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Tariff Authority for Major Ports

G.No. 475

New Delhi,

18 October 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 the Deendayal Port Trust for change in the name of the project and amendment in (i) cargo description for Foodgrains in the Schedule of Cargo handling charges and (ii). cargo description in Performance Standards approved by this Authority in the Order No.TAMP/29/2021-DPT dated 13 May 2021 relating to fixation of Reference tariff for Development of Mechanized Fertilizer handling Facilities at Berth No.14 on DBOT basis under PPP mode at Deendayal Port as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/29/2021-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 15th day of September 2021)

This case deals with the amendment proposal by Deendayal Port Trust (DPT) in the name of the project and amendment in (i).cargo description for Foodgrains in the Schedule of Cargo handling charges (ii).cargo description in Performance Standards for Foodgrains under Gross Berth Output and for "Export-all cargo" under Transit storage dwell time (Bulk) approved by this Authority in the Order No.TAMP/29/2021-DPT dated 13 May 2021 relating to fixation of Reference tariff for Development of Mechanized Fertilizer handling Facilities at Berth No.14 on DBOT basis under PPP mode at Deendayal Port.

2.1. This Authority has passed an Order No.TAMP/29/2021-DPT dated 13 May 2021 disposing of the proposal filed by the DPT for fixation of reference tariff for development of Mechanized Fertilizer handling Facilities at Berth No.14 on DBOT basis under PPP mode at Deendayal Port which was notified in the Gazette of India on 11 June 2021 vide Gazette No.227.

2.2. In the said Order, based on the submissions made by the DPT the following Cargo Handling Charges was approved by this Authority:

3. Schedule of Cargo Handling Charges:

A. (i). Composite Mechanized Handling Charge (excluding bagging and stitching service)

(₹ Per MT)

Description / Cargo	Foreign	Coastal
Finished Fertilizers including Muriate of potash, Urea, DAP etc.	171.37	102.82

(ii). Cargo Handling charges (excluding bagging and stitching service):

(₹ Per MT)

Description / Cargo	Foreign	Coastal
Food Grains	152.36	91.41

2.3. Further, based on the proposal of the DPT, in addition to Performance Standards for Turnaround Time for receipt / delivery operation, the following Performance Standards for Gross Berth Output and Transit Storage Dwell Time(Bulk) was prescribed:

Performance Standards

	Parameter	Performance Standard
1	Gross Berth Output (Tonnes per day)	
	Fertilizer	25000 T/Day
	Food Grains	20000 T/Day
2	Transit Storage Dwell Time (Bulk)	
	Import -Fertilizer	20 Days
	Import- Food Grains	05 days
	Export - all cargo	15 days

3.1. With reference to the said Order dated 13 May 2021, the Deendayal Port Trust (DPT) vide its email dated 18 August 2021 under cover of its letter No.MS/WK/4030-IV/PPP/Tariff/Gim-448 dated 18 August 2021 has made the following submission:

- (i). As directed by the Ministry vide its letter no.PD-13/75/2020-PPP/e-343086 dated 7 July 2021, the Hon'ble Minister of State for Ports, Shipping & Waterways (IC) has already approved the proposal of DPT with the condition that the Port may go for multipurpose/ clean cargo berth. Accordingly, the port has been advised that multipurpose/ clean cargo beyond foodgrains should be planned for increase in business. However, the provisions of the cargo proposed to be handled at the Berth-14 may be considered for incorporation in the bidding documents as well as Concession Agreement suitably, strictly within the framework of the provisions of the Model Concession Agreement and as approved by the competent authority.
- (ii). Accordingly, as approved by the Competent Authority of DPT, The name of the project has been modified as "Development of Mechanized Fertilizer and Other Clean Cargo Handling Facilities at Berth No-14 on Design, Build, Operate and Transfer (DBOT) basis under PPP mode" in the bidding documents viz. RFQ, RFP & DCA.
- (iii). It is to mention that, the modification & inclusion of other clean cargo in replacement of food-grains in the bidding document does not specifically affect the financial model & IRR etc. of the project as the performance parameters viz. berth output, transit storage dwell time, and turnaround time for operations of other clean cargo considered are same to the previously considered performance standard of food-grain based on the TAMP order No. TAMP/48/2015-KPT dated 22 September 2015, for Berth nos.13 to 16.
- (iv). Accordingly, the cargo description has been revised with respect to cargo category without any change in performance standard & rates, as mentioned below:

(₹ per MT)

Cargo Handling charges			
Description/ Cargo (as per Order dated 13.5.2021)	Description/Cargo (Revised)	Foreign	Coastal
Food Grains	Other Clean cargo	152.36	91.41

Sl.No.	Parameter (as per Order dated 13.5.2021)	Revised proposed Parameter	Performance standard
1.	Gross Berth Output (Tonnes per day)	Gross Berth Output (Tonnes per day)	
	Food Grains	Other Clean cargo	20000 T/Day
2.	Transit Storage Dwell Time (Bulk)		
	Export all cargo	Export all Other Clean cargo	15 days

3.2. Considering the above, the DPT has requested to approve and incorporate revised cargo description and Performance Standards for the project "Development of Mechanised Fertiliser and Other Clean Cargo Handling Facilities at Berth No.14 on Design, Build, Operate and Transfer(DBOT) basis under PPP mode".

3.3. Subsequently, the DPT vide its email dated 24 August 2021 has also forwarded a copy of the MOPSW letter No.PD-13/75/2020-PPP/e-343086 dated 7 July 2021 in this regard addressed to the Chairman of DPT.

4. With reference to the totality of the information collected, the following points emerges:

- (i). The current amendment proposal is mooted by the DPT mainly in pursuance of the MOPSW letter dated 7 July 2021 to the DPT.
- (ii). Before proceeding to deal with the current amendment proposal of DPT for change in the nomenclature of cargo in schedule of cargo handling charges and performance standards approved by this Authority vide Order no.TAMP/29/2021-DPT dated 13 May 2021, it is relevant to state that the reference tariff for development of

Mechanised fertilizer handling facility at Berth No.14 at DPT was approved by this Authority following the Reference Tariff Guidelines of 2013 vide Order no.TAMP/29/2021-DPT dated 13 May 2021 based on the proposal filed by the DPT. The DPT had then proposed to adopt upfront tariff for cargo handling charges for Fertiliser handling charges, charges for Bagging and stitching services and Storage charge approved by this Authority vide Order No.TAMP/26/2009-VPT dated 31 March 2010 for mechanized fertilizer handling facility at VPT, reference tariff for handling of Foodgrains was adopted from the reference tariff approved vide Order No.TAMP/48/2015-KPT dated 22 September 2015 for multipurpose cargo Berth Nos.13 to 16 at DPT and Miscellaneous charges was adopted from the original upfront tariff Order No.TAMP/26/2009-VPT dated 27 November 2009 of Visakhapatnam Port Trust (VPT) after applying the applicable indexation factor.

It is relevant here to state that the reference tariff once fixed under reference tariff guidelines 2013 is applicable for the entire project period and is subject to annual indexation only. It is seen from the DPT proposal, that port is in the process of inviting bids for the project. That being so, the proposal of the DPT for amendment in nomenclature of cargo is considered.

- (iii). The Ministry of Ports Shipping and Waterways (MOPSW) has approved the project proposal of the DPT with the condition that the port may go for multipurpose/ clean cargo berth in the light of likely fall in the fertilizers import in near future. Based on the advice by the MOPSW to the DPT to go for multipurpose/ clean cargo beyond food grains for increase in business, the port has filed the current amendment proposal.

The port has, with the approval of its competent authority of DPT, modified the name of the project as "Development of Mechanised Fertiliser and Other Clean Cargo Handling Facilities at Berth No.14 on DBOT basis under PPP mode" in the bid documents viz., RFQ, RFP & DCA.

The composite cargo handling charges prescribed in the Order dated 13 May 2021 is for finished fertilizer and food grains. The port in pursuance of the advice of the MOPSW to go beyond Foodgrains for multipurpose / clean cargo has proposed to replace the nomenclature of "Food grains" in the composite handling charges as "Other clean cargo". The port has not proposed any modification in the handling charges prescribed in the said Order.

Further, the port has also proposed amendment in the nomenclature of cargo i.e. 'Food Grains' to be replaced with 'Other Clean Cargo' under the Gross berth output parameter of performance standards and nomenclature of cargo 'Export - all cargo' is proposed to be amended as 'Export - all other Clean cargo' under Performance Standards for Transit storage dwell time. The port has not proposed any modification in the performance standards prescribed in the said Order.

The port has categorically stated that the proposed amendment in the bidding document does not affect the financial model and IRR etc. of the project as the performance parameters viz. berth day output, transit time, for handling operations of other clean cargo considered are same as previously considered for food grains from the adopted tariff Order dated 22 September 2015. The clarification furnished by the DPT is relied upon.

Thus, the proposed amendment is only for change in the description/ nomenclature of cargo items without affecting the financial model of the project. No change is proposed in the approved tariff and performance standards. That being so, it may suffice to issue amendment only in respect of nomenclature in cargo as proposed by the port.

In view of the above position and since the amendment sought by the DPT is in compliance of the advice of the MOPSW and also recognising that the DPT is yet to award the project, this Authority approves the proposal of the DPT for amendment in nomenclature of cargo as proposed by the port in the Cargo handling charges and Performance standards. The port is advised to incorporate the amendments approved by this Authority in the bidding documents as well as in the Concession Agreement.

In view of change in the project name by the DPT, the Reference tariff approved by this Authority in the Order No.TAMP/29/2021-DPT dated 13 May 2021 is to be treated as Reference tariff approved for Development of Mechanised Fertiliser Handling Facilities and Other Clean Cargo Handling Facilities at Berth No.14 at DPT for all purposes. Further, the title in the Annex-I attached to the said Order may also be suitably amended accordingly.

5.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the following amendments in Order No.TAMP/29/2021-DPT dated 13 May 2021:

- (i). **Title heading of Annex – I attached to the Order dated 13 May 2021 to be replaced as follows:**

“REFERENCE TARIFF SCHEDULE FOR MECHANISED FERTILISER HANDLING FACILITY AND OTHER CLEAN CARGO AT BERTH NO.14 AT DPT”

- (ii). **Entry in Description / Cargo in Column first at A (ii) under 3. Schedule of Cargo Handling Charges to be replaced as follows:**

3. Schedule of Cargo Handling Charges:

A. (ii). Cargo Handling charges (excluding bagging and stitching service):

As per Order dated 13.5.2021	To be read as
Description / Cargo	Description / Cargo
Food Grains	Other Clean cargo

- (iii). **Cargo description at second entry under Sl. no. 1 and third entry under Sl. no. 2 under the column “ Parameter” in Annex – II Performance Standards to be replaced as follows:**

Performance Standards

Sl. No.	As per Order dated 13.05.2021	To be read as
	Parameter	Parameter
1.	Gross Berth Output (Tonnes per day)	Gross Berth Output (Tonnes per day)
	Food Grains	Other Clean cargo
2.	Transit Storage Dwell Time (Bulk)	Transit Storage Dwell Time (Bulk)
	Export - all cargo	Export - all Other Clean cargo

5.2. The DPT is advised to suitably amend the Reference tariff schedule and Performance Standards approved vide Order No.TAMP/29/2021-DPT dated 13 May 2021 and to also incorporate the said amendments in the bidding documents as well as in the Concession Agreement.

(T.S. Balasubramanian)
Member (Finance)