India. The date of entry of the vessel into the port limit shall be reckoned with as the day for such conversion.</td><td rowspan="2">The Note is modified stating the reference rate notified by RBI will be applicable.</td><td rowspan="2">The Existing Scale of rates (SOR) allows 2 options for conversion of Dollar denominated tariff into Rupees term i.e. Reference rates of Reserve Bank of India or Market Buying Rate notified by the State Bank of India. This is in line with clause 5.6.1. of the Working Guidelines 2019. The proposal of VOCPT is to prescribe only Reference Rate of RBI for collection of dollar denominated tariff into rupee instead of two options. The proposed modification is accepted.</td></tr>
<tr><td>(b)</td><td>Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees based on the Reference Rate notified by the Reserve Bank of India or the Market Buying Rate notified by State Bank of India from time to time prevalent on the date of entry of the vessel in case of import containers; and on the date of arrival of the containers into the port in case of export containers.</td><td>(b)</td><td>Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees based on the reference rate notified by Reserve Bank of India from time to time prevalent on the date of entry of the vessel in case of import containers; and on the date of arrival of the containers into the port in case of export containers.</td></tr>
</table>

<table>
<tr><td>(x)</td><td>All charges worked out shall be rounded off to the next higher rupee on the grand total of each bill.</td><td>(x)</td><td>All charges worked out shall be rounded off to the next higher rupee on the grand total of each bill on the element of service charges excluding taxes.</td><td>As rounding off GST is not envisaged in GST Act, rounding off is proposed on the total bill excluding GST.</td><td>For the reasons given by Port, the proposed modification is approved with slight rewording.</td></tr>
<tr><td colspan="2">Chapter - II
VESSEL RELATED CHARGES
2.2.1. SCHEDULE OF PILOTAGE FEES</td><td colspan="2">Chapter - II
VESSEL RELATED CHARGES
2.2.1. SCHEDULE OF PILOTAGE FEES</td><td></td><td></td></tr>
<tr><td colspan="2">The rate specified below is for Zone A</td><td colspan="2">The rate specified below is for Zone A</td><td></td><td></td></tr>
<tr><td colspan="2">
<table>
<tr><th></th><th></th><th colspan="2">Rates approved by the Authority</th><th colspan="2">Rate as on 30.4.2019 after 3.45% indexation factor</th></tr>
<tr><th>Sl. No.</th><th>Size of vessel</th><th colspan="2">Rate per GRT</th><th colspan="2">Rate per GRT</th></tr>
<tr><th></th><th></th><th>Coastal vessel (in ₹)</th><th>Foreign-going vessel (in US $)</th><th>Coastal vessel (in ₹)</th><th>Foreign-going vessel(in US $)</th></tr>
<tr><td>1</td><td>Upto 10,000 GRT.</td><td>9.08</td><td>0.3484</td><td>9.39</td><td>0.3604</td></tr>
<tr><td>2</td><td>10,001 - 15,000 GRT.</td><td>9.40</td><td>0.3604</td><td>9.72</td><td>0.3728</td></tr>
<tr><td>3</td><td>15,001 - 20,000 GRT.</td><td>9.73</td><td>0.3734</td><td>10.07</td><td>0.3863</td></tr>
<tr><td>4</td><td>20,001 – 25,000 GRT.</td><td>10.08</td><td>0.3865</td><td>10.43</td><td>0.3998</td></tr>
<tr><td>5</td><td>25,001 – 30,000 GRT.</td><td>10.42</td><td>0.3996</td><td>10.78</td><td>0.4134</td></tr>
<tr><td>6</td><td>Above 30,001</td><td>10.77</td><td>0.4127</td><td>11.14</td><td>0.4269</td></tr>
</table>
</td><td colspan="2">
<table>
<tr><th>Sl. No.</th><th>Size of vessel</th><th colspan="2">Rate per GRT</th></tr>
<tr><th></th><th></th><th>Coastal vessel (in ₹)</th><th>Foreign-going vessel(in US $)</th></tr>
<tr><td>1</td><td>Upto 20,000 GRT</td><td>13.47</td><td>0.5162</td></tr>
<tr><td>2</td><td>20000 - 30,000 GRT</td><td>13.92</td><td>0.5338</td></tr>
<tr><td>3</td><td>30,001 - 60,000 GRT</td><td>11.13</td><td>0.4270</td></tr>
<tr><td>4</td><td>60,001 and above GRT</td><td>9.74</td><td>0.3736</td></tr>
</table>
</td><td>Earlier the rationalization of the slabs was proposed to fall in line with the TAMP working guidelines for prescription of Pilotage fees in three slabs as against existing six slabs by clubbing the existing five slabs upto 30,000 GRT into one, and including two further slabs at the sliding scales as per TAMP guidelines. After the deliberations at Joint Hearing one more slab i.e., upto 20,000 GRT also incorporated.</td><td>As per the clause 10.9 of the Working Guidelines, Pilotage Fees needs to be prescribed in 3 slabs with sliding rate, i.e. rate for second slab to be reduced by 20% on the unit rate of first slab and the rate for third slab to be prescribed with reduction of 30% on the unit rate of first slab. The proposal of VOCPT is for prescription of 4 slabs as against existing 6 slabs. In the original proposal the Port had proposed rates for 3 slabs. The modified proposal into 4 slabs is in view of objections raised by the users about steep hike at proposed slabs at the joint hearing. The Port has also estimated revenue from pilotage fee at proposed rates. The</td></tr>
</table>

rationalised tariff structure proposed by Port is, therefore, approved subject to slight correction in the Schedule to fall in line with the methodology prescribed in the Working Guidelines in the illustrative example under Clause 10.9.

2.2.3. Shifting Charges

[The rate prescribed in the SOR approved by the Authority indexed after applying applicable annual indexation factor of 3.45% and 4.26%]

Sl. No.	Size of vessel	Rates approved by the Authority		Rate as on 30.4.2019 after 3.45% indexation factor	
		Rate per GRT		Rate per GRT	
		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal vessel (in ₹)	Foreign-going vessel (in US $)
1	Upto 10,000 GRT.	2.53	0.0968	2.62	0.1001
2	10,001 - 15,000 GRT.	2.62	0.1001	2.71	0.1036
3	15,001 - 20,000 GRT.	2.71	0.1037	2.80	0.1073
4	20,001 - 25,000 GRT.	2.80	0.1074	2.90	0.1111
5	25,001 - 30,000 GRT.	2.90	0.111	3.00	0.1148
6	Above 30,001	2.99	0.1147	3.09	0.1187

Sl. No.	Size of vessel	Rate per GRT		Rate per GRT	
		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal vessel (in ₹)	Foreign-going vessel (in US $)
1	Upto 10,000 GRT.	5.04	0.1936	5.21	0.2003
2	10,001 - 15,000 GRT.	5.22	0.2002	5.40	0.2071
3	15,001 - 20,000 GRT.	5.41	0.2075	5.60	0.2147
4	20,001 - 25,000 GRT.	5.59	0.2148	5.78	0.2222

2.2.3. Shifting Charges

Shifting charges shall be 35% on pilotage charges

Sl. No.	Size of vessel	Rate per GRT	
		Coastal vessel (in ₹)	Foreign-going vessel (in US $)
1	0 to 20,000 GRT	4.71	0.1807
2	20,001 - 30,000 GRT.	4.87	0.1868
3	30,001 - 60,000 GRT	3.90	0.1495
4	60,001 and above GRT	3.41	0.1308

Note: One shifting is free (For more than one shifting charges are applicable)

To the benefit of users one shifting charges is proposed free as included in the pilotage fees. For additional shifting required, 35% of pilotage charges is proposed as shifting fee and one more slab also added similar to Pilotage and Berth hire charges. Note below the schedule also modified accordingly.

Separate shifting charges prescribed for shifting between Berths at different locations is proposed to be rationalised and uniform shifting charges is proposed. Further, in view of objections of the users / user associations, the Port has reviewed its original proposal for 3 slabs and has modified as 4 slabs in its revised proposal. Further, one shifting is proposed free to benefit the trade. The port has captured the revenue estimate in Form 3 and the total revenue estimate is within the estimated ARR. In view of the above position, the shifting charges proposed by the VOCPT is

<table>
<tr><td><table><tr><td>5</td><td>25,001 - 30,000 GRT.</td><td>5.78</td><td>0.2221</td><td>5.98</td><td>0.2298</td></tr><tr><td>6</td><td>Above 30,001</td><td>5.98</td><td>0.2293</td><td>6.19</td><td>0.2372</td></tr></table></td><td></td><td></td><td>approved subject to correction in line with the methodology prescribed for Pilotage Fee.</td></tr>
<tr><td>General notes relating to Schedule 2.2.1., 2.2.2. and 2.2.3.</td><td>General notes relating to Schedule 2.2.1, 2.2.2 and 2.2.3.</td><td></td><td></td></tr>
<tr><td>3. (i). (b). If a working cargo vessel is shifted from berth to accommodate on ousting priority vessels which are exempted from bearing shifting charges, such shifting shall be treated Port Convenience.</td><td>Deleted</td><td>As the Note vide sl.no.(f) given there below serves the purpose, this note may be deleted.</td><td>For reasons stated by the Port, the proposed deletion is approved. The note referred by the port in the proposed SOR should be (g) and not (f).</td></tr>
<tr><td>3. (ii). Whenever a vessel is shifted from berth to accommodate another vessel on ousting priority, the vessel shifted is exempted from the payment of shifting charges since the same is paid by the vessel enjoying the ousting priority or the shifting is treated as for Port Convenience when the priority vessel is exempted from payment of such charges. This benefit will, however, not be applicable in the following cases:
(a). Non-cargo vessel which in any case have to vacate the berth when cargo vessels arrive.
(b).Vessels using the berth exclusively for overside loading/discharge
(c). Vessels which are idling at berth without doing any cargo handling operations.</td><td>(ii). Whenever a vessel is shifted from berth to accommodate another vessel on ousting priority, the vessel shifted is exempted from the payment of shifting charges since the same is paid by the vessel enjoying the ousting priority or the shifting is treated as for Port Convenience when the priority vessel is exempted from payment of such charges.</td><td>As the base Note is sufficient, the sub clauses are deleted.</td><td>For reasons stated by the Port, the proposed deletion of clauses (a) to (c) is approved.</td></tr>
<tr><td>(4). In respect of "priority berthing / ousting priority" to any vessel, the charges for "shifting in" and "shifting out" shall be levied at the rate applicable to one pilotage act.</td><td>Deleted</td><td>As the incoming vessel due for remitting the shifting charges on account of ousting priority may utilise the first shifting free, this clause may be deleted.</td><td>For reasons stated by the Port, the proposed deletion is approved.</td></tr>
</table>

9. (b) . The following charges shall be levied for shifting of a vessel to outer anchorage / any other berth on account of non-performance: (i).In case a vessel is shifted to outer anchorage pilotage fee as prescribed in Schedule 2.2.1 shall be levied on re-entry of the vessel under the same port entry.	8. The following charges shall be levied for shifting of a vessel to outer anchorage/ any other berth on account of its non-performance : (i).In case of shifting between berths within harbour basin, shifting charges shall be collected at 35% of pilotage fee prescribed in schedule 2.2.1	Considering the average of previous shifting tariff at 25% and 50% on pilotage fee, 35% on pilotage is proposed for the second shifting.	For reasons stated by the Port, the proposed modification is approved as port has now proposed first shifting free across for all vessels.
(ii). In case a vessel is shifted between berths I to VI,VII,VIII or between Coal Jetty I and II, Oil Jetty, North Cargo Berth No. I and II, 25% of the pilotage fees prescribed in Schedule 2.2.1 shall be levied.	Deleted	As the revised Schedule of Shifting charges takes care, this may be deleted.	For reasons stated by the Port and as port has proposed uniform shifting charges for shifting between berths and for shifting from specified berths to other berths, the proposed deletion is approved.
(iii).If a vessel shifted from Coal jetties and Oil Jetty to berth nos. I to VI and vice versa, 50% of the pilotage fee prescribed in Schedule 2.2.1 shall be levied.	Deleted		
2.4. BERTH HIRE FEES	**2.4. BERTH HIRE FEES**		
2.4.1. SCHEDULE OF BERTH HIRE CHARGES	2.4.1. SCHEDULE OF BERTH HIRE CHARGES	The earlier schedule of Berth hire charges is rationalised by reducing the no. of slabs from 7 to 4 to come closer to the provision in the working guidelines which requires to prescribe berth hire in single slabs.	As per clause 10.9. of the Working Guidelines, the berth hire charges needs to be prescribed in single slab. The existing SOR of Port prescribes berth hire charges in seven slabs. The proposal of Port to rationalize and reduce the number of slabs from seven to four is approved in view of the justification given by the Port. The Port has estimated revenue from berth hire charges in the revenue estimates.

<table>
<tr><td>2.4.2.SCHEDULE OF BERTH HIRE CHARGES FOR OTHER VESSELS</td><td>2.4.2.SCHEDULE OF BERTH HIRE CHARGES FOR OTHER VESSELS</td><td></td><td></td></tr>
<tr><td>Note
(3).Vessel berthed at additional berths(other than Berth No.I,II,III and IV of VOC Wharf , finger jetty and shallow water berth and any other berth where wharf crane facility is not made available by the VOCPT,a rebate of 20% of the applicable berth hire charges will be allowed.</td><td>Deleted</td><td>Considering the installation of Mobile cranes in Berth No. IX which can be used in Berth No.5 and 6, the rebate for non-provision of wharf crane is not required. This will lead to improved productivity resulting in reduced stay at Berth</td><td>For reasons stated by the Port, the proposed deletion is approved.</td></tr>
<tr><td>(4). The berth occupancy for each vessel will be determined based on the output norms as given below for levy of penal berth hire charges:</td><td>(3). The berth occupancy for each vessel will be determined based on the output norms as given below for levy of penal berth hire charges:</td><td></td><td></td></tr>
<tr><td>
<table>
<tr><th>Sl. No.</th><th>Commodity</th><th>Revised Norms as approved by the Authority vide Order dated 18.1.2019</th></tr>
<tr><td>A</td><td colspan="2">DRY BULK CARGO</td></tr>
<tr><td>1</td><td>Coal - IX Berth</td><td>26875</td></tr>
<tr><td>2</td><td>Coal berths operated by the VOCPT other than Berth No.IX, Coal Jetty I and II</td><td>11589</td></tr>
<tr><td>3</td><td>Garnet Sand (Bulk)</td><td>6000</td></tr>
<tr><td>4</td><td>Gypsum In Bulk</td><td>10000</td></tr>
<tr><td>5</td><td>Ilmenite</td><td>13736</td></tr>
<tr><td>6</td><td>Iron Ore</td><td>13000</td></tr>
<tr><td>7</td><td>Lime Stones</td><td>10000</td></tr>
<tr><td>8</td><td>Rock Phosphate</td><td>9799</td></tr>
<tr><td>9</td><td>Petroleum Coke</td><td>9609</td></tr>
<tr><td>10</td><td>Copper Concentrate</td><td>7000</td></tr>
<tr><td>11</td><td>Potassium Sulphate (Mop, Sop)</td><td>9000</td></tr>
<tr><td>12</td><td>Sulphur</td><td>8000</td></tr>
<tr><td>13</td><td>Sugar (Raw)</td><td>7000</td></tr>
<tr><td>14</td><td>Salt In Bulk</td><td>7000</td></tr>
<tr><td>15</td><td>Clinkers</td><td>7000</td></tr>
<tr><td>16</td><td>Wheat in Bulk</td><td>6300</td></tr>
<tr><td>17</td><td>Diammoniam Phosphate</td><td>6000</td></tr>
<tr><td>18</td><td>Peas (Yellow)</td><td>4000</td></tr>
</table>
</td><td>
<table>
<tr><th>Sl. No.</th><th>Berth / Cargo Description</th><th>Norms</th></tr>
<tr><td>1</td><td>IX Berth</td><td></td></tr>
<tr><td></td><td>(i) Coal & Lime Stone, Gypsum,Dolomite</td><td>27,000</td></tr>
<tr><td></td><td>(ii) Other dry bulk</td><td>15,000</td></tr>
<tr><td></td><td>(iii) Project cargo & Wind Mill Blades</td><td>400</td></tr>
<tr><td></td><td>(iv) Other break bulk</td><td>3,000</td></tr>
<tr><td>2</td><td>NCB I</td><td>25,000</td></tr>
<tr><td>3</td><td>CJ I & CJ II (Coal)</td><td>15,000</td></tr>
<tr><td>4</td><td>Conventional berths</td><td></td></tr>
<tr><td></td><td>Dry Bulk</td><td></td></tr>
<tr><td></td><td>(i) Coal & Lime stone, Gypsum,Dolomite</td><td>12,000</td></tr>
<tr><td></td><td>(ii) Fertilizer (raw) Except Rock Phosphate</td><td>7,000</td></tr>
<tr><td></td><td>(iii) Fertilizer (finished)</td><td>5,000</td></tr>
<tr><td></td><td>(iv) Food grains (in Bulk)</td><td>4,000</td></tr>
<tr><td></td><td>(v) Cattle feed in bulk, Oil cake, etc</td><td>2,500</td></tr>
<tr><td></td><td>(vi) Other dry Bulk</td><td>10,000</td></tr>
<tr><td></td><td>Break bulk</td><td></td></tr>
<tr><td></td><td>(i) Logs</td><td>3,000</td></tr>
<tr><td></td><td>(ii) Project cargo & Wind Mill Blades</td><td>350</td></tr>
<tr><td></td><td>(iii) const. material in bags</td><td>1,500</td></tr>
<tr><td></td><td>(iv) Other Break Bulk incl.</td><td>1,500</td></tr>
</table>
</td><td>The list of cargo is rationalised and regrouped and number of cargoes are reduced. The output Norms are regrouped and the number of Cargo has been reduced. The average of similar Cargo is considered for each group Cargo. The earlier output norms are slightly modified with plus or minus. Also, a</td><td>The Authority had in the last General SOR, vide order dated 17 September 2016 approved performance norms and linked incentive / penalty under Berthing Policy, 2016 issued by the MOS based on the proposal of the VOCPT. The VOCPT was requested to fine tune it following various parameters prescribed in the Berthing Policy, 2016 for arriving at Performance Norms.</td></tr>
</table>

19	Urea	6000
20	Maize (Bulk)	4000
21	Stone (Rough)	1363
22	Stone Dust	2216
23	Stone Aggregate	2385
24	Oil Cake / Copra	2500
25	Cattle Feed	6136
26	Ilmenite (Import)	6969
27	Lime Stone (Small Vessels)	3000
28	Marble Lumps	3000
B.	**DRY BULK CARGO – COAL**	
1	Coal (Coal Jetty I & II)	15000
C.	**LIQUID CARGO**	
1	Furnace Oil – IOC	6800
2	Naptha – IOC	7500
3	Naptha – SPIC	3004
4	Diesel Oil – Jetty / Berth	5561
5	LPG	4102
6	Liquid Ammonia	5000
7	Caustic Soda Lye	4093
8	Palm Oil	3740
9	Sulphuric Acid	3143
10	Phosphoric Acid (Export)	2304
11	Furnace Oil – SPIC	3000
12	VCM	2982
13	Phosphoric Acid (Import)	7948
D.	**BREAK BULK CARGO**	
1	Cement in Bags	1500
2	Iron and Steel Materials	2715
3	Logs	3611
4	Salt in Bags	2500
5	Sugar in Bags	1500
6	General Cargo	1500
7	Granite	2000
8	Cashew Nuts in Bags	1227
9	Machinaries	631

	Liquid Bulk	3,500
5	Oil Jetty	4,000

foot note is inserted stating that berthing norms shall be revised with the approval of Board and same will be communicated through Trade Notice.

There has been no proposal from Port with fine-tuned Performance Norms adopting the parameters prescribed in the Berthing Policy, 2016. The Port had however, proposed amendment in the Performance Norms and inter linked incentive / penalty on two occasions which was approved by the Authority. The latest Order being Order No. TAMP/53/2019-VOCPT dated 18 January 2019. In the current proposal, originally the Port had proposed to delete the existing provisions prescribed in this regard at Note no.4 and the performance norms was left to be fixed by the Board of Trustees. When sought clarification for the proposed deletion and requested by Port to relook, in the final revised proposal, the port has proposed for incorporation of modified Performance Norms by regrouping and rationalizing the Cargo items. The port has clarified that, for arriving

			at modified proposed productivity norms, the average earlier of output norms of similar cargo is taken as the base and slightly modified norms are proposed. In this regard it is to state that the modified performance standards proposed by the port did not form part of the original proposal on which users and user association were consulted. Since the users / user association have not been consulted on the modified performance standards, it is found appropriate to continue to prescribe the berthing norms as approved in the Order dated 18 January 2019 at this juncture. The port may if necessary, file a separate proposal with justification and basis for the modification in the proposed norms which shall be dealt with separately after consultation with stakeholders. Further the Berthing Policy 2016 requires annual review of the berthing norms.

			Therefore, the port may while filing the separate proposal, propose to delink this item from the general SOR. Till such time, the existing schedule last approved by the Authority vide Order dated 18 January 2019 is continue to prescribed in the revised SOR in place of modified productivity norms proposed by the port.
	Note: Port shall revise Berthing Norms as per the Berthing Policy with the approval of Board and issue necessary Trade Notice.	Also, a foot note is inserted stating berthing norms shall be revised with the approval of Board and same will be communicated through Trade Notice.	In view of the analysis given in the above point requesting the port to consider to delink the productivity norms and linked incentive / penalty from the general SOR and to file a separate proposal for the modified norms, the proposed note need not be prescribed at this juncture.
2.5.CHARGES FOR SUPPLY OF WATER TO SHIPPING **[Schedule prescribed in the Existing SOR]**	**2.5.CHARGES FOR SUPPLY OF WATER TO SHIPPING - Deleted**	As there is no supply of water at wharfs and there is no provision for water supply to Ships, the same is deleted.	For reasons stated by the Port, the proposed deletion is approved.
2.6.ANCHORAGE FEES **[Schedule prescribed in the Existing SOR]**	**2.6.ANCHORAGE FEES** **(Schedule Deleted)**	VOCPT, proposes to remove the entire Anchorage charges considering the	The MOS in the Berthing Policy 2016 has given Guidelines for prescription of anchorage

		request of the Users and for the ease of doing business. Further reasons furnished are as follows: (1). The levy of Anchorage charges is a deterrent factor to the Shippers operating in the common hinterland and prefer to operate at private ports where there is no anchorage charges. (2). Though the Berthing Policy, 2016 provides levy of anchorage charges, it leads to increase the landed cost to the Users and they may prefer to handle the said cargo in private ports. Clause 2.7 of Tariff Policy, 2018 states that for any change or increase in tariff the ports have to ensure that it will not lead to loss of traffic.	charge with first 48 hours free and beyond that linked to percentage of berth hire for various slabs of stay. The existing SOR of VOCPT prescribes anchorage charge though not in line with Guidelines issued by the MOS. The clause 6.1 of the Berthing Policy 2016 issued by the MOS stipulates that anchorage charges are to be levied across all Major Ports for the purpose of reducing pre-berthing delay and hence overall turnaround time of vessel. This will help streamline vessel scheduling for customers and lead to efficient usage of Port anchorage. The Policy does not exempt a Port from levy of anchorage charges. That being so, the existing schedule of anchorage charge updated with existing rates after applying 3.45% indexation for the year 2017-18 and 4.26% from 01 May 2019 is prescribed. The rates approved are ceiling level. The Major Port

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<td>(3). Even some of the major ports to reduce the landed cost are not to levying anchorage charges in the competing scenario to attract cargo to their Ports.

In view of the above, Port has decided not to levy any anchorage charges. However, the relevant schedule will be included with the approval of the TAMP as and when the waiting time crosses abnormally due to the action of Users.</td>
<td>Trusts have the flexibility to charge lower rate which the Port may invoke to retain traffic at the Port. The note prescribing 12 hours free anchorage is modified to 48 hours free as per the Berthing Policy of MOS. The VOCPT is requested to propose anchorage charge following the Guidelines issued by MOS during next review.</td>
</tr>
<tr>
<td>2.7. Schedule of Lighterage Operation fee in respect of vessels at anchorage:</td>
<td>2.7. Schedule of Lighterage Operation fee in respect of vessels at anchorage:</td>
<td></td>
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<tr>
<td>
<table>
<tr><td></td><td></td><td colspan="2">Rate as prescribed in the existing SOR approved by the Authority</td><td colspan="2">Indexed rate as on 30.4.2019 after applying indexation factor of 3.45%</td></tr>
<tr><td></td><td></td><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td rowspan="2">Sl. No.</td><td rowspan="2">Particulars</td><td colspan="2">Rate per GRT per hour or part thereof</td><td colspan="2">Rate per GRT per hour or part thereof</td></tr>
<tr><td>Coastal vessel (in ₹)</td><td>Foreign - going vessels (in US$)</td><td>Coastal vessel (in ₹)</td><td>Foreign - going vessels (in US$)</td></tr>
</table>
</td>
<td>
<table>
<tr><td rowspan="3">Sl. No.</td><td rowspan="3">Particulars</td><td colspan="2">Rate per hour or part thereof</td></tr>
<tr><td>Coastal vessel</td><td>Foreign-going vessel</td></tr>
<tr><td>(in ₹)</td><td>(in US$)</td></tr>
<tr><td>1</td><td>0 to 20,000 GRT</td><td>0.0357</td><td>0.0014</td></tr>
<tr><td>2</td><td>20,001 - 30,000 GRT.</td><td>0.0391</td><td>0.0015</td></tr>
<tr><td>3</td><td>30,001 - 60,000 GRT</td><td>0.0313</td><td>0.0012</td></tr>
</table>
</td>
<td>The earlier schedule of Lighterage charges is rationalised by reducing the no. of slabs from 8 to 4.</td>
<td>(a). For reasons given by Port, proposed rationalization in Schedule of Lighterage Operations at Anchorage is approved. In the existing SOR, the unit of levy is per GRT per hour or part thereof. In the proposed SOR, the words</td>
</tr>
</table>

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<tr>
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<table>
<tr><td>1</td><td>Upto and inclusive of 3,000 GRT</td><td>0.0193 subject to a minimum of ₹ 37.99</td><td>0.00074 subject to a minimum of US $ 1.46</td><td>0.0200 subject to a minimum of ₹ 39.30</td><td>0.000766subject to a minimum of US $ 1.51</td></tr>
<tr><td>2</td><td>3,001 to 10,000 GRT</td><td>0.0126 subject to a minimum of ₹ 57.94</td><td>0.00049 subject to a minimum of US $ 2.22</td><td>0.01303 subject to a minimum of ₹ 59.94</td><td>0.00051subject to a minimum of US $ 2.30</td></tr>
<tr><td>3</td><td>10,001 to 15,000 GRT</td><td>0.0166</td><td>0.00064</td><td>0.01717</td><td>0.00066</td></tr>
<tr><td>4</td><td>15,001 to 20,000 GRT</td><td>0.0206</td><td>0.00079</td><td>0.02131</td><td>0.00082</td></tr>
<tr><td>5</td><td>20,001 to 25,000 GRT</td><td>0.0279</td><td>0.00107</td><td>0.02886</td><td>0.00111</td></tr>
<tr><td>6</td><td>25,001 to 30,000 GRT</td><td>0.0306</td><td>0.00117</td><td>0.03166</td><td>0.00121</td></tr>
<tr><td>7</td><td>30,001 GRT and above</td><td>0.0332</td><td>0.00128</td><td>0.03435</td><td>0.00132</td></tr>
<tr><td>8</td><td>Double Banking</td><td colspan="4">In respect of a vessel which is double banked with another vessel occupying a berth it will be charged half of the above charges specified in the above schedule.</td></tr>
</table>
</td>
<td>
<table>
<tr><td>4</td><td>60,001 and above GRT</td><td>0.0274</td><td>0.0011</td></tr>
<tr><td>8</td><td>Double Banking</td><td colspan="2">In respect of a vessel which is double banked with another vessel occupying a berth it will be charged half of the above charges specified in the above schedule.</td></tr>
</table>
</td>
<td></td>
<td>"Per GRT" appears to have been inadvertently deleted. This is incorporated in the revised SOR.

(b). The existing SOR prescribes a minimum charge. In view of rationalised tariff, the port has not proposed minimum tariff. In existing SOR, rates prescribed are not sliding. However, in the proposed SOR since the proposed rates from the third slab are sliding rates, the rates are prescribed following the methodology for prescription of the Pilotage fee so that Lighterage fee payable by a vessel of say 30001 GRT does not work out to be less than a 30,000 GRT vessel.</td>
</tr>
<tr>
<td>Notes
(1). The facility is available to deep draught vessels carrying coal, food grains and pulses arriving with a draught of more than 10.7 metres which after lightening to a draught of 10.7 or 9.3 metres, as the case may be, will be handled at the berth.

(2).The facility is subject to the Steamer Agent obtaining Environmental Clearance and furnishing Mercantile</td>
<td>All the existing note are deleted</td>
<td>The Notes governing Sch. 2.7 relate to those vessels which are over and above 10.7 mtr draft and which could not be handled at the relevant point of time due to draft</td>
<td>For the reasons cited by the port, the proposed deletion is approved subject to retaining the existing Clause no. 2.</td>
</tr>
</table>

Marine Department's certificate regarding safety of vessels used for lighterage and carrying passengers. (3). The barges carrying lightered cargo will be permitted to be berthed at Zone 'A' only subject to availability of berth. (4). The lightered cargo can be handled in Zone 'B' also subject to payment of vessel related charges and wharfage charges as per Port SOR in respect of vessel/barges carrying such lightered cargo to Zone-B. (5). For Pulses and Food grains if the berth No.8 is occupied and Port could not allot berth to the vessel, anchorage operations would be allowed till the vessel reaches 9.3 m draught or till such time that berth No.8 is available whichever is earlier. (6). The Barges used for lightering the cargo if berthed in 'Easter Arm' and lash Jetty for handling of lightered cargo, the berth hire will be at 80% of the Normal rate.		restrictions. For the reasons cited by the Port, the deletion of the existing notes proposed by the VOCPT may be approved. However, the current draft available at this Port is 14.20 mtr and with this available draft the Notes in the existing SOR are redundant and hence not necessary. Hence, the same has been removed.	
CHAPTER – III **CARGO RELATED CHARGES**	**CHAPTER – III** **CARGO RELATED CHARGES**		
3.1. SCHEDULE OF WHARFAGE DUES	3.1.1 SCHEDULE OF WHARFAGE DUES	(a). Rationalized the tariff structure and description of cargoes to avoid ambiguities and separate rate proposed for met coke/ pet coke and for wind blades. (b). As regards met coke and pet coke,	(a). For the reasons given by the Port and considering the fact that the Revenue Estimate captures the revenue from proposed wharfage rate, the rationalized wharfage charge with proposed increased is approved. (b). In the existing SOR, there is no separate

		the Port has vide email dated 5 September 2019 clarified that, Met Coke is different from Pet Coke. Met coke is not a by product of crude oil and hence the Authority may segregate the tariff into two categories One Met coke and another Pet coke and the proposal may be approved with the Coastal concession for Met coke and without coastal concession for Pet coke. (c). As far as Wind Mill Blades is concerned, the port earlier (prior to last revision) collected	wharfage rate for metallurgical coke and petroleum Coke. The port has proposed new entry for Met coke and Pet coke. Based on the clarification of VOCPT, and for the reasons cited that, it is a by-product of Crude Oil, separate rate proposed for Petroleum Coke without Coastal concession is approved. The proposed rate is closer to the wharfage rate for diesel. Further, the revenue estimate captures revenue at this item. Even the general SOR of NMPT, port has stated that pet coke is POL products and not entitled for coastal concession which was approved by this Authority. Hence rate proposed for Pet Coke is approved. As regards, Met Coke, the separate rate proposed by the Port is approved. (c) The port has also proposed an entry for windmill blades and has proposed per tonne rate of ₹260/-. It has also

		wharfage at advalorem rate of 0.30% since the windmill blade is a higher value cargo. This worked out to ₹1,650/- per tonne. Currently, port is applying the wharfage rate for machinery at 161.79 per tonne for this cargo. A against, that the port has proposed only ₹260/- per tonne in the SOR for wind mill blades which occupies more space with lesser weight.	captured revenue estimate from this item. Since the Tariff Guidelines give flexibility to Port, the proposed rate is approved.
Notes to wharfage schedule.	Notes to wharfage schedule.		
- [Note 14 not prescribed in the existing SOR]	(14) Restow – Cargo of other ports landed from vessels and reshipped in the same vessel – wharfage shall be levied as applicable.	New note is added.	The proposed note is approved.
Schedule 3.5. Cess for pollution Mitigating Measures Cess for Pollution mitigating measures shall be levied at ₹ 5/- per M.T in respect of dusty cargoes discharged at the Port:- (Excluding cargo handled through closed conveyors). [List of dusty cargo is prescribed in the existing SOR]	**3.1.2 Cess for Pollution mitigating measures / spillage charges for dry bulk cargo** Cess for Pollution mitigating measures shall be levied at Rs.10/- per M.T in respect of **all dry bulk cargoes excluding cargo handled through closed conveyors within port limits**	(a). As pollution mitigating measures charges relate to cargo related service, the same has been brought after wharfage schedule from 3.5. to 3.1.2.	For the reasons and justifications given by the Port, the proposed modification in the said schedule is approved

Notes: (a). Dusty cargoes handled through bags shall not attract cess for pollution mitigating measures under schedule 3.5. (b). The cess for pollution mitigating measures under schedule 3.5 shall be applicable to the cargoes discharged through the conveyor from 9th berth to coal yard inside Green Gate."	Notes: (a)Dusty cargoes handled through bags shall not attract cess for pollution mitigating measures under schedule 3.1.2 (b) The cess for pollution mitigating measures under schedule 3.1.2 shall be applicable to the dusty cargoes discharged inside Green Gate.	Port has taken various measures to mitigate the pollution level in the Port area as per the norms of Pollution Control Board like providing wind barriers, Road sweeping machines, water sprinklers, Fog machine etc., and it has been proposed to levy the <u>cess on all dry bulk cargo except those cargoes which moves through closed conveyor</u> connected outside the Green Gate. The anticipated revenue from this tariff item is already been captured under Form-3. (b). Existing note (b) is slightly modified and it is proposed to continue levy of cess on the earlier coverage of dusty cargo handled from	

<table>
<tr><td></td><td></td><td>9th Berth to coal yard within the Green Gate area.</td><td></td></tr>
<tr><td>3.2. SCHEDULE OF DEMURRAGE CHARGES</td><td>3.2. SCHEDULE OF DEMURRAGE CHARGES</td><td></td><td></td></tr>
<tr><td>3.2.1. FREE PERIOD
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Imports</th><th>Exports</th></tr>
<tr><td>1</td><td>General Cargo except Raw Cashew (Imports) and Wheat (Exports)</td><td>3 days</td><td>10 days</td></tr>
<tr><td>2</td><td>Raw Cashew (Imports)</td><td>5 days</td><td>-</td></tr>
<tr><td>3</td><td>Wheat (Exports)</td><td>-</td><td>15 days</td></tr>
<tr><td>4</td><td>Salvaged goods (Imports)</td><td>3 days</td><td>3 days</td></tr>
</table></td><td>3.2.1. FREE PERIOD
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Imports</th><th>Exports</th></tr>
<tr><td>1</td><td>All Cargoes except Timber Logs.</td><td>7 days</td><td>30 days</td></tr>
<tr><td>2</td><td>Timber Logs</td><td>3 days</td><td>-</td></tr>
</table></td><td>In view of the prevailing scenario of competition by private ports, the free days has been increased.</td><td>For the reasons cited by the Port, the proposed increase in free period is approved. Consequent to increase in free period, the slabs for levy of demurrage charges also as modified by the port is approved.</td></tr>
<tr><td>3.2.2. SCHEDULE OF DEMURRAGE CHARGES
<table>
<tr><th rowspan="3">Sl. No.</th><th rowspan="3">Description</th><th rowspan="3">Unit</th><th colspan="2">Rate as prescribed in the existing SOR approved by the Authority</th><th colspan="2">Indexed rate as on 30.4.2019 after applying indexation factor of 3.45%</th></tr>
<tr><th colspan="2">For Zone A</th><th colspan="2">For Zone A</th></tr>
<tr><th>Import (in ₹)</th><th>Export (in ₹)</th><th>Import (in ₹)</th><th>Export (in ₹)</th></tr>
<tr><td>1</td><td>For the first six days.</td><td>Per day per wharfage unit</td><td>2.36</td><td>1.53</td><td>2.44</td><td>1.58</td></tr>
<tr><td>2</td><td>For the next six days.</td><td>-do-</td><td>3.83</td><td>3.00</td><td>3.96</td><td>3.10</td></tr>
<tr><td>3</td><td>Thereafter.</td><td>-do-</td><td>7.47</td><td>6.00</td><td>7.73</td><td>6.21</td></tr>
</table></td><td>3.2.2. SCHEDULE OF DEMURRAGE CHARGES
<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Descriptio n</th><th rowspan="2">Unit</th><th colspan="2">For Zone A</th></tr>
<tr><th>Import (in ₹)</th><th>Export (in ₹)</th></tr>
<tr><td>1</td><td>For the first 15 days.</td><td>Per day per wharfage unit</td><td>9.54</td><td>7.67</td></tr>
<tr><td>2</td><td>Thereafter.</td><td>-do-</td><td>19.08</td><td>15.34</td></tr>
</table></td><td></td><td></td></tr>
<tr><td>Note:
1 (ii).In exigencies, if import/export cargo require transit space and transit sheds are full/ there is shortage of space in transit sheds, some warehouse/s can be declared as “transit area” for the duration of congestion and all consignment will be eligible for storage on the transit terms during that period. These arrangements shall be approved by the Chairman on a case to case basis.</td><td>1 (ii) Transit area can be treated as warehouse area & vice versa as per trade requirement.</td><td>As stated in the notes itself, considering the trade request, this modification is proposed.</td><td>For the reasons furnished by the Port, the proposed modified note is approved.</td></tr>
<tr><td>3.3. Licence (Storage) Fee</td><td>3.3. Licence (Storage) Fee</td><td>In respect of covered space</td><td>The VOCPT has restructured the schedule</td></tr>
</table>

<table>
<tr>
<td>
<table>
<tr><td></td><td></td><td></td><td>Rate as prescribed in the SOR approved by the Authority</td><td>Indexed rate as on 30.4.2019 after applying indexation factor of 3.45%</td></tr>
<tr><td>Sl. No.</td><td>Particulars</td><td>Unit</td><td>Rates for Zone A (in ₹)</td><td>Rates for Zone A (in ₹)</td></tr>
<tr><td>1</td><td>COVERED SPACE</td><td></td><td></td><td></td></tr>
<tr><td></td><td>(i). For the first two weeks.</td><td>Per 10 sq. mtr./week or part thereof</td><td>197.94</td><td>204.77</td></tr>
<tr><td></td><td>(ii). For the third and fourth week.</td><td>-do-</td><td>395.87</td><td>409.53</td></tr>
<tr><td></td><td>(iii). For the fifth and sixth week.</td><td>-do-</td><td>593.81</td><td>614.30</td></tr>
<tr><td></td><td>(iv). Thereafter for every subsequent week.</td><td>-do-</td><td>692.77</td><td>716.67</td></tr>
</table>
</td>
<td>
<table>
<tr><td>Sl. No.</td><td>Particulars</td><td>Unit</td><td>Rates for Zone A (in ₹)</td></tr>
<tr><td>1</td><td>COVERED SPACE</td><td></td><td></td></tr>
<tr><td></td><td>(i). For the first 15 days</td><td rowspan="2">10 sq. mtr./week or part thereof</td><td>252.75</td></tr>
<tr><td></td><td>(ii). Thereafter</td><td>758.25</td></tr>
</table>
</td>
<td>tariff, the slabs are rationalised and the unit of week is converted into days for computation convenience.</td>
<td>from existing "weekly basis" to "day basis" for covered space. Further, the existing 4 slabs are proposed to be reduced to 2 slabs. When sought the basis for the proposed tariff in two slabs, the port has vide its letter dated 8 July 2019 proposed to retain the existing 4 slabs with 23.43% increase over the existing rate after applying 3.45% escalation i.e. tariff as on 30.4.2019. However, while furnishing the revised SOR, the port has not incorporated the revised storage schedule communicated by the port. The revised schedule proposed by the port vide its letter dated 8.7.2019 is incorporated in the SOR. The revenue estimate captures the impact of the proposed increase.</td>
</tr>
<tr><td>CHAPTER – IV</td><td>CHAPTER – IV</td><td></td><td></td></tr>
<tr><td>4.2. CHARGES FOR HANDLING CONTAINERS USING MECHANICAL APPLIANCES</td><td>Deleted</td><td>Deleted since the services are not available in the Port and are under the control of BOT/PPP Operator of 7th and</td><td>For reasons cited by the Port, the proposed deletion of the existing schedule 4.2 is approved.</td></tr>
</table>

<table>
<tr><td></td><td></td><td>8th Berth respectively.</td><td></td></tr>
<tr><td>4.3. SCHEDULE OF STORAGE RENT ON EMPTY AND LOADED CONTAINERS.</td><td>4.32 SCHEDULE OF STORAGE RENT ON EMPTY AND LOADED CONTAINERS.</td><td></td><td></td></tr>
<tr><td>[Relevant extract brought out here]
<table>
<tr><td>1</td><td>INSIDE THE SECURITY WALL</td><td>Period of Occupation</td></tr>
<tr><td>(i)</td><td>For Import and Export Containers</td><td></td></tr>
<tr><td></td><td>(a). For the first 5 days</td><td>Free</td></tr>
</table></td><td>[Relevant extract brought out here]
<table>
<tr><td>1</td><td>INSIDE THE SECURITY WALL</td><td>Period of Occupation</td></tr>
<tr><td>(i)</td><td>For Import and Export Containers</td><td></td></tr>
<tr><td></td><td>(a). For the first 15 days</td><td>Free</td></tr>
</table></td><td>Free period shall be regulated independent of BOT Operator of 7th Berth. Any additional free period required shall be regulated within the powers of Board under 53 of the Major Port Trust Act 1963.</td><td>The port has proposed to increase the free period for storage of container inside the security wall from existing 5 days to fifteen days and consequently modified the subsequent slabs as well and has proposed revised rate. Clause 9.9.1 of the working Guidelines gives flexibility to Major Port Trust to propose number of free days. The proposed increase in free period and the proposed rate is approved.</td></tr>
<tr><td>Notes:
(1).The period of free days shall run concurrently with the free period of PSA SICAL TERMINAL and not consecutively.</td><td>Deleted</td><td rowspan="2">The Note (1) proposed for deletion is in reference to the methodology adopted by the one of the Container terminal operator. It was relevant at that point of time but has no relevance now. Note (3) is also not relevant since the port has not handled any</td><td rowspan="2">For the reasons cited by the Port, proposed deletion of note 1 is approved.
As regards proposed deletion of note 3, relating to commencement of free period for Import containers, the existing note is retained as the Port has in the proposed SOR proposed storage fee for Import containers under the schedule 4.2. Since this note is relevant</td></tr>
<tr><td>(3).Free dwell-time (storage) period for import containers shall commence from the day after the day of landing of the container. On expiry of the free period, storage rent shall be levied upto the time of delivery.</td><td>Deleted</td></tr>
</table>

		containers in port operated berths and hence proposed for deletion.	for the said tariff item, the existing note no 3 is retained.
(4). Transhipment \ Re-export laden and empty containers	**(3). Transhipment \ Re-export laden and empty containers**		
(i).The free storage rent period shall commence from the time of completion of discharge after the first carrier to the time of berthing of the second carrier. If the storage period exceeds the free period, the storage rent shall be calculated after the expiry of the free period upto the time of lift on. The charges shall be calculated on a 24-hour basis.	(i) The free storage rent period shall commence from the date of completion of discharge after the first vessel to the date of berthing of the second vessel. If the storage period exceeds the free period, the storage rent shall be calculated after the expiry of the free period upto the time of lift on.	Rationalising the collection of charges only upto actual handling time.	The Port has proposed deletion of last sentence from the existing note as a part of rationalistion. The proposed modified note is approved.
General Notes to Schedule 4.1 to 4.4.			
(5). Storage charge on container/demurrage charges on cargo shall not accrue for the period when the VOCPT is not in a position to deliver/ship cargo when requested by the user.	Deleted	As the demurrage is due on account of the reason attributable to the Port, this clause is proposed for deletion.	The existing note flows from the general principle that users shall not be charged for the reasons attributable to the Port. Hence, it is found appropriate to retain the existing condition.
CHAPTER – V **MISCELLANEOUS CHARGES**	**CHAPTER – V** **MISCELLANEOUS CHARGES**		

<table>
<tr>
<td>5.01. SCHEDULE OF WEIGHMENT CHARGES for ZONE ‘A’ AND ‘B’(applicable till rate for private operators of weighbridges is fixed separately)</td>
<td>5.01.SCHEDULE OF WEIGHMENT CHARGES for ZONE ‘A’ AND ‘B’(applicable till rate for private operators of weighbridges is fixed separately)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>
<table>
<tr><th></th><th></th><th></th><th>Rate as prescribed in the SOR approved by the Authority</th><th>Indexed rate as on 30.4.2019 after applying indexation factor of 3.45%</th></tr>
<tr><th>Sl. No.</th><th>Particulars</th><th>Unit</th><th>Rate per day (in ₹)</th><th>Rate per day (in ₹)</th></tr>
<tr><td>1</td><td>Weighment Charges for Zone A and B.</td><td>Per tonne</td><td>3.80 (subject to a minimum of ₹ 5.00)</td><td>3.93 (subject to a minimum of ₹ 5.17)</td></tr>
</table>
</td>
<td>
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Unit</th><th>Rate (in ₹)</th></tr>
<tr><td>1</td><td>TARE weight of the vehicle</td><td>Per vehicle</td><td>Rs.20/- (subject to a minimum of ₹50/-)</td></tr>
<tr><td>2</td><td>Net weight (Gross – TARE weight)</td><td>Per tone (rounded off to the next higher tone)</td><td>3.80 (subject to a minimum of ₹50.00)</td></tr>
</table>
</td>
<td>Rationalizing the existing the scale to provide for collection of payment for empty vehicles and also for cargo loaded distinctly.</td>
<td>Based on the reasons / justification given by the Port, the tariff proposed in the said schedule is approved. Except for minor correction on account of inadvertent error by the port in Sr. No.1. The proposed minimum charge of ₹50/- is not relevant for Sl. No 1 as the rate proposed is ₹20/- per vehicle.</td>
</tr>
<tr>
<td>5.02.2. CHARGES FOR HIRE OF GRAB FOR WHARF CRANE AND OTHER MECHANICAL APPLIANCES TO MASTERS, OWNERS OR AGENTS OF VESSEL
<table>
<tr><th></th><th></th><th></th><th>Rate as prescribed in the SOR approved by the Authority</th><th></th><th>Indexed rate as on 30.4.2019 after applying indexation factor of 3.45%</th><th></th></tr>
<tr><th>Sl. No.</th><th>Particulars</th><th>Unit</th><th>Foreign / Others (in ₹)</th><th>***Coastal (in ₹)</th><th>Foreign / Others (in ₹)</th><th>***Coastal (in ₹)</th></tr>
<tr><td>1</td><td>10 Tonne Grab wharf crane</td><td>Per shift</td><td>2,442.00</td><td>1,465.00</td><td>2,526.25</td><td>1,515.54</td></tr>
<tr><td>2</td><td>10 Tonne Grab wharf crane</td><td>Per half shift</td><td>1,221.00</td><td>732.00</td><td>1,263.12</td><td>757.25</td></tr>
<tr><td>3</td><td>20 Tonne Grab wharf crane</td><td>Per shift</td><td>12,305.00</td><td>7,383.00</td><td>12,729.52</td><td>7,637.71</td></tr>
<tr><td>4</td><td>20 Tonne Grab wharf crane</td><td>Per half shift</td><td>6,153.00</td><td>3,692.00</td><td>6,365.28</td><td>3,819.37</td></tr>
</table>
</td>
<td>5.02.2. CHARGES FOR HIRE OF GRAB TO MASTERS, OWNERS OR AGENTS OF VESSEL
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Rates per shift (In ₹)</th></tr>
<tr><td>1</td><td>For 10 CBM Grab</td><td>2891.08</td></tr>
<tr><td>2</td><td>For 7 CBM Grab</td><td>2168.90</td></tr>
<tr><td>3</td><td>For 5 CBM Grab</td><td>1445.54</td></tr>
</table>
50% of the above respective rates is applicable for half shift basis</td>
<td>Other cargo handling equipments (20 Tonne) is not in operation.</td>
<td>The port has proposed to delete the rate for 20 CBM as it is not in operation as reported by the port. The rate proposed for 7 CBM grabs is found to be slightly more than the proportionate rate for 10 CBM and for the 5 CBM grab rate it its exactly proportionate rate to the rate proposed for 10 CBM. The port has clarified that Grab capacity is generally prescribed in CBM and not in Tonne. The proposed rates is</td>
</tr>
</table>

			approved. The existing SOR prescribes Coastal Concession for coastal operations. The port has not proposed separate rates for coastal cargo. The Port has not proposed any reason for Coastal Concession. Coastal rates is prescribed @ 60% of the rate for foreign part. There can be a note that the rates prescribed for coastal cargo shall be applicable for coastal cargo and containers eligible for concessional tariff, for ship-shore transfer, transfer from / to quay and to / from storage yard as in the existing SOR.
Notes under Schedule 5.02.2. (1). Berth hire includes cranage component and hence no separate charges will be levied for wharf crane provided by the port (subject to availability) for loading and unloading of cargo from vessels including barges and lighters. The charges for use of grab will, however, be collected as prescribed in the above schedule.	Deleted.	Rebate for wharf crane is removed and hence this is deleted.	In the existing SOR, note no 3 under the berth hire schedule, stipulates a rebate of 20% of the applicable berth hire charges for vessel berthed at additional berths. The said note is proposed for deletion in the proposed SOR for the reasons given by the Port brought out in the earlier point. In view of the said deletion, the note No.1

			under this schedule is proposed for deletion. That being so, proposed deletion of Note No.1 is approved.
(2). The cranes or equipment provided shall not be used for purposes other than that for which application was made.	Deleted.	[No justification given by the port.]	Port has not given reason for deletion of the existing Note 2 hence the existing note is continued to be prescribed in the revised SOR.
5.03. CHARGES FOR HIRE OF CRANES, FORK LIFT TRUCK AND OTHER MECHANICAL APPLIANCES FOR PURPOSE NOT SPECIFIED IN SCHEDULE 5.2. and 5.2.1.	**5.03. CHARGES FOR HIRE OF CRANES, FORK LIFT TRUCK AND OTHER MECHANICAL APPLIANCES FOR PURPOSE NOT SPECIFIED IN SCHEDULE 5.2.1 and 5.2.2.**	-	(a). In the existing SOR the reference given in the title is to the schedule 5.2 relating to hire charges of HMC provided by private service provider which is proposed for deletion. Second reference is to the schedule relating to the charges for recovery of overhead expenses for supply of electricity by the Port .The said reference is also not relevant for the proposed schedule. Hence, in the title, reference to schedule 5.2.1 and 5.2.2 is deleted. (b). The Port has not proposed separate rate for Foreign and Coastal as prescribed in the existing SOR. The prescription of separate rate for Foreign and

			Coastal with coastal concession for floating and wharf crane is continue to prescribed in the proposed SOR. Coastal concession is not relevant for fire fighting, stand by duties and hence need not be proposed as done by the port.
5.05. CHARGES FOR USE OF PORT'S PIPELINES TO TRANSPORT SHIPSTORES, BUNKER OIL, ETC., TO SHIPS.	**5.05. CHARGES FOR USE OF PORT'S PIPELINES TO TRANSPORT SHIPSTORES, BUNKER OIL, ETC., TO SHIPS. -- Deleted**	No Port pipelines are available in Oil Jetty and hence deleted.	For the reasons stated by the Port, the proposed deletion of schedule 5.5 is approved.
5.06.RENTAL CHARGES FOR ROOMS FOR USE IN CONNECTION WITH SHIPPING OPERATION [Rate are prescribed in the existing SOR per room per calendar month or part thereof]	**5.06.RENTAL CHARGES FOR ROOMS FOR USE IN CONNECTION WITH SHIPPING OPERATION** [Schedule Deleted]	As per revised Delegation of powers (DOP) approved by the Government, the rates are to be regulated by Powers of Chairman vide Sl.No. 43 of section 2 of Annexure –I to DOP. In this regard the VOCPT has vide its email dated 26 August 2019 forwarded a copy of Ministry of Shipping (MOS) letter No.F.No. 17011/1/2005-PG Dated at the 11th February, 2015	From the copy of the MOS letter dated 11 February 2015 addressed to the Chairman of all Major Port Trusts, it is seen that, the MOS has enhanced the limits of financial powers of the Port Trusts Boards, Chairman, Dy. Chairman and Heads of the Departments in exercise of the power conferred on them under section 34, 36, 85, 92, 93, 94, 95, 96 and 101 of the Major Port Trusts Act. Sr. No. 43 in the Annex referred by the port relates to delegation of full power to Chairman to fix standard / Market
5.07.RENT FOR ALLOTMENT OF ROOM FOR STEAMER AGENTS WITHIN THE FORESHORE PREMISES	**5.07.RENT FOR ALLOTMENT OF ROOM FOR STEAMER AGENTS WITHIN THE FORESHORE PREMISES**		
[Rates are prescribed in the existing SOR Per room per month]	[Schedule Deleted]		
5.08. RENT FOR OCCUPATION OF COMPARTMENTS IN THE COAL MAZDOOR LINES IN THE PORT PREMISES.	**5.08. RENT FOR OCCUPATION OF COMPARTMENTS IN THE COAL MAZDOOR LINES IN THE PORT PREMISES.**		
[Rates are prescribed in the existing SOR Per month or part thereof for each compartment.]	[Schedule Deleted]		

		relating to delegation of enhanced financial powers to Port Trusts addressed to Chairmen of all Major Port Trusts (MPT). Annexure-I relating to delegation of power to MPTs [Non-Statutory], Sr. No. 43 relates to fix standard / market rent for residential and non-residential building and to fix penal rent for which full powers have been delegated to Chairman of concerned MPTs.	rent for residential / non-residential buildings. In this regard, it is relevant to state that, as per section 49 of the Major Port Trusts Act, 1963, the power to fix SOR of any property belonging to or in possession or in occupation of the Major Port Trusts is bestowed on the Authority which includes any other use of any land / building. Thus, as per the statute, the rate fixed by the Port will have to be notified by the Authority to comply with the statutory provisions. That being so, it is found appropriate to continue prescription of existing schedule 5.06, 5.07 and 5.08 in the proposed SOR and advice the Port to seek approval of this Authority for notification of revised rate, if any, fixed by the port in pursuance of MOS letter dated 11 February 2015. Accordingly, existing schedule 5.06, 5.07 and 5.08 is continued to be incorporated in the

			proposed SOR and subsequent schedule nos. are suitably renumbered.
5.10.HIRE CHARGES FOR HIRE OF TOOLS AND PLANTS TO GOVERNMENT DEPARTMENTS	**5.10.HIRE CHARGES FOR HIRE OF TOOLS AND PLANTS TO GOVERNMENT DEPARTMENTS**	Deleted since equipments are not available with the Port. In future if required, the same will be regulated by Delegated powers vide Sl.No.64 of section 4 of Annexure–I to DOP.	For the reasons stated in the first part of the remarks of the VOCPT, the proposed deletion of existing schedule 5.10 is approved. As regards the second part of the point made by the VOCPT, it is stated that Sr. No.64 of the said Annex referred by the Port relates to incurring miscellaneous expenditure. As already stated earlier for levy of tariff for the port property/ equipment, the statute mandates this Authority to notify the rate in the Gazette of India. Hence the port may take necessary action as per the statute as and when port proposes to hire out these equipment.
5.11. LICENCE FEES		Services not existing and hence deleted.	For reasons cited by the Port, the proposed deletion of existing schedules 5.11, 5.12 and 5.13 is approved.
[The license fee prescribed in the existing SOR for Cooper license, basket carriers etc.]	Existing Schedule Deleted		
5.12.CHARGES FOR ISSUE OF PHOTO PERMITS	Deleted	1. The charges are mainly for providing access control system as per ISPS code.	

<table>
<tr><td></td><td></td><td>2. This is not service provider by Port either to cargo on other ancillary activities.</td><td rowspan="2"></td></tr>
<tr><td>5.13. CHARGES FOR THE ISSUE OF TEMPORARY PASSES.</td><td>5.13. CHARGES FOR THE ISSUE OF TEMPORARY PASSES.</td><td>As above.</td></tr>
<tr><td>5.14. CHARGES FOR TAKING PHOTOGRAPHS OR SHOOTING OF FILMS IN THE HARBOUR PREMISES</td><td>5.14. CHARGES FOR TAKING PHOTOGRAPHS OR SHOOTING OF FILMS IN THE HARBOUR PREMISES</td><td>Timing for day (6.00 am to 6.00 pm) and night (6.00 pm to 6.00 am) proposed to be prescribed in the Schedule.</td><td>The proposed modification is approved as it will remove ambiguity.</td></tr>
<tr><td>5.15.1. FEES FOR SALVAGE OF GOODS</td><td>5.15.1. FEES FOR SALVAGE OF GOODS - Deleted</td><td>Services not provided by Port and hence deleted.</td><td rowspan="2">For the reasons cited by the Port, the proposed deletion of existing schedule no. 5.15.1 and 5.15.2 is approved.</td></tr>
<tr><td>5.15.2. FEES FOR SERVICES OF DIVERS</td><td>5.15.2. FEES FOR SERVICES OF DIVERS</td><td>Services not provided by Port and hence deleted.</td></tr>
<tr><td>5.17.PASSENGER TOLL AND CHARGES FOR VARIOUS TYPES OF VEHICLES ACCOMPANYING PASSENGERS
<table>
<tr><td></td><td></td><td></td><td>Rates as approved in the SOR by the Authority</td></tr>
<tr><td>Sl. No.</td><td>Particulars</td><td>Unit</td><td>Rates (in ₹)</td></tr>
<tr><td>1</td><td>Passenger Toll.</td><td></td><td></td></tr>
<tr><td></td><td>(i). For II and III class</td><td>Each</td><td>40</td></tr>
<tr><td></td><td>(ii). For Deluxe cabin and I class.</td><td></td><td>70</td></tr>
<tr><td>2</td><td>Charges for vehicles accompanying passengers.</td><td></td><td></td></tr>
<tr><td></td><td>(i). Motorcycles, scooters, mopeds, cycles fitted with motors and other powered two wheeled vehicles.</td><td>- do –</td><td>60</td></tr>
<tr><td></td><td>(ii). Motor cars</td><td>- do -</td><td>410.00</td></tr>
<tr><td></td><td>(iii). Motor vehicles like tourist car, vans on wheels.</td><td>- do -</td><td>690.00</td></tr>
</table></td><td>5.17.PASSENGER TOLL AND CHARGES FOR VARIOUS TYPES OF VEHICLES ACCOMPANYING PASSENGERS
<table>
<tr><td>Sl. No</td><td>Particulars</td><td>Unit</td><td>Rates (in ₹)</td></tr>
<tr><td>1</td><td>Passenger Toll - Domestic</td><td>Each</td><td>90</td></tr>
<tr><td>2</td><td>Passenger Toll - Foreign</td><td>Each</td><td>100</td></tr>
</table>
Notes

Deleted</td><td>(a) Rates simplified. Notes are not relevant and hence deleted.

(b) The Ministry's letter No. SW-15011/2/2016-MG dated 03.11.2017 to all Major Port Trusts in relation to composite rate for Cruise Vessel is applicable for</td><td>(a) The proposed simplification in the existing schedule and the deletion of existing notes for the reasons cited by the Port is approved.

(b). Based on the clarification of the Port that ferry services provided by Port for which passenger toll is different from cruise vessel, the proposed rates for passenger toll is approved.</td></tr>
</table>

<table>
<tr>
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<table>
<tr><td></td><td>(iv). Motor vehicles like buses, dumpers and lorries.</td><td>- do -</td><td>1,090.00</td></tr>
</table>
Notes:

(1). The passenger toll shall be levied on all deck and cabin passengers disembarking and embarking at the Port.

(2). Defense personnel other than civil staff moving on duty disembarking and embarking at the port shall be exempted from the payment of the passenger toll.
</td>
<td></td>
<td>cruise tourism only. Cruise tourism is different from Ferry service. Ministry's letter dated 03.11.2017 is applicable for cruise vessels only. Hence passenger toll charges applicable for the ferry service may please be approved as proposed by Port.</td>
<td></td>
</tr>
<tr>
<td>5.19. CHARGES FOR HIRE OF WOODEN LOGS TO SAILING VESSELS.</td>
<td>Deleted</td>
<td>Services not provided by the Port and hence deleted.</td>
<td>For the reasons cited by the Port, the proposed deletion of existing schedule no.5.19 is approved.</td>
</tr>
<tr>
<td>5.20.CHARGES FOR USE OF HARBOUR MOBILE CRANES INSTALLED BY THE PRIVATE OPERATORS:</td>
<td>Deleted</td>
<td>The HMC services are provided under PPP mode by M/s Imcola Crane Company Ltd under upfront tariff. Hence the rates are not required.</td>
<td>In view of the clarification furnished by the Port, the proposed deletion of existing schedule 5.20 relating to charges for use of HMC installed by Private Operator is approved.</td>
</tr>
<tr>
<td>
Chapter – VI
6.1 LEVY FOR SUPPLY OF LABOUR FROM V.O. CHIDAMBARANAR PORT TRUST CARO HANDLING DIVISON (VOCPT CHD) FOR CARGO HANDLING OPERATIONS

(Rate in ₹ Per MT)
<table>
<tr><td></td><td>Rate as prescribed in the SOR approved by the Authority</td><td>Indexed rate as on 30.4.2019 after applying indexation factor of 3.45%</td></tr>
</table>
</td>
<td>
Chapter – VI
6.1 LEVY FOR SUPPLY OF LABOUR FROM V.O.CHIDAMBARANAR PORT TRUST CARO HANDLING DIVISON (VOCPT CHD) FOR CARGO HANDLING OPERATIONS

(Rate in ₹ Per MT)
<table>
<tr><td>Sl. No.</td><td>Description</td><td>Foreign vessel</td><td>Coastal Vessel</td></tr>
</table>
</td>
<td>The Port has dispensed with the existing method of collecting cargo - wise differential levy for supply of labour from VOCPT CHD for cargo handling</td>
<td>It is seen from Form – 3 that Port has proposed reduction in the existing labour levy in the range of 9.12% to 44.50% for Sr. No. 1 to 4 and an increase of 14.86% for Sr. No. 5. The revenue estimated at proposed rate is lower</td>
</tr>
</table>

<table>
<tr>
<td>
<table>
<tr><th>Sl. No.</th><th>Description</th><th>Foreign vessel</th><th>Coastal Vessel</th><th>Foreign vessel</th><th>Coastal Vessel</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">All cargoes other than Coal at Coal Jetty-II and Salt*</td><td rowspan="2">69.60</td><td>₹ 69.60 (for thermal coal)</td><td rowspan="2">72.00</td><td>₹.72/-(for thermal coal)</td></tr>
<tr><td>₹41.76* (cargo other than thermal coal)</td><td>43.20* (cargo other than thermal coal)</td></tr>
<tr><td>2</td><td>Coal at Jetty-II</td><td>51.01</td><td>51.01</td><td>52.77</td><td>52.77</td></tr>
<tr><td>3</td><td>Salt</td><td>83.52</td><td>50.11</td><td>86.40</td><td>51.84</td></tr>
<tr><td>4</td><td>For Container stuffing and destuffing operations</td><td>69.6</td><td>69.6</td><td>72.00</td><td>72.00</td></tr>
<tr><td>5</td><td>C&F Operations at Transit Shed and Warehouse etc.,</td><td>40.36</td><td>40.36</td><td>41.75</td><td>41.75</td></tr>
<tr><td>6</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
</td>
<td>
<table>
<tr><td rowspan="2">1</td><td rowspan="2">All cargoes other than Coal at Coal Jetty-II and Salt*</td><td rowspan="2">50</td><td>50.00 (FOR THERMAL Coal)</td></tr>
<tr><td>18.00*(Cargo other than thermal coal)</td></tr>
<tr><td>2</td><td>Coal at Jetty-II</td><td>50</td><td>50</td></tr>
<tr><td>3</td><td>Salt</td><td>50</td><td>18</td></tr>
<tr><td>4</td><td>For Container stuffing and destuffing operations</td><td>50</td><td>50</td></tr>
<tr><td>5</td><td>C&F Operations at Transit Shed and Warehouse etc.,</td><td>50</td><td>50</td></tr>
<tr><td>6</td><td>For Zone-B*</td><td>50</td><td>18.00 *</td></tr>
</table>
</td>
<td>operations. In the original proposal Port had proposed uniform rate of ₹30 per ton for foreign vessel, which has been revised to ₹50 per ton in the final revised proposal. The total estimated ARR for CHD is ₹97.64 Crores and the revenue estimated by the Port at the proposed rate is ₹77.67 crores.</td>
<td>than the estimated ARR leaving a revenue gap of ₹19.97 crores. The revised rate proposed by the VOCPT in said schedule is approved.</td>
</tr>
<tr>
<td>Note:
(2). The per tonne levy prescribed in schedule 6.1. is a consolidated rate and no separate worked wages shall be levied for actual deployment of labour from CHD.</td>
<td>Deleted.</td>
<td>Earlier, this note was required. Since 01.10.2014 onwards, the worked wages and labour levy are merged and composite levy per tonne is being collected thereafter. Hence now the note is not relevant and hence deleted.</td>
<td>Based on the clarification furnished by the port, the proposed deletion is approved.</td>
</tr>
</table>

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SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

TAMP/15/2019-VOCPT	**:**	**Proposal received from V. O. Chidambaranar Port Trust (VOCPT) for general revision of its Scale of Rates (SOR).**

The summary of the comments received from the users / user organisations and reply furnished by VOCPT thereon is tabulated below:

Sl. No.	Comments of the users / user organisations and BOT operators	Reply furnished by VOCPT
1.	**Bengal Tiger Line Pte. Ltd. (BTL)**	
(i).	The prevailing container shipping market continues to be difficult with over tonnage and resultant freight rates dropping below slot cost – with little hope of any improvement in the near future. Accordingly, any increase in port cost at this stage will be very detrimental to Feeder Operators and could well result in a complete review of service calls to VOC port. Furthermore, BTL would appreciate if TAMP can consider a rebate scheme to recognise BTL historical achievements which should provide a better incentive than those offered to newcomer Feeders and Main Lines calling in Tuticorin Port. Considering the market position of BTL, VOCPT will appreciate that BTL should be offered port charges on par with competition. Regret that market forces no longer allow BTL to pay higher port costs.	In respect of vessel related charges, the proposed rates are lesser than the prevailing rates of nearby ports. Moreover, all the major ports will increase tariff further from 01.04.2019. The proposal of port to increase 30% over the existing rates only is as per the Tariff Policy Guidelines, 2018 to recover the required Annual Revenue Requirement (ARR) of the port. However, port is in the process of formulating of volume discount schemes which will help the users to make the business more attractive.
2.	**PSA SICAL Terminals Ltd.**	
	As the Private Terminals are bound by LA, there is a need to see the viability and marketability of the coastal container volume, in order to encourage the coastal container traffic. Ports should equally contribute and absorb the proportionate cost by reducing the royalty/ revenue sharing on the coastal container volume with the Terminals.	The port is already extending the concession on vessel and cargo related charges to the coastal vessels. Further, the port is also extending the concession on Vessel Related Charges in respect of mainline Container vessels. Hence, no further absorption is possible in this regard at this stage.
3.	**Tuticorin Ship Agents Association (TSAA)**	
(i).	Port has only recently implemented the indexation in rates @ 3.45% increase w.e.f. 01.08.2018. Another revision in the Scale of Rates immediately is not justifiable and not acceptable to vessel Owners / trade as indirectly it will have an impact on the freight market due to the increase in port call, cost / PDA.	The implementation of WPI Indexation of 3.45% with effect from 01.08.2018 is not to be treated as revision of Scale of Rates. That increase is for WPI indexation announced by the TAMP towards price escalation towards expenditure and as per Clause 2.8 of Tariff Policy Guidelines, 2018, such escalation is due to escalation of wholesale price index applicable to all service all over India. The revision proposal is for 3 years which is required to meet out the operating expenditure of the port in which maintenance and

		development of infrastructure facilities to improve trade is also there.
(ii).	Noticed that average increase in the revised rate is approximately 30%. Considering the standard size of vessels which are normally calling Tuticorin port in terms of GRT, the ratio of increase is on higher side. As the lesser slab rates (< 30000 GRT) will be removed from the slab rates of various port / marine dues, there is no rationale of the rates for smaller size vessels particularly the lesser draft / tanker / general cargo vessels having GRT < 30000. Though the average hike works out to 30%, in the case of smaller size vessels (GRT less than 30000 MT) the increase seems to be very exorbitant and as follows:- - Pilotage (10000 – 30000) – 30% - 54% increase - Berth hire (3000 – 30000) – 38% - 236% increase	The tariff guidelines issued by the MOS clearly specified the requirement of levy of pilotage charges in 3 slabs and the TAMP is continuously insisting to levy vessel related charges under three slabs except port dues with a reduction of 20% of first slab to 2nd slab and 30% reduction for 3rd slab as below: (1) Upto 30,000 GRT (2) 30,001 to 60,000 GRT and (3) Above 60,000 GRT Accordingly, the proposal is submitted considering the rate upto 30,000 GRT as a base rate. Moreover, the increase proposed is with the average increase of ₹15 per M.T in the case of foreign vessels and ₹10/- per M.T in the case of coastal vessels which the trade can bear. When port is in the process of continuously increasing the draft by increasing expenditure, it is necessary to attract bigger size vessels and higher productivity.
(iii).	**<u>Shifting Charges</u>** : Though first shifting is free, the increase for 2nd shifting is too high as follows: GRT from 20000 – 30000 – 69% - 94% increase This overall steep increase in all above charges will badly hit smaller size vessels like copra, project cargo, general cargo vessels loading for Maldives, tankers (mainly palm oil vessels) and even container feeder vessels. VOCPT is aware, that the above size vessels call here in a sizable volume and on regular basis as well. They are the mainstay of our port traffic in terms of number of vessels.	With a view to rationalize the tariff, the port has made the first shifting as free and with regard to subsequent shifting, since, considerable equipment has to be utilized for movement, shifting charges have been proposed. However, the chances of second shifting is very meagre and hence the proposal does not have any impact.
(iv).	Cargoes like Ammonia, LPG, palm oil, CS lye, VCM, Sulphur and Phosphoric acid & dry bulk / break bulk cargoes like construction materials, oil cake cobra, timer logs, sulphur, Granite, windmill blades / towers / mound, Clinker, all other general cargoes and feeder container vessels which are medium size GRT between 3000 MT to 18000 MT have to pay proposed flat rates which mounting to 30% + than existing tariff.	Reply as per point no. (ii) above.
(v).	In respect of wharfage for LPG increase of ₹45 per Cum (from ₹155.89 to ₹200.15) and as regards windmill blades ₹105 PMT increase (from ₹155.18 to ₹260) is exorbitantly high.	In respect of increase in LPG wharfage, 30% increase on the existing rates is proposed to recover the required Annual Revenue Requirement (ARR). As far as Wind Mill Blades is concerned, the port collected at advalorem wharfage earlier since the windmill blade is a higher value cargo. The previous advalorem rate is

<table>
<tr><td></td><td></td><td>0.30% of manifested value which works out to ₹1,650/- per tonne and as against, that the port has proposed only ₹260/- per tonne. Even now in other port viz., Chennai, NMPT, Vizakh, Kandla and Mumbai Port Trusts, with the advolorem rates are being collected. In VOCPT, as stated by TAMP to dispense with the advalorem wharfage and to comply the Guidelines. The wind mill blades occupy more space with lesser weight having high value the wharfage is proposed higher of more than 30% on the existing rates but subject to within the ceiling limit of required Annual Revenue Requirement (ARR).</td></tr>
<tr><td>(vi).</td><td><u>Port Productivity norms:-</u>
Norms for windmill blades is also now increased from 200 Mts per day to 631 Mts per day.

Please note total weight of a single shipment of windmill blades (30 to 55 blades) is less than 500 Mts only, which is normally taking 2 to 3 days for loading / discharging, including welding / unwelding and lashing work. Therefore, it is not at all possible to achieve 631 Mts in a single day.

Hence, the current norms of 200 Mts per day for windmill blades may be maintained.</td><td>As per the current proposal, the concept of Productivity norms is kept outside the purview of Scale of Rates and be regulated as per Berthing Policy approved by the Board of Trustees from time to time on continuous monitoring and necessary action will be taken whenever changes in berthing norms takes place.</td></tr>
<tr><td>(vi).</td><td>A comparative statement showing the current and the proposed tariff is mentioned below:
<table>
<tr><th>#</th><th>Description</th><th>Current (USD)</th><th>Proposed (USD)</th><th>Increase (USD)</th><th>%</th></tr>
<tr><td>1</td><td>Port Dues</td><td>0.2661</td><td>0.3416</td><td>0.0755</td><td>28</td></tr>
<tr><td></td><td>Pilotage</td><td></td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>Upto 10,000</td><td>0.3604</td><td>0.5533</td><td>0.1929</td><td>54</td></tr>
<tr><td>2</td><td>10,001-15,000</td><td>0.3728</td><td>0.5533</td><td>0.1805</td><td>48</td></tr>
<tr><td>3</td><td>15,001-20,000</td><td>0.3863</td><td>0.5533</td><td>0.167</td><td>43</td></tr>
<tr><td>4</td><td>20,001-32,500</td><td>0.3998</td><td>0.5533</td><td>0.1535</td><td>38</td></tr>
<tr><td>5</td><td>25,001-30,000</td><td>0.4134</td><td>0.5533</td><td>0.1399</td><td>34</td></tr>
<tr><td>6</td><td>30,001-60,000</td><td>0.4269</td><td>0.4426</td><td>0.0157</td><td>4</td></tr>
<tr><td>7</td><td>60,001 and above</td><td>0.4269</td><td>0.3873</td><td>-0.0396</td><td>-9</td></tr>
<tr><td></td><td>Berth Hire</td><td></td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>Upto 3,000</td><td>0.0038</td><td>0.0084</td><td>0.0046</td><td>121</td></tr>
<tr><td>2</td><td>3,001-10,000</td><td>0.0025</td><td>0.0084</td><td>0.0059</td><td>236</td></tr>
<tr><td>3</td><td>10,001-15,000</td><td>0.0033</td><td>0.0084</td><td>0.0051</td><td>155</td></tr>
<tr><td>4</td><td>15,001-20,000</td><td>0.0041</td><td>0.0084</td><td>0.0043</td><td>105</td></tr>
<tr><td>5</td><td>20,001-25,000</td><td>0.0056</td><td>0.0084</td><td>0.0028</td><td>50</td></tr>
<tr><td>6</td><td>25,001-30,000</td><td>0.0061</td><td>0.0084</td><td>0.0023</td><td>38</td></tr>
<tr><td>7</td><td>30,001-60,000</td><td>0.0066</td><td>0.0067</td><td>0.0001</td><td>2</td></tr>
<tr><td>8</td><td>60,001 and above</td><td>0.0066</td><td>0.0059</td><td>-0.0007</td><td>-11</td></tr>
<tr><td></td><td>Shifting</td><td></td><td></td><td></td><td></td></tr>
<tr><td>9</td><td>Upto 10,000</td><td>0.1001</td><td>0.1937</td><td>0.0936</td><td>94</td></tr>
<tr><td>10</td><td>10,001-15,000</td><td>0.1036</td><td>0.1937</td><td>0.0901</td><td>87</td></tr>
<tr><td>11</td><td>15,001-20,000</td><td>0.1073</td><td>0.1937</td><td>0.0864</td><td>81</td></tr>
<tr><td>12</td><td>20,001-25,000</td><td>0.1111</td><td>0.1937</td><td>0.0826</td><td>74</td></tr>
<tr><td>13</td><td>25,001-30,000</td><td>0.1148</td><td>0.1937</td><td>0.0789</td><td>69</td></tr>
<tr><td>14</td><td>30,001-60,000</td><td>0.1187</td><td>0.1549</td><td>0.0362</td><td>30</td></tr>
<tr><td>15</td><td>60,001 and above</td><td>0.1187</td><td>0.1356</td><td>0.0169</td><td>14</td></tr>
</table></td><td>While comparing the cargo related earnings, the surplus to port in respect of vessel related earnings is comparatively very less and earnings of the cargo related service has to subsidise the loss of vessel related service. In such a scenario, the handling of lesser GRT vessels below 20,000 GRT vessels also bring lesser parcel size of cargo compared to higher GRT vessels. Hence, the lesser GRT vessels could not subsidise the loss of vessel related charges through wharfage earnings as done in the case of higher parcel size vessels hence it is inevitable to propose higher rate of increase with respect to lesser GRT vessels in comparison to higher GRT vessels.

When there is change in slab size in line with TAMP Guidelines and many other ports have taken the slabs proposed now in the 1st year such variation may exist, but it cannot be construed as abnormal.</td></tr>
<tr><td>(vii).</td><td>The VOC Port had already imposed application of indexation of 3.45% on all items of tariff</td><td>The implementation of WPI indexation of 3.45% with effect from 01/08.2018 shall</td></tr>
</table>

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<tr>
<td></td>
<td>covered under SOR w.e.f 1 August 2018 affecting the traffic Exim trade. However, the VOCPT has now again proposed for 30% increase on the existing tariff for all services in the port, exorbitant increase of 67.55% on wharfage for windmill blade etc.

It may not be out of place to mention that the traffic handled during the last 3 years has considerably decreased. The 30% escalation in Scale of Rates charges will further affect the trade in the VOC Port Trust in the years to come.

Statement showing the traffic handled during the last three years viz., 2016-17, 2017-18 and 2018-19 (upto Feb 2019) the traffic handled are as follows:
<table><tr><td>2016-17</td><td>38.46 million tonnes</td></tr><tr><td>2017-18</td><td>36.58 million tonnes</td></tr><tr><td>2018-19 (upto Feb 2019)</td><td>21.36 million tonnes</td></tr></table>It may be seen from the above the traffic considerably reduced.

Consequent on the trade becoming gradually less or a smaller, TSAA requests the port authorities to kindly take up with the TAMP protest of TSAA not to escalate or hike cost / charges / tariff as proposed.

TSAA would like to once again reiterate that considering the present market scenario and increased vessel operating expenses, TSAA strongly protests against tariff hike and requests that there may not be any increase in the port charges proposed to be implemented especially when cargo volume is dwindling and port is having negative growth.</td>
<td>not be treated as revision of Scale of Rates. That increase is for WPI indexation announced by the TAMP towards price escalation towards expenditure and as per clause 2.8 of the Tariff Policy Guidelines, 2018.

While comparing the vessel related charges with other Major Port Trusts, the rates of VOCPT is the least one. Moreover, the reduction of total traffic during the past three years is due to the slowdown of general market through sea route and closure of Sterlite Industry also affected the cargo volume handling. It is relevant here to state that existing rates of VOCPT are lower than other port, but other ports have positive growth and VOCPT had negative trend only because of captive plants which did not function.

The port proposes to increase 30% over the existing rates to recover the required Annual Revenue Requirement (ARR) of the ports as per TAMP Guidelines. However, in the past port extended required concessions to the deserved categories for the incremental cargo handled. Hence, the users can handle more incremental cargo and utilize the facility of such concession. Moreover, the port has also proposed a reduction of 58% in labour levy and net increase is only 4.91%, which was to be appreciated by the trade.</td>
</tr>
<tr>
<td>4.</td>
<td>IMCOLA Crane Company Private Limited</td>
<td></td>
</tr>
<tr>
<td>(i).</td>
<td>VOCPT has a capacity of 68 MMT/Yr and has handled a volume of 36.6 MMT in the year 2017-18. This indicates that the port is operating at an efficiency of 53.8%. It would be a grave injustice to all the existing users if the port increases the tariff to make up for the shortfall in the volumes and revenues. Increasing the tariff is tantamount to subsidizing existing inefficiencies by burdening the existing business, which is wrong in principle, wrong in business and will inflict irreversible damage to the existing customers of the port. The policy of increasing the existing charges goes against all business fundamentals. Any prudent business organization would delve deep into this inefficiency to search for a palatable solution to this problem.</td>
<td>Considering the requirements of the Trade, the port used to build the capacity and make it available for utilization. The proposal of the port to increase the tariff is to recover the cost duly excluding of the $2/3^{rd}$ of the pension cost and restricting Management & General Expenditure to $1/4^{th}$ of operating expenditure and a return of 16% and accordingly, the increase in tariff is being proposed which is as per the tariff policy guidelines issued by Ministry of Shipping. Even, M/s.IMCOLA Crane is also facing a declining trend in cargo handled in 2017-18 in comparison with cargo handled in 2016-18. However, due to extension of concession by port, the traffic has been increased over the previous years and no efforts are being made by IMCOLA to increase cargo</td>
</tr>
</table>

		handling. Further, as per the frame work under Tariff Policy Guidelines 2018, the port can increase the tariff by 22.54%. However, considering various efforts taken by the port to attract the cargo, a 4.91% increase only is considered over the existing tariff.
(ii).	A solution may come in terms of eliminating the present inefficiencies whatever they may be. It may also include marginal investment to attract more traffic and neutralize the inefficiency to an extent. In any case, raising the tariff by 33% is not a solution but will be the cause of a bigger problem. The increase in charges will only scare away the customers whose costs are marginally less than the neighbouring ports. In our humble opinion, they can see that Chettinad Cement (0.6 MMT), TNPL (1.1 MMT/Y), Devendran Coal (0.6 MMT) are prime candidates who will definitely consider running away. Coal being used for producing electricity will be a prime candidate for decamping from VOCPT to another port since the end product of electricity can be transported very easily.	As per the prevailing SOR, the tariff of VOCPT is comparatively less than other neighboring ports. Also, like VOCPT, SOR revision is due for other neighboring ports also. The users mentioned viz., Chettinad Cement, TNPL, Devendran Coal have preferred this port considering the higher productivity in handling the coal in IX Berth through 3 Nos. of HMC and Conveyor facility available at IX Berth. Hence, the handling cost per tonne will be comparatively less than neighboring ports due to higher productivity from mechanized facility available at IX Berth.
(iii).	Whilst on the topic of eliminating inefficiency, IMCOLA will see that Labour Levy is planned to be increased to ₹30/MT, assuming that intention of VOCPT is to apply to the volume handled by HMCs also. VOCPT may recall that last year, after a prolonged discussion with the port, it was agreed to remove the labour levy for all cargoes being handled by the Mobile Harbour Cranes, since there was no port labour actually being utilized for such cargo handling. The work was being done by the PPP operator using big cranes which has big investments. The proposal now points to a direction of deliberately increasing labour levy to render all mechanical operations inefficient and expensive. Customers will not hesitate to bring in ships and discharge with ship's gear, even though discharge rate is far less and incomparable to the volume that can be handled by HMCs per hour. This will directly result in congestion and customers will slowly but surely move to other nearby ports. The proposal of increasing tariff and imposing Labour levy goes against the grain of the Government of India's vision of increasing depth, brining larger vessels/ parcels, utilizing efficient mechanization and eliminating inefficiency.	As per TAMP Guidelines, for revision of General SOR, the port can submit the proposal to recover the required Annual Revenue Requirement (ARR) arrived at of last three years average operating expenditure including pension contributions and working capital requirement. The ARR for CHD is ₹103.76 crores which requires to increase the levy by 56.23% since, the CHD has to function as a separate administrative unit under the port and that it would continue as self-financing cost centre. Instead, the proposal is to recover operating expenditure only to run the Cargo Handling Division excluding the pension payments and other working capital requirements at an average rate of ₹30/- per M.T reducing from ₹72/- per tonne to benefit all users utilizing the port. Even after the discount announced last year, HMC operator had not done any marketing to bring additional volume and the port is in view that the tariffs are to be rationalized across all areas. In fact port needs to increase tariff by 22.54% but port proposes a net increase of 4.91% which is very nominal increase.
(iv).	It is of high relevance to note that the revenue share arising out of operations of IMCOLA HMCs including the revenue share on any additional volume should be factored in. Similarly, the volume handled by the conveyor also generates revenue share in addition to the revenue share being paid by IMCOLA Cranes.	The revenue share quoted by M/s.IMCOLA Crane Company Private Ltd., for HMC Operations (26.55%) is the least one of Revenue share comparing the revenue share quoted by other BOT Operators. The Revenue share quoted for conveyor facilities is 50% and

	It is in this background that VOCPT can consider waiving off the Labour levy completely for volumes handled by the HMCs of IMCOLA Cranes. It is IMCOLA's humble submission that the advantage of these revenue shares shall not be passed on, in general, to the other port users by way of reduction in their tariffs. The good work and good decision taken just a few months ago regarding reducing Labour Levy to Re.1/MT, is being nullified by the above moves of the Port. In other words, a calculated decision is being taken to increase inefficiency. They strongly protest against the move to raise tariff and to re-impose Labour levy and request that Labour levy be retained at existing levels of ₹1/MT for the cargo handled by HMCs.	revenue share quoted for providing other berth facilities are more than 50%. As stated above, the port has proposed the levy at ₹30/- per M.T as against the existing tariff of ₹72.00 per M.T resulting a loss of ₹42.00 per M.T against which only an amount of ₹15/- per M.T towards revenue share is being received from the HMC operator still leaving a loss of ₹27/- per tonne to the port. The proposal of port in reducing the labour levy to ₹1/- per MT is an experimental one and it resulted in huge loss to the port by around ₹5.00 crores. It is surprising to note that, it increases inefficiency. Performance Standards are fixed for equipment which is not related to tariff fixation. Re1/- per MT is only a concession for a fixed period and not permanent.
(v).	IMCOLA Cranes is even at the present volume being handled, is operating at less than 50% of its capacity with the 3 HMCs despite having completed 5 years of operation of the 10 years concession period. The Project is suffering huge losses and is already in a precarious condition financially. Any direct or indirect negative impact on the financial side will certainly cause its collapse.	As stated above, the port is already losing an amount of ₹66/- per tonne on levy and in the interest of users, the levy has been proposed at ₹30/- per tonne as against ₹72/- per M.T. Now, the individual users have to provide cost effective services which may lead to increase in revenue. The port is offering discounts for a win-win situation where the operator also need to market, offer discounts/ incentives from their end and bring cargo.
(vi).	On the positive side, IMCOLA understands and appreciates the fact that VOCPT has planned Capex for deepening the channel and approaches to berths, thereby allowing bigger ships to come in. This is a step in the right direction and the increase in permissible draughts will definitely attract increasing number of vessels and cargo. Even assuming an increase in the volume upto 75% of the port's capacity, the port can get additional revenue to the extent of almost 35% besides giving a filip for further growth. This additional 35% revenue will compensate the port enough to cover the required returns and still have a spare capacity of 25%. This increased revenue should be estimated and used for offsetting the Capex instead of burdening the present users. Increase of depths together with enhanced efficiencies, will definitely make redundant, the very idea of increase in tariff. Therefore, IMCOLA requests to kindly consider keeping the previous tariff and watching the increase in traffic over the coming years by	As stated, the port is taking all necessary efforts to bring higher parcel size vessels by dredging and deepening of the channel and even offered concession in pilotage and Berth hire for higher slabs i.e., 30,000 GRT to 60,000 GRT and 60,001 GRT to 80,000 GRT vessels to increase the handling which will inform increase in handling by operators also. Further, it can be seen from the tariff proposed that the port proposed to levy low tariff on pilotage and Berth hire charges for the higher parcel size vessels only considering the increased revenue through handling more number of higher parcel size vessels in future and proposed reduction in labor levy from the existing rate of ₹72/- to ₹30/- per M.T results in cost effective services at VOCPT.

<table>
<tr><td></td><td>which time the newly attracted trade will be comfortable and grow roots in VOCPT.</td><td></td></tr>
<tr><td></td><td>IMCOLA hope and pray that VOCPT will see merit in their arguments, appreciate the reason of logic and consider their plea for the following:
(i). Increase the port’s utilization by increase in depths/ draughts.
(ii). Retaining the existing tariff.
(iii). Retaining the existing labour levy of Re1/MT for cargo handled by HMCs.</td><td>-</td></tr>
<tr><td>5.</td><td>All India Chamber of Commerce and Industries (AICCI)</td><td></td></tr>
<tr><td>(i).</td><td>Tuticorin trade is facing indexation very often, last year 3.45% indexation was implemented retrospectively from 1 August 2018 and 4.25% was implemented from 1 May 2019 and further increase up to 30% (Also changes to be made in Tariff structure) w.e.f. 1 September 2019 or on approval from TAMP whichever is earlier.
<table>
<tr><th>Tariff increased by 4.25% from 1 May 2019</th><th>US$ / GRT</th><th>Proposed to increase the tariff by 33.13%</th><th>US$ / GRT</th><th>Increase in %</th></tr>
<tr><td>Port Dues</td><td>0.2774</td><td>Port Dues</td><td>0.3416</td><td>+23%</td></tr>
<tr><td>Pilotage Fees</td><td></td><td>Pilotage Fees</td><td></td><td></td></tr>
<tr><td>Up to 10,000 GRT</td><td>0.3758</td><td>Up to 30,000 GRT</td><td>0.5533</td><td>+47%</td></tr>
<tr><td>10,001-15,000 GRT</td><td>0.3887</td><td>Up to 30,000 GRT</td><td>0.5533</td><td>+42%</td></tr>
<tr><td>15.001-20,000 GRT</td><td>0.4028</td><td>Up to 30,000 GRT</td><td>0.5533</td><td>+37%</td></tr>
<tr><td>20,001-25,000 GRT</td><td>0.4168</td><td>Up to 30,000 GRT</td><td>0.5533</td><td>+33%</td></tr>
<tr><td>25,001-30,000 GRT</td><td>0.431</td><td>Up to 30,000 GRT</td><td>0.5533</td><td>+28%</td></tr>
<tr><td>30,001-60,000 GRT</td><td>0.4451</td><td>30,001-60,000 GRT</td><td>0.4426</td><td>-1%</td></tr>
<tr><td>60,001-Above GRT</td><td>0.4451</td><td>60,001-Above GRT</td><td>0.3873</td><td>-13%</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Berth Hire</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Upto 3,000 GRT</td><td>0.004</td><td>Upto 30,000 GRT</td><td>0.0084</td><td>+110%</td></tr>
<tr><td>3,001 to 10,000 GRT</td><td>0.0026</td><td>Upto 30,000 GRT</td><td>0.0084</td><td>+223%</td></tr>
<tr><td>10,001 to 15,000 GRT</td><td>0.0034</td><td>Upto 30,000 GRT</td><td>0.0084</td><td>+147%</td></tr>
<tr><td>15,001 to 20,000 GRT</td><td>0.0043</td><td>Upto 30,000 GRT</td><td>0.0084</td><td>+95%</td></tr>
<tr><td>20,001 to 25,000 GRT</td><td>0.0058</td><td>Upto 30,000 GRT</td><td>0.0084</td><td>+45%</td></tr>
<tr><td>25,001 to 30,000 GRT</td><td>0.0064</td><td>Upto 30,000 GRT</td><td>0.0084</td><td>+31%</td></tr>
<tr><td>30,001-60,000 GRT</td><td>0.0069</td><td>30,001-60,000 GRT</td><td>0.0067</td><td>-3%</td></tr>
<tr><td>60,001- Above GRT</td><td>0.0069</td><td>60,001-Above GRT</td><td>0.0059</td><td>-14%</td></tr>
</table></td><td rowspan="2">Clause 2.8, Clause 3.1 and Clause 3.2 of Tariff Policy for Major Port 2018 dealt with the indexation to inflation to the extent of 100% of the variation in WPI announced by the Govt. of India. Clause 3.2 clearly specifies the condition for indexation of SOR as that the indexation of as provided in Clause 2.8 will be subject to achievement of Performance Standards committed by the respective Major Port as per Clause 3.1 of Tariff Policy for Major Ports, 2018.

Accordingly, consequent on achievement of the Performance Standards, indexation for the Financial years 2018-19 and 2019-20 is eligible and the Scale of Rates of VOCPT has been indexed annually for the relevant financial years. Hence, the indexation to Scale of Rates is strictly as per the relevant provisions/ clauses of Tariff Policy Guidelines, 2018 and on annual basis at 3.45% for 2018-19 and 4.26% for 2019-20 over the prevailing Scale of Rates.

Further, with regard to the reduction of slabs of GRT for pilotage and berth hire charges, the proposal is as per the directions of Govt. of India and Tariff Policy Guidelines issued from time to time, wherein it was clearly mentioned that procedure to be adopted for unit for levying vessel related charges and the slabs. Accordingly, to extend the benefit for higher parcel size vessels resulting lower handling/landing cost to the trade, the slabs has been prescribed at the methodology prescribed.

However, consequent on request made by the port users for review and revisit of the proposed port charges at Joint Hearing conducted by Tariff Authority for Major Ports, Port has accepted to include one more slab in addition to the</td></tr>
<tr><td>(ii).</td><td>At present, every week there are 7 Feeder vessel calls (364 calls per year), 1 main line call (52 calls per year), 4 coastal vessels and 1 fortnight coastal (234 calls per year) vessels calling Tuticorin Port. Frequent increase in Tariff and upcoming changes in tariff structure will affect the container vessel number of calls per week and it may increase freight levels as majority of the container vessels are below 20,000 GRT which will give advantage to the nearest ports to attract our volume.</td></tr>
</table>

<table>
<tr><td></td><td></td><td>3 slabs as prescribed in Tariff Policy 2018 and further reduction of 10% in the proposed tariff also has been made and the revised proposed tariff is as follows:
<table>
<tr><th>Slabs</th><th colspan="2">Pilotage</th><th colspan="2">Berth Hire Charges</th></tr>
<tr><th></th><th>F</th><th>C</th><th>F</th><th>C</th></tr>
<tr><th></th><th>$</th><th>₹</th><th>$</th><th>₹</th></tr>
<tr><td>Upto 20,000 GRT</td><td>0.5162</td><td>13.47</td><td>0.0075</td><td>0.1932</td></tr>
<tr><td>20,001 to 30,000 GRT</td><td>0.5338</td><td>13.92</td><td>0.0081</td><td>0.2105</td></tr>
<tr><td>30,001 to 60,000 GRT</td><td>0.4270</td><td>11.14</td><td>0.0065</td><td>0.1684</td></tr>
<tr><td>60,001 GRT & above</td><td>0.3737</td><td>9.74</td><td>0.0057</td><td>0.1474</td></tr>
</table></td></tr>
<tr><td>(iii).</td><td>AICCI furnishes herewith the details of tariff increase in comparison with other Major Ports.
<table>
<tr><th>Port</th><th>Previous Tariff Increase</th><th>Recent Tariff Increases</th><th>Next Tariff Increase</th></tr>
<tr><td>Tuticorin</td><td>20% Increase from 9 Nov 2016</td><td>3.26% from 1 Aug 2018 (Implemented retrospectively & 4.26% from 1 May 2019)</td><td>33.13% increase 1 Sep 2019 or on approval from TAMP</td></tr>
<tr><td>Chennai</td><td>10 Nov 2016</td><td>1 May 2019</td><td>- NIL -</td></tr>
<tr><td>Visakhapatnam</td><td>21 Aug 2016</td><td>No notification yet</td><td>- NIL -</td></tr>
<tr><td>Cochin</td><td>1 Sep 2018</td><td>1 May 2019</td><td>- NIL -</td></tr>
<tr><td>Kolkata</td><td>30 Dec 2016</td><td>No notification yet</td><td>- NIL -</td></tr>
<tr><td>Mangalore</td><td>13 May 2016</td><td>No notification yet</td><td>- NIL -</td></tr>
<tr><td>Goa</td><td>1 May 2016</td><td>No notification yet</td><td>- NIL -</td></tr>
</table></td><td rowspan="2">Clause 2.9 and 3.2 of the Tariff Policy for Major Ports, 2018 deals with the validity of Scale of Rates and Annual indexation to Scale of Rates. Further, Clause 3.2 of Tariff Policy for Major Ports, 2018 fulfill the Performance Standards, no indexation would be allowed during the next year.

Increase in Scale of Rates on account of indexation is subject to fulfillment of Performance standards by each of the Major Ports. CHPT, VPT, COPT, KPT, NMPT and MOPT, indexation depends on achievement of Performance Standards by the respective Ports and hence no comments to offer in this regard. With regard to the indexation of SOR at VOCPT, it clearly indicates the efforts taken by the Port in providing efficient services increasing productivity which has resulted in reduction in landing cost to the Port users/ importers.</td></tr>
<tr><td>(iv).</td><td>AICCI would like to highlight that Tuticorin trade is unique when comparing with other Major ports in India, which requires continuous vessel calls. Tuticorin port is very closer to the transshipment hub (Colombo) & nearest to the international trade route which allows container vessel operators to maintain the frequency of vessel calls to serve the trade better. This remains the major strength to compete with nearest ports.</td></tr>
<tr><td>(v).</td><td>Already the trade is depreciating or diminishing considerably in bulk cargo volume due to closure of major units in and around Tuticorin. Container volumes managed to show some reasonable growth. Container throughput details from 2010 to April 2019 is given below. The target for this year is to reach 1 Million TEUs.
<table>
<tr><th>Year</th><th>Throughput</th><th>Growth in %</th></tr>
<tr><td>2010</td><td>4,58,653</td><td></td></tr>
<tr><td>2011</td><td>4,79,896</td><td>+5%</td></tr>
<tr><td>2012</td><td>4,68,760</td><td>-2%</td></tr>
<tr><td>2013</td><td>4,93,958</td><td>+5%</td></tr>
<tr><td>2014</td><td>5,44,743</td><td>+10%</td></tr>
<tr><td>2015</td><td>5,97,924</td><td>+10%</td></tr>
<tr><td>2016</td><td>6,35,156</td><td>+6%</td></tr>
<tr><td>2017</td><td>6,67,400</td><td>+5%</td></tr>
<tr><td>2018</td><td>7,47,026</td><td>+12%</td></tr>
<tr><td>Till April 2019</td><td>2,51,709</td><td></td></tr>
</table>
The major disadvantage is port cost. At this juncture if the port tariff will be increased further by 30%, it will be 350% costlier when compared with nearest transshipment hub (Colombo).</td><td rowspan="2">The Major Ports functioning under Tariff Policy for Major Ports, 2018, has to determine the Scale of Rates based on the Annual Revenue Requirement (ARR) which is the average of the sum of Actual expenditure as per final Audited Accounts of the immediate preceding three years plus 16% Return on Capital Employed subject to exclusion of Estate related expenses, Interest on loans 2/3 of one time expenses, contribution to pension fund and gratuity fund and 75% of Management & General Administration Expenditure. However, as per the above methodology port has not collected the entire expenditure incurred by it. Further, it is to submit that VOCPT has not proposed to recover the entire ARR to be determined as Clause 2.1 to 2.3 of Tariff Policy for Major Port 2018 and left unbridged shortfall for the purpose of revision of SOR with a view not to load on the Port users.

Further, the Major Ports have to generate the funds for the development</td></tr>
<tr><td>(vi).</td><td>AICCI has furnished the comparison table between Colombo Vs. Tuticorin for various types of vessels per 24 hours berth stay.</td></tr>
</table>

<table>
<tr>
<td></td>
<td>
<table>
<tr><th colspan="4">Present Tariff (After 4.26% Increase)</th><th colspan="4">Proposed Tariff</th></tr>
<tr><td>GRT</td><td>Colombo (in $)</td><td>Tuticorin (in $)</td><td>Difference in %</td><td>GRT</td><td>Colombo (in $)</td><td>Tuticorin (in $)</td><td>Difference in %</td></tr>
<tr><td>18,000</td><td>4,991</td><td>16,201</td><td>225</td><td>18,000</td><td>4,991</td><td>22,433</td><td>349</td></tr>
<tr><td>30,000</td><td>8,318</td><td>29,402</td><td>253</td><td>30,000</td><td>8,318</td><td>37,389</td><td>350</td></tr>
<tr><td>45,000</td><td>12,477</td><td>45,381</td><td>264</td><td>45,000</td><td>12,477</td><td>59,713</td><td>379</td></tr>
</table>
</td>
<td>of infrastructure to cater the needs of port users. Whereas in case of development of infrastructure at Colombo, the Government of Sri Lanka will arrange sufficient / required funds which result in no load on the Port Users. Hence, the comparison of tariff of VOCPT with that of tariff of Ports of Sri Lanka is not on equal footing.

Further, the determination of tariff at Indian Major Ports depends on the cargo handled in the preceding year. Hence, the increase cargo handling will certainly help the trade in reduction in tariff in the succeeding year.</td>
</tr>
<tr>
<td>(vii).</td>
<td>AICCI request to consider to offer some discounts like few other Major Ports. The discount details are as below:
<table>
<tr><th>Port</th><th>Discount Levels</th></tr>
<tr><td>Visakhapatnam</td><td>50% discount on Port Dues & Pilotage</td></tr>
<tr><td>Chennai</td><td>15% discount on Port Dues, Pilotage & Berth Hire</td></tr>
<tr><td>Mangalore</td><td>25% discount on Port Dues & Berth Hire</td></tr>
</table>

In the circumstances, AICCI requests to kindly consider the above points and take favourable action not to increase the port tariff.</td>
<td>Discounts are within the purview of Board. VOCPT also provides discounts in vessel related charges for main line container vessels. Also discount is being offered for the incremental cargo/ new cargo handled on case to case basis. Also on comparison of existing tariff of VOCPT with VPT, CHPT, NMPT, VOCPT is the lowest by third place among all Major Ports.</td>
</tr>
<tr>
<td>6.</td>
<td>Tuticorin Ship Agents Association (TSAA)</td>
<td></td>
</tr>
<tr>
<td>(i).</td>
<td>The entire trade and stakeholders are on shock in view of the proposed application of indexation by 4.25% w.e.f 1 May 2019 and further the revision / increase in scale of rates upto 30% w.e.f 1 September 2019 or on approval from TAMP whichever is earlier.</td>
<td rowspan="3">Reply furnished to the comments of All India Chamber of Commerce and Industries (AICCI) at Sr. No. (5) above, which has been brought out below:

(a). Clause 2.8, Clause 3.1 and Clause 3.2 of Tariff Policy for Major Port 2018 dealt with the indexation to inflation to the extent of 100% of the variation in WPI announced by the Govt. of India. Clause 3.2 clearly specifies the condition for indexation of SOR as that the indexation of as provided in Clause 2.8 will be subject to achievement of Performance Standards committed by the respective Major Port as per Clause 3.1 of Tariff Policy for Major Ports, 2018.

(b). Accordingly, consequent on achievement of the Performance Standards, indexation for the Financial years 2018-19 and 2019-20 is eligible and the Scale of Rates of VOCPT has been indexed annually for the relevant financial years. Hence, the indexation to Scale of Rates is strictly as per the relevant provisions/ clauses of Tariff Policy Guidelines, 2018 and on annual basis at 3.45% for 2018-19 and 4.26% for 2019-20 over the prevailing Scale of Rates.</td>
</tr>
<tr>
<td>(ii).</td>
<td>The trade is deprecating considerably and implementation of application of indexation and general revision of scale of rates will further hit the trade for sure. Details of traffic handled during last three years viz., 2016-17, 2017-18 and 2018-19 are furnished below:
<table>
<tr><td>2016-17</td><td>38.46</td><td>Million Tonnes</td></tr>
<tr><td>2017-18</td><td>36.58</td><td>Million Tonnes</td></tr>
<tr><td>2018-19</td><td>34.34</td><td>Million Tonnes</td></tr>
</table>
</td>
</tr>
<tr>
<td>(iii).</td>
<td>Tuticorin port implemented application of indexation by 3.45% w.e.f 1 August 2018, further now an increase of 4.25% w.e.f 1 May 2019 and proposed increase of SOR upto 30% w.e.f 1 September 2019, which would be a huge blow over the trade. TSAA furnishes here below the details of increase in tariff comparatively with other Major Ports.
<table>
<tr><th>Port</th><th>Tariff increase previously</th><th>Tariff Increase Proposed Now</th></tr>
<tr><td>Chennai</td><td>10 Nov 2016</td><td>1 May 2019</td></tr>
<tr><td>Visakhapatnam</td><td>21 Aug 2016</td><td>No notification yet</td></tr>
<tr><td>Cochin</td><td>1 Sept 2018</td><td>1 May 2019</td></tr>
<tr><td>Tuticorin</td><td>1 Aug 2018 (Implemented retrospectively)</td><td>1 May 2019</td></tr>
<tr><td>Kolkata</td><td>30 Dec 2016</td><td>No notification yet</td></tr>
<tr><td>Mangalore</td><td>13 May 2016</td><td>No notification yet</td></tr>
</table>
</td>
</tr>
</table>

	Goa 1 May 2016 No notification yet Repetitive increase in tariff is seen only at Tuticorin and no notification in other major port trust except Chennai and Cochin where their last increase was only during the year 2016.	(c). The Major Ports functioning under Tariff Policy for Major Ports, 2018, has to determine the Scale of Rates based on the Annual Revenue Requirement (ARR) which is the average of the sum of Actual expenditure as per final Audited Accounts of the immediate preceding three years plus 16% Return on Capital Employed subject to exclusion of Estate related expenses, Interest on loans 2/3 of one time expenses, contribution to pension fund and gratuity fund and 75% of Management & General Administration Expenditure. However, as per the above methodology port has not collected the entire expenditure incurred by it. Further, it is to submit that VOCPT has not proposed to recover the entire ARR to be determined as Clause 2.1 to 2.3 of Tariff Policy for Major Port 2018 and left unbridged shortfall for the purpose of revision of SOR with a view not to load on the Port users. (d). Further, the Major Ports have to generate the funds for the development of infrastructure to cater the needs of port users.
(iv).	Considering the trade in and around Tuticorin, closure of some of the major units like M/s. Sterlite Industries India Limited, M/s. Ind Bharat, major export cargoes like aggregate, beach sand minerals has completely stopped and traditional export cargo of Salt and Granites hit the bottom. The number of vessels calling Tuticorin has decreased considerably in proportionate. Being no prospective for new business to increase the trade, they it is reiterated that considering the present market scenario, by proposing increase in vessel operating expense, Port may lose many small scale units as well as trading units to shift to other private ports.	
(v).	TSAA strongly protests against tariff hike and requests that there may not be any increase in the port charges and also request to take up with TAMP to rescind the declared 4.26% WPI indexation on general scale of rates for the year 2019-20 w.e.f 1 May 2019 when cargo volume is dwindling and port is having negative growth for the last 3 years as stated above. Further, this increase in application of indexation and scale of rates will affect the number of vessels calling Tuticorin including container vessels on account of a steep increase for handy, supra and panama vessels.	
7.	**Tuticorin Ship Agent's Association, (TSAA)**	
(i).	At the outset, we state that the proposal of VOCPT with regard to increase in the Vessel related charges will seriously affect the traffic, i.e. container, liquid and solid bulk as well very badly. The details are mentioned below:	With regard to the reduction of slabs of GRT for pilotage and berth hire charges, the proposal is as per the directions of Govt. of India and Tariff Policy Guidelines issued from time to time, wherein it was clearly mentioned that procedure to be adopted for unit for levying vessel related charges and the slabs. Accordingly, to extend the benefit for higher parcel size vessels resulting lower handling/landing cost to the trade, the slabs has been prescribed at the methodology prescribed. However, consequent on request made by the port users for review and revisit of the proposed port charges at Joint Hearing conducted by Tariff Authority for Major Ports, Port has accepted to include one more slab in addition to the 3 slabs as prescribed in Tariff Policy 2018 and further reduction of 10% in the proposed tariff also has been made and the revised proposed tariff is as follows:
(a).	As per the Proposed SOR for VRC, there is a change in the slabs of pilotage and berth hire. While the existing SOR for berth hire has 6 slabs for vessels upto 30000 GRT, the proposed SOR for berth hire has only 1 slab upto 30000 GRT. Similarly, for SOR for the pilotage has 5 slabs upto 30000 GRT, the proposed SOR for pilotage has only 1 slab upto 30000 GRT. This change in the slab will be having a very serious impact as the vessels which are calling Tuticorin are primarily below 30000 GTR falling in various slab of existing SOR. Given below slab wise number of vessels called VOC Port in 2018 (January to December). (i). Container – Outer of 536 vessels, 477 vessels (89%) fall under below 30000 GRT	

(ii). Liquid bulk – Out of 180 Vessels, 178 vessels (99%) fall under below 30000 GRT
(iii). Dry bulk – Out of 572 vessels, 267 vessels (47%) fall under below 30000 GRT
(iv). Total vessels – Cut of 1288 vessels, 922 vessels (72%) fall under below 30000 GRT

Slabs	Pilotage		Berth Hire Charges	
	F	C	F	C
	$	₹	$	₹
Upto 20,000 GRT	0.5162	13.47	0.0075	0.1932
20,001 to 30,000 GRT	0.5338	13.92	0.0081	0.2105
30,001 to 60,000 GRT	0.4270	11.14	0.0065	0.1684
60,001 GRT & above	0.3737	9.74	0.0057	0.1474

(ii). The methodology of changing the SOR slabs for the VRC and the proposed increase is leading to huge impact on vessels less than 30000 GRT. Given below is the chart which contains the actual increase in percentage for various size of vessels.

PARTICULARS	EXISTING TARIFF AFTER IMPLEMENTATION OF INDEXATION AS PER WPI i.e., 4.26%	ARR PROPOSAL TARIFF	HIKE%
PORT DUES	**RATE/GRT $**	**RATE/GRT $**	
Any GRT	0.2774	0.3416	23.14%
PILOTAGE			
GRT UPTO 10000	0.3758		47.23%
GRT 10001 TO 15000	0.3887	0.5533	42.35%
GRT 15001 TO 20000	0.4028		37.36%
GRT 20001 TO 25000	0.4168		32.75%
GRT 20001 TO 30000	0.431		32.75%
GRT ABOVE 30000 TO 60000	0.451	0.4436	28.38%
GRT ABOVE 60000		0.3873	-0.34%
BERTH HIRE CHARGES			
UPTO 3000 GRT	0.004		110%
GRT 3001 TO 10000	0.0026	0.0084	223.08%
GRT 10001 TO 15000	0.0034		147.06%
GRT 15001 TO 20000	0.0043		95.35%
GRT 20001 TO 25000	0.0058		44.35%
GRT 25001 TO 30000	0.0064		31.25%
GRT ABOVE 30000 TO 60000	0.0069	0.0067	-2.89%
GRT ABOVE 60000		0.0059	

(iii). Please find below few example of the impact of the proposed SOR for VRC basis actual vessels which calls VOC Port regularly.

GRT	VESSEL	PORT DUES		PILOTAGE	
		EXISTING	PROPOSED	EXISTING	PROPOSED
		USD	USD	USD	USD
9957	IONION EXPRESS	3259	4014	4416	6501
13188	GANTA BHUM	4317	5316	6049	8610
18257	CAPE NEMO	5976	7360	8678	11920

BERTH HIRE (24 HRS)		TOTAL VRC		VARIANCE	
EXISTING	PROPOSED	EXISTING	PROPOSED	USD	INCREASE IN %
USD	USD	USD	USD		
587	1895	8262	12410	4148	50%

<table>
<tr><td></td><td><table><tr><td>1016</td><td>2510</td><td>11382</td><td>16436</td><td>5055</td><td>44%</td></tr><tr><td>1779</td><td>3475</td><td>16432</td><td>22755</td><td>6323</td><td>38%</td></tr></table>
Such steep increase in VRC will seriously impact the commercial viability of the vessels calling VOC Port, particularly the vessels which are less than 30000 GRT.</td><td rowspan="4"></td></tr>
<tr><td>(iv).</td><td>Further, there had been an increase of 3.45% & 4.26% (Over all 7.71%) with effect from 01/08/2018 (implemented retrospectively after informing about the change in tariff on 28th September 2018) and 01/05/2019 respectively. We reliably understand that various Major Ports such as Mangalore, Mormugao, Vizag and Kolkata have not gone for one or both the increases. If we consider 20% increase in November 2016, 3.45% increase in August 2018 and 4.26% in May 2019, and proposed 33.13% w.e.f. 1st September 2019, the quantum of increase adds upto 60.84% in a span of three years. Having implemented these revisions that too within a short span and then going for one more huge increase of 33.13% will make VOC Port highly unviable.</td></tr>
<tr><td>(v).</td><td>Moreover, with the increase as proposed by VOC Port, our VRC will become approx., 350% higher than the nearest transshipment hub for container i.e. Colombo.</td></tr>
<tr><td>(vi).</td><td>We thereby plead with TAMP to kindly consider the following:
(i). Maintain the slabs as per the existing SOR.
(ii). Instead of exorbitant increase in VRC charge, may propose nominal increase.</td></tr>
<tr><td>8.</td><td>Tuticorin Custom Brokers Association (TCBA)</td><td></td></tr>
<tr><td>(i).</td><td>The vessel related charges of container ships which are calling Tuticorin on regular weekly schedules will see an increase of 40 to 50% of the existing charges. The vessel operators would increase the slot cost/ freight rate and pass it on to the importers/ exporters and the coastal traders.</td><td rowspan="4">The comments of Tuticorin Customs Brokers Association (TCBA) is repetitive in nature. The Port has already furnished its detailed remarks on reply furnished to the comments of All India Chamber of Commerce and Industries (AICCI) at Sr. No. (5) above.</td></tr>
<tr><td>(ii).</td><td>We are already finding it very difficult to prevent containerized cargo diversion to our Port to neighboring ports such as Cochin, Chennai, Kattupalli & Krishnapatnam due to various factors.</td></tr>
<tr><td>(iii).</td><td>In addition to existing challenges, further increase in Freight rate due to steep increase in Vessel related charges will make it even more difficult to sustain existing business as well attract incremental volumes from hinterland.</td></tr>
<tr><td>(iv).</td><td>Hence, we would request the TAMP to kindly avoid such exorbitant increase in Vessel related charges.</td></tr>
<tr><td>9.</td><td>Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO)</td><td></td></tr>
</table>

(i).	TANGEDCO is utilizing the NCB 1 berth pertaining to NTPL in case of bunching of vessels at coal jetty-II and moving the coal through link conveyor, as agreed in the MOU. Since coal jetty I has been taken up for upgradation. The berth hire charges at CJ-I and II is ₹0.0172 per Gross Registered Tonnage (GRT), whereas the berth hire charges at NCB1 is ₹0.66 per GRT for 30000 GRT vessels. This amounts to double the charges at NCB 1 compared to CJ-I and II.	The Scale of Rates for NCB-I and Coal Jetty-I & II depends upon the capital cost, capacity and facilities available at the berth and hence not comparable. Similarly, the average output per day fixed is 15,000 MT/day in case of Coal jetty and 25,000 MT/day for NCB-I. Hence, increased handling rate would lead to decrease in the berth hours and in turn reduction in the berth hire charges. The productivity norms for all the cargoes has been fixed as per the Berthing Policy communicated by the Govt. of India.
(ii).	Further, the VOCPT is levying penalty for productivity norms of 15000 MT/day for CJ-I and II and 25000 MT/day for NCB 1. TANGEDCO has represented during a TAMP hearing in August 2018 that the norms for CJ I and II may be retained as 11250 MT/day until upgradation works are completed and CJ-II berth is suitably dredged to remove the concrete block. The VOCPT is levying penalty @ ₹500/ hour if the coal is not unloaded by TANGEDCO as per productivity norms of 15000 MT/day for CJ-I and II and 25000 MT/day at NCB 1. Although the capacity of each shore unloader at NCB-1 is 2000 TPH, the achievable quantity is 1200-1500 TPH only. NTPL has two conveyor streams for moving the coal from the two shore unloaders with total feed rate of about 3000 TPH and the same norm cannot be imposed on TANGEDCO wherein, coal is moved through a single stream link conveyor with feed rate of 1000-1200 TPH only. The VOCPT is requested to reduce the berth hire charges on par with CJ-I and II and productivity norms to 11250MT/day at CJ-I, II and NCB-1.	
(iii).	Further the vessels waiting at outer anchorage attract anchorage charges @ 0.0138 ₹/MT. Vessels waiting at anchorage occurs only when the berth is occupied by some other vessels of TANGEDCO. Since one jetty has been taken up for upgradation works, levy of anchorage charges for waiting vessels needs to be waived by VOCPT.	As per the current SOR Revision proposal, the entire anchorage charges is dispensed with which results benefit to the port users.
(iv).	TANGEDCO is a State Power Utility having the commitment to meet the state power demand in economical ways since each and every paise adds to end cost of power to the consumer.	No comments since remarks are not relevant to SOR revision.
(v).	Considering the above reasons, TANGEDCO would like to place the following requests for your kind consideration:	
(a).	TANGEDCO requires both Coal Jetty I and II as dedicated jetties considering the total coal requirement is about 13 MTPA for TTPS and Uppur thermal power project. Further, quantity of coal is also anticipated to be handled through CJ-I and II, as alternative option for Udangudi thermal power project and other future thermal power projects.	

(b).	To reduce the berth hire charges at NCB-I for TANGEDCO's vessels on par with CJ-I and II TAMP approved rates.	No comments furnished.
(c).	To reduce the productivity norms at CJ-I and II and NCB-I for TANGEDCO's vessels to 11250 MT/day, since upgradation works are to be completed at CJ-I and II and 25000 MT/day for NCB-I is impractical, considering the actual discharge rate of the shore unloaders at NCB-I and the feed rate of the link conveyor system.	
(d).	To remove the concrete block by dredging work at CJ-2 by end of April 2019 without affecting the berthing of vessels.	Not relevant to SOR.
(e).	Anchorage charges shall be waived for TANGEDCO's vessels waiting at outer anchorage since CJ-II is only available as dedicated berth and berthing of vessels at NCB-I is costlier more than double the amount compared to CJ-I and II and it is available only when it is not occupied by NTPL.	As per the current SOR Revision proposal, the entire anchorage charges is dispensed with which results benefit to the port users.
(f).	Kamrajar Port gives 50% (₹183.65 to ₹91.85/MT) rebate for quantity handled above 10 MTPA and Karaikal Port gives ₹20/MT rebate for quantity handled above 1 MTPA. VOCPT may also grant volume based incentive for above 3 MTPA (50% of 6 MTPA), similar to Kamrjar Port and Karaikal Port.	The tariff applicable at Kamarajar Port cannot be compared with that of tariff of VOCPT as both the Port are functioning under different law. With regard to extension of concession, if any the TANGEDCO may approach the Port with a suitable proposal so that the position is a win-win situation for both.
10.	**Tuticorin Stevedores Association (TSA)**	
(i).	We appreciate the various initiatives of VOC Port Trust for the improvements on facilities in the Port by way of increasing draft and additional berths for handling more cargo in the Port. The Infrastructure available in the Port for storage of cargo is being provided to the Importer/ Exporter/ Port User with increased free time to induce more cargo to the Port.	No comments
(ii).	Further, the reduction of levy based on reduced labour force also needs to be appreciated as the Port Authorities have created enough deposits to cater to the needs of Pension/Medical expenses related requirements for the retired employees. As an association, representing the Trade, we are equally considering about the growth of Port as well as growth of the Trade in and around Tuticorin as well as to attract Trade from hinterland.	No comments
(iii).	In this process, it is our humble request to the TAMP Authorities as well as VOC Port Authorities to consider to maintain the same rates as per existing Scale of Rates by providing additional free time as proposed and reduction in levy for all berths other than Berth No.9, the levy for cargo handled in berth No.9 shall be maintained as per the existing Tariff.	No comments.
(iv).	Currently, the Industries around Tuticorin is not functioning to their full capacity and some of the Industries have been closed due to various reasons. Under the circumstances, attracting	

	investments by the Industries in and around Tuticorin with competitive tariff of Port is very essential it will also help us to attract industries which are beyond 200 km from Tuticorin also to utilise Tuticorin Port.	
(v).	We give below our specific points regarding the Tariffs which need to be considered:	Details comments have already been furnished for the comments of AICCI
(a).	The Port Wharfage dues for all the cargo increased @ 30% is very high and the recent increase of 3.45% and 4.26% itself has given the necessary increase of Tariff to the Port and even such increase has created big impact in the Industry. Any other increase beyond this shall not be effected until the Port is able to achieve better utilisation of their capacity.	
(b).	The Warehouse and open yard storage charges also has been increased beyond free time and this shall be considered reasonably based on the availability of lesser Warehousing cost in and around Tuticorin. Due to the increased cost, the Trade will prefer to use the warehouses which are far from the Port and in turn, it will have lesser productivity to the Port.	The logistic savings where cost of diesel is increasing day by day being port area will have an edge over outside area of port. Free storage period has been proposed to increase to facilitate the cargo storage and trade.
(c).	The Levy for cargo handling at 9th berth is @ ₹1 per MT. It has been proposed to be increased to ₹30 per MT and it is an increase of 2900%, there is no deployment of labour Pool employees in the 9th berth operations due to use of HMC Crane and conveyer belt facility. Therefore, the current levy of Re.1 per MT is appropriate considering the notional posting of one signal man for the entire operations. During the deliberations, it was further indicated that Levy would be revised to ₹50/- per MT and if it is implemented for the 9th Berth Cargo, it will be an increase of 4900%.	The proposal of the port to extend the concession on cargo levy is only an initiative to increase the cargo handling. Even after extending the labour levy concession at Re.1/- per M.T for HMC involved operations, the cargo handled in CHD in 2018-19 did not improve. Cargo handled in 2018-19 is 142.03 lakh tonnes as against 2017-18 is 155.34 lakh tonnes. It is to state that the shortfall for CHD is ₹19.97 crores and Port can revise the Tariff by a reduction of 12% only to recoup the shortfall. However, the Tariff is proposed to increase with a reduction of 30%.
(vi).	Maintain the existing Scale of Rates without any increase and it has to be the responsibility of the Port and the Port Users to bring in more cargo to Tuticorin Port to achieve better cargo throughput for ensuring proper utilisation of the Port facilities.	The proposed Scale of Rates derived as per the methodology prescribed in Tariff Policy are ceiling rates and suitable incentive/concession may be considered by the management with the approval of Board on approach by the users with a definite increase in cargo over and above the present level of traffic.
11.	**M/s. Villavarayar and Son (VAS)**	
(i).	In last 9 months, VOCPT Scale of Rates has been revised twice from the existing rate i.e. (to 3.45% w.e.f 01 September 2018 and by 4.26% w.e.f 01 May 2019) as per the Guidelines from TAMP.	Port has already furnished detailed remarks on the comments of AICCI.

(ii).	The matter of implementation of above indexation in SOR has made a huge impact in drop of trade at VOCPT which has resulted in less traffic compared to previous years. And our importers/ exporters were facing huge difficulties in carrying out trade through our Port. Also understand that few other Ports have not implemented the indexation proposed by TAMP. So, we request you to take it up with TAMP and do the needful to bring down the rates as proposed earlier.	
12.	**Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO)**	
(i).	With regard to the proposal of VOCPT general revision of Scale of Rates, the following remarks of TANGEDCO are furnished:	
(ii).	6 million tons of coal is being moved every year through VOCPT by TANGEDCO for the requirement of coal to Tuticorin Thermal Power Station (TTPS).	In 2018-19, TTPS handled only 4.6 Million Tonnes and in 2017-18 TTPS handled only 3.50 Million tonnes and hence the statement of handling of 6 Million tonnes every year by TANGEDCO through VOCPT is not correct.
(iii).	Due to increase in Scale of rates with effect from 01 May 2019 TANGEDCO will be incurring additional expenses.	The SOR increase including indexation if any, is as per the relevant provision of the concession agreement and based on achievement/fulfillment of performance standards which will in turn reduce some of the charges to TANGEDCO.
(iv).	Due to this, the Generation Cost at TTPS will increase, Generation in Units would be backed down due to Merit order dispatch and ultimately the throughput of VOCPT will be affected finally.	TANGEDCO incurs increase in expenditure in almost all areas and this is not the only area. TANGEDCO is given a captive berth with definite MGT which is to be ensured by them.
(v).	Since Coal Jetty – I is under upgradation, TANGEDCO is compelled to pay more charges by using NTPL berth to the tune of ₹30/- per tonne in respect of the vessel related charges additionally.	Coal Jetty-I up gradation is completed by April, 2019. Hence, TANGEDCO may initiate for mechanization as per the agreement which shall reduce cost per unit to TANGEDCO.
(vi).	In view of the above, TANGEDCO has reiterated its earlier request. In addition to that TANGEDCO has requested to waive the additional charges of vessel shifting to oil jetty.	The port was already in the process of initiatives for reduction of charges viz., waiver of anchorage, Extension of one shifting free, free days for storage for better cost effective handling. However, now the TANGEDCO has to initiate for handling the cargo in bigger vessels which will lead to reduction of cost and optimum utilization of the facility.
13.	**Indian Chamber of Commerce and Industries (ICCI)**	
(i).	The existing Tuticorin vessel operations is already high compared to Singapore, Port Kelang and Colombo. In addition, the proposed 33% increase in 2019 will show a	

substantial cost escalation in vessel operations at Tuticorin especially for the feeder vessels.

(ii). The cost comparative statement of existing and proposed tariff is given below.

Upto 31/07/2018		From 01/08/18-3.45%	From 01/05/19-4.26%	After 33.13%
Tuticorin	**US$/ GRT**	**US$/ GRT**	**US$/ GRT**	**US$/ GRT**
Port Dues	0.2572	0.2661	0.2774	0.3416

Pilotage fees

Size of vessel	US$/ GRT	US$/ GRT	US$/ GRT	US$/ GRT	
Upto 10,000 GRT		0.3484	0.3604	0.3758	0.5533
10,001-15,000 GRT		0.3604	0.3728	0.3887	0.4426
15,001-20,000 GRT		0.3734	0.3863	0.4028	0.3873
20,001-25,000 GRT		0.3865	0.3998	0.4168	-
25,001-30,000 GRT		0.3996	0.4134	0.431	-
Above 30,001		0.4127	0.4269	0.4451	-

Berth hire

Size of vessel	US$/ GRT	US$/ GRT	US$/ GRT	US$/ GRT
Upto 3,000 GRT	0.0037	0.0038	0.004	0.0084
3,001 to 10,000 GRT	0.0024	0.0025	0.0026	0.0067
10,001-15,000 GRT	0.0032	0.0033	0.0034	0.0059
15,001-20,000 GRT	0.004	0.0041	0.0043	
20,001-25,000 GRT	0.0054	0.0056	0.0058	
25,001-30,000 GRT	0.0059	0.0061	0.0064	
30,001 GRT and above	0.0064	0.0066	0.0069	

(iii). The details of tariff increase in comparison with other Major Ports.

Port	Previous Tariff Increase	Recent Tariff Increases	Next Tariff Increase
Tuticorin	20% increase from 9 November 2016	3.26% from 1 August 2018 (Implemented retrospectively) & 4.26% from 1 May 2019	33.13% increase 1 September 2019 or on approval from TAMP
Chennai	10 November 2016	1 May 2019	-NIL-
Visakhapatnam	21 August 2016	No notification yet	-NIL-
Cochin	1 September 2018	1 May 2019	-NIL-
Kolkata	30 December 2016	No notification yet	-NIL-
Mangalore	13 May 2016	No notification yet	-NIL-
Goa	1 May 2016	No notification yet	-NIL-

(iv). ICCI is looking for the possibility to make VOCPT as transshipment hub. But, our major disadvantage is port cost at this juncture At proposed increase of 30% tariff of our port will be 350% costlier when comparing with nearest transshipment hub (Colombo).

(v). Under today's economics of matrix, all shipping lines prefer fuller utilization of their vessels whenever they call the ports. The shipping lines do not wish any empty space. Hence, strengthening our feeder network offers a big opportunity at Tuticorin port for handling the mother vessels with volumes.

(vi). The VOC Port is taking all the necessary steps for attracting mainline vessels. The ICCI requests not to neglect the feeders cost. Since, the feeder network will ultimately help the VOC port to make the mainline vessel operations highly successful on Imports and Exports handled at VOC Port.

14. Container Shipping Lines Association (CSLA)

(i). Maintain the current tariff as the trade is not in a situation to sustain any increase in cost. Reasons as follows:

(ii). The Charter Market is getting very buoyant currently and larger tonnage is scheduled for scrap with new low sulphur bunker regulations coming into force in 2020.

(iii). Charter Market currently is showing an increase of near 15-20% and will take cost of operations to a much larger scale.

(iv). Owners are incurring large cost to upgrade tonnage for low sulphur emission, and the new tonnage coming out of yards has had substantial escalation in cost.

(v).	Bunker prices are likely to go up by near 25% and availability of the right fuel is also going to put some constraints.
(vi).	(a). There was tariff revision on 8th November 2016 and VRC was increased by : 25.5% (b). Next revision was from 1st August 2018 and VRC was increased by : 5.3% (c). Again a revision was done from 1st May 2019 and further increase of 4.1% (d). Overall from 8th November 2016 and till date there has been an increase by : 37.6% (e). The current proposal to increase VRC will further increase the tariff by : 44.4% (f).Which would mean an increase of near 98.7% over the tariff in Nov- 2013. These figures are calculated basis average size of feeder vessels being deployment at port.
(vii).	There is also a change in slabs basics GRT and this has brought about much larger tariff for feeder vessels, especially when the trade in VOCPT is being largely catered by feeder vessels. VRC for average GRT of 14,000 – 15,000 is currently at near USD: 10,300 and under new tariff it will be around USD: 14,800. The same in Nov- 2016 was at USD: 7500.00
(viii).	The current main line enjoys larger discount of nearly 67% while the volume on average have been nearly 850 teus per week and of which near 350 teus are empty container shipments (40% of overall volume). Such vessels, despite doing much lower volumes enjoy same tariff as the current feeder vessels and under new tariff a vessel of GRT 42,000 will be at lower tariff than feeder of GRT: 15,000 at above discounts.
(ix).	A feeder vessel on average does anywhere between 1200-1500 teus per call and vessels deployed between VOCPT and COLOMBO are able to do two calls per week and give port a much required express connection to main lines, and which substantially boosts up exports through VOCPT where a daily feeder sailing adds to much required advantage for urgent export cargo.
(x).	This has also given VOCPT a much required edge over adjacent ports. The operators have been able to give favourable rates and at same time daily sailing from port to meet the trade requirement, which other adjacent ports are unable to deliver.
(xi).	Please further note than similar size vessel at VOCPT would now draw tariff of near USD 15,000 as against Colombo where the tariff is nearly USD 7000.
(xii).	There have been representations from various trade bodies on this subject and we seek a much milder action from port on this increase and would appreciate if current tariff could be sustained in view of reasons submitted.

2. A joint hearing in this case was held on 29 May 2019 at the VOCPT premises. The VOCPT made a brief Power Point presentation of its proposal. A copy of Hard copy of the Power Point presentation is given by the VOPCPT. At the joint hearing, the VOCPT and the concerned users / user organizations have made the following submissions:

V. O. Chidambaranar Port Trust (VOCPT)
[FA&CAO]

(i). Our indexed ARR for port is ₹338.06 crores and for Cargo Handling Division (CHD) ₹96.89 crores aggregating to ₹434.95 crores. Accordingly, the required rate of increase is 33.13% on existing tariff for port. 9% reduction is required over the existing rate for CHD. This translates to overall increase of 20.69%.

(ii). We seek 30% increase in port charges and 56.24% reduction in CHD charges. This translates to overall increase of only 4.52%. In absolute terms, we will get a revenue of ₹330.11 crores in port charges against the ARR of ₹338.06 crores from port services at the proposed rates. We aim to get ₹46.59 crores against the ARR of

₹96.89 crores from CHD at the proposed rates. Still there will be an overall shortfall of ₹58.25 crores per annum.

(iii). We have proposed one shifting charges free for benefit of users. We do not propose to levy anchorage charges. Free storage charges for import cargo increased from 3 days to 7 days. It is increased from 10 days to 30 days for export cargo. The existing labour levy of ₹72/- per tonne is proposed to be reduced to ₹30/- per tonne. Existing 6 GRT slabs for levy of pilotage and shifting charges is proposed to reduce to 3 slabs. This is done considering the present arrival pattern of vessel and to attract higher parcel size vessels. The existing 7 slabs for berth hire charges is reduced to 3 slabs.

(iv). We have proposed to regroup the existing various cargoes under wharfage schedule based on present cargo arrival pattern and to avoid ambiguities.

(v). We have delinked rental for open space from general SOR and it will be proposed to be regulated under Land Policy Guidelines, 2014.

(vi). We have delinked tariff for Harbour entry permit from general SOR and it will be regulated under the provision of MPT Act, 1963.

(vii). We request TAMP to approve our proposal for general revision of SOR under Sections 48 and 49 of the MPT Act, 1963.

Tuticorin Ship Agents' Association (Anand Moris)

(i). Existing SOR for berth hire has 6 slabs for vessels upto 30,000 GRT. Proposed SOR for berth hire has only one slab upto 30,000 GRT. Similarly, SOR for pilotage has 5 slabs upto 30,000 GRT. But, the proposed SOR for pilotage, has only 1 slab upto 30,000 GRT. This charges in the slab will have serious impact since, the vessels calling Tuticorin are primarily below 30,000 GRT and falling in various slab of existing SOR.

(ii). In the year 2018, 89% of container vessels were below 30,000 GRT. 99% of liquid bulk vessels were below 30,000 GRT. 47% of Dry Bulk vessels were below 30,000 GRT. A total of 72% vessels were under below 30,000 GRT.

(iii). Impact of pilotage increase on the vessels upto 30,000 GRT will be in the range of 28.38% to 47.23% over the existing tariff after implementation of 4.26% Wholesale Price Index (WPI). The vessel of GRT upto 10,000 GRT will bear the maximum increase of 47.23%. The vessel of 30,000 to 60,000 GRT will enjoy benefit of reduction in pilotage at (-)0.34%.

(iv). Impact of Berth hire increase for vessels upto 30,000 GRT will be in the range of 31.25% to 223.08%. The vessel of GRT 3001 to 10,000 will have maximum increase of 223.08%. The vessel of GRT 30,000 to 60,000 will enjoy reduction of berth hire at (-)2.89%.

(v). IONION Express, GANTA BHUM and CAPE NEMO are some of vessels which call VOC Port regularly. The increase in VRC for these vessels is 50%, 44% and 38% respectively.

(vi). Steep increase in VRC will seriously impact commercial viability of vessels calling VOC Port, particularly the vessels which are less than 30,000 GRT.

(vii). There had been an increase of 3.45% and 4.26% (Over all 7.71%) with effect from 1 August 2018 (implemented retrospectively after informing about the change in tariff on 28 September 2018) and 1 May 2019 respectively. We reliably understand that various Major Ports such as Mangalore, Mormugao, Vizag and Kolkata have not gone for one of the or both the increases. If we consider 20% increase in Nov 2016, 3.45% increase in Aug 2018 and 4.26% in May 2019, and proposed 33.13% w.e.f 1 September 2019, the quantum of increase adds upto 60.84% in a span of three years. Having implemented these revisions, that too within a short span and then going for one more huge increase of 33.13% will make VOC Port highly unviable.

(viii). We plead TAMP to maintain the slabs as per the existing SOR and approve nominal increase in VRC instead of exorbitant increase.

Tuticorin Customs Brokers' Association (R. Sreedhar)

(i). VRC for container ships which call Tuticorin regularly on weekly basis will have an increase of 40% to 50%. Vessel operators would increase freight and pass it on to the trade.

(ii). We already find it difficult to prevent diversion of containerized cargo due to various reasons to neighbouring ports Cochin, Chennai, Kattupalli and Krishnapatnam.

(iii). Apart from existing challenges, further increase in freight due to steep increase in VRC will make it more difficult to sustain existing business and attract incremental volumes from hinterland.

(iv). We request TAMP to avoid exorbitant increase in VRC.

Container Shipping Lines Association (Capt J. S. Gill)

(i). There was a tariff revision in November 2016 and VRC was increased by 25.50%. VRC was further increased from 1 August 2018 by 5.30%. There was a further increase from 01 May 2019 by 4.1%. There has been are overall increase by 37.6% from November 2016 till date. Port has proposed now to further increase of 44.40%. This means an increase of 98.7% from November 2016.

(ii). Changes in GRT slab for VRC will bring larger tariff for feeder vessels. VOCPT is largely serviced by feeder vessels.

(iii). VRC for average GRT of 14,000-15,000 was USD:7,500 in November 2016. It is USD:10,300 now. New tariff will be USD 14,800 as against Colombo where it is closer to USD:7,000.

(iv). The result of port's efforts to attract larger tonnage vessel is not appreciable as expected.

(v). A feeder vessel calls VOCPT two times per week which boosts up exports from VOCPT. This has given VOCPT an advantage over neighbouring ports.

(vi). There are other issues in Charter Market. Cost of operations will increase for Charter Party.

(vii). New low sulphur bunker Regulations will come into force. Vessel owners are incurring huge cost to upgrade for low sulphur omission.

(viii). Bunker prices are likely to go up by 25%. Availability of right fuel is going to be an issue.

(ix). We seek much lower increase in tariff. We would appreciate if current tariff is maintained.

TANGEDCO (S.S. Nandakumar / Ganesen / Murugan / G. Unambal)

(i). Gives a copy of its letter dated 16 April 2019 addressed to VOCPT.

(ii). We anticipate that 6 MTPA coal will be handled at VOCPT for the thermal units at Tuticorin Thermal Power Station and 7 MTPA for the upcoming thermal units at upper.

(iii). TANGEDCO is utilizing North Coal Berth (NCB) I in case of bunching of vessels at Coal Jetty- II, since coal Jetty-I has been taken up for upgradation. Berth hire charges at CJ-I & II is ₹0.172 per GRT whereas, it is 0.66 at NCB-I for 30,000 GRT vessels. This amounts to double the charges at CJ-I & II as compared to NCB-I.

(iv). VOCPT is levying penalty for productivity norms of 15,000 MT/day for CJ-I & II and 25,000 MT/day at NCB-I. Although the capacity of each shore unloading at NCB-I is 2000 T per hour, achievable quantity is 1200-1500T per hour. Please reduce the productivity norm to 11,250 MT/day at CJ-I, II and NCB-I.

(v). Vessels waiting at anchorage occurs only when the berth is occupied by some other vessel of TANGEDCO. Since one jetty has been taken up for upgradation, levy of anchorage charges for waiting vessels needs to be waived by VOCPT. We thank for waiving anchorage.

(vi). TANGEDCO requires both CJ-I & II as dedicated jetties considering total cargo of 13 MTPA. Reduce berth hire charges at NCB-I for TANGEDCO vessels on par with CJ-I & II. Reduce productivity norms at CJ-I & II for TANGEDCO vessels as 11,250 MT/day.

(vii). Kamarajar Port gives 50% rebate for quantity handled above 10 MTPA. Karaikal Port gives ₹ 20/MT rebate for quantity handled above 1 MTPA. VOCPT may also grant volume discount for above 3 MTPA (50% of 6 MTPA).

Tuticorin Stevedores Association (Prabhar)

(i). We welcome increase in free time for import and export cargo. But, we have some concerns.

(ii). Labour force in CHD is getting reduced. It is natural process. Labour deployment to stevedore is only one person. The rate is hiked from ₹1 per tonne to ₹72 per tonne.

(iii). 30% hike in wharfage will impact cargo volume. It will shift to nearly ports like Karaikal.

(iv). Tariff is indexed for achievement of performance. But, we are penalized.

(v). Hike in warehouse rent and open area rent will impact Trade. Trade will start using private warehouse.

(vi). 70% wharfage increase of ₹216 for Wind Mill bladder is not acceptable.

(vii). We will give our written comments.

Dakshin Bharat Gateway Terminal (P) Ltd.
(Peter and Ananth Padmanaban)

(i). Call of container feeder vessels to Tuticorin has increased. Please treat container vessels as a special category and reduce VRC. It is necessary to keep VRC competitive.

VOCPT, Dy. Chairman

(i). Cargo throughput in 2017-18 was around 36 Million Tonnes. Our proposed tariff is based on 36 Million Tonnes. If we propose tariff based on 34 Million Tonnes of 2018-19, tariff would have steeply gone up.

Chairman, VOCPT

(i). We will examine whether we can have a lower slab upto 20,000 GRT for VRC and another slab from 20,000 GRT to 30,000 GRT. We would have to hike labour levy to ₹50/- tonne from ₹30 to compensate loss of revenue on account of having lower slab upto 20,000 GRT for VRC.

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