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Tariff Authority for Major Ports

G.No. 159 **New Delhi** **28 April 2016**

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 Visakha Container Terminal Private Limited (VCTPL) for review of the Order No.TAMP/65/2013-VCTPL dated 21 March 2015 in respect of general revision of Scale of Rates of VCTPL as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

No. TAMP/31/2015-VCTPL

Visakha Container Terminal Private Limited ------ Applicant

QUORUM:

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

O R D E R

(Passed on this 30th day of March 2016)

This case relates to review application filed by the Visakha Container Terminal Private Limited (VCTPL) for review of the Order No.TAMP/65/2013-VCTPL dated 21 March 2015 in respect of general revision of Scale of Rates of VCTPL.

2.1. This Authority had passed an Order dated 21 March 2015 disposing of the proposal received from the Visakha Container Terminal Private Limited (VCTPL) for general revision of its Scale of Rates. The said Order was notified in the Gazette of India vide Gazette No.142 dated 28 April 2015.

2.2. The VCTPL in the said general revision proposal had sought a tariff increase of around 28.09% for all containers excluding transhipment container. For transhipment containers, the VCTPL had proposed 15.16% reduction over the then prevailing tariff.

2.3. As against the above proposal of the VCTPL, this Authority in the Order dated 21 March 2015, based on deficit position reflected in the cost statement had approved a tariff hike of 13.10% from 1 April 2016 for all categories of containers and services except the transhipment containers subject to the condition that the equipment proposed viz. 4 RTGCs and 1 new RMQC are commissioned by the VCTPL by 1 April 2016. Tariff for transhipment container was reduced by 15.16% as requested by VCTPL from 1 April 2016.
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3.1. With reference to the said tariff Order of 21 March 2015, the VCTPL vide its e-mail dated 30 April 2015 has filed an application for review of the Order.

3.2. The points raised by VCTPL to reconsider in its Review Application are given below:

(i). **Notional Calculation of operating income without taking into account (i.e. adding back) the reduction in tariff granted by the Terminal for Business Promotion purposes added back by the Authority as notional income:**

(a). As per clause 2.16.1. of the tariff guidelines 2005, the rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The ports may, if they so desire, charge lower rates and/or allow higher rebates and discounts.

(b). There is no provision in the guidelines that Operating Income may be calculated notionally as per the Scale of Rates even when certain rebates and concessions are given by the operator. Calculating the income on notional basis is therefore definitely an error apparent on the face of records and warrants a review.

(c). Allowing concession on Transhipment has benefitted the Main Line operators to call larger Main line vessels and offer lower slot cost to the container operators/ agents. The container operators/ agents in turn have been able to offer lower freight cost to the Exporter/ Importer.

(d). The terminal has provided discounts on empty containers due to the fact that there are no enough empty containers available in the Vizag market for stuffing of export cargo. The container operators have to reposition the empties at an additional operating cost. Therefore, in order to benefit the trade VCTPL at time based on large volume of empty containers allows for concessions.

(e). In such a situation where actually the Trade is getting the benefit of the concession, not taking the concessions into account while calculating the Operating Income is detrimental to the interests of the VCTPL, as on the one side we are losing the revenue and on the other side the operating income being unnecessarily escalated.

(f). Therefore, we request the Authority to reconsider the Order and not to add back the following notional revenue:

FY	₹ in Lakhs
2011-12	603.87
2012-13	531.30
2013-14	600.19
Total	1735.36

(ii). **Non consideration of foreign exchange loss due to restatement.**

(a). The Forex Loss on account of restatement of Outstanding Foreign currency liability as on 31st March of the relevant financial year has been accounted based on AS11. If it is not allowed as an expense in the relevant financial year, at the time of actual payment, there would be huge Forex loss and would have to passed on to the trade at one go.

(b). As per TAMP Form 3A under Note 8, "Loss, if any, on repayment of foreign currency loan due to exchange rate fluctuations will be limited to installment payment during the corresponding year".

(c). VCTPL has already made the repayment of USD 52,20,744 (Out of USD 183,72,815 which was restated earlier) during FY 2014-15 for which the actual Forex loss is ₹4,79,68,455.56.

(d). The balance repayment of Buyer's credit remaining o/s (USD 131,52,071) are to be discharged before March 2017. Since year on year the Rupee value is depreciating against USD, VCT will be incurring the Forex loss at the time of actual payment.

(e). Therefore, as stated above, if it is not allowed as an expense in the relevant financial year of restatement, at the time of actual payment, there would be huge Forex loss and would have to be passed on to the trade at one go in the next tariff cycle of 2017-18 to 2019-20.

(f). Therefore, instead of adjusting it in the next tariff cycle, we request the Authority to reconsider it as expenditure during 2011-12 to 2013-14 and adjust the revised carry forward surplus.

(iii). **Adjustment of additional income from Non Container Vessel (NCV) in the past period surplus.**

In view of the above points raised, we request the Authority to reconsider/ revise the surplus of ₹1145.23 lakhs calculated for 2011-12 to 2013-14 Tariff cycle which has been set off equally in the next tariff cycle.

(iv). **Error in the estimation of income from transhipment containers.**

(a). The Income from Transhipment container assumed by VCTPL to be 1 leg coastal and 1 leg foreign. Therefore, VCTPL has applied the approved tariff of ₹3508 (₹4385/2 X 60% for coastal leg + ₹4385/2 for foreign leg). Whereas, the Authority while issuing the Order, has grossed up the Transhipment tariff. Therefore, the year wise excess income estimated by the Authority are as under:

(**₹ in Lakhs**)

	2014-15	2015-16	2016-17
TAMP	7271.06	8530.75	9042.59
VCTPL	6965.20	8163.53	8645.27
Excess Income	**305.86**	**367.22**	**397.32**

(b). Calculating the Transhipment income considering at the full value of scale of rates is therefore definitely an error apparent on the face of records and warrants a review from the Honorable Authority.

(v). **Rounding of tariff in SOR**

As per Annexure IV, it can be observed that the tariff has been prescribed with decimals. It is requested to round off the tariff for all practical purpose.

4. Apart from the above, the VCTPL has also requested to reconsider the following:

(i). In the pre-revised tariff Order passed by the Authority, past losses of ₹4,465.54 lakhs (as per TAMP Order) for the years 2003-04 to 2006-07 incurred by the terminal was ignored by the Authority without carrying forward and adjusting in the subsequent tariff cycle. On the contrary, the Authority had adjusted surplus of ₹300.84 lakhs during the years 2007-08 and ₹2402.46 lakhs during years 2008-09 to 2010-11 while granting the tariff for next tariff cycle. We reiterate our earlier contention to consider the past losses ₹4,465.54 lakhs for the year 2003-04 to 2008-07 for adjustment in the current tariff cycle.

(ii). Consider adjustment of 50% of the past surplus as against 100% as adjusted in earlier tariff Order of 2008-09 to 2010-11 to the tune of ₹300.84 lakhs.

5.1. Clause 3.3.1. of the tariff guidelines of March 2005 stipulates that application of review of any tariff Order will be entertained to the limited extent of errors apparent on the face of records considered in the relevant proceedings, provided such an application is filed within 30 days of the notification of the Order in the Gazette of India. Referring to the said clause, the Authority in para 12 (xxxi) of the Order had mentioned that the VCTPL has the option to approach this Authority for review of the Order to the extent of error apparent on face of records.

5.2. The tariff Order in reference was notified on 28 April 2015 and the VCTPL has filed the review application on 30 April 2015, which is within the prescribed time limit of 30 days.

6. The review application filed by VCTPL was circulated to VPT and concerned users/ user organisations undercover of our letter dated 6 May 2015. None of the users have furnished its comments, inspite of a reminder.

7. A joint hearing in this case was held on 17 June 2015 at the VPT premises. The VCTPL made a power point presentation of its Review Application. At the joint hearing, the VCTPL has made its submissions.

8. As agreed at the joint hearing, the VCTPL vide our letter dated 23 June 2015 was requested to give a brief note about the nature of each foreign exchange gain / loss disallowed in the tariff Order for which review is sought by VCTPL. The VCTPL was also requested to establish that each of the foreign exchange gain / loss is on account of actual transaction and actual payments done by the VCTPL for the actual transaction in the relevant financial year.

9. In response, the VCTPL vide its letter dated 30 June 2015 has furnished a brief note on the foreign exchange loss / gain incurred by the company during the financial years 2011-12 to 2014-15, which is summarised below:

(i). The Financial Year-wise Forex Loss / (Forex Gain) incurred:

Sr. No.	Particulars	FY 2011-12 (Audited)	FY 2012-13 (Audited)	FY 2013-14 (Audited)	FY 2014-15 (Audited)
1.	Management Fee	1,09,936	1,03,860	18,704	42,109
2.	AMC	6,823	(5,12,925)	27,762	941
3.	Import of spares	2,90,298	34,536	82,424	1,394
4.	Interest on BC's	9,362	59,559	37,205	2,158
5.	Travelling and Other Exp.	3,470	(4,015)	305	2,616

6.	Restatement-BC's	1,34,24,421	(10,97,782)	992,68,320	3,92,68,117
7.	Restatement –FCNR Loan				59,38,467
8.	FC-Cancellation	(114,36,110)	(51,00,677)	-	-
9.	Bank Charges	-	(7,07,911)	-	(20,650)
10.	BC Loan repayment	-	-	-	(72, 19,431)
11.	Re-payment of FCNR loan				(6,980)
	Total Loss / (Gain)	**24,08,200**	**(72,25,356)**	**994,34,720**	**380,08,742**

(a). In the above list all items except Sl.no. 6, 7 and 8 are forex losses/gain incurred on actual transaction basis.

(b). In the above list, Sl. no. 6 is restatement of foreign currency loan in the form of Buyer's Credits taken for the purpose of Phase III expansion of VCTPL (procurement of 2 numbers of RMQCs, 4 numbers of RTGCs, Spreaders and Capital spares for the RMQCs & RTGCs) at the end of the corresponding financial years. The total Buyer's credit Loan outstanding as on 31/3/2014 was USD 183,72,815. VCTPL made repayment of USD 52,20,744 during May 2014 and June 2014. As per RBI guidelines, the remaining Buyer's credits (USD 131,52,071) can be rolled over for a period 5 years and shall fall due before March 2017.

(c). Sl No. 8 is Forward contract taken by the company for the purpose of Letter of Credit settlement prior to entering the Buyer's credit loan taken for importing the aforesaid equipments.

(d). According to AS 11, transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognized as income or expense, as the case may be.

(ii). From the following table it can be observed that VCTPL has already incurred actual Forex Loss of INR 479,68,456 as of FY 2014-15 which had been already restated in the earlier years and Forex losses were already recognised in the corresponding years as per AS 11.

Details for Buyer's Credit (BC's) paid during May 2014 and June 2014 (FY 214-15) – restated earlier from FY 2011-12 to 2013-14							
Sl. No.	Particulars of Fixed assets	Base Value in USD	Capitalized Rate during 2012-13	Payment Rate	Diff.	Actual Forex Loss / (Gain) in INR	Payment date
1.	RTGC s	43,98,411	49.22	58.81	9.59	421,58,767	16-05-2014
2.	Spreaders	3,08,475	49.40	58.92	9.52	29,35,170	18-06-2014
3.	Spreaders-Part C	34,275	51.85	58.92	7.06	2,42,084	19-06-2014
4.	RTGCs-Part 'E'	4,79,583	53.32	58.81	5.49	26,32,434	16-05-2014
	Total Loss / (Gain)-Actual	52,20,744				479,68,456	

Therefore, if the Honourable Authority disallows the restated forex losses of earlier years, the entire losses of ₹479,68,456/- has to be compensated in the next tariff cycle, which would be a huge burden to the Trade.

(iii). Following Table shows the Foreign Currency Buyer's Credit Loan still outstanding as on 31/3/2015 and to be repaid before March 2017.

Sl. No.	Particulars	Base Value in USD	Capitalised Rate during 2012-13	Ex Rate as on 31/3/2015	Diff.	Forex Loss already re-stated (INR)
1.	RTGC-Capital spares	1,83,163	53.80	62.53	8.73	15,98,762
2.	STS – Capital spares	1,58,274	53.37	62.53	9.16	14,49,791
2.	STS – Part 'E'-2	6,54,113	55.43	62.53	7.10	46,46,945
3.	STS Cranes (A-D)	103,72,000	55.43	62.53	7.10	736,84,762
3.	STS Cranes (A-D)	11,65,784	55.43	62.53	7.10	82,81,962
4.	STS – Part 'E'-1	6,18,737	55.43	62.53	7.10	43,95,633
	Total Loss / (Gain) - restated	131,52,071				940,57,856

Therefore, if the Honourable Authority disallows the restated forex losses of earlier years, the entire losses of ₹940,57,856/- in addition to the forex losses from April 2015 till March 2017 has to be compensated in the next tariff cycle, which would be a huge burden to the Trade.

10.1. In the meanwhile, during the processing of this case, the Ministry of Shipping (MOS) has vide its letter dated 12 June 2015 conveyed the opinion of Attorney General for India (AG) on interpretation of a few provisions of the Tariff Guidelines of 2005. The MOS while conveying the opinion of the AG obtained by it has advised this Authority to consider the opinion of the AG for regulating the tariff of the BOT Terminals operating at the Major Port Trusts under the Tariff Guidelines of 2005.

10.2. Accordingly, all the BOT Terminal operators governed under the tariff guidelines of 2005 including VCTPL were conveyed vide our letter no. TAMP/46/2015-Misc dated 24 July 2015 that henceforth the following will be considered for regulating the tariff of BOT terminals operating at the Major Port Trusts under the Tariff Guidelines of 2005:

(i). Both financial and physical parameters will be taken into account for the purpose of clause 2.13 of the Tariff Guidelines 2005. 20% of the surplus would be allowed to be retained by the operator. It is only the surplus over and above the 20% that shall be shared equally between the operator and the users.

(ii). The Income to be considered for the purpose of clause 2.13 will be the actual income earned by the operator based on their Audited Accounts and not any notional income.

(iii). The process of reassessing the surplus quantified for the tariff cycle immediately preceding the tariff Order no.TAMP/65/2013-VCTPL dated 21 March 2015 will be initiated and the tariff fixed in the said tariff Order will be reviewed.

11. In view of the above position, the exercise of review of the tariff Order dated 21 March 2015 in view of MOS letter dated 24 July 2015 is undertaken simultaneously along with the review application filed by the VCTPL.

12. Arguments made by the VCTPL will be sent separately to the relevant parties. These details will also be made available at our website http://tariffauthority.gov.in.

13.1. To summarise, the VCTPL in its review application filed vide its letter dated 30 April 2015 and subsequent communication submitted during the processing of the case has submitted the following points for review of the March 2015 Order:

(i). Notional income relating to rebate/ discount allowed by VCTPL on transhipment containers and empty containers which is added back by this Authority in the income for the years 2011-12 to 2013-14 should not be added back.

(ii). Consider the foreign exchange loss which was disallowed by this Authority in the past period analysis of years 2011-12 to 2013-14.

(iii). Consequent to (i) and (ii) above, past period surplus assessed by this Authority at ₹11.45 crores needs to be reassessed.

(iv). Income estimates considered by this Authority from Transhipment containers to be corrected considering 40% concessional tariff applicable to coastal leg for Transhipment containers which was not captured in March 2015 Order.

(v). Round off the tariff in SOR for practical purposes.

(vi). It is reiterated to consider past period losses of ₹44.65 crores in the years 2003-04 to 2008-07 in the current cycle. Further, for the period 2008-09 to 2010-11 consider, adjustment of 50% of past surplus as against 100% past surplus i.e. ₹300.84 lakhs considered by this Authority.

13.2. The points made by the VCTPL in the review application including the details furnished by it in support of its claim to review foreign exchange gain / loss disallowed in the approved tariff Order, the relevant extract from the tariff Order dated 21 March 2015 and our analysis thereon are dealt herein below in seriatim.

(i). **Notional income relating to rebate/ discount allowed by VCTPL on transhipment containers and empty containers added back by this Authority in the income for the years 2011-12 to 2012-13 should not be added back.**

(a). <u>Submissions made by VCTPL</u>

(i). As per clause 2.16.1. of the tariff guidelines 2005, the rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The ports may, if they so desire, charge lower rates and/or allow higher rebates and discounts.

(ii). There is no provision in the guidelines that Operating Income is calculated notionally as per the Scale of Rates even when certain rebates and concessions are given by the operator. Calculating the income on notional basis is therefore definitely an error apparent on the face of records and warrants a review.

(iii). Allowing concession on Transhipment has benefitted the Main Line operators to call larger Main line vessels and offer lower slot cost to the container operators/ agents. The container operators/ agents in turn have been able to offer lower freight cost to the Exporter/ Importer.

(iv). The terminal has provided discounts on empty containers due to the fact that there are no enough empty containers available in the Vizag market for stuffing of export cargo. The container operators have to reposition the empties at an additional operating cost. Therefore, in order to benefit the trade VCTPL at time based on large volume of empty containers allows concessions.

(v). In such a situation where actually the Trade is getting the benefit of the concession, not taking the concessions into account while calculating the Operating Income is detrimental to the interests of the VCTPL, as on the one side we are losing the revenue and on the other side the operating income being unnecessarily escalated.

(vi). Therefore, VCTPL has requested not to add back the following notional revenue:

Financial Year	₹ in Lakhs
2011-12	603.87
2012-13	531.30
2013-14	600.19
Total	1735.36

(b). Relevant extracts of Order dated 21 March 2015 [Para 10(iv)(c)] are reproduced below:

"The VCTPL has reported that concession was granted in the handling charges of transhipment containers and empty containers for repositioning through the terminal to encourage growth in exports. For the purpose of analysis of the past period, revenue realisable as per the approved Scale of Rates can only be considered. Therefore, discounts granted by VCTPL at its discretion in the actual income are not considered and added to the actual income reported in the Audited Annual Accounts."

(c). Analysis:

(i). The approach then followed by this Authority of adding back the discounts granted by VCTPL at its discretion to the actual income reported in the Audited Annual Accounts was in line with the general approach followed by this Authority in all cases. This approach was followed not only in the case of the VCTPL but also in the case of the other Private terminal Operators and Major Port Trusts then governed by the tariff guidelines of 2005.

(ii). However, as stated earlier, along with the review application filed by the VCTPL, the past period surplus quantified for the preceding tariff cycle 2011-12 to 2013-14 during the tariff fixation in March 2015 Order is also to be reassessed in view of the MOS letter dated 12 June 2015 conveying the opinion of the AG on a few provisions of the tariff guidelines of 2005. The VCTPL has been intimated that the process of reassessing the surplus quantified for the tariff cycle immediately preceding the tariff Order no.TAMP/65/2013-VCTPL dated 21 March 2015 will be initiated and the tariff fixed in the said tariff Order will be reviewed.

(iii). One of the three interpretations of the AG on a few provisions of the tariff guidelines of 2005 as brought out earlier, is relating to the notional income added back on account of rebate / discounts allowed by the Terminal Operators. The AG has opined that the income to be considered for the purpose of clause 2.13 of the Tariff Guidelines 2005 will be the actual income earned by the operator based on their Audited Accounts and not any notional income.

(iv). As rightly pointed out by the VCTPL and brought out in para 10(iv)(c) of the March 2015 Order, the discounts granted by VCTPL at its discretion in the actual income were not considered in the Order of March 2015 and were added to the actual income of the years 2011-12 to 2013-14 reported in the Audited Annual Accounts.

(v). Flowing from the opinion of the AG, rebate of ₹603.87 lakhs, ₹531.30 lakhs and ₹600.19 lakhs for the years 2011-12, 2012-13 and 2013-14 respectively aggregating to ₹1735.36 lakhs being discounts granted by VCTPL which were added back to the income are now deducted from the income considered in the cost statement of March 2015 tariff order for the corresponding period.

(vi). Subject to above modification, the total modified income considered is ₹6224.24 lakhs, ₹6594.78 lakhs and ₹7887.63 lakhs for the years 2011-12, 2012-13 aggregating to ₹21064.65 lakhs for the years 2011-12 to 2013-14 as against ₹6826.11 lakhs, ₹7486.08 lakhs and ₹8487.82 lakhs for the years 2011-12, 2012-13 aggregating to ₹22800.01 lakhs considered in Annex – I of the March 2015 Order relating to the analysis of the past period actuals vis a vis estimates.

(vii). Thus, in short the tariff Order of March 2015 has been reviewed in respect of this item flowing from the opinion of the AG conveyed by the MOS.

(ii). **Consider the foreign exchange loss which was disallowed by this Authority during the years 2011-12 to 2013-14.**

(a). Submissions made by VCTPL

(i). The Forex Loss on account of restatement of Outstanding Foreign currency liability as on 31st March of the relevant financial year has been accounted based on AS11. This Authority disallowed the foreign exchange loss during the years 2011-12 to 2013-14.

(ii). As per TAMP Form 3A under Note 8, Loss, if any, on repayment of foreign currency loan due to exchange rate fluctuations will be limited to installment payment during the corresponding year.

(iii). According to AS 11, transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognized as income or expense, as the case may be.

(iv). The Financial Year-wise Forex Loss / (Forex Gain) incurred is furnished hereunder:

Sr. No.	Particulars	FY 2011-12 (Audited)	FY 2012-13 (Audited)	FY 2013-14 (Audited)	FY 2014-15 (Audited)
1.	Management Fee	1,09,936	1,03,860	18,704	42,109
2.	AMC	6,823	(5,12,925)	27,762	941
3.	Import of spares	2,90,298	34,536	82,424	1,394
4.	Interest on BC's	9,362	59,559	37,205	2,158
5.	Travelling and Other Exp.	3,470	(4,015)	305	2,616
6.	Restatement-BC's	1,34,24,421	(10,97,782)	992,68,320	392,68,117
7.	Restatement –FCNR Loan				59,38,467
8.	FC-Cancellation	(114,36,110)	(51,00,677)	-	-
9.	Bank Charges	-	(7,07,911)	-	(20,650)
10.	BC Loan repayment	-	-	-	(72, 19,431)
11.	Re-payment of FCNR loan				(6,980)
	Total Loss / (Gain)	**24,08,200**	**(72,25,356)**	**994,34,720**	**380,08,742**

(v). In the above list all items except Sl.no. 6, 7 and 8 are forex losses/gain incurred on actual transaction basis.

(vi). (a). In the above list, Sl. no. 6 is restatement of foreign currency loan in the form of Buyer's Credits taken for the purpose of Phase III expansion of VCTPL (procurement of 2 numbers of RMQCs, 4 numbers of RTGCs, Spreaders and Capital spares for the RMQCs & RTGCs) at the end of the corresponding financial years.

(b). The total Buyer's credit Loan o/s as on 31/3/2014 was USD 1,83,72,815. VCTPL has already made the repayment of USD 52,20,744 (Out of USD 183,72,815 which was restated earlier) during May 2014 and June 2014 during FY 2014-15 for which the actual Forex loss is ₹4,79,68,455.56. The balance repayment of Buyer's credit remaining o/s (USD 131,52,071) are to be discharged before March 2017. Since year on year the Rupee value is depreciating against USD, VCTPL will be incurring the Forex loss at the time of actual payment. The VCTPL made repayment of USD 52,20,744. As per RBI guidelines, the remaining Buyer's credits (USD 131,52,071) can be rolled over for a period 5 years and shall fall due before March 2017.

(vii). Sl No. 8 is Forward contract taken by the company for the purpose of Letter of Credit settlement prior to entering the Buyer's credit loan taken for importing the aforesaid equipments.

(viii). From the following table it can be observed that VCTPL has already incurred actual Forex Loss of INR 479,68,456 as of FY

2014-15 which had been already restated in the earlier years and Forex losses were already recognised in the corresponding years as per AS 11.

Details for Buyer's Credit (BC's) paid during May 2014 and June 2014 (FY 214-15) – restated earlier from FY 2011-12 to 2013-14							
Sl. No.	Particulars of Fixed assets	Base Value in USD	Capitalized Rate during 2012-13	Payment Rate	Diff.	Actual Forex Loss / (Gain) in INR	Payment date
1.	RTGC s	43,98,411	49.22	58.81	9.59	421,58,767	16-05-2014
2.	Spreaders	3,08,475	49.40	58.92	9.52	29,35,170	18-06-2014
3.	Spreaders-Part C	34,275	51.85	58.92	7.06	2,42,084	19-06-2014
4.	RTGCs-Part 'E'	4,79,583	53.32	58.81	5.49	26,32,434	16-05-2014
	Total Loss / (Gain)-Actual	52,20,744				479,68,456	

Therefore, if the Honourable Authority disallows the restated forex losses of earlier years, the entire losses of ₹479,68,456/- has to be compensated in the next tariff cycle, which would be a huge burden to the Trade.

(ix). Following Table shows the Foreign Currency Buyer's Credit Loan still outstanding as on 31/3/2015 and to be repaid before March 2017.

Sl. No.	Particulars	Base Value in USD	Capitalised Rate during 2012-13	Ex Rate as on 31/3/2015	Diff.	Forex Loss already re-stated (INR)
1.	RTGC-Capital spares	1,83,163	53.80	62.53	8.73	15,98,762
2.	STS – Capital spares	1,58,274	53.37	62.53	9.16	14,49,791
2.	STS – Part 'E'-2	6,54,113	55.43	62.53	7.10	46,46,945
3.	STS Cranes (A-D)	103,72,000	55.43	62.53	7.10	736,84,762
3.	STS Cranes (A-D)	11,65,784	55.43	62.53	7.10	82,81,962
4.	STS – Part 'E'-1	6,18,737	55.43	62.53	7.10	43,95,633
	Total Loss / (Gain) - restated	131,52,071				940,57,856

Therefore, if the Honourable Authority disallows the restated forex losses of earlier years, the entire losses of ₹940,57,856/- in addition to the forex losses from April 2015 till March 2017 has to be compensated in the next tariff cycle, which would be a huge burden to the Trade.

(x). The VCTPL has thus requested that if foreign exchange gain / loss is not allowed as an expense in the relevant financial year of restatement, at the time of actual payment, there would be huge Forex loss and would have to be passed on to the trade at one go in the next tariff cycle of 2017-18 to 2019-20.

(b). Relevant extracts of Order dated 21 March 2015 [Para 10(iv)(h)] are reproduced below:

"The Annual Accounts of the VCTPL reports net foreign exchange gain of ₹72.25 lakhs in the year 2012-13 and net foreign exchange loss of ₹24.08 lakhs in the year 2011-12 and ₹994.34 lakhs in the year 2013-14.

The VCTPL has furnished the breakup of the actual foreign exchange gain/ loss reported in the Annual Accounts. From the details furnished by the VCTPL it is seen that of ₹72.25 lakhs of foreign exchange gain reported in the year 2012-13, ₹10.97 lakhs pertains to restatement of buyers credit and ₹51.00 lakhs pertains to cancellation of forward contract. Foreign exchange gain/ loss arising on account of actual transaction and for actual payment are captured in the cost statement for the purpose of tariff determination process. Foreign exchange gain or loss arising on account of restatement of loan / assets / expenses are not considered while determining the tariff. Hence, foreign exchange gain reported on account of restatement of buyers credit is not considered. This is in line with the approach followed in the tariff fixation of other *private terminals also which are governed by 2005 guidelines. Further, in the case of VCTPL, foreign exchange gain as well as loss on account of forward contract cancellation are also reported. The nature of foreign exchange gain/ loss on forward contract cancellation remains unexplained. This item was not considered in the last tariff Order. Hence while reviewing the actuals also, this foreign exchange gain/loss on account of cancellation of forward contract are not considered for a like to like comparison with the estimates. Accordingly, foreign exchange gain to the tune of ₹61.98 lakhs i.e. aggregate of ₹10.98 lakhs and ₹51.00 lakhs in the year 2012-13 are excluded.*

Following the same approach, for the year 2011-12, foreign exchange loss of ₹1.08 towards restatement of management fee and ₹134.24 lakhs towards restatement of buyers credit and foreign exchange gain of ₹114.36 lakhs due to forward contract cancellation aggregating to foreign exchange loss ₹20.96 lakhs (₹1.08 + ₹134.24 - ₹114.36) is excluded. For the years 2011-12, foreign exchange loss of ₹992.68 lakhs towards restatement of buyers credit is excluded. All other items of foreign exchange gain/loss which are of routine transaction for purchase of stores, etc. are considered in the cost statement."

(c). Analysis:

(i). In the March 2015 Order, for the reasons elaborately stated, the net of foreign exchange loss of ₹20.96 lakhs in the year 2011-12, ₹992.68 in the year 2013-14 and net foreign exchange gain of ₹61.98 lakhs in the year 2012-13 was not allowed in the analysis of the past period performance for the years 2011-12 to 2013-14.

(ii). As regards Accounting Standards (AS) 11 relating to accounting of foreign currencies transactions followed by VCTPL, it is relevant to state that even during the processing of the general revision Order which culminated into the March 2015 Order, the VCTPL had referred to the said AS and had stated that foreign currencies transactions are recorded at the exchange rates prevailing on the date of transaction. The loss or gain arises (1) on the date of making the payment or, (2) on the outstanding amount as on 31st March which is translated on that day's exchange rate. As regard the point made by VCTPL that gain or loss is shown in the Profit & Loss A/c as per Indian Accounting Standard 11 it is to state that criteria for fixation of tariff is different from the accounting treatment followed by the VCTPL. As admitted by the VCTPL, Note 9 to Form – 3A of the Tariff Filing Forms for Private Terminal operator provides for admittance of loss, if any, on repayment of foreign currency loan due to exchange rate fluctuation if there is actual payment during the corresponding year.

(iii). It is appropriate to reiterate the position stated in the Order of March 2005 that foreign exchange gain/ loss arising on account of actual transaction and for actual payment are captured in the cost statement for the purpose of tariff determination process. Only the foreign exchange gain or loss arising on account of restatement of loan / assets / expenses are not considered while determining the tariff, as it does not involve actual transaction or actual payment.

(iv). The foreign exchange gain / loss disallowed by this Authority are restatement of buyers credit, Forward Contract cancellation. With reference to review of this item, the VCTPL was specifically requested to establish that each of the foreign exchange gain / loss is on account of actual transaction and actual payments done by the VCTPL for the actual transaction in the relevant financial year.

(v). The VCTPL has in its review application stated that all items exhibited in the table brought out at 13.2 (ii) (a) (iv) above, except the items (6) i.e. restatement of Foreign Currency – Buyer's Credit, item (7) i.e. restatement – FCNR loan and items (8) – Forward Contract Cancellation are 1 in May 2014 and June 2014. The matter of review referred by the VCTPL is with reference to the foreign exchange gain/ loss disallowed in the past period analysis for the years 2011-12 to 2013-14. Hence, the said forex loss relating to the year 2014-15 is not found relevant in the current exercise.

(vii). As regards the details of Foreign Currency Buyers Credit outstanding as on 31 March 2015 to be repaid before March 2017 which is brought at para 13.2 (ii) (a) (iv) above, the VCTPL itself has stated that it has not made the actual payments.

(viii). Thus, in short the VCTPL has not established in the review application that it has made actual payments in respect of foreign exchange gain/ loss items disallowed in the March 2015 Order during the relevant financial years i.e. 2011-12 to 2013-14. The foreign exchange gain or loss arising on account of restatement of loan / assets / expenses are not considered while determining the tariff. The VCTPL in the review application has not pointed out any error as such in the March 2015 Order in this regard calling for any review on this aspect. As such review is not warranted on this item.

(ix). As regard the point made by the VCTPL that non consideration of foreign exchange loss will entail huge losses in the next tariff cycle and burden the trade, it is to state that the matter can be examined only at that point of time based on actual transaction / payment then to be reported. It is not appropriate to capture the exchange loss likely to occur in the future period in the existing tariff.

(iii). **Consequent to request for review of items at (i) and (ii) above, past period surplus assessed** by this Authority **at ₹11.45 crores needs to be reassessed.**

(a) . Submissions made by VCTPL:
The VCTPL has requested to review the past period surplus assessed by this Authority at ₹11.45 crores for the years 2011-12 to 2013-14 in view of points made by it at (i) and (ii) above.

(b). The relevant extract of Order dated 21 March 2015 from Para 10 (xi) (b)](v) to (ix) is reproduced below:

" (v). As per the cost statement prepared by us, the VCTPL has earned surplus of ₹2629.78 lakhs, ₹2117.93 lakhs and ₹2340.59 lakhs before return which aggregates to average surplus of ₹2362.77 lakhs for the years 2011-12 to 2013-14. The average return earned on the average capital employed thus works out to 23.1%, as shown in the following table:

(₹ in lakhs)

Particulars	***2011-12***	***2012-13***	***2013-14***	***Average***
Actual Surplus before return earned by VCTPL	***2,629.78***	***2,117.93***	***2,340.59***	***2,362.77***

Actual Capital Employed	*5,651.54*	*13,041.93*	*11,964.29*	***10,219.25***
Actual Return earned on capital employed	*46.5%*	*16.2%*	*19.6%*	*23.1%*

(vi). *It can be seen from the above analysis that the variation in the physical parameter i.e. actual traffic handled and financial performance in terms of operating income are more than +20%. Further, as per the above table, the VCTPL has earned average return of 23.1% on the capital employed as against 16% return allowed in the last tariff Order.*

As per clause 2.13 of the tariff guidelines, if review of actual physical and financial performance for the previous tariff cycle shows the variation of more than + or – 20%, then 50% of such accrued benefit / loss has to be adjusted in the next tariff cycle. Hence there is a case to adjust the past surplus in the current tariff cycle of VCTPL, as per the tariff guidelines of 2005.

(vii). *Before considering adjustment of additional surplus for the past period, it is relevant to deal with a decision taken by this Authority in the October 2011 Order. During the last tariff revision there was some element of doubt on the presumption/ estimates furnished by the VCTPL as regards the income from Non Container Vessel (NCV). As brought out in para 12(vii)(b) of the said Order based on the submissions then made by the VCTPL that it anticipated a significant fall in income from this source in future years, this Authority relied upon income from NCV as estimated by VCTPL subject to the condition that if any positive variation is found in actual vis-à-vis the estimated NCV income, such accrual will be set off fully in the next tariff review.*

Thus, while reviewing the actuals vis-à-vis the estimates, it is observed that as against estimated income from NCV at ₹30 lakhs per annum i.e. aggregating to ₹90 lakhs, the actual aggregated income earned by the VCTPL for the corresponding period is ₹287.41 lakhs. The variation in absolute terms is ₹197.41 lakhs positive i.e. VCTPL has earned ₹197.41 lakhs higher than the estimates and in terms of percentage it works out to 219.34%. In view of the above, in line with the decision of this Authority, the additional income earned by VCTPL over estimates level i.e. ₹197.41 lakhs is fully set off in the current tariff cycle. Since, a decision to finally adjust the additional income has been already taken on the ground of doubts on the estimation of VCTPL which ultimately is proved correct, this Authority is not in a position to accede to the request of VCTPL to consider only 50% for set off.

(viii). *Now coming to the adjustment of the additional surplus assessed for past period 2011-12 to 2013-14. It is relevant here to note that since the additional income from NCV already captured for the years 2011-12 to 2013-14, the balance actual additional surplus after excluding the NVC related income is considered for set off to the extent of 50%, as per provisions of the tariff guidelines of 2005. To summarise, the surplus (after permissible return) for the years 2011-12 to 2013-14 that is being considered for adjustment in the current tariff cycle is as follows:*

(₹ in lakhs)

Particulars	***₹ in lakhs***	***To be set off***	***Considered for adjustment***
Additional Income from NCV (₹287.41 lakhs – ₹90 lakhs)	*197.41*	***100%***	***197.41***
Total actual Additional Surplus assessed for the years 2011-12 to 2013-14 less the income from NCV (₹2183.06 lakhs – ₹287.41 lakhs)	*1895.65*	***50%***	***947.82***
Total additional surplus to be considered for setoff			***1145.23***

(ix). Thus, the actual surplus of ₹1145.23 lakhs earned by VCTPL over and above the admissible cost and permissible return during the years 2011-12 to 2013-14 is to be adjusted in the future tariff. In the tariff cases of few other private terminals like the Gateway Terminals of India Limited (GTIPL), Chennai Container Terminal Private Limited (CCTPL), TM International Logistics Limited (TMILL) and in the recent case of the South West Port Limited etc., where significant amount of past surplus arose for adjustment and where there was a case for reduction in their existing tariff, this Authority, in order to smoothen the fluctuation in the tariff and to avoid the artificial reduction in tariff in one cycle, has considered to adjust such past surplus over five years period.

In the instant case, as can be seen as we progress further with the analysis, the cost position, for the future period reflects a deficit position which necessitates upward revision of tariff over the existing level of tariff. It is not appropriate to grant increase in the tariff in the current cycle learning some part of the past surplus for adjustment in the next tariff cycle. It is, therefore, desirable to exhaust the adjustment of the assessed past surplus in this tariff cycle itself before considering tariff increase. Hence, ₹1145.23 lakhs is considered to be set off equally during the three years 2014-15 to 2016-17 in current tariff cycle."

(c). <u>Analysis</u>:

(i). Consequent to modification in the income considered in the years 2011-12 to 2012-13 arising out of recognition of discounts / rebates allowed by VCTPL, the surplus assessed for the past period and considered for adjustment also stands modified as submitted by the VCTPL.

(ii). Apart from that, there is one more modification required in the surplus assessed for the past period flowing from the opinion of the AG. As per the opinion of the AG, variation in both financial and physical parameters must be taken into account for the purpose of clause 2.13 of the Tariff Guidelines 2005. If the variation in both the physical and financial parameters is more than 20%, then 20% of the surplus is to be allowed to be retained by the operator. It is only the surplus over and above the 20% that shall be shared equally i.e. 50:50 between the operator and the users. In the March 2015 Order, the past period surplus for the preceding tariff cycle.

(iii). The cost statement showing the actual vis-à-vis estimates for the past period 2011-12 to 2013-14 attached to the Order dated March 2015 is modified in the light of the modified income for the years 2011-12 to 2013-14 and also in view of opinion conveyed of the AG as regard adjustment of past period surplus as explained in preceding paragraphs which is attached as **Annex – I**.

(iv). A summary of the comparison of the actuals vis-à-vis the estimates considered as in the last tariff Order vis a vis the summary of the same as per the **Annex – I** is tabulated below:

A. As given in para 10(xi) (a) of the Order dated March 2015:

(₹ in lakhs)

Particulars	Aggregate for the years 2011-12 to 2012-13 in absolute terms (₹ in lakhs)		Variation in %
	Estimates as per tariff Order	Actuals	

Particulars	Aggregate for the years 2011-12 to 2012-13 in absolute terms (₹ in lakhs)		Variation in %
	Estimates as per tariff Order	**Actuals**	
Traffic (in TEUs)	5,90,000	7,43,922	26%
Operating Income	15,970.71 *	22,800.01	43%
Total Expenses	**13,112.44**	**15,711.71**	19.8%
Surplus/ deficit before Return	**2,858.27**	**7,088.30**	148%
Capital Employed (Average)	12,435.30	10,219.25	-18%
16% Return on Capital Employed for the three years 2011-12 to 2013-14	5,968.95	4,905.24	-18%
Net Surplus after ROCE (before adjustment of past surplus)	(-)3,110.67	2,183.06	
Adjustment of Past period surplus assessed in October 2011 Order	2,402.46	-	
Net Surplus after ROCE (after adjustment of past surplus)	(-)708.21	2,183.06	

***** *The operating income estimates are updated to reflect the effect of tariff increase granted in tariff Order of October 2011 implemented by the VCTPL from 1 September 2012 after deployment of RMQCs and RTGCs.*

B. As per Annex I:

	Estimates as per tariff Order of 2011	Actuals Based on the review application and taking into consideration the opinion of AG conveyed by the MOS	
Traffic (in TEUs)	5,90,000	7,43,922	26%
Operating Income	15,970.71 *	**21064.65**	32%
Total Expenses	13,112.44	15,711.71	19.8%
Surplus/ deficit before Return	2,858.27	5352.94	87%
Capital Employed (Average)	12,435.30	10,219.25	-18%
16% Return on Capital Employed for the three years 2011-12 to 2013-14	5,968.95	4,905.24	-18%
Net Surplus after ROCE (before adjustment of past surplus)	(-)3,110.67	**447.70**	
Adjustment of Past period surplus assessed in October 2011 Order	2,402.46	-	
Net Surplus after ROCE (after adjustment of past surplus)	(-)708.21	**447.70**	

***** *The operating income estimates are updated to reflect the effect of tariff increase granted in tariff Order of October 2011 implemented by the VCTPL from 1 September 2012 after deployment of RMQCs and RTGCs.*

(v). As per the modified cost statement prepared by us, the VCTPL has earned surplus of ₹2,025.91 lakhs, ₹1,586.63 lakhs and ₹1,740.40 lakhs before return which aggregates to average surplus of ₹1,784.31 lakhs for the years 2011-12 to 2013-14. The average return earned on the average capital employed thus works out to 17.5%, as shown in the following table:

(₹ in lakhs)

Particulars	2011-12	2012-13	2013-14	Average
Actual Surplus before return earned by VCTPL	**2,025.91**	**1,586.63**	**1,740.40**	**1,784.31**
Actual Capital Employed	5,651.54	13,041.93	11,964.29	**10,219.25**
Actual Return earned on capital employed	35.8%	12.2%	14.5%	17.5%

(vi). As per opinion of the AG, variation in both financial and physical parameters must be taken into account for the purpose of clause 2.13 of the Tariff Guidelines 2005. If the variation in both the physical and financial parameters is more than 20%, then 20% of the surplus is to be allowed to be retained by the operator. It is only the surplus over and above the 20% that shall be shared equally i.e. 50:50 between the operator and the users.

(vii). It can be seen from the above analysis that the variation in the physical parameter i.e. actual traffic handled is more than +20%. As per the above table, the VCTPL has earned average return of 17.5% on the capital employed as against 16% return allowed in the last tariff Order. Though the variation in terms of physical parameter i.e. traffic is more than 20%, in terms of ROCE the variation is 9.4% ([i.e. 17.5%-16%/16%] which is found to be less than 20%.

(viii). Thus, it can be seen that based on the modified cost statement flowing from the review application, the variation of more than 20% is found only in the physical parameter i.e. traffic. The variation in the financial parameter i.e. ROCE is found to be less than 20% hence there is no case for adjustment of past period surplus flowing from clause 2.13 of the tariff guidelines of 2005 and AG's opinion.

(ix). In the March 2015 last Order, this Authority has, for reasons elaborately explained in para 10(xi(b)(vii) of the said Order considered adjustment of 100% of additional surplus arising from the income from Non Container Vessel (NCV). The same adjustment is considered in the current exercise. It is relevant to state that this adjustment does not flow from clause 2.13 of the tariff guidelines of 2005 but flows from the decision taken by this Authority in the pre-revised Order of October 2011. Since this Authority had some element of doubt on the presumption/ estimates furnished by the VCTPL as regards the income from Non Container Vessel (NCV), it was stated in para 12(vii)(b) of the said Order that based on the submissions then made by the VCTPL that it anticipated a significant fall in income from this source in future years, this Authority relied upon income from NCV as estimated by VCTPL subject to the condition that if any positive variation is found in actual vis-à-vis the estimated NCV income, such accrual will be set off fully in the next tariff review. That being so, the additional income earned by VCTPL over estimates level i.e. ₹197.41 lakhs from NCV considered for fully set off in the March 2015 Order is retained now also.

(x). In the light of the above analysis, to summarise, in the current exercise of processing the review application filed by the VCTPL and in pursuance of the opinion of the AG conveyed by the MOS ₹197.41 lakhs is the surplus being considered for adjustment for past period 2011-12 to 2013-14 as against 1,145.23 lakhs (being ₹197.41 lakhs additional income from NCV + ₹947.82 lakhs being 50% of the past period surplus for the years 2011-13 to 2013.14) considered in the March 2015. ₹197.41 lakhs is set off equally during the three years 2014-15 to 2016-17 in line with the approach followed in the March 2015 Order.

(iv). **<u>Error in the estimation of income from transhipment containers:</u>**

(a). <u>Submissions made by VCTPL</u>

(i). The Income from Transhipment container assumed by VCTPL is 1 leg coastal and 1 leg foreign. Therefore, VCTPL has applied the approved tariff of ₹3508 (₹4,385/2 X 60% for coastal leg + ₹4,385/2 for foreign leg). Whereas, this Authority while issuing the Order, has grossed up the Transhipment tariff. Therefore, the year wise excess income estimated by this Authority are as under:

(**₹ in Lakhs**)

	2014-15	2015-16	2016-17
TAMP	7,271.06	8,530.75	9,042.59
VCTPL	6,965.20	8,163.53	8,645.27
Excess Income	**305.86**	**367.22**	**397.32**

(ii). Calculating the Transhipment income considering at the full value of scale of rates is therefore definitely an error apparent on the face of records and warrants a review from the Honorable Authority.

(b). The relevant extract of Order dated 21 March 2015 [Para 10 (xiii) (a)] is reproduced below:

"The container operating income estimated by VCTPL in the cost statement for the years 2014-15 to 2016-17 is ₹7,631.20 lakhs, ₹8,039.20 lakhs and ₹8,447.13 lakhs respectively.

The VCTPL has furnished detailed working of income estimation based on the existing level of tariff and the traffic projections. From the workings furnished by VCTPL, it is seen that, though the income for all the items is estimated by the VCTPL at the existing tariff level, in respect of transhipment containers, the income estimates are found to have been done at rates lower than rates applicable as per the existing Scale of Rates. In our analysis, the income from transhipment container is estimated as per the existing rates prescribed in the SOR for the transhipment containers. Subject to above modification, the income estimates are considered following the approach followed by VCTPL except for estimating it on modified traffic projections. The modified container operating income considered in the cost statement for the years 2014-15 to 2016-17 are ₹7,271.06 lakhs, ₹8,530.75 lakhs and ₹9,042.59 lakhs respectively."

(c). Analysis:

(i). The VCTPL during the proceedings relating to the March 2015 Order had never stated that one leg is foreign and one leg is coastal in respect of transshipment containers. The unit rate prescribed for handling transhipment container (i.e. foreign) in the then prevailing SOR of the VCTPL prior to March 2015 Order is ₹4,385 for a 20' container and ₹6,577 for a 40' container.

(ii). Since the unit rate considered by the VCTPL at ₹3508 for a 20' container and ₹5,262 for a 40' container was not found to be matching with the rates prescribed in the SOR, it was modified as explained in the said Order.

(iii). In view of the clarification now furnished by the VCTPL that one leg of transhipment container is foreign and the second leg of transhipment container is coastal, there is merit in the point raised by the VCTPL warranting correction in the income estimate considered for transhipment container in the March 2015 Order.

(iv). The income estimates for transshipment container is modified considering the unit rate prescribed in the then prevailing (pre-revised) SOR at ₹3,508 for a 20' container (i.e. 50% * foreign rate of ₹4,385 + 50% of coastal rate of ₹2,631) for a 20' container and at ₹5,262 for a 40' container (i.e. 50% * foreign rate of ₹6,577 + 50% of coastal rate of ₹ 3,946.20). Only the unit rate for transhipment container considered in the March 2015 Order is modified. No other modification is done other than this in the income estimates considered in the March 2015 Order.

(v). The basis for the income estimates furnished by the VCPTL in the review application as the income of VCTPL at ₹6,965.20 lakhs, ₹8,163.53 lakhs and ₹8,645.27 lakhs remains unexplained. The VCTPL during the last general revision Order had estimated container handling income at ₹7,631.20 lakhs, ₹8,039.20 lakhs and ₹8,447.13 lakhs.

(vi). Subject to above analysis, the modified container operating income considered in the revised cost statement for the years 2014-15 to 2016-17 are ₹6,965.23 lakhs, ₹8,171.93 lakhs and ₹8,662.25 lakhs respectively as against ₹7,271.06 lakhs, ₹8,530.75 lakhs and ₹9,042.59 lakhs respectively considered by this Authority in the March 2015 on account of correction in the unit rate of transhipment container for reasons pointed out by the VCTPL in the review application.

(v). **Rounding off of tariff in SOR**

(a). Submission by VCTPL:

The tariff has been prescribed with decimals in the SOR. It is requested to round off the tariff for all practical purpose.

(b). Analysis:

(i). The request of VCTPL is to round off the tariff for practical purposes instead of prescribing it in decimals.

(ii). The request of VCTPL is accepted. Accordingly, the tariff in the revised SOR is rounded off to next rupee if decimal figure is more than 0.50 paise.

(vi). **Past losses of ₹ 4465.54 lakhs for FY 2003-04 to 2006-07**

(a). Submissions made by VCTPL

In the pre-revised tariff Order passed by this Authority, past losses of ₹4,465.54 lakhs (as per TAMP Order) for the years 2003-04 to 2006-07 incurred by the terminal was ignored by this Authority without carrying forward and adjusting in the subsequent tariff cycle.

(b). Analysis:

(i). The current exercise is limited to review the tariff Order of March 2015.

(ii). For adjustment of past period surplus, the VCTPL and this Authority are governed by clause 2.13 of the tariff guidelines of 2005. As per clause 2.13 of the ibid guidelines, the review of the past period surplus has to be done with reference actuals vis a vis the estimates of the immediate previous Order i.e. of October 2011. The estimates considered in the October 2011 Order pertained to the years 2011-12 to 2013-14 which has been reviewed for the purpose of physical and financial performance of VCTPL in the March 2015 Order. The same has been further reviewed in view of the current review application filed by the VCTPL as explained above.

(iii). After the announcement of March 2005 Guidelines, this Authority during each tariff revision of VCTPL has reviewed the actuals vis a vis estimates under clause 2.13 at the Tariff Guidelines 2005 while revising the tariff of VCTPL. Therefore, the point made by the VCTPL about losses for the past years 2003-04 to 2006-07 does not merit consideration in the current exercise.

(vii). **<u>Adjustment of 100% additional surplus of ₹300.84 lakhs relating to the year 2007-08*:*</u>**

(a). <u>Submissions made by VCTPL in its review application</u>

This Authority in the last tariff Order of 11 October 2011 had adjusted 100% additional surplus i.e. ₹300.84 lakhs relating to the year 2007-08. It is requested to consider 50% of the past surplus adjustment as against 100% adjusted by this Authority.

(b). <u>Analysis</u>:

(i). The reference drawn by VCTPL to the Order dated 11 October 2011 in the said review item is found to be incorrect.

(ii). The above matter referred by the VCTPL is related to July 2009 Order. For the reasons stated in the para 10 (xx) (b) and (c) of the July 2009 Order, the additional 100% surplus assessed for the year 2007-08 was setoff equally over the years 2008-09 to 2010-11.

(iii). The current exercise is limited to review the tariff Order of March 2015. Hence the point made by the VCTPL to review this item pertaining to 2009 Tariff Order is not found to merit any consideration.

14.1. The cost statement giving the consolidated position considered in the tariff Order of March 2015 is modified in light of the above analysis and attached as **Annex-II**. The summary of the cost position reflected in the cost statement at the tariff level prevailing prior to the March 2015 Order is summarized below:

(**₹ in lakhs**)

Particulars	**2014-15**	**2015-16**	**2016-17**	**Total**
Operating Income	7876.03	9238.12	9791.18	26905.33
Net Surplus / deficit	(-)624.62	(-)417.72	(-)1995.43	(-)3037.77
Net Surplus / deficit as a percentage of Operating Income	(-)7.93%	(-)4.52%	(-)20.38%	(-)10.94%

The above table depicts a total deficit of ₹3037.77 lakhs for the years 2014-15 to 2016-17 at the tariff level prevailing prior to March 2015 Order.

14.2. The VCTPL had in the last tariff revision which culminated in March 2015 Order had proposed a 28.09% increase in all tariff items and 15.16% reduction in the handling charges of transhipment containers.

14.3. The Cost statement attached to the March 2015 Order showed a marginal deficit of ₹2.85 lakhs in the year 2014-15 and revenue surplus position to the tune of ₹257.04 lakhs in the year 2015-16. This Authority in the said Order observed that for the year 2016-17, there is revenue deficit to the tune of ₹1299.15 lakhs mainly on account of additions proposed by VCTPL to the gross block in the year 2016-17. After adjusting the surplus position of ₹234.18 lakhs for the years 2014-15 and 2015-16, this Authority granted a tariff hike of 13.10% to bridge the total deficit of ₹1044.96 lakhs from 1 April 2016 for all the tariff items in Section I and II except for transhipment containers prescribed in Section 1.2. For Transhipment containers, this Authority had approved 15.16% reduction effective from 1 April 2016, as proposed by the VCTPL.

14.4. Based on the analysis of the review application filed by the VCTPL and in pursuance of the opinion of AG communicated by the MOS, it is seen from the above table that there is a deficit of ₹624.62 lakhs in the year 2014-15 and ₹417.72 lakhs in the year 2015-16 aggregating to ₹1042.34 lakhs. Hence, the tariff increase is warranted to meet the deficit of ₹1042.34 lakhs. The deficit relating to 2016-17 reflected in the cost statement is discussed in the subsequent paragraphs.

14.5. By the time the Order approved by this Authority comes into effect, it is expected to be around May 2016. Hence, the tariff increase to be granted except for Transhipment containers so as to meet the deficit of ₹1042.34 lakhs will be for a period of 11 months i.e., May 2016 to March 2017 for the current tariff cycle is computed as follows:

Particulars		Amount (₹ in Lakhs)
1. Estimated Net Deficit for the year 2014-15		**-624.62**
2. Estimated Net Deficit for the year 2015-16		**-417.72**
3. Total Net Deficit (1+2)		**-1042.34**
4. Total income estimated for the year 2016-17	9791.18	
5. Exclude modified income estimated from transhipment container income for 2016-17 at the tariff prevailing prior to March 2015 Order	1521.52	
6. Total income excluding income from Transhipment container (4-5)	8269.66	
7. Total income excluding income from Transhipment container for 11 months in 2016-17 (as the order will be effective from 01 May 2016) (Col No.6/12 months*11 months)		7580.52
The Tariff increase granted in all tariff items other than transhipment container from 1 May 2016		**13.75%**

14.6. Thus, as per the above table, the VCTPL is granted 13.75% increase in all the tariff items excluding transhipment container. For Transhipment container, reduction of 15.16% as proposed by the VCTPL granted in the March 2015 Order is retained for the reasons stated in the said Order.

14.7. As regard the year 2016-17, the deficit reflected in the cost statement is ₹1995.43 lakhs. As stated in the last Order, this deficit is mainly on account of additions proposed by VCTPL to the gross block in the year 2016-17 which amongst other items includes investment of ₹7113.61 lakhs for procurement of 4 new RTGCs including replacement of 2 old RTGCS and replacement of 1 old RMQC with one number of new RMQC in the year 2016-17. Thus, apart from 13.75% increase granted to meet the deficit of 2014-15 and 2015-16, there is a need to grant tariff increase to meet the deficit of 2016-17 subject to the VCTPL deploying 4 new RTGCs including replacement of 2 old RTGCS and replacement of 1 old RMQC with one number of new RMQC in the year 2016-17. While arriving at the tariff increase for this purpose which is made effective from 1 May 2016, the tariff increase of 13.10% granted by this Authority from 1 April 2016 in the March 2015 Order which was linked to deployment of additional equipment by VCTPL has been captured for the month of April 2016. Accordingly, the tariff increase to be granted to meet the deficit of ₹.1995.43 lakhs for the year 2016-17 subject to VCTPL deploying 4 new RTGCs including replacement of 2 old RTGCS and replacement of 1 old RMQC with one number of new RMQC by 1 April 2016 is as follows:

Particulars	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
1. Estimated Net Deficit for the year 2016-17		-1995.43
2. Increase to be granted subject to investments by VCTPL:		
(i). Total income estimated for the year 2016-17	9791.18	
(ii). Exclude modified income estimated from transhipment container income for 2016-17 at the tariff prevailing prior to March 2015 Order	1521.52	
(iii). Total income excluding income from Transhipment container (i-ii)	8269.66	
3. Impact of increase granted in tariff Order No. TAMP/65/2013-VCTPL @ 13.10% for the month of April 2016 assuming that VCTPL has deployed 4 new RTGCs including replacement of 2 old RTGCs and replacement of 1 RMQC with new RMQC as proposed by VCTPL	87.76	87.76
4. Estimated Net Deficit for the year 2016-17 to be recovered in 11 Months (1-3)		-1907.67

5. Total income estimated for the year 2016-17 excluding income from transhipment containers	**8269.66**	
6. Total income estimated for 11 months in 2016-17 (as the order is made effective from 01.05.2016) (Rs.8269.66 cores/12*11 months)	7580.52	7580.52
7. The Tariff increase to be granted in all tariff items other than transhipment container in addition to 13.75% from 1 May 2016		25.16%
Rounded off to		25%

14.8. Thus, as per the above table, the VCTPL is granted 25% increase for all the tariff items excluding transhipment container instead of 13.10% increase granted in the March 2015 Order from 1.4.2016 subject to VCTPL deploying 4 new RTGCs including replacement of 2 old RTGCS and replacement of 1 old RMQC with one number of new RMQC by 1 April 2016. In other words, the tariff increase of 25% will become effective only from the date of commissioning of the 4 new RTGCs and 1 RMQC or 1 May 2016 whichever is later. A suitable note to that effect is incorporated in its SOR. As stated earlier, for Transhipment container, reduction of 15.16% as proposed by the VCTPL granted in the March 2015 Order is retained for the reasons stated in the said Order effective from 1 April 2016. In the revised SOR, the reduced rate applicable for transhipment container is prescribed. Hence the existing note (viii) under general terms and condition prescribed in the existing Scale of Rates prescribing 13.10% increase is suitably modified to that extent.

14.9. Ordinarily the rates approved by this Authority come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India. In the instant case recognising that, the VCTPL is in deficit and the upward revision to be granted is for truncated period of the year 2016-17 remaining in this tariff cycle and also recognising that the tariff increase is arrived assuming the increase will be effective from 1 May 2016, the revised Scale of Rates approved in the Order is made effective from 1 May 2016. The actual financial and physical performance will be reviewed following the applicable tariff guidelines during the next tariff revision, which is due from 1 April 2017.

14.10. It is relevant to state here that this Authority in view of the clarification sought by the V.O. Chidambarnar Port Trust regarding levy of concessional charges for coastal cargo / container has passed an Order No TAMP/53/2015-VOCPT dated 29 September 2015 based on the recommendations of Directorate General of Shipping. The provisions approved in the said Order were further amended vide Order No. TAMP/53/2015-VOCPT dated 26 November 2015. The said Order passed is for common adoption by all the Major Port Trusts and the concerned BOT operators in whose Scale of Rates the relevant conditions are prescribed. That being so, the relevant note No (i) under 2. General Terms and Conditions prescribed in the existing Scale of Rates of the VCTPL are replaced with the modified provisions approved by this Authority vide Order dated 26 November 2015 at Sl No (i) and (ii), and the subsequent notes (ii) to (viii) are renumbered as (iiii) to (ix).

14.11. The MOS vide its letter No. PD/14033/101/2015-PD.V dated 3 February 2016 has issued directions relating to prescription of lower charges for cargo & vessels related services as well as special discount in port charges for the services rendered after regular hours by the Major Port Trusts and BOT Operators operating thereat. In this regard, this Authority has passed a common adoption Order no. TAMP/14/2016-Misc dated 9 February 2016 directing all Major Port Trust and BOT operators including VCTPL to amend their existing SOR accordingly. That being so, the note prescribed in the said Order is incorporated as note (x) in the revised Scale of Rates.

15.1. 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 VCTPL attached as **Annex- III.**

15.2. The revised Scale of Rates will come into effect from 1 May 2016 and shall be in force till 31 March 2017 as prescribed in the March 2015 Order. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

(T.S. Balasubramanian)
Member (Finance)

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VISAKHA CONTAINER TERMINAL PRIVATE LIMITED

ANALYSIS OF PERFORMANCE OF VCTPL FOR THE YEARS 2011-12 TO 2013-14 BASED ON ACTUALS VIS-A-VIS ESTIMATES BASED ON THE REVIEW APPLICATION FILED BYTHE VCTPL AND OPINION OF THE ATTORNEY GENERAL CONVEYED BY THE MINISTRY OF SHIPPING

₹ in Lakhs

Sr. No.	Particulars	Estimates in the tariff Order of October 2011				Actuals modified by TAMP in March 2015 Order				% Variation	Actuals modified by TAMP based on the Review Application filed by VCTPL and AG's Opinion				% Variation
		2011-12	2012-13	2013-14	Total	2011-12	2012-13	2013-14	Total		2011-12	2012-13	2013-14	Total	
	Traffic (In TEUs)	**170000**	**195000**	**2,25,000**	**5,90,000**	**2,34,697**	**2,47,134**	**2,62,091**	**7,43,922**	**26%**	**2,34,697**	**2,47,134**	**2,62,091**	**7,43,922**	**26%**
I	**Total Operating Income**														
	Container handling income	4054.46	4932.95	5959.10	14,946.52	5,539.13	6,643.19	7,604.83	19,787.15	**32%**	4,935.25	6,111.89	7,004.64	18,051.78	21%
	Others	272.90	334.59	416.70	1,024.19	1,286.99	842.89	882.99	3,012.87	**194%**	1,286.99	842.89	882.99	3,012.87	194%
	Total	**4,327.36**	**5,267.54**	**6,375.80**	**15,970.71**	**6,826.11**	**7,486.08**	**8,487.82**	**22,800.01**	**43%**	**6,222.24**	**6,954.78**	**7,887.63**	**21,064.65**	**32%**
II	**Operating Costs (excluding depreciation)**														
	Operating & Direct Labour	294.04	331.37	372.12	997.54	189.03	253.85	291.24	734.13		189.03	253.85	291.24	734.13	
	Maintenance Labour	178.83	198.86	230.30	607.99	214.21	285.16	340.25	839.62		214.21	285.16	340.25	839.62	
	Equipment Running Costs	736.67	981.21	1111.54	2,829.42	902.98	1,056.71	1,133.22	3,092.91		902.98	1,056.71	1,133.22	3,092.91	
	Royalty / revenue share	145.78	191.10	344.54	681.42	222.01	242.19	403.74	867.95		222.01	242.19	403.74	867.95	
	Equipment Hire	587.47	488.04	563.12	1,638.62	817.06	692.55	698.02	2,207.63		817.06	692.55	698.02	2,207.63	
	Lease Rentals	78.71	78.71	78.71	236.12	84.96	92.73	88.07	265.76		84.96	92.73	88.07	265.76	
	Insurance	64.35	142.25	153.53	360.13	46.06	67.71	80.81	194.57		46.06	67.71	80.81	194.57	
	Other expenses	282.09	330.29	390.48	1,002.86	332.64	350.37	411.14	1,094.15		332.64	350.37	411.14	1,094.15	
	Technical Service Fee	15.70	15.70	15.70	47.09	15.70	15.70	15.70	47.09		15.70	15.70	15.70	47.09	
	Effect of Efficiency gain achieved in power cost considered	1.76	2.25	2.75	6.76	-	-	-	-		-	-	-	-	
	Total	**2,385.38**	**2,759.77**	**3,262.79**	**8,407.94**	**2,824.65**	**3,056.96**	**3,462.18**	**9,343.80**	**11%**	**2,824.65**	**3,056.96**	**3,462.18**	**9,343.80**	**11%**
III	Depreciation	779.64	1,292.51	1,036.99	3,109.14	628.91	1,316.12	1,508.83	3,453.86	**11%**	628.91	1,316.12	1,508.83	3,453.86	11%
IV	**Overheads**														
	Management & Administration overheads	469.99	498.19	528.08	1,496.27	722.04	968.78	1,139.64	2,830.47		722.04	968.78	1,139.64	2,830.47	
	Preliminary expenses & Upfront Payment write-off	12.53	12.53	12.53	37.59	12.53	12.53	12.53	37.58		12.53	12.53	12.53	37.58	
	Total	**482.52**	**510.72**	**540.61**	**1,533.85**	**734.57**	**981.30**	**1,152.17**	**2,868.04**	**87%**	**734.57**	**981.30**	**1,152.17**	**2,868.04**	**87%**
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	**679.82**	**704.54**	**1,535.41**	**2,919.77**	**2,637.98**	**2,131.69**	**2,364.64**	**7,134.31**	**144%**	**2,034.11**	**1,600.39**	**1,764.45**	**5,398.95**	**85%**
VI	**Finance & Miscellaneous Income (FMI)**														
	Others	19.80	21.78	23.96	65.54	26.26	31.94	57.80	116.00		26.26	31.94	57.80	116.00	
	Total	**19.80**	**21.78**	**23.96**	**65.54**	**26.26**	**31.94**	**57.80**	**116.00**	**77%**	**26.26**	**31.94**	**57.80**	**116.00**	**77%**
VII	**Finance & Miscellaneous Expenses (FME)**														
	Contribution of Provident Fund	36.83	41.86	48.35	127.04	34.46	45.71	81.85	162.02		34.46	45.71	81.85	162.02	
	Total	**36.83**	**41.86**	**48.35**	**127.04**	**34.46**	**45.71**	**81.85**	**162.02**	**28%**	**34.46**	**45.71**	**81.85**	**162.02**	**28%**
VIII	FMI Less FME (VI) - (VII)	(17.03)	(20.08)	(24.39)	(61.50)	(8.20)	(13.77)	(24.05)	(46.02)		(8.20)	(13.77)	(24.05)	(46.02)	
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**662.79**	**684.46**	**1,511.02**	**2,858.27**	**2,629.78**	**2,117.93**	**2,340.59**	**7,088.30**	**148%**	**2,025.91**	**1,586.63**	**1,740.40**	**5,352.94**	**87%**
X	**Capital Employed**	13027.11	11935.14	12343.67	12,435.30	5,651.54	13,041.93	11,964.29	10,219.25	**-18%**	5,651.54	13,041.93	11,964.29	10,219.25	-18%
XI	**Return on Capital Employed @ 16%**	2084.34	1909.62	1974.99	1989.65	904.25	2086.71	1914.29	4,905.24	**147%**	904.25	2086.71	1914.29	4,905.24	147%
XII	Capacity Utilization	62.47%	71.66%	82.68%	72%	94.45%	69.81%	74.04%	79.43%	**10%**	94.45%	69.81%	74.04%	79%	10%
XIII	**ROCE adjusted for capacity utilization**	2084.34	1909.62	1974.99	5,968.95	904.25	2,086.71	1,914.29	4,905.24	**-18%**	904.25	2,086.71	1,914.29	4,905.24	-18%
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**(1,421.55)**	**(1,225.16)**	**(463.96)**	**(3,110.67)**	**1,725.54**	**31.23**	**426.31**	**2,183.08**	**-170%**	**1,121.67**	**(500.08)**	**(173.89)**	**447.70**	**-114%**
XV	**Past period surplus for the period 2008-09 to 2010-11 accrued to VCTPL as assesed in 11 October 2011 order**				2,402.46										
XVI	**Set off of past period surplus for the period 2011-12 to 2013-14 accrued to VCTPL as per TAMP calculation**	800.82	800.82	800.82	**2,402.46**	**-**	**-**	**-**	**-**		0.00	0.00	0.00	**-**	
XVII	**Total Net Surplus/ Deficit**	**(620.73)**	**(424.34)**	**336.86**	**(708.21)**	**1,725.54**	**31.23**	**426.31**	**2,183.08**	**-408%**	**1,121.67**	**(500.08)**	**(173.89)**	**447.70**	**-163%**

Adjustment of past surplus

Particulars	Actuals modified by TAMP in March 2015 Order					Actuals modified by TAMP based on the Review Application filed by VCTPL and AG's Opinion				
	Estimates for the years 2011-12 to 2013-14 in the last tariff	Actuals for the years 2011-12 to 2013-14	Actual additional surplus	To be set off in %	To be set off during the current tariff cycle	Estimates for the years 2011-12 to 2013-14 in the last tariff	Actuals for the years 2011-12 to 2013-14	Actual additional surplus	To be set off in %	To be set off during the current tariff cycle
Actual Additional income from Non Container Vessels (NCV)	90.00	287.41	197.41	**100%**	197.41	90.00	287.41	197.41	**100%**	197.41
Total additional Surplus/ deficit for the years 2011-12 to 2013-14	-708.21	2183.08				-708.21	447.70			
Total net Surplus/ deficit excluding the NCV income	-798.21	1895.67	1895.67	**50%**	947.83	-798.21	160.29	160.29	**0%**	0.00
Total surplus	**-1416.42**	**4366.16**	**2093.08**		**1145.24**	**-1416.42**	**895.41**	**357.70**		**197.41**

ANNEX - II

VISAKHA CONTAINER TERMINAL PRIVATE LIMITED
Consolidated Income & Cost statement for the Private Terminal

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates considered by TAMP in March 2015 Order				Estimates considered by TAMP in March 2015 Order modified based on the Review Application and AG's opinion			
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	2014-15	2015-16	2016-17	Total
	Traffic (In TEUs)	**234697**	**247134**	**2,62,091**	**2,51,000**	**2,94,485**	**3,12,154**	**8,57,639**	**2,51,000**	**2,94,485**	**3,12,154**	**8,57,639**
	Optimal Capacity	248500	354000	354000	3,95,500	413000	413000	12,21,500	3,95,500	413000	413000	12,21,500
I	**Total Operating Income**											
	Container handling income	4,935.25	6,111.89	7,004.64	7271.06	8530.75	9042.59	24,844	6965.23	8171.93	8662.25	23,799.41
	Others	1,286.99	842.89	882.99	910.80	1066.18	1128.93	3,106	910.80	1066.18	1128.93	3,105.92
	Total	**6,222.24**	**6,954.78**	**7,887.63**	**8181.86**	**9596.93**	**10171.52**	**27,950.31**	**7876.03**	**9238.12**	**9791.18**	**26,905.33**
II	**Operating Costs (excluding**											
	Operating & Direct Labour	189.03	253.85	291.24	308.72	327.24	346.88	983	308.72	327.24	346.88	982.83
	Maintenance Labour	214.21	285.16	340.25	360.85	382.26	405.24	1,148	360.85	382.26	405.24	1,148.36
	Equipment Running Costs	902.98	1,056.71	1,133.22	1262.93	1450.94	1656.22	4,370	1262.93	1450.94	1656.22	4,370.10
	Royalty / revenue share	222.01	242.19	403.74	430.47	667.38	764.78	1,863	430.47	667.38	764.78	1,862.62
	Equipment Hire	817.06	692.55	698.02	712.49	831.87	920.99	2,465	712.49	831.87	920.99	2,465.35
	Lease Rentals payable	84.96	92.73	88.07	85.90	85.90	85.90	258	85.90	85.90	85.90	257.71
	Insurance	46.06	67.71	80.81	93.46	113.71	157.95	365	93.46	113.71	157.95	365.12
	Other expenses	332.64	350.37	411.14	431.27	473.17	512.27	1,417	431.27	473.17	512.27	1,416.72
	Technical Service Fee	15.70	15.70	15.70	23.65	23.65	23.65	71	23.65	23.65	23.65	70.96
	Total	**2,824.65**	**3,056.96**	**3,462.18**	**3,709.75**	**4,356.14**	**4,873.88**	**12,940**	**3,709.75**	**4,356.14**	**4,873.88**	**12,939.77**
III	Depreciation	628.91	1,316.12	1,508.83	1,694.58	1,969.22	2,737.28	6,401	1694.58	1969.22	2737.28	6,401.09
IV	**Overheads**											
	Management & Administration overheads	722.04	968.78	1,139.64	1206.26	1278.64	1355.35	3,840	1206.26	1278.64	1355.35	3,840.25
	Preliminary expenses & Upfront Payment	12.53	12.53	12.53	12.53	12.53	12.53	38	12.53	12.53	12.53	37.58
	Total	**734.57**	**981.30**	**1,152.17**	**1,218.79**	**1,291.16**	**1,367.88**	**3,877.83**	**1,218.79**	**1,291.16**	**1,367.88**	**3,877.83**
V	**Operating Surplus / (Deficit) (I) – (II) – (III)**	**2,034.11**	**1,600.39**	**1,764.45**	**1,558.74**	**1,980.41**	**1,192.47**	4,732	**1,252.91**	**1,621.60**	**812.13**	3,686.64
VI	**Finance & Miscellaneous Income (FMI)**											
	Others	26.26	31.94	57.80	25.00	25.00	25.00	75	25.00	25.00	25.00	75.00
	Total	**26.26**	**31.94**	**57.80**	**25.00**	**25.00**	**25.00**	75	**25.00**	**25.00**	**25.00**	75.00
VII	**Finance & Miscellaneous Expenses (FME)**											
	Contribution to Provident Fund	34.46	45.71	81.85	86.77	91.97	97.49	276	86.77	91.97	97.49	276.23
	Total	**34.46**	**45.71**	**81.85**	**90.04**	**99.04**	**108.95**	298	**90.04**	**99.04**	**108.95**	298.03
VIII	FMI Less FME (VI) - (VII)	(8.20)	(13.77)	(24.05)	(65.04)	(74.04)	(83.95)	(223.03)	(65.04)	(74.04)	(83.95)	(223.03)
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**2,025.91**	**1,586.63**	**1,740.40**	**1,493.70**	**1,906.37**	**1,108.52**	**4,508.59**	**1,187.87**	**1,547.55**	**728.18**	**3,463.61**
X	Capital Employed	5,651.54	13,041.93	11,964.29	11729.23	12681.61	17419.66	13,943.50	11729.23	12681.61	17419.66	13,943.50
XI	Return on Capital Employed @ 16%	904.25	2086.71	1914.29	1876.68	2029.06	2787.15	6692.88	1876.68	2029.06	2787.15	6692.88
XII	Capacity Utilization	94.45%	69.81%	74.04%	63.46%	71.30%	75.58%	70%	63.46%	71.30%	75.58%	70%
XIII	RoCE adjusted for capacity utilization	904.25	2086.71	1914.29	1876.68	2029.06	2787.15	6,692.88	1876.68	2029.06	2787.15	6,692.88
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**1121.66**	**-500.08**	**-173.89**	**-382.97**	**-122.69**	**-1678.62**	**(2,184.29)**	**-688.80**	**-481.50**	**-2058.96**	**(3,229.27)**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I in %)**	-	-	-	**-4.68%**	**-1.28%**	**-16.50%**	**-7.49%**	**-8.75%**	**-5.21%**	**-21.03%**	**-11.66%**
XVI	**Average Net Surplus / (Deficit) as a % of operating income**	-	-	-		**-7.49%**				**-11.66%**		
XVII	**Cost savings due to efficiency improvement**	-	-	-	1.62	2.02	2.27	**5.91**	1.62	2.02	2.27	**5.91**
XVIII	**Set off of past period surplus for the period 2011-12 to 2013-14 accrued to VCTPL as per TAMP calculation**		**1145.23**		**381.74**	**381.74**	**381.74**					
	Set off of past period surplus for the period 2011-12 to 2013-14 accrued to VCTPL as per Review Application and as per TAMP calculation		**197.41**						**65.80**	**65.80**	**65.80**	
XIX	**Total surplus/ (deficit) (XIV + XVII -XVIII)**	-	-	-	**-2.85**	**257.04**	**-1299.15**	**(1,044.97)**	**-624.62**	**-417.72**	**-1995.43**	**(3,037.77)**
XX	**Net Surplus / (Deficit) as a % of operating income (XIX/I in %)**	-	-	-	**-0.03%**	**2.68%**	**-12.77%**	**-3.38%**	**-7.93%**	**-4.52%**	**-20.38%**	**-10.94%**
XXI	**Average Net Surplus / (Deficit) as a % of operating income**	-	-	-		**-3.38%**				**-10.94%**		

Annex - III

VISAKHA CONTAINER TERMINAL PRIVATE LIMITED
SCALE OF RATES

DEFINITIONS AND CONDITIONS

This Scale of Rates sets out the charges payable to Visakha Container Terminal Private Limited (VCTPL) from time to time for the use of services and facilities provided by Visakha Container Terminal Private Limited (VCTPL).

1. DEFINITIONS

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

(i). ***"Container"*** means any freight container complying with all relevant prevailing ISO standards. Generally, it is designed to facilitate the carriage of goods by one or more modes without intermediate reloading; fitted with devices permitting ready handling and with unique identification numbers and markings.

(ii). ***"Per Day"*** means per calendar day or part thereof.

(iii). ***"Port"*** means the Visakhapatnam Port Trust (VPT) whereas "Terminal" means the Container Terminal, operated by Visakha Container Terminal Private Limited.

(iv). ***"VCTPL"*** means Visakha Container Terminal Private Limited, a company incorporated in India, its successors and assigns.

(v). ***"Reefer"*** means any Container for the purpose of the carriage of goods, which require refrigeration.

(vi). ***"Transhipment Container"*** means container discharged from a vessel and placed in the custody of the VCTPL for the purposes of shipment on another vessel declared on a transhipment manifest and Import Advance List.

(vii). ***"Coastal Vessel"*** means any vessel exclusively employed in trading between any port or place in India to any other port or place in India and / or having a valid coastal license issued by the Competent authority / Director General of Shipping.

(viii). ***"Foreign-going Vessel"*** means any vessel other than a coastal vessel.

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

(x). **"*Out of Gauge (OOG) Container"*** means a Container carrying over dimensional cargo beyond the normal size of standard containers and needing special devices like slings, shackles, lifting beam, etc. Damaged Containers and Container requiring special devices for lifting is also classified as Out of Gauge Container.

(xi). ***"FCL"*** means containers said to contain Full Container Load.

(xii). ***"ICD"*** means Inland Container Depot.

(xiii). ***"LCL"*** means containers said to contain less than full container load (Container having cargo of more than one importer/exporter).

(xiv). ***"Shut Out Container"*** means a container, which has entered in to the terminal for export for a vessel as indicated by VIAN and is not connected to the vessel for whatsoever reason.

(xv). ***"Tonne"*** means one metric Tonne of 1,000 kilograms or one cubic metre.

(xvi). ***"VIAN"*** means Vessel Identification Advise Number.

(xvii). ***"ICD Container"*** means containers discharged from a vessel and placed in the custody of the VCTPL for the purposes of loading on a Train, inside the Terminal. Also ***"ICD Container"*** means containers discharged from a Train inside Terminal and placed in the custody of the VCTPL for the purposes of shipment on a vessel.

2. GENERAL

(i) (a). System of classification of vessel for levy of Vessel Related Charges (VRC)

(i). A foreign going vessel of Indian flag having a General Trading Licence can convert to coastal run on the basis of a Customs Conversion Order. Such vessel that converts into coastal run based on the Customs Conversion Order at her first port of call in Indian Port, no further custom conversion is required, so long as it moves on the Indian Coast.

(ii). A Foreign going vessel of foreign flag can convert to coastal run on the basis of a Specified Period Licence issued by the Director General of Shipping and a custom conversion order.

(b). Criteria for levy of Vessel Related Charges (VRC) at Concessional Coastal rate and foreign rate

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

(ii). In cases of such conversion coastal rates shall be chargeable till the vessel completes discharging operations at the last call of Indian Port; immediately thereafter, foreign going rates shall be chargeable by the discharge ports.

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

(ii). Criteria for levy of Cargo Related Charges (CRC) at Concessional Coastal rate

(a). Foreign going Indian Vessel having General Trading License issued for 'worldwide and coastal' operation should be accorded applicable coastal rates with respect to Handling Charges (HC) i.e. ship to shore transfer and transfer from/ to quay to/ from storage yard including wharfage in the following scenario:

(i). Converted to coastal run and carrying coastal cargo from any Indian Port and destined for any other Indian Port.

(ii). Not converted* to coastal run but carrying coastal cargo from any Indian Port and destined for any other Indian Port.

* The Central Board of Excise and Customs Circular no.15/2002-Cus. dated 25 February 2002 allows carriage of coastal cargo from one Indian port to another port in India, in Indian flag foreign going vessels without any custom conversion.

(b). In case of a Foreign flag vessel converted to coastal run on the basis of a Specified Period License issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any

Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.

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

(iv). (a). Users shall pay penal interest on delayed payments of any charge under this Scale of Rates. Likewise, the VCTPL shall pay penal interest on delayed refunds.

(b). The rate of penal interest will be 16.75% p.a. The penal interest will apply to both the VCTPL and the users equally.

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

(d). The delay in payments by the users will be counted beyond 10 days after the date of raising the bills by the VCTPL. This provision shall, not apply to the cases where payment is to be made before availing the services as stipulated in the Major Port Trusts Act, 1963.

(v). A premium of, 25% will be levied in case of Hazardous cargo containers/Out of Gauge containers over the applicable handling charge.

(vi). In case of coastal containers, concession is applicable on composite box rate. The composite box rate on all coastal containers shall not exceed 60% of the corresponding charges for normal containers. In case of transhipment of coastal containers similar concession in handling charges will be allowed with reference to applicable handling charges for normal handling operation in loading or unloading cycle.

(vii). In case a vessel idles due to non-availability or breakdown of the shore based facilities of VCTPL or any other reasons attributable to the VCTPL, rebate equivalent to berth hire charges payable by that vessel to VPT which accrued during the period of idling of vessel shall be allowed by VCTPL.

(viii). User will not be required to pay charges for delays beyond a reasonable level attributable to the VCTPL.

(ix). The rates prescribed in Section I (except Schedule1.2) and Section II of the Scale of Rates will be revised upwards by 25% from 01 May 2016 or from the date the VCTPL commissions additional new equipment viz. 1 Rail Mounted Quay Cranes and 4 Rubber Tyred Gantry Cranes, whichever is later.

(x). In order to decongest the ports and encourage exporters / importers to utilize the port services beyond regular hours, lower charges will be levied for cargo and vessels related services as well as special discount will be offered in port charges for the services rendered after regular hours.

[This condition is incorporated in pursuance to the MOS letter No. PD/14033/101/2015-PD.V dated 3 February 2016 based on which a common adoption Order No.TAMP/14/2016-Misc dated 16 February 2016 is approved by the Authority]

3. APPLICATION

(i). Import and Export rates shall apply when:

(a). a loaded or empty container is discharged from a vessel, eventually delivered out of VCTPL; or (b). a loaded or empty container is received at VCTPL yard, eventually is shipped.

(ii). Transhipment container rates shall apply to a loaded or empty container when it is discharged from the first carrier onto VCTPL's premises and remained in the custody of VCTPL until it is transhipped in its original status by VCTPL to a nominated second carrier.

SECTION - I

1. CONTAINER OPERATIONS

1.1.A. COMPOSITE RATE FOR HANDLING IMPORT AND EXPORT CONTAINERS:

(in ₹)

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign-going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
(a).	Laden Containers - Import / Export	4222	2533	6334	3800	8445	5067
(b).	Empty Containers - Import / Export	2956	1774	4434	2660	5911	3547
(c).	Transport to Rail Flat from CY or Vice Versa and Lift on/Lift off						
	- Loaded	1649	1649	2474	2474	3299	3299
	- Empty	1517	1517	2276	2276	3035	3035

Notes:

(1). Services in the case of item no. (a) and (b) above include handling by quay crane and lashing/unlashing, transport between CY and quayside, lift on or off at CY, landing and loading the container from or to the trailer, data handling, processing and wharfage.

(2). Services in the case of item no. (c) above includes transportation from CY to rail siding and loading the container on rail flat or vice versa.

(3). Export Containers are to be delivered to VCTPL for loading at least 6 hours before berthing of the vessel.

B. REBATES:

Rebates as follows shall be applicable to users for carrying out various operations with their own arrangements with the prior written permission of the VCTPL when the VCTPL equipment are not available for some reason.

(in ₹)

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign-going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
(a).	If the ship's gears are used for loading /unloading	453	272	679	407	905	543

	containers from ship to shore or vice versa						
(b).	If the terminal user deploys his own tractor trailer for transporting containers from quay to container yard or container yard to quay	377	226	566	340	755	453
(c).	If the terminal user deploys his own equipment for lifting containers from the container yard to truck and vice versa	252	252	378	378	504	504

Note:

(1). No rebate will be admissible for back to town containers handled by private equipment.

1.2. HANDLING OF TRANSHIPMENT CONTAINERS:

(**in ₹**)

Particulars	**Container not exceeding 20 feet in length**		**Container exceeding 20 feet in length and upto 40 feet length**		**Container exceeding 40 feet in length and upto 45 feet length**	
	Foreign-going	**Coastal**	**Foreign-going**	**Coastal**	**Foreign-going**	**Coastal**
Laden & Empty	3720	2232	5580	3348	7440	4464

Notes:

(1). The above charges apply to the complete cycle of transhipment i.e. discharge from the first carrier to the loading onto the second carrier, including lashing/unlashing charges. Services include handling by quay crane (discharge and loading), transport between CY and quayside, lift on and off, stowage planning on vessel and yard, data handling, processing and wharfage.

(2). A container from foreign port handling at VCTPL for subsequent transhipment to an Indian Port on a coastal voyage or vice versa would be charged 50% of the transhipment charge prescribed for foreign-going vessel and 50% of that prescribed for the coastal category.

(3). Any transhipment container delivered out of VCTPL by road or rail shall be charged the import/ export container rate.

(4). A shut out charge as per Schedule 1.8 shall apply:
   (i). if the carrier is changed after berthing of the originally nominated carrier; or
   (ii). if the nomination is changed from a later carrier to an earlier carrier after the earlier carrier is berthed.

(5). The vessel on which the transhipment container is to be loaded shall be declared at time of submission of the Import advance list of the vessel on which the said transhipment container is imported or else the transhipment container shall be treated as normal container for the purpose of fixing tariff.

1.3. LIFT ON OR LIFT OFF:

(in ₹)

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign-going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
(a).	Laden	660	660	990	990	1320	1320
(b).	Empty	528	528	792	792	1056	1056

1.4. HATCH COVER HANDLING FOR ONE OPERATION (both opening and closing):

(in ₹)

Sl. No.	Particulars	Foreign-going	Coastal
(a).	Without landing Hatch Cover on the quay	1663	998
(b).	With landing Hatch Cover on the quay	3325	1995

Note:

(1). Half the rate shall be applicable if there is only one activity, i.e. either an opening or closing operation.

1.5. SHIFTING OF CONTAINERS WITHIN VESSEL (Restows):

(in ₹)

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign-going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
(a).	Loaded or empty Container shifted by landing and reshipping	3325	1995	4988	2993	6650	3990
(b).	Loaded or empty Container shifted without landing and reshipping	1663	998	2494	1496	3325	1995

Note:

(1). Reefer related charges will be applicable as per Schedule 1.7.

1.6. INTERNAL TRANSPORTATION

(in ₹)

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign-going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
(a).	Laden and Empty	990	990	1484	1484	1979	1979

Note:

(1). Internal Transportation Charges apply when a container is required to be moved by a trailer within VCTPL upon customer's request.

1.7. REEFER RELATED AND OTHER GENERAL SERVICES

(in ₹)

Sl. No.	Particulars	Container not exceeding 20 feet in length		Container exceeding 20 feet in length and upto 40 feet length		Container exceeding 40 feet in length and upto 45 feet length	
		Foreign-going	Coastal	Foreign-going	Coastal	Foreign-going	Coastal
(a).	Pre Trip Inspection (PTI) (Excluding the electricity charges)	396	396	594	594	792	792
(b).	Reefer Run Test (Excluding the electricity charges)	396	396	594	594	792	792
(c).	Charges for supply of electricity (including connecting and disconnecting, monitoring at Reefer yard) per 4 hours or part thereof-	245	245	368	368	491	491

Notes:

(1). Services include only plugging/ unplugging and monitoring of the temperature. No maintenance will be performed on malfunctioning reefers.

(2). PTI and Run Test of the reefer containers are optional services and shall be rendered when requested. This excludes charges for supply of power and monitoring of the reefer during the PTI/Run test. The PTI/ Run test includes checking of the working condition of reefer machinery and reporting of the condition to the customer.

(3). These charges will be applicable for restow reefer containers also.

1.8. CHARGES FOR A SHUT OUT CONTAINER

Where an Export container or a Transhipment container is shut out, the following rates shall apply:

(in ₹)

Sl. No.	Particulars	Container not exceeding 20 feet in length	Container exceeding 20 feet in length and upto 40 feet length	Container exceeding 40 feet in length and upto 45 feet length
(a).	Laden	2309	3464	4618
(b).	Empty	2045	3068	4090

Notes:

(1). Shut out charges apply when a container is shut out by one vessel and subsequently shipped by another vessel.

(2). The storage charges shall be levied in terms of Schedule 1.10.

1.9. ADDITIONAL CHARGES

(in ₹)

Sl. No.	Particulars	Container not exceeding 20 feet in length	Container exceeding 20 feet in length and upto 40 feet length	Container exceeding 40 feet in length and upto 45 feet length
1.	Direct Loading - Laden and Empty	1155	1733	2309

2.	Shifting of containers within the terminal including Lift on, Transportation , Lift off - Laden - Empty	 2309 2045	 3464 3068	 4618 4090
3.	Container Cleaning Charges (High pressure water wash)	660	990	1320
4.	Cancellation of Document - (Per EIR)	99		
5.	One Door Open Charge (Per container)	660		
6.	Fixing / Removal of Seal (per seal)	264		
7	Fixing/ removal 'Hazardous Sticker' (per container)	264		
8.	Customs inspection within the terminal (per container)	528		
9.	Plugging/ Unplugging of Reefer Container (per container)	66		
10.	Non-Declaration/ Mis-declaration of Hazardous Container (per container)	3959		
11.	Issuance of documents per document or part thereof (maximum of 5 pages)	198		
12.	VIA Cancellation	1320		
13.	Weighment of Trailer with or without Containers/ Cargo (per weighment)	132		
14.	Delay in submission of the relevant documents beyond the prescribed time (charges are per 'document')	660		
15.	Non-Declaration/ mis-declaration of OOG Container (Rate per container)	3959		
16.	Charges for providing Gangway to Vessel per calendar day	66.00 per hour per gangway subject to maximum of 1320.00 per day per gangway Note: This is an optional service provided at the request of the user.		

Notes:

(1). **Direct loading** charge applies when, at the request of customers, VCTPL accepts an export container delivered to the terminal after the prescribed closing time or accepts the list of export containers that are already in CY before the cut off time but not included in the export advance list submitted before the cut off. This charge is in addition to all applicable charges in a normal export cycle.

(2). **'Shifting of container'** charges shall be applicable whenever there is a change in shipment status or container status involving actual shifting of the container or any shifting done at customer's request for any purpose including shifting for availing any other service provided by terminal. Shifting is a consolidated charge levied for lift on, transportation and lift off.

Change of shipment status applies when:

(i). A transhipment container in VCTPL premises is changed to an import container;

(ii). An import container in VCTPL premise is re-exported;

(iii). An export container is delivered out of VCTPL premise;

(iv). A local delivery container is changed to an ICD Container after landing or vice-versa.

(v). A transhipment container whose outbound VIAN is not declared prior to berthing of the inbound carrier;

(vi). An Export container arriving by Rail whose outbound VIAN is not declared at least 6 hrs. prior to the arrival of the Train at Rail Siding in the terminal.

Change of container status applies each time the detail of an import or export container whose POD, Size, Status or weight (varying by +/- 2 ton) is changed after processing by VCTPL.

(3). **Container Cleaning Charges:** These services are optional and the relevant charge is applicable when the containers are cleaned with water.

(4). **Cancellation charge for EIR** applies when EIR is cancelled at the request of customer.

(5). **"One Door Open" Charge** is applicable for handling container which requires only one door to be kept open (e.g. Onions) and when door opening and securing is carried by the terminal.

(6). **Fixing / Removal of seal**
Bottle seals shall be fixed on every container arriving at the terminal - by rail / road / sea - without a proper bottle seal on it, prior to allowing its entry. The terminal staff shall be at liberty to do this without having to obtain prior consent of the shipping lines. The list of such containers on which a seal is affixed by the terminal shall be intimated to the lines. Seals shall be removed at the request of the customer.

(7). **Fixing/ removal of 'Hazardous Sticker'**
Hazardous stickers indicating the IMCO class only shall be affixed on a container (Four Stickers) carrying hazardous cargo. Similarly old stickers on the container shall be removed from a container carrying non-hazardous cargo. In either case, the customer has to intimate in writing to VCT to undertake the said activity, within the terminal.

(8). **Customs Inspection**
The inspection of a container shall be allowed at a nominated point only, on the written request of the customer. The container doors can be opened only under customs supervision.

(9). **Plugging / Unplugging of Containers**
The Plugging / unplugging of reefer containers on board the vessel / train / truck shall be done at the request of the customer.

(10). **Non-Declaration/ Mis-declaration of Hazardous Container**
The Customer has to declare the hazardous nature of the cargo as per the IMCO rules and furnish the relevant hazardous details to VCTPL. The charges are for non declaration/ mis-declaration of the hazardous nature and also for not furnishing the full particulars of the hazardous nature including the IMCO class, UN NO, EPS, MFAG, correct technical name, contact details of the person in case of emergency.

However, the liabilities and costs towards the consequences arising due to non-declaration or mis-declaration shall be on the customer's account.

(11). **Issuance of documents**
The charge is towards Additional documents issued by the Terminal apart from the normal routine Terminal Reports (Vessel reports /yard report/ reefer report etc) forwarded to the line.

(12). **Cancellation of VIA**

Cancellation of VIA applies when the VIAN allocated by VCTPL is subsequently cancelled on request by Vessel Operator for reasons whatsoever.

(13). **Weighment of Trailer with or without Containers/Cargo**

The service of weighment of trailers/truck is an optional service and shall be offered on the request of the users. The charge includes issuing of the requisite certificate with the weight indicated on it.

(14). **Delay in submission of the relevant documents**

The relevant documents include Import and Export Advance Lists, Hazardous Manifests, Restows, Import Bay plans and any other document that may be required and declared in due course for smooth operations. The time limit for submission of documents will be notified in advance by VCTPL and any notification thereto will be carried out in consultation with users.

(15). **Non-Declaration/ Mis-declaration of OOG Container**

The Customer has to declare the dimensions of the container prior to its arrival in the terminal with complete details viz. over high, over width, over length, and gross weight along with the Advance List, for proper planning and execution of operation in the terminal.

(16). **Providing Gangway to Vessel**

Terminal Gangway shall be provided to vessels which are unable to provide safe access from shore to vessel. The above charges include transportation of the gangway from the nominated storage area to the vessel and vice versa.

1.10. CHARGES FOR STORAGE OF CONTAINERS

(a). **Import - Laden Containers**

(**Rate in ₹ per container per day or part thereof**)

Sl. No.	Particulars	Container not exceeding 20 feet in length	Container exceeding 20 feet in length and upto 40 feet length	Container exceeding 40 feet in length and upto 45 feet length
(i).	First 3 days	Free	Free	Free
(ii).	From 4 to 15 days	131	261	392
(iii).	From 16 to 30 days	261	523	784
(iv).	Beyond 30 days	523	1045	1568

(b). **Import - Empty Containers**

(**Rate in ₹ per container per day or part thereof**)

Sl. No.	Particulars	Container not exceeding 20 feet in length	Container exceeding 20 feet in length and upto 40 feet length	Container exceeding 40 feet in length and upto 45 feet length
(i).	First 3 days	Free	Free	Free
(ii).	From 4 to 15 days	131	261	392
(iii).	From 16 to 30 days	261	523	784
(iv).	Beyond 30 days	523	1045	1568

(c). **Export - Laden Containers**

(**Rate in ₹ per day or part thereof per container**)

Sl. No.	Particulars	Container not exceeding 20 feet in length	Container exceeding 20 feet in length and upto 40 feet length	Container exceeding 40 feet in length and upto 45 feet length
(i).	First 7 days	Free	Free	Free
(ii).	From 8 to 15 days	131	261	392
(iii).	From 16 to 30 days	261	523	784
(iv).	Beyond 30 days	523	1045	1568

(d). **Export - Empty Containers**

(**Rate in ₹ per day or part thereof per container**)

Sl. No.	**Particular**	**Container not exceeding 20 feet in length**	**Container exceeding 20 feet in length and upto 40 feet length**	**Container exceeding 40 feet in length and upto 45 feet length**
(i).	First 3 days	Free	Free	Free
(ii).	From 4 to 15 days	131	261	392
(iii).	From 16 to 30 days	261	523	784
(iv).	Beyond 30 days	523	1045	1568

(e). **ICD Containers - Laden & Empty**

(**Rate in ₹ per container per day or part thereof**)

Sl. No.	**Particulars**	**Container not exceeding 20 feet in length**	**Container exceeding 20 feet in length and upto 40 feet length**	**Container exceeding 40 feet in length and upto 45 feet length**
(i).	First 15 days	Free	Free	Free
(ii).	From 16 to 30 days	131	261	392
(iii).	From 31 to 45 days	261	523	784
(iv).	Beyond 45 days	523	1045	1568

(f). **Transhipment Containers - Laden & Empty**

(**Rate in ₹ per container per day or part thereof**)

Sl. No.	**Particulars**	**Container not exceeding 20 feet in length**	**Container exceeding 20 feet in length and upto 40 feet length**	**Container exceeding 40 feet in length and upto 45 feet length**
(i).	First 30 days	Free	Free	Free
(ii).	From 31 to 45 days	131	261	392
(iii).	From 46 to 60 days	261	523	784
(iv).	Beyond 60 days	523	1045	1568

(g). **Shut Out Containers - Laden & Empty**

(**Rate in ₹ per container per day or part thereof**)

Sl. No.	**Particulars**	**Container not exceeding 20 feet in length**	**Container exceeding 20 feet in length and upto 40 feet length**	**Container exceeding 40 feet in length and upto 45 feet length**
(i)	From 1 to 15 days	131	261	392
(ii).	From 16 to 30 days	261	523	784
(iii).	Beyond 30 days	523	1045	1568

(h). **Hazardous Containers**

(**Rate in ₹ per day or part thereof per container**)

Sl. No.	**Particulars**	**Container not exceeding 20 feet in length**	**Container exceeding 20 feet in length and upto 40 feet length**	**Container exceeding 40 feet in length and upto 45 feet length**
(i).	First day	Free	Free	Free
(ii).	From 2 to 15 days	164	327	491
(iii).	From 16 to 30 days	327	654	982
(iv).	Beyond 30 days	653	1306	1959

Notes:

(1). Free dwell-time (storage) period for import containers shall commence from the day after the day of landing of the container and for export containers the free period shall commence from the time container enters the terminal.

(2). For the purpose of calculation of free time, Sundays, Customs notified holidays and the Terminal's non-operating days shall be excluded.

(3). Transhipment containers whose status is subsequently changed to local FCL/LCL or ICD container shall be levied storage charges at par with the relevant import containers.

(4). For over dimensional container, the storage charge shall be based on the actual number of ground slots the respective container occupies under the respective slab as given above.

(5). Total storage period for shut out container shall be calculated from the day following the day when the container has become shut out till the day of shipment / delivery.

(6). The storage charges on abandoned containers/shipper owned containers shall be levied upto 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 following:

(a). the Line shall resume custody of container along with cargo and either take it back 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 of their failure to take such action within the stipulated period, the storage charge on the 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 Customs Authorities and the same cannot be destuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the day the Customs order release of the cargo subject to Lines observing the necessary formalities and bearing the cost of transportation and destuffing. Otherwise, seized/confiscated containers should be removed by the Line/consignee from the terminal premises to the Customs bonded area and in that case, the storage charge shall cease to apply from the day of such removal.

(7). The storage charge shall not accrue for the period during which the VCTPL can not effect delivery of Import container or shipment of export container when requested by the user.

1.11. CHARGES FOR REMOVAL OF GARBAGE

A consolidated charge of ₹10,556/- per truck trip shall be payable for removal of garbage collected on board of ship.

1.12. CHARGES FOR SUPPLY OF FRESH WATER

For Foreign going vessel, ₹264/- per 1000 Ltrs. or part thereof will be charged for supply of fresh water, subject to a minimum charge of ₹1,320/-.

For Coastal vessel, ₹158/- per 1000 Ltrs. or part thereof will be charged for supply of fresh water, subject to a minimum charge of ₹792/-.

SECTION - II

2. OTHER SERVICES

2.1. VISITOR ENTRY PASS

		Yearly	Quarterly	Monthly	Daily
(a).	Per Application	₹ 455	₹ 228	₹ 114	₹ 28

2.2. VEHICLE ENTRY PASS

Per Entry ₹ 228/-

Note:

(1). The vehicle entry fee will not be levied on vehicles entering/leaving VCTPL's terminal for delivery/ dispatch of containers/ cargo.

2.3. PHOTOGRAPHY

(a).	Film Shooting and Photography	₹ 1,13,750 per day
(b).	Carrying Camera inside the Terminal	₹ 569 per unit
(c).	Videography (related to operational activities)	₹ 3413 per day

2.4. Charges for use of terminal facilities by vessels.

The charges shall be applicable for non-container vessels i.e. vessels either handling non-compatible cargo or for vessels not handling any cargo at all, berthed at Visakha Container Terminal.

GRT	Rates
Upto 10000	₹ 2389 per hour
10001 to 30000	₹ 0.11 per GRT per hour with minimum of ₹ 2389 per hour
30001 and above	₹ 0.18 per GRT per hour.

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