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TARIFF AUTHORITY FOR MAJOR PORTS

G.No.82 **New Delhi,** **4 March 2016**

NOTIFICATION

In exercise of the powers conferred under Sections 48 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the review application filed by the South West Port Limited for review of the Order No.TAMP/19/2013-SWPL dated 2 January 2015 passed by the Authority in respect of revision of the Scale of Rates of SWPL for its operations at the berth nos.5A and 6A in the Mormugao Port Trust (MOPT) and also reassesses the past period surplus quantified in the said Order in view of the opinion of Attorney General of India on a few clauses of tariff guidelines of 2005 conveyed by the Ministry of Shipping vide its letter dated 12 June 2015, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

No. TAMP/24/2015–SWPL

South West Port Limited (SWPL) **- - - - -** **Applicant**

QUORUM:

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

O R D E R

(Passed on this 15th day of January 2016)

This case relates to the application filed by the South West Port Limited (SWPL) for review of the Order No.TAMP/19/2013-SWPL dated 2 January 2015 passed by this Authority in respect of revision of the Scale of Rates of SWPL for its operations at the berth nos.5A and 6A in the Mormugao Port Trust (MOPT).

2.1. This Authority had vide its Order No. TAMP/19/2013-SWPL dated 2 January 2015 passed an Order disposing of the proposal received from the SWPL for general revision of its Scale of Rates for multipurpose cargo berth Nos.5A and 6A at the MOPT. The said Order was notified in the Gazette on 10 February 2015 vide Gazette No.51. The said Order was made effective after expiry of 30 days from the date of notification of the Order in the Gazette of India. Therefore, the order would have come into effect from 12 March 2015.

2.2. In the said Order, based on the net surplus reflected in cost statement estimated for the years 2013-14 to 2015-16, an across the board reduction in tariff of 14% was effected as against 12% increase in tariff of Cargo Handling charges and Dust suppression charges sought by the SWPL. The validity of Scale of Rates is prescribed till 31 March 2016.

3.1. With reference to the said Order, the SWPL has vide its email dated 4 March 2015 filed a review application. The main points made by the SWPL in its review application are as follows:

(i). The SWPL is continuously making efforts by way of modernizing its facility by investing in new handling systems to achieve greater efficiency. This can be compared with many performance parameters of other terminal. The SWPL has invested in in-motion wagon loading system to improve cargo turnover from its limited storage facility and plans to invest in higher capacities ship unloaders on the berths to increase cargo handling capacity at berths.

(ii). The investments helped to increase the efficiency and, therefore, it could handle 8.53 Million Tonnes of cargo during FY 2013-14.

(iii). As per the TAMP guidelines 2005, the efficiency of the terminal is not considered and profitability is severely punished by adjusting 50% of profits earned over stipulated limits.

(iv). Investments made by the SWPL, depreciation on investments proposals has been considered lower than the estimates.

(v). Estimates submitted by the SWPL projected to invest on modernization of equipment. Hence higher equipment running cost was considered by SWPL which has been revised lower by this Authority while considering its tariff proposal.

3.2. Thus, the SWPL has requested this Authority to reconsider its tariff proposal and permit it to continue to charge based on the existing Scale of Rates.

4.1. Clause 3.3.1. of the tariff guidelines of March 2005 stipulates that application of review of any tariff Order will be entertained to the limited extent of errors apparent on the face of records considered in the relevant proceedings, provided such an application is filed within 30 days of the notification of the Order in the Gazette of India. The tariff Order in reference was notified on 10 February 2015 and the SWPL has filed the review application on 4 March 2015, which is within the prescribed time limit of 30 days.

4.2. In the past, when the ports / private terminals have filed review application for review of the tariff Order passed by this Authority, the review application so filed by the ports/ private terminals have been processed following the usual consultation process. Accordingly, the review application of SWPL was processed following a separate consultation proceeding.

5.1. In accordance with the consultative procedure prescribed, a copy of the SWPL review application dated 04 March 2015 was forwarded to the MOPT and the concerned users/ user organizations for their comments. None of the users / user organizations have responded except MOPT.

5.2. The MOPT vide its letter dated 6 May 2015 has furnished its comments on the review application of SWPL. The MOPT in its comments has stated that the proposal of SWPL to restore the charges to the pre-revised rates, is acceptable to the port, as this would not result in reduction of income to the port. Hence, it has requested this Authority to consider the proposal made by SWPL favorably. Copy of the comments received from MOPT was forwarded to SWPL as feedback information. We have not received any remark from SWPL in this regard.

6.1. A joint hearing in this case was held on 29 July 2015 at the premises of MOPT. At the joint hearing, SWPL, MOPT and port users have made their submissions:

6.2. At the joint hearing, the SWPL has agreed to furnish written submissions on the point made by them at the joint hearing about adjustment of ₹.4.4. crores per annum and other submissions, if any.

7. Accordingly, SWPL vide its letter dated 30 July 2015 has furnished the following submissions:

(i). While considering surplus for the previous years, surplus assessed during FY 2013-14 has also been considered for adjustment in the current tariff cycle i.e., FY 2013-14 to FY 2015-16. It is requested to adjust the surplus assessed for FY 2013-14 in the next tariff revision cycle i.e., FY 2016-17 to 2019-20 which is due within a year.

(ii). 100% of ₹4.44 crores has been adjusted which relates to additional past period surplus due to impact of operating cost and ROCE allowed in the last (pre-revised) tariff order with reference to the gross block of assets relating to in-motion wagon loading system along with related assets which should have been in place by 31 March 2012.

The proposed capital expenditure could not be completed due to various approvals pending during that period. Total project Capex has been completed and is operational now. It is requested to defer this adjustment for the next tariff revision as the effect of depreciation and repair & maintenance will be higher in current tariff cycle.

8.1. In the meanwhile, during the processing of this case, the Ministry of Shipping (MOS) has vide its letter dated 12 June 2015 conveyed the opinion of Attorney General for India (AG) on interpretation of a few provisions of the Tariff Guidelines of 2005. The MOS while conveying the opinion of the AG obtained by it has advised this Authority to consider the opinion of the AG for regulating the tariff of the BOT Terminals operating at the Major Port Trusts under the Tariff Guidelines of 2005.

8.2. Accordingly, all the BOT Terminal operators governed under the tariff guidelines of 2005 including SWPL were conveyed vide our letter no. TAMP/46/2015-Misc dated 24 July 2015 that henceforth the following will be considered for regulating the tariff of BOT terminals operating at the Major Port Trusts under the Tariff Guidelines of 2005. The position conveyed to MOPT is as follows:

(i). Both financial and physical parameters will be taken into account for the purpose of clause 2.13 of the Tariff Guidelines 2005. 20% of the surplus would be allowed to be retained by the operator. It is only the surplus over and above the 20% that shall be shared equally between the operator and the users.

(ii). 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.

(iii). The process of reassessing the surplus quantified for the tariff cycle immediately preceding the tariff Order no.TAMP/19/2013-SWPL dated 2 January 2015 will be initiated and the tariff fixed in the said tariff Order will be reviewed.

9. In view of the above position, the exercise of review of the tariff Order dated 2 January 2015 in view of MOS letter dated 24 July 2015 is undertaken simultaneously along with the review application filed by the SWPL.

10. Before proceeding ahead with the review application filed by SWPL, it is relevant to draw reference to para 12(i) of the January 2015 Order of this Authority. As brought out in the said para, despite all the efforts of this Authority and protracted follow up and inspite of giving sufficient time and opportunity, the SWPL remained silent and did not provide the requisite additional information / clarification while processing its general revision proposal. The licensor Port, MOPT had however, furnished information regarding reasonableness of traffic / Income estimates of SWPL, Capex Projection of SWPL and had also forwarded copy of the Audited Annual Accounts of SWPL at our request in the absence of the SWPL even furnishing the basic financial report. The tariff of SWPL was revised based on the information made available by the MOPT and taking into consideration the actuals reported in the Audited Annual Accounts of SWPL for the year 2013-14.

11. The proceedings relating to consultation in this case are available on records at the office of this Authority. 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.

12.1. It is relevant to state here that in the said Order at para 12(xxv), this Authority has held that if the SWPL feels that any cost item needs to be reviewed, it may approach this Authority for review giving sufficient reasons and with detailed justification. The SWPL has thus filed a review application making its submission for review of a few items.

12.2. The SWPL in its review application filed vide its letter dated 4 March 2015 and subsequent communication submitted during the processing of the case has submitted the following points for review of the January 2015 Order:

(i). Investments are made by the SWPL to increase efficiency of terminal.

(ii). Efficiency of the terminal not considered and profitability is severely punished by adjusting 50% of profits earned over stipulated limits.

(iii). Investments and depreciation considered by this Authority are lower than the estimates of SWPL.

(iv). Higher Equipment Running Cost projected by SWPL reduced by this Authority in January 2015 Order.

(v). Adjustment of net surplus assessed for FY 2013-14 in the current tariff cycle i.e., FY 2013-14 to FY 2015-16 may be deferred to next tariff cycle i.e.FY 2016-17 to 2019-20.

12.3. It is relevant to state that tariff determined in the January 2015 Order was based on the cost statement which considered the actuals as per the Audited Accounts for the year 2013-14 and estimates for the years 2014-15 and 2015-16. Since the current exercise is limited to review the tariff Order of 2 January 2015 in view of review petition filed by the SWPL, the actuals of 2013-14 and estimates of 2014-15 and 2015-16 considered in the January 2015 Order are maintained at that level. The points made by the SWPL, the relevant extract from the tariff Order dated 2 January 2015 and our analysis thereon are dealt herein below in seriatim.

(i). **Investments are made by the SWPL to increase efficiency of terminal**

(a). Submissions made by SWPL

The SWPL has invested in in-motion wagon loading system to improve cargo turnover from its limited storage facility and plans to invest in higher capacities ship unloaders on the berths to increase cargo handling capacity at berths. The investments helped to increase the efficiency and, therefore, it could handle 8.53 Million Tonnes (MT) of cargo during FY 2013-14.

(b) Analysis:

The SWPL has merely made submissions and has not sought review of any tariff / cost item as such.

(ii). **Efficiency of the terminal not considered by TAMP and profitability is severely punished by adjusting 50% of profits earned over stipulated limits.**

(a). Submissions made by SWPL

As per the TAMP guidelines 2005, the efficiency of the terminal is not considered and profitability is severely punished by adjusting 50% of profits earned over stipulated limits.

(b). Relevant extracts of Order dated 2 January 2015 [Para 12 v(a), and (v)(f)] are reproduced below:

"(a). *The actual aggregate traffic handled by the SWPL is 20.04 Million Metric Tonnes (MMT) as against the estimated traffic of 14.25 MMT lakh tonnes during the years 2010-11 to 2013-14. Thus, the SWPL has actually handled 40.6% higher than the estimated traffic.* ''

"(f). As per the cost statement prepared by us, the SWPL has earned surplus of ₹ 4034 lakhs, ₹ 5431 lakhs and ₹ 4984 lakhs before return which aggregates to average surplus of ₹ 4816 lakhs for the years 2010-11 to 2012-13. The average return earned on the average capital employed thus works out to 34.5%, as shown in the following table:

₹ in lakhs

Particulars	**2010-11**	**2011-12**	**2012-13**	**Average for 2010-11 to 2012-13**
Actual Surplus before return earned by SWPL	4034	5431	4984	4816.33
Actual Capital Employed	14148	12673	15072	13964.00
Actual Return earned on capital employed	38.4%	39.3%	32.0%	34.5%

It can be seen from the above analysis of variation in actuals vis-à-vis the estimates for the last tariff cycle, that the variation in the physical parameter i.e. actual traffic handled and financial performance in terms of operating income and expenses are more than +20%. This Authority in the last tariff Order at para 13(viii) *has stated that whilst the traffic projections as estimated by the SPWL are relied upon, if at the time of review, it any undue advantage is accrued due to wrong estimation it will be adjusted in the tariff to be fixed based on the tariff guidelines. There is positive variation of 40.6% in the actual vis-à-vis the traffic estimates considered in the last tariff revision. Further, as per the above table, the SWPL has earned average return of 34.5% on the capital employed as against 16% return allowed in the last tariff Order.*

As per clause 2.13 of the tariff guidelines, if review of actual physical and financial performance for the previous tariff cycle shows the variation of more than + or – 20%, then 50% of such accrued benefit / loss has to be adjusted in the next tariff cycle. In view of the above provision in the tariff guidelines of 2005 and in view of the observation made in the last tariff Order as regards traffic projection, there is a case to adjust the past surplus in the current tariff cycle of SWPL, as per the tariff guidelines of 2005. "

(c). Analysis:

This Authority as well as the SWPL are governed by the tariff guidelines of 2005 issued by the Government of India for determining the tariff of BOT operators. As per clause 2.4.1. of the tariff guidelines of 2005, in order to encourage cost reduction due to improvement in efficiency / productivity of the same operator, the actual cost reduction achieved due to efficiency improvement in the previous cycle is to be considered in the tariff fixation. As per the said clause, 50% of such cost reduction achieved by the BOT operator and established by the BOT operator that cost reduction achieved is on account of efficiency / productivity improvement is considered in the estimates of expenditure for fixing tariff for the succeeding tariff validity period. During the processing of the SWPL proposal which culminated into the January 2015 Order, the SWPL has not furnished any analysis of efficiency & productive improvement achieved by it despite pointing it out at Sl No 21 of our letter dated 4 June 2014 which has been brought out in para 7.1.of the said Order.

The SWPL in the review application has not pointed out error as such in the January 2015 Order in this regard calling for any review on this aspect.

As regards, the point made by SWPL that the profit of the terminal is severely punished by adjusting 50% of profit over stipulated limits. it is relevant to state that adjustment of 50% on past surplus earned by SWPL for the past period 2010-11 to 2012-13 on review of actuals vis-à-vis the estimates considered in the pre-revised Order has been done as per provision in clause 2013 of tariff guidelines 2005. As brought out in the said order, as regards the physical parameters there is a positive variation of 40.6% in the actual traffic handled by SWPL for the years 2010-11 to 2012-13 by vis-à-vis traffic estimates considered in the pre-revised tariff Order. On the financial parameters, as stated in the said Order the SWPL has earned actual average return of 34.5% on the capital employed which is found to vary more than 20% (16% admissible ROCE + 20% variation = 19.20%). That being so, past period surplus has been adjusted in the tariff fixation as per the clause 2.13 of tariff guidelines of 2005. Out of ₹ 6,858 lakhs additional surplus, 50% thereof i.e. ₹.3,429 lakhs was considered for adjustment in the last tariff cycle. The SWPL was allowed to retain balance 50% i.e ₹ 3,429 lakhs in recognition of the efficiency of the SWPL in line with clause 2.13 of the tariff guidelines of 2005. Therefore, the question of punishment of profitability does not arise at all.

(iii). **<u>Investments and depreciation considered by TAMP are lower than the estimates of SWPL:</u>**

(a). <u>Submissions made by SWPL</u>
Investments and depreciation on investments considered by the TAMP are lower than the estimates of SWPL.

(b). <u>The relevant extract of Order dated 2 January 2015 [Para 12 (xxi) (c)] is reproduced below</u>:

" (c). Despite request, the SWPL has not furnished the current status of the additions proposed to the gross block of assets. The MOPT has confirmed that the additions to the gross block relating to the in-motion wagon loader, single rail line along with complementary assets have been commissioned by the SWPL on 30 June 2014, as brought out earlier. The current status of the other additions proposed to the gross block of assets is not made available to this Authority. Thus, this Authority relies on the total additions to the gross block of assets proposed by the SWPL during the current tariff cycle subject to following minor adjustment relating to shifting of additions proposed in the year 2013-14 to 2014-15 based on the position obtained from the Audited Annual Accounts of the SWPL for the year 2013-14. Of ₹ 8500 lakhs additions proposed to the gross block in the year 2013-14, the actual additions to the gross block reported in the Annual Accounts of SWPL for the year 2013-14 is ₹251 lakhs which is considered for the year 2013-14. The remaining additions to the gross block (i.e. ₹8500 lakhs less ₹251 lakhs = ₹8249 lakhs) proposed by the SWPL in the year 2013-14 but not reported in its Annual Accounts is shifted to the year 2014-15 in our analysis. The other additions to the gross block proposed by the SWPL are relied upon and considered in the analysis. In short, the total additions considered in the analysis vis-à-vis the additions proposed by the SWPL are as follows:

*(₹ **in lakhs**)*

Year-wise total additions to the gross block estimated by SWPL				***Year-wise total additions to the gross block (Actual 2013-14 & estimates for 2014-15 and 2015-16) considered by TAMP***			
2013-14	***2014-15***	***2015-16***	***Total***	***2013-14 As per Actuals***	***2014-15***	***2015-16***	***Total***
8,500	*6,800*	*3,500*	*18,800*	*251*	*15,049*	*3,500*	*18,800*

(c). <u>Analysis</u>:

From the above para of the Order it is explicit that the total investment of ₹ 18,800 lakhs estimated by the SWPL for the years 2013-14 to 2015-16 were considered while passing the January 2015 Order subject to some minor adjustment of shifting of additions to gross block proposed in the year 2013-14 to 2014-15. This is based on the actual additions reported in the Audited Annual Accounts of SWPL for the year 2013-14. In the past period analysis for the preceding tariff cycle viz. 2010-11 to 2012-13, as brought out in para 12(iii)(c) of the said Order, the net fixed assets as reported in the Audited Annual Accounts of SWPL have been considered. This means the investment made by the SWPL have been considered.

In view of the above position, the submissions of SWPL that investments considered were lower than the investment made / projected by it is not correct. As there is no error pointed out as such, review is not warranted on this item.

(d). Relevant extract of Authority's Order dated 2 January 2015 [Relevant sub paragraphs of Para 12 (xvii)] is reproduced below:

"*The deprecation for the gross block of assets prevailing as on 31 March 2014 is considered at the level reported in its Annual Accounts of the year 2013- 14 for the years 2014-15 and 2015-16. For the additions proposed under plant and machinery in the years 2014-15 and 2015-16, the depreciation is considered, as explained hereunder.*

It is seen that the depreciation on plant and machinery is estimated at 15% per annum on the gross block of assets for each of the years 2013-14 to 2015-16. Based on the actual depreciation reported for the year 2013-14 for plant and machinery, the depreciation rate comes to 10.5% on the relevant gross block. That being so, the depreciation is considered at 10.5% on the plant and machinery on the modified additions considered in the years 2014-15 and 2015-16 which is discussed in the subsequent paragraphs.

The depreciation on in-motion wagon loader commissioned on 30 June 2014, as reported by the MOPT, is considered for nine months from 1 July 2014 to 31 March 2015 for the year 2014-15. In respect of the other additions to the plant and machinery gross block in the years 2014-15 and 2015-16, for the reasons explained in the subsequent paragraphs in the absence of the exact date of commissioning of the assets made available by the SWPL or by the MOPT, it is assumed that the assets will be deployed in the middle of the year and accordingly depreciation is allowed for six months in the year of additions proposed to the gross block of assets. For the subsequent year, the full year depreciation is allowed.

Preliminary expenses of ₹.8.70 crores incurred during construction period was earlier proposed to be capitalised under civil and equipment cost and depreciated at the applicable rates. During the last tariff revision, this item was treated separately and excluded from the gross block of assets and the expenses were spread over the remaining period of the project. In the current tariff revision exercise, the SWPL has not made this adjustment, despite request.

In the modified cost statement considered by us, depreciation on the capitalised part of preliminary expense is excluded with consequent adjustment in the net block of assets. The preliminary expense write off is considered at the level considered in the last tariff Order instead of ₹10 lakhs considered by the SWPL with suitable modification in the capital employed.

Subject to above modification, the depreciation considered in the cost statement is ₹1854 lakhs based on 2013-14 actuals, ₹2671 lakhs and ₹3356 lakhs for the years 2013-14 to 2015-16 *respectively as against ₹2215 lakhs, ₹3490 lakhs and ₹4135 lakhs estimated by the SWPL for the corresponding period. "*

(e). Analysis

The Order passed by this Authority elaborately deals with the depreciation considered in the tariff fixation of the SWPL. The SWPL in the review application has merely made a general statement that the depreciation considered by this Authority is lower than the estimates. It has not given facts and figures pointing out any error as such in the estimates of deprecation considered by this Authority.

Depreciation for the year 2013-14 is considered at the level reported in the Audited Annual Accounts of SWPL for the year 2013-14. As regards the depreciation for the year 2014-15 and 2015-16, the rate of depreciation on plant and machinery considered by the SWPL was 15% on gross block. This has been modified and considered at 10.5% on the gross block of assets of plant and machinery based on the actual depreciation of 10.5% on the gross block of plant and machinery for the year 2013-14. Further, the depreciation on in-motion wagon loader commissioned on 30 June 2014 was considered for 9 months from 1 July 2014 for the year 2014-15. In the absence of the exact dates of commissioning of the assets made available by SWPL or by MOPT, the depreciation on the other additions was considered for 6 months assuming that assets will be deployed in the middle of the year. Apart from this the depreciation has also been modified by excluding depreciation on preliminary expenses during the construction period, since this item was considered separately.

From the above analysis, it is seen that no apparent error as such on the face of the record is pointed out by the SWPL as regards depreciation warranting review of the January 2015 Order as regards investment and depreciation considered therein.

(iv). **Higher Equipment Running Cost projected by SWPL reduced by TAMP in January 2015 Order**.

(a). Submission by SWPL

Estimates were submitted by the SWPL projecting investment on modernization of equipment. Hence higher equipment running cost was considered by SWPL which has been revised lower by TAMP while considering its tariff proposal.

(b). Relevant Extract of Para 12 (xiii) of the Order dated 2 January 2015 is reproduced below:

"*(xiii). The estimated equipment running cost consists of three cost elements viz. power, fuel and repairs and maintenance which are discussed hereunder:*

(a). For estimating the power and fuel cost for the years 2014-15 and 2015-16, the SWPL has considered the estimated power and fuel cost for the year 2013-14 and adjusted for traffic growth and applied 6.5% annual escalation. In our estimates, the power and fuel consumption is estimated on the same approach except for taking the actual power and fuel cost of the year 2013-

14 as the base and restricting the annual escalation factor to 6% instead of 6.5% adopted by SWPL.

(b). Actual repairs and maintenance cost including stores and spares consumed for the year 2012-13 is reported at ₹ 887 lakhs. The SWPL has estimated the repairs and maintenance cost for the years 2013-14 to 2015-16 at 1.5% on the gross value of civil works and 3% on the gross value of mechanized equipment and other assets toward repairs and maintenance and stores and spares consumption is estimated applying 6.5% annual escalation over the actual stores and spares consumed in the year 2012-13 and adjusted for the traffic growth. Accordingly, the repairs and maintenance cost estimated by the SWPL for years 2013-14 to 2015-16 are ₹ 1131 lakhs, ₹ 1364 lakhs and ₹ 1511 lakhs respectively. In the cost statement prepared by us, the repairs and maintenance cost for the year 2013-14 is considered at ₹706.50 lakhs based on the actuals reported in the Annual Accounts as against ₹1131 lakhs estimated by SWPL. For the years 2014-15 and 2015-16, repairs and maintenance for the existing asset block gross block of assets as on 31 March 2013 is estimated applying annual escalation of 6% over the actual repairs and maintenance cost reported in the year 2013-14. In order to take care of incremental repairs and maintenance cost on the proposed assets to be added in this cycle, the repairs and maintenance cost is estimated at 1% on the civil assets and 2% of mechanical equipment and other assets with reference to the modified additions to gross block of assets considered in this analysis in line with the approach followed in the last tariff Order. This approach has also been applied uniformly at other private terminals like Visakha Container Terminal Private Limited (VCTPL), M/s.TM International Logistics Limited (TMILL), Vizag Seaport Private Limited (VSPL) and also in the last tariff Order of SWPL November 2010.

(c). Accordingly, the revised estimation of equipment running cost comes to ₹.1,489 lakhs and ₹.1,700 lakhs in the years 2014-15 and 2015-16 respectively as against ₹.1,817 lakhs and ₹.2,067 lakhs estimated by SWPL for the corresponding period."

(c). Analysis:

The Order passed by this Authority is a reasoned speaking Order justifying the reasons for modification in the estimates of equipment running cost by the SWPL. As brought out in the said Order, for the year 2013-14 actual power and fuel cost reported in the audited accounts was considered instead of 2013-14 estimates considered by the SWPL. Apart from this, only modification done in the estimate of power and fuel cost for the years 2014-15 and 2015-16 is to restrict annual escalation factor at 6% instead of 6.5% adopted by SWPL taking the 2013-14 actual power and fuel cost as the base. As regards, the repair and maintenance cost, the actual repair and maintenance cost reported in the Annual Accounts at ₹.706.50 lakhs which was considered instead of ₹.1131 lakhs estimated by SWPL. For the years 2014-15 and 2015-16, 6% annual escalation over the actual repair and maintenance cost reported in the years 2013-14 has been allowed on the gross block of assets as on 31 March 2014. For the additions to the gross block, repairs and maintenance was estimated at 1% of civil assets and 2% of mechanical equipment and other assets as against 1.5% on the gross value of civil works and 3% on the gross value of mechanical equipment and other assets considered by SWPL. The SWPL has in the review application made a general statement that the estimates of equipment cost considered by this Authority are lower than the projections. It has not pointed out any error in the reasoning given by this Authority for modification done in the estimates nor has SWPL supported its claim with facts and figures to show any error as such in the estimates of Equipment Running Cost considered in the last Order. That being so, there is no reason to review the Order as regards this item.

(v). **Adjustment of net surplus assessed for FY 2013-14 in the current tariff cycle i.e., FY 2013-14 to FY 2015-16 may be deferred to next tariff cycle i.e. FY 2016-17 to 2019-20**

(a). Submissions made by SWPL

The net surplus assessed during FY 2013-14 has also been considered for adjustment in the current tariff cycle i.e., FY 2013-14 to FY 2015-16. It is requested to adjust the net surplus assessed for FY 2013-14 in the next tariff revision cycle i.e., FY2016-17 to 2019-20 which is due within a year.

(b). Relevant extract part of [Para 12 (xxiv)] of the Order dated 2 January 2015 is reproduced below:

"*The initial validity of the Scale of Rates prescribed in the last tariff Order was till 31 March 2013 which has been extended from time to time, the last extension being till 31 December 2014. The extension of the Scale of Rates of the SWPL was subject to full adjustment of additional surplus, if any, over and above the admissible cost and permissible return for the period post 1 April 2013 in the tariff to be determined. The consolidated cost statement for the year 2013-14 reflects additional net surplus to the tune of ₹5,179 lakhs. The said additional surplus for the year 2013-14 is set off equally during the years 2014-15 and 2015-16. As the decision on the quantum of tariff revision is based on the aggregate of the net position for the 3 years under consideration i.e. 2013-14 to 2015-16, the net surplus position for the year 2013-14 and upto 02 January 2015 when the Order is passed automatically gets adjusted in the tariff determination process for the current cycle*."

(c). Analysis:

(i). In the January 2015 Order, for the reasons elaborately stated, the additional surplus of ₹5,179 lakhs assessed by this Authority for the year 2013-14 was set off equally over the tariff cycle for which the tariff was approved i.e. 2014-15 and 2015-16.

(ii). The submission of SWPL in the review application is to defer the adjustment of net surplus of ₹. 5179 lakhs assessed for the year 2013-14 to next tariff cycle i.e 2016-17 to 2019-20. The SWPL has not furnished any reasons for such deferral in adjustment.

(iii). As brought out in the para 12(xxiv) of the Order, the validity of the pre-revised SOR of the SWPL was prescribed till 31 March 2013. The SOR of SWPL was due for revision from 1 April 2013. This Authority while passing Orders extending the validity of the (then) prevailing SOR of SWPL from time to time, has categorically stated that the extension of the validity of the SOR of SWPL is subject to the condition that additional surplus over and above the admissible cost and permissible return for the period post 1 April 2013 during the review of its performance of actual vis-à-vis projections will be set off fully in the tariff to be determined. The above approach is followed uniformly in tariff determination of all Major Port Trusts and BOT operators. Since there is no error as such pointed out by the SWPL, the question of review of the January 2015 Order on this point does not arise.

(vi). **Adjustment of 100% additional surplus of ₹4.44 crores in each of the years 2014-15 and 2015-16 in view of commissioning of in-motion wagon system, single rail line along with related assets by 31 March 2012 may be deferred to next tariff cycle*:***

(a). Submissions made by SWPL in its review application

(i). This Authority in the last tariff Order of 2 January 2015 has adjusted 100% additional surplus i.e. ₹4.44 crores in each of the years 2014-15 and 2015-16 being the impact of operating cost and ROCE allowed with reference to the gross block of assets relating to in-motion wagon loading system along with related assets considered in pre-revised tariff cycle but could not be commissioned by 31 March 2012 as stipulated in the pre-revised Order.

(ii). The proposed capital expenditure could not be completed by 31 March 2012 due to various approvals pending during that period. The total capex for the said project has been completed and is operational now. This adjustment may be deferred to the next tariff revision cycle as the effect of depreciation and repair & maintenance will be higher in current tariff cycle.

(b). Relevant part of Para 12 (v) (g) of the Order dated 2 January 2015 is reproduced below:

"Before considering adjustment of additional surplus for the past period, it is relevant to deal with the decision taken by this Authority in the November 2010 Order. This Authority at para 13(xxiv) of the last tariff Order of November 2010 had effected reduction of 9.5% in the then applicable Scale of Rates. This quantum a reduction was subject to the condition that additional assets relating to in-motion wagon loading, single rail line along with complementary assets should be commissioned by 1 April 2012. The said Order required both MOPT and SWPL to report whether all these assets are in place by 31 March 2012. If these assets are not commissioned as presumed, then the Order required SWPL to approach this Authority for ahead of schedule review duly adjusting the estimated additional surplus accrued to SWPL on account of considering these additions to the gross block while determining its tariff in the said Order of November 2010.

In the last Order, net additions to the gross block to the tune of ₹354 lakhs in the year 2010-11, ₹115.5 lakhs in the year 2011-12 and ₹9038 lakhs (i.e., ₹10,667 lakhs less ₹1,629 lakhs towards deletion of gross value of two HMC) during the year 2012-13 was considered. Thus, total additions to the gross block to the tune of ₹9,507.75 lakhs as tabulated in para 13 (xxi) (d) of the Order was considered.

As against the above estimated position considered in the last Order, the actual additions to the Gross Block reported in the Audited Accounts of SWPL and in Form 4A is ₹11 lakhs, ₹142 lakhs and ₹4,777 lakhs for the years 2010-11 to 2012-13 respectively summing up to ₹4,930.00 lakhs. It is understood that the addition of ₹4,616 lakhs in the year 2012-13 pertains to the HMCs replaced by the SWPL in the year 2012-13 as reported in its proposal. The actual additions to the gross block of assets, however, widely varies from the additions to gross block considered in the last Order. The SWPL in the current proposal has stated that in-motion wagon loading system will be commissioned in March 2014 which in fact is reported to have been commissioned only in June 2014 by the MOPT. From the above position it is revealed that the additions to gross block relating to in-motion wagon loading, single rail line and complementary assets were not deployed by the SWPL by 31 March 2012 as required to be commissioned as per the Order of November 2000. Neither MOPT nor SWPL reported in time the factual position to this Authority about the delay in the deployment of these assets despite specific direction given in the Order. The reasons for not adhering to the direction rendered by this Authority is not explained in the current proceeding (despite request) by both the MOPT or by SWPL.

Further, during the current proceeding, despite request, the SWPL has not furnished the requisite information about the exact date of commissioning of these assets to the gross block and additional surplus accrued in the years 2010-11 to 2012-13 on account of delay in commissioning of in-motion wagon loading, single rail line and complementary assets from the level presumed in the last Order along with the working for adjustment in the future tariff required to be done on this account.

In the absence of the requisite information not made available by the SWPL, the impact on the estimated additional surplus on account of non-deployment of in-motion wagon loader, single rail line along with complementary assets allowed as additions to the gross block in the year 2012-13 is assessed as explained below. Depreciation, repairs and maintenance cost, insurance and 16% ROCE on the following additions to the gross block relating to in-motion wagon loading, single rail line along with complementary assets estimated and allowed in the last tariff revision is assessed and it comes to ₹888 lakhs as given below:

Impact of additions relating to in-motion wagon loading, single rail line and complementary assets considered in last tariff Order at Para 13(xxi)(d) in the year 2012-13 but not commissioned by SWPL by 31 March 2012.

(₹ in lakhs)

Particulars	***Additions to gross block in the year 2012-13***	***Depreciation***	***Repairs***	***Insurance***	***ROCE 16%***	***Total***
A	***B***	***C***	***D***	***E***	***F***	***G = C to H***
Civil						
- Stores sub station	*2,050.00*	*43.05*	*20.50*	*12.30*	*321.11*	*396.96*
- Silos for single loading and strengthening western bund	*35.00*	*1.47*	*0.35*	*0.21*	*5.36*	*7.39*
Plant and Machinery						
-One reclaimer for railway loading system	*1,500.00*	*77.55*	*30.00*	*9.00*	*227.59*	*344.14*
-Conveyor linking silos and existing system	*290.00*	*29.99*	*5.80*	*1.74*	*41.60*	*79.13*
Electrical system for silos and rail line	*47.25*	*2.44*	*0.95*	*0.28*	*7.17*	*10.84*
Railway siding	*220.00*	*10.21*	*4.40*	*1.32*	*33.57*	*49.49*
Total	***4,142.25***	***164.71***	***62.00***	***24.85***	***636.41***	***887.96 Rounded off to ₹888/- lakhs***

Thus, effectively, based on the above analysis, it is seen that, undue surplus accrued to SWPL on account of delay in commissioning of assets related to in-motion wagon system, single rail line along with related assets from the level presumed in the last Order works out to ₹888 lakhs.

Hence, the entire undue advantage of ₹888 lakhs accrued to SWPL on account of allowing additions to gross block referred above in the last tariff Order in the tariff determination process relying on the estimates of SWPL is considered for adjustment in the current tariff cycle.

As stated earlier, at the cost of repetition it is stated that the above impact is estimated by us in the absence of the requisite information not made available by the SWPL. In case, the SWPL has deployed and commissioned any of the above assets during the year 2012-13, then it may approach this Authority with requisite details to review this figure along with its impact on the tariff determined in this Order."

(c). Analysis

(i). As brought out in para 12(v) (g) of the January 2015 Order, the surplus accrued to SWPL as assessed by this Authority on account of the SWPL not deploying in-motion wagon loading, single line and related assets by 31 March 2012 is ₹ 888 lakhs. This Authority in the January 2015

Order considered adjustment of ₹ 888 lakhs in the years 2014-15 and 2015-16 as the year 2013-14 was already over by the time the Order was passed.

(ii). Now, in the review application, the SWPL has submitted that the proposed capex relating to in-motion wagon loading system and related assets could not be commissioned by 31 March 2012 due to pending approvals at that point of time.

The SWPL has therefore, pleaded to defer the adjustment of ₹ 888 lakhs to the next tariff cycle instead of adjustment done in the current tariff cycle over truncated period of 2014-15 and 2015-16.

It is relevant here to draw reference to para 12(v) (h) of the said Order which states that the additional surplus for the pre-revised tariff cycle i.e. 2010-11 to 2012-13 assessed to the tune of ₹7746 lakhs includes ₹. 888 lakhs surplus accrued to SWPL due to non-deployment of the in motion wagon loading and related assets. In the January 2015 Order, for the reasons cited i.e. the surplus of ₹ 888 lakhs did not arise out of variation between estimated amount and actual amount but arose due to non deployment of the relevant assets within the stipulated period, 100% of ₹ 888 lakhs was considered for adjustment. Thus, from ₹7746 lakhs, ₹888 lakhs was reduced i.e (i.e. ₹7746 – ₹ 888 lakhs)= ₹6858 lakhs and 50% thereof i.e ₹3429 lakhs was considered for adjustment in the said order.

In the said para of the Order, for the reasons stated therein that the tariff determined will be for a truncated period of fourteen months i.e. from February 2015 to 31 March 2016 instead of normal tariff validity cycle of three years and in order to smoothen the fluctuation in tariff and to avoid artificially bringing down the tariff in one cycle taking the clue from the decision of this Authority in other tariff cases like Nhava Sheva International Container Terminal Limited (NSICT), Gateway Terminals India Private Limited (GTIPL), PSA SICAL Terminals Ltd. (PSASICAL), ₹3429 lakhs was considered for adjustment over five years of which ₹114 lakhs in the year 2014-15 (from February 2015) and ₹686 lakhs in the year 2015-16 aggregating to ₹800 lakhs was considered for adjustment for fourteen months in the last tariff Order and it was decided that the remaining additional surplus of ₹2629 lakhs will considered for adjustment in the next tariff cycle.

(d). The SWPL has now in the review application explained the reasons for delay in the commissioning of in-motion wagon system and related assets by 31 March 2012. The SWPL has submitted that the said assets have been deployed and is operational now. It has requested this Authority to defer the adjustment of ₹ 888 lakhs to the next tariff cycle instead of 100% adjustment done by this Authority during the last tariff cycle citing that depreciation and repairs as maintenance will be higher in the current tariff cycle. The depreciation on the assets are allowed following the Straight Line Method as per the clause 2.7.1 of the tariff guidelines of 2005. Hence, the point made by SWPL, depreciation will be higher in the current tariff cycle may not be correct. The SWPL has not justified or explained as to how the repairs and maintenance for the newly deployed in-motion wagon system will be higher in the current tariff cycle.

However, in view of the submissions now made by the SWPL explaining the reasons for delay and also recognising that ₹ 888 lakhs assessed as the surplus accrued to SWPL on account of delay in commissioning of in motion wagon loading system and related assets pertains to the past period 2010-11 to 2012-13, the said surplus is spread over five years beginning from February 2015 in line with decision already taken by this Authority to spread the past period surplus of ₹3429 lakhs assessed for the years 2010-11 to 2012-13 over a period of 5 years in the tariff Order dated 2 January 2015 as brought in the preceding paragraphs.

Accordingly, the surplus of ₹ 888 lakhs assessed in the last tariff Order is considered for adjustment over five years period beginning from February 2015 in line with the procedure followed for adjustment of past surplus of the years 2010-11 to 2012-13. Thus, out of ₹ 888 lakhs, surplus, ₹ 29.60 lakhs in the year 2014-15 (from February 2015) and ₹177.60 lakhs in the year 2015-16 is considered for adjustment aggregating to ₹207.20 lakhs for fourteen months. The remaining additional surplus of ₹680.80 lakhs will be considered for adjustment in the next tariff cycle.

To summarise, the only modification done here is spreading over the additional surplus of ₹ 888 lakhs accrued to SWPL due to non deployment of motion wagon loading system in-motion wagon loading system and related assets over five years period beginning from February 2015 in line with the period considered for adjustment of the past period surplus assessed for the years 2010-11 to 2012-13.

13. As stated earlier, along with the review application filed by the SWPL, the past period surplus quantified for the preceding tariff cycle 2010-11 to 2012-13 during the tariff fixation in January 2015 Order is also reassessed in view of the MOS letter dated 12 June 2015 conveying the opinion of the AG on a few provisions of the tariff guidelines of 2005 obtained by the MOS. The analysis on reassessment of past period surplus quantified for the preceding tariff cycle 2010-11 to 2012-13 flowing from the opinion of AG are given here under:

(i). As per the opinion of the AG, variation in both financial and physical parameters must be taken into account for the purpose of clause 2.13 of the Tariff Guidelines 2005. If the variation in both the physical and financial parameters is more than 20%, then 20% of the surplus is to be allowed to be retained by the operator. It is only the surplus over and above the 20% that shall be shared equally i.e. 50:50 between the operator and the users. In the January 2015 Order, the past period surplus for the preceding tariff cycle i.e. 2010-11 to 2012-13 is elaborately dealt with. The exercise here is first to examine whether both the actual physical and actual financial parameters varied more than 20% over the estimates considered in the pre-revised tariff Order while assessing the past period surplus in the January 2015 Order.

(ii). As regards the physical parameters, as stated in para 12(v)(a) of the January 2015 Order, a positive variation of 40.6% was noticed in actual traffic handled for the tariff cycle 2010-11 to 2012-13 in comparison to the projections considered in pre-revised Order. In terms of the financial performance, the average return on capital employed earned as depicted in the table at para 12(v)(f) is 34.5% as against permissible return of 16%. The variation is more than 20% variation. As recorded in para 12(v)(f) of the said Order that based on analysis of variation in actuals vis-à-vis the estimates for the last tariff cycle, the variation in both the physical parameter i.e. actual traffic handled and financial performance in terms of operating income, expenses and ROCE are more than +20%. That being so, in the case of the SWPL there is a case for adjustment of past period surplus following the opinion of the AG.

(iii). Thus, following the AG's opinion, out of ₹ 6858 lakhs (i.e. ₹ 7746 lakhs – ₹ 888 lakhs) being additional surplus assessed for the years 2010-11 to 2012-13 for adjustment, 20% additional surplus is allowed to be retained with SWPL. The amount to be allowed to be retained with the SWPL works out to ₹ 1371.60 Lakhs (20% X ₹ 6858). The balance amount is to be shared by SWPL and users at 50%:50%. This comes to ₹ 5486.40 lakhs [i.e. ₹ 6858 lakhs – 1371.60 lakhs).

Of ₹ 5486.40 lakhs, 50% is considered for adjustment i.e. ₹ 2743.20 lakhs. This share of ₹2743.20 lakhs is considered for adjustment over five years (from February 2015) in line with the decision taken in the last tariff order at para 12(v)(h). Accordingly ₹ 91.44 lakhs in the year 2014-15(from February 2015) and ₹548.64 lakhs in the year 2015-16 aggregating to ₹640.08 lakhs is considered for adjustment for fourteen months and the remaining additional surplus of ₹2103.12 lakhs will be considered for adjustment in the next tariff cycle.

The total remaining additional surplus to be considered for adjustment in the next tariff cycle is ₹ 2783.92 lakhs (i.e 680.80 lakhs + ₹ 2103.12 lakhs)

14.1. The cost statement giving the consolidated position considered in the tariff Order of January 2015 is modified in light of the above analysis. Since the tariff decided in the last tariff Order was based on the cost position reflected in the consolidated cost statement, the activity wise cost statement is not drawn in the current exercise for review application. The modified cost statement for the terminal as the whole is attached as **Annex – I**. It is relevant to state here that the cost statement drawn during the January 2015 Order is based on the pre-revised tariff i.e. the tariff approved by this Authority vide Order No TAMP/11/2011- SWPL dated 26 July 2011 which was based on the review application then filed by the SWPL on the Order approved by this Authority in November 2010. A summary of the consolidated cost position reflected in the tariff Order of January 2015 and the modified cost position which is based on the pre-revised tariff i.e. the tariff approved by this Authority vide Order No TAMP/11/2011- SWPL dated 26 July 2011 is tabulated below:

(**₹ in lakhs**)

Sl. No.	**Particulars**	**Estimates considered in the Tariff Order dated 2 January 2015 Order**			**Estimates modified in view of review application at SWPL and taking into consideration the opinion of AG conveyed by the MOS**		
		2013-14	**2014-15**	**2015-16**	**2013-14**	**2014-15**	**2015-16**
(i)	**Total Operating Income**	**20168**	**15215**	**16529**	**20168**	**15215**	**16529**
(ii).	Overall net surplus/ deficit as per Sr. No XIV in January 2015 tariff Order in Annex II (A)	5179	(1791)	(2391)	5179	(1791)	(2391)
(iii).	(a). 50% of the additional Surplus accrued in the past three years 2010-11 to 2012-13 assessed as per the opinion of the AG is considered for adjustment over five years period beginning from 2014-15 (February 2015)	-	**114**	**686**	**-**	**91.44**	**548.64**
(iv).	(b). Impact of operating cost and ROCE allowed in the last tariff Order with reference to the additions to the gross block of assets relating to in-	-	**444**	**444**	-	**29.60**	**177.60**

	motion wagon system, single rail line along with related assets which should have been in place by 31 March 2012 but not deployed by the SWPL. **In January 2015 Order 100% adjusted in the years 2014-15 and 2015-16**. **In review application:** 100% Adjustment over five years beginning from 2014-15 (February 2015) and 2015-16 in the current cycle and balance to be adjusted in the subsequent tariff cycle.						
(v).	(c). 100% Actual surplus for the year 2013-14 set off in 2014-15 and 2015-16	**(5,179)**	**2,589**	**2,589**	**5179**	**2,589**	**2,589**
(vi).	Net surplus/ deficit after adjustment of past surplus (ii+iii+iv+v)	-	1356.20	1327.84	-	919.04	924.24
(vii).	Net Surplus/ Deficit as a % of operating income	-	8.9%	8.0%	-	6.0%	5.6%
(viii)	Average Net Surplus/ Deficit as a % of operating income for the years 2014-15 and 2015-16		**8.5%**			**5.8%**	

14.2. From the above table it is clear that the aggregate surplus for the year 2014-15 and 2015-16 at the pre-revised tariff i.e. tariff prevailing prior to the January 2015 Order is ₹ 1843.28 lakhs. It is relevant here to mention that the January 2015 Order came into effect from 12 March 2015 i.e. 30 days after expiry of the date of notification of the Order in the Gazette of India on 10 February 2015. As stated earlier, this Authority in the said Order effected 14% across the board reduction in the then prevailing tariff. The SWPL has, during processing of this case, confirmed that it has effected reduction in the tariff effected by this Authority. The impact of the reduction in tariff effected by this Authority, from the date of implementation of the January 2015 Order till 31 December 2015 is estimated to be ₹ 1852.25 lakhs which needs to be reduced from the total surplus assessed for the period 2014-15 to 2016 to arrive at the revised tariff position. The impact of the reduction in revenue is adjusted from the surplus assessed at ₹ 1843.28 lakhs. The estimated reduction in the revenue in view of implementation of the tariff Order of January 2015 is reduced from the net surplus and the remaining net deficit is ₹ 9.01 lakhs. To make it explicit, the above position is explained in the table given below:

Particulars	₹ in lakhs
Net Surplus based on the revised cost statement arising out of the review application filed by the SWPL and taking into consideration the opinion of AG for the assessment of past period surplus for the tariff cycle preceding the tariff Order of January 2015	1843.28
Less: Reduction in revenue due to 14% reduction in tariff effected by this Authority effective from 12 March 2015 till December 2015	-1852.25
Net deficit after considering the impact of the reduction in the tariff effected by this Authority in January 2015 Order which the SWPL has confirmed to have implemented for the remaining period of the current tariff cycle	(-) 9.01
Net deficit in terms of percentage over the estimated operating income for the remaining three months of the tariff cycle of ₹. 4132.25 lakhs (on prorata basis i.e. ₹ 16529 lakhs /12*3)	(-) 0.2%

14.3. It is seen that from the above table that the net deficit for the terminal as a whole is 0.2% and in absolute terms it is ₹ 9.01 lakhs for the remaining period of the tariff cycle. As stated earlier, the above cost position is with reference to the income estimates considered in the January 2015 Order at the pre-revised tariff i.e. the tariff Order No TAMP/11/2011-SWPL dated 26 July 2011. In view of the above position reflected in the cost statement showing a marginal deficit of ₹. 9.01 lakhs, this Authority decides to prescribe the tariff for the remaining period of the current tariff cycle viz. January 2016 to 31 March 2016 at the tariff level prevailing at the pre-revised tariff i.e. the tariff approved by this Authority in the tariff Order No TAMP/11/2011-SWPL dated 26 July 2011. In fact, even the MOPT has requested to maintain the pre-revised tariff of the SWPL stating that they are losing on the revenue share. M/s Hiralal & Co. representing Shipping agents and ship operators has also agreed for pre-revised tariff.

14.4. The SWPL has sought retrospective approval of the revised tariff based in its review application. In that case, the tariff of the SWPL needs to be reduced by 5.80% instead of 14% from 12 March 2015. Ordinarily the rates approved by this Authority have prospective effect. Giving retrospective operation to the rates will create (avoidable) complications besides causing an accounting chaos. The stated policy of this Authority flowing from Clause 3.2.8. of the 2005 tariff guidelines is also, therefore, not to give any retrospective effect to its Order unless there are any special circumstances warranting deviation from the stated policy. Hence this Authority is not in a position to accede to the request of the SWPL to give retrospective effect from the date of implementation of January 2015 Order. However, in the instant case recognising that the cost position derived above captures reduction in the revenue to the SWPL on account of the tariff reduction effected in January 2015 Order of this Authority till 31 December 2015 as explained above, the revised Scale of Rates approved in this Order is made effective from 1 January 2016. The actual financial and physical performance will be reviewed following the applicable tariff guidelines during the next tariff revision which is due from 1 April 2016.

14.5. The MOS vide its letter No.8/(15)2015-TAMP dated 17 September 2015 has issued a partial amendment to the coastal concession policy of January / March 2005. As per the said amendment, the vessel related charges for coastal vessel should take into account the exchange rate fluctuation of Indian Rupee Vs. US $ so that vessel related charges for coastal vessels shall not exceed 60% of the corresponding charges for other foreign going vessels. Further, these charges will be collected in Indian Rupees only at the applicable exchange rate. This Authority has passed a common adoption Order no. TAMP/4/2004-Genl dated 5 October 2015 directing all Major Port Trust and BOT operators including SWPL to amend their existing SOR accordingly. That being so, in the revised Scale of Rates, under Section C berth hire charge, as against the rate prescribed for coastal vessel in the existing SOR, a note is prescribed stating that the rate for coastal vessel will be collected in Indian rupees upto 60% (of the rate juxtaposed) for foreign going vessel calculated by taking into account the exchange rate fluctuation. The revenue impact on account of this modification which flows from the decision of the Government is not captured in the cost statement as the current exercise here is limited to dispose of the review application filed by the SWPL and to implement the opinion of the AG and also recognising that the tariff is due for revision from 1 April 2016. As stated earlier, the actual position will be reviewed during the next tariff cycle which is due for revision from 1 April 2016.

14.6. It is relevant to state here that this Authority in view of the clarification sought by the V.O. Chidambarnar Port Trust regarding levy of concessional charges for coastal cargo/ container has passed an Order No TAMP/53/2015-VOCPT dated 29 September 2015 based on the recommendations of Directorate General of Shipping. The provisions approved in the said Order were further amended vide Order No. TAMP/53/2015-VOCPT dated 26 November 2015. The said Order passed is for common adoption by all the Major Port Trusts and the concerned BOT operators in whose Scale of Rates the relevant conditions are prescribed. That being so, the relevant note No (ii) under 1.2.General Terms and Conditions prescribed in the existing Scale of Rates of the SWPL are replaced with the modified provisions approved by this Authority vide Order dated 26 November 2015 at Sl No (ii) and (iii). The subsequent notes (iii) to (xi) are renumbered as (iv) to (xii).

15.1. In the result and for the reasons given above, and based on a collective application of mind, this Authority approves the revised Scale of Rates of SWPL attached as **Annex - II**.

15.2. The revised Scale of Rates will come into effect from 1 January 2016 and shall be in force till 31 March 2016 as stipulated in the January 2015 Order. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

(T.S Balasubramanian)
Member (Finance)

SOUTH WEST PORT LIMITED
Consolidated Income & Cost statement

(Rs. In Lakhs)

Sr.No.	Particulars	Actuals			As Estimated by SWPL at existing tariff			Estimates of SWPL modified by TAMP based on Review Application and AG's Openion		
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
					Estimates	Estimates	Estimates	Actuals	Estimates	Estimates
	Traffic (In MMTPA)	5.80	6.48	7.76	6.52	7.02	7.52	8.53	7.02	7.52
	Capacity (in MMTPA)				5.00	5.00	5.00	5.00	7.50	7.50
I	**Total Operating Income**									
	(i) Cargo handling income	7,976	9,212	11,042	8,993	9,775	10,557	12,337	9,923	10,723
	(ii) Vessel related income	3,791	4,642	6,286	4,268	4,597	4,929	7,831	5,291	5,806
	(iii) Other Income									
	Total (i to iii)	**11,768**	**13,854**	**17,329**	**13,261**	**14,372**	**15,486**	**20,168**	**15,215**	**16,529**
II	**Operating Costs (excluding depreciation)**									
	(i) Cargo handling expenses	2,466	2,856	5,483	4,581	5,353	6,180	6,130	5,348	6,073
	(ii) Equipment Running Costs	970	1,317	1,646	1,525	1,817	2,067	1,452	1,489	1,700
	(iii) Maintanence dredging	259	-	315	250	250	250	-	248	261
	(iv) Royalty / revenue share	1,045	1,207	1,447	1,178	1,280	1,383	1,616	1,300	1,405
	(v) Lease Rentals payable as per concession agreement	364	370	406	427	448	471	430	448	471
	(vi) Insurance	136	133	132	142	183	201	106	151	190
	(vii) Other expenses	16	36	29	27	29	32	52	55	58
	Total (i to vii)	**5,254**	**5,917**	**9,457**	**8,130**	**9,361**	**10,584**	**9,786**	**9,040**	**10,158**
III	Depreciation	1,547	1,553	1,634	2,215	3,490	4,135	1,854	2,671	3,356
IV	Overheads									
	(i) Management & Administration overheads	711	796	1,336	1,412	1,496	1,588	1,131	1,198	1,270
	(ii) General Overheads	237	206	211	225	239	255	263	279	295
	(iii) Preliminary expenses & Upfront Payment write-off	37	37	37	10	10	10	37	37	37
	Total (i to iii)	**984**	**1,039**	**1,584**	**1,646**	**1,745**	**1,853**	**1,430**	**1,514**	**1,603**
V	Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)	**3,982**	**5,345**	**4,654**	**1,269**	**(224)**	**(1,086)**	**7,097**	**1,990**	**1,413**
VI	Finance & Miscellaneous Income (FMI)									
	(i) Profit on sale of assets.	-	85	141	-	-	-	287.50	-	-
	(ii).Profit on sale of Scrap.	-	-	58	-	-	-	-	-	-
	(iii) Other Operating Income	8.10	0.20	131.70	-	-	-	0.20	-	-
	(iv) Others (Credit of return from security deposit)	0.46	0.55	0.57	-	-	-	0.63	0.70	0.78
	(v) Insurance Claims	43.40	-	-				-	-	-
	Total (i to v)	**52**	**86**	**331**	**-**	**-**	**-**	**288**	**0.70**	**0.78**
VII	Finance & Miscellaneous Expenses (FME)	-	-	-	-	-	-	-	-	-
VIII	**FMI Less FME (VI) - (VII)**	**52**	**86**	**331**	**-**	**-**	**-**	**288.33**	**0.70**	**0.78**
IX	**Surplus Before Interest and Tax (V)+(VIII)**	**4,034**	**5,431**	**4,984**	**1,269**	**(224)**	**(1,086)**	**7,385**	**1,991**	**1,414**
X	Capital Employed	**14,148**	**12,673**	**15,072**	**23,290**	**24,136**	**23,501**	**13,791**	**23,638**	**23,782**
XI	RoCE - Maximum permissible @ 16%	2,264	2,028	2,412	3,726	3,862	3,760	2,206	3,782	3,805
XII	Capacity Utilization	117%	130%	151%	130%	140%	150%	2	1	1
XIII	RoCE adjusted for capacity utilization	**2,264**	**2,028**	**2,412**	**3,726**	**3,862**	**3,760**	**2,206**	**3,782**	**3,805**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**1,770**	**3,403**	**2,573**	**(2,457)**	**(4,086)**	**(4,847)**	**5,179**	**(1,791)**	**(2,391)**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I in %)**	15.04%	24.56%	14.85%	-18.53%	-28.43%	-31.30%	25.68%	-11.77%	-14.47%
XVI	Total net surplus accrued in the past three years 2010-11 to 2012-13.			7,746						
XVII	Net Surplus of the Rs 9042 Lakh for the years 2010-11 to 2012-13 as assessed by the SWPL spread over three year 2013-14 to 2015-16 by SWPL.				3,014	3,014	3,014			
XVIII	Adjustment of additional past surplus									
	(a) 50% of the net additional surplus accrued in the past three years 2010-11 to 2012-13 considered for adjustment over five years period beginnning from 2014-15 (February 2015) following the AG's opinion.			2,743.20				-	91.44	548.64
	(b) .Impact of operating cost and ROCE allowed in the last tariff Order with reference to the additions to the gross block of assets relating to in-motion wagon system, single rail line along with related assets which should have been in place by 31 March 2012 but not deployed by the SWPL. Hence considered for 100% adjustment over five years beginning from 2014-15 (February 2015) and 2015-16 in the current cycle and balance to be adjusted in the subsequent tariff cycle. [In January 2015 Order this Surplus was adjusted in the years 2014-15 and 2015-16]			888				-	29.60	177.60
	(c). 100% Actual surplus for the year 2013-14 set off in 2014-15 and 2015-16							(5,179)	2,589	2,589
XIX	Net Surplus / (Deficit) after adjustment of past Surplus	-	-	-	557	(1,072)	(1,833)	-	919.04	924.24
XX	Net surplus / (Deficit) as % Operating Income.				4%	-7%	-12%	0.00%	6.0%	5.6%
XXI	Average net surplus/deficit in % Operating Income (By SWPL for 3 years) (TAMP Estimates for the years 2014-15 & 2015-16.)					**-5%**			**5.8%**	

Annex-II

SOUTH WEST PORT LIMITED

SCALE OF RATES

1. **DEFINITIONS - GENERAL**

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

(i). ***"Per Day"*** means per calendar day unless other wise stated.

(ii). ***"SWPL"*** means South West Port Limited a company incorporated in India, its successors and assigns.

(iii). ***"Port"*** means the Mormugao Port Trust (MOPT) whereas "Terminal" means South West Port Limited (SWPL), now or hereafter operated by South West Port Limited.

(iv). ***"Coastal Vessel"*** means any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal license issued by the competent authority.

(v). ***"Coastal Cargo"*** means any cargo, which the vessel discharges at one Indian port after shipment from another Indian port or vice versa irrespective of its actual origin or destination.

(vi). ***"Foreign Cargo"*** means any cargo other than coastal cargo.

(vii). ***"Foreign–going Vessel"*** means any vessel other than a coastal vessel.

(viii). ***"Tonne"*** or ***"MT"*** means one Metric Tonne of 1,000 kilograms or one cubic metre.

2. GENERAL TERMS AND CONDITIONS

(i). The Status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, is the relevant factor to decide whether vessel is *'coastal' or 'foreign-going'* category for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

(ii). (a) <u>System of classification of vessel for levy of Vessel Related Charges (VRC)</u>

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

(ii). A Foreign going vessel of foreign flag can convert to coastal run on the basis of a Specified Period Licence issued by the Director General of Shipping and a custom conversion order.

(b) <u>Criteria for levy of Vessel Related Charges (VRC) at Concessional Coastal rate and foreign rate</u>

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

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

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

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

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

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

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

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

(iv). Wherever rates of vessel related charges have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the market-buying rate notified by the Reserve Bank of India, State Bank of India or its Associates or any other Public Sector Banks as may be specified from time to time. The date of entry of the vessel into the port shall be reckoned with as the day for such conversion.

(v). A regular review of exchange rate shall be made once in thirty days from the 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 the review.

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

(b). In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship-shore transfer and transfer from / to quay to / from storage yard including wharfage.

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

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

(vii). For the purpose of calculating the dues the unit by weight shall be 1 tonne or 1000 kilograms, the unit by volume measurement shall be 1 cubic metre and the unit by capacity measurement for liquids in bulk shall be 1000 litres.

(viii). In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto 0.5 shall be taken as 0.5 unit and fractions of 0.5 and above shall be treated as one unit, except where otherwise specified.

(ix). Interest on delayed payments / refunds:

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

(b). The rate of penal interest will be 14.25%. The penal interest rate will apply to both the SWPL and the port users equally.

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

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

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

(xi). (a). The rates prescribed in the Scale of Rates are ceiling levels, likewise, rebates and discounts are floor levels. The SWPL may, if it so desires, charge lower rates and / or allow higher rebates and discounts.

(b). The SWPL may also, if they so desire, rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling level.

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

(xii). Users will not be required to pay charges for delays beyond reasonable level attributable to the SWPL.

PART I - VESSEL RELATED CHARGES

SECTION – A – PORT DUES and SECTION – B – PILOTAGE FEES

These services will be rendered to the vessels entering the SWPL's berth numbers 5A and 6A by the Mormugao Port Trust as per their approved Scale of Rates. The charges shall be payable directly to the Mormugao Port Trust by masters / owners / agents of the vessel.

SECTION - C - BERTH HIRE CHARGES

Berth Hire Charges at Berth numbers 5A and 6A shall be payable to SWPL by masters / owners / agents of the vessel at the following rates.

BERTH NO.5A
(Maximum LOA of Vessel 190 mtrs. in conjunction with another vessel of LOA 225 mtrs. at Berth No.6A)

Sl. No.	Class of Vessel	Rate per GRT per hour or part thereof	
		Foreign going Vessel (in US $)	Coastal Vessels (in ₹)
1.	All Vessels	0.0125	Rate for coastal vessel will be collected in Indian rupees upto 60% (of the rate juxtaposed) for foreign going vessel calculated by taking into account the exchange rate fluctuation.

BERTH NO.6A
(Under Mechanised Operation system)

Sl. No.	Class of Vessel	Rate per GRT per hour or part thereof	
		Foreign going Vessel (in US $)	Coastal Vessels (in ₹)
1.	Upto 30,000 GRT	0.0275	Rate for coastal vessel will be collected in Indian rupees upto 60% (of the rate juxtaposed) for foreign going vessel calculated by taking into account the exchange rate fluctuation.
2.	30,001 GRT and above	0.0325	Rate for coastal vessel will be collected in Indian rupees upto 60% (of the rate juxtaposed) for foreign going vessel calculated by taking into account the exchange rate fluctuation.

Notes:

(1). Berth Hire charges includes charges for services rendered and facilities provided at the Berth, such as occupation of berth, overtime at berth, removal of rubbish collected on board by the vessel and delivered on the wharf, cleaning of Berths, fire watch, etc.

(2). The above charges are leviable against Masters, Owners or Agents of vessels and other floating craft approaching or lying at or alongside berths per GRT per hour or part thereof.

(3). The Berth hire charges leviable per vessel is subject to a minimum of US$ 650.00 in case of foreign going vessel and in case of coastal vessel it will be collected in Indian rupees upto 60% (of the rate juxtaposed) for foreign going vessel calculated by taking into account the exchange rate fluctuation.

(4). The period of berth hire shall be calculated from the time the vessel occupies the berth.

(5). No berth hire charges shall be payable for the period when loading / unloading operations cannot be carried out due to non-availability of the shore cranes / mechanical handling system of SWPL, due to breakdown or any other reason attributable to SWPL.

(6). (i). Berth hire shall stop 4 hours after the time of vessel signaling its readiness to sail.

(ii). The time limit of 4 hours prescribed for the cessation of berth hire shall exclude the ship’s waiting time for want of favorable tide conditions, inclement weather, and due to lack of night navigation.

(iii). The master / agent of the vessel shall signal readiness to sail only in accordance with favorable tidal and weather conditions.

(iv). The Penal Berth hire shall be equaled to one-day's (24 hours) berth hire charge for a false signal.

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

(7). The de-ballasting time allowed at berth numbers 5A and 6A shall be 3 hours and beyond that penal berth hire charges shall be levied at five times the normal berth hire charges, the incidence being reduced to per hour or part thereof, that may be applicable to the vessel. This will be in addition to the normal berth hire charges applicable for the entire duration of the vessel's stay at the berth.

(8). Vessels banked on offside of another vessel at these berths, berth hire charges shall be 50% of normal charges payable by such vessels.

(9). The provisions of the License Agreement shall govern priority Berthing and charges on it, if any. Whenever the priority berthing is granted to a vessel, a fee equivalent to Berth Hire charges for a single day (24 hours) or @ 75% of the Berth Hire charges calculated for the total period of actual stay at the Berth, whichever is higher, shall be levied.

(10). (i). For providing ousting priority to a vessel, a fee equivalent to berth hire charges for a single day (24 hours) or @100% of the berth hire charges calculated for the total period of actual stay of the vessels at berth, whichever is higher, shall be levied.

(ii). In addition, shifting out / in charges of the vessels shall be levied on the vessels, which are provided ousting priority.

(iii). Ousting priority at berth no.6A will be accorded only when a discharge / load rate of 25,000 MT of cargo per weather working day cannot be achieved due to restrictions placed by the vessels.

PART - II CARGO RELATED CHARGES

SECTION – A

WHARFAGE CHARGES AT BERTH NOS. 5A AND 6A

Wharfage on the cargo handled at berths numbers 5A and 6A shall be payable directly to SWPL, at the rates specified below, by importer or exporter of cargo, on the manifested quantity of cargo, which is declared in the Bill of entry filed with the Customs:

Sl. No.	Particulars of Commodity	Unit	Rate for Import / Export (in ₹)	
			Foreign Cargo	Coastal Cargo
1.	Coal (all types except thermal coal)	MT	30.00	18.00
2.	Metallurgical Coke / Coke / Charcoal	MT	45.00	27.00
3.	Limestone	MT	10.00	6.00
4.	Iron Ore Pellets	MT	30.00	30.00
5.	Metal products, Steel Coils, Slabs	MT	30.00	18.00
6.	Any other bulk cargo not specified above	MT	30.00	18.00

SECTION - B

CARGO HANDLING CHARGES

Cargo Handling Charges at Berth numbers 5A and 6A shall be payable on the manifested cargo directly to SWPL by importer or exporter of cargo at the rates specified below:

At Berth No.5A

Sl. No.	Particulars of Commodity	Unit	Rate for Import / Export (in ₹)	
			Foreign Cargo	Coastal Cargo
1.	Iron Ore Pellets	MT	140.00	140.00
2.	Metal products, Steel Coils, Slabs	MT	159.00	95.40
3.	Any other bulk cargo not specified above	MT	150.00	90.00

At Berth No.6A

Sl. No.	Particulars of Commodity	Unit	Rate for Import / Export (in ₹)	
			Foreign Cargo	Coastal Cargo
1.	Coal (all types except thermal coal)	MT	100.70	60.40
2.	Metallurgical Coke / Coke (all types) / Charcoal	MT	143.10	85.85
3.	Limestone	MT	132.50	79.50
4.	Iron Ore Pellets	MT	140.00	140.00
5.	Metal products, Steel Coils, Slabs	MT	159.00	95.40
6.	Any other bulk cargo not specified above	MT	150.00	90.00

Notes:

(1). At the berth number 5A, Cargo Handling Charges shall cover the following services:
- Unloading of cargo from ship to the berth or vice versa,
- Movement of cargo from the berth to SWPL stackyard or vice versa,
- Movement within the SWPL stackyard,
- Unloading from railway wagons or vice versa.

(2). At the berth number 6A Cargo Handling Charges shall cover the following services:
- Unloading of cargo from ship to the berth or vice versa,
- Movement of cargo from the berth to SWPL stackyard or vice versa,
- Movement within the SWPL stackyard,
- Loading on railway wagons for rail delivery or vice versa.

(3). Covering of Wagons by tarpaulin / plastic cover is not included in above handling charges prescribed in the schedule.

(4). The dunnaging and lashing (inclusive suitable labour & material) will have to be arranged by the users at their costs to the satisfaction of the Master of the vessel.

(5). 50% of the Cargo Handling Charges shall be payable before the cargo is received for handling. Balance 50% of the Cargo Handling charges shall be payable before the clearance / shipment of the cargo.

SECTION – C

GROUND RENT / STORAGE CHARGES

The storage charges for cargo stored in the stackyard of SWPL shall be as follows:

I. Ground rent / storage charge for import / inward cargo

(in ₹ per MT per day for the balance cargo in SWPL)

Sl. No.	Particulars of Commodity	Rate for first Five days remaining after the free period	Rate for Sixth day to Tenth day	Rate for Eleventh day to Twentieth day	Rate for Twenty-first day onwards
1.	Coal (all types)	10.00	25.00	50.00	100.00

2.	Metallurgical Coke / Coke (all types) / Charcoal	15.00	40.00	75.00	150.00
3.	Limestone	10.00	25.00	50.00	100.00
4.	Any Other dry bulk cargo not specified above	15.00	40.00	75.00	150.00

Notes:

(1). *THREE Free Days* shall be allowed, after complete discharge of vessel's cargo or when the last package is discharged. For the purpose of calculation of free period, Sundays, Customs notified holidays and Terminal's non- working days shall be excluded.

(2). *Ground rent / storage charges* shall be payable for all days including Sundays and Customs notified holidays for stay of cargo beyond the prescribed free days.

(3). After 21 days beyond Free Days, the balance cargo shall be liable to be shifted to other place out of SWPL area at the sole cost and consequences to the importer / exporter.

(4). For levy of ground rent / storage 'Day' shall be reckoned as from 7.00 a.m. to 7.00 a.m. of the following day.

II. Ground rent / Storage charges for Export / Outward cargo

(in ₹ per MT per day for the balance cargo in SWPL)

Sl. No.	Particulars of Commodity	Rate for first Five days remaining after the Free Period	Rate for Sixth day to Tenth day	Rate for Eleventh day to Twentieth day	Rate for Twenty-first day onwards
1.	Iron Pellets	10.00	25.00	50.00	100.00
2.	Metal products, Steel Coils, Slabs and other general bulk cargo	5.00	10.00	25.00	50.00

Notes:

(1). In case of export cargo, Seven Free Days shall be allowed from the day the first lot of cargo / consignment has been received. For the purpose of calculation of free period Sundays, Customs notified holidays and Terminal's non-working days will be excluded.

(2). After the prescribed free days, ground rent / storage charges shall be payable for all days including Sundays and Customs notified holidays as stated above.

(3). After 21st day beyond free days, the balance cargo shall be liable to be shifted to other place out of SWPL area at the sole cost and consequences to the exporter.

(4). For levy of ground rent / storage 'Day' shall be reckoned as from 7.00 a.m. to 7.00 a.m. of the following day.

(5). If the entire cargo accumulated is not within the free period and the balance cargo is earmarked / linked to the next ship, further free period will be allowed from the date of production of documentation in support of this claim. Otherwise, penal ground rent at the appropriate rate applicable as per the rates prescribed in the above schedule shall be payable.

General Note to Section C:

(1). Storage charges / ground rent on cargo shall not accrue for the period when the SWPL is not in a position to deliver / ship the cargo when requested by the user due to reasons attributable to SWPL.

SECTION – D

DUST SUPPRESSION CHARGES

The Dust Suppression Charges for water sprayed for suppression of dust for effective pollution control shall be levied on manifested quantity on Coal, Coke and Limestone at the following rates:

For Coal, Limestone and Coke: ₹ 2.15 per MT

This shall be levied from the stage of unloading from the vessel till the cargo is loaded onto railway wagons including storage at SWPL stackyard.

Part- III

OTHER SERVICES

1. VISITOR ENTRY PASS

		Yearly	Monthly	Daily
(a).	Per Application	₹200	₹50	₹20
(b).	Per Replacement	₹50	₹50	₹20

2. VEHICLE ENTRY PASS

Per Entry ₹75

Note: The vehicle entry fee will not be levied on vehicles entering / leaving the SWPL berths for delivery / dispatch of cargo.

3. PHOTOGRAPHY

(a).	Film Shooting and Photography	₹ 8500 per day
(b).	Taking Photographs of Goods handled	₹ 500 per day
(c).	Taking Photographs of Crews and Others	₹ 250 per day
(d).	Videography (related to operational activities)	₹ 2500 per day

4. CRANE HIRE CHARGES

The hire charges for the SWPL's cranes installed at berth nos.5A and 6A shall be payable directly to SWPL for use for the purposes other than for cargo handling as per following rates:

(a).	For 110/42 MT capacity mobile harbour cranes	₹ 25000.00 per hour
(b).	For others cranes	₹ 15000.00 per hour

ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

F.No.TAMP/24/2015-SWPL	**:**	**Proposal received from the South West Port Limited (SWPL) for review of the Order No.TAMP/19/2013-SWPL dated 2 January 2015 passed by the Authority in respect of revision of the Scale of Rates of SWPL for its operations at the berth nos.5A and 6A in the Mormugao Port Trust (MOPT).**

A joint hearing in this case was held on 29 July 2015 at the premises of MOPT. At the joint hearing, SWPL, MOPT and port users have made the following submissions:

South West Port Limited

(i). Investments considered by TAMP are lower than our estimates.

(ii). 100% Surplus i.e. ₹4.4 crores for each of the years 2015-16 and 2016-17 on account of capex relating to in-motion wagon loading not commissioned by us by 31 March 2012 has been adjusted in the last tariff Order. This may be reviewed. Adjustment should be deferred.

(iii). Past surplus adjustment can be spread over to the second cycle instead of adjustment in one tariff cycle.

(iv). Railways are supportive. Shortage of rake is sorted out. We are moving good numbers of rakes in the ghat area which was a big challenge earlier. We appreciate the efforts of the MOPT in helping to remove this bottleneck.

(v). Trade may be asked if they have any constraint on paying the pre-revised rate.

(vi). We have given impact on the reduction effected by the Authority. We request to consider retrospective effect of the review application.

Mormugao Port Trust

(i). We will accept if the pre-revised rates are maintained. We are losing our revenue share on account of reduction on tariff.

M/s. Hiralal & CO. (Shipping Agents and represent various ship operator)

(i). We have no objection in maintaining the pre-revised rates or even if tariff is increased.

(ii). We are satisfied with the operation of in-motion wagon loading system.

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