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# Tariff Authority for Major Ports

**G No. 230** **New Delhi,** **31 July 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 (CHPT) for notification of Reference Tariff for supply, maintenance and operation of Harbour Mobile Cranes at Berth Nos.WQ-I, II, III & IV and Center Berth, SQ-I & II JD-I & III and JD-V at Chennai Port Trust (CHPT) under Revised Guidelines for Determination of Tariff for Port Projects at Major Ports, 2013, which were notified vide Notification No.TAMP/18/2013-Misc. dated 30 September 2013 in the Gazette of India vide Gazette No. 254 as in the Order appended hereto.

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

# Tariff Authority for Major Ports

**Case No. TAMP/20/2014-CHPT**

**Chennai Port Trust** - - - - - **Applicant**

**QUORUM:**

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri C.B. Singh, Member (Economic)

**O R D E R**

(Passed on this 30th day of June 2014)

This case relates to a proposal received from the Chennai Port Trust for notification of Reference Tariff for supply, maintenance and operation of Harbour Mobile Cranes at Berth Nos.WQ-I, II, III & IV and Center Berth, SQ-I & II, JD-I & III and JD-V at Chennai Port Trust (CHPT).

2.1. The main points made by the CHPT in its proposal dated 30 April 2014 for notification of Reference Tariff for the Harbour Mobile Cranes (HMCs) at the CHPT under the tariff guidelines of 2013 are summarised below:

(i). The project is proposed to be awarded for procurement of Mobile Harbour Cranes at Chennai Port through agreement.

(ii). Cargo to be handled at the facility

The cargo to be handled includes dry bulk cargo (including fertilizers), steel and bagged cargo and break bulk cargo. The different cargoes categorized as dry bulk include lime stone, dolomite, barites, gypsum, food grains such as wheat handled in bulk, etc. These would be handled using a hopper. The graph reported in the proposal shows that the current levels of the above cargo types handled and the projection based on the most likely scenario made by the technical consultant for the years starting from financial year 2016 to financial year 2024. The cargo projected at the berths for the year 2015-16 is 10.8 million tonnes and 16.33 million tonnes for 2023-24.

(iii). Berths to be provided for cargo handling

The port is of the view that the equipment profile needs to be determined by the load bearing capacity at these berths. At Chennai port, the load bearing capacity varies from 3 t/sqm to 6 t/sqm. However, the equipment available in the market are with a uniform quay load of 2 t/sqm. Hence, the port is of the view that the profile of the cranes is unlikely to be impacted by the load bearing capacity of the berths. The following table provides the brief details regarding the load bearing capacity at these berths.

| Berth | Load bearing capacity in tons/sqm |
|---|---|
| WQ I, II, III & IV & CB | 6 t/sqm |
| SQ I & II | 3 t/sqm |
| JD I & III | 5 t/sqm |
| JD V | 3 t/sqm |

The outreach capacity of the cranes is determined by the capacities of the vessel. The range of vessel sizes handled by the port in the year 2012-13 is given below:

| Berth group | DWT of the vessel | | | | | |
|---|---|---|---|---|---|---|
| | Upto 10,000 | 10,001 to 20,000 | 20,001 to 30,000 | 30,001 to 40,000 | 40,001 to 50,000 | 50,001 to 80,000 |
| WQ I to IV & CB | 138 | 171 | 79 | 14 | 9 | 4 |
| SQ I & II and JD west berths | 45 | 96 | 25 | 24 | 21 | 42 |

(iv). Proposed scope of work and equipment to be provided by the developer

(a). The Operator will handle the dry bulk cargo, steel and bagged cargo and other break bulk cargo. Based on the cargo projection, the number of Mobile harbour cranes (MHC) required for the project is two each with 100 ton capacity to perform operation between ship to shore and vice versa.

(b). These equipment will be maintained as a common pool deployable at West quay berths and at South Quay and Jawahar Dock berths based on the requirements. The technical specifications for the equipment are as follows:

| (i). | **Technical specifications :** | |
|---|---|---|
| | Lifting Capacity | Upper limit 100 Tons and lower limit 34 Tons. |
| | Max. Out-reach | Not less than 32 mtrs. and not more than 48 mtrs. |
| | Minimum Out-reach | Not less than 11 mtrs and not more than 12 mtrs. |
| | Tower cab height<br>(Operator eye level) | Not less than 21 mtrs. |
| | Handling compatibility | Dry bulk, steel, bagged and other break bulk cargo |
| | Working speeds | Hosting/ lowering : 0 to 60 mtrs/min<br>Slewing : 0 to 1.5 rpm<br>Luffing : 0 to 40 mtrs/min<br>Travelling : 0 to 5 kmph |
| (ii). | **Design of the equipment** | The self-propelled Rubber Tyred Mobile Harbour Crane with crane control and crane management system (Integrated monitoring system) shall be designed and built to incorporate the latest technological features in “large crane” engineering using most advanced CAD/CAE design, engineering and calculation technology. The design shall be as per the relevant standards, to suit the local site conditions and to meet the requirement likely to occur in actual operations for the following:<br><br>• Bulk handling by grab<br>• Handling of heavy items like project cargo |

(v). For the purpose of cargo handling, the CHPT has proposed two Harbour Mobile Crane with Grab.

(vi). **Optimal Capacity**:

(a). The guidelines for upfront tariff determination for multipurpose berth issued in the year 2008 suggest that the capacity be divided between the different types of cargo as the efficiency of the crane is different for different types of cargo. Under this proposal, it has been assumed that the capacity of the crane is the capacity of the overall system. However, the operating efficiency is considered equal for loading and unloading operation. The computation of optimal capacity of the system is given below:

(b). The following table shows the computation of optimal capacity of the system:

| Cargo Types | Cargo Share (in %) | Handling Rate or Shipday output (Tonnes/day) - Assumed at 70% efficiency | Handling Rate in tonnes per hour at 100% efficiency - Handling Rate/24 hours/70% | Normative working hours per annum - TAMP Guidelines | No of Cranes deplo-yable | Allocated Capacity (Tonnes) |
|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | [(ii) x (iv) x (v) x (vi)] |
| Dry Bulk (Including Food Grains and Fertilizer) | 69% | 12500 | 744 | 4000 | 2 | 4,106,880 |
| Steel and Bagged Cargo | 14% | 6000 | 357 | 4000 | 2 | 399,840 |
| Other Break Bulk | 17% | 3750 | 223 | 4000 | 2 | 303,280 |
| | | | | | | **4,810,000** |

The values for cargo share have been assumed based on the percentage share of these cargoes handled at Chennai Port during the year 2012-13. An extract from the feasibility report containing the cargo handled for the year 2012-13 is shown in the table given below. It may be observed that the percentage share of cargoes is the same as that used in the above table.

**Type of cargoes handled in 2012-13 at Chennai Port**

| Cargo type | Traffic for 2012-13 | Traffic share |
|---|---|---|
| **Dry Bulk and Fertilizer** | 62,43,000 | 69% |
| **Iron and Steel** | 12,92, 000 | 14% |
| **Other Bulk cargoes** | 14,71,000 | 17% |
| **Total** | 90,06,000 | 100% |

The handling rate considered for a MHC for handling each of the types of cargo is as approved by TAMP in case of the tariff order for "Upgradation of Mechanical handling infrastructure in Tuticorin Port" vide notification no. G-201 dated 12$^{th}$ August 2012. A similar methodology was considered appropriate for this project as well. TAMP had considered a norm of 4000 working hours per annum. Hence, these daily capacities at 70% handling efficiency were converted to hourly handling rate at 100% efficiency levels. The reduction in efficiency levels is subsequently factored in while considering overall capacity at only 4000 working hours per annum. Based on these calculations, the overall capacity of the system is calculated as 4.810 million tonnes. The same has been shown in the table above.

(vii). **Capital cost**:

The capital cost for the project based on current estimates and prevailing rates is given below:

| Capital Cost | ₹ in Lakh |
|---|---|
| Harbour Mobile Cranes (100T) – 2 nos. | 5,164 |
| Contingency | 258 |
| Misc. Cost | 258 |
| **Total** | **5,680** |

Miscellaneous cost of 5% and Contingency cost of 5% has been assumed as per TAMP guidelines.

(viii). **Operating cost:**

(a). The operating costs for the project has been worked out on the basis of TAMP guidelines wherever possible. For instance, the fuel requirement for MHC has been assumed based on a norm of 70 litres per hour per 100 ton MHC. This normative value was approved by TAMP in case of the tariff order for Tuticorin Port referred to earlier.

(b). With respect to expenditure on heads such as maintenance, insurance and general expenses, the norms suggested by TAMP have been assumed. For the purpose of depreciation, the TAMP guidelines suggest that the provisions of Companies Act be considered. The provisions as per the Companies Act 2013 (ref Schedule II of section 123) suggest that the useful life of heavy lift equipments be considered as 20 years. This translates to a depreciation rate of 5% per annum. However, the Act also suggests that the depreciation rate be increased by 100% of existing rate in case of a three shift operation. This would mean that the depreciation rate of 5% gets doubled to 10%. For the purpose of depreciation, a value of 10% of capital cost has been assumed.

(c). The operating cost considered for the purpose of this proposal is given below:

**Dry bulk cargo (including fertilizer)**

| **Operating Cost** | **Norm** | **No. of equip-ments** | **Working hours per annum** | **Unit Rate (₹)** | **Total Cost - Working** | **Total Cost (₹ Lakh)** |
|---|---|---|---|---|---|---|
| Fuel – for 2 MHC | 70 litres/ hour/crane | 2 (2 cranes with allocated capacity of 69%) | 4000 | 59 | 70 litres per hour per crane x 2 cranes x ₹ 59 per litre x 4000 hours per annum x 69% | 227 |
| Maintenance | 5% of Allocated Capital Cost | | | | 5% x 3919 lakh | 196 |
| Insurance | 1% of Allocated Capital Cost | | | | 1% x 3919 lakh | 39 |
| Depreciation | 10% of Allocated Capital Cost | | | | 10% x 3919 lakh | 392 |
| License Fee | ₹4726 per 100 sq.m. per month | | | | 4726 x 759/100 x 12 | 5 |
| Other expenses | | | | | 5% x 3919 lakh | 196 |
| **Total Operating Cost** | | | | | | **1055** |

**Steel, bagged and other break bulk cargo**

| **Operating Cost** | **Norm** | **No. of equip-ments** | **Working hours per annum** | **Unit Rate (₹)** | **Total Cost - Working** | **Total Cost (₹ Lakh)** |
|---|---|---|---|---|---|---|
| Fuel - for 2 MHC | 70 litres/ hour/crane | 2 (2 cranes with allocated capacity of 31%) | 4000 | 59 | 70 litres per hour per crane x 2 cranes x ₹59 per litre x 4000 hours per annum x 31% | 102 |
| Maintenance | 5% of Allocated Capital Cost | | | | 5% x 1761 lakh | 88 |
| Insurance | 1% of Allocated Capital Cost | | | | 1% x 1761 lakh | 18 |
| Depreciation | 10% of Allocated | | | | 10% x 1761 lakh | 176 |

| Operating Cost | Norm | No. of equip-ments | Working hours per annum | Unit Rate (₹) | Total Cost - Working | Total Cost (₹ Lakh) |
|---|---|---|---|---|---|---|
| | Capital Cost | | | | | |
| License Fee | ₹4726 per 100 sq.m per month or part thereof | | | | 4726 x 341 sq.m./100 x 12 | 2 |
| Other expenses | | | | | 5% x 1761 lakh | 88 |
| **Total Operating Cost** | | | | | | **474** |

(ix). The Annual Revenue Requirement has been estimated as follows:

| Sl. No. | Particulars | Dry bulk cargo (including fertilizer) ₹ Lakh | Steel, bagged and other break bulk cargo (₹ Lakh) |
|---|---|---|---|
| **1** | Total Operating Cost | 1055 | 474 |
| **2** | 16% ROCE | 627 | 282 |
| | **Annual Revenue Requirement** | **1682** | **756** |

(x). The segregation of annual revenue requirement is given below:

| Tariff Group | % share | Annual Revenue Requirement (₹ lakh) For dry bulk cargo | Annual Revenue Requirement (₹ Lakh) For steel, bagged and other break bulk cargo (₹ Lakh) |
|---|---|---|---|
| Cargo handling charges | 98% | 1648 | 741 |
| Miscellaneous Charges | 2% | 34 | 15 |
| **Total** | | **1682** | **756** |

(xi). The rates proposed by the CHPT are as follows:

(a). **Dry Bulk Cargo**

| Dry Bulk (Including Fertilizer) | Description of Services | Foreign (₹ per tonne | Coastal (₹ per tonne) |
|---|---|---|---|
| **Handling Charges** | Handling of cargo from ship to shore using grab, loading and vice versa | 43.63 | 26.18 |
| **Miscellaneous charges** | Shifting of cargo within the vessel if necessary | 0.89 | 0.53 |

(b). **Steel and Bagged Cargo**

| Steel and Bagged Cargo | Description of Services | Foreign (₹ per tonne) | Coastal (₹ per tonne) |
|---|---|---|---|
| **Handling Charges** | Handling of cargo from ship to shore using crane and vice versa | 90.85 | 54.51 |
| **Miscellaneous charges** | On shore handling of cargo | 1.85 | 1.11 |

(c). **Other break bulk cargo**

| Other Break Bulk | Description of Services | Foreign (₹ per tonne) | Coastal (₹ per tonne) |
|---|---|---|---|
| **Handling Charges** | Handling of cargo from ship to shore using crane and vice versa | 145.77 | 87.46 |
| **Miscellaneous charges** | On shore handling of cargo and carriage to storage area in times of emergency | 2.97 | 1.78 |

2.2. Thereafter, at our request, the CHPT under cover of its letter dated 05 May 2014 (**Page No. 150-227/c**) has furnished the Feasibility Report.

3. As part of consultative process prescribed, a copy of the CHPT proposal was forwarded to the relevant stakeholders. The comments received from the relevant stakeholders were made available to the CHPT as feedback information. The CHPT has responded to the comments of the stakeholders.

4. Based on the preliminary scrutiny of the proposal, the CHPT was requested to furnish additional information/clarifications on some issues vide our letter dated 19 May 2014 (**Page Nos.250-253/c**). After a reminder, the CHPT has responded vide its email dated 17 June 2014 (**Page Nos. 376-380/c**). The queries raised by us and the response of CHPT thereon are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Queries raised by us</th><th>Response of CHPT</th></tr>
<tr><td>I.</td><td><u>General</u>:<br>The proposal of the CHPT filed under cover of its letter No.MEE/M1/024/2014/DY. CME(R&D) dated 30 April 2014 is for supply, operation and maintenance of Harbour Mobile Cranes at the berths of CHPT. However, the Feasibility Report furnished by CHPT under cover of its letter No.MEE/M1/024/2014/DY. CME(R&D) dated 5 May 2014 is for supply and operation of other cargo handling equipments, apart from Harbour Mobile Cranes. Therefore, the relevance of the Feasibility Report to the proposal filed by CHPT to be explained. The Feasibility Report relevant for the proposal filed by CHPT to be furnished.</td><td>To reduce the total project duration, the Feasibility report prepared for PPP Project was taken as it is, except the requirement of MHC as per Section 5 & Equipment deployment under Section 6.<br><br>Based on the throughput for the year 2012-13 and 2013-14 and to get more participation from the Developers, the MHC requirements was assessed as Two Nos. Depending upon the increase in Cargo, the Developers can deploy more Crane as per the Tender Provision. Hence, the Feasibility Report submitted holds good for this Project also.</td></tr>
<tr><td>II.</td><td><u>Optimal Capacity</u>:<br><br>The CHPT has stated to have relied upon the cargo mix of Dry bulk & Fertiliser, Iron & Steel and Other Bulk Cargo at 69%, 14% and 17% respectively, based on the cargo mix that prevailed during the year 2012-13. In this regard, the CHPT to consider the cargo mix that prevailed during the immediate previous year viz., 2013-14, as it may reflect a fair picture of the cargo mix at CHPT.</td><td>As suggested by TAMP, based on the Cargo Mix for the year 2013-14, the Tariff proposal is being revised and submitted.<br><br>(The details of the cargo handled during the year 2013-14, as furnished by the CHPT is as follows:<br><br><table><tr><th>No.</th><th>Type of Cargo</th><th>Quantity handled</th><th>Cargo share in %</th></tr><tr><td>1</td><td>Dry Bulk (including Fertilisers)</td><td>5966</td><td>68%</td></tr><tr><td>2</td><td>Steel & Bagged Cargo</td><td>1411</td><td>16%</td></tr><tr><td>3</td><td>Other Break Bulk</td><td>1347</td><td>16%</td></tr><tr><td></td><td>Total</td><td>8724</td><td></td></tr></table></td></tr>
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| | | |
|---|---|---|
| III. | **<u>Capital Cost:</u>** | |
| (i). | The CHPT has considered the cost of HMC as considered in the Order no. TAMP/45/2013-CHPT dated 29 November 2013. In this regard, it may be recalled that the CHPT in the proceedings relating to the said case had not furnished documentary evidence in support of the cost of HMC. Considering the passage of time from last Order, the CHPT to update the cost of HMC based on the prevailing market rate. The CHPT to furnish documentary evidence in support of the cost of the HMCs, so considered. | The Documentary evidence in support of the cost of MHC is furnished. In the previous calculation for capital cost the foreign exchange conversion was taken as ₹ 59 / Euro. Now based on SBI exchange rate as on 02.06.2014 the rate was taken as ₹ 79.10. Accordingly the Tariff proposal is being revised and submitted.<br><br>(The document furnished by the CHPT reflects the basic cost of HMC at 3158120 Euros, the duty component to the tune of 275000 Euros and cost of grabs to the tune of 175000 Euros. Considering the Euro exchange factor of ₹ 79.10 per Euro, the working furnished by the CHPT is sumamrised below:<br>Basic Cost 3158120 Euros<br>Duty 275000 Euros<br>Grabs 175000 Euros<br>Total Cost 3608120 Euros<br>Exchange rate 79.10 Rupees<br>Cost of 1 HMC 284413542 Rupees<br>**Cost of 2 HMC 568827084 Rupees**<br>In this connection, it is to state that considering the total cost at 3608120 Euros and the Exchange rate of ₹ 79.10 per Euro, as reported to have been considered by the CHPT, the cost of one no. of HMC should work out at ₹ 28.54 crores and the cost of 2 no. of HMCs should work out to ₹ 57.08 crores. It appears that there is arithmetical error in arriving at the cost of HMCs.) |
| (ii). | The CHPT to furnish workings to determine the cost of the said equipment as considered in its calculations. CHPT to clarify whether duty elements, if any, are considered in the calculation of the cost of the HMC. | The duty elements are also included in the Cost calculation of the MHC. |
| (iii). | At page no.9 of the proposal, the description of the equipment is mentioned as HMC with Grab. Therefore, the CHPT to clarify whether the estimated cost of the HMC includes the cost of grab also. If not, the capital cost estimate to be modified suitably. | The cost of the MHC is inclusive of cost of Grab also. |
| IV. | **<u>Operating Costs</u>**: | |
| (i). | The CHPT has indicated the licence fee as ₹4726/- per 100 sq.m per month. In this regard, the CHPT to furnish the basis for considering the said rate by giving reference to its Scale of Rates and supported by necessary workings. | Developed land for parking of MHC is taken as 1,100 Sq. mt. The License fee for the area ₹ 4726/- per 100 Sq. m taken as Reference from the Scale of Rates of CHPT. |
| (ii). | Further, in the licence fee calculation, the basis for considering an area of 759 sq. mtrs. and 341 sq. mtrs of land for dry bulk and steel, bagged & other dry cargo respectively to be explained. | For Cost allocation purpose the area of 1,100 Sq. m is bifurcated as 748 Sq. m land for Dry Bulk and 352 Sq. m. land for Steel bagged & Other Dry Cargo based on the Cargo share – 68% and 32% respectively. |

<table>
<tr><td>(iii).</td><td>Since the area occupied by the HMC may be same irrespective of the nature of cargo handled by it, the reason for not considering uniform area for handling both types of cargo to be explained.</td><td>For Cost allocation purpose, even though MHC handle same type of cargo, the land is not considered as uniform area.</td></tr>
<tr><td>(V).</td><td>The basis for considering the share of foreign and coastal cargo at 80:20 to determine the per tonne handling rates and the miscellaneous rates to be explained.</td><td>The Total Cargo handled in Chennai Port considered as 92% of cargo by Foreign Vessels and 08% as Coastal Vessels, based on the average of past three years.<br>(The details of the percentage of foreign and coastal cargo as furnished by the CHPT are as follows:<table><tr><th>No.</th><th>Year</th><th>Coastal</th><th>Foreign</th></tr><tr><td>1</td><td>2011-12</td><td>8%</td><td>92%</td></tr><tr><td>2</td><td>2012-13</td><td>8%</td><td>92%</td></tr><tr><td>3</td><td>2013-14</td><td>7%</td><td>93%</td></tr></table></td></tr>
<tr><td>V.</td><td><u>Scale of Rates:</u></td><td></td></tr>
<tr><td>(i).</td><td>(a). The proposal of the CHPT states at Page no. 9 that the tariff for dry bulk cargo and cargo other than dry bulk cargo and fertiliser is proposed only for handling from ship to shore and vice versa. It is presumed in this regard that the operator would not be required to render services pertaining to shore handling operation for movement of cargo from shore to yard. This position to be confirmed.</td><td>As per Page No.9, the Tariff for Dry Bulk Cargo and Cargo other than Dry Bulk Cargo and Fertilizers is proposed only for handling from Ship to Shore and vice versa. It is also confirmed that the Operator would not render service for Shore handling operations for movement of Cargo from Shore to Yard.</td></tr>
<tr><td></td><td>(b). The arrangement envisaged and tariff thereof for movement of cargo to the designated storage yards in the import cycle and vice versa in the export cycle to be explained.</td><td>The movement of Cargo to the designed Storage Yards in the Import Cycle and vice versa in the export cycle shall be carried out by Stevedore Operators and not by MHC Operators.</td></tr>
<tr><td>(ii).</td><td>If the operator is required to render the shore handling operation for movement of cargo from shore to yard, the CHPT to consider the capital cost and the operating cost of the relevant fleet of equipment to render the service and propose charges for rendering the service.</td><td>The MHC Operator is proposed to operate only for handling from Ship to Shore and vice versa. It is also confirmed that the Operator would not render service for Shore handling operations for movement of Cargo from Shore to Yard.</td></tr>
<tr><td>(iii).</td><td>If the entire cargo of the facility is proposed to be handled by HMC for ship to shore operation only, the reason for allocating the capital cost and the operating cost in the ratio of 69:31 between dry bulk cargo and cargo other than dry bulk cargo and fertiliser to be explained. The productivity of the HMC to handle each type of cargo would be the determining factor to arrive at the per tonne handling rate for ship shore operation. Therefore, the relevance of the ratio of 69:31 considered in the calculation is not clear.</td><td>For Cost allocation purpose, the Capital cost and Operating cost were taken as 68:32 ratio based on the Cargo share of 68% of Dry Bulk, 16% of Iron & Steel and 16% of Break Bulk and others.</td></tr>
<tr><td>(iv).</td><td>A suitable note to be prescribed in the tariff schedule clearly listing out the various services that would be rendered by the HMC operator in respect of the each of the cargo category.</td><td>The service to be rendered by MHC Operator is restricted to handling of all cargoes from Ship to Shore and vice versa.</td></tr>
<tr><td>(v).</td><td>As per Clause 2.2 of the revised 2013</td><td>The Performance Standard has been taken</td></tr>
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| | | |
|---|---|---|
| | guidelines, the CHPT has proposed 'Performance standards'. In such a scenario, the reason to propose performance linked handling rates, as has been prescribed while fixing the hire charges for the use of HMC, in the Reference tariff schedule to be explained. | based on the TAMP Guidelines as for (a) Dry Bulk – 12,500 MT per day per MHC, (b) Steel Bagged Cargo – 6,000 MT per day per MHC and (c) Break Bulk – 3750 MT per day per MHC. |
| (vi). | The list of services covered by the levy of miscellaneous charges also to be prescribed. | The list of services covered by the levy of miscellaneous charges is the repairs and maintenance cost of MHC and other incidental expenditures. |
| (vii). | The CHPT has proposed a General note to Schedule (2) 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 2013 and 1 January of the relevant year. In this context, the CHPT to suitably modify the said note, as it would be updating the capital cost of HMC with reference to the market rate prevailing in the year 2014. | The note may be changed as suggested by TAMP as "the tariff caps will be indexed to inflation but only to an extent of 60% of the variation in the Wholesale Price Index (WPI) occurring between 1st January 2014 and 1st 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 1st April of the relevant years to 31st March of the following year." |

5. A joint hearing on the case in reference was held with relevant stakeholders including a prospective bidder on 23 May 2014 at the CHPT premises. The CHPT and the stakeholders present at the joint hearing made their submission on the proposal.

6. The CHPT vide its e-mail dated 17 June 2014 has furnished a revised proposal. A comparative position between the initial proposal dated 30 April 2014 and the revised proposal dated 17 June 2014 is summarized below:

(i). Consequent to the change in the cargo mix (i.e. considering the cargo mix of the year 2013-14 instead of the cargo mix of year 2012-13), there is a slight variation in the optimal capacity of the HMCs, as given below:

| Proposal dated 30.04.2014 | | | | | | | Proposal dated 17.06.2014 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cargo Types (i) | Cargo Share (in %) (ii) | Handling Rate or Shipday output (Tonnes/ day) - Assumed at 70% efficiency (iii) | Handling Rate in tonnes per hour at 100% efficiency - Handling Rate/24 hours/70% (iv) | Normative working hours per annum - TAMP Guidelines (v) | No of Cranes deplo-yable (vi) | Allocated Capacity (Tonnes) - ((ii) x (iv) x (v) x (vi)) | Cargo Types (i) | Cargo Share (in %) (ii) | Handling Rate or Shipday output (Tonnes/day) - Assumed at 70% efficiency (iii) | Handling Rate in tonnes per hour at 100% efficiency - Handling Rate/24 hours/70% (iv) | Norma-tive working hours per annum - TAMP Guide-lines (v) | No of Cranes deplo-yable (vi) | Allocated Capacity (Tonnes) - ((ii) x (iv) x (v) x (vi)) |
| Dry Bulk (Including Food Grains and Fertilizer) | 69% | 12500 | 744 | 4000 | 2 | 4,106,880 | Dry Bulk (Including Food Grains and Fertilizer) | 68% | 12500 | 744 | 4000 | 2 | 4,047,360 |
| Steel and Bagged Cargo | 14% | 6000 | 357 | 4000 | 2 | 3,99,840 | Steel and Bagged Cargo | 16% | 6000 | 357 | 4000 | 2 | 456,960 |
| Other Break Bulk | 17% | 3750 | 223 | 4000 | 2 | 3,03,280 | Other Break Bulk | 16% | 3750 | 223 | 4000 | 2 | 285,440 |
| | | | | | | **4,810,000** | | | | | | | **47,89,760** |

(ii). In view of updation of the cost of the HMCs, the Capital Cost has also been revised as given below:

| **Proposal dated 30.04.2014** | | **Proposal dated 17.06.2014** | |
|---|---|---|---|
| **Capital Cost** | **₹. Lakh** | **Capital Cost** | **₹. Lakh** |
| Harbour Mobile Cranes (100T) – 2 nos | 5,164 | Harbour Mobile Cranes (100T) – 2 nos | 5,689 |
| Contingency | 258 | Contingency | 284 |
| Misc Cost | 258 | Misc Cost | 284 |
| **Total** | **5,680** | **Total** | **6,257** |

(iii). The above changes have led to change in the Annual Revenue Requirement, as given below:

| Proposal dated 30.04.2014 | | | | Proposal dated 17.06.2014 | | | |
|---|---|---|---|---|---|---|---|
| | Particulars | Dry bulk cargo (including fertilizer) ₹ Lakh | Steel, bagged and other break bulk cargo (₹ Lakh) | | Particulars | Dry bulk cargo (including fertilizer) ₹ Lakh | Steel, bagged and other break bulk cargo (₹ Lakh) |
| **1** | Total Operating Cost | 1055 | 474 | **1** | Total Operating Cost | 1132 | 531 |
| **2** | 16% ROCE | 627 | 282 | **2** | 16% ROCE | 681 | 320 |
| | **Annual Revenue Requirement** | **1682** | **756** | | **Annual Revenue Requirement** | **1813** | **851** |

(iv). The change in the per tonne handling rates and the Miscellaneous rates is as given below:

(a). Dry Bulk cargo (Including Fertilizer)

| Type of levy | Description of Services | Proposal dated 30.04.2014 | | Proposal dated 17.06.2014 | |
|---|---|---|---|---|---|
| | | Foreign (₹ Per tonne) | Coastal (₹ Per tonne) | Foreign (₹ Per tonne) | Coastal (₹ Per tonne) |
| **Handling Charges** | Handling of cargo from ship to shore using grab, loading and vice versa | 43.63 | 26.18 | 45.26 | 27.16 |
| **Miscellaneous charges** | Shifting of cargo within the vessel if necessary | 0.89 | 0.53 | 0.92 | 0.55 |

(b). Steel and Bagged Cargo

| Type of levy | Description of Services | Proposal dated 30.04.2014 | | Proposal dated 17.06.2014 | |
|---|---|---|---|---|---|
| | | Foreign (₹ Per tonne) | Coastal (₹ Per tonne) | Foreign (₹ Per tonne) | Coastal (₹ Per tonne) |
| **Handling Charges** | Handling of cargo from ship to shore using grab, loading and vice versa | 90.85 | 54.51 | 94.19 | 56.52 |
| **Miscellaneous charges** | On shore handling of cargo | 1.85 | 1.11 | 1.92 | 1.15 |

(c). Tariff for handling Break Bulk Cargo

| Type of levy | Description of Services | Proposal dated 30.04.2014 | | Proposal dated 17.06.2014 | |
|---|---|---|---|---|---|
| | | Foreign (₹ Per tonne) | Coastal (₹ Per tonne) | Foreign (₹ Per tonne) | Coastal (₹ Per tonne) |
| **Handling Charges** | Handling of cargo from ship to shore using grab, loading and vice versa | 145.77 | 87.46 | 150.43 | 90.26 |
| **Miscellaneous charges** | On shore handling of cargo and carriage to storage area in times of emergency. | 2.97 | 1.78 | 3.07 | 1.84 |

7. 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.

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

(i). The Chennai Port Trust (CHPT) has reported to be in the process of disposing of ship and shore equipment due to obsolescence over the years, and in lieu, has decided to provide the requisite number of cranes through crane operators. In this connection, the CHPT has reported to go in for privatization of the cargo handling service, wherein the private operator is expected to supply, maintain and operate two nos. of 100 tonne Harbour Mobile Cranes (HMCs) with Grab as per the requirement of the port.

(ii). The proposal of the CHPT is reported to be based on the Guidelines for upfront tariff fixation issued by the (then) Ministry of Shipping, Road Transport and Highways vide Notification No. TAMP/52/2007-Misc., dated 26 February 2008.

The tariff guidelines of 2008 for upfront tariff fixation prescribe norms/ guidelines for dedicated facilities such as coal, iron ore, container, liquid handling terminal and multipurpose cargo terminal. The guidelines of 2008 for upfront tariff fixation do not prescribe separate norms/ guidelines for operating Harbour Mobile Cranes for handling cargo as a standalone facility.

The Feasibility Report and the information furnished by the port in its proposal state that the berths where the HMCs would be deployed are proposed to handle dry bulk cargo and break bulk cargo. Hence, the relevant norms prescribed for multipurpose cargo terminal in the upfront tariff guidelines of 2008 which cover handling of dry bulk cargo and break bulk cargo seem to be more relevant in this case. The CHPT has also, in general, adopted the norms / guidelines issued for a multipurpose cargo terminal for estimating the operating cost.

(iii). The CHPT has filed its proposal on 30 April 2014. Subsequently, based on the information/ clarifications sought by us during the processing of the case and based on the decisions taken during the joint hearing held on 23 May 2014, the CHPT vide its e-mail dated 17 June 2014 has updated its proposal. The updation is seen to be only with reference to change in the cargo share (based on the actuals of 2013-14 instead of the actuals of 2012-13) and updation in the cost of the HMCs. The updated proposal of the CHPT dated 17 June 2014 along with the information/ clarification furnished by CHPT during the processing of the case in reference are considered in this analysis.

(iv). Optimal Capacity:

(a). By considering the percentage share of each type of cargo viz., Dry bulk & Fertiliser, Iron & Steel and Other Bulk Cargo and the handling rate of each of the above mentioned cargo based on deployment of HMCs, the CHPT has determined the optimal capacity of each of the cargo.

(b). Consideration of cargo mix based on larger horizon of time period say three years would be representative of the cargo mix. However, during the fixation of reference tariff for a fleet of equipment in November 2013 for CHPT, the CHPT had considered the actual cargo mix for the year 2012-13 on the ground that the cargo mix during the three years viz., 2010-11 to 2012-13 has undergone a significant change. Based on the same logic, the CHPT has considered the cargo mix of Dry bulk & Fertiliser, Iron & Steel and Other Bulk Cargo at 68%, 16% and 16% respectively, reportedly based on the cargo mix that prevailed during the year 2013-14, which is considered in the analysis.

(c). The CHPT has considered the handling rate of 12500 tonnes per day for dry bulk cargo, 6000 tonnes per day for steel and bagged cargo and 3750 tonnes per day in respect of Other Break Bulk cargo.

In this regard, it is relevant here to mention that the tariff guidelines of 2008 prescribe a norm for cargo handling at multipurpose berth at a rate of 10,000 tonnes per day for dry bulk cargo comprising food grains & fertilizer and coal, limestone, minerals etc., 4000 tonnes per day for steel & bagged cargo and 2500 tonnes per day for others with the deployment of 3 numbers of wharf cranes of 20 tonne capacity each.

Considering the higher handling capacity of HMC as compared to the aggregate capacity of the wharf cranes prescribed in the 2008 guidelines and in the absence of any other norms available, a 25% increase over the handling rate of 10,000 tonnes per day for dry bulk cargo and a 50% increase over the handling rate prescribed in the guidelines for steel and bagged cargo and other bulk cargo have been considered in the cases relating to fixation of hire charge of HMC at Paradip Port Trust (PPT), New Mangalore Port Trust (NMPT), Visakhapatnam Port Trust (VPT) and V.O Chidambaranar Port Trust (VOCPT). This results in an updated normative handling rate of 12500 tonnes in respect of dry bulk cargo, 6,000 tonnes per day for steel and bagged cargo and 3750 tonnes per day for other break bulk cargo.

Considering the position that the norm of 10000 tonnes in 2008 guidelines for multipurpose berth is prescribed for a vessel of parcel size of more than 30000 tonnes and since majority of the vessel profile projected by CHPT comprises of vessels with less than 30000 tonnes, the ALBA Asia Pvt. Ltd. (AAPL) has suggested to consider the weighted average of handling norm keeping in view the parcel size of vessels of more than 30000 tonnes and less than 30000 tonnes of parcel size.

In this connection, it is relevant here to mention that the norm of 10000 tonnes for a vessel of parcel size of 30000 tonnes and more in the upfront guidelines is for a multipurpose berth as a whole. Whereas, the tariff now being fixed is for use of HMC at CHPT on a standalone basis. Further, even in cases where hire charges of HMC has been fixed at other major port trusts as given above, the handling norm of 12500 tonnes per day per crane has been uniformly considered, irrespective of the parcel size of the vessels.

Thus, the position considered by the CHPT in its capacity calculation, is found to be in line with the approach adopted by this Authority in respect of the cases mentioned above.

(d). The CHPT has considered 4000 working hours per annum based on normative level of working hours prescribed in the 2008 guidelines for estimating the power/ fuel cost for multipurpose cargo berth for this purpose. This position is also in line with the position maintained while fixing of hire charge of HMC at PPT, TPT, NMPT and VPT.

(e). Based on the above position, the capacity based on the deployment of 2 no. of HMCs works out to 4047360 tonnes, 456960 tonnes and 285440 tonnes in respect of Dry bulk & Fertiliser, Iron & Steel and Other Bulk Cargo respectively, which aggregates to 4789760 tonnes of cargo per annum, as assessed by the CHPT.

(v). The CHPT has allocated the capital cost and the operating cost relating to the HMC to dry bulk cargo and steel & other break bulk cargo in the ratio of 68 : 32 (based on the cargo share).

In this connection, it is relevant here to mention that such an approach was considered in the Order of November 2013 while fixing Reference tariff for the fleet of equipment at CHPT. In that case, since the sequence of operations to be performed on the dry bulk cargo and steel & other break bulk cargo with the fleet of equipment was different for the different cargo, the tariff for different cargo was fixed based on the equipment used for providing different services incidental to handling of the said cargo at the port.

However, in the instant case, the entire cargo of the facility is proposed to be handled by HMC for ship to shore operation only. In such a scenario, the relevance of allocating the capital cost and the operating cost in the ratio of 68:32 between dry bulk cargo and cargo other than dry bulk cargo and fertilizer is not clear. The CHPT has not pointedly clarified this position inspite of a specific query in this regard. Generally, productivity of the HMC to handle each type of cargo is considered as the determining factor to arrive at the per tonne handling rate for ship shore operation. Therefore, the approach adopted by the CHPT of apportionment of capital cost and operating cost, to finally arrive at the per tonne rates for various types of cargo, is not considered in this case.

(vi). Capital Costs:

(a). The capital cost estimated by the CHPT is ₹ 6257 lakhs. This comprises of the cost of 2 nos. of 100 tonne Harbour Mobile Cranes at ₹ 5689 lakhs. The remaining amount is to cover Miscellaneous capital cost and contingency.

(b). The documentary evidence furnished by the CHPT in support of the cost of the HMC reflects the basic cost of HMC at 3158120 Euros, the duty component to the tune of 275000 Euros and cost of grabs to the tune of 175000 Euros. Considering the Euro exchange factor of ₹ 79.10 per Euro, as reported to have been considered by the CHPT, the cost of one no. of HMC should work out at ₹ 28.54 crores and the cost of 2 no. of HMCs should work out to ₹ 57.08 crores. It appears that there is an arithmetical error in calculation of the cost of HMCs. Nevertheless, considering the updated exchange rate of ₹ 81.87 per Euro, prevailing at the time of finalization of the case in reference, the cost of 2 no. of HMCs is considered at ₹ 59.08 crores.

(c). The CHPT has considered contingency @ 5% of the cost of HMC. Cost towards contingency has been considered while fixing the upfront tariff in respect of other cases, hence considered in this case also.

(d). The miscellaneous capital cost has been estimated at 5% on the capital cost of HMC which is as per the norms prescribed in the guidelines for multipurpose cargo terminal as well as other cargo terminals. As stipulated in the guidelines, this cost is towards upfront payment, working capital margin and Interest during construction.

(e). In its initial proposal dated 30 April 2014, the CHPT stated that the dry bulk cargo will be handled using a hopper. Subsequently, with reference to the submission made by the AAPL, to include the cost of hopper, the CHPT has clarified that hopper is not applicable for the project. This position of the CHPT is relied upon in this analysis.

(vii). Operating costs:

(a). Fuel costs:

The fuel consumption of 70 litres per hour per HMC, considered by the CHPT is in line with the fuel consumption considered while prescribing the hire charge for a 100 tonne HMC at the other Major Port Trusts.

The consideration of fuel consumption for operation of each of the equipment is for 4000 hours. The unit rate of fuel at ₹61/- per litre considered by CHPT has been updated with the prevailing rate of diesel at ₹61.12 per litre in the calculation of fuel cost.

The AAPL has made a request to consider the diesel cost as pass through. Yes, it is considered as cost as explained above. However, with reference to the request made by it to accommodate fluctuations in diesel price in tariff fixation, it is clarified that there is no provision in 2008 tariff guidelines to consider its request. However, the reference tariff fixed based on the current cost of operation is subject to escalation at 60% of the Wholesale Price Index every year as per the guideline provision which will take care of the concern of the AAPL.

(b). Repairs and maintenance cost is estimated by CHPT at 5% on the cost of equipment, which is in line with the norms prescribed in the guidelines.

(c). Insurance cost is estimated at 1% of the cost of equipment and other expenses are estimated at 5% of the cost of equipment by CHPT, which is also in line with the norms prescribed in the guidelines.

(d). Depreciation is computed @ 10% on the cost of equipment as per the rates prescribed in the Companies Act, 2013 and is in line with the guidelines for upfront tariff fixation. When an updated position is available in the Companies Act, 2013, with regard to rate of depreciation as brought out by CHPT and also made known to CHPT by us, it is not appropriate to consider the earlier rate of depreciation as per the Companies Act of 1956, as suggested by ALBA.

(e). The guidelines for upfront tariff stipulate that licence fee for port land is to be estimated based on the rates prescribed in the Scale of Rates of the respective Major Port Trusts. Licence fee has been estimated by the CHPT for an aggregate 1100 sq. metres of land area at the rate of ₹47.26 per sq.m., for a period of 12 months. The CHPT has stated to have considered the License fee based on the prevailing scale of rates of Chennai Port Trust. This position is considered in the analysis.

(viii). The statement for fixing the upfront tariff for the HMC submitted by the CHPT has been modified in line with the above analysis. A copy of the modified statement is attached as **Annex - I**.

(a). The annual revenue requirement, which is the sum of the estimated operating cost and return on capital employed is estimated at ₹ 2753.04 lakhs, as against the aggregate annual revenue requirement of ₹ 2664 lakhs estimated by the port.

(b). As per the norm of the upfront guidelines for multipurpose cargo terminal apportionment of the annual revenue requirement towards handling charges, storage charges and miscellaneous charges has to be in the ratio of 90 : 5 : 5 respectively. The CHPT has envisaged apportionment of the annual revenue requirement towards handling charges and miscellaneous charges in the ratio of 98 : 2 respectively, on the ground that in the project under reference, the scope of work of the operator does not envisage storage of cargo. This position is considered in the analysis.

(c). As per policy direction of the Government, concessional tariff is to be prescribed for coastal cargo (other than thermal coal and POL including crude oil, iron ore and iron ore pellets) not exceeding 60% of the normal cargo/ vessel related charges. Accordingly, the CHPT has proposed concessional rates for coastal cargo in line with the Government policy, assuming the share of foreign and coastal cargo in the total optimal capacity as 92% and 8% respectively for each of the three cargo groups. The share of foreign cargo and coastal cargo at 92:8, is reported to be based on the position that 92% of the cargo is brought in by foreign vessels and the balance 8% by coastal vessels, during the past three years. The share of foreign/ coastal cargo assumed by the port is relied upon in this analysis.

(d). The CHPT has arrived at the handling charges and miscellaneous charges for each cargo category with reference to their individual composition of foreign/ coastal cargo to meet the estimated revenue requirement. The reference tariff caps for the Dry bulk cargo is derived based on the revenue requirement determined in respect of the said cargo item.

In respect of the Steel & Bagged Cargo and Other Break Bulk Cargo, the reference tariff cap has been determined, based on the composition of foreign/ coastal cargo and the handling rates in respect of the above said cargo items.

In this connection, as stated earlier, in the case in reference, since the HMCs would be used for carrying out similar operations in respect of each of the cargo category, the approach adopted by the CHPT in deriving the per tonne handling rates and per tonne miscellaneous rates in respect of each of the category may not be relevant. The productivity of each of the cargo category would be the relevant factor in determining the per tonne handling rates and miscellaneous rates for the said category of cargo. It is noteworthy that similar approach has been followed while fixing the upfront tariff in respect of other tariff cases relating to other major port trusts.

(ix). In the proposed reference tariff schedule, the CHPT has proposed definitions for the terms like ‘coastal vessel’, ‘foreign going vessel’, ‘day’ and ‘HMC’. The definitions for ‘coastal vessel’, ‘foreign vessel’, and ‘day’ are found to be in line with the definition prescribed for the said terms in the Scale of Rates of CHPT. The CHPT has defined the term ‘HMC’ by expanding the acronym. The same is prescribed in the tariff schedule.

(x). In the proposed reference tariff schedule, the CHPT has proposed some conditionalities like conditionalities prescribing coastal concessions, conditionalities governing levy of interest on delayed payments/ refunds, rounding off the bills, prescription of minimum amount for entertaining refund claim of users and raising of supplementary bills for short collection by operator, conditionalities governing the flexibility provided to the terminal operator to levy charges lower than ceiling rates as has been incorporated in other Scale of rates, non levy of charges for delay beyond a reasonable level attributable to the terminal, grant of rebate equivalent to berth hire by the operator in case a vessel idles due to breakdown or non-availability of HMC or any other reasons attributable to HMC Operator, are found to be in line with the general conditionalities prescribed in the Scale of Rates.

(xi). The proposal of the CHPT is for fixation of reference tariff for supply, maintenance and operation of HMCs for handling cargo and the question of levy of Berth hire by the Crane operator does not arise. Therefore, the conditionalities governing the criteria for categorizing of a vessel as a foreign going vessel or coastal vessel have not been included in the reference tariff schedule of CHPT.

(xii). (a). In the Schedule of Rates, the CHPT has stated that the per tonne handling charges in respect of Dry Bulk cargo, Steel & Bagged Cargo and Other Break Bulk Cargo, is towards handling of cargo from ship to shore using grab and vice versa. The CHPT has confirmed that the Operator would not render service for Shore handling operations for movement of Cargo from Shore to Yard. Shore to yard and yard to shore operation will be carried out by the stevedores, as reported by the CHPT.

(b). In the Tariff Schedule, the Miscellaneous charges proposed by CHPT in respect of Dry Bulk cargo is seen to cover the service relating to shifting of cargo within the vessel; to cover on shore handling of cargo in respect to Steel

& Bagged cargo; and, to cover on shore handling of cargo and carriage to storage area in times of emergency in case of Other Break Bulk cargo. However, in some other reference, CHPT has stated that miscellaneous charge in respect of each cargo category is towards repairs and maintenance cost of HMC and other incidental expenditure. Since the repairs and maintenance cost is factored to arrive at the per tonne rate of HMC, a separate levy to cover the repairs of HMC is not justified. Also, the CHPT has categorically stated that the HMC operator would not be required to perform shore handling operations. That being so, the prescription of a separate levy for shore handling operations and to cover repairs and Miscellaneous Expenditure of HMCs and other incidental expenditure, if any, in the form of miscellaneous charge is not found appropriate. Therefore, the service of shifting of cargo within the vessel as prescribed by CHPT towards levy of Miscellaneous charge for Dry Bulk Cargo, is prescribed in respect of other two cargo categories also.

(xiii). The exercise is for prescription of reference tariff following the stipulation contained in the 2013 revised guidelines. As per Clause 2.2 of the revised 2013 guidelines, the CHPT has proposed ‘Performance standards’, which are discussed subsequently. In such a scenario, there is no reason to prescribe any performance linked handling rates, as has been prescribed while fixing the hire charges for the use of HMC at other Major Ports. Accordingly, conditionalities which are relevant only when performance linked tariff are prescribed, may also not be relevant. Hence, the conditionalities governing the performance linked handling rates, proposed by the CHPT are not found relevant and hence not prescribed.

(xiv). Since the estimation of capital cost and unit rate of operating cost considered in the upfront tariff calculation are as of the year 2014, it is found appropriate and relevant to prescribe the base WPI to be considered for automatic adjustment every year as 1 January 2014, as proposed by the CHPT.

(xv). (a). As stated earlier, 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 Standard.

(b). The CHPT has proposed the Performance Standards in respect of Dry Bulk Cargo, Steel & Bagged cargo and Other Bulk Cargo. The cargo items for which Performance Standards are proposed match with the cargo items for which tariff has been proposed in the Reference tariff schedule. The CHPT has proposed the Performance Standards by prescribing the norms at 12500 tonnes per day per HMC in case of Dry Bulk Cargo, 6000 tonnes per day per HMC in case of Steel & Bagged cargo and 3750 tonnes per day per HMC in case of Other Dry Bulk Cargo. These norms are seen to be in line with the handling norms considered in the optimal capacity calculation.

With reference to the prescription of Performance Standards, the AAPL has requested the CHPT to guarantee minimum cargo in line with the efficiency desired from the crane operator. It is noteworthy that the cargo projection made by CHPT in the proposal is reportedly a most likely scenario, which can be made available to the crane operator by the CHPT.

(c). 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 are notified by this Authority.

(d). In the schedule of performance standards, the CHPT has prescribed conditionalities relating to Performance Evaluation and calculation of liquidated damages which states that Performance evaluation shall be made on a quarterly review of the reports furnished by the Concessionaire and/ or the records of the Concessionaire and/or by an enquiry by the Concessioning Authority. The Concessionaire shall be liable to pay liquidated damages determined at the rate of 1% (one per cent) of the Gross Revenue of the respective quarter for every shortfall of 10% (ten per cent) in the average performance.

The said conditionality is seen to be relevant between the parties entering into a Concession Agreement. The Performance Standard Schedule notified by this Authority need not prescribe conditionalities governing review of reports of the Concessionaire by the Concessioning Authority and payment of liquidated damages. These conditionalities may form part of the Concession Agreement to be entered by the parties, if CHPT so desires, and hence are not incorporated in the Performance Standard Schedule notified by this Authority.

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

9.2. The modified Reference Tariff Schedule is attached as **Annex - II** and the Performance Standards as proposed by the port and subject to changes made, as mentioned in the earlier paragraph above, is attached as **Annex - III**.

9.3. In the result, and for the reasons given above and based on a collective application of mind, the modified Reference Tariff Schedule for supply, maintenance and operation of HMCs at CHPT by the crane operator for handling of Dry bulk cargo, Steel & Bagged cargo and Other Dry Bulk Cargo is approved and notified alongwith the Performance Standards.

9.4. 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 BOO Projects. Accordingly, the CHPT is advised to incorporate the Reference Tariff and Performance Standards, in the bid document and subsequently in the Concession Agreement in respect of BOO Project.

10.1. 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 BOO 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.

10.2. 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.

10.3. 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.

10.4. 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.

10.5. 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.

10.6. 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.

10.7. From the third year of operation, the Performance Linked Tariff proposal from the BOO 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 BOO 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.

10.8. As stipulated in Clause 6.2 of the revised 2013 guidelines, in the event any user has any grievance regarding non-achievement by the BOO 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 to the CHPT. The CHPT will be bound to take necessary action on the findings as per the provisions of the respective Concession Agreement.

10.9. As stipulated in Clause 6.3.1 of the revised 2013 guidelines, 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.

10.10. As stipulated in clause 6.3.2 of the revised 2013 guidelines, the BOO operator shall furnish to this Authority quarterly reports on cargo traffic, ship berth day output as well as the tariff realized for each berth. The quarterly reports shall be submitted by the BOO operator within a month following the end of each quarter. Any other information which is required by this Authority shall also be furnished to them from time to time.

10.11. As stipulated in clause 6.3.3 of the revised 2013 guidelines, this Authority shall publish on its website all such information received from BOO operator. However, this Authority shall consider a request from the BOO operator 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 publication. This Authority's decision in this regard would be final.

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

**ANNEX - I**

**Fixation of Reference Tariff for the Supply, Maintenance and Operation of Harbour Mobile Cranes at Chennai Port Trust through PPP mode.**

Rs. in Lakhs

| Sr. No. | Particulars | Estimates furnished by the CHPT under cover of its letter dated 17.06.2014 | | | Estimates considered by TAMP | | |
|---|---|---|---|---|---|---|---|
| I | **Optimal Capacity** | | | | | | |
| | | **Dry Bulk Cargo** | **Steel & Bagged Cargo** | **Other Break Bulk Cargo** | **Dry Bulk Cargo** | **Steel & Bagged Cargo** | **Other Break Bulk Cargo** |
| (i) | Cargo share | 68.00% | 16.00% | 16.00% | 68.00% | 16.00% | 16.00% |
| (ii) | Handling Rate per day per HMC @ 100% utilisation | 12500 | 6000 | 3750 | 12500 | 6000 | 3750 |
| (iii) | Handling Rate per hour per HMC @ 100% utilisation | 744 | 357 | 223 | 744 | 357 | 223 |
| (iv) | Working hours in a year | 4000 | 4000 | 4000 | 4000 | 4000 | 4000 |
| (v) | No of HMCs considered | 2 | 2 | 2 | 2 | 2 | 2 |
| (vi) | Individual Capacity (i x iii x iv x v) | 4047360 | 456960 | 285440 | 4047360 | 456960 | 285440 |
| | **Annual Handling Capacity (in tonnes)** | **4789760** | | | **4789760** | | |
| | **Annual Handling Capacity (in Million tonnes)** | **4.790** | | | **4.790** | | |
| | | | | | | | |
| II | **Capital costs** | | | | | | |
| | | **Total Capital Costs** | **Allocated to Dry bulk Cargo (68%)** | **Allocated to Steel & Bagged Cargo and Other Break Bulk Cargo (32%)** | **Total Capital Costs** | | |
| | Harbour Mobile Cranes (100T) – 2 nos | 5688 | 3868 | 1820 | 5907.94 | | |
| | Contingency (5% of cost of equipment excl. ELL crane & FC Thangam) | 284 | 196 | 88 | 295.40 | | |
| | Miscellaneous Cost (5% of the entire capital cost) | 284 | 196 | 88 | 295.40 | | |
| | **Total** | **6257** | **4261** | **1997** | **6498.73** | | |
| | | | | | | | |
| III | **Operating Costs** | | | | | | |
| | | **Total Operating Cost** | **Allocated to Dry bulk Cargo (68%)** | **Allocated to Steel & Bagged Cargo and Other Break Bulk Cargo (32%)** | **Total Operating Cost** | | |
| | Fuel Cost | | | | | | |
| | - Harbour Mobile Crane<br>(CHPT - 70 litres per crane per hour * 4000 hours * Rs.61 per litre * 2 cranes)<br>(TAMP - 70 litres per crane per hour * 4000 hours * Rs.61.12 per litre * 2 cranes) | 342 | 232 | 109 | 342.27 | | |
| | Maintenance Cost (5% of the Capital Cost) | 313 | 213 | 100 | 324.94 | | |
| | Insurance Cost (1% of the Capital Cost) | 63 | 43 | 20 | 64.99 | | |
| | Depreciation (10% of the Cost of the Equipment) | 626 | 426 | 200 | 649.87 | | |
| | Licence Fee<br>(Dry Bulk - 759 sq.m * 47.26 per sq.m per month * 12 months)<br>(Steel and Other Break Bulk - 341 sq.m * * 47.26 per sq.m per month * 12 months) | 7 | 5 | 2 | 6.24 | | |
| | Other Expenses (5% of the Capital Cost) | 313 | 213 | 100 | 324.94 | | |
| | **Total** | **1663** | **1132** | **531** | **1713.24** | | |
| IV | **Annual Revenue Requirement (ARR)** | | | | | | |
| | | **Total** | **Dry bulk Cargo** | **Steel & Bagged Cargo and Other Break Bulk Cargo** | **Total** | | |
| | - Operating costs | 1663 | 1132 | 531 | 1713.24 | | |
| | - Return on Capital employed @ 16% | 1001 | 681 | 320 | 1039.80 | | |
| | **Total** | **2664** | **1813** | **851** | **2753.04** | | |
| | | | | | | | |
| V | **Apportionment of Annual Revenue Requirement** | | | | | | |
| | - Cargo handling charges (98%) | 2611 | 1777 | 834 | 2697.98 | | |
| | - Miscellaneous charges (2%) | 53 | 36 | 17 | 55.06 | | |
| | **Total** | **2664** | **1813** | **851** | **2753.04** | | |
| | | | | | | | |
| | | **Dry Bulk Cargo** | **Steel & Bagged Cargo** | **Other Break Bulk Cargo** | **Dry Bulk Cargo** | **Steel & Bagged Cargo** | **Other Break Bulk Cargo** |
| VI | **Per tonne Cargo Handling rates** | | | | | | |
| | - Foreign cargo | **45.26** | **94.19** | **150.43** | **46.84** | **97.58** | **156.12** |
| | - Coastal cargo | **27.16** | **56.52** | **90.26** | **28.10** | **58.55** | **93.67** |
| | | | | | | | |
| VII | **Per tonne Miscellaneous Charges for Foreign cargo** | | | | | | |
| | - Foreign cargo | **0.92** | **1.92** | **3.07** | **0.96** | **1.99** | **3.19** |
| | - Coastal cargo | **0.55** | **1.15** | **1.84** | **0.57** | **1.19** | **1.91** |
| | | | | | | | |

**Annex – II**

**CHENNAI PORT TRUST**

**REFERENCE TARIFF SCHEDULE FOR OPERATING HARBOUR MOBILE CRANES AT BERTHS N0. WQ I, II, III & IV AND CENTRE BERTH SQ I & II, JD-I & III AND JD V OF CHENNAI PORT TRUST.**

**1.1. Definitions – General**

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

(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). **"Day"** shall mean the period starting from 6 a.m. of a day and ending at 6 a.m. on the following day.

(iv). **"HMC"** mean Harbour Mobile Crane supplied by the BOO operator for the project

**1.2. General Terms & Conditions**

(i). (a). The cargo related charges for all coastal cargo other than crude including POL, Iron ore and Iron pellets and thermal coal should not exceed 60% of the normal cargo related charges.

(b). In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship shore transfer.

(c). Cargo from a foreign port which reaches an Indian Port "A" for subsequent transhipment to Indian Port "B" will be levied the concession charges relevant for its coastal voyage. In other words, cargo from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.

(d). The charges for coastal cargo vessels shall be denominated and collected in Indian rupee.

(ii). Interest on delayed payments / refunds.

(a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the HMC operator shall pay penal interest on delayed refunds.

(b). The rate of penal interest will be 2% above the prime lending rate of the State Bank of India.

(c). The delay on refunds will be counted only 20 days from the day 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 terminal operator. This provision shall, however, not apply to the cases where payment is to be made before availing the services where payment of charges in advance is prescribed as a condition in the scale of rates.

(iii). All charges worked out shall be rounded off to the next higher rupee on the grand total of the bill.

(iv). No claims for refund shall be entertained unless the amount refundable is ₹100/- or more. Likewise, the HMC operator shall not raise supplementary bills for short collection, if the amount due to the terminal operator is less than ₹.100/-.

(v). (a). The rates prescribed in this Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The HMC Operator may, if he so desires, charge lower rates and/ or allow higher rebates and discounts.

(b). The HMC Operator may also, if he so desires, rationalize the prescribed conditionality 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.

(c). Provided that the HMC Operator should notify the public such lower rates and / or rationalization of the conditionality governing the application of such rates and continue to notify the public any further changes in such lower rates and / or in the conditionality governing the application of such rates, provided the new rates fixed shall not exceed the rates notified by the TAMP.

(vi). Users will not be required to pay charges for delays beyond reasonable level attributable to BOO operator. In case a vessel idles due to breakdown or non-availability of the HMCs of BOO Operator or any other reasons attributable to BOO Operator, rebate equivalent to berth hire charges payable to the Chennai Port Trust (as per the prevailing scale of rates of Chennai Port) accrued during the period of idling of vessel shall be allowed by BOO Operator.

**2. HANDLING CHARGES FOR USE OF 100 TONNE HARBOUR MOBILE CRANES:**

**(Rate in ₹ per tonne)**

| Sl. No. | Type of Cargo | Foreign | Coastal |
|---|---|---|---|
| 1. | Dry Bulk Cargo (Including Fertilizer) | 46.84 | 28.10 |
| 2. | Steel and other bagged cargo | 97.58 | 58.55 |
| 3. | Other Break Bulk Cargo | 156.12 | 93.67 |

**Note:** The per tonne handling charges in respect of Dry Bulk cargo, Steel & Bagged Cargo and Other Break Bulk Cargo, is towards handling of cargo from ship to shore using grab and vice versa.

**3. MISCELLANEOUS CHARGES FOR USE OF 100 TONNE HARBOUR MOBILE CRANES:**

**(Rate in ₹ per tonne)**

| Sl. No. | Type of Cargo | Foreign | Coastal |
|---|---|---|---|
| 1. | Dry Bulk Cargo (Including Fertilizer) | 0.96 | 0.57 |
| 2. | Steel and other bagged cargo | 1.99 | 1.19 |
| 3. | Other Break Bulk Cargo | 3.19 | 1.91 |

**Note:** The per tonne miscellaneous charges in respect of Dry Bulk cargo, Steel & Bagged Cargo and Other Break Bulk Cargo, is towards shifting of cargo within the vessel.

**4. GENERAL NOTE TO SCHEDULE (2) 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 1st January 2014 and 1st 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 31st March of the following year.

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# Annex - III

**Performance Standards for the project for Supply, Maintenance and Operation of Harbour Mobile Cranes in Chennai Port under PPP mode on Build, Own and Operate (BOO) basis**

## Performance Standards

Concessionaire shall endeavor to handle cargo per day (24 Hrs of actual working) per Harbour Mobile Crane (HMC) or tonnage of proportionate hours of actual working as detailed below.

a. **For Dry Bulk Cargo**
   12500 Metric tonnes(average)/per day per HMC or equivalent crane

b. **For Steel and bagged Cargo**
   Steel and Bagged Cargo - 6000 Metric tonnes(average)/per day per HMC or equivalent crane

c. **For Beak bulk Cargo**
   Others - 3750 Metric tonnes(average)/per day per HMC

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

| | | |
|---|---|---|
| **F. No.TAMP/20/2014-CHPT** | **-** | **Proposal from the Chennai Port Trust (CHPT) for notification of Reference Tariff for operating Harbour Mobile Cranes at Berth Nos.WQ-I, II, III & IV and Center Berth SQ-I & II, JD-I & III and JD-V at Chennai Port Trust.** |

1.1. A summary of comments received from M/s. ALBA Asia Private Limited (AAPL) and response of the CHPT thereon is tabulated below:

<table>
<tr><th>Sl. No.</th><th>Comments received from ALBA Asia Pvt. Ltd.</th><th>Response of CHPT</th></tr>
<tr><td>(i).</td><td>Calculation of the Optimal Capacity:<br>The CHPT has calculated handling rate per hour for dry bulk including food grain and fertilizers as 744 tonnes/hr. However as per the data provided by CHPT;<br>No. of Ships<= 30000 DWT: 554<br>No. of Ships > 30000 DWT: 114
<table>
<tr><th>*Handling rate for parcel size <=30000<br>(1)</th><th>*Handling rate for parcel size > 30000<br>(2)</th><th>Percentage share of Ships <= 30000<br>(3)</th><th>Percentage share of Ships > 30000<br>(4)</th><th>Average handling rates in tonnes/day: (1*3)+(2*4)</th></tr>
<tr><td>9375</td><td>12500</td><td>83%</td><td>17%</td><td>9906 tonnes / day</td></tr>
</table>
* As per TAMP guidelines.<br><br>Therefore, handling rate in tonnes per hour: 9906/(24*70% utilisation norm) = 590 tonnes/ hr.</td><td>The Optimal Capacity for Dry Bulk including Food grains, Fertilizers is calculated based on percentage of cargoes as 68% and 32 % and not based on percentage of shares of Ships. The Handling rate taken up based on the Performance Standard recommended by TAMP. Hence, the average handling rate of 744 Tons / Hour is in order.</td></tr>
<tr><td>(ii).</td><td>Capital cost for the project:<br>Cost of hopper and grab has not been included in the capital cost of the project.</td><td>Only Grab Cost has been taken into consideration for the calculation of the Capital Cost. Cost of the Hopper is not applicable for this Project.</td></tr>
<tr><td>(iii).</td><td>Capital cost for the project:<br>Custom duty has not been considered for calculating the cost of MHC.</td><td rowspan="3">The Capital Cost was calculated taking into consideration of all Taxes & Duties as applicable.</td></tr>
<tr><td></td><td>(a). As per the RBI Master Circular DBOD No. Dir.BC 14/13.03.00/2009-10, Bank Guarantee for EPCG has to be issued for 3 years with ‘self-renewal clause’ inbuilt in the guarantee itself. Due to the self-renewal clause, banks are charging margin of 110% for the Bank guarantee. Therefore, the bidder will have to pay the full value of the customs duty to avail the EPCG license for the import of the Mobile Harbour Crane. The RBI circular is furnished.</td></tr>
<tr><td></td><td>(b). EPCG scheme does not provide an</td></tr>
</table>

| | | |
|---|---|---|
| | exemption duty, but an obligation to make good the duty by generating export revenue equal to 8 times the duty saved. Since no minimum guarantee cargo has been provided by CHPT, the operator may not be able to fulfill the duty obligations in the absence of cargo volume. In such a case, duty (along with interest @15% p.a) will have to be paid to the customs department. | |
| | (c). It is also possible that the request for EPCG license is rejected by the Custom department. Again the custom duty will be payable by the crane operator.<br><br>Hence, custom duty should be considered for calculating the capital cost of the equipment. | |
| (iv). | Operating Cost:<br>CHPT has assumed 10% depreciation for triple shift operation. As per norms prescribed in The Companies Act 1956 deprecation should be 10.34% for triple shift, SLM. The same is also prescribed in the TAMP guidelines, 2008. Therefore, deprecation should be 10%. | As per the norms stipulated in the TAMP Guidelines 2008 and in accordance with Section II Part C(K) (2) and notes under Serial No. 6 of the Company's Act 2013, the depreciation @ 10% is calculated in the Tariff proposal and hence in order. |
| (v). | Table for calculating operating cost: Fuel Cost. | At the time of submission of Upfront Tariff proposal the retail price of diesel was ₹ 59 and accordingly the fuel cost has been taken into account for calculation. However, the prevailing retail price of ₹ 61 was taken and revised Tariff proposal for fixation of Upfront Tariff is submitted. |
| | (a). CHPT has assumed fuel cost as ₹ 59. However, the bulk price of Diesel Oil for operating the MHC is ₹ 65. | |
| | (b). Government of India has de-regularized diesel price w.e.f. 18 Jan 2013. Since the price of diesel is market driven, it is not possible to anticipate the escalation of diesel price at the bidding stage. Therefore, TAMP requested to consider pass through for diesel price. Indian railways has recently linked FAC (Fuel Adjustment Component) to freight Tariff to incorporate the volatility of diesel prices after deregulations. | |
| (vi). | Annex III: Performance Standards.<br>CHPT should also provide Minimum Guarantee cargo in Line with the Minimum guaranteed Efficiency desired from the crane operators. | The Projected Cargo by the Chennai Port Trust is based on the realistic method. Therefore, the Performance Standard can be achievable. |

2. A joint hearing in this case was held on 23 May 2014 at the CHPT premises in Chennai. The CHPT made a Power point presentation of its proposal. At the joint hearing, the Chennai Port Trust, the ALBA Asia Private Limited (ALBA) and Hindustan Chamber of Commerce (HCC) have made the following submissions:

**Chennai Port Trust (CHPT)**

(i). Rates have been proposed based on the feedback of the bidders. The proposed rates are attractive.

**ALBA Asia Private Limited (ALBA)**

(i). The vessel profile for the project envisages that 75% of the dry bulk cargo vessels would be less than 30000 DWT. However, the productivity is considered at a high level by the CHPT.

(ii). Cost of hopper and grab have not been included in the capital cost of the project.

(iii). Depreciation to be considered at 10.34% instead of 10% considered by the CHPT.

(iv). Fuel cost to be taken at current rates. Provision be made to incorporate the volatility of diesel prices to the Tariff.

**Hindustan Chamber of Commerce (HCC)**

(i). If proper shore handling facility is in place, non-geared vessels can be brought to use the equipment.

(ii). The rates proposed by the CHPT are even less than their own rates. It may not attract bidders. CHPT has proposed rates less than what it is already charging.
(CHPT: Presently, we do not provide HMC. The rates proposed are higher than the HMC rates approved for VOCPT, PPT etc., which have been fixed as per the 2008 guidelines.)

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