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Tariff Authority for Major Ports

G.No. 394

New Delhi,

11 October 2017

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 M/s. Global Port Solutions Pvt. Ltd. (GPSPL) for notification of its Scale of Rates for "Supply, operate and maintenance of 100 Tonne Mobile Harbour Cranes (HMCs) for Cargo handling operations at Chennai Port Trust, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/60/2017-CHPT

M/s Global Port Solutions Private Limited

Applicant

QUORUM:

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

ORDER

(Passed on this 15th day September of 2017)

This case relates to a proposal received from M/s. Global Port Solutions Pvt. Ltd. (GPSPL) for notification of its Scale of Rates for "Supply, Operate and Maintenance of 100 T Mobile Harbour Cranes (HMCs) for Cargo handling operations at Chennai Port Trust (CHPT).

2.1. Based on the proposal filed by the CHPT for fixation of Reference tariff for supply, maintenance and operation of HMCs at Berth Nos.WQ-I, II, III & IV and Center Berth, SQ-I & II, JD-I, JD III and JD-V at CHPT, this Authority vide its Order No. TAMP/20/2014-CHPT dated 30 June 2014 had approved the reference Scale of Rates (SOR) under the Tariff Guidelines of 2013.

2.2. As per Section 48 read with Section 42(4) of the Major Port Trusts (MPT) Act, 1963, any person authorized by the Major Port Trust to render services can levy tariff based on the Scale of Rates approved and notified by this Authority in the name of such authorized person.

3.1. During correspondence with CHPT on some other matter, it came to our notice that CHPT has already authorized an Operator to provide the services of HMCs at CHPT. The said Operator had not approached this Authority for notification of Scale of Rates (SOR) in its name. Accordingly, the CHPT (being the Licensor) was requested vide our letter no. TAMP/52/2007-CHPT dated 07 June 2017 to inform the concerned operator to file an appropriate proposal for notification of SOR in its name, before this Authority.

3.2. The CHPT vide its letter No. MEE/MI/024/2014/Dy.CME (R&D) dated 20 June 2017 has requested Global Port Solutions Private Limited (GPSPL) to file a proposal for notification of Scale of Rates in its name.

3.3. In response, the GPSPL vide its letter dated 22 June 2017 requested this Authority to expedite the revision of schedule of rates for supply, operation and maintenance of mobile harbour crane at CHPT, considering that 3 months of current financial year has already lapsed. It has also stated that any delay in the revision of rates may cause huge financial burden on them and they may not be in a position to levy additional tariff, if any, after completion of the work and billing.

3.4. Subsequently, the GPSPL vide its letter dated 11 July 2017 has made the following submissions:

- (i). As per the Order given, the Concessionaire is to collect the charges in advance like any other port charges for deploying HMCs, which is a regular practice in other major ports.
- (ii). However, the GPSPL has been experiencing difficulties in realizing the MHC charges from customers and CHPT is not interfering in the matter.
- (iii). The matter is generally in line with the agreement made between CHPT and GPSPL under Public-Private Partnership scheme.
- (iv). Moreover, GPSPL has to pay interest (bank rate + 2%) on delayed port revenue share as per agreement.

- (v). It is requested to issue revised Schedule of rates for HMC charges for the year 2017-18.

3.5. Further, the GPSPL vide its e-mail dated 18 July 2017 has stated that the GPSPL has an arbitration filed with the CHPT with respect to the berths which are allotted and that as per the interim arbitration order, the GPSPL is allowed to handle cargoes in JD 2, 4 and 6.

4.1. The GPSPL did not furnish full-fledged draft Scale of Rates (SOR) along with the conditionalities governing the levy of proposed rates as notified in the Reference Tariff Order of June 2014, to be notified in its name. The GPSPL had also not furnished the Completion Certificate from Independent Engineer. Accordingly, we have vide our letter dated 28 July 2017 requested GPSPL to furnish complete proposal along with Scale of Rates and conditionalities and a copy of completion certificate of the project from the independent Engineer, to us and to the Licensor Port, CHPT.

4.2. Simultaneously, the CHPT was also requested vide our letter dated 28 July 2017 to furnish its comments to us on the information/ documents to be furnished by GPSPL. Also, a copy of the GPSPL e-mail dated 18 July 2017 was forwarded to CHPT for its comments. However, the CHPT did not respond till the case was finalized.

5.1 In response to our letter dated 28 July 2017, the GPSPL vide its email dated 1 August 2017 has made the following submissions:

- (i). The tender for Supply, Operation and Maintenance of 100 tons Harbour Mobile cranes at CHPT was awarded to the consortium of Roadwings International Private Limited and Apana Logistics Pvt. Limited, which formed a Special Purpose Vehicle (SPV) named Global Port Solutions Pvt. Limited.
- (ii). Based on the letter received from CHPT earlier, the rates were indexed by 2.29% in accordance with TAMP letter dated 08 April 2015.
- (iii). The rates with 2.29% indexation are still being continued to be charged as on date by GPSPL, as given below:

Handling Charges per ton for the use of 100 ton Mobile Crane at CHPT.

Sl. No.	Type of Cargo	Foreign ₹.	Coastal ₹.
1	Dry Bulk Cargo	47.91/-	28.74/-
2	Steel and Bagged Cargo	99.81/-	59.89/-
3	Other Break Bulk Cargo	159.69/-	95.82/-

Miscellaneous Charges per ton for use of 100 ton Mobile Cranes at CHPT

Sl. No.	Type of Cargo	Foreign ₹.	Coastal ₹.
1	Dry Bulk Cargo	0.98/-	0.58/-
2	Steel and Bagged Cargo	2.04/-	1.22/-
3	Other Break Bulk Cargo	3.26/-	1.95/-

- (iv). It is requested to index the scale of rates based on the WPI which shall be applicable for the Harbour Cranes in the name of GPSPL.

5.2. The GPSPL has also forwarded a copy of the Commissioning Certificate issued by CHPT and Scale of Rates for the project. The Certificate issued by the CHPT states that 2 nos. of

Mobile Harbour Cranes were commissioned on 15 June 2015 and the Cranes were put into operation on 22 June 2015 after issuing of Trade Notice.

6. The Case has been examined based on the information made available by the GPSPL.

7.1. Clause 2.9.1. of the Tariff Guidelines of 2008 for fixation of upfront tariff stipulates that private operator shall approach this Authority for notification of Scale of Rates containing ceiling rates applicable to his operations before commencement of commercial operations as required under Section 48 of MPT Act and as per Clause 2.9.2. of tariff guidelines of 2008, the Scale of Rates to be framed by TAMP shall be in line with the tariff caps prescribed for the port and included in the bid document subject to indexation explained in Clause 2.8. Such Scale of Rates and statement of conditions shall be notified by this Authority in the Gazette of India as required by the Major Port Trusts Act, 1963.

7.2. While clause 2.9.1 of the Upfront Tariff Guidelines of 2008 explicitly stipulates that before commencement of commercial operation, the private operator shall approach TAMP for notification of the Scale of Rates as required under Section 48 of the Major Port Trusts Act, 1963, such an explicit provision is not available in the Tariff Guidelines of 2013.

7.3. As per Section 48 read with Section 42(4) of the Major Port Trusts (MPT) Act, 1963, any person authorised by the Major Port Trusts to render services can levy tariff based on the Scale of Rates (SOR) notified by this Authority. That being so, the BOT operators governed under the tariff guidelines 2013 who have been authorised by Major Port Trust under Section 42(3) of the MPT Act 1963, need to get the indexed SOR notified in their name well before the commencement of operations.

7.4. As per clause 4.2 of the Reference Tariff Guidelines of 2013, the Tariff Caps are to be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2008 and 1 January of the relevant year, and the adjusted tariff will come into force from 1 April of the relevant year to 31 March of the following year.

7.5. As per clause 3 [General note to Schedule (2)] in the reference tariff for operating Harbour Mobile Cranes at Berths no. WQ I, II, III & IV and Centre Berth SQ I & II, JD I, JD III and JD V of Chennai Port Trust approved by this Authority vide Order No. TAMP/20/2014-CHPT dated 30 June 2015, tariff caps will be indexed to inflation to an extent of 60% of the variation in the WPI occurring between 1 January 2014 and 1 January of the relevant year.

7.6. The base year for the reference tariff and the corresponding annual escalation for the year 2014-15, 2015-16, 2016-17 and 2017-18 has been announced by this Authority and communicated to all the Major Port Trusts including CHPT. Accordingly, the annual indexation factor announced by this Authority is as under:

Year	Annual Indexation Factor
2014-15	3.78%
2015-16	2.29%
2016-17	NIL
2017-18	1.20%

7.7. Thus in short, the GPSPL has come up after commencement of commercial operation on 22 June 2015, for notification of Scale of Rates in its name.

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

- (i). This Authority has passed an Order No. TAMP/20/2014-CHPT dated 30 June 2014 fixing reference tariff based on the proposal filed by the CHPT for supply, maintenance and operation of HMCs at Berth Nos.WQ-I, II, III & IV and Center Berth, SQ-I & II, JD-I, JD III and JD-V at Chennai Port Trust (CHPT). The said

Order was notified in the Gazette of India Extraordinary (Part III Section 4) on 31 July 2014 vide Gazette No.230.

- (ii). The CHPT has awarded the project of supply, maintenance and operation of HMCs at Berth Nos. WQ-I, II, III & IV and Center Berth, SQ-I & II, JD-I, III and JD-V at CHPT to the consortium of Roadwings International Pvt. Ltd. and Apana Logistics Pvt. Ltd. which formed an SPV named Global Port Solutions Pvt. Ltd. (GPSPL). The CHPT has entered into an Agreement with GPSPL on 31 August 2015 for a period of 10 years.
- (iii). As brought out earlier, as per Section 48 read with Section 42(4) of the Major Port Trusts (MPT) Act, 1963, the Scale of Rates leviable by any person authorised by the Major Port Trusts to render services requires to be notified by this Authority. That being so, the BOT operators governed under the tariff guidelines 2013 who have been authorised by Major Port Trust under Section 42(3) of the MPT Act 1963, need to get the indexed SOR notified in their name well before the commencement of operations. The GPSPL has approached this Authority with a request to notify the Scale of Rates in its name, though after commencement of its commercial operation on 22 June 2015.
- (iv). The GPSPL in its various communications to us has expressed urgency to have the rates notified in their name, presumably hinting that there has been a delay on the part of this Authority to notify the Scale of Rates in the name of GPSPL. In this regard, it is to state that after passing of the Order in June 2014, the Licensor port CHPT would have entered into a Concession Agreement with GPSPL. Before commencement of operations in June 2015, the GPSPL should have approached this Authority for notification of the Scale of Rates in its name, keeping in view the statutory provisions. This Authority was not aware earlier, about the CHPT entering into a Concession Agreement with GPSPL for operation of HMCs. However, immediately, when the matter came to our notice, steps have been taken in the direction to enable notification of the Scale of Rates in the name of the GPSPL.
- (v). Though the CHPT has not responded on the proposal of the GPSPL, it is seen from the copy of the documents furnished by GPSPL, that the CHPT has informed to GPSPL that 2 nos. of HMCs were commissioned on 15 June 2015 and the cranes were put into operation on 22 June 2015. The Concession Agreement entered between CHPT and GPSPL as forwarded by CHPT earlier, does not mention about issue of Independent Engineer's Certificate on completion of project. As per the Concession Agreement, the Concessionaire has brought two numbers of HMCs to CHPT and the cranes are ready for operation. The GPSPL has made available the 2 nos. of 'Report of Commissioning of HMC' issued in May 2015 by a third party which assures of the stability of both the Cranes. The tariff effective date to be considered accordingly i.e. 22 June 2015.

The GPSPL in its proposal has sought notification of SOR but has not indicated its effective date for implementation of SOR. If reference tariff is notified from 1 April 2017, the tariff collected by GPSPL from 22 June 2015 till 1 April 2017 will not have any approval of this Authority. As per the statute, the operator authorised by the port can collect the tariff for services rendered by them only upon notification of Scale of Rates by this Authority. The GPSPL did not approach this Authority in June 2015 for notification of SOR in their name. As per CHPT Letter no.MEE/MI0214/2014/ Dy.CME (R&D) dated 09 June 2015, a copy of which was made available by the GPSPL under cover of its e-mail dated 01 August 2017, the CHPT has conveyed the indexed Scale of Rates to GPSPL.

It is now, in August 2017, GPSPL has furnished complete proposal with proposed SOR for notification of SOR in its name. Since the CHPT has certified that the HMCs were put into operation on 22 June 2015, it is appropriate to consider the effective date of tariff as 22 June 2015. In view of the position brought out above,

the SOR is notified to take effect from the date the GPSPL commenced the operations i.e. 22 June 2015 taking the reference tariff approved in the Order dated 30 June 2014 as base subject to the applicable WPI escalation announced by this Authority.

- (vi). (a). With reference to the indexation of the reference tariff fixed vide Order dated 30 June 2014, it is relevant here to mention that para 10.1 of the reference tariff Order no. TAMP/20/2014-CHPT dated 30 June 2014 passed by this Authority and the General Note no.4 in the Scale of Rates (SOR) approving the reference tariff, state 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 2014 and 1 January of the relevant year. The general note explicitly states that the base year for WPI escalation has to be 1 January 2014.
- (b). The applicable escalation factor to be applied on the base tariff of 2014 to arrive at the indexed SOR as on 22 June 2015 is 2.29%. The said indexed and notified SOR will be applicable for the year 2015-16 w.e.f. 22 June 2015. For the subsequent years as well, the said tariff will be automatically indexed to the extent of 60% of the WPI announced / to be announced by this Authority annually. The General note no. 4 of the proposed Scale of Rates retaining the general note approved in the Order dated 30 June 2014 is, therefore, suitably modified clarifying this position.

Thus, in short, for the year 2016-17 and onwards, the General Note 4 of the SoR approved by this Authority in June 2014 already prescribes automatic tariff adjustment to be made in the tariff caps every year and adjusted tariff caps will come into effect from 1 April on the relevant year to 31 March of the following year. Incidentally, the indexed tariff prescribed for the year 2015-16 will remain unaltered for the year 2016-17 since the indexation factor was "nil" for the year 2016-17.

- (vii). This Authority vide Order dated 30 June 2014 has notified the SOR alongwith Performance Standard as proposed by CHPT as per the Reference Tariff Guidelines. Therefore, the performance standard as approved by this Authority in the Order dated 30 June 2014 is also included in the proposed SOR of GPSPL and notified.
- (viii). All the other conditionalities governing the application of the rates as approved in the Scale of Rates of the Order dated 30 June 2014 are retained subject to the following.
 - (a). This Authority, in view of the clarification sought by the V.O. Chidambaranar 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 (DG) 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. Subsequent to the said Order, the DG Shipping vide its letter no.SD-9 CHART(309)/2016 dated 20 May 2016 has issued further clarification on the provision approved in the 26 November 2015 Order. This Authority has accordingly passed a clarificatory Order slightly amending the provision prescribed in para 9A (ii) and 10(ii) of the Order dated 26 November 2015. The amended provisions approved by this Authority in the said Order has been updated accordingly, in the Scale of Rates of GPSPL as note no. (ii) and (iii) in place of note no. (ii) under General terms and conditions. The subsequent note nos. are consequently renumbered.

- (ix). The GPSPL, in one of its correspondences, has indicated about an arbitration filed by GPSPL with regard to berths allotted to them. In spite of a specific request, the CHPT has not furnished its comments. Nevertheless, the purpose of this Order is to the limited extent of notification of Scale of Rates (SOR) in the name of GPSPL. The Arbitration regarding allotment of berths to GPSPL is a matter concerning between the GPSPL and CHPT and not reported to be on the tariff leviable by the GPSPL. Therefore, the reported arbitration would not have a bearing on the notification of the Scale of Rates (SOR) in the name of GPSPL.
- (x). The GPSPL, in one of its correspondences has also reported the difficulties being faced by it in realizing HMC charges in advance from users unlike the position in other Major Port Trusts. In this regard, the time for payment of rates on goods will be governed by Section 58 of the MPT Act, 1963, which stipulates that rates in respect of goods to be landed shall be payable immediately on the landing of the goods and rates in respect of goods to be removed from the premises of a Board, or to be shipped for export, or to be transhipped, shall be payable before the goods are so removed or shipped or transhipped.

9.1. In the result, and for the reasons given above, and based on the collective application of mind, this Authority approves notification of Scale of Rates and Performance Standards for the Supply, operate and maintenance of 100 T Mobile Harbour Cranes (100 MT) for Cargo handling operations at berth Nos. WQ-I, II, III & IV and Center Berth, SQ-I & II, JD-I, JD III and JD-V at CHPT in the name of GPSPL operating at CHPT attached as **Annex- I** and **Annex- II** respectively.

9.2. The Scale of Rates notified for GPSPL is deemed to have come into force from the date of commencement of operations by GPSPL at CHPT i.e. from 22 June 2015.

9.3. During the commercial operation at the specified berths, within 15 days from the end of every quarter, the GPSPL is directed to submit to this Authority through the CHPT, a report containing the physical and financial performance of HMC's at Berth Nos. WQ-I, II, III & IV and Center Berth, SQ-I & II, JD-I, JD III and JD-V at CHPT during the preceding three months.

9.4. As per clause 3.8.5 of the guidelines, if any question arises requiring clarifications or interpretation of the Scale of Rates and the statement of conditionalities, the matter shall be referred to this Authority and its decision in this regard will be binding on the operator.

9.5. The Licensee is expected to perform at least at the performance norms brought out in the bid document/ License agreement.

9.6. The actual performance of the Licensee shall be monitored by this Authority. If any complaint regarding quality of service is received, this Authority shall enquire into such allegation and forward its findings to the CHPT. If any action is to be taken against the operator, the CHPT shall initiate appropriate action in accordance with the provisions of the relevant Licence Agreement.

(T.S. Balasubramanian)
Member (Finance)

Annex – I

GLOBAL PORT SOLUTIONS PVT. LTD.

SCALE OF RATES FOR OPERATING HARBOUR MOBILE CRANES AT BERTHS NO. WQ I, II, III & IV AND CENTRE BERTH SQ I & II, JD-I, III AND JD-V OF CHENNAI PORT TRUST.

1.1. Definitions – General

In this Scale of Rates, unless the context otherwise requires, 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/ **Director General of Shipping**.
- (ii). **“Foreign-going vessel”** shall mean any vessel other than coastal vessel.
- (iii). **“Day”** shall mean the period starting from 6 a.m. of a day and ending at 6 a.m. on the following day.
- (iv). **“HMC”** means Harbour Mobile Crane supplied by the BOO operator for the project
- (v). **“Tonne” Shall mean one Metric Tonne or 1000 Kilograms.**

1.2. General Terms & Conditions

- (i).
 - (a). 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.
 - (b). In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship shore transfer.
 - (c). The charges for coastal cargo vessels shall be denominated and collected in Indian rupee.
- (ii). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for its classification as ‘coastal’ or ‘foreign-going’ for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.
- (iii). System of classification of vessel for levy of Vessel Related Charges (VRC)
 - (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 Licence for Specified Period or Voyage issued by the Director General of Shipping and a custom conversion order.
- (iv). 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 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.
- (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.
- (v). 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 Licence 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.
- (vi). Interest on delayed payments / refunds.
 - (a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the HMC 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 on refunds will be counted only 20 days from the day 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 the scale of rates.
- (vii). All charges worked out shall be rounded off to the next higher rupee on the grand total of the bill.
- (viii). No claims for refund shall be entertained unless the amount refundable is ₹100/- or more. Likewise, the HMC operator shall not raise supplementary bills for short collection, if the amount due to the terminal operator is less than ₹.100/-.
- (ix). (a). The rates prescribed in this Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The HMC Operator may, if he so desires, charge lower rates and/ or allow higher rebates and discounts.

- (b). The HMC Operator may also, if he so desires, rationalize the prescribed conditionality governing the application of rates prescribed in the Scale of Rates, if such rationalization gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels.
- (c). Provided that the HMC Operator should notify the public such lower rates and / or rationalization of the conditionality governing the application of such rates and continue to notify the public any further changes in such lower rates and / or in the conditionality governing the application of such rates, provided the new rates fixed shall not exceed the rates notified by the TAMP.
- (x). Users will not be required to pay charges for delays beyond reasonable level attributable to operator. In case a vessel idles due to breakdown or non-availability of the HMCs of Operator or any other reasons attributable to Operator, rebate equivalent to berth hire charges payable to the Chennai Port Trust (as per the prevailing scale of rates of Chennai Port) accrued during the period of idling of vessel shall be allowed by Operator.

**2. HANDLING CHARGES FOR USE OF 100 TONNE HARBOUR MOBILE CRANES:
(Rate in ₹ per tonne)**

Sl. No.	Type of Cargo	Foreign	Coastal
1.	Dry Bulk Cargo (Including Fertilizer)	47.91	28.74
2.	Steel and other bagged cargo	99.81	59.89
3.	Other Break Bulk Cargo	159.70	95.82

Note: The per tonne handling charges in respect of Dry Bulk cargo, Steel & Bagged Cargo and Other Break Bulk Cargo, is towards handling of cargo from ship to shore using grab and vice versa.

**3. MISCELLANEOUS CHARGES FOR USE OF 100 TONNE HARBOUR MOBILE CRANES:
(Rate in ₹ per tonne)**

Sl. No.	Type of Cargo	Foreign	Coastal
1.	Dry Bulk Cargo (Including Fertilizer)	0.98	0.59
2.	Steel and other bagged cargo	2.04	1.22
3.	Other Break Bulk Cargo	3.26	1.96

Note: The per tonne miscellaneous charges in respect of Dry Bulk cargo, Steel & Bagged Cargo and Other Break Bulk Cargo, is towards shifting of cargo within the vessel.

4. GENERAL NOTE TO SCHEDULE (2) ABOVE:

- (i). The tariff caps prescribed in the Scale of Rates of Global Port Solution Pvt. Ltd. (GPSPL) will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1st January 2015 and 1st 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 31st 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 licence period.

However, the GPSPL would be free to propose a tariff along with Performance Standard (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 Standard in the previous 12 months as incorporated in the Licence 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 Standard as outlined in para 5 of the tariff guidelines of 2013, within 7 days of receipt.
- (v). In the event of GPSPL not achieving the Performance Standard as incorporated in the Licence Agreement in previous 12 months, TAMP will not consider the proposal for notifying the Performance Linked Tariff for the ensuing financial year and the GPSPL 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 Standard 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 Standard and its adherence by the GPSPL. TAMP will decide on the acceptance or rejection of the Performance Linked Tariff proposal based on the achievement or otherwise of the Performance Standard 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 GPSPL shall be automatically notified by TAMP subject to the achievement of Performance Standard 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.

Annex – II

GLOBAL PORT SOLUTIONS PVT. LTD

Performance Standards for the project for Supply, Maintenance and Operation of Harbour Mobile Cranes in Chennai Port under PPP mode on Build, Own and Operate (BOO) basis

Performance Standards

Concessionaire shall endeavor to handle cargo per day (24 Hrs of actual working) per Harbour Mobile Crane (HMC) or tonnage of proportionate hours of actual working as detailed below.

a. For Dry Bulk Cargo

12500 Metric tonnes (average)/ per day per HMC or equivalent crane

b. For Steel and bagged Cargo

Steel and Bagged Cargo - 6000 Metric tonnes (average)/ per day per HMC or equivalent crane

c. For Beak bulk Cargo

Others - 3750 Metric tonnes (average)/ per day per HMC
