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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 163

New Delhi,

12 April 2021

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from V.O. Chidambaranar Port Trust seeking amendment in classification of cargo category approved by this Authority vide Order No.TAMP/19/2020-VOCPT dated 28 October 2020 as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/19/2020-VOCPT

V.O. Chidambaranar Port Trust

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Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Sunil Kumar Singh, Member (Economic)

ORDER

(Passed on this 16th day of March 2021)

This case relates to a letter received from the V.O. Chidambaranar Port Trust (VOCPT) dated 28 January 2021 as regards the amendment in the classification of category of cargo approved by this Authority vide Order No.TAMP/19/2020-VOCPT dated 28 October 2020 with reference to its earlier proposal by email dated 07 April 2020 regarding a few amendments in its existing Scale of Rates (SOR).

2. To recapitulate, this Authority has passed an Order No.TAMP/15/2019-VOCPT dated 10 October 2019, approving the revised SOR and Performance Standards on the proposal received from the VOCPT for general revision of its SOR. The revised SOR and Performance Standards approved by this Authority was notified vide Gazette No.363 dated 22 October 2019. Subsequently, the detailed Speaking Order was notified in the Gazette vide No.440 dated 02 December 2019.

3.1. Subsequently, the VOCPT vide its letter dated 07 April 2020 filed a proposal for a few amendments in the SOR approved vide Order dated 10 October 2019. Following the prescribed consultation process with the stakeholders and after holding a joint hearing held on the said proposal of VOCPT, this Authority passed an Order No.TAMP/19/2020-VOCPT dated 28 October 2020 disposing of the proposal of VOCPT for a few amendments to its existing SOR. The said Order has been notified in the Gazette of India on 16 December 2020 vide Gazette No.550.

3.2. Subsequent to that, the VOCPT vide its letter dated 23 November 2020 again filed a proposal for a few amendments for the date of implementation in the SOR approved vide Order dated 28 October 2020. With constraint, this Authority passed an Order No.TAMP/19/2020-VOCPT dated 28 December 2020 disposing of the proposal of VOCPT for a few amendments with regard to date of implementation to its existing SOR. The said Order has been notified in the Gazette of India on 20 January 2021 vide Gazette No.37.

4.1. Now, VOCPT vide its email dated 28 January 2021 has submitted the following points:

- (i). VOCPT, while submitting the proposal dated 07 April 2020, had furnished a copy of the Board Resolution No.110 of the Board Meeting held on 27 February 2020 wherein Board has resolved to approve separate wharfage tariff for the following 4 categories of cargo classifying the category of cargo as below:

#	Cargo	Category	Rate (Per M.T)			
			Zone A		Zone B	
			Foreign	Coastal	Foreign	Coastal
1	Oil Cake/ Copra	Dry Bulk	45.66	27.39	19.56	11.74
2	Cattle Feed	Dry Bulk	19.56	11.74	9.78	5.88
3	Maize	Dry Bulk/ Break Bulk	32.61	19.56	19.56	11.74
4	Fly Ash	Dry Bulk	29.04	17.61	19.56	11.74

- (ii). However, the VOCPT while sending the proposal vide its letter dated 07 April 2020 to TAMP, classified the above cargoes inadvertently under Break Bulk Cargo

instead of Dry Bulk cargo category. Accordingly, TAMP has also communicated its approval classifying these four cargoes under Break Bulk category vide Order dated 28 October 2020.

- (iii). As the cargoes stated above under Sl. No.1, 2 & 4 are in the nature of Dry Bulk, the cargo need to be classified under Dry Bulk and Sl. No.3 needs to be classified under both Dry Bulk / Break Bulk as also approved by the Board of Trustees of VOCPT so that pollution cess can be collected. Pollution cess to be collected for all dry bulk cargoes as per prevailing SOR.
- (iv). In view of the above, the approval of this Authority is requested to classify the cargoes as stated in point no.(i) above considering the nature of cargo and as per VOCPT's Board approval.

4.2. In continuation to above proposal dated 28 January 2021, the VOCPT vide its subsequent email dated 03 February 2021 has made following further submissions:

- (i). The primary request of the Port vide letter dated 28 January 2021 is with regard to classification of cargo according to nature of handling i.e. Dry Bulk/ Break Bulk. However, for the ready reference purpose, the rates have been included as per the resolution approved by the Board of Trustees of VOCPT. However, consequent on approval by this Authority with merging Labour levy component vide Order dated 28 October 2020, now it is proposed as below along with the classification of cargo:

#	Cargo	Category	Rate (Per M.T)			
			Zone A		Zone B	
1	Oil Cake / Copra	Dry Bulk	95.66	57.39	69.56	41.74
2	Cattle Feed	Dry Bulk	69.56	41.74	59.78	35.88
3	Maize	Dry / Break Bulk	82.62	49.56	49.56	41.74
4	Fly Ash	Dry Bulk	79.35	47.61	69.56	41.74

- (ii). It is further to submit that while sending the above proposal vide letter dated 28 January 2021, the cargo mentioned vide Sl. No.4 viz., Fly Ash has been mentioned inadvertently under one category i.e., Dry Bulk. But, actually the said cargo is being handled as Dry Bulk as well as Break Bulk similar to cargo mentioned vide Sl. No.3.
- (iii). In view of the above, the approval of this Authority is requested to classify the cargoes as stated above, considering the nature of cargo handling.

5. A comparative position of the summary of modifications/ amendments proposed by the VOCPT in current proposal and the relevant extract from the tariff Order No.TAMP/19/2020-VOCPT dated 28 October 2020 is given below:

VOCPT dated 28 October 2020 is given below:

Proposed by port and prescribed in existing SOR approved by this Authority vide Order No.TAMP/19/2020-VOCPT dated 28 October 2020 under Annex-II

Sl. No.	Cargo	Unit of charge	Rates (In Rupees)			
			Zone A		Zone B	
			Foreign	Coastal	Foreign	Coastal
5.	Break Bulk					
(ix).	Oil cake / cobra	1 MT	95.66	57.39	69.56	41.74
(x).	Cattle feed	1 MT	69.56	41.74	59.78	35.88
(xi).	Maize	1 MT	82.62	49.56	49.56	41.74
(xii).	Fly ash	1 MT	79.35	47.61	69.56	41.74

Amendment now proposed by VOCPT vide its proposal dated 28 January 2021 and subsequent email dated 03 February 2021

Sl. No.	Cargo	Category	Rate (Per M.T)			
			Zone A		Zone B	
1	Oil Cake / Copra	Dry Bulk	95.66	57.39	69.56	41.74
2	Cattle Feed	Dry Bulk	69.56	41.74	59.78	35.88
3	Maize	Dry / Break Bulk	82.62	49.56	49.56	41.74
4	Fly Ash	Dry / Break Bulk	79.35	47.61	69.56	41.74

6.1. In short, the proposal of VOCPT is limited to amend the classification of four cargoes viz., Oil Cake/ Copra, Cattle Feed, Maize and Fly Ash as per the Board of Trustees of VOCPT vide Resolution No.110 which was inadvertently classified under Break Bulk by the port while seeking approval for the amendment in its proposal vide email dated 07 April 2020.

6.2. The VOCPT in the current proposal dated 28 January 2021 and subsequent email dated 03 February 2021 has sought approval for the amendment for classification of these four cargoes viz., Oil Cake/ Copra, Cattle Feed, Maize and Fly Ash. The port seeks classification of two cargoes viz., Oil Cake/ Copra and Cattle Feed under the heading dry bulk in wharfage schedule and Maize and Fly ash to be classified under both dry bulk and break bulk instead of existing classification of these four cargoes under break bulk in the wharfage schedule.

6.3. The amendment in the classification of cargo sought by the port as regards Oil Cake/ Copra, Cattle Feed and Maize is in line with the approval of the Board of Trustees dated 28 February 2020. As regards Fly Ash cargo, it is seen that as per the approval of the Board of Trustees of the VOCPT, this cargo is categorised under Dry Bulk. However, the VOCPT citing that Fly ash is handled both as Dry Bulk as well as Break Bulk, sought to classify this cargo under both dry bulk and break bulk. This position is relied upon. There is no change proposed by the VOCPT as such in the amended wharfage rates prescribed as proposed by the port after merger of labour levy with the wharfage in the Order No.TAMP/19/2020-VOCPT dated 28 October 2020 in respect of these cargo items.

That being so, the proposed classification of these four cargoes is approved by this Authority as proposed by the Port. Further, as regards the categorization of Fly ash under Break Bulk cargo, apart from its classification as Dry Bulk approved by the Board of Trustees, is also approved by this Authority for the reason cited by the port, subject to the VOCPT seeking approval of the Board of Trustees of the VOCPT for categorizing it as Dry bulk/ Break bulk cargo. The VOCPT is advised to forward a copy of the approval of its Board of Trustees in this regard for our records.

6.4. The Board of Trustees of the VOCPT has resolved in its Board Resolution dated 27 February 2020 that categorization of cargo will be implemented after approval of this Authority. Hence, amendment Order for categorization of cargo will come into effect prospectively. Following the general approach, the amendments approved by this Authority will come into force after expiry of 30 days from the date of notification of the Order in the Gazette of India. Since the amendments approved will form part of the existing SOR of VOCPT, the validity of the amendments is coterminous with the validity of the existing General SOR of VOCPT.

7.1. In the result, and for the reasons given above and based on collective application of mind, this Authority approves the amendments proposed by the VOCPT with the following modification in the schedule 3.1.1 of the wharfage schedule prescribed in Annex-II attached to amendment Order No.TAMP/19/2020-VOCPT dated 28 October 2020:

- (i). The existing items under Sl. Nos.5 (ix) and (x) under the heading "Break Bulk" cargo relating to Oil cake/ cobra and Cattle feed under schedule 3.1.1 – Wharfage is shifted therefrom and inserted under "Dry Bulk – Other" at Sl. Nos.4 (xvii) and (xviii) respectively and the existing items at Sl. Nos.5 (xi) and (xii) relating to Maize and Fly Ash are also prescribed under Sr. No.4 as Sr. Nos.4 (xix) and (xx) respectively under Dry Bulk cargo whilst retaining them under the break bulk cargo as well under Sl. No.5 with renumbering as Sr. Nos.5 (ix) & (x) respectively. The existing prescription is replaced with the amended prescription as tabulated below:

Proposed by port and prescribed in existing SOR approved by this Authority vide Order No.TAMP/19/2020-VOCPT dated 28 October 2020 under Annex-II under Schedule 3.1.1							To be read as follows						
Sl. No.	Cargo	Unit of charge	Rates (In Rupees)				Sl. No.	Cargo	Unit of charge	Rates (In Rupees)			
			Zone A		Zone B					Zone A		Zone B	
			Foreign	Coastal	Foreign	Coastal				Foreign	Coastal	Foreign	Coastal
5.	Break Bulk						5.	Break Bulk					
(ix).	Oil cake / cobra	1 MT	95.66	57.39	69.56	41.74	(ix).	Maize	1 MT	82.62	49.56	49.56	41.74
(x).	Cattle feed	1 MT	69.56	41.74	59.78	35.88	(x).	Fly ash	1 MT	79.35	47.61	69.56	41.74
(xi).	Maize	1 MT	82.62	49.56	49.56	41.74							
(xii).	Fly ash	1 MT	79.35	47.61	69.56	41.74							

Sl. No.	Cargo	Rates (In Rupees)					
		Unit of charge	Zone A		Zone B		
			Foreign	Coastal	Foreign	Coastal	
4.	Dry Bulk – Others						

Sl. No.	Cargo	Unit of charge	Rates (In Rupees)			
			Zone A		Zone B	
			Foreign	Coastal	Foreign	Coastal
4.	Dry Bulk – Others					
(xvii).	Oil cake / cobra	1 MT	95.66	57.39	69.56	41.74
(xviii).	Cattle feed	1 MT	69.56	41.74	59.78	35.88
(xix).	Maize	1 MT	82.62	49.56	49.56	41.74
(xx).	Fly ash	1 MT	79.35	47.61	69.56	41.74

- (ii). Consequent to above amendments Sr. No.4 (xviii) – Others non-specified is renumbered as Sr. No.4 (xxi) and Sr. No.5 (xiii) and (xiv) are renumbered as Sr. No.5 (xi) and (xii) respectively.

7.2. This Order approved may be read with the amendments to the existing SOR approved by this Authority vide Order No.TAMP/19/2020-VOCPT dated 28 October 2020.

7.3. The amendments approved by this Authority will come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India. The amendments approved will remain valid till the validity of the existing General SOR of the VOCPT.

(T.S. Balasubramanian)
Member (Finance)