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Tariff Authority for Major Ports

G.No.39 **New Delhi,** **20 January 2021**

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Deendayal Port Trust (DPT) for fixation of Reference tariff for development, operation and maintenance of Oil Jetty No. 09 and 10 to handle liquid cargo at old Kandla on Build, Operate and Transfer (BOT) basis under Public Private Participation (PPP) mode at DPT as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/48/2020-DPT

Deendayal Port Trust **- - -** **Applicant**

QUORUM

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

O R D E R

(Passed on this 28th day of December 2020)

This case relates to the proposal received from Deendayal Port Trust (DPT) vide its letter No.EG/WK/5108/TAMP/09-10/1017 dated 18 September 2020 for fixation of Reference tariff for development, operation and maintenance of Oil Jetty No. 09 and 10 to handle liquid cargo at Old Kandla on Build, Operate and Transfer (BOT) basis under Public Private Participation (PPP) mode at Deendayal Port under the Revised Reference Tariff Guidelines of 2013.

1.2. The Ministry of Ports, Shipping and Waterways (MOPSW) [the then Ministry of Shipping (MOS)] vide its letter No.PR-14019/16/2012-PG dated 31 July 2013 has issued 'Guidelines for Determination of Tariff for Projects at Major Ports, 2013' under Section 111 of the Major Port Trusts (MPT) Act, 1963 on 09 and 12 September 2013. In compliance of the policy directives issued by the (MOS) under Section 111 of the MPT Act, 1963, the said Guidelines were notified vide Notification No.TAMP/18/2013-Misc., in the Gazette of India on 30 September 2013 vide Gazette no.254. The said Guidelines are effective from 9 September 2013 and valid for five years.

1.3. The validity of the said Guidelines has been subsequently extended by the MOPSW beyond its expiry from time to time and the validity of the said Guidelines last extended by the MOPSW is till 8 March 2021. This Authority has notified the Order extending the validity of the Reference Tariff Guidelines till 8 March 2021 as communicated by the MOPWE vide Gazette No.373 dated 24 September 2020.

2.1. The said DPT proposal dated 18 September 2020 seeks approval of Reference Tariff for two of its projects viz. Development of Oil Jetty No. 09 and 10. It is seen from the RFQ No.EG/WK/5108/RFQ/1152 dated 27 March 2020 forwarded by the DPT along with its proposal that both the jetties 9 and 10 are identical in the terms of berth length – 310 mtrs, Types of Cargo proposed to be handled viz. LPG, POL Products and Other Liquids, draft at 14.1 mtrs, Optimal capacity at 3.2 MMTPA. There is a minor difference in capital cost estimated for the two oil jetties viz. ₹123.40 crores for Jetty No 9 and ₹123.12 crores for Jetty No. 10 in view of slight difference in the capital cost for berthing services. The tariff proposed by the DPT for both the projects are the same adopting the upfront tariff approved by this Authority for DPT project vide Order No.TAMP/5/2013-KPT dated 09 May 2013 in respect of POL & Other Liquid Handling charge, Berth hire charges and Miscellaneous charge and in respect of LPG adopting reference tariff approved by this Authority for Syama Prasad Mukherjee Port (SPMP) in Order No.TAMP/5/2016-KOPT dated 30 March 2016 after applicable indexation.

2.2. The main submissions made by the DPT in its letter dated 18 September 2020 are summarised below:

(i). Owing to the growth of Traffic on existing oil terminals and in order to ease pressure on the existing oil terminals and to cater additional liquid cargo, DPT has felt the need to create additional facilities. DPT proposes to undertake the development, operation & maintenance of Oil Jetty 09, 10 & 11. Old Kandla area has been identified for setting up an Oil Jetty No.09 & 10. The location lies on the Northern part of the coast of the Gulf of Kutch.

(ii). The present proposal relates to the development, operation and maintenance of the Oil Jetty No.09 & 10 at Kandla Port for handling Liquid cargo on Build, Operate and Transfer (BOT) basis under Public Private Partnership (PPP) mode.

(iii). The proposed facility shall be used for handling liquid cargo of POL, LPG & other liquids i.e Edible oil, Chemicals. The proposed Oil Jetty No.09(OJ-09) is located at the adjacent to south side of upcoming Oil Jetty No.08 and the proposed Oil Jetty No.10(OJ-10) is located at the adjacent to south side of upcoming Oil Jetty No.09 being at old Kandla. The proposed facility will be able to handle vessels having 13m of draught alongside berth and depth of 14.1m below CD to cater vessels of higher draught. Commissioning of the proposed facility shall augment the liquid cargo handling capacity of Deendayal Port by 3.5 MMTPA.

However, the proposed Jetty nos 9 and 10 are envisaged without consideration of a storage facility dedicated to the jetty. For the Storage facility, it is envisaged that the respective users of the existing storage facilities are expected to lay their own pipelines from the jetty manifold up to their own tank farm. [DPT has attached Appendix A for Layout of the Project]

(iv). Project Concept and Cost estimates:

(a). BOT operator shall undertake the development activities at the Oil jetty 09 and 10 at old Kandla. The main components of the project shall be constructed by the BOT operator including design, construction, operation & maintenance as per standard course & norms.

(b). Vessel size to be handled up to DWT of 80,000 with 13m Fully Laden Vessel draught.

(c). The Total estimated Capital cost of the project is ₹123.40 Crores for OJ-09 and ₹123.13 Crores for OJ-10.

(v). The DPT has made detailed submission with respect to major components of the Project facility, Design Parameters of Jetty Structure, Particulars of the Design vessel at DWT, Handling equipments (Mechanization), Electrification, etc.

(vi). The storage facility is not envisaged in this proposal, thus charging of storage by the BOT operator does not arise.

(vii). The DPT proposes to adopt of the upfront tariff approved by this Authority vide Order No.TAMP/5/2013-KPT dated 09 May 2013 in respect of POL & Other Liquid Handling charge, Berth hire charges and Miscellaneous charge. As regards tariff adopted for LPG, reference has been drawn to clause 2.4. of the Reference Tariff Guidelines which states that in case no tariff has been fixed for a particular commodity i.e. LPG in a particular Major Port Trust under the 2008 Guidelines, then TAMP will notify the highest Tariff under the 2008 Guidelines available for that commodity in the nearest Major Port Trust and hence the tariff for LPG proposed to be adopted from tariff Order No.TAMP/5/2016-KOPT dated 30 March 2016 which relates to reference tariff approved by this Authority for setting up a liquid jetty at Haldia Dock – II , Shalukkhali at Haldia through PPP mode at SPMP.

(viii). The DPT has applied escalation factor under Upfront guidelines of 2008 upto the year 2020-21 on the tariff approved by this Authority for POL and Other Liquid handling charge, Berth hire charges and Miscellaneous charge prescribed in KPT Order dated 09 May 2013 considering base WPI 1 January 2012 and for LPG the port has applied escalation factor under Reference Tariff Guidelines of 2013 upto the year 2020-21 on the tariff approved by this Authority in the SPMP Order dated 30 March 2016 with base WPI 1 January 2015 as prescribed in the said Order.

(ix). The proposed Reference Tariff rates for Oil Jetty No.09 & 10 are given below:

Reference Tariff Rates			
Sr. No.	**Item**	**Rate**	**Reference**
1	**Cargo Handling (other liquids)**		

	Foreign (₹ /MT)	127.91	G.No.198 dated 24 July 2013 Order No. TAMP/5/ 2013 -KPT dated 9 May 2013
	Coastal (₹ /MT)	76.74	
2	**Cargo Handling (POL)**		
	Foreign (₹ /MT)	36.84	G.No.198 dated 24 July 2013 Order No. TAMP/5/ 2013 -KPT dated 9 May 2013
	Coastal (₹ /MT)	36.84	
3	**Cargo Handling (LPG)**		
	Foreign (₹ /MT)	215.68	G.No.263 dated 21.06.2016 Order No. TAMP/5/ 2016 -KOPT dated 30.03.2016
	Coastal (₹ /MT)	129.41	
4	**Miscellaneous Charges (₹ /Tonne)**	4.84	G.No.198 dated 24 July 2013 Order No. TAMP/5/ 2013 -KPT dated 9 May 2013
5	**Berth Hire**		
	Foreign (₹ per GRT per hour)	0.67	G.No.198 dated 24 July 2013 Order No. TAMP/5/ 2013 -KPT dated 9 May 2013
	Coastal (₹ per GRT per hour)	0.40	

(x). Performance Standards for OJ-09 & OJ-10:

The indicative norms for Gross Berth Output for different categories of cargo are as follows:

Cargo Category	Indicative Norms	Basis of proposed Performance Standards norms
Liquid Norms		
LPG	584 T/H	Actual handling rate achieved by existing oil jetties during last one year
POL Products	708 T/H	
Other Liquids	461 T/H	

(xi). The DPT has furnished proposed Scale of Rates alongwith conditionalities for both the projects i.e. Oil Jetty No.09 & 10.

2.3. Subsequently, the DPT, vide its email dated 19 October 2020 has furnished a copy of its Board of Trustees Resolution No.136 dated 17 March 2020. The DPT Board vide Resolution No.136 has, inter alia, resolved to authorize the Chairman, DPT to approve the revised FRs and revised RFQs if any, amendment in schedules of bidding, draft Upfront/Reference Tariff, draft SFC Memorandums along with bidding documents, clarification to Queries/observation of RFQ applicants, bidders, TAMP, Ministries and forward the same to the respective RFQ applicants/ bidders/ TAMP/ Ministries, etc.as the case may be, in case of proposed Oil Jetties 9 & 10.

3.1. Clause 2.2 of the Revised Guidelines of 2013 stipulates that the Reference Tariff will be the highest tariff fixed for that commodity in the concerned Major Port Trust under the 2008 Tariff Guidelines. In case no tariff has been fixed for that commodity at that Major Port Trust or if the highest tariff fixed for a particular commodity in the concerned major Port Trust does not represent the project proposed to be developed, then concerned Major Port Trust can propose to TAMP any other tariff fixed under 2008 Tariff guidelines in any other major Port Trust which is representative enough for that commodity giving detailed and sufficient justification.

3.2. While adopting the Reference tariff, the tariff set under the Tariff Guidelines, 2008 shall be escalated to the extent of 60% of WPI per annum, as provided in the said guidelines for the period between 1st January of the year as prescribed in the relevant tariff order of TAMP under 2008 guidelines and 1st January of the subsequent relevant year when the Reference Tariff for the particular project in question is being notified.

3.3. Further Clause 2.2 of the revised tariff guidelines of 2013 requires this Authority to prescribe the Reference Tariff along with the Performance Standards.

4. The DPT has accordingly applied the applicable indexation factor to arrive at the proposed tariff for its projects and furnished the proposed Reference Tariff schedule for approval along with the proposed Performance standards.

5.1 On preliminary scrutiny of the proposal, it was observed that the Performance Standards proposed by the DPT for its current project of Oil Jetty No.09 & 10 was not in line with the handling rate considered for assessing the optimal capacity as per the norms prescribed in the upfront tariff guidelines of 2008 while approving the upfront tariff in DPT Order dated 09 May 2013 and reference tariff in SPMP Order dated 30 March 2016. The DPT was, therefore, requested vide our letter No.TAMP/48/2020-DPT dated 03 November 2020 to furnish the revised Performance Standards for the proposed project in tandem with the performance / output norms considered in the upfront tariff fixed in the adopted orders.

5.2. Further, as per Clause 2.2 of the Reference Tariff Guidelines of 2013, Major Port Trust can adopt highest upfront tariff fixed for a particular commodity in the concerned Major Port Trust or in any other major Port Trust which is representative enough for that commodity giving detailed and sufficient justification. Since the proposal of the DPT is silent on this aspect, the port was also requested vide above mentioned letter dated 03 November 2020 to confirm that the adopted tariff from DPT Order dated 09 May 2013 and KOPT Order dated 30 March 2016 is representative enough for proposed project in terms of optimal capacity, capex and type of cargo considered in its proposed project. This was followed by the reminder dated 17 November 2020.

5.3. In response, the DPT, vide its letter No.EG/WK/5108/TAMP/09-10/61 dated 27 November 2020 and subsequent email dated 02 December 2020 has furnished its response. A summary of the information/ clarification sought by TAMP and the reply furnished by the DPT is tabulated below:

Sr.No.	Information/ Clarification sought by us	Reply furnished by the DPT
1.	The port has adopted Reference tariff from the DPT Order No.TAMP/5/2013-KPT dated 09 May 2013 for POL and Other Liquid, Berth hire charges and Miscellaneous charge and for LPG the Reference tariff from KOPT Order No.TAMP/5/2016-KOPT dated 30 March 2016 is seen to be adopted.	Reference Tariff is defined under Article 2.2 of the new Guidelines as "The Reference Tariff will be the highest tariff fixed for that commodity in the concerned major Port Trust under the 2008 Tariff Guidelines..". The DPT has got approved tariff for liquid cargo at old kandla at Kandla Port Trust (KPT) for fixation of upfront tariff for the Oil jetty to be developed for handling liquid cargo and ship bunkering terminal at old Kandla on Built, Operate and Transfer (BOT) basis) by TAMP vide Order no. TAMP/5/2013/KPT dated 09.05.2013, G. No. 198 dated 24.07.2013 for POL and Other Liquids. Hence, for the Proposed project DPT has adopted reference Tariff for POL & Other Liquids. As per article 2.4 of the new Guidelines, "In case no tariff has been fixed for a particular commodity in a particular Major Port Trust under the 2008 Guidelines, then TAMP will notify the highest Tariff under the 2008 Guidelines available for that commodity in the nearest Major Port Trust." In such a Scenario, LPG commodity has not been approved in DPT under PPP mode and no tariff has been fixed for LPG commodity as per 2008 Guidelines. Hence the DPT has adopted reference tariff for the proposed project. The reference tariff of LPG as defined above is to be considered as tariff approved in line with TAMP Guidelines,

<table>
<tr><td></td><td></td><td>2008 vide G. No. 263 dated 21th June 2016 for Order No. TAMP/05/2016-KOPTdated 30 March 2016 for Setting up a Liquid Jetty at Haldia Dock-II, Shalukkhali, Haldia through PPP mode on Design, Build, Finance, Operate and Transfer (DBFOT) basis at KOPT.</td></tr>
<tr><td>2.</td><td>The proposed Performance Standards in respect of cargo category POL Products, Other Liquids are not in line with the norms for handling rate considered in the DPT Order dated 9 May 2013 under Upfront Tariff Guidelines of 2008 and for LPG the proposed Performance Standards are not in line with the norms for handling rate considered in KOPT Order dated 30 March 2016. Since the upfront tariff is adopted from these Orders, the proposed performance standards must also be in tandem with the adopted orders. The DPT is, therefore, requested to furnish the revised Performance Standards for the proposed project in tandem with the performance / output norms considered in the upfront tariff fixed in the adopted orders.</td><td>The performance standard has been revised in respect of cargo category POL products & other liquids in line with norms of handling rate considered in the TAMP Order No. TAMP/5/2013/KPT dated 09.05.2013 under Upfront Tariff Guidelines of 2008.

Further, performance standard has been revised in respect of cargo category LPG in line with norms of handling rate considered in the TAMP Order No. TAMP/05/2016-KOPT dated 30 March 2016.</td></tr>
<tr><td>3.</td><td>As per Clause 2.2 of the Reference Tariff Guidelines of 2013, Major Port Trust can adopt highest upfront tariff fixed for a particular commodity in the concerned Major Port Trust or in any other major Port Trust which is representative enough for that commodity giving detailed and sufficient justification.</td><td>For POL & other Liquids as Reference Tariff has been adopted of the same Major Port Trust as per tariff order issued by TAMP Order No.TAMP/5/2013/KPT dated 09.05.2013 for such Project which is calculated as per 2008 Guidelines.

However, for LPG, DPT does not have any Tariff which has been fixed for LPG commodity as per 2008 Guidelines under PPP mode. Hence DPT has adopted reference tariff for the proposed project. The reference tariff of LPG as defined above is to be considered as tariffs approved in line with TAMP Guidelines, 2008 vide G. No. 263 dated 21th June 2016 for Order No. TAMP/5 /2016-KOPT dated 30 March 2016- Setting up a Liquid Jetty at Haldia Dock-II, Shalukkhali, Haldia through PPP mode on Design, Build, Finance, Operate and Transfer (DBFOT) basis KOPT.</td></tr>
<tr><td>4.</td><td>The proposal of the DPT does not state that the upfront tariff adopted for cargo handling rate of POL & Other Liquids, Berth hire charges and Misc. charges adopted from the DPT Order of 9 May 2013 and for LPG from KOPT Order dated 30 March 2016 is representative enough for the proposed project oil jetty 9 and 10. The DPT is, therefore, requested to confirm that the adopted tariff from DPT Order No TAMP/5/2013 dated 9 May 2013 and KOPT Order dated 30 March 2016 is representative enough for proposed project in terms of optimal capacity, capex</td><td>Both the facilities viz. KOTPL (DPT project awarded to Kandla Oil Terminal Pvt.Ltd) and the subject facilities for which current Tariff has been adopted are similar in nature. They will be handling liquid cargo of POL, Other Liquids & LPG. However, in KOTPL i.e. upfront tariff approved by this Authority for DPT and adopted by the port, no LPG rates are approved for them. In this scenario, DPT has adopted SPMP Rate for LPG.

Optimal Capacity:<table><tr><td>Sl.No.</td><td>Particulars</td><td>KOTPL</td><td>OJ 09 & OJ 10</td></tr></table></td></tr>
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<td>and type of cargo considered in its proposed project.</td>
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<table>
<tr><td>01</td><td>Optimal Capacity</td><td>3.39 MMTPA</td><td>3.2 MMTPA (Each Jetty)</td></tr>
</table>
Cargo to be handled :
<table>
<tr><td>S.No</td><td>Particulars</td></tr>
<tr><td>01</td><td>POL</td></tr>
<tr><td>02</td><td>LPG</td></tr>
<tr><td>03</td><td>Other Liauids</td></tr>
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Since DPT does not have rate for LPG, DPT has adopted the rate of LPG from KOPT Order.
Based on above paragraphs, the upfront tariff adopted for cargo handling rate of POL & Other Liquids, Berth hire charges and Misc. charges adopted from the DPT Order dated 09 May 2013 and for LPG from KOPT Order dated 30 March 2016 is representative enough for the proposed project oil jetty 9 and 10.
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5.4. The DPT, vide its email dated 02.12.2020, has furnished revised Performance Standards for POL and Other Liquids in tandem with the handling rate considered for assessing the optimal capacity as per the norms prescribed in the upfront tariff guidelines of 2008 while approving the upfront tariff in DPT Order dated 09 May 2013 and reference tariff in SPMP Order dated 30 March 2016 as tabulated below and has also justified that the adopted upfront tariff is representative enough for its proposed project of OJ-09 & OJ-10:

Indicative norms for Gross Berth Output are as follows:

Cargo Category	**Indicative Norms**
Liquid Bulk	
LPG	250 T/H
POL Products	1000 T/H
Other Liquids	300 T/H

6.1. Subsequently, the DPT has, vide its email dated 21 December 2020 under cover of its letter No.EG/WK/5108/TAMP/09-10 dated 21 December 2020 has proposed the revised Note (i) & (ii) under Schedule 3.1 of its proposed SOR (for both OJ 09 & 10) in place of the notes earlier proposed in its proposal dated 18 September 2020 which is tabulated below:

Notes proposed in the original proposal under Schedule 3.1 of the proposed SOR following the adopted SOR of DPT dated 9 May 2013	**Revised Notes proposed under Schedule 3.1 of the proposed SOR**
i). Unloading of the cargo from vessels and transfer of the same up to the point of storage and loading on to trucks/ tankers in respect of import cargo and	i). Unloading of the cargo from vessels and transfer through pipelines up to “Land fall point” in respect of import cargo.
ii). Unloading of the cargo from the trucks/ tankers at the storage tank farm in respect of export cargo, transfer of the cargo to the loading point, loading onto the vessels and barges.	ii), Transfer of outgoing cargo through pipelines from “Land fall point” to the loading point and loading to the vessels in respect of export cargo.

6.2. The DPT in the said letter has stated that the proposed Oil jetty No. 9 &10 projects do not envisage Storage facilities under the scope of respective concessionaires. The scope of concessionaires with regard to project facilities and services is up to “Land Fall Point” only, the point up to which concessionaire will lay the pipeline from the Jetty. Hence the revised note is proposed by the DPT.

7. Since the proposal of DPT is an adoption case adopting the upfront tariff approved vide DPT Order dated 09 May 2013 and Reference tariff approved vide KOPT Order dated 30 March 2016 after consulting the stakeholders, the said proposal was not taken up for consultation in line with the approach followed in the other such reference tariff cases formulated on adoption basis.

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

(i). The proposal of the Deendayal Port Trust (DPT) is for fixation of Reference Tariff for development, operation and maintenance of Oil Jetty Nos. 09 and 10 to handle liquid cargo at Old Kandla on Build, Operate, Transfer (BOT) basis under Public Private Participation (PPP) mode at DPT.

As stated earlier, the Project at both the jetties 09 and 10 are identical in the terms of berth length – 310 mtrs, Types of Cargo proposed to be handled viz. LPG, POL Products and Other Liquids, draft at 14.1 mtrs, Optimal capacity at 3.2 MMTPA. There is a minor difference in capital cost estimated for the two oil jetties viz. ₹123.40 for Jetty No. 09 and ₹123.12 crores for Jetty No.10 in view of slight difference in the capital cost for berthing services.

(ii). The proposal of DPT seeks approval of Reference tariff for Development, operation and maintenance of Oil Jetty No.09 & 10 at old Kandla on BOT basis under PPP mode at DPT adopting upfront tariff fixed for POL and Other Liquid by this Authority vide Order No.TAMP/5/2013-KPT dated 09 May 2013 for DPT and reference tariff fixed for LPG by this Authority vide Order No.TAMP/5/2016-KOPT for Kolkata Port Trust dated 30 March 2016 after applying applicable indexation factor.

It is relevant here to state that this Authority had earlier approved upfront tariff for setting up an Oil jetty to be developed to handle liquid cargo and ship bunkering terminal at old Kandla on Build, Operate and Transfer (BOT) basis vide Order No.TAMP/5/2013-KPT dated 22 February 2013 following the upfront tariff guidelines of 2008. Subsequently, the DPT sought review of upfront tariff approved by this Authority in the said Order in view of exclusion of an item from the estimated capital cost. Accordingly, this Authority vide Order No.TAMP/5/2013-KPT dated 9 May 2013 has approved revised upfront tariff for the said project and revised Scale of rates was notified. That being so, the DPT has adopted the rates from POL and other liquid from the said Order approved by this Authority dated 9 May 2013. This Authority, therefore, proceeds with the proposal of DPT.

(iii). As per Clause 2.2 of the Revised Tariff Guidelines of 2013, port has the option to adopt the highest upfront tariff fixed by this Authority for that commodity/ service in the concerned Major Port Trust under the upfront Tariff Guidelines of 2008. In case no tariff has been fixed for that commodity at the concerned Major Port Trust or the highest tariff fixed in the concerned major Port Trust do not represent the project proposed to be developed, then the port have the option to adopt highest upfront tariff fixed by this Authority in any other Major Port Trust which is representative enough for the commodity/ service envisaged in the project after giving detailed and sufficient justification.

In the current proposal for proposed Oil Jetty Nos. 9 and 10, the port has proposed to adopt the upfront tariff approved by this Authority under the upfront tariff guidelines of 2008 for handling POL and Other Liquids and the miscellaneous charges in its own port vide Order dated 9 May 2013. As brought out in Para 2.3 above, the DPT Board vide resolution dated 17 March 2020 has, inter alia, authorised the Chairman, DPT to approve draft Upfront/ Reference Tariff, furnish clarification to queries/ observation of TAMP and forward the same to the TAMP in case of proposed Oil Jetties 9 & 10.

For LPG cargo, the DPT has stated that no upfront tariff was fixed in its own port under the upfront tariff Guidelines of 2008. Hence, DPT has proposed reference tariff for handling rate of LPG for the proposed project at Jetty Nos. 9 and 10 adopting the reference tariff approved by this Authority in the Order No. TAMP/5/2016-KOPT dated 30 March 2016 for setting up a Liquid Jetty at Haldia Dock-II, Shalukkhali, Haldia through PPP mode at Syama Prasad Mukherjee Port (SPMP). The tariff proposed by the DPT for both the projects towards handling charges for POL, Other Liquids and LPG, berth hire charges and miscellaneous charges for Jetty Nos. 9 and 10 are the same following the above approach.

The Port has also justified that the proposed estimates with respect to optimal capacity, type of cargo at both the facilities i.e.Oil Jetty No.09 & 10 envisaged at old Kandla at DPT are of similar nature compared to the upfront tariff fixed for Oil Jetty at DPT vide Order dated 09 May 2013 and for LPG the reference tariff fixed for Liquid Jetty at KOPT. The port has also confirmed that the upfront tariff for POL and Other Liquids approved vide DPT Order dated 09 May 2013 for Oil Jetty at DPT and for LPG approved vide KOPT Order dated 30 March 2016 for Liquid Jetty at KOPT are representative enough for its current project. Thus, in short, the proposal of the DPT fits in the options prescribed in clause 2.2 of the Reference Tariff Guidelines, 2013.

In view of the above position and recognising that the upfront tariff approved by this Authority vide Order No.TAMP/05/2013-KPT dated 09 May 2013 and reference tariff approved by this Authority vide Order No.TAMP/05/2016-KOPT dated 30 March 2016 are based on the norms and principles of the Upfront Tariff Guidelines of 2008/ Reference Tariff Guidelines of 2013 and the current proposal of the DPT for adoption of the rates in the said Order after indexation is in line with stipulation in the reference tariff guidelines 2013, this Authority approves the proposal of the DPT for fixation of reference tariff for Oil Jetty nos 9 and 10 at DPT.

As regards Storage charge, the adopted upfront tariff of the DPT prescribes storage charge for liquid tank farm for POL and Other cargo whereas no storage charge are prescribed in the SPMP port in the Order dated 30 March 2016 for the reasons stated.

However, in the current proposal, the DPT has stated that proposed Jetty nos 9 and 10 are envisaged without consideration of a storage facility dedicated to the jetty. The port envisages the respective users having the existing storage facilities to lay their own pipelines from the jetty manifold up to their own tank farm. Since storage facility is not envisaged in this proposal, the port has not proposed storage charge; and, the requirement of fixation of storage charge does not arise.

(iv). The Upfront Tariff schedule for oil jetty approved by this Authority vide Order No.TAMP/05/2013-KPT dated 09 May 2013, prescribes that the tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2012 and 1 January of the relevant year. Further, the Reference Tariff schedule for liquid jetty approved by this Authority vide Order No.TAMP/05/2016-KOPT dated 30 March 2016, prescribes that the tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2015 and 1 January of the relevant year.

Since the base year of WPI for indexation in the DPT Order dated 09 May 2013 is prescribed as 1 January 2012, the DPT has proposed indexed rate after applying cumulative indexation factor announced by this Authority for the base year as 1 January 2012 at 11.21% upto the year 2017-18 and subsequent annual indexation factor announced by this Authority at 2.07% for year 2018-19, 2.56% for year 2019-20 and 1.13% for year 2020-21 under the Upfront tariff Guidelines 2008. The aggregate of the above indexation factor comes to 1.18 (i.e. 1.1121 * 1.0207 * 1.0256* 1.0113). The indexed rate proposed by DPT after applying the applicable indexation over the rates for handling of POL & Other Liquid, Berth hire charges and Miscellaneous charge approved by this Authority with base year January 2012 is found to be in order and in line with clause 2.2 of the Tariff Guidelines, 2013.

Similarly, since the base year of WPI for indexation in the KOPT Order dated 30 March 2016 is prescribed as 1 January 2015, the DPT has proposed indexed rate after applying cumulative indexation factor announced by this Authority for the base year as 1 January 2015 at Nil for the year 2016-17, 1.20% for the year 2017-18, 2.07%, 2.56% and 1.13% for the years 2018-19, 2019-20 and 2020-21 respectively under the Revised Reference tariff Guidelines 2013. The aggregate of the above indexation factor comes to 1.07 (i.e. 1.012 * 1.0207 * 1.0256* 1.0113). The indexed rate proposed by DPT after applying the applicable indexation over the handling rate of LPG approved by this Authority with base year January 2015 is found to be in order and in line with clause 2.2 of the Tariff Guidelines, 2013.

The Port has proposed indexed rate for POL & Other Liquid Handling charge, Berth hire charges and Miscellaneous charge prescribed in the adopted upfront tariff in the SOR approved by this Authority in May 2013 DPT Order and indexed rate for LPG prescribed in the adopted reference tariff in the SOR approved by this Authority in March 2016 KOPT Order after applying applicable indexation. Therefore, the indexed rate proposed by DPT as Reference tariff is approved.

(v). The note proposed by DPT governing the indexation of reference tariff for future period is with reference to 1 January 2021. Since the reference tariff can only be notified in the year 2021 and indexation factor announced as on 1 January 2020 is captured while arriving at the indexed rate, indexation for future period will be with reference to 1 January 2021. Therefore, the said general note as proposed by DPT is approved.

(vi). (a). The note no 1.1(i)(b) as regards penal interest for delayed payment and refund proposed by the DPT is not in line with the prescription in the adopted SOR of May 2013 of DPT. The said note is prescribed as stipulated in the adopted SOR of the DPT.

(b). The DPT has proposed to incorporate definition of LPG as "LPG is defined to mean the mixture of light hydrocarbon containing propane, Isobutene, Normal butane, butylene, or such other substance which is gaseous at normal ambient temperature and atmospheric pressure but may be condensed to liquid state at normal ambient temperature by the application of pressure and conforms to such specifications, as the central government may, in consultation with the bureau of Indian Standards notify from time to time". The adopted SOR of SPMP dated 30 March 2016 do not prescribe definition of LPG. Since the proposed definition is to give clarity and avoid ambiguity, the same is prescribed as proposed by the port.

(c). The general conditionalities relating to System of Classification of vessel for levy of Vessel Related Charges (VRC), Criteria for levy of vessel related charges and Cargo Related Charges(CRC) at concessional coastal rate proposed by the DPT are not found to be in line with the common adoption Order passed by this Authority vide Order No No.TAMP/53/2015-VOCPT dated 26 November 2015 along with amended Order dated 10 June 2016 for all the Major Ports and BOT operators. That being so, the general conditionalities as prescribed in the said common Order are prescribed in proposed Reference Tariff Schedule in line with the prescription in other Major Port Trusts and BOT operators.

(d). The general note (vii) (b) of the adopted SOR of DPT stipulates that the cargo related charges for all coastal cargo other than Crude including POL, Iron ore and Iron pellets and thermal coal should not exceed 60% of the normal cargo related charges. This is in line with the coastal concession policy of the MOPSW and common Order approved by this Authority.

The DPT while prescribing the said note has proposed to state that cargo related charges for all coastal cargo other than Crude including POL, "Other liquid" should not exceed 60% of the normal cargo related charges. The "Other

Liquid” cargo are not excluded explicitly from coastal concession as per the coastal concession policy of the MOPSW and hence the said note is modified to delete the words “Other liquid” to fall in line with the coastal concession policy of the MOPSW. In fact the DPT has proposed coastal concession for “Other liquid” which is in order.

Further, since the proposal is for liquid cargo, exclusion of Iron ore and Iron pellets and thermal coal from the said note proposed by DPT is approved as these cargo items are not relevant for the proposed terminal.

(e). The adopted SOR of DPT prescribes a note that no berth hire shall be levied for the period when the vessel idles at its berth for continuous one hour or more due to breakdown of terminal operator’s equipment or power or for any other reasons attributable to the Terminal Operator. The port has not proposed this note. The same is incorporated in the Reference Tariff SOR as it is common prescription in the SOR of all Major Port Trusts and BOT operators. In view of the prescription, the another note stating that in case an oil vessel idles due to breakdown or non-availability of the shore based facilities of oil terminal or any other reasons attributable to the terminal, rebate equivalent to berth hire charges payable to the concessionaire accrued during the period of idling of vessels shall be allowed by concessionaire becomes infructuous and hence is deleted.

(f). In the note below the Schedule 4(proposed by the DPT under Schedule 3) relating to Cargo handling Charge, the word “ wharfage” prescribed in the adopted SOR is not included in the proposed SOR. The same is included in line with the prescription in the adopted SOR of DPT.

(g). The adopted SOR prescribes notes (i) & (ii) under Schedule of cargo handling charges prescribing the services covered. As per the prescribed note, the cargo handling charges cover unloading of the cargo from vessels and transfer of the same up to the point of storage and loading on to trucks/ tankers in respect of import cargo. For export cargo, reverse provision is proposed.

The DPT in the proposed SOR has proposed to revise note notes (i) & (ii) under Schedule 4 on Cargo Handling charges. The revised proposed notes are tabulated in para 6.1. above and hence not reiterated for the sake of brevity. The DPT has given the reasons for the proposed revised notes. The DPT has stated that the proposed Oil jetty No. 9 &10 projects do not envisage Storage facilities under the scope of respective concessionaires. The scope of concessionaires with regard to project facilities and services is up to “Land Fall Point” only, the point up to which concessionaire will lay the pipeline from the Jetty. Hence the revised the note is proposed by the DPT.

Since the revised notes proposed by the DPT is to fall in line with the services envisaged to be covered in the proposed project, the said revised notes (i) and (ii) under the cargo handling charge are approved as proposed by the DPT.

In view of the revised notes proposed by the DPT at (i) and (ii) as explained above, under the cargo handling charges, the earlier note (iii) proposed by the DPT adopting the note from the KOPT adopted SOR stating loading of the cargo to the vessels and from the point of manifold installed on jetty head, in respect of export cargo appears to be infructuous and hence deleted.

(h). The components / services covered under the proposed miscellaneous charges cover the miscellaneous services of adopted SOR of both DPT as well of SPMP. It is found to be in order and hence prescribed in the DPT SOR.

(vii). The Upfront tariff for POL and Other Liquids approved by this Authority vide DPT Order dated 09 May 2013 and adopted by the port in current proposal does not prescribe any Performance Standards in the approved SOR. The reference tariff approved by this

Authority vide KOPT Order dated 30 March 2016 and adopted by the DPT for LPG handling in the current proposal prescribes the Performance Standards in line with the Upfront tariff guidelines of 2008. Clause 2.2 of the revised tariff guidelines of 2013 requires this Authority to prescribe the Reference Tariff along with the Performance Standards.

The port had originally proposed Performance Standards at 584 tonnes/ hour for LPG, 708 tonnes/hour for POL products and 461 tonnes/hour for Other Liquids based on the actual handling rate achieved by the port during last one year for its proposed project at Oil Jetty No.09 & 10 at old Kandla. Subsequently, on being pointed out that it is not in tandem with the handling rate considered in the May 2013 Order, the DPT has revised the proposed Performance Standards at 250 tonnes/ hour for LPG, 1000 tonnes/hour for POL products and 300 tonnes/hour for Other Liquids. The revised proposed performance standards for POL and other liquid cargo are in tandem with handling rate considered while approving the upfront tariff Order of DPT Order dated 09 May 2013 and for LPG it is in line with the performance standards approved in the SPMP Order dated 30 March 2016. The revised proposed performance standards for its project at Oil Jetty No.09 & 10 at old Kandla are, therefore, approved.

(viii). **If there is any error apparent on the face of records considered or for any other justifiable reasons, the DPT may approach this Authority for review of the reference tariff fixed, prior to completion of bidding process of the project giving adequate justification/ reasoning within 30 days from the date of notification of the Order in the Gazette of India.**

9.1. In the result, and for the reasons given above, and based on a collective application of mind, the proposed Reference Tariff Schedule for Development, operation and maintenance of Oil Jetty No.09 & 10 at old Kandla at DPT is approved and notified along with the Performance Standards, which is attached as **Annex – I** and **Annex - II**.

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

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

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

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

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

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

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

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

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

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

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

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

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

(T.S. Balasubramanian)
Member (Finance)

Annex-I

REFERENCE TARIFF SCHEDULE FOR OIL JETTY NO.09 & 10 TO HANDLE LIQUID CARGO AT OLD KANDLA

1. DEFINITIONS

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

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

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

(iii). **"Port"** shall mean Deendayal Port Trust.

(iv). **"Per Day "**means per calendar day unless otherwise stated.

(v). **"Month"** shall means the calendar month.

(vi). **"TAMP"** shall mean the Tariff Authority for Major Ports constituted under Section 47A of the Major Trusts Act, 1963.

(vii). **"Tonne"** shall mean one metric tonne or 1,000 kilograms or one cubic meter.

(viii). **"Liquefied Petroleum Gas (LPG)"** means the mixture of light hydrocarbon containing propane, Isobutene, Normal butane, butylene, or such other substance which is gaseous at normal ambient temperature and atmospheric pressure but may be condensed to liquid state at normal ambient temperature by the application of pressure and conforms to such specifications, as the central government may, in consultation with the bureau of Indian Standards notify from time to time.

(ix). **"POL"** shall mean petroleum oil Lubricants.

2. GENERAL TERMS & CONDITIONS

(i). Interest on delayed payments / refunds:
  - (a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the terminal operator shall pay penal interest on delayed refunds.
  - (b). The rate of penal interest will be 2% above the Prime Lending Rate of the State Bank of India.
  - (c). The delay in refunds will be counted only 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.
  - (d). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the Terminal operator. This provision shall, however, not apply to the cases where payment is to be made before availing the services where payment of charges in advance is prescribed as a condition in this Scale of Rates.

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

(iii). Users will not be required to pay charges for delays beyond reasonable level attributable to the terminal operator.

(iv). The status of the Vessel as borne out by its certification by the Customs or Director General of Shipping is the relevant factor to decide whether vessel is "Coastal" or foreign-going" for the purpose of levy of Berth hire, and the nature of cargo or its origin will not be of any relevance for this propose.

(v). <u>System of classification of vessel for levy of Vessel Related Charges (VRC)</u>

(a). 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.

(b). A foreign going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence for Specified Period or voyage issued by the Director General of Shipping and a custom conversion order.

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

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

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

(c). 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.

(vii). 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 License for Specified Period or voyage 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.

(viii). (a). The berth hire for all coastal vessel should not exceed 60% of the corresponding charges for other vessels.

(b). The cargo related charges for all coastal cargo other than crude including POL should not exceed 60% of the normal cargo related charges.

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

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

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

(ix). The rates prescribed in the Scale of Rates are ceiling levels: likewise, rebates and discounts are floor levels. The terminal operator may, if it so desires, charge lower rates and / or allow higher rebates and discounts.

The terminal Operator may also, if it so desires rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels.

The terminal Operator should, however, notify the public such lower rates and / or rationalisation of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and / or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.

3. Schedule of Berth Hire Charges:

The berth hire charge payable by masters / owners / agents of the vessel, barge and other floating craft approaching or lying alongside the berth shall be as per the rates given below:

Description	Rate
Foreign going Vessels	₹ 0.67 per GRT per hour
Coastal Vessels	₹ 0.40 per GRT per hour

Notes:

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

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

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

4. Schedule of Cargo Handling Charges:

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

(₹ Per MT)

Description / Cargo	Foreign	Coastal
POL	36.84	36.84
Other Liquid	127.91	76.74
LPG	215.68	129.41

Note:

The cargo handling charges shall include the cargo loading or unloading charges (as the case may be), transportation through pipelines, wharfage, etc.

(a). Unloading of the cargo from vessels and transfer through pipelines up to "Land fall point" in respect of import cargo.

(b). Transfer of outgoing cargo through pipelines from "Land fall point" to the loading point and loading to the vessels in respect of export cargo.

5. Miscellaneous Charges

The following charge is to be levied towards cleaning of the area, pigging, spillage, leakage, compressor charges, vaporizer charges and other such related charges.

(₹ Per MT)

Description / Cargo	Foreign	Coastal
Miscellaneous Charges	4.84	4.84

6. GENERAL NOTE :

(i). The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2021 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31 March of the following year.

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

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

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

(iv). On receipt of the proposal, TAMP will seek the views of the Major Port Trust on the achievement of Performance Standards as outlined in para 5 of the tariff guidelines of 2013, within 7 days of receipt.

(v). In the event of Licensee not achieving the Performance Standards as incorporated in the License Agreement in previous 12 months, TAMP will not consider the proposal for notifying the Performance Linked Tariff for the ensuing financial year and the Licensee shall be entitled to only the indexed Reference Tariff applicable for the ensuing financial year.

(vi). After considering the views of the Major Port Trust, if TAMP is satisfied that the Performance Standards as incorporated in the Concession Agreement have been achieved, it shall notify the performance linked tariff by 15th of March to be effective from 1st of April of the ensuing financial year.

(vii). While considering the proposal for Performance Linked Tariff, TAMP will look into the Performance Standards and its adherence by the Licensee. TAMP will decide on the acceptance or rejection of the Performance Linked Tariff proposal based on the achievement or otherwise of the Performance Standards by the Licensee. Determination of indexed Reference Tariff and Performance Linked Tariff will follow the illustration shown in the Appendix attached to the tariff guidelines of 2013

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

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Annex-II

Performance Standards

1. Gross Berth Output

The parameter deals with the productivity of the terminal (Gross Berth Output) for different types of cargo. The Gross Berth Output shall be calculated as the total cargo handled (either loaded/unloaded) from the ship during a month divided by the time spent by the ship at the terminal number of working days of ships in that month at that terminal. While determining the number of working days from the ship hours, the berth allowance of 2 hours/day shall be subtracted from the total hours

The indicative norms for Gross Berth Output for different categories of cargo are as follows:

Cargo Category	Indicative Norms
Liquid Bulk	
LPG	250 T/H
POL Products	1000 T/H
Other Liquids	300 T/H