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Tariff Authority for Major Ports

G. No. 359

New Delhi,

10 December 2014

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from the Chennai Port Trust for fixation of Reference tariff for development of a Multi-cargo Terminal at Jawahar Dock (East) berths in Chennai port under PPP mode on DBFOT basis under the guidelines for Determination of Tariff for Projects at Major Ports, 2013 as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/55/2014-CHPT

Chennai Port Trust

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Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Chandra Bhan Singh, Member (Economic)

ORDER

(Passed on this 11th day of November 2014)

This case relates to the proposal received from the Chennai Port Trust for fixation of Reference tariff for development of a Multi-cargo Terminal at Jawahar Dock (East) berths in Chennai port under PPP mode on DBFOT basis under the guidelines for Determination of Tariff for Projects at Major Ports, 2013.

1.2. The Ministry of Shipping (MOS) under cover of its letter No.PR-14019/16/2012-PG dated 31 July 2013 has issued 'Guidelines for Determination of Tariff for Projects at Major Ports, 2013' under Section 111 of the Major Port Trusts Act, 1963 on 31 July 2013. In compliance of the policy directives issued by the (MOS) under Section 111 of the MPT Act, 1963, the said Guidelines were notified vide Notification No.TAMP/18/2013-Misc. in the Gazette of India on 8 August 2013, vide Gazette no.214. The said Guidelines were made effective from 31 July 2013.

1.3. Subsequently, the MOS issued revised Guidelines for Determination of Tariff for Projects at Major Ports, 2013 under Section 111 of the Major Port Trusts Act and made it effective from 9 September 2013. The said revised guidelines were notified in the Gazette of India on 30 September 2013 vide Gazette No.254.

2.1. In this connection, the Chennai Port Trust (CHPT) under cover of its letter dated 6 October 2014 (received by us on 10 October 2014) has submitted the proposal for determination of Reference tariff for development of Jawahar Dock (East) berths as a Multi-cargo Terminal in Chennai Port under PPP mode on DBFOT basis, under the guidelines for Determination of Tariff for Projects at Major Ports, 2013.

2.2. The main points about the proposal as mentioned in the covering letter of CHPT are as follows:

- (i). In line with the 2013 Reference tariff Guidelines, it is proposed to adopt the tariff notified for the Paradip Port Trust (PPT) vide Notification no. 51 dated 16 February 2010 and subsequent notification of tariff for the same project vide notification no. 139 dated 28 April 2010.
- (ii). It is relevant to mention here that the tariff for the containers has been excluded as the project does not envisage handling of containers. However, all other cargoes forming part of the tariff notification of PPT are relevant to the proposal of CHPT.
- (iii). In line with Clause 2.2 of the tariff guidelines, an escalation factor of 24.27% has been considered while escalating charges (as applicable for escalation of tariff orders passed in 2009-10 to 2014 -15) approved in the TAMP notification. Though the tariff was notified in the year 2010-11, the respective tariff orders belong to the period 2009-10. Accordingly, the value of escalation factor was taken as applicable on 1.1.2009.
- (iv). The project has been approved by the Board of Trustees of CHPT in their meeting held on 26 June 2014.

2.3. From the extract of the Minutes of the Board Meeting furnished by the CHPT, the following points are relevant to mention:

- (i). Initially, RFQ bids were invited for conversion of JD (East) berths as Container terminal. However, no bids were received. Traffic congestion issues inside and outside the Port and the general worldwide drop in container volumes were said to be the reasons for the poor response.
- (ii). Thereafter, the project was restricted so as to develop JD (East) as Terminal for Container cum Multi cargo for handling containers & other cargoes including edible oils, sugar, food grains, granite, limestone, slag & finished steel products.
- (iii). However, during internal discussions, it emerged that only multi cargoes along with edible oils be handled as there is sufficient reserve capacity available to handle containers at the existing Container Terminals and there would be additional traffic congestion if a third Container Terminal is also developed in this area.
- (iv). The project was restructured as a multi cargo terminal after taking into account the private operation of HMCs inside the Port on non-PPP mode.
- (v). The restructured proposal requires backup area of 15 hectares as against 20 hectares originally proposed and the project cost will also come down to ₹ 369 crores compared to ₹ 475 crores, as RMQs and RTGs would not be required under the present arrangement

2.4 The CHPT has furnished the 'Reference Tariff Schedule' and the 'Performance Standards' along with its proposal.

3.1 It is relevant hereto mention that as per Clause 2.2 of the revised 2013 Guidelines, in case no upfront tariff has been fixed for a commodity at that Major Port Trust or if the highest tariff fixed for a particular commodity in the concerned major Port Trust does not represent the project proposed to be developed, then the concerned Major Port Trust can propose to TAMP any other tariff fixed under 2008 Tariff guidelines in any other major Port Trust which is representative enough for that commodity giving detailed and sufficient justification.

3.2 In this context, the CHPT had neither explained how the tariff of PPT would be representative enough to be adopted in its case nor had it given detailed and sufficient justification for the adoption of the PPT Reference tariff rate. In relation to this, the CHPT was requested vide our letter dated 22 October 2014 to provide detailed and sufficient justification for adopting the Reference Tariff rates of the PPT.

3.3 In this connection the CHPT has responded vide its letter dated 30 October 2014. The submission made by the CHPT is given below:

- (i) The Multipurpose cargo Terminal proposed at JD(E) through the PPP route on DBFOT basis is the first of its kind in CHPT. As such, no tariff has been fixed earlier at CHPT for the commodities planned to be handled at the above terminal under the 2008 tariff guidelines of TAMP.
- (ii). In the absence of tariff for the commodities envisaged at the JD(E) terminal, the tariff approved by the TAMP for the Multi Cargo Terminal for PPT under the 2008 guidelines, vide notification no. 139 dated 28 April 2010 is chosen as the reference tariff for the present terminal and duly escalated as per the 2013 Guidelines. The PPT rates have been adopted since the profile of cargoes in both cases are substantially the same and the PPT proposal also relates to conversion of an existing terminal like JD(E) at CHPT.

- (iii). As containers, cars and POL will not be handled at JD(E) berths, the tariffs approved by the Authority for these commodities in case of the PPT terminal, have been excluded by CHPT, while proposing the Reference Tariff for the JD(E) Terminal.
- (iv). Considering the equipment profile at the PPT and CHPT terminal the Performance standards for the PPT terminal have been adopted for the JD(E) Terminal also.

4.1 Subsequently, the CHPT vide its letter dated 3 November 2014 had furnished the list of the individual cargoes covered in each category of cargo under the proposed Performance Standards.

4.2 On perusing the CHPT letter dated 3 November 2014, it was seen that the nomenclature of cargo for which performance standards was proposed did not match with the cargo description for which reference tariff is proposed. The CHPT was, therefore, requested vide our letter dated 3 November 2014 to relook at its proposal and modify cargo description for Performance Standards in such a manner as to duly match the cargo description in the reference tariff schedule. The CHPT was also requested to suitably modify the nomenclature of cargo in line with the prescription in case of PPT and to ensure that the proposed performance standards matches with the handling rate considered in the optimal quay capacity calculation in the adopted PPT upfront tariff case.

4.3 In relation to this, the CHPT, in suppression to its earlier letter dated 3 November 2014, vide its email dated 7 November 2014 has modified and furnished the revised cargo classification and corresponding Performance Standards as tabulated below:

Commodities	Unit	Rate in Rupees (Foreign)	Rate in Rupees (Coastal)	Performance Standards (Indicative Norms)
Iron and Steel products and others	Tonne	160.31	96.18	6,000 T/day
Aluminum ingots, pig iron, finished fertilizers, food grains, sugar	Tonne	76.96	46.18	12,500 T/day

4.4. The CHPT has also forwarded the revised draft Reference tariff Schedule and revised performance Standards.

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

- (i). Based on a proposal filed by the Chennai Port Trust (CHPT), this Authority vide its Order dated 25 September 2013 had fixed Reference tariff for the Container Terminal to be developed at Jawahar Dock (East) berths of CHPT, under the Guidelines for Determination of Tariff for Projects at Major Ports, 2013. It is noteworthy that the CHPT then had proposed adoption of the upfront tariff fixed in respect of the container terminal at Jawaharlal Nehru Port Trust (JNPT) and the same was approved. However, on the ground of non-receipt of bids for the said project, the CHPT has restructured the project so as to enable it to handle multipurpose cargo excluding containers.
- (ii). Though the CHPT has furnished its proposal under cover of its letter dated 6 October 2014, it has subsequently vide its letter dated 7 November 2014, filed a revised draft Schedule of rates and revised performance Standard, for the reasons brought out in the earlier part of the Order. Thus, the submissions made by the CHPT in its proposal dated 6 October 2014, the revised draft Schedule of rates and revised performance Standard furnished by the CHPT vide its letter dated 7 November 2014 along with the information/ clarification furnished by the port during the processing of this case is considered in this analysis.

- (iii). As per Clause 2.2 of the revised 2013 Guidelines, in case no tariff has been fixed for a commodity at that Major Port Trust or if the highest tariff fixed for a particular commodity in the concerned major Port Trust does not represent the project proposed to be developed, then concerned Major Port Trust can propose to TAMP any other tariff fixed under 2008 Tariff guidelines in any other major Port Trust which is representative enough for that commodity giving detailed and sufficient justification.
- (iv). The CHPT has clarified that the Multipurpose cargo Terminal proposed at JD(E) through the PPP route on DBFOT basis is the first of its kind in CHPT. No tariff has been fixed earlier at CHPT for the commodities planned to be handled at the above terminal under the 2008 tariff guidelines of TAMP and hence the upfront tariff fixed for a facility at another port i.e. Paradip Port Trust (PPT) has been adopted. In this connection, the CHPT has relied upon the Order No TAMP/43/2009-PPT dated 19 January 2010 and the subsequent Order dated 31 March 2010 reviewing the earlier PPT Order dated 19 January 2010. The main reasons cited by the CHPT for adopting the upfront tariff of the PPT are as follows:
 - (a). The cargo profile in the case of PPT as well as the CHPT is substantially same except for container handling which is not envisaged by CHPT for the proposal facility
 - (b). The PPT facility is based on conversion of an existing terminal like JD(E) terminal at CHPT.
 - (c). Considering the equipment profile at the PPT and CHPT terminal, the Performance standards based on the handling rate for the PPT terminal have been adopted for the JD(E) Terminal also.

Based on the submissions made by the CHPT and relying on the same, this Authority is inclined to consider the proposal of CHPT for adopting the upfront tariff notified for PPT.

- (v). The cargo description in the PPT Order covers three cargo categories viz. (a). Iron and Steel products (b). Aluminum ingots, pig iron, finished fertilizers, food grains, sugar and (c). Container handling. The CHPT has proposed adoption of the upfront tariff of the PPT proposed reference tariff for two cargo categories viz. (a) Iron and Steel products and others and (b). Aluminum ingots, pig iron, finished fertilizers, food grains and sugar. The port has clarified that as it does not propose to handle containers at the proposed facility it has not sought Reference Tariff for Container handling in its proposed Reference tariff Schedule.

In this context, it is noteworthy that while fixing the upfront tariff in the case of PPT, the upfront tariff for the multipurpose clean cargo as well as the containers have been determined separately, based on separate capital costs, operating costs, revenue requirement, etc., assessed for two cargo groups viz. multipurpose cargo and container. Since the CHPT does not envisage to handle containers at the proposed facility, the approach adopted by the Port to adopt the upfront rate approved by this Authority for PPT in respect of the multipurpose clean cargo at PPT is found to be reasonable and hence is accepted.

- (vi). The CHPT has adopted an escalation factor of 24.27% (being the escalation factor to be applied in the year 2014-15 in respect of tariff with the base WPI as on 1 January 2009). The CHPT has stated that though the PPT Order has been passed in the year 2010, the upfront tariff Order belonged to the period 2009-10 and hence escalation factor with base WPI of January 2009 is considered to arrive at the proposed Reference Tariff.

In this regard, it is relevant to mention here that Para 12.1 of the PPT Order dated 19 January 2010 and schedule 1.6 of the upfront tariff schedule of PPT clearly states that the tariff caps will be indexed to inflation but only to an extent of 60% of the

variation in Wholesale Price Index (WPI) occurring between 1 January 2010 and 1 January of the relevant year.

As per the Clause 2.2 of the 2013 guidelines, tariff set under the tariff guidelines of 2008 needs to be escalated to the extent of 60% of the WPI for the period between 1 January of the year as prescribed in the relevant Order of the TAMP under 2008 guidelines and 1 January of the year, when the reference tariff for the project is notified. In the instant case, the upfront tariff Order of the PPT, being adopted by the CHPT, explicitly prescribes 1 January 2010 as the base WPI for applying the escalation factor. Hence, the escalation factor to be applied in the current CHPT case has to be with reference to base WPI of 1 January 2010 as prescribed in the adopted Order of PPT. The contention of the CHPT for applying the escalation factor with base WPI as 1 January 2009 is not found to be in line with the provision stipulated in Clause 2.2 of the 2013 guidelines.

In view of the above position, the Reference tariff proposed by the CHPT for its project, has been reworked by applying the escalation factor at 22.52%, being the escalation factor to be applied in the year 2014-15 in respect of the upfront tariff with the base WPI as on 1 January 2010, instead of 24.27% considered by the CHPT.

- (vii). With regard to the Reference tariff Schedule, the following points are relevant:
- (a). The CHPT has proposed the definition of the Per Day as "Per day means per calendar day unless otherwise stated." In the upfront tariff Schedule of PPT of January 2010, which has been considered as the base, per day has been defined as "Per Day means per calendar day or a part thereof." The proposed definition of the term "Per day" is slightly modified adding the words "or part thereof" in line with the prescription in the PPT.
 - (b). The CHPT has defined VIAN as "VIAN means Vessel Identification Advise Number". The upfront tariff Schedule of PPT of January 2010 does not define the term 'VIAN'. Since the definition proposed by the Port is found to be in line with the definition prescribed for VIAN in the Scale of Rates of other Major Port Trusts, the same is allowed to be prescribed in CHPT case as well.
 - (c). Generally, in the General Terms and Conditions prescribed in the Upfront/ Reference tariff Schedule, a note to the effect that a foreign going vessel of Indian Flag having a General Trading License can convert to Coastal run on the basis of a Customs Conversion Order, is prescribed. The CHPT, at Sr.no (ii) (a) under Section 1.2 - General Terms & Condition, has proposed modification to the said note to the effect that 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 or on filing of Coastal International General Manifest in Coastal Establishment Section of Customs Department. The proposed note is not found to be in line with the note generally prescribed in this regard in the Upfront/ Reference tariff Schedules in its own port and other Major Port Trusts. The port has also not furnished any extraordinary circumstances for proposing modification from the general prescription in other Major Ports. In view of this position, the general note as prescribed in the Scale of Rates of other Major Port Trusts is prescribed in the Reference Tariff Schedule of CHPT to maintain uniformity in the prescription.
 - (d). As stated earlier, the PPT upfront tariff was approved for handling of multipurpose clean cargo including containers. Therefore, the upfront tariff Schedule of PPT includes the definition, general notes, charges and the conditionalities pertaining to handling of containers also. Since the CHPT does not envisage handling of containers, it has rightly excluded these provisions in its proposed Reference tariff Schedule.

- (viii). Clause 2.2 of the revised tariff guidelines of 2013 requires this Authority to prescribe the Reference Tariff along with the Performance Standards. Though the revised guidelines of 2013 do not require this Authority to go into the Performance Standards proposed by the port it may not be unreasonable to assume that the ports would propose reasonable and achievable Performance Standards. In the revised draft Performance Standards, the CHPT has proposed performance Standards of 6000 tonnes/ day in respect of Iron and Steel products and others and 12500 tonnes/ day for Aluminum ingots, pig iron, finished fertilizers, food grains, sugar. The performance standards proposed by the CHPT is seen to be in line with the handling rates considered while determining the optimal capacity of PPT and hence is approved.

The other performance standards prescribed by the CHPT relating to Transit Storage Dwell Time for Import and Export Cargo, Turnaround Time for receipt/ delivery operation are also approved, as proposed by the CHPT.

It is relevant here to mention that Clause 2.5 of the 2013 revised tariff guidelines stipulates that the Reference Tariff and Performance Standards notified by TAMP would be mentioned in the bid document and subsequently in the Concession Agreement in respect of PPP Projects. As per the said guidelines, it is only on the achievement of the Performance Standards as incorporated in the Concession Agreement, that the operator would be eligible for any performance linked tariff. It is true that the revised 2013 guidelines only requires prescription of performance standards. It does not stipulate as to what constitutes performance standard. Since the CHPT has expressed its desire to prescribe the performance standards as proposed by it, the same is prescribed by this Authority.

- (ix). The note proposed by CHPT governing the indexation of reference tariff for future period that the tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2014 and 1 January of the relevant year and that such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31st March of the following year, is approved, as the reference tariff is fixed in the year 2014.

6.1. Subject to above, the Reference Tariff Schedule along with conditionalities governing the Reference Tariff has been modified.

6.2. The modified Reference Tariff Schedule is attached as **Annex - I** and the Performance Standards for the Multipurpose Cargo Terminal as proposed by the CHPT is attached as **Annex - II**.

6.3. In the result, and for the reasons given above, and based on a collective application of mind, the modified Reference Tariff Schedule and the Performance Standards for the CHPT multipurpose cargo terminal are approved.

6.4. As per clause 2.5 of the Revised Tariff Guidelines 2013, the Reference Tariff and Performance Standards notified by this Authority shall be mentioned in the bid document and subsequently in the Concession Agreement in respect of PPP Projects. Accordingly, the CHPT may be advised to incorporate the Reference Tariff and Performance Standards to be approved by this Authority, in the bid document and subsequently in the Concession Agreement in respect of PPP Projects.

7.1. From the date of Commercial Operation (CoD) till 31st March of the same financial year, the tariff would be limited to the indexed Reference Tariff relevant to that year, which would be the ceiling. The aforesaid Reference Tariff shall be automatically revised every year based on an indexation as provided in para 2.2 of the tariff guidelines of 2013 which will be applicable for the entire concession period.

However, the PPP operator would be free to propose a tariff along with Performance Standards (the "Performance Linked Tariff") from the second year of operation onwards, over and above the indexed Reference Tariff for the relevant financial year, at least 90 days before the 1st April of the ensuing financial year. Such Performance Linked Tariff shall not be higher than 15% over and above the indexed Reference Tariff for that relevant financial year (and this will be the Tariff Cap). The Performance Linked Tariff would come into force from the first day of the following financial year and would be applicable for the entire financial year.

7.2. The proposal shall be submitted to this Authority along with a certificate from the independent engineer appointed under the Concession Agreement of the Project indicating the achievement of Performance Standards in the previous 12 months as incorporated in the Concession Agreement or for the actual number of months of operation in the first year of operation, as the case may be.

7.3. On receipt of the proposal, this Authority will seek the views of the CHPT on the achievement of Performance Standards as outlined in para 5 of the tariff guidelines of 2013, within 7 days of receipt.

7.4. In the event of Operator not achieving the Performance Standards as incorporated in the Concession Agreement in previous 12 months, this Authority will not consider the proposal for notifying the Performance Linked Tariff for the ensuing financial year and the Operator shall be entitled to only the indexed Reference Tariff applicable for the ensuing financial year.

7.5. After considering the views of the CHPT, if this Authority is satisfied that the Performance Standards as incorporated in the Concession Agreement have been achieved, it shall notify the performance linked tariff by 15th of March to be effective from 1st of April of the ensuing financial year.

7.6. While considering the proposal for Performance Linked Tariff, this Authority will look into the Performance Standards and its adherence by the Operator. This Authority will decide on the acceptance or rejection of the Performance Linked Tariff proposal based on the achievement or otherwise of the Performance Standards by the operator. Determination of indexed Reference Tariff and Performance Linked Tariff will follow the illustration shown in the Appendix attached to the tariff guidelines of 2013.

7.7. From the third year of operation, the Performance Linked Tariff proposal from the PPP operator shall be automatically notified by this Authority subject to the achievement of Performance Standards in the previous 12 months period as certified by the Independent Engineer. The PPP operator, for the Performance Linked Tariff from the third year onwards, will submit the Performance Linked Tariff proposal along with the achievement certificate from the independent engineer by 1st March and this Authority shall notify by 20th March, the Performance Linked Tariff to be effective from the ensuing financial year.

7.8. In the event any user has any grievance regarding non-achievement by the PPP operator of the Performance Standards as notified by this Authority, he may prefer a representation to this Authority which, thereafter, shall conduct an inquiry into the representation and give its finding CHPT. The CHPT will be bound to take necessary action on the findings as per the provisions of the respective Concession Agreement.

7.9. Within 15 (fifteen) days of the signing of the Concession Agreement, the concerned operator will forward the Concession Agreement to this Authority which will host it on its website.

7.10. The PPP operator shall furnish to this Authority quarterly 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 berth. The quarterly reports shall be submitted by the PPP operator within a month following the end of each quarter. Any other information which may be required by this Authority shall also be furnished to them from time to time.

7.11. This Authority shall publish on its website all such information received from PPP operator. However, this Authority shall consider a request from any PPP operator about not publishing

certain data/ information furnished which may be commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data/information in question and the likely adverse impact on their revenue/ operation of upon publication. The decision of this Authority in this regard would be final.

(T.S. Balasubramanian)

Member (Finance)

CHENNAI PORT TRUST

REFERENCE TARIFF SCHEDULE FOR MULTIPURPOSE CARGO TERMINAL

CHAPTER 1 – DEFINITIONS & GENERAL TERMS & CONDITIONS

1.1. DEFINITIONS – GENERAL

- (i). **“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 competent authority.
- (ii). **“Foreign-going vessel”** shall mean any vessel other than Coastal vessel.
- (iii). **“Free period”** shall mean the period during which cargo/container is allowed storage free of demurrage charges/ground rent and this period shall exclude Customs notified holidays and Terminal's non-operating days.
- (iv). **“Per day”** means per calendar day or a part thereof unless otherwise stated.
- (v). **“Port”** shall mean Chennai Port Trust
- (vi). **“Port area”** means the custom bound area / Port operational Area of the Port.
- (vii). **“VIAN”** means Vessel Identification Advise Number.
- (viii). **“Week”** shall mean a period of 7 days.

1.2 GENERAL TERMS AND CONDITIONS

- (i). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for its classification as 'coastal' or 'foreign-going' for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.
- (ii).
 - (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.
 - (b). A foreign going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.
 - (c). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.
 - (d). In cases of such conversion coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations; immediately thereafter, foreign-going rates shall be chargeable by the discharge ports.
 - (e). For dedicated Indian coastal vessels having a Coastal Licence from the Director General of Shipping, no other document will be required to be entitled to Coastal rates.
- (iii). Interest on delayed payments / refunds:
 - (a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the operator shall pay penal interest on delayed refunds.
 - (b). The rate of penal interest will be 2% above the Prime Lending Rate of State Bank of India (SBI). The penal interest rate will apply to both the operator and the port users equally.

- (c). The delay in refunds will be counted only 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.
- (d). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the operator. This provision shall, however, not apply to the cases where payment is to be made before availing the services / use of Port Trust's properties as stipulated in the Major Port Trust Act and / or where payment of charges in advance is prescribed as a condition in this Scale of Rates.
- (iv). All charges worked out shall be rounded off to the next higher rupee on the grand total of each bill.
- (v). No claims for refund shall be entertained unless the amount refundable is ₹ 100/- or more. Likewise, Terminal Operator shall not raise any supplementary or under charge bills, if the amount due to Terminal is ₹ 100/- or less.
- (vi). The users will not be required to pay charges for delays beyond a reasonable level attributable to the operator.
- (vii). The vessel related charges for all Coastal vessels should not exceed 60% of the corresponding charges for other vessels.
- (viii). (a). The rates prescribed in this Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The operator may, if he so desires, charge lower rates and/ or allow higher rebates and discounts.
- (b). The Operator may also, if it so desires, rationalize the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalization gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels. Provided that the operator 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.

1.3. BERTH HIRE CHARGES:

The berth hire charge payable by masters / owners / agents of the vessel and other floating craft approaching or lying alongside the berth shall be as per the rates given below:

S.No.	Vessels	Rate per GRT per hour	
		Foreign Going Vessel (₹)	Coastal Vessel (₹)
1	All vessels	1.005	0.603

Notes:

- (i). The time for the purpose of levy of berth hire shall be reckoned from the time vessel occupies the berth till she vacates the berth.
- (ii). Berth hire includes charges for services rendered at the berth, such as occupation of berth, rubbish removal, cleaning of berths, fire watch, etc.
- (iii). No berth hire shall be levied for the period when the vessel idles at its berth for continuous one hour or more due to breakdown of terminal operator's equipment or power or for any other reasons attributable to the terminal operator.

- (iv). (a). Berth hire shall stop 4 hours after the time of vessel signaling its readiness to sail.
- (b). The time limit of 4 hours prescribed for the cessation of berth hire shall exclude the ship's waiting time for want of favorable tide conditions, inclement weather, and due to lack of night navigation.
- (c). The master/agent of the vessel shall signal readiness to sail only in accordance with favorable tidal and weather conditions.
- (v). The Penal Berth hire shall be equal to one-day's (24 hours) berth hire charge for a false signal. "False signal" would be when the vessel signals 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 vessels. This excludes the signaling readiness when a vessel is not able to sail due to unfavorable tide, lack of night navigation or adverse weather conditions.
- (vi). Ousting Priority / Priority berth hire:
- The rate and conditions for granting ousting priority berthing / priority berthing will be governed by extant Government guidelines in this regard and provisions prescribed in the Scale of Rates of Chennai Port Trust.

1.4. MULTIPURPOSE CARGO RELATED CHARGES

(A). HANDLING CHARGES:

The cargo handling charges shall be payable on the manifested cargo directly by the importer of cargo at the rates specified below:

S. No.	Commodity	Unit	Rate in ₹ (Foreign)	Rate in ₹ (Coastal)
1	Iron and Steel products and others	Ton	158.05	94.83
2	Aluminum ingots, pig finished fertilizers, food grains, sugar.	Ton	75.88	45.52

The handling charges prescribed above is a composite charge for (i) unloading of the cargo from the vessel and transfer of the same upto the point of storage, storage at the stackyard upto a free period of 5 days and loading on to rakes/trucks in respect of import cargo and (ii) unloading of the cargo from the rakes/trucks at the stackyard, storage at the stackyard upto a period of 15 days, transfer the cargo to the loading point and loading onto the ship including stevedoring. This composite charge includes wharfage and supply of labour, wherever necessary and all other miscellaneous charges not specifically prescribed in the Scale of Rates.

(B). STORAGE CHARGES:

The storage charges for the cargo stored in the stack yard beyond the free period allowed shall be as below:

Free period:

Import cargo : 5 days free
Export cargo : 15 days free

Storage charges after free period:

IMPORT

S. No.	Commodity	Unit	Rate for 6 th -12 th day (₹)	Rate for 13 th -19 th day (₹)	Rate for 20 th day onwards (₹)
1	All types of Multipurpose cargo	Per ton	6.126	9.189	12.252

EXPORT

S. No.	Commodity	Unit	Rate for 6 th -12 th day (₹)	Rate for 13 th -19 th day (₹)	Rate for 20 th day onwards (₹)
1	All types of Multipurpose cargo	Per ton	6.126	9.189	12.252

Notes:

- (i). Five free days for import cargo and fifteen free days for export cargo shall be allowed. For the purpose of calculation of free period, Customs notified holidays and Terminal's non- working days shall be excluded.
- (ii). Storage charges shall be payable for all days including Terminal's non- working days and Customs notified holidays for stay of cargo beyond the prescribed free days.
- (iii). Free period for import cargo shall be reckoned from the day following the day of completion of final discharge from the vessel.
- (iv). Free period for export cargo shall commence from the actual date of the receipt of cargo in the operator's premises.
- (v). Storage charge on cargo shall not accrue for the period when the terminal operator is not in a position to deliver / ship the cargo when requested by the user due to reasons attributable to the terminal operator.

(C). MISCELLANEOUS CHARGES

The composite charge for all miscellaneous services such as environment and management, sweeping of cargo on the wharf, safety measures, etc. shall be as below:

S. No.	Commodity	Unit	Rate in ₹
1	All types of Multipurpose cargo	Per Ton	5.82

1.5. GENERAL NOTE TO SCHEDULE (1.3) and (1.4) ABOVE:

The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2014 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31 March of the following year.

PERFORMANCE STANDARDS**1. Gross Berth Output**

The Gross Berth Output shall be calculated as the total cargo handled (either loaded/unloaded) from the ship during a month divided by the time spent by the ship at the terminal number of working days of ships in that month at that terminal. While determining the number of working days from the ship hours, the berth allowance of 4 hours shall be subtracted from the total hours.

The indicative norms for Gross Berth Output for different categories of Cargo to be handled at this berth are as follows:

Cargo Category	Indicative Norms
Iron and steel products and others	6,000 tonnes per day
Aluminium ingots, pig iron, finished fertilizers, food grains, sugar	12500 tonnes per day

2. Transit Storage Dwell Time:**(a). All Types of Multi Cargo:**

The Transit Storage Dwell Time for Break Bulk Cargo is the sum of time of each unit of cargo that remains in the Port in a month divided by the number of cargo units handled during that month in the terminal. To further clarify, the time the break bulk cargo remains in the port will commence from the date and time of landing till the date and time of exit from the Port in case of import and for export from the date and time the cargo entered the Port area till the date and time of the shipment.

Transit Storage Dwell Time – Import

(a)	Other Cargo (at stack yard)	5 days after date of completion of vessel's discharging operation.
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Export

(a)	Other Clean Cargo (at stack yard)	15 days upto commencement of ship loading operation
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3. Turn around Time for receipt/delivery operation:

The Turn around Time for receipt /delivery operation shall be the sum of time taken for loading/unloading of cargo divided by the number of trucks/trailers/rakes deployed, as the case may be, in a month. Further, in case the truck/trailer/rake does both unloading and loading operations on a single entry into the terminal, the time allocated shall be doubled for those trucks/trailers/rakes.

A (i)	Truck for conventional cargo (Single Operation)	4 hours
A(ii)	Truck for conventional cargo (double Operation)	8 hours