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TARIFF AUTHORITY FOR MAJOR PORTS

G No. 360 **New Delhi,** **10 December 2014**

NOTIFICATION

In exercise of the powers conferred under Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the application received from V.O. Chidambaranar Port Trust for amendment to Scale of Rates approved vide Order No.TAMP/47/2012-VOCPT dated 4 August 2014 as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/47/2012-VOCPT

V.O. Chidambaranar Port Trust - - - **Applicant**

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Chandra Bhan Singh, Member (Economic)

O R D E R
(Passed on this 29th day of October 2014)

This Authority had passed an Order dated 4 August 2014 disposing the proposal received from the V.O. Chidambaranar Port Trust (VOCPT) for general revision of its Scale of Rates (SOR).

1.2. Since the revised SOR of VOCPT was made effective from 1 October 2014, this Authority first notified the revised SOR of VOCPT vide Gazette No.243 on 19 August 2014. The detailed Order was notified in the Gazette of India vide Gazette No.292 on 15 October 2014.

2. In schedule 6.1 in Chapter VI of the revised SOR notified by this Authority on 19 August 2014, the Levy for supply of labour from VOCPT Cargo Handling Division for cargo handing operations is prescribed as follows:

6.1. LEVY FOR SUPPLY OF LABOUR FROM V.O. CHIDAMBARANAR PORT TRUST CARGO HANDLING DIVISION (VOCPT CHD) FOR CARGO HANDING OPERATIONS:

(Rate in ₹ per metric tonne)

S.No.	Description	Foreign	Coastal
1.	All cargoes other than Coal and Salt	₹46.03	₹27.62*
2.	Coal at Jetty II	₹33.74	₹20.25 (for coal other than thermal coal) ₹33.74 (for thermal coal)
3.	Salt	₹55.24	₹33.14
4.	For container stuffing and destuffing operations	₹46.03	₹46.03
5.	C&F Operation at Transit Shed and Ware house etc levy	₹26.69	₹26.69
6.	For Zone 'B'	₹26.69	₹16.01*

Note:
(1) * Concessional rate for coastal cargo prescribed at Sl. Nos.1 and 6 above will be applicable for coastal cargo other than thermal coal, crude including POL, iron ore and iron ore pellets.

(2) The per tonne levy prescribed in schedule 6.1 is a consolidated rate and no separate worked wages shall be levied for actual deployment of labour from CHD.

3.1. In this context, the VOCPT vide its letter dated 10 September 2014 has requested to issue a Corrigendum citing the following reasons:

(i). As per the pre-revised SOR, there was no classification for separate CHD levy for Foreign and Coastal cargo. In the revised SOR, with effect from 01.10.2014, a separate CHD levy for Foreign/ Coastal cargo is prescribed. In the said Schedule, under Sl. No 2 a separate rate for Coastal cargo is prescribed. Since Thermal Coal alone is handled by TNEB at Coal Jetty - II such classification of Foreign and Coastal rate is not required for Sl.No.2.

(ii). Berths other than Coal Jetty-I & II handle coal other than Thermal coal i.e. Sl. No.1. Hence, it has requested to prescribe a separate rate for coastal cargo under Sl.No.1 for Thermal coal at par with the rate for foreign cargo and concessional rate for coastal cargo other than thermal coal instead of such prescription under Sl.No.2.

(iii). To provide clarity, the VOCPT has requested to modify the description of Sl.No.1 as “All cargoes other than Coal at Coal Jetty II and Salt”.

3.2. In this backdrop, the VOCPT has requested this Authority to issue a corrigendum to Schedule 6.1 of Chapter-VI (modifications are highlighted in bold) as below:-

(Rate in ₹ per metric tonne)

S. No.	Description	Foreign	Coastal
1.	All cargoes other than Coal **at Coal Jetty I**I and Salt	₹46.03	**₹46.03 (for thermal coal)** ₹27.62* **(for cargo other than thermal coal)**
2.	Coal at Jetty II	₹33.74	**₹33.74**
3.	Salt	₹55.24	₹33.14
4.	For container stuffing and destuffing operations	₹46.03	₹46.03
5.	C&F Operation at Transit Shed and Ware house etc. levy	₹26.69	₹26.69
6.	For Zone 'B'	₹26.69	₹16.01*

Note:

(1) * Concessional rate for coastal cargo prescribed at Sl. Nos. 1 and 6 above will be applicable for coastal cargo other than thermal coal, crude including POL, iron ore and iron ore pellets.

(2) The per tonne levy prescribed in schedule 6.1 is a consolidated rate and no separate worked wages shall be levied for actual deployment of labour from CHD.

3.3. A comparative position of the existing entries in Column 6.1. of Chapter VI and the proposed entries is given below for ease of quick understanding the proposal of VOCPT:

Sl. No.	Existing entries			Proposed entries		
	Description	**Foreign**	**Coastal**	**Description**	**Foreign**	**Coastal**
1.	All Cargoes other than coal and salt	₹ 46.03	₹ 27.62	All cargoes other than coal at coal Jetty II and salt	₹ 46.03	₹ 46.03 (For Thermal coal) ₹ 27.62 (For cargo other than thermal coal)
2.	Coal at Jetty II	₹ 33.74	₹ 20.25 (for coal other than thermal coal) ₹ 33.74 (for thermal coal)	Coal at Jetty II	₹ 33.74	₹ 33.74

4. With regard to the points made by the VOCPT in its letter dated 10 September 2014, the following position emerges:

(i). In the pre revised SOR of VOCPT, as rightly stated by VOCPT, separate coastal concessional rates were not prescribed for VOCPT Cargo Handling Division (CHD). For reasons stated at para 19 (xiii) of the Order dated 4 August 2014, concessional coastal rates were prescribed for deployment of labour from CHD as per the coastal concessional policy of the Government.

(ii). With reference to Sl. No.2, relating to cargo i.e. Coal at Jetty-II, the VOCPT has now clarified that at this jetty only Thermal Coal is handled. Hence, concessional rate for coastal cargo need not be prescribed as thermal coal cargo is not eligible for coastal concession. This position was not made known at the time of processing the case. However, based on the clarification furnished by VOCPT, there is a case to suitably amend the SOR of VOCPT by prescribing a uniform rate i.e. ₹33.74 at Sl. No.2 for both foreign and coastal cargo. The impact of concessional rate to coastal cargo was not considered for prescribing the rate as no such share of foreign / coastal cargo was made available. Hence, the above amendment is not likely to have any impact on the final rate approved by this Authority in the last Order.

(iii). As regards to Sl. No.1 of the said schedule VOCPT has sought two amendments as explained below:

(a). The VOCPT has stated that berths other than Coal jetty-I and II can handle coal other than Thermal coal. To bring more clarity, the VOCPT has proposed to segregate the rate for coastal cargo under Sl. No.1 in to two i.e. ₹46.03 per tonne for Thermal Coal at par with the Rate for Foreign Cargo and existing ₹27.62 per tonne to be elaborated to clarify its applicability for cargo other than Thermal Coal. It is relevant here to mention that the note below schedule 6.1 clearly states that Concessional rate for coastal cargo prescribed at Sl. Nos.1 and 6 above will be applicable for coastal cargo other than thermal coal, crude including POL, iron ore and iron ore pellets. However, since the amendment now proposed by VOCPT is to only bring in more clarity, the proposed amendment to Sl. No.1 in the exiting SOR is accepted.

(b). The description prescribed at Sl. No.1 is “All cargoes other than Coal and Salt”. The said description is as per the description in the draft SOR proposed by VOCPT as well as in pre revised SOR of VOCPT. The VOCPT has now proposed amendment in the description of cargo at Sl. No.1 as “All cargoes other than Coal at Coal Jetty II and Salt”. In short the VOCPT has proposed to add the words “Coal Jetty II” as separate rate is already prescribed for this cargo category at Sl. No.02. Since the amendment proposed in the description will avoid ambiguity, the same is accepted.

(iv). Since the VOCPT has not proposed any other amendments except at Sl. Nos.1 and 2, it is proposed to issue amendment only to that extent amendment (i.e. Sl. No.1 and 2) in schedule 6.1 of Chapter-VI.

(v). The VOCPT has requested this Authority to issue a corrigendum to the Revised SOR notified on 19 August 2014. A Corrigendum is required to be issued only when there is any error as such in the SOR/ Order approved by this Authority. In the instant case, it is relevant to mention that the VOCPT has not pointed out any apparent error as such to the revised SOR. As explained above, the amendments proposed in schedule 6.1 is with the intention to bring in more clarity in the existing SOR so as to avoid ambiguity. Hence, it is found appropriate to amend the existing SOR notified on 19 August 2014. The above amendment is not likely to have any impact on the decision taken in the last tariff order. It is only with the intention to bring in clarity in the SOR.

(vi). As stated earlier, the revised SOR of VOCPT is effective from 1 October 2014. Ordinarily, the Orders approved by this Authority are implemented after expiry of 30 days from the date of notification of the Order in the Gazette. Since the amendment approved is to bring more clarity in existing SOR and to effect smooth implementation of SOR by VOCPT, the amendment is made effective from the date of implementation of the revised SOR i.e. from 1 October 2014.

5.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority decides to replace the existing entries at “Sl. No.1 and 2 of Schedule 6.1 – Levy of supply of labour from V.O. Chidambaranar Port Trust Cargo Handling Division (VOCPT CHD) for Cargo Handling Operations under Chapter VI with the following entries:

“ **(Rate in ₹ per metric tonne)**

S. No.	Description	Foreign	Coastal
1.	All cargoes other than Coal at Coal Jetty II and Salt	₹46.03	₹46.03 (for thermal coal) ₹27.62* (for cargo other than thermal coal)
2.	Coal at Jetty II	₹33.74	₹33.74

”

5.2. The amendment approved will be effective from the date the Order No.TAMP/47/2012-VOCPT dated 4 August 2014 came into effect i.e. from 1 October 2014.

5.3. The VOCPT is requested to amend the existing SOR suitably.

(T.S. Balasubramanian)
Member (Finance)