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TARIFF AUTHORITY FOR MAJOR PORTS

G No. 78 **New Delhi,** **4 March 2014**

NOTIFICATION

In exercise of the powers conferred under Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Paradip Port Trust for fixation of reference tariff for development of Multipurpose Berth at Paradip Port Trust under the revised guidelines for Determination of Tariff for Projects at Major Ports, 2013, which were notified vide Notification No.TAMP/18/2013-Misc. dated 30 September 2013 vide Gazette No. 254, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
No. TAMP/10/2014–PPT

Paradip Port Trust (PPT) **- - -** **Applicant**

O R D E R
(Passed on this 19th day of February 2014)

This case deals with the proposal received from Paradip Port Trust (PPT) for fixation of Reference tariff for Development of Multipurpose Berth at PPT to handle Containers and clean cargo.

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

3. Based on a proposal filed by the Paradip Port Trust (PPT) under cover of its letter dated 14 August 2013, this Authority has passed an Order No. TAMP/38/2013-PPT dated 30 August 2013 fixing indexed Reference tariff for the Multipurpose Berth for handling clean cargo including containers at PPT adopting its own upfront tariff rates approved by this Authority vide its Order dated 19 January 2010 followed by review Order dated 31 March 2010. The said Order was notified in the Gazette of India on 20 September 2013 vide Gazette No.246.

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

5.1. In this backdrop, the PPT under cover of its letter dated 20 January 2014 had filed a proposal for revision of the Reference tariff for development of Multipurpose Berth at PPT, under the revised Guidelines for Determination of Tariff for Port Projects at Major Ports, 2013. In the said proposal, the PPT, on the ground that the Reference tariff approved for its multipurpose berth is low and the bidders have represented stating that the project may not be bankable at the notified reference tariff, had proposed adoption of the reference tariff approved for Visakhapatnam Port Trust (VPT) for container related operations, the upfront tariff approved for Kandla Port Trust (KPT) multipurpose berth for other break bulk cargo and for some services, the PPT had proposed to retain its own indexed reference tariff approved in August 2013.

5.2. Since the 2013 Guidelines requires the port to adopt the upfront tariff as available in its own port or in any other major port and does not provide to pick and choose the upfront tariff for different commodities from different major port trusts, the proposal filed by the PPT was not found to be in line with the approach prescribed in the 2013 revised guidelines. In view of the above position, the proposal of PPT was returned vide our letter dated 24 January 2014 and it was conveyed to PPT that we would not be in a position to take up the proposal of PPT for further processing in the present form. The PPT was also requested to have a re-look at its proposal, based on the stipulations contained in clause 2.4 of the revised guidelines of 2013, if it so desires.

6.1. In this connection, the PPT responded vide its letter dated 31 January 2014. From the response of PPT, it was seen that instead of its earlier proposal to adopt the reference tariff available at VPT for handling container and the upfront tariff fixed for the multipurpose cargo berth at KPT for handling clean multipurpose cargo, the PPT in its proposal of 31 January 2014 had proposed adoption of the reference tariff of two different projects of one port i.e. KPT. In other words, for handling clean multipurpose cargo, the PPT proposed adoption of upfront tariff of KPT Multipurpose berth (Case No. TAMP/35/2008-KPT, notified on 7 February 2013) and for handling containers, the PPT proposed adoption of the Reference tariff of KPT Container terminal (Case No. TAMP/43/2013-KPT, notified on 21 October, 2013).

6.2. The PPT, vide the said letter, also mentioned that the revised guidelines do not specify to consider the tariff of only nearest port and permits to adopt the reference tariffs of any other port and that there is no provision regarding the need for similarity of equipment proposed for the facility as long as same commodities are handled in the terminal whose reference tariffs are proposed to be adopted.

7.1. The PPT proposal dated 31 January 2014 was scrutinized and it was seen that significant issues arose from the proposal. Accordingly, the PPT was requested vide our letter dated 5 February 2014 to address the issues raised by us pointedly and furnish its response at the earliest so as to enable us proceed further. The PPT was also requested to examine to file its proposal based on the stipulations contained in clause 2.4 of the revised guidelines of 2013 (based on the principles of 2008 Guidelines), if it so desires**.**

7.2. The PPT vide its letter dated 07 February 2014 has responded. The issues raised by us vide our letter dated 05 February 2014 and the response of PPT thereon vide its letter dated 07 February 2014 are summarized and tabulated below:

Sr. No	Issues raised by us	Reply of PPT
(i).	PPT has not explained how its proposal to adopt the rates of two different projects though of the same port i.e. KPT, fits into the stipulations contained in the revised 2013 guidelines.	Paradip Port Trust had initiated the bid process for the subject project based on TAMP notified Tariffs dated. 28.04.2010 which were indexed vide notification No. TAMP/38/2013-PPT, dated 20.09.2013. During the pre-bid meeting, shortlisted applicants had expressed their concerns regarding the Tariff being on lower side in comparison to other Major Ports, impacting the project bankability. Further, PPT was unsuccessful in receiving any bid for the project. In view of this, the Port compared the Tariff applicable at PPT vis-a-vis the tariff of the same commodities at other major ports and concluded that the notified Tariff for the project are on the lower side. As per the Tariff guidelines, if the highest tariff fixed for a particular commodity in the concerned Major Port Trust does not represent the project proposed to be developed, then concerned Major Port Trust can propose to TAMP any other tariff fixed under 2008 "tariff guidelines in any other Major Port Trust which is representative enough for that commodity giving detailed and sufficient justification. Hence, PPT proposed to consider reference tariff of two most similar projects under one Port Trust viz- Kandla Port Trust. As regards TAMP observation that the rates have been adopted of two different projects though of the same port i.e. KPT, it is to submit that even in PPT case, though it is one project,
(ii).	The PPT has not furnished detailed and sufficient justification to show that the rates of two different projects at KPT would be representative tariff for the proposed facility of the PPT as per the stipulation contained in clause 2.2 of the revised Guidelines of 2013.	

<table>
<tr><td></td><td></td><td>the proposal was earlier processed by TAMP by bifurcating the project into two components viz; (i) Containerized component berth and (ii) other clean cargo component berth and even allocating particular berth portion and equipment schedule separately to each of these components.

Thus, KPT rates of Multipurpose Berth (Case No. TAMP/35/2008-KPT, notified on 7th February 2013) and container berth (Case No. TAMP/43/2013-KPT, notified on 21st October, 2013) have been proposed for our project and performance standards have also been proposed in line with that of KPT.</td></tr>
<tr><td>(iii).</td><td>A comparative position of values of some of the key parameters/ facilities envisaged by PPT in its proposal vis-à-vis, the parameters relating to the two different projects of KPT is tabulated below:-
(A) For Container
<table>
<tr><th>Parameters</th><th>Approved in the Order no. TAMP/43/2013-KPT dated 04.10.2013 of KPT</th><th>Envisaged at PPT</th></tr>
<tr><td>Nature of the facility</td><td>Dedicated container Terminal</td><td>Containers to be handled along with the other multipurpose cargo</td></tr>
<tr><td>Major Handling Equipment</td><td>Rail Mounted Quay Cranes (RMQCs)</td><td>100 tonne Harbour Mobile Cranes (HMCs)</td></tr>
<tr><td>Productivity</td><td>25 moves per hour</td><td>16 moves per hour</td></tr>
</table>
(B) For Multipurpose cargo
<table>
<tr><th>Parameters</th><th>Approved in the Order no. TAMP/35/2008-KPT dated 14.10.2008 of KPT</th><th>Envisaged at PPT</th></tr>
<tr><td>Capacity of the facility</td><td>1.5 MMTPA</td><td>2.77 MMTPA</td></tr>
<tr><td>Major Handling Equipment</td><td>2 nos. of 25 tonne crane and 1no. of 50 tonne crane</td><td>100 tonne Harbour Mobile Cranes (HMCs)</td></tr>
</table></td><td>On the different parameters pointed out by TAMP in the Tables, the following are clarified.

a) The performance standard adopted for container handling and clean cargo handling at PPT for the present proposal are the same as notified for KPT in the order No. TAMP/43/2013-KPT dated 04.10.2013 of KPT and TAMP/35/2008-KPT dated 14.10.2008 of KPT. The productivity of the Harbour Mobile crane has also been taken as 25 moves per hour in the present proposal. In this connection, the tariff schedule and performance standards of the present proposal may kindly be referred.

b) The TAMP guidelines do not prescribe adoption of reference Tariff of other ports only if capacities of the projects are similar. In fact, Kolkata Port Trust has adopted the reference tariff of Vizag Container terminal, Chennai Port Trust has adopted the reference tariff of JNPT 4th Container terminal and similarly, Kandla Port Trust has adopted the reference tariff of JNPT 4th Container terminal though the capacity of the respective terminals are not similar.

(c) No two projects are similar in different ports in terms of capacity and equipment configuration. As such, as long as the performance standards are retained, it is justifiable for the concerned Port to propose to TAMP any other Tariff fixed under 2008 guidelines in any other Major</td></tr>
</table>

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<td></td>
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<table>
<tr><td>Productivity</td><td>10000 tonnes per day</td><td>12500 tonne per day</td></tr>
</table>

From the above, it can be seen that the values of the parameters in the two different projects at KPT are significantly different from the project envisaged at PPT. The PPT has not given reasons how inspite of such a significant variation in the values of the parameters, the tariff of KPT are representative enough for the project envisaged at PPT for adopting the KPT rates from two different Orders.
</td>
<td>Port Trust for the same commodity for adoption as reference tariff.</td>
</tr>
<tr>
<td>(iv).</td>
<td>Further, the PPT in its revised proposal dated 31 January 2014 has not furnished the proposed Performance Standards which may please be forwarded, as the same is to be notified by this Authority along with Reference Tariff. While doing so, the PPT may ensure that the proposed Performance Standards are in line with the performance standard notified for the tariff Orders adopted by the PPT.</td>
<td>The entire tariff schedule proposed for the subject project along with performance standards has been furnished.</td>
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</table>

8.1. The PPT vide its e-mail dated 18 February 2014 has made the following main submissions:

(i). The PPT had taken the available tariff of Aluminium Ingots at PPT, as the referred KPT tariff notification does not have the explicit mention of Aluminium Ingots.

(ii). On examining the issue, it is seen that the mode of handling of Aluminium ingots including its nature, type and size are similar to that of Iron & Steel finished products. The handling equipment for Aluminium Ingots are similar to that of Steel products and the output is in the range of notified output for steel products.

(iii). Hence, it is proposed to adopt the tariff and the performance standards for Aluminium Ingots similar to Steel products.

(iv). Thus, the tariff of ₹ 447.25 per MT and the performance standards of 4000 tonnes per day prescribed for Iron and Steel products may be prescribed for Aluminium Ingots.

8.2. Subsequently, the PPT vide its another e-mail dated 18 February 2014 has proposed some conditionalities relating to the Performance Standards.

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

(i). This Authority had passed an Order No.TAMP/43/2009-PPT dated 19 January 2010 followed by review Order dated 31 March 2010 for fixation of upfront tariff for development of Multipurpose berth for handling clean cargo including containers at PPT based on the guidelines for upfront tariff setting for PPP Projects at Major Port Trust, 2008. All the cargo including containers were envisaged to be handled with 100 tonne Harbour Mobile Cranes (HMCs).

(ii). Thereafter, based on a proposal filed by the PPT and following the tariff guidelines of 2013, this Authority has passed an Order No.TAMP/38/2013-PPT dated 30 August 2013 fixing indexed Reference tariff for the Multipurpose Berth based on the PPT upfront tariff rates approved in the year 2010.

(iii). Clause 2.2. of the Revised Tariff Guidelines of 2013, interalia, stipulates that in case no tariff has been fixed for a commodity at a major port trust or if the highest tariff fixed for a particular commodity in the concerned major port trust does not represent the project proposed to be developed, then concerned major port trust can propose to this Authority any other tariff fixed under 2008 tariff guidelines in any other major port trust, which is representative enough for that commodity giving detailed and sufficient justification.

(iv). On the ground that Reference tariff fixed in August 2013 in respect of PPT is low and the bidders have made representation that project may not be bankable at the notified reference tariff, the PPT has proposed to adopt the reference tariff fixed for the two different projects at Kandla Port Trust (KPT), i.e. for handling clean multipurpose cargo, the PPT has proposed adoption of upfront tariff of KPT Multipurpose berth and for handling containers, the PPT has proposed adoption of the Reference tariff of KPT Container terminal.

In this regard and in support of the approach adopted by the PPT and with reference to the significant variation in the values of parameters obtaining at two different projects at KPT and the proposed project at PPT, the PPT has sought to argue that the Authority in the past had allowed Kolkata Port Trust (KOPT) to adopt the Upfront tariff fixed for the Visakhapatnam Port Trust (VPT) container terminal and allowed Kandla Port Trust (KPT) and Chennai Port Trust (CHPT) to adopt the Upfront tariff fixed for the Jawaharlal Nehru Port Trust (JNPT) container terminal. In this regard, it is to be noted by the PPT that when the KOPT was allowed to adopt the VPT upfront tariff and the KPT was allowed to adopt the JNPT upfront tariff, neither the KOPT nor did the KPT had their own upfront tariff for a container terminal and therefore, as stipulated in the Guidelines, they were allowed to adopt the upfront tariff of VPT and JNPT respectively. Even in respect of CHPT which had its own upfront tariff for container terminal, the PPT should also note that based on the justification given by the CHPT then, as recorded in the relevant reference tariff order, the CHPT was allowed to adopt the JNPT upfront tariff, as stipulated in the 2013 guidelines. The reference tariff Orders passed in respect of KOPT, KPT and CHPT are in line with the stipulations contained in the 2013 tariff guidelines.

As regards the proposal filed by the PPT, it is relevant to mention here that if the reference tariff available at PPT is not representative enough for PPT, it can adopt the upfront tariff fixed for that commodity in any other major port trust, as stipulated in the revised 2013 guidelines. The project of PPT envisages handling of containers and clean multipurpose cargo. In the cases relating to fixation of upfront tariff disposed by this Authority so far, the upfront tariff has been fixed either for a dedicated container terminal or for a dedicated multipurpose cargo berth. In none of the major ports other than PPT, an upfront tariff has been fixed for handling of both containers and clean multipurpose cargo at the same facility. In view of the uniqueness of its project leading to an extraordinary situation warranting to adopt the rates from two different projects of a particular port, this Authority is inclined to approve the approach adopted by the PPT in this regard. As an abundant measure of caution, it is clarified that the approach adopted by the PPT for adoption of rates from two different projects of a particular port on account of uniqueness of the project at PPT should not be cited as a precedent in fixation of Reference tariff at any other major port trust.

(v). With regard to PPT adopting the KPT container terminal rates for handling the containers at PPT, the following points are relevant to mention:

(a). In the proposed reference tariff schedule, the PPT has not proposed the definitions and the general terms and conditions forming part of the KPT Reference tariff Schedule. Further, the various conditionalities governing the levy of handling charges, storage charges, and miscellaneous charges are also not seen to have been proposed by the PPT. Since the PPT has proposed adoption of the Reference tariff Schedule of KPT, the definitions and the general terms and conditions and all other conditionalities forming part of the KPT Reference tariff Schedule are suitably incorporated in the Reference tariff Schedule of PPT in relation to the containers.

(b). The Revised Guidelines of 2013 stipulate that while adopting the Reference tariff, the tariff set under the Tariff Guidelines of 2008 shall be escalated to the extent of 60% of WPI per annum, as provided in the said guidelines for the period between 1st January of the year as prescribed in the relevant tariff order of this Authority under 2008 guidelines and 1st January of the subsequent relevant year when the Reference Tariff for the particular project in question is being notified.

The reference tariff for the KPT container terminal, which forms the basis for the Reference tariff for handling containers at PPT, was notified in October 2013. Incidentally, the reference tariff for the KPT container terminal was adoption of the upfront tariff fixed in the case of the JNPT container terminal following the 2008 upfront guidelines. The Reference Tariff Schedule of KPT specifically states that the base year of Wholesale Price Index (WPI) for indexation in the reference tariff rates approved in the said Order will be 1 January 2013. In the instant case of PPT, since the case is being finalized in the year 2014, the reference tariff for handling containers at PPT is to be indexed with reference to the indexation factor occurring between the year 2013 and the year 2014. In this regard, the indexation factor to be applicable for the year 2014 has not been firmed up due to non-availability of final wholesale price index figure (only provisional figures are available) for the months of November and December 2013. Therefore, the indexed reference tariff of KPT as of the year 2013 is prescribed in the case of PPT.

However, the adoption of the reference tariff pertaining to the year 2013 (based on the indexation factor as applicable for the year 2013) would not put the successful bidder of PPT at a disadvantageous position, as in the Reference tariff Schedule approved for PPT, it would be mentioned that the base year of Wholesale Price Index (WPI) for indexation in the reference tariff rates approved in the said Order will be 1 January 2013 and thus, the successful bidder's tariff would be fixed with reference to the base year of 2013 and that of the year in which he commences the operations.

(c). With regard to the performance standards for the containers, since the PPT has proposed adoption of the Reference tariff Schedule of KPT, the PPT has rightly adopted the performance standard of 25 moves per hour as prescribed in the case of the KPT container terminal. Thus, the PPT has envisaged achievement of 25 moves per hour at PPT based on the deployment of 100 tonne HMCs. The PPT is advised to incorporate this position suitably in its Bid Document and thereafter in the Concession Agreement to be entered into by the PPT with the successful bidder.

The other performance standards prescribed by the PPT relating to Transit Storage Dwell Time for Import and Export Containers, Turnaround Time for receipt/ delivery operation are also seen to be in line with the performance standards prescribed in the Reference tariff Schedule of KPT container terminal.

The conditionalities governing levy of the Performance standards are prescribed as proposed by the port.

(vi). With regard to PPT adopting the multipurpose cargo rate of KPT for handling the clean cargo at PPT, the following points are relevant to mention:

(a). In the proposed reference tariff schedule also, the PPT has not proposed the definitions and the general terms and conditions forming part of the KPT Multipurpose cargo tariff Schedule. Further, the various conditionalities governing the levy of handling charges, storage charges and miscellaneous charges are also not seen to have been proposed by the PPT. Since the PPT has proposed adoption of the Upfront tariff Schedule of KPT, the definitions and the general terms and conditions and all other conditionalities forming part of the KPT upfront tariff Schedule are suitably incorporated in the Reference tariff Schedule of PPT in relation to the multipurpose cargo.

(b). The Upfront tariff Schedule of KPT multipurpose cargo prescribes per tonne rates to handle (i). Foodgrains & Fertilisers, (ii). Thermal Coal, (iii). Coal (other than thermal coal), Limestone, Minerals, Sugar, Salt etc., (iv). Other dry bulk, (v). Steel and Bagged cargo and (vi). Timber Logs.

The PPT in its Reference tariff Schedule has proposed rates in respect of (i). Iron & Steel products, (ii). Aluminium Ingots, (iii). Pig Iron, (iv). Finished Fertilisers, (v). Food Grains and (vi). Sugar, by adopting the per tonne rate of KPT in the following manner:

Sl. no.	Adopted by the PPT	Reference to KPT upfront tariff Schedule
(i).	Iron & Steel products	Steel and Bagged cargo
(ii).	Aluminium Ingots	Steel and Bagged cargo
(iii).	Pig Iron	Other dry bulk
(iv).	Finished Fertilisers	Foodgrains & Fertilisers
(v).	Food Grains	Foodgrains & Fertilisers
(vi).	Sugar	Coal (other than thermal coal), Limestone, Minerals, Sugar, Salt

It is relevant to mention here that no rate for handling Aluminium Ingots has been prescribed in the KPT multipurpose cargo upfront tariff schedule. However, on the ground that the nature, type and size of Aluminum Ingots are similar to that of Iron & Steel finished products, the PPT has proposed adoption of the rate of Iron and Steel products for Aluminium Ingots also. The PPT has also stated that since the equipment proposed to be used for handling Aluminum Ingots are similar to that of Steel products, the output expected incase of Aluminium Ingots would also be in the range of the notified output for the steel products. Based on the justification furnished by the port and relying upon the judgment of the port to treat aluminum Ingots at par with the Iron & Steel products, the proposal of the PPT to prescribe the Reference tariff in respect of Iron and Steel products as the Reference tariff of Aluminium Ingots, is approved.

(c). While adopting the KPT tariff, the PPT has applied the indexation factor of 26.15% on the tariff caps approved for the multipurpose cargo berth at KPT vide Order of October 2008. This indexation factor is seen to be the indexation factor communicated by us to all the Major Port Trusts to be applicable for reference tariff fixed in the year 2013 with base WPI as on 1 January 2008. Since the case is being finalized in the year 2014, the reference tariff for handling multipurpose clean cargo at PPT is to be indexed with reference to the indexation factor occurring between the year 2008 and the year 2014. As stated earlier, the indexation factor to be applicable for the year 2014 has not been firmed up.

For the reasons stated earlier, the reference tariff for handling multipurpose clean cargo at PPT is prescribed based on the reference tariff derived based on the indexation factor as applicable for the year 2013, as has been done by the PPT. In this connection, the indexed Reference tariff determined by PPT, is found to be in order subject to minor corrections arising on account of rounding off of the rates in the tariff items. Such corrections have been carried out.

(d). Clause 2.2 of the revised tariff guidelines of 2013 requires this Authority to prescribe the Reference Tariff along with the Performance Standards. Though the revised guidelines of 2013 do not require this Authority to go into the Performance Standards proposed by the port it may not be unreasonable to assume that the ports would propose reasonable and achievable Performance Standard.

The PPT has proposed the Performance Standards in respect of Food grains & Fertilisers, Steel & Bagged Cargo, Other Dry Bulk cargo and Others. The cargo items for which Performance Standards are proposed are not seen to match with the cargo items for which reference tariff has been proposed in the Reference tariff schedule by PPT. In the fixation of reference tariff so far, the cargo items for which Performance Standards are proposed generally match with the cargo items for which tariff has been proposed in the Reference tariff schedule. Based on the judgment of the PPT as brought out earlier, the Performance Standards in respect of Iron and Steel products are prescribed as the Performance Standard of Aluminium Ingots also. Thus, the Performance Standards are prescribed in respect of Iron & Steel products, Aluminium Ingots, Pig Iron, Finished Fertilisers, Food Grains and Sugar only.

The PPT has proposed the Performance Standards by prescribing the indicative norms at 7500 tonnes per day in case of Food grains & Fertilisers, 4000 tonnes per day each in respect of Steel & Bagged Cargo and Other Dry Bulk cargo and 2500 tonnes per day in respect of Others.

As brought out in the factual portion of the note, the equipment profile envisaged at KPT multipurpose berth are 2 nos. of 25 tonne crane and 1 no. of 50 tonne crane, whereas, the PPT envisages deployment of 1 no. of 100 tonne Harbour Mobile Cranes (HMCs) to handle clean cargo. Inspite of the position that the operator at PPT would deploy a higher capacity HMC, the performance standards proposed by the port, are seen to be lower when compared with the productivity level considered in the upfront tariff fixation of KPT. The reason for adopting a lower productivity as the performance standard remains unexplained.

While approving the proposal of Cochin Port Trust for fixation of Reference tariff for Coal Handling Terminal and the proposal of Mumbai Port Trust (MBPT) for fixation of Reference Tariff for multipurpose off shore cargo terminal, it has come to the notice of this Authority that the Performance Standards proposed by the concerned Major Port Trusts in these two cases are significantly lower.

Clause 2.5 of the 2013 revised tariff guidelines stipulates that the Reference Tariff and Performance Standards notified by TAMP would be mentioned in the bid document and subsequently in the Concession Agreement in respect of PPP Projects. As per the said guidelines, on the achievement of the Performance Standards at the level incorporated in the Concession Agreement, the operator is eligible to seek upward revision upto 15% over the indexed reference tariff. Thus, achievement of Performance Standards to claim tariff hike is the fulcrum of the 2013 guidelines. The Performance Standard notified by this Authority based on the proposal of the Major Port Trusts would have a significant impact on the tariff to be levied by the Operator during the entire period of Concession Agreement, normally for the time horizon of 30 years. In view of this position of performance linked tariff envisaged in the 2013 guidelines, it is appropriate that the Major Port Trust carryout due diligence and take sufficient care while proposing Performance Standards at a reasonable level. Even if the Performance Standards proposed by port trust are lower than the handling rate considered in the calculation of optimal quay capacity, then as per the 2013 guidelines, the BOT operator will have the option of seeking tariff revision upto 15% over the indexed Reference Tariff on achieving the lower Performance Standards prescribed in the Concession Agreement without achieving any improvement in the performance. This perhaps may not serve the intended purpose for which the revised guidelines of 2013 are issued by the MOS linking achievement of performance to tariff hike.

In view of the above position, the MOS has been requested to advise all the Major Port Trusts to propose reasonable and achievable Performance Standards which should not be lower than the output (handling) rate considered in the optimal quay capacity calculation of the PPP project.

Accordingly, in the present case of PPT also, Performance Standards are prescribed based on output (handling) rate considered in the optimal capacity calculation of KPT (based on which the PPT has adopted the rates). Thus, the Performance Standards are prescribed at 4000 tonnes per day incase of Iron & Steel products, 4505 tonnes per day incase of Pig Iron, 10000 tonnes per day each incase of Finished Fertilisers and Food Grains and 7500 tonnes per day incase of Sugar. Further, for the reasons brought out earlier, the Performance Standard of 4000 tonnes per day in respect of Iron and Steel products are prescribed as the Performance Standard of Aluminium Ingots also.

However, in this connection it has to be appreciated that the productivity level envisaged at KPT and that being incorporated as performance standards for PPT is with reference to deployment of 2 nos. of 25 tonne crane and 1 no. of 50 tonne crane. If the successful BOT operator at PPT deploys 100 tonne HMCs, which has a higher handling capacity, he would be in a position to handle much more than the productivity envisaged in the performance standards and by adopting the higher rates of KPT, the chance of the operator at PPT making windfall gain in the future, cannot be ruled out. To avoid occurrence of such a scenario, it is felt appropriate to put a check on the equipment proposed to be deployed at the PPT facility. Accordingly, the PPT is advised to prescribe deployment of either 2 nos. of 25 tonne crane and 1 no. of 50 tonne crane (as per KPT) or a 60 tonne HMC or in its range (which may have a lower productivity when compared to a 100 tonne HMC) at the proposed facility at PPT. The PPT is advised to incorporate this position suitably in its Bid Document and thereafter in the Concession Agreement to be entered into by the PPT with the successful bidder.

The PPT has not prescribed the conditionalities governing the performance standards for the various cargoes. Recognizing that clause 2.2. of the revised guidelines of 2013 requires this Authority to notify the Performance Standards, the Performance Standards as modified by us are notified along with the Reference Tariff Schedule.

(vii). With regard to the Berth hire charges, it is relevant to mention here that Reference tariff Schedule of KPT container terminal as well as the Upfront tariff Schedule of KPT multipurpose berth, prescribe separate berth hire charges. Out of the two berth hire charges available, the PPT has proposed to adopt the berth hire charges prescribed in the Upfront tariff Schedule of KPT multipurpose berth duly escalated by 26.15%. Incidentally, the said indexed rate is seen to be lower than the berth hire charge prescribed for the KPT container terminal in the year 2013. The judgment of the PPT to adopt the berth hire charges in the upfront tariff schedule of the KPT multipurpose berth is relied upon in the analysis.

(viii). With regard to the penal Berth hire charges, the PPT has proposed to adopt the penal Berth hire charges as prescribed in the Reference tariff Schedule of KPT container terminal, since the Upfront tariff Schedule of KPT multipurpose berth does not prescribe any penal berth hire charges. Since the proposed levy is penal in nature, the same is prescribed in the Reference tariff Schedule of PPT.

(ix). For the reasons explained earlier, the following General note is prescribed in the Reference tariff Schedule of PPT for automatic adjustment in tariff caps for every subsequent years:

" *The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2013 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31st March of the following year.* **"**

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

10.2. The modified Reference Tariff Schedule is attached as **Annex – I** and the Performance Standards for the multipurpose cargo berth at PPT as modified by us is attached as **Annex – II**.

10.3. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the Reference Tariff Schedule as modified for the multipurpose cargo berth at PPT and notifies it alongwith the modified Performance Standards.

10.4. As per clause 2.5 of the Revised Tariff Guidelines 2013, the Reference Tariff and Performance Standards notified by this Authority shall be mentioned in the bid document and subsequently in the Concession Agreement in respect of PPP Projects. Accordingly, the PPT is advised to incorporate the Reference Tariff and Performance Standards, in the bid document and subsequently in the Concession Agreement in respect of PPP Projects as agreed by the port.

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

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

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

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

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

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

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

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

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

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

11.10. The PPP operator shall furnish to this Authority quarterly reports on cargo traffic, ship berth day output, average turnaround time of ships, average pre-berthing waiting time as well as the tariff realized for each berth. The quarterly reports shall be submitted by the PPP operator within a month following the end of each quarter. Any other information which is required by this Authority shall also be furnished to this Authority from time to time.

11.11. This Authority shall publish on its website all such information received from PPP operator. However, this Authority shall consider a request from the PPP operator about not publishing certain data/ information furnished which may be commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data/information in question and the likely adverse impact on their revenue/ operation of upon publication. Authority's decision in this regard would be final.

(T.S. Balasubramanian)
Member (Finance)

Annex - I

PARADIP PORT TRUST

REFERENCE TARIFF SCHEDULE FOR THE MULTIPURPOSE CARGO BERTH.

CHAPTER 1 – DEFINITIONS & GENERAL TERMS & CONDITIONS

1.1. DEFINITIONS – GENERAL

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

(ii). **"Foreign-going vessel"** shall mean any vessel other than Coastal vessel.

(iii). **"FCL"** means Containers said to contain Full Container Load.

(iv). **"LCL"** means Containers said to contain Less than full Container Load (Container having cargo of more than one importer/exporter).

(v). **"Hazardous container"** means a Container containing hazardous goods as classified under IMO.

(vi). **"Import container"** means a container discharged from one vessel, stored in container yard and transported out through Road or Train.

(vii). **"Export container"** means a container arrived by road or Train, stored in container yard and loaded on the assigned vessel.

(viii). **"Port area"** means the custom bound area / Port operational Area of the Port.

(ix). **"Normal Container"** shall mean general type containers, not falling under special categories mentioned subsequently.

(x). **"Reefer Container"** shall mean a refrigerated container used for carriage of perishable goods with provision for electrical supply to maintain the desired temperature.

(xi). **"Hazardous Container"** shall mean a container containing hazardous goods as classified under IMO.

(xii). **"Transshipment Container"** shall mean a container, which is discharged from one vessel, stored in the yard and transported through other vessel.

(xiii). **"Over dimensional Container"** shall mean a container carrying over dimensional cargo beyond the normal size of standard container and needing special devices like slings, shackles, lifting beam etc. They also include damaged containers and other types which require special devices.

(xiv). **"Shut out Container"** shall mean a container which enters into the port as an export intake for a particular vessel (as indicated by the Vessel Identification Advice Number, i.e.

VIA No.) and is not connected to the particular vessel for reasons whatsoever, then the container is termed to be a shutout container.

(xv). **“Back to Town Container”** shall mean a container entering the port for export but unable to be exported for whatever reason and taken back to town.”

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

(xvii). “**Per day**” means per calendar day unless otherwise stated.

1.2. GENERAL TERMS & CONDITIONS

(i) (a). A foreign going vessel of Indian Flag having a General Trading License can convert to Coastal run on the basis of a Customs Conversion Order.

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

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

(d). In cases of such conversion coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations; immediately thereafter, foreign going rates shall be chargeable by the discharge ports.

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

(ii). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for classifying into ‘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.

(iii). Vessel related charges shall be levied on Ship-owners/Steamer Agents.

(iv). (a). The Vessel related charges for all Coastal vessels should not exceed 60% of the corresponding charges for other vessels.

(b). The container related charges for all Coastal should not exceed 60% of the normal container related charges.

(c). In case of container related charges, the concession is applicable on composite box rate. Where itemized charges are levied, the concession will be on all the relevant charges for ship-shore transfer, and transfer from / to quay to / from storage yard as well as wharfage on cargo and containers.

(d). For the purpose of this concession, container from a foreign port which reaches an Indian Port ‘A’ for subsequent transshipment to Indian Port ‘B’ will also qualify insofar as the charges relevant for its coastal voyage. In other words, cargo/containers from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.

(e). The charges for coastal containers / vessels shall be denominated and collected in Indian Rupee.

(v). Interest on delayed payments / refunds:

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

(b). The rate of penal interest will be 2% above the Prime Lending Rate of State Bank of India (SBI). The penal interest rate will apply to both the operator and the port users equally.

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

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

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

CHAPTER 2 – CONTAINER RELATED CHARGES

2.1. GENERAL TERMS AND CONDITIONS:

(i). A container originally declared as transshipment container, subsequently moved by rail or road will lose its identity as a transshipment container and shall be treated as a normal import container and prescribed charges as applicable shall be payable.

(ii). Containers less than and up to 20' will be reckoned as one TEU (Twenty Equivalent Unit) and more than 20' and up to 40' will be reckoned as one FEU (Forty Equivalent Unit) for the purpose of tariff.

(iii). All charges for containers more than 20' in length and up to 40' in length will be 150 per cent of the applicable charges prescribed.

(iv). Containers other than that of standard size requiring special devices/slings/handling will be charged twice the applicable rates. Such containers will also include damaged containers and any other type requiring special devices.

2.2. CONTAINER RELATED CHARGES.

The following consolidated charges for handling and movement of container shall be payable by the Shipping Lines or Agents of vessels or cargo agents for services rendered in respect of containers and containerized cargo passing through the port.

a. Handling Charges

Normal Containers

Sl. No.	Description	Rate per TEU (in ₹)			
		Foreign Container		Coastal Container	
		Loaded	Empty	Loaded	Empty
1	From Ship to container yard or vice versa	3755.04	3032.92	2253.03	1819.75
2	From container yard to Railway flat or vice versa (ICD Container Rail only)	1877.52	1877.52	1877.52	1877.52
3	From Container yard to Truck or vice versa (direct delivery and export intake)	577.70	577.70	577.70	577.70

Reefer Containers

Sl. No.	Description	Rate per TEU (in ₹)			
		Foreign Container		Coastal Container	
		Loaded	Empty	Loaded	Empty
1	From Ship to container yard or vice versa	3755.04	3032.92	2253.03	1819.75
2	From container yard to Railway flat or vice versa (ICD Container Rail only)	1877.52	1877.52	1877.52	1877.52
3	From Container yard to Truck or vice versa (direct delivery and export intake)	577.70	577.70	577.70	577.70

Hazardous Containers

Sl. No.	Description	Rate in ₹	
		Foreign Container	Coastal Container
		Loaded	Loaded
1	From Ship to container yard or vice versa	4694.65	2817.13
2	From container yard to Railway flat or vice versa (ICD Container Rail only)	2346.48	2346.48
3	From Container yard to Truck or vice versa (direct delivery and export intake)	722.12	722.12

Transhipment Containers

S. No.	Description	Rate per TEU (in ₹)			
		Foreign Container		Coastal Container	
		Loaded	Empty	Loaded	Empty
1	1 – 3000 TEUs	4332.74	3755.04	2599.64	2253.03
2	3001 – 6000 TEUs	4043.89	3466.2	2426.33	2079.72
3	6001 – 9000 TEUs	3755.04	3177.34	2253.03	1906.4
4	Thereafter.	3466.2	2888.49	2079.72	1733.1

Notes

(i). Rate is based on total TEUs brought by the Shipping Lines or agents in the same financial year.

(ii). A container originally declared as transshipment container, subsequently moved by rail or road will lose its identity as transshipment container and shall be treated as a normal import container and prescribed charges as applicable shall be payable.

Over Dimensional Cargo Containers

Sl. No.	Description	Rate per TEU (in ₹)			
		Foreign Container		Coastal Container	
		Loaded	Empty	Loaded	Empty
1	From Ship to container yard or vice versa	7510.09	6065.83	4506.05	3639.5
2	From container yard to Railway flat or vice versa (ICD Container Rail only)	3755.04	3755.04	3755.04	3755.04
3	From Container yard to Truck or vice versa (direct delivery and export intake)	1155.4	1155.4	1155.4	1155.4

Note: The consolidated charges as above include the following elements, viz. stevedoring, use of Gantry crane, use of transfer crane, wharfage on tare weight of containers, wharfage on containerized cargo, transportation and contribution towards railway infrastructure.

b. Dwell time charges for container, stored in the port premises:

Sl. No	Particulars	Rate per container per day or part thereof (In ₹)		
		Upto 20' in length	Over 20' upto 40' in length	Above 40' in length
1	Non-ICD/ CFS Import – loaded			
	First 2 days	Free	Free	Free
	3-6 days	459.19	918.37	1377.56
	7-9 days	546.23	1092.46	1638.69
	10-12 days	649.67	1299.35	1949.02
	13-15 days	772.04	1544.08	2316.11
	16-18 days	917.11	1834.22	2751.33
	19-22 days	1091.2	2182.4	3273.59
	23-26 days	1298.08	2596.17	3894.25
	27-30 days	1542.81	3085.63	4628.44
	Thereafter	1835.48	3670.97	5506.45
2	Non - ICD/ CFS Import - Empty			
	First 2 days	Free	Free	Free
	3-6 days	459.19	918.37	1377.56
	7-9 days	546.23	1092.46	1638.69
	10-12 days	649.67	1299.35	1949.02
	13-15 days	772.04	1544.08	2316.11
	16-18 days	917.11	1834.22	2751.33

Sl. No	Particulars	Rate per container per day or part thereof (In ₹)		
		Upto 20' in length	Over 20' upto 40' in length	Above 40' in length
	19-22 days	1091.2	2182.4	3273.59
	23-26 days	1298.08	2596.17	3894.25
	27-30 days	1542.81	3085.63	4628.44
	Thereafter	1835.48	3670.97	5506.45
3	Non - ICD/ CFS Export - Loaded			
	First 3 days	Free	Free	Free
	4-6 days	459.19	918.37	1377.56
	7-9 days	546.23	1092.46	1638.69
	10-12 days	649.67	1299.35	1949.02
	13-15 days	772.04	1544.08	2316.11
	16-18 days	917.11	1834.22	2751.33
	19-22 days	1091.2	2182.4	3273.59
	23-26 days	1298.08	2596.17	3894.25
	27-30 days	1542.81	3085.63	4628.44
	Thereafter	1835.48	3670.97	5506.45
4	Non - ICD/ CFS Export - Empty			
	First 3 days	Free	Free	Free
	4-6 days	459.19	918.37	1377.56
	7-9 days	546.23	1092.46	1638.69
	10-12 days	649.67	1299.35	1949.02
	13-15 days	772.04	1544.08	2316.11
	16-18 days	917.11	1834.22	2751.33
	19-22 days	1091.2	2182.4	3273.59
	23-26 days	1298.08	2596.17	3894.25
	27-30 days	1542.81	3085.63	4628.44
	Thereafter	1835.48	3670.97	5506.45
5	CFS Import loaded - moved by road			

Sl. No	Particulars	Rate per container per day or part thereof (In ₹)		
		Upto 20' in length	Over 20' upto 40' in length	Above 40' in length
	First 2 days	Free	Free	Free
	3-6 days	459.19	918.37	1377.56
	7-9 days	546.23	1092.46	1638.69
	10-12 days	649.67	1299.35	1949.02
	13-15 days	772.04	1544.08	2316.11
	16-18 days	917.11	1834.22	2751.33
	19-22 days	1091.2	2182.4	3273.59
	23-26 days	1298.08	2596.17	3894.25
	27-30 days	1542.81	3085.63	4628.44
	Thereafter	1835.48	3670.97	5506.45
6	CFS Import empty - moved by road			
	First 2 days	Free	Free	Free
	3-6 days	459.19	918.37	1377.56
	7-9 days	546.23	1092.46	1638.69
	10-12 days	649.67	1299.35	1949.02
	13-15 days	772.04	1544.08	2316.11
	16-18 days	917.11	1834.22	2751.33
	19-22 days	1091.2	2182.4	3273.59
	23-26 days	1298.08	2596.17	3894.25
	27-30 days	1542.81	3085.63	4628.44
7	CFS Export loaded - moved by road			
	First 3 days	Free	Free	Free
	4-6 days	459.19	918.37	1377.56
	7-9 days	546.23	1092.46	1638.69
	10-12 days	649.67	1299.35	1949.02
	13-15 days	772.04	1544.08	2316.11
	16-18 days	917.11	1834.22	2751.33

Sl. No	Particulars	Rate per container per day or part thereof (In ₹)		
		Upto 20' in length	**Over 20' upto 40' in length**	**Above 40' in length**
	19-22 days	1091.2	2182.4	3273.59
	23-26 days	1298.08	2596.17	3894.25
	27-30 days	1542.81	3085.63	4628.44
8	CFS Export empty- moved by road			
	First 3 days	Free	Free	Free
	4-6 days	459.19	918.37	1377.56
	7-9 days	546.23	1092.46	1638.69
	10-12 days	649.67	1299.35	1949.02
	13-15 days	772.04	1544.08	2316.11
	16-18 days	917.11	1834.22	2751.33
	19-22 days	1091.2	2182.4	3273.59
	23-26 days	1298.08	2596.17	3894.25
	27-30 days	1542.81	3085.63	4628.44
9	ICD Import and Export loaded or empty - moved by rail			
	First 5 days	Free	Free	Free
	6-15 days	917.11	1834.22	2751.33
	16-30 days	1835.48	3670.97	5506.45
	Thereafter	3670.97	7341.93	11012.9
10	Transhipment - Loaded			
	First 15 days	Free	Free	Free
	16-30 days	1835.48	3670.97	5506.45
	Thereafter	3670.97	7341.93	11012.9
11	Transhipment - Empty			
	First 7 days	Free	Free	Free
	8-15 days	1091.2	2182.4	3273.59
	Thereafter	3670.97	7341.93	11012.9

Notes:

(i). The total storage period for a container shall be reckoned from the day following the day of landing upto the day of shipment/delivery/date of removal of the container and includes Sundays and Holidays but excludes Custom notified holidays and port non-working days.

(ii). Transshipment containers subsequently changing the mode of dispatch locally or to the container freight station for destuffing/stuffing shall loose the concessional dwell time as prescribed in Item (4) above. Dwell time charges for such containers shall be recovered at par with import containers as prescribed in item no. 1 or 2 as applicable.

(iii). Transshipment containers subsequently changing the mode of dispatch by rail to ICD shall be treated as other ICD containers for the purpose of levy of Dwell time charges fees and shall be charged at the rates in item (4) above. In such cases additional shifting charge will be applicable for movement of container to container yard to ICD yard.

(iv). A container from foreign port landing at the container terminal for subsequent transshipment to an Indian Port on a coastal voyage or vice versa would be charged at 50% of the transshipment charges prescribed for foreign going vessels and 50% of that prescribed for coastal category.

(v). Normal import containers subsequently changing the mode of dispatch by rail to ICD will enjoy the free period applicable to normal import container only. In such cases additional shifting charges will be applicable for movement of container from container yard to ICD yard.

(vi). The total storage period for a shutout container shall be calculated from the day following the day when the container has become shutout till the day of Shipment/ delivery.

(vii). Over high and over dimensional containers shall attract thrice the normal applicable charges.

(viii). Hazardous containers shall attract 1.25 times the normal applicable charges.

(ix). In case of stuffing the containers inside the port, the dwell time charges will be applicable as follows:

(a). Prior to stuffing, dwell time charges as applicable to empty containers will be charged.

(b). Free period and dwell time charges as applicable to loaded export containers will be charged from the day following the day of completion of stuffing and intimation to Port.

(x). In the case of auction containers, after the auction is over, the empty containers will attract the dwell time charges as empty containers from the following day the destuffing is completed.

(xi). The storage charges shall not accrue for the period during which the Terminal is not in a position to deliver containers for reasons attributable to it when requested by the user.

(xii). The storage charges on abandoned FCL containers/shipper owned containers shall believe up to the date of receipt of intimation of abandonment in writing or 75 days from the day of landing of the container, whichever is earlier subject to the following:

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

(b). If the consignee chooses not to issue such letter of abandonment, the container Agent/MLO can also issue abandonment letter subject to the condition that,

(i). the Line shall resume custody of container along with cargo and either take back it or remove it from the port premises; and

(ii). the line shall pay all port charges accrued on the cargo and container before resuming custody of the container.

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

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

c. **Charges for miscellaneous services rendered to the container vessels:**

Reefer Monitoring and Connection

Sl.No	Particulars	Rate in ₹			
		Foreign going Vessel		Coastal Vessel	
		Loaded	Empty	Loaded	Empty
1	Additional charges per 4 hours or part thereof for electricity consumption and monitoring of reefer containers	281.66	281.66	281.66	281.66

Note: Additional electricity charge at the prescribed rates will be applicable in case of Reefer Containers also

Other Services Rendered

Sl. No.	Particulars	Rate in ₹			
		Foreign going Vessel		Coastal Vessel	
		Loaded	Empty	Loaded	Empty
1	Shifting of containers from one yard to another yard within the terminal for customs inspection or any other purpose and subsequent loading of containers for delivery.	2432.46	2432.46	2432.46	2432.46
2	Additional service charges for stacking containers in designated yard for custom examination or for any other purpose by prior arrangement.	286.10	286.10	286.10	286.10

Opening of Hatch Cover and replacing it

Sl. No.	Particulars	Rate in ₹	
		Foreign going Vessel	
		Loaded	Empty
1	When placing it on the Quay	4225.48	2535.29
2	Without placing it on the Quay	1689.94	1013.97

Note: If only one operation is carried out, half of the hatch cover handling charges as above shall be levied.

One Hatch to another Hatch or within the Same Hatch

Sl. No	Description	Rate per TEU (₹)			
		Foreign going	Coastal	Foreign going	Coastal
		Loaded	Empty	Loaded	Empty
1	Hatch to hatch shifting (involving 1 move only)	1408.3	1408.3	844.98	844.98
2	Other than (a) mentioned above	5633.77	5633.77	3380.26	3380.26

CHAPTER 3 – CARGO RELATED CHARGES

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

a. Handling Charges

Sl. No.	Commodity	Unit	Rate in ₹ (Foreign)	Rate in ₹ (Coastal)
1	Iron & Steel products and Aluminium Ingots	Ton	447.25	268.35
2	Pig iron	Ton	397.32	238.39
3	Finished fertilizers	Ton	238.65	143.19
4	Food grains	Ton	238.65	143.19
5	Sugar	Ton	178.89	107.34

Note:

The handling charges prescribed above is a composite charge for (i) unloading of the cargo from the vessel including stevedoring and transfer of the same up to the point of storage, storage at the stack yard up to a free period of 5 days and loading on to trucks in respect of import cargo and (ii) unloading of the cargo from the trucks at the stack yard, storage at the stack yard up to a period of 15 days, transfer the cargo to the loading point and loading onto the ship including stevedoring. This composite charge includes wharfage and supply of labour, wherever necessary.

b. Storage charges after free period:

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

(i). Import Cargo

(Rate in ₹ per MT per day)

Sl. No	Commodity	Rate for 6th – 12th day	Rate for 13th -19th day	Rate for 20th day onwards
1	All types of Multipurpose cargo	12.62	18.92	25.23

(ii). Export cargo

(Rate in ₹ . per MT per day)

Sl. No.	Commodity	Rate for 16th – 22nd day	Rate for 23rd – 29th day	Rate for 30th day onwards
1	All types of Multipurpose cargo	12.62	18.92	25.23

Notes:

(i). Five free days for import cargo and fifteen free days for export cargo shall be allowed. For the purpose of calculation of free period, Customs notified holidays and Terminal's non- working days shall be excluded.

(ii). Storage charges shall be payable for all days including Terminal's non- working days and Customs notified holidays for stay of cargo beyond the prescribed free days.

(iii). Storage charge on cargo shall not accrue for the period when the terminal operator is not in a position to deliver / ship the cargo when requested by the user due to reasons attributable to the terminal operator.

c. Miscellaneous charges

Sl. No.	Commodity	Unit	Rate in (₹)
1	All types of Multipurpose cargo	Per Ton	19.63

The miscellaneous charges prescribed above is a composite charge for provision of all miscellaneous services such as sweeping of cargo on the wharf, weighment of cargo, dust suppression etc.

CHAPTER 4 - VESSEL RELATED CHARGES.

a. Berth Hire Charges

Sl. No	Vessels	Rate per GRT per hour or part thereof	
		Foreign Going Vessel (in ₹)	Coastal Vessel (in ₹)
1	All Vessels	1.236	0.744

Notes:

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

(ii). Berth hire includes charges for services rendered at the berth, such as occupation of berth, rubbish removal, cleaning of berths, fire watch, etc.

(iii). No berth hire shall be levied for the period when the vessel idles at its berth for continuous one hour or more due to breakdown of terminal operator's equipment or power or for any other reasons attributable to the terminal operator.

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

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

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

b. Penal Berth Hire Charges

Sl.No	Description	Rate per GRT in ₹
1	Up to 6 hrs.	12.62
2	above 6 hours but up to 12 hours	18.92
3	Above 12 hrs.	37.85

Notes:

(i). The Penal berth hire charges as mentioned above shall be levied in addition to berth hire charges beyond 2 hours.

(ii). Penal berth hire charges mentioned above shall not be leviable if the idling of vessel is attributable to the terminal or port or due to adverse tidal conditions or bad weather and rain resulting in stoppage of operation.

(iii). (a). There shall be a time limit beyond which berth hire shall not apply; berth hire shall stop 4 hours after the time of vessel signaling its readiness to sail. The time limit of 4 hours prescribed for cessation of berth hire shall exclude the ship's waiting period for want of favorable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

(b). There shall be a "penal berth hire" equal to one day's berth hire charges for a false signal.

(c). The Master / Agent of the vessel shall signal readiness to fail only in accordance with favourable tidal and weather conditions.

(d). The time limit of 4 hours prescribed for cessation of berth hire shall exclude the ship's waiting period for want of favourable tidal conditions.

CHAPTER 5 - GENERAL NOTE

The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2013 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31 March of the following year.

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Annex - II

PERFORMANCE STANDARDS

a. Containers

Sl. No	Performance Standard	
1	Gross Berth Output	25 Moves / Crane / hour
2	Transit Storage Dwell Time for Containers	
	Import	2 days
	Export	4 days
3	Turnaround Time for receipt / delivery operation	
	Trailer for Containers (Single operation)	2 hours
	Trailer for Containers (Double operation)	4 hours
	Rake for ICD Containers (Single operation)	6 hours
	Rake for ICD Containers (Double operation)	12 hours

b. Multipurpose Cargo

Cargo Category	Indicative Norms
Iron & Steel products and Aluminium Ingots	4000 tonnes per day
Pig Iron	4505 tonnes per day
Finished Fertilisers	10000 tonnes per day
Food Grains	10000 tonnes per day
Sugar	7500 tonnes per day

Transit Storage Dwell Time

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

Import

S.No	**Description**	**Transit Storage Dwell Time**
1	Other Clean Cargo (at stack yard)	10 days after date of completion of vessel's discharging operation

Export

S.No	**Description**	**Transit Storage Dwell Time**
1	Other Clean Cargo (at stack yard)	10 days after date of completion of vessel's discharging operation

Weightage in case of a shortfall in meeting the prescribed performance standard will be 10%

Turn around Time for receipt/delivery operation:

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

S.No	Description	Time
1	(i) Truck for conventional cargo (Single operation)	4 hours
2	(ii) Truck for conventional cargo (Double operation)	8 hours

Weightage in case of a shortfall in meeting the prescribed performance standard will be 10%

Performance Evaluation and calculation of liquidated damages:

Performance evaluation shall be made on a quarterly review of the reports furnished by the Concessionaire and/or the records of the Concessionaire and/or by an enquiry by the Concessioning Authority. The Concessionaire shall be liable to pay liquidated damages determined at the rate of 1% (one per cent) of the Gross Revenue of the respective quarter for every shortfall of 10% (ten per cent) in the average performance which shall be assessed in the following manner.

Each Performance Standard is calculated as an average in the manner indicated above. The actual average performance vis-à-vis a standard will be evaluated against the prescribed standard. The shortfall will be computed as a percentage of the prescribed standard. The shortfall in respect of each performance standard will have a weightage assigned to it. The overall shortfall in average performance shall be assessed as the aggregate of the weighted shortfalls in respect of each of the performance standards. For example, if there is a shortfall in Gross Berth Output by x%, Transit Storage Dwell Time by y% and Turn round time for receipt/delivery operations by z% and the weightage assigned to such shortfalls is 0.7, 0.2 and 0.1 respectively, then the overall shortfall in average performance will be (0.7x + 0.2 y + 0.1 z)%.
