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Tariff Authority for Major Ports

G.No. 422 **New Delhi,** **01 November 2017**

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Paradip Port Trust for general revision of its Scale of Rates, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/90/2016-PPT

Paradip Port Trust … **Applicant**

QUORUM

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

O R D E R

(Passed on this 15th day of September 2017)

This case relates to the proposal received from Paradip Port Trust (PPT) for general revision of its Scale of Rates (SOR).

2.1. The existing SOR of the PPT was last approved by this Authority vide Order no. TAMP/62/2009-PPT dated 25 March 2011. This Order was notified in the Gazette of India on 23 May 2011 vide Gazette no. 111 prescribing the validity of the SOR till 31 March 2013.

2.2. Vide the said Order, an across the board reduction of 32% was effected on all cargo handling charges (except for the cargo related charges prescribed for the cargo of Paradeep Phosphates Limited handled at Fertilizer Berth No.1 and for the cargo of the Indian Farmers Fertilizers Co-operative (IFFCO) handled at Fertilizer Berth No.2, since the cargo related charges at these berths are governed by the separate bilateral agreements between the PPT and the concerned parties) and status quo was maintained in respect of all other charges.

3.1. The PPT had filed its proposal for revision of the SOR on 27 August 2012. The proposal was taken up on consultation and a joint hearing was also held on 25 February 2013. When the case was being firmed up for final consideration of this Authority, the PPT vide its communication dated 30 October 2013 submitted that as the financial year 2012- 13 is already over, it desires to consider the same. Also, the cargo mix estimated to be handled had undergone change. Moreover, due to severe cyclone on 12 October 2013, port had suffered damages to its properties to the tune of ₹ 82.71 crores and that if the damages are not met by the Government of India, the PPT will have to meet the restoration cost from its internal resources which will affect its internal resources. In view of the above position, the PPT sought time to submit a revised proposal for general revision of its SOR and requested for continuation of levy of tariff as per existing SOR.

3.2. Based on the request made by PPT, this Authority extended the validity of SOR of PPT upto 31 March 2014 vide its Order no. TAMP/62/2009 dated 10 January 2014. The PPT was also directed to file its revised proposal by 31 January 2014.

3.3. In the absence of receipt of a proposal from the Port, the PPT was reminded to file a proposal. Simultaneously, to avoid a vacuum in the Scale of Rates, this Authority, at periodic intervals, has extended the validity of the SOR vide its Orders dated 4 April 2014, 4 July 2014, 30 September 2014 and 2 January 2015.

3.4. In the meanwhile, the Tariff Policy, 2015, applicable for Major Port Trusts came into effect from 13 January 2015. Consequently, as stipulated in Clause 1.5 of the Tariff Policy, this Authority in June 2015 issued the Working Guidelines to operationalize the said Tariff Policy, 2015. Accordingly, the PPT was advised to file a revised proposal in accordance with the new Tariff policy of 2015.

3.5. Given that this Authority is yet to receive the revised proposal from PPT and also since the new Tariff Policy, 2015 has come into effect, the PPT would have to formulate its revised proposal in accordance with the new Tariff Policy of 2015 announced by the MOS. The proposal of PPT as and when received would have to be processed following the new Tariff Policy, 2015. In view of the above position, this Authority vide its Order no. TAMP/55/2012-PPT dated 13 February 2015 closed the proposal of PPT and decided to treat the revised proposal to be filed by PPT afresh.

3.6. Thereafter, this Authority at periodic intervals has extended the validity of the SOR vide its Orders dated 28 April 2015, 10 November 2015, 6 May 2016 and 7 October 2016 to avoid a vacuum in tariff and for the reasons cited in the said Order. While extending the validity at each occasion, the PPT was advised by this Authority to file the general revision proposal immediately.

4.1. In this backdrop, the PPT has filed its proposal for general revision of its SOR following Tariff Policy, 2015 vide its letter No. FA/RE/802/Pt.I/2015/1599 dated 6 December 2016.

4.2. The submissions made by the PPT in its proposal dated 6 December 2016 are as follows:

(i). Penalty for non-achievement of performance of vessel at Mechanised Coal Handling Berths as per the recommendation of BCG has already been implemented from 1 November 2015 with the consent of port users.

(ii). As per the directive of Government of India, the PPT has spent ₹. 4.85 crores during the 2016-17 towards insurance premium of port properties that will be continued in future years also which could not be considered while preparing the cost data i.e. Annual Revenue Requirement in the absence of the appropriate provision in the formats.

(iii). As per the directive of Government of India, the PPT will take up the following projects during the next 2-3 years which require huge outgo of fund that can be generated through Internal Resources.
(a). Smart City
(b). Outer Harbour
(c). Solar Power Plant
(d). Railway connectivity through Indian Port Rail Company Ltd
(e). Inland Waterway Terminal
(f). Upgradation of IOHP etc.

(iv). The Government of India has fixed stiff RFD targets towards operating ratio and cost per tonne. In order to generate required fund for the projects and to achieve RFD targets the PPT decided not to revise the existing tariff and the same rates should be continued. This has been discussed in the several review meeting chaired by higher authorities of Ministry of Shipping.

(v). Thus, no revision has been proposed by PPT and the existing rates are proposed to continue.

(vi). The performance parameters are taken as average of last two years from 31.03.2013 to 31.03.2015 (Form-6).

4.3. The PPT has furnished detailed computation of Annual Revenue Requirement (ARR) under Form 1 and Revenue estimation at the proposed SOR in Form 3, as reproduced below:

(₹ in crores)

Sl. No.	Description	Y1 (2011-12)	Y2 (2012-13)	Y3 (2013-14)
(1)	Total Expenditure (As per Audited Annual Accounts)			
(i)	Operating expenses(including depreciation)	290.17	291.87	382.98
(ii)	Management & General Overheads	94.73	107.72	125.42
(iii)	Finance and Miscellaneous expenses(FME)	59.13	87.75	178.42
	Subtotal1=(i)+(ii)+(iii)	444.03	487.34	686.82
(2)	Less Adjustments:			
(i)	Estate related expenses			
	(a)Operating expenses(including depreciation)	49.63	40.82	48.51
	(b) Allocated Management & Administrative Overheads	4.10	4.52	5.21

	(c) Allocated FME	2.56	3.68	7.41
	Subtotal 2(i)=[(a)+(b)+(c)]	56.29	49.03	61.12
(ii)	Interest on loans	0.21	0.21	0.21
(iii)	4/5 th of One time expenses, if any like arrears of wages, arrears of pension/ gratuity, arrears of exgratia payment, etc.(list out each of the items)			
	(a)Wage arrears			
	(b)			
	(c)			
	Subtotal 2(iii)=[(a)+(b)+(c)]	0	0	0
(iv)	4/5 th of the Contribution to Pension Fund	32.00	61.95	92.16
(v)	Management & General Overheads over & above 25% of the aggregate of the operating expenditure and depreciation	1.36	6.20	0.00
(vi)	Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10 of the Tariff Policy,2015			
	(a) Operating expenses			
	(b) Depreciation			
	(c) Allocated Management & Administrative Overheads			
	(d) Allocated FME			
	Subtotal 2(vi)=[(a)+(b)+(c)+(d)]	0.00	0.00	0.00
	Total of2=2(i)+2(ii)+2(iii)+2(iv)+2(v)+2(vi)	89.86	117.39	153.49
(3)	Total Expenditure after Total Adjustments (3=1-2)	354.17	369.95	533.33
(4)	Average Expenses of Sl. No.3= [Y1+Y2+Y3]/3			419.15
(5)	Capital Employed			
	(i) Net Fixed Assets as on 31.03.2014(As per Audited Annual Accounts)	1317.07		
	(ii) Add: Work in Progress as on 31.03.2014 (As per Audited Annual Accounts)	129.07		
	(iii) Less: Net value of Fixed assets related to Estate activity as on 31.03.2014 as per Audited Annual Accounts.	65.91		
	(iv)Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2014 as per Audited Accounts	0		
	(v)Less: Net value of fixed assets as on 31 March 2014 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10 of the Tariff Policy, 2015.	0		
	(vi)Add: Working Capital as per norms prescribed in clause2.5 of the Working Guidelines			
	(a) Inventory(One year average consumption)	15.25		
	(b) Sundry Debtor(2month estate income & terminal charges payable by Railway)	17.82		
	(c) Cash(one month cash expenses)	40.81		
	(d) Sum of (a)+(b) +(c)	73.87		
	(vii).Total Capital Employed[(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]	1454.10		
(6)	Return on Capital Employed 16% on Sl.No.5(vii)	232.66		
(7)	Annual Revenue Requirement (ARR) as on 31 March 2014 [(4)+(6)]	651.81		

(8)	Indexation in the ARR @ 100% of the WPI applicable for the year 2014-15 i.e.@6%(7*1.06)	690.91
(9)	Indexation in the ARR @ 100% of the WPI applicable for the year 2015-16 i.e.@3.82%(7*1.0382)	717.31
(10)	Ceiling Indexed Annual Revenue Requirement (ARR)	717.31
(11)	Revenue Estimation at the proposed indexed SOR within the ceiling indexed ARR estimated at Sl No.10 above	706.01

(ii). The PPT has furnished working of revenue estimation in Form 3 considering the proposed tariff based on the actual traffic of 2014-15. As per the said form, the total revenue estimated is ₹. 706.01 crores at the proposed tariff.

(iii). The Performance Standards proposed by PPT in Form-6, based on the average of last three years viz., 2012-13 to 2014-15, are as follows:

Sl. No.	Performance parameters		Proposed Performance standards
(1)	**Cargo Related Services**		
(a)	Average Ship Berth day Output (in tonnes) in respect of Major Cargo Groups		
	(i)	Geared vessel	10,000
	(ii)	Gearless vessel	11,500
	(iii)	Thermal Coal export (MCHP)	45,000
	(iv)	Iron Ore/ Iron ore pallet (IOHP)	15,000
	(v)	Thermal Coal in IOHP	12,000
	(vi)	Crude Oil	1,00,000
(b)	Average moves per hour (in TEUs) in respect of Containers		NA
(2)	**Vessel Related Services**		
(a)	Average Turnaround Time of Vessels (in days) port a/c		3
(b)	Average Pre-Berthing Time of Vessels (in days) port a/c		1
(3)	**Any other parameters found relevant by the Port**		---

5.1. The documents received from the PPT are as per the checklist of documents indicated in the Tariff Policy 2015, for filing the proposal. However, the PPT did not furnish the minutes of the Board meeting. Therefore, the PPT vide its email dated 5 August 2017 has furnished the copy of the Board resolution approving the revised Scale of Rates, at our request.

5.2 Further, Clauses 3.2 and 3.3. of the Tariff Policy, 2015, stipulate that Major Port Trusts shall host the draft SOR along with the proposed Performance Standards on its website, giving the designated email address of Port as well as of TAMP for comments of relevant users / User Organisations, within 15 days' time. The Major Port Trust is to submit its replies on the comments to be received from Port Users to TAMP not later than 15 days from the last date of receipt of comments from the port user. In this regard, the PPT in its proposal had not made any mention about hosting of draft SOR and Performance Standards in the website of the PPT. When this was pointed out to PPT, the PPT vide its email dated 22 December 2016 and subsequent email dated 11 January 2017 has confirmed that the proposed SOR has been hosted on the web site and that the port users have been intimated to furnish their comments. Further, the PPT also informed that the PPT has not received any comments from the users even after the expiry of the prescribed period of 15 days.

5.3. Neither the PPT nor this Authority have received any comments from any of the users/ user organizations, till the case was finalised.

6.1. A joint hearing on the case in reference was held on 27 February 2017 at the PPT premises in Bhubaneshwar. At the joint hearing, the PPT and the users/ user organisations have made their submissions.

6.2. As decided in the joint hearing, the users/ user organisations were requested vide our letter dated 03 March 2017 to furnish their specific comments on the changes proposed by PPT in its Scale of Rate of PPT with supporting analysis to the PPT. Simultaneously, the PPT was also requested vide our letter dated 03 March 2017 to revise its proposal, if required, based on the information to be furnished by the users / user organizations.

7.1. After reminder dated 10 April 2017, the PPT vide its letter dated 03 May 2017 has furnished the revised SOR. Though status quo was maintained in the rates, the PPT was seen to have made substantial changes in the notes/ conditionalities governing the levy of the rates.

7.2. In view of the substantial changes, a copy of the revised Scale of Rates of PPT was forwarded to the concerned users/ user organizations for their comments. None of the users/ user organisations have furnished their comments on the revised Scale of Rates, till the case was finalised.

8. Based on a preliminary scrutiny of the revised Scale of Rates, the PPT was requested vide our letter dated 31 May 2017 to furnish information/ clarification on some points. After reminder dated 13 June 2017, the PPT has responded vide its letter dated 5 August 2017. The information/ clarification sought by us and the response of PPT thereon are tabulated below:

Sl. no.	Information sought by us	Reply of PPT
1.	**<u>Cargo of Paradeep Phosphates Limited (PPL) and Indian Farmers Fertilisers Co-operative (IFFCO):</u>**	
(i).	Charges for Cargo of Paradeep Phosphates Limited (PPL) handled at Fertiliser Berth (i) and Indian Farmers Fertilisers Co-operative (IFFCO) handled at Fertiliser Berth (II), which are existing at clause 2.7 and 2.8 respectively in the present SOR has not been proposed in the proposed SOR. The reasons for not proposing the said clauses may be spelt out and also state how the charges are recovered from the PPL and IFFCO for cargo handled at Fertiliser Berth (i) and Fertiliser Berth (ii) respectively in the absence of the above clauses in the proposed SOR.	The charges of PPL (Paradip Phosphates Limited) and IFFCO (Indian Farmers Fertilizers Co-operative) has not been included in General SoR due to following reasons; (a) PPL and IFFCO are governed under 2 different agreements with PPT. The charges are levied as per the terms and conditions of the agreements. (b) The validity of the agreement is different than that of the validity of General SoR.
(ii).	Harmonious reading of clause 2.10 of the Tariff Policy, 2015 and Section 48 of the Major Port Trusts Act, 1963 would reveal that tariff for captive berth has to be notified by the Authority.	No comments furnished by PPT.

Sl. no.	Information sought by us	Reply of PPT
2.	**<u>Hire Charges for cargo handling equipment / Charges for use of HMC</u>** Clause 2.15 A of the existing SOR prescribed Hire Charges for Cargo handling equipment. In the proposed draft SOR, the clause 2.15A has been proposed to be deleted. PPT to explain how the revenue will be collected in case the users avail the services of the cargo handling equipment provided by the PPT in the absence of the said clause in the proposed SOR. With regard to charges for use of Harbour Mobile cranes installed by the private operators, the Authority vide Order No. TAMP/54/2007-PPT dated 2 July 2015 has approved following charges to be inserted as item at 2.15 (B) of the SOR. Charges for use of Harbour Mobile Cranes (HMCs) installed by the private operators. (Rate per MT) (a) HMC installed by Jindal Steel Limited ₹.65.88 (b) HMC installed by Chennai Radha Engineering Works ₹.73.54 However, the charges for use of Harbour Mobile Cranes (HMCs) installed by the private operators have not been included in the proposed SOR. PPT is requested to clarify the reason for not including the said charges in the proposed SOR.	At PPT, nearly 13 numbers of Harbour Mobile Cranes (HMCs) were inducted under license through various tendering process either on revenue sharing basis or on upfront premium payment basis. Till the time of filing the present SoR proposal 3 (three) numbers of HMC have already been phased out and another 2 (two) are likely to be phased out during in September, 2017. Further the validity of these rates are not same as that of SoR, the same has not been included in SoR proposal.
3.	**<u>Free Storage period of levy of demurrage in transit accommodation</u>** In the present SOR, for unclaimed/ un-cleared goods sold by auction, free period of 3 days shall count from day of auction (Note 5 of clause 2.10). The free period of 3 days has been proposed to increase to 90 days (Note v of clause 2.9). As such PPT may furnish the rationale for increasing the free time from 3 days to 90 days. As the PPT is aware, cargo lying in the port premises beyond a reasonable and justifiable free dwell time may hamper port operations, apart from loss of revenue to the Port.	Paradip Port Trust primarily deals with bulk cargo. While the liquid bulk and other dry bulk cargo imported are directly taken into the premises of the importer through pipelines and conveyors. Dry bulk cargo handled conventionally are stored in the port premises. The unclaimed/ uncleared dry bulk cargo left over inside the Port storage areas when proposed for clearance through auction as per the provisions of MPT Act,1963, PPT has witnessed poor bidding response for following reasons : (i). It is not possible to clear the entire quantity sold in auction with 3 free days being voluminous in nature and demurrage thus can accrue in telescopic rate as per the extant SoR. Demurrage in such cases to be paid will far exceed than the prices of the material sold in auction, thus the 3 days free time is unattractive to prospective bidders. (ii). Apart from the time required for processing and obtaining customs cleared documents, the buyer is required to obtain permission for clearance of such bulk cargo

Sl. no.	Information sought by us	Reply of PPT
		(minerals) from Mining Department, Govt. Of Orissa for transportation of such materials as per the Orissa Minerals (Prevention of Theft, Smuggling and Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules, 2007. Further for the new importers, it takes at least 3 weeks to obtain such mining permission from Government of Orissa. As a result of this, it is difficult to get successful bidders for selling of unclaimed / uncleared goods through auction and the space occupied within the port premises with unclaimed / uncleared goods cannot be utilized for productive purpose. In order to tackle the above problem 90 days free period has been proposed.
4.	**<u>Vessel Related Charges</u>** The clauses related to collection of vessel related charges viz. Berth hire, Port Dues and Pilotage & Towage charges for the Lash Barges prescribed in the existing SOR have not been proposed in the proposed SOR. PPT is requested to furnish the reasons for not proposing the said clauses in the proposed SOR.	Lash ships generally over the years in the world have been phased out. Incidentally, LASH ships have not called at Paradip Port over last 15 years. In view of the above, it has been proposed to delete the clause.
5.	**<u>Additional Tariff items under Miscellaneous charges</u>** As seen from the revised proposed SOR submitted by PPT, the following additional tariff items have been proposed: o Automobiles to be landed and shipped through Ro-Ro operations. o Wharfage for any cargo/ containers operations, if a vessel has to unload/ reload any hatch cover/ pontoon o Siding charges - (a) for warehousing zone (b) for other siding charges. The reasons for prescribing the above tariff items and the basis for arriving the proposed tariff may please be explained. Further, income from these additional tariff items has not been captured in the revenue estimation for arriving ARR at the proposed tariff. The PPT is requested capture the additional revenue arising from the above tariff items for arriving ARR.	In the year 2016, PPT received interest from a shipping liner to bring Pure Car Carriers (PCC) which may require port facility for loading/unloading of car/automobile etc .through Ro-Ro operation for which the existing tariff does not provide any specific rate for which, PPT has now proposed the tariff for such operations. The revenue to be generated being negligible may not have a direct impact on the overall tariff structure of the port. In recent past, PPT witnessed that occasionally, some container feeder ships and project cargo ships at the port have to unload and reload hatch covers/pontoons for which not only the operational time of the berth by the ship is being used but also the same involves use of port workers and infrastructure. In absence of any rate in the past, the proposed rate has been made for such facilities. The revenue to be generated being negligible may not have a direct impact on the overall tariff structure of the port. Siding charges for Warehousing zone and for other siding charges were mentioned in the Scale of Rates (SoR) of PPT published in May, 2005 and SoR of December, 2007. It

Sl. no.	Information sought by us	Reply of PPT
		is submitted that while the Railway Board approves the charges like Haulage, Free Time and Demurrage on wagons as well as Wharfage for loading/Unloading of cargo onto/from wagons, Terminal Charges etc, the Siding Charges are not approved or revised by the Railway Board. Levy of Siding Charge is approved by the PPT Board and was published in Orissa Gazette on 24.06.1993. This was inadvertently omitted in the SoR of 2011 probably due to TAMP order on 27.03.2009. Therefore, it is not a new tariff and hence proposed to be incorporated in the proposed SoR to be approved by the TAMP. The revenue generated on account of the Siding Charges has been included in the Railway earnings of the ARR submitted to TAMP.
6. (i).	**<u>Wharfage Charges :</u>** PPT in the proposed draft SOR has proposed wharfage for new Cargo Items viz. Bunker supply to various vessels, Edible Oil, Gypsum, Oilflux, Pyroxenite, Bentonite and FRM under Wharfage Charges. However, the PPT has not captured the revenue effect of the above new cargo items in the ARR statement. As such, PPT is requested to furnish the basis for arriving the rate and also capture the revenue arising from the above cargo items for arriving ARR.	It is submitted that over last few years, PPT has been handling Cargo such as “Bunker” Supply to various Ships, Edible Oil, Gypsum, Oliflux, Pyroxenite, Bentonite etc. as they come in specific nomenclature. As observed Edible Oil is not a new cargo and specific rate exists under tariff head under item 2.1.1. “Bunker” supplied to ships is a phenomenon which was seen in 2014 and the Board of Trustees of PPT vide Resolution No. 122/2013-14 in their meeting held on 08.01.2014 have approved that the bunker supply to the ships will be treated as cargo and accordingly wharfage as per the existing SoR rate for “POL” will be charged for “Bunker”. In view of the above, the rate applicable for POL having flash point of 23 degree Celsius and above has been considered as the wharfage for the bunker and accordingly, the same has been proposed for approval in the SoR as it has been done with agreement of the users.
(ii).	The new cargo items namely Gypsum, Oliflux, Pyroxenite and Bentonite have been included in the existing category of cargo namely “Cement, Clinker, Limestone, Dolomite and other fluxing materials. Further, the existing wharfage rate of ₹. 54.40 per tonne for foreign cargo and ₹. 32.65 per tonne for costal cargo in respect of the existing category of cargo are proposed to be made applicable to the new cargo items. In this regard, the PPT is requested to clarify / confirm the following:	As stated earlier, Gypsum, Oliflux, Pyroxenite and Bentonite are imported items and they come in specific nomenclature and no tariff was in specific names in SoR exists for which the same have been included in the proposed to have more clarity. It is correctly pointed out that as approved by the authority, Cement, Clinker, Lime Stone, Dolomite and other fluxing materials are included in the Item 2.1.8 and the existing wharfage rate of ₹.54.40 per tonne for foreign cargo and ₹.32.65 per tonne for costal cargo is being charged.

Sl. no.	Information sought by us	Reply of PPT
	(a). The rationale for classifying "Gypsum, Oliflux, Pyroxenite and Bentonite" under the existing group of cargo namely "Cement, Clinker, Limestone, Dolomite and other fluxing materials." (b). Whether the new cargo items and the existing cargo items are similar in terms of the cargo profile. If they are similar it may be explained as to how they are similar. (c). If guidance on the classification of Dry Bulk commodities given in Annex – I to the Stevedoring and Shore handling Guidelines issued by MOS in October 2016 is taken as a reference, the existing cargo category falls under the commodity group 10. The new cargo item Gypsum falls under commodity group 9; the new cargo item Bentonite falls under commodity group 6. The other two new cargo items viz. Oliflux and Pyroxenite do not appear to have been classified under any of the commodity groups. In short, the commodity group of the existing four cargoes and commodity group of the proposed cargo are different. Therefore, the PPT is requested to closely and carefully examine its proposal to classify the new cargo under the existing cargo group and review the classification. (d). The PPT's proposal to apply the wharfage rates applicable for the existing four cargo to the proposed four cargo may be justified.	It is submitted that while Clinker and Gypsum are used as inputs/raw materials for manufacturing of Cement. Olyflux, Pyroxenite and Bentonite coming in specific names are used along with Lime Stone and Dolomite used as fluxes in the sintering and manufacturing process of steel by the major steel producers like Tata Steel Ltd., Bhusan Steel Ltd., Steel Authority of India Ltd. etc. Incidentally, as per the existing clause, Notes to Section 2.1 & 2.2 in item 3 "l" of the approved SoR, it has been mentioned before classifying any cargo under "'unspecified" category, the relevant customs classification should be referred to find out whether the cargo could be classified under any of the existing categories in the wharfage schedule. In this regard, it may be mentioned that Gypsum and Bentonite have been categorized under Chapter-25 of the customs classification as items under which Cement and Bentonite is being charged under the same tariff rate of Clinker and Limestone under Item 2.1.8. Accordingly, the same have been brought in the existing SoR as a specific commodity. Similarly, Oliflux & Pyroxenite are being used as fluxes and similar productivity has been prescribed at PPT in consultation with users at Paradip with that of Lime Stone and Dolomite. Wharfage in respect of Oliflux, Pyroxenite and Bentonite are being charged treating them as other fluxing material as under item 2.1.8 of the existing SoR, much before the stated guidance on the classification of Dry Bulk commodities given in Annex – I to the Stevedoring and Shore handling Guidelines issued by MOS in October 2016. Accordingly, it has been now included as specific commodity as the service charges are levied under the said category for a long time at PPT. Incidentally, under the 12 categories of cargo in the Anexure-1 it is referred MOP only as a Finished Fertilizer under Categroy-1. In the Category-2, Sulphur and Rock Phosphate are taken as FRM for production of Finished Fertilizer. As we know MOP grouped under Category-1 of the classification being a Finished Fertilizer also is used for manufacturing complex fertilizer as a raw material like that of MAP as stated above. In view of above, it has been combined the categories of dry bulk cargo under the group Finished Fertilizer and FRM (both category-

Sl. no.	Information sought by us	Reply of PPT
		1 and Category-2 as per the relevant guideline) into 1 category of cargo. In the same line, Bentonite and Gypsum appearing in Category-9 of the guideline at PPT has been clubbed together in Item-10 of the guideline including Pyroxenite/Oliflux (as other fluxing materials) as explained above in view of the fact that the users have already accepted the same long before the present guideline came into force.
	(e). The wharfage, if any, being collected for the new four cargo items may be intimated and reference to the approval accorded by the Competent Authority for the levy of the wharfage rates, may also be intimated.	The revenue generated towards wharfage on these cargo has been included in the ARR for Cargo Related Charges.
(iii).	The PPT has also included a new cargo item viz. FRM under the existing category of finished fertiliser / Ammonium Nitrate and has proposed to apply the existing wharfage rate of finished fertiliser / Ammonium Nitrate to FRM also. However, FRM and finished fertiliser / Ammonium Nitrate fall under different commodity group given in Annex-I to the Stevedoring and Shore handling Guidelines, 2016. Therefore, the PPT is requested to closely and carefully examine the grouping of FRM cargo with the existing cargo keeping in view of our observations made in respect of classification of four new cargo group under the existing four cargo items as brought out in the previous paragraph.	“FRM” in short stands for “Fertilizer Raw Material” and comprise of dry commodities like Rock Phosphate, Sulphur as well as liquids like Phosphoric Acid, Ammonia and Sulphuric Acid etc. Incidentally, MAP i.e. Mono Ammonium Phosphate and MOP i.e Muriate of Potash though are Finished Fertilisers, still they are also used as Raw Materials for manufacturing complex fertilizers such as DAP and NPK. Similarly, Ammonium Nitrate (Fertilizer Grade) though primarily used as an input for manufacturing explosives, but it is also used as a fertilizer in agricultural purposes. In view of above, all types dry bulk cargo which are required in Fertiliser manufacturing and are not currently handled at PPT in the conventional berths, have been included as “FRM” and same has been grouped under the Tariff applicable for Fertilizer and Ammonium Nitrate.
	The wharfage, if any, being collected for the FRM cargo may be intimated and reference to the approval accorded by the Competent Authority for levy of the wharfage rate for FRM cargo may also be intimated.	No such cargo has been handled in the recent years at conventional berths and therefore no wharfage has been realized by PPT.
(iv)	The PPT has proposed shipment charges of ₹. 49.50 per tonne and Tippling charges of ₹. 20.40 per tonne for handling thermal coal in the IOHP. In this connection, the PPT is requested to clarify / furnish the following: The Authority has accorded approval for introduction of labour cess of ₹. 120 per tonne for handling Thermal coal at IOHP vide Tariff Order no. TAMP/31/2016-PPT dated 8 February 2017. The rate of ₹. 120 includes shipment charges of ₹. 49 per tonne and Tippling charges of ₹. 20.40 per tonne for handling of Thermal coal at IOHP. Further, the PPT has also proposed the labour cess of ₹. 120 per tonne for handling of Thermal coal at IOHP in the proposed	Due to the restrictions in mining activities of Iron Ore in the State of Odisha and in other states elsewhere as well as restriction on exports of Iron Ore fines from the country, the mechanized Iron Ore Handling Plant (IOHP) including the Tippler thereof was idling since 2014. Power sectors in the Govt. like TANGEDCO and NTECL approached PPT to use the said mechanized loading facility of IOHP for export of Thermal Coal arriving in BOXN wagons to avoid delays to their ships at PPT. In response to their requests, the Board approved use of IOHP in the meeting held on 29.05.2015 with shipment charges at ₹.49.50 per tonne and Tippling charges at ₹.20.40 per tonne for handling thermal coal in the IOHP.

Sl. no.	Information sought by us	Reply of PPT
	SOR. The PPT is requested to confirm that the prescription of labour cess of ₹. 120 per tonne and prescription of Shipment charges ₹. 49.50 per tonne and Tippling charges of ₹. 20.40 per tonne for handling thermal coal at IOHP are not duplication.	The above rates are not included in the labour cess of ₹.120/- per Ton which is incidentally only for consideration to compensate the grant so extended by PPT to the Management Committee to replace the job of unloading of such Thermal Coal which was being earlier done by a large number of workers under the Management Committee. Incidentally, the rate is basically as a labour cess for compensating the idle labour due to unloading the wagons in the tippling process. The ₹.120/- of labour cess being levied will be phased out once the grant extended by PPT for Special Severance Package (SSP).
(v).	The reason for prescription of Note that "The shipment charges of MCHP and IOHP ore inclusive of Wharfage" may be brought out.	The wharfage is the basic dues of the Port on cargo for use of wharf and support infrastructure so created and maintenance thereof. In case of mechanized plants like MCHP and IOHP, the Ship Loaders are installed in the wharf and used for shipment of cargo on the ship. In view of above, for easy understanding of all concerned, the said clause has been included now.
(vi).	The PPT is also requested to clarify the existing position for levy of wharfage charges for cargo handled at MCHP and IOHP.	There is no separate wharfage on cargo which is mechanically shipped on the ship using the Ship Loaders of MCHP or IOHP.
7.	**<u>Notes to Wharfage charges and Wharfage on Containers and Containerised cargo :</u>** It has been observed that some of the clauses relating to wharfage and Intra-Port transportation, which are existing in the existing SOR have been omitted in the proposed draft SOR. PPT may clarify the reasons for omitting each of the clause.	As regard to Intra-Port transportation, the same is being done by the Shore-Handling Agents including the storage yard, delivery / receipt operations. Since PPT has a limited role now to play in such operations, the said earlier clauses related to port doing the intraport transportation work has been proposed for omission.
8.	**<u>Charges, if stuffing/ destuffing of cargo containers is under taken by the Port :</u>** Clause 2.3 of the existing SOR prescribes charges, if stuffing/ destuffing of cargo containers is under taken by the Port (Charges exclude lashing and dunnage) whereas, the same have been omitted in the proposed SOR. PPT to clarify, how the revenue will be realised in the event of stuffing/ destuffing of cargo containers services are provided by the Port, in the absence of the said clause.	Stuffing/ de-stuffing of cargo containers is being undertaken by the container operators by their own arrangement. Since the containers are generally shifted to the factory of the consignees for stuffing and de-stuffing purpose, PPT does not undertake stuffing/de-stuffing of cargo containers currently. Moreso, such operations in future if at all is required at PPT, the same will have to be undertaken in a new Multipurpose BOT Terminal i.e., Paradip International Cargo Terminal Pvt. Ltd. Likely to be commissioned by March, 2018 as per License Agreement for which the required Tariff has already been approved by TAMP vide G No78

<table>
<tr><th>Sl. no.</th><th>Information sought by us</th><th>Reply of PPT</th></tr>
<tr><td></td><td></td><td>dtd.4.03.2014 and hence proposed to be omitted.</td></tr>
<tr><td>9.</td><td>Deletion/ Omission of standard Clauses/Notes:
As observed from the proposed SOR, the following Definitions/ Clauses/ Notes have been deleted:</td><td></td></tr>
<tr><td></td><td>i) Definition of Hazardous Containers.</td><td>The same may be retained as per earlier SoR.</td></tr>
<tr><td></td><td>ii) General terms and conditions - The user shall not be required to pay charges for delays beyond reasonable level attributable to PPT.</td><td>The same may be retained as per earlier SoR.</td></tr>
<tr><td></td><td>iii) General terms and conditions: Interest on delayed payments/ refunds - The rate of interest will be 2% above the prime lending rate of the State Bank of India. The Penal interest will apply to both the PPT and port users equally.</td><td>Already covered in clause xii of General Terms and conditions, hence deleted.</td></tr>
<tr><td></td><td>iv) Notes to Free storage period for levy of demurrage in transit accommodation - In case of excess landed cargo, demurrage will be charged after expiry of 3 days of notification of excess landing to the consignee”</td><td>To be deleted as the same is not practically possible complying statutory provisions.</td></tr>
<tr><td></td><td>v) License fee: Notes “General conditions for allotment of covered and open spaces” - The locking of shed partially or wholly rented to the parties shall not be regarded as making the Port a bailee of the goods unless the Port has issued a special receipt for the same.</td><td>There are no more such facilities available in PPT. Hence it has been deleted.</td></tr>
<tr><td></td><td>vi) Weighment charges for the use of weigh bridges/ weigh scales – ₹. 2.00 per ton subject to a minimum of ₹. 10 per consignment towards charges for weighment in the warehouses/ transit shed.
The reasons for omitting the above definitions/ clauses/ notes may be explained by PPT.</td><td>As there is no weigh bridge in the Warehouse / Transit sheds at PPT for which it has been deleted.</td></tr>
<tr><td>10.</td><td>Modifications proposed by PPT to the Definitions/Clauses/Notes are given below:
<table>
<tr><th>Sl. No.</th><th>Existing Clause as per existing SOR (May 2011)</th><th>Clause in the proposed Draft SOR</th></tr>
<tr><td>1</td><td>Goods shall not be delivered/ allowed to be shipped until all the admissible charges under the rules have been paid <u>and the receipt in support of the same is produced.</u></td><td>Cargo shall not be delivered/ allowed to be shipped until all the admissible charges under the rules have been paid.</td></tr>
</table></td><td>Payment is being made by the users through EDI. Upon deduction of the required amount from the users, receipt in support of the same is automatically generated by the system. If any shortage of fund is found in the user’s account in that case the receipt in support of payment is not generated and port would not allow to deliver/ shipment the cargo.</td></tr>
<tr><td></td><td><table>
<tr><td>2</td><td>The delay in payments by user will be counted beyond 10 days after the date of raising the bills. This provision will</td><td>The delay in payments by user will be counted beyond 24 hours from the time of the sailing of the vessel or next</td></tr>
</table></td><td>The modification for this item has been made for greater clarity and to avoid ambiguity. The users shall be asked to deposit the vessel related/cargo related charges on provisional assessment made by PPT. Since the final assessment will be made after sailing of the</td></tr>
</table>

Sl. no.	Information sought by us			Reply of PPT
		not apply to cases where payment is to be made before availing of the services/use of port properties as stipulated in the MPT Act, 1963 and/or prescribed as conditions in the tariff.	**banking date/due date as applicable. In case the user fails to deposit on next banking date interest will be charged from the date of sailing of the vessel/completion of the work**. This provision will not apply to cases where payment is to be made before availing of the services/use of port properties as stipulated in the MPT Act, 1963 and/or prescribed as conditions in the tariff. **Interest is payable for all kinds of delayed payment including shortfall on MGT and on imposition of double rent for any default.**	vessel, the users shall be allowed 24 hours' time (up to next banking hours in case the day is a holiday) to pay the differential amount. Interest to be charged if the amount is not cleared on the next banking date on the date of sailing of the vessel/completion of the work.
	3	Wharfage **shall not be** payable on the following specified goods at normal rates. (f). On surplus quantity due to moisture at the time of evacuation/dispatch.	Wharfage **shall also be** payable on the following specified goods at normal rates: (k). On surplus quantity due to moisture at the time of evacuation/dispatch.	It is difficult to find out whether the surplus quantity is due to moisture or for any other reason. Since Customs duty is also collected on the surplus quantity even if the same is due to moisture, PPT has proposed to collect wharfage on the same.
	4.	**The weight shown in the Bill of Lading or original invoice upon which freight has been paid shall be deemed to be the correct tonnage.** However, in cases where the Port makes a check weighment, the tonnage recorded by the Port shall be deemed to be the correct tonnage.	**Draught Survey done by independent surveyor is the final quantity for collection of port charges**. However, in case where the Port makes a check weighment, the tonnage recorded by the Port shall be deemed to be the correct tonnage.	On completion of vessel discharge, importers/agents of the vessel undertake draught survey by the independent surveyor. Accordingly, the importer amends the IGM/cargo declaration and file Bill of Entry. If there is any excess/ less cargo found in course of draft survey, the same is regularized by the importer.
	5.	**<u>2.10 Free Storage period for levy of demurrage in transit accommodation.</u> - <u>Notes</u>** (4). For dangerous goods, free period is 24 hours**.**	**<u>2.9 Free Storage period for levy of demurrage in transit accommodation.</u> - <u>Notes</u>** (iv). For **hazardous goods**, free period is 24 hours **from the time of landing. After the expiry of 24 hours the demurrage charges will be**	Paradip Port handles largest volume of Coal and many bulk Hazardous Chemicals like Ammonia, Naphtha, Crude Oil as well as Class A Petroleum Products. All the Hazardous Chemicals are directly received through pipelines by the receivers or loaded on the ship by pumping through pipelines the products from their installations outside the Port. While handling facilities for other Hazardous cargo in break bulk or container are limited,

<table>
<tr><th>Sl. no.</th><th colspan="3">Information sought by us</th><th>Reply of PPT</th></tr>
<tr><td></td><td></td><td></td><td>levied at 200% of the highest rate of demurrage charges.</td><td>but no Transit facilities are considered for any such cargo and the cargo has to be delivered directly from the port premises upon landing from the ship on the day of landing to avoid any untoward incident emanating out of such transit storage that may effect port operation. It has been only considered that free period for such cargo will be maximum of 24 hours from the time of landing and the proposed demurrage clause thereafter @ 200% of highest rate of demurrage which will act as a deterrent for such cargo if not delivered from the port within 24 hours of landing.</td></tr>
<tr><td></td><td>6.</td><td><u>2.12 Demurrage on containerised cargo</u>
(2). On other hazardous goods demurrage shall be levied from the date of landing at double the rates specified in section 2.11. if not cleared in the next working day from the date of landing.</td><td><u>2.11 Demurrage on containerised cargo</u>
(2). On hazardous goods, demurrage shall be levied at 200% after 24 hours from the date of the receipt of the goods.</td><td>This is as above.</td></tr>
<tr><td></td><td>7.</td><td><u>Penal License fee:</u>
<table><tr><th>Sr.No.</th><th>Duration</th><th>Rate</th><th>Unit of levy</th></tr><tr><td>1.</td><td>Upto 90 days</td><td>Normal plot rent</td><td>On area occupied</td></tr><tr><td>2.</td><td>Beyond 90 days</td><td>Double the normal plot rent</td><td>On area occupied</td></tr></table>(1) Wherever actual measurement is not possible for some reason or other, the area under occupation will be determined at the rate of 4 Metric Tonnes per square meter for dry bulk cargo other than coke and at the rate of 2 Metric Tonnes per square meter for all types of coke</td><td><table><tr><th colspan="4"><u>Penal License fee:</u></th></tr><tr><th>Sr. No</th><th>Duration</th><th>Rate</th><th>Unit of levy</th></tr><tr><td>1.</td><td>Beyond 90 days</td><td>Double the normal license fee</td><td>On area occupied</td></tr></table>Notes
(1) Wherever actual measurement is not possible for some reason or other, the area under occupation will be determined at the rate of 4 Metric Tonnes per square meter for dry bulk cargo other than coke and at the rate of 2 Metric Tonnes per square meter for all types of coke. In case cargo of different vessels are stored in one plot where exact area cannot be ascertained the above provision for calculation of area will apply.

(2)In case of duration beyond 90 days the fees are to be collected on 30 days basis. However, in case of less than 30 days of stay, the dues are to be calculated on actual day of occupation.

(3) The calculation will be made from the date of 1st landing of the cargo.</td><td>The existing clause has been proposed for modification to have in better clarity.</td></tr>
<tr><td></td><td colspan="3">The reasons for modification for each of the above conditionalties in the proposed draft SOR may please be explained, with justification, wherever required.</td><td></td></tr>
</table>

<table>
<tr><th>Sl. no.</th><th>Information sought by us</th><th>Reply of PPT</th></tr>
<tr><td>11.</td><td>New Definitions/ Clauses/ Notes included by PPT in the proposed SOR, are given below:
(i). The PPT has proposed a new note stating that prescribed slab wise (GRT range) rates shall be levied on incremental basis on the capacity of the vessel under “Pilotage”. In this regard, it is suggested that, instead of incorporating the said note, the following rate structure may be specified taking into consideration of the incremental GRT in each of the slabs to have a better clarity and avoid any ambiguity.

<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Slabs</th><th colspan="2">Rate per GRT</th></tr>
<tr><th>Foreign</th><th>Coastal</th></tr>
<tr><td>1</td><td>Upto to 30,000 GRT</td><td>US $ 0.509 per GRT</td><td>₹. 12.52 per GRT</td></tr>
<tr><td>2</td><td>30,001 to 60,000 GRT</td><td>US $ 15270 + US $ 0.407 Per GRT</td><td>₹. 375600 + ₹. 10.01 per GRT</td></tr>
<tr><td>3</td><td>Above 60,000 GRT</td><td>US $ 27480 + US $ 0.356 Per GRT</td><td>₹. 675900 + ₹. 8.76 per GRT</td></tr>
</table>
</td><td>The suggested wording for Pilotage may be considered as the amended proposal of PPT to avoid ambiguity.</td></tr>
<tr><td></td><td>(ii). The above rate structure may be examined by the PPT for its correctness.</td><td>The same has been examined and found to be correct.</td></tr>
<tr><td></td><td>(iii). The proposed definition of Stevedoring and Shore handling may be aligned with the definition given in the Stevedoring and Shore Handling Policy for Major Ports of June 2016 announced by the MOS.</td><td>As suggested the definition of Stevedoring and Shore Handling has been aligned as per the policy guideline on the matter for Major Ports in June, 2016 issued by MoS and the same is proposed to be worded as follows.

“Stevedoring and Shore Handling shall mean a combined activity on board the ship that includes loading and unloading and stowage of cargo in any form on board the vessels in the port as well as on-shore handling of cargo which would include arranging and receiving of cargo to /from the hook point , inter modal transportation from wharf to stack yard and vice-versa as well as receiving and delivery of cargo from/to wagons/ trucks”. However, the details scope of meaning of Stevedoring and Shore Handling activities at PPT would be as per the Paradip Port (Licensing of Stevedoring and Shore Handling) Regulation, 2016 as to be gazette notified for PPT separately.</td></tr>
<tr><td></td><td>(iv). The PPT has proposed definition for “Reserve Price of the plots for iron ore / iron ore Pellets / concentrates.” In this regard, the PPT is requested to clarify the following:

(a). The reason for restricting the definition to a particular group of cargo.

(b). Whether the definition is in the line with the description given for Reserve</td><td>The same has been considered by the Board based on the Land Policy guidelines for Major Ports, 2014 considering the fact that allotment of storage plots in PPT had led in the past to litigations and in a series of Court case in the High Court of Orissa it was pronounced by the Court that all plots may be allotted through tender –cum-e-auction only.</td></tr>
</table>

Sl. no.	Information sought by us	Reply of PPT
	Price in the Amended Land Policy Guidelines issued by the MOS in July 2015. If not, the definition for Reserve Price may be aligned with the description given in the Amended Land Policy Guidelines of July 2015.	While analyzing the said order and the Land Policy guidelines of 2014, it was considered by the Board that tendering procedure cannot be instantly completed for import cargo as the importer bringing import cargo to the country cannot detain his ship for lack of storage space in the port awaiting finalization of a tender leading to huge outgo in Foreign Exchange from the country in vessel demurrage. Upon reading of the amended Land Policy Guideline, 2014 issued by MoS in July, 2015 at Clause-13 (a) & (b) transpires that the reserve price should be fixed at the highest transacted rate so derived in the tender-cum-auction process. The above clause when used by PPT earlier and in recent times, it has been observed that when such auctioning process of the scarce land of the port was done upon availability of plots from time to time, say within 1 or 2 months of the last auction-cum-tender, the reserve price has to be accordingly taken as the last auction price and the same had to be continued from time to time otherwise, it would be construed as a substantial loss of the port revenue and also the same can be simultaneously seen as a deviation from the aforesaid Land Policy Guideline.
	(v). Further, the Note (ix) proposed under Schedule 2.12 "Licence fee" may be modified in line with amended Land Policy Guidelines issued in July 2015.	The earlier proposed Note (ix) under schedule 2.2 may be worded as follows: "Based on amended Land Policy Guideline issued for Major Ports by the Ministry in July, 2015 where storage space inside the custom bond area will be allotted on tender-cum-auction basis, the reserve price of license fee will be fixed as per the definition approved by the authority.
12.	The PPT has, in its proposal, incorporated the provisions relating to conversion of foreign going vessels of foreign flag to coastal run, In this regard, the PPT is requested to refer to the Order no. TAMP/53/2015-VOCPT dated 10 June 2016 passed by the Authority and incorporate the provisions contained in the said order in the proposal SOR.	The provisions as prescribed in TAMP Order no. TAMP/53/2015-VOCPT dated 10th June 2016 may please be treated as part and parcel of PPT's proposal for general revision of SOR as suggested.

9. In the meanwhile, based on the request made by the PPT, the Authority vide its Order dated 4 January 2017 and 21 July 2017 has extended the validity of the existing SOR of PPT upto 31 March 2017 and upto 30 September 2017 respectively.

10. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned

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

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

(i). The existing Scale of Rates of the Paradip Port Trust (PPT) was last approved vide tariff Order No. TAMP/62/2009-PPT dated 25 March 2011. This Order prescribed a tariff validity period till 31 March 2013. Vide the said Order, an across the board reduction of 32% was effected on all cargo handling (except for the cargo related charges prescribed for the cargo of Paradeep Phosphates Limited and Indian Farmers Fertilizers Co-operative (IFFCO)) and status quo was maintained in respect of all other charges.

The proposal for revision of the SOR filed by PPT in August 2012 for the tariff period 2013-14 to 2015-16 was withdrawn by the Port for the reasons as brought out in the initial portion of the Order. Based on an assurance given by the Port to file a revised proposal and in order to avoid a vacuum in the Scale of Rates, the validity of the Scale of Rates approved in March 2011 has been extended from time to time. On the last occasion, the validity of the Scale of Rates has been extended upto 30 September 2017.

(ii). The general revision proposal has been filed by the PPT in December 2016. Subsequently, based on the request made by the users as well as PPT at the joint hearing held on 27 February 2017, the PPT vide its letter dated 3 May 2017 submitted revised Scale of Rates. The revision in the Scale of Rates was to the extent of making modifications to the notes/ conditionalities. There was significant modification in the notes/ conditionalities and since the PPT had not furnished the reasons for making the said modifications, additional information/ clarification on the proposed modifications was sought from PPT in May 2017. After reminders, the PPT has responded in August 2017. Thus, the proposal filed by PPT in December 2016 along with submissions made by the port during the processing of the case is considered in this analysis.

(iii). (a). Clause 2.1 of the Tariff Policy 2015 requires each Major Port Trust to assess the Annual Revenue Requirement (ARR) which is the average of the sum of Actual Expenditure as per the final Audited Accounts of the three years 2011-12 (Y1), 2012-13 (Y2) and 2013-14 (Y3) subject to certain exclusions as prescribed the Clause 2.2. of the Tariff Policy 2015 and the Working Guidelines issued by this Authority plus Return at 16% on Capital Employed including capital work-in-progress obtaining as on 31st March 2014, duly certified by a practicing Chartered Accountant/ Cost and Management Accountant.

(b). The PPT has assessed the Annual Revenue Requirement (ARR) based on Audited Annual Accounts for three years i.e. 2011-12 (Y1), 2012-13 (Y2) and 2013-14 (Y3) duly certified by a practicing Chartered Accountant. The PPT has excluded the expenses not admissible in ARR computation for arriving at the Average annual expenses for the year 2011-12, 2012-13 and 2013-14. The following adjustment done by PPT in line with provisions prescribed in Clause 2.2. of Tariff Policy 2015 and Clause 2.2. of Working Guidelines are brought out for specific mention:

(i). The PPT has excluded expenses (i.e. operating expenses, allocated Management & Administrative overheads and allocated Finance and Miscellaneous Expenses) related to estate activity. Interest on loans to the tune of ₹ 21 Lakhs each during the years 2011-12, 2012-13 and 2013-14 respectively are also excluded.

(ii). As per Clause 2.2(iii) of Tariff Policy 2015 and the Working Guidelines, 1/5 of one-time expenses like arrears of wages, pension/ gratuity, ex-gratia payments arising out of wage revision etc. are to be included in the Annual Revenue Requirement (ARR). Likewise, 1/5th of the Contribution to Pension Fund are to be included for the calculation of ARR. This means 4/5th of the above mentioned expenses are to be excluded in the ARR computation.

PPT has excluded ₹ 32 crores, ₹ 61.95 crores and ₹92.16 crores in the years 2011-12, 2012-13 and 2013-14 respectively being 4/5th of the contribution to the pension fund reported in the Annual Accounts of the Port. The above adjustment done by PPT is in line with Tariff Policy, 2015.

(iii). As per Clause 2.2. (iv) of Tariff Policy 2015 and Clause 2.2. (iv) of the Working Guidelines, Management and General Administration Overheads subject to a cap of 25% of aggregate of the operating expenditure and depreciation is only to be considered in the ARR calculation.

The Management and General Administration Overheads reported in the Audited Annual Accounts is ₹ 94.73 crores, ₹ 107.72 crores and ₹ 125.42 crores for years 2011-12, 2012-13 and 2013-14 respectively. Thereafter, the PPT has assessed 25% of the Operating Expenses (including depreciation but excluding operating expenses relating to Estate) as per Audited Annual Accounts at ₹ 93.38 crores, ₹ 101.52 crores and ₹ 125.42 crores. As per the working furnished by the PPT in Form-2, the PPT has identified an amount of ₹1.36 crores, ₹ 6.20 crores and NIL amount of Management and General Administration Overheads as excess of 25% of aggregate of operating expenses and depreciation and hence excluded the same from ARR in the years 2011-12, 2012-13 and 2013-14 respectively complying with the provisions of Tariff Policy, 2015.

(iv). As per Clause 2.2(v) of the Working Guidelines notified by this Authority all expenses relevant for captive berths are to be excluded from the computation of ARR. The PPT has not indicated any expenses relating to Captive berths and has, therefore, not estimated any expenditure under this head.

(iv). Following the provisions prescribed at Clause 2.3. of the Tariff Policy, 2015 and Clause 2.3. of the Working Guidelines, the PPT has arrived at average expenses for the years 2011-12, 2012-13 and 2013-14 at ₹ 419.15 crores.

(v). (a). The PPT has arrived at capital employed in line with provision prescribed in Clause 2.4. of the Working Guidelines. The PPT has considered the net fixed assets plus capital work-in-progress as on 31 March 2014 reported in the Audited Annual Accounts and has excluded the value of the assets related to the Estate activity. As stated earlier, the PPT has stated that there are no expenditure incurred by port relating to captive berth.

(b). Working capital comprises of Inventory, Sundry debtors and Cash balances. The Inventory and Sundry Debtors are seen to be computed as per norms prescribed in clause 2.5. of Working Guidelines. The cash balance is seen to have been calculated by PPT by taking into account the monthly cash expenses, excluding depreciation, but including the cash expenses of the Estate activity. Since the Estate activity has been excluded from the purview of the Tariff Policy, 2015, the cash balance is reworked by us to consider one month cash expenses excluding the expenses related to the Estate activity.

(c). The total capital employed including the revised working capital works out to ₹ 1450.57 crores as against ₹ 1454.10 crores arrived by PPT.

(d). Return on Capital Employed at 16% is worked out on the revised Capital Employed at ₹ 232.09 crores which is considered in the ARR computation.

(vi). The ARR is the average of the expenditure for the three financial years 2011-12 to 2013-14 at ₹ 419.15 crores plus 16% Return on Capital Employed at ₹ 232.09 crores aggregating to ₹ 651.24 crores as on 31 March 2014. Further, as per Clause 2.7. of Working Guidelines, the said ARR has been indexed by PPT @ 100% of the Wholesale Price Index (WPI) applicable for the year 2014-15 and 2015-16 at 6% and 3.82% respectively. Since the year 2016-17 is already over and since the WPI as applicable for the year 2016-17 is available, one more indexation to the tune of 2% (being 100% of the WPI applicable for the year 2016-17) is effected by us on the ARR arrived at for the year 2015-16. Thus, the ceiling indexed ARR works out to ₹ 731.02 crores for the year 2016-17, as against the ceiling indexed ARR worked out by PPT at ₹ 717.31 crores for the year 2015-16.

The detailed working of ARR calculation given by the port duly certified by Chartered Accountant is relied upon subject to the modification effected to the cash balance under the head of Working Capital and an additional indexation pertaining to the year 2016-17, as discussed above. A summary of certified ceiling indexation ARR is given below:

(₹ in crores)

Sr. No	Particulars	2011-12	2012-13	2013-14
1	Total Expenditure after all Adjustments	354.17	369.95	533.33
2	Average Expenses [Y1 + Y2 + Y3] / 3	419.15		
3	Capital employed as on 31.03.2014 including capital work in progress as on 31.03.2014 and working capital as per norms	1450.57		
4	Return on capital employed @ 16%	232.09		
5	ARR as on 31 March 2014 (5=2+4)	651.24		
6	Indexation in the ARR @ 100% of the WPI applicable for the year 2014-15 (6%)	690.32		
7	Indexation in the ARR @ 100% of the WPI applicable for the year 2015-16 (3.82%)	716.69		
8	Indexation in the ARR @ 100% of the WPI applicable for the year 2016-17 (2%)	731.02		
9	Ceiling Indexed Annual Revenue Requirement (ARR)	**731.02**		

(vii). (a). As per Clause 2.6. of Tariff Policy 2015, the Major Port Trusts have the flexibility to determine the rates to respond to the market forces based on commercial judgment and draw the Scale of Rates within the ceiling of indexed ARR, duly certified by a practicing Chartered Accountant. The Port has given working of revenue estimation indicating each of the tariff items in the proposed SOR for corresponding traffic handled in 2014-15 as required under Clause 2.9. of the Working Guidelines. As per Clause 2.5. of Tariff Policy 2015, for drawing the SOR, the PPT has considered the actual cargo traffic in tonnes and GRT of vessel handled by the port during the year 2014-15, to draw the proposed SOR within the ceiling indexed ARR.

(b). The actual cargo traffic reported to have been handled by PPT in the year 2014-15 is 710.11 lakh tonnes. While drawing up the proposed SOR, the PPT has proposed to maintain *status quo* in tariff in respect of all tariff items. Based on the above position, the Revenue Estimation at the proposed level of tariff has been worked out by PPT at ₹ 706.01 crores. As can be seen, the Revenue Estimation at the proposed level of tariff at ₹ 706.01 crores is lower than the Ceiling Indexed Annual Revenue Requirement (ARR) of ₹ 731.02 crores, as calculated earlier, thereby leaving a revenue gap of ₹ 25.01 crores, which has been left uncovered by the Port.

(c). Subject to above analysis, the computation of ARR, furnished by the PPT has been modified.

(d). Considering the position that the port has sought to maintain status quo in the existing level of tariff and also since the users have welcomed the proposal of the port, this Authority is inclined to accede to the proposal of the Port to maintain status quo in the existing level of tariff, as proposed by the port.

(e). **As per clause 8.1. of the Tariff Policy 2015, the rates prescribed in the Scale of Rates are ceiling levels; rebates and discounts are floor levels. The PPT may exercise the flexibility to charge lower rates and/ or allow higher rebates and discounts. Further, as per Clause 2.7. of the Tariff Policy 2015, the PPT is requested to ensure that there will not be loss of traffic to the port. The PPT has also requested for the continued support and co-operation of the users to rank the PPT the no. 1 port of the Country and has, therefore, expressed its willingness to examine specific cases involving diversion of vessels/ traffic due to the tariff, if such cases are brought to its notice.**

(viii). The Government of India in the Ministry of Shipping (MOS) undercover of its letter No. PT-11033/51/2014-PT dated 11 November 2014 has forwarded a copy of the guidelines on priority berthing of coastal vessels at Major Port issued vide letter No.PT-11033/51/2014-PT dated 4 September 2014 to this Authority. Accordingly, this Authority vide its Order no. TAMP/52/2014-Genl. dated 28 November 2014 has, interalia, approved the replacement of definition of 'Coastal Vessel' prescribed in the existing SOR of all the Major Port Trusts as follows:

'"*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 Director General of Shipping/ Competent Authority.*'

Therefore, the definition of Coastal Vessel as proposed by the PPT in line with the above mentioned definition of 'Coastal Vessel', is approved.

(ix). The definitions viz. "Board with reference to vessels" to mean On Board the Vessel and "General shift" to mean the period of 8 hours from 7 am to 12 noon and from 2 pm to 5 pm, under Section 1.1 of the existing Scale of Rates have been proposed to be deleted by the Port in the proposed SOR. No reason for the proposed deletions has been furnished by PPT. However, it appears that the PPT has deleted above definitions as a part of the rationalizing the existing Scale of rates by doing away with unnecessary notes and conditions, as they have no relevance as on date. The proposal of PPT for deletion of definitions of the terms viz. "Board with reference to vessels" and "General shift", is approved.

(x). The existing definition of "Demurrage" has been proposed to be modified by PPT. In addition to the existing definition of Demurrage to mean charges payable for storage of cargo within Port Transit Area beyond free period as specified in the Scale of Rates, the PPT has proposed to further add to the definition that the demurrage on cargo shall not include the cargo stored at the area allotted to a port user on license/ lease basis for which the user is required to pay license fees as per the SOR and /or as per allotment conditions thereof. Since the proposed definition is comparable with the definition of Demurrage prescribed in Scale of Rates of some other Major Ports Trusts and brings clarity and avoids ambiguity, the proposed modification in the existing definition is approved.

(xi). The PPT has introduced the definition of "Hazardous Cargo" to mean any cargo as is defined in the International Maritime Dangerous Goods (IMDG) Code/ International Maritime Organization (IMO). Since the said definition is seen to be comparable with the definition of Hazardous cargo prevailing in the Scale of Rates of some other Major Port Trusts, the proposed definition is approved.

(xii). Though the PPT had initially proposed to delete the existing definition of ‘Hazardous container’, it has requested to retain the definition as per its existing Scale of Rates. Therefore, the said definition is retained.

(xiii) The port stated that the definition of “Reserve Price of the Plots for Iron Ore/ Iron Ore pellets/ Concentrates” was included in the proposed SOR by the Board based on the Land Policy guidelines for Major Ports, 2014 considering the fact that allotment of storage plots in PPT had led in the past to litigations and in a series of Court case in the High Court of Orissa it was pronounced by the Court that all plots may be allotted through tender –cum-e-auction only. Further, PPT stated that while analyzing the said order and the Land Policy guidelines of 2014, it was considered by the Board that tendering procedure cannot be instantly completed for import cargo as the importer bringing import cargo to the country cannot detain his ship for lack of storage space in the port awaiting finalization of a tender leading to huge outgo in Foreign Exchange from the country in vessel demurrage and upon reading of the amended Land Policy Guideline, 2014 issued by MoS in July, 2015 at Clause-13 (a) & (b) transpires that the reserve price should be fixed at the highest transacted rate so derived in the tender-cum-auction process. As per PPT, it has been observed that when such auctioning process of the scarce land of the port was done upon availability of plots from time to time, say within 1 or 2 months of the last auction-cum-tender, the reserve price has to be accordingly taken as the last auction price and the same had to be continued from time to time otherwise, it would be construed as a substantial loss of the port revenue and also the same can be simultaneously seen as a deviation from the aforesaid Land Policy Guidelines. Since the proposed note is reported to avoid loss of port revenue and is also reported to be in spirit of the Land Policy Guidelines, the definition as proposed by the Port is approved.

(xiv). In the proposed SOR, the definition of “Shut Out Cargo”, has been introduced by the PPT to mean export cargo left in the Port having not been shipped on board the vessel for which it was received in the Port. Since the said definition is seen to be comparable with the definition of shut out cargo prevailing in the Scale of Rates of some other Major Port Trusts, the proposed definition is approved.

(xv) The definition of “Stevedoring and Shore Handling”, has been included in the proposed SOR by PPT to mean charges on Cargo/ Commodity/ Article/ Package/ Container for rendering handling of such cargo/containers on board ships plus shore services at the port in the form of supply of equipment with/ without labour for transportation of cargo from wharf to stacking point including loading at wharf, unloading of the same at the stacking point and subsequent loading for delivery, or vice-versa. In case of mechanical receiving of cargo, it shall also include charges for tippling of wagon by Wagon Tippler/ RRS stacking and reclaiming as well as loading on the ship. Since the proposed definition is in line with the definition given in the Stevedoring and Shore Handling Policy for Major Ports of June 2016, the proposed introduction of definition is approved. The PPT is advised to ensure that the scope and meaning of Stevedoring and Shore handling, to be notified as part of its Regulation are in consonance with the definition given in the Stevedoring and Shore handling Policy issued by the Government.

(xvi). The existing definition of “Shift” has been slightly modified by deleting the words “recess of 30 minutes after the fifth hour”. Since the proposed modification is in line with the definition of Shift prevailing in the Scale of Rates of some other Major Port Trusts, the proposed modification is approved.

(xvii). In the proposed SOR, the definition of “Wharfage”, has been introduced by the PPT to mean the basic dues recoverable on all Cargo/ Container landed or shipped or transhipped within the port limit and approaches or passing through the wharf/ jetty/ anchorage/ transloading point jetty. Since the said definition is seen to be comparable with the definition of Wharfage prevailing in the Scale of Rates of some other Major Port Trusts, the proposed definition is approved.

(xviii). In view of the direction of the MOS dated 11 May 2016 and consequent Order no. TAMP/4/2004-Genl dated 19 May 2016, with regard to the non-restatement of the coastal rates with reference to the fluctuation in exchange rate, the Ceiling Coastal Rates are prescribed by PPT upfront in the Scale of Rates without taking into account the exchange rate fluctuation of Indian Rupee vis-a-vis the USD ($).

(xix). 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 PPT as note no. (ii) and (iii) in place of note no. (i) under General terms and conditions. The subsequent note nos. are consequently renumbered.

(xx). The existing note prescribing that the users shall not be required to pay charges for delays beyond reasonable level attributable to PPT as per the existing SOR had been omitted in the proposed SOR. The said note is retained as subsequently requested by the PPT.

(xxi) The note relating to conversion of US dollar denominated tariff to Indian Rupees (INR) has been restricted to market buying rate notified by RBI in the proposed Scale of Rates, whereas, the Working Guidelines issued to operationalise the Tariff Policy, 2015, prescribes that the conversion of US dollar to INR will be based on the reference rate notified by Reserve Bank of India or the market buying rate notified by State Bank of India. As such, the proposed note is suitably modified to reflect the Working Guidelines position.

(xxii). The existing Scale of Rates of PPT prescribes a note to the effect that Goods shall not be delivered/ allowed to be shipped until all the admissible charges under the rules have been paid and the receipt in support of the same is produced. The said note has been proposed to be modified by the PPT by deleting the concluding part of the note ‘and the receipt in support of the same is produced’. The PPT has clarified that since payment is made by users through EDI, the receipt in support of payment is automatically generated in the system and if the receipt is not generated due to shortage of funds, the port would not allow the delivery/ shipment of cargo. In view of the above clarification, the said phrase appears to be redundant, and as such, based on the clarification furnished by PPT, the proposed modification in the proposed SOR is approved.

(xxiii). The working guidelines for Tariff Policy 2015 prescribes the rate of Interest to be 15% for delayed payments/ refunds. However, the port has proposed the interest rate of 14.75%. The rate of interest on delayed payments/ refunds is modified in line with the Working Guidelines issued to operationalize the Tariff Policy 2015.

(xxiv). The existing note in the PPT SOR to the effect that the delay in payments by user will be counted beyond 10 days after the date of raising the bills. This provision will not apply to cases where payment is to be made before availing of the services/use of port properties as stipulated in the MPT Act, 1963 and/or prescribed as conditions in the tariff has been proposed to be modified by the Port. The Port has now proposed that the delay in payments by user will be counted beyond 24 hours from the time of the sailing of the vessel or next banking date/due date as applicable. In case the user fails to deposit on next banking date interest will be charged from the date of sailing of the vessel/completion of the work. This provision will not apply to cases where payment is to be made before availing of the services/use of port properties as stipulated in the MPT Act, 1963 and/or prescribed as conditions in the tariff. Interest is payable for all kinds of delayed payment including shortfall on MGT and on imposition of double rent for any default.

The PPT has submitted that the proposed modification has been made for greater clarity and to avoid ambiguity. In this regard, it is to state that the existing note has been uniformly prescribed in the Scale of Rates of all Major Port Trusts, based on consultation with all Major Port Trusts earlier. Any modification to the said note would require wider consultation with all Major Port Trusts. In view of this position, the existing note is retained. In any case, in view of the general note no. (ix) and (x) under Section 1.2 of the Scale of Rates, non-prescription of the note proposed by PPT, will not put the PPT in a disadvantageous position, as its financial position is protected.

(xxv). This Authority has passed a common Order No. TAMP/14/2016-Misc. dated 9 February 2016 relating to prescription of lower charges for cargo & vessels related services as well as special discount in port charges for the services rendered after regular hours by the Major Port Trusts and BOT Operators operating thereat in pursuance of MOS letter No. PD/14033/101/2015-PD.V dated 3 February 2016. The PPT is not seen to have prescribed any note to this effect. The Ports operate 24/7 for 365 days. Introduction of prescription of lower charges for cargo and vessels related services as well as special discount in port charges for the services rendered after regular hours, is with the objective of encouraging the users to make use of the port facilities even after regular hours. In view of the position, a provision is included in the Scale of Rates of PPT under Section 1.2 - General Terms and Conditions at Sr. No. (xvii) to the effect that in order to decongest the ports and encourage exporters / importers to utilize the port services beyond regular hours, lower charges will be levied for cargo and vessels related services as well as special discount will be offered in port charges for the services rendered after regular hours, in line with a similar provision incorporated in the Scale of Rates of CHPT.

(xxvi). This Authority has passed a common Order No. TAMP/4/2004-Genl. dated 16 December 2016 relating to prescription of the Standard Operating Procedure (SOP) while levying port dues and other charges for entry of vessels of the Republic of Bangladesh into India under the Coastal Shipping Agreement between the two countries. Accordingly, the provisions of the said Order have been incorporated by the PPT in its proposed Scale of Rates.

(xxvii). The PPT has introduced wharfage charges for 'Bunker Supply to various Vessels' in line with the existing wharfage rate prescribed for POL having a flash points of 23^{o}C and above'. The said introduction is reported to be based on the agreement with the users and with the approval of Board of Trustees of PPT in the year 2014, when supply of Bunker to ships gained momentum at PPT. As per Section 48 of the Major Port Trusts (MPT) Act, 1963, this Authority is mandated to frame the scale of rates at which, and a statement of conditions under which, any of the services listed under Section 48 is performed by a Port Trust. Therefore, any charges to be levied by the PPT should have the approval of this Authority. Though the wharfage charges for 'Bunker Supply to various Vessels' is being levied by PPT since 2014, by adopting the existing wharfage rates of POL, the charges do not have the specific approval of this Authority. Nevertheless, considering that the wharfage rate has been derived from the existing rate, is in agreement with users and has the approval of the Board of Trustees of PPT, this Authority is inclined to approve the said levy. The PPT is advised to refrain from levy of any charges which do not have the specific approval of this Authority.

(xxviii). Under the Wharfage Schedule, the PPT has introduced wharfage rate for new cargo Items viz. Gypsum, Oilflux, Pyroxenite and Bentonite, by categorizing the said cargo under the existing category of cargo namely 'Cement, Clinker, Limestone, Dolomite and other fluxing materials'. Also, the existing wharfage rate in respect of the existing category of cargo are proposed to be made applicable to the new cargo items. The rationale to classify the Gypsum and Bentonite along with the existing group is reported to be based on customs classification. PPT has reported that

Gypsum and Bentonite have been categorized under Chapter- 25 of the customs classification under which cement is being charged. The other two cargo items, Oilflux and Pyroxenite are reported to be used as Fluxes and hence has been reported to have been classified with the existing items of fluxing materials. Based on the reasons furnished by PPT and relying on its judgement on the classification of the cargo, and given that none of the users objected to the proposal of PPT, the wharfage charges for new cargo Items viz. Gypsum, Oilflux, Pyroxenite and Bentonite, in line with the wharfage rate prescribed for 'Cement, Clinker, Limestone, Dolomite and other fluxing materials' is approved. In any case, classification of commodities for fixation of tariff under 2015 Tariff Policy is in the domain of the Port Trusts, including PPT.

(xxix). Under the Wharfage Schedule, the PPT has also introduced wharfage rate for Fertiliser Raw Materials (FRM) under the existing category of 'Finished fertiliser/ Ammonium Nitrate and has proposed to apply the existing wharfage rate of Finished fertiliser / Ammonium Nitrate to Fertiliser Raw Materials. FRM is not being presently handled by PPT. The PPT has stated that since in some occasions, Finished Fertilisers are used as Raw Materials for manufacturing complex fertilizers, such as DAP & NPK, all types dry bulk cargo which are required in manufacturing Fertilisers have been included as FRM and grouped under the Tariff applicable for 'Finished fertiliser/ Ammonium Nitrate. Based on the reasons furnished by the Port, and relying on the judgement of the PPT for classification of cargo, and considering that none of the users objected to the proposal of PPT, the proposal of PPT to categorise 'Fertiliser Raw Materials (FRM) under the existing category of 'Finished fertiliser/ Ammonium Nitrate' and apply the same wharfage rate is approved. In any case, classification of commodities for the purpose of fixation of tariff under Tariff Policy, 2015 falls under the domain of Port Trusts, including the PPT.

(xxx). With regard to introduction of wharfage charges on some of the cargo items as discussed in the preceding paragraphs, no income has been estimated by PPT at the proposed level of tariff in respect of some of these cargo items. However, considering the revenue gap between the ceiling ARR and the revenue estimation to the tune of ₹ 25.01 crores, the revenue, if any, to be earned by PPT on account of levy of these wharfage charges on the new cargo items, is expected to get subsumed in the revenue gap.

(xxxi). The PPT has also introduced wharfage charges to cater to residual category of cargo viz., 'Any other Liquid cargo not specified', 'Any dry bulk cargo not specified', 'Any break bulk cargo not specified' and 'Any other cargo not specified' in the Wharfage Schedule, uniformly at ₹ 68/- for foreign cargo and ₹ 40.80 for coastal cargo. The prescription of a residual category of cargo will enable the port to charge wharfage on cargo items which have specifically not been listed in the wharfage schedule. Notwithstanding this position, the PPT is advised to refer the relevant customs classification to find out whether the cargo could be classified under any of the specific categories mentioned in the wharfage schedule before classifying any cargo under unspecified category as required under clause 8.2.2 of the working Guidelines. Though no income has been estimated by PPT at the proposed level of tariff in respect of these cargo items, considering the revenue gap between the ceiling ARR and the revenue estimation to the tune of ₹ 25.01 crores, the revenue, if any, to be earned by PPT on account of levy of these wharfage charges, is expected to get subsumed in the revenue gap. Subject to compliance of clause 8.2.2 of the Working Guidelines by the PPT, the proposed rates in respect of the above listed cargo items are approved.

(xxxii). The PPT has proposed shipment charges of ₹. 49.50 per tonne and Tippling charges of ₹. 20.40 per tonne for handling thermal coal in the Iron Ore Handling Plant (IOHP). In this connection, it may be recalled that this Authority has accorded approval for introduction of labour cess of ₹. 120 per tonne for handling Thermal coal at IOHP vide Order no. TAMP/31/2016-PPT dated 8 February 2017. The various cost components, which formed part of the said levy of ₹ 120/- per tonne as discussed in the above referred Order is as follows:

Port Charge	Amt in ₹ per rake
Siding charges [3700 tonnes per rake X ₹ 4/- per tonne]	14,800
Haulage [58 wagons per rake X ₹ 1950/- per wagon]	113,100
Terminal Charges [3700 tonnes X ₹ 22.97 per tonne]	84,989
Tippling Charges [3700 tonnes X ₹ 20.4 per tonne]	75,480
IOHP charges [3700 tonnes X ₹ 49 per tonne] (Shipping Charges)	1,81,300
Total cost per rake	**4,69,669**
Tonnes of cargo in one rake	**3700**
Cost per tonne	**127/-**

From the above, it can be seen that the rate of ₹. 120/- is inclusive of shipment charges of ₹ 49/- per tonne and Tippling charges of ₹ 20.40 per tonne for handling of Thermal coal at IOHP. The said rate of labour cess forms part of the proposed Scale of Rates of the PPT. When the PPT was requested to confirm that the prescription of labour cess of ₹120/- per tonne alongwith the prescription of Shipment charges ₹ 49.50 per tonne and Tippling charges of ₹ 20.40 per tonne for handling thermal coal at IOHP will not amount to duplication, the PPT has stated that the shipment and tippling charges are not included in the labour cess of ₹. 120/- per MT and that the labour cess of ₹. 120/- per tonne is to enable the port to recover the amount of ₹ 176 crores paid by it to the Management Committee to meet the liability of Special Severance package (SSP) of Clearing, Forwarding & Handling (CF&H) workers and that the levy would be discontinued once the amount is recovered. In view of the said submission made by PPT, shipment charges and tippling charges for handling of Thermal coal at IOHP is prescribed as proposed by the PPT. The labour cess of ₹. 120/- per MT is retained for the present. However, considering that the cost component of labour cess of ₹. 120/- per MT is inclusive of shipment and tippling charges, it appears that there is duplication on prescription of separate rates for shipment and tipping charges. The PPT is, therefore, advised to review the labour cess of ₹. 120/- per MT so as to remove any duplication of cost components considered in the rate of ₹. 120/- per MT.

(xxxiii).The PPT has proposed a Note below the wharfage schedule to the effect that "Shipment charges of MCHP and IOHP are inclusive of Wharfage". The PPT is of the view that the wharfage is the basic dues of the Port on cargo for use of wharf and support infrastructure so created and maintenance thereof. In the event of mechanized plants like MCHP and IOHP, the Ship Loaders are installed in the wharf and used for shipment of cargo on the ship. Relying on the view of the PPT and since the proposed note would bring clarify and avoid ambiguity, the proposed note is approved.

(xxxiv). In the existing Scale of Rates, wharfage was not payable on surplus quantity due to moisture at the time of evacuation/ dispatch. However, the port has now proposed to levy wharfage charges on such cargo, on the ground that it is difficult to find out whether the surplus quantity is due to moisture or for any other reason and that Customs duty is also collected on the surplus quantity even if the same is due to moisture. In view of the clarification furnished by the port, and considering that none of the users consulted in this case objected to the proposal of PPT, the proposal of the port to levy wharfage on surplus quantity due to moisture at the time of evacuation/ dispatch, is approved.

(xxxv).The existing Scale of Rates of PPT prescribes various notes relating to 'Wharfage and Intra-port transportation'. The PPT has proposed to delete few notes on the ground that Intra-Port transportation including the storage yard, delivery / receipt operations, is being done by the Shore-Handling Agents and the port has a limited role to play in such operations. Given that none of the users have objected to the deletion of the said notes, the judgment of the port to delete the said notes is relied upon and the proposal of PPT to delete few notes is approved.

(xxxvi). As against the existing provision that the weight shown in the Bill of Lading or original invoice upon which freight has been paid shall be deemed to be the correct tonnage, the port has proposed to modify the note by stating that Draught Survey done by independent surveyor is the final quantity for collection of port charges, on the ground that the IGM/cargo declaration and Bill of Entry are regularized by the importer based on the draught survey by the independent surveyor.

However, the port has not established as to how the report of the independent draft surveyor on the weight / quantity of the cargo is better than the Bill of Lading / Invoice in terms of authenticity of weight / quantity of cargo. Further, no other Major Port Trust has proposed a note to go by the draft surveyor report. Therefore, this Authority is not in a position to approve the proposed modification. The existing provision is retained.

(xxxvii).The existing Scale of Rates of PPT prescribes charges (excluding lashing and dunnage) in the event the stuffing/ destufing of cargo containers is undertaken by the port. The port has proposed deletion of the said charges on the ground that currently PPT does not undertake stuffing/ de-stuffing of cargo containers and that it is carried out by consignees in their premises. Considering that the port does not render this service, the proposal of the port to delete the prescription of said charges is approved.

(xxxviii).The existing Scale of Rates of PPT prescribes separate charges to be levied on the Cargo of Paradeep Phosphates Limited (PPL) and Indian Farmers Fertilisers Co-operative (IFFCO). The PPT has proposed to delete the mention of charges to be levied on PPL and IFFCO on the ground that the charges levied on PPL and IFFCO are governed as per the terms and conditions of 2 different agreements with PPT and also that the validity of the agreement is different from the validity of General Scale of Rates of PPT. In this regard, reference is drawn to Clause 2.10 of Tariff Policy, 2015, and Clause 2.13 of the Working Guidelines issued to operationalize the Tariff Policy, wherein Clause 2.13 of the Working Guidelines stipulates that as per clause 2.10 of the Tariff Policy, 2015 in case where there is a separate tariff arrangement for captive berths/ facilities by way of mutual agreement entered into by the port and the concerned user, it will continue to be governed by the respective agreement and that the concerned Major Port shall approach TAMP for notification of such mutually agreed rate. In other words, though the charges to be levied to PPL and IFFCO are governed by separate Agreements, this Authority is bound to notify such rates. In view of this provision, the existing charges levied on the Cargo of PPL and IFFCO, as prescribed in the existing Scale of Rates of PPT is retained in the Scale of Rates approved now, as Section 2.16 and Section 2.17 respectively. However, in the event of changes in the respective Agreements, the same is intimated to this Authority for suitably notifying it in the Gazette of India.

(xxxix).(a). In the existing Scale of Rates of PPT, in the Section prescribing free storage period for levy of demurrage in transit accommodation, a note prescribes a free period of 24 hours for hazardous goods. The PPT has now proposed to modify the said note by stating that the free period of 24 hours will be counted from the time of landing. In this regard, the port is of the view that incase of the Hazardous cargo in break bulk or container, no Transit facilities are considered and the said cargo has to be delivered directly from the port premises upon landing from the ship to avoid any untoward incident emanating out of such transit storage, thereby affecting the port operations. In view of this position, the PPT is seen to have modified the note by specifically stating that the free period of 24 hours will be counted from the time of landing and after expiry of 24 hours demurrage charges will be levied at 200% of the highest rate of demurrage charges to act as a deterrent for such cargo if not delivered from the port within 24 hours of landing. The proposed note is approved.

(b). On the same lines, under the Section in the existing Scale of rates relating to Demurrage on containerized cargo, the port has proposed 200% premium for storage of hazardous goods. Clause 9.8.3. of the Working Guidelines stipulates a premium upto 50% on handling and storage of hazardous containers. Thus, the premium of 100% proposed by port is moderated in line with the guideline provision.

(xL). As against the free period of 3 days prescribed in the existing Scale of Rates for unclaimed/ uncleared goods sold by auction, the port has now proposed a free period of 90 days. The PPT has stated that the response for the auction process initiated for clearance of unclaimed/ uncleared dry bulk cargo is very poor, as the existing 3 free days is not found sufficient by the bidders to clear the entire quantity sold in auction and the Demurrage charges to be paid by the bidders far exceeds the prices of the auctioned material. Further, the various clearances to be obtained by the bidder takes at least 3 weeks. Therefore, the port has proposed to offer a free period of 90 days inorder to attract bidders to buy the unclaimed / uncleared goods through auction. Based on the reasoning furnished by the Port and given that Clause 8.6 of the Working Guidelines gives flexibility to the Port to propose the number of free days, a free period of 90 days is prescribed for unclaimed/ uncleared goods sold by auction, as proposed by the PPT.

(xLi). The PPT has proposed to delete the existing note which states that in case of excess landed cargo, demurrage will be charged after expiry of 3 days of notification of excess landing to the consignee, on the ground that it is not practically possible to comply with the provision. Based on the submission made by the port and considering that since a similar note is not prescribed in the Scale of Rates of any of the Major Port Trusts, the deletion of the clause is approved.

(xLii). Under the Section of License fee, one of the notes under General conditions for allotment of covered and open spaces, states that the locking of shed partially or wholly rented to the parties shall not be regarded as making the Port a bailee of the goods unless the Port has issued a special receipt for the same, has been proposed to be deleted by the Port on the ground that such facilities are not available in PPT. Based on the clarification furnished by the Port, the deletion of the note as proposed by the Port is approved.

(xLiii). Under the Section of License fee, the PPT has proposed a note that at the discretion of PPT, the storage space inside custom bond area can be put to tender cum auction. In this connection, reference is drawn to Clause 10.1(a) of the Land Policy Guidelines, 2014, which interalia, stipulates that the land inside custom bond area shall be given on licence basis only upto a maximum period of 11 months and that the licence shall be at the bid value discovered through the tender-cum-auction issued only by inviting competitive tenders. The said Clause also stipulates that in cases, where the tender- cum-auction is not possible, land can be allocated on licence basis at the latest Scale of Rates. However, allotment of land by not resorting to tender-cum-auction methodology should be exercised as an exception. The note proposed by the Port is seen to be in line with the stipulation in the Land Policy Guidelines, 2014, and hence is approved. However, the PPT is requested to note that the discretion as proposed by PPT will be subject to instances where allotment of land is not possible through tender-cum-auction, as stipulated in the Land Policy Guidelines of 2014.

(xLiv). (a). Under the Section relating to levy of Penal Licence Fee, the PPT has introduced a new note to the effect that the calculation will be made from the date of 1st landing of the cargo, so as to have clarity. Since the proposed note gives clarity as to from when the penal levy would be levied, the proposed note is approved. However, to avoid ambiguity, it is proposed to modify the note so as to state that the calculation of days will be made from the date of 1st landing of the cargo.

(b). Under the same Section, the PPT has introduced another note to the effect that in case of duration beyond 90 days, the fees are to be collected on 30 days basis and in case of less than 30 days of stay, the dues are to be calculated on actual day of occupation.

In spite of specific request made to the Port, the PPT has not furnished the reason for proposing the said Note. From the reading of the note, it appears that for the 1st slab of 30 days (beyond 90 days), the penal license fee is leviable on actual no. of days of stay of cargo instead of levying for entire 30 days. In case the cargo stays for less than 30 days, beyond 120 days, the port appears to have proposed to levy penal license fee for the entire 30 days irrespective of number of days of stay of cargo. This will act as a deterrent as well as send a signal to the users that the relief available for 1st slab of 30 days (beyond 90 days) will not be available for subsequent slabs of 30 days.

(xLv). The existing Scale of Rates prescribes hire charges for various cargo handling equipment viz., Locomotives, Mobile cranes of various sizes, Wharf cranes of different sizes, Forklift trucks, Pay-loaders, Bulldozers, Grab attachment for wharf crane etc. Inspite of a specific request, the PPT has not explained the reason for the proposed deletion. It is presumed that the said equipment are no longer in use at PPT and that therefore, the PPT has proposed for deletion of the hire charges for the said equipment. Considering that the users have not objected to the proposed deletion of the hire charges for the various equipment, the proposal of PPT for deletion of the hire charges for the above listed equipment, is approved.

(xLvi). It may be recalled that this Authority vide its Order no. TAMP/30/2014-PPT dated 28 November 2014 has fixed ceiling tariff for the use of Harbour Mobile Crane (HMC) at the PPT, for common application, without reference to any particular service provider. This Order was notified in the Gazette of India on 5 January 2015 and had come into effect after expiry of 30 days from the date of notification of the Order i.e. 4 February 2015 and is valid for a period of three years i.e. upto 3 February 2018. The PPT has not incorporated the HMC tariff in its proposed Scale of Rates on the ground that many HMCs have been phased out and that the validity of these rates are not same as that of Scale of Rates approved now in the general revision case of PPT. Considering that the rates for the HMC has been incorporated in the existing Scale of Rates, the proposed Scale of Rates is also incorporate the said charges. Further, a note is prescribed in the Scale of Rates approved that the prescribed HMC rates would remain valid till 3 February 2018. The PPT is advised to file a proposal well in advance for review of the rates for HMC.

(xLvii). The existing notes relating to levy of various vessel related charges viz. Berth hire, Port Dues and Pilotage & Towage charges on the Lash Barges/ Vessel in the existing SOR has been proposed to be deleted by the PPT on the ground that the Lash ships have been phased out and has not called at PPT over last 15 years. In view of the clarification furnished by the PPT, the deletion of the existing notes as proposed by the Port is approved.

(xLviii). The existing Weighment charges for the use of weigh bridges/ weigh scales in the warehouses/ transit shed have been proposed to be deleted by the PPT in the proposed SOR on the ground that there is no weigh bridge in the Warehouse/ Transit sheds. Based on the clarification furnished by the Port, the proposed deletion is approved.

(xLix). This Authority has passed a common Order No. TAMP/4/2004-Genl. dated 25 October 2016 relating to grant of 80% discount on vessels related charges and Cargo related charges for coastal transportation of vehicles through Ro-Ro ship for a period of two years with effect from 20 September 2016. The said note has been incorporated by the PPT in its proposed Scale of Rates.

(L). This Authority vide its Order no. TAMP/55/2016-PPT dated 08 February 2017 has approved levy of Labour Cess of ₹ 70/- per tonne for Iron Ore Pellets handled at Iron Ore Handling Plant (IOHP) and vide Order no. TAMP/31/2016-PPT dated 08 February 2017 has approved levy of Labour Cess of ₹. 120/- per tonne for thermal coal handled at IOHP. It may be recalled that the said levy has been approved to enable the port to recoup the amount of ₹.176 crores incurred towards SSP of the CF&H workers. In view of this position, as already advised by this Authority in the above referred Orders, the PPT is advised to maintain a separate account in this regard and stop the levy at once the entire amount is recovered by the PPT. Further, the PPT is advised to produce an audited account in this regard at the time of next review of tariff of PPT.

(Li). Based on a policy direction issued by the Ministry of Shipping under Section 111 of the Major Port Trusts, 1963, this Authority vide its Order no. TAMP/33/2014-Genl dated 17 July 2014 has prescribed provisions relating to the cargo transloaded at the Transloading point. The said provisions have been incorporated by the PPT in its proposed Scale of Rates.

(Lii). The PPT has proposed a rate of ₹.1000/- per unit to be levied incase of Automobiles to be landed or shipped through Ro-Ro operation. The PPT has stated that it envisages some loading/ unloading of car/ automobile etc. through Ro-Ro operation and in the absence of any rate, it would not be in a position to levy rates. The PPT has also stated that the revenue to be generated from such operation would be negligible. Inspite of a specific request, the PPT has not furnished any basis to arrive at the said proposed rate. Considering that the PPT anticipates handling of cars/ automobiles through Ro-Ro operations in future and keeping in view of the flexibility available to the port to prescribe charges in the Tariff Policy, 2015, the proposed rate is approved, relying on the judgment of the port on the viability of the rate proposed by it.

(Liii). The PPT has proposed a wharfage rate of ₹.200/- per unit to be levied for any cargo/ container operation, if a vessel has to unload/ reload any hatch cover/ pontoon. The PPT has stated that occasionally, some container feeder ships and project cargo ships at the port unload and reload hatch covers/ pontoons, thereby involving time, manpower and infrastructure. Since the existing Scale of rates does not prescribe any rate for this aspect, the PPT has proposed the above said rate. The PPT has also stated that the revenue to be generated from such operation would be negligible. Inspite of a specific request, the PPT has not furnished any basis to arrive at the said proposed rate. Considering that the operation is reported to be undertaken only seldom and keeping in view of the flexibility available in the Tariff Policy, 2015, to prescribe charges by the port the proposed rate is approved, relying on the judgment of the port on the viability of the rate proposed by it.

(Liv). The PPT has proposed Siding Charges for Warehousing Zone at ₹ 4.25 per MT and for other siding ₹ 4.00 per MT on the ground that the Siding Charges are not approved/ revised by the Railway Board. The proposed provision also states that the siding charges include the additional shunting charges for shifting of the rakes to a maximum of two parts and that an amount of ₹ 2,000/- will be charged for each additional placement. The PPT has stated that Levy of Siding Charge formed part of the 1993 Scale of Rates of PPT but was inadvertently omitted by this Authority in the Scale of Rates of 2011 due to Order passed by this Authority on 27 March 2009. In this connection, reference is drawn to tariff Order no. TAMP/60/2005-PPT dated 27 March 2009, wherein after obtaining views of PPT, this Authority had de-notified the then Chapter V - Railway charges from the Scale of Rates of the PPT which was initially approved vide Order of October 2007 on the ground that the railway charges sanctioned by Railway Board cannot be approved by this Authority. The position prevailing now is not different from the position that prevailed in March 2009. The proposal of the port, is therefore, not approved.

(Lv). Based on a communication from the Ministry of Shipping (MOS), the Major Port Trusts including PPT were requested to prescribe a suitable note in their respective SOR regarding applicability of wharfage rates for Defence Stores in such a way that there is no ambiguity in mind of users on the application of the prescribed rates. The PPT has not prescribed wharfage rate for ‘Defence Stores’ in its Scale of Rates. The Port is advised to come up with a proposal for prescription of a note in this regard, within 3 months from the date of notification of the Order passed in the Gazette of India.

(Lvi). The MOS vide its Letter No. PD-25021/7/2015-PD.1. dated 16 April 2015 has directed all Major Port Trusts to follow the TAMP letter No. TAMP/53/2002-Misc dated 25 March 2015 regarding wharfage charges on vessel manifested as cargo in the Import General Manifest (IGM) or Export General Manifest (EGM). Since the PPT has not incorporated the relevant note, a note to the effect that Vessels calling the Port on her first voyage, which are declared as cargo in the Import General Manifest or Export General Manifest for the purposes of Customs Act, 1962, shall not be treated as cargo and no wharfage shall be levied on such vessels, if the vessels come into the port on their own steam and sail out of the port limits on their own steam. However, when loading or unloading of vessels takes place within the Port limits, wharfage shall be payable on such vessels is incorporated in the Scale of Rates of PPT, as has been prescribed in Scale of Rates of other Major Port Trusts.

(Lvii). As per clause 4.1. of the Tariff Policy, 2015, (i). the additional surplus assessed by TAMP in earlier tariff Orders which remain unadjusted has to be transferred by Major Port Trusts to any fund as desired by the Port Trust, and, further (ii). additional surplus, if any, accruing to the Major Port Trusts during the period of application of existing Scale of Rates till the effective date of implementation of the new Scale of Rates fixed under this policy should be assessed and transferred to the General Reserve and use the funds for the purpose of development, creation and / or modernization of the port infrastructure facilities.

In the last general revision Order of PPT in the year 2011, a reduction was effected on all cargo handling charges and status quo was maintained in other charges. Thus, there is no unadjusted additional surplus of earlier tariff Orders.

For the years, 2011-12 to 2016-17, the PPT is required to, after finalizing the accounts for the financial year 2016-17, assess the actual aggregate surplus/ deficit and in case of surplus, if any, comply with provision prescribed in Clause 4.1. of the Tariff Policy 2015 and also report the position to this Authority.

(Lvii). As per Clause 3.1. of the Tariff Policy 2015, the Major Port Trusts shall also commit Performance Standards for cargo related services in terms of average ship berth day output, average moves per hour in case of container handling. For vessel side services, the port shall prescribe Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and any other parameter which is found relevant by the Port. The PPT has committed Performance Standards for cargo related services in terms of average ship berth day output in tonnes / day in respect of major cargo/ vessel groups. The PPT has also proposed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels. The Tariff Policy 2015 does not prescribe any method or basis for proposing performance standards. The performance standards as proposed by the PPT is prescribed along with SOR.

(Lx). As per Clause 2.8. of the Tariff Policy, 2015, SOR will be indexed annually to the inflation to the extent of 100% variation in Wholesale Price Indexed (WPI) announced by the Government of India occurring between 1 January 2014 and 1 January of the relevant year and the adjusted indexed SOR will come into force from 1 April of the relevant year to 31 March of the following year. Further, as per clause 3.2 of the Tariff Policy 2015 to be read with clause 2.8 of the Tariff Policy 2015, annual indexation in SOR at 100% of the WPI is applicable subject to achievement of Performance Standards committed by Major Port Trusts. If a particular port does not fulfil the Performance Standard, no indexation would be allowed during the next year. It is relevant to state that in the instant case indexation for the year 2016-17 is already considered in the ARR computation and for drawing the SOR. The next annual indexation in SOR will thus be applicable from 1 April 2018 subject to increase in inflation index and achievement of Performance Standards in the year 2017-18. That being so, a note is inserted in the SOR to the effect that the SOR approved by this Authority is subject to automatic annual indexation at 100% of the WPI to be announced by this Authority. The annual indexation will be from 1 April 2018 subject to increase in inflation index announced by us and the PPT achieving the Performance Standards notified alongwith the SOR. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year. The Tariff Policy 2015 stipulates that annual indexation in the SOR will be automatic subject to achievement of Performance Standards. It does not require the Major Port Trusts to approach this Authority for the same. In Order to have transparency, the port is advised to declare the Performance Standards achieved for the period 1 January to 31 December vis-à-vis the Performance Standards notified by this Authority at the level committed by the port within one month of end of the calendar year to the concerned users as well as to this Authority. If the Performance Standards as notified by this Authority are achieved by the port, then the port can automatically index the rates prescribed in this SOR at 100% of WPI announced by this Authority and apply the indexed SOR w.e.f. 1 April of the relevant year. The indexed SOR by the PPT may be intimated by the port to the concerned users and to this Authority.

12.1. In the result, and for the reasons give above, and based on collective application of mind, the revised Scale of Rates of the PPT incorporating the Performance Standards, attached as **Annex** is approved.

12.2. The validity of the existing Scale of Rates has been extended upto 30 September 2017. Since status quo in tariff has been maintained in the existing Scale of Rates of PPT, the revised SOR shall come into effect from 01 October 2017 and shall be in force till 31 March 2019. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

12.3. The PPT has committed Performance Standards for cargo related services in terms of average ship berth day output in tonnes / day for major cargo groups. The PPT has also proposed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels.

12.4. The indexation of SOR as provided in Clause 2.8 of the Tariff Policy, 2015 is to be read with Clause 3.2. of Tariff Policy 2015. If PPT does not fulfil the Performance Standard, no indexation is eligible for the next year.

12.5. As per Clause 7.1. of the Tariff Policy 2015, the PPT shall furnish to this Authority annual 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 of its berth. The annual reports shall be submitted by the Port within 60 days following the end of each of the year. Any other information which is required by this Authority shall also be furnished to this Authority from time to time.

12.6. As per Clause 4 of the Working Guidelines, this Authority shall publish all the information received by it from PPT under clause 7.1. of the Tariff Policy, 2015 on its website. However, this Authority shall consider a request from PPT about not publishing certain data/information furnished which is 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 upon such publication. Authority's decision in this regard would be final.

12.7. (a). If there is any error apparent on the face of record, the PPT may approach this Authority for review of the tariff fixed, giving adequate justification/ reasoning within 30 days from the date of notification of the Order passed in the Gazette of India.

(b). Further, the PPT may also, for any other justifiable reasons, approach this Authority for review of the tariff fixed giving adequate justification/ reasoning within 30 days from the date of notification of the Order passed in the Gazette of India.

(T.S. Balasubramanian)
Member (Finance)

Annex

PARADIP PORT TRUST
SCALE OF RATES
Chapter- I

1.1 Definitions:

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

(i). **“Board”** will mean Board of Trustees of Paradip Port Trust.

(ii). **‘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 Director General of Shipping/ Competent Authority.

(iii). “**Cold Move**” shall mean the movement of the vessels without the main engines in operation.

(iv). ‘**Day**’ will mean 6 A.M to 6 A.M of the following day, unless in the context otherwise specified.

(v). **“Demurrage”** shall mean charges payable for storage of cargo within Port Transit Area beyond free period as specified in the Scale of Rates and shall not include the cargo stored at the area allotted to a port user on license/ lease basis for which the user is required to pay license fees as per the SoR and/ or as per allotment conditions thereof.

(vi). ‘**Entry’** means entering in to the Port limits.

(vii). ‘**Foreign vessel’** means a vessel other than a Coastal Vessel.

(viii). “**Full Container Load” (FCL**) shall mean a container containing cargo belonging to one consignee in the vessel’s manifest.

(ix). “**Hazardous Cargo**” shall mean any cargo as is defined in the International Maritime Dangerous Goods (IMDG) Code/IMO.

(x). “**Hazardous Container**” shall mean a container containing hazardous goods as classified under IMO.

(xi). ‘‘**Holiday’** will mean the days notified by the management on which the Port Trust offices will remain closed.

(xii). **“Less than a Container Load” (LCL**) shall mean a container containing cargo belonging to more than one consignee in the vessel’s manifest.

(xiii). **“Port”** will mean Port of Paradip.

(xiv). **“Port Management”** will mean Chairman of Paradip Port trust or any other official acting under the Authority of Chairman.

(xv). “**Reefer Container”** shall mean a refrigerated container used for carriage of perishable goods with provision for electrical supply to maintain the desired temperature.

(xvi) **“Reserve Price of the Plots for Iron Ore/Iron Ore pellet/Concentrates”** shall mean the H-1 price discovered in one case will be taken as the ‘Reserve Price’ of next tender-cum-auction and the H-1 price so discovered in the next tender will be fixed as the ‘Reserve Price’ of subsequent tender and the process will be carried on to derive the best prices so offered by the users from time to time. However Paradip Port Trust has the liberty to review the above procedure depending on the market condition.

(xvii). ‘**Shift’** will mean duration of eight hours. For the port’s operation the first shift is from 6.A.M. to 2 P.M, second shift from 2 P.M to 10 P.M and third shift is from 10 P.M to 6 A.M of the next day.

(xviii) **"Shut Out cargo"** shall mean export cargo left in the Port having not been shipped on board the vessel for which it was received in the Port.

(xix) **"Stevedoring and shore handling"** shall mean a combined activity on board the ship that includes loading and unloading and stowage of cargo in any form on board the vessels in the port as well as on-shore handling of cargo which would include arranging and receiving of cargo to /from the hook point, inter modal transportation from wharf to stack yard and vice-versa as well as receiving and delivery of cargo from/to wagons/ trucks".

(xx) "**TEU**" shall mean Twenty Feet Equivalent Unit of container and **FEU** shall mean Forty Feet Equivalent Unit.

(xxi). "**Transhipment**" shall mean any cargo not originally manifested for the port of Paradip, but landed at Paradip and subsequently reshipped to other ports.

(xxii). "**Transhipment container"** shall mean any container, which is discharged from one vessel, stored in the yard and transported by road, rail or by sea through other vessel.

(xxiii). **'Vessel"** will have the same meaning as defined under MPT Act-1963.

(xxiv) **"Wharfage"** shall mean the basic dues recoverable on all Cargo/Container landed or shipped or transhipped within the port limit and approaches or passing through the wharf/jetty/anchorage/transloading point jetty.

1.2. <u>General terms and conditions</u>.

(i). 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.

(ii) (I) (A). 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.

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

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

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

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

(iii). (II). Criteria for levy of Cargo Related Charges (CRC) at Concessional Coastal Rate

(i). 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:

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

(b) Not converted* to costal 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.

(ii) 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.

(iv). (a). All dollar denominated tariff will be recovered in Indian Rupees after conversion of charges in dollar terms into its equivalent Indian Rupees at the Reference rate notified by Reserve Bank of India or the market buying rate notified by State Bank of India, as may be specified from time to time.

(b). The day of entry of the vessel into port limits shall be reckoned as the day for such conversion. In respect of charges on containers, the day of entry of the vessel in the case of import containers and the day of arrival of containers into the port in the case of export containers shall be reckoned as the day for such conversion.

(v). A regular review of exchange rate shall be made once in 30 days from the date of arrival in cases of vessels staying in the port for longer period. The basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.

(vi). (a). The rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The Port Trust may, if it so desires, charge lower rates and/or allow higher rebates and discounts.

(b). The Port Trust may also, if it so desires, rationalize the prescribed conditionalities governing the application 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). The Port Trust should notify the public such lower rates and/or rationalization 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 Authority.

(vii). (a). The vessel related charges for all coastal vessels should not exceed 60% of the corresponding charges for other vessels, (b). The cargo/container related charges for all coastal cargo/containers, other than thermal coal and POL including crude oil, Iron ore and Iron ore pellets should not exceed 60% of the normal cargo/container 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 to/from storage yard including wharfage.

(d). In case of container related charges, the concession is applicable on composite box rate. Where itemized charges are levied, the concession will be on all the relevant charges for ship-shore transfer, from/to quay to/from storage yard as well as wharfage on cargo and containers.

(e). Cargo/container 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/containers from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.

(f). The charges for coastal cargo/ containers/ vessels shall be denominated and collected in Indian Rupee.

(viii). The users shall not be required to pay charges for delays beyond reasonable level attributable to PPT.

(ix). Goods shall not be delivered/ allowed to be shipped until all the admissible charges under the rules have been paid.

(x). Vessels shall not be granted clearance for sailing until and unless all the admissible dues/charges as per rules have been paid.

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

(xii). For the purpose of charges, 'Gross' and not the 'Net' tonnage of cargo shall be taken.

(xiii). All dues in respect of services required will have to be paid in advance or within the stipulated time as per demand.

(xiv). Interest on delayed payments/refunds:

(a). Users shall pay penal interest on delayed payments and port shall pay penal interest on delayed refunds at the rate of 15% per annum.

(b). The delay in payments by user will be counted beyond 10 days after the date of raising the bills. This provision will not apply to cases where payment is to be made before availing of the services/use of port properties as stipulated in the MPT Act, 1963 and/or prescribed as conditions in the tariff

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

(xv). Application for refund of any type of due/ charge already paid must be submitted in writing by the claimant or his representative within six calendar months after the month of first payment/adjustment. No refund shall be made unless amount refundable is ₹100/- or more.

(xvi). The charges are to be paid on per ton basis. The fraction of a ton will be rounded off to next higher tonnage.

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

(xviii). (a). The SOR is subject to automatic annual indexation at 100% of the WPI to be annually announced by the Authority. The next annual indexation will be from 1 April 2018 subject to the PPT achieving the Performance Standards notified alongwith the SOR. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year.

(b). The port should declare the Performance Standards achieved by it annually for the period 1 January to 31 December vis-à-vis the Performance Standards notified by the Authority at the level committed by the port within one month of end of the calendar year to the concerned users as well as to the Authority. If the Performance Standards as notified by the Authority are achieved by the port, then the port will automatically index the SOR at 100% of WPI announced by the Authority and apply the indexed SOR w.e.f. 1 April of the relevant year. The indexed SOR by the PPT to be intimated by the port to the concerned users and to the Authority.

(xix). **Performance Standards:**

Sl. No.	Performance parameters		Proposed Performance standards
(1)	**Cargo Related Services**		
(a)	Average Ship Berth day Output (in tonnes) in respect of Major Cargo Groups		
	(i)	Geared vessel	10,000
	(ii)	Gearless vessel	11,500
	(iii)	Thermal Coal export (MCHP)	45,000
	(iv)	Iron Ore/ Iron ore pallet (IOHP)	15,000
	(v)	Thermal Coal in IOHP	12,000
	(vi)	Crude Oil	1,00,000
(b)	Average moves per hour (in TEUs) in respect of Containers		NA
(2)	**Vessel Related Services**		
(a)	Average Turnaround Time of Vessels (in days) port a/c		3
(b)	Average Pre-Berthing Time of Vessels (in days) port a/c		1

1.3. (a). As per the Standard Operating Procedure (SOP) for operation of Indo-Bangladesh Coastal Shipping Agreement, the vessels entering into India from Bangladesh under the Coastal Shipping Agreement between India and Bangladesh are not to be treated as Foreign Going (FG) vessels.

(b). Port and other charges:

(i). Port dues to be levied by the Major Port Trust on the entry of vessels of the Republic of Bangladesh into India under the Coastal Shipping Agreement between the two countries and engaged in inter country trade will be treated as domestic vessel engaged in coastal shipping and not as Foreign Going (FG) vessels.

(ii). The Major Port Trust shall also on the vessels of the Republic of Bangladesh levy charges for conservancy, pilotage and other specific services at par with those charged from the coastal vessels. The charges will be determined with reference to cargo carrying capacity of the vessels, as applicable to coastal vessel engaged in coastal vessel engaged in coastal shipping.

Chapter-II

CARGO RELATED CHARGES

2.1 Wharfage charges:

Sl. No.	Description of goods		Rate per MT or part thereof (₹) Foreign rates	Coastal rates
	Liquid			
1	a	POL Crude oil, petroleum and its products having flash point of 23 degree C [73.4 degree F.] and above In bulk Upto 2.00 MTPA In bulk Above 2.00 MTPA In barrel	 30.60 28.55 40.80	 30.60 28.55 40.80
	b	Petroleum and its products having flash point of less than 23 degree C [73.4 degree F.]	68.00	68.00
2		Liquid bulk including Acid, Fatty Acid and Ammonia.	50.85	30.50
3		POL through SBM constructed by operators within port limits.	5.45	5.45
4		LPG and LNG	68.00	40.80
5		Transshipment [crude and POL] from mother to daughter vessel.	6.80	4.10
6		Bunker supply to various vessels:	30.60	30.60
7		Edible Oil Upto 50,000MT (per user)/ per commodity Above 50,000 MT (per user)/ per commodity	 68.00 40.80	 40.80 24.50
8		Any other liquid cargo not specified above	68.00	40.80
	Dry Bulk			
1	a)	Chrome Ore /Chrome Concentrate	51.00	30.60
	b)	Manganese ore.	50.80	30.50
2		Charge Chrome/ Ferro alloys and other processed Ores/High Carbon Ferro Chrome	61.20	36.70
3		All types of Coal/Coke Per user/per commodity import upto 5 lakhs tonnes per annum	 43.00	 25.80
		Per user/per commodity import between 5 lakhs and 7.5 lakhs per annum	36.20	21.70
		Per user/per commodity import above 7.5 lakhs tonnes per annum	29.40	17.65
		Per user shipment of all types of coal upto 3.5 million tonnes per annum - conventional handling.	46.90	28.15
		Per user shipment of all types of coal above 3.5 million tonnes per annum - conventional handling.	39.10	23.45
4		Iron & Steel Scraps	27.20	16.30
5		Cement, Clinker, Limestone, Dolomite, Gypsum, Oliflux, Pyroxenite, Bentonite and other fluxing materials. Up To 2.00 Lakhs Tons (per user)/per commodity Above 2.0 Lakhs Tons (per user)/per commodity	 54.40 47.60	 32.65 28.55
6		Finished Fertilizer / Ammonium Nitrate / FRM	27.20	16.30
7		Food grains, Oil seeds, cereals, pulses etc. Upto 50,000 MT (per user)/per commodity Above 50,000 MT(per user)/per commodity	 68.00 40.80	 40.80 24.50
8		Rice/sugar in Bulk	20.40	12.25

Sl. No.	Description of goods	Rate per MT or part thereof(₹)

			Foreign rates	Coastal rates
9		Salt	6.80	4.10
10		Iron Ore/ Iron Ore pellet	23.45	23.45
11		Iron & Steel [Pig Iron, HBI etc.]	51.00	30.60
12		Other General Cargo (Bulk)		
	i)	By Slings	34.00	20.40
	ii)	By Grabs	23.80	14.30
13		Other cargo not specified above	68.00	40.80

	Break Bulk			
1		Iron & Steel [Steel coils, slabs, steel pipes, steel rails, plates, iron rods etc.]	51.00	30.60
2		All types of project cargo including over dimensional consignment [ODC]	57.80	34.70
3		Other General Cargo By Slings	34.00	20.40
4		Rice and Sugar (in bags)	20.40	12.25
5		Other cargo not specified above	68.00	40.80
	Others			
1		Aluminum Ingots	19.55	11.75
2		Timber [per cum]	34.00	20.40
3		Drilling materials and chemicals.	54.40	32.65
4		All types of fish including shrimps	39.10	23.45
5		Barging [loading and unloading]	-	10.20
6		Other cargo not specified above	68.00	40.80

2.2 Wharfage on Containers and Containerised cargo:-

Sl. No.	Description	Container having length upto 20 feet (₹)		Container having length over 20 feet but upto 40 feet (₹)		Container having length above 40 feet(₹)	
		Foreign	Coastal	Foreign	Coastal	Foreign	Coastal
1.	Wharfage on Container (Box only)	68.00	40.80	102.00	61.20	136.00	81.60
2.	Wharfage on reefer cargo (Per Box)	544.00	326.40	816.00	489.60	1088.00	652.80
3.	Wharfage on non-reefer cargo(Per Box)	442.00	265.20	663.00	397.80	884.00	530.40

2.3 Charges of Mechanised Coal Handling Plant (MCHP)

Sl. No.	Description of goods	Rate per MT or part thereof (₹)	
		Foreign rates	Coastal rates
a)	Unloading of coal wagon through the coal handling system	51.70	51.70
b)	Shipment of coal through coal handling plant	77.50	77.50
	(i) Up to 7.5 million tonnes	71.05	71.05
	(ii) From 7.5 million tonnes to 10 million tonnes	64.60	64.60
	(iii) Beyond 10 million tonnes		

2.4 Charges of Iron Ore Handling Plant (IOHP).

Sl. No.	Description of goods		Rate per MT or part thereof (₹)	
			Foreign rates	Coastal rates
1.	I.	Iron Ore and/or Iron Ore pellet		

		Shipment Charges a) i) Shipment Up to 1.0 MTPA ii) Shipment between 1.0 MTPA and 1.5 MTPA iii) Shipment above 1.5 MTPA b) Tippling Charges	 23.45 20.05 16.65 20.40	 23.45 20.05 16.65 20.40
	II.	Thermal Coal a) Shipment Charges b) Tippling Charges	 49.50 20.40	 49.50 20.40

Note:

(1) The sliding rates indicated in the above of MCHP & IOHP tables in respect of any cargo will be applicable if traffic of a single user in a year exceeds the slab limits.

(2) The shipment charges of MCHP and IOHP are inclusive of wharfage.

(3) Wharfage shall also be payable on the following specified goods at normal rates:

(a) On cargo abandoned.

(b) On cargo excess landed and over loaded.

(c) On cargo confiscated by Customs.

(d) On cargo salvaged.

(e) On serviceable empty drums, empty bottles, waste oil and other ship stores disposed of by vessels in the Port.

(f) On sweeping collected on board of vessels and landed at this port where the entire cargo is not discharged at the Port.

(g) On all cargo admitted to the Board’s transit areas for shipment where it is shipped or having been brought is taken out without being shipped.

(h) On cargo entering the Board’s premises by rail or road and taken out from the Port without shipment.

(i) Cargo of other Port if landed or reshipped.

(j) Handling charges for transshipment containers will be at 1.5 times the handling charges for the normal handling operations in loading or unloading cycle.

(k) On surplus quantity due to moisture at the time of evacuation/dispatch.

(4) Wharfage shall not be payable on the following specified items-

(a) Goods cosigned to or by the Board on account of Paradip Port Trust

(b) In respect of ships using the Port bonafide ship’s fittings, ship’s stores, bonafide passengers and Seamen’s baggage and personal effects accompanying, live stock, which was not manifested as cargo.

(c) Sweeping collected from the Board’s premises and survey rejections.

(d) Rail-borne goods mis-sent to the harbour rejected by the consignee and goods cleared from bond and dispatched by rail from the Board’s premises.

(e) Cargo shifted from one hatch to other hatch without routing through the berth.

(5) Wharfage and Intra-port transportation:-

(a) All goods landed or shipped within the limits of Port areas shall be liable to pay wharfage charges as detailed in the scale of rates. The charges shall be payable by the Importers/Exporters or their Agents prior to rendering of service by the Port.

(b) The weight shown in the Bill of Lading or original invoice upon which freight has been paid shall be deemed to be the correct tonnage. However, incases where the Port makes a check weighment, the tonnage recorded by the Port shall be deemed to be the correct tonnage.

(c) The Exporters and Importers are to regulate loading at the wharf as well as at the stackyard to avoid spillage en-route in course of Intraport Transportation. In the event of spillages en-route or on the railway tracks in course of Transportation, it shall be the responsibility of the Importer/ Exporter to arrange for removal of the same for operational reasons.

(d) Before classifying any cargo under “unspecified” category, the relevant customs classification should be referred to find out whether the cargo could be classified under any of the existing categories in the wharfage schedule.

(e). Port assumes the custody in respect of general/break bulk cargo landed from the vessel or brought to the transit shed/area for shipment only when the port gives a receipt.

(6) Vessels calling the Port on her first voyage, which are declared as cargo in the Import General Manifest or Export General Manifest for the purposes of Customs Act, 1962, shall not be treated as cargo and no wharfage shall be levied on such vessels, if the vessels come into the port on their own steam and sail out of the port limits on their own steam. However, when loading or unloading of vessels takes place within the Port limits, wharfage shall be payable on such vessels.

2.5 **<u>Dwell time charges on containers.</u>**

Sl. No.	Description	Container having length upto 20 feet (Rate per day in U.S. $.)	Container having length over 20 feet but upto 40 feet (Rate per day in U.S.$.)	Container having length above 40 feet (Rate per day in U.S. $.)
1.	<u>Import containers</u>			
	First 3 days	Free	Free	Free
	4th to 30th day	0.095	0.190	0.285
	31st day onwards	0.204	0.408	0.612
2.	<u>Export containers</u>			
	First 5 days	Free	Free	Free
	6th to 30th day	0.095	0.190	0.285
	31st day onwards	0.204	0.408	0.612
3.	<u>Transhipment containers</u>			
	First 8 days	Free	Free	Free
	9th to 30th day	0.095	0.190	0.285
	31st day onwards	0.204	0.408	0.612

2.6 **<u>Charges for supply of electricity to reefer containers</u>**

Particulars	Rate per container per 4 hours or part thereof					
	Upto 20’ containers		Above 20’ but upto 40’ containers		Above 40’ container	
	Foreign (₹)	Coastal (₹)	Foreign (₹)	Coastal (₹)	Foreign (₹)	Coastal (₹)

Charges for supply of electricity to reefer containers.	102.00	61.20	153.00	91.80	204.00	122.40

2.7 **Charges for overside discharge of containers**

Particulars	Per overside discharge of loaded container		Per overside discharge of empty container	
	Foreign (₹)	**Coastal (₹)**	**Foreign (₹)**	**Coastal (₹)**
1. Container having length upto 20 feet	340.00	204.00	47.60	28.55
2. Container having length over 20 feet but upto 40 feet	510.00	306.00	71.40	42.85
3. Container having length above 40 feet	680.00	408.00	95.20	57.10

Note: This charge shall be levied on Steamer Agents/ Slot-hirers/ Ship owners

2.8 **Charges for transshipped goods:**

Category	Rate
Through cargo originally manifested at the Port of shipment landed on quay and reshipped OR Goods transshipped for Ports outside India OR Cargo manifested for local and subsequently amended at Paradip for transshipment OR Cargo of other Ports not shown for transshipment	2 times of wharfage as per Section 2.1 above

Note: - Intra-port transportation charges wherever applicable will have to be paid extra.

2.9 **Free Storage period for levy of demurrage in transit accommodation.**

Sl.No.		Description	Free period.
1		Import	3 days from day of discharge
2.	a	Export	5 days from day of receipt in Port
	b	Rice Export	30 days from day of receipt in Port
3		Transshipment	10 days from the date of landing

Notes:

(i) Free period prescribed above excludes customs notified holidays and ports non-working days.

(ii) Free period for containerized cargo shall commence from the day of de-stuffing.

(iii) In case of salvaged goods, free period shall commence from the following day of salvage.

(iv) For hazardous goods, free period is 24 hours from the time of landing. After the expiry of 24 hours the demurrage charges will be levied at 200% of the highest rate of demurrage charges.

(v) For unclaimed/ uncleared goods sold by auction, free period of 90 days shall count from day of auction.

(vi) Free time for gift cargoes consigned to all charitable organizations will be 30 days. This free time shall be allowed irrespective of the nature of carrier and type of packaging.

(vii) In case of missing goods in transit shed due to congestion or otherwise, demurrage will be charged after 3 days from the date of location.

(viii) The free time for import containers shall commence from the day of landing of the container and for export containers the free time shall commence from the time the container enters the terminal/ port premises.

2.10 <u>Demurrage on goods left lying in the transit shed or in open transit space beyond the free period.</u>

Period	**Rate per MT per day or part thereof (₹)**	
	Import	**Export**
For the 1st week	3.40	2.05
For the 2nd week	10.20	4.75
For the 3rd and subsequent weeks	17.00	10.20

<u>Note</u>: For rail users demurrage at the lowest rate shall be applicable for non-supply of wagons by Railways provided indents are maintained.

2.11 <u>Demurrage on containerised cargo</u>

(1) No demurrage shall accrue on container or export/ import cargo for the period when the port is not in a position to deliver /make shipment of cargo or containers when requested by users.

(2) On hazardous goods, demurrage shall be levied at 150% after 24 hours from the date of the receipt of the goods.

(3) The storage charges on abandoned FCL containers/shipper owned containers shall be levied up to the date of receipt of intimation of abandonment in writing or 75 days from the day of landing of the container, whichever is earlier subject to the following conditions:

(i). The consignee can issue a letter of abandonment at any time

(ii). If the consignee chooses not to issue such letter of abandonment, the container Agent/Main Line Operator (MLO) can also issue abandonment letter subject to the condition that,

(a). the line shall resume custody of container along with cargo and either take back it or remove it from the port premises; and

(b). the line shall pay all port charges accrued on the cargo and container before resuming custody of the container.

(iii). The container Agent/MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charges/dwell time on container shall be continued; to be levied till such time all necessary actions are taken by the shipping lines for destuffing the cargo.

(iv). Where the container is seized/confiscated by the Custom Authorities and the same cannot be de-stuffing within the prescribed time limit of 75 days, the storage charges/dwell time will cease to apply from the day the Custom order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and de-stuffing.

Otherwise, seize/confiscated containers should be removed by the line/consignee from the port premises to the Custom bonded area and in that case the storage charge/dwell time shall cease to apply from the day of such removal.

2.12 Licence fee:

Sl no.	Category	Rate
1. (a).	Open stack-yard: Category-I (paved areas with siding)	₹1200/- per month for 100 Sq. Meter or part thereof.
1. (b).	Category –II (Paved area without siding)	₹900/- per month for 100 Sq. Meter or part thereof
1. (c).	Category-III Unpaved area	₹600/- per month for 100 Sq. Meter or part thereof
2.	Covered Space	₹3,600/- per month for 100 Sq. Meter or part thereof.
3.	Quay Apron/ Concreted stack-yard/ Transit sheds (for non-shed cargoes)	₹2,000/- per month for 100 Sq. Meter or part thereof.

Notes: - (1) For allotment of less than eleven months, a surcharge of 10% on the rates mentioned will be levied.

(2) General conditions for allotment of covered and open spaces

(i) Licence for the use of storage shed, open spaces or other property for periods not exceeding eleven months at a time shall be covered by permits to be issued by the Port Administration. Allotment for a period of 11 months will be without surcharge and allotment for periods less than eleven months will invite 10% surcharge. The licence can be renewed at the expiry of previous licence period. Each renewal of licence shall be treated as fresh licence. Applications for use of open spaces, stackyards, sheds or other property shall be made in writing in the prescribed form to PPT and no goods shall be stored in any such place in the absence of such permission.

(ii) Applications for renewal of the permit under these rules for a further period shall be made within one week of the expiry of the permit. The granting of permit for a further period shall be at the discretion of the port.

(iii) Full rent/license fee shall be payable in advance for the area under licence. In case of renewal, license fee shall be payable within 7 days of the expiry of the previous licence. Failure to pay rent or comply with the conditions of licence may result in the cancellation of the licence and levy of interest.

If cargoes are stored in areas not covered under the rules double the specified rent shall be charged from the allottee for the period from the date of storage till the vacation of the un-authorized occupation or regularisation of such occupation under valid permit.

(iv) Goods stored in the open spaces, stackyards, sheds or other places shall remain at the owner’s risk and Port will be not responsible for any pilferage, theft, damage or loss.

(v) The space allotted cannot be sublet without the permission of the port.

(vi) The space allotted should be vacated on receipt of one-month notice.

(vii) The allotment of space shall be at the discretion of the port and it may refuse to allot space without assigning any reason.

(viii) The port shall have the right to resume possession of space, which is not occupied, or lying vacant after giving intimation to the user. In such case, proportionate reduction of rent shall be allowed. In case a plot is surrendered before expiry of the allotment period, proportionate rent for the plot will be recovered for the period of occupation.

(ix) At the discretion of Paradip Port Trust, the storage space inside custom bond area can be put to tender cum auction.

(x) All the Sheds/ covered storage areas inside the prohibited area shall be under the control of Traffic Department for the purpose of storage of cargoes or for other than handling of cargoes.

(xi) The license fee for plots/stack yards/covered space shall be recovered proportionately for the days of actual occupation in cases of first and last month of occupation/ allotment.

(xii) The decision of the port will be final with regard to classification of cargo as shed or non-shed cargo

2.13 <u>Penal License fee:</u>

In case imported dry bulk cargo are not evacuated within 90 days of landing, the importers shall be liable to pay penal license fee as detailed below:

Sr.No.	Duration	Rate	Unit of levy
1.	Beyond 90 days	Double the normal license fee	On area occupied

<u>Note:</u>

(1) Wherever actual measurement is not possible for some reason or other, the area under occupation will be determined at the rate of 4 Metric Tonnes per square meter for dry bulk cargo other than coke and at the rate of 2 Metric Tonnes per square meter for all types of coke. In case cargo of different vessels are stored in one plot where exact area cannot be ascertained the above provision for calculation of area will apply.

(2) In case of duration beyond 90 days the fees are to be collected on 30 days basis. However, in case of less than 30 days of stay, the dues are to be calculated on actual day of occupation.

(3) The calculation of days will be made from the date of 1st landing of the cargo.

2.14. <u>Hire charges for floating craft</u>.

SL No.	Name of the craft		Rate per hour or part thereof.	
			Foreign (U.S.$)	Coastal (₹)
1.	Tug up to 40 Ton BP	For Shipping purpose	214.20	5266.75
		For other purpose	321.30	7900.10
2.	Launch	Up to 200 BHP	17.85	438.90
		Above 200 BHP	53.55	1316.70
		1600 BHP Launch	140.10	3444.30
		Non-Propelled barges	17.85	438.90
		Fender Barges	7.15	175.55
3.	Pollution control vessel		44.30	1089.30
4.	Oil reception barge		35.20	865.40
5.	Survey launch		-	4624.00
	Survey equipment		-	11730.00

Notes-: (1). Minimum charges for 2 hours shall be payable for hire of any of the above harbour crafts.

(2). General conditions for hiring of floating crafts: -

(i) The appliance would be hired out subject to the conditions and after executing an agreement in such form as may be prescribed by the Board from time to time.

(ii) The decision of the port as to the type of appliances services required for specific operation shall be final.

(iii) In case the lower capacity craft if requisitioned by trade is not available they will be having option to use higher capacity craft but in such case, they will have to pay the charges as applicable for higher capacity equipment and no reduction will be allowed.

(iv) The manning of the floating crafts hired out by Port Trust does not make it liable for the loss or damage to the goods etc. carried on them.

(v) Damage, if any, to the floating craft and/or causality to the persons on floating craft will be the responsibility of the user. In case of replacement of such assets due to total damage return will be limited to the capital cost less amount recovered from insurance.

(vi) 12 clear hours' notice shall be given by the hirer for the cancellation of the requisition failing which hire charges will have to be paid as per prescribed rate.

2.15. <u>Charges for use of 100 Tonne Harbour Mobile Crane installed by the private operators:</u>

(i). For Dry Bulk Cargo

Average daily crane performance (in Metric Tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
12500	55.18	33.11
12501-13500	57.94	34.77
13501 – 14500	60.70	36.42

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes and for the 2nd thousand tonnes the rate was enhanced to 110% of the base rate. The same methodology shall also be adopted to calculate the rate beyond 14500 tonnes.

(ii). For Break Bulk Cargo

Average daily crane performance (in Metric Tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
6000	114.97	68.98
6001-7000	120.72	72.43

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes. The same methodology shall also be adopted to calculate the rate beyond 7000 tonnes.

(iii). For Other cargo

Average daily crane performance (in Metric Tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
3750	183.95	110.37

3751-4750	193.14	115.89

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes. The same methodology shall also be adopted to calculate the rate beyond 4750 tonnes.

Notes:

(i). The formula for calculation of average berth-day output is as follows:-

$$\frac{\text{Total Quantity loaded / unloaded by HMC}}{\text{Total time taken from vessel commencement to completion}} \times 24 \text{ hrs.}$$

(ii). According to the average berth-day output for the vessel from commencement to completion of loading / discharge of cargo, the appropriate rate of crane hire charge will be chosen for recovery from Port users for the full quantity of cargo loaded / discharged.

(iii). If one HMC works with another HMC or ELL crane/s, the Berth-day output for the crane will be ascertained on the basis of the quantity as recorded by the HMC's load meter.

(iv). In case of breakdown of the crane for more than one hour till the vessel leaves the berth, the quantity handled by HMC will be determined taking into account cargo loaded/ discharged prior to break-down divided by crane working hours and multiplied by 24.

(v). In case of stoppages of operation of HMC for more than two hours at a stretch for reasons not attributable to the HMC, appropriate allowance will be allowed to the crane while calculating the total time of crane operation in the vessel. Stoppages of HMC for less than 2 hours will not be taken into consideration for the above purpose. No allowance will be allowed for stoppages attributable to the HMC. All stoppages in loading / unloading operations during working of HMC are required to be certified by the Stevedore of the vessel in the daily vessel performance report.

(vi). In case shifting of a vessel becomes necessary due to breakdown / non-performance of HMC, the shifting charges of the vessel from berth to anchorage will be recovered from the crane operator in addition to a penalty of Rs.1,00,000/- (Rupees one lakh) only . The shifting charges so recovered will be refunded to the vessel's agent while the penalty will be retained by the Port.

(vii). In case of dispute on the average output, the decision of the Port Trust will be final and binding.

(viii). The above said HMC rates would remain valid till 3 February 2018.

2.16. Charges for cargo of Paradeep Phosphates Limited handled at the Fertilizer Berth-(I)

(1). A fixed charge of ₹ 30 lakhs (Thirty lakhs) per month irrespective of the quantum of cargo handled in 3 equal installments payable on 1st, 10th and 20th of each month.

(2). A consolidated unit charge (Rupees per ton) which will vary with the annual throughput are follows:-

Sl. No	Particulars	₹ per tonne
(a)	Upto 5 lakh tonnes	65.00
(b)	5 to 10 lakh tonnes	50.00
(c)	10 to 15 lakh tonnes	25.00
(d)	And above 15 lakh tonnes	25.00

(3). In addition to the charges as mentioned at (1) and (2) above, the Paradeep Phosphates Limited will pay other charges namely, Pilotage and towage and port dues only as per the Scale of Rates and no other charges, like berth hire, warping, mooring charges.

2.17. Charges for Cargo of Indian Farmers Fertilizers Co-operative handled at Fertilizer Berth II.

(1). Captive Berth charges of ₹ 4,69,35,000/- (Rupees Four crores Sixty nine Lakhs Thirty five thousand only) per annum shall be payable on monthly basis in advance @ ₹39,11,250/- per month irrespective of quantum of cargo handled. If the due date falls on Sunday or holiday, the payment will be made in the next working day.

(2). Wharfage charges will be applicable on the following rates:-

Sl. No	Particulars	₹ per tonne
(a)	Upto 5 lakh tonnes	86.52
(b)	5 to 10 lakh tonnes	73.21
(c)	10 to 15 lakh tonnes	53.24
(d)	And above 15 lakh tonnes	33.28

There will be escalation @ 10% after every three years in the rates of wharfage at each slab as provided for in the agreement. Accordingly, the next escalation will be due on 01.04.2011. The berth hire charges will be reviewed and revised in the year 2011.The minimum guaranteed cargo is 2.50 million tons per annum. In case of any shortfall in minimum guarantee, IFFCO will pay wharfage for the full guaranteed cargo within the first month of the next financial year.

(3). In addition to the charges as mentioned at (1) and (2) above, IFFCO will pay other service charges namely, Pilotage and towage and port dues, etc. as per prevailing Scale of rates and as amended from time to time.

Chapter-III
VESSEL RELATED CHARGES

3.1 Berth hire charges

Sr. No.	Description	Rate per GT per hour or part thereof
1.	Foreign going vessels	U.S. $. 0.002375
2.	Coastal	₹ 0.058

3.2 Concession in berth hire

Sr.No.	Description	Concession
1.	Vessels berthed at moorings/anchorages	50%
2	Vessels double banking alongside the berth.	50%

Notes

(1). Gross Tonnage (GT) is the cubic capacity of the whole ship (including engine room and crew space but excludes space above deck, cabins, deck shelters, chart house, etc.) as indicated in the vessel certificate of registry. Half a ton and more should be counted as one ton and less than half a ton ignored.

(2). For a vessel carrying decks cargo, the deck cargo will be added to the GT of the vessel for determining the GT on which the charges are to be calculated.

(3). For a vessel having dual tonnage, the higher tonnage will be taken into account towards calculation of vessel related charges.

(4). (i). Berth hire shall stop 4 hours after the time of the vessel signaling its readiness to sail. The time limit prescribed for cessation of berth hire shall exclude the ship's waiting time for want of favorable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

(ii). There shall be penal berth hire equal to one days berth hire charge for a false signal.

(iii) The Master/Agents of the vessel shall signal readiness to sail only in accordance with favourable weather conditions and tidal movements.

(5) The vessels which are at berth in the roadstead within the port water limits shall be charged @ 4.375 USD (for coastal vessels ₹ 107.57) per hour or part thereof. However, for the vessels anchoring at the roadstead waiting for the berth shall not have to pay the above charge. Besides, no roadstead charge shall be levied if the vessel waits for the following:

(i). For want of cargo,
(ii). If Shippers/Agents are not known,
(iii). If the vessel waits at the roads after port clearance for any reason whatsoever.

(6) For mechanized trawlers of 50 feet LOA and less, a charge of ₹ 472.50 will be levied per month or part thereof. For catamarans fishing boats, consolidated charge will be ₹ 5.25 per day or ₹ 105.00 per month.

(7) After completion of discharge or loading, if the vessels assignment is changed, separate berth hire will be charged for the same day.

(8) The charges for trunk –calls, damages to instruments shall be payable extra as per actual.

(9) No berth hire shall be levied for the period when the vessels idle at the berths due to break down of port equipment or power failure or any other reasons attributable to the port.

(10) Priority and Ousting Priority charges:-

(i) PRIORITY BERTHING:

For providing 'priority' berthing to any vessel, Paradip Port Trust shall collect fee equivalent to berth hire charges for a single day or 75% of the berth hire charges calculated for the total period of actual stay at the berth, which is higher. For example, if the berth hire charges are ₹ 10,000/- per day, then a minimum fee of ₹ 10,000/- or 75% of the berth hire charges calculated for the total period of actual stay at the berth i.e. @ ₹ 7,500/- per day, whichever is higher shall be charged.

(ii) OUSTING PRIORITY:-

For providing 'Ousting priority' to any vessel, the port shall collect a fee equivalent to berth hire charges for a single day or 100% of the berth hire charges calculated for the actual period of stay at the berth, whichever is higher. For example, if the berth hire charges are ₹ 10,000/- per day then a minimum fee of ₹ 10,000/- or 100% of the berth hire charges calculated for the total period of actual stay at the berth i.e. @ ₹ 10,000/- per day, which is higher shall be charged. In addition, for providing 'Ousting Priority' to any vessel, this port shall collect the charges for 'shifting in' and 'shifting out' of the vessel.

(iii) The fee for according 'Priority'/'Ousting priority' as indicated above shall be charged from all the vessels irrespective of the fact whether the 'Priority' /'Ousting Priority' is accorded by the Central Government or the Port Trust under their own regulation, except the following categories.

(a) Vessels carrying cargo on accounts of Ministry of Defence.

(b) Defence vessels coming on goodwill visit.

(c) Vessels hired for the purpose of Antarctica expedition by Department of Ocean Development.

(d) Any other vessel for which special exemption has been granted by the Ministry of Shipping.

(11). Vessels should be ready for sailing in all respects within two hours of completion of the cargo work. Information regarding the time of the vessel's readiness to sail is to be communicated to port signal station over VHF and hoisting of "1G" flag at least one hour in advance. Vessels which are not ready to sail after two hours of completion of cargo work are liable to pay penal berth hire charges at the rate of 105 USD [for coastal vessels [₹ 2582/-] per hour or part thereof in addition to the rates specified in the berth hire schedules. The duration for which penal berth hire is to be charged will be calculated from the time of expiry of two hours from completion of cargo work to the time the vessel is ready for sailing.

(12) Penal berth hire charge at the rate of 105 USD [for coastal vessels ₹ 2,582/-] will be applicable to vessels which continue to occupy the berth for more than two hours after expiry of the four hours notice period given by the Paradip Port Trust or officials authorised by it to the vessels to vacate the berths for operational reasons.

(13) Priority berthing of coastal vessels will be guided as per the following conditions.

(i) "Coastal vessel" is defined as any vessel exclusively employed in trading between any port or place in India to any other port or place India having a valid coastal license issued by the Director General of Shipping/ Competent Authority.

(ii) Major ports shall accord priority at least on one berth, to dry bulk/general cargo coastal vessels to enable shippers to transport goods from one port in India to another port in India irrespective of origin and final destination of the cargo. This would be in addition to dedicated berth, for handling of Coastal Thermal Coal already existing in Major Ports, if any.

(iii) All Major Ports shall accord priority berthing through specific window to coastal container vessels keeping in view the concession agreements and existing allotment of window berthing at the private terminals and availability of container berths operated by the Ports.

(iv) In respect of POL/ Liquid cargo tankers, existing practices regarding such priorities as prevalent in various ports may continue.

(v) Coastal vessels which are to be accorded priority berthing shall not be liable to pay priority berthing charges.

(vi) There will be no restrictions on berthing of coastal vessel, in addition to the coastal vessel berthed on priority as above, if the same is eligible under normal berthing policy of the port.

(vii) A coastal vessel shall be liable to pay port charges on coastal rates notwithstanding whether it was berthed on priority or otherwise.

(viii) Ports should explore the possibilities of earmarking exclusive berth, storage areas and gates for coastal cargo outside the custom bonded area of the Ports to further facilitate movement of coastal cargoes.

(ix) Major Ports shall clearly work out the time limit within which a coastal vessel would be berthed in a particular port. This time limit may differ depending on the cargo and berth. Each Major Port should carry out a detailed exercise and issue a trade notice clearly indicating the upper time limit within which a coastal vessel would be given a berth in the port.

3.3 Port Dues.

1	Foreign going vessels (per GRT per entry)	U.S.$ 0.242
2	Coastal (Vessels per GRT per entry)	₹ 5.950

Concession in Port Dues shall be extended to the following vessels:

Sl.No.	Description	Concession
1	Vessel entering Port in ballast but not carrying passengers	25%
2	Vessel entering Port but not carrying Cargo or passengers	50%
3	Vessel entering the Port and taking in only provisions, water, bunker coal or liquid fuel for their own consumption shall be charged Port dues at half rates.	50%
4	(1) Any pleasure yacht. (2) Any vessel, which having left the Port, is compelled to re-enter by stress of weather or in consequence of having sustained any damage: (3) Any vessel belonging to or in the service of Central Government, or State Government (4)Any vessel having the Port limits due to cyclone threat and re-enter. (5)Vessels of war plying white ensign and blue ensign belonging to or in service of Republic of India. (6)Vessel entering in ballast or with cargo / Passengers but leaving port within 48 hours without discharging or taking passengers/ cargo. (7) Vessels discharging or shipping crew and leaving port within 48 hours, pilot over carried due to bad weather to be treated as crew member.	100%

Notes: (1) Port Dues of a vessel will be assessed on her total GRT at the rate shown against the relevant vessel group according to GRT of that vessel.

(2) A vessel landing a passenger at the port without anchoring and proceeding on her voyage is liable to pay port dues.

(3) A vessel proceeding from an Indian Port (say Kolkata) to a foreign Port and calling at another Indian Port (say Paradip) enroute to take in cargo for a foreign port, should at Paradip be treated as a foreign vessel for the purpose of the port dues.

(4) For Oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the "Remark" column of its international tonnage certificate will be taken to be its gross tonnes.

3.4 Pilotage and towage:

Sl. No.	Slabs	Rate per GRT	
		Foreign	Coastal
1	Upto to 30,000 GRT	US $ 0.509 per GRT	₹. 12.52 per GRT
2	30,001 to 60,000 GRT	US $ 15270 + US $ 0.407 Per GRT over 30,000 GRT	₹. 375600 + ₹. 10.01 per GRT over 30,000 GRT
3	Above 60,000 GRT	US $ 27480 + US $ 0.356 Per GRT over 60,000 GRT	₹. 675900 + ₹. 8.76 per GRT over 60,000 GRT

Notes

(1) The above rate shall be levied on incremental basis on the capacity of the vessel.

(2) Above rates are for one inward and one outward movement with required number of tugs/launches of adequate capacity and shifting/s of vessels for port convenience.

(3) For cold movement of vessel, Pilotage and towage charges will be 25 % extra of the rates shown in the above schedule.

(4) When a vessel is shifted or removed for her own convenience, or for the convenience of another vessel, the vessel for whose convenience the shifting takes place shall pay Pilotage and towage fee as per 50 % of the above schedule.

(5) Pilot's Cancellation/detention fee:

(i) In case a vessel is not ready for sailing as per time fixed in the DTR meeting/ Marine signal sent to the vessel, she must inform the Port Signal Station over VHF at least 2 hours before the schedule time for cancellation of pilot. A vessel not able to cancel pilot booking at least 2 hours before the schedule time shall be liable to pay 105 USD (for coastal vessels ₹ 2582.00) as cancellation charge.

(ii) If the vessel is not able to move within 30 minutes of the Pilot boarding it for the purpose of Pilotage, it shall be liable to pay an extra charge @ 105 USD (for coastal vessel ₹ 2582.00) per hour or part thereof beyond 30 minutes till it moves.

(iii) If the movement of the vessel is cancelled after the Pilot has boarded it, a cancellation charge of 210 USD (for coastal vessels ₹ 5164.00) shall be levied.

(iv) If an outward bound vessel carries away a Pilot outside the Port limits due to bad weather, a compensation at the rate of 315 USD (for coastal vessels ₹ 7746.00) per day or part shall be payable by the Master of the vessel till the Pilot reports back for duty at the Port. In addition, the boarding and lodging expenses of the Pilot on board the ship and the cost of sending him back to the port shall also be payable by the Master of the vessel.

(v) If a Pilot is detained in the pilot launch for more than half an hour before boarding the vessel an extra charge @ 105 USD [for coastal vessels ₹ 2582.00] per hour or part thereof beyond 30 minutes till the pilot boards the vessel will be charged.

(6) A charge of 525.00 USD (for coastal vessels ₹12,910.00) shall be levied for warping of vessels for their convenience, if the warping is required for convenience of another vessel, the charges shall be payable by the vessel for whose convenience the warping is done. No charges will be levied if warping is done for Port convenience.

(7) In case a request is made for Fixing/Removal of Yokohama Fender from any berth, a charge of 315.00 USD (for coastal vessel ₹ 7746.00) will be recovered from the respective vessels or importers/exporters i.e. whosoever makes the request. This charge will also be applicable for providing Yokohama Fenders for double banking operations.

(8) A charge of 420.00 USD (for coastal vessels ₹ 10,328.00) shall be levied on the vessel whose movement was planned for a Sunday/Holiday, but did not take place, due to various reasons attributed to the vessel like non-arrival/late arrival of the vessel, non-completion of cargo /work etc.

(9) No shifting charges shall be levied when shifting of a vessel is done for port convenience. Shifting of vessels for Port convenience is defined to mean the following:

(i) If a working cargo vessel is required to be shifted to another berth so as to enable berthing or sailing of another vessel at the same berth or any other berth in the Dock in view of restriction of LOA, beam, draft, etc., such shiftings shall be considered as shifting for Port convenience.

(ii) If a working cargo vessel is required to be shifted from one berth to another berth due to non-availability of storage space of import or export cargo requiring covered accommodation, such shifting shall be considered as shifting for Port convenience.

(iii) Whenever a vessel is required to be shifted from the cargo berth to the gantry berth for the convenience of container loading/ unloading, such shifting will be treated as shifting for Port convenience provided the agents of the vessel have made specific request to that effect in their berthing application.

(iv) Whenever a vessel is required to be shifted from one berth to another berth via stream so as to accommodate another vessel or the same vessel in view of the restriction of LOA, beam, draft, etc., such shiftings shall be treated for Port convenience.

(v) Whenever a vessel is shifted to accommodate another ousting priority vessel, such shifting shall be treated for Port convenience.

(vi) Whenever vessels are required to be shifted from deep draft anchorage to lesser draft anchorage in order to accommodate vessel of higher draft, such shifting shall be treated for Port convenience.

(vii) Whenever vessels working cargo at berth/mooring/jetty are required to be shifted for undertaking hydrographic survey, dredging, repairs to berths, or for maintenance and such other similar works such shifting shall be treated for Port convenience.

(viii) If a vessel is shifted due to mal-functioning of port equipment, clearance of berth, etc. it will be considered as shifting for Port convenience.

3.5 **Charges for Single Buoy Mooring (SBM)**

Sr.No.	Description	Rate per G.R.T.	
		Foreign US$	**Coastal ₹**
a	Berth Hire: [per hour]	0.00060	0.20
b	Pilotage [per entry subject to minimum of 5775 USD / ₹ 2.5 lakhs.	0.260	8.00
c	Tug Hire charges [per hour]	1500	24375
d	Port dues per entry	0.242	7.85
e	Pilot Attendance per hour	40	1350

Note

For calculation of Tug hire charges, the time is to be reckoned from berthing to un-berthing.

3.6 Charges for Coastal Transportation of vehicles through Ro-Ro Ship

80% discount on vessels related charges and Cargo related charges for coastal transportation of vehicles through Ro-Ro ship will be granted for a period of two years with effect from 20 September 2016.

Chapter-IV

MISCELLANEOUS CHARGES:

4.1 Charges for water supply to shipping:

Item	Rate per M.T. or part thereof	
	Foreign	**Coastal**
1.Direct water supply at Berth	4 USD subject to a minimum of 60 USD	₹98.35 subject to a minimum of ₹1475.00
2.Supply by barges (i) At mooring wharf/jetty	8 USD subject to a minimum of 320 USD	₹196.70 subject to a minimum of ₹7868.00
(ii) At anchorage (Roads)	18.90 USD Subject to a minimum of 1575 USD	₹464.71 subject to a minimum of ₹38726.00

Notes:

(1) A cancellation fee of 21 USD (for coastal vessels ₹516.05) shall be charged when a water barge is ordered but cancelled prior to placement of barge. After placement of barge, cancellation fee of 315 USD (for coastal vessels ₹7746.00) shall be charged.

(2) The entire quantity of water supplied per call per requisition to individual vessels shall be treated as one supply for the purpose of levy of minimum charges if applicable. In the event of failure of Port Trust to supply or suspend supply on account of breakdown, etc. the actual quantity supplied shall be taken into account for recovery of the charges.

Note: The *user* concerned shall supply attendant labour.

4.2 Weighment charges for use of weight bridge/weight scales:

Sl. no.	Description	Rate
1.	Weighbridge charges for iron-ore/ chrome ore/other ores	₹2.00 per ton subject to a minimum of ₹20 per consignment
2.	Weigh bridge charges for other commodities	₹3.00 per ton subject to a minimum of ₹30 per consignment

4.3 Weighment charges for Cargo weighed at private Weighbridge inside the prohibited area.

The private weigh bridge operators shall collect the weighment charges as per the rates prescribed at clause 4.2 above and share the following with PPT:

Sl. no.	Description	Rate
1.	Weighment of installers' own cargo	₹0.30 per MT
2.	Weighment of cargo of other users	₹1.00 per MT

Notes:

(1). Consignment means the total quantity to be weighed for shipment/despatch in relation to a vessel.

(2). A fraction of a tonne shall be rounded off to next higher tonnage.

4.4 Fees for supply of certificate/certified copies of documents/ledger a/c copies/statistics:

₹ 20 per page universal size.

4.5 Supply of skilled personnel for marine operations:

A fee of 2 USD (for coastal vessel ₹ 49.18) per person per hour or part thereof subject to a minimum of 2 hours will be charged for supply of skilled person for any type of mooring and unmooring or any marine operation.

4.6 Salvage charges:

Salvage charges will be levied @20% ad-valorem on the value of the salvaged goods. In the case goods liable to be damaged by water, the above percentage shall be recovered on the original value of the goods as accepted by the Customs.

4.7 Landing charges for Helicopters

₹4,000.00 per one landing and takeoff. The rate is leviable in respect of use of helipad for landing of helicopters belonging to State Government, Public Sector Undertakings and private users. However, helicopters carrying passengers declared as Port guests may be exempted from such charges.

4.8 Charges for supply of on board labour to Stevedores

100% on wages on labour supplied to stevedores for handling all types of cargoes.

4.9 Labour cess for tippling in IOHP.

a) Iron ore pellet ₹ 70 per tonne
b) Thermal coal ₹ 120 per tonne

4.10 Fee on the Cargo transloaded at the Transloading point

A fee of ₹ 10 per tonne will be levied on the cargo transloaded from/to the mother vessel at the Transloading point under the limits of PPT.

Note:-

(i) An area notified under the limits of Paradip Port Trust comprising radius of 2 nautical miles around a position earmarked by Lat 20 08 12" N Long 087 14 00" E to be used exclusively for transloading operations will be called as 'Transloading Point'.

(ii) No other charge would be levied on the cargo transloaded from/to the mother vessel at the transloading point.

(iii) The said fee will be valid for a period of five years from the date of commencement of transloading operations. As the transloading operation was started from 07.10.2014, the said fee will be applicable upto 06.10.2019 i.e. 5 years from the date of commencement of operation.

4.11 In case of Automobiles to be landed or shipped through Ro-Ro operation, charge will be levied @₹1,000/- per unit.

4.12 For any cargo/container operation, if a vessel has to unload/reload any hatch cover/pontoon; wharfage will be levied for each operation @₹200/- per unit.

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SUMMARY OF THE ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

F. No. TAMP/90/2016-PPT		**Proposal received from Paradip Port Trust for general revision of its Scale of Rates.**

A joint hearing on the case in reference was held on 27 February 2017 at the PPT premises in Bhubaneshwar. At the joint hearing, the PPT and the users/ user organisations have made the following submissions:

Paradip Port Trust

(i). The rates at PPT undergo a change every three years. The existing rates of PPT has been there for quite some time now. The port has proposed to continue with the existing rates for the next three years.

(ii). We do not propose any increase in tariff. The existing cargo related charges, vessel related charges, MOHP charges, IOHP charges are proposed to continue for the current tariff cycle.

(iii). However, we propose to introduce shipment charges of ₹ 49.50 per MT and tippling charges of ₹ 20.40 per MT, for handling of thermal coal through IOHP. TNEB is already paying ₹. 49.50 through MCHP. This is the only change proposed in rates.

(iv). We are also proposing to rationalize the existing Scale of rates by doing away with unnecessary notes and conditions.

(v). Literally, no hike has been proposed by PPT in any of the charges.

(vi). We are already handling close to 90 million tonnes. In the next 2-3 years, we want to be ranked the no. 1 port of the Country. For that, we need your continued support and co-operation. Please bring in more cargo.

(vii). Our MCHP is underutilized. I request the TANGEDCO to handle more coal cargo from the Port.

JSPL

(i). We are thankful as the port has not proposed for any revision in the rates.

(ii). However, we request the port to effect reduction in charges, to make it more competitive as compared to the neighboring ports.

(PPT: Please be specific as to where you need reduction in tariff?)

(iii). We need downward revision of rates in respect of coal and limestone.

(PPT: The existing SOR already prescribes lower tariff on handling incase a specific threshold of cargo is handled. The request made by you is very generic. Be specific with your request and we will look into it.)

IFFCO

(i). We welcome the proposal. At the same time, we concur with the comments of JSPL.

(ii). We request for reduction in the Vessel related charges in line with the rates prevailing at other neighbouring ports. Please propose rates at par with the rates at neighbouring ports.

(PPT: It is not correct that you compare some rates of ours with the neighboring ports. Please compare the total logistics cost including the wharfage, storage and compare the total per MT cost and thereafter, come to us with figures. We will look into your request.)

TANGEDCO

(i). The Scale of Rates should specifically provide for what charges would be charged incase of damages, as our Audit is questioning us?

(PPT: We had meeting in this regard. The damage charges are recovered based on the actuals incurred by the Port depending on the quantum of the damage. It is not a service. How can we prescribe a specific charge in the SOR.)

(TAMP: The Port can propose a note to the effect that the damage charges will be recovered at actuals.)

(PPT: Ok. We will propose a note to this effect.)

NALCO

(i). We are satisfied with the rates proposed by the port. The rates of PPT are comparable to the rates at Dhamra port, Vizag Port and Kolkata port

(ii). Paradip and Dhamra are beneficial to us. We know that rates of PPT are competitive. We are inclined to do business with the Port. However, the overall Ocean freight incurred for handling cargo through PPT is very high. Though the port charges are minimum, the Ocean freight is high.

(PPT: The Ocean freight do not come under the purview of TAMP. Nevertheless, to just mention, once the new berth of J.M Baxi is commissioned at PPT, you will get competitive Ocean freight too.)

(iii). Is it possible to prescribe a different lower rate for unclaimed cargo pertaining to PSUs?
(PPT: We cannot differentiate between private players and the PSUs.
We want to change / remove/ modify some conditions and notes. Please permit us.)
(TAMP: Permitted.)
