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Tariff Authority for Major Ports

G.No. 447 **New Delhi,** **04 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 Chennai Port Trust (CHPT) for general revision of its Scale of Rates on 10 October 2019. Considering the time involved for notifying the (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 revised Scale of Rates approved by this Authority on 10 October 2019 was notified in the Gazette of India on 30 October 2019 vide Gazette No.376. 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 CHPT 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/30/2019-CHPT

Chennai 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 received from Chennai Port Trust (CHPT) for General Revision of its Scale of Rates (SOR).

2. The existing SOR of the CHPT was last approved by this Authority vide Order No.TAMP/22/2016-CHPT dated 17 September 2016 which was notified in the Gazette of India on 10 October 2016 vide Gazette No.371. The said Order had prescribed a tariff validity upto 31 March 2019. Thereafter, the decision of this Authority to extend the validity of existing Scale of Rates SOR of all eleven Major Port Trusts including CHPT from 1 April 2019 to 30 September 2019 or till the effective date of implementation of the revised SOR to be notified by this Authority, whichever is earlier, was conveyed vide our letter No. TAMP/39/2005-Misc dated 29 March 2019.

3.1. All the Major Port Trusts were earlier governed by the Tariff Policy of 2015 for fixation of SOR for handling cargo, vessel and rendering miscellaneous services. Subsequently, 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 Guidelines, 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 CHPT 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 for Major Port Trusts, 2018 have also been notified in the Gazette of India on 30 January 2019 vide Gazette No.29.

3.2. A copy each of the Tariff Policy, 2018 and the Working Guidelines to operationalize the Tariff Policy for Major Port Trusts, 2018 were forwarded to all Major Port Trusts including CHPT to consider it while formulating the General Revision proposal vide our letter Nos . TAMP/79/2018-Misc. dated 02 January 2019 and 04 February 2019 respectively.

4.1 In this backdrop, the CHPT vide its letter No. A.O.(SOR)/General Revision-2019/2018/F dated 28 June 2019 has filed its proposal for general revision of its Scale of Rates, following Tariff Policy, 2018. The proposal of the port is as follows:

(i). Proposal covers Vessel Related Charges, Cargo Related Charges, Stevedoring and C&F labour Charges and other Miscellaneous charges.

(ii). Excludes Land Licence Fee / Lease rent governed by Land Policy Guidelines (due for revision from Jan'20) and Port Railway charges fixed by Railway Board.

(iii). The Definitions, Terms & Conditions modified based on Tariff Policy Guidelines / Common orders issued by TAMP.

(iv) **Vessel Related Charges:**

(a). No increase for Container and General Cargo vessels.

(b). 10% increase for RoRo, Passenger & Non-cargo vessels.

(c). 20% increase for POL & Crude vessels.

(d). Port dues for Coastal vessels modified from ‘once in 30 days’ to ‘Each Entry’.

(e). 50% Concession in Port dues for vessels berthed only for bunkering purpose.

(f). Minimum Pilotage charges introduced based on 2000 GRT vessel.

(g). Additional berth hire (US$ 564/ hour) for not calling pilots within 4 hours reduced to double berth hire based on GRT.

(h). Note under Berth Hire charges relating to wharf crane deleted (Note (2) under Sch.2.3.2 in existing SoR).

(i). Exemption of anchorage fee for vessels shifted to outer anchorage due to Port convenience. (New Note under Sch. 2.3.4)

(j). 20% increase in other marine charges, viz. hire of tugs, mooring crew, water supply, fire engine & gear, etc.

(v) **Cargo Related Charges:**

(a). Wharfage schedule is reclassified and regrouped as given below :

Rate of increase	Commodities
0% increase	Oil bunkering to vessels, Coir & Jute, Defence stores, Granite blocks, Metal and Metal products, Salt, Timber Logs & Wood products
5% increase	Chemicals
10% increase	Cereals & pulses, Sugar, Provisions & all other food items
20% increase	Acids, Crude & POL products, Edible oil, Molasses, Air craft, Boats & Launches, Construction materials, Fertilizer, Metal scrap, Ores & minerals, Iron ore pellets, Railway Wagons & Coaches, Unaccompanied baggage, Unspecified cargo (in bulk) and Passenger Fee.

(b). No change in ad valorem rate for 4 wheelers (0.49% after indexation) – Ceiling rates based on capacity clubbed and increased to ₹ 10.509 per unit (+20%).

(c). Six wheelers Concessional rate (after indexation) of 0.3545% Adv. incorporated in SoR – Ceiling rates clubbed and increased to ₹36,282/- per unit (+20%).

(d). Machinery fitted with wheels as CBU - Concessional rate (after indexation) of 0.3545% Adv. incorporated in SoR – Ceiling rates clubbed and increased to ₹ 1,25,112/- per unit (+20%).

(e). Machinery other than CBU – Indexed rate of 0.3232% Adv. increased to 0.3545% Adv.

(f). Documentation charge of ₹ 1,000/- per shipping bill for ship stores.

(g). Condition of first voyage for exempting wharfage on vessels deleted. No wharfage for vessels entering with own power. Documentation charge of Rs.1,00,000/- per vessel, if manifested as cargo.

(h). No increase in Charges for permitting private cranes.

(i). Crane Charges for Wharf crane and FC Thangam are removed.

(j). Demurrage charges classified into two, “open space” and “covered space” and rates for covered space kept at 50% higher than open space rates

(k). 20% increase in demurrage & pollution levy on dry bulk cargo.

(l). New provision for vessel based short-term allotment of land (15 days) for cargo storage based on existing licence fee rates.

(m). No increase in Special Port Service Charge on Rail borne goods.

(vi). **Stevedoring and C&F Charges:**

(a). Charges for supply of labour for stevedoring operations restructured as Composite “Per M.T.” rate, which comprise of time-rate wages, general levy and piece rate incentive.

(b). Time rate wages updated with present wages (Apr’19) - Existing time rate wage was fixed based on wages prevailing in Jan’16)

(c). General Levy retained at 192% of time-rate wages.

(d). Piece-rate incentive towards C&F operations retained.

(e). Special Levy towards Wage Revision arrears (2007) retained.

(viii) **Miscellaneous Charges:**

(a). No increase in Electronic Rail weigh bridge charges.

(b). Slipway charges revised based on actual expenses and demand.

(c). Harbour Entry Fee - restructured, increased and included in SOR.

(d). 20% increase in miscellaneous charges, viz. hire of port equipment, charges for hoarding & sign boards, etc.

4.2. The CHPT has submitted that the proposed tariff will have a validity period of three years from the date of effective date of implementation of the Scale of rates as per the TAMP notification and has undertaken that it will submit a suitable proposal at least three months before the expiry of the validity period.

4.3. The CHPT has furnished detailed computation of Annual Revenue Requirement (ARR) under Form 1 and Revenue estimation at the proposed rate in Form 3.

(i) The ARR computation furnished by CHPT is tabulated below:

Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2018					
Sl. No.	**Description**		**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
			₹. in lakhs		
(1).	**Total Expenditure (As per Audited Annual Accounts)**	**Note 1**			
(i).	Operating expenses (including depreciation)	Annual A/cs	27,956.28	27,025.90	23,657.22
(ii).	Management & General Admn. Overheads	Annual A/cs	28,264.67	28,796.96	29,787.68
(iii).	Finance and Miscellaneous expenses (FME)	Annual A/cs	37,930.87	38,133.68	37,785.69
	Total Expenditure 1=(i)+(ii)+(iii)		**94,151.82**	**93,956.54**	**91,230.59**
	Average of Total Expenditure			**93,112.98**	
(2).	**Less Adjustments:**				

Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2018					
Sl. No.	**Description**		**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
(i).	Estate related expenses **(Note 1)**				
	(a). Operating expenses (including depreciation)	Annual A/cs & Cost sheet	1,798.13	2,056.10	1,884.28
	(b). Allocated Management & Administrative Overheads	Sheet M&GO	2,863.79	3,281.37	3,000.26
	(c). Allocated FME	Sheet FME&OE	2,438.82	2,901.09	3,009.60
	Subtotal 2 (i)=[(a)+(b)+(c)]		**7,100.74**	**8,238.56**	**7,894.14**
(ii).	**Interest on loans**	Sheet FME	13.48	0.98	-
(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).Wage revision arrears **(Note 2)**	Sheet FME	744.00	-	-
	(b).Ex-gratia payment to SVRS **(Note 3)**		-	-	-
	(c).Compensation paid to dependants of deceased employees **(Note 3)**		-	-	-
	Subtotal 2 (iii) = [(a)+(b)+(c)]		**744.00**	**-**	**-**
(iv).	**2/3rd of the Contribution to the Superannuation Funds like Pension Fund, Gratuity Fund and Leave Encashment Fund (Note 4)**				
	(a).Contribution to Pension Fund	Sheet FME	4,355.50	5,084.00	4,216.00
	(b).Contribution to Gratuity Fund	Sheet FME	1,100.50	1,488.00	1,302.00
	(c).Contribution to Leave Encashment Fund	Sheet FME	1,756.86	1,523.98	1,680.20
	Subtotal 2 (iii) = [(a)+(b)+(c)]		**7,212.86**	**8,095.98**	**7,198.20**
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation (Note 5)**	**Form 2**	18,861.34	19,273.14	21,344.18
(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)		**33,932.42**	**35,608.66**	**36,436.52**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**		**60,219.40**	**58,347.88**	**54,794.07**
	Average of Total Expenditure (Sl. No.1)			**93,112.98**	
	Average of Adjustments in Sl. No.2 (i), (ii), (iv) & (v)			**35,073.05**	
	Adjustments in Sl. No.2 (ii) & 2 (iii) (a) as per Note 2 (ii)			**751.23**	
(4).	**Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3**			**57,288.70**	
(5).	**Capital Employed**				
	(i). Net Fixed Assets as on 31.03.2018 (Y3) (As per Audited Annual Accounts)			57,330.77	
	(ii). Add:Work in Progress as on 31.03.2018 (Y3) (As per Audited Annual Accounts)			17,345.07	

Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2018					
Sl. No.	**Description**		**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.			13,750.05	
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 (Y3) as per Audited Accounts.			-	
	(v). Less : Net value of fixed assets as on 31 March 2018 (Y3) as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2015.			-	
	(vi). Add : Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines	**As per Form 4 & Note 4**			
	(a). Inventory			192.99	
	(b). Sundry Debtors			1,613.04	
	(c). Cash			4,177.56	
	(d). Sum of (a)+(b)+(c)			**5,983.59**	
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]			**66,909.38**	
(6).	**Return on Capital Employed 8% on Sl. No. 5(vii)**	**Note (6)**		**5,352.75**	
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 (Y3) [(4)+ (6)]**			**62,641.45**	
(8).	**Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (Y4) i.e. @ 3.45% (Sl. No.7*1.0345)**			**64,802.58**	
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**64,802.58**	
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl No. 9 above**	**As per Form 3 & Note 5**		**60,385.11**	
Notes:					
(1)	Comprises Estate related expenses as per Annual Accounts and Warehousing related expenses under Cargo related activity as per Cost sheet.				
(2)	Wage Revision Arrears of Rs.3400.00 lakhs reported in Annual Accounts for the year 2017-18 represents provision for the year 2017-18 towards increase in Pension due to consolidation of pension w.e.f. 1.1.2017 and it does not include arrears payment.				
(3)	These expenses have been amortized over 5 years. Since the figures reflected in the Audited Annual Accounts is 1/5 of the actual expenses, no adjustment has been made.				
(4)	Contribution to Superannuation Funds included under FME of Estate Activity, which averages around 7% of total FME has been excluded from the total actual contribution during the respective years.				
(5)	Management & General Overheads relating to Estate has been excluded from the total Management & General Overheads during the respective years.				
(6)	Return on Capital Employed (RoCE) has been calculated @ 8% instead of 16% as prescribed in TAMP Guidelines. Even at 8% RoCE, the Port is unable to achieve the ARR.				

(ii). The CHPT has furnished detailed working of revenue estimation in Form 3 considering the existing tariff and the proposed tariff for the actual traffic of 2017-18. As per the said form, the total revenue estimation from Cargo, Vessel, Miscellaneous charges at the proposed level of tariff is ₹60385.11 lakhs.

(iii). The Performance Standards proposed by CHPT in Form-6 are as given below:

Sl. No.	Performance Parameters	Proposed performance standards
(1).	**Cargo Related Services**	
(a)	Average Ship Berth day Output (in tonnes) (Note)	15000
(b)	Average moves per hour (in TEUs) in respect of Containers	NA
(2)	**Vessel Related Services**	
(a)	Average Turnaround Time of Vessels (in days)	2.54
(b)	Average Pre-Berthing Time of Vessels (in hours)	0.86
(3)	Any other parameters found relevant by the Port	--

5.1. Clause 3.2 and 3.3. of the Tariff Policy, 2018 stipulates that Major Port Trusts shall host the draft SOR along with the proposed Performance Standards on its website, giving the designated email address of Port as well as for TAMP for comments of relevant user organisations / Organisation bodies, within 15 days' time. The Major Port Trusts shall submit its replies on the comments received from Port Users to TAMP not later than 15 days from the last date of receipt of comments from the port user. In this regard, the CHPT has confirmed that the proposal in reference has been hosted in the website of the port on 27 June 2019 for comments of the relevant stake holders/ users within 15 days' time.

5.2. Some of the users/ user organisations/ BOT operators have furnished their comments. The said comments were forwarded to the CHPT. The CHPT has responded to the comments of the users/ user associations vide its letter dated 31 July 2019.

6. The Chennai & Ennore Ports Steamer Agents' Association (CHENSAA) vide its e-mail dated 12 July 2019 has, *interalia*, made the submission with regard to clauses 1.2 (i) (ii) and (iii) of the draft SOR proposed by CHPT that DG Shipping is not issuing separate license (specified voyage license or General Trading License) for container vessels as information by e-mail or letter from the vessel / operators / agents to DG (Shipping) is sufficient to trade the vessel in India. Accordingly, CHENSAA has requested this Authority to clarify with DG Shipping and amend the definitions accordingly. The Office of the Directorate General of Shipping has been requested vide letter dated 22 July 2019 to clarify the matter. The response from the Office of DG (Shipping) was not received till the case was finalized.

7. Based on a preliminary scrutiny of the proposal, additional information/ clarification were sought from CHPT vide letter dated 16 August 2019. The CHPT has responded vide its letter dated 31 August 2019. The information/ clarification sought and the response of CHPT thereon is tabulated below:

Sl. No.	Additional information / clarification sought	Reply of CHPT
(A)	**Calculation of ARR**	
(i)	The warehousing expenses which are grouped under the Cargo Handling Expenses in the Annual Accounts are considered by CHPT for exclusion under the Estate related Activity. However, it is seen from the proposal of the port that the CHPT has proposed about 25% increase in the storage charges of cargo and containers. Considering that an increase has been proposed in the storage charges, the 'warehousing expenses', the CHPT to consider it in the computation of ARR.	The License Fee for allotment of land/space for cargo storage is covered under Estate Rental revision and not covered under this revision exercise. Hence, Form-3 – Income estimation also does not include the income from allotment of land/space inside the port for cargo storage reflected under warehousing activity. Since income from warehousing activity is not considered, the corresponding expenses pertaining to Warehousing activity included in Cargo Handling charges as per Annual Accounts is also excluded.

<table>
<tr><th>Sl. No.</th><th>Additional information / clarification sought</th><th>Reply of CHPT</th></tr>
<tr><td></td><td></td><td>With regard to increase in storage charges for containers / cargo (demurrage), it is stated that the income from container storage charges and demurrage is included under General Cargo handling activity and not under warehousing activity.

The expenses relating to warehousing activity will be met from income from license fee / lease rent from allotment of land / space for which rates are to be fixed as per Land Policy Guidelines.

In view of the above, the approach adopted by port in excluding the expenses relating to warehousing activity is found to be in order.</td></tr>
<tr><td>(ii)</td><td>Railway Activity</td><td></td></tr>
<tr><td></td><td>The railway activity in CHPT is in deficit. Since, the tariff for port railway services is not fixed by the Authority; and fixed by the Railway Board, the Authority has decided to consider railway expenditure only to the extent of deficit in the railway activity while computing the ARR. Such an approach has been adopted by the Authority while disposing of the general revision proposal filed by the Mormugao Port Trust (MOPT), Mumbai Port Trust (MBPT) and New Mangalore Port Trust (NMPT) under Tariff Policy, 2018. Therefore, the CHPT to consider the railway expenditure only to the extent of deficit in the railway activity while computing the ARR.</td><td>As requested by TAMP, the railway expenses is considered to the extent of deficit and Form–1 for calculation of ARR is modified suitably. While arriving at the deficit under Railway activity, the railway related income from tariff approved by TAMP is excluded since the same is already included in Form-3 revenue estimation. A statement giving computation of deficit under railway activity is given below:
<table>
<tr><th colspan="4">Statement of Deficit under Railway Activity</th></tr>
<tr><th rowspan="2">Description</th><th>2015-16</th><th>2016-17</th><th>2017-18</th></tr>
<tr><th colspan="3">₹ in lakhs</th></tr>
<tr><td>Income from Railway Activity as per Annual A/cs</td><td>1,697.99</td><td>1,934.18</td><td>2,043.21</td></tr>
<tr><td>Less:</td><td></td><td></td><td></td></tr>
<tr><td>Special Port Service Charge prescribed in SoR approved by TAMP and income included in Form-3</td><td>342.60</td><td>473.76</td><td>418.66</td></tr>
<tr><td>Weighment Charges from Electronic In-motion Railway Weighbridge prescribed in SoR approved by TAMP and income included in Form-3</td><td>0.00</td><td>0.00</td><td>0.24</td></tr>
<tr><td>Income from Charges approved by Railway Board</td><td>1,355.39</td><td>1,460.42</td><td>1,624.31</td></tr>
<tr><td>Less: Operating Expenses for Railway Activity as per Annual A/cs</td><td>2928.24</td><td>3004.13</td><td>2697.14</td></tr>
<tr><td>Deficit under Railway Activity</td><td>1,572.85</td><td>1,543.71</td><td>1,072.83</td></tr>
</table></td></tr>
<tr><td>(B)</td><td>Scale of Rates -</td><td></td></tr>
<tr><td>(i).</td><td>The CHPT has proposed changes in its existing Scale of Rates on some points. The CHPT to quantify and capture the income arising out of the proposed modifications as listed below, in its ARR:</td><td></td></tr>
<tr><td>(a)</td><td>The estimated revenue at the proposed SOR in respect of normal priority berthing charges on cargo vessels is arrived considering 75% of US $0.0050 (0.0038) per GRT per hour for foreign vessels and 75% of 0.1308 (0.0981) per GRT for coastal vessels respectively as prescribed for the RO-RO vessels, instead of 75% of US $0.0045 (0.0034) per GRT per hour for foreign vessels and 75% of ₹.0.1189 (0.0892) per GRT for coastal vessels as</td><td>With regard to foreign cargo vessels under priority berthing, it is stated that the vessels belong to container/ break-bulk category. Hence, the estimated income on account of Priority Berth Hire is modified taking the rate of US$ 0.0045 applicable to general cargo / container vessels.

With regard to coastal vessels under priority berthing, it is stated that all the vessels belong to passenger vessel category for which the</td></tr>
</table>

Sl. No.	Additional information / clarification sought	Reply of CHPT
	prescribed for General Cargo vessels. The CHPT to review and revise the revenue estimation accordingly.	proposed rate is Rs.0.1308 per GRT. Hence, the revenue estimation is found to be in order.
(b)	For arriving at the revenue at proposed level of tariff in Form – 3, the Wharage on Crude oil has been considered at ₹ 25.30 per tonne. However, in the proposed SOR, the wharfage rate for Crude Oil is proposed at ₹ 71.32 per MT. The CHPT to estimate the revenue by considering the proposed rate of Rs.71.31 per MT.	As per Note (7) under wharfage schedule (3.1.), wharfage for Crude oil imported by CPCL will be as per the agreement entered into with CPCL. Since CPCL is the only oil company handling crude at Chennai Port, wharfage income from crude oil has been estimated at the concessional rate applicable to CPCL. Since the rate considered is as per the provision of Scale of Rates, the revenue estimation is found to be in order.
(c)	The CHPT to clarify the reasons for deleting the wharfage entry for Marine Products.	The Port has not handled Marine product since more than 5 years. Due to containerization, there may not be any scope for handling marine products in bulk/ break bulk form in future. Hence, wharfage rate for marine products is deleted.
(d)	As seen from the Summary of Analysis of traffic handled and income earned during the year 2017-18 as furnished by CHPT in support of Revenue Estimation at the proposed SOR, the total Gross Registered Tonnage (GRT) shown under the head 'Port Dues' it is not seen to be matching with total GRT considered for estimating revenue from 'Pilotage'.	As per SoR, GRT to be considered for levy of 'Port dues' and 'Pilotage' will be different for following reasons: (i) Reduced Gross Tonnage to be considered for levy of Port dues in case of oil tankers with segregated ballast tank (ii) 25% to 100% concession in Port dues for different categories of vessels as per Schedule 2.1.2. (iii) 50% Concession in pilotage for not availing the service of tug / pilot. The GRT for 'Port dues' and 'Pilotage' has been taken from billing data generated from System in order to have more accuracy in revenue estimation. Since the billing data is voluminous, preparing reconciliation statement will be a complicated and time consuming task and may not serve any meaningful purpose. In view of the above, the GRT taken by the Port for levy of Port Dues and Pilotage may be considered.
(e)	The actual commodity wise traffic for the year 2017-18 as considered for the estimation of revenue on account of wharfage at proposed level of tariff is seen to be different from the traffic figures as indicated in the Administration Report of 2017-18. The CHPT to furnish the reasons for the variation, with a reconciliation statement.	In the Administration Report, the traffic figures for all commodities will be reported in Tonnage. But, SoR prescribes different units of measurement for levy of wharfage like 'Each', 'Ad valorem' & Cu. M. for certain commodities. The unit of levy as per SoR has been considered for revenue estimation on account of wharfage. For ad valorem items, the wharfage income has been calculated based on the FoB value and not tonnage. The quantitative details, like No. of items, FoB Value, etc. have been taken from the billing data generated from the system for revenue estimation.

<table>
<tr><th>Sl. No.</th><th>Additional information / clarification sought</th><th>Reply of CHPT</th></tr>
<tr><td></td><td></td><td>In view of the above, revenue estimation on account of wharfage furnished by the Port may be considered.</td></tr>
<tr><td>(f)</td><td>The CHPT has proposed to modify the existing provision of levy of Port dues for coastal vessels from ‘once in 30 days’ to each entry’. The CHPT to assess the revenue impact due to the proposed modification and capture the impact in the revenue estimated based on the details of the coastal vessels that have entered more than once within 30 days during 2017-18.</td><td>During 2017-18, a total of 163 vessels (72 POL vessels, 77 container vessels & 14 passenger vessels) have entered more than once within 30 days. The revenue impact on account of the proposed modification is Rs.1.54 Cr. A statement giving details is given below:
<table>
<tr><th>Category</th><th>No. of Vessels</th><th>GRT</th><th>Rate</th><th>Amount</th></tr>
<tr><td>Container</td><td>77</td><td>254640</td><td>8.4138</td><td>2142490</td></tr>
<tr><td>Liquid</td><td>72</td><td>1134771</td><td>10.0966</td><td>11457329</td></tr>
<tr><td>Passenger</td><td>14</td><td>192879</td><td>9.2552</td><td>1785134</td></tr>
<tr><td>TOTAL</td><td>163</td><td>1582290</td><td></td><td>15384953</td></tr>
</table>
The GRT in respect of these vessels have been already included in the GRT considered for revenue estimation on account of Port dues in Form-3 and hence the revenue impact is captured in Form-3.</td></tr>
<tr><td>(g)</td><td>The CHPT has proposed to extend the existing concession of 50% in Port Dues for vessels entering the port but not discharging or taking in any cargo or passengers therein (except materials required for repair purpose) to the vessels entering the port only to take bunkers also, to promote bunkering activity. The Port to assess the revenue impact (reduction) due to the extension of such concession in Port Dues to bunkering vessels.</td><td>The concession is extended to encourage bunkering activity through Chennai Port in future. As per the details of bunkering vessels handled during 2017-18, the revenue impact (reduction) is only ₹ 1,11,650/-, which is already considered in the income estimation in Form-3.</td></tr>
<tr><td>(C)</td><td>Performance Standards</td><td></td></tr>
<tr><td></td><td>The CHPT has proposed Performance Standards at a level of 15000 tonnes towards Average Ship Berth day Output (OSBD) in respect of Major Cargo groups under cargo related activity, 2.54 days for average Turnaround Time (TRT) and 0.86 days for Average Pre-Berthing detention Time (PBD) under vessel related activity.
As against the performance standards proposed by the Port, the Annual Administrative Report 2017-18 (Table No. 8) shows that the port has achieved a OSBD of 16014 tonnes, 1.79 days (42.86 hrs / 24) for TRT and 0.85 days of PBD during the year 2017-18. It is also seen from the performance indicators for the year 2018-19 as compiled by IPA, the CHPT has achieved an OSBD of 17309 tonnes and TRT of 1.65 days (39.68 hrs / 24). When higher performance levels have already been achieved by CHPT in the past, the proposed Performance Standards, which are lower than the actual past Performance may be justified.</td><td>The average of the last 3 years’ performance was taken and the standard has been prescribed at 95% of the achievement for the following reasons:
(i) Shifting of one of the major Container Service, M/s. MAERSK to Kamarajar Port since October 2018
(ii) Diversion of high productive bulk cargoes to the neighbouring ports due to certain commercial reasons, proximity in transportation, lack of round the clock access for EXIM movement, etc.
(iii) Increasing break bulk cargoes like Iron & Steel and project cargoes.

Further, the productivity parameters, Average Ship Berth Day Output (OSBD) and Average Turn Round Time (TRT) are influenced by the increase of high productive cargoes like containers & dry bulk cargoes like limestone/ dolomite. However, in the present trend, there is considerable shortfall in high productive cargoes and contrarily, there is a substantial increase in low productive break bulk cargoes like Iron &</td></tr>
</table>

Sl. No.	Additional information / clarification sought	Reply of CHPT
		Steel and Project cargo which justifies the proposal of achievable performance standard at a marginal reduction of only 5%.

8.1. The joint hearing on the case in reference was held on 02 August 2019 at the CHPT premises. At the joint hearing, the CHPT made a brief power point presentation on the proposal. The users/ user organisations and the CHPT have made their submissions at the joint hearing.

8.2. As agreed at the joint hearing, the CHPT was requested vide our letter dated 16 August 2019 to revise the Scale of rates and circulate the revised scale of rates to the trade with a copy to this Authority. The CHPT was also requested to furnish revised Forms – 1, 3 and 5 capturing the proposed changes in the SOR and the copy of the Board Resolution approving the subject proposal in reference along with the agenda note.

9.1. As agreed at the joint hearing, the CHPT vide its letter dated 31 August 2019, while furnishing the additional information/ clarification, has filed its revised proposal. The significant changes in the revised proposal vis-à-vis initial proposal of CHPT is given below:

(i). Instead of the earlier 5% increase in wharfage of chemicals, no increase is now proposed in the revised proposal.

(ii). The Condition of exempting wharfage on vessels on first voyage, which was earlier proposed for deletion, has now been restored in the revised proposal. Also, the proposed Documentation charge of ₹1,00,000/- per vessel, if manifested as cargo, which was earlier proposed by the port has now been deleted.

(iii). A Composite "Per M.T." rate for supply of labour for stevedoring operations comprising of time-rate wages, general levy and piece rate incentive, which was earlier proposed by the port, has now been deleted.

(iv). In the Form – 1, the port has now excluded the Railway expenditure and considered only the deficit in the Railway activity. Due to the said exclusion, the ARR as initially assessed by the port at ₹ 626.41 crores now stands at ₹ 611.61 crores.

(v). Also, due to the changes in the proposed Scale of rates as brought out above, the revenue estimation at the proposed level of tariff has now been worked out by the port at ₹ 602.40 crores, as against ₹603.85 crores.

9.2 The revised proposal of CHPT has been approved by the Board of Trustees of CHPT in their meeting held on 26 August 2019. The CHPT has also confirmed about circulation of the revised scale of rates to the Trade.

9.3. Only one of the users viz., Chennai Port Stevedores Association (CPSA) has furnished its comments on the revised proposal vide its letter dated 11 September 2019. The CHPT has responded to the comments of CPSA.

10. Subsequently, the CHPT vide its letter No. A.O.(SoR)/General Revision-2019/2018/F dated 11 September 2019 has made the following submissions:

(i). The port is implementing a Gate Management and Access Control System for entry / exit of vehicles inside the Port.

(ii). Therefore, the charges for Harbour Entry Permit included under Schedule 5.6 of the proposed Scale of Rates may be treated as withdrawn.

(iii). On implementation of the Gate Management and Access Control System, a separate proposal will be sent for approval and notification of the rates.

11. 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.

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

(i). The Scale of Rates (SOR) of Chennai Port Trust (CHPT) was last revised by this Authority vide Order No.TAMP/22/2016-CHPT dated 17 September 2016. The validity of the SOR of CHPT approved vide Order of September 2016 expired on 31 March 2019. The validity of said existing SOR of CHPT was extended upto 30 September 2019 and communicated vide our letter No.TAMP/39/2005-Misc. dated 29 March 2019. The CHPT, therefore, vide its letter dated 28 June 2019 has filed its proposal for general revision of its SOR under the Tariff Policy, 2018 and Working Guidelines to operationalize the Tariff Policy, 2018 notified in the Gazette of India on 03 February 2019. Subsequently, taking into account the comments received from the users/ users organizations as well as arguments made by them at the joint hearing, the CHPT vide its letter dated 31 August 2019 has filed a revised proposal. The revised proposal of CHPT has the approval of its Board of Trustees. The said revised proposal of CHPT alongwith the information/ clarification furnished by the port during the processing of the case in reference, is considered in the analysis.

(ii). (a). Clause 2.1 of the Tariff Policy, 2018 requires each Major Port Trust 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 CHPT 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 clause 2.1 of the Tariff Policy, 2018 and the Working Guidelines notified by this Authority and the ARR has been duly certified by a practicing Chartered Accountant. The CHPT 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 CHPT duly certified by the practicing Chartered Accountant is found to be in order and hence considered.

(c). In this regard, reference is drawn to the exclusion of expenses related to the Estate activity. The CHPT, in addition to the Estate related expenses, has excluded the warehousing expenses which are grouped under the Cargo Handling Expenses in the Annual Accounts, on the ground that the License Fee for allotment of land/ space for cargo storage is covered under Estate Rental revision (based on Land Policy Guidelines) and not covered under the general revision exercise. This position is accepted.

(d). The tariff for port railway services is not fixed by this Authority; it is fixed by the Railway Board. Hence, only the Railway expenditure to the extent of deficit in the railway activity is to be considered while computing the ARR. Such an approach has been adopted by this Authority while disposing of the general revision proposal filed by the Mormugao Port Trust (MOPT), Mumbai Port Trust (MBPT) and New Mangalore Port Trust (NMPT), Cochin Port Trust (COPT) under Tariff Policy, 2018. Accordingly, at our request, the CHPT has included the Railway expenditure only to the extent of deficit in the railway activity while computing the ARR. Significantly, it has also *suo motu* adjusted the income arising out of tariff fixed by this Authority for special port service charge and weighment charges from Railway weigh bridge. This principled approach of CHPT deserves to be complimented.

(e). Accordingly, the average of the expenditure for the years 2015-16, 2016-17 and 2017-18 has been worked out by CHPT at ₹ 558.09 crores, which is considered in the analysis

(iii). The CHPT has arrived at capital employed 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. No expenditure is 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 CHPT is ₹669.09 crores.

(iv). Clause 2.1 of the Tariff Policy, 2018, allows Return on Capital Employed at 16% in the Annual Revenue Requirement (ARR) computation. However, keeping in view the stiff competition being faced by the port, the CHPT has claimed the Return on Capital Employed (ROCE) at 8% only. Even by claiming only 8% ROCE, the Port has expressed its inability to achieve the ARR at the proposed level of tariff.

(v). The ARR comprises of the average of the expenditure for the three financial years 2015-16 to 2017-18 plus 8% 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 CHPT at ₹632.71 crores is considered in the analysis. The final detailed working of ARR calculation furnished by the CHPT which has been duly certified by Chartered Accountant is relied upon. The detailed ARR calculation furnished by the port is attached as **Annex - I.** A summary of the ceiling indexed ARR, as furnished by the CHPT is given below:

(**₹ in crores**)

Sr. No.	Particulars	ARR computation furnished by the CHPT
1	Average Expenses [Y1+Y2+Y3]/3	558.09
2	Capital employed as on 31.03.2018 including capital work in progress as on 31.03.2018 and working capital as per norms	669.09
3	Return on capital employed @ 8%	53.53
4	ARR as on 31 March 2018 (4=1+3)	611.62
5	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (3.45%)	632.71
6	Ceiling Indexed Annual Revenue Requirement (ARR)	632.71
7	Revenue estimated by the CHPT at proposed tariff	602.40

(vi). (a). As per Clause 2.5 of Tariff Policy 2018, for drawing the SOR, the CHPT has considered the actual cargo traffic in tonnes 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 ₹632.71 crores.

(b). 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 Port has given detailed working of revenue estimation indicating each of the tariff items in the proposed SOR for corresponding traffic handled in 2017-18 as required as per Clause 2.9. of the Working Guidelines. As per

Clause 2.6. of Tariff Policy 2018, for drawing the SOR, the CHPT has considered the actual cargo traffic in tonnes and GRT of vessel handled by the port during the year 2017-18, to draw the proposed SOR within the ceiling indexed ARR. The revenue estimation statement has been duly certified by a Chartered Accountant.

(c). While drawing up the proposed SOR, the CHPT is generally seen to have proposed an increase in the existing SOR ranging from 0% to 20% in the vessel related charges as well as in the cargo related charges. Based on the above position, the Revenue Estimation at the proposed level of tariff has been worked out by CHPT at ₹ 602.39 crores. This is seen to be within the Ceiling Indexed Annual Revenue Requirement (ARR) of ₹ 632.71 crores, as discussed earlier, thereby leaving a gap of ₹ 30.32 crores, which has been left uncovered by the Port.

(d). Clause 2.6 of the Tariff Policy, 2018 gives flexibility to Major Port Trusts to determine the tariff to respond to the market forces based on its commercial judgment and draw the SOR within the ceiling ARR. The revenue estimated by the CHPT at the proposed tariff is within the ceiling ARR and the revenue estimates at the proposed tariff are duly certified by the Chartered Accountant. Hence, this Authority is inclined to approve the increase in existing tariff as proposed by CHPT.

(vii). Some of the Users/ User Associations have objected to the increase proposed by the CHPT in its Scale of Rates. In this regard, CHPT has submitted that the increase in rates is to partially cover the increase in various operating costs viz., impact of wage revisions, repairs & maintenance, etc. At the same time, the Port has also indicated that it is taking stringent cost control measures to reduce the cost of operations keeping in view the competitive scenario. It is to be noted that the increase in vessel related charges and the cargo related charges, as sought by the CHPT, is well within the ceiling indexed Annual Revenue Requirement. Since the increase sought by the CHPT is within the purview of the stipulations of the Tariff Policy, 2018, approval to the increase in the cargo related charges and vessel related charges, as sought by the port, is inevitable. As per Clause 2.7. of the Tariff Policy 2018, the CHPT is requested to ensure that as a result of revision in the SOR there will not be loss of traffic to the port. Though the CHPT has sought increase in tariff, it is relevant here to mention that as per Clause 7.1. of the Tariff Policy 2018, the rates prescribed in the Scale of Rates are ceiling levels. The CHPT may exercise the flexibility to charge lower rates. In fact, the port has assured to consider competitive rates in the event the trade/ stake holders come up with proposals with volume commitments and vessel calls to CHPT.

(viii). The Southern India Chamber of Commerce and Industry (SICCI) has stated that since the port renders uniform services to all vehicles, irrespective of its value, the wharfage charge on the vehicles should be unit based and not based on Advalorem. In this regard, reference is drawn to the last general revision Order no. TAMP/22/2016-CHPT dated 17 September 2016, wherein based on the proposal of the port, the wharfage rates in respect of Motor vehicles was prescribed on unit basis. However, subsequently, the CHPT had conveyed that after implementation of the unit based wharfage rates in respect of Motor vehicles, it has been in receipt of representations from the Port users stating that there is a steep increase in the wharfage payable by them to the Port as compared to the wharfage paid by them earlier on ad valorem basis. Thus, based on the request made by the port, this Authority vide its Order no. TAMP/55/2017-CHPT dated 21 July 2017 had agreed to the proposal of the Port to roll back of unit based wharfage rates in respect of Motor vehicles at CHPT to Ad- valorem rates. Further, it is also to state that Clause 2.10 of the Working Guidelines issued to operationalise the Tariff Policy, 2018, stipulates the port to do away with advalorem wharfage, as far as possible. There is no obligation cast on the Port to prescribe only unit based rates.

(ix). The Chennai & Ennore Ports Steamer Agents' Association (CHENSAA) has indicated that since the DG Shipping is not issuing separate license (specified voyage license or General Trading License) for container vessels and that the information by e-mail or letter from the vessel / operators / agents to DG Shipping is sufficient to trade the vessel in India, the CHENSAA has made a request to amend the definitions in the CHPT Scale of Rates in consultation with DG Shipping. The response from the Office of DG Shipping is not received till the case of CHPT was finalized. Since the proposal of the CHPT seeking an increase in its existing rates has financial implications, it is not felt appropriate to keep the proposal of CHPT pending, for want of clarification from the DG Shipping. Since the clarification to be received from DG Shipping may have to be applied commonly to all the Major Port Trusts, the matter would be dealt with separately after receipt of clarification from DG Shipping.

(x). The comparative statement giving the existing conditionalities and proposed conditionalities wherever the port has proposed amendment/ deletion in the existing conditionalities and insertion of new provisions, along with remarks/ reasoning as furnished by the port during the analysis of the case alongwith brief remarks/ analysis for accepting or rejecting each of the modifications as proposed by the port, is attached as **Annex - II**.

(xi). This Authority vide Order No.TAMP/12/2019-MUC dated 24 July 2019 has 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 CHPT also. A note in this regard, has been proposed by the Port in its SOR, which is approved.

(xii). The users/ user associations have objected to the tariff increase proposed by the CHPT. 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. The port, while responding to the objection of users, has also assured to consider competitive rates in the event the trade/ stake holders come up with proposals with volume commitments and vessel calls to CHPT. The CHPT may exercise the flexibility to charge lower rates based on commercial considerations.

Further, as per Clause 2.7 the Tariff Policy, 2018, the CHPT 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.

By considering the average of the last 3 years' performance and thereafter capping the performance indicators at 95% of the past achievement, the CHPT has proposed Performance Standards at a level of 15000 tonnes towards Average Ship Berth day Output (OSBD) in respect of Major Cargo groups under cargo related activity, 2.54 days for average Turnaround Time (TRT) and 0.86 days for Average Pre-Berthing detention Time (PBD) under vessel related activity.

With reference to a specific request made to the port to justify the proposed Performance Standards, considering that higher performance levels have already been achieved by CHPT in the past, the port has stated that in the present trend, there is a considerable shortfall in high productive cargoes like containers and dry bulk cargoes like limestone/ dolomite and a substantial increase in low productive break bulk cargoes like Iron & Steel and Project cargo.

The Tariff Policy, 2018 does not prescribe any method or basis for proposing performance standards. Therefore, based on the justification furnished by the Port, the performance standards as proposed by the CHPT are prescribed along with SOR.

It is relevant here to mention 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 providers authorised by the port for rendering services with its 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 here 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 CHPT 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 not 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 CHPT has to be intimated by the port to the concerned users and to this Authority.

(xv). As stated earlier, the existing SOR of the CHPT had a validity upto 31 March 2019. However, this Authority has permitted all the eleven Major Port Trusts to levy the tariff as per the existing approved SOR from the 1 April 2019 to 30 September 2019 or till the effective date of implementation of the revised SOR notified by this Authority, whichever is earlier. By the time the revised Scale of Rates of CHPT comes into effect, it would be around November 2019. That being so, the validity of the existing Scale of Rates is deemed to have been extended from 01 October 2019 till the revised SOR of CHPT 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 Order notifying the SOR vide Gazette No. 376 dated 30 October 2019 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 CHPT may exercise the flexibility to charge lower rates based on commercial considerations.

(b). As stated earlier, as per Clause 2.7 the Tariff Policy, 2018, it is for the CHPT 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 or for any justifiable reasons the CHPT shall 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.

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

13.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the revised SOR and the Performance Standards of the CHPT which have already 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.

13.2 The CHPT 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.

13.3. 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 CHPT does not meet the Performance Standard, the CHPT is not eligible for indexation during the next year.

13.4. As per Clause 6 of the Tariff Policy 2018, the CHPT shall furnish to this Authority annual reports on cargo traffic, ship berth day output, average turnaround time of ships, average pre-berthing waiting time. In addition, for the container berths, annual reports is also to be provided on average moves per crane hour and average dwell time for containers. The annual reports are to be submitted by the Port 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 this Authority from time to time

13.5. As per Clause 4 of the Working Guidelines, this Authority shall host all the information received by it from CHPT under clause 6 of the Tariff Policy, 2018 on its website. However, this Authority shall consider a request from CHPT about not publishing certain data/ information furnished which may be 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. TAMP's decision in this regard would be final.

(T.S. Balasubramanian)
Member (Finance)

Annex -I

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
	Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2018			
			Rs. in lakhs	
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	27,956.28	27,025.90	23,657.22
(ii).	Management & General Admn. Overheads	28,264.67	28,796.96	29,787.68
(iii).	Finance and Miscellanous expenses (FME)	37,930.87	38,133.68	37,785.69
	Total Expenditure 1=(i)+(ii)+(iii)	**94,151.82**	**93,956.54**	**91,230.59**
	Less: Expenses related to Railway activity	2,928.24	3,004.13	2,697.14
	Add: Deficit in Railway Activity	1,572.85	1,543.71	1,072.83
	Total Expenditure after adjustment of Railway Exp.	**92,796.43**	**92,496.12**	**89,606.28**
	Average of Total Expenditure		**91,632.94**	
(2).	**Less Adjustments:**			
(i).	Estate related expenses **(Note 1)**			
	(a). Operating expenses (including depreciation)	1,798.13	2,056.10	1,884.28
	(b). Allocated Management & Administrative Overheads	2,863.79	3,281.37	3,000.26
	(c). Allocated FME	2,438.82	2,901.09	3,009.60
	Subtotal 2 (i)=[(a)+(b)+(c)]	**7,100.74**	**8,238.56**	**7,894.14**
(ii).	**Interest on loans**	13.48	0.98	-
(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).Wage revision arrears **(Note 2)**	744.00	-	-
	(b).Ex-gratia payment to SVRS **(Note 3)**	-	-	-
	(c).Compensation paid to dependants of deceased employees **(Note 3)**	-	-	-
	Subtotal 2 (iii) = [(a)+(b)+(c)]	**744.00**	**-**	**-**
(iv).	**2/3rd of the Contribution to the Superannuation Funds like Pension Fund, Gratuity Fund and Leave Encashment Fund (Note 4)**			
	(a).Contribution to Pension Fund	4,355.50	5,084.00	4,216.00
	(b).Contribution to Gratuity Fund	1,100.50	1,488.00	1,302.00
	(c).Contribution to Leave Encashment Fund	1,756.86	1,523.98	1,680.20
	Subtotal 2 (iii) = [(a)+(b)+(c)]	**7,212.86**	**8,095.98**	**7,198.20**
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation (Note 5)**	18,861.34	19,273.14	21,344.18
(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)	**33,932.42**	**35,608.66**	**36,436.52**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	**60,219.40**	**58,347.88**	**54,794.07**
	Average of Total Expenditure (Sl. No.1)		**91,632.94**	
	Average of Adjustments in Sl. No.2 (i), (iv) & (v)		**35,073.05**	
	Adjustments in Sl. No.2 (ii) & 2 (iii) (a) as per Note 2 (ii)		**751.23**	
(4).	**Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3**		**55,808.66**	

(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (Y3) (As per Audited Annual Accounts)		57,330.77	
	(ii). Add:Work in Progress as on 31.03.2018 (Y3) (As per Audited Annual Accounts)		17,345.07	
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.		13,750.05	

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
		Rs. in lakhs		
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 (Y3) as per Audited Accounts.		-	
	(v). Less : Net value of fixed assets as on 31 March 2018 (Y3) as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2015.		-	
	(vi). Add : Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines			
	(a). Inventory		192.99	
	(b). Sundry Debtors		1,613.04	
	(c). Cash		4,177.56	
	(d). Sum of (a)+(b)+(c)		**5,983.59**	
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]		**66,909.38**	
(6).	**Return on Capital Employed 8% on Sl. No. 5(vii)**		**5,352.75**	
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 (Y3) [(4)+ (6)]**		**61,161.41**	
(8).	**Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (Y4) i.e. @ 3.45% (Sl. No.7*1.0345)**		**63,271.48**	
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**		**63,271.48**	
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl No. 9 above**		**60,239.92**	

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates		Proposed Scale of Rates		Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	Tariff and conditionalities	Sch. No.	Tariff and conditionalities		
	SECTION-1 - Definiations and General Terms & Conditions		**SECTION-1 - Definiations and General Terms & Conditions**		
1.1	**Definitions - General**	1.1	**Definitions - General**		
(v).	**"Demurrage"** shall mean charges payable for storage of cargo in transit area within port premises beyond free period, as specified in this SoR and shall not apply for cargo stored at areas licensed to port users for such purposes.	(v).	**"Demurrage"** shall mean charges payable for storage of cargo within port premises beyond free period, as specified in this SoR and shall not apply for cargo stored at areas licensed to port users for such purposes.	The entire area inside port is custom bonded. Hence, specific mention of "transit area" not required.	Based on the judgment of the port, the proposed change in the definition may be approved.
(viii)	**"Free period"** shall mean the period during which cargo or container shall be allowed storage free of Demurrage Charges or Storage charges, as the case may be, and this period shall be exclusive of Customs notified holidays and Closed holidays declared by the Port.	(viii)	**"Free period"** shall mean the period during which cargo or container shall be allowed storage free of Demurrage Charges or Storage charges, as the case may be, and this period shall be exclusive of Customs notified holidays and Closed holidays declared by the Port. Sundays shall not be excluded for the purpose of calculation of free period unless it falls on Customs notified holidays and / or Closed holidays declared by the Port.	Sundays are Port working days and therefore, the free period includes Sundays. Specific mention is made for better clarity.	For the reason given by the port, th proposed change in the definition may be approved.
(iv)(a)	Vessel related charges shall be levied on shipowners / steamer agents. All US dollar denominated tariff will be recovered in Indian Rupees after conversion of charges in US dollar terms into 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 as may be specified from time to time.	(v)(a)	Vessel related charges shall be levied on shipowners / steamer agents. All US dollar denominated tariff will be recovered in Indian Rupees after conversion of charges in US dollar terms into 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 as may be specified from time to time. The Major Port Trusts may collect dollar denominated tariff in foreign currency in consultation with the Ministry of Shipping and subject to obtaining permission of RBI under Foreign Exchange Management Act, 1999 and ensuring compliance of any other statutory rules / regulations which are laid down for the same.	Amended as per Working Guidelines 2018 (clause 5.6.1)	Since the proposed provision is as per the stipulation prescribed in Clause 5.6.1 of the working guidelines, the proposed prescription may be approved.
		(d)	Rates in respect of goods to be landed shall be paid immediately on the landing of the goods and rates in respect of goods to be removed from the premises of a Board,or to be shipped or export, or to be transshipped, shall be payable before the goods are so removed or shipped or transshipped.	Incorporated as per Sec.58 of the MPT Act, 1963	Since the proposed provision is as per the stipulation prescribed in Section 58 of the MPT Act, the proposed prescription may be approved.
(xiv).(a)	The rates prescribed in this SoR are ceiling levels; likewise, rebates and discounts are floor levels. The Port may, if it so desires, charge lower rates and/or allow higher rebates and discounts.	(xv).(a)	The rates prescribed in this SoR are ceiling levels; likewise, rebates and discounts are floor levels. The Port may, if it so desires, charge lower rates and/or allow higher rebates and discounts.	No change	The existing note is modified as 'The rates prescribed in the Scale of Rates are ceiling levels. The ports may, if they so desire, charge lower rates', in line with the stipualtion contained in Clause 7.1 of the Tariff Policy, 2018
(xvi).	**Annual Indexation:**	(xvii).	**Annual Indexation:**	Effective date of implementation of annual escalation amended as per the provisions of Tariff Policy 2018	Since the proposed provision is as per the stipulation prescribed in Clause 2.8, 2.9 and 3.2 of the Tariff Policy, 2018, the proposed prescription may be approved.
(a).	The SOR is subject to automatic annual indexation at 100% of the WPI to be annually announced by the Authority. The next annual indexation will be from 1 April 2017 subject to the CHPT achieving the Performance Standards prescribed in schedule 1.3 below. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year.	(a).	The SOR is subject to automatic annual indexation at 100% of the WPI to be annually announced by the Authority. The next annual indexation will be from 1 May 2020 subject to the CHPT achieving the Performance Standards prescribed in schedule 1.3 below. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year.		
(b).	The port should declare the Performance Standards achieved by it annually for the period 1 January to 31 December vis-à-vis the Performance Standards notified by the Authority at the level committed by the port within one month of end of the calendar year to the concerned users as well as to the Authority. If the Performance Standards as notified by the Authority are achieved by the port, then the port will automatically index the SOR at 100% of WPI announced by the Authority and apply the indexed SOR w.e.f. 1 April of the relevant year. The indexed SOR by the CHPT to be intimated by the port to the concerned users and to the Authority.	(b).	The port should declare the Performance Standards achieved by it annually for the period 1 January to 31 December vis-à-vis the Performance Standards notified by the Authority at the level committed by the port within one month of end of the calendar year to the concerned users as well as to the Authority. If the Performance Standards as notified by the Authority are achieved by the port, then the port will automatically index the SOR at 100% of WPI announced by the Authority and apply the indexed SOR w.e.f. 1 May of the relevant year. The indexed SoR by the CHPT shall be intimated by the port to the concerned users and to the Authority.		
(xvii)	80% discount on vessels related charges and cargo related charges for coastal transportation of vehicles through Ro-Ro ship will be granted for a period of two years with effect from 20 September 2016.			Validity of concession expired. Hence, deleted.	Since the validity of the existing provision has expired, the deletion of the exisitng note may be approved.
	[This condition is incorporated in pursuance to the MOS letter No.16/(88) 2016-PD-PD-VII dated 20 September 2016 based on which a common adoption Order No.TAMP/4/2004-Genl. dated 25 October 2016 is approved by the Authority.]				

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates				Proposed Scale of Rates				Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	**Tariff and conditionalities**			**Sch. No.**	**Tariff and conditionalities**				
	--			(xix)	The rates prescribed in this Scale of Rates are excluding taxes and duties. GST and/or any other taxes, including levies, as applicable, from time to time shall be paid in extra.			New clause included for GST & other taxes which are not included in the rates prescribed in SoR.	Since the proposed note gives clarity to the users, the proposed note may be approved.
1.3	**Performance Standards**			**1.3**	**Performance Standards**				
S. No.	**Performance of Port**	**Unit**	**Standard**	**S. No.**	**Performance of Port**	Unit	Standard	Simplified as per Tariff Policy 2018 (Clause 3.1)	For the reasons as given in the Agenda note, the propsosed performance standards as proposed by the port may be approved.
1	**Cargo Related Services - Average Ship Berth day Output**			**1**	**Cargo Related Services**				
(a)	**Crude Oil**	M.T.	46500	(i)	Average Ship Berth day Output	M.T.	15000		
(b)	Other POL Products	M.T.	6700	**2**	**Vessel Related Services**				
(c)	Edible Oil	M.T.	3600	(i)	Average Turnaround Time	Day	2.54		
(d)	Other Liquid	M.T.	3500	(ii)	Average Pre-berthing Detention (on Port A/c)	Hours	0.86		
(e)	Dry Bulk	M.T.	8200						
(f)	General Cargo	M.T.	3000						
	Overall	M.T.	15400						
2	**Vessel Related Services**								
(i)	Average Turnaround Time								
(a)	Crude Oil	Day	4						
(b)	Other POL Products	Day	4						
(c)	Edible Oil	Day	3						
(d)	Other Liquid	Day	2.75						
(e)	Dry Bulk	Day	4.5						
(f)	General Cargo	Day	2.7						
	Overall	Day	2.6						
(ii)	**Average Pre-berthing Waiting Time**								
(a)	Crude Oil	Hours	35						
(b)	Other POL Products	Hours	33.3						
(c)	Edible Oil	Hours	15						
(d)	Other Liquid	Hours	22						
(e)	Dry Bulk	Hours	9.2						
(f)	General Cargo	Hours	7.6						
	Overall	Hours	10.4						

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates						Proposed Scale of Rates				Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	Tariff and conditionalities					Sch. No.	Tariff and conditionalities				
	SECTION - 2						SECTION - 2				
	VESSEL RELATED CHARGES						VESSEL RELATED CHARGES				
2.1	PORT DUES					2.1	PORT DUES				
2.1.1.	Schedule of Port Dues					2.1.1.	Schedule of Port Dues				
Sl. No.	Type of vessel	Rate Per GRT		Frequency of payment in respect of the same vessel		Sl. No.	Type of vessel	Rate Per GRT for each entry		Port dues for coastal vessels from 'once in 30 days' to 'each entry' as per position prevailing at all other Major Ports (except KPL & VoCPT).	The revenue impact on account of the proposed modification in the levy of Port dues as worked out by the CHPT at Rs. 1.54 crores has been captured by CHPT while estimating revenue at the proposed level of tariff. Based on the submissions made by the port and keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and since there is no pointed objection from any of the users/ user organisation on the proposed changes, the Authority may be inclined to approve the change in the levy of Port dues, as proposed by the Port.
		Foreign (in USD)	Coastal (in Rs.)	Foreign	Coastal			Foreign (in USD)	Coastal (in Rs.)		
1	POL including Crude oil vessels	0.305	8.07	On each entry into the Port	Once in 30 days	1	POL including Crude oil vessels	0.3816	10.0966		
2	Container vessels	0.305	8.07			2	Container vessels	0.3180	8.4138		
3	RoRo vessels	0.305	8.07			3	RoRo vessels	0.3498	9.2552		
4	Other general cargo / passenger vessels	0.305	8.07			4	Other general cargo / passenger vessels	0.3180	8.4138		
5	Non-cargo vessels	0.305	8.07	On each entry into the port.		5	Non-cargo vessels	0.3498	9.2552		
							Refer Port Website: www.chennaiport.gov.in for Trade Notices/Circulars on concessional rates, as applicable.			Footnote introduced to bring awareness on concessional rates	For the reasons as given by the port, the proposed footnote may be approved.
2.1.2	Concession / Exemption in Port dues:					2.1.2	Concession / Exemption in Port dues:				
Sl. No.	Description			Concession / Exemption		Sl. No.	Description		Concession / Exemption		
2	Vessels entering the port but does not discharge or take in any cargo or passengers therein (except materials required for repair purpose)			50%		2	Vessels entering the port but does not discharge or take in any cargoor passengers therein (except materials required for repair), includingvessels entering the port only to take bunkers		50%	To prmote bunkering activity at the port	To promote bunkering activity at the port, the CHPT has proposed to grant 50% concession to bunkering vessels. The reduction in revenue to the tune of Rs.1.12 lakhs has been reported to have been captured by the port while estimating the revenue at the propsoed level of tariff. The proposed provision may be approved.

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates

Sch. No.	Tariff and conditionalities					
2.2	**PILOTAGE FEES**					
2.2.1	**Schedule of Pilotage Fee**					
Sl. No.	**Vessel size (GRT)**	Rate per GRT				
		Foreign (in USD)				Coastal (in Rs.)
		POL & Crude oil vessels	Container Vessels	RoRo Vessels	Other vessels	All coastal vessels
1	Upto 10,000	0.403	0.403	0.403	0.403	10.65
2	10,001 to 15,000	0.462	0.462	0.462	0.462	12.22
3	15,001 to 30,000	0.532	0.532	0.532	0.532	14.07
4	30,001 to 60,000	0.756	0.756	0.756	0.756	19.97
5	60,001 & above	0.875	0.875	0.875	0.875	23.12

Proposed Scale of Rates

Sch. No.	Tariff and conditionalities									
2.2	**PILOTAGE FEES**									
2.2.1	**Schedule of Pilotage Fee**									
Sl. No.	Vessel size (GRT)	Rate per GRT								
		Foreign (in USD)					Coastal (in Rs.)			
		POL & Crude oil vessels	Container vessels	RoRo Vessels	General cargo Vessels	Passenger & Non-cargo vessels	POL & Crude oil vessels	Container vessels	General cargo Vessels	Passenger & Non-cargo vessels
1	Upto 10,000	0.5042	0.4202	0.4622	0.4202	0.4622	13.3244	11.1037	11.1037	12.2141
2	10,001 to 15,000	0.5780	0.4817	0.5299	0.4817	0.5299	15.2887	12.7406	12.7406	14.0147
3	15,001 to 30,000	0.6656	0.5547	0.6102	0.5547	0.6102	17.6033	14.6694	14.6694	16.1363
4	30,001 to 60,000	0.9458	0.7882	0.8670	0.7882	0.8670	24.9848	20.8207	20.8207	22.9028
5	60,001 & above	1.0948	0.9123	1.0035	0.9123	1.0035	28.9259	24.1049	24.1049	26.5154
Min. charges per vessel		924.40					24,428			

Refer Port Website: www.chennaiport.gov.in for Trade Notices/Circulars on concessional rates, as applicable.

Item	Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Vessel categories	Other Vessels' bifurcated into 'General Cargo Vessel' and 'Passenger & Non-Cargo Vessel' because of differential rates	Based on the submissions made by the port and keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and since there is no pointed objection from any of the users/ user organisation on the proposed changes, the Authority may be inclined to approve the rationalisation in the levy of Pilotage charges, as proposed by the Port.
Rates (Sl. No. 1–5)	GRT backet remains unchanged with new rates proposed for 'POL & Crude', 'RoRo', and 'Passenger & Non-Cargo' vessels.	
Min. charges per vessel	Pilotage amount collected from lesser GRT vessels is too less for the services provided. A minimum lump sum fee is proposed based on a 2000 GRT vessel.	Keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and since there is no pointed objection from any of the users/ user organisation on the proposed minimum pilotage charges, the Authority may be inclined to approve the proposed minimum charges, as proposed by the Port.
Footnote	Footnote introduced to bring awareness on concessional rates	For the reasons as given by the port, the proposed footnote may be approved.

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates					Proposed Scale of Rates					Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	**Tariff and conditionalities**				**Sch. No.**	**Tariff and conditionalities**					
2.2.6	**Charges for hire of Tugs / Launches / Mooring Crew**				**2.2.6**	**Charges for hire of Tugs / Launches / Mooring Crew**					
Sl. No.	Description	Unit	Rate per hour or part thereof		Sl. No.	Description	Unit		Rate per hour or		
			Foreign (in USD)	Coastal (in Rs.)					Coastal (in Rs.)		
					6	Bollard Pull test charges	Per hour		25000.00	A new item introduced based on the Demand	The revenue impact on account of the proposed new levy as worked out by the CHPT at Rs. 0.25 lakhs has been captured by CHPT while estimating revenue at the proposed level of tariff. Keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and since there is no pointed objection from any of the users/ user organisation on the proposed changes, the Authority may be inclined to approve the introduction of the proposed levy, as proposed by the Port.
2.3	**BERTH HIRE CHARGES**				**2.3**	**BERTH HIRE CHARGES**					
2.3.1.	**Schedule of Berth Hire Charges**				**2.3.1.**	**Schedule of Berth Hire Charges**					
Sl. No.	Type of Vessel		Rate per GRT per hour or part thereof		**Sl. No.**	Type of Vessel		Rate per GRT per hour or part thereof			
			Foreign (in USD)	Coastal (in Rs.)				Foreign (in USD)	Coastal (in Rs.)		
1	POL including Crude oil vessels, calling at Oil Berths		0.0043	0.114	1	POL including Crude oil vessels		0.0054	0.1427	Deleted 'Calling at Oil berth' from the description to reduce ambiguities	For the reasons given by the Port, the deletion of the existing description in the note, as proposed by the Port may be approved.
5	Non-cargo vessels		0.0086 subject to a minimum of USD 600 per vessel	0.2280 subject to a minimum of Rs.16,000 per vessel	5	Passenger vessels		0.0050	0.1308	Inserted 'Passenger Vessel' as a separate item	For the reasons as given by the port, the bifurcation of the existing 'Non-cargo vessels' into 'Passenger vessels' and 'Non-cargo vessel', may be approved. The revenue impact on account of the propsoed change has been captured by CHPT in the revenue estimation at the proposed level of tariff.
						Refer Port Website: www.chennaiport.gov.in for Trade Notices/Circulars on concessional rates, as applicable.				Footnote introduced to bring awareness on concessional rates	For the reasons as given by the port, the proposed footnote may be approved.

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates				Proposed Scale of Rates				Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	**Tariff and conditionalities**			**Sch. No.**	**Tariff and conditionalities**				
2.3.2	**Additional Berth Hire Charges**			**2.3.2**	**Additional Berth Hire Charges:**				
	Description	Rate per hour or part thereof			**Description**	Rate per hour or part thereof			
		Foreign (in USD)	Coastal (in Rs.)			Foreign (in USD)	Coastal (in Rs.)		
	Vessels not calling for Pilot within 4 hours after completion of discharge or loading or ballasting or within such extension granted by Port, in writing, calculated for the period of actual delay in calling the pilot, except: (a). Vessels waiting for tide, draft, etc. for safe sailing. (b). Strike by the Port employees. (c). Break down of Port equipment. (d). Vessel under arrest by Court.	564	14900		Vessels not calling for Pilot within 4 hours after completion of discharge or loading operations including lashing / unlashing operations or pipeline flushing through shorelines, calculated from the time of completion of discharge / loading / flushing till the time vessels vacate the Berth	2 times of Berth Hire charges as prescribed in Schedule 2.3.1	2 times of Berth Hire charges as prescribed in Schedule 2.3.1	To provide more flexibility to the vessels by allowing the vessels to occupy the berth on payment of twice the normal berth hire. Trade raised the concern that the lump sum amout charged as per the existing SOR on an houly basis per hour is on a higher side.	Based on the request made by Pearl Shipping Agencies and also to boost lot of ship owners and project cargo exporters and importers to bring more volume of project and break bulk cargo, the proposed provision may be appoved.
					Vessels at any berth on Double Berth Hire charges shall vacate the berth when port requires the berth for any other vessel or for any other purpose, failing which such vessel attract penal berth hire from the time of issuance of a notice to this effect by ChPT or its authorized officials.	5 times of Berth Hire charges as prescribed in Schedule 2.3.1	5 times of Berth Hire charges as prescribed in Schedule 2.3.1	Penalty clause brought in to make provision for the next vessel awaiting its turn to berth and for proper implementation of this schedule.	The proposed provision will instill discipline amongst the users and thereby help the port in proper planning of the vessel schedule. Thus, the proposed penalprovision may also be approved.
					The charges in Schedule 2.3.2 will not be applicable in case of: (a). Vessel waiting for tide for safe sailing (b). Strike by the Port employees (c). Break down of port equipment			Deleted: (d). Vessel under arrest by the court The Court arrest is not attributable to the Port and the Port is in no way responsible for the same. Port need not lose out its berth hire charges if a vessel is arrested. the application of additional berth hire charges under these circumstances may have to be paid by the vessel agent / owner.	For the reasons given by the port, the proposed provision may be approved.
Notes				Notes:					
(1).	The period for the purpose of levy of berth hire shall be reckoned from the time the vessel occupies the berth till she vacates the berth.			(1).	The period for the purpose of levy of berth hire shall be reckoned from the time the vessel occupies the berth till she vacates the berth.			No Change	
(2).	Berth Hire Charges include charges for one wharf crane, for landing and shipment (subject to availability). For additional cranes, charges prescribed at Schedule 3.2.2 shall apply.							Deleted 'Note (2) Existing'; Port cranes are on the verge of condemnation and are not deployed for the intended usage.	For the reasons as given by the port, the proposed deletion of the note may be approved.

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates				Proposed Scale of Rates				Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	Tariff and conditionalities			Sch. No.	Tariff and conditionalities				
				(2).	A vessel berthed alongside berth BD-3 and occupying adjacent berth BD-1 so as to render BD-1 unavailable for other vessel operation, shall, in addition to the berth hire charges payable for the said vessel, attract berth hire charges applicable for the largest ship that can be berthed at BD-1. For the purpose of this note, GRT of the largest vessel which can be berthed at BD-1 shall be taken as 43,000 MT.			Inserted 'Note (2) proposed'; Berths, which are fitted with immmovable infrastructure for ship handling, can not be used if other ships fully/ partially occupies the berth. For e.g. if the VLCC with a length of 330 m. is handled by the Port at B.D.III, it renders B.D.I unavailable for cargo operation. Hence, opportunity loss on account of Berth Hire charges for keeping the berth vacant is proposed to be collected..	To ensure optimum utilisation of the port's resources and to enable the port recover the oppurtunity cost and since there has not been any pointed objection from the users on the matter, the proposed provision may be incorporated in the CHPT SOR.
2.3.3.	**Schedule of Berth Hire Charges for Sailing vessel / floating crafts / bodies / any other vessel**			**2.3.3.**	**Schedule of Berth Hire Charges for Sailing vessel / floating crafts / bodies / any other vessel**				
Sl. No.	**Description**	**Unit**	**Rate (in Rs.)**	**Sl. No.**	Description	Unit	Rate (in Rs.)	No Change in conditionalities	
1	Vessels, other than Merchant vessels and not registered under Harbour Craft Rules of Chennai Port, berthed at Timber Pond and Boat Basin	Per vessel per hour or part thereof	100	1	Vessels, other than Merchant vessels and not registered under Harbour Craft Rules of Chennai Port, berthed at Timber Pond and Boat Basin	Per vessel per hour or part thereof	200		
2	Vessels registered under Harbour Craft Rules of Chennai Port berthed anywhere in the port	Per vessel per day or part thereof	135	2	Vessels registered under Harbour Craft Rules of Chennai Port berthed anywhere in the port	Per vessel per day or part thereof	250		
3	Pleasure yachts	Per yacht per calendar month or part thereof	3000	3	Pleasure yachts	Per yacht per calendar month or part thereof	5000		
Note:	The non-commercial powered harbour crafts belonging to the Central Government or a State Government such as the launches of the Defence Service, the Customs, the Police and the Port Health Department that are plying and stationed at the port for their Departmental use, concerning the Port Operations will be exempted from the above Berth hire charges.			**Note:**	The non-commercial powered harbour crafts belonging to the Central Government or a State Government such as the launches of the Defence Service, the Customs, the Police and the Port Health Department that are plying and stationed at the port for their Departmental use, concerning the Port Operations will be exempted from the above Berth hire charges.			No Change	
2.3.4.	**Anchorage Fee**			**2.3.4.**	**Anchorage Fee**				
	Description	**Rate per GRT per hour or part thereof**			Description	Rate per GRT per hour or part thereof			
		Foreign (in USD)	**Coastal (in Rs.)**			Foreign (in USD)	Coastal (in Rs.)		
	Vessels entering the Enclosed Harbour, shifted to Anchorage and subsequently re-berthed, for the period of stay in anchorage at any points within the Port limits	0.0009	0.0238		Vessels entering the Enclosed Harbour, shifted to Anchorage and subsequently re-berthed, for the period of stay in anchorage at any points within the Port limits	0.00113	0.02977	No Change in conditionalities	
					Note: The above charges shall not be applicable to the vessels which are shifted to Anchorage for Port Convenience or due to bad weather.			Anchorage for the vessels moving out due to inclement weather or for port convinience are waived off.	The introduction of the proposed note would give relief to the users from the payment of anchorage charges, if the vessels are shifted to the anchorage for port convenience or bad weather. The propsoed note may, therefore, be approved.

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates					Proposed Scale of Rates					Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	**Tariff and conditionalities**				**Sch. No.**	**Tariff and conditionalities**					
	SECTION - 3					**SECTION - 3**					
	CARGO RELATED CHARGES					**CARGO RELATED CHARGES**				Reclassification, Regrouping, Clubbing, Removal of sub-headings and modification of description of items in Wharfage Schedule carried out for Improvement and better clarity.	
3.1	**WHARFAGE**				**3.1**	**WHARFAGE**					
3.1.1	**Schedule of Wharfage Charges for Bulk and Break Bulk**				**3.1.1**	**Schedule of Wharfage Charges for Bulk and Break Bulk**					
Sl. No.	**Description of Cargo**	**Unit**	**Rate (in Rs.)**		**Sl. No.**	**Description of Cargo**	**Unit**	**Rate (in Rs.)**			
			Foreign	**Coastal**				**Foreign**	**Coastal**		
1	**Acids & Chemicals**				**(A)**	**Liquid Cargo**					
(i)	Acids of all kinds	M.T.	100	60	1	Acids of all kinds	M.T.	125.11	75.07	Description unchanged	
(ii)	Chemicals of all kinds including Carbon black, Linear Alkaline Benzoine, Orthoxylene	M.T.	152	91	2	Chemicals of all kinds not covered under Sl. No.1 above - Carbon black, Linear Alkaline Benzene, Orthoxylene, etc.	M.T.	158.48	95.09	Description changed by removing Acids	
2	Coir, Coir products and Jute & Jute products	M.T.	134	80	3	Crude oil	M.T.	71.32	71.32	Description unchanged	
3	Construction and Building MaterialsAsbestos, Bitumen, Blue metal sand, Bricks, Cement, Clinker, Sand, Silica Sand, Slag, Stones & Tiles	M.T.	45	27	4	Diesel oil	M.T.	86.33	86.33	Description unchanged	
					5	Furnace oil	M.T.	76.32	76.32	Description unchanged	
4	Crude Oil & POL Products				6	Kerosene oil & Aviation Turbine Fuel (ATF)	M.T.	91.33	91.33	Description changed by removing Lubes & Base Oil, covered under separate heading in proposed SoR	
(i)	Crude Oil	M.T.	57	57	7	Lubricants, Bitumen & Base oil	M.T.	91.33	91.33	Introduced as a separateitme by bifurcating from 'Kerosene and ATF' added Bitumen	
(ii)	Petrol	M.T.	81	81	8	Naphtha	M.T.	96.34	96.34	Description unchanged	
(iii)	Diesel Oil	M.T.	69	69	9	Petrol	M.T.	101.34	101.34	Description unchanged	
(iv)	Kerosene Oil & Aviation Turbine Fuel (ATF), Base oil & Lubricants	M.T.	73	73	10	Vessel's Oil bunkering	M.T.	49.00	49.00	Description unchanged	
(v)	Furnace oil	M.T.	61	61	11	Edible oil of all kinds	M.T.	97.58	58.55	Description unchanged	
(vi)	Naptha	M.T.	77	77	12	Molasses	M.T.	47.54	28.52	Description unchanged	
(vii)	Oil bunkering to vessels	M.T.	47	47	**(B)**	**Dry Cargo**					
5	**Defence cargo**	M.T.	134	80	13	Aircraft	Each	93834	56300	Description unchanged	
6	**Edible oil of all kinds**	M.T.	78	47	14	Boats and launches	Each	18767	11260	Description unchanged	
7	**Fertiliser**				15	Cereals and pulses of all kinds	M.T.	46.92	28.15	Description unchanged	
(i)	Sulphur, Rock Phosphate, Urea and other Raw Fertiliser	M.T.	45	27	16	Coir, Coir products and Jute & Jute products	M.T.	139.71	83.83	Description unchanged	
(ii)	Ammonium Sulphate, Potash, Di-Ammonium Phosphate (DAP), Murate of Potash (MoP) and other Finished Fertilisers				17	Construction materials: Asbestos, Blue metal sand, Bricks, Cement, Clinker, Sand, Silica Sand, Slag, Stones & Tiles	M.T.	56.30	33.78	Removed 'Bitumen' from this description and added to 'Lub & Kerosene' for regrouping purposes	
8	**Food grains and food products**				18	Defence stores	M.T.	167.65	100.59	Description unchanged	
(i)	Cereals and pulses of all kinds	M.T.	45	27	19	Fertilizer – All types of Raw and Finished: Sulphur, Rock Phosphate, Urea, Ammonium Sulphate, Potash, Di-Ammonium Phosphate (DAP), Murate of Potash (MoP)	M.T.	46.92	28.15	Since rates were same, two sub groups of the fertilizer in existing SoR is clubbed to avoid confusion	

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COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates					Proposed Scale of Rates					Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	Tariff and conditionalities				Sch. No.	Tariff and conditionalities					
(ii)	Salt	M.T.	28	17	20	Granite Blocks, Dressed marbles and slabs	M.T.	81.32	48.79	Description unchanged	Keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and since there is no pointed objection from any of the users/ user organisation on the proposed changes and since the income from the proposed provisions has been captured by the port in the estimation of income at the proposed level of tariff, the Authority may be inclined to approve the reclassification, regrouping, clubbing, modification in description of items in the Wharfage schedule, as proposed by the Port.
(iii)	Sugar	M.T.	56	34	21	Machineries and Equipments, if fitted with wheels and handled as assembled units, like Excavator, Motor Grader, Dumper Truck, Wheel Loader, Bull Dozer, Paver, Power Transformer, Concrete Mixer, etc. along with its own accessories	Ad valorem	0.3545% subject to maximum of ` 1,25,112 per unit	0.2127% subject to a maximum of ` 75,067 per unit	Item 10 (iii) [a,b,c]of existing SoR is clubbed as one sigle item; no separate classification is required based on weight of the CBUs.	
(iv)	Marine products	M.T.	43	26	22	Machineries & Equipment other than mentioned in Sl. No.21 above, including Electrical and Electronic goods, Wires, Cables, Parts, Tools & Accessories	Ad valorem	0.3545%	0.2127%	Description unchanged	
(v)	Provisions and groceries, fruits, vegetables, not in bulk	M.T.	56	34	23	Metal & Metal Products (Alloy / Non-alloy): Ingots & Billets, Sheets & Plates, Bars, Rods, Angles, Pipes, Rails, etc. and not covered under Sl. No.22 above	M.T.	93.83	56.30	Added 'Rails' in the description	
9	**Granite Blocks, Dressed marbles and slabs**	M.T.	78	47	24	Metal scrap including shredded scrap	M.T.	56.3	33.78	Added 'including shredded scrap' for broader classification	
10	**Machinery & Equipments**				25	Motor vehicles for carrying passengers and materials					
(i)	Aircraft	Each	75,000	45,000		(a). Two wheelers	Each	625	375	Description unchanged	
(ii)	Boats and launches	Each	15,000	9,000		(b). Three wheelers	Each	1877	1126	Description unchanged	
(iii)	Machinery & equipment fitted with wheels, as assembled units, like Excavator, Motor Grader, Dumper Trucks, Wheel Loaders, Bull Dozer, Pavers, Power Transformers, Concrete Mixer, etc.along with its own accessories					(c). Four wheelers	Ad valorem	0.4900% subject to maximum of ` 10,509 per unit	0.3024% subject to a maximum of ` 6,305 per unit	Clubbed: Item 13 (iii) (a) & (b) and 11 (iv) of Existing SoR; easier categorization of vehicle irrespective of Import or Export or Engine Capacity	
	(a). weighing upto 15 M.T.	Advalorem	0.47% subject to a maximum of Rs.30,000 per unit	0.29% subject to a maximum of Rs.18,000 per unit		(d). Six wheelers and above	Ad valorem	0.3545% subject to maximum of ` 36,282 per unit	subject to a maximum of ` 21,769 per unit	Clubbed: Item 13 (v) (a) & (b) of Existing SoR; weight of vehicle is rendered unimportant	
	(b). weighingabove 15 M.T.& upto 30 M.T.	Advalorem	0.47% subject to a maximum of Rs45,000 per unit	0.29% subject to a maximum of Rs.27,000 per unit	26	Iron Ore Pellets	M.T.	56.30	56.30	Description unchanged	
	(c). weighing above 30 M.T.	Advalorem	0.47% subject to a maximum of Rs.1,00,000 per unit	0.29% subject to a maximum of Rs.60,000 per unit	27	Ores & Minerals of all kinds including Barytes, Bauxite, Clay, Cobble stones, Dolomite, Ferrosilicon, Ferro slag, Fluorspar, Feldspar, Gypsum, Kerb stones, Limestone, Mill scale, except Sl. No.26 above				Inserted: Clay, Ferro slag and Mill scale	
(iv)	Machinery & Equipment other than mentioned in (iii) above including Electrical and Electronic goods, Wires, Cables, Parts, Tools & Accessories	Adv.	0.31%	0.18%		(a). Import	M.T.	46.92	28.15		
(v)	Railway wagons & coaches	Each	22,300	13,380		(b). Export	M.T.	32.53	19.52		
(vi)	Locomotives	Each	33,500	20,100	28	Provisions and groceries, fruits, vegetables and food items of all kinds– not in bulk	M.T.	64.23	38.54	Added: 'and food items of all kinds'	
11	**Metal & Metal products**				29	Railway wagons & coaches	Each	27900	16740	Description unchanged	
(i)	Ingots & Billets, Sheets & Plates, Bars, Rods, Angles, Pipes & Fittings	M.T.	90	54	30	Locomotives	Each	41912	25147	Description unchanged	
(ii)	Metal scrap	M.T.	45	27	31	Salt of all kinds	M.T.	29.19	17.51	Added: 'of all kinds'	
12	**Molasses**	M.T.	38	23	32	Sugar of all kinds	M.T.	64.23	38.54	Added: 'of all kinds'	
13	**Motor vehicles for carrying passengers / cargo**				33	Unaccompanied personal baggage	Each	140	84	Description unchanged	

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COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates					Proposed Scale of Rates					Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	Tariff and conditionalities				Sch. No.	Tariff and conditionalities					
(i)	Two wheelers	Each	500	300	34	Timber logs	Cu. m.	41.70	25.02	Description unchanged	
(ii)	Three wheelers	Each	1500	900	35	Wood, Bamboo, Plywood, Boards, Wood products and wood pulp	M.T.	69.85	41.91	Description unchanged	
(iii)	Four wheelers of upto 1400 cc				36	Any other cargo not specified above				Description unchanged	
	(a). Import	Advalorem	0.47% subject to a maximum of Rs.4,200 per unit	0.29% subject to a maximum of Rs.2,520 per unit		(a). In Bulk	M.T.	92.58	55.55		
	(b). Export	Advalorem	0.47% subject to a maximum of Rs.2,200 per unit	0.29% subject to a maximum of Rs.1,320 per unit		(b). Other than in Bulk	Ad valorem	0.5213%	0.3128%		
(iv)	Four wheelers of above 1400 cc - Import & Export	Advalorem	0.47% subject to a maximum of Rs.8,400 per unit	0.29% subject to a maximum of Rs.5,040 per unit							
(v)	Six wheelers and above										
	(a). Vehicle weighing upto 7.5 M.T.	Advalorem	0.47% subject to a maximum of Rs.10,000 per unit	0.29% subject to a maximum of Rs.6,000 per unit							
	(b). Vehicle weighing above 7.5 M.T.	Advalorem	0.47% subject to a maximum of Rs.29,000 per unit	0.29% subject to a maximum of Rs.17,400 per unit							
14	**Ores & Minerals of all kinds**										
(i)	Barytes, Bauxite, Dolomite, Ferrosilicon, Felspar, Flourespar, Gypsum, Limestone, Kerb stones and Cobble stones										
	(a). Import	M.T.	45	27							
	(b). Export	M.T.	26	16							
(ii)	Iron Ore Pellets	M.T.	45	45							
15	**Unaccompanied personal baggage**	Each	112	67							
16	**Wood, Timber & Products**										
(i)	Timber logs	Cu. m.	40	24							
(ii)	Wood, Bamboo, Plywood, Boards, Wood products and wood pulp	M.T.	67	40							
17	**Any other cargo not specified above**										
(i)	In bulk	M.T.	74	44							
(ii)	Other than in bulk	Adv.	0.50%	0.30%							
	"Defence stores" would include 'Bombs, grenades, torpedoes, mines, missiles, and similar munitions of war and parts thereof: cartridges and other ammunition and projectiles and parts thereof, including shot and cartridges wads' coming under Arms, Ammunition, parts and accessories thereof but the reference to "parts thereof does not include radio or radar apparatus as per note no. 2 of Chapter no. 93 of Customs Tariff of India.					Shifted to the Notes section.					

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COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates

Sch. No.	Tariff and conditionalities						
3.1.2	**Wharfage on containers including Shipper Own Container and MAFI**						
Sl. No.	**Type of containers**	**Rate per Container (in Rs)**					
		20'		**40'**		**Above 40'**	
		Foreign	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**
1	Empty	60	36	90	54	120	72
2	Laden	770	462	1155	693	1540	924

Proposed Scale of Rates

Sch. No.	Tariff and conditionalities				Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
3.1.2	**Wharfage on Containers including Shipper Own Container and MAFI**					
Sl. No.	**Description of Cargo**	**Unit**	**Rate (in Rs)**		Table restructured	Keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and since there is no pointed objection from any of the users/ user organisation on the proposed changes and since the income from the proposed restructured provision has been captured by the port in the estimation of income at the proposed level of tariff, the Authority may be inclined to approve the restructuring of the Wharfage Schedule of Containers, as proposed by the Port.
			Foreign	**Coastal**		
(A)	**Containers other than Shipper own Containers**					
1	Empty					
	(a). Upto 20 Feet	Each	100	60		
	(b). Above 20 Feet and upto 40 Feet	Each	150	90		
	(c). Above 40 Feet	Each	200	120		
2	Laden					
	(a). Upto 20 Feet	Each	1000	600		
	(b). Above 20 Feet and upto 40 Feet	Each	1500	900		
	(c). Above 40 Feet	Each	2000	1200		
(B)	**Shipper own Containers**					
	Shipper Own Containers including value of cargo	Ad valorem	0.3545%	0.2127%		
(C)	**MAFI**					
1	For MAFI only					
	(a). Upto 20 Feet	Each	100	60		
	(b). Above 20 Feet and upto 40 Feet	Each	150	90		
	(c). Above 40 Feet	Each	200	120		
2	Cargo loaded on MAFI	In addition to the charges in [(C) 1.] above, commodity-wise wharfage as per Sch.3.1.1. shall also be charged			Inserted: Description added for uniformity	

Existing Sch. No.	Existing Description	Proposed Sch. No.	Proposed Description	Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
3.1.3	**Cargo Free of Wharfage**	**3.1.3**	**Cargo Free of Wharfage**		
Sl. No.	**Description**	**Sl. No.**	**Description**		
4	Bonafide consumable / non-consumable ship stores.	4	Bonafide consumable / non-consumable ship stores. However, a documentation fee of Rs.1,000/- per shipping bill shall be levied.	Processing Fee added for documentation, Introduced based on manpower involved in processing of documentation.	For the reasons as given by the port and since there is no pointed objection from any of the users, the introduction of the documentation fee, as proposed by the port may be approved.
		8	Goods consigned to or by the ChPT and goods consigned in the name of Govt. of India on ChPT account.	Added to make provision for CHPT owned goods, if any	For the reasons as given by the port, the introduction of the proposed provision may be approved.

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COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates – Sch. No.	Existing Scale of Rates – Tariff and conditionalities	Proposed Scale of Rates – Sch. No.	Proposed Scale of Rates – Tariff and conditionalities	Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Notes:		**Notes:**			
(6) (a).	Cargo / container / MAFI not meant for Chennai Port landed and reshipped / transhipped shall be assessed for each handling @ 75% of the wharfage applicable to that cargo / container / MAFI. Steamer Agent shall arrange for movement of cargo / container / MAFI from one berth to another, if required.	(6) (a).	Cargo / Container / MAFI not meant for Chennai Port landed and transshipped shall be assessed for each handling @ 75% of the wharfage applicable to that cargo / container / MAFI. Steamer Agent shall arrange for movement of Cargo / Container / MAFI from one berth to another, if required.	Deleted 'Re-shipped' on the same vessel	Since the proposed amendments bring in clarity and would avoid ambiguity, the proposed amendments may be approved.
(b).	Cargo / container / MAFI transshipped from vessel to vessel directly, shall be assessed for each handling @ 50% of the wharfage applicable to that cargo / container / MAFI.	(b).	Cargo / Container / MAFI discharged and re-loaded on the same vessel in the same voyage or transshipped from vessel to vessel directly, shall be assessed for each handling @ 50% of the wharfage applicable to that cargo / container / MAFI.	Added: 'Re-shipped' on the same vessel	
		(9).	"Defence stores" would include 'Bombs, grenades, torpedoes, mines, missiles, and similar munitions of war and parts thereof: cartridges and other ammunition and projectiles and parts thereof, including shot and cartridges wads' coming under Arms, Ammunition, parts and accessories thereof but the reference to "parts thereof does not include radio or radar apparatus as per note no. 2 of Chapter no. 93 of Customs Tariff of India.	Shifted from wharfage table foot note to 'Notes'.	
		(10).	Wharfage on export cars handled by M/s.Hyundai Motors India Ltd. (HMIL) will be as per the agreement entered with M/s.HMIL.	Added: similar to the note for CPCL	
3.2.	**CHARGES FOR USE OF PORT CRANES**	**3.2.**	**CRANE CHARGES**		
3.2.2	**CHARGES FOR USE OF WHARF CRANE**			Deleted since these cranes are proposed to be condemned.	For the reason given by the port, the deletion of the provisions, as proposed by the Port may be approved.
3.2.3	**CHARGES FOR USE OF FLOATING CRANE THANGAM**				

3.2.2 CHARGES FOR USE OF WHARF CRANE

Sl. No.	Description	Unit	Rate per crane (in Rs.) – Foreign	Rate per crane (in Rs.) – Coastal
1	Upto1 5 M.T. capacity	Per shift or part thereof	12,000.00	7,200.00

3.2.3 CHARGES FOR USE OF FLOATING CRANE THANGAM

Sl. No.	Description	Unit	Rate for each handling (in Rs.) – Foreign	Rate for each handling (in Rs.) – Coastal
1	**For vessel and cargo operations**			
	Weight of the package:			
(i)	Upto 30 M.T.	Per M.T. or part thereof	1500	900
(ii)	Above 30 M.T. and upto 60 M.T.	Per M.T. or part thereof	2400	1440
(iii)	Above 60 M.T. and upto 100 M.T.	Per M.T. or part thereof	3400	2040
(iv)	Above 100 M.T. and upto 140 M.T.	Per M.T. or part thereof	4700	2820
	Minimum charges for cancellation of requisition within 4 hours	Per cancellation	3,500	
2	**For other than cargo operations** subject to the minimum of Rs.1,20,000	Per hour or part thereof	30,000	

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Existing Scale of Rates				Proposed Scale of Rates				Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	Tariff and conditionalities			Sch. No.	Tariff and conditionalities				
3.2.4	**Charges for permitting to use Private Cranes inside the Port**			**3.2.2**	**Charges for permitting to use Private Cranes inside the Port**				
(3).	The maximum load capacity of the F.C. Thangam is 140 M.T. The packages weighing above 140 M.T. or packages which cannot be accommodated on the deck of F.C. Thangam shall be permissible with the use of private cranes on payment of the charges prescribed under Schedule 3.2.4 above.								Since the rate schedule relating to the cranes has been proposed for deletion, the notes governing the levy of charges on cranes, is also proposed for deletion.
(4).	Usage of F.C. Thangam for ship to shore movement of packages and vice versa will be considered as single handling.								
3.3	**DEMURRAGE CHARGES**			**3.3**	**DEMURRAGE CHARGES**				
3.3.1	**Free period for storage of cargo in transit area**			**3.3.1**	**Free period for storage of cargo in transit areas**				
Sl. No.	**Description**	**Free period (in Days)**	**Day of commencement of free period**	**Sl. No.**	**Description**	**Free period (in Days)**	**Day of commencement of free period**		
2	**Export Cargo**			2	**Export Cargo**				
(iii)	Shut out cargo removed out of port premises being without shipped	2	- do -	(iii)	Export cargo stored in transit area, shut out by the ship or prevented from shipment by Act of God, such as cyclone, grounding of vessels, etc. and removed out of port premises	2	Day following the Vessel Completion Date	Description modified to motivate export cargo and to unburden the users	Since the amendment has been proposed by the Port so as to give relief to the users, the proposed amendment may be approved.
5	Cargo detained by the Commissioner of Customs for special examination /analytical or technical tests or Import Control formalities and certified by the Commissioner of Customs to be not attributable to any fault or negligence on the part of the Importers / Exporters	45	From the date of expiry of free days, if detained by Customs before expiry of applicable free days. From the date of detention, if detained by Customs, after expiry of applicable free days.					Deleted: Not in Use	For the reasons given by the port, the deletion of the provisions, as proposed by the Port may be approved.
				5	**Sludge oil**	1	Day following the actual date of completion of discharge	Added: There is no provision in existing SoR.	Since the provision introduced by the port gives clarity on the free days to be enjoyed by the Sludge oil, the propsoed provision may be approved.
Notes:				**Notes:**					

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COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates: Sch. No.	Existing Scale of Rates: Tariff and conditionalities	Proposed Scale of Rates: Sch. No.	Proposed Scale of Rates: Tariff and conditionalities	Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
(1).	Whenever discharge of Import cargo is suspended or stopped for more than 48 hours for any reason not attributable to Port, free days shall be declared for the cargo already discharged. Free days for the balance cargo shall be declared after discharge.	(1).	Whenever discharge of Import cargo is suspended or stopped for more than 48 hours for any reason not attributable to Port and / or removal of vessel from the berth before complete discharge of the manifested quantity, free days shall be declared for the cargo already discharged from the date of suspension / stoppage of such discharge. Free days for the balance cargo on board shall be declared after discharge.	Modified: For better clarity	For the reasons given by the port, the modification to the existing note, as proposed by the Port may be approved.
		(5).	When an import cargo is stored in transit terms and then converted into re-export, free period will be considered from the date of filing of export documents like Shipping Bill.	Added: No provision available in existing SoR.	For the reasons given by the port and since the proposed notes gives clarity on the free days to be enjoyed by re-export cargo, the introduction of the propsoed notes may be approved.
		(6).	Wharfage charges shall be leviable on the goods actually exported. Cargo brought into the Port for export, if removed for any reason, with the prior written permission of Customs department, a fee equivalent to wharfage charges applicable for such cargo, is payable irrespective of the cargo stored on transit or rental terms and free period as applicable shall be allowed.	Added: In line with the position prevailing in other Major Port like KPT.	

3.3.2 Schedule of Demurrage Charges after free period (Existing and Proposed)

Existing: Sl No	Existing: Description	Existing: Rate per wharfage unit per day or part thereof (in Rs.)	Proposed: Sl No	Proposed: Description	Proposed: Rate per wharfage unit per day or part thereof (in Rs.) – Cargo stored in open space	Proposed: Cargo stored in covered space	Reasons / Justification	Our Remarks
	Import cargo		1	Import cargo			Demurrage for cargo stored in covered space kept at 150% of the rates applicable for open space	
	(i). For the first 7 days	18.50		(i). For the first 7 days	23.15	34.73		
	(ii). For the next 10 days	37.00		(ii). For the next 10 days	46.30	69.46		
	(iii). For the next 13 days	55.50		(iii). For the next 13 days	69.45	104.19		
	(iv). Thereafter	112.50		(iv). Thereafter	140.75	211.13		
	Export cargo and Transshipment cargo		2	Export cargo and Transshipment cargo				
	(i). For the first 7 days	18.50		(i). For the first 7 days	23.15	34.73		
	(ii). For the next 3 days	37.00		(ii). For the next 3 days	46.30	69.46		
	(iii). Thereafter	112.50		(iii). Thereafter	140.75	211.13		
	Notes:			**Notes:**				

3.3.3 Charges to be recovered from Customs on goods confiscated by Customs (Existing and Proposed)

Existing		Proposed		Reasons / Justification	Our Remarks
Post Confiscation storage charges	Rs.50/- per wharfage unit per day or part thereof, if unit of levy is on weight / volume basis. Rs.300/- each per day or part thereof, if unit of levy of wharfage is on each basis.	Post Confiscation storage charges	Rs.62.56 per wharfage unit per day or part thereof, if unit of levy of wharfage is on weight / volume basis. Rs.375.34 each per day or part thereof, if unit of levy of wharfage is on each / ad valoem basis.	Added:'ad valorem' to have all units for charging wharfage	

Proposed: 3.4 Licence (Storage) Fees for allotment of land inside Custom bonded area for immediate storage of cargo on Vessel arrival

Reasons / Justification: New Section introduced based on the Board approval

Period of occupation	**Rate in Rs. per 10 Sq.m. or part thereof for 15 days or part thereof: Unpaved Open space**	**Paved Open space**	**Covered space**
First 60 days	336	637	1007
61st to 90th day	370	701	1108
91st to 120th day	420	796	1259
121st day onwards	504	956	1511

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Existing Scale of Rates: Sch. No.	Existing Scale of Rates: Tariff and conditionalities	Proposed Scale of Rates: Sch. No.	Proposed Scale of Rates: Tariff and conditionalities	Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
		1	Application for storage spaces shall be made to the Traffic Manager, ChPT, in the prescribed form, before storage of goods stating the acceptance of all risks and responsibilities for such goods. Any unauthorized occupation of storage spaces shall be liable for payment of double the rate of license fee as penalty.		Keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and since there is no pointed objection from any of the users/ user organisation on the introduction of the new Licence (storage) fee Schedule, the Authority may be inclined to approve the introduction of the proposed provision, as proposed by the Port.
		(2).	Licence (Storage) Fee shall be paid in advance. Penal interest, as prescribed in clause (ix) (a) of Section 1.2 – General Terms & Conditions of this SoR shall be levied on the amount due. The penal interest shall be levied from the date on which the amount becomes due till the date of actual payment, which in no case shall exceed 3 days. If, for any reason, payment is delayed beyond 3 days from the date of the amount becoming due, occupation will be treated as unauthorized.		
		(3).	One month licence fee shall be paid in advance to the Port as Security Deposit which shall be refunded only after the peaceful possession is handed over by the user and after deducting any dues payable to ChPT.		
		(4).	Period for the purpose of calculation of Licence (Storage) fees shall be counted taking into account the period of stay of the cargo.		
		(5).	The User shall store the cargo pertaining to the vessel for which the allotment is made.		
		(6).	The space allotted shall be deemed to be vacated once the cargo stored is delivered / shipped.		
		(7).	In case of export cargo, the carting shall be allowed upto a maximum quantity of Shipping Bill. However, after the shipment for any reason, there is left over quantity shall be taken out or declared for the next vessel as the case may be after obtaining fresh allotment for storage.		
		(8).	In case the storage charges / fees are not paid, the cargo will not be allowed for shipment / delivery as per Sec.58 and 60 of MPT Act 1963.		
		(9).	The rates prescribed above are subject to annual escalation and / or revision as and when the estate rental tariff is escalated and / or revised.		
		(10).	Licence Fee in respect of areas declared as private / customs bonded shall be 120% of rates as specified in Sch. 3.3. above.		

SECTION - 4					**SECTION - 4**								
	STEVEDORING AND CLEARING & FORWARDING CHARGES					**STEVEDORING AND CLEARING & FORWARDING CHARGES**							
4.1	**Charges for supply of labour / staff for stevedoring operations**				**4.1**	**Charges for Composite Rate for on board labour of Cargo Handling Division**							
Sl. No.	**Category of worker / staff**	**Rate per shift or part thereof (in Rs.)**			**Sl. No.**	**Category of worker / staff**	**Rate per shift or part thereof (in Rs.)**						
		Time Rate Wages	**General Levy (192%)**	**Total**			**Time Rate Wages**	**General Levy (192%)**	**Total**				
1	On Board Supervisor	2260	4340	6600	**1**	On Board Supervisor	3160	6070	9230				
2	Tally Clerk	1770	3400	5170	**2**	Tally Clerk	3010	5780	8790				
3	Tindal	1620	3120	4740	**3**	Tindal	2270	4360	6630				
4	Maistry	1620	3120	4740	**4**	Maistry	2320	4460	6780				
5	Winch Driver	1620	3120	4740	**5**	Winch Driver	2270	4360	6630				
6	Signal Man	1500	2880	4380	**6**	Signal Man	2270	4360	6630				
7	Mazdoor	1500	2880	4380	**7**	Mazdoor	2020	3880	5900				

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Sch. No.	Existing Scale of Rates: Tariff and conditionalities	Existing Rate	Proposed Sch. No.	Proposed Scale of Rates: Tariff and conditionalities	Proposed Rate	Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Notes:			**Notes:**			Rates updated to reflect existing time rate wages.	
(1).	The above charges shall be paid by the Stevedores prior to the engagement of labour		(1).	The above charges shall be paid by the Stevedores prior to the engagement of labour			
(2).	The stevedore will be permitted to indent gang for half shift instead of full shift for incoming and finishing vessels, by making payment of 50% of time-rate wages and 192% general levy mentioned in the Total column of the above schedule.		(2).	The stevedore will be permitted to indent gang for half shift instead of full shift for incoming and finishing vessels, by making payment of 50% of time-rate wages and 192% general levy mentioned in the Total column of the above schedule.			
(3).	Whenever the services of half shift gang is converting into full shift gang, the Stevedores shall pay one full gang charges over and above the half shift gang charges as a deterrent measure.		(3).	Whenever the services of half shift gang is converting into full shift gang, the Stevedores shall pay one full gang charges over and above the half shift gang charges as a deterrent measure.			
(4).	In case of shortage of manpower in one category, the available manpower in other categories will be deployed, subject to suitability.		(4).	In case of shortage of manpower in one category, the available manpower in other categories will be deployed, subject to suitability.			
(5).	Time rate wages in respect of additional manpowerrequired by stevedores shall be payable as per the schedule above.		(5).	Time rate wages in respect of additional manpowerrequired by stevedores shall be payable as per the schedule above.			
(6).	The piece-rate incentive shall be paid by the Stevedores at actuals separately.		(6).	The piece-rate incentive shall be paid by the Stevedores at actuals separately.			
4.2	**Piece Rate incentive for C&F workers**		**4.2**	**Piece Rate incentive for C&F workers**		No Change	
	Description	Rate per M.T. (Rs.)		Description	Rate per M.T. (in Rs.)		
	For Receipt / delivery / Inter-carting	4		For Receipt / Delivery / Inter-carting	4.17		
Note:	The above charge is not applicable in case of direct delivery / shipment.		**Notes:**				
			(1).	The above charge is not applicable in case of direct delivery/shipment.			
	--		(2).	The above charge is applicable only for Break Bulk Cargo and not applicable for Dry / Liquid Bulk Cargo.		New provision added for better clarity.	

SECTION - 5 | **SECTION - 5**

MISCELLANEOUS CHARGES | **MISCELLANEOUS CHARGES**

Existing Sch. No.	Existing Description	Existing Rate per person (in Rs.) Foreign vessel	Existing Rate per person (in Rs.) Coastal vessel	Proposed Sch. No.	Proposed Description	Proposed Rate per person (in Rs.) Foreign vessel	Proposed Rate per person (in Rs.) Coastal vessel	Reasons / Justification	Our Remarks
5.1	**Embarkation / disembarkation charges**			**5.1**	**Embarkation / disembarkation charges**				
	Embarkation / Disembarkation charges (Defence personnel on duty are exempted)	100	50		Embarkation / Disembarkation charges (Defence personnel on duty are exempted)	125	62	No Change	
	During the stay of the vessel, the above charges are payable only for the first embarkation / disembarkation, irrespective of number of times a passenger embarks/disembarks.				During the stay of the vessel, the above charges are payable only for the first embarkation / disembarkation, irrespective of number of times a passenger embarks/disembarks.				

5.3 Charges for Hire of Port Equipment (Existing)

Sl. No.	Description	Unit of levy	Rate (in Rs.)
1	Tanker Trailer of 10 KL capacity	Per shift or part thereof	24000
2	Hopper	Per shift or part thereof	4000
3	Gangway	Per shift or part thereof	1500
4	Oil Skimmer	Per shift or part thereof	4000
5	Oil Barrier (per metre length)	Per shift or part thereof	250
6	Fire Engine ang gear	Per hour or part thereof	4700
7	(i) Grabs of upto 5 cu. m. capacity	Per shift or part thereof	1600
	(ii) Grabs of 8 cu. m. capacity	Per shift or part thereof	3600

5.3 Charges for Hire of Port Equipment (Proposed)

Sl. No.	Description	Unit of levy	Rate (in Rs.)
1	Tanker Trailer of 10 KL capacity	Per shift or part thereof	30,026
2	Gangway	Per shift or part thereof	1,877
3	Oil Skimmer	Per shift or part thereof	5,004
4	Oil Barrier (per metre length)	Per shift or part thereof	313
5	Fire Engine ang gear	Per hour or part	5,880

Reasons / Justification: Hopper, Grab deleted as the equipments are no longer avaialble for hire for cargo operations

Our Remarks: For the reason given by the port, the deletion of the provisions, as proposed by the Port may be approved.

Annex- II

COMPARISON OF EXISTING SCALE OF RATES AND CONDITIONALITIES vis-à-vis PROPOSED SCALE OF RATES AND CONDITIONALITIES

Existing Scale of Rates				Proposed Scale of Rates				Reasons / Justification for amendments in conditionalities, if any, proposed	Our Remarks
Sch. No.	**Tariff and conditionalities**			**Sch. No.**	**Tariff and conditionalities**				
5.4	**Charges for the use of Slipways**			**5.4**	**Charges for the use of Slipways**				
				5.4.1	**Main slipway**				
Sl. No.	**Description**		**Rate per slipway per day or part thereof (in Rs.)**	Sl. No.	Description	Unit of levy	Rate in Rs.	Restructured: Based on demand and cost of operations	Keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and since there is no pointed objection from any of the users/ user organisation on the proposed restructuring of the Slipway Schedule and also since and since the income from the proposed restructured provision has been captured by the port in the estimation of income at the proposed level of tariff, , the Authority may be inclined to approve the proposed provision, as proposed by the Port.
1	Main slipway		5,000	1	Docking	Each operation	150,000.00		
2	Mini slipway		3,000	2	Undocking	Each operation	150,000.00		
				3	Rental charges				
					First 10 days	Per day	15,000.00		
					11th to 20th day	Per day	20,000.00		
					21st day onwards	Per day	25,000.00		
				5.3.2	**Mini slipway**				
				Sl. No.	Description	Unit of levy	Rate in Rs.		
				1	Docking	Each operation	25,000.00		
				2	Undocking	Each operation	25,000.00		
				3	Rental charges				
					First 10 days	Per day	5,000.00		
					11th to 20th day	Per day	7,000.00		
Note:	The above charges include taking up and launching the vessel / craft and also inclusive of shore labour and materials required in preparing the cradle in hauling up and in launching the vessel/craft and also the use of blocks. All other materials such as ropes shall be supplied by the vessel / craft. The blocks or any other materials cut or destroyed or damaged shall be charged at actual cost of damage as assessed by the Port.			**Note:**	The docking and undocking charges comprises one docking and one undocking operations per vessel inclusive of shore labour and materials required in preparing the cradle in hauling up and in launching the vessel / craft and also use of blocks. The blocks or any other materials cut or destroyed or damaged shall be charged at actual cost of damage as assessed by Port.			Amended: Cost of ropes is inclusive in the rates as separate docking and undocking rates are proposed.	For the reasons given by the port, the proposed amendment in the note may be approved.
5.6	**Other Miscellaneous charges**			**5.7**	**Other Miscellaneous Charges**				
Sl. No.	**Description**	**Unit**	**Rate (Rs.)**	Sl. No.	Description	Unit	Rate in Rs.		
				8	Use of Ramp at Slipway	Per day or part thereof	5,000	There is no such provision in existing SOR. Based on the demand, daily rental for Mini Slipway has been fixed	For the reasons given by the port and since the income from the proposed provision has been captured by the port in the estimation of income at the proposed level of tariff, the introduction of the proposed provision may be approved.
5.7	**Mandatory User Charge for Logistics Data Bank services of DMICDC.**			**5.8**	**Mandatory User Charge for Logistics Data Bank services of DMICDC.**				
	"An amount of Rs.145/- per container will be levied on all containers (except transshipment and coastal) handled at the Major Port Trusts and terminals operating thereat towards Mandatory User Charge (MUC) for the Logistics Data Bank (LDB) service to be rendered by DMICDC. "				"An amount of ` Rs.55/- per container will be levied on all containers (except transhipment and coastal) handled at the Major Port Trusts and BOT terminals operating thereat towards Mandatory User Charge (MUC) for the Logistics Data Bank (LDB) service rendered by DMICDC for a period of one year thereon. On completion of one year thereafter, Rs.165/- per container will be levied as MUC for the next period of one year. The approval accorded would automatically lapse thereafter unless specifically extended by the Authority. "			Modified as per TAMP Order No. TAMP/12/ 2019-MUC dated 24.7.2019 notified on 21.8.2019 vide Gazette No.297.	

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

TAMP/30/2019-CHPT	**:**	**Proposal received from the Chennai Port Trust (CHPT) for General Revision of its Scale of Rates (SOR).**

A summary of the comments received from the users/ user organizations and reply furnished by CHPT thereon is tabulated below:

Sl. No.	Comments received from the users / user organizations	Reply/ Remarks from CHPT
1.	**Bengal Tiger Line**	
	The CHPT has proposed 4.3% Tariff Increase on Vessel Related Cost. The Chennai Port VRC Tariff is far more expensive when compared to neighbouring Ports (i.e.) Cochin/ Tuticorin/ Vizag/ Kpct/ Kattupalli etc. Principals are hesitant to add any new service to Chennai & some of the existing services are shifting out from Chennai to the neighbouring Private Terminals due to commercial advantages. It is requested not to increase VRC for container Vessels and seek further discounts in VRC for the Chennai Shipping Trade to make this Port sustainable for Vessel calls. Being a vessel operator, we are under significant pressure to move cargo away from Chennai and into Kattupalli/ Krishnapatnam due to the unsustainable Port charges at Chennai, be it Vessel Related Cost or Container Handling Charges. As a feeder, BTL has no choice but to follow market demand which will result in decreasing volumes and port calls unless CHPT reduces the cost and incentives operators. This comes at a time when Freight rates are dropping drastically and volumes shrinking. To sustain this difficult period, it is requested not to increase VRC at this point of time. Additionally, recently CHPT's tariff has been increased by 4.26% (indexation) w.e.f. 1st May 2019 which has already made a big impact Considering above, we request not to increase VRC Tariff for Chennai Port at this point of time basis the above feedback and we look forward for your positive result.	There is no increase in the Vessel related Charges for Container in the revision proposal. The indexed rates implemented from 1.5.2019 will continue without any change. Further, the Concession in VRC for Container vessels as approved by the Board from time to time will be applicable on the indexed tariff.
2.	**M/s Unicorn Maritimes**	
(i)	A) 20% increase for POL & Crude vessels It is requested to refrain from further increasing rates by 20%. The POL/ Crude oil is considered as one of the perennial and predominant supporter of Chennai port over the years. Vessels laden with POL commodities call Chennai Port on frequent basis. Ship owners /	As per the cost statements prepared as per TAMP Guidelines, there is a shortfall of ₹ 99 Cr. between Annual Revenue Requirement (ARR) and estimated revenue at existing indexed SoR.

Sl. No.	Comments received from the users / user organizations	Reply/ Remarks from CHPT
	Charterers/ Importers and their agents consciously feel that further increment in the said charges should not be imposed since this will promote adverse effects and chances are there for the customer to divert vessels to other ports. POL retail market is facing a stiff competition amongst public and importers are working on the most effective freight rates since the cost of the end product includes all aspects. Over the years charterers/ Importers always feel that Chennai port is most effective in terms of rates/ tariffs when compared to other neighbouring ports. The recent increase in the tariff w.e.f. 01.06.19 itself fetched mixed emotions amongst the charterers/ importers and furthermore 20% increase will assuredly react adverse.	Though TAMP Guidelines allows Return on Capital Employed (RoCE) of 16%, only 8% RoCE is claimed by the Port. Further, the additional income estimated out of proposed revision is only ₹ 45 Cr. p.a. as against the shortfall of ₹ 99 Cr. in the ARR calculated at 8% RoCE. In view of the above, TAMP is requested to consider the proposal of the Port and Trade is also requested to extend their support.
(ii)	B) 20% increase in other marine charges, viz. hire of tugs, mooring crew, water supply, fire engine & gear, etc. Present vessel traffic is comparatively low when compared to the vessel traffic that Chennai port experienced in the past. It is requested to consider 20% increment, only when the vessel traffic increases in coming future.	
3.	**MSC Mediterranean Shipping S.A.**	
(i)	Chennai VRC & CRC tariff is much higher than other ports in India and immediate foreign ports Colombo and Singapore. We have 2 more ports handled by Adani within 40KM radius from Chennai Port and operating at highly competitive tariff as compared to Chennai. Already 2 major Container carriers have moved out from Chennai to Adani Ennore and Katupalli due to high cost and one more carrier is also moving out from CITPL terminal to Adani Katupali. If Chennai Port is not competitive in tariff many service may move out from Chennai Port. It is requested not to revise the Port tariff and to give move incentives to vessel operators to retain them and to bring more services into Chennai Port.	The points made by the firm are noted. However, the Port is constrained to increase the rates in order to partially cover up the increase in cost like wage revision to employees, repairs & maintenance, etc. The Port is also taking stringent cost control measures to reduce the cost of operations keeping in view the competitive scenario. But, major portion of expenditure incurred by the Port is towards salaries & wages which cannot be avoided in the short-term. Notwithstanding the above, it is stated that the charges fixed by TAMP are only ceiling level and the Port is having flexibility to reduce the rates to retain existing cargo and attract new cargo. Port welcomes proposals from the trade/ stake holders with volume commitments and vessel calls to CHPT and it is assured that the Port will consider competitive rates in such cases.
4	**Pearl Shipping Agencies**	
(i)	It is requested to consider Additional Berth Hire Charges from fixed tariff (USD.564) to 2 times of Berth Hire charges , which will boost lot of ship owners and project cargo exporters and importers to bring more volume of project and break bulk cargo.	

Sl. No.	Comments received from the users / user organizations	Reply/ Remarks from CHPT
	The following points may also be considered for export cargo loading from Chennai. (a). In other neighbour ports, the cargo completion time for export cargo particularly for project / break bulk cargo is considered only lashing completing time. (b). For small chemicals tankers, tariff upto 10000 MTS GRT vessel may be considered at general cargo tariff (0.4202).	Request of users regarding lashing / unlashing time will be considered and clause 2.3.2 will be modified suitably. A revised SoR incorporating this change will be submitted to TAMP post Joint hearing. The increase of 20% in VRC on indexed tariff is proposed only for POL & Crude vessels.
5.	**Chennai Port Stevedores Association**	
(i)	The proposed SOR in Section-4 for Stevedoring and Clearing & forwarding Charges are for a composite rate for on board labour of cargo in comparison with the time-rate wages, general levy and piece rate presently being paid as per the current SOR.	The proposal is for periodical revision of SOR as per the Tariff Policy 2018 (i.e. once in 3 years). Last revision was made in the year 2016.
(ii)	**A) NO INCENTIVE TO ACHIEVE HIGHER PRODUCTIVITY** The composite rate is NOT a welcome move, since there is absolutely no incentive for the stevedore to achieve higher productivity. In fact, the higher the output, the more the money the stevedore has to pay for the Port. As opposed to this, in a time rate system, the stevedore knows his base rate and can plan to achieve higher productivity so as to reduce the per ton cost for the commodity being handled.	The proposal was made to rationalize and simplify the stevedoring charges. However, based on CPSA comments, the Port will revert to existing methodology. A revised SoR incorporating this change will be submitted to TAMP after joint hearing.
(iii)	**B) TAMP INSTRUCTIONS NOT FOLLOWED** In setting the composite rate method, Chennai Port has not abided by the **Working Guidelines to operationalize the Tariff Policy for Major Port Trusts, 2018 for determination of tariff for Major Port Trusts, issued** by TAMP vide its Notification G.No20 dated 30th January,2019. The order clearly states "**Where only on-board labour is supplied, actual wages plus percentage levy shall be prescribed. In either case, tariff may be linked to productivity.**" Therefore, it is clear that the proposal of CHPT is infructuous and liable to be discarded, in full. Clauses 8.8.1, 8.8.2 and 8.8.3 are reproduced verbatim for your ready reference: *8.8.1.* Charges for stevedoring activity undertaken, or for supply of on-board labour by ports may be included in the Scale of Rates of the port/ shown separately wherever required. 8.8.2. The rates for stevedoring, wherever undertaken by the port as a separate activity, shall be prescribed on per tonne basis. Where only on-board labour is supplied, actual wages	The proposal was made to rationalize and simplify the stevedoring charges. However, based on CPSA comments, the Port will revert to existing methodology. A revised SoR incorporating this change will be submitted to TAMP after joint hearing.

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td>plus percentage levy shall be prescribed. In either case, tariff may be linked to productivity.

8.8.3. In the wages plus percentage levy system, piece-rate payments shall also be recovered in addition to actual wages plus percentage levy. Ports should revise the datum and rates of piece-rate scheme from time to time in terms of the National Wage Settlements and Manning Scale based on National Tribunal Award.</td><td></td></tr>
<tr><td>(iv)</td><td>C) NO REVISION OF DATUM & PRODUCTIVITY NORMS
The TAMP order cited above (8.8.3) clearly states that the Port should revise the datum and piece rates from time to time.

There is no bilateral agreement between Chennai Port and the Stevedores Association on what construes as acceptable productivity norms. It is a different matter that Chennai Port has published a set of norms and it is pertinent to state that, we have, at no point agreed to adopt them or are we, liable for any perceived non- performance of such norms.

Be that as it may, the Trust has stated some unachievable norms for certain commodities, as enumerated below. These norms must be changed considering that this tariff will be made known to the public and there can be no misunderstanding that, we the stevedores have agreed to them.
<table>
<tr><th>COMMODITY</th><th>CHPT NORMS per hook</th><th>ACHIEVABLE NORMS Per shift</th></tr>
<tr><td>Ammonium Sulphate</td><td>666</td><td>500</td></tr>
<tr><td>Sulphur</td><td>600</td><td>400</td></tr>
<tr><td>Urea</td><td>466</td><td>400</td></tr>
<tr><td>Shredded Scrap</td><td>600</td><td>450</td></tr>
<tr><td>HMS Grade 2</td><td>360</td><td>175</td></tr>
<tr><td>HMS Grade 1</td><td>360</td><td>150</td></tr>
<tr><td>Steel</td><td>340</td><td>175</td></tr>
<tr><td>Bar/Tubes/pipes Steel Plate</td><td>560</td><td>400</td></tr>
<tr><td>HR Coil</td><td>920</td><td>850</td></tr>
<tr><td>Excavator</td><td>450</td><td>250</td></tr>
<tr><td>HR Coil (Export)</td><td>920</td><td>650</td></tr>
<tr><td>Project Cargo</td><td>250</td><td>100</td></tr>
</table>
As per section 12(3) of The Industrial Disputes Act,1974, the settlement between the Port, the Unions and the Stevedores, as employers on 25.5.2001,on the merger of the, erstwhile, Madras Dock Labour Board (MDLB) and Chennai Port Trust agreed, per item 2 and 8 of the Terms of Settlement, to revise the manning scale, datum and piece rates.</td><td>The proposal was made to rationalize and simplify the stevedoring charges. However, based on CPSA comments, the Port will revert to existing methodology. A revised SoR incorporating this change will be submitted to TAMP after joint hearing.</td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td>While the NIT manning scale has been implemented in Toto, on 21/9/2015, in accordance with the National Industrial Tribunal Award dated 4-5-2006, there has been no revision of the datum and piece rates at Chennai Port, since 1.2.2014.

It is the norm to revise Datum’s every three years by applying 80 % of the previous three years’ average and hence the Datum revision was due on 1.2.2017.

Therefore, there is a need to change the Datum norms, to reflect the current situation, before the tariff proposed by Chennai Port is considered by us.</td><td></td></tr>
<tr><td>(v)</td><td>D) NO COMPARISON MADE
The Proposal does not give comparative rates for the proposed composite rates. It is because of the fact that the composite rates are being set out for the first time. While understanding the fact, it is not difficult for the port to work out the rates based on some sample averages by considering few vessels of a particular cargo, the quantity handled, the bills raised for the deployment of labour. The averages thus worked out can be compared with the proposed hike.</td><td>The proposal was made to rationalize and simplify the stevedoring charges. However, based on CPSA comments, the Port will revert to existing methodology. A revised SoR incorporating this change will be submitted to TAMP after joint hearing.</td></tr>
<tr><td>(vi)</td><td>E) ABNORMAL INCREASE FROM CURRENT TIME RATE CALCULATION BASIS
The proposed Scale of Rates are abnormally higher that the current rates. The percentage of increase ranges from 40% - 478 %.

With many stevedores already having all in annual rate contracts, this is an abnormal hike which no port in India must have proposed which no stevedore can afford to absorb.

In addition, stevedores are being illegally, compelled, despite a Status Quo order from the Hon.High Court of Madras, to use the Harbour Mobile Cranes at an additional cost of Rs 51 PMT for Bulk and Rs 170 PMT for break bulk. This addition will put the entire cargo out of reach of Chennai Port.
There can be no justification by Chennai Port to substantiate this abnormal increase and we request you to withdraw this proposal as it is untenable.</td><td>The time-rate wages & levy in the existing SOR was fixed in 2016 based on wages prevailing at April 2016. Not updated since 2016 towards DA increase, increment, promotion, wage revision implemented from 1.1.2017, etc. Hence, the Time-rate wages for different categories of workers have been updated based on the actual wages prevailing in April 2019. A comparison of existing time rate wages (before indexation) and the proposed updated time-rate wages is given below:
<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Category</th><th>Existing Time Rate Wages (before indexation)</th><th>Proposed Time Rate Wages</th><th rowspan="2">% Increase</th><th rowspan="2">Remarks</th></tr>
<tr><th colspan="2">₹ per person per shift</th></tr>
<tr><td>1</td><td>On Board Supervisor</td><td>2260</td><td>2870</td><td>27%</td><td rowspan="3">Though posted, but not charged from Stevedores</td></tr>
<tr><td>2</td><td>Tally Clerk</td><td>1770</td><td>2460</td><td>39%</td></tr>
<tr><td>3</td><td>Maistry</td><td>1620</td><td>3000</td><td>85%</td></tr>
<tr><td>4</td><td>Tindal</td><td>1620</td><td>2870</td><td>77%</td><td rowspan="3">Charged from Stevedores</td></tr>
<tr><td>5</td><td>Winch Driver</td><td>1620</td><td>2470</td><td>52%</td></tr>
<tr><td>6</td><td>Signalman</td><td>1500</td><td>2540</td><td>69%</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>7</td><td>Mazdoor</td><td>1500</td><td>1850</td><td>23%</td><td>Charges from Stevedores only for on board mazdoors. Mazdoors posted on shore are not charged as per NIT Award.</td></tr>
<tr><td></td><td>TOTAL</td><td>11890</td><td>18060</td><td>52%</td><td></td></tr>
</table>

General Levy is retained at 192% despite huge shortfall between income and expenditure of Cargo Handling Division (CHD). The actual time rate wages and general levy for the year 2017-18 is Rs.12 Cr. At the proposed updated time-rate wages & levy, the estimated income is Rs.18 Cr. As such, the average increase is only 50% with estimated additional income of Rs.6 Cr. p.a.
</td></tr>
<tr><td>(vii)</td><td>
F) ANNUAL ACCOUNTS OF CHENNAI PORT DO NOT SUBSTANTIATE SUCH INCREASE
The Salaries & wages for labour, engaged in such activities, during the year is Rs. 18.64 cr. as per the Audited Annual accounts for the FY 2017-18 against which the Stevedoring charges earned by the port is Rs. 12.53 cr. Even if the Port wishes to recover this shortfall of Rs 6.11 Crores, all it requires is a Rs 10 PMT increase on the 6 Million MT's of cargo that the Port is currently handling.

Though we have mentioned this, the unabsorbed cost of about Rs. 6 crores are mainly due to the non-utilisation of the labour due to lack of traffic at Chennai Port. The Tariff should be based on the optimum utilisation of the Labour and not due to the cost on idling labour. The trade cannot be penalised for idling labour of the port due to less traffic.

Although labour gangs are deployed by the port, the stevedores engage their own labour for achieving productivity. This is an additional cost that is being incurred by the trade. For the inefficiency of the port labour, the trade is already paying the Port. Instead of curtailing cost due to excess labour, Trade should not be penalised.
</td><td>
The wage cost figure of Rs.18.64 Cr. mentioned by CPSA pertains to Port Trust labour. The actual salaries & wages of Cargo Handling Division (CHD) is Rs.25.63 Cr. included in Rs.177.53 Cr. under Code 101 of Salaries & Wages (Operating Exp.)

As stated in the reply to preceding query, there is a huge deficit in CHD. The actual total income from CHD during 2017-18 is Rs.13.47 Cr. as against the total direct expenses of Rs.25.63 Cr. and indirect expenses of Rs.58.88 Cr. totaling to Rs.84.51 Cr. with a deficit of Rs.71.05 Cr. However, the additional income envisaged by updating the time-rate wages is only Rs.6 Cr. p.a. which is matching with additional income calculated by CPSA. A statement showing income and expenditure of CHD is given below:
<table>
<tr><th>No.</th><th>Particulars</th><th>Actuals 2017-18
Amount in ₹ lakhs</th></tr>
<tr><td>I</td><td>Operating Income</td><td></td></tr>
<tr><td></td><td>Time rate wages (Stevedoring)</td><td>399.39</td></tr>
<tr><td></td><td>General Levy @ 192%</td><td>761.63</td></tr>
<tr><td></td><td>Tonnage Levy (as per clause 3(b), chapter VII of existing SOR</td><td>-</td></tr>
<tr><td></td><td>Piece rate Stevedoring</td><td>91.94</td></tr>
<tr><td></td><td>Levy (C&F)</td><td>-</td></tr>
<tr><td></td><td>Levy (Intercarting Wooden Logs & Timber)-pollution on dry bulk cargo</td><td>-</td></tr>
<tr><td></td><td>Piece rate (C&F)</td><td>26.48</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td></td><td>Levy WRS(₹ 1/ per tonne)</td><td>67.43</td></tr>
<tr><td></td><td>TOTAL</td><td>1346.87</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>II</td><td>Operating Expenses</td><td></td></tr>
<tr><td></td><td>Salary & Wages</td><td>2562.52</td></tr>
<tr><td></td><td>Power</td><td>-</td></tr>
<tr><td></td><td>Fuel</td><td>-</td></tr>
<tr><td></td><td>Repairs & Maintenance</td><td>-</td></tr>
<tr><td></td><td>Dredging</td><td>-</td></tr>
<tr><td></td><td>Others</td><td>0.43</td></tr>
<tr><td></td><td>TOTAL</td><td>2562.95</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>III</td><td>Cost of Surplus Labour</td><td>-</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>IV</td><td>Depreciation</td><td>-</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>V</td><td>Allocated share of Management & General Overheads</td><td>2492.98</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>VI</td><td>Operating Surplus/ Deficit [I – II – III – IV – V]</td><td>(3709.06)</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>VII</td><td>Allocated share of FMI</td><td>190.25</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>VIII</td><td>Allocated share of FME</td><td>3585.21</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>IX</td><td>FMI – FME</td><td>(3394.96)</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>X</td><td>Surplus/ Deficit [VI + IX]</td><td>(7104.02)</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>XI</td><td>Capital Employed for the activity</td><td>-</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>XII</td><td>ROCE @ 16%</td><td>-</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>XIII</td><td>Net Surplus/ Deficit</td><td>(7104.02)</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>XIV</td><td>Net Surplus/ Deficit as a % of Operating Income</td><td>-527.45%</td></tr>
</table>
</td></tr>
<tr><td>(viii)</td><td>G) NO ALLOWANCE FOR OTHER COSTS OF STEVEDORE
In addition to the stated additional labour that the stevedores utilize to achieve productivity, Stevedores are required to incur the following additional expenses:
1) pay incentive (speed money) to the labour,
2) procure expensive gears such as slings, wire ropes, spreaders, chains, hooks, shackles, fork-lifts, cranes etc
3) pay for stevedore liability insurance
4) maintain a large force of employees against high administrative costs including health and safety facilities & training,
5) factor in a suitable profit into the rate

If the stevedores were to add up all of the above into the per ton rate proposed by Chennai Port,</td><td>No remarks to offer as the points mentioned are not relevant to the revision proposal.</td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td>the total rate would become even more unmanageable and no ship or cargo owner will be interested in working with Chennai Port or its stevedores.

This will lead to an erosion of our fundamental right to freedom of business, trade and profession enshrined in Article 19 (1)(g) of the Constitution of India.

This right to prosperity and well-being, so guaranteed is now being taken away by the exorbitant increase proposed by Chennai Port. It is incumbent upon the State to ensure that no individual of this country is deprived of this right and if at all he or she is, must take the requisite measures to avail him of an appropriate remedy and ensure justice is delivered.</td><td></td></tr>
<tr><td>(ix)</td><td>H) UNFAIR TO CROSS SUBSIDIZE USING STEVEDORING CHARGES
Several redundant charges such as Cranage levy etc have been removed from the scale of rates. It is reliably learnt that in order to shore up the shortfall, the stevedoring charges have been hiked up, abnormally. Each function of the Port must have its own revenue stream and it is grossly unfair for Chennai Port to load the entire costs (such as high pension costs) of the Port on the stevedoring activity.</td><td>Detailed reply furnished in respect of (E) & (F) above may please be seen. It is reiterated that the existing time-rate wage was fixed based on the wages prevailing in April 2016 and the proposal is only to update the time-rate wages to current wages (Apr’19) actually paid to the workers. Since the Cargo Handling Division is in huge deficit even after the proposed increase of time-rate wages, the question of cross-subsidization does not arise, even though cross-subsidization is allowed as per present Tariff Guidelines subject to overall ceiling ARR.</td></tr>
<tr><td>(x)</td><td>I) REVERTING TO PRE NIT RATES
It must be noted that with this proposed increase the stevedoring rates will go back to the pre-NIT Award rates, thereby negating the very purpose of bringing down the cost of handling at Major Ports by rationalizing the workforce. This will be a very retrograde step.</td><td>As explained in reply to previous paragraphs, the proposal is only to increase time-rate wages to current wages. Hence, the Port does not find any basis on the submission of CPSA that the Port is reverting to pre-NIT rates.</td></tr>
<tr><td>(xi)</td><td>J) WHARFAGE, DEMURRAGE CHARGES & POLLUTION LEVY

A substantial increase of 25 % has been observed in the wharfage, demurrage and pollution levy charges in the proposed SOR. This will further serve to alienate the clients from coming to Chennai Port. Some examples of the proposed increase in enumerated below:
Demurrage
<table>
<tr><th>Particulars</th><th>Period</th><th>Upto 30 April 2019</th><th>Proposed (Dt 25.06.2019)</th><th>Increase in rates by %</th></tr>
<tr><td rowspan="3">For Bulk Cargo</td><td>First 7 days</td><td>Rs.18.50/ MT</td><td>Rs.23.15 /MT</td><td>25%</td></tr>
<tr><td>For next 3 days</td><td>Rs.37/MT</td><td>Rs.46.30/M T</td><td>25%</td></tr>
<tr><td>Thereaft er</td><td>Rs.112.50/ MT</td><td>Rs.140.75 /MT</td><td>25%</td></tr>
</table></td><td>No increase has been made in the wharfage for some of major commodities like Iron & Steel, Granite Block, etc. considering the competitive scenario.

However, taking into account the huge shortfall between Annual Revenue Requirement (ARR) and estimated revenue at existing indexed SOR, 10% to 20% increase in wharfage for other commodities and 20% increase in demurrage and pollution levy is proposed. Though TAMP Guidelines allows Return on Capital Employed (RoCE) of 16%, only 8% RoCE is claimed by the Port. Further, the additional income estimated out of proposed revision is only Rs.45 Cr. p.a.</td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td>
Wharfage Charges
<table>
<tr><th>Particulars</th><th>Upto 30 April 2019</th><th>From 01.05.2019</th><th>Proposed Rates</th><th>Increase in rates %</th></tr>
<tr><td>Cement, Clinker & Sand</td><td>Rs.45.92/MT</td><td>Rs.46.92/ MT</td><td>Rs.56.30/ MT</td><td>25%</td></tr>
<tr><td>Barytes</td><td>Rs.26 /MT</td><td>Rs.27.11/ MT</td><td>Rs.32.53 /MT</td><td>25%</td></tr>
<tr><td>Millscale</td><td>Rs.45/ MT</td><td>Rs.46.92 /MT</td><td>Rs.56.30/ MT</td><td>25%</td></tr>
<tr><td>Cobble Stone</td><td>Rs.26 /MT</td><td>Rs.27.11 /MT</td><td>Rs.32.53 /MT</td><td>25%</td></tr>
</table>
<table>
<tr><th>Particulars</th><th>Upto 30 April 2019</th><th>From 01.05.2019</th><th>Proposed Rates</th><th>Increase in rates %</th></tr>
<tr><td>Pollution Levy</td><td>Rs.05.00 /MT</td><td>Rs.05.21 /MT</td><td>Rs.06.25 /MT</td><td>25%</td></tr>
</table>
</td><td>as against the shortfall of Rs.99 Cr. in the ARR calculated at 8% RoCE.

In view of the above, TAMP is requested to consider the proposal of the Port and Trade is also requested to extend their support.</td></tr>
<tr><td>(xii)</td><td>K) FLIGHT OF CARGO FROM CHENNAI PORT
Our clients will be put to a lot of financial burden and higher cost of operation will surely prevent them from operating in Chennai Port as there are other Ports nearby which are offering cheaper rates.

Not only will Chennai Port lose a lot of cargoes, Stevedores and their employees will, as a result, be left without employment. With the drop-in revenue, Chennai Port will be hard pressed to meet its statutory payments, leading to the vicious cycle of rate increase- volume drop-rate increase-volume drop.

It is also important to note that we are under constant pressure from Kamarajar Port (Multi cargo terminal), Katupalli Port and Krishnapatnam Port to shift cargoes to them. These ports have 24 hours access which Chennai Port does not and there are no prohibitive tariffs at such Ports.

Members of CPSA are constantly making efforts to bring cargoes to Chennai Port such as Barytes Cargo available only at Kodur Mines of Andhra Pradesh Mineral Development Corporation in Andhra Pradesh, though the nearest Port is Krishnapatnam Port, since the transportation cost is cheaper by Rs. 100/MT. Clients like Kia Motors whose plant is in Anantapur, A.P is being handled at Chennai Port. There are many such examples and Chennai Port should be sensitive to such arrangements being made and work with the stevedores to retain the cargoes, rather than, merely increase the tariffs, without application.

It is requested to fix the rates by increasing the average rates by a small percentage so that the</td><td>The points made by the CPSA are noted. However, the Port is constrained to increase the rates in order partially cover up the increase in cost like wage revision to employees, repairs & maintenance, etc. The Port is also taking stringent cost control measures to reduce the cost of operations keeping in view the competitive scenario. But, major portion of expenditure incurred by the Port is towards salaries & wages which cannot be avoided in the short-term.

Notwithstanding the above, it is stated that the charges fixed by TAMP are only ceiling level and the Port is having flexibility to reduce the rates to retain existing cargo and attract new cargo.

Port welcomes proposals from the trade / stake holders with volume commitments and vessel calls to ChPT and it is assured that the Port will consider competitive rates in such cases.</td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td>trade can sustain the increase and at the same time the cargo is not diverted to other ports.</td><td></td></tr>
<tr><td>6.</td><td>The Chennai & Ennore Port Steamer Agents' Association</td><td></td></tr>
<tr><td>(i)</td><td><u>1.2 (Schedule 1.2 of proposed SoR)</u>
i) System of classification of vessel for levy of VRC
ii) Criteria for Levy of VRC at Concessional Coastal rate and foreign rate.
iii) Criteria for levy of cargo related charges (CRC) at concessional coastal rate.

Understand that DG Shipping is not issuing separate license (Specified voyage license or General Trading License) for container vessels as information by email or letter from the vessel/ operators/ agents to DG Shipping is sufficient to trade the vessel in India. Hence, the position may be clarified with DG Shipping and definitions be amended accordingly.</td><td>Since the query relates to Guidelines issued by TAMP, TAMP may examine the issue and address suitably.

CHPT has also raised clarifications with reference to the TAMP Order No.TAMP/ 53/2015-VOCPT dated 25.9.2018 on concessional coastal tariff to ships and cargo that move from one Indian Port to another Indian Port through the territorial waters of Sri Lanka and Bangladesh and the Ministry of Shipping's Orders on relaxation of provisions of Merchant Shipping Act, 1958 and CBEC Circular dated 26.2.19. TAMP is, therefore, requested to review the existing guidelines on Concession for coastal vessels/ cargo and modify the same suitably. [Clarification sought by CHPT is not a part of it's proposal of general revision of SOR.]</td></tr>
<tr><td>(ii)</td><td>(xvi) Seek clarification on the definition please</td><td>Sl. No.(xvi) of Schedule 1.2 – pertains to 'Shift'. This is already available in the existing SoR. No change has been made. At present, the shift timings at ChPT are:
I Shift 0600 Hrs to 1400 Hrs
II Shift 1400 Hrs to 2200 Hrs
III Shift 2200 Hrs to 0600 Hrs.</td></tr>
<tr><td>(iii)</td><td>(xvii)(a) Annual Indexation:
Chennai Port Revised scale of rates under the head of ARR – 4.26% w.e.f 01.05.2019.

Request/ suggest to amend the definition and its parameters as trade is of the opinion that their efforts/ hard work yield credit rate increase in achieving the maximum performance.

Hence, Port should have provided discounts in the tariff rather than enhancing all charges/ penalisation after performance.</td><td>This is as per Tariff Policy / Guidelines 2015 and 2018. The provision for indexation is available in the existing SoR.

However, TAMP may examine the issue and address suitably.

[It is as per Tariff Policy, 2018. Indexation is available on achievement of Performance Standards approved for Port. No further comments from TAMP.]</td></tr>
<tr><td>(iv)</td><td>1.3 - Performance Standards
Seek clarification for understanding of the members</td><td>As per clause 3.2 of the Tariff Policy 2018, the indexation of SoR will be subject to achievement of Performance Standards committed by the Port in the SoR.</td></tr>
<tr><td>(v)</td><td>2.1 Port Dues
2.1.1. Schedule of Port dues
<table>
<tr><th>Type of Vessel</th><th>Before 01.05.2019 (USD) Rate per GRT</th><th>From 01.05.2019 (USD) Rate per GRT</th><th>Proposed draft SOR (USD) Rate per GRT</th><th>Total % of incr.</th></tr>
<tr><td>POL including Crude oil vessels</td><td>0.305</td><td>0.3180 (4.26% increase)</td><td>0.3816 (20% increase)</td><td>24.26%</td></tr>
</table></td><td>No increase has been made in the VRC for Container vessels and General Cargo vessels considering the competitive scenario. However, taking into account the huge shortfall between Annual Revenue Requirement (ARR) and estimated revenue at existing indexed SoR, 20% increase in VRC for POL &</td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td><table><tr><td>RORO, Passenger and Non-cargo vessels</td><td>0.305</td><td>0.3180 (4.26% increase)</td><td>0.3480 (10% increase)</td><td>14.26%</td></tr></table>
<u>Request:</u>
Proposed rate is very high which will have greater impact on owners/trade to incur huge loss. Since Port has already increased over all 4.26% this year under ARR, kindly defer enhancement this FY and suggest that a 5% may be kindly increased during next FY 2020-21.</td><td rowspan="2">Crude vessels and 10% increase for RoRo vessel is proposed.

It is informed that though TAMP Guidelines allows Return on Capital Employed (RoCE) of 16%, only 8% RoCE is claimed by the Port. Further, the additional income estimated out of proposed revision is only Rs.45 Cr. p.a. as against the shortfall of Rs.99 Cr. in the ARR calculated at 8% RoCE.

In view of the above, TAMP is requested to consider the proposal of the Port and Trade is also requested to extend their support.</td></tr>
<tr><td>(vi)</td><td>2.2 Pilotage
2.2.1 Schedule of Pilotage fee
<table><tr><th>Type of vessel</th><th>From 01.05.2019 (USD) Rate per GRT</th><th>Proposed draft SOR (USD) Rate per GRT</th><th>Total % of increase</th></tr><tr><td>POL including Crude oil vessels</td><td>(4.26% increase)</td><td>(20% increase)</td><td>24.26%</td></tr><tr><td>RORO, Passenger and Non-cargo vessels</td><td>(4.26% increase)</td><td>(10% increase)</td><td>14.26%</td></tr></table><u>Request:</u>
Proposed rate is very high which will have greater impact on owners/trade to incur huge loss. Since Port has already increased over all 4.26% this year under ARR, kindly defer enhancement.</td></tr>
<tr><td>(vii)</td><td>2.2.4 Pilotage Fees for cold Move operations
It is requested to kindly consider and maintain existing schedule i.e. 2 times (both inward and outward) / 1.5. times (either inward or outward) / 2 times (for shifting) as vessel owners already encounter with heavy losses in such unexpected situations and adding further cost will put them into more trouble</td><td>The increase was proposed considering consumption of extra fuel by tugs and requirement of additional tugs for Cold move operation. The risk factor involved in such operation is also significantly high. [CHPT has maintained the existing Schedule. However, the pilotage fee for cold move operations would increase due to proposed increase in pilotage fee, since the pilotage fee for cold move operation is linked to the schedule of Pilotage Fee.]</td></tr>
<tr><td>(viii)</td><td>2.2.5 Pilot cancellation
<table><tr><th>Description</th><th>From 01.05.2019 (USD) Rate per GRT</th><th>Proposed draft SOR (USD) Rate per GRT</th><th>Total % of increase</th></tr><tr><td>For cancellation of a requisition for the services of a Pilot with less than 2 hours' notice</td><td>(4.26% increase)</td><td>(20% increase)</td><td>24.26%</td></tr><tr><td>For detention of Pilot for more than 30 minutes beyond the time</td><td>(4.26% increase)</td><td>(20% increase)</td><td>24.26%</td></tr></table></td><td>No increase has been made in the VRC for Container vessels and General Cargo vessels considering the competitive scenario. However, taking into account the huge shortfall between Annual Revenue Requirement (ARR) and estimated revenue at existing indexed</td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Comments received from the users / user organizations</th><th>Reply/ Remarks from CHPT</th></tr>
<tr><td></td><td><table><tr><td>for which requisition was made</td><td></td><td></td><td></td></tr></table>
<u>Request:</u>
Eventhough it would not be a deliberate act, the proposed rate is very high which will put owners of the vessel into huge loss. Since Port has already increased over all 4.26% this year under ARR, request kindly do not revise/penalise further.</td><td rowspan="3">SoR, 20% increase in VRC for POL & Crude vessels and 10% increase for RoRo vessel is proposed.

It is informed that though TAMP Guidelines allows Return on Capital Employed (RoCE) of 16%, only 8% RoCE is claimed by the Port. Further, the additional income estimated out of proposed revision is only Rs.45 Cr. p.a. as against the shortfall of Rs.99 Cr. in the ARR calculated at 8% RoCE.

In view of the above, TAMP is requested to consider the proposal of the Port and Trade is also requested to extend their support.</td></tr>
<tr><td>(ix)</td><td>2.2.6 Charges for hire of Tugs / Launches /Mooring crew

Port has already increased 4.26% under ARR and further increase of 20% i.e. total 24.26% is very high. Hence, request do not revise the tariff for the current year and consider increase of 5% in next financial year.</td></tr>
<tr><td>(x)</td><td>2.3 Berth Hire
2.3.1 Schedule of Berth Hire charges

<table><tr><th>Type of vessel</th><th>From 01.05.2019 (USD) Rate per GRT</th><th>Proposed draft SOR (USD) Rate per GRT</th><th>Total % of increase</th></tr><tr><td>POL including Crude oil vessels</td><td>(4.26% increase)</td><td>(20% increase)</td><td>24.26%</td></tr><tr><td>RORO, Passenger and Non-cargo vessels</td><td>(4.26% increase)</td><td>(10% increase)</td><td>14.26%</td></tr></table>
<u>Request:</u>
Proposed rate is very high which will have greater impact on vessel owners/trade to incur huge loss. Since Port has already increased over all 4.26% this year under ARR, kindly defer enhancement.</td></tr>
<tr><td>(xi)</td><td>2.3.2 Additional Berth Hire Charges

In proposed scale of rates, it is noticed that under said column d) Vessel under arrest by Court is not incorporated. Request kindly include same for clarity/guidance on such situation for understanding of the trade.</td><td>Reasons for Court arrest are not attributable to the Port and the Port is in no way responsible for the same. Hence, the additional berth hire charges shall apply under these circumstances and shall be paid by the vessel agent / owner.</td></tr>
<tr><td>(xii)</td><td><u>2.3.2 - Notes:</u>
Sl.No.2 – Requires more clarity/ indication of permissible LAO / consideration for each berth which should reflect in SOR to enable agents update their Principals in advance accordingly for working out the Port DA prior fixing of the vessels to Chennai Port.</td><td>This clause is introduced keeping in view the VLCC with a length of 330 m. handled by the Port at B.D.III rendering B.D.I unavailable for cargo operation. Earlier, the maximum length of ships berthed at BD III was only 280 m. which did not hamper operation of ships at BD I.</td></tr>
<tr><td>(xiii)</td><td>2.3.4 Anchorage Charges
Port has already increased 4.26% this year under ARR and proposed 12% further, gross increase of 16.25% which is very high. Request kindly defer enhancement for this FY.</td><td>Same reply as given for Sl. No.(v) above.</td></tr>
</table>

Sl. No.	Comments received from the users / user organizations	Reply/ Remarks from CHPT
(xiv)	3.1.3 Cargo Free of Wharfage Sl.No.7 – New clause has been incorporated on the proposed charges. No such expenses are incurred at other Indian Ports. Hence, requesting to maintain existing clause. Imposition of huge documentation fee not feasible and give opportunity to the trade to call Chennai Port for handling.	As per existing clause Wharfage for vessel manifested as cargo is exempted only for first voyage of the vessel. In the proposed clause, exemption is allowed for all vessels which are manifested cargo, subject to payment of lump sum documentation charges.
(xv)	Section – 5 – Miscellaneous charges 5.3 Charges for Hire of Port Equipment – 5) Fire Engine and gear- Port has already increased 4.26% under ARR and further increase of 20% i.e. total 24.26% is very very high for the owners/receivers to meet such expenses. Hence, do not revise the tariff for this FY.	Same reply as given for Sl. No.(v) above.

2. The joint hearing on the case in reference was held on 02 August 2019 at the CHPT premises. At the joint hearing, the CHPT made a brief power point presentation on the proposal. At the joint hearing, the users/ user organisations and the CHPT have made the following submissions:

Chennai Port Trust (CHPT)

(i). The hinterland which was for CHPT 15 years ago is now being shared by 5 Ports. We are aware of stiff competition. We have tried to strike a balance between the competition and our requirement and our financial requirement.

(ii). Proposal of CHPT is prepared taking into account the competition being faced by CHPT and also based on the inputs taken from various stakeholders.

(iii). Proposal covers VRC, CRC, Stevedoring and C&F Labor charges and Misc. Charges. It excludes land rentals, port railway charges fixed by railway port.

(iv). We have not proposed Increase for container and general cargo vessels. We have proposed 10% Increase for RO-RO, passenger and non-cargo vessels, 20% increase for POL & Crude vessels, 20% increase in other marine charges like hire of tugs, mooring crew, water supply, fire engine etc. We have proposed 50% Concession in port dues for vessels berthed only for bunkering purpose. Vessels shifted to outer anchorage due to port Convenience are exempted from anchorage fee.

(v). We have proposed 5% wharfage increase for chemicals, 10% increase for Cereals & Pulses, Sugar and food items. 20% Increase for crude and POL products, Edible oil, Fertilizer, etc.

(vi). We have proposed 20% increase in demurrage and pollution levy on dry bulk cargo.

(vii). Charges for supply of labour for stevedoring operations converted to “Per M.T.” rate instead of wages plus general levy of 192%. Time rate wages has been updated with wages as of April 2019.

(viii). Keeping in view competition, we have asked for only 8% ROCE in place of 16% ROCE.

(ix). The ceiling indexed ARR is ₹ 648 Crores. However we have estimated revenue at the proposed rates to achieve revenue of around ₹ 604 Crores, leaving a revenue gap of ₹ 44 Crores.

(x). We request TAMP to approve our general revision proposal.

(xi). With the permission of TAMP we want to take back the “Per Ton” levy for supply of labor for stevedoring operations and revert back to wages plus % levy.

Chennai Port Stevedoring Association

(i). We thank CHPT for withdrawing the “Per Ton” levy. We don’t press the issues which we have raised for the proposal of CHPT for “Per Ton” levy.

(ii). Regarding updating of time rate wages, kindly intimate the increase in the amount of wages, which has been factored.

(iii). There must be optimum utilisation of the Labour. The trade should not be penalised for idling labour of the port.

The Southern India Chamber of Commerce and Industry

(i). The Port should get bigger volumes to improve its financial instead of increase in the tariff. Mere tariff increase will not improve financial position of the port.

(ii). Car Manufacturers are better off only marginally. 10% VRC increase for RO-RO vessels is going to hit them.

(iii) CHPT renders uniform services to all vehicles, irrespective of its value. Therefore, wharfage for vehicles should not be Ad valorem based. It should be unit based. TAMP guideline is clear in this regard.

(iv) Customs work for 24 hrs. Therefore, the definition for free period which excludes customs holidays may be modified.

(v). For the purpose of levy of interest delay in payments by users is counted beyond 10 Days after the date of billing. Whereas 20 Day time is given for port for delay in refunds. This variation may be removed.

(vi). Today we have come to know that one of the container terminals in the CHPT has filed a proposal to TAMP to maintain existing SOR. Why not Port?

Chennai & Ennore Port Steamer Agents’ Association

(i). We have given our written comments.

(ii). Port has already increased port dues and pilotage by 4.26% this year. Over and above, a 20% increase is sought by CHPT now. This will have impact on vessels. They will incur loss. The increase in VRC may be reduced.

(iii). Port proposes documentation fee of ₹ 1 Lakh per vessel when the vessel is manifested as cargo. No port is levying documentation charge on such vessel. Please withdraw it.

(iv). Port has already increased 4.26% for fire tender. Further increase of 20% is very high. Fire Tender charges are very higher than port charges.

(v). Exemption from levy of additional berth hire charges for vessel under arrest by court is not considered. Kindly include it for clarity to meet such situation.

(vi). Efforts of trade help port to achieve performance standard but credit is given to port by indexing their tariff. Port should provide discount rather than enhancing the charges.

(vii). DG Shipping is not issuing separate license for Specified Voyage or General trading license for container vessels. Letter from the vessel to DG Shipping is sufficient to trade the vessel in India. So the definition for system of classification may be amended.

(viii). Vessel owners incur heavy losses in cold move situation. Increase in charges of cold move will further add to their cost. Please maintain existing rates.

CHPT

(i). We withdraw proposed wharfage hike for pulses, cereals and fertilizers.

(ii). We will examine increase in VRC for RO-RO vessels.

(iii). Increase proposed for cold move will be withdrawn.

(iv). When vessel itself is coming as cargo, wharfage is not applicable for that vessel. We had discussed with trade. The proposed documentation of ₹ 1 Lakh was based on a suggestion from trade. I think it was from JM Baxi. We will look into it.

(v). We had examined 20% Increase in wharfage for POL Products. It is a balancing act.

(vi). The South India Chamber of Commerce has mentioned about the proposal of a private terminal in this port to maintain Status Quo in SOR. But we facilitate the container vessels calling on the private terminal by reducing VRC.

Bengal Tiger Lines

(i). We are happy to note that no increase has been proposed to the container related charges.

(ii). It is requested to have a relook into the VRC related to container vessels, to make it comparable to neighbouring ports.

3. The CHPT vide its letter dated 31 August 2019 has filed its revised proposal. Only one user viz., Chennai Port Stevedores Association (CPSA) has furnished its comments on the revised proposal till the case was finalised. The comments received from CPSA was forwarded to the CHPT. The CHPT has responded to the comments of CPSA. The comments of CPSA and the response of CHPT thereon are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Comments received from CPSA</th><th>Response received from CHPT</th></tr>
<tr><td>(i)</td><td>Most stevedores at CHPT have a rate contract valid for the year. Any increase in between, will necessitate the stevedore having to absorb the increase with no recourse from the ship owner or cargo owner. This was amply articulated in our earlier submissions.</td><td>With regard to the validity of the rate contracts entered by the Stevedores, it is stated that as per the Tariff Policy Guidelines, the SoR is revised once in 3 years to meet the Annual Revenue Requirement of the Port. Accordingly, the SoR was due for revision from 1.4.2019, and TAMP has already extended the existing SOR upto 30.9.2019, which is well known to the Trade. Further, CHPT has claimed only 8% ROCE instead of 16% ROCE as per Tariff Guidelines.</td></tr>
<tr><td>(ii)</td><td>Under the current severe economic downturn, this is not the right time to enforce a tariff increase. All our efforts to bring additional cargo or even sustain the existing cargo at Chennai will come to naught. Most of us will not have any work to do at Chennai with our clients shunning the proposed increase. Hundreds of workers collectively employed will also be put to risk of unemployment.</td><td>The existing time – rate wages was fixed based on the wages prevailing in January 2016. In the present proposal the time – rate wages have been updated based on the wages prevailing in April 2019. The increase in wages is only on account of periodical DA increase, annual increment, Wage Revision from 1.1.2017, which works out on average to 36%. The approximate break up of increase is given below:
<table>
<tr><td>DA increase from January 16 to December 16</td><td>3%</td></tr>
<tr><td>Annual increment for 2016</td><td>3%</td></tr>
<tr><td>Impact of Wage Revision from 1.1.2017</td><td>18%</td></tr>
<tr><td>Annual increment for 2017 & 2018</td><td>6%</td></tr>
<tr><td>DA increase from January 17 to April 19</td><td>10%</td></tr>
<tr><td>Total</td><td>40%</td></tr>
<tr><td>Less: Indexation from 1.5.19</td><td>4%</td></tr>
<tr><td>Net increase</td><td>36%</td></tr>
</table>
</td></tr>
<tr><td>(iii)</td><td>The wage increases of January 2017, that has brought about this proposal for increase in stevedoring rates is only 10.6 %. It is requested to consider this fact.</td><td>CPSA has made a point that the wage increase of January 2017 is only 10.6%. In this connection, it is stated that 10.6% stated by CPSA is only fitment benefit on account of wage revision. This fitment benefit is to be applied after merging the basic pay and DA as on the date of wage revision and arrive at the new basic pay and accordingly, annual increments, DA increase and allowances are payable on the new pay. Therefore, the total impact of increase in wages from January 2016 to April 2019 is 36%.</td></tr>
<tr><td>(iv)</td><td>We urge that the implementation of the increase of stevedoring charges be deferred or at least 3-6 months and in the interim, make a request to reconsider the quantum of increase to an extent that can be borne by the trade, without diversion of cargo from the Port.</td><td>[No specific comments received from CHPT].</td></tr>
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