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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 158

New Delhi

28 April 2016

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 Mumbai Port Trust (MBPT) for prescription of a special levy to the stevedoring rate of steel cargo, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/7/2016-MBPT

The Mumbai Port Trust

- - -

Applicant

QUORUM

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

ORDER

(Passed on this 5th day of April 2016)

This case relates to a proposal received from Mumbai Port Trust (MBPT) for prescription of a special levy to the stevedoring rate of steel cargo.

2.1. This Authority had passed an Order No. TAMP/23/2013-MBPT dated 2 January 2015, for notification of the Scale of Rates of MBPT following the Tariff Guidelines of 2005. This Order was notified in the Gazette of India Extraordinary (Part III Section 4) on 19 January 2015 vide Gazette No.19.

2.2. This Authority had granted an increase of 23% in all the charges except Vessel related charges, Licence fees and Warehousing charges. The revised Scale of Rates has come into force after expiry of 30 days from the date of notification of the Order in the Gazette of India, i.e. from 18 February 2015.

3.1. In this backdrop, the MBPT vide its letter dated 5 January 2016 has made the following submissions:

- (i). TAMP accorded approval to the revision of SOR of MBPT, vide Gazette Notification No.19 dated 19.01.2015, which included 23% increase in all charges except Vessel Related Charges, License Fees and Stevedoring Charges. The revised SOR came into force on 18.02.2015 after expiry of 30 days from the date of its notification i.e. 19.01.2015.
- (ii). TAMP while effecting overall increase of 23% in cargo related charges, had inadvertently left out stevedoring charges at Section 2.18 in Chapter III of SOR. TAMP issued a Corrigendum dated 15.05.2015 rectifying the same in the notified SOR.
- (iii). Pursuant to the above Corrigendum passed by TAMP, a Circular dated 05.06.2015 was issued by MBPT to the Trade informing that the revised rates approved by TAMP shall be applicable w.e.f. 18.02.2015.
- (iv). After issuance of the Circular dated 05.06.2015 by MBPT, various representations have been received from the Trade regarding applicability of enhanced Stevedoring Charges with retrospective effect.
- (v). Mumbai & Nhava-Sheva Ship Agents Association (MANSA) vide letter dated 03.06.2015 also made request to TAMP to give effect to the Stevedoring Charges notified in the Corrigendum dated 15.05.2015 after expiry of 30 days from the date of Notification of the Corrigendum. In reply, the TAMP, vide letter No. TAMP/23/2013/MBPT dated 15.06.2015, has not accepted the MANSA's request.
- (vi). The MBPT Board vide TR No.33 dated 13.08.2015 has accorded approval for applicability of revised stevedoring charges to be effective from 18.02.2015 based on TAMP's Order.

- (vii). MANSA was informed vide letter No.TM/D/4-3/5875 dated 4 September 2015 about date of applicability of revised stevedoring charges and accordingly the generation and rendering of the bills in this regard was started.
- (viii). In the meantime, MANSA vide e-mail letter No. MANSA/MBPT/508/09-2015 dated 5 September 2015, addressed to Chairman, Mumbai Port Trust, has stated that it is not possible for their members to recover the increase in stevedoring rates with retrospective effect, as the vessels normally operate on tramp basis and after the voyage is completed, the same is redelivered to the owners by the operators/ charterers. After completion of the charter, the vessel accounts are settled by the Agents with their Principals, who in turn complete the redelivery formalities and settlement of voyage accounts with the vessel owners. Therefore, to charge an increase in the stevedoring rate with retrospective effect will put the MANSA members to great losses, as they will be unable to recover these amounts from their Principals.
- (ix). MANSA has further stated that if the rates are charged prospectively, MBPT will suffer a loss of approximately ₹.4.88 Crores. In order to make good this loss in revenue, MANSA has proposed to charge a separate levy to the stevedoring rate of steel cargo.
- (x). The MANSA in its above e-mail has stated that charging of such additional levy was successfully implemented by MBPT back in 2001, as per the order issued by the TAMP vide their Notification Case No.TAMP/26/2001-MBPT dated 19 September 2001, which was necessitated for recovery of arrears accrued due after the revision of the BDLB workers' wages with retrospective effect, since then private Stevedores were unable to recover from their Principals.
- (xi). Considering the above and past traffic conditions, it is proposed to levy ₹.21/- per metric Tonne and applicable Service Tax in addition to the stevedoring charges prescribed in the revised SOR on steel cargo of vessels berthing on or after 10.01.2016 for the period till the shortfall amount of ₹.4.62 Crores is recovered fully. The proposal for above levy has the approval of the Chairman.
- (xii). All concerned users have been informed by MBPT, vide circular dated 19.12.2015 regarding levy of ₹.21/- per metric Tonne and applicable Service Tax on steel cargo of vessels berthing on or after 10.01.2016 for the period till the shortfall amount is recovered fully.
- (xiii). MANSA has given its consent vide its letter dated 17.12.2015. (MBPT has furnished a copy of the consent letter received by it from MANSA).
- (xiv). TAMP is, therefore, requested to approve a levy of ₹.21/- per metric Tonne with effect from 10.01.2016 in addition to the stevedoring charges prescribed in the revised SOR on steel cargo of vessels berthing on or after 10.01.2016 for the period till the shortfall amount of ₹.4.62 Crores is recovered fully. A separate account will be maintained in this regard.

4. While acknowledging the proposal of MBPT, we have vide our letter dated 14 January 2016 requested MBPT to clarify some points. The MBPT vide its letter dated 29 January 2016 has replied to the queries. A summary of the points raised by us and the response of the MBPT thereon are tabulated below:

Sl. No.	Clarification sought by us	Response of MBPT
(i).	The reason for proposing the special levy on steel cargo alone to be furnished.	Steel cargo is the major cargo handled by stevedores at MBPT. Its share in the total traffic handled by stevedores in the year 2014-15 is about 72% and in the period

		01.04.2015 to 31.08.2015, it is 84%. In view of above and for ease of administration, the levy was proposed on steel cargo only.
(ii).	Detailed workings to arrive at the proposed levy of ₹. 21/- per MT, to be furnished.	During the period from 01.04.2015 to 31.08.2015, MBPT stevedores handled 22,31,015 MT of iron and steel cargo out of the Total cargo, i.e. at an average of 4,46,203 MT per month. To recover the balance amount of ₹.4.62 crores in 5 months from 01.11.2015 to 31.03.2016 (as proposed to recover from 01.11.2015 when calculated) considering above average traffic of iron and steel cargo, a levy works out to ₹.21 per MT.
(iii).	Proposed draft Scale of Rates to be incorporated in the existing Scale of Rates of MBPT, to be furnished.	Above referred levy is temporary in nature and will be discontinued after the collection of the shortfall amount ₹. 4.62 crores. If it is to be incorporated in the SOR. Following is the proposed draft note to be inserted under Schedule of 2.18 of charges for providing on Board Stevedoring Services. “A levy of ₹..21/- per Metric Tonne shall be levied on iron and steel cargo in addition to the stevedoring charges prescribed in the SOR with effect from 10.01.2016”.

5. In accordance with the consultative procedure prescribed, a copy of the MBPT proposal dated 05 January 2016 was forwarded to the concerned users/ user organisations seeking their comments. Some of the users / user organisations have furnished their comments, which were forwarded to MBPT as feedback information on various dates. The MBPT has responded to the comments of the users/ user organisations.

6.1. A joint hearing on the case in reference was held on 10 March 2016 at the Office of this Authority. At the joint hearing, the MBPT made a brief power point presentation on the proposal. At the joint hearing, the users/ user organisations and the MBPT have made their submissions.

6.2. As decided at the joint hearing, the MANSA was requested vide our letter dated 15 March 2016 to furnish a Note with reference to the issue of payment made by some of its members under protest to MBPT on account of the subject levy, to MBPT with a copy endorsed to us. The MBPT was also requested vide our letter dated 15 March 2016 to furnish its comments on the points to be made by MANSA.

6.3. Accordingly, the MANSA vide its letter dated 16 March 2016 has furnished the copies of the request letters sent by the Ship Agents to MBPT seeking refund of the charges paid by them. From the letter of MANSA, it is seen that 5 parties have sent letter to MBPT, for an aggregate amount of ₹. 55,71,804/-. In view of the pending receipt of more such applications, the MANSA has also requested to sanction the refund in general terms to all Ship agents, subject to their applications for refund accordingly, so as to enable MBPT to process admissible refunds, in the event some of the members missed the opportunity inadvertently.

6.4. In this context, after a reminder, the MBPT vide its letter dated 29 March 2016 has made the following submissions:

- (a). The issue of refund has been examined and orders have been issued to refund the differential payment excluding service tax amount initially, in respect of request forwarded by MANSA by the above referred letter. The refund of Service Tax can be made only after refund from Service Tax Authority.

- (b). Due to the refund now being processed the deficit to be recovered stands increased to that extent. The exact amount of deficit would be known only after due process of audit and refund. Till the total recovery is effected the levy will continue.
- (c). Therefore, TAMP may issue appropriate orders immediately and also request for refund hereinafter will not be considered.

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

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

- (i). This Authority in its Order of January 2015 had taken a decision to grant an across the board increase of 23% in the Cargo related charges. Vide the said Order, the Stevedoring activity had also been covered for grant of 23% increase. Therefore, an increase of 23% ought to have been given in the Stevedoring charges prescribed in the Scale of Rates of MBPT. However, in the Scale of Rates of MBPT, since no increase was granted in the then prevailing Vessel related charges and given that the Stevedoring charges (Section 2.18) were prescribed in the Chapter- II dealing with the Vessel related charges, the tariff entry relating to the Stevedoring charges was inadvertently not amended with 23% increase. Since the relevant entry in the Scale of Rates was not amended in the order of January 2015, a Corrigendum dated 15 May 2015 was issued giving effect to the decision of this Authority. This Corrigendum was notified in the Gazette of India on 25 May 2015.
- (ii). Subsequent to notification of the Corrigendum, Mumbai & Nhava-Sheva Ship Agents Association (MANSA), on the ground that increase in the stevedoring rate with retrospective effect will put its members to great losses, as they will be unable to recover these amounts from their Principals after settlement, requested MBPT to implement the Corrigendum prospectively. To make good for the loss in revenue of MBPT, the MANSA has agreed for levy of a separate charge.
- (iii). Accordingly, the MBPT has come up with a proposal to enable it levy a rate of ₹.21/- per MT, in addition to the stevedoring charges prescribed in the revised Scale of Rates, on steel cargo. Simultaneously, the MBPT has issued a Circular dated 19 December 2015 to all users stating that a levy of ₹.21/- per MT and applicable service tax and cess will be charged in addition to the stevedoring charges prescribed in the revised Scale of Rates on steel cargo of vessels berthing on or after 10 January 2016 for the period till the shortfall amount is recovered fully.
- (iv). Since Steel cargo is reported to be the major cargo handled by stevedores at MBPT (about 80%), the MBPT has proposed to impose the separate levy on steel cargo only for ease of administration. Further, taking into account the quantum of short recovery on account of difference between the pre-revised and increased stevedoring charges reported to the tune of ` 4.88 crores and the average monthly traffic of steel cargo handled by stevedores and by proposing to recover the amount over a period of 5 months, the MBPT has arrived at the per tonne rate of ₹. 21/- per MT.
- (v). Though the MANSA has given its consent to the proposed levy of ₹. 21/- per MT, the other user Associations viz., Brihanmumbai Custom House Agents' Association (BCHAA) and Federation of Indian Export Organisation (FIEO) have objected to the proposal of MBPT, on the ground that the proposed levy is to enable the port to recover the past losses. The FIEO has requested this Authority to discourage retrospective effect. In this regard, it is relevant to mention here that the decision to increase the Stevedoring Charges by 23% had already been taken by this

Authority in the January 2015 Order itself, based on the cost position of MBPT. Had the increase in Stevedoring charges been incorporated in the Scale of Rates of MBPT notified on 19 January 2015, it would have come into effect from the effective date of implementation of the revised Scale of Rates of MBPT i.e. 18 February 2015. Vide the said Corrigendum, the omission that had occurred in the Scale of Rates notified on 19 January 2015 was only restored. However, in view of the inability expressed by the users over recovery of charges retrospectively, the MBPT has come up with a proposal to enable it levy a separate charges prospectively for a limited time to make good for the loss of revenue arising due to non-prescription of 23% increased stevedoring charges. Thus, the proposed levy is not to enable the port to recover its past losses as stated by BCHAA and FIEO, but only to enable the MBPT recover the amount which is rightly due to it, as already decided in the general revision Order passed in January 2015.

Ordinarily, tariff fixation orders are enforced only prospectively. Giving retrospective operation to such orders will create (avoidable) complications, besides causing an accounting chaos. The stated policy of this Authority, as stipulated in Tariff Guidelines issued by the Government, is also, therefore, not to give any retrospective effect unless there are special circumstances warranting deviation from the stated policy.

- (vi). As brought out by MBPT in its proposal, there is a precedence in the past in this context, wherein this Authority vide tariff Order no. TAMP/26/2001-MBPT dated 19 September 2001 had authorised MBPT to charge a 'special rate' on certain types of cargo on board, for the vessels berthed on or after 01 September 2001, in order to enable MBPT to recover the arrears of wages of the MBPT's supervisory staff and workers, who were on deputation with the Stevedores. A separate fund was to be maintained with regard to the special charge and the levy was to continue till such time an amount of ₹. 17.50 crores was recovered towards payment of arrears and it was to cease thereafter. In August 2003, the MBPT had informed that on collection of the total amount of ₹.17.50 crores, the levy of special rates has been discontinued with due intimation to the port users.
- (vii). Thus, taking cue from the precedence available in the past, this Authority is inclined to approve a separate levy of ₹. 21/- per MT to be levied on steel cargo in addition to the stevedoring charges prescribed in the revised Scale of Rates on steel cargo of vessels berthing on or after 10 January 2016 for the period till the shortfall amount is recovered fully.
- (viii). With regard to the shortfall amount to be recovered, the MBPT as well as MANSA have indicated the amount at about ₹.4.88 crores. Subsequently, during the joint hearing, MANSA has indicated about few of its members having made the payment to MBPT under protest and have requested for refund of the said amount to relevant users. Owing to the MBPT giving refund to the users who have made the payment to MBPT under protest, the MBPT in its latest communication has stated that since the shortfall to be recovered has increased to the extent of the refunds to be made to the users, the exact amount of shortfall would be known only after due process of audit and refund. In view of this position, the MBPT has indicated that the levy will continue till the total recovery is affected.

Any special levy to be charged should be prescribed for a definite period till the purpose for which the special levy is prescribed, is achieved. In the case in reference, the purpose of the special levy is to enable the port to meet the shortfall in revenue arising on account of difference between the pre-revised and increased stevedoring charges. According to MBPT, the initial amount of ₹.4.88 crores quantified by it for the purpose would increase on account of the refund to be made by it as per the letter of MANSA. The MBPT has also indicated that it would not consider the request for refund hereinafter. In this regard, it is relevant to mention here that as per the letter of MANSA addressed to MBPT (a copy of which was endorsed to us), it is seen that 5 parties have sought refund of the charges paid by

them to MBPT for an aggregate amount of ₹. 55.72 lakhs. Given that the MBPT has indicated that it would not consider the request for refund hereinafter, it is found appropriate to freeze the quantum of amount to be recovered by MBPT at ₹. 5.44 crores (i.e. ₹. 4.88 crores + ₹. 0.5572 crores).

In view of the above position, the separate levy of ₹. 21/- per MT will continue only till such time that a sum of ₹. 5.44 crores is recovered by MBPT. For the purpose, the MBPT is advised to maintain a separate account for this levy. The MBPT is also advised to discontinue the levy of the separate levy of ₹. 21/- per MT on steel cargo, immediately on recovery of the amount of ₹. 5.44 crores with due intimation to this Authority and the port users.

9. In view of the above position, this Authority accords approval for the following:
- (i). Levy of a separate charge of ₹. 21/- per MT on steel cargo in addition to the stevedoring charges prescribed in the Scale of Rates on steel cargo of vessels berthing on or after 10 January 2016 till such time the sum of ₹. 5.44 crores is recovered by MBPT.
 - (ii). The MBPT will maintain a separate account for this levy.
 - (iii). The MBPT would discontinue the levy of the separate levy of ₹. 21/- per MT on steel cargo, immediately on recovery of the amount of ₹.5.44 crores with due intimation to this Authority and the port users.

(T.S. Balasubramanian)
Member (Finance)

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

F. No.TAMP/7/2016- MBPT - **Proposal received from Mumbai Port Trust (MBPT) for prescription of a special levy to the stevedoring rate of steel cargo,**

A summary of the comments received from users/ user organisations and response of MBPT thereon are tabulated below:

Sl. No.	Comments of users / user organisations	Response of MBPT
1.	Mumbai and Nhava-Sheva Ship-Agents Association (MANSA)	Letter dated 3.2.2016
	The MBPT held numerous meetings with the Trade and a consensus agreement was reached for recovery of the special levy. Accordingly MANSA had requested MBPT to recover the entire amount on future arrivals of the steel cargo w.e.f. 10.01.2016. TAMP is requested to ratify the proposed levy of stevedoring charges @ ₹ 21/- per M/T and applicable service tax etc.	The letter from MANSA is an outcome of the consultation carried out by representatives of MANSA, prior to submitting the proposal to TAMP for its approval. Hence the letter dated 19 January 2016 from MANSA be treated as a consent letter.
2.	Brihanmumbai Custom House Agents' Association and Federation of Indian Export Organisation	
(i).	At the outset, we convey our sincere disappointment and anguish over the said proposal of MBPT, supported by MANSA.	First of all, special levy to the stevedoring rate of steel cargo is towards losses of approximately ₹4.88 crores suffered by MBPT due to delay in communicating the approved revised rates by TAMP to the Mumbai port. Delay was not attributable to the Port as revised rates as per TAMP's order dated 02.01.2015 were applicable from 18.02.2016 only.
(ii).	MANSA desires to recover a special levy to the stevedoring rate of steel cargo of ₹21/, solely for the losses incurred over the past years. In short it is a retrospective levy. This is a special levy for retrospective losses. Retrospective levies on the Trade and Industry have been strongly opposed and GOI also has very strongly come out in support, that retrospective taxes and levies	[Effective date of implementation is 18.02.2015].

	would not be resorted to. The same, at no cost should be entertained by TAMP.	TAMP while effecting overall increase of 23% in cargo related charges effective from 18.02.2015, inadvertently left out stevedoring charges at Section 2.18 in Chapter III of SOR. TAMP issued a corrigendum dated 15.05.2015 rectifying the same in the notified SOR and forwarded to MBPT vide letter dated 27.05.2015. Corrected rates approved by TAMP were applicable w.e.f. 18.02.2015.
(iii).	MANSA giving its approval for recovery of special levy retrospectively is most unfortunate and unacceptable by the Trade & Industry. This would result in the Transaction Cost at the Port of Mumbai becoming more expensive, which is not an ideal situation. The volumes in Mumbai Port have been dwindling over the past decade, solely due to the high Transaction Cost and low turn-around of vessels.	Revised rates of stevedoring charges are approved by Tariff Authority considering cost and after proper deliberations with the port users and are effective from 18.02.2015.
(iv).	To prevent losses, the Port and Stevedoring Divisions, should reinvent themselves, as to what measures need to be initiated to reduce the Transaction Cost and increase the cargo volumes. Unfortunately, it appears, that Mumbai Port with MANSA, desires to further reduce the cargo volumes and increase the handling cost, due to their inefficiencies.	Various representations have been received from the Trade stating that it is not possible for their Members to recover the increase in stevedoring rates with retrospective effect, as the vessels normally operate on tramp basis and after the voyage is completed, the same is redelivered to the owners by the settled by the Agents with their Principals, who in turn complete the redelivery to the owners by the operators / charters. After completion of the charter, the vessel accounts are settled by the Agents with their Principals, who in turn complete the redelivery formalities and settlement of voyage accounts with the vessel owners. Therefore, to charge an increase in the stevedoring rate with retrospective effect will put their Members to great losses, as they will be unable to recover these amounts from their Principals.
(v).	As a representative of the Trade and Industry, we do not support the said proposal and request that if the desires of the Government of India are to be achieved i.e. "Make in India" and "Ease of Doing Business in India", then it is prudent, that Transaction Costs are reduced and operating efficiencies are greatly increased.	

		The proposed special levy is not to recover costs of the port but intend to recover the loss of revenue due to delay which was not attributable to the Port. Above referred levy is temporary in nature and will be discontinued after the collection of the shortfall amount ₹4.62 crores. The charges are recoverable from vessel agents; the said petitioners are not vessel agents. So, TAMP is again requested to approve a levy of ₹21/- per metric tonne with effect from 10.01.2016 in addition to the stevedoring charges prescribed in the revised SOR on steel cargo on vessels berthing on or after 10.01.2016 without any further delay.
3.	Indian Merchants' Chamber	
(i).	The proposal of MBPT to impose a Special levy on the Stevedoring charges for steel imports, as a means to recover costs of port. In our considered opinion, is untenable, and that such a levy will have a negative impact on the steel sector in particular and industry at large.	TAMP while effecting overall increase of 23% in cargo related charges effective from 18.02.2015, inadvertently left out stevedoring charges at Section 2.18 in Chapter III of SOR. TAMP issued a corrigendum dated 15.05.2015 rectifying the same in the notified SOR. Corrected rates approved by TAMP were applicable w.e.f.18.02.2015. Various representations were received from the Trade regarding applicability of enhanced stevedoring charges with retrospective effect.
(ii).	The levy of any charges with retrospective effect will in any case be an unfair business practice, which our Chamber cannot endorse. While MANSA have explained their operational difficulty in recovering such a retrospective levy from their principals, more significantly steel importers will have greater difficulty in being ultimately loaded with such retrospective costs with little possibility to recover the same. The consequent proposal for a prospective levy on steel imports (albeit limited to a specific amount of the costs	In order to make good loss in revenue due to delay in effecting the 23% increase in Stevedoring charges, MANSA had proposed to charge a separate levy to the stevedoring rate of steel cargo. The consent letter of MANSA dated

	desired to be recovered) is similarly unfair for the trade to be made to bear. While this proposal is limited to steel imports, it would set an unhealthy precedent for any other similar situations where the costs of a lapse or gap in efficiency are required to be borne by the trade. It will also be difficult to effectively monitor the recoveries from the levy, and eventual withdrawal of it.	17.12.2015 to that effect was also forwarded to TAMP. The proposed special levy is not to recover costs of the port but intend to recover the loss of revenue approximately ₹4.62 crores due to delay which was not attributable to the Port.
(iii).	The launch of the path-breaking program “Make in India” has the potential to propel India into the league of the major global economies. At the “Make in India” event in Mumbai, it was spoken that for India to become a cost-competitive nation, it is essential that the transaction costs of the country’s trade are rationalized and made globally comparable to such costs in competing countries. We must emphasize that in today’s economic environment any increase in such charges must be avoided, as this will only make our essential imports more costly, with a cascading effect on the cost of finished goods further downstream, and with inflationary effects as well. The increased costs on account of the proposed levy will negatively contribute to our thrust towards greater industrialization and infrastructure build-up. As a solution, in today’s competitive environment, it is suggested that the recovery of costs should be achieved through the rationalization of efficiencies in administrative and operational costs, along with enhanced revenues invoked by improved and enhanced deliverables and service levels.	All concerned users were informed by circular dated 19.12.2015 regarding stevedoring levy of ₹21/- per metric tonne and applicable service tax on steel cargo of vessels berthing on or after 10.01.2016 for the period till the shortfall amount is recovered fully. Steel cargo is the major cargo handled by stevedores at MBPT. Its share in the total traffic handled by stevedores in the year 2014-15 is about 72% and in the period 01.04.2015 to 31.08.2015 it is 84%. In view of above and for ease of administration, the levy was proposed on steel cargo only. MBPT has mechanism to book the income generated from stevedoring levy of ₹21/- per metric tonne on steel cargo of vessels berthing on or after 10.01.2016 to the separate GLC income code. Above referred levy is temporary in nature and will be discontinued after the collection of the shortfall amount ₹4.62 crores. Revised rates of stevedoring charges are approved by Tariff Authority considering cost and after proper deliberations with the port users.

		So, TAMP is again requested to approve a levy of ₹21/- per metric tonne with effect from 10.01.2016 in addition to the stevedoring charges prescribed in the revised SOR on steel cargo on vessels berthing on or after 10.01.2016 without any further delay.
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2. A joint hearing on the case in reference was held on 10 March 2016 at the Office of the Authority. At the joint hearing, the MBPT made a brief power point presentation on the proposal. At the joint hearing, the users/ user organisations and the MBPT have made the following submissions:

Mumbai Port Trust (MBPT)

- (i). The revised Scale of Rates came into force on 18 February 2015. 23% increase in stevedoring charges was left out inadvertently by TAMP. TAMP issued a corrigendum in May 2015 making it effective from 18 February 2015. The users represented that they can't recover retrospectively. There were a lot of discussion with them.
- (ii). The proposal is based on the request of users and has consensus of users.
- (iii). Proposed levy is temporary in nature. We will stop the levy once we recover the amount of differential. Steel is the major cargo handled by stevedores in 2014-15. Hence, the levy is restricted to steel cargo. We have commenced the levy from 10 January 2016 at ₹ 21/- per tonne.

Mumbai and Nhava-Sheva Ship-Agents' Association (MANSA)

- (i). We have given our consent for the proposed levy. This position has already been communicated to TAMP.

Federation of Indian Exporters Organisation (FIEO)

- (i). The resultant effect of the proposed levy is similar to the retrospective effect, which may please be discouraged by TAMP in future. Any levy which has a retrospective effect should be based on consultation with users.

MANSA

- (i). We have informed the Shipping Lines and the concerned stakeholders about the proposed levy and they have planned accordingly.

- (ii). The MBPT is requested to inform the concerned users, about the month-wise actual collection of revenue arising out of this specific levy, so as to understand the amount recovered till date by MBPT.
(MBPT: We will give the details of the monthly collection)
- (iii). Few members of MANSA have made the payment to MBPT under protest. The MBPT should refund the said amount to relevant users.
(MBPT: We will look into the matter)
- (iv). We would give a formal communication in this regard to MBPT with a copy endorsed to TAMP.
