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TARIFF AUTHORITY FOR MAJOR PORTS

G. No.111 **New Delhi, 23rd May 2011**

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from the Paradip Port Trust (PPT) for general revision of its Scale of Rates, as in the Order appended hereto.

(Rani Jadhav)
Chairperson

TARIFF AUTHORITY FOR MAJOR PORTS

Case No. TAMP/62/2009-PPT

Paradip Port Trust - - - **Applicant**

O R D E R

(Passed on this 25th day of March 2011)

This case relates to the proposal received from the Paradip Port Trust for general revision of its Scale of Rates.

The Scale of Rates (SOR) of the Paradip Port Trust (PPT) was last revised in 2007 vide Order No. TAMP/60/2005-PPT dated 12 October 2007 with validity upto 31 March 2010. Subsequently, the conditionalities relating to levy of penal berth hire charges was re-introduced in the SOR of PPT in April 2008, Chapter V in the then existing SOR of PPT relating to Railway Charges was de-notified at the request of PPT in March 2009 and revised berth hire charges to be levied on IFFCO for fertilizer berth No.2 from 1 April 2008 to 31 March 2015 was approved in July 2009. The validity of the existing SOR at PPT was extended up to 30 September 2010 vide this Authority's Order No.TAMP/60/2005-PPT dated 31 March 2010.

2.1. The PPT has filed its proposal for General Revision of its Scale of Rates vide its letter dated 22 December 2009. The salient features of the proposal are given as under:

(i). The traffic handled by the port during 2007-08 to 2009-10 and proposed to be handled during 2010-11 to 2012-13 is as under:-

Year	**Traffic (in M.T.)**
2007-08 (Actual)	42.44
2008-09 (Actual)	46.41
2009-10 (Budgeted)	53.60
2010-11 (Estimated)	56.74
2011-12 (Estimated)	59.30
2012-13 (Estimated)	62.30

(ii). Additions to the gross block during 2010-11 to 2012-13 proposed to the tune of ₹ 423 crores, ₹ 238 crores and ₹ 40 crores respectively.

2.2. The estimated financial / cost position at the existing level of tariff as shown in the consolidated income and cost statement furnished by the PPT is summarized below:

(₹ in lakhs)

Sl. No.	**Particulars**	**Estimates at existing level of tariff**		
		2010-11	**2011-12**	**2012-13**
1.	Traffic (in Million Tonnes)	56.74	59.30	62.30
2.	Operating income	76021.48	79723.09	83197.08
3.	Capital Employed	149622.84	166465.61	163214.66
4.	Net surplus / (deficit) after return	1134.56	(3988.18)	(6105.80)
5.	Net surplus / (deficit) as a percentage of operating income	1.49%	(5.00%)	(7.34%)
6.	Average net deficit as a percentage of operating income	(3.75%)		

2.3. The Port has not proposed any change either in cargo related charges or in vessel related charges.

2.4. PPT has stated that the charges as may be approved by TAMP for mobile harbour cranes have been factored in its cost statements.

2.5. The charges for supply of on-board labour to stevedores will continue at the same rate of 100% on wages.

2.6. The Port has proposed some amendments in the conditionalities of its SOR including deletion of few rates, as given below:

(i). To amend the term 'market buying rate' with the 'TT buying rate' in clause 1.2 (iii) (a) of general terms and conditions prescribed in the existing SOR.

(ii). Amendment to clause 1.2 (x) of general terms and conditions to the effect that all charges worked out shall be rounded off to the next higher rupee service wise, instead of the existing provision of rounding off on the value of grand total of each bill.

(iii). A new clause under general terms and conditions stating that no interest will be charged for delay in payment of penalty upto 30 days.

(iv). To extend the existing transshipment charges applicable for POL / Crude oil to the 'dry bulk cargo' also.

(v). To include a new clause under Notes to the wharfage schedule, to the effect that wharfage shall not be payable on surplus quantity due to moisture at the time of despatch of import cargo.

(vi). To introduce a new clause under 'Port Dues' stating that the Port dues are to be levied only once for entry of a vessel, irrespective of any change of her name/agents / owners during the stay in the port.

(vii). To introduce a new clause after the schedule of vessel related charges for SBM stating that the time for recovery of Pilotage & Tug hire charges is to be reckoned from berthing to unberthing of the vessels at the SBM.

(viii). To delete hire charges for grab attachment for 13.2 Ton wharf crane prescribed under schedule 2.15 of the existing SOR.

(ix). To delete the existing rate for 'weighment in the warehouse/ transit shed'.

3.1. In accordance with the consultative procedure prescribed, the proposal was forwarded to the concerned user organizations for comments. The comments received from some of the user organizations were forwarded to PPT as feedback information. PPT has submitted its remarks on some of the users' comments.

3.2. During the proceedings of the case, the Chairman cum Managing Director, TANGEDCO Ltd. quoting the communication of PPT which stated that the PPT has approved to recover the demurrage charges from coal consignees of BOBR rakes for detention over and above the free time of 2 hours and 30 minutes with immediate effect, objected to the recovery of such demurrage charges. Since it was not clear from the above letter whether the issue raised by TANGEDCO pertains to recovery of charges related to services rendered by PPT Railways or for other services for which this Authority accords the requisite approval, a copy of the said letter was forwarded to PPT with a request to elucidate in the matter. The PPT has clarified that the issue raised by TANGEDCO is not for the services for which TAMP accords approval; but, for the services which are rendered by the PPT Railways in accordance with the notification issued by the Railway Board from time to time.

4.1. As the financial year 2009-10 was already over, the PPT was requested to update the cost statements with actuals for the year 2009-10 and review the estimates for the years 2010-11 to 2012-13, if necessary.

4.2. The PPT, vide its letter dated 17 June 2010 furnished the updated cost statements along with copies of its audited annual accounts for 2008-09 and draft annual accounts for 2009-10. The PPT also reviewed its estimates for the years 2010-11 to 2012-13 and modified its proposal.

4.3. The estimated traffic, financial / cost position at the existing level of tariff as furnished by the PPT in its updated cost statements are summarized below:

(₹ in lakhs)

Sl. No.	Particulars	Estimates at existing level of tariff		
		2010-11	2011-12	2012-13
1.	Traffic (in MTs)	63.00	65.30	67.30
2.	Operating income	76732.52	78615.74	80529.72
3.	Capital Employed	147564.78	163925.17	160304.55
4.	Net surplus / (deficit) after return	5557.24	215.85	(1194.62)
5.	Net surplus / (deficit) as a percentage of operating income	7.24%	0.27%	(1.48%)
6.	Average net deficit as a percentage of operating income	1.94%		

4.4. However, the port did not propose any increase / decrease in the existing rates for the cargo / vessel related charges.

4.5. The port has requested approval to the proposed changes in the terms and conditions of the SOR as per their original proposal.

5.1. Based on the preliminary scrutiny of the proposal, PPT was requested to furnish the following information / clarifications on various points. The PPT has furnished its replies. The queries raised by us and the response of PPT are juxtaposed below:

Sr. No.	Queries Raised by TAMP	Reply furnished by PPT
I.	**GENERAL**	
	At the time of the comprehensive revision of the Scale of Rates in October 2007, review of tariff was based on the projections for 2007-08 to 2009-10. PPT has furnished an analysis of variations of actual physical and financial performance of the years 2007-08 and 2008-09 with reference to the projections relied upon at the time of deciding the prevailing tariff. It is observed therefrom that the variation is more than + or – 20% in respect of the following:-	
	(i). Traffic of 2008-09,	(i). The variation in estimated traffic is 11.77%. The traffic projection estimated could not be achieved due to global economic meltdown
	(ii). Railway Income of 2007-08 and 2008-09,	(ii). In view of increase in rail borne traffic the income therefrom increased beyond 20%.
	(iii). Estate Income of 2007-08 and 2008-09,	(iii). The estate income was projected at a higher side considering construction of additional building
	(iv). Provision for depreciation of 2008-09,	(iv). The capital employed estimated was much higher than what has actually been spent, resulting in variation in depreciation.
	(v). Operating surplus of 2007-08 and 2008-09,	(v). In view of increase in operating income. The operating income has increased due to increase in high tariff cargo compared to the estimates.
	(vi). F & M income of 2007-08,	(vi). The F & M income has been reduced due to accounting effect of 'items relating to previous year' as per audit observation

<table>
<tr><td></td><td>(vii). F & M expenditure of 2007-08 and 2008-09,

(viii). Surplus before ROCE of 2007-08,

(ix). Capital employed of 2007-08 and 2008-09 and Net surplus of 2007-08 and 2008-09.

The PPT to furnish the details of variation pertaining to 2009-10 and the reasons for such deviations.</td><td>(vii). The variation in F & M expenditure was due to excess estimation in provision for pension & gratuity.

(viii). In view of the increase in operating income and reduction in expenditure as mentioned above.

(ix). The projects, namely deepening of channel, upgradation of IOHP, procurement of Locomotives & Floating crafts could not be materialized.

(The requisite details are not furnished.)</td></tr>
<tr><td>2.</td><td>As per clauses 5.9 & 6.8 of the tariff guidelines, the tariff should be linked to the benchmark levels of productivity. PPT's proposal, however, does not indicate anything about the productivity levels to be maintained for various services.</td><td>Clause 5.9 is with reference to container handling, which is not applicable to PPT as the container handled at Paradip is very insignificant.

With regard to clause 6.8 of the guide line, it is submitted as under:

The average Berth Day output for last three years is as under:
(in Tonnes)
<table>
<tr><td>2007-08</td><td>2008-09</td><td>2009-10</td></tr>
<tr><td>11181</td><td>12635</td><td>13853</td></tr>
</table>

The productivity has been steadily rising over the years. The Govt. has so far not fixed any bench mark level of productivity for various cargo operations. However, National Industrial Tribunal has fixed bench mark levels of manning pattern/scale for various cargo operations which has been fully implemented at PPT since May 2009. (However, the draft SOR furnished by PPT does not indicate productivity norms for any cargo)</td></tr>
<tr><td>3.</td><td>The Authority has allowed a general flexibility to all the major port trusts to reduce the rates at their discretion mainly on commercial consideration. PPT to list out such reduction, if any, effected by PPT and the consequential effect of such concessions granted on growth of traffic to be analyzed item wise.</td><td>PPT has considered reduction in ceiling rates in the following area to promote specific traffic:

(i). Containers - 50% on vessel related charges and 50% on cargo related charges
Due to the above concessions granted by PPT container traffic at the rate of one vessel every month has been sustained at this port.

(ii). Steel - Concession of ₹ 10/- per ton on wharfage granted, but not availed by any exporter.</td></tr>
<tr><td>4.</td><td>A brief note on surplus manpower, if any, to be furnished and allocation of expenditure on such manpower to be explained keeping in mind clause 2.6.1 of the tariff guidelines.</td><td>Paradip port has taken over 1250 cargo handling workers as regular employees subject to the Govt. of India stipulation that the posts will get abolished after death/superannuation of the incumbents. Hence, the surplus manpower presently available with the port will in no way affect the port finance. More over, before these cargo handling workers were regularized as port employees, they were getting all service benefits at par with the regular employees of the port. Hence, there is no additional financial burden on the port after their take over.</td></tr>
<tr><td>5.</td><td>As per clause 2.6.2 of the tariff guidelines it is necessary to conduct time and motion study of different operations and regularly</td><td>National Industrial Tribunal has examined this issue and recommended standard manning scale for all major ports. PPT has already implemented the same from May 2009 in toto.</td></tr>
</table>

<table>
<tr><td></td><td>adjust manning scales/datum accordingly after due process of law. The action, if any, taken in this respect to be informed.</td><td></td></tr>
<tr><td>6.</td><td>Whether the Board of Trustees of PPT has accorded approval to the proposal contained in the port's letter dated 22 December 2009.</td><td>Since our proposal doesn't contain any upward revision of tariff, same was not placed before Board for approval.</td></tr>
<tr><td>7.</td><td>The port to examine whether any of the services qualifying under Section 42(3) of the Major Port Trusts Act, 1963 are offered by any service provider authorised by the port. If so, PPT to initiate action with reference to Chapter 7 of the tariff guidelines.</td><td>No such service under Section 42(3) of MPT Act, 1963 has been offered to any service provider.</td></tr>
<tr><td>II.</td><td>Capacity Utilization

In Form 4A PPT has furnished the capacity utilization figures at 88.73%, 91.97% and 94.79% respectively for the years 2010-11, 2011-12 and 2012-13. PPT has claimed the maximum ROCE vide Form 3A. PPT, however, has not shown the designed capacity of the port anywhere in the proposal. As per clause 2.9.10 of the tariff guidelines, return allowed has to be linked to the utilization factor of the capacity of the port as assessed by it considering the berth length and other facilities provided. PPT to furnish the detailed year-wise workings for capacity of the port as a whole and of facilities for major commodity groups like iron ore, coal, POL, fertilizers, and other port specific cargoes considering the capital investments proposed to be made during 2010-11 to 2012-13 and the productivity improvements expected to be achieved thereby.</td><td>(a). The design capacity furnished by the port are as under:
<table>
<tr><th>Year</th><th>MMT</th></tr>
<tr><td>2007-08</td><td>56.00</td></tr>
<tr><td>2008-09</td><td>71.00</td></tr>
<tr><td>2009-10</td><td>76.00</td></tr>
<tr><td>2010-11</td><td>80.00</td></tr>
<tr><td>2011-12</td><td>85.00</td></tr>
<tr><td>2012-13</td><td>118.00</td></tr>
</table>
(b). The commodity wise estimated capacity for the years 2010-11 to 2012-13 is as follows:
<table>
<tr><th>Sl. No.</th><th>Commodities</th><th>2010-11</th><th>2011-12</th><th>2012-13</th></tr>
<tr><td>1.</td><td>POL</td><td>21.00</td><td>23.50</td><td>55.00 #</td></tr>
<tr><td>2.</td><td>Iron Ore</td><td>14.00</td><td>14.00</td><td>20.00 ##</td></tr>
<tr><td>3.</td><td>Thermal Coal</td><td>12.00</td><td>14.50</td><td>10.00</td></tr>
<tr><td>4.</td><td>Coking Coal</td><td>10.00</td><td>10.00</td><td>10.00 ##</td></tr>
<tr><td>5.</td><td>Finished Fertilizers</td><td>0.50</td><td>0.50</td><td>0.50</td></tr>
<tr><td>6.</td><td>Fertiliser Raw material (Dry)</td><td>7.50</td><td>7.50</td><td>7.50</td></tr>
<tr><td>7.</td><td>Container – Tonnage
- TEUs</td><td>0.00
0</td><td>0.00
0</td><td>0.00
0</td></tr>
<tr><td>8.</td><td>Other Misc. / General cargo</td><td>15.00</td><td>15.00</td><td>15.00</td></tr>
<tr><td></td><td>Total</td><td>80.00</td><td>85.00</td><td>118.00</td></tr>
</table>
It is expected that 2 SPM will be installed by IOCL by March 2013, which will be operational from next year 2013-14.

Due to exclusivity clause of BOT Iron ore & BOT coal berths, even though mechanised handling facility of 20 million tonnes will be added, it will restrict the port to handle Iron ore and Coking coal in other berths except mechanised IOHP.

The projects shown for completion for 2012-13, particularly the BOT projects are not likely to be completed due to delay in obtaining environmental clearance. As such the projected capacity will get reduced by 30%.

(The port has not furnished detailed workings for the commodity-wise capacity indicated by it.)</td></tr>
<tr><td>III.</td><td>TRAFFIC
As per the revised statement accompanying letter dated 17 June 2010, the traffic handled in 2007-08, 2008-09 and 2009-10 has been</td><td>
The estimated traffic projection (Revised) stands at 57.00, 60.00 & 60.00 Million Tons. If the present trend is an indicator, there will be marginal growth in traffic till 2012-13 (about 60 million tons) due to economic</td></tr>
</table>

	42.44 MT, 46.44 MT and 57.01 MT respectively (An increase of 9.35% in 2008-09 over that of 2007-08 and 22.84% in 2009-10 over that of 2008-09). The traffic for 2010-11, 2011-12 and 2012-13 has been projected at 63.00 MT, 65.30 MT and 67.30 MT respectively, that is, an increase of 10.50%, 3.65% and 3.06% over the respective previous years. PPT to furnish the assumptions made while projecting the traffic for the ensuing three years.	recession in Europe and volatility in international trade in steel and iron market.
2.	The commodity-wise breakup has not been furnished. PPT to furnish the commodity-wise traffic of iron ore, coal, POL, fertilizers and other cargoes alongwith the basis on which such projections have been made.	The commodity-wise breakup is furnished in Form 2A. Same has been worked out taking into account the present downward trend in traffic handling and economic recession in Europe.
3.	PPT to confirm whether the traffic projections are in line with the projections in the five year / annual plan and the current / expected growth as stipulated in clause 2.5.1. of the tariff guidelines. If there is any deviation, the reasons therefor need to be explained.	The traffic projections are not in line with the projections in the five year plan due to declining trend in current financial year.
4.	It is not clear whether the estimated traffic includes the traffic of Paradip Phosphates Ltd. and Indian Farmers Fertilizer Cooperative Ltd.	Yes, the estimated traffic includes the cargo of Paradip Phosphates Ltd. and Indian Farmers & Fertilizer Co-operative Ltd.
5.	PPT has not furnished any details of the container traffic to be handled in the ensuing three years. Kindly furnish the details thereof with breakup such as 20', 40', reefer, ICD, transshipment etc.	The port handles negligible quantity of container traffic. According to last three years average, the port has only handled 40,000 tonnes of container traffic, i.e. approx. 3,300 TEUs per annum.
6.	The number of vessels and the GRT of such vessels proposed to be handled during 2010-11 to 2012-13 with break-up of foreign-going and coastal need to be furnished.	The number of vessels and the GRT of such vessels proposed to be handled during 2010-11 to 2012-13 with break-up of foreign-going and coastal cargo are furnished in Form 2A. (The port has not furnished the GRT of the vessels).
7.	The vessel traffic projections (number and total GRT) also to be furnished in the slabs of 'less than 30000 GRT', 'between 30000 GRT and 60000 GRT' and 'above 60000 GRT'.	The category-wise vessel traffic projections are furnished in Form 2A. (The port has furnished only the number of vessels and not furnished total GRT of vessels.)
8.	If any MOUs for 2009-10 and 2010-11 have been entered into with the Ministry, copies thereof to be forwarded for perusal.	MOU has been entered into with the ministry with a higher traffic projection of 63.00 million tons. However, if the present trend is an indicator, there will be marginal growth in traffic till 2012-13 (about 60 million tons) due to economic recession in Europe and volatility in international trade in steel and iron market. The Port is experiencing a declining trend in traffic during the current fiscal.

<table>
<tr><td>IV.</td><td>FORMATS</td><td></td></tr>
<tr><td>1.</td><td>The revised cost statements received under letter dated 17 June 2010 do not accompany the following forms:

(a). Traffic Projection in form 2-A

(b). Income projection in form 2-B

(c). The details of expenditure in form 3-B

(d). The details of fund position in form 3-C

(e). Details of additions to gross block in form 4-B

(f). Analysis of efficiency and productivity improvement in form 6.

(g). Adjustment of cost of surplus manpower in form 8

(h). Accumulation / withdrawal from Escrow account in form 9.</td><td>The various formats as desired are now furnished.

Furnished.

Not furnished.

Furnished (Details not furnished for the years 2010-11 to 2012-13).

Furnished.

Furnished. (Not as per prescribed format – complete details not given).

Furnished. (No efficiency / improvement indicated).

Furnished with ‘Nil’ details.

Furnished with ‘Nil’ details.</td></tr>
<tr><td>2. (a).</td><td>PPT has forwarded the cost statements for port as whole as well as for Cargo handling activity, Vessel related activity, Railway activity and Estate activity. However, only consolidated cost statements have been furnished both for Cargo handling activity and Vessel related activity. Separate and identified sub activity wise statements falling under Cargo handling activity for (i) Handling of general cargo, (ii) POL, (iii) Iron ore & other ores, (iv) MCHP activity (v) Hire charges for equipment, (vi) storage etc. may be furnished. Like-wise separate sub activity wise statements falling under Vessel related activity for (i) Pilotage and Towage, (ii) Berth Hire, (iii) Port dues, (iv) Water Supply to shipping and for other sub activities such as dry docking and salvage to be furnished.</td><td>Cost statement for the Port as a whole and activity-wise (4 broad activities) have been furnished. The cost statement for sub-activity is not maintained. However, MCHP being one of the main activities of the Port, same is maintained separately. The PPT furnished the cost statements specific to MCHP, which is summarized below:
(₹ in lakhs)
<table>
<tr><td rowspan="2">Particulars</td><td colspan="3">Estimates</td></tr>
<tr><td>2010-11</td><td>2011-12</td><td>2012-13</td></tr>
<tr><td>Capacity (in MMT)</td><td>12.00</td><td>12.00</td><td>12.00</td></tr>
<tr><td>Traffic (in MMT)</td><td>10.00</td><td>10.00</td><td>10.00</td></tr>
<tr><td>Operating Income</td><td>22810.15</td><td>22978.94</td><td>23269.88</td></tr>
<tr><td>Capital Employed</td><td>48144.00</td><td>45000.00</td><td>41856.00</td></tr>
<tr><td>Net surplus / (deficit) after return</td><td>2087.01</td><td>2286.31</td><td>2344.20</td></tr>
<tr><td>Net surplus / (deficit) as a % of operating income</td><td>9.15%</td><td>9.95%</td><td>10.07%</td></tr>
<tr><td>Average net surplus as a % of operating income</td><td colspan="3">9.73%</td></tr>
</table></td></tr>
<tr><td>(b).</td><td>While preparing the cost statements for port as a whole, activity-wise and sub-activity-wise, please indicate the activity wise figures of income and expenditure in the main (port as a whole) statement. Sub-activity wise income and expenditure figures should be disclosed in the activity wise statements. Likewise, sub-</td><td>Since, sub-activity-wise information is not maintained, same could not be furnished.</td></tr>
</table>

	head wise income and expenditure figures in the sub-activity wise statements should be shown explicitly. It has to be ensured that the totals of sub-activity statements agree with the figures in the relative activity statements and totals of activity statements tally with the main (port as a whole) statement.	
(c).	While furnishing the port as a whole and activity/sub-activity statements as mentioned above, kindly substantiate the income projected therein with supporting working sheets duly recognizing main tariff items relevant under the respective activity / sub-activity.	The income projections are broadly categorized under following four headings: (i) Cargo Handling Income (ii) Vessel Related Income (iii) Railway Income (iv) Estate Income The projected income is substantiated with supporting working sheets. (Although stated so, the port has furnished workings only for the cargo handling activity).
3.	PPT to furnish a separate cost statement excluding railway and estate activity. Such exclusion should be made in individual activity-wise statements also.	As desired, a separate working excluding railway & estate activity is furnished.
V.	INCOME ESTIMATES	
1.	The operating income projected for port as a whole is ₹ 767.32 crores, ₹ 786.15 crores and ₹ 805.29 crores for 2010-11, 2011-12 and 2012-13, respectively. During 2009-10 the operating income stood at ₹ 743.76 crores with the traffic of 57.01 MT. At this rate, for the projected traffic of 63.00 MT in 2010-11 the operating income works out to ₹ 821.92 crores. How the operating income for the ensuing three years has been estimated may be explained with detailed working.	The operating income for three years, i.e. from 2010-11 to 2012-13 is estimated as per the traffic projection. Detailed working in this regard is furnished. (Workings furnished for income from cargo handling activity only).
2.	The throughput of 2009-10 has been 57.01 MT and the cargo handling income of that year was ₹ 441.60 crores. Although the throughput has been estimated for 2010-11 at 63.00 MT, the cargo handling income projected is only ₹ 446.29 crores. Likewise, despite projecting the throughput of 65.30 MT and 67.30 MT for 2011-12 and 2012-13, the cargo handling income projected is ₹ 452.15 crores and ₹ 459.28crores respectively. The reason for projected income not in tandem with the traffic projections needs to be explained.	The income projection is not in tandem with the traffic projection due to increase in liquid cargo, i.e. crude oil handled through SPM. The detailed working of projected operating income is furnished.
3.	The throughput of 2009-10 was 57.01 MT and the vessel related income of that year was ₹ 186.22 crores. Although the throughput	The vessel related charges are linked to GRT. The actual GRT of vessels handled during 2009-10 for 57.01 million tons, i.e. 44871878 has been taken as the bench mark and accordingly the vessel related income has

	has been estimated for 2010-11 at 63.00 MT, the vessel related income projected is only ₹ 202.25 crores. Likewise, despite projecting the throughput of 65.30 MT and 67.30 MT for 2011-12 and 2012-13, the vessel related income projected is ₹ 209.56 crores and ₹ 215.91crores respectively. The reason for projected income not in tandem with the traffic projections needs to be explained.	been projected for subsequent three years by increasing the GRT proportionately for different traffic volumes estimated.
4. (a).	The throughput of 2009-10 was 57.01 MT and the income from railway activity of that year was ₹ 99.14 crores. Although the throughput has been estimated for 2010-11 at 63.00 MT, the railway income projected is only ₹ 101.98 crores. Likewise, despite projecting the throughput of 65.30 MT and 67.30 MT for 2011-12 and 2012-13, the railway income projected is ₹ 107.64 crores and ₹ 113.31crores respectively. The reason for projected income not in tandem with the traffic projections needs to be explained.	The railway income projected is not in tandem with traffic projections as the increase in bulk cargo is less compared to POL.
(b).	PPT to state when the Railway haulage charges were last revised.	The railway haulage charges were last revised as per Railway Board circular dated 06.02.2009 effective from 01.03.2009. PPT furnished a copy of the Railway Board circular.
5. (a).	In the cost statement of estate activity, for all the ensuing three years the operating income has been projected at ₹ 16.80 crores per annum. The reasons for estimating a constant operating income for all the three years may be explained especially when the estate rentals are generally subjected to 2% annual escalation. The detailed computation of the projected income for the different sub-activities under estate activity to be furnished.	Since the income under Estate activity is not certain, it is assumed at ₹ 16.80 crores per annum for projected 3 years taking last three years as the bench mark.
(b).	PPT to indicate when the existing estate rentals were revised and whether PPT has initiated any proposal to review these rates.	PPT had last revised the estate rentals during Nov. 2006. The township of Paradip Port is mainly dependent on the Port Trust since there is no other township nearby.
(c).	The estate activity discloses huge deficit even before allowing ROCE. The proposal, if any, of PPT to make this activity financially self reliant to be explained.	The estate activity of PPT could not be considered as an operational activity which will generate surplus. Hence, there is bound to be deficit under this head.
6.	Annual Accounts for 2008-09 and 2009-10 indicate substantial income from (i) interest on loans and advances, (ii) sale of unserviceable materials (iii) items related to previous years and (iv)	The income from other sources are fees for issue of traders licence, hire of sundry equipment, recovery of telephone charges, sale of tender forms, dock permit fees, forfeiting deposits, penalties on contractors, sundry receipts, school fees, medical receipt, hire charges of port vehicles and items related to previous years.

miscellaneous income. Finer details of these items for all the years to be furnished.

The details furnished by the port are given below:

(₹ in lakhs)

Sl. No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1.	Sale of unserviceable materials	145.31	0.00	0.00	0.00	0.00	0.00
2.	Fees for issue of trader license	1.75	6.79	17.60	17.60	17.60	17.60
3.	Hire of sundry plant & equipment	11.40	.03	1.35	1.35	1.35	1.35
4.	Recovery of Tel. charge	0.33	0.54	0.42	0.42	0.42	0.42
5.	Sale of Tender Form	30.15	14.97	35.64	35.64	35.64	35.64
6.	Dock Permit Fees	223.15	185.41	298.60	298.60	298.60	298.60
7.	Forfeited Deposit	662.77	66.09	2033.23	0.00	0.00	0.00
8.	Penalties on contractors	67.68	407.94	243.43	0.00	0.00	0.00
11.	Sundry receipts	1306.67	243.01	1585.31	0.00	0.00	0.00
12.	School fees	0.57	0.40	0.29	0.29	0.29	0.29
13.	Medical receipt	16.28	15.78	18.03	18.03	18.03	18.03
14.	Hire charges port vehicle	0.46	1.09	183.35	183.35	183.35	183.35
15.	HMC royalty	0.00	0.00	771.87	0.00	0.00	0.00
16.	Prior period items	(551.50)	43.84	638.06	445.00	445.00	445.00
	Total	**1915.02**	**985.89**	**5827.18**	**1000.28**	**1000.28**	**1000.28**
	Form 3A	**(122.09)**	**268.86**	**1193.34**	**1000.28**	**1000.28**	**1000.28**

Note: In Form 3A, the income from forfeited deposits, auction of iron ore plot (sundry receipts), penalty on contractor & HMC royalty have not been considered as same is one time income and not in recurring nature.

(It is seen from the above table that the PPT has not considered actual / estimated income from sale of unserviceable materials from the year 2008-09 onwards leading to a difference between income reported in the audited accounts for the years 2008-09 and 2009-10 and income considered by the PPT in the cost statement).

Apart from the above, the Port has also furnished the details of items relating to previous years for the years 2008-09 and 2009-10, which is given below:

(₹ in lakhs)

Sl. No.	Particulars	2008-09	2009-10
1.	Contribution from PMNRF	-	177.59
2	Audit observation on A/c of wrong interest calculation	-	1,046.01
3	Audit observation on A/c of wrong interest calculation	-	(175.37)
4	Audit observation on A/c of sale of railway scrap	77.33	-
5	Audit observation on wrong provision of AI for 2007-08	227.55	-
6	Audit observation on ground rent of 2007-08	5.82	-
7	Audit observation on Fishery Harbour of 2007-08	1.04	-
8	Excess provision of Ground rent of previous years	(426.36)	-
9	Land premium (rectification JV of Estate dues)	20.00	-
10	Plot Rent - CM Power (rectification JV on a/c of wrong classification of code)	32.87	59.77
11	Excess provision of TC 07-08 (rectification JV on a/c of wrong classification of code)	61.14	(500.00)
12	Accrued Income (rectification JV on ground rent for 2006-07 to 2008-09)	48.40	34.34
13	Rectification entry (rectification on a/c of wrong billing)	(0.63)	(5.69)
14	Rectification entry (rectification on a/c of wrong billing)	(2.28)	-
15	Others	1.04	1.42
	Total	**45.93**	**638.06**

<table>
<tr><td>7.</td><td>PPT to furnish an analysis of average dwell time of different types of cargoes for the past three years 2007-08, 2008-09 and 2009-10. Average dwell time considered for estimating the demurrage and storage income for the years 2010-11 to 2012-13 at the existing tariff level as well the proposed tariff also to be indicated.</td><td>The average dwell time of different types of cargoes during 2007-08, 2008-09 & 2009-10 is furnished. Dwell time depends on various factors, main one being the availability of rakes. Hence, it would not be feasible to project the dwell time for coming years and demurrage and storage income out of it. Hence, the plot rent for projected three years has been considered same as that of 2009-10.</td></tr>
<tr><td>8.</td><td>PPT to state whether any revenue share, upfront, and license fee received/ receivable from any BOT operator has been considered in the income for the years 2007-08 to 2009-10 and in the estimates for the subsequent years 2010-11 to 2012-13. As per Clause 2.8.3 of the tariff guidelines, the Major Port Trusts have to transfer at least 50% of the revenue share receivable from the Private Terminal Operator to the Escrow Account for the purposes mentioned therein. The details of the escrow account, if any, opened by PPT in this respect to be informed.</td><td>No revenue share from BOT operators is considered. All the proposed BOT projects are under implementation stage and will be completed after 2013. Hence, no scope of earning revenue shares from these operators. Escrow Account will be opened in due course of time.</td></tr>
<tr><td>9.</td><td>₹ 10 crores per annum has been estimated as the Finance and Miscellaneous Income for all the ensuing three years. The reasons therefor to be stated. The break-up of this income also to be furnished.</td><td>During 2009-10, the Finance & Miscellaneous Income was ₹ 1193.34 lakhs. Since the income under Finance & Misc. income is not certain, it is assumed at ₹ 10 crores per annum for the projected 3 years taking last three years as the bench mark.</td></tr>
<tr><td>10.</td><td>In the activity-wise cost statements some operating income has been shown under the sub-head ‘others’. The break-up of this income is to be furnished.</td><td>These receipts are from draught survey fees, hire of vessels and boats, charges of bunker supply, interest on port and dock charges, fender charges, hire of cranes, miscellaneous receipts, weighment charges etc.
(₹ in lakhs)
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>2007-08</th><th>2008-09</th><th>2009-10</th><th>2010-11</th><th>2011-12</th><th>2012-13</th></tr>
<tr><td>A.</td><td>Cargo handling</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1.</td><td>Weighment charges</td><td>33.29</td><td>32.72</td><td>25.14</td><td>25.14</td><td>25.14</td><td>25.14</td></tr>
<tr><td>2.</td><td>Sundry charges cargo hauling</td><td>3.15</td><td>0.36</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>3.</td><td>Demurrage</td><td>0.00</td><td>317.43</td><td>173.44</td><td>173.44</td><td>173.44</td><td>173.44</td></tr>
<tr><td></td><td>Total A</td><td>36.44</td><td>350.51</td><td>198.58</td><td>198.58</td><td>198.58</td><td>198.58</td></tr>
<tr><td>B.</td><td>Port & Dock</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1.</td><td>Draught survey fees</td><td>0.00</td><td>0.88</td><td>2.14</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2.</td><td>Hire of vessels</td><td>9.02</td><td>33.11</td><td>10.91</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>3.</td><td>Bunker supply</td><td>1.72</td><td>2.30</td><td>2.94</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>4.</td><td>Port & Dock charges (interest)</td><td>0.00</td><td>0.46</td><td>0.64</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>5.</td><td>Fender charges</td><td>0.00</td><td>0.00</td><td>22.38</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>6.</td><td>Hire of cranes</td><td>0.44</td><td>1.70</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>7.</td><td>Miscellaneous</td><td>11.54</td><td>13.35</td><td>23.92</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td></td><td>Total B</td><td>22.72</td><td>51.80</td><td>62.93</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
</table>
</td></tr>
<tr><td>11.</td><td>The income arising out of dollar denominated tariff may be updated with the current exchange rate.</td><td>Income considered for computation in respect of Dollar denominated tariff is taken as 1US$ = ₹ 46.94, which is more or less similar to the current market rate. Additional income in respect of exchange rate fluctuation is difficult to take into account for computation as it depends on the market situation.
(The port has not furnished workings for income from dollar denominated tariff indicating exchange rate as stated by it).</td></tr>
</table>

<table>
<tr><td>VI.</td><td>Operating Expenditure

The operating cost for 2008-09 is shown as ₹ 235.88 crores and that for 2009-10 as ₹ 261.20 Crores, an increase of 10.73%. The operating cost for the ensuing three years has been projected at ₹ 293.39 crores, ₹ 315.83 crores and ₹ 338.92 cores per annum, an increase of 12.32%, 7.65% and 7.31% over that of the estimated operating expenditure of respective previous years. PPT to explain the reasons therefor. In this connection PPT is advised to note that the expenditure projections should be in line with the traffic adjusted for price fluctuation with reference to current movement of WPI vide clause 2.5.1 of the revised tariff guidelines. The rate applicable to 2010-11 as per the communication received from the Ministry of Finance, Govt. of India is 3.76%. Kindly carry out requisite amendments to the expenditure projections.</td><td>

The expenditure has been projected in line with traffic adjusted and taking the price fluctuation with reference to WPI of 5.80%, which was prevailing at the time of submission of proposal. Since, the escalation factor has been reduced to 3.76%, the cost statements have been revised.</td></tr>
<tr><td>2. (a).</td><td>The provision, if any, made for wage revision to be clearly indicated under the respective financial years along with detailed basis followed for estimating the same.</td><td>Provision of wage revision has been taken in respective financial years, details of which are as under:

<table><tr><td>2007-08</td><td>2008-09</td><td>2009-10</td></tr><tr><td>1451.78</td><td>1650.00</td><td>1060.36</td></tr></table></td></tr>
<tr><td>(b).</td><td>PPT to confirm that the salaries and wages cost estimated for the years 2010-11 to 2012-13 take into consideration the impact of wage revision. The basis followed for estimating wage revision impact to be indicated.</td><td>It is confirmed that salary & wages cost from 2010-11 to 2012-13 includes the impact of wage revision.</td></tr>
<tr><td>(c).</td><td>The average employee cost for the years 2008-09 to 2012-13 to be furnished. If the average employee cost shows any substantial increase it may be justified with reference to the current Wholesale Price Index for all the commodities.</td><td>The average employee cost per year has been as under.
<table><tr><th>Year</th><th>Amount
(₹ in lakhs)</th></tr><tr><td>2007-08</td><td>2.46</td></tr><tr><td>2008-09</td><td>2.99</td></tr><tr><td>2009-10</td><td>3.14</td></tr></table>
(The port has not furnished the details of estimated average employee cost per year considered by it for the years 2010-11 to 2012-13 and also not furnished justification for the increase with reference to current WPI).</td></tr>
<tr><td>(d).</td><td>PPT to furnish the present number of cargo handling workers engaged at PPT and their average engagement per month.</td><td>The present no. of cargo handling workers engaged is 1050 and average engagement per month is 11 days (approx.).</td></tr>
<tr><td>3. (a).</td><td>The National Tribunal Award of 2006 on manning scales has already been notified. Clause 2.6.2</td><td>Yes, the proposal of PPT is based on revised manning scale.</td></tr>
</table>

	of the tariff guidelines requires the port to regularly review and adjust the manning scales / datum. PPT to clarify whether the proposal of the PPT is based on the revised manning scales. If not, the estimation of salary and wage cost to be modified based on the revised manning scales awarded by National Tribunal.	
(b).	PPT to furnish the existing manning scales for different services, the manning scale proposed to be followed by PPT and cost thereon for the traffic estimation made during the years 2010-11 to 2012-13 and also indicate the cost of surplus manpower, if any, for each of the years 2010-11 to 2012-13.	Revised manning scale furnished. (Although the port has stated so it has not furnished the revised manning scales).
4.	The Management and general Administration overheads shown for 2009-10 reveals a hike of 9.59% over that of 2008-09. The expenditure considered for the years 2010-11 to 2012-13 are ₹ 92.08 crores, ₹ 100.97 crores and ₹ 110.10 crores respectively, with a hike of 16.92%, 9.65% and 9.40% over that the respective previous years. As already stated in para 1 above in respect of operating cost, the expenditure projection pertaining to the Management and General Administration overheads also should be in line with the traffic adjusted for price fluctuation with reference to current movement of WPI vide clause 2.5.1 of the revised tariff guidelines. PPT to carry out requisite amendments to the expenditure projections made under this head.	The Management & General Administration expenditure has been projected in line with traffic adjusted and taking the price fluctuation with reference to WPI of 5.80%, which was prevailing at the time of submission of proposal. Since, the escalation factor has been reduced to 3.76%, the cost statements have been revised.
5.	The basis of apportionment of the Finance and Miscellaneous Income, Finance and Miscellaneous expenditure and management and general overheads to the main activities/sub activities may be furnished. Also confirm whether it is in line with the general instructions given in form 5 of the revised cost formats. If not, the reasons for variations to be explained.	It is confirmed that the apportionment has been made in line with the general instruction in Form 5. The port has furnished statements showing workings for allocation of management and general overheads, finance & miscellaneous income and finance & miscellaneous expenses for the years 2007-08 to 2009-10.
6. (a).	PPT has estimated the expenditure of ₹ 75 crores, ₹ 80 crores and ₹ 85 crores respectively for 2010-11, 2011-12 and 2012-13 towards pension payments. PPT to clarify whether the estimated expenditure on pension represents annual	It is clarified that the estimated expenditure in Pension represents annual contribution to Pension/Gratuity fund based on actuarial valuation and payment to the pensioners. The details of Pension Fund and the actual disbursement of pension and other terminal dues during 2007-08 to 2009-10 are furnished in Form 3 C, which is tabulated under Sl. No.6 (d) below.

<table>
<tr><td></td><td>contributions to the Pension/ Gratuity Fund based on actuarial valuation or the actual / estimated disbursements during the years. Please furnish the details of pension fund position and a copy of the actuarial valuation. Also furnish the actual disbursement of pension and other terminal dues during 2006-07 to 2009-10 and the estimated out go on this account for the next three years.</td><td></td></tr>
<tr><td>(b).</td><td>Break up of actuarial valuation of Pension Fund in respect of existing employees and the pensioners as of 31 March 2010 to be furnished.</td><td>Information has been given to LIC for actuarial valuation of pension fund after wage revision of employees. The acturial valuation report has not been received from LIC.</td></tr>
<tr><td>(c).</td><td>PPT to furnish the basis of estimating the year-wise contribution to pension fund.</td><td>Year-wise contribution is made from revenue account to pension fund based on the acturial valuation made during the year 2005 and the internal assessment.</td></tr>
<tr><td>(d).</td><td>PPT to furnish the pension fund position for the years 2007-08 to 2009-10 as per the Annual Accounts and the estimates for the years 2010-11 to 2012-13 in the following format
<table>
<tr><th>Sl. No.</th><th>Particulars</th></tr>
<tr><td>1.</td><td>Balance in Pension Fund as of the last date of previous year</td></tr>
<tr><td>2.</td><td>Annual contribution made towards pension fund</td></tr>
<tr><td>3.</td><td>Pension payments made during the year</td></tr>
<tr><td>4.</td><td>Interest accrued on the pension fund balance</td></tr>
<tr><td>5.</td><td>Balance in the Pension Fund as of last date of the year (1+2-3+4)</td></tr>
</table></td><td>The details have been furnished, which is tabulated below:
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>2007-08</th><th>2008-09</th><th>2009-10</th><th>2010-11</th><th>2011-12</th><th>2012-13</th></tr>
<tr><td>1.</td><td>Balance in Pension Fund as of the last date of previous year</td><td>38439.44</td><td>28303.46</td><td>31980.59</td><td>35229.03</td><td>40499.80</td><td>45624.74</td></tr>
<tr><td>2.</td><td>Annual contribution made towards pension fund</td><td>2894.53</td><td>2580.55</td><td>5067.76</td><td>7500.00</td><td>8000.00</td><td>8500.00</td></tr>
<tr><td>3.</td><td>Pension payments made during the year</td><td>15253.29</td><td>560.29</td><td>3283.31</td><td>4620.00</td><td>5650.00</td><td>7020.00</td></tr>
<tr><td>4.</td><td>Interest accrued on the pension fund balance</td><td>2222.78</td><td>1656.87</td><td>1463.99</td><td>2390.77</td><td>2774.94</td><td>3090.41</td></tr>
<tr><td>5.</td><td>Balance in the Pension Fund as of last date of the year (1+2-3+4)</td><td>28303.46</td><td>31980.59</td><td>35229.03</td><td>40499.80</td><td>45624.74</td><td>50195.15</td></tr>
</table></td></tr>
<tr><td>(e).</td><td>PPT to confirm that the annual pension payments made during the years 2007-08 to 2009-10 are met from the pension fund and not from revenue account.</td><td>It is confirmed that the annual pension payments made during the year 2007-08 to 2009-10 have been met from the Pension fund.</td></tr>
<tr><td>7.</td><td>PPT to confirm that one-time expenses like arrears in wages/ pension, VRS compensation, etc. are not included in the cost statement for tariff revision as per clause 2.5.2. of revised tariff guidelines.</td><td>It is confirmed that no one-time expenditure like arrear in wage /pension, VRS compensation is included in the cost statement.</td></tr>
<tr><td>8.</td><td>In Finance and Miscellaneous Expenditure, ₹ 3 crores has been shown for all the ensuing three years under the head ‘Others’. The break-up of this expenditure for all the three years to be furnished.</td><td>The details are furnished.

(Although stated so, the details are not received from PPT)</td></tr>
<tr><td>9.</td><td>PPT to state under which head the ex-gratia payment in lieu of bonus/ performance rewards has been accounted.</td><td>The expenditure on bonus/performance has been accounted under salary & wages head.</td></tr>
</table>

<table>
<tr><td>VII.</td><td>WORKING CAPITAL</td><td></td></tr>
<tr><td></td><td>It is not clear whether while computing working capital, sundry debtors, stores inventory, and cash & bank balances have been considered according to the limits specified in clause 2.9.9. of the guidelines for tariff fixation. PPT to furnish detailed computation of working capital estimated in Form 4A following the norms prescribed in the tariff guidelines.</td><td>The Working Capital has been calculated as per clause 2.9.9 of Tariff Guideline. The same has been furnished in Form 4A.</td></tr>
<tr><td>VIII.</td><td>CAPITAL EMPLOYED</td><td></td></tr>
<tr><td>1.</td><td>PPT to confirm that only those assets which have been fully commissioned and in use have been included in the net block and the assets which have been disposed off or decommissioned have been excluded from the Net Block.</td><td>It is confirmed that the assets which have been commissioned has been included in the net block and the assets which have been disposed of has been deleted from the net block.</td></tr>
<tr><td>2.</td><td>The basis of apportionment of capital employed i.e., net fixed assets and working capital amongst various activities and sub activities to be indicated.</td><td>The assets have been identified based on individual activity.</td></tr>
<tr><td>3.
(a).</td><td>As per the details furnished in Form 4A, an aggregate of ₹ 701 crores has been proposed to be invested during 2010-11 to 2012-13 on capital dredging (₹ 383 crores), plant & machinery (₹ 60 crores), dock, sea walls, piers and navigational aids (₹ 198 crores) and railway and rolling stock (₹ 60 crores). Details of project/feasibility reports relied upon for taking such investment decisions along with the summary of the recommendations contained in those reports to be furnished for perusal. PPT to state whether these proposed additions will have the effect of addition to the traffic, reduction in unit cost and improvement in operational efficiency vide clause 2.6.3 of the tariff guidelines. Further, the scheme wise details of the above mentioned projects may be furnished in the following format:
<table>
<tr><th>Sl. No.</th><th>Scheme</th><th>Value</th><th>Year of commissioning</th><th>Status as on 31.3.10</th></tr>
<tr><td>1.</td><td></td><td></td><td></td><td></td></tr>
</table></td><td>
(Subsequently, the port, vide its revised proposal dated 3 March 2011 has modified its estimated capital additions to the Gross Block during the years 2010-11 to 2012-13 and furnished the details, which is given in the succeeding paragraphs).</td></tr>
<tr><td>(b).</td><td>With reference to the estimated expenditure of ₹ 701 crores on fixed assets, PPT to furnish documentary evidence in respect of the capital value of various assets already commissioned. Similarly, evidence of action taken to procure other assets to be added subsequently to be furnished.</td><td>Not furnished.</td></tr>
</table>

4.	PPT to confirm that the depreciation of assets has been computed as specified in clause 2.7.1 of the revised guidelines. If not, please make necessary modification in the estimation duly complying with the revised tariff guidelines. Also make suitable modifications in the estimation of net fixed assets, capital employed and the return there on.	It is confirmed that the depreciation of assets has been computed as specified in clause 2.7.1 of revised guidelines
5.	PPT to classify the schedule of fixed assets in terms of business assets, business related assets and social obligation assets in terms of Clauses 2.9.5., 2.9.7 and 2.9.8 of the revised tariff guidelines and compute the ROCE as applicable.	All the assets have been considered as business assets
6.	The Gross block/Net block has been substantially apportioned under cargo handling & storage activity (78%) while only about 17% apportioned under vessel related activity and the rest apportioned between the other two activities- Railway & Estates. List of assets (category-wise) identified with each activity/sub-activity may be furnished in support of the apportionment indicated.	List of assets identified with each activity has been shown in the capital employed statements of different activities.
7.	The capital employed shown for port as a whole differs from the aggregate of the capital employed shown under different activities. For example, the capital employed for the year 2010-11 for the port as a whole is shown as ₹ 1475.65 crores. The capital employed shown under different activities for the year 2010-11 is ₹ 823.88 crores for cargo handling, ₹ 260.30 crores for vessel related activity, ₹ 94.07 crores for railway activity and ₹ 27.65 crores for estate activity aggregating to ₹ 1205.90 crores and leaving a difference of ₹ 269.75 crores. Similar differences are observed also for the other two years 2011-12 and 2012-13. Needless to state the capital employed for the port as a whole should tally with the capital employed considered under the various activities. PPT is requested to furnish the corrected statements.	The arithmetical error under different activities has been rectified and total of 4 activities match with that of port as a whole.
8. (a).	PPT to certify that the actuals for the years 2007-08 to 2009-10 do not include any assets handed over to any BOT operator.	It is certified no assets have been handed over to BOT operator.

(b).	If any, assets have been handed over to any BOT operator, the accounting treatment and the treatment given in the cost statement with reference to such assets to be indicated.	Please see 8 (a) above.
9. (a).	TAMP vide Order No. TAMP/18/2008-PPT dated 14 July 2008 has accorded approval to the PPT's proposals for upfront tariff setting for an iron-ore terminal and a coal terminal at the Paradip port. It is presumed that PPT is required to undertake capital and maintenance dredging of the common user approach channel. In this context, the following points need to be clarified:	
(b). (c).	Indicate the sanction amount of capital expenditure proposed towards deepening of channels / berth and the year-wise plans of the capital expenditure. Furnish a copy of the said sanction report. Confirm if any work has been awarded and if so, furnish the details with documentary support. The period of completion of the proposed capital dredging project also to be indicated.	Copy enclosed. (Although the port has stated so it has neither furnished the documents nor the requisite details).
(d).	Clause 2.8.3 of the tariff guidelines require the major ports to utilise the funds available in the escrow account (which is created from the receipt of revenue share from private operator) for the purpose of creation/ modernization of port infrastructure facilities within the stipulated time period. PPT to state whether any escrow account has been opened and whether any balance is available in that account to partially meet the proposed expenditure on capital dredging in accordance with the provision prescribed in the tariff guidelines.	Not applicable
IX.	SCALE OF RATES	
1.	Instead of the existing conditionality of conversion of charges in dollar terms into its equivalent Indian Rupees at the market buying rate, PPT has proposed the conversion based on the TT buying rate. The necessity therefor to be elaborated.	As per the banking terminology the dollar buying rate is termed as 'TT buying rate'. Hence, it is proposed to change the terminology from market buying rate to TT buying rate.
2.	Presently all the charges worked out are rounded off to the next higher rupee on the grand total of each bill. Port has proposed to round off to the next higher rupee all charges worked out service	The proposal to round off to the next higher rupee all charges on service-wise is for operational convenience only. This will result income of few thousand rupees and not have any impact on cost statement.

	wise. The need for this amendment may be elaborated. The additional income, if any, expected to be generated per annum by the proposed amendment may also be informed.	
3.	Port has proposed to incorporate a clause to the effect that in case of any penalty imposed by the port, no interest thereon will be charged if there is any delay in payment of penalty. It is not explained why such a clause is to be incorporated. PPT to elaborate. The existing practice in this regard followed at the port may be informed.	Penalty is pecuniary punishment and no additional financial burden can be levied on penalty. At present, no interest is charged on penalty.
4.	Port has proposed to amend the existing description of Sr. No.22 of the wharfage schedule "Transshipment [crude and POL] from mother to daughter vessel" to "Transshipment [crude, POL or dry bulk cargo] from mother to daughter vessel through transhipper". The need for such an amendment to be elaborated. A revenue impact analysis also to be furnished.	The cargo operations contemplated at this clause is transshipment of cargo at port anchorage. Port is contemplating transshipment of crude, POL & dry bulk cargo, hence this amendment. Subsequently, the PPT vide its revised proposal dated 3 March 2011, stated that the port is contemplating transshipment of break-bulk cargo also in addition to dry bulk cargo and hence break-bulk cargo is also included in the fresh proposal. However, the port has not furnished the revenue impact analysis consequent to the proposed additional transshipment operations.
5.	PPT has proposed for incorporating a note to the effect that wharfage shall not be payable on shortfall or surplus quantity for moisture or other reasons at the time of evacuation/dispatch. The need for such an amendment with its revenue implication to be informed.	There is no revenue implication in this proposal. This proposal is with regard to import cargo. Cargo dispatched from Port is as per Bill of Entry quantity. In case of shortfall, the port does not refund wharfage. As such in case of excess cargo due to moisture, the port need not ask for additional wharfage.
6.	The port has proposed to delete the hire charges of wharf crane 13.2 MT and the hire charges of Grab attachment from the existing clause 2.15 of the SOR. The reasons therefor to be detailed. The revenue implication, if any, thereof may also be informed.	Wharf cranes are no more in existence. Grabs are accessories to the crane. Hence, the proposal is to delete the clause. However, the port has subsequently, vide its revised proposal dated 3 March 2011 has informed that this proposal stands dropped and the existing clause to continue.
7.	The purpose of introducing a new clause stating that port dues will be levied only once for entry of a vessel, irrespective of any change of her name / agent / owner, during the stay in the port is not understood. It is also not understood why the port desires to introduce a clause stating that any vessel entering the port from outside the port limits shall be treated as fresh entry. PPT may elaborate on these proposed amendments with their revenue implications.	Occasionally, the port is encountered with a situation where a vessel berths A/c one agent and after discharge sails with load A/c another agent. Hence, irrespective of any change of agent, owner, charterer during stay in the Port, the port dues will be collected only once. Occasionally, vessels leave port limits for hatch cleaning and re-enters. In such cases the port considers fresh entry for vessel registration and seniority for berthing. Hence, this proposal. This will not have any financial implication.

8.	The berth hire (foreign per hour) has been proposed to be amended from US Dollar 0.00060 to US Dollar 0.0060. Kindly state whether it is for correcting any printing error that has crept in while gazetting the earlier Order.	Yes, it is correction of the printing error.
9.	Port has proposed to add in clause 3.6 pertaining to the charges for SBM, a conditionality to the effect that the time for calculation of Pilotage & Tug hire charges is to be reckoned from berthing to un-berthing. The present practice followed in the port to be explained. The port also to clarify whether the proposed amendment has any revenue implication.	In the present SOR, pilotage & towage in SPM is recovered from boarding time to dis-embarking time. For tug hire, separate charges are recovered which the port has proposed from berthing to un-berthing time since the tug is placed at SPM side from berthing to un-berthing. The port is recovering tug hire charges accordingly at present.
10.	Port has proposed to delete the charges for weighment in the ware house/transit shed from the existing clause 4.2 of the SOR pertaining to weighment charges for use of weigh bridge / weigh scales. The reasons therefor to be informed.	Clause 4.2 Para 3 of existing SOR has become redundant since the port doesn't have any weighment facility at ware house/transit shed. However, the port has subsequently, vide its revised proposal dated 3 March 2011 has informed that this proposal stands dropped and the existing clause to continue.
11.	Since PPT has proposed several amendments to the existing SOR, a draft SOR may please be forwarded.	A revised draft SOR is enclosed.

5.2. The PPT, while furnishing replies to our queries has again modified its proposal and furnished cost statements with revised estimates for the years 2010-11 to 2012-13. However, the port has not proposed any increase / decrease in the existing rates for the cargo / vessel related charges.

5.3. The estimated traffic, financial / cost position at the existing level of tariff as furnished by the PPT in its further revised cost statements are summarized below:

(₹ in lakhs)

Sl. No.	**Particulars**	**Estimates at existing level of tariff**		
		2010-11	**2011-12**	**2012-13**
1.	Traffic (in MTs)	57.00	60.00	60.00
2.	Operating income	73,699.19	76,328.15	76,894.68
3.	Capital Employed	147,539.10	163,848.10	160,176.11
4.	Net surplus / (deficit) after return	1,318.89	(2,944.83)	(3,934.50)
5.	Net surplus / (deficit) as a percentage of operating income	1.79%	(3.86%)	(5.12%)
6.	Average net deficit as a percentage of operating income	(2.45%)		

6.1. A joint hearing in this case was held on 3 February 2011. The PPT made a power point presentation of its revised proposal. At the joint hearing, PPT and the concerned users / organisation bodies have made their submissions.

6.2 The decisions taken at the joint hearing were communicated to the PPT. The PPT, after a reminder, responded vide its letter dated 3 March 2011 with a further revised proposal. The decisions taken in the joint hearing and the response of the PPT are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Decisions taken in the joint hearing</th><th>Response of PPT</th></tr>
<tr><td>(i).</td><td>Basis of traffic estimates and the reasons for variations if any, from the Business Plan.</td><td>The business plan of the Port was prepared 3 (three) years back taking into account the situations prevalent at that time. If the present trend is an indicator, there will be marginal growth in traffic till 2012-13 (about 60 million tons) due to economic recession in Europe and volatility in international trade in steel and iron market. The Port is experiencing a declining trend in traffic during the current fiscal.</td></tr>
<tr><td>(ii).</td><td>Basis of the estimated repair and maintenance expenses.</td><td>The repair & maintenance expenditure has been estimated in line with the traffic volume and price fluctuation with reference to WPI.</td></tr>
<tr><td>(iii).</td><td>Estimated pension payments and contribution to pension fund.</td><td>The port has furnished a copy of the report dated 1 March 2011 from LIC regarding actuarial valuation of pension liability, the details of which are summarized below:
(₹ in crores)
<table>
<tr><th>Type of Annuity</th><th>With roc</th><th>Life Annuity</th><th>Life+50% spouse</th></tr>
<tr><td>Present value of past service benefits</td><td>430.45</td><td>379.60</td><td>370.00</td></tr>
<tr><td>Initial contribution</td><td>430.45</td><td>379.60</td><td>370.00</td></tr>
<tr><td>Annual contribution</td><td>9% of AWB</td><td>8.29% of AWB</td><td>8.00% of AWB</td></tr>
</table></td></tr>
<tr><td>(iv).</td><td>Year wise proposed capital additions along with scheme wise present status</td><td>The port has furnished a statement giving the details of revised proposed capital additions along with status of works.</td></tr>
<tr><td>(v).</td><td>The cost statements to be updated considering traffic and income from CQ-III berth and revised wharfage and arrears, if any, receivable from PPL.</td><td>There will be no impact on income after mechanisation of CQ-3 berth as the guaranteed revenue of ₹ 22 Crore offered by EBTPL is to match with the existing revenue earning from the berth.</td></tr>
</table>

6.3 At the joint hearing, some of the user organisations were allowed a week's time to furnish their written comments, if any, with a copy to PPT and PPT was requested to furnish their remarks thereon within a week thereafter. The concerned users furnished their comments. The PPT has furnished its response on the comments of the users.

6.4. The main points made by the PPT in its revised proposal of 3 March 2011 are as under:

(i). No change in the wharfage charges and berth hire charges.

(ii). EQ berths to have non-crane berth hire charges since it is devoid of ELL cranes.

(iii). The existing transshipment charges for liquid cargo to be made applicable in the case transshipment of dry bulk and break bulk cargo also.

(iv). Typographical error in the SOR in respect of SPM berth hire charge for foreign vessels to be rectified.

(v). The port has maintained its stand on the changes proposed in the terms & conditions of the existing SOR as per its earlier proposals, except withdrawing its proposals relating to deletion of rates prescribed at clause 2.15 and clause 4.2 of the existing SOR.

(vi). The details of proposed capital additions along with status are as given below:

(**₹ in lakhs**)

Sl. No.	Particulars	2010-11 Projected	2011-12 Projected	2012-13 Projected	Expected completion by *	Status
(1)	Capital dredging	25300.00	--	--	Mar'11	Deepening of channel by DCI is in progress and is expected to be completed by Mar-11.
(2)	Capital dredging	--	4000.00	--	Mar'13	Enhancement of draught at existing dock system from 12.5 m to 14.0 m is in the tender stage and will be carried out during 2011-12.
(3)	Capital dredging	--	--	5000.00	Mar'13	Deepening of channel to increase draft 16.0 m to 18.5 m will be taken up during 2012-13.
(4)	Plant & Machinery	3060.00	--	--	Mar'11	The work for replacement of 2 nos. Reclaimers in IOHP has been awarded and the work is under progress.
(5)	Plant & Machinery	--	807.00	--	Dec'11	The work order for replacement of one Wagon Tippler has been awarded and the work is under progress.
(6)	Buildings, Sheds and other structures	1516.00	2198.00	--	Mar'11 & Sep'11	Relocation of CISF complex to new location for upcoming BOT projects is in progress.
(7)	Docks, Sea walls, Piers and Navigational aids	200.00	456.00	--	Mar'11 & Dec'11	Extension of Breakwater under progress
(8)	Railway & Rolling Stock	--	6500.00	2500.00	Mar'12 & Oct'12	Tender for construction of Railway loop for BOT berths is under progress and work will start next year.
(9)	Railway & Rolling Stock	--	1000.00	--	Mar'12	Procurement of one Locomotive during 2011-12.
	Total	**30076.00**	**14961.00**	**7500.00**		

* Subsequently furnished by the port vide its fax dated 14 March 2011.

6.5. The estimated traffic, financial / cost position at the existing level of tariff furnished by the PPT in its revised cost statements filed along with its letter dated 3 March 2011 are summarized below:

(₹ in lakhs)

Sl. No.	Particulars	Estimates at existing level of tariff		
		2010-11	**2011-12**	**2012-13**
1.	Traffic (in MTs)	57.00	60.00	60.00
2.	Operating income	73,699.19	76,328.15	76,894.68
3.	Capital Employed	136,393.43	145,461.42	146,893.41
4.	Net surplus / (deficit) after return	4,180.53	1,595.02	(205.29)

5.	Net surplus / (deficit) as a percentage of operating income	5.67%	2.09%	(0.27%)
6.	Average net deficit as a percentage of operating income	2.45%		

7. After an officer level meeting with the PPT officials on 12 March 2011 held in the office of this Authority, the PPT furnished the following additional information:

(i). Details of commodity wise actual traffic handled during 2010-11 (upto February 2011). The total traffic handled by PPT from April 2010 to February 2011 is reported at 50.64 million tonnes.

(ii). The average exchange rate of US$ for 2009-10 and 2010-11 (upto February 2011) is reported at ₹ 46.99 per US$ and ₹ 45.24 per US$ respectively.

(iii). The marginal increase in estimated traffic volume for the years 2011-12 and 2012-13 is due to POL cargo, which is not related to railway income. Hence, railway income has been considered at the same level of 2010-11.

(iv). Some items of Management & General Administration expenses have been included in salary and wages in Form 3 B, resulting in difference in overheads considered in Form 3 B and Form 3 A.

(v). Depreciation has been calculated as per the life norms prescribed by Govt. of India. It is practically not possible to maintain a separate account for depreciation as per tariff guidelines of TAMP.

(vi). Details of Finance & Miscellaneous income and item relating to previous years are furnished.

(vii). The total pension fund as on 31.3.2010 is ₹ 318.41 crores towards the pension liability of the existing approximately 2400 pensioners. As per the actuarial valuation certificate of LIC, the pension liability of the existing 2612 employees works out to ₹ 370 crores, against which the PPT has considered ₹ 240 crores during the 3 years 2010-11 to 2012-13.

(viii). The status and likely month and year of completion of the projects proposed towards capital addition are furnished.

(ix). Business Related assets of Estate activity shown in the last revision have been taken as business assets under cargo handling activity.

(x). The Administrative and general expenses under port & dock facilities for the year 2009-10 amounting to ₹ 22.19 crores includes ₹ 16.87 crores incurred towards removal of oil to prevent pollution due to sinking of vessel m.v. Black Rose. The proposed expenditure for next three years is based on the expenditure of 2009-10 as it will be required to remove the vessel from the sea to avoid future eventualities.

(xi). The PPT has furnished revised workings for the cargo handling and storage income for the year 2009-10 reconciling with the position reported in the audited accounts.

(xii). Details of concession granted in vessel related charges and cargo related charges on container handling during the years 2007-08 to 2010-11 (upto February 2011). The details furnished by the port are tabulated below:

(₹ in lakhs)

Particulars	**2007-08**	**2008-09**	**2009-10**	**2010-11 (upto Feb'11)**
Vessel related charges	29.14	18.28	28.24	26.80
Cargo related charges	18.18	14.78	20.72	21.04
Total	**47.32**	**33.06**	**48.96**	**47.84**

8.1. A comparative position of the estimated traffic, financial / cost position for the port as a whole at the existing level of tariff furnished by the port in its original proposal dated 22 December 2009, updated cost statement dated 17 June 2010, revised cost statement dated 29 September 2010 and further revised cost statement dated 3 March 2011 are tabulated below:

(₹ in crores)

Sl. No.	Particulars	Original proposal dated 22.12.2009			Cost statement dated 17.6.2010			Cost statement dated 29.9.2010			Cost statement dated 3.3.2011		
		2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
1.	Traffic (in Million Tonnes)	56.74	59.30	62.30	63.00	65.30	67.30	57.00	60.00	60.00	57.00	60.00	60.00
2.	Operating income	760.21	797.23	831.97	767.33	786.16	805.30	736.99	763.28	768.95	736.99	763.28	768.95
3.	Capital Employed	1496.23	1664.66	1632.15	1475.65	1639.25	1603.05	1475.39	1638.48	1601.76	1363.93	1454.61	1468.93
4.	Net surplus / (deficit) after return	11.35	(39.88)	(61.06)	55.57	2.16	(11.95)	(13.19	(29.45)	(39.35)	41.81	15.95	(2.05)
5.	Net surplus / (deficit) as a percentage of operating income	1.49%	(5.00%)	(7.34%)	7.24%	0.27%	(1.48%)	1.79%	(3.86%)	(5.12%)	5.67%	(2.09%)	(0.27%)
6.	Avg. net surplus / (deficit) as a % of operating income	(3.75%)			1.94%			(2.45%)			2.45%		

8.2. The estimated financial / cost position in respect of cargo handling activity at the existing level of tariff furnished by the port as reflected in its revised cost statement dated 3 March 2011 is tabulated below:

(₹ in crores)

Sl. No.	Particulars	Estimates at existing level of tariff		
		2010-11	2011-12	2012-13
1.	Traffic (in MTs)	57.00	60.00	60.00
2.	Operating income	435.00	446.11	446.11
3.	Capital Employed	718.84	699.30	655.06
4.	Net surplus after return	79.78	77.25	77.00
5.	Net surplus as a percentage of operating income	18.34%	17.32%	17.26%
6.	Average net surplus as a percentage of operating income	17.63%		

9. 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

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

(i). The existing Scale of Rates (SOR) of PPT was approved in October 2007 with the validity till 31 March 2010. The increase then sought by the port in the wharfage rates on coal / coke, iron ore, cement, aluminium ingots and POL products having a flash point above 23ºC was not approved since the cargo handling activity as a whole reflected surplus position. Decrease then proposed by the port in wharfage rates of certain commodities like Chrome Ore, Manganese Ore, Charge Chrome, Iron & Steel, Finished fertilizer, Rice / Sugar, Salt, POL products having a flash point below 23ºC, POL operations at SBM, LPG/LNG, etc. was approved. New rates were approved for Transshipment of POL/crude oil, Barging services and project cargo, at the request of PPT. Some of the Conditionalities were modified in line with the relevant provisions of Tariff Guidelines of March 2005 and as a measure of rationalization. Subsequently, in April 2008, the conditionalities relating to levy of penal berth hire charges was re-introduced. Chapter V in the then existing SOR of PPT relating to Railway Charges was de-notified at the request of PPT in March 2009. Revised berth hire charges to be levied on IFFCO for fertilizer berth No.2 from 1 April 2008 to 31 March 2015 was approved in July 2009. In this backdrop, the PPT has filed its proposal for general revision of its Scale of Rates in December 2009, which has been taken on consultation.

The validity of the existing Scale of Rates of PPT was extended beyond 31 March 2010, till 30 September 2010 with a condition that the additional surplus over and above the admissible cost and permissible return accruing to the PPT for the period post 1 April 2010 will be set off fully in the tariff to be fixed for the next tariff cycle.

(ii). As the financial year 2009-10 was over, the port updated the cost statements incorporating actuals for the year 2009-10 in June 2010. While doing so, the port also reviewed its estimates for the years 2010-11 to 2012-13. Further, the port while responding to the queries raised by us on its proposal in August 2010, furnished a revised proposal in September 2010. After joint hearing, the port has filed a further revised proposal in March 2011. The revised proposal filed by the port in March 2011, along with the clarifications / additional information/ documents furnished by the port is taken up for consideration in this analysis.

(iii). The existing tariff of the PPT was fixed in October 2007 relying on the estimated financial/ cost position for the years 2007-08 to 2009-10. As mandated by clause 2.13 of the tariff guidelines of March 2005, the actual physical and financial performance of the Major Ports / Private Operators thereat, is to be reviewed at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing prevailing tariff. Accordingly, the actual physical and financial performance of the PPT during the years 2007-08 to 2009-10 is analysed in the following paragraphs.

(iv). (a). The actual traffic handled by the PPT from 2007-08 to 2009-09 vis-à-vis the estimates relied upon during the last revision of tariff are tabulated below:

(**in million tonnes**)

Particulars	**Year**			**Total**
	2007-08	**2008-09**	**2009-10**	
Estimated Traffic	48.12	52.60	57.70	158.42
Actual Traffic	42.44	46.41	57.01	145.86
Variation (in %)	-11.80%	-11.77%	-1.20%	-7.93%

As can be seen from the above table, the variation in physical performance for all the three years is -7.93%.

(b). The operating income reported in the audited annual accounts for the years 2007-08 to 2009-10 has been considered, subject to the following adjustments.

(i) The tariff concession granted by the ports at their discretion is not considered by this Authority for tariff fixation. Accordingly, revenue effect of concession granted by the PPT in cargo related charges and vessel related charges pertaining to container handling during the years 2007-08 to 2009-10, as reported by the port and brought out earlier is not considered in the operating income under the respective activities.

(ii) In the cargo handling income reported by the port for the year 2009-10, it is seen that the port has excluded the actual 'Licence Fee' received from the private HMC operators, amounting to ₹ 509.95 lakhs. The 'Licence Fee' received from the private HMC operators is nothing but the 'Royalty' payable by the private operators to the landlord port. Clause 2.8.3 of the tariff guidelines of March 2005 calls for the transfer of royalty / revenue share receipts to the Escrow Account to meet the infrastructure development expenditure of major port trusts. Clause 2.8.3 applies to the royalty / revenue share receipts not only from the BOT operators but also such royalty / revenue share payable by the authorised service providers covered under clause 7.2 of the tariff guidelines.

As per clause 2.8.3 of the tariff guidelines of March 2005, the revenue share / royalty receivable by the port should be applied first to meet the cost of surplus labour, if any. At least 50% of the balance should be maintained in an Escrow Account and utilised for the purpose of creation and / or modernisation of port infrastructure facilities within a period of five years.

Since the port has not considered the above royalty receipts under the operating income, it is presumed that the port proposes to utilise the 100% royalty receipts towards infrastructure development. It may be relevant to mention here that there is no maximum limit prescribed in the guidelines for transfer to Escrow Account and recognising this position, we have considered 100% of the actual 'royalty' received by the port in the year 2009-10 as transferred to Escrow Account, as per the guidelines. The PPT is advised to create and maintain an Escrow Account as per clause 2.8.3 of the guidelines and transfer the past receipts of 'Licence fees' to this account.

(iii) The actual operating income earned by the PPT from 2007-08 to 2009-09 vis-à-vis the estimates relied upon during the last revision of tariff are tabulated below:

Particulars	**Operating Income (₹ in crores)**			**Total**
	2007-08	**2008-09**	**2009-10**	
Estimates relied upon during revision of tariff in Oct'07	568.83	651.59	712.92	1933.34
Actual Operating income earned by the port	640.46	697.04	744.26	2081.76
Variation (in %)	+12.59%	+6.98%	+4.40%	+7.68%

As brought out earlier, during the last general revision of tariff at PPT in October 2007, the wharfage rates for a number of commodities were reduced at different percentages, as proposed by the port and also a few new items were approved in the cargo handling charges. Therefore, the estimated operating income considered during the last revision for the years 2007-08 to 2009-10 is required to be adjusted to reflect the above changes, so as to make the comparison of estimates and actuals even. The port has not made any adjustment in the estimated operating income to reflect the changes approved in the last tariff revision Order in the statement of comparison of actuals vis-à-vis estimates for the years 2007-08 to 2009-10 furnished by the port. Therefore, the estimated operating income for the years 2007-08 to 2009-10 relied upon during the last revision exercise could not be adjusted exactly for each of the changes approved in the last tariff revision Order. It was mentioned in the last tariff Order of October 2007 that the reduction in revenue on account of reduction in the then existing wharfage rates will be within the estimated additional surplus of ₹ 38.47 crores. If the then estimated revenue impact of ₹ 38.47 crores is reduced from the estimated operating income for comparison purpose, the aggregate variation works out to +10% (approx.), as against +7.68% mentioned in the table above.

(c). The operating expenses and management overheads have been considered as per the audited annual accounts for the years 2007-08 to 2009-10.

Incidentally, the actual administration & general expenses in respect of 'vessel related activity' for the year 2009-10 is reported at ₹ 2219.10 lakhs. Comparing this expenses with the actual figures for the previous two years 2007-08 and 2008-09 of ₹ 525.03 lakhs and ₹ 651.73 lakhs respectively, four-fold increase is noticed. The port, when sought to clarify the position, has stated that the actual expenses for the year 2009-10 includes an amount of ₹ 1687 lakhs incurred towards removal of oil to prevent pollution caused by a sunk vessel. The port has further stated that the proposed expenditure for next three years is based on the actual expenditure of 2009-10 as it will be required to remove the vessel from the sea to avoid future eventualities. The actual expenditure incurred by the port during 2009-10 is considered in the past period analysis.

(d). Clause 2.7.1 of the tariff guidelines of March 2005 calls for calculation of depreciation on straight line method following the life norms adopted as per the Companies Act in the case of port trusts. However, the port has calculated depreciation as per the life norms prescribed by Govt. of India on the ground that it is practically not possible to maintain a separate account for depreciation as per tariff guidelines of TAMP. The PPT is obliged to follow the provisions of tariff guidelines. It is found not possible to modify the depreciation calculated by the port at this stage. While the depreciation as per the books of account is considered in this analysis, the port is advised to initiate necessary action to comply with the provisions of the tariff guidelines in this regard during the next review of its tariff.

(e). The aggregate of the variation in respect of operating expenses, depreciation and management overheads for the years 2007-08 to 2009-10 works out to (-)4.09%, (-)3.36% and (-)5.37% respectively.

(f). The PPT has not considered certain items of actual Finance and Miscellaneous income reported in the audited annual accounts for the years 2007-08 to 2009-10 stating that those items are one time income and not recurring in nature. The year-wise details of such items along with value are furnished below:

(₹ in lakhs)

Sl. No.	**Particulars**	**2007-08**	**2008-09**	**2009-10**
(i)	Sale of unserviceable materials	0.00	302.82	99.36
(ii)	Forfeited Deposit	662.77	66.09	2033.23
(iii)	Penalties on contractors	67.68	407.94	243.43
(iv)	Sundry receipts (auction of iron ore plot)	1306.67	243.01	1585.31
(v)	Upfront premium from HMC private operators	0.00	0.00	771.87
	Total	2037.12	1019.86	4733.20

It is seen from the details furnished by the port that the income excluded by it are from normal course of operations. Hence, the contention of the port that they are one time receipts may be relevant for the purpose of estimation of income from such activities for the future period, but, the actual income earned by the port in the past needs to be considered in the past period analysis. In view of this position, the actual income furnished in the table above are considered by us under Finance & Miscellaneous income of the respective years.

(g). ‘Financial & Miscellaneous income’ for the years 2007-08 to 2009-10 considered by the port at actuals includes prior period items. It is seen from the break-up furnished by the port that the prior period items for the years 2008-09 and 2009-10 include income to the tune of ₹ 275.95 lakhs and ₹ 904.38 lakhs respectively towards wrong calculation of interest and wrong provision of accrued interest in the previous years. Since interest element is not an item of cost in the ‘Return on Capital Employed’ approach adopted by this Authority as per the Government policy guidelines, the prior period income out of wrong interest calculation / provision is also not relevant for tariff fixation. Therefore, the interest component in the prior period items in the years 2008-09 and 2009-10 is excluded by us from the ‘Finance & Miscellaneous income.

(h). The actual financial and miscellaneous expenses reported by the port for the years 2007-08 to 2009-10 includes contribution to pension and gratuity fund to the tune of ₹ 25.00 crores, ₹ 25.00 crores and ₹ 43.12 crores respectively. During the last general revision of tariff at PPT in October 2007, the PPT proposed a contribution of ₹ 40 crores, ₹ 60 crores and ₹ 60 crores for the years 2007-08 to 2009-10 respectively, totally amounting to ₹ 160 crores stating that it was required to augment the pension fund in order to meet the uncovered pension fund requirement. Considering this position, the net surplus earned during the years 2000-01 to 2006-07 amounting to ₹ 140.32 crores was earmarked towards augmentation of the pension fund. It is now seen that out of ₹ 140.32 crores earmarked in the last revision, the actual contribution made by the port during the said 3 years is only ₹ 93.12 crores, leaving a balance of ₹ 47.20 crores. Therefore, the actual contribution to the pension fund made by the port during the 3 years 2007-08 to 2009-10 which has already been decided to be met from earlier surpluses, is not considered as expenses. The treatment of balance amount of ₹ 47.20 crores is explained in the later part of this analysis.

(i). The closing net block of fixed assets reported in the annual accounts has been considered towards capital employed. The port has furnished capital employed statements for the four main activities indicating the value of assets considered under each activity, reportedly arrived at by identifying the list of assets relating to each activity. The position reported by the port in this regard is relied upon in this analysis.

To a specific query raised during the proceedings of the case, the port has stated that it has considered all assets as ‘business assets’. During the last revision of tariff at PPT in October 2007, the port had classified some assets under ‘estate activity’ as ‘business related assets’ and also furnished the closing value of net block of such assets for the relevant years. When asked to clarify the position, the port has stated that the business related assets of Estate activity shown in the last revision have been taken as business assets under cargo handling activity. The re-classification of assets between activities is accepted since the port has stated that it has identified the assets pertaining to each activity.

However, the port has not given justification for suddenly changing the status of the assets from ‘business related’ to ‘business assets’. That being so, the value of the same ‘business related assets’ furnished by the port during the last revision for the years 2007-08 to 2009-10 is considered for the purpose of past period analysis of respective years. However, the business related assets is now considered under cargo handling activity based on the position reported by the port.

(j). The port has computed the value of items of working capital for the three years 2007-08 to 2009-10 as per norms prescribed in Clause 2.9.9 of the tariff guidelines of March 2005, which is considered by us after rectification of some arithmetical errors noticed in the computation. The port has considered the value of current liabilities as 'nil' for all the three years. In the absence of specific norms for considering the current liabilities, certain items of current liabilities like outstanding salaries & wages, creditors for stores and miscellaneous creditors, which appear to be relevant vis-à-vis the items of current assets considered, have been recognized at actuals reported in the annual accounts for the respective three years. Considering the admissible level of current assets and current liabilities, the working capital for these three years is found to be negative and, therefore, considered as 'Nil'.

(k). The PPT has reported the design capacity of the port for the years 2007-08 to 2009-10 at 56 million tonnes, 71 million tonnes and 76 million tonnes, respectively. Considering the design capacity of the port and actual traffic handled during the corresponding years, the capacity utilization for the said years 2006-07 to 2008-09 works out to 75.79%, 65.37% and 75.01% respectively. Accordingly, return on capital employed for the said three years is allowed at the maximum rate on business assets and at risk free rate on business related assets as applicable for the respective years.

(l). Subject to the above adjustments, the additional surplus after return for the years 2007-08 to 2009-10 comes to ₹ 169.97 crores, ₹ 178.88 crores and ₹ 242.32 crores respectively, aggregating to ₹ 591.17 crores. Incidentally, the revised cost statements furnished by the port also indicate a past surplus after return to the tune of around ₹ 370 crores during the said three years. Though the port has quantified the additional surplus, it has not made adjustment of such surplus in the future tariff, as envisaged in the tariff guidelines.

(m). A summary of the aggregate variations in the actual performance of PPT for the years 2007-08 to 2009-10 compared to the estimates, in respect of key parameters, are furnished in the table given below:

(₹ in crores)

Particulars	2007-08 to 2009-10 (Aggregate)		
	Estimates	**Actuals**	**Variance**
Traffic (in million tonnes)	158.42	145.86	**(-)7.93%**
Operating Income	1933.34	2081.76	**(+)7.68%**
Operating Expenses (including depreciation & overheads)	111.87	1063.82	**(-)4.32%**
Net Financial & Miscellaneous Income / (Expenses)	(11.84)	77.73	**(+)756.29%**
Capital Employed	5450.97	3277.15	**(-) 39.88%**
Rate of Return on Capital Employed	16.00%	24.81%	**(+)58.08%**

Clause 2.13 of the tariff guidelines of March 2005 while prescribing performance variation of + or – 20% for adjustment of past surplus, stipulates review of both physical and financial performance. In this case, while the physical performance shows a negative variation of 7.93%, all the key parameters of financial performance like operating income, operating expenses, net financial and miscellaneous income and capital employed, Rate of Return on capital employed shows a positive variation ranging from 4.32% to 58.08%. The variation in capital employed and rate of return on capital employed are more than the prescribed limit of 20%. Considering the huge variation of 58.08% in the rate of ROCE, it is necessary to adjust the past surplus as stipulated in the guidelines. However, before adjusting the past surplus in future tariff, the shortfall in the pension & gratuity fund needs to be met, following the approach adopted in the last revision of tariff at PPT in October 2007.

The position reported by the port relating to pension fund is given below:

(₹ in crores)

Particulars	Amount
Pension fund	
(a) Balance as on 31 March 2010 for existing pensioners	318.41
(b) Additional requirement for existing employees (as per actuarial valuation)	370.00
Total requirement	688.41

It appears from the reported position that the PPT is required to have a corpus of ₹ 688.41 crores to cover the existing pensioners and existing employees. Since the existing pension fund balance of ₹ 318.41 crores is adequate only to cover the existing pensioners, the port has proposed to make contribution to the tune of ₹ 240 crores in this tariff cycle of three years 2010-11 to 2012-13, as against the shortfall of ₹ 370 crores. It is relevant to mention here that during the last general revision of tariff at PPT in October 2007, this Authority took a view that instead of allowing set off of past surplus and augmentation of the pension fund separately against future tariff, it may be appropriate to transfer the past surplus to the pension fund and free the future tariff from this burden and accordingly, the actual past surplus upto the year 2006-07 amounting to ₹ 140.32 crores was earmarked towards augmentation of pension fund. The same approach is followed in this tariff revision exercise also.

As stated earlier, there is an unutilized past surplus for the period upto 2006-07 amounting to ₹ 47.20 crores, which is adjusted first against the shortfall in the pension fund of ₹ 370.00 crores. The balance shortfall of ₹ 322.80 crores is adjusted against the actual past surplus for the years 2007-08 to 2009-10 amounting to ₹ 591.17 crores. 50% of the balance additional surplus of ₹ 134.18 crores is considered for set off against future tariff.

As per Clause 2.13 of the tariff guidelines the past surplus is to be set off prospectively. Since the year 2010-11 will be over before the revised tariff approved for PPT comes into effect, the adjustments of past surplus can only be effected from the year 2011-12 onwards, as no retrospective adjustment of tariff is envisaged. Following the approach adopted in some other cases, decided earlier, the past surplus is set off over a period of five years beginning from 2011-12.

(v). (a). In its initial proposal of December 2009, the port had estimated annual traffic of 56.74 Million Metric Tonnes (MT), 59.30 MT and 62.30 MT for the three years 2010-11 to 2012-13. The port has subsequently modified its traffic projection twice, i.e. upwards in June 2010 and downwards in September 2010. The commodity-wise actual traffic handled during the year 2009-10 and revised cargo-wise traffic projection reported by the port for the years 2010-11 to 2012-13 for the purpose of tariff fixation is as under:

(**in Million Metric Tonnes**)

Commodity	**2009-10 Actual**	**2010-11 Estimate**	**2011-12 Estimate**	**2012-13 Estimate**
POL	11.60	13.00	15.00	15.00
Iron Ore	16.10	15.00	15.00	15.00
Thermal Coal	10.00	10.00	10.00	10.00
Coking coal	10.00	10.00	10.00	10.00
Others	9.31	9.00	10.00	10.00
TOTAL	**57.01**	**57.00**	**60.00**	**60.00**

(b). The port was requested to justify the traffic estimates with reference to the business plan of the port with reasons for variations, if any. The PPT responded stating that the business plan of the port was prepared three years back and considering the present trend, there will only be a marginal growth in traffic till 2012-13 due to economic recession and volatility in international trade in steel and iron market. The port has also stated that it is experiencing a declining trend in traffic in the year 2010-11.

(c). The port has subsequently furnished commodity wise actual traffic handled by it during the year 2010-11 upto February 2011. The total traffic handled by the port in the year 2010-11 upto February 2011 is reported at 50.64 MT, which if extrapolated for full year works out to 55.24 MT as against the projection of 57.00 MT. However, the port has not revised its traffic projections for the years 2010-11 to 2012-13. It may be relevant to mention here that none of the users / user organizations has objected to the traffic estimates furnished by the port. The port has confirmed that the estimated traffic projections include the traffic to be handled by IFFCO and PPL at the berths allotted to them. Therefore, the traffic estimates furnished by the port for the years 2010-11 to 2012-13 is considered without any modification.

(vi). (a). The PPT has estimated the operating income for the years 2010-11 to 2012-13 based on the actual income earned from the respective activities during the year 2009-10. At our request, the port has furnished workings for cargo handling income for the years 2009-10 to 2012-13 at the existing level of tariff. It is seen from the revised workings furnished by the port for the year 2009-10 based on the rates prescribed in the existing SOR that total income from cargo handling activities agreed with the figure reported in the annual accounts for the year though there were differences in the individual cargo group-wise income between workings and accounts. The port has estimated the cargo handling income for the years 2010-11 to 2012-13 based on the workings for the year 2009-10 adjusted for estimated traffic. The estimated cargo handling income furnished by the port for the years 2010-11 to 2012-13 is considered by us subject to the following modifications:

(i) The concession in cargo related charges on container handling has been estimated for the year 2010-11 based on the actual figures furnished by the port from April 2010 to February 2011 by extrapolating the same for full year 2010-11. For the next two years, the estimated concession on this account is maintained at the same level of 2010-11 since the traffic estimates of the port do not envisage any change in container traffic for the next two years. The estimated concession which works out to ₹ 22.95 lakhs is not recognised in the estimates of cargo handling income for each of the years 2010-11 to 2012-13.

(ii) As brought out earlier, the port has ignored the actual amount of ₹ 509.95 lakhs accounted during the year 2009-10 towards royalty receipt from the private authorized HMC operators at the port for the purpose of tariff fixation. The port has also not estimated any income on this account for the years 2010-11 to 2012-13. Since this item of income should be considered as ‘royalty’ and treated in line with clause 2.8.3 of the tariff guidelines of March 2005, the estimated income to the port on this account for the years 2010-11 to 2012-13 is considered at ₹ 500 lakhs per year, based on the actual income for the year 2009-10. Following the approach adopted for the year 2009-10, 100% of the said estimated income is considered as accrual to Escrow Account. The actual/ estimated accruals to Escrow Account for the years 2009-10 to 2012-13 are tabulated below:

Particulars	2009-10	2010-11	2011-12	2012-13
Opening balance	0.00	509.95	1009.95	1509.95
Add: 50% of royalty / revenue share receipts during the year	509.95	500.00	500.00	500.00
Sub-total	509.95	1009.95	1509.95	2009.95
Less: Utilisations during the year for creation of infrastructure facilities	0.00	0.00	0.00	0.00
Closing balance	**509.95**	**1009.95**	**1509.95**	**2009.95**

As per the tariff guidelines, the accumulations in the Escrow Account in a particular year should be utilised for infrastructure development within five years. Accordingly, year 2013-14 is the deadline for utilization of balance in the Escrow Account as at the end of the year 2009-10, which is falling beyond the current tariff cycle. Therefore, the actual / estimated accruals to the Escrow Account up to 2012-13 are not considered as operating income for the purpose of this tariff revision exercise.

To a specific query, the port has confirmed that no revenue share from BOT operators is considered since all the proposed BOT projects are under implementation stage and will be completed after 2013. The position reported by the port is relied upon.

(b). The PPT has estimated vessel related income on the basis of actual income earned during the year 2009-10. The estimated aggregate GRT of vessels for the years 2010-11 to 2012-13 is calculated based on the actual aggregate GRT of vessels for the year 2009-10 adjusted for estimated traffic volume for the years 2010-11 to 2012-13 vis-à-vis actual traffic during 2009-10. The actual income earned by the port during the year 2009-10 under major vessel related tariff items like Port Dues, Pilotage & Towage and Berth hire charges are extrapolated for the subsequent years 2010-11 to 2012-13 using the actual aggregate GRT for 2009-10 and estimated aggregate GRT for the corresponding years on proportionate basis. The above approach adopted by the port in the estimation of major items of vessel related charges is considered in this analysis.

Since the port has considered the total vessel related income earned during 2009-10 in Indian Rupees, the revenue impact due to variation in exchange rate of US$ prevailed during the year 2009-10 and current market rate is not reflected in the income estimated by port for the years 2010-11 to 2012-13.

As per clause 6.1.1 of the tariff guidelines of March 2005, vessel related charges for foreign going vessels will be denominated in dollars and recovered in Indian Rupees. Hence, the income estimation furnished by the port without recognizing the exchange rate variation needs adjustment with reference to the exchange rate prevailing at the time of analysis of this case.

Further, the port has not furnished the aggregate / average GRT details of foreign going vessels and coastal vessels for the relevant years. However, it has furnished the number of foreign going vessels and coastal vessels separately for the relevant years. Based on this information, it is seen that the share of foreign going vessels in the total number of vessels works out to around 80%. Therefore, the share of vessel related income from foreign going vessels, for the purpose of adjustment of exchange rate variation, is assumed to be 80% of the total estimated vessel related income.

At our request, the port has furnished the average of exchange rates considered by it during the year 2009-10 and average of exchange rates considered during the year 2010-11 upto February 2011, which is reported at ₹ 46.99 per US$ and ₹ 45.24 per US$ respectively. The market rate for US$ prevailing at the time of analysis of this case is at ₹ 45.25 per US$ which is almost same that of average of 2010-11 upto February 2011. Therefore, 80% of the estimated vessel related income from the said tariff items for the years 2010-11 to 2012-13 are adjusted with the exchange rate of ₹ 45.25 per US$ taking the average rate of ₹ 46.99 per US$ for the year 2009-10 as the base.

The port has estimated the income from other items of vessel related charges like water supply, hire of vessels, draught survey fees, fender charges, etc. for the years 2010-11 to 2012-13 on adhoc basis. In the absence of any workings for estimation of income from these items, we are not in a position to verify the estimated income on this account. Therefore, the position reported by the port is relied upon in this analysis.

The port has proposed to levy non-crane berth hire charges at the EQ-1 to EQ-3 berths instead of the existing higher crane berth hire charges, since the cranes at these berths were dismantled. However, the port has not furnished financial implication consequent to the proposal to recover the berth hire charges at a lower rates in future. In the absence of requisite details, the differential income in this regard could not be quantified and adjusted in the estimates for the years 2010-11 to 2012-13.

(c). The PPT has estimated the income from Railway activities for the years 2010-11 to 2012-13 at the same level of 2009-10, stating that the marginal increase in traffic volume for the years 2011-12 and 2012-13 is due to POL cargo which is not related to railway income. The position reported by the port is relied upon in this analysis.

Nevertheless, it may be relevant to mention here that the tariff for railway activities is fixed by the Railway Board from time to time and not by this Authority. Hence, the income from railway activities is considered in this analysis only to assess the comprehensive financial / cost position of the port as a whole.

(d). The PPT has estimated the Estate related income for the years 2010-11 to 2012-13 also at the same level of 2009-10 stating that the income from the estate activity is not certain. As already stated, as per the Land policy guidelines of Government of India, the lease rentals are subject to 2% annual escalation. In line with this provision, the two items of income estimates for the years 2010-11 to 2012-13 furnished by the port under estate activity, viz. rent on land and rent on buildings, sheds & godowns are revised by applying 2% annual escalation (compounded) over the actual income reported for the year 2009-10 under the relevant items, taking the year 2009-10 as the base.

The estimates furnished by the port for the years 2010-11 to 2012-13 in respect of other two items, viz. recoverable service charges and sand royalty/ others under the estate activity at the level of actuals of 2009-10 is considered without any modification.

The rates for estate rental are to be determined as per the Land Policy Guidelines announced by the Government. Nevertheless, the estimated income from estate rentals are considered in this exercise only to ascertain the overall financial/ cost position of the port and to see whether the surplus, if any, arising from this activity could be utilized to cross-subsidize other deficit making activities, as provided in clause 2.11.5 of the tariff policy guidelines.

(vii). (a). Clause 2.5.1 of the tariff guidelines requires that the expenditure projections of the major ports / terminal operators should be in line with traffic adjusted for price fluctuations with reference to current movement of whole sale price index (WPI) for all commodities. An escalation factor of 3.76% is being applied for the tariff cases decided during the year 2010-11. While the port has estimated the direct operating expenses for the years 2010-11 to 2012-13 applying an annual escalation factor of 3.76% in respect of cargo handling and railway activities, it has applied an escalation factor of 5.80% in respect of vessel related and estate activities, taking the actual operating expenses for the year 2009-10 as the base. The estimated operating expenses for the years 2010-11 to 2012-13 in respect of vessel related and estate activities, except for a few items under vessel related activities which is discussed below separately, are moderated by us applying the escalation factor of 3.76% p.a. over the actual expenses of 2009-10, taking the year 2009-10 as the base.

(b). The port has estimated dry docking, dredging and other expenses under vessel related activity on adhoc basis uniformly for all the three years without considering any annual escalation. The annual dredging cost is estimated at ₹ 4500 lakhs for each of three years 2010-11 to 2012-13 as against the actual expenditure of ₹ 4539.29 lakhs for the year 2009-10. The dry-docking and other expenses are estimated at ₹ 50.00 lakhs per year and ₹ 1.00 lakh per year for each of the said three years, as against the actual expenses of ₹ 28.11 lakhs and ₹ 0.84 lakh respectively during the year 2009-10. While the dredging cost estimated by the port for the year 2010-11 is considered without any modification, the estimates for the next two years are revised by allowing 3.76% annual escalation, taking the estimate of 2010-11 as the base. Similar approach is followed in respect of the other two items of expenses stated above.

(c). The port has considered entire direct operating expenses in respect of all activities, except estate activity, as 100% variable with reference to traffic and adjusted the same for actual traffic of 2009-10 vis-à-vis the estimated traffic for the years 2010-11 to 2012-13. The port has neither furnished the sub-activity wise cost statements indicating the type wise expenses incurred / estimated under each sub-activity nor furnished the break-up of estimated operating cost for the years 2010-11 to 2012-13, as required in Form 3B. In the absence of requisite details, the approach adopted by the port is relied upon.

(d). The port has confirmed that the expenditure projections are made after taking into account the impact of Wage Revision.

(e). As stated earlier, the actual administration and general expenses under the vessel related activity reported in the annual accounts for the year 2009-10 at ₹ 2219.10 lakhs includes ₹ 1687 lakhs incurred towards removal of oil to prevent pollution due to the sinking of a vessel in the sea. The port has estimated the future expenditure for the years 2010-11 to 2012-13 on this account based on the actuals of 2009-10 without excluding the above expenditure. The port has explained that the projection is made based on the actual of 2009-10 as it will be required to remove the vessel from the sea to avoid future eventualities. The port has neither furnished any estimate for the proposed expenses for removal of vessel nor indicated any time schedule for its completion. The port has also not stated anything about the claim to be preferred in this regard either from the concerned parties or from the underwriters. However, without going into the issues like role/responsibility of other concerned parties, insurance claim, etc. and also recognizing the position that any eventuality on account of non-removal of the vessel may directly hamper the port operations, the estimates considered by the port in this regard is relied upon. However, the port is advised to report the actual expenses incurred in this regard after adjusting the amount received/receivable from the concerned parties, as soon as the work is completed. The difference, if any, between the estimated and actual expenses on this account will be adjusted fully in the next review of its tariff.

(viii). As brought out earlier, the port has computed depreciation as per the life norms of assets prescribed by the Government of India. The depreciation calculations furnished by the port for the years 2010-11 to 2012-13 are considered, except for depreciation on additions to the gross block during the respective years. The estimated additions to the gross block proposed by PPT are discussed in the later part of this analysis. The depreciation on all additions to the gross block considered has been revised during the years 2010-11 to 2012-13, based on the expected month and year of commissioning of the respective assets furnished by the port, on pro-rata basis.

(ix). The PPT has considered 3.76% annual escalation over actual management and general overheads of the year 2009-10 for the purpose of estimation of overheads for the years 2010-11 to 2012-13, taking the year 2009-10 as base and fully adjusted for traffic variation. The port has not furnished any analysis on the variable and fixed components of the overheads. In the absence of such an analysis, the management and general overheads estimated by PPT for the years 2010-11 to 2012-13 are considered.

(x). The port has estimated the Finance & Miscellaneous Income for the years 2010-11 to 2012-13 uniformly at ₹ 1000 lakhs per year. It is seen from the details furnished by the port that this estimate includes income towards prior period items amounting to ₹ 445 lakhs in each year. The prior period items are generally not considered for future years at the estimate level. Therefore, the Finance & Miscellaneous Income estimated by the port for the years 2010-11 to 2012-13 is revised by excluding the prior period items and considered at ₹ 555 lakhs uniformly for each of the three years.

(xi). The Finance & Miscellaneous Expenses estimated by the port for the years 2010-11 to 2012-13 includes contribution to pension fund to the tune of ₹ 75.00 crores, ₹ 80 crores and ₹ 85.00 crores respectively, aggregating to ₹ 240.00 crores for all the three years. The other items of financial and miscellaneous expenses are estimated by the port ₹ 3.00 crores per year uniformly for all the three years. Since the short fall of ₹ 370.00 crores in the pension fund as per actuarial valuation is adjusted fully against the past surplus, as explained earlier, the question of considering the ₹ 240.00 crores towards contribution to pension fund during the years 2010-11 to 2012-13 does not arise.

However, even after maintaining the pension fund balance as per actuarial valuation, a regular annual contribution may be necessary in order to balance the fund against future pension payments. Since the port has not furnished any calculation towards estimated annual contribution for the years 2010-11 to 2012-13, we have estimated the same at the average of the actual contribution to pension fund made by the port during the years 2007-08 to 2009-10, which works out to ₹ 31.04 crores per annum. Therefore, the estimated annual contribution to pension fund for the years 2010-11 to 2012-13 is considered at ₹ 30.00 crores per year uniformly.

Despite specific request, the port has not furnished the details of other items of Finance & miscellaneous expenses considered uniformly at ₹ 300 lakhs for each of the three years 2010-11 to 2012-13. In the absence of details, the position reported by the port is relied upon in this analysis, subject to verification of actuals during the next tariff review of its tariff.

(xii). The port has confirmed that the management and general overheads, financial and miscellaneous income and financial and miscellaneous expenses are apportioned between the four main activities in line with the instructions given in the cost statement formats prescribed in the tariff guidelines. The port has furnished working sheets indicating the ratio of apportionment of various components of management and general overheads between the main activities for the years 2007-08 to 2009-10. The position reported by the port in this regard is relied upon and the moderated management and general overheads, financial and miscellaneous income and financial and miscellaneous expenses considered for the years 2010-11 to 2012-13 are apportioned between the four main activities in the ratio furnished by the port for the year 2009-10.

(xiii). (a). The PPT has considered estimated additions to the gross block to the tune of ₹ 300.76 crores, ₹ 149.61 crores and ₹ 75.00 crores during the years 2010-11 to 2012-13 respectively. Despite specific request, the port has not furnished any documentary proof either for the estimated cost of capital works or for the present status. However, it has furnished the status of the works with expected month & year of completion.

The port has proposed capital dredging in three phases. As reported by the port, the first phase at a cost of ₹ 253.00 crores is likely to be completed by March 2011 and hence considered by us in the year 2010-11. However, depreciation is allowed from the next financial year. The second and third phase proposed under capital dredging at a cost of ₹ 40.00 crores and ₹ 50.00 crores are likely to be completed by March 2013 and accordingly considered by us in the year 2012-13. However, since the works are likely to be completed in the fag end of the year, no depreciation is allowed for that year.

All other additions to gross block proposed by the port are considered without any modification. However, wherever the expected commissioning of the assets is envisaged in the month of March, the estimated capital expenditure relevant to such assets is shifted to the next financial year.

The year-wise total additions to the gross block proposed by PPT and considered by us are tabulated below:

(₹ in crores)

Year	As proposed by PPT	As considered by us
2010-11	300.76	253.00
2011-12	149.61	82.37
2012-13	75.00	190.00
Total	**525.37**	**525.37**

(b). The PPT has considered all its assets as business assets in this tariff revision cycle. As stated earlier, during the last revision of tariff at PPT in October 2007, some of the assets were classified as 'business related assets' under estate activity based on the details furnished by the port and in this tariff revision exercise also, the value of same assets are considered as 'business related assets' for the purpose of performance analysis for the years 2007-08 to 2009-10. The written down value of the same block of assets for the years 2010-11 to 2012-13, after deducting annual depreciation of ₹ 174.44 lakhs, works out to ₹ 7346.92 lakhs, ₹ 7172.48 lakhs and ₹ 6998.04 lakhs respectively. Following the approach adopted in the past performance analysis, the value of these assets are considered as 'business related assets' under cargo handling activity, for the purpose of allowing return.

(c). The working capital estimates for the years 2010-11 to 2012-13 furnished by the PPT following the norms stipulated in the guidelines are modified to reflect the cost estimates considered in this analysis. The sundry debtors is considered at two months' estimated estate rental income and railway terminal charges and inventory is considered at one month's estimated value of consumption of materials for the years 2010-11 to 2012-13. The admissible cash balance is considered on the basis of one month's estimated operating expenses and overheads excluding depreciation. In the absence of estimates for current liabilities, the value of current liabilities is considered at par with the amount considered for the year 2009-10. Considering the estimated current assets and current liabilities as stated above, the working capital for the said three years is found to be negative and, therefore, taken as Nil.

(d). The PPT has furnished the design capacity of the port for the years 2010-11 to 2012-13 at 80.00 MT, 85.00 MT and 118.00 MT respectively. It is seen from the submissions made by the port that the capacity for the year 2012-13 includes the capacity of the BOT projects due for completion in that year. As the traffic to be handled by the BOT operators are not relevant for the fixation of port tariff, the capacities of BOT operators also not to be considered. Therefore, the design capacity of the port for the year 2012-13 is also considered at the level of 2011-12, i.e. 85.00 MT. Accordingly, the capacity utilisation for the three years 2010-11 to 2012-13, based on the design capacity and estimated throughput, works out to be 71.25%, 70.59% and 70.59% respectively. The tariff policy guidelines of March 2005 provide for allowing maximum permissible return on capital employed, if the capacity utilisation is more than 60%. Return on capital employed at the maximum permissible rate of 16% on the value of business assets and at the risk free rate of 8.40% on the value of business related assets are, therefore, allowed for the years 2010-11 to 2012-13.

(xiv). Subject to the discussion above, the cost statements furnished by the PPT for the port as a whole and for four main activities have been modified. The modified cost statements are attached as **Annex - I (a) to (e)**. The summarised results of cost statements are presented in the table given below:

Sl. No.	Particulars	Operating Income (₹ in crores)				Net Surplus (+) / Deficit (-) (₹ in crores)				Net Surplus (+) / Deficit (-) as a % of Operating Income			
		2010-11	2011-12	2012-13	Total	2010-11	2011-12	2012-13	Total	2010-11	2011-12	2012-13	Total
1.	PPT as a whole	730.79	751.32	751.51	2233.62	103.41	108.33	71.11	282.85	14.15%	14.42%	9.46%	12.66%
2.	Cargo handling	436.52	447.62	447.62	1331.76	128.72	134.68	134.93	398.33	29.49%	30.09%	30.15%	29.91%
3.	Vessel	178.14	187.38	187.38	552.90	(33.95)	(33.50)	(50.21)	(117.66)	(19.06%)	(17.88%)	(26.80%)	(21.28%)
4.	Railway	99.14	99.14	99.14	297.42	31.14	31.16	11.57	73.88	31.41%	31.43%	11.67%	24.84%
5.	Estate	16.99	17.18	17.37	51.54	(22.50)	(24.01)	(25.18)	(71.70)	(132.51%)	(139.77%)	(144.97%)	(139.13%)

(a). As can be seen from the above table, if allowed to operate at the existing level of tariff, the port will earn an additional surplus of ₹ 282.85 crores during the years 2010-11 to 2012-13. The cargo handling activity shows a huge surplus of ₹ 398.33 crores. In this regard it is noteworthy that the PPT itself has projected an additional surplus (after return on capital employed) of around ₹ 234 crores, for the years 2010-11 to 2012-13. As brought out earlier the additional surplus position reported by the PPT is without taking in to account the past surplus pertaining to the previous tariff cycle 2007-08 to 2009-10. It is further to be noted that the existing tariff has been fixed based on the estimated annual cargo throughput of about 48 million tonnes for the previous tariff cycle, whereas the estimated annual cargo throughput for the current tariff cycle as furnished by the port is around 58 million tonnes, indicating an increase of 21%. The increase in estimated annual throughput along with adjustment of past surplus result in sharp decline of unit cost in the cargo handling activities.

While the cargo handling activity shows a surplus of ₹ 398.33 crores, the vessel related activity shows a deficit position of ₹ 117.66 crores. However, since the port as a whole is showing surplus position, no upward revision in vessel related activity is considered. Further, since the tariff for Railway activities and Estate rentals are not covered under this tariff revision exercise, the surplus in railway activity and deficit in estate activity, which more or less offsets each other, is not considered at present for adjustment of tariff for other activities. Hence, the surplus in the cargo handling activity after meeting the deficit in the vessel related activity is adjusted by effecting necessary reduction in the cargo handling charges.

(b). It may be relevant here to mention that despite specific request, the port has not furnished sub-activity wise cost statements for any main activity, except for MCHP under cargo handling activity stating that such sub-activity wise details are not maintained by the port. The cost statement furnished by the port only for the MCHP activity shows an average additional surplus of around 10% over the operating income for the three years 2010-11 to 2012-13. However, this cost statement could not be taken up for analysis in the absence of sub-activity wise cost statements for other items like POL, Iron Ore, general cargo, hire of equipments, storage, etc. reconciling with the cost statement for cargo handling activity as a whole. In view of the above, this Authority is constrained to effect an across the board reduction in all cargo related charges.

(c). The estimated operating income from cargo handling activities for the remaining period of two years, i.e. 2011-12 and 2012-13 in this tariff cycle amounts to ₹ 895.24 crores, which includes estimated income from plot rent to the extent of ₹ 40.00 crores. As clarified by the port, this plot rental income arises from recovery of licence fee for allotment of land as per the rates prescribed in the existing Scale of Rates. Since the rates of licence fee are fixed following the Land Policy guidelines of the Government and not on cost plus basis, the estimated income in this regard has been excluded for the purpose of revising the existing cargo handling charges. That being so, the cargo handling excluding the plot rental for the years 2011-12 and 2012-13 works out to ₹ 845.24 crores. The estimated additional surplus of cargo handling activity after meeting the deficit in the vessel related activity comes to ₹ 280.67 crores. This additional surplus as a percentage of estimated cargo handling income, as stated above, works out to 32.82%. After allowing margin for estimation errors, if any, an across the board reduction of 32% is effected on all cargo handling charges prescribed in the existing Scale of Rates of the port.

(d). However, the above reduction will not be made applicable in respect of the cargo related charges prescribed for the cargo of Paradeep Phospates Limited handled at Fertiliser Berth No.1 and for the cargo of the Indian Farmers Fertilizers Co-operative (IFFCO) handled at Fertiliser Berth No.2, since the cargo related charges at these berths are governed by the separate bilateral agreements between the PPT and the concerned parties.

(e). All other charges prescribed in the existing Scale of Rates will continue without any change.

(xv). The PPT has stated that the port is contemplating transshipment of dry bulk & break bulk at anchorage and has requested us to extend the existing rate applicable for transshipment of POL & Crude oil to dry bulk & break bulk cargo also. Despite specific request, the port has not furnished any revenue impact analysis in this regard. Hence, it would be difficult to extend the rate fixed for POL/ Crude oil to dry bulk and break bulk cargo. The PPT is advised to come up with a separate proposal for fixation of transshipment charges in respect of dry bulk and break bulk cargo, maintaining the revenue neutral position.

(xvi). The existing SOR of PPT prescribes differential berth hire charges for 'crane berths' and 'non-crane berths'. During the proceedings of the case, the users have objected to the levy of berth hire charges applicable for crane berths at EQ-1 to EQ-3 and demanded that the charges applicable non-crane berths should be levied at EQ-1 to EO-3 berths since the wharf cranes at these berths have been dismantled. Conceding to the demand of the users, the port has proposed to levy the existing berth hire charges at non-crane berths to the berths at EQ-1 to EQ-3. Therefore, the existing provision for levy of berth hire for crane berths is deleted, as proposed by the port.

(xvii). The port has proposed certain changes in the general terms & conditions prescribed at schedule 1.2 of the existing SOR, which are discussed below:

(a). In clause 1.2 (iii) (a), the port has proposed to replace the term 'market buying rate' with 'TT buying rate' stating the change is required as per the banking terminology. Since the existing provision is as per the tariff guidelines of March 2005, no change is required to be effected in the existing clause.

(b). The port has proposed an amendment to existing clause 1.2 (x) under General terms & conditions to the effect that all charges worked out shall be rounded off to the next higher rupee service-wise and it has cited operational convenience as the reason for such change. Since the existing clause in this regard is consistent with the general terms and conditions prescribed in the SOR of the other major ports, the existing clause may continue without any change.

(c). The port has proposed to include a new clause after the existing clause 1.2 (xiii) (d), as given below:

"1.2 (xiii) (e). Incase of penalty imposed by PPT, no interest will be charged for delay in payment of penalty."

The port has stated that the proposed inclusion of the above new clause is in consonance with the existing practice at the PPT. However, it may be advisable for the port to levy interest on the penalty in order to realize the penalty within a reasonable time. Therefore, the proposed provision is not approved. Incidentally, the existing Scale of Rates contains provisions for levy of interest on delayed payments from the users.

(xviii). In the existing arrangement, certain cargo items are listed in whose cases wharfage shall not be payable by the users. The PPT has proposed to add a new provision in this list that wharfage shall not be payable on the surplus quantity due to moisture at the time of despatch of the cargo. Considering that cargo dispatched from Port premises is as per Bill of Entry quantity, as reported by the port and keeping in view that in case of shortfall, the port does not refund wharfage, the proposed inclusion is approved.

(xix). (a). As per the existing Scale of Rates, the incidence of the levy of Port dues is 'per entry' of the vessel. The port has proposed to introduce a new clause stating that 'Port dues are to be levied only once for entry of a vessel, irrespective of change of her name, change of agent or change of owner of the vessel during the stay of the vessel in the port. It appears from the submission made by the port in the joint hearing, the reason for inclusion of this new clause is that it faces problems in apportioning the port dues among the parties concerned, in case more than one party is concerned with the vessel. It has to be recognised that Port Dues is an entry fee for the vessel and that being so, port is concerned with the party who is brining the vessel to the port. In case of a change in the agent during the stay of the vessel in the port, it is for the parties concerned to share the port levy in this regard. Hence, the proposed new clause is not approved.

(b). In the proposed new clause discussed above, the port has also proposed to add that any vessel entering the port from outside the port limit shall be treated as fresh entry on the ground that occasionally the vessels leave the port for hatch cleaning and re-enter the port limit. Since there is no ambiguity seen in the existing clause which enables the port to levy the port dues on 'per entry' basis, the proposed new clause does not appear to be necessary.

(xx). (a). In the existing arrangement, pilotage for SBM operations is leviable 'per entry' of the vessel and unit of levy is GRT of the vessel. As per the proposed new clause envisaged by the port, the pilotage is leviable from berthing to unberthing of the vessel. Since the levy of Pilotage is towards inward and outward movement of the vessels on GRT of the vessels, the duration of the stay of the vessel at the SBM has no relevance for levy of pilotage at the SBM.

(b). In the existing arrangement, the unit for levy of Tug hire charges at the SBM is 8 hours and 4 hours. A charge of US$ 6000 is prescribed for 8 hours and US$ 3,000 is prescribed for 4 hours for foreign going vessels. The hourly rate works out to US$ 1500. With reference to the proposal of the port to reckon with the time between berthing and unberthing for levy of tug hire charges, the port has clarified, that presently the time between berthing and unberthing of the vessel is taken into account for calculation of the duration for levy of tug hire charges. Since the present arrangement does not define the duration of stay of the vessel for levy of tug hire charges and the proposal of the port being to regularise the present practice and keeping in view that there is no pointed objection from the users, the proposal of the port in this regard is approved in respect of tug hire charges only.

Since the duration of the stay of the vessel is the criteria for levy of tug hire charges, it may be appropriate that the unit for levy of tug hire charges is changed from the existing 8 hours / 4 hours to 'per hour' basis. The existing rate prescribed for 8 hours / 4 hours is converted into hourly basis proportionately for this purpose.

(xxi). As clarified by the port, the issue raised by the TANGEDCO about the levy of demurrage charges from coal consignees of BOBR rakes for detention beyond the free time is for the services rendered by the PPT Railways in accordance with the notification issued by the Railway Board and is not within the regulatory purview of this Authority.

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

11.2. The revised Scale of Rates and conditionalities of the PPT will come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and shall be in force till 31 March 2013. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

11.3 The validity of the existing Scale of Rates of PPT may be deemed to have been extended beyond 30 September 2010 till the effective date of implementation of the Order passed.

11.4 The tariff of the PPT has been fixed relying on the information furnished by the port and based on various assumptions made as explained in the analysis. If this Authority at any time during the prescribed tariff validity period, finds that the actual position varies substantially from the estimations considered or there is deviation from the assumptions accepted herein, this Authority may require the PPT to file a proposal ahead of the schedule to review its tariff and to set off the advantage accrued on account of such variations in the revised tariff.

11.5 In this regard, the PPT is requested furnish a report of the actual physical and financial performance within 15 days of completion of each quarter of a year in the same format in which the cost statement for the tariff proposals are filed. The report should also be accompanied with the reasons for variation from the estimates relied upon for fixing the tariff in force. If a variation of (+)/(-)20% is observed between the actual and the estimates for two consecutive quarterly period, TAMP may call upon the port to submit its proposal for an ahead of scheduled review. If the PPT fails to file a tariff proposal within the time limit to be stipulated by TAMP, this Authority may proceed suo motu to review the tariff.

(Rani Jadhav)
Chairperson

Annex-I (a)

PARADIP PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Consolidated Income & Cost statement for the Port as a whole

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by PPT			Estimates moderated by TAMP		
		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
	Traffic (in Million Tonnes)	42.44	46.41	57.01	57.00	60.00	60.00	57.00	60.00	60.00
I	**Total Operating Income**									
	(i) Cargo/container handling income	41,295.94	43,726.15	44,181.17	43,500.64	44,610.64	44,610.64	43,651.65	44,761.65	44,761.65
	(ii) Vessel related income	13,354.28	15,062.65	18,650.18	18,320.93	19,273.35	19,273.35	17,814.12	18,738.31	18,738.31
	(iii) Railway income	8,306.26	9,901.44	9,914.39	10,197.65	10,764.18	11,330.72	9,914.39	9,914.39	9,914.39
	(iv) Estate income	1,089.30	1,014.21	1,679.97	1,679.97	1,679.97	1,679.97	1,698.59	1,717.58	1,736.96
	Total - I	**64,045.78**	**69,704.45**	**74,425.71**	**73,699.19**	**76,328.14**	**76,894.68**	**73,078.75**	**75,131.93**	**75,151.31**
II	**Operating Costs (excluding depreciation)**									
	(i) Container handling & storage	8,600.24	9,276.73	9,733.29	10,097.50	11,028.58	11,443.26	10,097.50	11,028.60	11,443.28
	(ii) Port & Dock facilities	5,741.19	7,295.68	10,211.58	10,520.61	11,199.26	11,584.85	10,405.51	11,116.48	11,534.45
	(iii) Railway workings	3,926.12	3,891.41	3,244.99	3,366.56	3,633.81	3,770.43	3,366.41	3,676.83	3,815.09
	(iv) Rentable lands & buildings	2,023.02	3,124.70	2,930.92	3,100.91	3,280.76	3,471.05	3,041.12	3,155.47	3,274.12
	Total - II	**20,290.57**	**23,588.52**	**26,120.78**	**27,085.58**	**29,142.41**	**30,269.59**	**26,910.54**	**28,977.38**	**30,066.94**
III	Depreciation	4,990.13	4,998.42	5,034.15	5,639.66	6,093.00	6,268.00	5,034.15	6,104.94	6,389.38
IV	Management & General Administration Overheads	6,297.81	7,186.18	7,875.76	8,170.48	8,923.88	9,259.42	8,170.47	8,923.87	9,259.41
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	**32,467.27**	**33,931.33**	**35,395.02**	**32,803.47**	**32,168.85**	**31,097.67**	**32,963.59**	**31,125.74**	**29,435.58**
VI	Finance & Miscellaneous Income (FMI)	1,915.01	1,012.77	5,021.55	1,000.00	1,000.00	1,000.00	555.00	555.00	555.00
VII	Finance & Miscellaneous Expenses (FME)	263.33	176.92	(264.05)	7,800.00	8,300.00	8,800.00	3,300.00	3,300.00	3,300.00
VIII	FMI Less FME (VI) - (VII)	1,651.68	835.85	5,285.60	(6,800.00)	(7,300.00)	(7,800.00)	(2,745.00)	(2,745.00)	(2,745.00)
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**34,118.95**	**34,767.18**	**40,680.62**	**26,003.47**	**24,868.85**	**23,297.67**	**30,218.59**	**28,380.74**	**26,690.58**
X	**Capital Employed**	110,993.96	109,263.53	107,457.97	136,393.42	145,461.44	146,893.41	127,723.82	129,855.88	142,466.51
	(i) Business Assets	103,123.72	101,567.73	99,936.61	136,393.42	145,461.44	146,893.41	120,376.90	122,683.40	135,468.47
	(ii) Business Related Assets	7,870.24	7,695.80	7,521.36	0.00	0.00	0.00	7,346.92	7,172.48	6,998.04
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	**RoCE - Maximum permissible**	17,121.55	16,879.59	16,448.65	21,822.95	23,273.83	23,502.95	19,877.44	20,231.83	22,262.79
	(i) Business Assets	16,499.80	16,250.84	15,989.85	21,822.95	23,273.83	23,502.95	19,260.30	19,629.34	21,674.95
	(ii) Business Related Assets	621.75	628.75	458.80	0.00	0.00	0.00	617.14	602.49	587.84
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**Capacity Utilization**	75.79%	65.37%	75.01%	Not furnished by the port			71.25%	70.59%	70.59%
XIII	**RoCE adjusted for capacity utilization**	**17,121.55**	**16,879.59**	**16,448.65**	**21,822.95**	**23,273.83**	**23,502.95**	**19,877.44**	**20,231.83**	**22,262.79**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**16,997.40**	**17,887.59**	**24,231.97**	**4,180.52**	**1,595.02**	**(205.28)**	**10,341.15**	**8,148.91**	**4,427.79**
XV	**Total surplus for the period**		**59,116.96**		-	-	-	-	-	-
XVI	Less: Shortfall in pension fund requirement as per actuarial valuation after adjusting unutilised		**32,280.00**		-	-	0.00	-	-	-
XVII	50% of balance surplus adjusted over five years from 2011-12		**13,418.48**		-	-	-	-	2,683.70	2,683.70
XVIII	**Net Surplus / (Deficit) for Tariff Period**				**4,180.52**	**1,595.02**	**(205.28)**	**10,341.15**	**10,832.61**	**7,111.49**
XIX	**Net Surplus / (Deficit) as a % of operating income (XIV/I)**				5.67%	2.09%	-0.27%	14.15%	14.42%	9.46%
XX	**Average Net surplus/(deficit) as a % of operating income**					2.45%			12.66%	

Annex-I (b)

PARADIP PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Cargo / container handling activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by PPT			Estimates moderated by TAMP		
		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
	Traffic (in Million Tonnes)	42.44	46.41	57.01	57.00	60.00	60.00	57.00	60.00	60.00
I	**Operating Income**									
	(i) General cargo handling	10,818.14	11,496.16	12,336.62	14,875.00	15,825.00	15,825.00	14,897.95	15,847.95	15,847.95
	(ii) Storage charges	2,268.14	2,514.51	2,621.70	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
	(iii) Iron Ore - Manual	3,909.73	3,296.91	3,761.56	3,105.00	3,105.00	3,105.00	3,105.00	3,105.00	3,105.00
	(iv) Iron Ore - Mech. IOHP	3,187.38	3,744.92	3,993.52	2,070.00	2,070.00	2,070.00	2,070.00	2,070.00	2,070.00
	(v) Coal MCHP - Loading	11,698.71	12,291.52	11,186.36	14,250.00	14,250.00	14,250.00	14,250.00	14,250.00	14,250.00
	(vi) Coal MCHP - Unoading	8,215.80	8,525.76	7,735.43	4,512.50	4,512.50	4,512.50	4,512.50	4,512.50	4,512.50
	(vii) POL handling	783.46	871.37	1,917.85	2,060.00	2,220.00	2,220.00	2,060.00	2,220.00	2,220.00
	(viii) Cranage	378.14	634.48	429.55	429.35	429.35	429.35	429.35	429.35	429.35
	(ix) Others (incl. demurrage on general cargo)	36.44	350.52	198.58	198.79	198.79	198.79	326.85	326.85	326.85
	Total - I	**41,295.94**	**43,726.15**	**44,181.17**	**43,500.64**	**44,610.64**	**44,610.64**	**43,651.65**	**44,761.65**	**44,761.65**
II	**Operating Costs (excluding depreciation)**									
	(i) Handling & storage of general cargo	2,746.79	2,782.14	3,203.08	3,322.92	3,629.33	3,765.79	3,322.93	3,629.34	3,765.80
	(ii) Warehousing	148.30	100.52	102.97	106.82	116.67	121.06	106.82	116.67	121.06
	(iii) Operation & Maintenance of Wharf cranes	117.62	150.91	87.02	90.28	98.60	102.31	90.28	98.60	102.31
	(iv) Operation & Maintenance of I.O.H.P.	1,605.00	1,637.75	1,689.27	1,752.48	1,914.08	1,986.05	1,752.48	1,914.08	1,986.05
	(v) Operation & Maintenance of M.C.H.P.	3,111.04	3,530.23	3,309.26	3,433.09	3,749.65	3,890.64	3,433.09	3,749.66	3,890.65
	(vi) Operation & Maintenance of Lighters & barges	62.47	79.75	96.65	100.28	109.52	113.64	100.27	109.52	113.64
	(vi) Administration & General Expenses	809.02	995.43	1,245.04	1,291.63	1,410.73	1,463.77	1,291.63	1,410.73	1,463.77
	Total - II	**8,600.24**	**9,276.73**	**9,733.29**	**10,097.50**	**11,028.58**	**11,443.26**	**10,097.50**	**11,028.60**	**11,443.28**
III	Depreciation	3,987.32	3,948.25	3,930.31	4,281.89	4,314.17	4,314.17	3,930.31	4,139.38	4,139.38
IV	Apportioned Management & General Administration Overheads	3,678.96	4,276.97	4,898.99	7,729.01	8,441.71	8,759.12	5,082.30	5,550.96	5,759.68
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	**25,029.42**	**26,224.20**	**25,618.58**	**21,392.24**	**20,826.18**	**20,094.09**	**24,541.54**	**24,042.71**	**23,419.31**
VI	Finance & Miscellaneous Income (FMI)	1,283.06	678.55	3,364.44	799.54	799.54	799.54	371.85	371.85	371.85
VII	Finance & Miscellaneous Expenses (FME)	179.07	118.54	(176.91)	2,712.31	2,712.31	2,712.31	2,211.00	2,211.00	2,211.00
VIII	FMI Less FME (VI) - (VII)	1,103.99	560.01	3,541.35	(1,912.77)	(1,912.77)	(1,912.77)	(1,839.15)	(1,839.15)	(1,839.15)
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**26,133.41**	**26,784.21**	**29,159.93**	**19,479.47**	**18,913.41**	**18,181.32**	**22,702.39**	**22,203.56**	**21,580.16**
X	**Capital Employed**	73,589.70	71,108.48	68,858.32	71,883.82	69,930.22	65,506.00	64,928.02	67,998.24	63,858.87
	(i) Business Assets	65,719.46	63,412.68	61,336.96	71,883.82	69,930.22	65,506.00	57,581.10	60,825.76	56,860.83
	(ii) Business Related Assets	7,870.24	7,695.80	7,521.36	0.00	0.00	0.00	7,346.92	7,172.48	6,998.04
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	**RoCE - Maximum permissible**	11,136.86	10,774.78	10,272.71	11,501.41	11,188.84	10,480.96	9,830.12	10,334.61	9,685.57
	(i) Business Assets	10,515.11	10,146.03	9,813.91	11,501.41	11,188.84	10,480.96	9,212.98	9,732.12	9,097.73
	(ii) Business Related Assets	621.75	628.75	458.80	0.00	0.00	0.00	617.14	602.49	587.84
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**Capacity Utilization**	75.79%	65.37%	75.01%	Not furnished by the port			71.25%	70.59%	70.59%
XIII	**RoCE adjusted for capacity utilization**	**11,136.86**	**10,774.78**	**10,272.71**	**11,501.41**	**11,188.84**	**10,480.96**	**9,830.12**	**10,334.61**	**9,685.57**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**14,996.55**	**16,009.43**	**18,887.22**	**7,978.06**	**7,724.57**	**7,700.36**	**12,872.27**	**11,868.95**	**11,894.59**
XV	Adjustment of past surplus				-	-	-	-	1,598.88	1,598.88
XVI	**Total Net Surplus / (Deficit) for Tariff Period**				**7,978.06**	**7,724.57**	**7,700.36**	**12,872.27**	**13,467.83**	**13,493.47**
XVII	**Net Surplus / (Deficit) as a % of**				18.34%	17.32%	17.26%	29.49%	30.09%	30.15%
XVIII	**Average Net Surplus/(Deficit) as a % of operating income**				17.63%			29.91%		

Annex-I (c)

PARADIP PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Vessel related activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by PPT			Estimates moderated by TAMP		
		2007-08	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2010-11**	**2011-12**	**2012-13**
	Traffic (in Million Tonnes)	42.44	46.41	57.01	57.00	60.00	60.00	57.00	60.00	60.00
	No. of vessels	2,098	2,037	1,973	2,000	2,025	2,050	2,000	2,025	2,050
	Total GRT of vessels	37810481	39624721	44871878	44864007	47225271	47225271	44864007	47225271	47225271
I	**Total Operating Income**									
	(i) Port Dues	2,940.80	3,637.87	4,098.26	4,097.55	4,313.21	4,313.21	3,976.16	4,185.43	4,185.43
	(ii) Berth Hire	2,852.74	3,398.11	4,276.45	4,275.70	4,500.74	4,500.74	4,149.04	4,367.41	4,367.41
	(iii) Pilotage & Towage	7,375.86	7,806.08	9,752.63	9,722.68	10,234.40	10,234.40	9,463.92	9,960.47	9,960.47
	(iv) Dry docking	0.00	0.00	241.28	0.00	0.00	0.00	0.00	0.00	0.00
	(v) Water supply to vessels	162.11	168.79	218.63	170.00	170.00	170.00	170.00	170.00	170.00
	(vi) Others	22.77	51.80	62.93	55.00	55.00	55.00	55.00	55.00	55.00
	Total - I	**13,354.28**	**15,062.65**	**18,650.18**	**18,320.93**	**19,273.35**	**19,273.35**	**17,814.12**	**18,738.31**	**18,738.31**
II	**Operating Costs (excluding depreciation)**									
	(i) Berthing & Mooring	1,834.05	1,828.15	2,198.90	2,326.03	2,590.46	2,740.71	2,281.18	2,491.53	2,585.21
	(ii) Pilotage & Towage	114.71	184.33	172.33	182.29	203.02	214.79	178.78	195.27	202.61
	(iii) Dry docking	0.00	50.84	28.11	50.00	50.00	50.00	50.00	51.88	53.83
	(iv) Dredging	2,943.24	4,066.41	4,539.29	4,500.00	4,500.00	4,500.00	4,500.00	4,669.20	4,844.76
	(v) Operation & Maintenance of Navigational Aids	186.53	203.10	312.59	330.66	368.25	389.61	324.29	354.19	367.51
	(vi) Maintenance of Docks, Sea walls, Marine structures, etc.	137.53	311.12	740.42	783.23	872.27	922.86	768.13	838.96	870.50
	(vii) Administration & General Expenses	525.03	651.73	2,219.10	2,347.40	2,614.26	2,765.88	2,302.13	2,514.41	2,608.95
	(viii) Others	0.10	0.00	0.84	1.00	1.00	1.00	1.00	1.04	1.08
	Total - II	**5,741.19**	**7,295.68**	**10,211.58**	**10,520.61**	**11,199.26**	**11,584.85**	**10,405.51**	**11,116.48**	**11,534.45**
III	Depreciation	674.35	647.61	651.65	905.59	951.65	1,001.65	651.65	1,504.63	1,504.63
IV	Apportioned Management & General Administration Overheads	935.34	1,149.75	1,264.15	1,533.04	1,621.96	1,716.03	1,311.46	1,432.38	1,486.24
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	**6,003.40**	**5,969.61**	**6,522.80**	**5,361.69**	**5,500.48**	**4,970.82**	**5,445.50**	**4,684.82**	**4,212.99**
VI	Finance & Miscellaneous Income (FMI)	421.30	222.81	1,104.74	262.53	262.53	262.53	122.10	122.10	122.10
VII	Finance & Miscellaneous Expenses (FME)	42.13	35.38	(52.81)	890.61	890.61	890.61	660.00	660.00	660.00
VIII	FMI Less FME (VI) - (VII)	379.17	187.43	1,157.55	(628.08)	(628.08)	(628.08)	(537.90)	(537.90)	(537.90)
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**6,382.57**	**6,157.04**	**7,680.35**	**4,733.61**	**4,872.40**	**4,342.74**	**4,907.60**	**4,146.92**	**3,675.09**
X	**Capital Employed**	26,502.35	27,584.60	27,241.09	52,976.07	57,186.66	61,264.26	51,889.44	51,040.81	58,536.18
	(i) Business Assets	26,502.35	27,584.60	27,241.09	52,976.07	57,186.66	61,264.26	51,889.44	51,040.81	58,536.18
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	**RoCE - Maximum permissible**	4,240.38	4,413.54	4,358.57	7,946.41	8,578.00	9,189.64	8,302.31	8,166.53	9,365.79
	(i) Business Assets	4,240.38	4,413.54	4,358.57	7,946.41	8,578.00	9,189.64	8,302.31	8,166.53	9,365.79
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**Capacity Utilization**	75.79%	65.37%	75.01%		Not furnished by the port		71.25%	70.59%	70.59%
XIII	**RoCE adjusted for capacity utilization**	**4,240.38**	**4,413.54**	**4,358.57**	**7,946.41**	**8,578.00**	**9,189.64**	**8,302.31**	**8,166.53**	**9,365.79**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**2,142.19**	**1,743.50**	**3,321.78**	**(3,212.80)**	**(3,705.60)**	**(4,846.90)**	**(3,394.71)**	**(4,019.61)**	**(5,690.70)**
XV	Adjustment of past surplus				-	-	-	-	669.33	669.33
XVI	**Total Net Surplus / (Deficit) for Tariff Period**				**(3,212.80)**	**(3,705.60)**	**(4,846.90)**	**(3,394.71)**	**(3,350.28)**	**(5,021.37)**
XVIII	**Net Surplus / (Deficit) as a % of**				-17.54%	-19.23%	-25.15%	-19.06%	-17.88%	-26.80%
XIX	**Average Net Surplus/(Deficit) as a % of operating income**					-20.69%			-21.28%	

Annex-I (d)

PARADIP PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Railway activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by PPT			Estimates moderated by TAMP		
		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
	Traffic handled (in Million	42.44	46.41	57.01	57.00	60.00	60.00	57.00	60.00	60.00
I	**Total Operating Income**									
	(i) Freight & Haulage charges	2,880.43	3,323.18	3,743.98	3,743.98	3,743.98	3,743.98	3,743.98	3,743.98	3,743.98
	(ii) Siding charges	638.46	698.81	776.02	776.02	776.02	776.02	776.02	776.02	776.02
	(iii) Terminal charges	4,693.87	5,727.47	5,394.39	5,394.39	5,394.39	5,394.39	5,394.39	5,394.39	5,394.39
	(iv) Wharfage & demurrage	93.50	151.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - I	**8,306.26**	**9,901.44**	**9,914.39**	**9,914.39**	**9,914.39**	**9,914.39**	**9,914.39**	**9,914.39**	**9,914.39**
II	**Operating Costs (excluding depreciation)**									
	(i) Operationg & Maintenance of Locomotive	1,129.53	1,652.13	1,341.96	1,392.18	1,520.56	1,577.73	1,392.17	1,520.54	1,577.71
	(ii) Operation & Maintenance of Permanent Way, Signals & Interlocking	1,129.85	699.10	328.96	341.27	372.74	386.75	341.27	372.74	386.76
	(iii) Operation & Maintenance of Yards & Sidings	650.68	658.07	811.81	842.20	919.86	954.44	842.19	919.85	954.44
	(iv) Administration & General Expenses	1,016.06	882.11	762.26	790.91	820.65	851.51	790.78	863.70	896.18
	Total - II	**3,926.12**	**3,891.41**	**3,244.99**	**3,366.56**	**3,633.81**	**3,770.43**	**3,366.41**	**3,676.83**	**3,815.09**
III	Depreciation	301.11	375.21	424.84	424.83	799.83	924.83	424.84	424.84	709.28
IV	Apportioned Management & General Administration Overheads	1,233.82	1,104.89	1,153.23	3,180.38	3,364.84	3,560.00	1,196.39	1,306.70	1,355.83
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	**2,845.21**	**4,529.93**	**5,091.33**	**2,942.62**	**2,115.91**	**1,659.13**	**4,926.75**	**4,506.02**	**4,034.19**
VI	Finance & Miscellaneous Income (FMI)	172.35	91.15	451.94	107.40	107.40	107.40	49.95	49.95	49.95
VII	Finance & Miscellaneous Expenses (FME)	39.50	21.23	(31.69)	364.34	364.34	364.34	396.00	396.00	396.00
VIII	FMI Less FME (VI) - (VII)	132.85	69.92	483.63	(256.94)	(256.94)	(256.94)	(346.05)	(346.05)	(346.05)
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**2,978.06**	**4,599.85**	**5,574.96**	**2,685.68**	**1,858.97**	**1,402.19**	**4,580.70**	**4,159.97**	**3,688.14**
X	**Capital Employed**	9,148.92	8,773.71	9,589.17	9,565.83	16,191.02	17,991.84	9,164.33	8,739.49	18,030.21
	(i) Business Assets	9,148.92	8,773.71	9,589.17	9,565.83	16,191.02	17,991.84	9,164.33	8,739.49	18,030.21
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	**RoCE - Maximum permissible**	1,463.83	1,403.79	1,534.27	1,530.53	2,590.56	2,878.69	1,466.29	1,398.32	2,884.83
	(i) Business Assets	1,463.83	1,403.79	1,534.27	1,530.53	2,590.56	2,878.69	1,466.29	1,398.32	2,884.83
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**Capacity Utilization**	75.79%	65.37%	75.01%	Not furnished by the port			71.25%	70.59%	70.59%
XIII	**RoCE adjusted for capacity utilization**	**1,463.83**	**1,403.79**	**1,534.27**	**1,434.87**	**2,428.65**	**2,698.78**	**1,466.29**	**1,398.32**	**2,884.83**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**1,514.23**	**3,196.06**	**4,040.69**	**1,155.15**	**(731.59)**	**(1,476.50)**	**3,114.41**	**2,761.65**	**803.31**
XV	Adjustment of past surplus				-	-	-	-	354.14	354.14
XVI	**Total Net Surplus / (Deficit) for Tariff Period**				**1,155.15**	**(731.59)**	**(1,476.50)**	**3,114.41**	**3,115.79**	**1,157.45**
XVII	**Net Surplus / (Deficit) as a % of**				11.65%	-7.38%	-14.89%	31.41%	31.43%	11.67%
XVIII	**Average Net Surplus/(Deficit) as a % of operating income**				-3.54%			24.84%		

Annex-I (e)

PARADIP PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Income & Cost statement for Estate activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by PPT			Estimates moderated by TAMP		
		2007-08	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2010-11**	**2011-12**	**2012-13**
	Traffic handled (in Million Tonnes)	42.44	46.41	57.01	57.00	60.00	60.00	57.00	60.00	60.00
I	**Total Operating Income**									
	(i) Rent on Land	159.82	180.34	325.12	325.12	325.12	325.12	331.62	338.25	345.02
	(ii) Rent on Buildings, Sheds & Godowns	251.66	249.05	605.80	605.80	605.80	605.80	617.92	630.28	642.89
	(iii) Recoverable service charges	642.85	533.52	676.34	676.34	676.34	676.34	676.34	676.34	676.34
	(iv) Sand Royalty & Others	34.97	51.30	72.71	72.71	72.71	72.71	72.71	72.71	72.71
	Total - I	**1,089.30**	**1,014.21**	**1,679.97**	**1,679.97**	**1,679.97**	**1,679.97**	**1,698.59**	**1,717.58**	**1,736.96**
II	**Operating Costs (excluding depreciation)**									
	(i) Estate maintenance	1,921.08	3,014.05	2,830.70	2,994.88	3,168.58	3,352.36	2,937.13	3,047.57	3,162.16
	(ii) Administration & General expenses	101.94	110.65	100.22	106.03	112.18	118.69	103.99	107.90	111.96
	Total - II	**2,023.02**	**3,124.70**	**2,930.92**	**3,100.91**	**3,280.76**	**3,471.05**	**3,041.12**	**3,155.47**	**3,274.12**
III	Depreciation	27.35	27.35	27.35	27.35	27.35	27.35	27.35	36.09	36.09
IV	Apportioned Management & General Administration Overheads	449.69	654.57	559.39	2,439.74	2,581.25	2,730.96	580.32	633.83	657.66
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	**(1,410.76)**	**(2,792.41)**	**(1,837.69)**	**(3,888.03)**	**(4,209.39)**	**(4,549.39)**	**(1,950.20)**	**(2,107.81)**	**(2,230.91)**
VI	Finance & Miscellaneous Income (FMI)	38.30	20.26	100.43	23.87	23.87	23.87	11.10	11.10	11.10
VII	Finance & Miscellaneous Expenses (FME)	2.63	1.77	(2.64)	80.96	80.96	80.96	33.00	33.00	33.00
VIII	FMI Less FME (VI) - (VII)	35.67	18.49	103.07	(57.09)	(57.09)	(57.09)	(21.90)	(21.90)	(21.90)
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**(1,375.09)**	**(2,773.92)**	**(1,734.62)**	**(3,945.12)**	**(4,266.48)**	**(4,606.48)**	**(1,972.10)**	**(2,129.71)**	**(2,252.81)**
X	**Capital Employed**	1,752.99	1,796.74	1,769.39	1,967.70	2,153.54	2,131.31	1,742.03	2,077.34	2,041.25
	(i) Business Assets	1,752.99	1,796.74	1,769.39	1,967.70	2,153.54	2,131.31	1,742.03	2,077.34	2,041.25
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	**RoCE - Maximum permissible**	280.48	287.48	283.10	314.83	344.57	341.01	278.72	332.37	326.60
	(i) Business Assets	280.48	287.48	283.10	314.83	344.57	341.01	278.72	332.37	326.60
	(ii) Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**Capacity Utilization**	75.79%	65.37%	75.01%	Not furnished by the port			71.25%	70.59%	70.59%
XIII	**RoCE adjusted for capacity utilization**	**280.48**	**287.48**	**283.10**	**314.83**	**344.57**	**341.01**	**278.72**	**332.37**	**326.60**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**(1,655.57)**	**(3,061.40)**	**(2,017.72)**	**(4,259.95)**	**(4,611.05)**	**(4,947.49)**	**(2,250.82)**	**(2,462.08)**	**(2,579.41)**
XV	Adjustment of past surplus				-	-	-	-	61.35	61.35
XVI	**Total Net Surplus / (Deficit) for Tariff Period**				**(4,259.95)**	**(4,611.05)**	**(4,947.49)**	**(2,250.82)**	**(2,400.73)**	**(2,518.06)**
XVII	**Net Surplus / (Deficit) as a % of**				-253.57%	-274.47%	-294.50%	-132.51%	-139.77%	-144.97%
XIX	**Average Net Surplus/(Deficit) as a % of operating income**					-274.18%			-139.13%	

Annex - II

PARADIP PORT TRUST
SCALE OF RATES

CHAPTER-I

1.1. Definitions:

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

(i). **"Board"** will mean Board of Trustees of Paradip Port Trust.

(ii). '**Board with reference to vessel'** will mean "On board the Vessel".

(iii). **'Coastal/coasting vessels'** shall mean any vessel exclusively employed in trading between any port or place in India to anther port or place in India having a valid coastal license issued by Competent Authority.

(iv). "**Cold Move**" shall mean the movement of the vessels without the main engines in operation.

(v). '**Day**' will mean 6 A.M to 6 A.M of the following day, unless in the context otherwise specified.

(vi). **"Demurrage"** shall mean charges payable for storage of cargo within port premises beyond free period, as specified in the scale of rates.

(vii). '**Entry'** means entering in to the Port limits.

(viii). '**Foreign vessel'** means a vessel other than a Coasting Vessel.

(ix). "**Full Container Load" (FCL**) shall mean a container containing cargo belonging to one consignee in the vessel's manifest.

(x). '**General shift'** means the period of eight hours i.e. from 7 A.M. to 12 Noon and from 2 P.M to 5 P.M.

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

(xii). ''**Holiday'** will mean the days notified by the management on which the Port Trust offices will remain closed.

(xiii). **"Less than a Container Load" (LCL**) shall mean a container containing cargo belonging to more than one consignee in the vessel's manifest.

(xiv). **"Port"** will mean Port of Paradip.

(xv). **"Port Management"** will mean Chairman of Paradip Port trust or any other official acting under the Authority of Chairman.

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

(xvii). '**Shift'** will mean duration of eight hours with a recess of 30 minutes after the fifth hour. For the port's operation the first shift is from 6.A.M. to 2 P.M, second shift from 2 P.M to 10 P.M and third shift is from 10 P.M to 6 A.M of the next day.

(xviii). "**Transhipment**" shall mean any cargo not originally manifested for the port of Paradip, but landed at Paradip and subsequently reshipped to other ports.

(xix). "**Transhipment container"** shall mean any container, which is discharged from one vessel, stored in the yard and transported by road, rail or by sea through other vessel.

(xx). **'Vessel"** will have the same meaning as defined under MPT Act-1963.

1.2. <u>General terms and conditions</u>.

(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 port.

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

(ii). The Status of a vessel, as borne out by its certification by the Customs or Director General of Shipping shall be the deciding factor for classifying into "coastal" or "foreign-going" category for the purpose of levy of vessel-related charges. The nature of cargo or its origin will not be of any relevance for this purpose.

(iii).(a). All dollar denominated tariff will be recovered in Indian Rupees after conversion of charges in dollar terms into its equivalent Indian Rupees at the market buying rate notified by the Reserve Bank of India, State Bank of India or its associates or any other Public Sector banks as may be specified from time to time.

(b). The day of entry of the vessel into port limits shall be reckoned as the day for such conversion. In respect of charges on containers, the day of entry of the vessel in the case of import containers and the day of arrival of containers into the port in the case of export containers shall be reckoned as the day for such conversion.

(iv). A regular review of exchange rate shall be made once in 30 days from the date of arrival in cases of vessels staying in the port for longer period. The basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.

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

(b). The Port Trust may also, if it so desires, rationalize the prescribed conditionalities governing the application of rates if such rationalization gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels.

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

(vi). (a). The vessel related charges for all coastal vessels should not exceed 60% of the corresponding charges for other vessels,

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

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

(d). 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, from/to quay to/from storage yard as well as wharfage on cargo and containers.

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

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

(vii). The users shall not be required to pay charges for delays beyond reasonable level attributable to PPT.

(viii). Goods shall not be delivered/ allowed to be shipped until all the admissible charges under the rules have been paid and the receipt in support of the same is produced.

(ix). Vessels shall not be granted clearance for sailing until and unless all the admissible dues/charges as per rules have been paid.

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

(xi). For the purpose of charges, 'Gross' and not the 'Net' tonnage of cargo shall be taken.

(xii). All dues in respect of services required will have to be paid in advance or within the stipulated time as per demand.

(xiii). Interest on delayed payments/refunds:

(a). Users shall pay penal interest on delayed payments and port shall pay penal interest on delayed refunds at the rate of 14.75% per annum.

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

(c). The delay in payments by user will be counted beyond 10 days after the date of raising the bills. This provision will not apply to cases where payment is to be made before availing of the services/use of port properties as stipulated in the MPT Act, 1963 and/or prescribed as conditions in the tariff.

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

(xiv). Application for refund of any type of due/charge already paid must be submitted in writing by the claimant or his representative within six calendar months after the month of first payment/adjustment. No refund shall be made unless amount refundable is ₹ 100/- or more.

(xv). The charges are to be paid on per ton basis. The fraction of a ton will be rounded off to next higher tonnage.

CHAPTER II

CARGO RELATED CHARGES

2.1 Wharfage other than on containers and containerised cargo:

Sl. No.		Description of goods	Rate per MT or part thereof (₹)	
			Foreign rates	Coastal rates
1.	a)	Chrome Ore /Chrome Concentrate	51.00	30.60
	b)	Manganese ore.	50.80	30.50
2.		Charge Chrome/ Ferro alloys and other processed Ores/High Carbon Ferro Chrome	61.20	36.70
3.		All types of Coal/Coke		
		Per party import upto 5 lakhs tonnes per annum	43.00	25.80
		Per party import between 5 lakhs and 7.5 lakhs per annum	36.20	21.70
		Per party import above 7.5 lakhs tonnes per annum	29.40	17.65
		Per party shipment of all types of coal upto 3.5 million tonnes per annum - conventional handling.	46.90	28.15
		Per party shipment of all types of coal above 3.5 million tonnes per annum - conventional handling.	39.10	23.45
4.		Coal through MCHP[@]		
	a)	Unloading of coal wagon through the coal handling system Shipment of coal through coal handling plant	51.70	51.70
	b)	(i)Up to 7.5 million tonnes	77.50	77.50
		(ii)From 7.5 million tonnes to 10 million tonnes	71.05	71.05
		(iii)Beyond 10 million tonnes	64.60	64.60

Sl.No.		Description of goods	Rate per MT or part thereof. (₹)	
			Foreign rates	Coastal rates
5.	a)	Iron Ore [through IOHP] (i) Shipment Up to 1.0 MTPA (ii) Shipment between 1.0 MTPA and 1.5 MTPA iii) Shipment above 1.5 MTPA	 23.45 20.05 16.65	 23.45 20.05 16.65
	b)	Tippling Charges	20.40	20.40
	c)	Iron Ore (Manual)	23.45	23.45
6.		Iron & Steel [Steel coils, slabs, steel pipes, steel rails, pig iron, plates, iron rods etc.]	51.00	30.60
7.		Iron & Steel Scraps	27.20	16.30
8.		Cement, Clinker, Limestone, Dolomite and other fluxing materials. Up To 2.00 Lakhs Tons (per party) Above 2.0 Lakhs Tons (per party)	 54.40 47.60	 32.65 28.55
9.		Aluminum Ingots	19.55	11.75
10		Finished Fertilizer / Ammonium Nitrate	27.20	16.30
11.		Food grains, Oil seeds, cereals, pulses, Edible oil etc. Upto 50,000 MT (per party) Above 50,000 MT(per party)	 68.00 40.80	 40.80 24.50
12.		Rice/sugar	20.40	12.25
13.		Salt	6.80	4.10
14.		POL and Products		
	a)	Crude oil, petroleum and its products having flash point of 23 degree C[73.4 degree F.] and above In bulk Upto 2.00 MTPA In bulk Above 2.00 MTPA In barrel	 30.60 28.55 40.80	 30.60 28.55 40.80
	b)	Petroleum and its products having flash point of less than 23 degree C [73.4 degree F.]	68.00	68.00
15.		POL through SBM constructed by operators within port limits.	5.45	5.45
16.		LPG and LNG	68.00	40.80
17.		Liquid bulk including Acid, Fatty Acid and Ammonia.	50.85	30.50
18.		Timber [per cum]	34.00	20.40
19.		Drilling materials and chemicals.	54.40	32.65
20		All types of fish including shrimps	39.10	23.45
21.		Other General Cargo (Bulk and Break Bulk)		
	i)	By Slings	34.00	20.40
	ii)	By Grabs	23.80	14.30
22		Transshipment [crude and POL] from mother to daughter vessel.	6.80	4.10
23		Barging [loading and unloading]	-	10.20
24		All types of project cargo including over dimensional consignment [ODC]	57.80	34.70

Note: @The rate at 4b (ii) and 4b (iii) will apply if traffic of a single user in a year exceeds the slab limits.

2.2 Wharfage on Containers and Containerised cargo:-

Sl. No.	Description	Container having length upto 20 feet (₹)		Container having length over 20 feet but upto 40 feet (₹)		Container having length above 40 feet (₹)	
		Foreign	Coastal	Foreign	Coastal	Foreign	Coastal
1.	Wharfage on Container (Box only)	68.00	40.80	102.00	61.20	136.00	81.60
2.	Wharfage on reefer cargo(Per Box)	544.00	326.40	816.00	489.60	1088.00	652.80
3.	Wharfage on non-reefer cargo(Per Box)	442.00	265.20	663.00	397.80	884.00	530.40

Notes to Sections 2.1 and 2.2. above.

(1). Wharfage shall also be payable on the following specified goods at normal rates:

- (a) On cargo abandoned
- (b) On cargo excess landed and over loaded
- (c) On cargo confiscated by Customs
- (d) On cargo salvaged
- (e) On serviceable empty drums, empty bottles and other ship stores disposed off by vessels in the Port.
- (f) On sweeping collected on board of vessels and landed at this port where the entire cargo is not discharged at the Port.
- (g) On all cargo admitted to the Board's transit areas for shipment where it is shipped or having been brought is taken out without being shipped.
- (h) On cargo entering the Board's premises by rail or road and taken out from the Port without shipment.
- (i) Cargo of other Port if landed or reshipped.
- (j) Handling charges for transshipment containers will be at 1.5 times the handling charges for the normal handling operations in loading or unloading cycle.

(2). Wharfage shall not be payable on the following specified items-

- (a) Goods cosigned to or by the Board on account of Paradip Port Trust
- (b) In respect of ships using the Port bonafide ship's fittings, ship's stores, bonafide passengers and Seamen's baggage and personal effects accompanying, live stock, bunker, which was not manifested as cargo.
- (c) Sweeping collected from the Board's premises and survey rejections.
- (d) Rail-borne goods mis-sent to the harbour rejected by the consignee and goods cleared from bond and dispatched by rail from the Board's premises.
- (e) Cargo shifted from one hatch to other hatch without routing through the berth.
- (f) On surplus quantity due to moisture at the time of evacuation/dispatch.

(3). Wharfage and Intra- port transportation:-

(a). All goods landed or shipped within the limits of Port areas shall be liable to pay wharfage charges as detailed in the scale of rates. The charges shall be payable by the Importers/Exporters prior to rendering of service by the Port.

(b). All applications for permission to export or to clear import goods shall be made on the prescribed format approved by PPT and such formats shall in all cases be correctly filled in and signed by the Shipper/ Consignee of the goods or by their Agents. Whenever required, PPT may call for inspection of necessary documents; the same shall be produced by Shippers/ Consignees or their Agents. Whenever the cargo is to be shipped by a vessel other than that entered on the application, a fresh application must be submitted to PPT.

(c). The importers or the exporters or the Shipping Agents will have to make their own arrangement for landing or shipment of cargoes.

(d). The weight shown in the Bill of Lading or original invoice upon which freight has been paid shall be deemed to be the correct tonnage. However, incases where the Port makes a check weighment, the tonnage recorded by the Port shall be deemed to be the correct tonnage.

(e). Fees on packages containing article of miscellaneous character shall be levied at the rate applicable to the article on which the highest rate is chargeable.

(f). The Port undertakes the shore handling of all general cargo landed from or shipped into the vessels and the charge for this service is included in the wharfage rate. In case of bulk cargo required to be bagged on wharf/ transit area, the trade shall assume the custody of cargo on the wharf and undertake all the handling operations as per the operational planning of the Port. In case in the opinion of the PPT, if the consignee / trade has failed to adhere to the operational planning for bagging of bulk cargoes which consequently affects the discharge from the vessel, the detention charge at the rate of ₹ 1, 000/- per hour will be recovered from the consignee/ trade for the period the discharge operations are affected.

(g). Port assumes the custody in respect of general/ break bulk cargo landed from the vessel or brought to the transit shed/ area for shipment only when the port gives a receipt.

(h). The port will use the wharf crane, mobile crane or other special equipment, which is necessary or convenient for handling the cargo. The charges for hire of such cranes or specialized equipment shall be levied in addition to the rates prescribed.

(i). The Port does not undertake intra-port Transportation work for engineering goods, steel wire rods, coils and project material. The Intra-port transportation service to and from the berth for other export and import cargo shall be optional and can be undertaken by the Port on specific request at the market rates with service charge of 5% over the rates. The Port Trust however reserves the right to refuse the intra-port transportation service in respect of any cargo and communicate the same to the user well before commencement of the service/ arrival of the ship. The intra-port transportation means transportation of cargo, in case of import, from the wharf to the plot/sheds inside the port prohibited area where as in case of export cargo, the same will mean the reverse, i.e. transportation of cargo from plot/sheds inside port prohibited area to the wharf/vessel side.

(j). The Port Trust shall undertake transportation of bulk and break bulk cargo from the berth to the transit area and vice versa without any additional charges where the transit area and transit shed form part of the berth. In case the berth where vessel is berthed does not serve to such transit area, the importer/ exporter shall make own arrangements for transportation of cargo. The decision of the port, regarding transit area or transit shed, which forms the part of a berth, shall be final.

(k). The Exporters and Importers are to regulate loading at the wharf as well as at the stockyard to avoid spillage en-route in course of Intraport Transportation. In the event of spillages en-route or on the railway tracks in course of Transportation, it shall be the responsibility of the Importer/ Exporter to arrange for removal of the same for operational reasons.

(l). Before classifying any cargo under “unspecified” category, the relevant customs classification should be referred to find out whether the cargo could be classified under any of the existing categories in the wharfage schedule.

(m). If at any time port should apprehend a serious congestion in the transit sheds or other places allotted for goods in transit shed/area to the detriment of rapid transit of goods through the Port, it may direct the owner or consignee of any specific goods to remove such goods from Port premises within a given time. If the goods are not removed within the specified time, the port may cause those goods removed and restacked them in other places within the transit shed or any other places allotted for the goods in transit at the risk and expenses of owner/consignee. The cost of such removal shall include equipment hire charges, labour charges including levy as applicable from time to time and supervision charges at the rates of 20 per cent of labour and equipment charges. Goods so removed will be charged with demurrage dues at the rate applicable for goods retained beyond second week and will not be eligible for any other concession given in the schedule.

(n). Goods placed in spaces, which are not intended as spaces to be occupied by goods in transit, transit dues will be charged at the maximum demurrage rates and no free time will be allowed. The port will remove such goods at the expenses and the risk of the owners/ consignee to one of the spaces provided for goods in transit. The cost for such removal will be as mentioned at item (i) above.

2.3. **<u>Charges if stuffing/destuffing of cargo containers is undertaken by the port (charges exclude lashing and dunnage).</u>**

	Per container	
	Foreign (U.S. $.)	**Coastal (₹)**
1. Container having length upto 20 feet	8.30	340.00
2. Container having length over 20 feet but upto 40 feet	12.45	510.00
3. Container having length above 40 feet	16.60	680.00

2.4. **<u>Dwell time charges on containers.</u>**

Sl. No.	**Description**	**Container having length upto 20 feet (Rate per day per U.S. $.)**	**Container having length over 20 feet but upto 40 feet (Rate per day per U.S.$.)**	**Container having length above 40 feet (Rate per day per U.S. $.)**
1.	<u>Import containers</u>			
	First 3 days	Free	Free	Free
	4^{th} to 30^{th} day	0.095	0.190	0.285
	31^{st} day onwards	0.204	0.408	0.612
2.	<u>Export containers</u>			
	First 5 days	Free	Free	Free
	6^{th} to 30^{th} day	0.095	0.190	0.285
	31^{st} day onwards	0.204	0.408	0.612
3.	<u>Transhipment containers</u>			
	First 8 days	Free	Free	Free
	9^{th} to 30^{th} day	0.095	0.190	0.285
	31^{st} day onwards	0.204	0.408	0.612

2.5. **<u>Charges for supply of electricity to reefer containers</u>**

Particulars	**Rate per container per 4 hours or part thereof**					
	Upto 20" containers		**Above 20' but upto 40' containers**		**Above 40' container**	
	Foreign (₹)	**Coastal (₹)**	**Foreign (₹)**	**Coastal (₹)**	**Foreign (₹)**	**Coastal (₹)**
Charges for supply of electricity to reefer containers.	102.00	61.20	153.00	91.80	204.00	122.40

2.6. Charges for overside discharge of containers

Particulars	Per overside discharge of loaded container		Per overside discharge of empty container	
	Foreign (₹)	Coastal (₹)	Foreign (₹)	Coastal (₹)
1. Container having length upto 20 feet	340.00	204.00	47.60	28.55
2. Container having length over 20 feet but upto 40 feet	510.00	306.00	71.40	42.85
3. Container having length above 40 feet	680.00	408.00	95.20	57.10

Note: This charge shall be levied on steamer Agents/ Slot-hirers/ Ship owners

2.7. Charges for cargo of Paradeep Phosphates Limited handled at the Fertilizer Berth-(I)

(1) A fixed charge of ₹ 30 lakhs (Thirty lakhs) per month irrespective of the quantum of cargo handled in 3 equal installments payable on 1st, 10th and 20th of each month.

(2) A consolidated unit charge (Rupees per ton) which will vary with the annual throughput are follows:-

Sl.No.	Particulars	₹ per tonne
(a)	Upto 5 lakh tonnes	65.00
(b)	5 to 10 lakh tonnes	50.00
(c)	10 to 15 lakh tonnes	25.00
(d)	And above 15 lakh tonnes	25.00

(3) In addition to the charges as mentioned at (1) and (2) above, the Paradeep Phosphates Limited will pay other charges namely, Pilotage and towage and port dues only as per the Scale of Rates and no other charges, like berth hire, warping, mooring charges.

2.8. Charges for Cargo of Indian Farmers Fertilizers Co-operative handled at Fertilizer Berth II.

(1) Captive Berth charges of ₹ 4,69,35,000/- (Rupees four crore sixty nine lakhs thirty five thousand only) per annum shall be payable on monthly basis in advance @ ₹ 39,11,250/- per month irrespective of quantum of cargo handled. If the due date falls on Sunday or holiday, the payment will be made in the next working day.

(2) Wharfage charges will be applicable on the following rates.

Sl.No.	Particulars	₹ per tonne (w.e.f. 1.4.2008)
(a)	Up to 5 lakh tonnes	86.52
(b)	5 to 10 lakh tonnes	73.21
(c)	10 to 15 lakh tonnes	53.24
(d)	And Above 15 lakh tonnes	33.28

There will be escalation @ 10% after every three years in the rates of wharfage at each slab as provided for in the agreement. Accordingly, the next escalation will be due on 01.04.2011. The berth hire charges will be reviewed and revised in the year 2011.The minimum guaranteed cargo is 2.50 million tons per annum. In case of any shortfall in minimum guarantee, IFFCO will pay wharfage for the full guaranteed cargo within the first month of the next financial year.

(3) In addition to the charges as mentioned at (1) and (2) above, IFFCO will pay other service charges namely, Pilotage and towage and port dues, etc. as per prevailing Scale of rates and as amended from time to time .

2.9. **Charges for transshipped goods:**

Category	Rate
Through cargo originally manifested at the Port of shipment landed on quay and reshipped OR Goods transshipped for Ports outside India OR Cargo manifested for local and subsequently amended at Paradip for transshipment OR Cargo of other Ports not shown for transshipment	2 times of wharfage as per Section 2.1 above

Note: - Intra-port transportation charges wherever applicable will have to be paid extra.

2.10. **Free Storage period for levy of demurrage in transit accommodation.**

Sl.No.		Description	Free period.
1		Import	3 days from day of discharge
2.	a	Export	5 days from day of receipt in Port
	b	Rice Export	30 days from day of receipt in Port
3		Transshipment	10 days from the date of landing

Notes:

(1). Free period prescribed above excludes customs notified holidays and ports non-working days.

(2). Free period for containerized cargo shall commence from the day of de-stuffing.

(3). In case of salvaged goods free period shall commence from the following the day of salvage.

(4). For dangerous goods, free period is 24 hours.

(5). For unclaimed/uncleared goods sold by auction, free period of 3 days shall count from day of auction.

(6). Free time for gift cargoes consigned to all charitable organizations will be 30 days. This free time shall be allowed irrespective of the nature of carrier and type of packaging.

(7). In case of excess landed cargo, demurrage will be charged after expiry of 3 days of notification of excess landing to the consignee.

(8). In case of missing goods in transit shed due to congestion or otherwise, demurrage will be charged after 3 days from the date of location.

(9). In case of hazardous containers, a premium to the extent of 25% on handling and storage charges shall be levied.

(10). The dwell time for import containers shall commence from the day after the landing of the container and for export containers the free period shall commence from the time the container enters the terminal.

2.11. Demurrage on goods left lying in the transit shed or in open transit space beyond the free period.

Period	Rate per MT per day or part thereof. (₹)	
	Import	Export
For the 1st week	3.40	2.05
For the 2nd week	10.20	4.75
For the 3rd and subsequent weeks	17.00	10.20

Note: For rail users demurrage at the lowest rate shall be applicable for non-supply of wagons by Railways provided indents are maintained.

2.12. Demurrage on containerised cargo

(1). No demurrage shall accrue on container or export/ import cargo for the period when the port is not in a position to deliver /make shipment of cargo or containers when requested by users.

(2). On other hazardous goods demurrage shall be levied from the date of landing at double the rates specified in section 2.11. if not cleared in the next working day from the date of landing.

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

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

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

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

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

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

(iv). Where the container is seized/confiscated by the Custom Authorities and the same cannot be de-stuffing with in 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, seize/confiscated containers should be removed by the line/consignee from the port premises to the Custom bonded area and in that case the storage charge shall cease to apply from the day of such removal.

2.13. Licence fee:

Sl no.	Category	Rate
1. (a).	Open stack-yard: Category-I (paved areas with siding)	₹ 1200 per month or part thereof for 100 sq. Meter or part thereof.

1. (b).	Category –II (Paved area without siding)	₹ 900/- per month or part thereof for 100 sq. Meter or part thereof
1. (c).	Category-III Unpaved area	₹ 600/- per month or part thereof for 100 sq. Meter or part thereof
2.	Covered Space	₹ 3,600/- per month or part thereof for 100 sq. Meter or part thereof.
3.	Quay Apron/ Concreted stack-yard/ Transit sheds (for non-shed cargoes)	₹ 2,000/- per month or part thereof for 100sq. Meter or part thereof.

Notes: - (1). For leases of less than one year, a surcharge of 10% on the rates mentioned will be levied.

(2). General conditions for allotment of covered and open spaces

(i). Licence for the use of storage shed, open spaces or other property for periods not exceeding eleven months at a time shall be covered by permits to be issued by the Port administration. Allotment for a period of 11 months will be with out surcharge and allotment for periods less than eleven months will invite 10% surcharge. The licence can be renewed at the expiry of previous licence period. Each renewal of licence shall be treated as fresh licence. Applications for use of open spaces, staking-yards, sheds or other property shall be made in writing in the prescribed form to PPT and no goods shall be stored in any such place in the absence of such permission.

(ii). Applications for renewal of the permit under these rules for a further period shall be made within one week of the expiry of the permit. The granting of permit for a further period shall be at the discretion of the port.

(iii). Full rent/license fee shall be payable in advance for the area under licence. In case of renewal, license fee shall be payable within 7 days of the expiry of the previous licence. Failure to pay rent or comply with the conditions of licence may result in the cancellation of the licence and levy of penal rent as specified in Para- 2.1 (vii).

If cargoes are stored in areas not covered under the rules double the specified rent shall be charged from the allottee for the period from the date of storage till the vacation of the un-authorized occupation or regularisation of such occupation under valid permit.

(iv). Goods stored in the open spaces, stacking- yards, sheds or other places shall remain at the owner's risk and Port will be not responsible for any pilferage, theft, damage or loss.

(v). The locking of shed partially or wholly rented to the parties shall not be regarded as making the Port a bailee of the goods unless the Port has issued a special receipt for the same.

(vi). The space allotted cannot be sublet without the permission of the port.

(vii). The space allotted should be vacated on receipt of one-month notice.

(viii). The allotment of space shall be at the discretion of the port and it may refuse to allot space without assigning any reason.

(ix). The port shall have the right to resume possession of space, which is not occupied, or lying vacant after giving intimation to the party. In such case, proportionate reduction of rent shall be allowed. In case a plot is surrendered before expiry of the lease, proportionate rent for the plot will be recovered for the period of occupation.

(x). All the Sheds / covered storage areas inside the prohibited area shall be under the control of Traffic Department for the purpose of storage of cargoes or for other than handling of cargoes.

(xi). The license fee for plots/stack yards/covered space shall be recovered proportionately for the days of actual occupation in cases of first and last month of occupation/allotment.

(xii). The decision of the port will be final with regard to classification of cargo as shed or non-shed cargo

2.14. Penal License fee:

In case imported coking coal, non-coking coal and all types of coke are not evacuated within 90 days of landing, the importers shall be liable to pay penal license fee as detailed below:

Sr.No.	Duration	Rate	Unit of levy
1.	Upto 90 days	Normal plot rent	On area occupied
2.	Beyond 90 days	Double the normal plot rent	On area occupied

Note: Wherever actual measurement is not possible for some reason or other, the area under occupation will be determined at the rate of 4 Metric Tonnes per square meter for coking coal and non-coking coal and at the rate of 2 Metric Tonnes per square meter for all types of coke.

2.15. A. Hire charges for cargo handling equipment:-

Sl. no.	Type of Equipment	For a shift of 8 hours (₹)
1.	Locomotive 700-1400hp	As per East Coast Railway rates.
2.	Mobile crane – (i) Between 10 MT and 20 MT (ii) Up to 35 MT (iii) Above 35 MT	 1768 3400 10880
3.	Wharf crane: i) 13.2 MT ii) 20.0 MT	4760 12240
4.	Forklift trucks up to 3 MT	680
5.	Pay-loaders up to 4 Cum	5440
6.	Bulldozer above 350 HP	11900
7.	(A) Grab attachment for wharf crane upto 8 Cum. (B) Above 8 Cum. and upto 15 Cum.	408 1020

Notes:-

(1). Minimum charges payable for the locomotive will be for a quarter shift i.e. 2 hours and multiples of it during a shift. The rate will be charged proportionately of the rate shown above for the full shift of 8 hours.

(2). Minimum charges for use of cargo handling equipment will be on hourly basis. Total utilization period of equipment as reflected in the logbook will be the basis for calculation of charges for use of equipment.

(3). Hire charges include cost of POL/Power and staff for handling of the equipment, but do not include cost of labour charges for loading/unloading or slinging/unslinging, which will be the responsibility of the hirer.

(4). Port will provide concessional rate for hiring of wharf crane for handling of break bulk cargo where individual item will be weighing 3 MT or less. The charges in case of such handling by wharf crane will be @ ₹ 3,400/- per shift. This concession will not apply in case of bulk cargo.

(5). Diesel Generator set up to 100 KW. is available. The hire charge for this is ₹ 1,020/- per month or part thereof.

(6). General conditions for hiring of cargo handling equipment

(i). Requisition for the use of cargo handling equipment should be made out in the prescribed form and should be signed for by the authorised representative of the party requiring the cargo handling equipment. Such requisition shall be submitted giving a clear 24 hours advance notice except when the party is already working with the crane/equipment continuously.

(ii). In case the lower capacity equipment requisitioned by trade is not available they will have the option to use the higher capacity equipment, but in such case, they will have to pay the charges as applicable for higher capacity equipment and no reduction will be allowed.

(iii). Allotment of a suitable cargo handling equipment will be at the discretion of the port and ordinarily, these will be supplied, if the requisitions are received. But the port may withhold allotment, if the circumstances justify such action.

(iv). Lifts must be placed in such a position either on vessels or on shore that the head of the jib can be swung vertically above the said lifts, which also must be cleared of all other cargo.

(v). The port permits use of private equipment such as pay loaders, hydrants, mobile cranes, forklifts etc in cargo handling operations.

(vi). The discharge/loading of the lifts from/into vessels will be performed under the direction of the Stevedores employed on the vessels. All other handling of lifts will be performed under the supervision of the Traffic Department subject to following all safety precautions.

(vii). The hirer shall use the cranes hired only for the purpose for which it is hired.

(viii). In case of any damage to the equipment hired out to the party or damage to the property of the Port Trust during the period of hire of the equipment, the cost of damages as assessed by the Port will be recovered from the hirer of the equipment.

B. Charges for use of Harbour Mobile Cranes installed by the private operators:

(I). For Dry Bulk Cargo

Average daily crane performance (in Metric Tonne)	**Ceiling rate per tonne (in ₹)**	
	Foreign	**Coastal**
9500-10499	31.67	19.00
10500-11499	33.53	20.12
11500-12499	35.39	21.23
12500	37.26	22.35
12501-13500	39.12	23.47
13501 – 14500	40.99	24.59
14501 – 15500	42.85	25.71

Note: To calculate the incremental ceiling rates as shown above, the base rate is enhanced to 105% for first thousand tonnes and for the 2nd thousand tonnes the rate is enhanced to 110% of the base rate. The rate for third thousand tonnes is arrived by enhancing the base rate by 115%. The same methodology shall also be adopted to calculate the rate beyond 15500 tonnes. Likewise, ceiling rates for performance below 9500 tonnes shall be calculated by reducing the base rate accordingly.

(II). For Break-bulk cargo:

(A). Steel and Bagged Cargo

Average daily crane performance (in Metric tonne)	**Ceiling rate per tonne (in ₹)**	
	Foreign	**Coastal**
5000-5999	73.62	44.17
6000	77.49	46.50
6001-7000	81.36	48.82

Note: To calculate the incremental ceiling rates as shown above, the base rate is enhanced to 105% for first thousand tonnes. The same methodology shall also be adopted to calculate the rate beyond 7000 tonnes. Likewise, ceiling rates for performance below 5000 tonnes shall be calculated by reducing the base rate accordingly.

(B). Others

Average daily crane performance (in Metric tonne)	**Ceiling rate per tonne (in ₹)**	
	Foreign	**Coastal**
2750-3749	117.86	70.72
3750	124.06	74.44
3751-4750	130.26	78.16

Note: To calculate the incremental ceiling rates as shown above, the base rate is enhanced to 105% for first thousand tonnes. The same methodology shall also be adopted to calculate the rate beyond 4750 tonnes. Likewise, ceiling rates for performance below 2750 tonnes shall be calculated by reducing the base rate accordingly.

Notes:

(i). The formula for calculation of average berth-day out put is as follows:

$$\frac{\text{Total Quantity loaded / unloaded by HMC}}{\text{Total time taken from vessel commencement to completion}} \times 24 \text{ hrs}$$

(ii). According to the average berth-day output for the vessel from commencement to completion of loading / discharge of cargo, the appropriate rate of crane hire charge will be chosen for recovery from port users for the full quantity of cargo loaded / discharged.

(iii). If one HMC works with another HMC or ELL crane/s, the Berth-day output for the crane will be ascertained on the basis of the quantity as recorded by the HMC's load meter.

(iv). In case of breakdown of the crane for more than one hour till the vessel leaves the berth, the quantity handled by HMC will be determined taking into account cargo loaded / discharged prior to break-down divided by crane working hours and multiplied by 24.

(v). In case of stoppages of operation of HMC for more than two hours at a stretch for reasons not attributable to the HMC, appropriate allowance will be allowed to the crane while calculating the total time of crane operation in the vessel. Stoppages of HMC for less than 2 hours will not be taken into consideration for the above purpose. No allowance will be allowed for stoppages attributable to the HMC. All stoppages in loading / unloading operations during working of HMC are required to be certified by the Stevedore of the vessel in the daily vessel performance report.

(vi). In case shifting of a vessel becomes necessary due to breakdown / non-performance of HMC, the shifting charges of the vessel from berth to anchorage will be recovered from the crane operator in addition to a penalty of ₹ 1,00,000/- (Rupees one lakh only). The shifting charges so recovered will be refunded to the vessel's agent while the penalty will be retained by the port.

(vii). In case of dispute on the average output, the decision of the port trust will be final and binding".

2.16. Hire charges for floating craft.

SL No.	Name of the craft		Rate per hour or part thereof.	
			Foreign (U.S.$)	**Coastal (₹)**
1.	Tug up to 40 Ton BP	For Shipping purpose	214.20	5266.75
		For other purpose	321.30	7900.10
2.	Launch	Up to 200 BHP	17.85	438.90
		Above 200 BHP	53.55	1316.70
		1600 BHP Launch	140.10	3444.30
		Non-Propelled barges	17.85	438.90
		Fender Barges	7.15	175.55
3.	Pollution control vessel		44.30	1089.30
4.	Oil reception barge		35.20	865.40
5.	Survey launch		-	4624.00
	Survey equipment		-	11730.00

Notes-: (1). Minimum charges for 2 hours shall be payable for hire of any of the above harbour crafts.

(2). General conditions for hiring of floating crafts: -

(i) The appliance would be hired out subject to the conditions and after executing an agreement in such form as may be prescribed by the Board from time to time.

(ii) The decision of the port as to the type of appliances services required for specific operation shall be final.

(iii) In case the lower capacity craft if requisitioned by trade is not available they will be having option to use higher capacity craft but in such case, they will have to pay the charges as applicable for higher capacity equipment and no reduction will be allowed.

(iv) The manning of the floating crafts hired out by Port Trust dose not make it liable for the loss or damage to the goods etc. carried on them.

(v) Damage, if any, to the floating craft and/or causality to the persons on floating craft will be the responsibility of the user. In case of replacement of such assets due to total damage return will be limited to the capital cost less amount recovered from insurance.

(vi) 12 clear hours notice shall be given by the hirer for the cancellation of the requisition failing which hire charges will have to be paid as per prescribed rate.

CHAPTER – III

VESSEL RELATED CHARGES

3.1. Berth hire for non-crane berths

Sr. No.	Description	Rate per GT per hour or part there of.
1.	Foreign going vessels	U.S. $. 0.002375
2.	Coastal	₹ 0.058

3.2. Concession in berth hire

Sr. No.	Description	Concession
1.	Vessels berthed at moorings/anchorages	50%
2	Vessels double banking alongside the berth.	50%

Notes

(1). Gross Tonnage (GT) is the cubic capacity of the whole ship (including engine room and crew space but excludes space above deck, cabins, deck shelters, chart house, etc.) as indicated in the vessel certificate of registry. Half a ton and more should be counted as one ton and less than half a ton ignored.

(2). For a vessel carrying decks cargo, the deck cargo will be added to the GT of the vessel for determining the GT on which the charges are to be calculated.

(3). For a vessel having dual tonnage, the higher tonnage will be taken into account towards calculation of vessel related charges.

(4). (i). Berth hire shall stop 4 hours after the time of the vessel signaling its readiness to sail. The time limit prescribed for cessation of berth hire shall exclude the ship's waiting time for want of favorable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

(ii). There shall be penal berth hire equal to one days berth hire charge for a false signal.

(iii). The Master/Agents of the vessel shall signal readiness to sail only in accordance with favourable weather conditions and tidal movements.

(5). The vessels which are at berth in the roadstead within the port water limits shall be charged @ 4.375 USD (for coastal vessels ₹ 107.57) per hour or part thereof. However, for the vessels anchoring at the roadstead waiting for the berth shall not have to pay the above charge. Besides, no roadstead charge shall be levied if the vessel waits for the following:

(i) For want of cargo,

(ii) If Shippers/Agents are not known,

(iii) If the vessel waits at the roads after port clearance for any reason whatsoever.

(6). The berth hire charges for LASH barges shall be levied @ 0.875 USD per barge per hour or part thereof during the process of operations of loading or unloading of cargo. For the LASH barges lying inside the port waters, the charges shall be levied @0.21875 USD per hour/ barge. The counting of period will be in the same manner as is detailed out for levying of berth hire charges of the vessels.

(7). For mechanized trawlers of 50 feet LOA and less a charge of ₹ 472.50 will be levied per month or part thereof. For catamarans fishing boats, consolidated charge will be ₹ 5.25 per day or ₹ 105.00 per month.

(8). After completion of discharge or loading, if the vessels assignment is changed, separate berth hire will be charged for the same day.

(9). The charges for trunk –calls, damages to instruments shall be payable extra as per actual.

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(10). No berth hire shall be levied for the period when the vessels idle at the berths due to break down of port equipment or power failure or any other reasons attributable to the port.

(11). Priority and Ousting Priority charges:-

(i). PRIORITY BERTHING:
For providing 'priority' berthing to any vessel, Paradip Port Trust shall collect fee equivalent to berth hire charges for a single day or 75% of the berth hire charges calculated for the total period of actual stay at the berth, which is higher For example, if the berth hire charges are ₹ 10,000/- per day, then a minimum fee of ₹ 10,000/- or 75% of the berth hire charges calculated for the total period of actual stay at the berth i.e. @ ₹ 7,500/- per day, whichever is higher shall be charged.

(ii). OUSTING PRIORITY:-

For providing 'Ousting priority' to any vessel, the port shall collect a fee equivalent to berth hire charges for a single day or 100% of the berth hire charges calculated for the actual period of stay at the berth, whichever is higher. For example, if the berth hire charges are ₹ 10,000/- per day then a minimum fee of ₹ 10,000/- or 100% of the berth hire charges calculated for the total period of actual stay at the berth i.e. @ ₹ 10,000/- per day, which is higher shall be charged. In addition, for providing 'Ousting Priority' to any vessel, this port shall collect the charges for 'shifting in' and 'shifting out' of the vessel.

(iii). The fee for according 'Priority'/'Ousting priority' as indicated above shall be charged from all the vessels irrespective of the fact whether the 'Priority' /'Ousting Priority' is accorded by the Central Government or the Port Trust under their own regulation, except the following categories.

(a) Vessels carrying cargo on accounts of Ministry of Defence.
(b) Defence vessels coming on goodwill visit.
(c) Vessels hired for the purpose of Antarctica expedition by Department of Ocean Development.
(d) Any other vessel for which special exemption has been granted by the Ministry of Shipping.

(12) Vessels should be ready for sailing in all respects within two hours of completion of the cargo work. Information regarding the time of the vessel's readiness to sail is to be communicated to port signal station over VHF and hoisting of "1G" flag at least one hour in advance. Vessels which are not ready to sail after two hours of completion of cargo work are liable to pay penal berth hire charges at the rate of 105 USD [for coastal vessels [₹ 2582/-] per hour or part thereof in addition to the rates specified in the berth hire schedules. The duration for which

penal berth hire is to be charged will be calculated from the time of expiry of two hours from completion of cargo work to the time the vessel is ready for sailing.

(13) Penal berth hire charge at the rate of 105 USD [for coastal vessels ₹ 2,582/-] will be applicable to vessels which continue to occupy the berth for more than two hours after expiry of the four hours notice period given by the Paradip Port Trust or officials authorised by it to the vessels to vacate the berths for operational reasons."

3.3. Port Dues.

1	Foreign going vessels (per GRT per entry)	U.S.$ 0.242
2	Coastal (Vessels per GRT per entry)	₹ 5.950

Concession in Port Dues shall be extended to the following vessels:

Sl.No.	Description	Concession
1	Vessel entering Port in ballast but not carrying passengers	25%
2	Vessel entering Port but not carrying Cargo or passengers	50%
3	Vessel entering the Port and taking in only provisions, water, bunker coal or liquid fuel for their own consumption shall be charged Port dues at half rates.	50%
4	(1)Any pleasure yacht. (2) Any vessel, which having left the Port, is compelled to re-enter by stress of weather or in consequence of having sustained any damage: (3) Any vessel belonging to or in the service of Central Government, or State Government (4)Any vessel having the Port limits due to cyclone threat and re-enter. (5)Vessels of war plying white ensign and blue ensign belonging to or in service of Republic of India. (6)Vessel entering in ballast or with cargo / Passengers but leaving port with in 48 hours without discharging or taking passengers/ cargo. (7) Vessels discharging or shipping crew and leaving port within 48 hours, pilot over carried due to bad weather to be treated as crew member.	100%

Notes: (1). Port Dues of a vessel will be assessed on her total GRT at the rate shown against the relevant vessel group according to GRT of that vessel.

(2). A vessel landing a passenger at the port without anchoring and proceeding on her voyage is liable to pay port dues.

(3). A vessel proceeding from an Indian Port (say Calcutta) to a foreign Port and calling at another Indian Port (say Paradip) enroute to take in cargo for a foreign port, should at Paradip be treated as a foreign vessel for the purpose of the port dues.

(4). A LASH Vessel making a "Second Call" to pickup empty LASH Barge shall be treated as a vessel entering a port but not discharging or taking any Cargo or passenger there in as described in section 50 B of the Major Port Trust Act, 1963 and shall not be charged any port dues.

(5). For Oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the "Remark" column of its international tonnage certificate will be taken to be its gross tones.

3.4. Pilotage and towage:

Sl.No.	Slabs	Rate per GRT	
		Foreign US $	Coastal ₹
1	Up to 30,000 GT	0.509	12.52
2	30,001 to 60,000 GT	0.407	10.01
3	Above 60,000 GT	0.356	8.76

Notes

(1). Above rates are for one inward and one outward movement with required number of tugs/launches of adequate capacity and shifting/s of vessels for port convenience.

(2). For cold movement of vessel, Pilotage and towage charges will be 25 % extra of the rates shown in the above schedule.

(3). When a vessel is shifted or removed for her own convenience, or for the convenience of another vessel, the vessel for whose convenience the shifting takes place shall pay Pilotage and towage fee as per 50 %of the above schedule.

(4). Pilot's Cancellation/detention fee:

(i) In case a vessel is not ready for sailing as per time fixed in the DTR meeting/ Marine signal sent to the vessel, she must inform the Port Signal Station over VHF at least 2 hours before the schedule time for cancellation of pilot. A vessel not able to cancel pilot booking at least 2 hours before the schedule time shall be liable to pay 105 USD (for coastal vessels ₹ 2582.00) as cancellation charge.

(ii) If the vessel is not able to move within 30 minutes of the Pilot boarding it for the purpose of Pilotage, it shall be liable to pay an extra charge @ 105 USD (for coastal vessel ₹ 2582.00) per hour or part thereof beyond 30 minutes till it moves.

(iii) If the movement of the vessel is cancelled after the Pilot has boarded it, a cancellation charge of 210 USD (for coastal vessels ₹ 5164.00) shall be levied.

(iv) If an outward bound vessel carries away a Pilot outside the Port limits due to bad weather, a compensation at the rate of 315 USD (for coastal vessels ₹ 7746.00) per day or part shall be payable by the Master of the vessel till the Pilot reports back for duty at the Port. In addition, the boarding and lodging expenses of the Pilot on board the ship and the cost of sending him back to the port shall also be payable by the Master of the vessel.

(v) If a Pilot is detained in the pilot launch for more than half an hour before boarding the vessel an extra charge @ 105 USD [for coastal vessels ₹ 2582.00] per hour or part thereof beyond 30 minutes till the pilot boards the vessel will be charged.

(5). For towing of LASH barges, the tug hire charges will be recovered @ 157.50 USD per hour per tug.

(6). A charge of 525.00 USD (for coastal vessels ₹ 12,910.00) shall be levied for warping of vessels for their convenience, if the warping is required for convenience of another vessel, the charges shall be payable by the vessel for whose convenience the warping is done. No charges will be levied if warping is done for Port convenience.

(7). In case a request is made for Fixing/Removal of Yokohama Fender from any berth, a charge of 315.00 USD (for coastal vessel ₹ 7746.00) will be recovered from the respective vessels or importers/exporters i.e. whosoever makes the request. This charge will also be applicable for providing Yokohama Fenders for double banking operations.

(8). A charge of 420.00 USD (for coastal vessels ₹ 10,328.00) shall be levied on the vessel whose movement was planned for a Sunday/Holiday, but did not take place, due to various reasons attributed to the vessel like non-arrival/late arrival of the vessel, non-completion of cargo /work etc.

(9). No shifting charges shall be levied when shifting of a vessel is done for port convenience. Shifting of vessels for Port convenience is defined to mean the following:

(i). If a working cargo vessel is required to be shifted to another berth so as to enable berthing or sailing of another vessel at the same berth or any other berth in the Dock in view of restriction of LOA, beam, draft, etc., such shiftings shall be considered as shifting for Port convenience.

(ii). If a working cargo vessel is required to be shifted from one berth to another berth due to non-availability of storage space of import or export cargo requiring covered accommodation, such shifting shall be considered as shifting for Port convenience.

(iii). Whenever a vessel is required to be shifted from the cargo berth to the gantry berth for the convenience of container loading/ unloading, such shifting will be treated as shifting for Port convenience provided the agents of the vessel have made specific request to that effect in their berthing application.

(iv). Whenever a vessel is required to be shifted from one berth to another berth via stream so as to accommodate another vessel or the same vessel in view of the restriction of LOA, beam, draft, etc., such shiftings shall be treated for Port convenience.

(v). Whenever a vessel is shifted to accommodate another ousting priority vessel, such shifting shall be treated for Port convenience.

(vi). Whenever vessels are required to be shifted from deep draft anchorage to lesser draft anchorage in order to accommodate vessel of higher draft, such shifting shall be treated for Port convenience.

(vii). Whenever vessels working cargo at berth/mooring/jetty are required to be shifted for undertaking hydrographic survey, dredging, repairs to berths, or for maintenance and such other similar works such shifting shall be treated for Port convenience.

(viii) If a vessel is shifted due to mal-functioning of port equipment, clearance of berth, etc. it will be considered as shifting for Port convenience.

3.5. **Charges for Single Buoy Mooring (SBM)**

Sr.No.	**Description**	**Rate per G.R.T.**	
		Foreign US$	**Coastal ₹**
a	Berth Hire: [per hour]	0.00060	0.20
b	Pilotage [per entry subject to minimum of 5775 USD / ₹ 2.5 lakhs.	0.260	8.00
c	Tug Hire charges [per hour]	1500	24,375
d	Port dues per entry	0.242	7.85
e	Pilot Attendance per hour	40	1350

Note

For calculation of Tug hire charges, the time is to be reckoned from berthing to un-berthing.

CHAPTER IV

MISCELLANEOUS CHARGES:

4.1 Charges for water supply to shipping:

Item	**Rate per M.T. or part thereof**	
	Foreign	**Coastal**

1.Direct water supply at Berth	4 USD subject to a minimum of 60 USD	₹ 98.35 subject to a minimum of ₹ 1475.00
2.Supply by barges (i) At mooring wharf/jetty (ii) At anchorage (Roads)	 8 USD subject to a minimum of 320 USD 18.90 USD Subject to a minimum of 1575 USD	 ₹ 196.70 subject to a minimum of ₹ 7868.00 ₹ 464.71 subject to a minimum of ₹ 38726.00

Notes:

(1) A cancellation fee of 21 USD (for coastal vessels ₹ 516.05) shall be charged when a water barge is ordered but cancelled prior to placement of barge. After placement of barge, cancellation fee of 315 USD (for coastal vessels ₹ 7746.00) shall be charged.

(2) The entire quantity of water supplied per call per requisition to individual vessels shall be treated as one supply for the purpose of levy of minimum charges if applicable. In the event of failure of Port Trust to supply or suspend supply on account of breakdown, etc. the actual quantity supplied shall be taken into account for recovery of the charges.

4.2. Weighment charges for use of weigh bridge/weigh scales:

Sl.No.	Description	Rate
1.	Weighbridge charges for iron-ore/chrome ore/ other ores.	₹ 2.00 per ton subject to a minimum of ₹ 20 per consignment
2.	Weigh bridge charges for other commodities.	₹ 3.00 per ton subject to a minimum of ₹ 30 per consignment.
3.	Charges for weighment in the warehouse / transit shed.	₹ 2.00 per ton subject to a minimum of ₹ 10 per consignment

Note: The party concerned shall supply attendant labour.

4.3. Weighment charges for Cargo weighed at private Weighbridge inside the prohibited area.

The private weigh bridge operators shall collect the weighment charges as per the rates prescribed at clause 4.2 above and share the following with PPT:

Sl. no.	Description	Rate
1.	Weighment of installers' own cargo	Re.0.30 per MT
2.	Weighment of cargo of other users	Re.1.00 per MT

Notes:

(1). Consignment means the total quantity to be weighed for shipment/despatch in relation to a vessel.

(2). A fraction of a tonne shall be rounded off to next higher tonnage.

4.4. Fees for supply of certificate/certified copies of documents/ledger a/c copies/statistics:

₹ 20 per page universal size.

4.5. Supply of skilled personnel for marine operations:

A fee of 2 USD (for coastal vessel ₹ 49.18) per person per hour or part thereof subject to a minimum of 2 hours will be charged for supply of skilled person for any type of mooring and unmooring or any marine operation.

4.6. <u>Salvage charges</u>:

Salvage charges will be levied @20% ad-valorem on the value of the salvaged goods. In the case goods liable to be damaged by water, the above percentage shall be recovered on the original value of the goods as accepted by the Customs.

4.7. <u>Landing charges for Helicopters</u>

₹ 4000.00 per one landing and take off. The rate is leviable in respect of use of helipad for landing of helicopters belonging to State Government, Public Sector Undertakings and private users. However, helicopters carrying passengers declared as Port guests may be exempted from such charges.

4.8. <u>Charges for supply of on board labour to Stevedores</u>

100% on wages on labour supplied to stevedores for handling all types of cargoes.

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