(Published in Part - III Section 4 of the Gazette of India, Extraordinary)

Tariff Authority for Major Ports

G.No. 28 **New Delhi,** **24 January 2017**

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from the Chennai Port Trust (CHPT) for approval of concessional wharfage rates for automobiles handled through Coastal Ro-Ro vessels, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/17/2016-CHPT

Chennai Port Trust ... **Applicant**

QUORUM

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

O R D E R
(Passed on this 4th day of January 2017)

This case relates to the proposal received from the Chennai Port Trust (CHPT) for approval of concessional wharfage rates for automobiles handled through Coastal Ro-Ro vessels.

2. The Chennai Port Trust (CHPT) vide its letter dated 18 February 2016 had, *interalia*, communicated that based on the approval of its Board of Trustees, instead of levying the advalorem wharfage rates prescribed in its Scale of Rates towards automobiles handled through RoRo vessels, has decided to adopt the per unit wharfage levy of automobiles relevant for the M/s. Kamarajar Port Limited (KPL) on trial basis for a period of two months from 01 February 2016 to 31 March 2016, and that it has issued a Circular to this effect.

3.1. The CHPT had also stated that in the general revision proposal to be filed by CHPT by 31 March 2016, all the wharfage tariff items including automobiles presently prescribed on ad valorem basis will be revised into weight / volume / nos. basis in line with clause 2.10 of TAMP Working Guidelines, 2015 and a ceiling tariff will be proposed based on the revenue/ cost details and also taking into consideration the response of the trade for the promotional tariff.

3.2. Given that the per unit wharfage levy on automobiles was on a trial basis for a period of two months from 01 February 2016 to 31 March 2016 and since the trial period was to get over in a few days from 18 February 2016 and also since the CHPT had confirmed that in the general revision proposal to be filed by CHPT by 31 March 2016, it would revise all the wharfage tariff items including automobiles which is presently prescribed on ad valorem basis, into weight / volume / nos. basis, it was decided to not take any action on the communication received from CHPT at that point of time.

3.3. Subsequently, the CHPT vide its letter dated 09 May 2016 stated that with the approval of its Board of Trustees, the special concessional wharfage for handling of automobiles through all coastal Ro Ro vessels on 'per unit basis' implemented on trial basis for a period of 2 months from 01.02.2016 to 31.03.2016 has been extended for a further period of one year from 01.04.2016 to 31.03.2017, with some changes.

3.4. A comparative position of the special concessional wharfage levied during the trial period of 2 months (01.02.2016 to 30.03.2016) and special concessional wharfage levied beyond 31.03.2016 i.e. 01.04.2016 to 31.03.2017 is given below:

<table>
<tr><th>Special concessional wharfage levied during the trial period of 2 months (01.02.2016 to 30.03.2016)</th><th>Special concessional wharfage levied beyond 31.03.2016 i.e. 01.04.2016 to 31.03.2017</th></tr>
<tr><td>
<table>
<tr><th>Sr. No.</th><th>Categories</th><th>Wharfage Rate per Unit</th></tr>
<tr><td>1.</td><td>Cars, SUVs, MUVs upto 1600 cc</td><td>₹.500/-</td></tr>
<tr><td>2.</td><td>Cars, SUVs, MUVs above 1600 cc</td><td>₹.1000/-</td></tr>
<tr><td>3.</td><td>Heavy vehicles other than Cars, SUVs, MUVs</td><td>₹.2000/-</td></tr>
</table>
</td><td>
<table>
<tr><th>Sr. No.</th><th>Categories</th><th>Wharfage Rate per Unit</th></tr>
<tr><td>1.</td><td>Passenger Cars upto 4000 mm length</td><td>₹.500/-</td></tr>
<tr><td>2.</td><td>Passenger Cars from 4001 mm to 4700 mm length</td><td>₹.1000/-</td></tr>
<tr><td>3.</td><td>Passenger Cars above 4700 mm length & SUVs, MUVs</td><td>₹.1500/-</td></tr>
</table>
</td></tr>
</table>

		4.	Heavy vehicles tare weight weighing upto 5 tonnes	₹.2000/-
		5.	Heavy vehicles tare weight weighing above 5 tonnes	₹.450/- per tonne or part thereof

3.5. As per Clause 5.7.1 of the Working Guidelines, whenever a specific tariff for a service/ cargo is not available in the SOR of the particular port or any other major port, then the port may file the proposal for notification of tariff for the said new cargo/ service. Further, as per Clause 5.7.3 and 5.7.4 of the Working Guidelines, with the submission of proposal, the port can simultaneously levy the proposed rate on an ad hoc basis in consultation with the concerned users, till the rate is finally notified.

3.6. Though the CHPT has started levying the per unit wharfage levy on automobiles, it had not come up with a proposal seeking approval of this Authority. Even in its letter dated 9 May 2016, the CHPT had just intimated the decision taken by its Board of Trustees to levy the Special concessional wharfage levied beyond 31.03.2016 i.e. 01.04.2016 to 31.03.2017.

3.7. Thus, in view of the Working Guidelines position, the CHPT was requested vide our letter dated 17 June 2016 to file a complete proposal in line with the stipulation contained in Clauses 5.7.1 to 5.7.5 of the Working Guidelines.

4.1. Incidentally, based on the proposal filed by the CHPT under the Tariff Policy 2015, this Authority has approved the general Scale of Rates (SOR) of Chennai Port Trust (CHPT) vide its Order No. TAMP/22/2016-CHPT dated 17 September 2016. This Order was notified in the Gazette of India on 10 October 2016 vide G.No.371. The Notification and Order has been communicated to the CHPT and to the concerned users / user organisations vide our letter dated 13 October 2016. The revised SOR has come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India (i.e. from 9 November 2016.

4.2. Vide the said Order, this Authority has approved the following charges under Schedule 3.1 for Wharfage in respect of Automobiles:

Sl.No.	**Categories**	**Wharfage/ Unit In ₹**	
		Foreign	Coastal
1.	Four Wheelers upto 1400 cc		
	Import	4,200	2,520
	Export	2,200	1,320
2.	Four Wheelers above 1400 cc - Import & Export	8,400	5,040
3.	Six Wheelers & above weighing upto 7.5 MT	10,000	6,000
4.	Six Wheelers & above weighing above 7.5 MT	29,000	17,400

5.1. In this backdrop, the CHPT vide its letter dated 04 October 2016 has made following submissions:

(i). The concessional wharfage charges for automobiles handled through Coastal Ro-Ro vessels has been modified in line with the description and unit of levy prescribed in the proposed SOR. The modified concessional scheme has been approved by the Board in the meeting held on 19.08.2016 vide BR No. 63 for the period from 01.07.2016 to 31.03.2017, on ad-hoc basis, as per clause 5.7.3 of TAMP Working Guidelines, subject to approval of TAMP, for ceiling rates proposed for Automobiles (Motor Vehicles) in the general revision proposal filed with this Authority.

(ii). The proposed concessional wharfage charges for different categories are as given below: -

S. No.	Categories	Concessional wharfage/ Unit in ₹
1.	Four Wheelers upto 1400 cc	500/-
2.	Four Wheelers above 1400 cc	1000/-
3.	Six Wheelers & above, weighing upto 7.5 MT	2500/-
4.	Six Wheelers & above, weighing above 7.5 MT	5000/-

(iii). A copy of the Board Resolution and Trade Notice is furnished by the CHPT alongwith its letter.

5.2. In view of the above, the CHPT has requested this Authority to approve the above concessional wharfage rates on ad hoc basis from 01.07.2016 till the date of implementation of the proposed Scale of Rates as per clause 5.7.3 of TAMP Working Guidelines 2015.

6. With regard to the submissions made by CHPT, the following position emerges:

(i). The pre-revised Scale of Rates of CHPT (prior to November 2016) prescribed the following wharfage charges for handling of Automobiles through RoRo vessels:

Item no.	Nomenclature	Unit	Rate (in ₹)	Rate for Coastal Vessel (in ₹)
10.	c) (i). Motor cars, Jeeps, Van and Tourist Caravans loaded or unloaded by the RORO system	Ad valorem	0.54%	0.33%
	(ii). Motor cars, Jeeps, Vans and Tourist Caravans loaded or unloaded other than by RORO system	Each	4683.18	2809.91
	d) (i). Motor vehicles like buses, dumpers, lorries, tractors, trucks, chassis & trawlers – without loaded merchandise or loaded with own accessories – By RORO system	Ad valorem	0.54%	0.33%
	(ii). Motor vehicles like buses, dumpers, lorries, tractors, trucks, chassis & trawlers with loaded merchandise – By RORO system	Ad valorem	0.71%	0.43%
	e) Motor vehicles like buses, dumpers, lorries, tractors, trucks, & trawlers – Other than RORO system	Each	9366.37	5619.82

(ii). Thereafter, this Authority while disposing the general revision proposal of the CHPT in September 2016 has approved the levy of following Wharfage charges in Section 3.1 in respect of Automobiles, as proposed by CHPT:

Sl.No.	Categories	Wharfage/ Unit In ₹	
		Foreign	Coastal
1.	Four Wheelers upto 1400 cc		
	Import	4,200	2,520
	Export	2,200	1,320
2.	Four Wheelers above 1400 cc - Import & Export	8,400	5,040
3.	Six Wheelers & above weighing upto 7.5 MT	10,000	6,000
4.	Six Wheelers & above weighing above 7.5 MT	29,000	17,400

The said Order has been notified in the Gazette of India on 10 October 2016 and the revised SOR has come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India i.e. with effect from 09 November 2016.

(iii). It is relevant here to mention that the pre-revised Scale of Rates approved vide Order No. TAMP/11/2013-CHPT dated 4 August 2014, had prescribed a tariff validity period till 31 March 2016. Subsequently, on request of CHPT, this Authority had extended the validity of the Scale of Rates of CHPT till 30 September 2016. Further, while passing the latest general revision Order of September 2016, the validity of the Scale of Rates has been extended beyond 30 September 2016 or till the date of implementation of the revised Scale of Rates i.e. 08 November 2016.

(iv). The proposal of the CHPT now is to enable it levy the following concessional wharfage charges for automobiles for the period from 01 July 2016 to 08 November 2016:

Sl. No.	**Categories**	**Wharfage/ Unit in ₹**
1.	Four Wheelers upto 1400 cc	500/-
2.	Four Wheelers above 1400 cc	1000/-
3.	Six Wheelers & above, weighing upto 7.5 MT	2500/-
4.	Six Wheelers & above, weighing above 7.5 MT	5000/-

(v). Though the pre revised SOR including the wharfage charges for handling Automobiles through RoRo vessels was extended, the rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The CHPT had the flexibility to charge lower rates and/ or allow higher rebates and discounts.

(vi). Thus, for the period from 01 July 2016 to 08 November 2016, when the pre-revised rates were in force, the applicable advalorem rates would be as per the SOR approved vide Order no TAMP/11/2013-CHPT dated 4 August 2014, as brought out earlier. However, the proposal of the port now is to enable it levy per unit wharfage rates for automobiles instead of the advalorem rates. It is noteworthy that the said per unit rates are seen to be lower than the per unit rates approved in the September 2016 Order.

(vii). Clause 2.10 of the Working Guidelines requires the Port Trust to do away with advalorem wharfage rate in the SOR and determine specific wharfage rate taking into consideration special case to be taken for handling such cargo or a market determined tariff. In compliance to the Working Guidelines, the CHPT has proposed per unit wharfage rates for the Motor Vehicles and has also proposed to levy lower per unit wharfage rates, till the new Scale of Rates comes into effect.

(viii). Given that the CHPT has proposed levy of lower per unit wharfage rates on automobiles for the period from 01 July 2016 to 08 November 2016, as compared to the per unit wharfage charges as approved in the September 2016 Order of CHPT, this Authority is inclined to accede to the proposal made by the CHPT.

7. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves levy of wharfage rates on per unit basis for the period from 01 July 2016 to 08 November 2016, as given below:

Sl. No.	**Categories**	**Wharfage/ Unit in ₹**
1.	Four Wheelers upto 1400 cc	500/-
2.	Four Wheelers above 1400 cc	1000/-
3.	Six Wheelers & above, weighing upto 7.5 MT	2500/-
4.	Six Wheelers & above, weighing above 7.5 MT	5000/-

(T.S. Balasubramanian)
Member (Finance)