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

TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 486 **New Delhi,** **23 December 2019**

NOTIFICATION

In exercise of the powers conferred under Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Chennai International Terminal Private Limited (CITPL) for General Revision of its Scale of Rates, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

TARIFF AUTHORITY FOR MAJOR PORTS

Case No. TAMP/36/2019-CITPL

The Chennai International Terminal Private Limited - - - Applicant

QUORUM

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

O R D E R

(Passed on this 29th day of November 2019)

This case relates to a proposal received from Chennai International Terminal Private Limited (CITPL) vide its letter No. CITPL/F&A/TAMP/2019/001 dated 18 July 2019 for general revision of its Scale of Rates.

2. This Authority vide its Order No.TAMP/51/2011-CITPL dated 06 January 2012 had revised the Scale of Rates (SOR) of the CITPL considering the proposal filed by CITPL following 2005 Tariff Guidelines. The said Order was notified in the Gazette of India on 14 February 2012 vide Gazette No.33. Vide the said Order, this Authority had effected an across the board reduction of 12.23% over the then prevailing tariff of CITPL (i.e. tariff approved for CITPL vide Order No.TAMP/10/2009-CITPL dated 3 November 2010), as against the tariff increase of 15% sought by CITPL.

3.1. Aggrieved by the said reduction in its tariff, the CITPL challenged the tariff order dated 6 January 2012 passed by this Authority, by its Writ Petition Nos. 11010 and 11011 of 2012 filed in the Hon'ble High Court of Madras.

3.2. The Hon'ble High Court have stayed the tariff Order dated 6 January 2012 and allowed the CITPL to levy the tariff as approved vide tariff Order dated 3 November 2010. The said Order of the Hon'ble High Court is still in force and the CITPL continues to levy the tariff as approved vide tariff Order dated 3 November 2010.

4. The Ministry of Shipping (MOS), in exercise of the powers conferred on it by Section 111 of the Major Port Trusts Act, 1963, has vide its letter No.PR-14019/20/2009- PG (Pt-IV) dated 5 March 2019 issued Tariff Guidelines, 2019, for BOT operators who were previously governed by 2005 Tariff Guidelines. The Tariff Guidelines, 2019, has been notified in the Gazette of India on 7 March 2019 vide Gazette No.92. Thereafter, as per Clause 1.7 of the Tariff Guidelines, 2019, Working Guidelines to operationalize the Tariff Guidelines, 2019, has been notified in the Gazette of India on 11 July 2019, vide Gazette No.244.

5.1. In this backdrop, the CITPL has filed its proposal dated 18 July 2019 for general revision of its SOR, following Tariff Guidelines, 2019. The submissions made by CITPL in its proposal are as follows:

(i). The Ministry of Shipping (MOS) in exercise of powers conferred on it under Section 111 of the Major Port Trusts Act 1963, has issued the Tariff guidelines, 2019, for regulation of Tariff for BOT Operators operating in the Major Port Trusts under erstwhile 2005 Tariff guidelines. The said Guidelines has been notified in the Gazette of India Extraordinary (Part Ill Section 4) on 7 March 2019 vide Gazette No. 92. Subsequently Tariff Authority of Major Ports (TAMP) issued the working guidelines vide No.TAMP/61/2018-Misc dated 20 June 2019.

(ii). CITPL welcomes the initiatives of the Government in issuing the 2019 Guidelines which will help in addressing most of the long pending issues faced by 2005 BOT operators. The 2019 Guidelines will encourage the BOT operators to invest more in the Port Sector and serve the Trade.

(iii). It is confirmed that CITPL shall enter into a separate agreement with Chennai Port Trust to the effect that CITPL agrees to abide by the Tariff Guidelines 2019.

(iv). The proposal for revision of Tariff has been prepared as per the Tariff Guidelines, 2019. The information has been furnished as per the Forms and the Working Guidelines issued by TAMP.

(v). The highlights of the Proposal are as follows:

(a). The Tariff proposal has been prepared in the prescribed formats showing information for the years 2015-16 (15 months financials), 2016-17 and 2017-18 based on the Audited accounts of CITPL for the respective years.

(b). The Audited accounts of CITPL are prepared as per IGAAP. Hence, Form 6A and 6B are not applicable. The numbers have been duly verified by Chartered Accountant.

(c). It is proposed to broadly retain the existing SOR, except for the following changes:

(i). Reefer Charges is proposed to be increased by 10 % due to electricity tariff increase from ₹.5.80 to ₹. 8 per unit from last tariff cycle.

(ii). To encourage the Direct Port Delivery (DPD) cargo moving directly to factories, the DPD free storage period is proposed to be increased to 15 days.

(iii). Existing Charges for Hazardous and OOG containers are proposed to be increased by 12.5%, due to sling operations requiring additional crane time. In spite of the proposed increase, the premium would be 37.5%, which is within the norm set by TAMP working guidelines.

(vi). The proposed tariff will have a validity for a period of three years from 01 September 2019 to 30 August 2022 and CITPL would submit a suitable proposal at least three months before the expiry of the validity period.

(vii). As the information furnished in Forms 1, 2, 3 and 4 and other Forms including supporting documents to substantiate them, is commercially sensitive, it is requested to not circulate these forms, but to circulate only Form 5, 6A, 6B and 7.

5.2. The CITPL has furnished detailed computation of Annual Revenue Requirement (ARR) under Form-1 and Revenue estimation at the proposed rates in Form-4.

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

(₹. in lakhs)

Sl. No.	**Description**	**Y1**	**Y1**	**Y2**	**Y3**
		Jan 2015 - Mar 2016 (15 months)	**2015-16 (Proportionate 12 months as given by CITPL)**	**2016-17**	**2017-18**
(1).	**Total Expenditure (As per Audited Annual Accounts)**				

Sl. No.	Description	Y1 Jan 2015 - Mar 2016 (15 months)	Y1 2015-16 (Proportionate 12 months as given by CITPL)	Y2 2016-17	Y3 2017-18
(i).	Operating expenses (including depreciation)	19,035.04	15,228.03	18,097.55	18,552.47
(ii).	Finance and Miscellaneous expenses (FME)	13,493.80	10,795.04	10,983.65	10,862.00
	Total Expenditure 1=(i)+(ii)	**32,528.84**	**26,023.07**	**29,081.20**	**29,414.47**
(2).	**Adjustments in respect of items where there is variation in figures reported as per INDAS (as per Audited Accounts) and IGAAP**				
(i).	Depreciation	-	-	-	-
(ii).	Other expenditure items, if any, to be listed	-	-	-	-
	Total of Adjustments 2=(i)+(ii)	**-**	**-**	**-**	**-**
(3).	**Less: Adjustments:**				
(i).	Actual Royalty / Rev. share paid to the port	13,094.07	10,475.26	13,072.12	13,763.81
(ii).	Interest on loans	5,498.87	4,399.10	4,003.03	3,322.99
(iii).	Provision for bad and doubtful debts	-	-	1.15	-
(iv).	Provision for slow moving inventory	-	-	-	-
(v).	Other provisions, if any	-	-	-	-
	Total of 3 =[3(i)+3(ii)+3(iii)+3(iv)+3(v)+3(vi)]	18,592.94	14,874.35	17,076.30	17,086.79
(4).	**Add: Admissible Royalty/ Revenue Share as per Clause 2.2. of the Tariff Guidelines, 2019**	-	-	-	-
(5).	**Total Expenditure after Total Adjustments (5 = 1+2-3)**	13,935.90	11,148.72	12,004.90	12,327.67
(6).	Average Expenses of Sl. No.5 = [Y1 + Y2 + Y3] / 3	-	11,827.10		
(7).	**Capital Employed**				
	(i). Gross Fixed Assets (Property, Plant & Equipment) as on 31st March Y3 or 31 December of Y3 followed by the BOT operator (As per IGAAP)	-	80,712.13		
	(ii). Add: Capital Work in Progress as on 31st March Y3 or 31 December of Y3 followed by the BOT operator (As per Audited Annual Accounts)	-	-		
	(iii). Add: Working Capital as per norms prescribed in clause 2.6 of the Tariff Guidelines, 2019	-	-		
	(a). Inventory		576.77		
	(b). Sundry Debtors		2,878.18		
	(c). Cash		3,201.49		
	(d). Sum of (a)+(b)+(c)		6,656.44		
	(iv). Total Capital Employed [(i)+(ii)+(iii)]		87,368.57		
(8).	**Return on Capital Employed 16% on Sl. No.7(iv)**		13,978.97		
(9).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(6)+ (8)]**		25,806.07		

Sl. No.	Description	Y1	Y1	Y2	Y3
		Jan 2015 - Mar 2016 **(15 months)**	**2015-16** **(Proportionate 12 months as given by CITPL)**	**2016-17**	**2017-18**
(10).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI is 3.45% and the indexed ARR for the year Y4 will be (9) x 1.0345)**		**26,696.38**		
(11).	**Ceiling Indexed Annual Revenue Requirement (ARR)**		**26,696.38**		
(	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.11 above**		**26,248.20**		

5.3. The CITPL has furnished the working of revenue estimation for the existing tariff as well as the proposed tariff in Form 4 for the average of the actual traffic handled by the BOT operator during the years Y1, Y2 and Y3. As per the said form, the total revenue estimated at the proposed level of tariff is ₹ 26,248.20 lakhs.

5.4. The CITPL has furnished a copy each of the Audited Annual Accounts for the years 2015-16 (January 2015 to March 2016), 2016-17 (April 2016 to March 2017) and 2017-18 (April 2017 to March 2017).

6.1. In accordance with the consultative procedure prescribed, a copy of the CITPL proposal dated 18 July 2019 was forwarded to the concerned users/ user organizations vide our letter dated 01 August 2019 seeking their comments.

6.2. With regard to a specific request made by CITPL to circulate only Form 5, 6A, 6B and 7 and not to circulate the other forms, Form 5, 6A, 6B and 7 were circulated to the users. Clause 4.3 of the Tariff Guidelines provides for not circulating data which is confidential in nature. Since Form-1 is the basic ARR computation statement based on the audited Annual Accounts and Form-3 is the computation of working capital as per the norms, Form 1 and Form 3 were circulated. Since Revenue Share is not admissible as a pass through in case of CITPL, Form 2 with regard to admissibility of Revenue Share as pass through in ARR computation was not circulated. Since Form 4 gives a detailed revenue estimation at proposed level of tariff and also captures average traffic mix of past 3 years, Form 4 was not circulated, considering that the information may be sensitive.

6.3. With regard to circulation of the proposal to the users for their comments, in response, only Southern India Chamber of Commerce & Industry (SICCI) has furnished its comments till the case was finalized. The comments of SICCI were forwarded to CITPL for its feedback comments. The CITPL vide its letter dated 21 August 2019 has responded.

6.4. A copy of the CITPL proposal dated 18 July 2019 was also forwarded to the Licensor port, Chennai Port Trust (CHPT) for its comments, vide our letter dated 01 August 2019. After a reminder dated 07 November 2019, the CHPT vide its letter dated 16 November 2019 has furnished its comments. The CHPT has stated that it has no specific comments to offer on the proposal of CITPL as the CITPL has proposed to maintain the existing rates (except for Reefer and OOG containers). The CHPT has also stated that CITPL has obtained stay with regard to revision of charges by TAMP in the year 2012 and thereafter no revision of Scale of Rates took place for CITPL and the case is still pending. The CHPT has forwarded a copy of the Order passed by the Hon'ble High Court of Madras on 03 December 2012, wherein the Court had posted the matter to 17 December 2012 and the Hon'ble Court directed the interim order to continue till then.

7. Based on a preliminary scrutiny of the CITPL proposal, additional information/ clarification was sought from CITPL on few points vide letter dated 3 October 2019. The CITPL has responded vide its letters dated 08 October 2019 and 01 November 2019. The information/ clarification sought and the response of CITPL thereon are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Information/ Clarification sought</th><th>Reply furnished by CITPL</th></tr>
<tr><td>(i)</td><td>Forward a copy of the Separate Agreement to be entered by CITPL with CHPT as per the stipulation of 2019 Guidelines.</td><td>The CITPL under cover of its letter dated 01 November 2019 has furnished a copy of the Separate Agreement dated 16 October 2019 duly signed by CITPL and CHPT.</td></tr>
<tr><td>(ii)</td><td>The schedule of ‘Other Expenses’ forming part of the audited Annual Accounts of CITPL for the years 2015-16, 2016-17 and 2017-18, indicate an expenditure to the tune of ₹.4.38 cr, ₹.4.36 cr. and ₹.4.63 cr, as ‘Royalty’. This expenditure of ‘Royalty’ is seen to be separate and in addition to the expenditure of ‘Revenue share to Port Trust’. The CITPL to explain the nature of expenditure captured under the head ‘Royalty’ and justify its admissibility as cost in light of clause 2.2 of 2019 Tariff Guidelines.</td><td>These amounts represents royalty paid to parent company PSA International Pte Limited (PSAI) for use of trade and brand name, trademarks, intellectual property, technical know-how and expertise etc. These amounts have been duly allowed as admissible expenditure in the transfer pricing assessments. In view of above, this is not a payment to landlord port and hence does not fall under clause 2.2 of the 2019 Tariff Guidelines.</td></tr>
<tr><td>(iii)</td><td>The schedule of ‘Finance Costs’ in the audited Annual Accounts of CITPL, shows the expenses of Interest on term loan, interest on commercial borrowings and interest on other related charges. The said ‘interest on other related charges’ has not been excluded by CITPL from the total expenditure in Form – I. ‘Interest on other related charges’ is also to be excluded from the total expenditure.</td><td>Other related charges grouped under Finance Cost represents Bank guarantee commission for BGs given to the Chennai Port Trusts and Customs Authorities, bank charges for facility and rates and taxes for interest on loan. The detailed breakup is given below. The above expenditure are not in the nature of interest on loan and hence to be admissible.
<table>
<tr><th>Nature of Expenses</th><th>Y1-Jan 2015-Mar-2016</th><th>Y2 April 2016-Mar 2017</th><th>Y3-April 2017-Mar 2018</th></tr>
<tr><td>Bank Guarantee Commission & Charges</td><td>1,39,74,734</td><td>125,25,812</td><td>115,26,707</td></tr>
<tr><td>Facilitation Fee</td><td>426,802</td><td>1541,071</td><td>269,880</td></tr>
<tr><td>Rates & Taxes on ECB TDS</td><td>274,26,829</td><td>154,73,282</td><td>182,85,319</td></tr>
<tr><td>Total</td><td>418,28,365</td><td>295,40,165</td><td>300,81,906</td></tr>
</table></td></tr>
<tr><td>(iv)</td><td>An amount of ₹ 576.77 lakhs has been considered as inventory under Working Capital in Form-1. This includes ₹510.83 lakhs towards Capital spares and ₹ 65.94 lakhs towards other inventory excluding fuel and customized spares The CITPL to furnish workings in support of the value of other inventory excluding fuel and customized spares considered at ₹ 65.94 lakhs under working capital.</td><td>This amount represents the six month average requirement of other inventory. The workings is as follows:
Repair and Maintenance – others in the audited balance sheet is ₹.151.85 lac for Jan 2015 to March 2016, ₹.131.77 lac in 2016-17 and ₹.134.64 lac in 2017-18. An average of ₹.132 lac per year is considered and as per clause 2.6 of the Tariff Guidelines 2019, six month at ₹.65.94 lac is considered admissible.</td></tr>
</table>

<table>
<tr>
<td>(v)</td>
<td>As per the clause 2.6 of the Tariff Guidelines, 2019 read with clause 2.2 of the Working guidelines to operationalise the Tariff Guidelines, 2019, the advance payment of Revenue Share/ royalty to the landlord port flowing from the contractual obligations and advance payment of lease rental / license fee to landlord port flowing from the contractual obligations will be recognised as sundry debtor for computation of working capital. However, apart from advance payment of Revenue Share, Land Lease and deposit with CHPT for land lease and electricity, the CITPL has also considered an amount of ₹.602.00 lakhs towards trade receivables as allowable Sundry Debtors under Working Capital in Form-3. The CITPL to note that the trade receivables considered by CITPL does not arise on account of contractual obligation with CHPT and hence, not admissible as an item of Sundry debtors.

Further, workings in support of the amount of the Advance Revenue Share to CHPT (₹ 759.00 lakhs), Advance land lease deposit paid to CHPT (₹.552.00), Deposit with CHPT for Land lease and electricity (₹.966.00) to be furnished.</td>
<td>Based on TAMP comments, Trade receivables have been excluded from the admissible as an item of Sundry Debtors. Revised forms are furnished.

However, we refer to TAMP letter dated 5.7.19 on working guidelines to operationalize the 2019 Tariff Guidelines. The BOT operators had requested for inclusion of trade receivables also under sundry debtors. TAMP had confirmed that the matter shall be examined separately. The amount of ₹.602 lacs represents trade receivables as on 31 March 2018 as can be seen from CITPL audited annual report. This represent 4-5 days receivable from the trade. As per CITPL SOR clause 2 (iii) (x) all invoices are due on presentation and 4-5 days represents normal collection period. Considering the above, we request the trade receivable of ₹.602 lacs be allowed under sundry debtors.

The working for advance revenue share computation as per MGT for March 2018 is as follows:
<table>
<tr><th>Particulars</th><th>Amount in ₹</th></tr>
<tr><td>Revenue Share</td><td>6,43,29,000/-</td></tr>
<tr><td>SGST @ 9% on Revenue share</td><td>57,89,610/-</td></tr>
<tr><td>CGST @ 9% on Revenue share</td><td>57,89,610/-</td></tr>
<tr><td>Revenue Share + Service tax (incl. SBC)</td><td>7,59,08,220/-</td></tr>
<tr><td>Advance revenue share</td><td>7,59,08,220/-</td></tr>
</table>
The land lease as per audited accounts for 2018 amounts to ₹.935 lacs. As per 2019 Tariff Guidelines, CITPL pays the land lease in advance to CHPT as per the license agreement. As per the working guidelines 50% of lease rental considered which work out as: 50% of ₹.935 lac works out to ₹.467.50 lac plus GST of 18% ₹.84.15 lac and total ₹. 552 lac.

The CITPL has furnished a copy of the CHPT letter no. AO(Rent)/SD Confirmation/2018/FR dated 18 July 2018, wherein the CHPT has confirmed the Security Deposit Balance as on 31.03.2018 towards areas allotted to CITPL. The details of the Deposit are as follows:
<table>
<tr><th>Particulars</th><th>Amount in ₹</th></tr>
<tr><td>Land Lease Deposit</td><td>8,30,69,161/-</td></tr>
<tr><td>Rental Deposit</td><td>5,87,511/-</td></tr>
<tr><td>Way Leave Deposit</td><td>49,767/-</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr><td></td><td></td><td><table><tr><td>(Way Leave as per Licence Agreement is ₹ 15955/-, Pipeline is ₹ 6164/- and HT cable is ₹ 27648/-)</td><td></td></tr></table></td></tr>
<tr><td>(vi)</td><td>The CITPL has, apart from cash expenses, which is limited to one month's cash expenses as per clause 2.6 of the Tariff Guidelines, 2019, has also considered an amount of ₹ 1054.18 lakhs towards lien marked on Bank Guarantees as an allowable cash balances. Since this lien marked on bank guarantee, <u>shown as deposit in the accounts</u>, does not fall under the nomenclature of one month cash expenses, it is not eligible to be considered as one month cash expense.</td><td>Based on TAMP comments, lien marked fixed deposit have been excluded from allowable cash balance.</td></tr>
<tr><td>(vii)</td><td>The existing tariff at section 3.1.3 (a) & 3.3.3 (a) for handling at container yard lift on/off onto/from the Internal Transfer Vehicle for Over 40' in length (Coastal Containers) being levied by CITPL is ₹425.66 per container, which is proposed to continue to be levied by CITPL in the draft proposed SOR. However, in Form-4, the CITPL has considered ₹ 426.66 per container for estimating the revenue at the existing and proposed level of tariff. The CITPL to review the revise the revenue calculation in Form-4.</td><td>There is a typographical error in section 3.1.3 (a) 3.3.3 (a). Corrected Form 4 is furnished.</td></tr>
<tr><td>(viii)</td><td>The revenue from containers storage (Section-3.11) has been estimated at ₹.540 lakhs at the proposed level of tariff. However, no workings have been furnished by CITPL in Form – 4. The workings to determine container storage revenue to be furnished.</td><td>The current import container dwell time average 1.93 days. Export dwell time average 2.72 days and DPD Dwell days average 2.83 days. The revenue from container storage has been estimated on the basis of following workings:

Storage rates as per SOR:<table>
<tr><td>Import</td><td colspan="2">Amount in US$</td></tr>
<tr><td></td><td>20'</td><td>40'</td></tr>
<tr><td>0-3 days</td><td>Free</td><td>Free</td></tr>
<tr><td>4-15 days</td><td>5.50</td><td>11.00</td></tr>
<tr><td>16-30 days</td><td>11.00</td><td>22.00</td></tr>
<tr><td>Beyond 30 days</td><td>22.00</td><td>44.00</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>Export</td><td colspan="2">Amount in US$</td></tr>
<tr><td></td><td>20'</td><td>40'</td></tr>
<tr><td>0-7 days</td><td>Free</td><td>Free</td></tr>
<tr><td>8-15 days</td><td>5.50</td><td>11.00</td></tr>
<tr><td>16-30 days</td><td>11.00</td><td>22.00</td></tr>
<tr><td>Beyond 30 days</td><td>22.00</td><td>44.00</td></tr>
</table></td></tr>
</table>

		Exchange rate is 1US$ = ₹ 70/-

Particulars	**Total units**	**Volume units**		**Storage (₹ in lakhs)**	
		Export	**Import**	**Export**	**Import**
Per FCL					
- 20'	263751	79125	184626	15.23	213.24
- 20' to 40'	168144	50443	117701	38.84	271.89
- Above 40'	149	45	104	0.03	0.24
Per Empty					
- 20'	93647	93647	0	0	0
- 20' to 40'	36793	36793	0	0	0
- Above 40'	26	26	**0**	0	0
				54.11	**485.37**
				539.48	

8. A joint hearing on the case in reference was held on 13 September 2019 at the premises of CHPT, Chennai. At the joint hearing, the CITPL made a brief power point presentation on the proposal. At the joint hearing, the CITPL, the user organisations and the CHPT have made their submissions.

9.1. As brought out earlier, the Hon'ble High Court of Madras have stayed the last tariff Order passed by the Authority in the year 2012 and permitted CITPL to levy the then prevailing tariff, which is as per the previous tariff Order dated 03 November 2010 passed by the Authority. The said Court Order is still in force.

9.2. In order to ensure that the submission of a proposal by CITPL for review of the High Court permitted SOR, consequent processing of the proposal by this Authority, passing of the Order by this Authority and implementation of the Order by CITPL should not amount to contravention of the High Court Order, the CITPL was requested even before the joint hearing, vide letter dated 01 August 2019 to intimate appropriately the Hon'ble Madras High Court about the CITPL filing a proposal for General revision of its Scale of Rates (SOR) with this Authority under Tariff Guidelines, 2019.

9.3. After reminders dated 03 October 2019 and 22 October 2019, the CITPL vide its letter dated 01 November 2019 has stated that it has filed a Miscellaneous Writ Petition No. 30768 of 2019 under earlier WP 11010 of 2012 before the Hon'ble High Court of Madras, intimating the High Court about the CITPL migrating to Tariff Guidelines, 2019. A copy of writ petition has been furnished by the CITPL.

9.4. The Prayer made in the WP no. 11010 of 2012 is as given below:

> **"***To issue a Writ of Certiorarified Mandamus and / or a Writ in the nature of Certiorarified Mandamus and / or any other appropriate writ, order, or direction calling for the records and proceedings relating to the impugned order dated 06-01-2012, notified on 14.02.2012, in TAMP/51/2011-CITPL and the legality and validity thereof and be pleased to quash and set aside the same and to further direct 2nd respondent, the Union of India to exercise its statutory power under Section 54 of the Major Port Trust Act, 1963 directing 1st respondent, the Tariff Authority for Major Ports to modify its order dated 06.01.2012, notified on 14.02.2012, in TAMP/51/2011-CITPL and pass such other demand fit in the circumstances of the case and thus render justice.***"**

The amended Prayer made in the Miscellaneous WP no. 30768 of 2019 is as given below:

> **"***To issue a Writ of Certiorarified Mandamus or any other writ or order or direction in the nature of writ to call for the records and proceedings relating to the impugned order of the 1st respondent dated 06.01.2012, notified in 14.02.2012, in TAMP/51/2011-CITPL quash the same and to direct the 1st respondent to modify its order dated 06.01.2012, notified on*

14.02.2012, in TAMP/51/2012-CITPL on par with the Tariff Guidelines 2019 by re-considering the application of the petitioner dated 14.10.2011 and render justice."

9.5. Vide the Miscellaneous Writ Petition, the CITPL is seen to have prayed before the Hon'ble Court to amend its prayer made in the WP no. 11012 of 2012 to give retrospective effect to the Tariff Guidelines, 2019 from 14 October 2011. Thus, the CITPL, instead of furnishing the copy of the Affidavit intimating the Hon'ble Court about the CITPL filing a proposal for General revision of its Scale of Rates (SOR) before this Authority under Tariff Guidelines, 2019, has furnished a copy of the Miscellaneous Writ petition making a prayer to give retrospective effect to the Tariff Guidelines, 2019. The said Miscellaneous Writ petition is nowhere seen to be intimating the Hon'ble High Court of Madras about the CITPL filing of a proposal for General revision of its Scale of Rates (SOR) with this Authority under Tariff Guidelines, 2019.

10.1. As per clause 1.9. of Tariff Guidelines, 2019, the BOT operator shall continue to abide by the provisions contained in the existing Concession Agreement entered into with the concerned Major Port Trust. Simultaneously, the BOT operator shall agree to abide by this guidelines, by way of a Separate Agreement with the concerned Major Port Trust. In this connection, the MOS vide its letter no. PR-14019/20/2009-PG (Pt.IV) dated 8 March 2019 has forwarded a copy of the Final Separate Agreement to all the Major Port Trusts for further necessary action at their end.

10.2. Thus, at the joint hearing held on the case in reference, the CITPL was requested to furnish the copy of the Separate Agreement duly signed by CITPL with CHPT. After reminders dated 03 October 2019 and 22 October 2019, the CITPL under cover of its letter dated 01 November 2019 has forwarded a copy of the Separate Agreement duly signed by CITPL and CHPT in the format as prescribed by the MOS.

11. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website http://tariffauthority.gov.in.

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

(i). The Scale of Rates of Chennai International Terminal Private Limited (CITPL) was last revised by this Authority vide Order dated 06 January 2012, following the Tariff Guidelines, 2005. Vide the said Order, this Authority had effected an across the board reduction of 12.23% over the then prevailing tariff of CITPL (i.e. tariff approved for CITPL vide Order No.TAMP/10/2009-CITPL dated 3 November 2010). Aggrieved by the said reduction in its tariff, the CITPL has challenged the tariff Order of January 2012 in the Hon'ble High Court of Madras. The Hon'ble High Court have stayed the operation of the Order and has permitted the Petitioner i.e. CITPL to charge at the old rates. The writ petition is yet to be disposed of by the Hon'ble Court.

(ii). In the meanwhile, the Ministry of Shipping (MOS), as a policy direction under Section 111 of the Major Port Trusts Act, 1963, has issued Tariff Guidelines, 2019, for BOT operators who were previously governed by 2005 Tariff Guidelines. Consequent to the issue of the Tariff Guidelines, 2019, by the Ministry of Shipping (MOS), the tariff fixation exercise in respect of the CITPL is to be governed by the stipulations contained in the Tariff Guidelines, 2019 and the Working Guidelines issued to operationalize the Tariff Guidelines, 2019.

(iii). In this backdrop, the CITPL has come up with a proposal in July 2019 for revision of its tariff for the period from 01 September 2019 to 31 August 2022, following the Tariff Guidelines, 2019, and the Working Guidelines issued to operationalise the Tariff Guidelines, 2019. The revision has been sought by the CITPL on the tariff as approved by this Authority vide its Order dated 3 November 2010, which is now being levied by the CITPL based on the Order of the Hon'ble Court.

(iv). The CITPL has filed its proposal for general revision of its Scale of Rates in July 2019. Thereafter, in October 2019, while responding to the queries raised by us, the CITPL has clarified the queries and rectified some errors. The modified workings furnished by CITPL under cover of its letter dated 08 October 2019 alongwith the additional information/ clarifications furnished by CITPL during the processing of the case is considered for the purpose of this analysis.

(v). (a). Clause 2.1 of the Tariff Guidelines, 2019, requires each BOT Operator to assess the Annual Revenue Requirement (ARR) which is the average of the sum of Actual Expenditure as per the final Audited Annual Accounts of the immediate preceding three years (Y1), (Y2) and (Y3) at the time of submitting the proposal subject to certain exclusions as prescribed in Clause 2.2, 2.3.1 and 2.3.2 of the Tariff Guidelines, 2019 and the Working Guidelines issued by this Authority plus Return at 16% on Capital Employed obtaining as on 31st March Y3, duly certified by a practicing Chartered Accountant/ Cost Accountant.

(b). The audited Annual Accounts of CITPL for the year 2015-16 is seen to be for a period of 15 months. Therefore, for the purpose of calculation of the ARR, prorata figures for a period of 12 months has been proportionately considered by the CITPL, which has been considered in this analysis.

(c). The CITPL has assessed the Annual Revenue Requirement (ARR) based on Audited Annual Accounts for three years i.e. 2015-16 (Y1), 2016-17 (Y2) and 2017-18 (Y3) duly certified by a practicing Chartered Accountant. While assessing the ARR, the CITPL has made exclusions of the expenses not admissible in ARR computation, as prescribed in Clause 2.2, 2.3.1 and 2.3.2 of the Tariff Guidelines, 2019. The following adjustments done by CITPL in line with provisions prescribed in Clause 2.2, 2.3.1 and 2.3.2 of the Tariff Guidelines, 2019 and the Working Guidelines are brought out for specific mention:

(i). Clause 2.2 of the Tariff Guidelines, 2019, interalia, stipulates that Royalty/Revenue share' payable to the landlord port by the BOT operator will not be allowed as an admissible cost for tariff computation as decided by the Ministry of Shipping vide its Order No.PR-14019/6/2002-PG dated 29 July 2003. Clause 2.3.1 (i) also stipulates that Royalty/ Revenue share payment to the extent not admissible in tariff fixation is to be excluded, thereby complying with provisions prescribed at clause 2.2. Accordingly, the Revenue share paid by the CITPL to the Licensor port CHPT, as reflected in the audited annual accounts of CITPL at ₹ 130.94 crores (proportionately considered at ₹ 104.75 crores for a period of 12 months in the year 2015-16), ₹ 130.72 crores and ₹ 137.64 crores during the years 2015-16 to 2017-18 respectively, has been excluded by the CITPL.

(ii). As per Clause 2.3.1 (ii) of the Tariff Guidelines, 2019, Interest on loans, provision for bad and doubtful debts, provision for slow moving inventory etc., are to be excluded.

The schedule of 'Finance Costs' in the audited Annual Accounts of CITPL, shows the expenses of Interest on term loan, interest on commercial borrowings and interest on other related charges. The said 'interest on other related charges' has not been excluded by

CITPL from the total expenditure in Form – I. On a specific query in this regard, the CITPL has clarified that Other related charges grouped under Finance Cost represents commission for Bank Guarantees given to the CHPT and Customs Authorities, bank charges for facility and rates and taxes for interest on loan. Since the reported expenditure is not in the nature of interest on loans, the same is not considered for exclusion in the ARR calculation. Thus, only the Interest on term loans and external commercial borrowings to the tune of ₹ 54.99 crores (proportionately considered at ₹ 43.99 crores for a period of 12 months in the year 2015-16), ₹ 40.03 crores and ₹ 33.23 crores, as reflected in the audited annual accounts of CITPL during the years 2015-16 to 2017-18 respectively, has been excluded by the CITPL.

Likewise, provision for doubtful debts, to the tune of ₹ 1.15 lakhs during the year 2016-17 has been excluded by CITPL.

(iii). Clause 2.3.2 stipulates that incase there is variation in the expenditure reported under IND AS and IGAAP (like depreciation), then necessary adjustments to be done in ARR computation by excluding IND AS figure and considering figures as per IGAAP. In this regard, the Audited accounts of CITPL are seen to have been prepared as per IGAAP. In such a scenario, no adjustment in this regard is to be done in the ARR computation.

(vi). Following the provisions prescribed at Clause 2.2, 2.3.1 and 2.3.2 of the Tariff Guidelines, 2019 and the Working Guidelines and based on the adjustments as discussed above, the CITPL has arrived at average expenses for the years 2015-16 to 2017-18 at ₹ 118.27 crores, as per the stipulation prescribed in clause 2.4 of the Tariff Guidelines, 2019.

(vii). (a). The CITPL has arrived at capital employed in line with provision prescribed in Clause 2.5. of the Tariff Guidelines, 2019. The CITPL has considered the gross fixed assets (comprising of tangible and intangible assets) as on 31 March 2018, as reported in the Audited Annual Accounts, maintained as per IGAAP. No capital work-in-progress is reflected in the audited Annual Accounts for the year 2017-18.

(b). Working capital comprises of Inventory, Sundry debtors and Cash balances, as per Clause 2.6 of the Tariff Guidelines, 2019. The Inventory and Cash balance is seen to have been computed as per norms prescribed in clause 2.6 of Tariff Guidelines, 2019.

With regard to Sundry Debtors, the Guidelines stipulates consideration of the advance payment of Revenue Share/ royalty to the landlord port flowing from the contractual obligations and advance payment of lease rental / license fee to landlord port flowing from the contractual obligations, as sundry debtor for computation of working capital. However, apart from advance payment of Revenue Share, Land Lease and deposit with CHPT for land lease and electricity, the CITPL had also considered an amount of ₹ 602.00 lakhs towards trade receivables as allowable Sundry Debtors under Working Capital in Form-3. Since the trade receivables considered by CITPL did not arise on account of contractual obligation with CHPT, at our specific request, the CITPL has excluded the trade receivables from the sundry debtors balance. However, the CITPL has again requested to consider the trade receivable of ₹ 602 lakhs under sundry debtors, on the ground that though all invoices are due on presentation the said amount represents 4-5 days receivable from the trade, which represents normal collection period.

As per Section 58 of the Major Port Trusts Act, 1963, rates in respect of goods to be landed shall be payable immediately on the landing of the goods and rates in respect of goods to be removed from the premises of a Board, or to be shipped for export, or to be transhipped, shall be payable before the goods are so removed or shipped or transhipped. Time period of 4-5 days allowed by the CITPL appears to be at its discretion. In view of the above statutory provision, this Authority is not in a position to accede to the request made by the CITPL to include the trade receivables a part of sundry debtors.

As regards other components forming part of sundry debtors, the CITPL has furnished workings in support of the amount of the Advance Revenue Share to CHPT (₹ 759/- lakhs) and Advance land lease deposit paid to CHPT (₹ 552/- lakhs). As regards, deposit with CHPT for Land lease and electricity, though the CITPL has considered an amount of ₹ 966/- lakhs on this account, the copy of the CHPT letter no. AO(Rent)/SD Confirmation/2018/FR dated 18 July 2018, as furnished by the CITPL, confirms an amount of ₹ 837.06 lakhs towards various types of deposit as on 31 March 2018. The difference between ₹ 966 lakhs considered by the CITPL and the amount of ₹ 837.06 lakhs as per CHPT remains unexplained. Hence, the amount of ₹ 837.06 lakhs is considered as deposit in the analysis.

(c). The total capital employed including the revised working capital works out to ₹ 855.84 crores, as against the capital employed of ₹ 857.12 crores, assessed by the CITPL.

(d). As per Clause 2.7 of the Tariff Guidelines, 2019, Return on Capital Employed at 16% is worked out on the revised Capital Employed, which works out to ₹136.94 crores, which is considered in the ARR computation.

(viii). The ARR is the average of the expenditure for the three financial years 2015-16 to 2017-18 at ₹ 118.27 crores plus 16% Return on Capital Employed at ₹ 136.94 crores aggregating to ₹ 255.21 crores as on 31 March 2018. Further, as per Clause 2.8. of Tariff Guidelines, 2019, the said ARR has been indexed @ 100% of the Wholesale Price Index (WPI) applicable for the year 2018-19 at 3.45%. The ceiling indexed ARR works out to ₹264.01 crores for the year 2018-19. The detailed ARR calculation furnished is attached as **Annex – I**. A summary of the ceiling indexed ARR, is given below:

(**₹ in crores**)

Sr. No.	Particulars	ARR computation
1	Average Expenses [Y1+Y2+Y3]/3	118.27
2	Capital employed as on 31.03.2018 including capital work in progress as on 31.03.2018 and working capital as per norms	855.84
3	Return on capital employed @ 16%	136.94
4	ARR as on 31 March 2018 (4=1+3)	255.21
5	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (3.45%)	264.01
6	Ceiling Indexed Annual Revenue Requirement (ARR)	264.01
7	Revenue estimated by the CITPL at proposed rate	262.48

It is the Ceiling Indexed ARR as determined at sl. no. 6 above, based on which the CITPL has drawn the proposed Scale of Rates (SOR), as per clause 2.9 of the Tariff Guidelines, 2019.

(ix). (a). As per Clause 2.10 of Tariff Guidelines, 2019, for drawing the SOR, the traffic to be considered would be the average of the actual traffic handled by the BOT operator during the years Y1, Y2 and Y3, duly certified by the concerned port. The average traffic for the years 2015-16 to 2017-18 has been considered by the CITPL at 812243 TEUs. In the absence of any contradicting views of CHPT, it is presumed that the CHPT is in agreement with the average traffic as considered by CITPL in its workings.

(b). As per Clause 2.11.1 of Tariff Guidelines, 2019, the BOT Operators have the flexibility to determine the rates to respond to the market forces based on commercial judgment and draw the Scale of Rates within the ceiling of indexed ARR, duly certified by a practicing Chartered Accountant.

The CITPL has given detailed working of revenue estimation indicating each of the tariff items in the proposed SOR for corresponding average traffic for the years 2015-16 to 2017-18, as required as per Clause 2.11.1. of the Tariff Guidelines, 2019. The revenue estimation statement has been duly certified by a Chartered Accountant.

(c). While drawing up the proposed SOR, the CITPL is seen to have proposed to maintain status quo in the existing tariff being levied by the CITPL, except for an increase of 10% in the Reefer Charges and an increase of 12.5% in the Charges for Hazardous and OOG containers. The increase in the Reefer Charges is reported to be able to meet the increase in the electricity costs and the increase in the Charges for Hazardous and OOG containers due to sling operations requiring additional crane time.

Based on the above position, the Revenue Estimation at the proposed level of tariff has been worked out by CITPL at ₹ 262.48 crores. This is seen to be lower than the Ceiling Indexed Annual Revenue Requirement (ARR) of ₹ 264.01 crores, as discussed earlier, thereby leaving a gap of ₹ 1.53 crores, which has been left uncovered by the CITPL.

(d). Clause 2.11.1 of the Tariff Guidelines, 2019, gives flexibility to the BOT Operators to determine the tariff to respond to the market forces based on its commercial judgment and draw the SOR within the ceiling ARR. The revenue estimated by the CITPL at the proposed tariff is within the ceiling ARR and the revenue estimates at the proposed tariff are duly certified by the Chartered Accountant.

(x). (a). Before we proceed to consider the revised SOR of CITPL, it is pertinent here to draw reference to Clause 3.1.1 of the Tariff Guidelines, 2019, which stipulates that in case of the BOT operators, whose tariff has not been reviewed in the past due to litigations pending in the High Courts on the Tariff Orders passed by this Authority, the surplus/ deficit over and above the admissible costs and permissible return, if any, arising during the period of litigation will be subject to either the orders of the respective Courts or as per the treatment to be collectively decided by the Ministry of Shipping (MOS), concerned Major Port Trust, concerned BOT operator and this Authority.

(b). As stipulated in Clause 3.1.1 of the Tariff Guidelines, 2019, and based on clarification / information sought by CITPL and PSA SICAL (a BOT Operator at V.O Chidambaranar Port Trust) on treatment of past period surplus, a

Draft Policy Framework to decide on the treatment of past period surplus/ deficit, over and above the admissible costs and permissible return arising during the period of litigation in respect of BOT Operators who have approached various High Courts and have obtained stay on the operation of the last tariff Order passed by this Authority, was prepared and forwarded to the MOS vide our letter no. TAMP/61/2018-Misc dated 26 April 2019, for deliberation by MOS with the concerned BOT operators, concerned Major Port Trusts and this Authority. The MOS has been reminded in this regard vide our letters dated 23 July 2019 and 18 November 2019. The response of MOS is awaited.

(c). Thus, it is to state that incase of CITPL, neither the Hon'ble High Court of Madras has passed Order disposing of the Writ Petition nos. 11010 and 11011 of 2012 paving a way for treatment of surplus/ deficit, nor have we received a decision from the MOS, on the treatment of surplus/ (deficit) arising over and above the admissible costs and permissible return during the period of litigation. In other words, neither the methodology for determination of surplus relating to the period of litigation nor the treatment to be meted out to the surplus accrued during the period of litigation has been firmed up.

(xi). Without giving the impact of any adjustment of past period surplus during the period of litigation, the income at the estimated level of tariff has been proposed by the CITPL at ₹ 262.48 crores, by proposing to maintain status quo in the existing level of rates being levied by the CITPL i.e. the Court permitted tariff, except for an increase of 10% in the Reefer Charges and an increase of 12.5% in the Charges for Hazardous and OOG containers. With the said estimated income, only a gap of ₹ 1.53 crores has been left uncovered by the CITPL to meet the ARR. If any adjustment of surplus is carried out in the ARR of ₹ 264.01 crores, it will further reduce the ARR and warrant a reduction in the existing level of tariff i.e. the Court permitted tariff. In this regard, it is relevant here to mention that if any reduction is effected by this Authority on the Court permitted tariff and that too without approved Policy framework in place, it may be construed as violating the Order of the Court and may give rise to Contempt of Court, in the event the CITPL challenges the Order passed by this Authority effecting any reduction in its tariff. In respect of increase in tariff for Reefer charges and charges for hazardous and OOG containers sought by CITPL, clause 2.11.1 of the Tariff Guidelines, 2019 gives flexibility to the BOT operator to determine the tariff, within the ARR.

(xii). The proposal filed by CITPL for review of its tariff is before this Authority for disposal. Clause 4.6 of the Tariff Guidelines, 2019, stipulates this Authority to pass a speaking order and notify the SOR based on the proposal submitted by the BOT operators in the Official Gazette within 60 days from the date of filing. The proposal has been filed by CITPL in July 2019. The time limit prescribed in the Guidelines has already exceeded, due to non-receipt of timely response from CITPL and CHPT and time involved in the consultation process.

In the fact and circumstances of the case as brought out above, this Authority is inclined to approve the proposal of CITPL to maintain status quo in the existing level of rates and to allow increase in the Reefer Charges and the Charges for Hazardous and OOG containers, as proposed by CITPL.

While approving the rates as proposed by the CITPL, it is intimated to CITPL that whenever the Hon'ble High Court of Madras passes Order disposing of the Writ Petition nos. 11010 and 11011 of 2012 paving a way for treatment of surplus/ deficit or a decision from the MOS is received on the treatment of surplus/ (deficit) arising over and above the admissible costs and permissible return during the period of litigation whichever is earlier, the tariff of CITPL approved now would be subject to review then, so as to capture the impact of the surplus that has accrued during the period of litigation.

(xiii). It is relevant here to mention that we have vide our letter no. TAMP/46/2015-Misc dated 24 July 2015 communicated to CITPL that the surplus quantified for the tariff cycle immediately preceding the challenged tariff Order and the tariff fixed in the said tariff order challenged by the CITPL in the Hon'ble High Court will be taken up for review, based on the Ministry of Shipping (MOS) letter No. 14019/20/2009-PG dated 12 June 2015, subject to the permission of the Hon'ble High Court, as the matter is subjudice. Accordingly, an Affidavit was filed by us in the Hon'ble Court in August 2015, *interalia*, praying before the Hon'ble Court to permit this Authority to review the order of January 2012 to give effect to the opinion of the Learned Attorney General of India as directed by the MOS. The matter is still pending before the Hon'ble Court. Pending receipt of the permission of the Hon'ble High Court, an exercise to quantify the surplus/ (deficit) based on the MOS letter is undertaken.

Further, it is relevant to draw reference to para no. 10(iv)(m) of the Order no. TAMP/51/2011-CITPL dated 6 January 2012, which has been stayed by the Hon'ble Court. The said para is reproduced below:

"*(m). The variations in the actual performance of CITPL compared to the estimates, in respect of key parameters, are furnished in the table given below:*

(₹ in lakhs)

Particulars	***Aggregate of 2010 and 2011***		
	Estimates	***Actuals***	***Variance***
Traffic (in TEUs)	*787500*	*784639*	*(-)0.36%*
Operating Income	*24,163.50*	*21,695.06*	*(-)10.22%*
Operating Expenses (including depreciation and overheads)	*16,463.62*	*13,926.81*	*(-)15.41%*
Capital Employed (average)	*51,368.62*	*51,335.25*	*(-)0.06%*
Rate of Return on Capital Employed	*7.49%*	*7.58%*	*(+)1.12%*

*Clause 2.13 of the tariff guidelines of March 2005 while prescribing performance variation of + or – 20% for adjustment of past surplus, stipulates review of both physical and financial performance. In this case, the variation in both the physical performance as well as the key parameters of financial performance like operating income, operating expenses and capital employed, Rate of Return on capital employed are found to be less than 20%. Therefore, the question of adjustment of past deficit in future tariff does not arise. Since the deficit position for the year 2011 is partially based on estimates, the actual position for the year 2011 shall be subject to review during the next tariff revision exercise. If variation is found between the estimate and actual position for the year 2011, the net deficit position for the years 2010 and 2011 considered above shall be reviewed and shall be dealt as per clause 2.13 of the tariff guidelines of 2005.***"**

Thus, the exercise of considering the actuals for the year 2011 as well as the impact of giving effect to the MOS letter, as stated above is carried out.

A statement showing the past period analysis for the year 2011 is attached as **Annex – II**.

Given that the income to be considered for the purpose of Clause 2.13 will be the actual income earned by the operator based on their Audited Accounts and not any notional income, the quantum of rebate and discounts to the tune of ₹ 268 lakhs and ₹ 947.24 lakhs as considered in the said Order of 2012 is reduced from the operating income then relied upon. Therefore, as against the net surplus after return for the years 2010 as assessed in the 2012 Order at ₹ 74.94 crores stands revised at a net deficit after return to the tune of ₹ 77.62 crores. For the year 2011, the actual deficit of ₹ 18.19 crores is after capturing of the income net of rebate.

Further, the traffic variation is seen to be less than 20%. Therefore, no change is warranted to the decision taken by this Authority in the Order of January 2012, of not adjusting the aggregate deficit for the years 2010 and 2011, since both financial and physical parameters variation is seen to be less than +/- 20%.

Therefore, no deficit is to be credited to CITPL on this account in the future tariff cycle, subject to the permission of the Hon'ble Court.

(xiv). As brought out in the earlier part of the Order, the CITPL in its proposed SOR had also sought approval for increasing the free days for Direct Port Entry (DPE) export containers from the existing 7 days to 15 days. In this regard, it is to state that based on a separate proposal received by the CITPL in this regard, this Authority vide its Order no. No. TAMP/26/2019-CITPL dated 10 October 2019 has already approved the proposal of the CITPL in this regard. This provision has been incorporated by CITPL in its proposed SOR.

(xv). In its proposed Scale of Rates, the CITPL has introduced definitions for the terms viz., Bonded Trucking, DPD/ DPE, ICD Container and Per shift. The CITPL is also seen to have elaborated the existing definition of Transhipment Container in the proposed Scale of Rates. These are discussed below:

(a). Definition of Bonded Trucking:
For the reasons as given in the Order no. TAMP/45/2007-CCTPL dated 19 June 2008, this Authority had viewed that since the service of Bonded Trucking provided by the BOT Operator may not come under the scope of Section 42 of the MPT Act, any tariff levied on this account may not require approval of this Authority under Section 48. On the same analogy, the definition of Bonded Trucking as proposed by CITPL is not prescribed in the Scale of Rates of CITPL. Nevertheless, the CITPL has neither prescribed any rates for bonded trucking nor has estimated any income arising of rendering of service of Bonded Trucking in its.

(b). Definition of DPD/ DXE:
The DPD/ DXE has been defined by CITPL as 'Direct Port Delivery (DPD) and Direct Port Entry (DPE) is a trade facilitation introduced by Government of India to expedite clearance of goods directly from/ to the port thereby reducing transaction time and cost'. Since neither the users nor CHPT has objected to the proposed definition, the said definition is approved.

(c). Definition of ICD Container:
The CITPL has defined ICD Container as 'ICD Container means containers discharged from a vessel and placed in the custody of the CITPL for the purposes of loading on a Train, inside the Terminal. Also "ICD Container" means containers discharged from a Train inside the Terminal and placed in the custody of the CITPL for the purposes of shipment on a vessel. Neither the users nor CHPT has objected to the proposed definition. Since the definitions describes the activity involved in handling of rail borne

container inside the terminal, this Authority approves the proposed definition.

(d). Definition of per shift
The CITPL has defined per shift as 'Per Shift means per period of 8 (eight) hours. The proposed definition is approved.

(xvi). In the proposed Scale of Rates, the existing storage charges for the Import containers has been bifurcated into categories viz., Category 1 – Import (Loaded & Empty) (including DPD/ CFS) and Category 2 – Import (Loaded DPD) (Direct to Factory). While the existing storage charges have been retained for both the categories, only in respect of Category 2 – Import (Loaded DPD) (Direct to Factory), 2 additional free days have been proposed by the CITPL. In other words, while free days for Category 1 – Import (Loaded & Empty) (including DPD/ CFS) is prescribed at existing level of 3 free days, the free days for Category 2 – Import (Loaded DPD) (Direct to Factory) has been proposed at 5 days. As per Clause 9.10.1 of the Working Guidelines issued to operationalise the Tariff Guidelines, 2019, the number of free days is to be proposed by individual operators. Thus, BOT operators have the prerogative to prescribe the storage charges. Since increase in free days will be beneficial to the users and since the Licensor port CHPT has not objected to the increase in free days, the proposal of the CITPL in this regard is approved.

(xvii). The Schedule of Miscellaneous charges in the existing Scale of Rates of CITPL prescribes rates for various miscellaneous services. As part of the said Schedule, the CITPL has introduced a new schedule as 'DPD/ DPE Facility Charges', for levy of charges for those RMS Container marked for seal verification or open inspection by Customs inside CITPL Yard. The charges prescribed under this schedule are towards On wheel customs inspection, documentation charges, lift on/ lift off, shifting within the terminal and fixing/ removal of seal. Levy of forklift charges if required during open examination is also proposed. Given that income from the proposed entry of 'DPD/ DPE Facility Charges' has not been separately captured in the income estimation at the proposed level of tariff, this Authority is not inclined to approve insertion of the said entry. Non-prescription of the said rates separately under 'DPD/ DPE Facility Charges' will not inconvenience CITPL, as the rates for On wheel customs inspection, documentation charges, lift on/ lift off, shifting within the terminal and fixing/ removal of seal, already form part of the existing Schedule of Miscellaneous charges.

(xviii). As per Clause 2.12 of the Tariff Guidelines, 2019, the SOR will be indexed annually to inflation to the extent of 60% of the variation in Wholesale Price Index (WPI) announced by the Government of India occurring between 1st January to 31st December of the relevant year. Such adjusted SOR will come into force from 1st May of the relevant year to 30th April of the following year. It is relevant here to state that in the instant case indexation for the year 2019-20 is already considered in the ARR and for drawing the SOR. The next annual indexation in SOR will be applicable from 1 May 2020. That being so, a note is inserted in the SOR to the effect that the SOR approved by the Authority is subject to automatic annual indexation at 60% of the WPI to be announced by the Authority. The annual indexation will be from 01 May 2020. The indexed SOR shall be intimated by the CITPL to the CHPT, users and to this Authority.

13. In order to ensure that the submission of a proposal by CITPL for review of its SOR, consequent processing of the proposal by this Authority, passing of the Order by this Authority and implementation of the Order by CITPL should not amount to contravention of the High Court Order, the CITPL was repeatedly requested to intimate the Hon'ble Madras High Court about the CITPL filing a proposal for General revision of its Scale of Rates. However, the CITPL has not made available any evidence to establish that it has intimated the Hon'ble Court about the CITPL approaching this Authority for revision of the Court permitted tariff. Therefore, the revised SOR

approved now in respect of CITPL shall come into effect after expiry of 30 days from the date of notification of the Order passed by this Authority in the Gazette of India or from the date the CITPL intimates the High Court about the CITPL getting approval of this Authority for revision of the Court permitted tariff, by way of filing an Affidavit in the Hon'ble High Court of Madras, whichever is later. The CITPL is advised to produce before this Authority an authenticated copy of the Affidavit immediately on filing in the Court. The implementation of the revised SOR without intimation to the Hon'ble High Court will be at the risk and responsibility of CITPL.

14.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the Scale of Rates and conditionalities of the CITPL attached as **Annex – III**.

14.2. The revised Scale of Rates and conditionalities of the CITPL would come into force after expiry of 30 days from the date of notification of the Order passed by this Authority in the Gazette of India or from the date the CITPL intimates the High Court about the CITPL getting approval of this Authority for revision of the Court permitted tariff, by way of filing an Affidavit in the Hon'ble High Court of Madras, whichever is later. Once the revised Scale of Rates comes into effect, it shall be in force for a period of three years thereafter, subject to annual indexation. The approval accorded to the Scale of Rates will automatically lapse thereafter unless specifically extended by this Authority.

14.3. The tariff of the CITPL has been fixed based on the prevailing information and without considering any adjustment of past period surplus relating to the period of litigation. Therefore, whenever the Hon'ble High Court of Madras passes Order disposing of the Writ Petition nos. 11010 and 11011 of 2012 paving a way for treatment of surplus/ deficit or a decision from the MOS is received on the treatment of surplus/ (deficit) arising over and above the admissible costs and permissible return during the period of litigation whichever is earlier, as stipulated in clause 3.1.1 of the Tariff Guielines, 2019, the tariff of CITPL approved now would be subject to review then, so as to capture the impact of the surplus that has accrued to CITPL during the period of litigation.

14.4. As stipulated in Clause 7 of the Tariff Guidelines, 2019, the CITPL shall furnish to this Authority, annual reports on container traffic handled, average moves by crane per hour and average dwell time for containers. The annual reports shall be submitted by the CITPL within 90 days following the end of each of the year. Any other information which may be required by this Authority from time to time shall also be furnished by CITPL.

14.5. An analysis of variation will also be made at the time of the next general review of tariff of CITPL at the end of the tariff validity period and adjustment of additional surplus will be made in the tariff to be fixed for the next cycle, in line with the stipulation contained in Clauses 3.2.1 and 3.2.2 of the Tariff Guidelines, 2019.

(T.S. Balasubramanian)
Member (Finance)

Computation of Annual Revenue Requirement under Tariff Policy, 2019 for Determination of Tariff for BOT operators operating at Major Port Trusts.

Rs. in lakhs

Sl. No.	Description		Y1	Y1	Y2	Y3
			Jan 2015 - Mar 2016	April 2015 - Mar 2016	2016-17	2017-18
(1).	**Total Expenditure (As per Audited Annual Accounts)**	**Note 1**				
(i).	Operating expenses (including depreciation)		19,035.04	15,228.03	18,097.55	18,552.47
(ii).	Finance and Miscellaneous expenses (FME)		13,493.80	10,795.04	10,983.65	10,862.00
	Total Expenditure 1=(i)+(ii)		**32,528.84**	**26,023.07**	**29,081.20**	**29,414.47**
(2).	**Adjustments in respect of items where there is variation in figures reported as per INDAS (as per Audited Accounts) and IGAAP**	**Form 6 A and Note 2**				
(i).	Depreciation		-	-	-	-
(ii).	Other expenditure items, if any, to be listed		-	-	-	-
	Total of Adjustments 2=(i)+(ii)+ -----		**-**	**-**	**-**	**-**
(3).	**Less Adjustments:**					
(i).	Actual Royalty / Revenue share paid to the port		13,094.07	10,475.26	13,072.12	13,763.81
(ii).	Interest on loans		5,498.87	4,399.10	4,003.03	3,322.99
(iii).	Provision for bad and doubtful debts		-	-	1.15	-
(iv).	Provision for slow moving inventory		-	-	-	-
(v).	Other provisions, if any		-	-	-	-
	Total of 3 = [3(i)+3(ii)+3(iii)+3(iv)+3(v)+3(vi)]		18,592.94	14,874.35	17,076.30	17,086.79
(4).	**Add: Admissible Royalty/ Revenue Share as per Clause 2.2. of the Tariff Guidelines, 2019**	**Form 2 and Note 3**		-	-	-
(5).	**Total Expenditure after Total Adjustments (5 = 1+2-3)**		13,935.90	11,148.72	12,004.90	12,327.67
(6).	Average Expenses of Sl. No.5 = [Y1 + Y2 + Y3] / 3					11,827.10
(7).	**Capital Employed**					
	(i). Gross Fixed Assets (Property, Plant & Equipment) as on 31st March Y3 or 31 December of Y3 followed by the BOT operator (As per IGAAP)					80,712.13
	(ii). Add: Capital Work in Progress as on 31st March Y3 or 31 December of Y3 followed by the BOT operator (As per Audited Annual Accounts)					-
	(iii). Add: Working Capital as per norms prescribed in clause 2.6 of the Tariff Guidelines, 2019	**As per Form 3 & Note 4**				
	(a). Inventory					576.77
	(b). Sundry Debtors					2,147.46
	(c). Cash					2,147.31
	(d). Sum of (a)+(b)+(c)					4,871.54
	(iv). Total Capital Employed [(i)+(ii)+(iii)]					85,583.67
(8).	**Return on Capital Employed 16% on Sl. No.7(iv)**					13,693.39
(9).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(6)+ (8)]**					25,520.49
(10).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI is 3.45% and the indexed ARR for the year Y4 will be (9) x 1.0345)**					**26,400.94**
(11).	**Ceiling Indexed Annual Revenue Requirement (ARR)**					**26,400.94**
(12).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.11 above**	**As per Form 4 & Note 5**				26,248.20

Annex - II

CHENNAI INTERNATIONAL TERMINAL PRIVATE LIMITED

	Past Period analysis for the year 2011 (Rs. in Lakhs)	
	Particulars	**Actuals for the year 2011**
I	**Total Operating Income**	
	Container handling income	6599.41
	Other related charges	6788.40
	Total	**13387.81**
II	**Operating Cost**	
	Operating & Direct Labour	
	Maintenance cost	
	Equipment Running Costs (Power & Fuel)	
	Equipment Hire	
	Container inspection and lashing charges	3846.57
	Insurance	
	Technical Service Fee to Parent Company	
	Land Lease Charges	
	Consumption of stores & spares	
	Total	**3846.57**
III	**Depreciation**	**2993.64**
IV	**Overheads**	
	Management & Administration overheads	
	Foreign Exchange Loss	560.97
	Loss on Sale of assets	
	Miscellaneous Expenses	
	Total	**560.97**
V	**Operating Surplus/(Deficit) (I - II-III-IV)**	**5986.63**
VI	**Finance & Miscellaneous Income (FMI)**	
	Scrap sale	0.00
	Exchange gain	0.00
	Miscellaneous income	143.43
	Total	**143.43**
VII	**Finance & Miscellaneous Exp. (FME)**	
	Bank charges	0.00
	Total	**0.00**
VIII	**FMI less FME (VI-VII)**	**143.43**
IX	**Surplus Before Interest & Tax (V + VIII)**	**6130.06**
X	**Net Capital Employed**	49683.30
XI	**Return on Capital Employed**	7949.33
XII	**Net Surplus / (Deficit) (IX- XI)**	**-1819.27**

Annex - III

CHENNAI INTERNATIONAL TERMINAL PRIVATE LIMITED

SCALE OF RATES

(This SOR shall come into effect after expiry of 30 days from the date of notification of the Order passed by the Authority in the Gazette of India or from the date it is intimated to the Hon'ble Madras High Court for getting approval of the Authority for revision of High Court permitted tariff by filing an Affidavit in the Hon'ble High Court of Madras, whichever is later.)

DEFINITIONS AND CONDITIONS

This Scale of Rates sets out the charges payable to Chennai International Terminals Private Limited from time to time for the use of services and facilities provided by Chennai International Terminals Private Limited.

1. DEFINITIONS

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

(i) ***"Accredited Clients Programme"*** means a programme introduced by the Customs Department whereby importers registered by them as "**Accredited Clients"** will form a separate category to which assured facilitation will be provided. Except for a small percentage of consignments selected on random basis by the RMS, or cases where specific intelligence is available or where a specifically observed pattern of non-compliance is required to be addressed, accredited clients will be allowed clearance on the basis of self-assessment i.e., as a matter of course, clearance will be allowed on the basis of their declaration and without examination of goods. Further this benefit will be available to Accredited Clients at all ports in the country where EDI and RMS are operational. It is expected that this programme will bring reduction in the dwell time of cargo and transaction cost of such importers. Commissioners of Customs are also required to work with the custodians for earmarking separate storage space, handling facility and expeditious clearance procedures for these clients. Further IMG has also recommended 'faster delivery system by creating separate area in the port premises clearly earmarked for delivery of cargo to specified accredited importers.' This programme has been defined in detail in Customs Circular No. 42/2005 – cus dated 24th November 2005.

(ii) ***"CITPL"*** means Chennai International Terminals Private Limited, a company incorporated in India, its successors and assigns.

(iii) ***"Coastal Vessel"*** means any vessel exclusively employed in trading between any port or place in India to any other port or place in India and / or having a valid coastal license issued by the Director General of Shipping/ competent authority.

(iv) ***"Container"*** means the standard ISO container, suitable for the transport and stacking of cargo and must be capable of being handled as a unit and lifted by a crane with a container spreader.

(v) **"DPD/DPE"** means Direct Port Delivery (DPD) and Direct Port Entry (DPE) is a trade facilitation introduced by Government of India to expedite clearance of goods directly from/to the port thereby reducing transaction time and cost.
DPD container shall refer to those containers which comply to the norms set by CBEC, Chennai vide facility circular No 05/2017 dated 28 Feb 2017.
DPE container shall refer to those containers which comply to the norms set by CBEC, Chennai vide facility circular No 26/2017 dated 18 Nov 2017.

(vi) ***“FCL”*** means containers said to contain Full Container Load.

(vii) ***“Foreign-going Vessel”*** means any vessel other than a coastal vessel.

(viii) ***“Fumigation Facility”*** means facilitating decontamination of cargo which are prone to be affected by pests and which requires pesticides to decontaminate by way of fumigation or degassing or both.

(ix) “***Hazardous container*”** means a Container containing hazardous goods as classified under IMO.

(x) ***“ICD”*** means Inland Container Depot.

(xi) ***“ICD Container”*** means containers discharged from a vessel and placed in the custody of the CITPL for the purposes of loading on a Train, inside the Terminal. Also ***“ICD Container***” means containers discharged from a Train inside the Terminal and placed in the custody of the CITPL for the purposes of shipment on a vessel.

(xii) ***“LCL”*** means containers said to contain Less than Full Container Load (Container having cargo of more than one importer/exporter).

(xiii) **“*Over Dimensional Container”*** means a Container carrying over dimensional cargo beyond the normal size of standard containers and needing special devices like slings, shackles, lifting beam, etc. Damaged Container and Container requiring special devices for lifting is also classified as Over-Dimensional Container.

(xiv) ***“Per Day”*** means per calendar day or part thereof.

(xv) “***Per Shift”*** means per period of 8 (eight) hours.

(xvi) ***“Port”*** means the Chennai Port Trust (CPT) whereas “Terminal” means the Container Terminal operated by Chennai International Container Terminal Private Limited.

(xvii) ***“Reefer”*** means any Container for the purpose of the carriage of goods, which require power supply to maintain the desired temperature.

(xviii) ***“Shut Out Container”*** means a container, which has entered in to the terminal for export for a vessel as indicated by VIAN and is not connected to the vessel for whatsoever reason.

(xix) ***“Tonne”*** means one metric Tonne of 1,000 kilograms or one cubic metre.

(xx) ***“Transhipment Container”*** means container discharged from a vessel and placed in the custody of the CITPL for the purposes of shipment on another vessel declared on a Transshipment manifest with the ultimate port destination marked on each container lodged with prior to or at the time of such a container is placed in its custody.

(xxi) ***“VIAN”*** means Vessel Identification Advise Number.

2. GENERAL

(i) Status of a vessel as borne out by its certification issued by Director General of Shipping is the relevant factor for deciding whether the vessel is ‘foreign-going’ or ‘coastal’. Foreign going vessels permitted to undertake coastal voyages and the cargo / container carried by them will also qualify for the concession in respect of such permissible voyages:

A. 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.

B. A foreign-going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage License issued by the Director General of Shipping.

C. In case of such conversions, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.

D. In case of such conversions, 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 License from the Director General of Shipping, no other documents will be required to be entitled to coastal rates.

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

(iii) (a) Users shall pay penal interest on delayed payments of any charge under this Scale of Rates. Likewise, the CITPL shall pay penal interest on delayed refunds.

(b) The rate of simple interest will be 15% p.a. The penal interest will apply to both the CITPL and the users equally.

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

(d) The delay in payments by the users will be counted beyond 10 days after the date of raising the bills by the CITPL. This provision shall, not apply to the cases where payment is to be made before availing the services as stipulated in the Major Port Trust Act, 1963, and / or where payment of charges in advance is prescribed as a condition in this Scale of Rates.

(e). A premium of 37.50% will be levied in case of Hazardous Cargo Containers / Over Dimensional Containers over the applicable handling charges prescribed for respective categories of containers.

(iv) Containers less than and up to 20**’** in length will be reckoned as one TEU for the purpose of tariff.

(v) Container-related charges denominated in US dollar terms shall be collected in equivalent to Indian rupees. For this purpose, the market buying rate notified by the Reserve Bank of India, State Bank of India or its subsidiaries or any public sector bank as may be prescribed from time to time prevalent on the date of entry of the vessels into the Terminal (in case of import containers) and on the date of arrival of containers in the Terminal premises (in case of export containers) shall be applied for re-conversion of the dollar-denominated charges into Indian rupees.

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

(vii)(a). .Users will not be required to pay charges for delays beyond a reasonable level attributable to the port.

(b). In case vessel idles due to non-availability or breakdown of the shore based facilities of CITPL or any other reasons attributable to the CITPL, rebate equivalent to berth hire charges payable to ChPT accrued during the period of idling of vessel shall be allowed.

(viii). The charges prescribed in the Scale of Rates are exclusive of all applicable taxes. All applicable taxes will be collected at actual.

(ix). All **LCL** containers coming in and going out of CITPL as a unit load will be treated as **FCL** for the purpose of levying charges.

(x). All Invoices are issued as due on presentation. Failure to pay may cause a lien to be placed on the goods handled at the terminal and the responsible party may be denied further use of the terminal unless all dues together with interest @ 15 % is paid from the date of discharge of cargo till the date of payment.

(xi). Container other than that of standard size requiring special devices /sling handling will be charges as per 3.5 below .Such containers will also include damage containers and any other type requiring special devices.

(xii). If a terminal user provides with prior consent of CITPL, lashing/unlashing gang for lashing operation of all containers in the vessel, then a rebate of ₹.33/- per container in handling charges prescribed in section 3.1.1,3.2.1,3.3.1, and 3.4 shall be allowed, subject to the terminal user agreeing to follow safety regulations.

SECTION – 1

3.0 CHARGES FOR CONTAINER OPERATION

3.1 Charges for handling FCL import, export and empty containers

3.1.1. Handling by Quay Crane including lashing/unlashing charges

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per FCL Containers				
Not exceeding 20' length	US$	22.53	INR	567.76
Exceeding 20' and upto 40' in length	US$	33.78	INR	851.26
Over 40' in length	US$	45.05	INR	1135.26
Per Empty Containers				
Not exceeding 20' length	US$	22.53	INR	567.76
Exceeding 20' and upto 40' in length	US$	33.78	INR	851.26
Over 40' in length	US$	45.05	INR	1135.26

Services Include handling by Quay Crane Lashing and Unlashing.

3.1.2. Transportation from Quay side to Yard & *Vice Versa*

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per FCL Containers				
Not exceeding 20' length	INR	641.91	INR	385.15
Exceeding 20' and upto 40' in length	INR	962.83	INR	577.70
Over 40' in length	INR	1283.81	INR	770.29
Per Empty Containers				
Not exceeding 20' length	INR	317.90	INR	190.74
Exceeding 20' and upto 40' in length	INR	476.85	INR	286.11
Over 40' in length	INR	635.80	INR	381.48

Services Include transport to and from Quayside

3.1.3 (a) Handling at Container Yard including lift on / lift off onto / from the Internal Transfer Vehicle

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per FCL Containers				
Not exceeding 20' length	INR	354.73	INR	212.84
Exceeding 20' and upto 40' in length	INR	532.10	INR	319.26
Over 40' in length	INR	709.44	INR	425.66
Per Empty Containers				
Not exceeding 20' length	INR	175.67	INR	105.40
Exceeding 20' and upto 40' in length	INR	263.50	INR	158.10
Over 40' in length	INR	351.34	INR	210.80

Note: Services includes lifts at container yard for storage.

3.1.3. (b) Handling at Container Yard including lift on / lift off, delivery to customers and receipt from customers

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per FCL Containers				
Not exceeding 20' length	INR	354.73	INR	354.73
Exceeding 20' and upto 40' in length	INR	532.10	INR	532.10
Over 40' in length	INR	709.44	INR	709.44
Per Empty Containers				
Not exceeding 20' length	INR	175.67	INR	175.67
Exceeding 20' and upto 40' in length	INR	263.50	INR	263.50
Over 40' in length	INR	351.34	INR	351.34

Note: Services includes lifts at container yard for landing or loading the container from or to customer vehicle

3.2. Charges for handling LCL import & export container

3.2.1. Handling by Quay Crane including Lashing/ Unlashing

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per Container				
Not exceeding 20' length	US$	22.53	INR	567.76
Exceeding 20' and upto 40' in length	US$	33.78	INR	851.26
Over 40' in length	US$	45.05	INR	1135.26

3.2.2. (a) Transportation from Quay side to Yard and Vice Versa

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per LCL Containers				
Not exceeding 20' length	INR	609.84	INR	365.90
Exceeding 20' and upto 40' in length	INR	914.70	INR	548.82
Over 40' in length	INR	1219.62	INR	731.77

Note: Services include transportation of container from quay to yard and vice versa.

3.2.2. (b) Handling at Container Yard including lift on / lift off onto / from the Internal Transfer Vehicle

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per LCL Containers				
Not exceeding 20' length	INR	354.73	INR	212.84
Exceeding 20' and upto 40' in length	INR	532.10	INR	319.26
Over 40' in length	INR	709.44	INR	425.66

Note: Services includes lifts at container yard for storage.

3.2.2. C) Handling at Container Yard including lift on /Lift off delivery /receipt to and from customers

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per LCL Containers				
Not exceeding 20' length	INR	354.73	INR	354.73
Exceeding 20' and upto 40' in length	INR	532.10	INR	532.10
Over 40' in length	INR	709.44	INR	709.44
Per Empty Containers				
Not exceeding 20' length	INR	175.67	INR	175.67
Exceeding 20' and upto 40' in length	INR	263.50	INR	263.50
Over 40' in length	INR	351.34	INR	351.34

Note: Services Include Lifts at Container Yard for landing or loading the container from or to customer vehicle

3.3. Charges for Handling ICD Import & Export containers

3.3.1. Handling by Quay Crane including lashing/unlashing charges

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per Loaded Containers				
Not exceeding 20' length	US$	22.53	INR	567.76
Exceeding 20' and upto 40' in length	US$	33.78	INR	851.26
Over 40' in length	US$	45.05	INR	1135.26
Per Empty Containers				
Not exceeding 20' length	US$	22.53	INR	567.76
Exceeding 20' and upto 40' in length	US$	33.78	INR	851.26
Over 40' in length	US$	45.05	INR	1135.26

Note: Services includes handling by quay cranes and lashing and unlashing

3.3.2. ***Transportation*** **from Quay side to Container Yard &*Vice Versa***

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per Loaded Containers				
Not exceeding 20' length	INR	609.84	INR	365.90
Exceeding 20' and upto 40' in length	INR	914.71	INR	548.83
Over 40' in length	INR	1219.63	INR	731.78
Per Empty Containers				
Not exceeding 20' length	INR	302.01	INR	181.21
Exceeding 20' and upto 40' in length	INR	452.98	INR	271.79
Over 40' in length	INR	604.01	INR	362.41

Services include transport to container rail yard, stowage planning on vessel and yard, data handling, processing and transfer between vessel, CITPL and Shipping line.

3.3.3. (a).Handling at Container Yard lift on / lift of from the Internal transfer vehicle.

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per Loaded Containers				
Not exceeding 20' length	INR	354.73	INR	212.84
Exceeding 20' and upto 40' in length	INR	532.10	INR	319.26
Over 40' in length	INR	709.44	INR	425.66
Per Empty Containers				
Not exceeding 20' length	INR	175.67	INR	105.40
Exceeding 20' and upto 40' in length	INR	263.50	INR	158.10
Over 40' in length	INR	351.34	INR	210.80

Note: Service include lift at container yard for storage.

3.3.3. **(b).Handling at container rail yard lift on /off while giving delivery for Rail.**

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per LCL Containers				
Not exceeding 20' length	INR	354.73	INR	354.73
Exceeding 20' and upto 40' in length	INR	532.10	INR	532.10
Over 40' in length	INR	709.44	INR	709.44
Per Empty Containers				
Not exceeding 20' length	INR	175.67	INR	175.67
Exceeding 20' and upto 40' in length	INR	263.50	INR	263.50
Over 40' in length	INR	351.34	INR	351.34

Note: Services include lift at container rail yard, data handling, Processing and transfer between vessel, CITPL and shipping line.

3.4. **Charges for Handling Transshipment Containers**

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Per Loaded Containers				
Not exceeding 20' length	US$	27.02	INR	680.90
Exceeding 20' and upto 40' in length	US$	40.54	INR	1021.61
Over 40' in length	US$	54.05	INR	1362.06
Per Empty Containers				
Not exceeding 20' length	US$	27.02	INR	680.90
Exceeding 20' and upto 40' in length	US$	40.54	INR	1021.61
Over 40' in length	US$	54.05	INR	1362.06

Services include handling by quay crane (discharge and loading), transport and lifts stowage planning on vessel and yard, data handling, processing and transfer between vessel, CITPL and Shipping Line.

Note: (i) A Transhipment container send to CFS, ICD are taken delivery locally shall be charge the local Container rate

1. A shut out charge as per Schedule 3.10 shall apply:
   i). The vessel nomination is changed

   ii). If the vessel nomination is changed from a later vessel to an earlier vessel after the earlier vessel is berthed

3.5. **Charges for Hazardous Cargo containers / Over Dimensional cargo containers**
A Premium of 37.5% will be levied over the applicable handling charges prescribed above for respective categories of containers.

3.6. **Charges for Wharfage.**

	Foreign Going Vessel -US $	Coastal Vessel ₹.
Per Containers (box Only)		
Not exceeding 20' length	1.29	32.51
Exceeding 20' and upto 40' in length	1.94	48.89
Over 40' in length	2.57	64.76
Per Containerized Cargo	**₹.**	**₹.**
Not exceeding 20' length	707.85	424.71
Exceeding 20' and upto 40' in length	1061.78	637.07
Over 40' in length	1415.70	849.42

Note.

(i) The charge for Containerized cargo in all cases will be in Rupee terms.

(ii) The Charge for containers in case of 'foreign arrival 'and 'foreign departure 'will be in dollar terms.

(iii) The charge for containers in case of 'coastal arrival' and 'coastal departure' will be in Rupee terms.

(iv) Wharfage will be charged on all containers including ICD's, transhipment, Laden and Empty containers.

3.7. Charges for handling Hatch Covers for One Operation (both opening and closing)

S.I No.	Particulars	Foreign-going vessels- US $	Coastal vessels (₹.)
(a)	Without landing Hatch Cover on the quay	18.02	454.10
(b)	With landing Hatch Cover on the quay	45.05	1135.26

Note: Half the rate shall be charged if they is only one activity ie either opening or closing operations.

3.8. Charges **for Shifting Containers within Vessel (Restows).**

Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
Within hatch (without landing & reshipping) per container				
Not exceeding 20' length	US$	10.95	INR	275.94
Exceeding 20' and upto 40' in length	US$	16.41	INR	413.53
Over 40' in length	US$	21.88	INR	551.38
Via Quay (shifted by landing on quay & reshipping) per container				
Not exceeding 20' length	US$	32.18	INR	810.94
Exceeding 20' and upto 40' in length	US$	48.27	INR	1216.40
Over 40' in length	US$	64.35	INR	1621.62

Notes**:** No wharfage will be applicable on the restow containers and Containerized cargo.

3.9. **Reefer related and other General Services.**

	Particulars	Currency	Foreign Going Vessels	Currency	Coastal Vessels
(a)	Pre-trip inspection (PTI) including supply of electricity	US$	33.00	INR	831.60
(b)	Connection or disconnection services on board a vessel	US$	2.20	INR	55.44
(C)	**Cleaning of Containers**				
	Not exceeding 20' length	US$	1.65	INR	41.58
	Exceeding 20' and upto 40' in length	US$	3.30	INR	83.16
	Over 40' in length	US$	4.95	INR	124.74
(d)	Supply of electricity (including connection, disconnection, monitoring at reefer point) per container for 4 hours shift or part thereof				
	Not exceeding 20' length	US$	3.89	INR	98.13
	Exceeding 20' and upto 40' in length	US$	5.84	INR	147.19
	Over 40' in length	US$	7.79	INR	196.26

Notes:

1. Above tariff does not include parameter setting or repair & maintenance of malfunctioning reefers. Above charges will be applicable to restow reefer containers.

2. Pre-trip inspection of the reefer container, connection or disconnection services on board the vessel and cleaning of containers are optional services and shall be rendered when requested.

3.10. **Charges for Shut out Container/ renomination of Containers.**

Shut out Containers	Currency	Foreign Going Vessel	Currency	Coastal Vessel (₹.)
Not exceeding 20' length	US$	24.45	INR	1026.90
Exceeding 20' and upto 40' in length	US$	36.69	INR	1540.96
Over 40' in length	US$	48.91	INR	2054.22

Note : Above charges shall apply where.

1. An export container or a transshipment container or a re-export container is shut out and subsequently delivery out of CITPL.

2. A container is shut out by one vessel and subsequently shipped on another vessel, in addition to the charges for handling by quay crane charges. In this case, the free storage period will be given to the container in accordance with section 3.11 from the time the container is first received. If the free storage period is exceeded, storage charges shall be calculated after the expiry of the free period up to the time of lift on.

3.11. CHARGES FOR STORAGE OF CONTAINERS.

1. Import - loaded and Empty Containers – (INCLUDES DPD / CFS)

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign -going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
		US $	₹.	US $	₹.	US $	₹.
(a)	First 3 days	Free	Free	Free	Free	Free	Free
(b)	From 4 to 15 days	5.50	231.00	11.00	462.00	16.50	693.00
(c)	From 16 to 30 days	11.00	462.00	22.00	924.00	33.00	1386.00
(d)	Beyond 30 days	22.00	924.00	44.00	1848.00	66.00	2772.00

(1A) Import –Loaded DPD (Direct to Factory).

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign -going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
		US $	₹.	US $	₹.	US $	₹.
(a)	First 5 days	Free	Free	Free	Free	Free	Free
(b)	From 6 to 15 days	5.50	231.00	11.00	462.00	16.50	693.00
(c)	From 16 to 30 days	11.00	462.00	22.00	924.00	33.00	1386.00
(d)	Beyond 30 days	22.00	924.00	44.00	1848.00	66.00	2772.00

2. Export – FCL, LCL and Empty Containers

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign -going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
		US $	₹.	US $	₹.	US $	₹.
(a)	First 7 days	Free	Free	Free	Free	Free	Free
(b)	From 8 to 15 days	5.50	231.00	11.00	462.00	16.50	693.00
(c)	From 16 to 30 days	11.00	462.00	22.00	924.00	33.00	1386.00

(d)	Beyond 30 days	22.00	924.00	44.00	1848.00	66.00	2772.00

(2A) DPE –(Direct Port Entry Export)

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign -going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
		US $	₹.	US $	₹.	US $	₹.
(a)	First 15 days	Free	Free	Free	Free	Free	Free
(b)	From 16 to 30 days	11.00	N.A	22.00	N.A	33.00	N.A
(c)	Beyond 30 days	22.00	N.A	44.00	N.A	66.00	N.A

3. ICD Containers –Import & Export Loaded and Empty

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign -going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
		US $	₹.	US $	₹.	US $	₹.
(a)	First 10 days	Free	Free	Free	Free	Free	Free
(b)	From 11 to 30 days	5.50	231.00	11.00	462.00	16.50	693.00
(c)	From 31 to 45 days	11.00	462.00	22.00	924.00	33.00	1386.00
(d)	Beyond 45 days	22.00	924.00	44.00	1848.00	66.00	2772.00

4. Transhipment Containers – Loaded and Empty

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign-going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
		US $	₹.	US $	₹.	US $	₹.
(a)	First 30 days	Free	Free	Free	Free	Free	Free
(b)	From 31 to 45 days	5.50	231.00	11.00	462.00	16.50	693.00
(c)	From 46 to 60 days	11.00	462.00	22.00	924.00	33.00	1386.00
(d)	Beyond 60 days	22.00	924.00	44.00	1848.00	66.00	2772.00

5. **Shut Out Containers – Loaded and Empty**

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign-going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
		US $	₹.	US $	₹.	US $	₹.
(a)	From 1 to 15 days	5.50	231.00	11.00	462.00	16.50	693.00
(b)	From 16 to 30 days	11.00	462.00	22.00	924.00	33.00	1386.00
(c)	Beyond 30 days	22.00	924.00	44.00	1848.00	66.00	2772.00

Notes:

3.11.1. Storage period for a container shall be reckoned from the day following the day of landing up to the day of loading / delivery/ removal of containers.

3.11.2. For the purpose of calculation of free time, Sundays, Customs notified holidays and the Terminal's non-operating days shall be excluded.

3.11.3. Storage charge shall not accrue for the period during which CITPL is not in a position to deliver / shift the containers when requested by the users.

3.11.4. Transhipment containers whose status is subsequently changed to local FCL / LCL or ICD container shall be levied storage charges at par with the relevant import containers.

3.11.5. Hazardous containers shall attract 1.50 times the normal applicable charges.

3.11.6. Over-High and Over-Dimensional Containers including the windmill boxes the storage charges shall be based on the actual no of ground slots the respective container occupies under the respective slabs given above.

3.11.7. If boxes meant for delivery under the "Accredited Client Programme" (ACP) as explained 1(i) above are not moved out with in three days of its landing into the terminal these boxes would be shifted to the normal import stack area from the designated ACP import stack area in which case extra Lift on/off and are shifting charges would be charged.

3.11.8. The free and storage rates prescribed in case of ICD containers are applicable only for Movement of containers to /from ICDs going by rail.

3.11.9. Normal import containers subsequently changing the mode to LCL or ICD containers enjoy the free period applicable to local FCL

3.11.10 Total storage period for shut out container shall be calculated from the day when the container has entered the terminal till the day of shipment / delivery.

3.11.11 The storage charges on abandoned containers / shipper owned containers shall be levied up to the date of receipt of intimation of abandonment in writing or 75 days from the day of landing of the container, whichever is earlier subject to the following conditions:

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

(ii) If the consignee chooses not to issue such letter of abandonment, the container Agent / MLO can also issue abandonment letter subject to following:

(a). the Line shall resume custody of container along with cargo and either take it back or remove it from the port premises; and (b).the Line shall pay all port charges accrued on the cargo and container before resuming custody of the container.

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

(iv). Where the container is seized / confiscated by the Customs Authorities and the same cannot be destuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the day the Customs order release of the cargo subject to Lines observing the necessary formalities and bearing the cost of transportation and destuffing. Otherwise, seized/confiscated containers should be removed by the Line / consignee from the terminal premises to the Customs bonded area and in that case, the storage charge shall cease to apply from the day of such removal.

3.11.12. The ground slots for export containers will be reserved for 7 days weekly call of the Vessel and 5 days for bi-weekly call of vessel.

3.12. Miscellaneous Charges.

(Rate per container in ₹.)

Sl. No.	**Particulars**	**Container not exceeding 20 feet in length**	**Container exceeding 20 feet but upto 40 feet in length**	**Container exceeding 40 feet but upto 45 feet in length**
(i)	Fixing/ removal of seal	220.00	220.00	220.00
(ii)	Lift on / Lift off in the Container Yard	707.85	1061.78	1415.70
(iii)	Charges for shifting of container within the Terminal	965.25	1447.88	1930.50
(iv)	POD Charges	965.25	1447.88	1930.50
(v)	Additional Movement- Terminal to Rail or rail to Terminal/ charges for extra movement/ transportation.	965.25	1447.88	1930.50
(vi)	Change of status of Container from Rail to Road or vice-versa	965.25	1447.88	1930.50
(vii)	Charges for export containers arriving in the terminal after the gate cut-off for the particular VIAN	965.25	1447.88	1930.50
(viii)	Fixing/removal of Hazardous Sticker (per container)	110	110	110
(xi)	One door open charge Per container	660	660	660
(x)	Cancellation of Document (per EIR)	110	110	110
(xi)	Non-declaration / Mis-declaration of Hazardous containers and Over dimensional container	3300	3300	3300
(xii)	On Wheel customs Inspection (per container)	440	440	440
(xiii)	Fumigation Charges	2200	2200	2200
(xiv)	Fork lift charges for movement of lashing, bins within the terminal (per lashing bin)	110	110	110

(xv)	Weighment of Trailers with / without cargo	110	110	110

Notes.

1. **Cancellation charge for EIR** applies when EIR is cancelled at the request of customer.

2. "**One Door Open" Charge** is applicable for handling containers which require only one door to be kept open and when door opening and securing is carried by the terminal.

3. **Fixing / Removal of Seal**
Bottle seals shall be fixed on every container arriving at the terminal - by rail / road / sea - without a proper bottle seal on it, prior to allowing its entry. The terminal staff shall be at liberty to do this without having to obtain prior consent of the shipping lines. The list of such containers on which a seal is affixed by the terminal shall be intimated to the lines. Seals shall be removed at the request of the customer.

4. **Fixing / Removal of 'Hazardous Sticker'**
Hazardous stickers indicating the IMCO class only shall be affixed on a container (Four Stickers) carrying hazardous cargo. Similarly old stickers on the container shall be removed from a container carrying non-hazardous cargo. In either case, the customer has to intimate in writing to CITPL to undertake the said activity, within the terminal.

5. **Customs Inspection**
The inspection of a container shall be allowed at a nominated point only, on the written request of the customer. The container doors can be opened only under customs supervision.

6. **Additional Movement-** From terminal to Rail siding or rail siding to terminal will be applicable for ICD container moved by CITPL.

7. **Non-Declaration / Mis-declaration of Hazardous Container**
The Customer has to declare the hazardous nature of the cargo as per the IMCO rules and furnish the relevant hazardous details to CITPL. The charges are for non-declaration / mis-declaration of the hazardous nature and also for not furnishing the full particulars of the hazardous nature including the IMCO class, UN NO, EPS, MFAG, correct technical name, contact details of the person in case of emergency.

8. **Weighment of Trailer with or without Containers / Cargo**
The service of weighment of trailers / trucks is an optional service and shall be offered at the request of the users. The charge includes issuing of the requisite certificate with the weight indicated on it.

3.13. Charges for supply of fresh water to shipping alongside the container berths.

	Foreign-going US $	**Coastal ₹.**
Per 1000 liters or part thereof	7.47	313.74

3.14. Charges for clearance of Garbage on board.

	₹.
Per 1/2 Cubic Meter bag	257.40

*****

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

F. No.TAMP/36/2019- CITPL - Proposal received from Chennai International Terminal Private Limited (CITPL) General Revision of its Scale of Rates

-----

The summary of the comments received from Southern India Chamber of Commerce and Industry (SICCI) and the response of Chennai International Terminal Private Limited (CITPL) thereon is tabulated below:

Sr. No.	Comments of users / user organisations	Response of CITPL
1	**Southern India Chamber of Commerce and Industry (SICCI)**	
(i).	Increase of Reefer charges is about 37% which is not in proportion to the increase in power tariff and hence can be scaled down. Electricity is a component of the activities of CITPL and not the sole criteria for handling of cargo – hence proportion of increase should be in the ratio of the relevance of electricity in the entirety of operations and cost. Straight line equation of 37% would not be correct,	An increase @ 10% of the existing charges has been proposed for the supply of electricity charges to reefer container, to offset the tariff increase by TNEB, and not 37% as claimed by SICCI. When the earlier tariff was set in 2009, the cost of power was ₹ 5/- per unit as against current rate of ₹ 8/- per unit. There is an increase of about 60%. It may be noted that the increase is only under the head of supply of electricity charges.
(ii).	To support increase of 12.5% for handling Hazardous and OOG cargo, reason advanced is sling operations requiring additional crane time. It is not new that CITPL will be handling hazardous or OOG but has always been a part of the terminal activity from commencement. CITPL has been handling such cargo for years with the same additional crane time and hence the sudden requirement for an increase is not clear.	CITPL's earlier application with TAMP in 2009-11 had assumed HZD/ OOG volume of 0.50% of the total volume. However, currently it stands @ 3% of the total volume handled. The increased volume has affected the overall performance of the vessel and productivity of the terminal. Considering the use of special additional equipment, manpower, increased idle time and separate storage place identified, CITPL, has proposed a moderate increase of 10% over existing rate. This would in turn work out to a 37.50% premium which is well within the TAMP norms of 50% premium.

2. A joint hearing on the case in reference was held on 13 September 2019 at the premises of CHPT, Chennai. At the joint hearing, the CITPL made a brief power point presentation on the proposal. At the joint hearing, the CITPL, the user organisations and the CHPT have made the following submissions:

Chennai International Terminal Private Limited (CITPL)

(i). CITPL was awarded BOT to develop a container terminal in CHPT in the year 2007. We commenced our operations in CHPT in 2009. We have a quay length of 832 metres. We can handle 3 vessels. Our productivity in July 2019 was 31.16 TEUs per hour. We have been allotted 28 hectares (3444 ground slots) of yard area

(ii). We have 7 nos. of twin lift Quay cranes and 18 nos. of 40 tonne RTGs.

(iii). We have maintained best in class performance to ensure quick turnaround of vessels and faster intake/ delivery of containers. The CHPT has been instrumental in removing the bottlenecks and has provided parking facility, due to which, there is hardly any congestion in the port.

(iv). The Government by introducing the 2019 Guidelines has brought major reforms for BOT operators governed under 2005 Guidelines. The 2019 Guidelines gives lot of flexibility to the BOT operators. We thank Government and TAMP. CITPL has approached TAMP for review of its SOR following 2019 Guidelines.

(v). Based on the workings, we propose to broadly retain the existing SOR, except for minor changes as given below:

(a). Increase the DPD free storage days from the existing 3 days to 5 days.
(b). Increase the DPE free storage days from the existing 7 days to 15 days.
(c). Increase in Reefer – supply of electricity Charges by 10%
(d). Increase in charges for Hazardous and OOG containers by 10%

(vi). The DPD free storage days has been proposed to be increased from the existing 3 days to 5 days to encourage the movement of DPD cargo directly to factories.

(vii). TAMP has already given approval to Increase the DPE free storage days from the existing 7 days to 15 days.

(viii). The increase in the charges for the supply of electricity has been proposed to offset the tariff increase of electricity. When the earlier tariff was fixed in the year 2009 the cost of power was ₹ 5/- per unit, whereas now the rate is ₹ 8/- per unit. Though, there is an increase in the unit rate of electricity by 60%, we have proposed only 10% increase in the charges for the supply of electricity for Reefer containers. We will be absorbing the balance increase in costs.

(ix). CITPL's earlier application with TAMP in 2009-11 had assumed volume of HZD/OOG containers at 0.50% of the total volume. However, currently the volume stands @ 3% of the total volume handled. The increased volume impacts the overall performance of the vessel and productivity of the terminal. It goes like that, while 1 OOG container would require about 15-20 minutes for handling considering the use of special additional equipment/ slings, manpower, in the same time gap, 5-6 nos. of normal containers can be handled. We have, therefore, proposed a nominal 10% increase over the existing rates to compensate. Even with the proposed increase, the premium for the OOG/ HZD container works out to only 37.5%, which is less than the 50% premium stipulated in the 2019 Guidelines.

(x). We request the CHPT and the Trade to extend their support to the CITPL proposal.

Chennai Port Trust (CHPT)

(i). The CITPL is seen to have generally proposed status quo in their existing rates, except for some tariff items. We welcome increase in free storage for DPD containers. Increase in rates for reefer electricity and OOG are reasonable.

Madras Chamber of Commerce and Industry (MCCI)

(i). We welcome increase in the free days for DPE and DPD containers. However, we request the CITPL to examine whether the free period of 15 days as applicable for DPE can be made applicable for DPD containers also. We are not saying no to increase in rates for Hazardous and OOG containers. But, the increase is more.

Southern India Chamber of Commerce and Industry (SICCI)

(i). The proposal of the CITPL is reasonably acceptable to us.

(ii). However, just because the quantum of OOG containers has increased from 0.5% to 3%, CITPL should not seek increase in charges for OOG containers. No additional cost is incurred by CITPL. The statement that in the time required for handling 1 OOG container, 5-6 normal containers can be handled cannot be a justifiable reason. Handling of OOG container indicates growth in economy. We leave it to CITPL.

CITPL

(i). The 10% increase proposed in OOG container is very nominal. The premium of 37.5% over the normal container as proposed by us on OOG container is very less as compared to the 50% premium allowed as per the Guidelines.

(ii). As regards, increasing the free period for DPD containers, it is to be noted that DPD are generally import containers, which directly go to the CFS. However, the DPE are export containers, which requires aggregation and customer dealing, which requires more time.

Chennai & Ennore Ports Steamer Agents' Association (CHENSAA)

(i). We request that, henceforth, we may also be included in the consultation proceedings relating to any of the proposal of CHPT and its terminals, as any of the proposal has an impact on our members

(ii). We also endorse the views of SICCI and request the CITPL to review the increase proposed in OOG containers and Reefer containers. All OOG containers remain in Trucks. They don't occupy space of Terminal.

[CITPL: The charges of Reefer containers have not been increased. Only the charges for supply of electricity to Reefer containers have been increased. We are not passing entire increase to Trade. We absorb part of it.]

[Only late containers remain in Trucks. OOG container occupy our space, involves more handling time and effort.]

CITPL

(i). We request the CHPT and the Trade to extend their support to the CITPL proposal.

Member (F), TAMP

(i). Has the CITPL entered into the Separate Agreement with the CHPT, as stipulated in the 2019 Guidelines.

[CITPL: We are in the process of entering into Separate Agreement. We will forward a copy of the Agreement to TAMP, after it is entered.]

Member (F) TAMP

(i). Has the CITPL intimated the High Court about filing of a proposal for General revision of its Scale of Rates (SOR) with TAMP under Tariff Guidelines, 2019.

[CITPL: We have already intimated our Lawyers. They will be taking action on the matter. We will forward a copy of the intimation filed in the Court to TAMP.]

(ii). As regards adjustment of past period surplus, the Government is seized of the matter.

*****