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**TARIFF AUTHORITY FOR MAJOR PORTS**

**G. No.371** **New Delhi,** **10 October 2016**

# NOTIFICATION

In exercise of the powers conferred under Sections 48, 49 & 50 of the Major Port Trusts Act, 1963, the Tariff Authority for Major Ports hereby disposes of the proposal received from Chennai Port Trust (CHPT) for General Revision of its Scale of Rates (SOR), as in the Order appended hereto.

**(T.S. Balasubramanian)**
Member (Finance)

**Tariff Authority for Major Ports**
**Case No. TAMP/22/2016-CHPT**

**The 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 17th day of September 2016)

This case relates to a proposal received from Chennai Port Trust (CHPT) for General Revision of its Scale of Rates (SOR).

2. The existing Scale of Rates of the CHPT was approved vide tariff Order No. TAMP/11/2013-CHPT dated 4 August 2014. This Order was notified in the Gazette of India on 17 September 2014 vide Gazette No. 268. The said Order prescribed a tariff validity period till 31 March 2016.

3.1. The Ministry of Shipping (MOS), vide its letter No. 8(1)/2014-TAMP dated 13 January 2015 issued the new "Policy for determination of Tariff for Major Port Trusts, 2015 which was notified in the Gazette of India vide Gazette No. 30 dated 27 January 2015 by this Authority. The new "Policy for determination of Tariff for Major Port Trusts, 2015" has come into effect from 13 January 2015.

3.2. Thereafter, based on the stipulation contained in Clause 1.5 of the Tariff Policy 2015, the Working Guidelines to operationalize the Tariff Policy, 2015, were firmed up and notified after consultation with all the Major Port Trusts.

4.1. In this backdrop, the CHPT has filed a proposal for revision of its tariff for the period from 01 April 2016 to 31 March 2019, following the Tariff Policy, 2015 and the Working Guidelines, vide its letter No. A.O.(SOR)/10611/2015/FR dated 4 April 2016.

4.2. The highlights of the CHPT proposal as furnished by CHPT are as given below: -

(i). Tariff Proposal for General Revision has been prepared as per the Tariff Policy, 2015 and Working Guidelines.

(ii). The existing Scale of Rates (SOR) has been modified, simplified, standardized, rationalized, clubbed, regrouped and rounded off, in comparison with the neighbouring ports and inputs received from user departments. The proposed tariff (SOR) will be valid upto 31 March 2019.

(iii). New definitions have been proposed. The conditions have been reviewed, modified and simplified to make the Scale of Rates user-friendly.

(iv). The rates in respect of services / facilities which are not presently available or not used by the Trade have been deleted.

(v). The conditions which are having tariff implications have been presented in tabular form, to the extent possible, for easy understanding.

(vi). Performance standards have been prescribed and SoR has been indexed to WPI as per Tariff Policy 2015.

(vii). The vessel related charges, viz. Port dues, Pilotage and Berth Hire prescribed for four categories of vessels separately, viz. Crude oil & POL vessels, Container vessels, RoRo vessels and other cargo vessels, taking into account the need to adjust the tariff based on market demand in the respective cargo groups.

(viii). The Pilotage charges have been restructured under 3 slabs in line with the TAMP Working Guidelines 2015 (Clause 10.9). The revised rates have been worked out in order to neutralize the actual revenue earned during the year 2014-15 from Pilotage. As such, there will be a change in the existing Pilotage charges for different sizes of vessels. Shifting charges prescribed at 25% of Pilotage charges.

(ix). Berth Hire Charges for non-cargo vessels and Harbour crafts has been simplified.

(x). Wharfage schedule reclassified, rationalized and regrouped. The items which have not been handled during the last three years have been deleted. The Unit of Measurement have been modified and standardized.

(xi). Advalorem based tariff items modified on unit / weight basis. Income neutralization has been considered. Classification of cargo under the category of vehicles and conveyance has been done based on the different types of cargo handled during the year 2014-15.

(xii). The notional levy now collected for F.C. Thangam, for using ship's own gears (which was reduced from 50% to 25% during July 2015) will be dispensed with. Charges for crew overtime for FC Thangam for holidays and second and third shift is dispensed. As a result, the revenue reduction to the Port is ₹.4.50 crores.

(xiii). The 10% notional levy for using Private cranes will also be dispensed with. In lieu of this, a nominal charge of ₹.20 to ₹.40 per M.T. for packages weighing upto 30 M.T. and ₹.200/- per M.T for packages weighing more than 30 M.T. will be collected. The net revenue reduction to the Port on this account is ₹.2.50 crores. This charge will also be discontinued once the Stevedoring and Shore handling Policy of the Government is implemented.

(xiv). Free days maintained and regrouped. Demurrage presently collected with the approval of Board has been incorporated in the Scale of Rates.

(xv). The implementation of NIT Award in September 2015 has resulted in a reduction of labour cost by around 67%. The Port has not proposed to increase the Stevedoring labour charges and the General levy, except for updating the time-rate wages for the actual increase in Dearness Allowance. Half-shift gang posting will be discontinued.

(xvi). Tonnage levy for agricultural products removed and included under General levy.

(xvii). The C&F Levy of ₹.56.80 per M.T. now collected from the Importers / Exporters has also been dispensed based on the requirements of the Trade. The revenue reduction to the Port on this account will be around ₹.4.50 crores.

(xviii). The existing levy of ₹.4/- per M.T. towards Piece Rate incentive for C&F workers is retained.

(xix). The Special levy of ₹.1/- per M.T. will be continued till the actual arrears amount paid to the cargo handling workers on account of wage revision effective from 1.1.2007 is fully recovered.

(xx). Actual traffic handled by the Port during the year 2014-15 has been taken into account for estimation of revenue, as per TAMP Guidelines. There is 5% drop in the traffic throughput for the year 2015-16, which has not been taken into account.

(xxi). As per the cost statements, the Annual Revenue Requirement works out to ₹.756 crores whereas the estimated revenue, at the existing SoR, after rationalization, works out to ₹.545 crores, resulting in a deficit of ₹.211 crores.

(xxii). After adjusting other income, viz. Estate, Railway, Royalty, F&M income, etc. and expenses not considered in the cost statements and also taking into account the impact of concessions, the net deficit comes to the tune of ₹.124 crores.

(xxiii). The Port will focus on increasing the traffic growth, curtailing expenditure and improving efficiency to meet the deficit. However, a nominal increase of 10% in the Wharfage of bulk and break bulk excluding Edible oil and Advalorem based tariff items and Special Port Service Charge for rail bound cargo is envisaged. This will result in a marginal increase of cargo related charges to the tune of ₹.6.50 crores.

(xxiv). While the increased tariff will remain as the ceiling tariff, the Port assures to offer competitive rates based on volume commitments from the trade. The Port has already granted various concessions in the Vessel related charges and Cargo related charges in order to retain existing traffic and to attract additional traffic.

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

(i) A summary position of ARR computation furnished by CHPT is tabulated below:

| | | | **₹. in lakhs** | | |
|---|---|---|---|---|---|
| **Sl. No.** | **Description** | | **Y1 (2011-12)** | **Y2 (2012-13)** | **Y3 (2013-14)** |
| (1). | **Total Expenditure (As per Audited Annual Accounts)** | **Note 1** | | | |
| (i). | Operating expenses (including depreciation) | | 32,016.61 | 32,471.40 | 32,431.54 |
| (ii). | Management & general Overheads | | 24,463.25 | 26,203.12 | 26,985.89 |
| (iii). | Finance and Miscellanous expenses (FME) | | 25,342.85 | 27,866.96 | 39,134.85 |
| | **Total Expenditure 1=(i)+(ii)+(iii)** | | **81,822.71** | **86,541.48** | **98,552.28** |
| | | | | | |
| (2). | **Less Adjustments:** | | | | |
| (i). | Estate related expenses | | | | |
| | (a). Operating expenses (including depreciation) | | 785.83 | 900.02 | 970.36 |
| | (b). Allocated Management & Administrative Overheads | | 1,328.87 | 1,728.58 | 2,165.77 |
| | (c). Allocated FME | | 619.64 | 770.38 | 1,169.36 |
| | **Subtotal 2 (i)=[(a)+(b)+(c)]** | | **2,734.34** | **3,398.98** | **4,305.49** |
| | | | | | |
| (ii). | **Interest on loans** | | 96.74 | 72.85 | 52.66 |
| | | | | | |
| (iii). | **4/5th 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)** | **Note 2** | | | |
| | (a).Wage revision arrears | | - | - | 3,849.84 |

| | | | | | |
|---|---|---|---|---|---|
| | (b).Ex-gratia payment to SVRS * | | 1.26 | - | - |
| | (c).Compensation paid to dependants of deceased employees* | | - | - | - |
| | **Subtotal 2 (iii) = [(a)+(b)+(c)]** | | **1.26** | **-** | **3,849.84** |
| | | | | | |
| (iv). | **4/5th of the Contribution to the Pension Fund** | **Note 3** | 4,960.00 | 5,200.00 | 5,040.00 |
| | | | | | |
| (v). | **Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation** | **As per Form 2** | 16,655.55 | 18,310.27 | 19,120.59 |
| | | | | | |
| (vi). | **Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.** | | | | |
| | (a). Operating Expenses | | - | - | - |
| | (b). Depreciation | | - | - | - |
| | (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)** | | **24,447.89** | **26,982.10** | **32,368.58** |
| (3). | **Total Expenditure after Total Adjustments ( 3 = 1-2 )** | | **57,374.82** | **59,559.38** | **66,183.70** |
| | | | | | |
| | **Average of Total Expenditure (Sl. No.1)** | | | **88,972.16** | |
| | **Average of Adjustments in Sl. No.2 (i), (ii), (iv) & (v)** | | | **26,649.16** | |
| | **Adjustments in Sl. No.2 (iii)** | | | **3,851.10** | |
| (4). | **Average Expenses of Sl. No. 3 = [ Y1 + Y2 + Y3 ] / 3 (adjusted as per Note 2 (ii) below** | | | **58,471.90** | |
| | | | | | |
| (5). | **Capital Employed** | | | | |
| | (i). Net Fixed Assets as on 31.03.2014 (As per Audited Annual Accounts) | | | 60,982.65 | |
| | (ii). Add:Work in Progress as on 31.03.2014 (As per Audited Annual Accounts) | | | 9,425.05 | |
| | (iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2014 as per Audited Annual Accounts. | | | 12,590.45 | |
| | (iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2014 as per Audited Accounts. | | | - | |
| | (v). Less : Net value of fixed assets as on 31 March 2014 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 | | | 866.74 | |
| | (b). Sundry Debtors | | | 534.56 | |
| | (c). Cash | | | 4,645.11 | |
| | (d). Sum of (a)+(b)+(c ) | | | **6,046.41** | |
| | **(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]** | | | **63,863.66** | |
| | | | | | |
| (6). | **Return on Capital Employed 16% on Sl. No. 5(vii)** | | | **10,218.19** | |
| | | | | | |
| (7). | **Annual Revenue Requirement (ARR) as on 31 March 2014 [ (4)+ (6) ]** | | | **68,690.09** | |
| | | | | | |
| (8). | **Indexation in the ARR @ 100% of the WPI applicable for the year 2014-15 i.e. @ 6% (7*1.06)** | | | **72,811.50** | |
| | | | | | |
| (9). | **Indexation in the ARR @ 100% of the WPI applicable for the year 2015-16 i.e. @ 3.82% (8*1.0382)** | | | **75,592.90** | |
| | | | | | |
| (10). | **Ceiling Indexed Annual Revenue Requirement (ARR)** | | | **75,592.90** | |
| | | | | | |
| (11). | **Revenue Estimation at the Proposed SOR within the Ceiling indexed ARR estimated at Sl No. 10 above** | **As per Form 3 & Note 5** | | **55,217.60** | |
| * | These expenses have been amortized over 5 years. Hence, the figures reflected in the Audited Annual Accounts itself, is the 1/5 of the actual expenses. | | | | |

(ii). The CHPT in Form 3 has furnished detailed working of revenue estimation considering the existing tariff and the proposed tariff, for the actual traffic exclusively handled by the port during the year 2014-15. As per the said form, the total revenue estimated from Cargo, Vessel, Miscellaneous charges is ₹55217.60 lakhs, at the proposed level of tariff, as against the ceiling indexed Annual Revenue Requirement (ARR) at ₹.75592.90 lakhs.

(iii). The CHPT is seen to have undertaken a massive rationalization / over hauling of its SOR. Further, it is seen that CHPT has proposed 10% increase in wharfage charges and special port service charge for rail borne cargo and maintained status quo in other tariff items.

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

| Sl. No. | Performance Parameters | Proposed performance standards |
|---|---|---|
| (1). | **Cargo Related Services** | |
| (a) | Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups | |

| | | |
|---|---|---|
| | Crude Oil | 46500 |
| | Other POL products | 6700 |
| | Edible Oil | 3600 |
| | Other Liquid | 3500 |
| | Dry Bulk | 8200 |
| | General Cargo | 3000 |
| | Overall | 15400 |
| (b) | Average moves per hour (in TEUs) in respect of Containers | NA |
| (2) | **Vessel Related Services** | |
| (a) | **Average Turnaround Time of Vessels (in days)** | |
| | Crude Oil | 4.00 |
| | Other POL products | 4.00 |
| | Edible Oil | 3.00 |
| | Other Liquid | 2.75 |
| | Dry Bulk | 4.50 |
| | General Cargo | 2.70 |
| | Overall | 2.60 |
| (b) | **Average Pre-Berthing Time of Vessels (in hours)** | |
| | Crude Oil | 35.00 |
| | Other POL products | 33.30 |
| | Edible Oil | 15.00 |
| | Other Liquid | 22.00 |
| | Dry Bulk | 9.20 |
| | General Cargo | 7.60 |
| | Overall | 10.40 |
| (3) | Any other parameters found relevant by the Port | N/A |

5.1. While acknowledging the proposal, the CHPT was, *interalia*, requested vide our letter dated 13 April 2016 to furnish a copy of Board Resolution approving the said General Revision proposal, as already indicated in the checklist to be complied by all Major Port Trusts while filing their general revision proposals under Tariff Policy, 2015.

5.2. The CHPT vide its letter dated 15 June 2016 has stated that the general revision proposal of April 2016 was placed before the Board of Trustees of CHPT in its Meeting held on 27 May 2016 and that the Board has ratified the submission of proposal to TAMP on 4 April 2016 and has also resolved that, any changes / modifications required in the proposal as per the direction of Ministry of Shipping and / or Orders / clarifications from TAMP and (further) based on comments from users, may also be carried out and sent to TAMP and subsequently (could) be placed before the Board for ratification.

6.1. Clause 3.2 and 3.3. of the Tariff Policy, 2015 stipulate 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 users / user organisations, within 15 days' time. The Major Port Trust is to submit its replies on the comments to be received from Port Users to TAMP not later than 15 days from the last date of receipt of comments from the port user. Accordingly, we have vide our letter dated 13 April 2016 requested CHPT to intimate all the concerned users / User Organisations about hosting of the Draft SOR alongwith the performance standards in the website of CHPT and request the users / user organisation to furnish their comments within 15 days to CHPT with a copy endorsed to TAMP. In this regard, a list of concerned users/ user organisations was also forwarded to CHPT.

6.2. In response, the CHPT vide its letter dated 03 May 2016 has intimated us about hosting of the Draft SOR and the performance standards on 11 April 2016, on its website. The CHPT has also furnished copies of the e-mail communication made by it, during 12 April 2016 to 23 April 2016, with the relevant users / organisation bodies, requesting them to offer their comments within 15 days to CHPT with a copy endorsed to TAMP. In the said letter, the CHPT has also forwarded the list of 20 additional users / user organisations to whom the CHPT has consulted on the subject proposal.

6.3. Subsequently, the CHPT vide its letter dated 19 May 2016 has, *interalia*, forwarded the Minutes of the Meeting held by CHPT with the users / stakeholders on 5 May 2016 regarding the proposal sent by CHPT to TAMP for general revision of its Scale of Rates (SoR). From the Minutes of meeting, it is seen that the port, during the meeting, has brought out the highlights of its proposal and has explained that as against the Annual Revenue Requirement (ARR) of ₹.756 Cr, the revenue estimation at the proposed level of tariff is ₹.552 Cr, after taking into the account 10% increase in wharfage charge and special port service charge for rail borne cargo and some revenue reduction estimated on account of simplification / rationalization of SOR. The port has also stated that the proposal of the port is only to break-even and that the increase is not envisaged to improve revenue. Some clarifications given by the Port to the queries raised by the users / user organisations at the meeting held by the CHPT on 5 May 2016 are as tabulated below:

| Sl. No. | Comments of the users / user organisations | Response of CHPT |
|---|---|---|
| **1.** | **Madras Chamber of Commerce** | |
| (i) | The details of tariff items which have been increased to compensate the revenue reduction on account of dispensing of C&F levy may be provided. | As per tariff policy 2015, overall revenue estimation has been taken into account and the activity wise costing has not been done. Hence identifying a particular tariff item which is contributing to the income foregone on account of stoppage of C&F levy is not relevant (possible). |
| **2.** | **Representation by other users** | |
| (i). | Charges for permitting use of private cranes for packages weighing above 30 MT proposed at ₹.200/- per MT is on the higher side. | As per the existing Scale of Rates, the 10% of F.C. Thangam charges for using private cranes for handling packages weighing above 30MT is in the range of ₹.250/- to ₹.300/- per MT and the proposed charge is lower than the existing charge. |

6.4. Accordingly, some of the users / user organisations have furnished their comments to the CHPT with a copy endorsed to us. The CHPT has responded to the comments of some of the users/user organisations vide its letter dated 20 May 2016 and 3 August 2016.

7.1. The Ministry of Shipping (MOS) vide its letter dated 17 September 2015 had issued a direction to this Authority partially modifying the coastal concession policy issued by the (then) MSRTH in January 2005. As per the letter dated 17 September 2015 of the MOS, vessel related charges and container related charges for coastal vessels and coastal containers should take into account the exchange rate fluctuation of Indian Rupee vis-à-vis the US $ so that vessel related charges for all coastal vessels and the container related charges for all coastal containers should not exceed 60% of the corresponding charges. This direction of the MOS was communicated by this Authority through an Order dated 5 October 2015. However, the MOS vide its subsequent letter dated 11 May 2016 has directed to keep its earlier direction dated 17 September 2015 in abeyance. Therefore, this Authority had passed an Order dated 19 May 2016 to keep its Order dated 5 October 2015 also in abeyance which was circulated to all the Ports on 23 May 2016.

7.2. In view of the above, the CHPT vide its e-mail dated 24 May 2016 has stated that while submitting its proposal in April 2016, the income estimation from coastal vessels has been calculated based on the Order dated 5 October 2015 passed by this Authority. In view of the MOS direction, the CHPT has requested us to confirm whether the general revision proposal submitted by it on 04 April 2016 needs to be modified, based on the temporary abeyance Order dated 5 October 2015 of this Authority or whether to wait for further orders from this Authority.

7.3. In response, we have vide our letter dated 25 May 2016 advised the CHPT to review its proposal of April 2016 based on the Order dated 19 May 2016 of this Authority and file its revised proposal immediately.

7.4. Accordingly, the CHPT vide its letter dated 15 June 2016 had, *interalia*, stated that action is being taken to revise the proposal as per TAMP Order and Board directions. Considering that there will be revenue reduction on account of restoring old method of levy of vessel related charges for coastal vessels and also taking into consideration comments received from users, the revised proposal will be submitted on or before 30.06.2016. Since the validity of the existing Scale of Rates was expiring on 30.06.2016, the CHPT had requested to extend the validity of the existing Scale of Rates upto 30.9.2016 or till the implementation of the revised Scale of Rates, whichever is earlier.

7.5. Given that the validity of Scale of Rates of CHPT was expiring on 31 March 2016, as brought out earlier, based on the request made by CHPT, this Authority vide its Order dated 30 March 2016 had extended the validity of the Scale of Rates of CHPT till 30 June 2016. Thereafter, based on the request of CHPT as brought out above, this Authority vide its Order dated 21 June 2016 has extended the validity of SOR of CHPT upto 30 September 2016 or till the implementation of the revised Scale of Rates, whichever is earlier.

8.1. In this backdrop, the CHPT vide its letter No. A.O.(SoR)/10611/2015/FR dated 28 June 2016 has filed its revised proposal.

8.2. The highlights of the revised proposal as given by CHPT are as follows:

(i). The Pilotage charges have been restored as per the existing SoR, based on the objections from users on the steep increase for smaller vessels. However, no. of slabs has been reduced from 6 to 5.

(ii). Shifting charges prescribed at 20% of Pilotage charges.

(iii). The 25% FC Thangam charges now collected for using ship's own gears is proposed to be dispensed. Charges for crew O.T. for FC Thangam for holidays and second and third shift is also proposed to be dispensed.

(iv). The 10% cranage charge for using Private cranes is also proposed to be dispensed. In lieu of this, a nominal charge of ₹. 20 to 40 per M.T. for packages weighing upto 30 M.T. and ₹.200/- per M.T for packages weighing more than 30 M.T. is proposed.

(v). The C&F Levy of ₹.56.80 per M.T. now collected from the Importers / Exporters has also been dispensed based on the requirements of the Trade.

(vi). As per the cost statements, the Annual Revenue Requirement works out to ₹.756 crores whereas the estimated revenue, at the existing SoR, after rationalization, works out to ₹.525 crores, resulting in a deficit of ₹.231 crores and warranting an increase of 44% on the existing tariff.

(vii). Taking into account the recent hike of 42% in the SoR and the present competitive scenario of ChPT, it is proposed to increase the vessel related charges by 5% and wharfage (excluding advalorem items converted into weight / each and edible oil) and Special Port Service charge by 10%.

(viii). The additional income to the port on account of the proposed increase will be around ₹.25 crores, leaving a further deficit of ₹.206 crores. The Port proposes to meet this deficit from Revenue share and other income.

8.3. The modifications made in the revised proposal as given by CHPT are as follows :

(i). Vessel related charges for coastal vessels prescribed in Indian Rupee terms, delinking from the existing US Dollar exchange rate.

(ii). Pilotage fee restored as per existing SoR structure. Number of slabs reduced to 5.

(iii). Shifting charges prescribed at 20% of Pilotage Fee.

(iv). 5% increase in Vessel related charges, viz. Port dues, Pilotage & Berth Hire charges for all categories of vessels.

(v). Exchange rate for USD updated to ₹.66.40 per USD as on 18.06.2016.

(vi). Income estimation from demurrage charges modified based on average income earned during the 3 years.

(vii). Income estimation from miscellaneous tariff items modified based on actual income during the year 2014-15 and shown separately against respective item.

(viii). The estimated income at the proposed SoR stands revised to ₹.550 crores, from ₹.552 crores estimated as per earlier proposal, with reduction of ₹.2 crores.

(ix). Clause (i) (b) and (iii) (b) of General Terms & conditions modified in line with TAMP Order dated 10 June 2016.

(x). Clause (v) of General Terms & Conditions modified in line with TAMP Order dated 19.5.2016, notified on 26.5.2016.

(xi). A new note included under Sl. No.2, Schedule 2.3 Berth Hire charges stating that Berth Hire charges include charges for one wharf crane.

(xii). Rate for hire of additional wharf cranes restored and included under Schedule 3.2.2 of proposed SoR.

(xiii). Notes (1) and (3) under Schedule 3.2 Charges for use of Port cranes modified to provide more clarity.

(xiv). Day of commencement of free days for cargo detained by Customs modified from vessel completion date to expiry of free days applicable for import / export cargo.

(xv). Charges recoverable from Customs on Confiscated goods restored and included as Schedule 3.3.3 of proposed SoR.

(xvi). Note (2) under Schedule 4.1 Charges for supply of labour / staff for stevedoring operations modified to remove ambiguity.

(xvii). A new note included under Schedule 5.1 Embarkation / Disembarkation charges stating that the charges are payable one time for one passenger for the same vessel and voyage.

(xviii). Rate for Fire engine & gear restored and included under Sl. No.6 of Schedule 5.2 Charges for hire of Port Equipments.

(xix). Rate for water supply at Bharathi Dock restored and included under Sl. No.2 of Schedule 5.5 – Miscellaneous charges of proposed SoR.

(xx). Rate for videography inside port premises prescribed in Sl. No.4 of proposed SoR increased from ₹.25000/- per day to ₹.37,500/- per day.

(xxi). The unit of levy for issuing documents / certifications, modified from Per document to Per sheet.

8.4. The ARR computation furnished by CHPT shows that the ceiling indexed ARR has been retained at ₹.755.93 crores as given in the earlier proposal. However, revenue estimation at the proposed level of tariff has been indicated at ₹.549.60 crores as against ₹.552.18 crores indicated in the earlier proposal.

8.5. The CHPT vide its email dated 06 July 2016 has revised the scope for increase of 5% to 'all vessels' in the revised proposal as against exclusion of container vessels and RoRo vessels from the proposed increase.

8.6. The proposed increase and revenue implications of the revised proposal are as follows:

(₹. in crores)

| **Revenue foregone** | | **Additional revenue to Port with proposed increase** | |
|---|---|---|---|
| Details | Amount | Details | Amount |
| Removal of 25% FC Thangam charges for using Ship's gear | **4.00** | 5% increase in Vessel related charges **for all vessels** | **17.00** |
| Removal of C&F Levy | **4.50** | 10% Increase in wharfage excluding edible oil & Adv. | **6.00** |
| Conversion of advalorem rate for residual category | **3.00** | 10% Increase in Special Port Service Charge | **1.00** |
| Revenue reduction due to change in coastal concession | **8.50** | Increase in Stevedoring charges | **1.00** |
| **TOTAL** | **20.00** | **TOTAL** | **25.00** |
| **NET ADDITIONAL REVENUE** | | | **5.00** |

8.7. The Performance Standards as proposed earlier have been retained.

8.8. The other main modifications made by CHPT in its revised proposal dated 28 June 2016 are as follows:

(i). The CHPT had made following changes in Form-3 & Form-5: -

(a). Form-3 : - under Chapter-II for Vessel Related Charges,

| **Sr No** | **Proposal dated 04.04.2016** | **Revised Proposal dated 28.06.2016** |
|---|---|---|
| | Pilotage & Towage fee | |
| | Total 6 Slabs - for all product categories: -<br><br>Upto 3000 GRT<br>3001 to 10,000 GRT<br>10,001 to 15,000 GRT<br>15,001 to 30,000 GRT<br>30,001 to 60,000 GRT<br>Above 60,000 GRT | Total 5 Slabs defined Product Category-wise: -<br><br>Upto 10,000 GRT<br>10,001 to 15,000 GRT<br>15,001 to 30,000 GRT<br>30,001 to 60,000 GRT<br>Above 60,000 GRT |
| | Cold Move operations (Slabs Modified) | |
| | **Container vessels** | **Container vessels** |
| | Upto 30,000 GRT | 15,001 to 30,000 GRT |
| | 30,001 to 60,000 GRT (on incremental GRT) | 30,001 to 60,000 GRT |
| | | |
| | **RoRo vessels** | **RoRo vessels** |
| | Upto 30,000 GRT | |
| | 30,001 to 60,000 GRT (on | |

| | | |
|---|---|---|
| | incremental GRT) | 30,001 to 60,000 GRT |
| | | |
| | **Other vessels** | **Other vessels** |
| | Upto 30,000 GRT | Upto 10,000 GRT |
| | 30,001 to 60,000 GRT (on incremental GRT) | 10,001 to 15,000 GRT |
| | | 15,001 to 30,000 GRT |
| | | 30,001 to 60,000 GRT |
| | | Above 60,000 GRT |

(b). Form-5: - The CHPT has modified Form-5 (proposed SOR) with a view to standardize the service heads and has clubbed/ regrouped the headings for simplifying the procedure.

The CHPT has modified the Coastal tariff as per direction of the MOS vide its letter dated 11 May 2016 and has de-linked the coastal rates with the conversion rates of USD.

9. Accordingly, we have vide our letter dated 04 July 2016 requested CHPT to send a communication to all the relevant users / organisation bodies, informing them about hosting of revised draft SOR and performance standards on its website and requesting the users / user organisation to furnish their comments within 15 days to CHPT with a copy endorsed to us. The CHPT was also requested to furnish a copy of Board Resolution approving the revised general revision proposal.

10.1. In the meanwhile, a joint hearing on the case in reference was held on 21 July 2016 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.

10.2. At the joint hearing, Madras Chamber of Commerce & Industry (MCCI) strongly brought out the need to continue the rate on advalorem basis for the Project Cargo. Simultaneously, the MCCI vide its letter dated 21 July 2016 has stressed upon this position. Accordingly, a copy of the MCCI letter was forwarded to CHPT requesting them to look into the matter. The CHPT has responded vide its letter dated 3 August 2016

10.3. As agreed at the joint hearing, the users / user organisations were requested vide our letter dated 27 July 2016 to submit the arguments made by them during the joint hearing to CHPT with a copy endorsed to us. The CHPT was also requested to respond to the comments of users / user organisations.

10.4. Accordingly, some of the users / user organisations have furnished their comments. The CHPT has responded vide its letter dated 03 August 2016.

11. Based on a preliminary scrutiny of the proposal, the CHPT was requested vide our letter dated 18 July 2016 to furnish additional information / clarifications. The CHPT has responded vide its letter dated 03 August 2016. The information/clarification sought by us and response of CHPT thereon are tabulated below:

| Sl. No. | Information / clarification sought by TAMP | Reply / Remarks of ChPT |
|---|---|---|
| **A.** | **Annual Revenue Requirement** | |
| (i) | Ex-gratia payment under SVRS:<br>In Form-I at Sl.no.2 (iii), while considering the one-time expenses for Ex-gratia payment against SVRS, the CHPT has considered expenses of ₹.1.26 Lakhs for the year 2011-12. However, the | The actual expenses incurred during the year 2011-12 towards ex-gratia payment for SVRS is ₹.1.57 lakhs. As per TAMP Guidelines, 4/5$^{th}$ of this expenses, being ₹.1.26 lakhs has been disallowed and |

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| | corresponding expenses for the year 2012-13 at ₹.1544.25 Lakhs and for year 2013-14 at ₹.2372.72 Lakh as reflected in the Annual Accounts for the respective years are not considered in Form-I. The reason for different treatment to the said expenses during different years may be explained. | shown under Sl. No.2 (iii) of Form-1. But during the years 2012-13 and 2013-14, the actual expenses towards ex-gratia payment is ₹.77,21,29,725/- and ₹.41,42,30,041/- respectively. As per the Accounting Policy of the Port, this expenditure has been considered as Deferred Revenue Expenditure and amortized over 5 years. The Annual Accounts for the years 2013-14 and 2014-15 reflects only 1/5th of the above expenditure, i.e. ₹.1544.25 lakhs and ₹.2372.72 lakhs (1544.25+828.47) respectively. Since 4/5th of actual expenses have already been excluded from the Annual Accounts, further disallowance as per TAMP Guidelines has not been considered. A note in this regard has been mentioned in Form-1 below Sl. No.11. |
| (ii) | Allowable Sundry Debtors:<br>Railway Terminal Charges:<br>The components of working capital viz. Inventory, Debtors and cash balance as arrived at by CHPT in Form - 4 do not appear to be in line with clause no 2.5 of the Working Guidelines, issued to operationalize the Tariff Policy, 2015. The CHPT is requested to compute Working Capital in line with clause no 2.5 and furnish detailed working in this regard. Reference to the Annual Accounts of 2013-14 may also be indicated, for the figures considered in the workings. | The Working Capital has been computed in accordance with clause 2.5 of TAMP Guidelines. Inventory has been considered at 6 months' average consumption, Sundry Debtors has been considered at 2 months' estate rental income and cash balance has been considered at one month cash expenses. The actual expenses incurred by the Port during the year 2013-14 have been taken into account to compute the working capital as on 31.3.2014. The details have been furnished in Form-4 and workings are furnished in excel sheet 'WC details'.<br><br>As far as Railway Terminal charges are concerned, it is stated that as per Railway Board Circular No.88/2007 dated 27.8.2007, the Ports Trust Railways are directed to collect the Terminal charges directly from the users for both inward and outward rail bound traffic. A copy of the Railway Board circular is furnished. Hence, the question of receivables from Railways towards Terminal charges does not arise.<br><br>A statement showing computation of working capital, indicating reference to the Annual Accounts along with a copy of the Annual Accounts for the years 2013-14 and 2014-15 is furnished. |
| **B.** | **Definitions** | |
| (i) | The reason for introducing definitions for the terms viz. 'Anchorage', 'Cold Move', 'Demurrage', 'Free period', 'Full Container | The definitions and reference to various Port's SoR are given below: |

| Sl. No. | Information / clarification sought by TAMP | Reply / Remarks of ChPT |
|---|---|---|
| | Load', 'Hazardous cargo', 'Less than a Container Load', 'Month', 'Sailing Vessel', 'Shifting', Shut out Cargo/Container', 'Single Buoy Mooring/Single Point Mooring', 'Transhipment', 'Vessels completion Date' and 'Warping', in the proposed Scale of Rates (SOR) may be explained. The reference drawn to the Scale of Rates of other Major Ports by the CHPT to draft the said definitions, if any, may also be indicated. | CoPT SoR (G. No.165 dt.10.6.2013) – Schedule 1.1 – Definitions - General<br>Anchorage: Sl. No.(xiv) - modified to suit ChPT Port limit references.<br>Cold Move: Sl. No.(ii)<br>Demurrage: Sl. No.(iv)<br>Free Peiod: Sl. No.(vii)<br>Full Container Load: Sl. No.(v)<br>Hazardous Cargo: Sl. No.(ix)<br>Less than a Container Load: Sl. No.(xii)<br>Sailing Vessel: Sl. No.(xix)<br>Shifting: Sl. No.(xx)<br>Shut out Cargo/Container: Sl. No.(xxii)<br>SBM/SPM: Sl. No.(xviii)<br>Transshipment: Sl. No.(xxiii)<br>Vessel Completion Date: Sl. No.(xxiv)<br><br>VPT SoR (G. No.65 dt. 31.3.2011) – Schedule 1.1 – Definitions - General<br>Month: Sl. No.(7)<br><br>Warping:<br>In respect of Warping (movement of vessel for less than 100 m. distance to adjacent berth), Mooring crew charges (Sl. No.5 of Schedule 2.2.6) are payable. For shifting of the vessel from one berth, shifting charges prescribed at Schedule 2.2.3 are payable. Hence, with a view to distinguish between shifting and warping, new definition for 'Warping' has been included in the proposed SoR. |
| (ii) | The reason for proposing modification to the existing definition of 'Enclosed Harbour', 'Shift' and 'Wharfage' may also be explained. | Enclosed Harbour:<br><br>Modified to indicate exact location of buoy No.9.<br><br>Shift:<br>The Port is having different shift timings for different categories of workers. Further, shift timings are notified as per administrative convenience and have no relevance to the rates prescribed in the SoR. In view of the above, shift has been generally defined as that of '8 hours' duration.<br><br>Wharfage:<br>Modified to provide more clarity, based on the definition for Wharfage available in the SoR of CoPT [Schedule 3.1 – Note (1)]. |
| (iii) | The reasons for deleting the existing definition of 'consignment' in the proposed Scale of Rates may be explained. | The definitions and conditions in the existing SoR have been modified in comparison with the provisions available in the neighbouring Major Ports' SoR. The term 'consignment' in clause 1.2 (vii) of existing SoR has been replaced with |

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| | | the term 'application' in the proposed SoR (refer clause 1.2 (ix)). Further, the proposed SoR does not contain the term consignment. Hence, the definition for the term 'consignment' is found to be not relevant and deleted. |
| (iv) | Section 1.2(ix): - The reason for proposed revision in the minimum charges recovered in any one application / bill from ₹.100/- to ₹ 200 may be explained. | The existing minimum charges of ₹ 100/- had been prescribed long back, i.e. during the year 1992. The other rates in the SoR have been increased periodically from time to time. Considering the present SoR rates, the minimum charge is also proposed to be increased to ₹.200/-. |
| (v) | The reason for not differentiating between foreign and coastal non-cargo vessels in prescription of frequency of payment for port dues at Sl. No. 5 under section 2.1.1 – Port Dues, may be explained. | Since the Port is not earning income by way of cargo related charges from non-cargo vessels, it is proposed to collect Port dues from non-cargo coastal vessels on each entry. |
| (vi) | The reasons for extending 75% concession / exemption in Port dues for vessels entering the port for bunkering at Anchorage but does not enter into enclosed harbour may be explained. | Recently, Customs has permitted bunkering at the Anchorage of Chennai Port. In order to encourage this activity and also keeping in view that these vessels do not enter into the port and occupy berth, 75% concession in Port dues is proposed to be extended to such vessels. |
| (vii) | In the existing SOR, 100% exemption in port dues is granted in case of a 'LASH Vessel' making a ' second call ' to the port within 30 days to pick up empty and/or laden fleeting LASH barges, but not discharging or taking any cargo or passengers. The same is not proposed in the draft SoR. The reason for not continuing the exemption may be explained. | The port has not handled LASH vessels during the past few years. Since the exemption is not effectively utilized during the past few years, it is proposed to withdraw the exemption. As mentioned in the Highlights of the proposal, rates for services which are used by the Trade only has been considered. |
| (viii) | Clause 10.9 of the Working Guidelines to operationalise the Tariff Policy, 2015, stipulates prescription of pilotage and shifting charges in three slabs. That being so, the reason for prescribing pilotage and shifting charges in 5 slabs may be explained. | In the earlier proposal dated 4.4.2016, Pilotage Fee was restructured on incremental GRT basis with reduction in unit rate for bigger vessels, strictly as per TAMP guidelines. The rates were arrived at in such a manner that the total income from Pilotage operations is maintained. This has resulted in increase in Pilotage Fee for smaller vessels (< 30000 GRT) and decrease for bigger vessels (> 30000 GRT). Based on comments / objections from users (CHENSAA) on the steep increase in pilotage charges for smaller vessels and also taking into account that 2/3rd of the total vessels calling at ChPT are less than 30000 GRT, Pilotage Fee as per existing SoR structure has been restored.<br><br>With regard to shifting charges, it is stated that shifting activity is similar to pilotage activity and involves same kind of inputs / |

| Sl. No. | Information / clarification sought by TAMP | Reply / Remarks of ChPT |
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| | | services. At other neighbouring Major Ports, shifting charges are fixed in proportion to Pilotage Fee, which is ranging from 25% to 56% of Pilotage Fee. Hence, shifting charges has been prescribed as a percentage of Pilotage Fee. In the earlier proposal dt.4.4.2016, the shifting charge was proposed at 25% of Pilotage Fee. However, taking into account the comments made by the users (CHENSAA) on the steep increase in pilotage charges, it has been reduced to 20% of Pilotage Fee. |
| (ix) | The existing Scale of Rates prescribes various scenarios in the definition of 'Shifting for Port convenience'. The proposed Scale of Rates is seen to have pruned the instances of 'Shifting for Port convenience'. The reason for the proposed modification may be explained. | The existing SoR prescribes conditions for each scenario of shifting for Port convenience, viz. shifting due to draft / LOA restriction, ousting priority, berthing priority vessel at adjacent berth, etc. separately. In all the scenarios, the shifting charges are collected from the vessel enjoying the benefit. Hence, the condition has been simplified in line with the provision available in the SoR of VPT, Note No.(3) & (4) of Schedule 2.2.4. |
| (x) | <u>Ousting priority to any vessel</u>- <u>Section 2.3.2(4)(c)</u>: - The CHPT has proposed to withdraw the exemption in fees for according priority / ousting priority, which was applicable as per existing Scale of Rates for the vessels of following categories:<br><br>(a). Vessels carrying cargo on account of Ministry of Defence.<br>(b). Defence vessels coming on goodwill visits.<br>(c). Vessels hired for the purpose of Antartica expedition by Department of Ocean Development.<br><br>The reason for withdrawing the exemption may be explained. | As mentioned in the Highlights of the proposal, the conditions have been modified in line with the provisions available in the SORs of neighbouring Major Ports.<br><br>It is seen that these exemptions are not available in the SORs of Cochin Port and VOC Port.<br><br>Further, there is no objection from concerned department for the proposed deletion.<br><br>In case if there is any demand from the concerned department, it will be examined and reviewed. |
| (xi) | (a). The port while, retaining the existing condition at Note 7 in section 2 that no berth hire will be charged when the vessels idle at the Port's berths when operations cannot take place due to breakdown of the port equipment or power failure or any other reasons attributable to Port, has also added that this provision will, however, not apply in the case of vessels idling at berths operated by the private operators licensed by the Port. The reason for the proposed amendment may be explained. | The operations at the Private Terminals at ChPT are fully managed by the licensed BOT operators. Hence, Port cannot be penalized for failure on the part of the terminal operators. Further, this modification has been made based on a similar provision available in the SoR of CoPT, Note (8), and Section 2.3 – Berth Hire charges. However, the Note (6) of Schedule 2.3 – Berth Hire charges has been modified by adding the following at the end:<br>'due to reasons not attributable to the Port." |
| | (b). The relief available to the vessels idling at the berth operated by the Private | Necessary provisions may be prescribed in the SoR of the Private Terminals to the |

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|---|---|---|
| | operators licensed by the CHPT due to the reason attributable to the concerned Private operator may be brought out. | effect that the Berth Hire charges for idling period for the reason attributable to the Terminals shall be compensated by the Terminals to the users directly. |
| (xii) | The rates prescribed in the existing SOR relating to supply of water for shipping, fees for salvage of goods, divers charges are seen to have been deleted by Port. The reasons for the proposed deletion may be explained. | As mentioned in the Highlights of the proposal, the rates for the services which are availed by the Trade have been prescribed. The services pointed out by TAMP are rendered only at the request of the Trade.<br><br>In the revised proposal, the rate for supply of water to vessels at Bharathi Dock (outer harbour) has been restored. It is regrouped and included at Sl. No.2 of Schedule 5.5 – Other Miscellaneous charges.<br><br>The water supply to vessels at Inner harbour is done through tanker lorries by private operators. Hence, it is proposed to collect charges for permitting water supply to vessels on 'per trip' basis, as included under Sl. No.3 of Schedule 5.5 – Miscellaneous charges.<br><br>As far as salvage of goods and diver charges are concerned, it is stated that these services are not rendered by the Port since employees in the category of 'divers' are not available with the Port. Hence the rates have been deleted. |
| (xiii) | The list of some goods free of wharfage prescribed in the existing Scale of Rates at Scale 3 of Chapter – III has been deleted / amended in the proposed SOR. The reason for the proposed changes may be prescribed. | As stated, the conditions have been reviewed and simplified in comparison with the SORs of neighbouring Major Ports, viz. VOCPT, NMPT, CoPT & VPT. The itemwise reasons for deletion / addition / amendment in the existing SoR are given below:<br><br>**Deleted items**:<br>Sl. No.1 – Not in use and also not available in the SORs of other Ports.<br>Sl. No.2 – Not found relevant and also not available in the SoR of VPT.<br>Sl. No.3 & 5 – Not in the SORs of VOCPT, NMPT & COPT.<br>Sl. No.6 & 7 – Not available in the SoRs of all the 4 ports.<br>Sl. No.12 – Not in the SORs of NMPT, VOCPT & CoPT and Sl. No.5 of Cargo Free of wharfage of proposed SoR covers this aspect.<br><br>**Amended / modified:**<br>Sl. No.4 – Modified based on SORs of VPT & CoPT.<br>Sl. No.8 – Modified based on SOR of |

| Sl. No. | Information / clarification sought by TAMP | Reply / Remarks of ChPT |
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| | | VPT.<br>Sl. No.9 – Modified based on SOR of VOCPT.<br>Sl. No.10 – Retained without change (renumbered as Sl. No.5)<br>Sl. No.11 – Simplified based on SOR of VOCPT.<br><br>**New items included**: (in proposed SOR)<br>Sl. No.2 – Based on SOR of CoPT.<br>Sl. No.7 – Note No.10 under Scale-1 (Wharfage) of existing SOR, included under "Cargo free of wharfage", in order to avoid ambiguity in the definition of wharfage. |
| (xiv) | The reason for proposing deletion of entry relating to the charges for handling iron ore through Mechanical Ore Handling Plant (MOHP) and handling of coal through mechanised coal conveyor system prescribed in existing SOR may be explained. | The Port has not been handling Iron ore for the past 4 to 5 years, after the ban on illegal mining and stay imposed by High Court of Madras restraining ChPT from handling dusty cargo. Further, the existing MOHP has been disposed by the Port since it has outlived its life. In view of this, the existing rates for handling Iron Ore through MOHP have been deleted. |
| **C.** | This Authority has passed the common Order No. TAMP/14/2016-Misc. dated 9 February 2016 relating to prescription of lower charges for cargo & vessels related services as well as special discount in port charges for the services rendered after regular hours by the Major Port Trusts and BOT Operators operating thereat in pursuance of MOS letter No. PD/14033/101/2015-PD.V dated 3 February 2016. The CHPT is requested to prescribe the said note in its proposed Scale of Rates. | The following condition is now included in the proposed SoR, as per TAMP Order No.TAMP/14/2016-Misc. dated 9 February 2016.<br><br>"In order to decongest the ports and encourage exporters / importers to utilize the port services beyond regular hours, lower charges will be levied for cargo and vessels related services as well as special discount will be offered in port charges for the services rendered after regular hours.<br><br>[This condition is incorporated in pursuance to the MOS letter No.PD/14033/101/2015-PD.V dated 3 February 2016 based on which a common adoption Order No.TAMP/14/2016-Misc dated 16 February 2016 is approved by this Authority]". |
| **D.** | The Major Port Trusts were also requested to include suitable note in their Scale of Rates based on the position as reflected vide our letter No. TAMP/35/2013-Misc. dated 7 August 2014 directing all Major Port Trusts to prescribe a suitable note in their respective SOR regarding applicability of wharfage rates for Defence Stores in such a way that there is no ambiguity in mind of users on the application of the prescribed rates. It is, however, seen that the CHPT has not included the relevant provisions in the proposed SOR. The CHPT is requested to incorporate the same in the | It is stated that as per the existing SoR, Wharfage schedule (Sl. No.31), there is a separate entry for 'Stores – Naval or Military including arms, ammunitions and explosives of all kinds, Tank and Tank parts'. In the proposed SoR, the description has been modified as 'Defence cargo' (Sl. No.5 of Schedule 3.1.1) to cover all goods imported by Defence. Since there may not be any ambiguity in the application of wharfage rate for defence stores or goods as per the proposed SoR, general conditionality in this regard is not felt necessary. |

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| | SOR and consider the impact, if any, in the revenue estimates. | |

12.1. While furnishing the additional information/ clarification sought by us, the CHPT vide its letter dated 3 August 2016 has modified its proposal taking into consideration the comments of users, points made by us and further observations made by the port. Accordingly, the CHPT has furnished the revised tariff forms duly certified by Chartered Accountant. The CHPT has confirmed about hosting of the modified proposal in its website.

12.2. The CHPT has stated that as per revised Form-3, the estimated income from the proposed Scale of rates works out to ₹550.95 crores as against ₹549.60 crores estimated in the earlier proposal dated 28 June 2016. This additional income, to the tune of ₹ 1.35 crores is estimated from the proposed Scale of Rates by way of incorporating some changes, viz. restoration of advalorem wharfage rates for plant and machinery and unspecified cargo based on users comments, increase in charges towards fire engine and gear due to increase in labour component arising out of wage increase and overtime charges paid to workers etc.

12.3. The CHPT vide its letter dated 22 August 2016 has communicated that the Board of CHPT in its meeting held on 19 August 2016 has ratified the revised proposal sent on 28 June 2016 and further modifications sent on 03 August 2016. The CHPT has also forwarded the extract of the Minutes of Board Meeting. From the extracts of thef Minutes, it is seen that the Board has resolved to ratify the revised proposal for general revision of its Scale of Rate as per Tariff Policy / Guidelines 2015, submitted to TAMP on 28.06.2016 and also to ratify the comprehensive reply sent to TAMP on 03.08.2016 with further modifications in the proposed Scale of Rates alongwith reply on TAMP queries and remarks on user's comments.

13. 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.

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

(i). The existing Scale of Rates of the Chennai Port Trust (CHPT) was last approved vide tariff Order No. TAMP/11/2013-CHPT dated 4 August 2014. This Order was notified in the Gazette of India on 17 September 2014 vide Gazette No. 268. The said Order prescribed a tariff validity period till 31 March 2016. Vide the said Order, an across the board increase of 42% was granted on the cargo related charges and vessel related charges.

(ii). Given that the validity of the existing Scale of Rates of the CHPT is till 31 March 2016, the CHPT has come up with a proposal for revision of its tariff for the period from 01 April 2016 to 31 March 2019, following the Tariff Policy, 2015 and the Working Guidelines.

(iii). The CHPT had filed its proposal in April 2016. The said proposal captured the partially modified coastal concession policy issued by the (then) MSRTH in January 2005. As per the said policy of the MOS, vessel related charges for coastal vessel should take into account the exchange rate fluctuation of the Indian Rupee (₹) vs the USD ($) so that vessel related charges for all coastal vessels do not exceed 60% of the corresponding charges for other vessels and these charges will be collected in Indian Rupees at the applicable exchange rate. Also, as regards container related charges denominated in US$ for foreign containers, the tariff for coastal container shall not exceed 60% of the corresponding charges applicable for other foreign containers and these charges will be collected in Indian Rupees at the applicable exchange rate. Accordingly, the proposal of April

2016 of CHPT took into account the coastal revenue arising out of the above policy of the Government. When the MOS was apprised on the impact of restatement of tariff for coastal vessel / container to account for the exchange rate fluctuations, with a request to issue advisory to all Major Port Trusts to exercise caution while applying the coastal tariff, the MOS vide its subsequent letter dated 11 May 2016 has directed to keep its earlier direction dated 17 September 2015 in abeyance, which was again communicated vide an Order dated 19 May 2016 to all the Major Ports including CHPT. In view of the above position, the CHPT in June 2016 had furnished a revised proposal to give effect to the direction of MOS. Thereafter, in view of the request made by the users during the joint hearing and consequent to the information / clarification sought by us, the CHPT vide its letter dated 3 August 2016 has again submitted a modified proposal. The proposal dated 3 August 2016 along with the submissions made by CHPT during the processing of the case in reference is considered in the analysis.

(iv). (a). Clause 2.1 of the Tariff Policy, 2015 requires each Major Port Trust to assess the Annual Revenue Requirement (ARR) which is the average of the sum of Actual Expenditure as per the Audited Accounts of the three years 2011-12 (Y1), 2012-13 (Y2) and 2013-14 (Y3) subject to certain exclusions as prescribed the Clause 2.2. of the Tariff Policy 2015 and the Working Guidelines issued by this Authority plus Return at 16% on the Capital Employed including capital work-in-progress obtaining as on 31st March 2014, duly certified by a practising Chartered Accountant/ Cost and Management Accountant.

(b). The CHPT has assessed the Annual Revenue Requirement (ARR) based on Audited Annual Accounts for three years i.e. 2011-12 (Y1), 2012-13 (Y2) and 2013-14 (Y3) 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 2011-12, 2012-13 and 2013-14. The following adjustment done by CHPT in line with provisions prescribed in Clause 2.2. of Tariff Policy 2015 and Clause 2.2. of Working Guidelines are brought out for specific mention:

(i). The CHPT has excluded expenses (i.e. operating expenses, allocated Management & Administrative overheads and allocated Finance and Miscellaneous Expenses) related to estate activity. Interest on loans to the tune of ₹96.74 Lakhs, ₹72.85 Lakhs and ₹52.66 lakhs during the years 2011-12, 2012-13 and 2013-14 respectively are also excluded.

(ii). As per Clause 2.2(iii) of Tariff Policy 2015 and the Working Guidelines, 1/5 of one-time expenses like arrears of wages, pension/ gratuity, ex-gratia payments arising out of wage revision etc. are to be included in the Annual Revenue Requirement (ARR). Likewise, $1/5^{th}$ of the Contribution to Pension Fund are to be included for the calculation of ARR. This means $4/5^{th}$ of the above mentioned expenses are to be excluded in the ARR computation.

CHPT has excluded ₹ 38.50 Crores towards $4/5^{th}$ of the arrears of wages during the year 2013-14, as reflected in the Annual accounts for the Port and hence considered in the analysis. Similarly, CHPT has excluded ₹1.26 Lakhs on account of $4/5^{th}$ of the compensation towards Special Voluntary Retirement Scheme (SVRS) during the year 2011-12, as reflected in the Annual accounts for the Port and hence considered in the analysis. In this regard, it is noteworthy that as reported by CHPT, from the year 2012-13 onwards, as per the Accounting Policy of the Port, the expenditure towards ex-gratia payment against SVRS is being considered as a deferred revenue expenditure and amortised over a period of 5 years. Hence, the amount towards ex-gratia payment against SVRS as reflected in the Annual Accounts reflects only 1/5th of the expenditure. In view of the above position, further exclusion as stipulated by the Tariff Policy, 2015, has not been considered by CHPT. The submission of the port in this regard is found to be in order.

Further, the CHPT has excluded ₹49.60 crores, ₹52.00 crores and ₹50.40 crores in the years 2011-12, 2012-13 and 2013-14 respectively being the 4/5th of the contribution to the pension fund as reported in the Annual Accounts of the Port. The above adjustment done by CHPT is in line with Tariff Policy, 2015 and hence considered.

(iii). As per Clause 2.2. (iv) of Tariff Policy 2015 and Clause 2.2. (iv) of the Working Guidelines, Management and General Administration Overheads subject to a cap of 25% of aggregate of the operating expenditure and depreciation is only to be considered in the ARR calculation.

The Management and General Administration Overheads reported in the Audited Annual Accounts is ₹ 244.63 crores, ₹ 262.03 crores and ₹ 269.85 crores for years 2011-12, 2012-13 and 2013-14 respectively. Thereafter, the CHPT has assessed 25% of the Operating Expenses (including depreciation but excluding operating expenses relating to Estate) as per Audited Annual Accounts at ₹78.07 crores, ₹78.92 crores and ₹ 78.65 crores. As per the working furnished by the CHPT in Form-2, the CHPT has identified an amount of ₹166.55 crores, ₹183.10 crores and ₹191.20 crores of Management and General Administration Overheads as excess of 25% of aggregate of operating expenses and depreciation and hence has excluded the same from ARR in the years 2011-12, 2012-13 and 2013-14 respectively complying with the provisions of Tariff Policy, 2015.

(iv). As per Clause 2.2(v) of the Working Guidelines notified by this Authority all expenses relevant for captive berths are to be excluded from the computation of ARR. The CHPT has not indicated any existence of Captive berths and has, therefore, not estimated any expenditure under this head.

(v). Following the provisions prescribed at Clause 2.3. of the Tariff Policy, 2015 and Clause 2.3. of the Working Guidelines, the CHPT has arrived at average expenses for the years 2011-12, 2012-13 and 2013-14 at ₹584.72 crores.

(vi). (a). The CHPT has arrived at capital employed in line with provision prescribed in Clause 2.4. of the Working Guidelines. The CHPT has considered the net fixed assets plus capital work-in-progress as on 31 March 2014 as reported in the Audited Annual Accounts. As stated earlier, the CHPT has stated that there are no fixed assets relating to captive berth.

(b). Working capital comprises of Inventory, Sundry debtors and Cash balances. The Inventory and Cash balance is seen to have been computed as per norms prescribed in clause 2.5. of Working Guidelines. With regard to Sundry Debtors, the Working Guidelines stipulates considering Sundry Debtors at 2 months Estate income and railway terminal handling charges. In this regard, the CHPT has stated that as per Railway Board Circular of 2007, the Port Trust Railways are directed to collect the terminal charges directly from the users. In view of this position, the CHPT has stated that since no amount is receivable from Railways towards Terminal charges, 2 months Terminal handling charges have not been considered for arriving at the Sundry Debtors. However, the CHPT is seen to have considered the 2 months storage income in addition to 2 months Estate income, for arriving at the figure of Sundry Debtors. Since the Working Guidelines do not stipulate considering of storage income in the calculation of Sundry Debtors, the same is not considered in this analysis. The Sundry Debtors balance is reworked to consider 2 months estate income only.

(c). The total capital employed including the revised working capital works out to ₹ 635.53 crores.

(d). Return on Capital Employed at 16% is worked out on the revised Capital Employed at ₹101.69 crores which is considered in the ARR computation.

(vii). The ARR is the average of the expenditure for the three financial years 2011-12 to 2013-14 at ₹ 584.72 crores plus 16% Return on Capital Employed at ₹ 101.69 crores aggregating to ₹ 686.40 crores as on 31 March 2014. Further, as per Clause 2.7. of Working Guidelines, the said ARR has been indexed @ 100% of the Wholesale Price Index (WPI) applicable for the year 2014-15 and 2015-16 at 6% and 3.82% respectively. The ceiling indexed ARR works out to ₹755.38 crores for the year 2015-16.

The detailed working of ARR calculation given by the port duly certified by Chartered Accountant is relied upon subject to the modification effected to the sundry debtor balance under the head of Working Capital as discussed above. A summary of certified ceiling indexation ARR is given below:

**(₹ in crores)**

| Sr. No | Particulars | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|
| 1 | Average Expenses | | 584.72 | |
| 2 | Capital employed as on 31.03.2014 including capital work in progress as on 31.03.2014 and working capital as per norms | | 635.53 | |
| 3 | Return on capital employed @ 16% | | 101.69 | |
| 4 | ARR as on 31 March 2014 (4=1+3) | | 686.40 | |
| 5 | Indexation in the ARR @ 100% of the WPI applicable for the year 2014-15 (6%) | | 727.59 | |
| 6 | Indexation in the ARR @ 100% of the WPI applicable for the year 2015-16 (3.82%) | | 755.38 | |
| 7 | Ceiling Indexed Annual Revenue Requirement (ARR) | | **755.38** | |

(viii). (a). As per Clause 2.6. of Tariff Policy 2015, 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 2014-15 as required as per Clause 2.9. of the Working Guidelines. As per Clause 2.5. of Tariff Policy 2015, for drawing the SOR, the CHPT has reportedly considered the actual cargo traffic in tonnes and GRT of vessel handled by the port during the year 2014-15, to draw the proposed SOR within the ceiling indexed ARR.

(b). While drawing up the proposed SOR, though the CHPT has generally proposed a 5% increase in the vessel related charges, it has proposed to maintain *status quo* in tariff in respect of some tariff items and has also chosen to propose a higher percentage of increase in few vessel related items. Similarly, though the CHPT has generally proposed an increase of 10% in cargo related charges, it has proposed to maintain *status quo* in tariff of some tariff items and has also chosen to propose a higher percentage of increase in few cargo related tariff items. Based on the above position, the Revenue Estimation at the proposed level of tariff has been worked out by CHPT at ₹550.95 crores. As can be seen, the Revenue Estimation at the proposed level of tariff at ₹ 550.95 crores is lower than the Ceiling Indexed Annual Revenue Requirement (ARR) of ₹755.38 crores, as calculated earlier, thereby leaving a revenue gap of ₹ 204.43 crores, which has been left uncovered by the Port. In other words, even with the increase in tariff as proposed by the Port, the income at the proposed level of tariff is not sufficient enough even to meet the operating costs, not to speak of the return of 16% on the capital employed.

(c). Considering the position that the increase in the vessel related charges and cargo related charges as sought by the CHPT is well within the ceiling indexed Annual Revenue Requirement and based on the judgment of the Port, this Authority is inclined to grant the increase as proposed by the port. It is noteworthy that the impact on revenue on account of the said increase in tariff is that the CHPT would earn 16% additional revenue on account of this revision over the actual income reported for the year 2014-15.

(d). **During the proceedings relating to the case in reference as well as during the joint hearing, majority of the users have objected to the (small) increase in the tariff proposed by the CHPT, on the ground that the tariff at the neighbouring ports is lower than the proposed rates. It is reported by the users, that the cargo is already moving out of CHPT. However, in this connection, 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, 2015, the grant of increase in the cargo related charges and vessel related charges, is inevitable. In this regard, it is relevant here to mention that as per Clause 8.1. of the Tariff Policy 2015, the rates prescribed in the Scale of Rates are ceiling levels; rebates and discounts are floor levels. The CHPT may exercise the flexibility to charge lower rates and/or allow higher rebates and discounts. In fact, the CHPT has committed during the proceedings of this case that it would review the existing concession scheme for vessel related charges to smoothen the extra burden on the smaller vessels. Further, as per Clause 2.7. of the Tariff Policy 2015, 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. The CHPT has also expressed its willingness to examine specific cases involving diversion of vessels / traffic due to increase in the tariff, if such cases are brought to its notice.**

(ix). As stated earlier, in view of the direction of the MOS with regard to the withdrawal of the restatement of the coastal rates, the Ceiling Costal Rates are prescribed upfront in the Scale of Rates without taking into account the exchange rate fluctuation of Indian Rupee vis-a-vis the USD ($).

(x). The CHPT has introduced new definitions for terms like, ‘Anchorage’, ‘Cold Move’, ‘Demurrage’, ‘Free period’, ‘Full Container Load’, ‘Hazardous cargo’, ‘Less than a

Container Load', 'Month', 'Sailing Vessel', 'Shifting', Shut out Cargo/Container', 'Single Buoy Mooring/Single Point Mooring', 'Transhipment', 'Vessels completion and Date' in the proposed Scale of Rates (SOR), in line with the definitions for the said terms prevailing in other major ports viz. Cochin Port Trust (COPT) and Visakhapatnam Port Trust (VPT) to ensure clarity in tariff schedule and avoid any ambiguity for the users. The proposed definitions are, therefore, approved.

(xi). The term 'Warping' has been defined by the port to mean movement of vessel from one berth to adjacent berth for a distance of less than 100 meters with the assistance of ropes and Mooring crew. According to CHPT, warping relates to movement of vessel for less than 100M distance to adjacent berth, wherein mooring crew charges are payable, whereas for shifting of the vessel from one berth, shifting charges are payable. Thus, to distinguish between shifting and warping, new definition for 'Warping' has been included in the proposed SOR by CHPT.

As the term introduced would provide more clarity and support in ease of doing business to the users and since no users / user associations have objected to the proposed definition, the proposed definition of 'warping' is approved.

(xii). The CHPT has proposed to modify the existing definition of 'Enclosed Harbour' from 'the area within the breakwater upto buoy no.9 to 'the area within the breakwater upto buoy no. 9 opposite to Dufferin Tower at the junction of Eastern and Northern breakwater of Bharathi Dock', so as to indicate the exact location of buoy no. 9. The proposed modification is approved.

(xiii). The existing definition of 'shift' i.e. 'such hours as is prescribed from time to time and the shift hours so prescribed as:-

| | | |
|---|---|---|
| I-shift | - | 1st half - 0600 to 1000 hours<br>2nd half - 1000 to 1400 hours |
| II-shift | - | 1st half - 1400 to 1800 hours<br>2nd half - 1800 to 2200 hours |
| III- shift | - | 1st half - 2200 to 0200 hours<br>2nd half - 0200 to 0600 hours |

has been proposed to be modified by CHPT to state that the shift shall mean the duration of 8 hours constituting 3 shifts in a day. The modification has been proposed by the port on the ground that, port has different shift timings for different categories of workers and that the shift timings are for administrative convenience and have no relevance to the rates prescribed in SOR. Since there are no objections from the users/user organisations and based on the opinion of the port, the proposed modification in the definition of shift is approved.

(xiv). The CHPT has proposed to modify the existing definition of 'wharfage' from 'the basic dues recoverable on all cargo imported or exported or transhipped or passing through the port, whether porteraged by CHPT or not' to 'the basic dues recoverable on all cargo imported or exported or transhipped within the port limits or passing through the port, whether porterage was provided by the port or not', in line with definition of wharfage available in the Scale of Rates (SOR) of Cochin Port Trust (COPT). The proposed modification is approved.

(xv). The CHPT has deleted the definition of 'Consignment' in the proposed SOR on the ground that since the proposed SOR does not contain the term 'Consignment', the definition for the said term is not found relevant. The proposed deletion is approved.

(xvi). The minimum charges recovered against any one application / bill are proposed to be increased from ₹100/- to ₹ 200/- on the ground that the existing minimum charges have been prescribed way back in 1992 and have not been increased since then. Since none of the users have objected to the proposed increase in minimum charges, the same is approved.

(xvii). As per the existing Scale of Rates, port dues is payable on all foreign going vessels on each entry into the port and on all coastal vessels the port dues is payable once in 30 days. In the proposed Scale of Rates, the port dues on coastal non-cargo vessels is proposed to be recovered on each entry into the port, on the ground that port does not earn any cargo related income from non-cargo vessels. Since none of the users / user organisations have objected to the proposed arrangement, the proposal of the port in this regard is approved.

(xviii). The port has proposed to extend 75% concession / exemption in port dues for vessels entering the port for bunkering at Anchorage but does not enter enclosed harbor, in order to encourage the bunkering at Anchorage reportedly permitted by customs recently and also to encourage occupation of these vessels at Anchorage without entering the port and occupying berth. Since the proposed change is the commercial judgment of the port and will be beneficial to the bunkering vessels, the proposed amendment is approved.

(xix). The existing provision for grant of 100% exemption in port dues, in case of a 'LASH Vessel' making a 'second call ' to the port within 30 days to pick up empty and/or laden fleeting LASH barges, but not discharging or taking any cargo or passengers, is proposed to be withdrawn by the port on the ground that, the port has not handled LASH vessels during the past few years and the exemption is not effectively utilized. Considering the commercial judgment of the port and since no users / user organisations has objected to the withdrawal of the exemption, the proposed withdrawal of exemption is approved.

(xx). Clause 10.9 of the Working Guidelines to operationalise the Tariff Policy, 2015, stipulates prescription of pilotage and shifting charges in three slabs. However, the port has proposed the pilotage and shifting charges in 5 slabs. The CHPT has clarified that, though in its initial proposal the Pilotage and shifting Fee was proposed as per Tariff Policy, 2015 and operational guidelines, it had resulted in increase in Pilotage Fee for smaller vessels (< 30000 GRT) and decrease for bigger vessels (> 30000 GRT). In view of this position, during the proceedings of the case, when the Chennai & Ennore Ports Steamer Agents Association (CHENSAA) requested the port to reconsider the proposed tariff, the CHPT has proposed to restore the Pilotage Fee on 5 slabs basis as per existing SOR structure for ease of operations, instead of 3 slabs. Given that the proposed arrangement is as per the request made by the users, the proposed arrangement is approved. However, the Port is advised to prescribe pilotage and shifting charges in line with Tariff Policy, 2015 read with Working Guidelines, in its next general revision proposal, based on a scientific analysis.

(xxi). The existing Scale of Rates of CHPT prescribe various scenarios defining 'Shifting for Port Convenience' viz. shifting due to draft / LOA restriction, ousting priority, berthing priority vessel at adjacent berth etc. In the proposed Scale of Rates, the CHPT is seen to have pruned the instances of 'Shifting for Port Convenience' on the ground that in all the scenarios, the shifting charges are collected from the vessel enjoying the benefit and that the simplification in the note is in line with the provision available in the Scale of Rates of Visakhapatnam Port Trust (VPT). In view of the above position, the proposed amendment is approved.

(xxii). In its proposed Scale of Rates, the CHPT has proposed to withdraw the exemption in fees for according priority / ousting priority for (a) the vessels carrying cargo on account of Ministry of Defence. (b) Defence vessels coming on goodwill visits (c) Vessels hired for the purpose of Antartica expedition by

Department of Ocean Development, as available in its existing Scale of Rates, in line with the SOR of neighbouring Major Ports viz. Cochin Port Trust (COPT) and V.O.Chidambaranar Port Trust (VOCPT). The CHPT has also stated that no objection on this aspect have been raised by anyone. Further, the CHPT has also confirmed that, in future, in case, if there is any demand from the concerned department, it will be examined and reviewed. In view of the above position, the proposed amendment is approved.

(xxiii). The port, while retaining the existing condition at Note 6 in Section 2 that no berth hire will be charged when the vessel is idle at the Port's berths and when operations cannot take place, due to breakdown of the port equipment or power failure or any other reasons attributable to Port, has also added that this provision will, however, not apply in the case of vessels idling at berths operated by the private operators licensed by the Port due to reasons not attributable to Port. In this connection, the port has stated that the operations at the Private Terminals at CHPT are fully managed by the licensed BOT operators and hence, Port cannot be penalised for failures attributable to the BOT Operator. Incase of vessels idling at the berths operated by BOT operator for the reasons attributable to the BOT operator, requisite provision is available in the Scale of Rates of respective BOT operators, for grant of rebate in berth hire charges. The proposed modification is, therefore, approved.

(xxiv). The rates prescribed in the existing Scale of Rates relating to fees for salvage of goods and divers charges are seen to have been deleted by the Port, on the ground that these services are not rendered by the port as employees in the category of 'divers' are not available with the port. The proposed deletion is approved.

(xxv). Based on a communication from the Ministry of Shipping (MOS), the Major Port Trusts including CHPT was requested to prescribe a suitable note in their respective SOR regarding applicability of wharfage rates for Defence Stores in such a way that there is no ambiguity in mind of users on the application of the prescribed rates. In this regard, the CHPT has prescribed wharfage rate for 'Defence Cargo' at Section 3.1.1 Sr. No. 5 of wharfage schedule. Further, in line with a note prescribed in Scale of Rates of other Major Port Trusts, a note is also introduced below the wharfage schedule to the effect that the '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. However, the Port is advised to prescribe per unit wharfage charges in line with Tariff Policy, 2015, read with Working Guidelines, in its next general revision proposal, based on a scientific analysis.

(xxvi). The list of some goods which were free of wharfage in the existing Scale of Rates (Scale 3 of Chapter – III) is seen to have been deleted / amended in the proposed Scale of Rates. The deletion / amendment is reported to be in line with the Scale of Rates of neighbouring Major Port viz. VOCPT, NMPT, COPT and VPT. Since there are no objections from the users / user organisations with regard to the proposed amendment, the proposal of the port in this regard is approved.

(xxvii) The port has proposed deletion of existing entry relating to the charges for handling iron ore through Mechanical Ore Handling Plant (MOHP) and handling of coal through mechanised coal conveyor system. The CHPT has reasoned that it has not been handling Iron ore for the past 4 to 5 years, after the ban on illegal mining and stay imposed by High Court of Madras restraining it from handling dusty cargo. The CHPT has further clarified that, the existing MOHP has been disposed by the Port since it has outlived its life. In view of the above position, the proposed deletion is approved.

(xxviii) This Authority has passed a common Order No. TAMP/14/2016-Misc. dated 9 February 2016 relating to prescription of lower charges for cargo & vessels related services as well as special discount in port charges for the services rendered after regular hours by the Major Port Trusts and BOT Operators operating thereat in pursuance of MOS letter No. PD/14033/101/2015-PD.V dated 3 February 2016. In pursuance of the said Order, the CHPT has proposed a note in Section 1.2 - General Terms and Conditions at Sr. No. (xv) to the effect that in order to decongest ports and encourage exporters / importers to utilize the port services beyond regular hours, lower charges will be levied for cargo and vessel related services as well as special discount will be offered in port charges for services rendered after regular hours. The proposed note is approved.

(xxix). Clause 2.10 of the Working Guidelines requires the Port Trust to do away with advalorem wharfage rate in the existing Scale of Rates and determine specific wharfage rate taking into consideration special case to be taken for handling such cargo or a market determined tariff.

Accordingly, the CHPT in its initial proposal had, *interalia*, proposed per MT rates towards wharfage on machinery and equipment, instead of the existing advalorem rates.

However, during the joint hearing, Madras Chamber of Commerce and Industry (MCCI) has highlighted the impracticability of levy of tonnage based rates, especially when the project cargo consisting of a few thousand packages are handled simultaneously. The MCCI has also stated that exercise of segregating the import consignment to various sub categories suggested for wharfage calculation will go against the trade facilitation measures. The MCCI has further stated that during the planning and costing process of any project import, the final packing list is not available till dispatch, due to which certainty of cost cannot be ascertained till final packing list is generated. The CHPT has also endorsed the difficulties put-forth by users and also confirmed that neighbouring non-major ports charge advalorem wharfage rate for Plant and Machinery. In view of the above position, the CHPT has proposed per unit levy (each) in case of Machinery and Equipment fitted with wheels and advalorem rate for machinery and equipment other than that specified earlier, on the ground of giving priority to ease of doing business subject to review of the position during the next tariff cycle. Based on the submissions made by the port, the proposal of the port to prescribe advalorem rates on Machinery and Equipment is approved as a temporary measure subject to review during next revision of its tariff.

(xxx). Similarly, on the ground that the difficulties put-forth by users on the implementation of unit/weight based wharfage rate for Plant and Machinery would also be relevant for implementation of tonnage based wharfage rate for unspecified category other than in bulk, the port has proposed to restore the advalorem rate for unspecified cargo other than in bulk. The CHPT has also stated that prescription of advalorem rates will give priority to ease of doing business and that the position be reviewed during the next tariff cycle. In view of the above position, the proposal of the port to prescribe advalorem rates on unspecified cargo other than in bulk is approved, subject to review during next revision of its tariff.

(xxxi) The existing SOR of CHPT allowed use of private Cranes at the request of the party on payment of 10% of the applicable charges prescribed in the SOR. Since clause 8.4 of the tariff Policy, 2015 stipulates that the ports to charge only for services provided by them and that no notional charges will be permitted, the CHPT has proposed to discontinue with the existing practice of levy of 10% of cranage charges. At the same time, given that the private cranes would be permitted to be used at the liberty of the port user and with a view to regulate the deployment of private cranes inside the port and also to partly compensate the revenue reduction on account of dispensing of notional levy of cranage charges, the port has proposed to levy a permission charge for the private crane operations inside port premises from the importers/ exporters/other users. The income to the tune of about ₹3.37 crores has been estimated by port on this account and captured in the revenue estimation at the proposed level of tariff. Given that the proposed levy would bring about a discipline in the usage of private cranes, the proposed charges is approved.

(xxxii). Though the CHPT has proposed wharfage charges in respect of salt, powered two wheeled vehicles, three wheeled vehicles, aircraft, boats and launches, animals/vegetable oils, petrol, oil bunkering to vessels, ores and minerals, stones, Defence Stores, Timber etc, no income has been estimated by CHPT at the proposed level of tariff in respect of these items. Similarly, though rates have been proposed for hire of Tugs upto 45 BP, Heavy Lift Floating Crane, Oil Skimmer, Oil Barrier, 'Prestige' Multipurpose vessel, Hopper Launches etc. no income has been estimated by CHPT at the proposed level of tariff in respect of these items. Further, though the CHPT has proposed charges towards use of slipway and for erecting hoardings, sign boards, neon boards etc., no income is seen to have been estimated by CHPT at the proposed level of tariff in respect of these items. However, considering the huge revenue gap between the ceiling ARR and the revenue estimation to the tune of ₹.204.43/- crores, the revenue, if any, earned by CHPT on account of levy of these charges would get subsumed in the revenue gap. In view of the above position, the proposed rates in respect of the above listed items are also approved.

(xxxiii) As per Clause 3.1. of the Tariff Policy 2015, 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. For vessel side services, the port shall prescribe Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and any other parameter which is found relevant by the Port. The CHPT has committed Performance Standards for cargo related services in terms of average ship berth day output in tonnes / day for major cargo items. The CHPT has also proposed Performance Standards for vessel related services in terms of average turnaround time of different vessels and average pre-berthing time of different vessels. The Tariff Policy, 2015 does not prescribe any method or basis for proposing performance standards. The performance standards as proposed by the CHPT are prescribed along with SOR.

(xxxiv) As per Clause 2.8. of the Tariff Policy, 2015, SOR will be indexed annually to the inflation to the extent of 100% variation in Wholesale Price Indexed (WPI) announced by the Government of India occurring between 1 January 2014 and 1 January of the relevant year and the adjusted indexed SOR will come into force from 1 April of the relevant year to 31 March of the following year. Further, as per clause 3.2 of the Tariff Policy 2015 to be read with clause 2.8 of the Tariff Policy 2015, annual indexation in SOR at 100% of the WPI is applicable subject to achievement of Performance Standards committed by Major Port Trusts. If a particular port does not fulfil the Performance Standard, no indexation would be allowed during the next year. It is relevant to state that in the instant case indexation for the year 2015-16 is already considered in the ARR computation and for drawing the SOR. The next annual indexation in SOR will thus be applicable from 1 April 2017 subject to increase in inflation index and achievement of Performance Standards in the year 2016-17. 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 April 2017 subject to increase in inflation index announced by us and 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, 2015 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 the concerned users as well as 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 this SOR at 100% of WPI announced by this Authority and apply the indexed SOR w.e.f. 1 April 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. The Note in this regard as proposed by the Port is slightly modified to reflect this position.

(xxxv) The existing SOR of the CHPT has a validity upto 31 March 2016. Thereafter, based on request of the CHPT, this Authority has extended the validity of the existing SOR initially upto 30 June 2016 and subsequently upto 30 September 2016. 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, and since the Tariff Policy, 2015 requires computation of tariff based on ARR on the actuals reported in the Audited Accounts for three years, the validity of the revised SOR is prescribed till 31 March 2019.

(xxxvi).**As per clause 8.1. of the Tariff Policy 2015, the rates prescribed in the Scale of Rates are ceiling levels; rebates and discounts are floor levels. The CHPT may exercise the flexibility to charge lower rates and/or allow higher rebates and discounts.**

(xxxvii).Further, as per Clause 2.7. of the Tariff Policy 2015, it is for the CHPT to ensure that as a result of revision in the SOR, there will not be any loss of traffic to the port.

(xxxviii).As brought out earlier, one of the Crane Operators at CHPT viz., Global Port Solutions Pvt. Ltd. (GPSPL), has stated that the performance standard proposed by the Port states that the average ship berth day output is 8200 tonnes per day, whereas the performance standard notified by this Authority vide its Order No.TAMP/20/2014-CHPT for each Mobile Harbour Crane is 12500 tonness per day. Therefore, the GPSPL is of the view that the performance standard is contradicting to the standards set for GPSPL. In this connection, the CHPT has clarified that the performance standard prescribed in the SOR are for the entire Port, irrespective of the type of vessel, geared or gearless and the types of equipment used and is not cargo specific. The port has stated that the Performance Standards have been prescribed bearing in mind the overall performance of Port and taking into account number of factors like past performance, type of vessel, geared or gearless vessels, facilities at different berth etc. In this regard it is relevant to mention here that, the Performance Standard committed by the Port is 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 BOT operator rendering services at the port with his equipment for whom separate performance standards have already been prescribed in the relevant Order. The CHPT has also endorsed this position by stating that the tariff approved by TAMP for deployment of HMC at CHPT is linked to performance norms fixed by TAMP and the HMC operator will be governed by these performance norms.

15.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the revised Scale of Rates (SOR) and the Performance Standards of the CHPT which is attached as **Annex**.

15.2. The revised SOR shall come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and shall be in force till 31 March 2019. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority. The validity of the existing SOR of CHPT is deemed to have been extended beyond 30 September 2016 till the effective date of implementation of this Order passed.

15.3. The CHPT has committed Performance Standards for cargo related services in terms of average ship berth day output in tonnes / day including major cargo groups. The CHPT has also proposed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels.

15.4. The indexation of SOR as provided in Clause 2.8 of the Tariff Policy, 2015 is to be read with Clause 3.2. of Tariff Policy, 2015. If CHPT does not fulfil the Performance Standard, no indexation is eligible for the next year.

15.5. As per Clause 7.1. of the Tariff Policy 2015, 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 as well as the tariff realized for each of its berth. The annual reports shall 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.

15.6. As per Clause 4 of the Working Guidelines, this Authority shall publish all the information received by it from CHPT under clause 7.1. of the Tariff Policy, 2015 on its website. However, this Authority shall consider a request from CHPT about not publishing certain data/information furnished which is commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data/ information in question and the likely adverse impact on their revenue/ operation upon such publication. TAMP's decision in this regard would be final.

15.7. (a). If there is any error apparent on the face of record, the CHPT may approach this Authority for review of the tariff fixed, giving adequate justification/ reasoning within 30 days from the date of notification of the Order in the Gazette of India.

(b). Further, the CHPT may also, for any other justifiable reasons, approach this Authority for review of the tariff fixed giving adequate justification/ reasoning within 30 days from the date of notification of the Order in the Gazette of India.

**(T.S. Balasubramanian)**
Member (Finance)

**<u>Annex</u>**

# Chennai Port Trust

## SCALE OF RATES

## SECTION – 1

## Definitions and General Terms & Conditions

### 1.1. Definitions – General

In this Scale of Rates (SoR), unless the context otherwise requires, the following definitions shall apply:

(i). **”Anchorage**” shall mean the area outside the breakwater within the Port limit.

(ii). **“Coastal vessel”** shall mean any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal licence issued by the Director General of Shipping / competent authority.

(iii). **“Cold Move”** shall mean movement of vessel without power of the engine of the vessel.

(iv). **“Day”** shall mean the period of 24 hours starting from 6.00 a.m. of a day and ending at 6.00 a.m. on the following day.

(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.

(vi). **“Enclosed Harbour”** shall mean the area within the breakwater upto buoy No.9 opposite to Dufferin Tower at the junction of Eastern and Northern breakwater of Bharathi Dock.

(vii). **“Foreign-going vessel”** shall mean any vessel other than coastal vessel.

(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.

(ix). **“Full Container Load” (FCL)** shall mean a container containing cargo belonging to one importer / exporter.

(x). **“Hazardous cargo”** shall mean cargo classified as hazardous goods under International Maritime Organization (IMO).

(xi). **“Less than a Container Load” (LCL)** shall mean a container containing cargo belonging to more than one importer / exporter.

(xii). **”Month”** shall mean the calendar month.

(xiii). **“Port”** shall mean Chennai Port Trust, unless the context otherwise specifies.

(xiv). **“Port Limit”** shall mean the limits of Port of Chennai notified by the Central Government in terms of Section 4 (2) of the Indian Ports Act, 1908.

(xv). **”Sailing Vessel”** shall mean a vessel propelled solely by wind power.

(xvi). **“Shift”** shall mean the duration of 8 hours constituting 3 shifts in a day.

(xvii). **“Shifting”** shall mean the movement of a vessel from one berth to another berth or from one berth to anchorage or vice versa within the Port limits.

(xviii). **“Shut out cargo / container”** shall mean any cargo / container brought into the Port for shipment but not shipped by the designated vessel and is lying in the Port premises.

(xix). **“Single Buoy Mooring” (SBM)** or **“Single Point Mooring” (SPM)** are loading buoys anchored offshore and serve as a mooring point for tankers to (off) load gas and/or liquid products.

(xx). **“Transshipment”** of cargo / container shall mean any cargo / container landed at the Port and subsequently shipped through another vessel to other ports.

(xxi). **“Vessel Completion Date” (VCD)** means the day on which the cargo operation of the vessel is fully completed.

(xxii). **“Warping”** shall mean movement of vessel from one berth to adjacent berth for a distance of less than 100 metres with the assistance of ropes and Mooring Crew.

(xxiii). **“Wharfage”** shall mean the basic dues recoverable on all cargo / container imported or exported or transshipped within the Port limits or passing through the port, whether porterage was provided by the Port or not.

**1.2. General Terms & Conditions**

(i). **System of classification of vessel for levy of Vessel Related Charges (VRC):**

(a). A foreign going vessel of Indian flag having a General Trading Licence can convert to coastal run on the basis of a Customs Conversion Order. Such vessel that converts into coastal run based on the Customs Conversion Order at her first port of call in Indian Port, no further custom conversion is required, so long as it moves on the Indian Coast.

(b). A Foreign going vessel of foreign flag can convert to coastal run on the basis of a License for Specified period or voyage issued by the Director General of Shipping and a custom conversion order.

(ii). **Criteria for levy of Vessel Related Charges (VRC) at Concessional Coastal rate and foreign rate:**

(a). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.

(b). In cases of such conversion, coastal rates shall be chargeable till the vessel completes discharging operations at the last call of Indian Port; immediately thereafter, foreign going rates shall be chargeable by the discharge ports.

(c). For dedicated Indian coastal vessels having a Coastal License from the Director General of Shipping, no other document will be required to be entitled to coastal rates.

(iii). **Criteria for levy of Cargo Related Charges (CRC) at Concessional Coastal rate:**

(a). Foreign going Indian Vessel having General Trading License issued for “worldwide and coastal” operation should be accorded applicable coastal rates with respect to Handling Charges (HC) i.e. ship to shore transfer and transfer from/ to quay to/ from storage yard including wharfage in the following scenario:

i. Converted to coastal run and carrying coastal cargo from any Indian Port and destined for any other Indian Port.

ii. Not converted* to coastal run but carrying coastal cargo from any Indian Port and destined for any other Indian Port.
* The Central Board of Excise and Customs Circular no.15/2002- Cus. dated 25 February 2002 allows carriage of coastal cargo from one Indian port to another port in India, in Indian flag foreign going vessels without any custom conversion.

(b). In case of a Foreign flag vessel converted to coastal run on the basis of a License for Specified period or voyage issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.

(iv). (a). Vessel related charges shall be levied on ship owners / 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.

(b). The day of entry of the vessel into the port limits shall be reckoned as the day for such conversion. In respect of charges on containers, the day of entry of the vessel in the case of import containers and the day of arrival of containers into the port in the case of export containers shall be reckoned as the day for such conversion.

(c). A regular review of exchange rate shall be made once in 30 days from the date of arrival of the vessels in cases of vessels staying in the port for more than 30 days. In such cases the basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.

(v). (a). The vessel related charges for all coastal vessels should not exceed 60% of the corresponding charges for other vessels.

(b). A coastal vessel shall be liable to pay port charges on coastal rates notwithstanding whether it was berthed on priority or otherwise.

(c). The cargo / container related charges for all Coastal cargo / containers, other than thermal coal, POL including crude oil, Iron Ore and Iron Ore pellets, should not exceed 60% of the normal cargo / container related charges.

(d). For the purpose of this concession, cargo/ container from a foreign port which reaches an Indian Port ‘A’ for subsequent transshipment to Indian Port ‘B’ will also qualify insofar as the charges relevant for its coastal voyage.

(e). The charges for coastal cargo / containers / vessels shall be denominated and collected in Indian Rupee.

(vi). (a). The Unit of Measurement for calculation of the port charges are as follows:

i. One unit by weight means 1 Metric Tonne (M.T.) equivalent to 1000 kilograms.

ii. One unit by volume means 1 Cubic Meter (Cu. m.).

iii. One unit by volume of liquid means 1 Kilolitre (K.L.) equivalent to 1,000 litres.

(b). In calculating the gross weight or measurement by volume or capacity of any individual item, any fractions shall be treated as one unit.

(vii). The users will not be required to pay charges for delays beyond a reasonable level attributable to the Port.

(viii). Interest on delayed payments / refunds:

(a). Users shall pay interest on delayed payments and the Port shall pay interest on delayed refunds at the same rate. The rate of interest will be 15% p.a**.**

(b). The delay in payments by the users will be counted beyond 10 days after the date of raising the bills by the Port. This provision will not apply to the cases where payment is to be made before availing of the services / use of Port properties, as stipulated in the Major Port Trusts' Act, 1963 and / or prescribed as a condition in this SoR.

(c). The delay in refunds by the Port will be counted beyond 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.

(ix). The minimum charges recovered in any one application / bill shall be ₹ 200/-.

(x). No refund shall be made if the amount refundable is less than ₹100/-. This limit of ₹100/- shall also be applied for supplementary claims by the Port. This, however, shall not apply for the provisional Deposits collected for the services in advance.

(xi). Vessel related charges shall be collected based on GRT of the vessel. Deck cargo shall be exempted from assessment of all vessel related charges.

(xii). (a). Wharfage on Import cargo shall be paid at the rate applicable on the date of commencement of landing of the cargo.

(b). Wharfage on Export cargo shall be paid on admittance of the cargo into the Port premises at the rate prevailing on the date of admittance.

(c). The vessels shall pay the port dues on entering in to the port limits at the rate applicable on the date of entering in to port limit.

(xiii). (a). The port shall not be responsible to the user or any person for any loss or damage or injury to life arising directly or indirectly from use of the equipment during the period of hire. The user shall indemnify the Port against all loss or damage or injury to life arising directly or indirectly from use of the equipment during the period of hire, to any property belonging to the port including the equipment, or to any other persons or property. The liability of the user shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the port. The user shall also indemnify the port for all liabilities under the Workmen's Compensation Act.

(b). In case of damages to port assets or properties partly or wholly, the hirer shall deposit anticipated amount for all such charges for damages as assessed by the Port immediately on receipt of the demand, pending determination of the final claim by the Port. In case of total loss, the hirer shall deposit the book value or market value of the port assets or properties, whichever is higher. If the damage cost is not paid within the time stipulated, the same will be adjusted from any dues payable to the hirer concerned.

(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.

(b). The Port may also, if it so desires, rationalize the conditionalities prescribed in this SoR.

(c). The Port should notify the public such lower rates and/or rationalization of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and/or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.

(xv). In order to decongest the ports and encourage exporters / importers to utilize the port services beyond regular hours, lower charges will be levied for cargo and vessels related

services as well as special discount will be offered in port charges for the services rendered after regular hours.
[This condition is incorporated in pursuance to the MOS letter No.PD/14033/101/2015-PD.V dated 3 February 2016 based on which a common adoption Order No.TAMP/14/2016-Misc dated 16 February 2016 is approved by the Authority]

(xvi). **Annual Indexation**:

(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.

(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.

## 1.3. Performance Standards

| S. No. | Performance of Port | Unit | Standard |
|---|---|---|---|
| **1** | **Cargo Related Services - Average Ship Berth day Output** | | |
| (a) | Crude Oil | M.T. | 46,500 |
| (b) | Other POL Products | M.T. | 6,700 |
| (c) | Edible Oil | M.T. | 3,600 |
| (d) | Other Liquid | M.T. | 3,500 |
| (e) | Dry Bulk | M.T. | 8,200 |
| (f) | General Cargo | M.T. | 3,000 |
| | Overall | M.T. | 15,400 |
| **2** | **Vessel Related Services** | | |
| **(i)** | **Average Turnaround Time** | | |
| (a) | Crude Oil | Day | 4.00 |
| (b) | Other POL Products | Day | 4.00 |
| (c) | Edible Oil | Day | 3.00 |
| (d) | Other Liquid | Day | 2.75 |
| (e) | Dry Bulk | Day | 4.50 |
| (f) | General Cargo | Day | 2.70 |
| | Overall | Day | 2.60 |
| **(ii)** | **Average Pre-berthing Waiting Time** | | |
| (a) | Crude Oil | Hours | 35.00 |
| (b) | Other POL Products | Hours | 33.30 |
| (c) | Edible Oil | Hours | 15.00 |
| (d) | Other Liquid | Hours | 22.00 |
| (e) | Dry Bulk | Hours | 9.20 |
| (f) | General Cargo | Hours | 7.60 |
| | Overall | Hours | 10.40 |

## SECTION - 2
## VESSEL RELATED CHARGES

### 2.1 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 | |
|---|---|---|---|---|---|
| | | Foreign (in USD) | Coastal (in ₹) | Foreign | Coastal |
| 1. | POL including Crude oil vessels | 0.305 | 8.07 | On each entry into the Port | Once in 30 days |
| 2. | Container vessels | 0.305 | 8.07 | | |
| 3. | RoRo vessels | 0.305 | 8.07 | | |
| 4. | Other general cargo / passenger vessels | 0.305 | 8.07 | | |
| 5. | Non-cargo vessels | 0.305 | 8.07 | On each entry into the port | |

**Note**: Reduced Gross Tonnage as per the International Tonnage Certificate will be reckoned with for levy of Port Dues in case of oil tankers with segregated ballast tank.

### 2.1.2 Concession / Exemption in Port dues:

| Sl. No. | Description | Concession / Exemption |
|---|---|---|
| 1. | Vessels entering the port in ballast and not carrying passengers | 25% |
| 2. | Vessels entering the port but does not discharge or take in any cargo or passengers therein (except materials required for repair purpose) | 50% |
| 3. | Vessels entering the port for bunkering at Anchorage but does not enter into Enclosed Harbour | 75% |
| 4. | (i). Pleasure yachts | 100% |
| | (ii).Vessels, after sailing out, compelled to re-enter by stress of weather or any damage to the vessel | |
| | (iii). Indian Naval and Defence vessels | |
| | (iv). Vessels of war belonging to any Foreign Prince or State but not running for commercial purpose | |
| | (v). Vessels belonging to other Major Ports except private ports | |

### 2.2 Pilotage Fees

### 2.2.1 Schedule of Pilotage Fees

| Sl. No. | Vessel size (GRT) | Rate per GRT | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Foreign (in USD) | | | | Coastal (in ₹.) | | | |
| | | POL & Crude oil vessels | Container Vessels | RoRo Vessels | Other vessels | POL & Crude oil vessels | Container Vessels | RoRo Vessels | Other vessels |
| 1. | Upto 10,000 | 0.403 | 0.403 | 0.403 | 0.403 | 10.65 | 10.65 | 10.65 | 10.65 |
| 2. | 10,001 to 15000 | 0.462 | 0.462 | 0.462 | 0.462 | 12.22 | 12.22 | 12.22 | 12.22 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 3. | 15,001 to 30,000 | 0.532 | 0.532 | 0.532 | 0.532 | 14.07 | 14.07 | 14.07 | 14.07 |
| 4. | 30,001 to 60,000 | 0.756 | 0.756 | 0.756 | 0.756 | 19.97 | 19.97 | 19.97 | 19.97 |
| 5. | 60,001 & above | 0.875 | 0.875 | 0.875 | 0.875 | 23.12 | 23.12 | 23.12 | 23.12 |

**2.2.2 Concession in Pilotage Fee**

| Sl. No. | Description | Rate of concession (in %) |
|---|---|---|
| 1. | Vessels not availing services of either the Pilot or the Tug | 50 |
| 2. | Vessels availing only one movement (either Inward or Outward) | 50 |

**2.2.3 Schedule of Shifting Charges**

| Description | Shifting charges |
|---|---|
| For each shifting | 20% of the Pilotage Fee prescribed in Schedule 2.2.1. |

**2.2.4 Pilotage Fee for Cold Move operations**

| Sl. No. | Description | Pilotage Fee |
|---|---|---|
| 1. | For both Inward and Outward movements | 2 times of charges as per Schedule 2.2.1 above |
| 2. | For only one movement (either Inward or Outward) | 1.5 times of charges as per Schedule 2.2.1 above |
| 3. | For Shifting | 2 times of charges as per Schedule 2.2.3 above |

**2.2.5 Pilot Requisition cancellation / Pilot detention charges**

| Sl. No. | Description | Unit | Rate per unit | |
|---|---|---|---|---|
| | | | Foreign vessels (in USD) | Coastal vessels (in ₹.) |
| 1. | For cancellation of a requisition for the services of a Pilot with less than 2 hours notice | Per cancellation | 135 | 3600 |
| 2. | For detention of Pilot for more than 30 minutes beyond the time for which requisition was made | Per hour or part thereof | 68 | 1800 |

**<u>Notes</u>**:

(1) Pilotage fee is a composite fee and shall include one inward and one outward movement with services of ports' pilot(s), with required number of tugs/launches of adequate capacity and shifting(s) of vessels for 'port convenience'. Shifting at the request of the vessels will attract separate shifting charges as per Schedule 2.2.3 above.

(2) Shifting charges shall be levied for movement of a vessel from one berth to another berth within the Enclosed harbor or turning around of a vessel within the same berth, at the request of the user or for other than 'port convenience'.

(3) Shifting of a vessel to anchorage and re-entry at the request of the user or for other than port convenience or due to bad weather, shall be considered as a pilotage operation and will attract additional pilotage charges at the rates prescribed in Schedule 2.2.1 above.

(4) If a working cargo vessel at berth or any vessel at mooring is shifted / un-berthed for undertaking dredging work / hydrographic survey work or for allotting a berth for the dredger or for attending to repairs to berths, maintenance and such other similar works whereby shifting is necessitated, such shifting shall be considered as “Shifting for Port Convenience”. The shifting made to reposition such shifted vessel shall also be considered as “Shifting for Port Convenience”.

(5) For shifting / pilotage of any vessel for the convenience of / benefit of another vessel, the vessel benefited is liable to pay the shifting / pilotage charges for shifting and repositioning of the vessel shifted.

### 2.2.6 Charges for hire of Tugs / Launches / Mooring Crew

| Sl. No. | Description | Unit | Rate per unit per hour or part thereof | |
|---|---|---|---|---|
| | | | Foreign (in USD) | Coastal (in `) |
| 1. | Oil Recovery vessel | Per vessel | 667 | 17,600 |
| 2. | Tugs | Per tug | 900 | 23,800 |
| 3. | Vessel “Prestige” | Per vessel | 460 | 12,100 |
| 4. | Launches | Per launch | 90 | 2,400 |
| 5. | Mooring crew | Per crew | 20 | 530 |

## 2.3 Berth Hire Charges

### 2.3.1 Schedule of Berth Hire charges

| Sl. No. | Type of Vessel | Rate per GRT per hour or part thereof | |
|---|---|---|---|
| | | Foreign (in USD) | Coastal (in ₹.) |
| 1. | POL including Crude oil vessels, calling at Oil Berths | 0.0043 | 0.1140 |
| 2. | Container vessels | 0.0043 | 0.1140 |
| 3. | RoRo vessels | 0.0043 | 0.1140 |
| 4. | Other general cargo vessels, Bunkering vessels and Govt. Research vessels | 0.0043 | 0.1140 |
| 5. | Non-cargo vessels | 0.0086 subject to a minimum of USD 600 per vessel | 0.2280 subject to a minimum of ₹.16,000 per vessel |

### 2.3.2 Additional Berth Hire Charges

| Description | Rate per hour or part thereof | |
|---|---|---|
| | Foreign (in USD) | Coastal (in ₹.) |
| 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:<br>(a). Vessel waiting for tide for safe sailing<br>(b). Strike by the Port employees<br>(c). Break down of port equipment<br>(d). Vessel under arrest by Court | 564 | 14,900 |

**<u>Notes</u>**:

(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.

(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.

(3). Berth Hire Charge shall not be levied after expiry of 4 hours from the time of the vessel signalling its readiness to sail. The time limit of 4 hours shall exclude the ship's waiting period for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities. A penalty equivalent to Berth Hire charges for 24 hours shall be levied for a "**False Signal**" by a vessel.

"**False Signal**" means a vessel signals its readiness and asks for a pilot in anticipation even when she is not ready for un-berthing due to engine not being ready or cargo operation not completed or such other reasons attributable to the vessel. This excludes the signalling readiness when a vessel is not able to sail due to unfavourable tide, lack of night navigation or adverse weather conditions"

(4). Priority / Ousting Priority Charges in addition to Normal Berth Hire Charges as stated below or as and when changed by the Govt. or any other competent authority, will be applicable:

(a). For providing "**Priority Berthing**" to any vessel, a fee equivalent to 75% of the Berth Hire charges calculated for the total period of actual stay at the berth subject to a minimum of Berth Hire charges for 24 hours shall be levied.

(b). For providing "**Ousting Priority**" to any vessel, a fee equivalent to 100% of the Berth Hire charges calculated for the total period of actual stay at the berth subject to a minimum of Berth Hire charges for 24 hours shall be levied. In addition, pilotage / shifting charges for 'shifting out' and 'shifting in' of the vessel shifted from berth, shall be levied on the vessel enjoying ousting priority.

(c). The fee for providing priority / ousting priority as mentioned above shall not be charged for the following categories:

(i). Coastal vessels which will be accorded priority berthing.

(ii). Vessels for which special exemption has been granted by the Ministry of Shipping.

(5). In respect of Vessels coming under "Berth Reservation Scheme", the berth reservation charges shall be paid as per the scheme and direction issued by the Government from time to time.

(6). No Berth Hire will be charged when the vessels idle at the Port's berths when operations cannot take place due to breakdown of the port equipment or power failure or any other reasons attributable to Port. This provision will, however, not apply in the case of vessels idling at berths operated by the private operators licensed by the Port due to reasons not attributable to Port.

(7). If the vessel operations are stopped for more than 24 hours due to dispute between the Master of the Vessel and the Stevedoring Agents / C&F Agent / Importer / Exporter of the cargo, stowage problem, ship-crane repair, etc., Berth Hire charges at 2 times of normal Berth Hire charges as per Schedule 2.3.1 above shall be payable for the period beyond 24 hours and till the operations are resumed.

### 2.3.3 Schedule of Berth Hire charges for Sailing vessel / Floating crafts / bodies / any other vessel

| Sl. No. | Description | Unit | Rate (in ₹.) |
|---|---|---|---|
| 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 |
| 2. | Vessels registered under Harbour Craft Rules of Chennai Port berthed anywhere in the port | Per vessel per day or part thereof | 135 |
| 3. | Pleasure yachts | Per yacht per calendar month or part thereof | 3,000 |

**Note**:
The non-commercial powered 39arbor 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.

### 2.3.4 Anchorage Fee

| Description | Rate per GRT per hour or part thereof | |
|---|---|---|
| | Foreign (in USD) | Coastal (in ₹.) |
| 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 |

## SECTION – 3
## CARGO RELATED CHARGES

### 3.1 Wharfage

### 3.1.1 Schedule of Wharfage Charges for Bulk and Break Bulk

| Sl. No. | Description of Cargo | Unit | Rate (in ₹.) | |
|---|---|---|---|---|
| | | | Foreign | Coastal |
| 1. | Acids & Chemicals | | | |
| (i) | Acids of all kinds | M.T. | 100 | 60 |
| (ii) | Chemicals of all kinds including Carbon black, Linear Alkaline Benzoine, Orthoxylene | M.T. | 152 | 91 |
| 2. | Coir, Coir products and Jute & Jute products | M.T. | 134 | 80 |
| 3. | Construction and Building Materials<br>Asbestos, Bitumen, Blue metal sand, Bricks, Cement, Clinker, Sand, Silica Sand, Slag, Stones & Tiles | M.T. | 45 | 27 |
| 4. | **Crude Oil & POL Products** | | | |
| (i) | Crude Oil | M.T. | 57 | 57 |
| (ii) | Petrol | M.T. | 81 | 81 |
| (iii) | Diesel Oil | M.T. | 69 | 69 |
| (iv) | Kerosene Oil & Aviation Turbine Fuel (ATF), Base oil & Lubricants | M.T. | 73 | 73 |
| (v) | Furnace oil | M.T. | 61 | 61 |
| (vi) | Naptha | M.T. | 77 | 77 |
| (vii) | Oil bunkering to vessels | M.T. | 47 | 47 |

| | | | | |
|---|---|---|---|---|
| 5. | **Defence stores** | M.T. | 134 | 80 |
| 6. | **Edible oil of all kinds** | M.T. | 78 | 47 |
| 7. | **Fertiliser** | | | |
| (i) | Sulphur, Rock Phosphate, Urea and other Raw Fertilizer | M.T. | 45 | 27 |
| (ii) | Ammonium Sulphate, Potash, Di-Ammonium Phosphate (DAP), Murate of Potash (MoP) and other Finished Fertilizers | | | |
| 8. | **Food grains and Food products** | | | |
| (i) | Cereals and pulses of all kinds | M.T. | 45 | 27 |
| (ii) | Salt | M.T. | 28 | 17 |
| (iii) | Sugar | M.T. | 56 | 34 |
| (iv) | Marine products | M.T. | 43 | 26 |
| (v) | Provisions and groceries, fruits, vegetables, not in bulk | M.T. | 56 | 34 |
| 9. | **Granite Blocks, Dressed marbles and slabs** | M.T. | 78 | 47 |
| 10. | **Machinery & Equipment** | | | |
| (i) | Aircraft | Each | 75,000 | 45,000 |
| (ii) | Boats and launches | Each | 15,000 | 9,000 |
| (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 | | | |
| | (a). weighing upto 15 M.T. | Each | 30,000 | 18,000 |
| | (b). weighing above 15 M.T. & upto 30 M.T. | Each | 45,000 | 27,000 |
| | (c). weighing above 30 M.T. | Each | 1,00,000 | 60,000 |
| (iv) | Machinery & Equipment other than mentioned in (iii) above including Electrical and Electronic goods, Wires, Cables, Parts, Tools & Accessories | Ad valorem | 0.31% | 0.18% |
| (v) | Railway wagons & coaches | Each | 22,300 | 13,380 |
| (vi) | Locomotives | Each | 33,500 | 20,100 |
| 11. | **Metal & Metal products** | | | |
| (i) | Ingots & Billets, Sheets & Plates, Bars, Rods, Angles, Pipes & Fittings | M.T. | 90 | 54 |
| (ii) | Metal scrap | M.T. | 45 | 27 |
| 12. | **Molasses** | M.T. | 38 | 23 |
| 13. | **Motor vehicles for carrying passengers / cargo** | | | |
| (i) | Two wheelers | Each | 500 | 300 |
| (ii) | Three wheelers | Each | 1500 | 900 |
| (iii) | Four wheelers of upto 1400 cc | | | |
| | (a). Import | Each | 4,200 | 2,520 |
| | (b). Export | Each | 2,200 | 1,320 |
| (iv) | Four wheelers of above 1400 cc – Import & Export | Each | 8,400 | 5,040 |
| (v) | Six wheelers and above | | | |
| | (a). Vehicle weighing upto 7.5 M.T. | Each | 10,000 | 6,000 |
| | (b). Vehicle weighing above 7.5 M.T. | Each | 29,000 | 17,400 |
| 14. | **Ores & Minerals of all kinds** | | | |
| (i) | Barytes, Bauxite, Dolomite, Ferrosilicon, Flourespar, Felspar, 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 | Ad valorem | 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.

### 3.1.2 Wharfage on Containers including Shipper Own Container and MAFI

| Sl. No. | Type of containers | Rate per Container (in ₹.) | | | | | |
|---|---|---|---|---|---|---|---|
| | | 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 |

### 3.1.3 Cargo Free of Wharfage

| Sl. No. | Description |
|---|---|
| 1. | Sweepings collected from wharf / sheds. |
| 2. | Pallets used for the export of palletized cargo from the wharves. |
| 3. | Cargo/Containers transferred from one hatch to another of the same vessel neither manifested nor unloaded from the vessel. |
| 4. | Bonafide consumable / non-consumable ship stores. |
| 5. | Bonafide passengers’ and seamen’s baggage and personal effects accompanying them. |
| 6. | Postal Mail bags. |
| 7. | Vessels calling the Port on her first voyage, which are manifested as cargo in the IGM/EGM for the purpose of Customs Act, 1962, if the vessels come into the port and sail out of the port limits on their own steam. |

**<u>Notes:</u>**

(1). Assessment of cargo shall be done on the basis of the description of the cargo as given in the Bill of entry / coastal bill of lading in case of import cargo and shipping bill in the case of export cargo, that best fits the item description covered under the above schedule. The description in the invoice and packing list will also be considered, if required.

(2). Wharfage shall be collected at the rates specified in the Schedule on the basis of:

(a). Vessel’s draft survey certificate / Vessel’s manifested quantity in case of dry bulk cargo;
(b). Weighment certificate in case of excess landed cargo;
(c). Vessel’s ullage certificate quantity / Vessel’s manifested quantity in case of liquid bulk;
(d). Bill of Entry / Shipping Bill / Invoice / Packing list quantity in all other cases.

(3). Ad valorem wharfage on imports shall be calculated on CIF value; on the exports on FOB value; and on coastal cargo on value specified in the Bill of coastal goods. Customs Bill of Entry / Shipping Bill / Bill of coastal goods shall be the main documents for assessing the value of cargo for wharfage purpose and where it is not available, the value will be determined based on Bill of lading/invoice, etc.

(4). Before classifying any cargo under “any other cargo not specified above” – Sl. No.17 of Schedule 3.1.1, the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in the schedule given above.

(5). Cargo landed from vessel in distress and reshipped in the same vessel, one time wharfage shall be levied as per the above schedule. Likewise, cargo loaded into a vessel and subsequently unloaded due to various reasons and reshipped in the same vessel, no wharfage shall be payable. However, wharfage shall be levied again if the cargo is reshipped in another vessel.

(6). (a). Cargo / Container / MAFI not meant for Chennai Port landed and reshipped / 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.

(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.

(c). Cargo / Container / MAFI manifested for Chennai and subsequently amended for ‘transshipment’, shall be assessed for each handling @ 100% of the wharfage applicable to that cargo / container / MAFI.

(7). Wharfage on units classified under Sl. No.10 (iii) above will be assessed on the gross weight of the equipment including its own accessories.

(8). Wharfage for crude oil imported by CPCL will be as per the agreement entered into with CPCL.

(9). Cargo destuffed from / stuffed into LCL containers will attract the wharfage as per Schedule 3.1.1.

### 3.2 Charges for use of Port Cranes

#### 3.2.1 Charges for use of Mobile Cranes for other than landing / shipment from / to the vessel

| **Sl. No.** | **Description** | **Unit** | **Rate for each handling (in ₹.)** | |
|---|---|---|---|---|
| | | | **Foreign** | **Coastal** |
| 1. | **For cargo operations** | | | |
| | (i). Upto 5 M.T. per package | M.T. or part thereof | 115 | 69 |
| | (ii). Over 5 M.T. and upto 10 M.T. per package | - do - | 205 | 123 |
| 2. | **For other than cargo operations** | Per shift or part thereof | 6200 | |

#### 3.2.2 Charges for use of Wharf Crane

| **Sl. No.** | **Description** | **Unit** | **Rate per Crane (in ₹.)** | |
|---|---|---|---|---|
| | | | **Foreign** | **Coastal** |
| 1. | Upto 15 M.T. capacity | Per shift or part thereof | 12,000 | 7,200 |

### 3.2.3 Charges for use of Floating Crane F.C. Thangam

| Sl. No. | Description | Unit | Rate for each handling (in ₹.) | |
|---|---|---|---|---|
| | | | **Foreign** | **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. | | 2400 | 1440 |
| (iii) | Above 60 M.T. and upto 100 M.T. | | 3400 | 2040 |
| (iv) | Above 100 M.T. and upto 140 M.T. | | 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 ₹.1,20,000 | Per hour or part thereof | 30,000 | |

### 3.2.4 Charges for permitting to use Private Cranes inside the Port

| Sl. No. | Description | Unit | Rate for each handling (in ₹.) | |
|---|---|---|---|---|
| | | | **Foreign** | **Coastal** |
| **1.** | **For vessel and cargo operations** | | | |
| | Weight of the package: | | | |
| (i) | Upto 10 M.T. | M.T. or part thereof | 20 | 12 |
| (ii) | Above 10 M.T. and upto 30 M.T. | | 40 | 24 |
| (iii) | Above 30 M.T. | | 200 | 120 |
| 2. | **For other than cargo operations** | Per shift or part thereof | 620 | |

**<u>Notes:</u>**

(1). Charges prescribed in Schedule No.3.2.1 to 3.2.3 are payable for actual deployment of cranes. Direct delivery / loading of cargo with ship's own gear shall be allowed with the prior approval of the Port in which case the cranage charges will not be applicable.

(2). Use of private cranes shall be allowed with the prior approval of the Port on payment of the charges prescribed under Schedule 3.2.4 above. Use of tug master / prime mover for landing / loading of cargo other than MAFI will be considered as use of private crane.

(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.

(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

#### 3.3.1 Free period for storage of cargo in transit areas

| Sl. No. | Description | Free period (in Days) | Day of commencement of free period |
|---|---|---|---|
| 1. | **Import Cargo** | | |
| (i). | Other than direct delivery | 7 | Day following the Vessel Completion Date |
| (ii). | Cargo sold in auction | 3 | From the date of confirmation of sale |
| 2. | **Export Cargo** | | |
| (i). | Cars through RoRo vessels | 20 | Actual day of admission of the cargo in the port premises |
| (ii). | All other cargo | 30 | - do - |
| (iii). | Shut out cargo removed out of port premises being without shipped | 2 | - do - |
| 3. | **Salvaged goods** | 3 | Day of salvage |
| 4. | **Transshipment cargo** | 21 | Day following the Vessel Completion Date |
| 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.<br>From the date of detention, if detained by Customs after expiry of applicable free days. |

**Notes**:

(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.

(2). The period from the date of commencement of loading of export cargo to the date of completion of loading shall also be free for export cargo.

(3). For direct delivery of cargo, a free time of 24 hours will be allowed from the time of loading of cargo onto the vehicle, after which demurrage applicable for import cargo shall be levied.

(4). No free days will be allowed for cargo declared as unfit for human consumption by the PHO and destroyed by Port.

#### 3.3.2 Schedule of Demurrage Charges after free period

| Sl. No. | Description | Rate per wharfage unit per day or part thereof (in ₹.) |
|---|---|---|
| 1. | **Import cargo** | |
| | (i). For the first 7 days | 18.50 |
| | (ii). For the next 10 days | 37.00 |
| | (iii). For the next 13 days | 55.50 |
| | (iv). Thereafter | 112.50 |
| 2. | **Export cargo and Transshipment cargo** | |
| | (i). For the first 7 days | 18.50 |
| | (ii). For the next 3 days | 37.00 |
| | (iii). Thereafter | 112.50 |

**Notes:**

(1). In cases where the wharfage is based on per each unit and on ad valorem, demurrage shall be reckoned with on gross weight (per M.T. or part thereof).

(2). Demurrage leviable in respect of abandoned, uncleared and unclaimed cargo sold by the Port in public auction shall be limited to 6 (six) months from the date of its accrual, or the date of receipt of letter of abandonment by Port, whichever is earlier.

(3). Demurrage leviable in respect of cargo declared as unfit for human consumption by the PHO and destroyed by Port shall be limited to 6 (six) months from the date of its accrual and, or the date of condemnation by the PHO, whichever is earlier. In case the cargo is certified for cattle / poultry feed, the demurrage shall be levied till the date of clearance.

### 3.3.3 Charges to be recovered from Customs on goods confiscated by Customs

| | |
|---|---|
| Pre-confiscation charges | Cargo related charges accrued on the goods from the date of expiry of free days upto the date of confiscation, limited to a maximum of 4 months. The amount due shall also be limited to the extent of amount available from the Customs from the proceeds of sale of confiscated goods. |
| Post confiscation storage charges | Rs.50/- per wharfage unit per day or part thereof, if unit of levy of wharfage is on weight / volume basis.<br>Rs.300/- each per day or part thereof, if unit of levy of wharfage is on each basis. |
| Removal charges | Rs.350/- per M.T. or part thereof |

### 3.3.4 Charges for storage of Containers including Shipper Own Container and MAFI

| Sl. No. | Description | Rate per day or part thereof | | | | | |
|---|---|---|---|---|---|---|---|
| | | Foreign container (in USD) | | | Coastal container (in ₹.) | | |
| | | 20’ | 40’ | Above 40’ | 20’ | 40’ | Above 40’ |
| 1. | Import & Export – Laden & Empty | | | | | | |
| | First 3 days | Free | Free | Free | Free | Free | Free |
| | 4 – 15 days | 3.55 | 7.10 | 10.65 | 94.00 | 188.00 | 282.00 |
| | 16 – 30 days | 7.10 | 14.20 | 21.30 | 188.00 | 376.00 | 564.00 |
| | Beyond 30 days | 14.20 | 28.40 | 42.60 | 376.00 | 752.00 | 1128.00 |
| 2. | Transshipment & ICD - Laden & Empty | | | | | | |
| | First 15 days | Free | Free | Free | Free | Free | Free |
| | 16 – 30 days | 3.55 | 7.10 | 10.65 | 94.00 | 188.00 | 282.00 |
| | 31 – 45 days | 7.10 | 14.20 | 21.30 | 188.00 | 376.00 | 564.00 |
| | Thereafter | 14.20 | 28.40 | 42.60 | 376.00 | 752.00 | 1128.00 |

**Notes**:

(1). (a). The free period for import containers will commence from the date following the day of landing of the container from the vessel upto the day of loading / delivery / removal of the container.

(b). The free period for export containers will commence from the day the container enters into the Port.

(2). For purposes of calculation of free period, Customs notified holidays and closed holidays declared by the Port shall be excluded.

(3). The storage charges on abandoned FCL containers/Shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the day of landing of container, whichever is earlier subject to the following conditions:

(a). The consignee can issue a letter of abandonment at any time.

(b). If the consignee chooses not to issue such letter of abandonment, the Container Agent (CA)/ Main Line Operator (MLO) can also issue abandonment letter subject to the condition that:

i. the CA / MLO shall resume custody of container along with cargo and either take back it or remove it from the port premises; and

ii. the CA / MLO shall pay all port charges accrued on the cargo and container before resuming custody of the container.

(c). The container Agent / MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charge on container shall be continued to be levied till such time all necessary actions are taken by the shipping lines for destuffing the cargo.

(d). Where the container is seized/confiscated by the Custom Authorities and the same cannot be destuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the date the Customs Order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and de-stuffing. Otherwise, seized/confiscated containers should be removed by the Lines/consignee from the port premises to the Customs bonded area and in that case the storage charges shall cease to apply from the date of such removal.

### 3.4 Other Cargo Related Charges

| **Sl. No.** | **Description** | **Rate per M.T. or part thereof (in ₹.)** |
|---|---|---|
| 1. | Special Port Service Charges for Rail borne cargo both inwards and outwards except container | 12.50 |
| 2. | Pollution levy for all dry bulk cargo | 5 |
| 3. | Cargo Removal charges for each removal | 150 |

## SECTION – 4
## STEVEDORING AND CLEARING & FORWARDING CHARGES

### 4.1 Charges for supply of labour / staff for Stevedoring Operations

| **Sl. No.** | **Category of worker / staff** | **Rate per shift or part thereof (in ₹.)** | | |
|---|---|---|---|---|
| | | **Time Rate Wages** | **General Levy (192%)** | **Total** |
| 1. | On Board Supervisor | 2260 | 4340 | 6600 |
| 2. | Tally Clerk | 1770 | 3400 | 5170 |
| 3. | Tindal | 1620 | 3120 | 4740 |
| 4. | Maistry | 1620 | 3120 | 4740 |
| 5. | Winch Driver | 1620 | 3120 | 4740 |
| 6. | Signal Man | 1500 | 2880 | 4380 |
| 7. | Mazdoor | 1500 | 2880 | 4380 |

**Notes**:

(1). The above charges shall be paid by the Stevedores prior to the engagement of labour.

(2). In case of shortage of manpower in one category, the available manpower in other categories will be deployed, subject to suitability.

(3). Time rate wages in respect of additional manpower required by stevedores shall be payable as per the schedule above.

(4). The piece-rate incentive shall be paid by the Stevedores at actuals separately.

### 4.2 Piece Rate Incentive for C&F workers

| Description | Rate per M.T. (in ₹.) |
|---|---|
| For Receipt / delivery / inter-carting | 4 |

Note: The above charge is not applicable in case of direct delivery / shipment.

### 4.3 Special Levy

| Description | Rate per M.T. (in ₹.) |
|---|---|
| Special levy to meet the wage revision arrears | 1 |

Note: The above charge will be collected on all cargo involving deployment of cargo handling workers through Import and Export Applications.

## SECTION - 5
## MISCELLANEOUS CHARGES

### 5.1 Embarkation / Disembarkation Charges

| Description | Rate per person (in ₹.) | |
|---|---|---|
| | Foreign vessel | Coastal vessel |
| Embarkation / Disembarkation charges<br>(Defence personnel on duty are exempted) | 100 | 50 |

During the stay of the vessel, the above charges are payable only for the first embarkation / disembarkation, irrespective of no. of times a passenger embark / disembark.

### 5.2 Charges for Hire of Port Equipment

| Sl. No. | Description | Unit of levy | Rate (in ₹.) |
|---|---|---|---|
| 1. | Tanker Trailer of 10 KL capacity | Per shift or part thereof | 24,000 |
| 2. | Hopper | Per shift or part thereof | 4,000 |
| 3. | Gangway | Per shift or part thereof | 1,500 |
| 4. | Oil Skimmer | Per shift or part thereof | 4,000 |
| 5. | Oil Barrier (per metre length) | Per shift or part thereof | 250 |
| 6. | Fire Engine and gear | Per hour or part thereof | 4,700 |
| 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 the use of Slipways

| Sl. No. | Description | Rate per slipway per day or part thereof (in ₹.) |
|---|---|---|
| 1. | Main slipway | 5,000 |
| 2. | Mini slipway | 3,000 |

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 Port.

### 5.4 Charges for erecting Hoardings, Sign boards, Neon boards, etc. in the Port Premises

| Sl. No. | Description | Rate per sq. m. per year or part thereof (in ₹.) |
|---|---|---|
| 1. | Single sided | 3,000 |
| 2. | Double sided | 5,000 |
| 3. | Neon boards | 2,000 |

**Note:** The terms and conditions will be governed by the letter of permission to be issued by the Port.

### 5.5 Other Miscellaneous Charges

| Sl. No. | Description | Unit | Rate (in ₹.) |
|---|---|---|---|
| 1. | Charges for flushing the pipelines with seawater | Per day or part thereof | 10,000 |
| 2. | Water supply to vessels at Bharathi Dock | Per M.T. or part thereof | 400 |
| 3. | Charges for permitting water supply to vessels through tanker lorries by licensed agents | Per Trip | 200 |
| 4. | Charges for taking photographs, shooting films, videography in the port premises | | |
| | (i). Making Feature films / Documentary films | Per day or part thereof | 75,000 |
| | (ii). Videography | | 37,500 |
| | (iii). Photography by still camera | | 1,000 |
| 5. | Charges for issue of Licence to the Agents for engaging private labour within the port premises | | |
| | (i) Issue of fresh licence | Per licence per year | 1500 |
| | (ii) Renewal before expiry of licence | | 750 |
| 6. | Charges for issue of certificates/ documents from Port records | Per sheet | 50 |
| 7. | Charges for issue of Scale of Rates | Each | 100 |

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

| | | |
|---|---|---|
| **TAMP/22/2016-CHPT** | **:** | **Proposal received from the Chennai Port Trust (CHPT) for General Revision of its Scale of Rates (SOR).** |

A summary of the comments of users / user organisations and response of Chennai Port Trust (CHPT) thereon is tabulated below:

<table>
<tr><th>Sr. No.</th><th>Comments received from the users / user organisations</th><th>Response of CHPT</th></tr>
<tr><td>1.</td><td>Chennai Port Stevedores Association</td><td></td></tr>
<tr><td></td><td>Chennai Port is already losing cargo and if the Port further increases its Rates, the cargo on hand in Chennai Port is also likely to move to other Ports.<br><br>Under this scenario, it is not justifiable on the part of Chennai Port to claim a disproportionate upward revision of 10% over and above the existing Scale of Rates.<br><br>The proposal of any upward revision in the existing Scale of Rates at least to retain the existing cargo at Chennai may be approved.</td><td>Port has proposed 10% increase only in wharfage and Special Port Service Charge for rail borne cargo. The time rate wages has been updated for actual D.A. increase. No increase is proposed in the vessel related charges and other cargo related charges. The total estimated additional income to the port on these aspects will be around ₹8 crores, while the shortfall in Annual Revenue Requirement is ₹204 crores.<br><br>On the other hand, the Port has dispensed with the C&F levy and notional crane charges for using ships' gears. The revenue reduction to the Port on these two aspects is to the tune of ₹.8.50 crores.<br><br>Hence, the marginal increase in a few tariff items proposed by the Port may be considered.</td></tr>
<tr><td>2.</td><td>The Chennai & Ennore Ports Steamer Agents Association (CHENSAA)</td><td></td></tr>
<tr><td>(i)</td><td>As per clause (viii) (b) and (c) of Section 1.2 – General terms & conditions, the delay in payments by the users will be counted beyond 10 days after the date of raising the bills by the Port, and the delay in refunds by the Port will be counted beyond 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.<br>CHENSAA requests that Port also to count the delay in refunds beyond 10 days instead of 20 Days.</td><td>The conditions prescribed in the SoR are strictly in accordance with clauses 5.5.2 and 5.5.3 of TAMP Working Guidelines 2015.</td></tr>
<tr><td>(ii)</td><td>Point No 2.1.1. in proposed SOR<br>Schedule of Port dues in US$<table><tr><td>Existing per GRT</td><td>Proposed per GRT</td><td>Difference</td><td>Percentage %</td></tr><tr><td>0.2907</td><td>0.291</td><td>0.0003</td><td>(+) 0.103%</td></tr></table></td><td>The difference is due to rounding off the rate to 3 digits and no increase is proposed.</td></tr>
<tr><td>(iii)</td><td>Point No 2.1.2. in proposed SOR: -</td><td>Bunkering at anchorage has been recently</td></tr>
</table>

<table>
<tr><td></td><td>Concession / Exemption in Port Dues:<br>Sl.No.3 - Vessels entering the Port for bunkering at Anchorage but does not enter into Enclosed Harbour : 75% concession</td><td>permitted by Customs. In order to encourage bunkering, 75% concession in Port dues is proposed in the SoR.</td></tr>
<tr><td>(iv)</td><td>Point No 2.2.1. in proposed SOR :-<br>Schedule of Pilotage Fees
<table>
<tr><th>Existing per GRT</th><th>Proposed per GRT</th><th>Difference</th><th>Percent-age %</th></tr>
<tr><td>Upto 3000 GRT – Rate ₹ 0.55238</td><td>Upto 30000 GRT 0.677</td><td>0.12462</td><td>(+) 18.410</td></tr>
<tr><td>3001 to 10000 GRT – 0.38198</td><td>0.677</td><td>0.29502</td><td>(+) 43.578</td></tr>
<tr><td>10001 to 15000 GRT – 0.44020</td><td>0.677</td><td>0.2368</td><td>(+) 34.978</td></tr>
<tr><td>15001 to 30000 GRT – 0.50694</td><td>0.677</td><td>0.17006</td><td>(+) 25.120</td></tr>
<tr><td>30001 to 60000 GRT – 0.71994</td><td>20310 + 0.542 Per GRT over 30000 GRT</td><td></td><td>(+) 40.940</td></tr>
<tr><td>Over 60000 GRT – 0.83354</td><td>36570 + 0.474 Per GRT over 60000 GRT</td><td></td><td>(+) 23.000</td></tr>
</table></td><td>The difference in rates for different slabs is due to restructuring of existing 6 slab structure of Pilotage charges into 3 slab structure on incremental basis, strictly in accordance with clause 10.9 of TAMP Working Guidelines 2015. As stipulated in the guidelines, the rates for second and third slabs are kept at 80% & 70% of the first slab respectively.<br><br>The rates have been arrived in such a manner that overall income from pilotage service is retained without any change. Hence, there is bound to be some increase / decrease in the individual slabs. While there will be increase in the rate for smaller vessels, there will be decrease in the rates for bigger vessels (vessels above 30000 GRT). It is not clear how CHENSAA is indicating increase in all the categories. For a vessel with 40,000 GRT, there will be a reduction in pilotage charges by 12% which will further increase for the bigger size. For a vessel of GRT above 60,000, the reduction will be more than 18%.<br><br>It may be noted that this is a one time measure taken by the Port to implement the TAMP Guidelines.<br><br>In view of the above, users are requested to extend their support to the one time rationalization measure taken by the port to implement the TAMP guidelines.</td></tr>
<tr><td>(v)</td><td>Point No 2.2.3. in proposed SOR: -<br>Schedule of Shifting Charges
<table>
<tr><th>Existing per GRT</th><th>Proposed per GRT</th><th>Differ-ence</th><th>Percent-age %</th></tr>
<tr><td>Upto 30000 GRT – 0.07313</td><td>25% Pilotage Prescribed in schedule 2.2.1.</td><td></td><td>(+) 56.800</td></tr>
<tr><td>and other tariff / over GRT 60000</td><td>-do-</td><td></td><td>-do-</td></tr>
</table></td><td>Shifting charges have been prescribed at 25% of pilotage fee, even though the services rendered and cost incurred by the Port is the same for pilotage service and shifting service. Hence, there is increase in the shifting charges.<br><br>Further, shifting service is provided on need basis. As there is no waiting time for the vessels, the no. of shiftings are very minimum. Hence, the increase in this charge may not be burden to the trade nor the port will get sizeable additional revenue. Hence, this can be considered as a rationalization measure.</td></tr>
<tr><td>(vi)</td><td>Point No 2.2.4. in proposed SOR: -<br>Pilotage Fee for Cold Move operation<br><br>Added Sl.No.2. For only one movement (either inward or outward) - 1.5 times of charges as per Schedule 2.1.1 above</td><td>There is no change in Pilotage Fee for cold move operations. If both inward and outward operations are in cold move, 200% of pilotage fee is payable (100% normal plus 100% extra for cold move). Likewise, if only one way operations either</td></tr>
</table>

<table>
<tr><td></td><td></td><td>inward or outward is in cold move, 150% of pilotage fee is payable (100% normal + 50% extra one cold move. Modification has been made only in the presentation for better and easy understanding.</td></tr>
<tr><td>(vii)</td><td>Point No 2.3.4. in proposed SOR: - Anchorage Fee<br><table><tr><td>Existing per GRT</td><td>Proposed per GRT</td><td>Diff.</td><td>%</td></tr><tr><td>0.00085</td><td>0.0009 GRT</td><td>0.00005</td><td>(+) 5.56</td></tr></table><br>It is understood that CHPT has rounded off some of the charges in the existing tariff which vary from 1 to 3% in the proposed tariff.</td><td>The difference is due to rounding off the rate to 3 digits and no increase is proposed. Further, the income earned from anchorage charges is insignificant.</td></tr>
<tr><td>(viii)</td><td>Despite several requests from the CHENSAA and the trade, the Port increased VRC by 42% during the year 2014 for which the trade is yet to recover from the higher tariff and still requesting for reduction in the existing tariff. However, now the Port is again proposing huge increase in the VRC as highlighted above which will have greater impact on the trade to bear such huge cost under recession period.<br>A comparison of the existing Chennai Port tariff vis-à-vis tariff of Foreign Ports, for a Vessel call of 32,200 m / tons GRT (34 Hrs Berth Stay) as an example, is given below:<br><table><tr><td colspan="3">COMPARISON OF VESSEL RELATED COST</td></tr><tr><td>S. NO.</td><td>PORT OF CALL</td><td>COST (in USD)</td></tr><tr><td>1</td><td>CHENNAI</td><td>36041</td></tr><tr><td>2</td><td>SINGAPORE</td><td>13873</td></tr><tr><td>3</td><td>COLOMBO</td><td>7508</td></tr><tr><td>4</td><td>PORT KELANG</td><td>5737</td></tr></table><br>Note :<br>Additionally, with more Private Terminal Operators entry within a small radius of Chennai, this may not be the right time for CHPT to propose any hike in VRC and it is high time that the Port supports all Vessel Operators to ensure they survive and continue their calling in Chennai Port.<br><br>Taking into account the problems faced by the trade with lowest freight levels / vessels been idled without cargo / lay off / hardship facing by owners / some of the owners become bankrupt due to no cargo volumes etc, it is requested that do not increase any charges for next 3 years in order to have sustenance in the business levels.</td><td>With regard to comparison of Vessel related costs with regional foreign ports, it is stated that the comparison of VRC alone may not be meaningful as there may be a difference in cargo related charges and other port costs at Indian Ports and foreign ports. Further, the volume handled at the foreign ports is also not comparable with ChPT. The trade / users will appreciate that the issue is a macro level issue. Hence the Port is constrained to express its inability to address the concern of the CHENSAA in the short run.<br><br>In any case, it is reiterated that the Port has not increased any vessel related charges in this revision exercise, except for rationalization, restructuring and rounding off. Further, the port has also offered a number of concessions in vessel related charges for container vessels, break bulk cargo vessels and coastal RoRo vessels.</td></tr>
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| **3.** | **Chennai International Terminals Pvt. Ltd. (CITPL)** | |
| | It is good that some proposed changes to the vessel related charges (VRC) for container vessels result in cost reductions for larger vessels. It is crucial for VRC at ChPT to become competitive in order to support the trade and halt the diversion of cargo away from Chennai.<br><br>However, it is highlighted that proposed vessel related charges for 35% of the Container vessels calling CITPL (GRT < 30,000 tonnes) will increase by 20% with the new proposal.<br><br>ChPT's current VRC is already on average 30% higher than neighbouring competitor ports for the Chennai Cargo (excluding any concessions on the VRC that can only be computed at the end of a financial year and which are dependent on the business environment). A comparison of VRC between ChPT and KICT, KPCT and Vizag, as given to the Ministry of Shipping earlier, also shows that the proposed VRC is about 35%, 30% and 25% higher as compared to the VRC at KICT, KPCT and Vizag. Further, the VRC of CHPT are also higher by 70 - 85% than the regional ports such as Colombo, Jebel Ali and Singapore.<br><br>The CHPT is requested to further review and reduce container vessel related charges for all vessel sizes to make the proposed SoR and its benefits are more inclusive and meaningful to the entire trade and port community. | As already furnished in the reply above, the difference in rates for different slabs is due to restructuring of existing 6 slab structure of Pilotage charges into 3 slab structure on incremental basis in strictly accordance with Clause 10.9 of TAMP Working Guidelines 2015. As stipulated in the guidelines, the rates for second and third slabs have been kept at 80% and 70% of the first slab respectively.<br><br>The rates have been arrived in such a manner such overall income from pilotage service is retained without any change. Hence, there is bound to be some increase / decrease in the individual slabs. As such, there is increase in the charges for vessels below 30000 GRT and decrease in the case of vessels above 30000 GRT.<br><br>It may be noted that this is a one-time measure taken by the Port to implement the TAMP Guidelines.<br><br>The port has not increased any vessel related charges in this revision exercise, except for rationalization, restructuring and rounding off. Further, the port has also offered a number of concessions in vessel related charges for container vessels, break bulk cargo vessels and coastal RoRo vessels. Notwithstanding the above, the ChPT shall review the existing Concession schemes for VRC suitably keeping in view the extra burden to the smaller vessels on account of the restructuring of the pilotage charges. With regard to comparison of rates with foreign ports, reply furnished above may please be seen.<br><br>In view of the above, stakeholders / users are request to extend their support to the one time rationalization measure taken by the port to implement the TAMP guidelines. |
| **4.** | **Global Port Solutions Pvt. Ltd. (Copy not endorsed to TAMP)** | |
| (i) | We have deployed two 100 tons Mobile Harbor cranes, each having an efficiency of handling 12500 tons of dry bulk cargo per day per crane.<br><br>Our agreement mentions that 'First preference must be given to the Mobile Harbour Cranes. | The performance standards prescribed in the SoR are for the entire Port irrespective of the type of vessel, geared or gearless vessels, types of equipments used and not cargo specific. The Performance Standards have been prescribed bearing in mind the overall performance of Port and taking into account number of factors like past performance, type of vessel, |

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| | The cranes have been introduced for the modernization of the port and for better efficiency in handling of cargo. By introducing the Harbor Mobile Crane the average turnaround time has been much better than it was previously done.<br><br>However it has been noted that as per proposed performance standards clause 1.3 mentions that Average ship berth day output is mere 8200 tons per day i.e. (as per earlier practice) whereas the performance required by each Mobile Harbour Cranes is 12500 tons per day. Therefore, this performance standard may be contradicting our contract standards. It is requested to clearly mention in the SOR that the proposed standards performance is applicable only on vessels using ship cranes and that too when (i.e. only in case the Mobile Harbor Cranes are busy with other operation or not available due to break down) to avoid any confusion to the port users. | geared or gearless vessels, facilities at different berth etc. Performance norms for cargo specific and type of equipment used are fixed from time to time as per the guidelines fixed by the Ministry. Further, the tariff approved by TAMP for deployment of HMC at CHPT is linked to performance norms fixed by TAMP and the HMC operator will be governed by these performance norms. |
| (ii) | Further, no performance standards should be applicable to vessels on which the mobile harbor crane has been deployed as the port is having a separate contract with the concessionaire with respect to its performance standards. However, bring a stringent penalty clause for the stevedores who are not timely deploying enough pay loaders at the time of hatch cleaning. | As stated in the reply to preceding observation, the performance standards prescribed in the SoR are for the entire Port and not for MHC alone.<br><br>Regarding penalty clause for deployment of pay loaders for hatch cleaning, it is informed that these are operational issues and cannot be included in the SoR. |
| (iii) | In order to encourage more efficiency and better services from stevedores, port must increase its berth hiring charges cost per day so that the port users are encouraged in using hi tech and modernized equipment to handle the cargo in an efficient manner and Chennai Port may cater to more number of vessels. | The Port is facing severe competition from the neighbouring major / non-major ports. The port has implemented various concessions in vessel related charges to retain existing cargo / attract more volumes. Hence, increasing Berth Hire charges at this stage may not be strategically advantageous to the Port. |
| (iv) | TAMP rates which has already been approved for Mobile Harbor cranes to be included in the SOR so that the rates are clearly published and easily available for the port users. | The rates for Mobile Harbour Cranes deployed at ChPT has been approved by TAMP under Reference Tariff Guidelines 2013. These rates are specifically applicable to M/s.Global Port Solutions Pvt. Ltd. being the successful bidder in the said project. Hence, it may not be correct to include it in the Scale of Rates of ChPT. However, rates for Mobile Harbour Cranes have been incorporated in the Trade Notice hosted in the website of the Port. |

<table>
<tr><td></td><td></td><td></td></tr>
<tr><td>5.</td><td colspan="2">M/s.Lee & Muirhead Pvt. Ltd. (Email dated 9.7.2016)</td></tr>
<tr><td>(i)</td><td>The following recommendations are furnished for Project Cargo handling, keeping ease of doing business in mind: -<br>Currently Wharfage charges for Plant & Machinery is payable at 0.31% of the value. This is quite simple to calculate and easy for the customer to budget or estimate. Now Port is proposing to charge on per package basis with 3 different slabs of rates ranging from ₹.56,000 to ₹ 140,000 per package – Ref.3.1 Wharfage (page 15). This means that unless a full packing list is available in advance, the charges cannot be calculated since the charges will vary from package-to-package. Project cargo consignment can comprise of several packages in a shipment. Therefore, this will become a very cumbersome exercise to determine the wharfage charges which will result in avoidable delays. Further, this will not be in the direction of ease of doing business. We strongly feel that the present procedure of calculation on value should not be changed.<br><br>The definitions of Plant & Machinery and Plant & Machinery in loose needs to be stated clearly since the rates are totally different for both.</td><td>As per the Tariff Policy / TAMP Working Guidelines 2015, all ad valorem based wharfage rates in the existing SoR have been modified into weight / each basis.<br>Based on the comments received from the users, the matter has been examined and it is observed that the difficulties putforth by the users are found to be reasonable and it will be difficult for the Port also to assess the wharfage for numerous packages comprised in one consignment. It is also observed that some of the neighbouring Ports like KPL, L&T-Kattupalli, Krishnapatnam Port are charging ad-valorem wharfage rates for Plant & Machinery and automobiles. Taking into account the difficulties putforth by the users, TAMP has also requested ChPT to look into the matter.<br><br>In view of the above, it is proposed to restore the existing ad valorem based rate for Plant & Machinery (0.31%) other than Heavy machinery / equipments fitted with wheels loaded and unloaded as assembled units and Sl. Nos.10 (iii) to (v) of Schedule 3.1.1 of the proposed SoR submitted in June 2016 is proposed to be modified, as given below:
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<tr><th>Sl. No.</th><th>Description</th><th>Unit</th><th colspan="2">Rate (Rs.)</th></tr>
<tr><th></th><th></th><th></th><th>Foreign</th><th>Coastal</th></tr>
<tr><td>10 (iii)</td><td>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</td><td></td><td></td><td></td></tr>
<tr><td></td><td>(a). weighing upto 15 M.T.</td><td>Each</td><td>30,000</td><td>18,000</td></tr>
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<tr><td></td><td>(c). weighing above 30 M.T.</td><td>Each</td><td>1,00,000</td><td>60,000</td></tr>
<tr><td>10 (iv)</td><td>Machinery & Equipment other than mentioned in (iii) above including Electrical and Electronic goods, Wires, Cables, Parts, Tools & Accessories</td><td>Ad valor em</td><td>0.31%</td><td>0.18%</td></tr>
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<br>Further, the difficulties putforth by the users on the implementation of unit / weight based wharfage rate for plant &</td></tr>
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| | | machinery may also be relevant for implementation of tonnage based wharfage rate for unspecified category other than in bulk. Hence, the Port is also proposing to restore the existing structure of dual wharfage rate for unspecified category, viz. tonnage based rate for unspecified cargo in bulk and ad valorem based rate for unspecified cargo other than in bulk and Sl. Nos.17 of Schedule 3.1.1 of the proposed SoR submitted in June 2016 is proposed to be modified, as given below:<br><br><table><tr><th rowspan="2">Sl. No.</th><th rowspan="2">Description</th><th rowspan="2">Unit</th><th colspan="2">Rate (₹ )</th></tr><tr><th>Foreign</th><th>Coastal</th></tr><tr><td>17</td><td>Any other cargo not specified above</td><td></td><td></td><td></td></tr><tr><td>(i)</td><td>in bulk</td><td>M.T.</td><td>74</td><td>44</td></tr><tr><td>(ii)</td><td>other than in bulk</td><td>Ad valorem</td><td>0.50 %</td><td>0.30 %</td></tr></table><br>(The existing ad valorem rate for unspecified category has been reduced from 0.81% to 0.50%, the concessional rate being charged by the Port from 27.11.2015 and the existing tonnage based rate has been increased by 10% towards the general increase proposed in wharfage rates).<br><br>TAMP is, therefore, requested to consider restoration of ad valorem based wharfage rates for the above two tariff items as an exceptional case, giving priority to Ease of Doing Business, subject to review of the position during the next tariff cycle.<br><br>As regards charges for private cranes, As per the existing SoR, Note (4) of Scale-8, Note (5) of Scale-10 and Note (6) of Scale-11(II) under Chapter-III, use of private cranes shall be allowed at the request of the party on payment of 10% of the charges prescribed in the SoR. Accordingly, 10% cranage charges prescribed in the SoR is levied for using private cranes for cargo operations. As per clause 8.4 of Tariff Policy 2015 the Major Ports shall charge only for services provided for them and no notional booking of labour and other similar notional charges would be permitted. In accordance with the above provisions, the existing practice of levying 10% of the cranage charges as per SoR is proposed to be discontinued.<br>With regard to the charges proposed under Sch. 3.2.4 – Charges for permitting use of Private cranes, it is stated that the private cranes deployed inside the Port |

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| | | premises for various purposes use the common infrastructure and facilities of the Port like Roads, Lighting, etc. and are not paying any charges to the Port. The Port has given liberty to the port users to use the private cranes to meet their requirements and the private crane operators are also getting business opportunity within the port premises. With a view to regulate the deployment of private cranes inside the port and also to partly compensate the revenue reduction on account of dispensing of notional levy of cranage charges, it is proposed to collect a permission charge for the private crane operations taking place inside the port premises, from the importers/exporters/other users as per Schedule 3.2.4. of proposed SoR.<br>The port assures to review these charges in the next tariff cycle and also will endeavour to take steps for regulation of private cranes inside the Port by issuing licenses, collection of royalty or licence fee, etc.<br>TAMP is, therefore, requested to approve the charges proposed under Schedule 3.2.4. for the current tariff cycle. |
| (ii) | A new charge has been introduced under heading 3.2.4 which is charges for permitting to use Private Cranes inside Port which is on per package per MT with different weight slabs. If a private operator brings a private crane inside, we see no justification for the port to charge where there is no cost to the port. On the other hand this will only help in faster evacuation. | As per the existing SoR, Note (4) of Scale-8, Note (5) of Scale-10 and Note (6) of Scale-11(II) under Chapter-III, use of private cranes shall be allowed at the request of the party on payment of 10% of the charges prescribed in the SoR. Accordingly, 10% cranage charges prescribed in the SoR is levied for using private cranes for cargo operations. As per clause 8.4 of Tariff Policy 2015 the Major Ports shall charge only for services provided for them and no notional booking of labour and other similar notional charges would be permitted. In accordance with the above provisions, the existing practice of levying 10% of the cranage charges as per SoR is proposed to be discontinued.<br><br>With regard to the charges proposed under Sch. 3.2.4 – Charges for permitting use of Private cranes, it is stated that the private cranes deployed inside the Port premises for various purposes use the common infrastructure and facilities of the Port like Roads, Lighting, etc. and are not paying any charges to the Port. The Port has given liberty to the port users to use the private cranes to meet their requirements and the private crane operators are also getting business opportunity within the port premises. With |

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<tr><td>6.</td><td colspan="2">M/s. B.L.Transport Private Limited (Email dated 11.7.2016)</td></tr>
<tr><td>(i)</td><td>Under Sl. No.14 of wharfage schedule – Ores and Minerals of all kinds like Barytes, Bauxite, Dolomite, etc. the wharfage is quoted at ₹45 / MT. The present wharfage is ₹.23.40 / MT for Exports and the same has been enhanced by 100% which was pointed out in the Port Users meeting on 27.6.2016. With the general increase of 10% on the existing rate, the revised rate should be ₹26/MT. The wharfage rate for Barytes under the clause ore and minerals be rectified.</td><td>Request has been considered. The ambiguity in the description under Sl. No.14 (i) & (iii) crept in due to re-classification and regrouping of entries in wharfage schedule has been rectified by modifying the Sl. No.14 of Schedule 3.1.1 of the proposed SoR submitted in June 2016, as given below:<br><br>
<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Description</th><th rowspan="2">Unit</th><th colspan="2">Rate (Rs.)</th></tr>
<tr><th>Foreign</th><th>Coastal</th></tr>
<tr><td>14</td><td>Ores & Minerals of all kinds</td><td></td><td></td><td></td></tr>
<tr><td>(i)</td><td>Barytes, Bauxite, Dolomite, Ferrosilicon, Flourespar, Felspar, Gypsum, Limestone, Kerb stones & Cobble stones</td><td></td><td></td><td></td></tr>
<tr><td></td><td>(a). Import</td><td>M.T.</td><td>45</td><td>27</td></tr>
<tr><td></td><td>(b). Export</td><td>M.T.</td><td>26</td><td>16</td></tr>
<tr><td>(ii)</td><td>Iron Ore Pellets</td><td>M.T.</td><td>45</td><td>45</td></tr>
</table></td></tr>
<tr><td>(ii)</td><td>The Cargo removal charges' at Sl. No.3, Schedule 3.4 (Page 22) – has been mentioned as ₹.150/- per MT for each removal.</td><td>The firm has not made any pointed remarks on the proposed rate for cargo removal. Hence, no reply / remarks to offer.</td></tr>
<tr><td>(iii)</td><td>Please clarify whether Special Port Service charges for rail borne cargo both inwards and outwards except container – ₹12.50 per MT prescribed under Sl. No.1, Schedule 3.4, includes Haulage charges.</td><td>As per Govt. directions, the Port Railway related charges (except Special Port Service Charge) are fixed by Railway Board and not coming under the purview of TAMP. This has been mentioned in the presentation given in the Port users meeting held on 21.7.2016 and also included in the Highlights of the proposal hosted in the website of the Port. As such, the Special Port Service charge of ₹12.50 per MT is applicable only for rail</td></tr>
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<tr><td></td><td></td><td>bound cargo and does not include Haulage charges.</td></tr>
<tr><td>(iv)</td><td>The wharfage at Sl. No.17 of Schedule 3.1.1 (Residual category) has been increased from ₹66.90 / MT to ₹150 / M.T. which is abnormal with an increase of 125%.</td><td>Request has been considered. The rate for ‘unspecified category – in bulk’ has been revised to ₹74/- per MT for foreign cargo and ₹.44/- per MT for coastal cargo, with 10% general increase proposed in wharfage. As per the Tariff Policy / TAMP Working Guidelines 2015, all ad valorem based wharfage rates in the existing SoR have been modified into weight / each basis.<br><br>Based on the comments received from the users, the matter has been examined and it is observed that the difficulties putforth by the users are found to be reasonable and it will be difficult for the Port also to assess the wharfage for numerous packages comprised in one consignment. It is also observed that some of the neighbouring Ports like KPL, L&T-Kattupalli, Krishnapatnam Port are charging ad-valorem wharfage rates for Plant & Machinery and automobiles. Taking into account the difficulties putforth by the users, TAMP has also requested ChPT to look into the matter.<br><br>In view of the above, it is proposed to restore the existing ad valorem based rate for Plant & Machinery (0.31%) other than Heavy machinery / equipments fitted with wheels loaded and unloaded as assembled units and Sl. Nos.10 (iii) to (v) of Schedule 3.1.1 of the proposed SoR submitted in June 2016 is proposed to be modified, as given below:<br><br>
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<tr><td></td><td>mentioned in (iii) above including Electrical and Electronic goods, Wires, Cables, Parts, Tools & Accessories</td><td></td><td></td><td></td></tr>
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Further, the difficulties putforth by the users on the implementation of unit / weight based wharfage rate for plant & machinery may also be relevant for implementation of tonnage based wharfage rate for unspecified category other than in bulk. Hence, the Port is also proposing to restore the existing structure of dual wharfage rate for unspecified category, viz. tonnage based rate for unspecified cargo in bulk and ad valorem based rate for unspecified cargo other than in bulk and Sl. Nos.17 of Schedule 3.1.1 of the proposed SoR submitted in June 2016 is proposed to be modified, as given below:
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(The existing ad valorem rate for unspecified category has been reduced from 0.81% to 0.50%, the concessional rate being charged by the Port from 27.11.2015 and the existing tonnage based rate has been increased by 10% towards the general increase proposed in wharfage rates).
TAMP is, therefore, requested to consider restoration of ad valorem based wharfage rates for the above two tariff items as an exceptional case, giving priority to Ease of Doing Business, subject to review of the position during the next tariff cycle.
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<td>7.</td>
<td colspan="2">M/s.A.S.Doraiswami & Son (Letter dated 12.7.2016) (copy not endorsed to TAMP)</td>
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<tr>
<td></td>
<td>The firm has stated that they are handling Barytes through ChPT since 30 years and if the rate for barytes is increased their client will think of shifting to Krishnapattinam Port. The firm has requested not to increase the Scale of Rates to retain the client and clinch more business.</td>
<td>
Request has been considered. The ambiguity in the description under Sl. No.14 (i) & (iii) crept in due to re-classification and regrouping of entries in wharfage schedule has been rectified by modifying the Sl. No.14 of Schedule 3.1.1 of the proposed SoR submitted in June 2016, as given below:
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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | Dolomite, Ferrosilicon, Flourespar, Felspar, Gypsum, Limestone, Kerb stones & Cobble stones | | | | |
| | | | (a). Import | M.T. | 45 | 27 | |
| | | | (b). Export | M.T. | 26 | 16 | |
| | | (ii) | Iron Ore Pellets | M.T. | 45 | 45 | |

2.1. A joint hearing on the case in reference was held on 21 July 2016 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 present General Revision proposal has been prepared based on the new Tariff Policy 2015. Earlier revision was based on the Tariff Guidelines of 2005, which was prepared on cost plus approach. The present proposal as per Tariff Policy 2015 is based on the Annual Revenue Requirement of the Port. Ports have the flexibility to decide the rates within the ARR based on the market conditions.

(ii). Chennai Port is at present facing a lot of competition from the neighbouring Ports, viz. Kamarajar, Kattupalli, Krishnapatnam, etc. Port has taken lot of initiatives to retain cargo throughput and get the traffic.

(iii). Makes a brief power point presentation of its proposal. Hard copy is given.

(iv). In the earlier revision of Scale of Rates of CHPT in 2014, an increase of 42% was effected in the vessel and cargo related charges.

(v). Estate rentals have been excluded from the purview of this revision. The rentals were approved in January 2015 and is valid for a period of 5 years upto 2020.

(vi). The SOR is proposed to be simplified to make it more user friendly and tariff is proposed for facilities/ services used by the trade only.

(vii). Port will gain only `.5.00 crores at the 2014 level. It will be break even at 2016 level. The proposal of the port is only to break even and tariff increase is not envisaged to improve profitability.

(viii). The port has initiated various trade promotional measures by way of concession in vessel related charges, wharfage and increase in free days for car exports to attract cargo. It has also undertaken some cost control measures to reduce the overall operating cost of the port.

(ix). Even with the nominal increase of 5% in Vessel related charges and the concession, the tariff is comparable with neighbouring ports.

**Chennai and Ennore Ports Steamer Agents' Association (CEPSAA)**

(i). The VRC was increased by the port by 42% only during the year 2015, which has been accepted by the trade. We request that the existing tariff should be maintained for the next 2-3 years, in order to have sustenance in the business levels. Tariff increase may be considered later based on the trend.

(ii). It is good that the 3 slab pilotage fee proposed in the initial proposal is now proposed on 5 slab basis by CHPT in the revised proposal.

(iii). Prescription of Shifting charges at 20% of pilotage fee results in a steep increase. It should be kept in mind that the shifting charges is borne by the receivers and not owners. The proposed change will further burden the users.

(CHPT: Shifting is similar to pilotage activity and the neighbouring ports also charge shifting as a percentage of Pilotage.)

(iv). As compared to the neighbouring ports, the proposed rates of CHPT are very high. Hence, it is not the right time to increase in tariff. CHPT should try to match its tariff to the neighbouring ports, so as to retain or bring more cargo.

(v). Port should try to enter into long term contracts so as to reap long term benefits.

(vi). NIT award has been implemented after lot of efforts and with the help of Chairman. It has led to reduction in stevedoring cost. Traffic is slowly coming back to port. This is not the right time to increase the time rate wages. It may be withdrawn. Reduce the operating expenditure.

(vii). VRC in Krishnapatnam Port is high. But, high productivity compensates VRC.

**Madras Chamber of Commerce and Industry (MCCI)**

(i). Currently Wharfage charges for Plant & Machinery is payable at 0.31% of the value. This is quite simple to calculate and easy for the customer to budget or estimate. The proposal of the Port is to charge on per package basis with 3 different slabs of rates. This connotes that unless a full packing list is available in advance, during the costing process the charges cannot be calculated since the charges will vary from package-to-package. Final packing list is not available till dispatch of import cargo. Project cargo consignment can comprise of few thousand packages in a shipment. Therefore, segregation of import consignment into various categories for wharfage calculation is a very cumbersome exercise. Further, this will not be in the direction of ease of doing business.

(ii). The definition of Plant & Machinery and Plant & Machinery in loose needs to be stated clearly since the rates are totally different for both.

**Hindustan Chamber of Commerce (HCC) & Chennai Port Stevedores Association (CPSA)**

(i). Majority of the cargo need stevedoring services and in such a scenario, even a small increase of 10% will have detrimental impact.

(ii). Chennai Port is already losing cargo. For example, granite blocks which were earlier handled at Chennai has now shifted to Krishnapatnam. If the Port further increases its Rates, the cargo on hand in Chennai Port is also likely to move to other Ports. It is requested to drop the proposal of any upward revision in the existing Scale of Rates at least to retain the existing cargo at Chennai.

(iii). The port can explore the possibility of reducing its operational costs by 20%.

**Chennai Port Trust (CHPT)**

(i). It is requested that rather going into the individual increase in various tariff items, the overall general position may be seen. Chennai port has to bear the wage revision expenditure due in the next year.

(ii). 5% increase proposed in the VRC is very negligible. It is a ceiling tariff we have freedom to reduce.

(iii). Our tariff is at the ceiling level and in the past year we have given huge concessions, based on commercial judgment.

(iv). In 2014-2015, there was a surplus of `7 crore In 2015-2016, there is a loss of `1 crore On extrapolating the figures, it is seen that the port will be at a loss of `10 crore in 2016-2017 with the given existing tariff. Nobody will do business for a loss. The increase is warranted. We are willing to absorb loss to attract cargo

(v). The port has also implemented the NIT Award.

**Chennai and Ennore Ports Steamer Agents' Association (CEPSAA)**

(i). For handling of Break bulk cargo, the users have many neighbouring ports in the vicinity. Increase of tariff will take cargo away from port.

(ii). Though the 10% cranage charge for using Private cranes is reported to have been dispensed, it is indirectly built on to the users.

(iii). Note 3 at Section 3.2.4, gives an indication that packages weighing more than 140 MT would not be handled at the port.
(CHPT: We will look into this.)

**Indian Oil Corporation Limited (IOCL)**

(i). Even for handling of liquid cargo, the users have options to handle from other neighbouring ports. This is not the right time to increase.

(ii). Shifting charges are levied even for shifting within the jetties.

**Chennai Container Terminal Private Limited (CCTPL)**

(i). We should focus to retain the market by keeping the rates competitive. We should not aim to recover the entire overheads.

(ii). Because of the increase in VRC of CHPT, we have lost some cargo.

(iii). It should be seen whether the final concessional tariff can be published in the website instead of giving discount separately, so that the users are aware upfront about the concessional tariff. Rebate in VRC may be given at the Billing stage itself.

(iv). The concessional scheme should be extended to the feeder vessels to retain business.

**Chennai International Terminals Private Limited (CITPL)**

(i). Because of the increase in VRC of CHPT, we have also lost some cargo.

(ii). We do not want the rates to be increased. Will increase in rates result in increase in volumes?

(iii). Containers come from neighbouring ports by sea to be loaded onto a Mainline Vessel. The loading port in this case is CHPT. CHPT treats this movement as a Coastal transshipment. It is to be seen that the Containers, instead of moving by road are brought by water.
(CHPT: Definition of transhipment is very clear. Instance of CITPL falls within the purview of transhipment definition. Since the operation is

transhipment, the transhipment charges are applicable. If CITPL wants, CHPT will seek clarification from TAMP

**Chennai and Ennore Ports Steamer Agents' Association (CEPSAA)**

(i). Though the port states that it has dispensed with 10% notional charges for use of private cranes, the same is seen to be retained under the head of Charges for Private cranes. This is contradictory. We request for no increase in tariff for the use of private cranes. It may not be approved till we have a dialogue.
(CHPT: We will look into this.)

2.2. A summary of the comments of Madras Chamber of Commerce and Industry (MCCI) given at the joint hearing and the response of CHPT thereon are tabulated below:

<table>
<tr><th>Sl. No</th><th>Comments received from Madras Chamber of Commerce & Industry (MCCI)</th><th>Reply / Remarks of CHPT</th></tr>
<tr><td></td><td>MCCI has furnished following comments, based on the discussions at the Joint hearing:<br>In the proposed revision of tariff under consideration, members of MCCI highlight the inconsistency particularly with reference to Section 3 Wharfage, sub item 10 (iv) on page 16. This deals with wharfage on machinery and equipments. Unlike the conventional and current practice of levying wharfage and ad valorem wharfage of 0.31 of the assessable value, a drastic shift is proposed by recommending that these charges are to be levied based on weight considerations.<br><br>During the TAMP hearing, the MCCI representative has highlighted the impracticability of this proposal, especially when the project cargos of a few thousand packages and handled simultaneously. The entire exercise of having to segregate the import consignment to the various sub categories suggested for the purpose of wharfage calculation will go against the trade facilitation measures. We have also highlighted this issue by presenting a representative packing list to demonstrate the same.<br><br>We also need to draw your attention that during the planning and costing process of a project import, the final packing list is not available till dispatch, and hence certainty of cost cannot be ascertained and this would also impact the arrangements of funds for expeditious clearance of cargos.</td><td>As per the Tariff Policy / TAMP Working Guidelines 2015, all ad valorem based wharfage rates in the existing SoR have been modified into weight / each basis.<br><br>Based on the comments received from the users, the matter has been examined and it is observed that the difficulties putforth by the users are found to be reasonable and it will be difficult for the Port also to assess the wharfage for numerous packages comprised in one consignment. It is also observed that some of the neighbouring Ports like KPL, L&T-Kattupalli, Krishnapatnam Port are charging ad-valorem wharfage rates for Plant & Machinery and automobiles. Taking into account the difficulties putforth by the users, TAMP has also requested ChPT to look into the matter.<br><br>In view of the above, it is proposed to restore the existing ad valorem based rate for Plant & Machinery (0.31%) other than Heavy machinery / equipments fitted with wheels loaded and unloaded as assembled units and Sl. Nos.10 (iii) to (v) of Schedule 3.1.1 of the proposed SoR submitted in June 2016 is proposed to be modified, as given below:<br><br><table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Description</th><th rowspan="2">Unit</th><th colspan="2">Rate (Rs.)</th></tr>
<tr><th>Foreign</th><th>Coastal</th></tr>
<tr><td>10 (iii)</td><td>Machinery & equipment fitted with wheels, as assembled units, like Excavator, Motor Grader, Dumper Trucks, Wheel Loaders, Bull Dozer, Pavers,</td><td></td><td></td><td></td></tr>
</table></td></tr>
</table>

The chamber recommends the existing current practice to continue and suggested to drop the proposal.

It was also highlighted that there appears to be an anomaly in the same schedule between Item no.10 (iv) Plant and Machinery other than item No. (iii) as assembled units and (v) plant and machinery in loose condition. This definition is extremely loose and subject to various interpretations and avoidable disputes. Hence, it is requested to have clear definitions incorporated to avoid disputes and also ensure clarity of understanding of all parties.

We also wish to reiterate the concerns raised by other interests with reference to charges being levied on private crane operations inside the Port.

| | | | | |
|---|---|---|---|---|
| | Power Transformers, Concrete Mixer, etc. along with its own accessories | | | |
| | (a). weighing upto 15 M.T. | Each | 30,000 | 18,000 |
| | (b). weighing above 15 M.T. & upto 30 M.T. | Each | 45,000 | 27,000 |
| | (c). weighing above 30 M.T. | Each | 1,00,000 | 60,000 |
| 10 (iv) | Machinery & Equipment other than mentioned in (iii) above including Electrical and Electronic goods, Wires, Cables, Parts, Tools & Accessories | Ad valorem | 0.31% | 0.18% |

Further, the difficulties putforth by the users on the implementation of unit / weight based wharfage rate for plant & machinery may also be relevant for implementation of tonnage based wharfage rate for unspecified category other than in bulk. Hence, the Port is also proposing to restore the existing structure of dual wharfage rate for unspecified category, viz. tonnage based rate for unspecified cargo in bulk and ad valorem based rate for unspecified cargo other than in bulk and Sl. Nos.17 of Schedule 3.1.1 of the proposed SoR submitted in June 2016 is proposed to be modified, as given below:

| **Sl. No.** | **Description** | **Unit** | **Rate (₹)** | |
|---|---|---|---|---|
| | | | **Foreign** | **Coastal** |
| 17 | Any other cargo not specified above | | | |
| (i) | in bulk | M.T. | 74 | 44 |
| (ii) | other than in bulk | Ad valorem | 0.50% | 0.30% |

(The existing ad valorem rate for unspecified category has been reduced from 0.81% to 0.50%, the concessional rate being charged by the Port from 27.11.2015 and the existing tonnage based rate has been increased by 10% towards the general increase proposed in wharfage rates).

TAMP is, therefore, requested to consider restoration of ad valorem based wharfage rates for

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| | | the above two tariff items as an exceptional case, giving priority to Ease of Doing Business, subject to review of the position during the next tariff cycle. |

2.3. A summary of the comments of users / user organisations as agreed at the joint hearing and comments of CHPT thereon are tabulated below:

| Sl. No | Comments of users on revised proposal dated 28.6.2016 | Reply / Remarks of CHPT |
|---|---|---|
| 1. | **Chennai Port Stevedores Association (CPSA)** | |
| | The proposal for any upward revision in existing SOR may be dropped by CHPT. | Port has proposed a nominal increase of 5% in vessel related charges, 10% increase in wharfage and Special Port Service Charge for rail borne cargo. The time rate wages has been updated for actual D.A. increase. On the other hand, the Port has dispensed with the C&F levy and notional crane charges for using ships' gears / private cranes. The net additional revenue to the Port on account of the proposal is estimated to be ₹6 crores p.a. while the shortfall in Annual Revenue Requirement is to the tune of ₹230 crores. Further the Port has offered a number of concessions in vessel related and cargo related charges with annual revenue implication of around ₹100 crores to retain the existing traffic and attract additional traffic.<br><br>Hence, the nominal increase proposed by the Port may be considered. |
| | Point No.3.2.4"Charges for permitting to use Private Cranes inside the Port", wherein the Rates for vessel and cargo operation in various slabs in relation to the weight of the packages has been given. However, in the Highlights of the Revised Proposal it has been stated that "10% of F.C. Thangam and Crane charges for using private cranes has been dispensed".<br><br>As the above captions create an anomaly, we request to delete the point No. 3.2.4 so that the revised proposal of '10% of F.C. Thangam and Crane charges for using private cranes has been dispensed' will become effective. | As per the existing SoR, Note (4) of Scale-8, Note (5) of Scale-10 and Note (6) of Scale-11(II) under Chapter-III, use of private cranes shall be allowed at the request of the party on payment of 10% of the charges prescribed in the SoR. Accordingly, 10% cranage charges prescribed in the SoR is levied for using private cranes for cargo operations. As per clause 8.4 of Tariff Policy 2015 the Major Ports shall charge only for services provided for them and no notional booking of labour and other similar notional charges would be permitted. In accordance with the above provisions, the existing practice of levying 10% of the cranage charges as per SoR is proposed to be discontinued.<br><br>With regard to the charges proposed under Sch. 3.2.4 – Charges for permitting use of Private cranes, it is stated that the private cranes deployed inside the Port premises for various purposes use the common infrastructure and facilities of the Port like Roads, Lighting, etc. and are not paying |

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| | | any charges to the Port. The Port has given liberty to the port users to use the private cranes to meet their requirements and the private crane operators are also getting business opportunity within the port premises.<br><br>With a view to regulate the deployment of private cranes inside the port and also to partly compensate the revenue reduction on account of dispensing of notional levy of cranage charges, it is proposed to collect a permission charge for the private crane operations taking place inside the port premises, from the importers/exporters/ other users as per Schedule 3.2.4. of proposed SoR.<br>The port assures to review these charges in the next tariff cycle and also will endeavour to take steps for regulation of private cranes inside the Port by issuing licenses, collection of royalty or licence fee, etc.<br><br>TAMP is, therefore, requested to approve the charges proposed under Schedule 3.2.4. for the current tariff cycle. |
| 2. | **Chennai International Terminals Pvt. Ltd. (CITPL)** | |
| | In our comments to earlier proposal, it was stated that the SOR increase would result in Vessels with LOA less than 225 m paying higher VRCs.<br><br>In the revised proposal for SOR increase, the scenario has <u>worsened</u> and will result in the <u>VRC of ALL container vessels to be increased</u> (based on average length of vessels LOA) calling CITPL and the largest vessel calling CITPL.<br><br>The proposed SOR is most definitely <u>unfavourable to the container vessel operators calling Chennai</u> in comparison with the neighbouring container terminals which are much lower.<br><br>The new proposed rates will further give reasons for these operators / <u>customers to move and divert more container business away from Chennai Port</u> to nearby competitor ports such as Kattuppali and Kamarajar Port.<br><br>We strongly request ChPT to review and reduce container vessel related charges such as berthing + pilotage etc. for all vessel sizes to ensure that the proposed SoR and its benefits are more inclusive | As per existing SoR, Pilotage Rate increases with the increase in vessel size and is calculated directly (Total GRT x rate). In the original proposal, Pilotage Fee was restructured on incremental GRT basis with reduction in unit rates for second and third slabs at 80% and 70% of the first slab respectively, as per TAMP guidelines. This has resulted in increase in Pilotage Fee for smaller vessels (< 30000 GRT) and decrease for bigger vessels (> 30000 GRT).<br>Based on comments / objections from users (CHENSAA) on the steep increase in pilotage charges for smaller vessels and also taking into account that 2/3rd of the total vessels calling at ChPT are less than 30000 GRT, Pilotage Fee as per existing SoR structure has been restored.<br>The no. of slabs has been reduced from 6 to 5, by clubbing "upto 3000 GRT" category with "3001 to 10000 GRT".<br><br>A nominal increase of 5% in vessel related charges for all vessels has been proposed, despite huge deficit of about Rs.230 crores between Annual Revenue Requirement (ARR) and Estimated income from operations. Further, the Port has implemented two concession schemes in |

| | | |
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| | and meaningful to the entire trade and port community. | vessel related charges exclusively for container vessels, viz. (i) 15% concession in VRC for all container vessels and (ii) concession ranging from 5% to 40% for Mainline container vessels, based on throughput achieved and GRT of the vessel. As per the Concession Scheme for Mainline Container vessels, the bigger vessels will enjoy more concession than the smaller vessels. For example, a vessel above 30000 GRT is eligible for a maximum concession of 45% in VRC. Hence, the actual VRC paid by the container vessels are lower than the ceiling tariff and are comparable with other neighbouring Ports. |
| | **CITPL - (Letter dtd. 1.8.16)** | |
| | The SOR increase proposal on VRCs would result in all container vessels paying a higher VRCs than current and is definitely un-favourable to the container vessel operators calling Chennai in comparison with the neighbouring container terminals which are charging much lower.<br><br>The new proposed rates on VRCs will further give reasons for these operators / customers to move and divert more container business away from Chennai Port to nearby competitor ports such as kattuppalli and Kamarajar Port.<br><br>The above action is contradictory to the message that Chennai Port Trust is sending out to the trade that, It is more favourable to call the shipments at CHPT instead of the competitor ports.<br><br>The above action by Chennai Port Trust to increase the VRC for the container vessels to cross subsidise all other Chennai Port Trust activities is tantamount to “killing the goose that lays the golden eggs”, as the container business is the main revenue generator for Chennai Port Trust past few years, ever since coal handling was suspended by court order.<br><br>The CITPL once again appeals to Chairman and Channai Port Trust to reduce the VRC further to be in line with the neighbouring competitor ports, to ensure that Chennai Port remains attractive to handle container business.<br><br>The CITPL strongly requests Chennai Port to review and reduce container vessel related charges for all vessel sizes. | CITPL has reiterated the comments furnished in their earlier letter dated 14.7.2016 for which ChPT has furnished its remarks on the comments vide its letter dated 3.8.2016 which may kindly be referred.<br><br>It is stated that only a nominal increase of 5% in vessel related charges for all vessels has been proposed in the periodical general exercise to account for normal escalation. Since the container vessels are enjoying a flat concession of 15% and a volume based concession for mainline vessels, ranging from 5% to 40%, there will be minimum increase for container vessels compared to other vessels.<br><br>The point made by the firm that the port has increased the VRC for container vessels to cross-subsidize all other activities is incorrect. As stated above, the Port has proposed a general increase of 5% in VRC for all vessels and not for container vessels alone. Further, it may be noted that fixing of rates based on activity wise costing stipulated in erstwhile ‘Tariff Guidelines 2005’, has been done away with and as per the new Tariff Policy 2015, the rates are to be arrived based on the Annual Revenue Requirement. Accordingly, the increase in VRC is only to partially meet the shortfall in the ARR and not to cross subsidize some other activity.<br><br>Further, the rates fixed by TAMP are ceiling levels and the Port is having powers to offer discounts /concessions.<br><br>The Terminals are also requested to extend their support by taking steps to enter into long term contracts with the |

<table>
<tr><td></td><td></td><td>liners / vessel owners and also consider giving concessions / discounts in the handling charges, in order to retain / attract more container traffic.</td></tr>
<tr><td>3.</td><td>The Chennai & Ennore Ports Steamer Agents Association (CHENSAA)</td><td></td></tr>
<tr><td>(i).</td><td>2.2.1. Schedule of Pilotage Fees<br><table>
<tr><th>Existing per GRT</th><th>Proposed per GRT</th><th>Difference</th><th>Peercentage %</th></tr>
<tr><td>Upto 3000 GRT – 0.55238</td><td>Upto 30000 GRT</td><td>0.12462</td><td>(+) 18.410</td></tr>
<tr><td>3001 to 10000 GRT – 0.38198</td><td>0.677</td><td>0.29502</td><td>(+) 43.578</td></tr>
<tr><td>10001 to 15000 GRT – 0.44020</td><td>“</td><td>0.2368</td><td>(+) 34.978</td></tr>
<tr><td>15001 to 30000 GRT – 0.50694</td><td>“</td><td>0.17006</td><td>(+) 25.120</td></tr>
</table></td><td>As per existing SoR, Pilotage Rate increases with the increase in vessel size and is calculated directly (GRT x rate). In the original proposal, Pilotage Fee was restructured on incremental GRT basis with reduction in unit rates for second and third slabs at 80% and 70% of the first slab respectively, as per TAMP guidelines. This has resulted in increase in Pilotage Fee for smaller vessels (< 30000 GRT) and decrease for bigger vessels (> 30000 GRT). In the comparison table furnished by CHENSAA<br><br>However, based on comments / objections from users (CHENSAA) on the steep increase in pilotage charges for smaller vessels and also taking into account that 2/3$^{rd}$ of the total vessels calling at ChPT are less than 30000 GRT, Pilotage Fee as per existing SoR structure has been restored in the revised proposal (with 5% increase) sent to TAMP on 28.6.2016.</td></tr>
<tr><td>(ii).</td><td>2.2.3 Schedule of Shifting Charges<br><table>
<tr><th>Existing per GRT</th><th>Proposed per GRT</th><th>Difference</th><th>Percentage %</th></tr>
<tr><td>Upto 30000 GRT – 0.07313</td><td>25% Pilotage Prescribed in schedule 2.2.1.</td><td></td><td>(+) 56.800</td></tr>
<tr><td>and other tariff / over GRT 60000</td><td>“</td><td></td><td>“</td></tr>
</table></td><td>The shifting activity is similar to pilotage activity and involves same kind of inputs. At other neighbouring Major Ports, shifting charges are fixed in proportion to Pilotage Fee, which is ranging from 25% to 56%. Hence, the shifting charges were proposed at 25% of Pilotage Fee. However, taking into account the comments made by the users (CHENSAA) on the steep increase in pilotage charges, the shifting charges has been reduced from 25% to 20% of Pilotage Fee, in the revised proposal sent to TAMP on 28.6.2016.</td></tr>
<tr><td>(iii).</td><td>Despite several requests from us and the trade, the Port increased VRC 42% during the year 2014 for which the trade is yet to recover from the higher tariff and still requesting for reduction in the existing tariff, however, CHENSAA has observed that the Port is again proposing huge increase in the VRC as highlighted above, which will have greater impact on the trade, to bear such huge cost under recession period.<br><br>Append below a comparison provided by CHENSAA members with the existing Chennai Port tariff of the Vessel call of</td><td>With regard to comparison of Vessel related costs with regional foreign ports, it is stated that the comparison of VRC alone may not be meaningful as there may be a difference in cargo related charges and other port costs at Indian Ports and foreign ports. Further, the volumes handled at the foreign ports are also not comparable with ChPT. The users will appreciate that comparison of charges with International Ports is a macro level issue. Hence the Port is constrained to express its inability to address the concern of the CHENSAA in the short run.</td></tr>
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<table>
<tr><td></td><td>32,200 m / tons GRT (34 Hrs Berth Stay) as an example for perusal which is self-explanatory.<br><br><table><tr><td colspan="3">COMPARISON OF VESSEL RELATED COST</td></tr><tr><td>S.NO.</td><td>PORT OF CALL</td><td>COST (in USD)</td></tr><tr><td>1</td><td>CHENNAI</td><td>36041</td></tr><tr><td>2</td><td>SINGAPORE</td><td>13873</td></tr><tr><td>3</td><td>COLOMBO</td><td>7508</td></tr><tr><td>4</td><td>PORT KELANG</td><td>5737</td></tr></table><br>Note :<br>Additionally, with more Private Terminal Operators entry within a small radius of Chennai, this may not be the right time for CHPT to propose any hike in VRC and its high time that the Port to support all Vessel Operators to ensure they survive and continue their calling in Chennai Port.<br><br>Taking into account the problems facing by the trade with lowest freight levels / vessels been idled without cargo / lay off / hardship facing by owners / some of the owners become bankrupt due to no cargo volumes etc, on behalf of our members, we would request you to kindly consider and do not increase any charges for next 3 years in order to have sustenance in the business levels.</td><td>A nominal increase of 5% has been proposed in vessel related charges for all vessels, with an additional income of ₹17 crores, despite huge deficit of about ₹230 crores between Annual Revenue Requirement (ARR) and Estimated income from operations. Further, the port has also offered a number of concessions in vessel related charges for container vessels, break bulk cargo vessels and coastal RoRo vessels.<br><br>Hence, the proposal submitted by the Port may be considered.</td></tr>
<tr><td>4.</td><td>Global Port Solutions Pvt. Ltd.</td><td></td></tr>
<tr><td></td><td>In order to encourage more efficiency and better services from stevedores, port must increase its berth hiring charges cost per day so that the port users are encouraged in using hi tech and modernized equipment to handle the cargo in an efficient manner and Chennai Port may cater to more number of vessels.</td><td>The Port is facing severe competition from the neighbouring major / non-major ports. The port has implemented various concessions in vessel related charges to retain existing cargo / attract more volumes. The users have made a plea not to increase the VRC for the next 3 years. However, taking into account the financial position of the Port, a nominal 5% increase in vessel related charges including Berth Hire has been proposed.</td></tr>
<tr><td>5.</td><td>Chennai Container Terminals Pvt. Ltd. (CCTPL) (Email dtd.1.8.16)</td><td></td></tr>
<tr><td></td><td>Since CCTPL is a container terminal operator within the port, we are restricting our observations with respect to the vessel related charges only.<br><br>The CCTPL objects to the proposal for increasing the vessel related charges of Port Dues, Pilotage and Berth Hire charges.<br><br>As represented by us in the Joint hearing, Chennai Container Terminal is facing severe competition with the new port functional at Kattupalli and further capacity expansion within 2016 being expected in</td><td>The Port has proposed a nominal increase of 5% in the VRC for all vessels as a part of the periodical general revision exercise to account for normal escalation.<br><br>Considering the competitive scenario, the Port is offering two schemes of concessions in vessel related charges for container vessels, viz. a flat upfront concession of 15% for all container vessels and an additional volume based concession ranging from 5% to 40% for mainline vessels in order to retain existing traffic and attract additional traffic.</td></tr>
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| | Ennore. This is in contrast to the scenario, where the industrial growth which reflects on the cargo and relevant container volume in this part of the country is not commensurate with that of the expansion of the terminal capacity. With this background in mind, Chennai port shall provide competitive prices for the Port charges.<br><br>The CCTPL would submit that CHPT has to revise the tariff accordingly to foremost retain the existing business and additionally lure the market.<br><br>Through the increase in CHPT proposed tariff is only 5% of the current tariff, the same is 50% more than the tariff of competition port for a normal category of container vessel calling at Chennai port with a GRT of 49000 and port stay of around 40 hrs.<br><br>Higher vessel related charges will undoubtedly drive the vessels away from the Chennai port. We, as a container terminal operator, will be aggrieved with reduced volume and consequently our business viability will be at stake.<br><br>The CCTPL also submit that recently some of the vessels which were calling at our terminal have been diverted to the competition port for the aforesaid reason thus resulting in revenue loss both to us as well as Chennai port. On an average, the revenue from a voyage of this type to Chennai Port by way of Revenue share and Vessel related charges is approximately 28 Million per Month. However since the vessel related charges are more than Competition by around 1 M per voyage, the vessels are diverted to the competitor port. The CCTPL would suggest that Chennai Port should consider this fact and by considering a rebate of 4 M per month, the new revenue ChPT can earn is 24 M per month. The annual impact of this loss due to diversion of one vessel is around 294 M annually.<br><br>While the CCTPL is aware that this rates have been fixed based on new policy guidelines 2015; as per this guideline, while going for a change in SOR the Major Port Trusts have to ensure that as a result of the changes in SOR there will not be a loss of traffic. The responsibility of ensuring this would rest with the Chairman of the Major Port Trusts. Due to this, the | The Terminals are also requested to extend their support by taking steps to enter into long term contracts with the liners / vessel owners and also consider giving concessions / discounts in the handling charges, in order to retain / attract more container traffic.<br><br>At ChPT, a vessel of 49000 GRT will enjoy a flat concession of 15% applicable for container vessels and also eligible for a volume based concession ranging from 10% to 30% depending upon the volume of TEUs handled by the liner, as per details given below:<br><br>Volume of TEUs handled in a year — Extent of concession for GRT of vessel from 30,000 to 50,000<br>50,001 to 75,000 — 10%<br>75,001 to 1,00,000 — 15%<br>1,00,001 to 1,25,000 — 20%<br>1,25,001 to 1,50,000 — 25%<br>Above 1,50,000 — 30%<br><br>Considering the mean slab of 1,00,001 to 1,25,000 TEUs, the vessel will enjoy 20% concession. A comparison of VRC at ChPT and neighbouring Ports, after taking into account the above concessions are given below:<br><br>GRT 49000 USD = 66.40 Stay: 40 Hrs.<br>**Name of the Port** — **Total VRC (Rs. in lakhs)**<br>Chennai Port (as per proposed ceiling tariff) — 4.01<br>**Chennai Port (after concessions)** — **2.61**<br>Kamarajar Port (Ennore) — 4.82<br>Cochin — 4.29<br>New Mangalore — 2.79<br>Krishnapatnam — 2.69<br>Visakhapatnam — 2.68<br>L&T Port, Kattupalli — 2.49<br>VOCPT, Tuticorin — 2.36<br><br>It can be seen from the above table that the VRC after concession at ChPT is comparable with neighbouring Ports.<br><br>With reference to diversion of vessels to competitive ports and consequent revenue loss, CCTPL has pointed out that by offering a rebate of 4 Million per month, the |

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| | CCTPL would urge CHPT to provide the adequate rebates over this rates as stated above. At present, the rebates are given annually with many conditions attached. Due to this, the shipping lines find it difficult to receive the rebates in time. The CCTPL would suggest that the rebates have to be provided then and there with each voyage and in fact, The CCTPL has urged the CHPT to publish the rates after applying the rebates i.e., Post Discounted rates, in their website so that the volumes are not drifted away. | ChPT will be in a position to earn 24 Million Per month. In this connection, it is stated that as per the Tariff Policy / Guidelines 2015, the Port has offered concession schemes commonly applicable to all agents / users. The Policy Guidelines do not allow the Port to consider concession on a case to case basis. However, if full details of vessels, charges payable to ChPT after concession and charges actually paid at the competing terminals are furnished by the Terminal, the same will be examined by the Port.<br><br>With reference to provisions of Tariff Policy 2015 pointed out by CCTPL regarding loss of traffic due to changes in the SoR, it is stated that the Port has already implemented a number of schemes giving discounts / concession in the TAMP approved tariff, to retain the existing traffic and attract additional traffic. It is stated that apart from tariff, there may be a number of other factors which may have to be examined for diversion of vessels / traffic. However, if specific cases involving diversion of vessels / traffic due to increase in SoR is brought to the notice of the Port, the same will be examined.<br>P<br>It is further stated that as per clause 3.08 A (i) (b) of the License Agreement entered with M/s.CCTPL, the Operator shall also make efforts to maximize cargo handled so as to achieve optimal utilization of the Project facilities and services. Hence, the Terminal Operators are requested to take up the issue of diversion of vessels / traffic with the concerned agencies and take all out efforts to bring back and retain the traffic. The Port will be open to examine any proposal from the terminals to attract / retain container traffic based on volume commitments and long-term contracts.<br><br>With reference to publishing the post discounted rates in the website, it is stated that the Scale of Rates approved by TAMP is published in the website. It is stated that as the ceiling rates are approved by a statutory authority and concessions / discounts are within the powers of the Port and implemented for specific periods, it may be difficult to publish post discounted rates in the website. However, details of Concession schemes have been published in the website of the Port separately and Trade Notices are being issued to the concerned users / user associations in order to give wide publicity. |

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