(Published in Part - III Section 4 of the Gazette of India, Extraordinary)

Tariff Authority for Major Ports

G.No.292 **New Delhi,** **21 August 2019**

NOTIFICATION

This Authority, in exercise of the powers conferred on it under Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), had disposed of the proposal received from the Mormugao Port Trust (MOPT) for general revision of its Scale of Rates, on 14 June 2019. Considering the time involved for notifying (Speaking) Order along with the Scale of Rates, approved by this Authority, this Authority decided to notify only the revised Scale of Rates immediately. Accordingly, the Scale of Rates approved by this Authority on 14 June 2019 was notified in the Gazette of India on 11 July 2019 vide Gazette No. 245. It was stated in the said Notification that this Authority will notify the Speaking Order, in due course of time. Accordingly, this Authority hereby notifies the Speaking Order connected with disposal of the proposal of the MOPT 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/11/2019-MOPT

Mormugao 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 14th day of June 2019)

This case relates to the proposal dated 19 January 2019 received from Mormugao Port Trust (MOPT) for general revision of its Scale of Rates (SOR).

2.1. The existing SOR of the MOPT was last approved by this Authority vide Order No.TAMP/38/2016-MOPT dated 17 November 2016 which was notified in the Gazette of India on 12 January 2017 vide Gazette No.15. The validity of existing SOR of MOPT is expiring on 31 March 2019.

2.2. Subsequently, the MOPT approached this Authority in May 2018 for revision of Wharfage Charges on POL and POL Products in view of severe financial crisis faced by the port due to stoppage of iron ore and coal handling. The said proposal was approved by this Authority vide its Order No.TAMP/39/2016-MOPT dated 31 July 2018. The validity of the approved rate was made coterminus with the validity of the existing SOR of the MOPT i.e. till 31 March 2019.

3.1. The existing SOR of the MOPT and revision in the wharfage rate of POL and POL products was approved by this Authority under the Tariff Policy, 2015 issued by the MOS. The validity of the Tariff Policy, 2015 issued on 13 January 2015 is for 3 years i.e. till 12 January 2018. The validity of the said Tariff Policy, 2015 was extended by the MOS till 25 December 2018.

3.2. The Ministry of Shipping (MOS), vide its letter No.IWT-II/28/2018-IWT dated 26 December 2018 has issued the new "Tariff Policy for determination of Tariff for Major Port Trusts, 2018" for determination of SOR which are due for revision in Major Port Trusts with effect from 1 April 2019 under Section 111 of the Major Port Trusts (MPT) Act 1963. In compliance with the direction issued by the Government of India, this Authority has notified the Tariff Policy Guidelines, 2018 in the Gazette of India vide Gazette No.17 dated 16 January 2019. The Tariff Policy, 2018 has come into effect from 26 December 2018. Thereafter, as per Clause 1.5 of the Tariff Policy, 2018, Working Guidelines to operationalize the Tariff Policy was notified in the Gazette of India vide Gazette No.207 dated 4 June 2015. The said Working Guidelines, 2018 was forwarded to all Major Port Trusts including MOPT vide our letter dated 04 February 2019.

4.1. In this backdrop, the MOPT has filed its proposal following Tariff Policy, 2018 vide its letter No.FA/COST/125/2018/288 dated 19 January 2019 for general revision of its SOR. The highlights of the proposal are as under:

(i). As per the working the Annual Revenue Requirement is ₹476.72 crores. Considering the huge increase required to meet the ARR, Port has interminably discussed and proposed increase in the SOR which the users can bear.

4.2. The MOPT has furnished detailed computation of Annual Revenue Requirement (ARR) under Form 1 and Revenue estimation at the proposed rate in Form 3. The ARR and revenue estimation at Form-3 are duly certified by the practicing Chartered Accountant and Finance and Chief Accounts Officer. All other annexures required as per the working guidelines issued by TMAP are also furnished.

(i). A summary position of ARR computation furnished by MOPT is tabulated below:

(**₹ in Lakhs**)

Sl. No.	**Description**		**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
(1)	**Total Expenditure (As per Audited Annual Accounts)**	**Note 1**			
(i).	Operating Expenses (including depreciation)		19252.05	21489.82	21367.58
(ii).	Management & General Overheads		4670.56	5308.38	6016.07
(iii).	Finance and Miscellaneous Expenses (FME)		10916.19	14232.51	17624.23
	Total Expenditure 1=(i)+(ii)+(iii)		**34838.80**	**41030.71**	**45007.88**

(2)	**Less Adjustments:**				
(i).	**Estate Related Expenses**				
	(a) Operating Expenses (including depreciation)		805.44	895.67	1132.00
	(b) Allocated Management & Administrative Overheads		195.40	221.25	318.71
	(c) Allocated Finance and Miscellaneous expenses (FME)		367.53	475.69	728.56
	Subtotal 2(i)=[(a)+(b)+(c)]		**1368.37**	**1592.61**	**2179.27**
(ii).	**Interest on loans**		155.60	135.00	556.63
(iii).	**2/3rd 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)**	**Note 2**			
	(a) Retirement Gratuities (SVRS)		0.00	0.00	0.00
	(b) Ex-gratia payments (SVRS)		0.00	0.00	1302.59
	Subtotal 2(iii)=[(a)+(b)+(c)]		**0.00**	**0.00**	**1302.59**
(iv).	**2/3rd of the Contribution to the Pension Fund**	**Note 3**	824.00	1200.00	0.00
(v).	**Management & General Overheads over and above 25% of the Aggregate of the Operating Expenditure and Depreciation**	**As per Form 2**	0.00	0.00	638.46
(vi).	**Expenses relevant for Tariff Fixation of Captive Berth, if any governed under Cl. 2.10 of the Tariff Policy, 2015**				
	(a) Operating Expenses		-	-	-
	(b) Depreciation		-	-	-
	(c) Allocated Management & Administrative Overheads		-	-	-
	(d) Allocated Finance and Miscellaneous expenses (FME)		-	-	-
	Subtotal 2(vii)=[(a)+(b)+(c)+(d)]		**0.00**	**0.00**	**0.00**
	Total 2 = 2(i)+2(ii)+2(iii)+2(iv)+2(v)+2(vi)		**2347.97**	**2927.61**	**4676.95**
(3)	**Total Expenditure after Total Adjustments (3 = 1 - 2)**		**32490.83**	**38103.10**	**40330.93**
(4)	**Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3**		**36974.95**		
(5)	**Capital Employed**				
	(i) Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)		44001.22		
	(ii) Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)		10581.88		
	(iii) Less: Net Value of Fixed Assets related to Estate Activity as on 31.03.2018 as per Audited Annual Accounts		2509.20		
	(iv) Less: Net Value of Fixed Assets, if any, transferred to BOT operator as on 31.03.2018 as per Audited Annual Accounts		0.00		
	(v) Less: Net Value of Fixed Assets as on 31.03.2018 as per Audited Annual Accounts relevant to be considered for captive berths, if any, under Cl. 2.10 of the Tariff Policy, 2015		0.00		
	(vi) Add: Working Capital as per norms prescribed in Cl 2.5 of the Working Guidelines	**As per Form 4 & Note 4**			
	(a) Inventory		155.35		
	(b) Sundry Debtors		1102.68		
	(c) Cash		3585.46		
	(d) Sum of (a)+(b)+(c)		**4843.49**		

	(vii) Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]		**56917.39**
(6)	**Return on Capital Employed 16% on Sl. No. 5 (vii)**		**9106.78**
(7)	**Annual Revenue Requirement(ARR) as on 31.03.2018 [(4)+(6)]**		**46081.73**
(8)	**Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 i.e. @ 3.45% (7*1.0345)**		**47671.55**
(9)	**Ceiling Indexed Annual Revenue Requirement (ARR)**		**47671.55**
(10)	**Revenue Estimation at the proposed SOR within the Ceiling Indexed ARR estimated at Sl. No. 10 above**	**As per Form 3 & Note 5**	**35872.46**
	Revenue Gap		**11799.09**

(ii). The MOPT has furnished detailed working of revenue estimation in Form 3 for the proposed tariff for the actual traffic handled by the Port during the year of 2017-18. As per the said form, the total revenue estimated at the proposed tariff from Cargo, Vessel, Miscellaneous charges is ₹35872.46 lakhs.

(iii). The Performance Standards proposed by MOPT in Form - 6 are as follows:

Sl. No.	**Performance Parameters**	**Proposed performance standards**
		2018-19
(1).	**Cargo Related Services**	
(a).	Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups	
	(i). Dry bulk cargo	6,000
	(ii). Break bulk cargo	2,500
	(iii). Liquid bulk cargo	6,000
(b).	Average moves per hour (in TEUs) in respect of Containers	8
(2).	**Vessel Related Services**	
(a).	Average Turnaround Time of Vessels (in days)	2.50
(b).	Average Pre-Berthing Time of Vessels (in days) (Port's A/c)	5.29

(iv). Reasons weigh and warrant revision of Port charges:

(a). To recover the rising cost of operations from individual segments by applying cost recovery principles;

(b). To generate adequate internal resources to meet with growing requirements for creation and upgrading the existing Port infrastructure in order to remain globally competitive and to provide efficient and cost-effective services to the Port Users.

(v). As stipulated in clause 2.3 of the Tariff Policy, 2018, the Scale of Rates (SoR) is drawn based on the indexed ARR which is the ceiling limit computed by indexing the ARR so assessed as on 31st March 2018 by 100% of the Wholesale Price Index (WPI) applicable for the year 2018-19 as communicated by TAMP to the Major Port Trusts. The total traffic handled by the Port during the year 2017-18 is 26.90 million tonnes which has been considered for revision of port tariff.

(vi). New concessional rates have been introduced for storage of Cargo and Containers outside custom bound area to attract additional cargo.

(vii). In order to achieve the AAR at the traffic levels of 2017-18, the existing rates have to be increased by 106.19%.

(viii). The charges are proposed to be increased generally as under:

(a). Vessel related charges by 25%.

(b). Cargo related charges by 15%.

(c). Storage charges by 15%.

However, individual cargoes and slabs and structures have been revised wherever felt necessary and as such the above increases have not been universally applied.

4.3. At our request vide our letter dated 28 January 2019, the MOPT has confirmed that it has hosted the entire proposal in its website vide its email dated 22 April 2019 for comments of users.

5. A copy each of comments received from the concerned users / user organisations on the subject proposal was forwarded to MOPT as feedback information. The MOPT vide its emails dated 11 February 2019 and email dated 12 February 2019, email dated 14 February 2019 and email dated 1 May 2019 has furnished its reply.

6. The MOPT convened a meeting with trade fraternity on 13 February 2019 at MOPT to discuss on the proposal for revision of its SOR. The issues discussed are as follows:

<u>Port Users</u>

- The proposal of 25% increase in VRS charges and 15% for CRS charges across the board were too severe and would definitely drive away the trade from MPT to the neighbouring ports.

- The private ports on the west and east coast were taking advantage of the high tariff at MPT and trying to divert the cargos to their ports. They desired that their objection to the steep hike in tariff must be clearly recorded.
- Hike in shifting charges is very steep, to the extent of 700% due to linking it as a percentage of Pilotage Charges. The pilotage operations includes two movements (first in and last out) as against one movement for shifting operations.

- Pilotage charges should not be levied on vessels coming to WOB and not utilizing the services of Pilots or Tugs.

- Shifting charges should not be levied on vessels shifting on their own at WOB without utilizing the services of Pilots or Tugs.

- Increase in Detention charges is very steep.

- Do away with the Idle Anchorage charges as no other Ports are levying the charges or at least maintain them at the same levels.

- Reduce the increase in the Water Supply Charges.

- Reduce the launch hire charges so that Port users can use the Port's launches without depending on the launch owners association.

- Oil PSUs were already subjected to a steep hike in the wharfage and therefore, the vessels carrying POL should not be subjected to further hike in VRC.

- Slag is a low cost cargo and as such, low cost cargoes should not be subjected to hike in tariff. It was explained that the current wharfage for slag is ₹48.00 per tonne whereas the new proposed rate is ₹48.30 per tonne.

- Dust suppression levy has been disproportionately hiked. For break bulk cargo hike granite, steel, etc., the levy should be ₹2.00 per tonne and for dry bulk cargo it should be ₹6.00 per tonne. Do not charge Dust Suppression Levy for cargo handled at WOB.

- Free period of one day proposed for import containers in Custom Bound Area was impractical as inspite of supposed 24X7 ease of doing business assurance, getting the documents cleared from Customs still took more than three days in most of the cases. Retain it as 3 days.

- The idea of shifting of container storage to Bogda area is objectionable as the manoeuvrability of container, particularly 40 ft. loaded trailer, at Sada junction will be impossible and the objection from the local community would further destabilize the business.

- Weighment charges proposed is very high and it was agreed that it would be revised after internal discussion between the Traffic and Finance Departments.

- After discussions the single slab structure for CHLD charges was agreed to but the users stated that most of the time the lowest rate slab was applicable due to high productivity whereas MOPT had proposed the highest rate slab. It was proposed to increase the lowest slab rate by 15%.

- The introduction of the annual charges for operating transhippers / floating cranes was objected to. However, TM explained that being an offshore cargo handling equipment, the Port wanted to encourage competition and facilitate free entry of as many service providers so that the competition would result in lowering of service cost and would be beneficial to the Trade. He also informed that it is the policy of the Ministry to encourage competition and avoid any monopoly therefore, the introduction of a nominal fees was in order. Based on the explanation and justification given, the Port users agreed to the introduction of the charge.

- Users requested to increase the wharfage charges in a staggered manner with an annual increase of 3%.

<u>MOPT</u>

- The financial position of the Port has remained weak for last few years and considering the current financial position, the current hike was inevitable. Even with the present hike, the Port would not be able to meet its financial obligations. Although achieving the Annual Revenue Requirement (ARR) as per the Guidelines requires a 106% increase across the board, the current hike has been restricted to 25% and 15% for VRS and CRS charges respectively considering the fact that such a hike would not be sustainable by the trade. The proposed rates are ceiling rates and the Port can consider requests for concession if the volumes are increased or new cargoes are brought.

- It was explained that the costs of Shifting operations at WOB are the same as Pilotage operations with the movement of pilots, launches and tugs.

- Even if pilot is not physically present, Pilot is deployed on shore at the VTMS for providing remote assistance. Therefore, Remove Piloting Charges would be introduced / levied.

- It was informed to the Trade that the existing SOR had only Tug Detention Charges and no Pilot Detention Charges which have been included now as a composite rate.

- It was informed to the Trade that the Port is in the process of introducing several dust containment measures / equipment and as such it would entail additional cost burden on the Port.

7. Subsequent to the trade fraternity Meeting, Mormugao Stevedores Association (MSA) has submitted its comments. The MSA has reiterated its earlier comments vide its email dated 14 February 2019.

8.1. Based on the preliminary scrutiny of the proposal, it was observed that there are certain information gaps/ deficiency in the proposal of MOPT. The MOPT was, therefore, vide our letter dated 21 February 2019 requested to furnish requisite information / clarification by 28 February 2019. The MOPT has furnished additional information / clarification vide its letter dated 15 March 2019. A summary of additional information / clarification sought from MOPT and its response is given below:

<table>
<tr><th>Sl. No.</th><th>Information / Clarification sought by us</th><th>Reply furnished by MOPT</th></tr>
<tr><td>I.</td><td><u>General</u></td><td></td></tr>
<tr><td>1.</td><td>The port in the covering letter has stated that approval of the Board of Trustees for the proposal for general revision is being put up by the port in the ensuing Board meeting for approval and shall be submitted shortly. We have, however, not yet received the copy of the Board approval. The port is requested to expedite copy of the Board approval.</td><td>The copy of the Board Resolution No. 94 of 05 February 2019 has been furnished.</td></tr>
<tr><td>2.</td><td><u>Annual Revenue Requirement (FORM NO.1)</u>:</td><td></td></tr>
<tr><td>(i).</td><td>Sl. No.2 (iv): <u>2/3 of the Contribution to the Superannuation funds like Pension Fund, Gratuity Fund and Leave Encashment Fund</u>:</td><td rowspan="4">The modified ARR (Form - 1) duly certified by the Practising Chartered Accountant is furnished.</td></tr>
<tr><td></td><td>As per Clause 2.2 of the Tariff Policy, 2018, 1/3rd of the Contribution to the Superannuation funds (Pension Fund, Gratuity Fund and Leave Encashment Fund) need to be considered in the ARR computation which means 2/3rd to be excluded. As against the above position, the MOPT has considered for exclusion 2/3rd of ₹1236 and ₹1800 lakhs being Contribution towards only Pension Fund for the years 2015-16 and 2017-18 respectively. However, the Audited Annual Accounts of the MOPT for the years 2015-16 to 2017-18 also reported Contribution to the Gratuity Trust Fund and E.L. Encashment Fund, which is part of the Superannuation Fund are as given below:
(In Lakhs)<table><tr><th>Items</th><th>2015-16</th><th>2016-17</th><th>2017-18</th></tr><tr><td>Gratuity Fund</td><td>210.00</td><td>1605.68</td><td>2303.82</td></tr><tr><td>Leave Encashment Fund</td><td>24.86</td><td>1188.26</td><td>170.19</td></tr></table>The port has, however, not considered to exclude 2/3rd of the above two items in the ARR computation. The MOPT to, therefore, make necessary correction in Form -1 in the ARR computation so as to fall in line with the Tariff Policy, 2018. The MOPT is requested to furnish modified ARR (Form -1) duly certified by the Practicing Chartered Accountant / Cost and Management Accountant.</td></tr>
<tr><td>(ii).</td><td><u>Average Expenses (Sl. No.4):</u></td></tr>
<tr><td></td><td>As per note 2(ii) below the Form-1 attached to the Working Guidelines 2018 notified by this Authority on 30 January 2019, if the figure at Sl. No. 2(iii) for exclusion of 2/3rd of one-time expenses is related to only one particular year out of three years, then, for computing the average expenses at Sl. No 4, the figure of Sl. No 2(iii) should not be considered for exclusion. In such a case, 1/3rd of the arrears of one-time expense which is pertaining to only one particular year should be captured i.e. added to the average expense at Sl. No 4. If the figures at Sr. No 2(iii) are reported for two out of three years, then average of two years should be finally</td></tr>
</table>

	captured while computing the average expenses at Sl. No 4.	
3.	**Revenue estimation (Form-3):**	
(i).	The MOPT has stated that traffic figures based on 2017-18 actuals are considered for revenue estimation. In this regard, the MOPT is requested to furnish the following information / clarification:	
(a).	The MOPT has furnished Annual Administrative report for the year 2017-18. The total GRT Vessels considered in Form-3 for estimating revenue from Port Dues is 2,80,03,898 GRT of vessels (28.00 Million GRT). This does not match with 2,37,95,938 GRT of vessels (23.80 Million GRT) reported in the Annual Administrative Report of 2017-18 and stated by the MOPT in its proposal. Like wise, revenue estimation from Pilotage and Berth Hire also is not matching with the GRT reported for the year 2017-18. The MOPT to reconcile the difference and furnish a broad reconciliation statement. Please confirm that the total GRT of vessels considered in the revenue estimates for vessel related charges matches with the actual total GRT of the vessel handled by the port for the year 2017-18.	In the Annual Administration Report (AAR), vessels such as Coast Guard vessels, Navy vessels, Research vessels, Foreign Navy Vessel and all other non-cargo handling vessels are excluded and hence the GRT considered in the AAR is less than that considered in Form – 3. The GRT considered in the Form – 3 for revenue estimation is based on the actual invoices raised by MOPT. Also, it is pertinent to note that all the transhippers and floating cranes operating in the port waters are not considered in the Annual Administration Report, whereas same vessels are billed for port dues once every 30 days, resulting in the GRT of these transhipper and cranes being counted 12 times in the GRT figures considered for revenue estimation. As regards pilotage and berth hire, it is informed that not all vessels like Navy vessels, avail pilotage and berthing services. It is further clarified that the berth hire figures are GRT hours and not GRT only. Also, GRT considered by the MOPT is higher than that mentioned in ARR which results in higher estimation of revenue thus reducing the gap between the ARR and the proposed revenue generated. Hence, as there is no undue benefit to the Port as a result of excess GRT considered by the Port.
(b).	The port has stated in para 6 of the highlights of the proposal that the total traffic handled by the Port during the year 2017-18 is 26.90 million tonnes as reported in the Administrative Report of the port for the year 2017-18. However, on perusing Form III, it is seen that the sum of the volume of cargo for which revenue from wharfage is estimated is 5,97,8520 i.e. 5.97 million tonnes. This does not match with the volume of traffic of 26.90 MTPA reported to have been handled by the port and reported in the Administrative report for the year 2017–18. The MOPT to examine the revenue estimation and show that the volume of cargo considered in the revenue estimates matches with the actual cargo handled and reported in the Administrative Report. In case of variation, the difference may be reconciled.	It is informed that 9 million tonnes of iron ore handled at West of Break Waters (WOB) was not included in the Form – 3, the same has now been included in the revised Form – 3 along with the estimated revenue. It is also informed that 11.73 million tonnes of cargo has been handled by PPP operators which cannot be considered for revenue estimation as the TAMP approved rates for MOPT are not applicable for PPP operators. Also, another factor contributing to the minor difference of 1.9 lakhs, after considering the above justification is that the cargo considered in Annual Administration Report (AAR) is based on actual cargo handled whereas the figures considered in the Form – 3 are on vessel sailing basis.
(ii).		
(a).	It is seen from the revenue estimation at the proposed Scale of Rates (Form 3) that the port has not captured any revenue impact in respect of some tariff items proposed in the Scale of Rates (SOR).	The Electronic Data Interchange (EDI) charges are based on per document basis. The total income for 2017-18 is ₹70,30,853 and hence it is not possible to estimate the number of documents that were generated.

	The port may confirm that no traffic / services were rendered by the port for the above items in the year 2017-18 as no revenue is estimated for the above items. The reason for not capturing income from the Electronic Data Interchange (EDI) charges may also be clarified.	However, the income from EDI is estimated to be less than that for 2017-18, as is proposed at 1% of the service amount, subject to maximum of 50 USD or ₹3500/- per document and minimum is 2 USD or ₹100 per document. However, in the existing Scale of Rates (SOR), even if invoice is less than or equal to ₹20,000/-, the EDI charges of ₹2,000/- were applicable, which was objected by the Port Users. As such taking into account their grievances, the proposed EDI charges are 1% subject to 50 USD or ₹3,500/-, thus ensuring EDI charges do not exceed the service amount. Hence, the estimated revenue generated from EDI charges would not exceed the EDI charges of 2017-18 and the same revenue as 2017-18 has now been added in the revised Form – 3.
(b).	Though the SOR proposes new tariff for the following items, the port has not shown any revenue for these items in Form 3:	
(i).	1.5.2 Flotilla Hire Charges. (a). Launch Hire Charges. (b). Launch Hire Charges for survey work.	The revenue for launch hire is already estimated in the Form – 3 under sundry charges, submitted earlier. However, the rates are now proposed to reduce from ₹25000/- to ₹15000/- per hour or part thereof, which is increase of 20% as against general increase of 25%, based on request of the port users and based on the this revenue estimation has been revised. It is also informed that the port has not provided any service in 2017-18 under launch hire charges for survey work.
(ii).	2.2.6 Mandatory user charges.	It is confirmed that no services were rendered by the port in 2017-18.
(iii).	4.2 Miscellaneous Charges	As regards dumping of dredged material, there are no instance in 2017-18. As regards Oil boom and skimmer equipment, there was one instance against which ₹3.62 lakhs was collected by port in 2017-18.
(iv).	4.3 Charges for operating Transhipper / Floating Crane. The port may confirm no traffic/ services are rendered by the MOPT for the above items in the year 2017-18.	There are no charges for operating Transhipper / Floating crane in the existing SOR and hence no revenue. The estimated revenue included in the Form – 3 is ₹10 lakhs.
(4).	**Scale of Rates:**	
(i). (a).	The MOPT has proposed a few new tariff items / conditions and has proposed lot of rationalisation / simplification of the existing SOR and has also proposed for deletion for few tariff items/ conditions. Clause 2.12. of the Working Guidelines 2018 stipulates that if a new condition is introduced or if existing condition is modified due to operational or any other contingency, the port may prescribe such modification with reasons thereof and capture the financial / revenue impact in the ARR. The basis adopted for new items is to be furnished and its financial effect to be captured in the revenue estimations in Form-3. The port to capture financial impact, if any, on account of the	The revised Form – 3 is enclosed as Annexure – 3.

	modifications proposed in the draft proposed SOR.	
(b).	Form 5 of the Working Guidelines prescribed by this Authority requires port to furnish comparative position of existing and proposed Scale of Rates. Form 5 requires the port to furnish reasons/ justification for amendments in conditionalities proposed by the port. However, the Form 5 furnished by the MOPT does not give any basis / justification / reasons for the amendments proposed in the conditionalities in the existing SOR. Some of them are given below. The MOPT to justify with reasons to all the modification proposed in the existing conditions, deletion of the existing conditions and introduction of new condition. The MOPT is requested to note that this Authority may not be able to accept the amendment / changes made in the conditions and new conditions in the absence of justification by the Port and this Authority may be constrained to retain the existing conditionalities without any change.	The revised Form – 5 is enclosed as Annexure – 4.
(ii).	**General Terms and Conditions**:	
(a).	Note (vii) a): The proposed note stipulates the next annual indexation will be from 1 April 2020 subject to the MOPT achieving the performance standard notified along with the SOR. As per clause 2.8 of the Tariff Policy, 2018, the next indexation shall be from 1 May hence the said note shall be corrected as 1 May 2020 instead of 1 April 2020.	The change in note (vii)(a) has been incorporated in the revised proposed SOR is enclosed as Annexure – 5.
(b).	Note (vii) (d): The port has proposed to modify the existing note by stating that all the port charges are to be paid in advance based on estimation. Further, the port has also added that in case of short payment, if the balance payment is not made within 10 days, then the interest shall be levied from the day 1 of raising the bill. The proposed addition to the existing note is not in line with clause 5.5.2. of the Working Guidelines which is uniformly prescribed in the SOR of all the Major Port Trusts including the existing SOR of the port. The port may, therefore, consider to retain the existing note which is uniformly prescribed across all Major Port Trusts and BOT operators.	The change in note (vii) (d) has been incorporated in the revised proposed SOR.
(c).	The existing note no (xi) stipulates that users shall not be required to pay charges for delays beyond a reasonable level attributable to the MOPT is proposed for deletion in the proposed SOR. Since this condition is as per clause 5.3. of the Working Guidelines 2018 and also uniformly prescribed across all Major Port Trusts and BOT operators, the existing note may be retained in the proposed SOR.	The note is already existing at (viii)(a) and was duplicated at (xi) and hence deleted.
(iii).	1.1. Schedule Port Dues:	
(a).	The existing SOR prescribes port dues separately for Barges carrying cargo,	Currently the port does not possess any mechanism to monitor barges plying

	Bunkers / water barges at ₹6000/- per annum, ₹6000/- per annum and for Pleasure Yachts at ₹10,000/- per annum. The reasons and basis for the proposed deletion of port dues for these categories of vessels may be explained as it is not explained in Form 5.	through port waters. It is also confirmed that no revenue has been earned through the existing rates in the SOR and hence proposed to be deleted.
(b).	In the proposed Note no (iv) [existing note (iv)] under Schedule 1.1 Port Dues, in the last sentence the MOPT has proposed deletion of the word "Western India Shipyard Limited (WISL) and substituted it with the word "port". The MOPT to explain the reason and basis for the proposed modification in the existing note.	The change in the proposed note no.(iv) under schedule 1.1 Port Dues has been made since the lease period of Western India Shipyard Limited (WISL) is over w.e.f. April 2018.
(iv).	Schedule 1.2.2 - Shifting Charges:	
(a).	Clause 10.9 of the Working Guidelines 2018 stipulates three GRT slabs for levy of Pilotage charges and shifting charges. The existing SOR prescribes Shifting charges in three slabs of GRT of vessels which is found to be in line with the same provision prescribed in the Working Guidelines to operationalise the Tariff Policy, 2015. However, in the proposed SOR, the MOPT has proposed the shifting charges at 50% of the pilotage fee in case of shifting of vessel within the East of Breakwater and at 100% of pilotage fee in other cases. The reasons for deviation from the stipulation of the Working Guidelines is not explained. The port may consider to propose Shifting charges slab wise in three GRT slabs prescribed in the said clause of the Working Guidelines 2018.	It is informed that port has not deviated from the stipulation of the working guidelines. The proposed shifting charges are still slab wise with the percentages applicable on the respective GRT slabs of the Pilotage. For more clarity, the following words are inserted under 1.2.2 – Shifting Charges. "The shifting charges shall be applicable as per the respective GRT slabs of the pilotage fees".
(b).	The proposed shifting charge is at 50% / 100% of the proposed pilotage fee. The existing Shifting charges works out to 15.32% of the pilotage fee. Form 3 shows that the increase proposed in shifting charges is in the range of 306.19% to 307.95% for East of Break water (EOB) and 712.5% to 715.91% for West of Break water (WOB). Justify the reasons for proposing steep increase which is beyond 25% stated to have been sought in the Vessel related charges.	It is informed that the shifting operations are equivalent to pilotage operations at WOB as it involves movement of tugs, manpower and pilots from their stations to WOB which is equivalent to the sailing movement of the vessel which in turn results in the same operation cost as pilotage operations.
(c).	Shifting of vessel is for movement of vessel from berth to berth or stream to berth or berth to anchorage or vice versa movement. As per the proposed SOR note (i) under schedule 1.2., Pilotage fee is a composite fee including one inward and one outward movement with required number of tugs/launches of adequate capacity and shifting/s of vessels for 'Port convenience'. In view of the above difference in the services of shifting and pilotage, port to justify its proposal for the steep increase proposed in shifting charges and linking it pilotage fee at 50% / 100% of the proposed pilotage fee.	In view of the fact that pilotage fee is a composite fee including 2 movements, it is proposed to reduce the shifting charges in the proposed SOR and link it to pilotage fees at 25% / 50% of the proposed pilotage fees as against the 50% / 100% proposed earlier.
(d).	No revenue from the proposed shifting charges is estimated for vessel size of 30001-60000 GRT and above 60000 GRT slabs for both EOB and WOB. The port to confirm that revenue estimation from this	The Form – 3 has been revised to include revenue estimation for vessel size of 30001 – 60000 GRT and above 60000 GRT slabs for both WOB and EOB.

	tariff item is in order based on the vessels which availed shifting facility in the year 2017-18.	
(e).	The existing SOR prescribes a note that for shifting a vessel from stream to berth or berth to stream or change of berths or anchorages, separate charges are leviable. The shifting charges shall be levied on all acts of shifting, which excludes the inward and outward movements connected with the pilotage. In the light of the proposal of the MOPT for linking it to pilotage fee, confirm whether the proposed note is still continued to be prescribed in the SOR as proposed by the port.	It is confirmed that the note is still continued to be prescribed in the SOR as proposed by the Port.
(v).	<u>Schedule 1.5.2 Tug Hire Charges</u>	
(a).	In the existing SOR, the charges for hire of Launch (for survey work) is prescribed at ₹1 lakh per shift of 8 hours or part thereof under schedule 4.2. under the Miscellaneous Cargo Relate Charges. The said rate is inclusive of fuel and lubricants. As against that in the proposed SOR, the port has deleted this entry from Miscellaneous Charges and brought it under Tug hire Charges. The rate proposed is ₹30000/- per hour of part thereof for Launch Hire For Survey Work and ₹25000/- per hour of part thereof for launch hire Charge. This works out to 140% increase if like to like comparison is done in the unit of levy of Launch Hire For Survey Work. The basis for the proposed increase which is more than 25% increase sought in the vessel related charges may be explained.	The rates are now proposed to reduce from ₹25,000/- to ₹15,000/- per hour or part thereof, which is increase of 20% as against general increase of 25%, based on request of the port users and based on the this revenue estimation has been revised. It is informed that if launch is hired for survey work, additional survey equipment, manpower and other equipment are supplied by the port.
(b).	The port may explicitly state that whether it is inclusive of fuel and lubricants as prescribed in the existing SOR to avoid any ambiguity.	It is informed that it is already existing in the proposed SOR in the heading, which states, “Rate per hour or part thereof (inclusive of fuel and lubricants)”.
(vi).	Schedule 2.1.3 Wharfage Charge for Liquid Cargo:	
	The proposal of the MOPT seeking increase in wharfage charges for POL and POL products from then prevailing rate of ₹193/- per tonne to ₹500/- per tonne on the grounds that they do not have funds even to pay the salaries and pension payment and it for sustainability of the port, this Authority vide Order No.TAMP/39/2018-MOPT dated 31 July 2018 approved the increase proposed by the port as a stop gap arrangement. In the said Order in para 12 (vi)(a) it is stated that in view of the objection made by the oil companies at steep increase proposed by the port and stating that it may have to look for alternative mode of transport by pipeline/ road, the port was advised that while revising the SOR due from 1 April 2019, the port may like to review the increased wharfage rates for POL and POL products as this exercise is only a stop gap arrangement to tide over the severe financial crisis reported by the port. It is, however, seen that in the current proposal, the port has proposed to retain the	The situation faced by the port has not improved and has infact worsened and hence it is proposed to retain the same rate. In case, if there is an improvement in the situation, the port may consider giving concession, as these are ceiling rates.

	rate of ₹500/- per tonne. The port may like to review the proposed rate in view of objections made by the oil companies during processing of the said Order.	
(vii).	Schedule 2.1.5 Dust Suppression Levy (DSL):	
(a).	The existing SOR prescribes dust suppression levy at 4 per tonne on all cargoes except containers and liquid cargo handled at MOPT berths. As against that, the MOPT has proposed Dust Suppression Levy separately for Dry Bulk at ₹8 per tonne and ₹3 per tonne for break bulk cargo and ₹3 per TEU for container. In this regard, explain the relevance of the proposed rate for break bulk cargo and container and whether dust suppression services are rendered for these cargo groups.	The situation of the port has worsened only due to the issues pertaining to environment. In this regard, the port has put in the place/ in process of putting in place various pollution mitigating measures such road sweeping machine, mist cannon machine, truck wheel cleaning equipment, pollution monitoring equipment etc. incurring additional cost to the port. However, the total cost of measure would be unbearable only for the polluting cargo to bear and as such it is proposed to recover the DSL from all cargos. However, the rates are now proposed as under: Dry Bulk @ ₹6 per tonne. Break Bulk @ ₹2 per tonne At mooring dolphin 50% of the above charges.
(b).	At the proposed tariff, the increase in dust suppression levy for dry bulk works out to 100%. Justify the proposed increase in the rate for this item as against 15% increase stated to have been sought in the cargo related charges.	Same as (a) above.
(c).	The existing note that DSL is applicable on all cargoes excluding cargo handled by PPP Operators may be considered for retention.	The following change is proposed to be made in the note: Note : (i). Not applicable for cargo handled at WOB and PPP berths. (ii). DSL will be charged at 50% for the cargo handled at Mooring Dolphins.
(viii).	Schedule 2.2.2 & 2.2.3 container Storage Charge and Schedule 2.3 cargo related charges outside Custom Bound Area& insider custom bound area:	
(a).	The existing SOR prescribes uniform storage charge for container without any distinction of storage inside or outside the custom bound area. Explain the basis and reasons for proposing two separate schedule of Storage Charges for Outside Custom Bound Area and Inside Custom Bound Area.	The Port has limited cargo storage space inside the port limits. The port intends to maximize utilization of the space outside the custom bound area and to attract more cargo. Hence, the port has proposed separate rates for outside custom bound area which are very attractive.
(b).	Explain the reasons for proposing increase in the free period for containers from existing 3 days to 20 days for import and export containers in Outside Custom Bound area and for proposing reduction in the free period from existing 3 days to 1 days in respect of containers storage in respect of Import containers inside custom bound area. The port to confirm that revenue estimate furnished in Form 3 captures the impact of modification proposed in free period under the revenue estimated from storage charge from containers.	Same as pt (a) above, however, it is proposed to retain the free period to the existing 3 days in respect of import containers inside custom bound area. The port's area outside custom bound area are not easily accessible and hence rates and free period proposed are very liberal and so it is expected that the cargo within the port area may move out to the outside custom bound area which will earn less revenue to the port for the same cargo. Even if there is increase in the cargo, the total revenue is not expected to exceed the current revenue earned from the current storage. It is also informed that even though as per the 2018 Guidelines, the 2017-18 traffic of 26.90

		million tonnes been considered. The traffic for 2018-19 is not expected to exceed 18 million tonnes. However, the revenue in form 3 has been estimated considering the increased rates inside custom bound area and that too for higher traffic of 2017-18.
(c).	The free period prescribed in the existing SOR is 3 days for Dry Bulk and Break Bulk import cargo and 20 days for dry bulk export and 12 days for break bulk export cargo. As against the above, the port has proposed free period of 30 days for import and export cargo inside custom bound area and 45 days free period outside custom bound area. The basis for proposing increase in the free period may be explained.	Same as (b) above.
(d).	The covering letter of the port states 15% increase is sought in storage charge. At the proposed tariff, the increase in Container Storage Charges inside Custom Bound Area, however, works out to 100% apart from reduction proposed in the free period from 3 days to 1 day for import container and not 15% as stated by the MOPT in its proposal. The increase in cargo storage charges is in the range of 33% to 100% for Dry Bulk Export, 25% to 60% for Dry Bulk Import and 7.14% to 114% for Break Bulk Import. The port to explain this mismatch in the covering letter of its proposal about the increase proposed in storage charge. Also, justify the reasons for proposing 100% increase which is beyond 15% increase sought in the cargo related charges.	In the covering letter, it has been clearly stated that individual cargoes and slabs and structures have been revised wherever felt necessary and as such the above increases have not been universally applied. Same as (b) above.
(e).	It is seen from Form 3 that no revenue from demurrage charge is estimated from the demurrage charge proposed outside the custom bound area, for Bogda area and for covered area and for Dry Bulk Export Cargo vide Schedule 2.3.1. The port may examine the revenue estimate from demurrage charge and make necessary corrections in Form 3.	The Bogda area outside custom bound area is not easily accessible and hence not possible to estimate quantity of cargo to be stored in this area and also refer pt (b) above.
(ix).	Schedule 2.2.6 Mandatory User Charges:	
	The port has proposed Mandatory User Charge of ₹145/- per container to be levied on all containers (except transhipment and coastal) handled at the Major Port Trusts and terminals operating thereat towards Mandatory User Charge (MUC) for the Logistics Data Bank (LDB) service to be rendered by DMICDC based on the Order No.TAMP/46/2018-MUC dated 8 June 2018 approved by this Authority as common Order for all Major Port Trusts and terminals operating thereat. In this regard it is to state that the validity of the rate approved is till 31 March 2019. The DMIDC has recently filed a proposal for revision of mandatory user charges beyond its validity which is being processed separately. The rate as and when approved in DMIDC case shall be made applicable to MOPT also.	No comments.
(x).	Schedule 2.3.2.1 Import cargo for Storage Charges Inside Custom Bound Area	

(a).	The existing SOR prescribes specific number of 3 days free period for import cargo. As against that, in the proposed SOR, the port has proposed a note that free period for import cargo shall commence from the Vessel Completion Time. The free period shall be determined based on the manifested quantity of the vessel divided by the specified delivery rate for that cargo, rounded off to the nearest integer or 30 days, whichever is less. This means the free period proposed is not specific but it linked to delivery rate and vessel completion time with a cap of 30 days free period. The reasons for not proposing specific fee period for cargo storage inside the Custom Bound Area is not clear. The port may consider to propose specific free period as in the existing SOR for import cargo stacked inside the Custom Bound Area.	This change is proposed in order to ensure that a small quantity of cargo does not enjoy the same amount of free period as a large quantity of cargo e.g. in the existing SOR, a quantity of 5000 MT would enjoy the same amount of free period as 50000 MT of cargo.
(b).	The existing SOR prescribes delivery rate of 1500 to 2000 Tonner per day for different categories of dry bulk cargo. Explain the basis and reasons for proposing reduced Delivery Rate for import Dry Bulk Cargo at 1000 tonnes per day. Also, furnish the basis for the proposed delivery rate of 750 tonnes per day for import Break Bulk Cargo.	Of late there has been heightened activism in the local community against the port operations, particularly pollution and movement of heavy vehicles through the city. The locals attribute the pollution to the vehicular movement of cargo carrying vehicles and the congestion on city roads due to heavy vehicles. This is in addition to the usual six hour daily restriction imposed by the local administration. This has severely impacted the cargo receipt and delivery from the port and consequently the imposition of demurrage on the cargo. As a result, besides resulting in increased cost of handling at the Port, this has also led to diversion of the cargo. Further, it is relevant to mention that the delivery rate of cargo, in the SOR prior to the existing one, was enhanced with a view to ensure faster evacuation of cargo and to free of space. However, this proved to be counter-productive for the reason that due to poor industrial activity in Goa, the availability of large trucks (22/30 tons) is often scarce leading to slower delivery rate.
(xi).	General Note under Storage and Demurrage Charges.	
	The existing SOR and the proposed SOR prescribes a note that Storage charge on cargo/container shall not accrue for the period when the Port is not in a position to deliver / ship import / export cargo/container for reasons attributable to the Port. In addition to that, the port has proposed a new General note no (viii) stating that Demurrage on both import and export cargo shall not accrue for the period when the port is not in a position to deliver/ship cargo for any reason whatsoever, when requested by the user. The reasons and the background for introduction of the proposed new note may please be explained.	It is an inadvertent duplication of point No.(vii) and is proposed to be deleted.
(xii).	Schedule 2.4 Cargo Handling Labour Charges:	
(a).	Schedule 2.4.1 (A) Stevedoring Charges-	

	In the Order No.TAMP/67/2016-MOPT dated 14 November 2017 relating to upfront tariff approved for stevedoring and shore handling operations under the Stevedoring and Shore Handling Guidelines, as brought out in para 12 (xv) of the said Order, the port had clarified that the rate prescribed in the General Revision of Scale of Rates are approved by this Authority for providing services by the port to its customers. The port provides services like gangs, crane operator to operate ships crane, signallers, etc. HMC for which the rates are specified in the General Revision of Scale of Rates. The MOPT had stated that upfront tariff for Stevedoring and Shore handling operations are the ceiling rates to be charged by the stevedores to their customers for providing services like private labour, equipment etc. and which are over and above the rates paid by the stevedores to the port. In view of the above stand taken by MOPT, the schedule 2.4.1(A) and (B) approved by this Authority in the general revision of SOR was allowed to be retained for the present and the port was advised to review these items and come up with a suitable proposal within two months. The port, however, did not come up with any proposed in this regard. In the current proposal of general revision of the SOR, the port has proposed for continuance of tariff for Stevedoring Charges but has deleted the schedule of rates for Shore operations prescribed in 2.4.1.(B) of the existing SOR. The port is requested to explain the nature of services provided with reference to rate for stevedoring operations proposed in the existing SOR vis a vis those covered under the upfront tariff for stevedoring operations in the Order dated 14 November 2017 and confirm that there is no double counting of the cost elements considered in the stevedoring rate proposed in the general revision of SOR and the upfront tariff for stevedoring operations prescribed in the November 2017 Order under the stevedoring and shore handling guidelines.	The upfront stevedoring policy envisages the levy of a ceiling limit on charges that the Stevedore can charge to the customers which inter alia includes port stevedoring charges levied by the port for supplying Operators and signalers to operate ship's gears. The rate prescribed under stevedoring charges of Port's SOR is limited to the charges levied for the manpower services provided by the Port. Hence it is confirmed that there is no double counting of the cost elements considered in the SOR. It is clarified that unlike other major ports, MOPT does not supply any shore gang for cargo handling operations. Hence, the schedule of rates for shore operations prescribed in the existing SoR has been deleted as no shore operations services are provided by the Port.
(b).	The existing SOR under Schedule 2.4.1. (A) prescribes stevedoring charges in three slabs for each cargo items linked to average output per hook per shift. However, in the proposed SOR, the port has proposed uniform stevedoring charges without linkage to output performance. The reasons for doing with the existing system of tariff linked to output performance may be explained. The basis for rationalised tariff of single slab in place of three slab rates may also be explained.	It is informed that in the previous SoR, the rates for Cargo Handling, Labour Division (CHLD) operations were in the descending order for increased productivity. The CHLD operations involves port's crane operators, operating the ship's gear, which means increased productivity would be on account of port. However, when CHLD operators unload the cargo on the wharf, speedy evacuation is the responsibility of the stevedores which includes providing adequate equipment, machinery and manpower, which indicates efficiency of the stevedores. Due to this conflicting interest, it is proposed to do away with the slabs and maintain a single rate per ton. NMPT also has a single rate per ton rate instead of

		multiple slabs for its operations. The port had proposed CHLD single slab with rate of highest slab, which was objected to by the port users and now it is proposed to revise the single slab on the weighted average rate of 2017-18 and accordingly form 3 has been revised. The basis of weighted average rate working enclosed as Annexure - 6. [Cargo Type- All cargo in Jumbo Bags. Proposed Rate per tonne – ₹.103.50. Cargo handled in 2017-18 having rate per tonne – ₹.75 in two instances and ₹.95 in 6 instances. Weighted Average = 2x75+95x6/8=₹.90 per Tonne. Proposed increased in CRC-15% Proposed Rate = 90x115/100= ₹103.50 per tonne for Foreign Cargo and ₹62.10 per tonne for Costal Cargo.
(xiii).	Schedule 2.5 Electronic Data Interchange charges (EDIC):	
(a).	The existing SOR prescribes separate rates for EDIC for different types of documents like Vessel Related, cargo related, container related document etc. In the proposed SOR, the port has proposed EDIC at 1% of the Service Amount subject to a minimum of ₹100/- and a maximum of ₹5000/-. The term "Service Amount" may be explained as there is no such item in the proposed SOR.	The Service amount is the Invoice amount exclusive of any taxes.
(b).	The reasons for linking this tariff item as a percentage to "Service Amount" may be explained and justified with reference to the service of EDIC provided by the port.	It was brought to the notice of the Port that in many case, the EDI charges were more than the invoice amount. Hence, it was proposed to link the EDI charges as a percentage of service amount with minimum and maximum capping.
(xiv).	Schedule 2.6.1 Mobile Harbour Crane:	
(a).	In the existing SOR, cargo wise tariff is prescribed and linked to average daily performance in tonnes for cargo handling by HMC for gearless vessels. The rate prescribed in the existing SOR rewards efficiency by prescribing higher rate with increase in the performance slabs. As against that, in the draft proposed SOR, the port has proposed to do away with slab wise tariff linked to average daily performance. The reasons for the said modification from the existing system of tariff may be explained.	In the existing SoR, there are two categories i.e. Harbour Mobile Crane (HMC) working together with ship's gear and the other for gearless vessels with rates in descending and ascending order respectively for increased productivity. Hence, it is proposed to do away with the separate category and to have only one category with single slab. This is done as the HMC usually operates in tandem with the ship gears. The Port users are reluctant to engage the port's HMC and try to divert cargo to the ship's gears. Due to the slabs, the port is not able to recover even the operating cost of the HMC. HMC is having higher capacity compared to ship gear, with the rates in decreasing order with increased productivity, hence it is proposed to have only one slab for HMC to at least recover its cost of operations.
(b).	It is seen that as against separate rate prescribed for six categories of dry bulk cargo linked to average daily performance, the port has rationalized and proposed rate for two categories of dry bulk cargo. Furnish the basis for arriving at the proposed rationalized	Firstly, the slab for coal/slag and coke of all types have been removed for the reason that in view of the direction of the Honorable High Court of Mumbai, in Goa, coal and coke cannot be handled at berth no. 10 & 11. Secondly, the rationalization of the

	rate as against slab wise rate for different dry bulk and break bulk in the existing SOR linked to average daily performance.	slabs for remaining cargo is based on the nature and the handing methodology i.e. one is dry bulk granular lumpy form and the other is powered fine. The object is to reduce any scope of subjective interpretation arising out of multiple slabs and description and to bring uniformity in rates of cargo of similar nature.
(xv).	Schedule 2.6.2 Container Handling by Mobile Harbour Crane (MHC):	
	The existing SOR prescribes (i) to (vii) conditions governing container handling charges by MHC. In the proposed SOR, the port has proposed for deletion of existing note no. (i), (ii),(iii) and (vi) to (vii). The proposal of the port does not explain any reasons for deletion of the existing conditions. The existing conditions appear to be relevant and hence the port may consider to retain the same as most of these conditions are prescribed for HMC operations at other Major Port Trusts as well.	As the port has proposed a single slab in the place of productivity based multiple slabs, the notes (i) to (iii) to (vii) are not relevant. As regards note (vii), same cannot be implemented as the terms and conditions of the agreement between the Port and the crane operators prevail. The notes (i) to (vii) are common notes under 2.7 Miscellaneous Cargo related charges in the existing SOR. In the existing SOR, the applicable charges were based on the slabs of the Average daily performance (in tonnes) achieved while handling the cargo through Mobile Harbour Crane. However, in the revised proposed SoR, the notes (i) to (iii) & (vii) are not relevant as there are only single slab rates, applicable based on the category of the cargo. The note no (vi) is not applicable since during the applicability of the existing SoR, the operation of the Mobile Harbour Crane was bounded by the contractual obligations and now the said Mobile Harbour Crane is being operated by the port employees.
(xvi).	Schedule 4.1 Hire of Equipment and Machinery:	
	The basis of the rates proposed for five new items namely EOT Crane 8 Tonne, EOT Crane 12 Tonne, EOT Crane 18 Tonne, Loco Engine Pit Charges and Bollard Pull Test may be explained. Also, estimate the revenue from the proposed items in Form -3 as these entries are not found therein.	There are instances, where there were requirement for these equipment. Hence, these are now brought into the SOR to recover its cost of operations. It is informed that the port has not provided any of these above service in 2017-18.
(xvii).	Schedule 4.2 Miscellaneous Charges:	
(a).	Explain the basis and reasons for introducing proposed charges for (i). dumping of Dredged Material by Parties, (ii). 1 Std. Length Oil Boom (Excluding manpower and flotilla cost, etc.) and (iii) Skimmer/Any OPRC equipment (Excluding manpower and flotilla cost, etc.) under the new schedule of miscellaneous charges. Also, explain the nature of services rendered by the port for item nos.(ii) and (iii) above and confirm that they fall under the list of services listed under Sections 48 / 49 of the MPT Act 1963.	Dumping of Dredging Material by Parties: The dumping area falls within the jurisdiction of MOPT and the MOPT being the statutory authority has to maintain conservancy. The MOPT has to spend money on its unkeep, e.g. survey of the port area including the dumping ground, before and after the dredging activities as it falls close the area where the deep draft ships anchor for the cargo operations. 1 standard Length Oil Bloom & (iii) Skimmer / Any OPRC equipment: The port maintains oil pollution preparedness equipments as per National Oil Spill Disaster Contingency Plan (NOSDCP), for which the port has to bear its operational cost and the same needs to be recovered from the users as

		this expenditure is not being recovered under any other heads of the SOR. The nature of services rendered by the port for item nos.(ii) and (iii) above includes mobilizations of the equipments and actual operation at the site including the proper disposal of the recovered pollutants. These equipment have been procured by the port as per the requirements of NOSDCP, hence these charges are proposed to be introduced in the SOR, since these services are provided by the port.
(b).	For item No (ii) and (iii) it states that the service is excluding manpower and flotilla cost, etc. Apart from that under the schedule 4.2., a note is proposed stating that Manpower and consumable costs shall be payable extra at actual. There appears to be mismatch and contradiction in this regard. The port may examine and make necessary correction to avoid any ambiguity.	The rates for item (ii) and (iii) are deliberately kept exclusive of manpower and flotilla, cost, as the manpower cost varies with time due to change in basic and DA depend on the individual employee. However, the note has been added to clarify that manpower and consumable cost are payable extra at actuals which cannot be brought into the SoR. However, the flotilla charges shall be as per the SoR rates and hence there is no contradiction.
(xviii).	Schedule 4.3 Charges for Operating Transhipper / Floating Crane in Port:	
	The existing SOR and the proposed SOR includes tariff for Transhipper of 30T and Floating Crane of 32T for services provided by the authorised service provider. The rate proposed is on per tonne basis. In the proposed SOR, apart from the tariff sought for the above said item, the port has proposed new tariff schedule 4.3. for Transhipper and Floating Crane proposing lump sum rate on per annum basis The reasons for introduction of the proposed schedule may be explained. Also, explain the reasons for not proposing the per tonne rate at par with the rate proposed for services of Transhipper and Floating Crane to be provided by authorised service provider.	It is informed that the annual charges for operating transhippers / floating cranes was introduces since the port wanted to encourage competition and facilities free entry of as many service providers so that the competition would result in lowering of service coast and would be beneficial to the Trade. Also, it is informed that it is the policy of the Ministry to encourage competition and avoid any monopoly therefore, these charges have been introduced. It is further clarified that these charges are equivalent to the annual license fee to be retained by the port whereas the charges under schedule 4.4. are the ceiling rates per tonne, what the transhippers operator can charge to his customers.
5.		
(i).	It is seen from the revenue estimation at the proposed SOR that the port has proposed reduction in tariff rates of the following cargo items. The MOPT to furnish the basis and reasons for proposing reduction in tariff for the following:	
(a).	Schedule 2.3.1.2 Demurrage Charges for Break Bulk Cargo Export.	The port has proposed reduction in the tariff rates of certain cargo items, for attracting more cargo at the MOPT port.
(b).	Schedule 2.7.1 Mobile Harbour Crane Working together with Ships Gear- Dry Bulk Cargo category-	It may kindly be noted that there are no separate categories for HMC working with ship gear and with gearless vessels in the proposed SoR and both these categories are merged into single category with a single slab rates as explained in (xiv) (a) above.
(i).	Iron Ore fines/ Lumpy/pellets/Bauxite/Lime stones, gypsum.	
(ii).	Manganese / Cement / Clinker / Nickel / Bentonite / Pig Iron.	
(iii).	Coal /Slag	
(iv).	Coke of all types	
(c).	Schedule 2.7.2 Mobile Harbour Crane for gearless vessel - Dry Bulk Cargo category-	

(i).	Iron Ore fines/ Lumpy/pellets/Bauxite/Lime stones, gypsum.	
(ii).	Manganese / Cement / Clinker / Nickel / Bentonite / Pig Iron.	
(iii).	Coal /Slag	
(iv).	Coke of all types	
(ii).	The MOPT may confirm that the reduction proposed in the above tariff items relates to common user services without reference to individual Importer / Exporter.	It is confirmed that the reduction proposed in the above items relates to common user service and not with reference to individual importer / Exporter.
6.	Performance Standards:	
(i).	The port may furnish the basis of the proposed Performance Standards for cargo related service and vessel related services with reference to the actual performance parameters achieved in the year 2017-18.	The revised performance standard are average of the last three years actual performance, the revised performance standards have been enclosed with revised proposed SoR. The calculation of the revised performance standards is given below:

Sl. No.	Performance Parameters	Performance Standard
1	Cargo Related Services	
(a)	Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups	
	(i). Dry Bulk Cargo	6000
	(ii). Break-bulk Cargo	4200
	(iii). Liquid Bulk Cargo	7000
(b)	Average moves per hour (in TEUs) in respect of Containers	12
2.	Vessel Related Services	
(a)	Average Turnaround Time of Vessels (in days)	3.60
(b)	Average Pre-Berthing Time of Vessels (in days) (Port's A/c.)	0.32

7.	The MOPT has stated that it has convened a meeting with all port users on 13 February 2019 at MOPT to discuss on the proposed SOR. The port may furnish the minutes of the meeting, if any, of the said meeting for our records.	The MOPT had convened a meeting with all the Port users on 13.02.2019 at MOPT Board Conference Room and minutes of the meeting has been forwarded to TAMP vide email dated 21.02.2019 which were brought out in earlier paragraph.

8.2. While furnishing additional information / clarification, the MOPT vide its letter dated 15 March 2019 has modified ARR (Form No. 1), also slightly revised draft SOR and revised estimation of revenue at the proposed rate. The revenue estimates in Form-3 has been modified.

(i). A summary position of modified / revised ARR computation furnished by MOPT is tabulated below:

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1)	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating Expenses (including depreciation)	19252.05	21489.82	21367.58
(ii).	Management & General Overheads	4670.56	5308.38	6016.07
(iii).	Finance and Miscellaneous Expenses (FME)	10916.19	14232.51	17624.23
	Total Expenditure 1=(i)+(ii)+(iii)	**34838.80**	**41030.71**	**45007.88**
(2)	**Less Adjustments:**			
(i).	**Estate Related Expenses**			
	(a) Operating Expenses (including depreciation)	805.44	895.67	1132.00
	(b) Allocated Management & Administrative Overheads	195.40	221.25	318.71

	(c) Allocated Finance and Miscellaneous expenses (FME)	367.53	475.69	728.56
	Subtotal 2(i)=[(a)+(b)+(c)+(d)]	**1368.37**	**1592.61**	**2179.27**
(ii).	**Interest on loans**	155.60	135.00	556.63
(iii).	**2/3rd 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) Retirement Gratuities (SVRS)	0.00	0.00	0.00
	(b) Ex-gratia payments (SVRS)	0.00	0.00	1953.88
	Subtotal 2(iii)=[(a)+(b)+(c)]	**0.00**	**0.00**	**1953.88**
(iv).	**2/3rd of the Contribution to the Superannuation Funds like Pension Fund, Gratuity Fund and Leave Encashment**	980.57	3062.63	1649.34
(v).	**Management & General Overheads over and above 25% of the Aggregate of the Operating Expenditure and Depreciation**	0.00	0.00	638.46
(vi).	**Expenses relevant for Tariff Fixation of Captive Berth, if any governed under Cl. 2.10 of the Tariff Policy, 2018**			
	(a) Operating Expenses			
	(b) Depreciation			
	(c) Allocated Management & Administrative Overheads			
	(d) Allocated Finance and Miscellaneous expenses (FME)			
	Subtotal 2(vii)=[(a)+(b)+(c)+(d)]	**0.00**	**0.00**	**0.00**
	Total 2 = 2(i) + 2(ii) + 2(iii) + 2(iv) + 2(v) + 2(vi) + 2(vii)	**2504.54**	**4790.24**	**6977.58**
(3)	**Total Expenditure after Total Adjustments (3 = 1 - 2)**	**32334.26**	**36240.47**	**38030.30**
(4)	**Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3 + [2(iii) / 3]**			**36186.30**
(5)	**Capital Employed**			
	(i) Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			44001.22
	(ii) Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)			10581.88
	(iii) Less: Net Value of Fixed Assets related to Estate Activity as on 31.03.2018 as per Audited Annual Accounts			2509.20
	(iv) Less: Net Value of Fixed Assets, if any, transferred to BOT operator as on 31.03.2018 as per Audited Annual Accounts			0.00
	(v) Less: Net Value of Fixed Assets as on 31.03.2018 as per Audited Annual Accounts relevant to be considered for captive berths, if any, under Cl. 2.10 of the Tariff Policy, 2018.			0.00
	(vi) Add: Working Capital as per norms prescribed in Cl 2.5 of the Working Guidelines			
	(a) Inventory			155.35
	(b) Sundry Debtors			1102.68
	(c) Cash			3585.46
	(d) Sum of (a)+(b)+(c)			**4843.49**
	(viii) Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)-(vi)+(vii)(d)]			**56917.39**
(6)	**Return on Capital Employed 16% on Sl. No. 5(vii)**			**9106.78**
(7)	**Annual Revenue Requirement(ARR) as on 31.03.2018 [(4)+(6)]**			**45293.08**
(8)	**Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 i.e. @ 3.45% (7*1.0345)**			**46855.69**
(9)	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**46855.69**
(10)	**Revenue Estimation at the proposed SOR within the Ceiling Indexed ARR estimated at Sl. No. 10 above**			**35973.40**

(ii). The MOPT has furnished in revised Form No.3 detailed working of revenue estimation for the existing tariff as well as the proposed tariff for the actual traffic of 2017-18. As per the said form, the total revenue estimated at the proposed tariff from Cargo, Vessel, Miscellaneous charges is ₹35973.40 as against estimated revenue at proposed tariff in its original proposal dated 19 January 2019 at ₹35872.46 lakhs.

(iii). The modified Performance Standards proposed by MOPT in Form - 6 are as follows:

Sl. No.	Performance Parameters	Performance standards
(1).	**Cargo Related Services**	
(a).	Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups	
	(i). Dry bulk cargo	6,000
	(ii). Break bulk cargo	4,200
	(iii). Liquid bulk cargo	7,000
(b).	Average moves per hour (in TEUs) in respect of Containers	12
(2).	**Vessel Related Services**	
(a).	Average Turnaround Time of Vessels (in days)	3.60
(b).	Average Pre-Berthing Time of Vessels (in days) (Port's A/c)	0.32

8.3. The main reasons for change in indexed ARR as proposed by MOPT in its Original Proposal dated 19 January 2019 and revised proposal dated 15 March 2019 are as under:

(i). MOPT has considered the 2/3 of the contribution to the Superannuation funds like Gratuity and Leave Encashment which were not considered by the MOPT for the year 2015-16 to 2017-18 in Form 1.

(ii). MOPT has modified the Average expenses in Form -1 based on the note 2(ii) below the Form-1 attached to the Working Guidelines 2018 notified by this Authority on 30 January 2019.

9. A joint hearing in this case was held on 22 February 2019 at the MOPT premises. The MOPT made a brief Power Point presentation of its proposal. At the joint hearing, the MOPT and the concerned users / user organizations have made their submissions.

10. As agreed at the joint hearing, the MOPT vide our letter dated 07 March 2019 was requested to take action on the following points arising out of joint hearing proceedings:

(i). At the Joint hearing, Indian Oil Corporation Limited (IOCL), BPCL and HPCL furnished their joint written submission dated 22 February 2019. A copy of the joint written submissions made by IOCL, BPCL and HPCL was forwarded to MOPT. The MOPT was to furnish its comments on the joint written submissions made by IOCL, BPCL and HPCL by 15 March 2019.

(ii). As agreed at the joint hearing, the port was requested to examine the comments and views of the GMOEA made in the power point presentation and also to examine the points made by other users/ user association and to relook at its proposal wherever feasible. In view of the comments made by the users/ user associations, the port was requested to relook at its proposal and furnish its response by 15 March 2019.

11. With reference to the first point of action decided at the joint hearing brought out in para 10. (i) above, the MOPT vide its letter dated 20 March 2019 has furnished its response on the joint written submission made by IOCL, BPCL and HPCL.

12. With reference to the second point of action decided at the joint hearing brought out in para 10 (ii) above, the GMOEA has reiterated its earlier comments given vide letter dated 4 February 2019 in the power point presentation given at the time of joint hearing held on 22 February 2019. The MOPT has furnished its comments vide its email dated 19 February 2019.

13. Subsequently, we have vide our letter dated 28 March 2019 to IOCL, stated that the joint written submission made by IOCL, BPCL and HPCL vide letter dated 22 February 2019 made during the joint hearing makes a mention about payment of Storage related charges to the MOPT. The Oil companies

viz. IOCL, BPCL and HPCL were, therefore, requested to clarify the nature of storage charges paid by them to MOPT. The Oil Companies till have not responded.

14. Schedule 3 Transhipper/Trans-loader/Floating crane Charges using Own anchor prescribes tariff for primary loading and uptopping of iron ore through Transhipper's / floating cranes to be collected from the transhipper vessel / floating crane owners. The MOPT has prescribed a note stating that the rates are based on consent terms agreed upon by both the parties before the Hon'ble Supreme Court of India during September 1996. In this regard MOPT vide its email dated 2 May 2019 has forwarded the copy of consent terms based on Order of Hon'ble Supreme of India dated 18.09.1986 in C.A.No.1472/1988. The said Consent terms clearly state that the rates will remain in force until they are revised by the Board in exercise of their statutory powers.

15. Subsequently the MOPT vide its email dated 15 May 2019 has requested to incorporate following changes in the revised proposed SOR of MOPT.

(a). Replace title to 4.3 from the existing "Charges for operating Transhipper/ floating cranes in port" to" License fee for operating Transhipper / floating cranes in port".

(b). Delete note (ii) under Schedule 4.4: Charges for use of Transhipper/ floating crane provided by the authorised private operators for cargo operations.

16. 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.

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

(i). The existing SOR of the MOPT was last approved by this Authority vide Order No.TAMP/38/2016-MOPT dated 17 November 2016. The validity of the SOR of MOPT approved by this Authority in the said Order was prescribed till 31 March 2019.

(ii). The MOPT has filed its proposal for general revision of its SOR on 19 January 2019 under the Tariff Policy, 2018. The port has furnished the requisite information / clarification sought by us along with revised draft SOR, modified estimates of revenue and modified Performance Standard vide its letter dated 15 March 2019. The information / clarification furnished by MOPT vide its letter dated 15 March 2019 along with revised proposed SOR and submissions made by the port during the processing of the case are considered in this analysis.

(iii). (a). Clause 2.1 of the Tariff Policy, 2018 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 (Y1), (Y2) and (Y3) subject to certain exclusions as prescribed in Clause 2.2. of the Tariff Policy, 2018 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 Y3, duly certified by a practicing Chartered Accountant/ Cost Accountant.

(b). The MOPT has assessed the Annual Revenue Requirement (ARR) based on Audited Annual Accounts for three years i.e. 2015-16 (Y1), 2016-17 (Y2) and 2017-18 (Y3) duly certified by a practicing Chartered Accountant. The MOPT has excluded the expenses not admissible in ARR computation for arriving at the Average annual expenses for the year 2015-16, 2016-17 and 2017-18. The following adjustment done by MOPT in line with provisions prescribed in Clause 2.2. of Tariff Policy, 2018 and Clause 2.2. of Working Guidelines are brought out for specific mention along with a few modification required to be done in the computation of the ARR for the reasons explained:

(i). The MOPT has excluded expenses related to estate activity and interest on loan as per Clause 2.2. (i) and (ii) of the Tariff Policy, 2018 and Working Guidelines notified by this Authority.

(ii). (a). As per Clause 2.2(iii) of Tariff Policy, 2018 and the Working Guidelines, 1/3 of one-time expenses like arrears of wages, pension/ gratuity, ex-gratia payments arising out of wage revision etc. is to be included in the Annual Revenue Requirement (ARR). Likewise, 1/3 of the Contribution to Superannuation Fund is to be included for the calculation of ARR. This means 2/3 of the above mentioned expenses are to be excluded in the ARR computation.

(b). The port has shown nil figures towards the one time expenses like arrears of wages, arrears of pension/ gratuity. Entire amount of Arrears of ex-gratia payment of ₹1953.88 in the year 2017-18 is considered for exclusion being one time payment from the figures reported in the Annual Accounts of the corresponding year. However, in the calculation of average expenses, the port considered 1/3rd of ₹1,953.88 lakhs in the summation of average expenses for the year Y1, Y2 and Y3. This methodology ultimately results in exclusion of 2/3rd of one time expenses which is found to be in line with Working Guidelines.

The port has excluded ₹980.57 lakhs, ₹3062.63 lakhs and ₹1649.34 lakhs in the years 2015-16, 2016-17 & 2017-18 respectively as 2/3 of contribution to the pension fund, gratuity fund and leave encashment. The port has given break up for all these contribution to the funds and considered 2/3rd of the contribution to pension fund, gratuity fund and leave encashment for exclusion as required as per clause 2.2 (iii) of Tariff Policy, 2018.

The adjustments done by MOPT in this regard are found to be in line with Tariff Policy, 2018 and Working Guidelines, 2018 and are supported with working and hence considered.

(iii). As per Clause 2.2. (iv) of Tariff Policy, 2018 and Clause 2.2. (iv) of the Working Guidelines, Management and General Administration Overheads (MGAO) subject to a cap of 25% of aggregate of the operating expenditure and depreciation is only to be considered in the ARR calculation.

The MGAO reported in the Audited Annual Accounts is ₹4670.56 lakhs, ₹5308.38 lakhs and ₹6016.07 lakhs for years 2015-16, 2016-17 and 2017-18 respectively.

In Form 2, to arrive at the admissible MGAO, the MOPT has considered sum of operating expense and management and general overhead after excluding the operating expense of estate at ₹18446.61 lakhs, ₹20594.15 lakhs and ₹20235.58 lakhs for years 2015-16, 2016-17 and 2017-18 respectively. The MOPT has finally assessed 25% thereon to arrive at the MGAO cap of ₹4,611.65 lakhs, ₹5,148.54 lakhs and ₹5058.00 lakhs. Since MGAO reported as per Audited Annual Accounts is in excess of the prescribed cap of 25%, for year 2017-18, the MOPT has considered ₹638.46 lakhs as exclusion from total expenses for year 2017-18 while assessing the ARR. For the year 2015-16 and 2016-17 respectively, the MGAO reported as per Audited Annual Accounts is found to be within the prescribed cap and, therefore, no adjustment is done by the MOPT in this regard while assessing the ARR. The above approach of the MOPT in assessing the ARR is in line with Tariff Policy, 2018 and is supported with working and hence it is considered.

(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 MOPT has shown Nil exclusion towards expenses relevant for tariff fixation of captive berth. This information furnished by MOPT in ARR Computation is relied upon.

(v). As per clause 2.1. of the Tariff Policy, 2018, ARR will be the average of the sum of Actual Expenditure as per the final Audited Accounts of the immediate preceding three years (Y1), (Y1), and (Y3) at the time of submitting the proposal plus Return at 16% on Capital Employed including capital work-in-progress obtaining as on 31st March Y3.

The average of expenses estimated by the MOPT is ₹36186.30 lakhs (₹32,334.26 lakhs + ₹36,240.47 lakhs + ₹38,030.30 lakhs/3).
The annual accounts for the year 2017-18 reports ex-gratia payment of ₹1953.88 lakhs. The port has considered the entire amount for exclusion. The average expenses estimated by MOPT at ₹36186.30 lakhs captures 1/3rd of ₹1,953.88 lakhs. This is found to be in line with the Tariff Policy, 2018.

(vi). As per Clause 2.4 of Working Guidelines, 2018 for computation of capital employed, the port has to exclude net value of fixed asset related to estate activity and net fixed assets transferred to BOT operators as on 31 March of Y3 as per Audited Annual Accounts.

The MOPT has arrived at the capital employed figure based on the Audited Annual Accounts as on 31 March 2018 at ₹56,917.39 lakhs, which comprises of ₹44,001.22 lakhs towards Net fixed assets + ₹10,581.88 lakhs towards value of work-in-progress + ₹4,843.49 lakhs towards working capital - ₹2,509.20 lakhs towards net fixed assets related to Estate Activity. Working capital comprises of Inventory, Sundry debtors and Cash balances. The MOPT has computed working capital as per norm prescribed in clause 2.5. of working guidelines at ₹4,843.49 lakhs. The capital employed as furnished by the MOPT is relied upon and considered.

(vii). The total capital employed arrived by MOPT is ₹56,917.39 lakhs. The Returns on Capital Employed at 16% is ₹9106.78 lakhs which is considered in the ARR computation.

(viii). The ARR estimated by MOPT is the average of the expenditure for the three financial years 2015-16 to 2017-18 at ₹36,186.30 lakhs plus 16% ROCE at ₹9,106.78 lakhs aggregating to ₹45,293.08 lakhs as on 31 March 2018. Further, the MOPT as per Clause 2.7. of Working Guidelines has indexed the said ARR @ 100% of the WPI applicable for the year 2018-19 at 3.45% and arrived at ceiling indexed ARR forwarding SOR at ₹46,855.69 lakhs for the year 2018-19.

The Tariff Policy, 2018 has stipulated to follow the Annual Revenue Requirement (ARR Model) for fixation of tariff for Major Port Trusts. The ARR is the average of the actual expenditure for the past 3 years and 16% return on the capital employed. That being so, the question of adjustment of ARR with the earnings from the port railway services and estate rentals cannot be considered to fix the tariff as suggested by Goa Mineral Ore Exporters Association (GMOEA).

The tariff for port railway services is not fixed by this Authority; it is fixed by the Railway Board. Therefore, Average expenditure of the railway activity to the tune of ₹2,046.91 lakhs (₹1,679.06 + ₹2,336.60 + ₹2,125.07/3) is excluded from the ARR.

(ix). The computation of ARR as furnished by the MOPT and considered in the analysis is attached as **Annex - I (a) and (b)** respectively. The ARR calculation furnished by the MOPT vide its letter dated 30 April 2019, which is duly certified by Chartered Accountant is relied upon. A summary of the ceiling indexed ARR furnished by the MOPT and as considered by this Authority is given below:

(Amount ₹ in lakhs)

Sr. No.	Particulars	As estimated by the MOPT	As considered by this Authority
1.	Average Expenses for the years 2015-16, 2016-17 and 2017-18	36,186.30	34,139.39
2.	Capital employed including net fixed asset, capital work-in- progress as on 31.03.2014 and working capital as per norms	56,917.39	56,917.39
3.	Return on capital employed @ 16%	9,106.78	9,106.78
4.	ARR as on 31 March 2018 (4=1+3)	45,293.08	43,246.17
5.	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (3.45%)	46,855.69	44,738.16

6.	Ceiling Indexed Annual Revenue Requirement (ARR)	46,855.69	44,738.16
7.	Revenue estimated by MOPT at the proposed Scale of Rates	35,973.40	35,973.40

(x). As per Clause 2.6. of Tariff Policy, 2018, 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 detailed working of revenue estimation indicating each of the tariff items in the proposed SOR for corresponding traffic handled in 2017-18 as required as per Clause 2.9. of the Working Guidelines. As per Clause 2.5. of Tariff Policy, 2018, for drawing the SOR, the MOPT has considered the actual cargo traffic in tonnes as reported by it exclusively handled by the MOPT and GRT of vessels handled by the port during the year 2017-18, to draw the proposed SOR within the ceiling indexed ARR. The traffic figures of cargo and GRT of vessels considered by MOPT which are duly certified by the practicing Chartered Accountant in the revenue estimation at the proposed tariff are relied upon.

The port has also furnished copy of the Board resolution of MOPT approving the proposed Scale of Rates and Performance Standards.

(xi). The port has, in general, proposed increase of 25% in the Vessel Related Charges (VRC) viz. Port Dues, Pilotage and Berth hire, 15% increase in Cargo Related Charges (CRC) and 15% increase in storage charges. Most of the users / user associations have made a request to reduce the proposed rates. The port has stated that the actual increase required in port charges to achieve the Annual Revenue Requirement is 106% excluding the concessions extended for handling cargo at WOB. If the concessions for West of Break Water extended by the Board are not considered then the actual increase required is 118%. But, the Port has proposed a modest increase of 25% and 15% in VRS and CRC respectively as against the actual requirement. The port has also stated that the port is in a very difficult financial situation which is mainly due to pollution and environmental issues and as such Port is required to incur huge expenditure on pollution mitigation measures in order to continue its operations. Hence, the MOPT has expressed its inability to accede to the request of users / users association to reduce the proposed rates.

The SOR of the MOPT had validity up to 31 March 2019 and the port has filed the proposal following the Tariff Policy, 2018 issued by the MOS and the Working Guidelines notified by this Authority. The proposal of the port is approved by the Board of Trustees of the Port. Further, it is seen that even at the proposed increase there is a revenue gap of ₹8,764.76 lakhs. Since the proposal of the MOPT is well within the estimated ARR and compliance with Tariff Policy, 2018 the proposal of the port merits consideration.

(xii). The revenue estimated by the MOPT at the proposed SOR is ₹35,973.40 lakhs. The estimate of revenue at the proposed tariff and for the actual traffic handled by the port for the year 2017-18 has been duly certified by the Chartered Accountant which is relied upon. The revenue estimates as furnished by MOPT at the proposed SOR is attached as **Annex - II**. As brought out in subsequent paragraphs, the MOPT has stated that for a few tariff items / conditionalities, the revenue cannot be quantified. Considering the revenue gap between the ceiling indexed ARR for the port as whole as assessed and revenue estimate at proposed tariff, the income arising on account of few new tariff items / conditionalities and modification in the existing conditionalities for which income is not estimated may get subsumed in the revenue gap of ₹8,764.76 lakhs.

(xiii). The existing SOR prescribes port dues separately for Barges carrying cargo, Bunkers / water barges at ₹6000/- per annum, ₹6000/- per annum and for Pleasure Yachts at ₹10,000/- per annum. On being asked to explain the reasons and basis for the proposed deletion of port dues for these categories of vessels, the MOPT has clarified that the currently the port does not possess any mechanism to monitor barges plying through port waters. The port has also stated that no revenue has been earned through the existing rates in the SOR and hence proposed to be deleted. Lack of mechanism and non-realisation of income cannot be the reasons for deletion of an existing tariff item. The existing provision is continue.

(xiv). In the proposed Note no (iv) under Schedule 1.1 Port Dues, in the last sentence, the MOPT has proposed deletion of the word “Western India Shipyard Limited (WISL) and substituted it with the word “port”. The MOPT has clarified that proposed modification is because the lease period of Western India Shipyard Limited (WISL) is over w.e.f. April 2018. The proposed modification is therefore approved.

(xv). (a). The shifting charge proposed by MOPT in the original proposal is at 50% / 100% linked to the proposed pilotage fee at East of Break water (EOB) and West of Break water (WOB) respectively. The existing Shifting charge works out to 15.32% of the pilotage fee. Further, the increase proposed in shifting charges is in the range of 306.19% to 307.95% for East of Break water (EOB) and 712.5% to 715.91% for West of Break water (WOB). The Marmugao Ships Agents Association (MSAA) and Goa Mineral Ore Exporters Association (GMOEA) have also strongly objected the steep proposed in shifting charges for EOB. In this regard, the MOPT has clarified that the shifting operation is equivalent to pilotage operations at WOB as it involves movement of tugs, manpower and pilots from their stations to WOB which is equivalent to the sailing movement of the vessel which in turn results in the same operation cost as pilotage operations. For shifting operation within EOB, the charges are restricted to 50% of the pilotage charges.

As per the proposed SOR note (i) under schedule 1.2., Pilotage fee is a composite fee including one inward and one outward movement with required number of tugs / launches of adequate capacity and shifting/s of vessels for 'Port convenience'. Whereas shifting of vessel is for movement of vessel from berth to berth or stream to berth or berth to anchorage or vice versa movement. In view of the above difference in the services of shifting and pilotage, port was again requested to justify its proposal for the steep increase proposed in shifting charges and linking it pilotage fee at 50%/ 100% of the proposed pilotage fee.

The port has subsequently reexamined and considering the fact that pilotage fee is a composite fee including 2 movements, the port has proposed to reduce the shifting charges in the proposed SOR and link it to pilotage fees at 25%/ 50% of the proposed pilotage fees as against the 50%/ 100% proposed earlier.

(b). Clause 10.9 of the Working Guidelines, 2018 stipulates prescription of three GRT slabs for levy of Pilotage charges and shifting charges. The existing SOR prescribes Shifting charges in three slabs of GRT of vessels which is found to be in line with the same provision prescribed in the Working Guidelines. However, in the proposed SOR, the MOPT has, in place of separate slab wise schedule of rate, proposed a note linking shifting charge as percentage of pilotage fee.

When the port was requested to consider to propose Shifting charges slab wise in three GRT slabs as stipulated in the said clause of the Working Guidelines, 2018, the MOPT has, instead, proposed to add a note to the existing note stating that “The shifting charges shall be applicable as per the respective GRT slabs of the pilotage fees”.

Since the existing SOR prescribes separate schedule of shifting charge, there is no harm in continuing with the existing practice as it will be more transparent to user and shall not require port and the users to calculate the shifting charges linked as percentage to pilotage fee. That being so, slab wise shifting charge is prescribed in the SOR in place of the note proposed by the port. The rate is prescribed at 25% and 50% of pilotage fee as proposed by MOPT for shifting with in EOB and for other shifting respectively.

(xvi). In the existing SOR, the charges for hire of Launch (for survey work) is prescribed at ₹1 lakh per shift of 8 hours or part thereof under schedule 4.2. under the Miscellaneous Cargo Related Charges. The said rate is inclusive of fuel and lubricants. The port has proposed to delete this entry from Miscellaneous Charges and has brought it under Flotilla hire Charges. The rate proposed is ₹30000/- per hour of part thereof for Launch Hire for Survey Work and ₹25000/- per hour of part thereof for Launch hire Charge. This works out to 140% increase if like to like comparison is done in the unit of levy of Launch Hire for Survey Work which is more than 25% increase sought in the vessel related charges. The port has clarified that if launch is hired for survey work, additional survey equipment, manpower and other equipment are supplied by the port. The MOPT has also clarified that the port has not provided any service in 2017-18 under launch hire charges for survey work.

As regards launch hire charges, on the request of the trade, the MOPT has reduced the tariff for launch hire charges from ₹25,000/- per hour proposed earlier of to ₹15,000/- per hour or part thereof. Thus, the increase will be of 20% as against general increase of 25% for launch hire charges. The Launch hire charges and Launch hire charges for survey work proposed by MOPT are for Foreign going vessels as per its proposed draft SOR. The port has not proposed rate of coastal vessel. Since this tariff is a vessel related charge, wherein coastal vessel are entitled for coastal concession, the rate for coastal vessel is prescribed at 60% of the proposed rate to be in line with the coastal concession policy of the Government. This will not have any impact on revenue estimation as no coastal vessel has availed this service in the year 2017-18 as per revenue estimation by MOPT.

(xvii). The wharfage rate for POL and POL products approved by this Authority in the last general revision of the SOR was ₹ 193/- per tonne as proposed by the port. Subsequently, in May 2018, the MOPT sought increase in wharfage charges for POL and POL products from then prevailing rate of ₹193/- per tonne to ₹500/- per tonne on the grounds that they do not have funds even to pay the salaries and pension payment and it for sustainability of the port. For the reasons stated by the port, this Authority vide Order No.TAMP/39/2018-MOPT dated 31 July 2018 has approved the increase proposed by the port as a stop gap arrangement. In the said Order in para 12 (vi)(a) it is stated that in view of the objection made by the oil companies at steep increase proposed by the port, the port was advised that while revising the SOR due from 1 April 2019, the port may like to review the increased wharfage rates for POL and POL products as this exercise is only a stop gap arrangement to tide over the severe financial crisis reported by the port.

During the processing of this case, the Oil Companies viz. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited have again objected the proposal of the port to retain the wharfage rate for POL products at ₹500 per tonne. They have argued that unprecended increased was done in mid term revision only for POL cargo in July 2018. This increase has already made the Oil Marketing Operations in Goa costliest and any further increase in the charges from MOPT may render the business unviable. The oil companies have requested that 15% increase is proposed for cargo related item should be applied to pre-revised rate of POL products of ₹193/- tonne. Further, since oil PSUs were already subjected to a steep hike in the wharfage and the vessels carrying POL should not be subjected to further hike in VRC.

Since in the current proposal, the port has proposed to retain the rate of ₹500/- per tonne for this cargo item, bringing out the position of the July 2018 Order, the port was again requested whether the port would like to review the proposed rate in view of objections made by the oil companies in the current general revision proposal.

As regards Vessel related charges, the port has clarified that VRC were revised during the last General Rate Revision for all Port users and the same are now revised for all Port users and not only for Oil Marketing Companies.

As regards wharfage rate for POL, the MOPT has clarified that the situation faced by the port has not improved and has in fact worsened and hence it has proposed to retain the rate of ₹500/- per tonne. The MOPT has assured that in case, if there is an improvement in the situation, the port may consider giving concession, as the wharfage is at ceiling level.

In view of the position explained by the port and recognizing that even at the proposed rate, the revenue gap uncovered is substantial to the tune of ₹8764.76 lakhs per annum, this Authority approves the current proposal of the port. In any case, the rates approved by this Authority are ceiling rate, and hence port has flexibility to offer concession/ discount on the approved rate based on its judgement. In fact, the port has assured to exercise this flexibility as and when the situation improves.

(xviii). The existing SOR prescribes dust suppression levy (DSL) at 4 per tonne on all cargoes except containers and liquid cargo handled at MOPT berths. As against that, the MOPT has proposed Dust Suppression Levy (DSL) separately for Dry Bulk at ₹8 per tonne and ₹3 per tonne for break bulk cargo and ₹3 per TEU for container. The proposed increase in dry bulk cargo works out to 100%. In this regard, MOPT was requested to clarify whether it is relevant to propose rate for break bulk cargo and container and whether dust suppression services are rendered for these cargo groups and reasons for increase beyond general increase of 15% in cargo related charges.

The MOPT has clarified that the situation of the port has worsened only due to the issues pertaining to environment. The port has put in the place various pollution mitigating measures such road sweeping machine, mist cannon machine, truck wheel cleaning equipment, pollution monitoring equipment etc. incurring additional cost to the port. However, the total cost of measure would be unbearable only for the polluting cargo to bear and as such it is proposed to recover the DSL from all cargos.

At the request of the trade, the MOPT has reduced the DSL rates for Dry Bulk from ₹8 per tonne proposed earlier to ₹6 per tonne, and for Break Bulk and container to ₹2 per tonne/ TEU. Further, acceding to the comments of the Goa Chamber of Commerce & Industry (GCCI) the MOPT has proposed to insert a note that DSL shall not be applicable for cargo handled at WOB and PPP Berths and at Mooring Dolphin it shall be leviable at 50% of the proposed rate.

Based on the justification furnished by the port and recognizing that the port had subsequently moderated the rate proposed and also proposed to incorporate notes at the request of the trade, the proposal of the port as regards DSL is approved.

(xix). (a). The existing SOR prescribes uniform storage charge for container without any distinction of storage inside or outside the custom bound area. As against that, the MOPT has proposed two separate schedule of Storage Charges for Outside Custom Bound Area and Inside Custom Bound Area.

In the proposed SOR the storage charge for container for storing Inside Custom Bound Area is proposed at double the existing rate and free days is maintained at the existing level i.e. 3 days for import and 7 days for export container in the revised proposed. As regards Outside Custom Bound Area, the storage is proposed to be offered at the existing rate and free dwell time of 20 for both import and export containers is proposed.

The MOPT has clarified that the Port has limited cargo storage space inside the port limits. The port intends to maximize utilization of the space outside the custom bound area and to attract more cargo. The port's area outside custom bound area are not easily accessible and hence rates and free period proposed are very liberal and so it is expected that the cargo within the port area may move out to the outside custom bound area which will earn less revenue to the port for the same cargo. Even if there is increase in the cargo, the total revenue is not expected to exceed the current revenue earned from the current storage. The port has clarified that rates are most competitive across all Major Port Trusts. The port has captured revenue estimates from the proposed storage charges.

Based on the rationale and clarification furnished by the port, the storage charges for container is approved as proposed by the port.

(b). The existing SOR prescribes delivery rate of 1500 to 2000 Tonne per day for different categories of dry bulk cargo for calculation of free period and levy of normal rent after expiry of free period. The delivery rate is proposed to be reduced to 1000 tonnes per day for import Dry bulk cargo in the proposed SOR and 750 tonne per day is proposed for import Break Bulk Cargo.

The MOPT has justified the reduction in delivery rate for import dry bulk cargo on the ground of heightened activism in the local community against the port operations, particularly pollution and movement of heavy vehicles through the city, congestion on city roads due to heavy vehicles and usual six hour daily restriction imposed by the local administration which has severely impacted the cargo receipt and delivery from the port and consequently the imposition of demurrage on the cargo. This has also led to diversion of the cargo. The port states that the existing delivery rate of cargo could not materialize due to low availability of large trucks leading to slower delivery rate.

Based on the justification furnished by the port, the proposed reduction in the delivery rate for calculation of free period for storage of import cargo on the expiry of which demurrage is leviable levy of normal rent is approved.

(c). As regards storage charge for cargo as well, the port has distinguished between stacking cargo inside and outside the custom bound area. For the reasons explained earlier, the proposal for separate rates inside and outside the custom bound area is accepted.

The existing SOR prescribe specific free period of 3 days for Import cargo for Storage purpose and 20 days for export cargo.

As against that, in the proposed SOR, for import cargo, the port has proposed a note that free period shall be determined based on the manifested quantity of the vessel divided by the specified delivery rate proposed in the SOR for that cargo. Specific free period is not proposed for import cargo. For export cargo, 45 days free period is proposed.

When sought the reasons for not proposing specific fee period and requested the port to propose specific free period as in the existing SOR for import cargo, the MOPT has clarified that the change is proposed in order to ensure that a small quantity of cargo does not enjoy the same amount of free period as a large quantity of cargo e.g. in the existing SOR, a quantity of 5000 MT would enjoy the same amount of free period as 50000 MT of cargo.

As regards free period prescribed in the existing SOR, it is proposed to be increased from 3 days for Dry Bulk and Break Bulk import cargo and 20 days for dry bulk export and 12 days for break bulk export cargo to 30 days for import and export cargo inside custom bound area and 45 days free period for stacking cargo outside custom bound area in the proposed SOR. Further, the increase proposed in storage charge of cargo is in the range of 33% to 100% for Dry Bulk Export, 25% to 60% for Dry Bulk Import and 7.14% to 114% for Break Bulk Import. The port has clarified that the structures have been revised wherever felt necessary and as such the above 15% increase have not been universally applied. The revenue estimated by the port captures revenue from storage charge of cargo at proposed rate for inside custom bound area. Since the total revenue estimated is within the estimated ARR, the proposed storage charge for cargo is approved at the level proposed by the port.

(d). For stacking of cargo/ container at Bogda, the MOPT has proposed 15% hike over the applicable rate. The port has clarified that the Bogda area outside custom bound area is not easily accessible and hence not possible to estimate quantity of cargo to be stored in this area. This position clarified by the port is relied upon. In any case, there is substantial revenue gap left uncovered and any additional revenue likely to arise from this item may get subsumed in the ARR left uncovered.

(e). The MOPT has proposed that cargo storage charges outside custom bound area shall be increased by 15% per annum for Bogda area alone. Considering that there is no objection from the users, the note in this regard proposed by MOPT to be incorporated under the schedule relating to cargo storage charges outside custom bound area is approved.

(xx). The port has proposed Mandatory User Charge (MUC) of ₹145/- per container to be levied on all containers (except transshipment and coastal) handled at the Major Port Trusts and terminals operating thereat towards MUC for the Logistics Data Bank (LDB) service rendered by DMICDC as per the common adoption the Order No.TAMP/46/2018-MUC dated 8 June 2018 approved by this Authority for all Major Port Trusts and terminals operating thereat. The DMICDC has filed a proposal for revision of mandatory user charges which is being processed separately. The rate as and when approved in DMICDC case will also be applicable to MOPT.

(xxi). (a). This Authority had approved upfront tariff for stevedoring operations vide its Order dated 14 November 2017. The MOPT in its current proposal of general revision of the SOR has proposed for continuance of tariff for Stevedoring Charges but has proposed to delete the schedule of rates for Shore operations prescribed in

2.4.1.(B) of the existing SOR. The port was requested to explain the nature of services provided with reference to rate for stevedoring operations proposed in the proposed SOR vis-à-vis those covered under the upfront tariff for stevedoring operations in the Order dated 14 November 2017 and to confirm that there is no double counting of the cost elements considered in the stevedoring rate proposed in the general revision of SOR and the upfront tariff for stevedoring operations prescribed in the November 2017 Order under the stevedoring and shore handling guidelines.

The MOPT has clarified that the upfront stevedoring policy envisages the levy of a ceiling limit on charges that the Stevedore can charge to this customers which *inter alia* includes port stevedoring charges levied by the port for supplying Operators and signalers to operate ship's gears. The rate prescribed under stevedoring charges in the general SOR of the port is limited to the charges leviable by the port for the manpower services provided by the Port. The port has confirmed that there is no double counting of the cost elements considered in the proposed SOR.

The MOPT has also clarified that unlike other major ports, MOPT does not supply any shore gang for cargo handling operations. Hence, the schedule of rates for shore operations prescribed in the existing SOR are proposed for deletion as no shore operations services are provided by the Port. This deletion, therefore, approved.

The existing SOR under Schedule 2.4.1. (A) prescribes stevedoring charges in three slabs for each cargo items linked to average output per hook per shift. However, in the proposed SOR, the MOPT has proposed uniform stevedoring charges without linkage to output performance.

The GCCI and Vedanta Limited, have pointed out that proposed single rate based on the highest slab increases the cost of handling cargo from this port. The Mormugao Stevedores Association (MSA) has requested that the lowest rate in the existing SOR for various categories of cargoes be considered and a 15% increase on that rate be proposed in the new SOR.

The MOPT clarified that in the previous SOR, the rates for Cargo Handling Labour Division (CHLD) operations were in the descending order for increased productivity. The CHLD operations involve port's crane operators, operating the ship's gear, which means increased productivity would be on account of port. However, when CHLD operators unload the cargo on the wharf, speedy evacuation is the responsibility of the stevedores which includes providing adequate equipment, machinery and manpower, which indicates efficiency of the stevedores. There was conflicting interest. The port has also clarified that NMPT also has single per ton rate instead of multiple slabs. Hence, the port has proposed to do away with the slab wise rate and has proposed a single rate per ton and linkage to performance level is also proposed to be done away with.

As rightly stated by the port, in the SOR of the NMPT also cargo wise single per tonne rate for CHD operations is prescribed. But, in NMPT SOR that is linked to benchmark productivity. It has to be recognised that stevedoring rates approved by this Authority for MOPT under the Stevedoring Guidelines, prescribe benchmark levels of productivity. Hence prescription of benchmark productivity for stevedoring operations in the General SOR may lead to confusion. In view of the clarification furnished by the port and in view of the above position, the proposal of the port for single slab cargo wise rate without linkage to productivity is considered.

Since the highest slab rate proposed by the port in the original proposed SOR was objected to by a few users, the port has subsequently revised it based on the weighted average rate of 2017-18 and has furnished the working in support of arriving at the proposed rate. The proposed rate is, therefore, approved.

(xxii). (a). The existing SOR prescribes separate rates under Schedule 2.5 for Electronic Data Interchange (EDIC) for different types of documents like Vessel Related, cargo related, container related document etc. which range from US$ 15 to US$

50 per document for vessel related document for foreign vessel and ₹500 to 2000 per document for coastal vessel/cargo/container related document. This, in many cases worked out to more than the invoice amount. For example, even if invoice is less than or equal to ₹20,000/-, the EDI charges of ₹2,000/- were applicable, which was objected by the Port Users. Hence, the port has proposed to link the EDI charges as 1% of service amount with minimum and maximum capping ₹100/- and ₹5000/- respectively. The note proposed by the port states that EDI Charges shall be charged at 1% of the Service Amount subject to a minimum of US$ 2.00 and ₹100/- and a maximum of US$ 50.00 and ₹3500/- for Foreign and Coastal respectively.

This was objected by many of the users. So, the port has reduced the cap and proposed at 1% of the service amount, subject to maximum of 50 USD or ₹3500/- per document and minimum is 2 USD or ₹100 per document. The port has estimated the revenue from this item at the level earned in the year 2017-18. The revised rate proposed by the MOPT for EDI is, therefore, considered for approval. The proposed note is slightly modified to state that EDI Charges shall be charged at 1% of the Service Amount subject to a minimum of US$ 2.00 and ₹100/- and a maximum of US$ 50.00 and ₹3500/- for Foreign and Coastal related services. The port has clarified that the Service amount is the Invoice amount exclusive of any taxes. This is incorporated in the end of the proposed note to avoid any ambiguity

(xxiii). (a). In the existing SOR, cargo-wise tariff is prescribed and linked to average daily performance in tonnes for cargo handling by HMC and the rates are prescribed separately for HMC working together with ship's gear and HMC for gearless vessels. The rate prescribed in the existing SOR rewards efficiency by prescribing higher rate with increase in the performance. As against that, in the draft proposed SOR, the port has proposed to do away with slab wise tariff linked to average daily performance.

The Mormugao Stevedores Association (MSA) has objected the proposed tariff sighting that it leads to huge increase ranging from 70-100%. This again will contribute to an increase in cost of cargo handled. Considering the unreliability of the HMC and frequent breakdown during operation of the HMC, MSA has requested that an increase in 10% of the existing rates be considered. At the same time, they have requested that the deployment of the HMC should not be mandatory. Same should be the case with the hire of any other equipment/ machinery of the port. This will give the trade more flexibility in planning their vessels with appropriate gears/ cranes considering the overall cost too.

The MOPT has clarified that in the existing SOR, there are two categories i.e. Harbour Mobile Crane (HMC) working together with ship's gear and the other for gearless vessels with rates in descending and ascending order respectively for increased productivity. Hence, it is proposed to do away with the separate category and to have only one category with single slab. This is done as the HMC usually operates in tandem with the ship's gears. The Port users are reluctant to engage the port's HMC and try to divert cargo to the ship's gears. Due to the slabs, the port is not able to recover even the operating cost of the HMC. HMC is having higher capacity compared to ship gear. In the existing SOR, rates are prescribed in decreasing order with increased productivity. It is proposed to have only one slab for HMC so as to at least recover its cost of operations.

It is seen from the proposal of the port that there is reduction in the existing rate in some of the slabs for a few cargo items like Iron Ore Fines/ Lumpy/ Pellets/ Bauxite/ Limestone/ Gypsum/ Manganese etc. whereas as, at the proposed rate there is increase in the range of 10% to 157.5% for a few cargo items.

On being asked to furnish the basis for arriving at the proposed rationalized rate as against slab wise rate for different dry bulk and break bulk in the existing SOR linked to average daily performance, the MOPT has clarified that firstly, the slab for coal/slag and coke of all types have been removed for the reason that in view of the direction of the Honorable High Court of Mumbai, in Goa, coal and coke cannot be handled at berth nos.10 & 11. Secondly, the rationalization of the slabs for remaining cargo is based on the nature and the handing methodology i.e. one is dry bulk granular lumpy form and the other is powered fine. The object is to reduce any scope of subjective interpretation arising out of multiple slabs and description and to bring uniformity in rates of cargo of similar nature. As regards the reduction at the proposed rates for few cargo items, the MOPT has clarified that the reduction is to common user service and not with reference to individual importer/ Exporter.

Based on the clarification furnished by MOPT to maximise the utilization of port HMC and to enable the port to cover the cost of operation, and also recognizing that the revenue estimated by the port captures the revenue estimates from this item, the rationalized tariff for HMC proposed by MOPT is approved.

(b). The existing SOR prescribes (i) to (vii) conditions governing charges leviable for use of HMC. In the proposed SOR, the port has proposed for deletion of existing note nos.(i),(ii),(iii) and (vi) to (vii).

The MOPT has clarified that due to proposing a single slab in the place of productivity based multiple slabs, the notes (i) to (iii) and (vi) are not relevant. As regards note (vii), same cannot be implemented as the terms and conditions of the agreement between the Port and the crane operators prevail.

Based on the clarification furnished by MOPT, the deletion of existing note proposed by the MOPT appears in order and hence deletion in the notes is approved as proposed by MOPT.

(xxiv). The MOPT has proposed new tariff items like EOT Crane 8 tonne, EOT Crane 12 tonne, EOT Crane 18 tonne, Loco Engine Pit Charges and Bollard Pull Test under Schedule 4.1 Hire of Equipment and Machinery. The port has stated that there were instances where these equipment were required but no tariff was prevailing in the SOR. The intention of MOPT is to charge each port equipment and machinery which are used for the purpose other than cargo handling. The MOPT has also clarified that the port has not provided any of these above service in 2017-18. Hence, no estimation is made in Form-3 for revenue realisation.

Based on the clarification given by MOPT, the insertion of new tariff items for the above said equipment which are not mandatory charges but leviable on requisition of service is approved as proposed by MOPT.

(xxv). (a). The MOPT has proposed to introduce charges for (i). dumping of Dredged Material by Parties, (ii). 1 Std. Length Oil Boom (Excluding manpower and flotilla cost, etc.) and (iii) Skimmer/ Any OPRC equipment (Excluding manpower and flotilla cost, etc.) under the new schedule of miscellaneous charges. When sought from the port to explain the nature of services rendered by the port for item nos.(ii) and (iii) above and confirm that they fall under the list of services listed under Sections 48/ 49 of the MPT Act 1963, the MOPT has clarified that the port maintains oil pollution preparedness equipments as per National Oil Spill Disaster Contingency Plan (NOSDCP), for which the port has to bear its operationalization cost and the same needs to be recovered from the users as this expenditure is not being recovered under any other heads of the SOR.

The nature of services rendered by the port for item nos.(ii) and (iii) above includes mobilization of the equipments and actual operation at the site including the proper disposal of the recovered pollutants. These equipment have been procured by the port as per the requirements of NOSDCP; hence these charges are proposed to be introduced in the SOR. Based on the clarification of the port and since these are miscellaneous services and also recognizing that none of the users/ user association have objected the proposed rates, the tariff items are incorporated in the SOR as proposed by the port.

(xxvi). The existing SOR and the proposed SOR include tariff for use of Transhipper of 30T and Floating Crane of 32T provided by the authorised service provider for cargo operations. The rate proposed is on per tonne basis. In the proposed SOR, apart from the tariff sought for the above said items, the port has proposed new tariff schedule 4.3. for Transhipper and Floating Crane proposing lump sum rate on per annum basis for operating the Transhippers / Floating crane in port.

The MOPT has clarified that the annual charges for operating transhippers / floating cranes is proposed to be introduced since the port wants to encourage competition and facilitate free entry of as many service providers so that the competition would result in lowering of service cost and would be beneficial to the Trade. Also, it is informed that it is the policy of the Ministry to encourage competition and avoid any monopoly. Therefore, these charges have been introduced. It is further clarified by the port that these charges are equivalent to the annual license fee to be retained by the port whereas the charges under schedule 4.4. are the ceiling rates per tonne, what the transhippers operator can charge to his customers.

Further, the MOPT has requested to replace the title of proposed Schedule 4.3 as "License fee for operating Transhipper/ Floating Cranes in Port" in order to distinct the two tariff rates for operating transhippers/ floating crane in ports and being operated by authorised private operators.

The insertion of new tariff schedule 4.3 License fee for operating Transhipper/ Floating Cranes in Port for the reasons cited by the port, the proposed schedule is approved as proposed by MOPT.

(xxvii). The MOPT has proposed for deletion of existing note (ii) below the Schedule 4.4 Charges for use of Transhipper/ Floating Crane provided by the authorised private operators for cargo operations which states that the rates prescribed in this schedule is valid for a period of three months from the date the revised SOR comes into effect. It will automatically stand expired after three months unless extended.

Since the existing note appears to be redundant in nature, the proposal of port for deletion of note (ii) is approved.

(xxviii).GMOEA and MSAA have pointed out that idle anchorage charges at West of Breakwater is increased by 25%. MSAA has requested not to apply these charges to vessels which are only waiting for their berthing for reasons of lack of berth availability and are not indulging in any cargo activities at WOB anchorage. The MSAA also pointed out that these charges are not levied by NMPT, MBPT and COPT.

The MOPT has clarified that port has separate charges for working anchorage and idle anchorage. The charges for the idle anchorage are comparatively very less compared to working anchorage. These charges were also there in the earlier SOR and hence are increased at 25% as applicable to the other VRC charges. The contention made by MSAA that these charges are not there in NMPT is not factually correct. The NMPT SOR prescribes Road Stead Charges (RSC) i.e. Anchorage charge at Schedule 2.3.5 which is leviable for the vessels stay at roads with an exemption up to first 48 hrs. before berthing on her first arrival at the roads. Further, the SOR of MBPT also prescribed the idle charges.

In view of the above position and also recognizing that these charges are also prescribed in the existing SOR of MOPT, the proposed anchorage charges are approved as proposed by MOPT.

(xxix). The Weighment charges for Rail / Road weighbridges were proposed to increase from existing ₹5.50 per tonne to ₹6.50 per tonne. The Mormugao Stevedores Association (MSA) has requested to consider the increase of weighment charges for port road weighbridge to ₹6 per tonne from the existing ₹5.50 per tonne. The MOPT has considered the recommendation and accordingly the weighment charges for port road weighbridge has been revised to ₹6 per tonne in the revised proposed SOR.

(xxx). (a). As per Clause 3.1. of the Tariff Policy, 2018, 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 MOPT has committed Performance Standards for cargo related services in terms of average ship berth day output in tonnes / day including container handling and for vessel side services, port has proposed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels.

In this regard, it is relevant to mention here that the Performance Standards committed by the Port are to be considered for the operations carried out exclusively by the Port within the port premises, with its own equipment and will not be applicable to the BOT operator rendering services at the port with his equipment for whom separate performance standards have already been prescribed in the relevant Order.

The MOPT has also clarified that the revised performance standards are average of the last three years actual performance. The MOPT has furnished the detail calculation of the revised performance standards.

The performance standards as proposed by the MOPT is prescribed along with SOR.

(b). As per Clause 2.8 of the Tariff Policy, 2018, SOR will be indexed annually to inflation to the extent of 100% of the variation in Wholesale Price Index (WPI) announced by the Government of India. Such adjustment of SOR will be made every year and the adjusted SOR will come into force from 1st May of the relevant year to 30th April of the following year. Further, as per clause 3.2 of the Tariff Policy, 2018 to be read with clause 2.8 of the Tariff Policy, 2018, 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 2018-19 is already considered in the ARR and for drawing the SOR. The next annual indexation in SOR will be applicable from 1 May 2020 subject to achievement of Performance Standards in the year 2019-20. That being so, a note may be inserted in the SOR to the effect that the SOR approved by the Authority is subject to automatic annual indexation at 100% of the WPI to be announced by the Authority. The annual indexation will be from 1 May 2020 subject to the MOPT 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, 2018 stipulates that annual indexation in the SOR will be automatic subject to achievement of Performance Standards. It does require the Major Port Trusts to approach the Authority for the same. In Order to have transparency, the port may be advised to declare the Performance Standards achieved 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 Authority. If the Performance Standards as notified by the Authority are achieved by the port, then the port can automatically index the rates prescribed in this SOR at 100% of WPI announced by the Authority and apply the indexed SOR w.e.f. 1 May of the relevant year. The indexed SOR by the MOPT to be intimated by the port to the concerned users and to the Authority.

(xxxi). As per Clause 3.8. of Working Guidelines, the SOR notified shall remain valid for 3 years after expiry of 30 days from the date of notification of the Order in the Gazette of India. Therefore, the validity of the revised SOR is prescribed for a period of 3 years from the date of effect of revised SOR.

(xxxii). (a). As per clause 7.1. of the Tariff Policy, 2018, the rates prescribed in the Scale of Rates are ceiling levels. The ports may, if they so desire charge lower rates. The MOPT may exercise the flexibility to charge lower rates and / or allow higher rebates and discounts.

(b). As stated earlier, as per Clause 2.7. the Tariff Policy, 2018, it is for the MOPT to ensure that as a result of revision in the SOR there will not be loss of traffic to the port.

(c). If there is any error apparent on the face of record considered, the MOPT shall approach this Authority for review of the tariff fixed within 30 days from the date of notification of the Order passed in the Gazette of India.

(d). The modifications proposed by MOPT in the conditionalities governing the Scale of Rates are considered for approval based on justification/ clarification furnished by MOPT. The MOPT may also, for any 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.

18.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the revised SOR and the Performance Standards of the MOPT which have been notified separately. The effective date of the revised Scale of Rates and conditionalities governing the application of revised Scale of Rates will remain the same as already indicated in the separate Order dated 14 June 2019 and shall be in force for a period of 3 years from the date of effect of revised SOR. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

18.2. The MOPT has committed 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 has committed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels.

18.3. The indexation of SOR as provided in Clause 2.8 of the Tariff Policy, 2018 is to be read with Clause 3.2. of Tariff Policy, 2018. If MOPT does not meet the Performance Standards, the MOPT is not eligible for indexation during the next year.

18.4. As per Clause 6 of the Tariff Policy, 2018, the MOPT is advised to 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 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 from time to time.

18.5. As per Clause 4 of the Working Guidelines, this Authority shall publish all the information received by it from MOPT under clause 6 of the Tariff Policy, 2018 on its website.

(T.S. Balasubramanian)
Member (Finance)

					Annex-I(a)

Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2018 Furnished by MOPT

Sl. No.	Description		Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
					Rs. in lakhs
(1)	**Total Expenditure (As per Audited Annual Accounts)**	**Note 1**			
(i).	Operating Expenses (including depreciation)		19252.05	21489.82	21367.58
(ii).	Management & General Overheads		4670.56	5308.38	6016.07
(iii).	Finance and Miscellanous Expenses (FME)		10916.19	14232.51	17624.23
	Total Expenditure 1=(i)+(ii)+(iii)		**34838.80**	**41030.71**	**45007.88**
(2)	**Less Adjustments:**				
(i).	**Estate Related Expenses**				
	(a) Operating Expenses (including depreciation)		805.44	895.67	1132.00
	(b) Allocated Management & Administrative Overheads		195.40	221.25	318.71
	(c) Allocated Finance and Miscellanous expenses (FME)		367.53	475.69	728.56
	Subtotal 2(i)=[(a)+(b)+(c)+(d)]		**1368.37**	**1592.61**	**2179.27**
(ii).	**Interest on loans**		155.60	135.00	556.63
(iii).	**2/3rd 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)**	**Note 2**			
	(a) Retirement Gratuities (SVRS)		0.00	0.00	0.00
	(b) Ex-gratia payments (SVRS)		0.00	0.00	1953.88
	Subtotal 2(iii)=[(a)+(b)+(c)]		**0.00**	**0.00**	**1953.88**
(iv).	**2/3rd of the Contribution to the Superannuation Funds like Pension Fund, Gratuity Fund and Leave Encashment**	**Note 3**	980.57	3062.63	1649.34
(v).	**Management & General Overheads over and above 25% of the Aggregate of the Operating Expenditure and Depreciation**	**As per Form 2**	0.00	0.00	638.46
(vi).	**Expenses relevant for Tariff Fixation of Captive Berth, if any governed under Cl. 2.10 of the Tariff Policy 2015**				
	(a) Operating Expenses				
	(b) Depreciation				
	(c) Allocated Management & Administrative Overheads				
	(d) Allocated Finance and Miscellanous expenses (FME)				
	Subtotal 2(vii)=[(a)+(b)+(c)+(d)]		**0.00**	**0.00**	**0.00**
	Total 2 = 2(i) + 2(ii) + 2(iii) + 2(iv) + 2(v) + 2(vi) + 2(vii)		**2504.54**	**4790.24**	**6977.58**
(3)	**Total Expenditure after Total Adjustments (3 = 1 - 2)**		**32334.26**	**36240.47**	**38030.30**
(4)	**Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3 + [2(iii) / 3]**			**36186.30**	
(5)	**Capital Employed**				
	(i) Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			44001.22	
	(ii) Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)			10581.88	
	(iii) Less: Net Value of Fixed Assets related to Estate Activity as on 31.03.2018 as per Audited Annual Accounts			2509.20	

Sl. No.	Description		Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
	(iv) Less: Net Value of Fixed Assets, if any, transferred to BOT operator as on 31.03.2018 as per Audited Annual Accounts		0.00		
	(v) Less: Net Value of Fixed Assets as on 31.03.2018 as per Audited Annual Accounts relevant to be considered for captive berths, if any, under Cl. 2.10 of the Tariff Policy 2015		0.00		
	(vi) Add: Working Capital as per norms prescribed in Cl 2.5 of the Working Guidelines	**As per Form 4 & Note 4**			
	(a) Inventory		155.35		
	(b) Sundry Debtors		1102.68		
	(c) Cash		3585.46		
	(d) Sum of (a)+(b)+(c)		**4843.49**		
	(viii) Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)-(vi)+(vii)(d)]		**56917.39**		
(6)	**Return on Capital Employed 16% on SI. No. 5(vii)**		**9106.78**		
(7)	**Annual Revenue Requirement(ARR) as on 31.03.2018 [(4)+(6)]**		**45293.08**		
(8)	**Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 i.e. @ 3.45% (7*1.0345)**		**46855.69**		
(9)	**Ceiling Indexed Annual Revenue Requirement(ARR)**		**46855.69**		
(10)	**Revenue Estimation at the proposed SOR within the Ceiling Indexed ARR estimated at Sl.No. 10 above**	**As per Form 3 & Note 5**	**35973.40**		

CERTIFICATE

It is certified that the information furnished in the above statement for determination of the Annual Revenue Requirement has been verified with reference to the Audited Annual Accounts of the respective years of the Port Trust and found to be in order.

(Vinayaka Rao)	(Amoda Bene)
Financial Advisor &	Chartered Accountant
Chief Accounts Officer	
Date :	Date :
Place : Headland, Sada	Place : Margao, Goa

Annex-I(b)

Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2018 Furnished by MOPT and modified by TAMP

Rs. in lakhs

Sl. No.	Description		Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1)	**Total Expenditure (As per Audited Annual Accounts)**	**Note 1**			
(i).	Operating Expenses (including depreciation)		19252.05	21489.82	21367.58
(ii).	Management & General Overheads		4670.56	5308.38	6016.07
(iii).	Finance and Miscellanous Expenses (FME)		10916.19	14232.51	17624.23
	Total Expenditure 1=(i)+(ii)+(iii)		**34838.80**	**41030.71**	**45007.88**
(2)	**Less Adjustments:**				
(i).	**Estate Related Expenses**				
	(a) Operating Expenses (including depreciation)		805.44	895.67	1132.00
	(b) Allocated Management & Administrative Overheads		195.40	221.25	318.71
	(c) Allocated Finance and Miscellanous expenses (FME)		367.53	475.69	728.56
	Subtotal 2(i)=[(a)+(b)+(c)+(d)]		**1368.37**	**1592.61**	**2179.27**
(ii)	**Railway Related Expenses**		**1679.06**	**2336.60**	**2125.07**
(iii).	**Interest on loans**		155.60	135.00	556.63
(iv).	**2/3rd 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)**	**Note 2**			
	(a) Retirement Gratuities (SVRS)		0.00	0.00	0.00
	(b) Ex-gratia payments (SVRS)		0.00	0.00	1953.88
	Subtotal 2(iii)=[(a)+(b)+(c)]		**0.00**	**0.00**	**1953.88**
(v).	**2/3rd of the Contribution to the Superannuation Funds like Pension Fund, Gratuity Fund and Leave Encashment**	**Note 3**	980.57	3062.63	1649.34
(vi).	**Management & General Overheads over and above 25% of the Aggregate of the Operating Expenditure and Depreciation**	**As per Form 2**	0.00	0.00	638.46
(vii).	**Expenses relevant for Tariff Fixation of Captive Berth, if any governed under Cl. 2.10 of the Tariff Policy 2015**				
	(a) Operating Expenses				
	(b) Depreciation				
	(c) Allocated Management & Administrative Overheads				
	(d) Allocated Finance and Miscellanous expenses (FME)				
	Subtotal 2(vii)=[(a)+(b)+(c)+(d)]		**0.00**	**0.00**	**0.00**
	Total 2 = 2(i) + 2(ii) + 2(iii) + 2(iv) + 2(v) + 2(vi) + 2(vii)+2(viii)		**4183.60**	**7126.84**	**9102.65**
(3)	**Total Expenditure after Total Adjustments (3 = 1 - 2)**		**30655.20**	**33903.87**	**35905.23**
(4)	**Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3 + [2(iii) / 3]**		**34139.39**		
(5)	**Capital Employed**				
	(i) Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)		44001.22		
	(ii) Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)		10581.88		
	(iii) Less: Net Value of Fixed Assets related to Estate Activity as on 31.03.2018 as per Audited Annual Accounts		2509.20		
	(iv) Less: Net Value of Fixed Assets, if any, transferred to BOT operator as on 31.03.2018 as per Audited Annual Accounts		0.00		

	(v) Less: Net Value of Fixed Assets as on 31.03.2018 as per Audited Annual Accounts relevant to be considered for captive berths, if any, under Cl. 2.10 of the Tariff Policy 2015		0.00
	(vi) Add: Working Capital as per norms prescribed in Cl 2.5 of the Working Guidelines	**As per Form 4 & Note 4**	
	(a) Inventory		155.35
	(b) Sundry Debtors		1102.68
	(c) Cash		3585.46
	(d) Sum of (a)+(b)+(c)		**4843.49**
	(viii) Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)-(vi)+(vii)(d)]		**56917.39**
(6)	**Return on Capital Employed 16% on Sl. No. 5(vii)**		**9106.78**
(7)	**Annual Revenue Requirement(ARR) as on 31.03.2018 [(4)+(6)]**		**43246.17**
(8)	**Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 i.e. @ 3.45% (7*1.0345)**		**44738.16**
(9)	**Ceiling Indexed Annual Revenue Requirement(ARR)**		**44738.16**
(10)	**Revenue Estimation at the proposed SOR within the Ceiling Indexed ARR estimated at Sl.No. 10 above**	**As per Form 3 & Note 5**	**35973.40**

Annex - II

Revenue Estimation at the proposed Scale of Rates

Sl. No.	Description	Existing tariff		Proposed Tariff		Unit of levy	Actual Traffic exclusively handled by the port during the year 2017-18		Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff	
(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	Coastal (₹)	Foreign (US $)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
	PORT DUES										
1	Vessels	0.2696	7.56	0.3370	9.45	GRT	19584390	5975906	5052.34	25%	25%
2	Cruise Vessels	0.1348	3.78	0.3500	0.3500	GRT	479554		114.13		
3	Barges carrying Cargo	6000	6000			Annum			0.00		
4	Bunker/ Water Barges	6000	6000			Annum			0.00		
5	Pleasure Yachts	10000	10000			Month			0.00		
	From bill Register	0.35	0.35	0.35	0.35	GRT	1955369	8676	467.41		
	PILOTAGE										
1	Vessels-Pilotage										
	up to 30000 GRT	0.5744	15.76	0.7180	19.70	GRT	13400299	3458350	7223.36	25%	25%
	30001 to 60000 GRT	0.4595	12.61	0.5744	15.76	GRT	4685783		1830.01	25%	25%
	60001 GRT & above	0.4021	11.03	0.5026	13.79	GRT	1978257		676.09	25%	25%
2	**Vessels-Shifting (EOB)**										
	up to 30000 GRT	0.0881	2.42	0.1795	4.93	GRT/Act	2373499	804943	329.37	103.75%	103.72%
	30001 to 60000 GRT	0.0706	1.94	0.1436	3.94	GRT/Act	374602	1236	36.63	103.40%	103.09%
	60001 GRT & above	0.0616	1.69	0.1257	3.45	GRT/Act	80208	0	6.86	104.06%	104.14%
	Vessels-Shifting (WOB)										
	up to 30000 GRT	0.0881	2.42	0.3590	9.85	GRT/Act	1437856	1145227	463.79	307.49%	307.02%
	30001 to 60000 GRT	0.0706	1.94	0.2872	7.88	GRT/Act	331885	177958	78.84	306.80%	306.25%
	60001 GRT & above	0.0616	1.69	0.2513	6.89	GRT/Act	47158	0	8.06	307.95%	307.92%
3	Cancellation										
	2 hrs. before Pilot booked time	0	0	0.0000	0.00	No.			0.00		
	less than 2 hrs. before Pilot booked time	200.2950	5495.69	500.0000	15000.00	No.	8	9	4.07	149.63%	172.94%
	Received after Pilot boarding (In addition to the detention charges as applicable	300.4458	8243.63	750.0000	20000.00	No.	3	11	3.73	149.63%	142.61%
4	Detention charges	855.3692	23469.62	3207.6345	88000.00	Hour	20	7	49.78	275%	275%
5	For WISL - Hot move										
	up to 30000 GRT	0.5744	15.76			GRT	30000		0.00		
	30001 to 60000 GRT	0.4595	12.61			GRT	3036		0.00		
	60001 GRT & above	0.4021	11.03			GRT			0.00		
	For WISL - Cold move(both movements)										
	up to 30000 GRT	1.1488	31.52			GRT		1299	0.00		
	30001 to 60000 GRT	0.9190	25.22			GRT			0.00		
	60001 GRT & above	0.8042	22.06			GRT			0.00		
	For WISL-Cold move(either one movement)										
	up to 30000 GRT	0.86160	23.64			GRT		652268	0.00		
	30001 to 60000 GRT	0.68925	18.92			GRT			0.00		
	60001 GRT & above	0.60315	16.55			GRT			0.00		
	BERTH HIRE CHARGES										

Sl. No.	Description	Existing tariff		Proposed Tariff		Unit of levy	Actual Traffic exclusively handled by the port during the year 2017-18		Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff	
(1)	**(2)**	**(3)**		**(5)**		**(6)**	**(8)**		**(9) = 5*8**	**(10) = (5-3)/3**	**(10) = (5-3)/3**
		Foreign (US $)	**Coastal (₹)**	**Foreign (US $)**	**Coastal (₹)**		**Foreign**	**Coastal**		**Foreign**	**Coastal**
	AT BERTHS										
	Cargo/Container Vessels/Transhippers	0.0062	0.17	0.0078	0.21	GRT/HR	310525856	106242223	1862.11	25%	25%
	Liquid Bulk Vessels	0.0096	0.26	0.0120	0.33	GRT/HR	32096194	60579018	458.77	25%	25%
	Cruise Vessels	0.0304	0.83			GRT/HR	4765352	486	0.00	25%	25%
	Indian Navy / Coast Guard Vessels and Other vessels including Research vessels, Survey Vessels, etc.	0.0759	2.08	0.0949	2.60	GRT/HR	247962	15455364	417.84	25%	25%
	Foreign Navy / Coast Guard Vessels	0.1212	3.33	0.1515	4.16	GRT/HR	4237140		436.48	25%	25%
	AT MOORING DOLPHINS										
	Cargo/Container Vessels/Transhippers	0.0031	0.09	0.0039	0.11	GRT/HR	246779739	26609367	680.15	25%	25%
	Liquid Bulk Vessels	0.0048	0.13	0.0060	0.16	GRT/HR		489583	0.80	25%	25%
	Cruise Vessels	0.0152	0.42			GRT/HR			0.00	25%	25%
	Indian Navy / Coast Guard Vessels and Other vessels including Research vessels, Survey Vessels, etc.	0.0569	1.56	0.0711	1.95	GRT/HR		7350	0.14	25%	25%
	Foreign Navy / Coast Guard Vessels	0.0909	2.49	0.1136	3.11	GRT/HR			0.00	25%	25%
	ANCHORAGE CHARGES										
	WORKING ANCHORAGE										
1	Cargo/Container Vessels/Transhippers	0.0012	0.03	0.0015	0.04	GRT/HR	982702758	116647970	1046.02	25%	25%
2	Liquid Bulk Vessels	0.0019	0.05	0.0024	0.06	GRT/HR			0.00	25%	25%
3	Cruise Vessels	0.0061	0.19			GRT/HR			0.00	25%	25%
	IDLE ANCHORAGE									25%	25%
	Cargo/Container Vessels/Transhippers	0.0006	0.02	0.0008	0.03	GRT/HR	1368048275	170228558	740.21	25%	25%
	Liquid Bulk Vessels	0.0010	0.03	0.0013	0.04	GRT/HR	27828613	28842738	34.47	25%	25%
	Cruise Vessels	0.0030	0.09			GRT/HR	4929450	75440	0.00	25%	25%
	Indian Navy / Coast Guard Vessels and Other vessels including Research vessels, Survey Vessels, etc.	0.0190	0.52	0.0238	0.65	GRT/HR	14936	27807625	180.99	25%	25%
	Foreign Navy / Coast Guard Vessels	0.0303	0.83	0.0379	1.04	GRT/HR	68213		1.76	25%	25%
	SUPPLY OF WATER & MISCELLANEOUS CHARGES									25%	25%
1	At Berth	6.1753	169.43	7.7191	211.79	1000 ltrs	8190	23604	92.98	25%	25%
2	By Barges									25%	25%
	(a) Within Break water	8.3141	228.15	10.3926	285.19	1000 ltrs	2000	2785	22.08	25%	25%
	(b) Beyond Break water	10.6887	293.28	13.3609	366.60	1000 ltrs	3750	5150	52.95	25%	25%
	CANCELLATION OF WATER									25%	25%
	For supply at EOB	112.13	3076.45	140.1625	3845.56				0.00	25%	25%

Sl. No.	Description	Existing tariff		Proposed Tariff		Unit of levy	Actual Traffic exclusively handled by the port during the year 2017-18		Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff	
(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	Coastal (₹)	Foreign (US $)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
	For supply at WOB	224.25	6152.97	280.3125	7691.21				0.00	25%	25%
	DETENTION CHARGES FOR WATER BARGE									25%	25%
	For supply at EOB	56.063	1538.23	70.0788	1922.79	Half Hour			0.00	25%	25%
	For supply at WOB	112.125	3076.52	140.1563	3845.65	Half Hour			0.00	25%	25%
3	Tug hire charges	855.3692	23469.62	1069.2115	45000.00	Hour	13	1206	552.15	25%	91.74%
	DREDGING LEVY									25%	25%
	50001-60000 GRT (Only from 1st June to 30th Sep	0.3880	15.60	0.4850	19.50	GRT			0.00	25%	25%
	60001 to 75000 GRT	1.7768	71.43	2.2210	89.29	GRT			0.00	25%	25%
	75001 GRT & Above	2.3691	95.24	2.9614	119.05	GRT			0.00	25%	25%
									22924.37		
		Foreign (₹)	Coastal (₹)	Foreign (₹)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
A	**Wharfage**										
I.	**DRY BULK CARGO**										
1	Iron Ore	24.00	24.00	27.60	27.60	Tonne	1340147	140834	408.75	15.00%	15.00%
	Iron Ore	14.40	14.40	16.56	16.56	Tonne	8769156	232364	1490.65	15.00%	15.00%
2	Iron Ore Pellets	27.00	27.00	31.05	31.05	Tonne			0.00	15.00%	15.00%
3	Bauxite	27.00	16.20	31.05	18.63	Tonne			0.00	15.00%	15.00%
4	Cement/Clinker/Limestone/ Gypsum/ Nickel/Alumina/Bentonite	42.00	25.20	48.30	28.98	Tonne	188359	70959	111.54	15.00%	15.00%
5	Pig Iron / Slag	48.00	28.80	55.20	33.12	Tonne	133004	115367	111.63	15.00%	15.00%
6	Thermal Coal and its variants	55.00	55.00	63.25	63.25	Tonne			0.00	15.00%	15.00%
7	Coke of all Types	55.00	33.00	63.25	37.95	Tonne	448775	375291	426.27	15.00%	15.00%
8	Wood Chips	40.00	24.00	46.00	27.60	Tonne	373237		171.69	15.00%	15.00%
9	Fertilizer and fertilizer raw material	50.00	30.00	57.50	34.50	Tonne	180324		103.69	15.00%	15.00%
10	Raw Sugar, Wheat and Grains & Pulses of all types	40.00	24.00	46.00	27.60	Tonne			0.00	15.00%	15.00%
11	Metal scrap of all types	55.00	33.00	63.25	37.95	Tonne			0.00	15.00%	15.00%
12	All other dry bulk cargo not specified above	55.00	33.00	63.25	37.95	Tonne			0.00	15.00%	15.00%
	BREAK BULK CARGO									15.00%	15.00%
1	Steel Coils of all types	51.00	30.60	58.65	35.19	Tonne	1112315	132762	699.09	15.00%	15.00%
2	Bars, Ingots, Pipes of all types, timber/ wooden logs	66.00	39.60	75.90	45.54	Tonne			0.00	15.00%	15.00%
3	Granites/Marbles	51.00	30.60	58.65	35.19	Tonne	170134		99.78	15.00%	15.00%
4	Minerals and ores of all types in bags, pallets etc.	51.00	30.60	58.65	35.19	Tonne			0.00	15.00%	15.00%
5	Machinery and Project Cargo	132.00	79.20	151.80	91.08	Tonne	1115	539	2.18	15.00%	15.00%
6	Arms, Ammunitions, Explosives and Defence Stores	147.00	88.20	169.05	101.43	Tonne			0.00	15.00%	15.00%
7	Livestock, Goats, Sheep			30.00	18.00	Tonne					
8	Fodder			5.00	3.00	Tonne					
9	All other break bulk cargo not specified above	66.00	39.20	75.90	45.08	Tonne	11000	1223	8.90	15.00%	15.00%
	LIQUID BULK CARGO					Tonne				15.00%	15.00%
1	Petroleum, Oil & Lubricants and POL Products	193.00	193.00	500.00	500.00	Tonne		620270	3101.35	159.07%	159.07%

Sl. No.	Description	Existing tariff		Proposed Tariff		Unit of levy	Actual Traffic exclusively handled by the port during the year 2017-18		Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff	
(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	**Coastal (₹)**	**Foreign (US $)**	**Coastal (₹)**		**Foreign**	**Coastal**		**Foreign**	**Coastal**
2	Caustic Soda	86.00	51.60	98.90	59.34	Tonne	14242		14.09	15.00%	15.00%
3	Liquid Ammonia	188.00	112.80	216.20	129.72	Tonne	82251		177.83	15.00%	15.00%
4	Acids of all types	128.00	76.80	147.20	88.32	Tonne	437106		643.42	15.00%	15.00%
5	LPG/LNG	350.00	210.00	402.50	241.50	Tonne			0.00	15.00%	15.00%
6	Edible Oil	86.00	51.60	98.90	59.34	Tonne	29266		28.94	15.00%	15.00%
7	Molasses	57.00	34.20	65.55	39.33	Tonne			0.00	15.00%	15.00%
8	Any other liquid bulk cargo not specified above	126.00	75.60	144.90	86.94	Tonne			0.00	15.00%	15.00%
	Handeled through MOHP									15.00%	15.00%
1	Iron Ore	118.00	118.00			Tonne			0.00	15.00%	15.00%
2	Iron Ore Pellets									15.00%	15.00%
	(i) During the Period June to August each year	127.00	127.00			Tonne			0.00	15.00%	15.00%
	(ii) During the fair season beginning from September to May each year	223.00	223.00			Tonne			0.00	15.00%	15.00%
	DUST SUPRESSION LEVY										
	Dry Bulk	4.00	4.00	6.00	6.00	Tonne	1031482	0	61.89	50.00%	50.00%
	Break Bulk	1.00	1.00	2.00	2.00	Tonne	1386300	0	27.73	100.00%	100.00%
	Container-20"	0.00	0.00	3.00	3.00	Container	17261	0	0.52		
	Container-40"	0.00	0.00	6.00	6.00	Container	7405	0	0.44		
2.2	**Container Handling Charges**										
I.	**Handling Containerised Cargo**										
1	Loaded Container 20'	2946.00	1767.60	3387.90	2032.74	CONT	9480	2326	368.45	15.00%	15.00%
2	Loaded Container 40'	3709.00	2225.40	4265.35	2559.21	CONT	4592	57	197.32	15.00%	15.00%
3	Empty Container 20'	1726.00	1035.60	1984.90	1190.94	CONT	3655	1800	93.99	15.00%	15.00%
4	Empty Container 40'	1878.00	1126.80	2159.70	1295.82	CONT	2680	76	58.86	15.00%	15.00%
	Storage Charges	**Foreign (US $)**	**Coastal (₹)**	**Foreign (US $)**	**Coastal (₹)**						
1	STORAGE CONTAINER 20'	1.1011	50.44	2.2022	100.88	CONT/DAY	76161	18479	132.68	100.00%	100.00%
2	STORAGE CONTAINER 40'	2.2022	100.88	4.4044	201.76	CONT/DAY	24839	419	75.23	100.00%	100.00%
3	Reach Stacker	710.00	710.00	850.00	850.00	Move		2913	24.76	19.72%	19.72%
	Electricity Charges for Reefer Container										
(a)	REEFER CONTAINER 20'	234.00	234.00	300.00	300.00	4 HOURS	609		1.83	28.21%	28.21%
(b)	REEFER CONTAINER 40'	302.00	302.00	400.00	400.00	4 HOURS	219847		879.39	32.45%	32.45%
	Mandatory User charges	145.00	145.00	145.00	145.00						
2.3	**CARGO STORAGE CHARGES**	**Foreign (₹)**	**Coastal (₹)**	**Foreign (US $)**	**Coastal (₹)**						
I.	**DRY BULK - IMPORT**										
	DEMURRAGE 1-10 DAYS	6.00	6.00	10.00	10.00	Ton/Day	1235167		123.50	66.65%	66.65%

Sl. No.	Description	Existing tariff		Proposed Tariff		Unit of levy	Actual Traffic exclusively handled by the port during the year 2017-18		Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff	
(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	Coastal (₹)	Foreign (US $)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
	DEMURRAGE 11-20 DAYS	12.00	12.00	15.00	15.00	Ton/Day	595911		89.39	25.00%	25.00%
	DEMURRAGE 21-30 DAYS	24.00	24.00	30.00	30.00	Ton/Day	236657		71.00	25.00%	25.00%
	DEMURRAGE 31ST DAY ONWARDS	48.00	48.00	75.00	75.00	Ton/Day	124544		93.41	56.25%	56.25%
	DRY BULK - EXPORT										
	DEMURRAGE 21-30 DAYS	1.00	1.00	2.00	2.00	Ton/Day			0.00	100.00%	100.00%
	DEMURRAGE 31-45 DAYS	3.00	3.00	5.00	5.00	Ton/Day			0.00	66.66%	66.66%
	DEMURRAGE 46TH DAY ONWARDS	6.00	6.00	8.00	8.00	Ton/Day			0.00	33.33%	33.33%
	BREAK BULK - IMPORT										
	DEMURRAGE 1-7 DAYS	7.00	7.00	10.00	10.00	Ton/Day	145689	8702	15.44	42.84%	42.84%
	DEMURRAGE 8-15 DAYS	14.00	14.00	15.00	15.00	Ton/Day	57467	2337	8.97	7.14%	7.14%
	DEMURRAGE 15-30 DAYS	28.00	28.00	30.00	30.00	Ton/Day	37686		11.31	7.14%	7.14%
	DEMURRAGE 31ST DAY ONWARDS	35.00	35.00	75.00	75.00	Ton/Day	14138		10.60	114.29%	114.29%
	BREAK BULK - EXPORT										
	DEMURRAGE 1-7 DAYS	3.00	3.00	2.00	2.00	Ton/Day	2376878		47.54	-33.33%	-33.33%
	DEMURRAGE 8-15 DAYS	6.00	6.00	2.00	2.00	Ton/Day	594740		11.89	-66.67%	-66.67%
	DEMURRAGE 15-30 DAYS	9.00	9.00	5.00	5.00	Ton/Day	722258		36.11	-44.45%	-44.45%
	DEMURRAGE 31ST DAY ONWARDS	18.00	18.00	8.00	8.00	Ton/Day	30404		2.43	-55.56%	-55.56%
	Ground Rent/Demmurage on Explosive/										
	Dangerous/Hazardous goods										
	In bulk or break-bulk	10000.00	10000.00	11500.00	11500.00	Per Ton	135		15.53	15.00%	15.00%
	In Containers	5000.00	5000.00	2500.00	2500.00	Per TEU	1821		45.53	-50.00%	-50.00%
E	**CARGO HANDELING LABOUR CHARGES**										
	STEVDORING CHARGES										
	DRY BULK CARGO										
1	Iron Ore Fines/ Lumpy/Pellets, Bauxite / Limestone /Gypsum	47.00	28.20	36.67	22.00	Per Ton/TEU	59714	22050	26.75	-21.98%	-21.99%
		38.00	22.80	36.67	22.00	Per Ton/TEU	181485		66.55	-3.50%	-3.51%
		30.00	18.00	36.67	22.00	Per Ton/TEU	999949	127747	394.79	22.23%	22.22%
2	Manganese / Cement/ Clinker/Nickel/ Bentonite/ Pig Iron	50.00	30.00	54.63	32.78	Per Ton/TEU	72540		39.63	9.26%	9.27%
		40.00	24.00	54.63	32.78	Per Ton/TEU	29974		16.37	36.58%	36.58%
		31.00	18.60	54.63	32.78	Per Ton/TEU			0.00	76.23%	76.24%
3	Coal / Slag	53.00	31.80	46.38	27.83	Per Ton/TEU	232683		107.92	-12.49%	-12.48%
		35.00	21.00	46.38	27.83	Per Ton/TEU	73590		34.13	32.51%	32.52%
		27.00	16.20	46.38	27.83	Per Ton/TEU	150892		69.98	71.78%	71.79%
4	Coke of all Types	49.00	29.40	49.00	29.40	Per Ton/TEU		8000	2.35	0.00%	0.00%
		37.00	22.20	49.00	29.40	Per Ton/TEU			0.00	32.43%	32.43%
		28.00	16.80	49.00	29.40	Per Ton/TEU			0.00	75.00%	75.00%
5	Fertilizer and fertilizer raw material, Raw Sugar, Wheat and Grains & Pulses of all	94.00	56.40	79.22	47.53	Per Ton/TEU			0.00	-15.72%	-15.73%
		76.00	45.60	79.22	47.53	Per Ton/TEU	2290		1.81	4.24%	4.23%

Sl. No.	Description	Existing tariff		Proposed Tariff		Unit of levy	Actual Traffic exclusively handled by the port during the year 2017-18		Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff	
(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	Coastal (₹)	Foreign (US $)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
	types, etc.	68.00	40.80	79.22	47.53	Per Ton/TEU	76121		60.30	16.50%	16.50%
6	Wood Chips and other similar light cargoes	63.00	37.80	48.68	29.21	Per Ton/TEU			0.00	-22.73%	-22.72%
		45.00	27.00	48.68	29.21	Per Ton/TEU	186292		90.69	8.18%	8.19%
		37.00	22.20	48.68	29.21	Per Ton/TEU	97627		47.52	31.57%	31.58%
	BREAK BULK CARGO										
1	Steel Coils/Slabs/Bars/Ingots of all types, Granites/Marbles	74.00	44.40	66.38	39.83	Per Ton/TEU	117405		77.93	-10.30%	-10.29%
		63.00	37.80	66.38	39.83	Per Ton/TEU	108670	2457	73.11	5.37%	5.37%
		53.00	31.80	66.38	39.83	Per Ton/TEU	726359	62481	507.04	25.25%	25.25%
2	Pipes of all types, timber/ wooden logs	65.00	39.00	65.00	39.00	Per Ton/TEU			0.00	0.00%	0.00%
		55.00	33.00	65.00	39.00	Per Ton/TEU			0.00	18.18%	18.18%
		45.00	27.00	65.00	39.00	Per Ton/TEU			0.00	44.44%	44.44%
3	All Cargo in Jumbo Bags	95.00	57.00	103.50	62.10	Per Ton/TEU	26632		27.56	8.95%	8.95%
		85.00	51.00	103.50	62.10	Per Ton/TEU			0.00	21.76%	21.76%
		75.00	45.00	103.50	62.10	Per Ton/TEU	13093		13.55	38.00%	38.00%
4	All Cargo handled using Net Slings	209.00	125.40	209.00	125.40	Per Ton/TEU			0.00	0.00%	0.00%
		183.00	109.80	209.00	125.40	Per Ton/TEU			0.00	14.21%	14.21%
		147.00	88.20	209.00	125.40	Per Ton/TEU			0.00	42.18%	42.18%
	SHORE OPERATION CHARGES										
1	Loading/Unloading of Steel Slabs and coils at R & D Yard/Open Plot.	13.50		0.00	0.00	Per Ton/TEU			0.00		
		12.60		0.00	0.00	Per Ton/TEU			0.00		
		11.70		0.00	0.00	Per Ton/TEU			0.00		
		10.80		0.00	0.00	Per Ton/TEU			0.00		
2	Loading/Unloading of Aluminia/C.P. Coke jumbo bags in sheds/open plot.	27.00		0.00	0.00	Per Ton/TEU			0.00		
		23.40		0.00	0.00	Per Ton/TEU			0.00		
		21.60		0.00	0.00	Per Ton/TEU			0.00		
		19.80		0.00	0.00	Per Ton/TEU			0.00		
3	Bagged CargoLoading/Unloading of Fertilizers/Sugar/ Foodgrains etc., into/from trucks/ wagons in the shed(one operation)	63.00		0.00	0.00	Per Ton/TEU			0.00		
		54.00		0.00	0.00	Per Ton/TEU			0.00		
		45.00		0.00	0.00	Per Ton/TEU			0.00		
4	Bagged Cargo (loading in trucks in the shed and for placing on net slings at berths) (two shore operations)	126.00		0.00	0.00	Per Ton/TEU			0.00		
		108.00		0.00	0.00	Per Ton/TEU			0.00		
		90.00		0.00	0.00	Per Ton/TEU			0.00		
	STUFFING/DE-STUFFING CHARGES	1200.00	720.00	1200.00	720.00	Per TEU	831	534	13.82	0.00%	0.00%
	Container / Miscellaneous Handling										
1	Containers loading / unloading from/into vessels	21000.00	12600.00			Shift/hook	124	332	0.00		
2	Machinery and Project Cargo	50000.00	30000.00	57500.00	34500.00	Shift/hook	4	2	2.99	15.00%	15.00%
3	Arms, Ammunitions, Explosives and Defence Stores	100000.00	60000.00	115000.00	69000.00	Shift/hook			0.00	15.00%	15.00%

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(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	Coastal (₹)	Foreign (US $)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
	ELECTRONIC DATA INTERCHANGE CHARGES	**Foreign (US $)**	**Coastal (₹)**								
	Vessel Related	50.00	2000.00	50.00	3500.00	Document			70.31		
	Cargo Related/CHLD		2000.00	50.00	3500.00	Document			0.00		
	Container Wharfage		1000.00	2.00	100.00	Document			0.00		
	Container Storage	15.00	500.00	2.00	100.00	Document			0.00		
	CRUISE RELATED CHARGES	**Foreign (₹)**	**Coastal (₹)**						0.00		
	For embarkation	604.00	390.00			Passenger	202		0.00		
	For disembarkation	604.00	390.00			Passenger	56		0.00		
	For transit passenger	605.00	312.00			Passenger	8695		0.00		
	MISCELLANEOUS CARGO RELATED CHARGES										
	Mobile Harbour Crane working together with Ship's Gear										
	DRY BULK CARGO										
1	Iron Ore Fines/Lumpy/Pellets, Bauxite/Limestone /Gypsum	65.00	39.00	55.00	33.00	Tonne	6465		3.56	-15.38%	-15.38%
		50.00	30.00	55.00	33.00	Tonne	166279		91.45	10.00%	10.00%
		40.00	24.00	55.00	33.00	Tonne			0.00	37.50%	37.50%
2	Manganese/Cement/Clinker/Nickel/Bentonite /Pig Iron	75.00	45.00	55.00	33.00	Tonne	4441		2.44	-26.67%	-26.67%
		55.00	33.00	55.00	33.00	Tonne		1500	0.50	0.00%	0.00%
		45.00	27.00	55.00	33.00	Tonne			0.00	22.22%	22.22%
3	Coal / Slag	80.00	48.00			Tonne			0.00	-100.00%	-100.00%
		60.00	36.00			Tonne			0.00	-100.00%	-100.00%
		50.00	30.00			Tonne			0.00	-100.00%	-100.00%
4	Coke of all Types	100.00	60.00			Tonne			0.00	-100.00%	-100.00%
		90.00	54.00			Tonne			0.00	-100.00%	-100.00%
		80.00	48.00			Tonne			0.00	-100.00%	-100.00%
5	Fertilizer and fertilizer raw material, Raw Sugar, Wheat and Grains & Pulses of all types, etc.	65.00	39.00	103.00	61.80	Tonne	3397		3.50	58.46%	58.46%
		55.00	33.00	103.00	61.80	Tonne	79165		81.54	87.27%	87.27%
		45.00	27.00	103.00	61.80	Tonne			0.00	128.89%	128.89%
6	Wood Chips and other similar light cargoes	65.00	39.00	103.00	61.80	Tonne	37907		39.04	58.46%	58.46%
		50.00	30.00	103.00	61.80	Tonne	26548		27.34	106.00%	106.00%
		40.00	24.00	103.00	61.80	Tonne			0.00	157.50%	157.50%
	BREAK BULK CARGO										
1	Steel Coils/Slabs/Bars/Ingots of all types, Granites/Marbles	90.00	54.00	175.00	105.00	Tonne	139836	5024	249.99	94.44%	94.44%
		80.00	48.00	175.00	105.00	Tonne	96049	20587	189.70	118.75%	118.75%
		70.00	42.00	175.00	105.00	Tonne	22363	31149	71.84	150.00%	150.00%
2	Pipes of all types, timber/wooden logs	150.00	90.00	200.00	120.00	Tonne			0.00	33.33%	33.33%
		140.00	84.00	200.00	120.00	Tonne			0.00	42.86%	42.86%
		130.00	78.00	200.00	120.00	Tonne			0.00	53.85%	53.85%
		90.00	54.00	125.00	75.00	Tonne	2850	560	3.98	38.89%	38.89%

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(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	Coastal (₹)	Foreign (US $)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
3	All Cargo in Jumbo Bags	85.00	51.00	125.00	75.00	Tonne	2327		2.91	47.06%	47.06%
		80.00	48.00	125.00	75.00	Tonne	6677	503	8.72	56.25%	56.25%
4	All Cargo handled using Net Slings	250.00	150.00	300.00	180.00	Tonne			0.00	20.00%	20.00%
		220.00	132.00	300.00	180.00	Tonne			0.00	36.36%	36.36%
		200.00	120.00	300.00	180.00	Tonne			0.00	50.00%	50.00%
	Mobile Harbour Crane for Gearless Vessels										
	DRY BULK CARGO										
1	Iron Ore Fines/Lumpy/Pellets, Bauxite/Limestone /Gypsum	40.00	24.00	55.00	33.00	Tonne	38303		21.07	37.50%	37.50%
		50.00	30.00	55.00	33.00	Tonne	9352		5.14	10.00%	10.00%
		65.00	39.00	55.00	33.00	Tonne			0.00	-15.38%	-15.38%
2	Manganese/Cement/Clinker/Nickel/Bentonite /Pig Iron	46.00	27.60	55.00	33.00	Tonne			0.00	19.57%	19.57%
		55.00	33.00	55.00	33.00	Tonne		3590	1.18	0.00%	0.00%
		73.00	43.80	55.00	33.00	Tonne			0.00	-24.66%	-24.66%
3	Coal / Slag	50.00	30.00	0.00	0.00	Tonne			0.00	-100.00%	-100.00%
		60.00	36.00	0.00	0.00	Tonne			0.00	-100.00%	-100.00%
		80.00	48.00	0.00	0.00	Tonne			0.00	-100.00%	-100.00%
4	Coke of all Types	80.00	48.00	0.00	0.00	Tonne			0.00	-100.00%	-100.00%
		90.00	54.00	0.00	0.00	Tonne			0.00	-100.00%	-100.00%
		100.00	60.00	0.00	0.00	Tonne			0.00	-100.00%	-100.00%
5	Fertilizer and fertilizer raw material, Raw Sugar, Wheat and Grains & Pulses of all types, etc.	45.00	27.00	103.00	61.80	Tonne			0.00	128.89%	128.89%
		55.00	33.00	103.00	61.80	Tonne			0.00	87.27%	87.27%
		65.00	39.00	103.00	61.80	Tonne	13039		13.43	58.46%	58.46%
6	Wood Chips and other similar light cargoes	40.00	24.00	103.00	61.80	Tonne	300		0.31	157.50%	157.50%
		50.00	30.00	103.00	61.80	Tonne	24563		25.30	106.00%	106.00%
		65.00	39.00	103.00	61.80	Tonne			0.00	58.46%	58.46%
	BREAK BULK CARGO										
1	Steel Coils/Slabs/Bars/Ingots of all types, Granites/Marbles	70.00	42.00	175.00	105.00	Tonne	26962	5629	53.09	150.00%	150.00%
		80.00	48.00	175.00	105.00	Tonne	22157	5430	44.48	118.75%	118.75%
		90.00	54.00	175.00	105.00	Tonne	18020		31.54	94.44%	94.44%
2	Pipes of all types, timber/wooden logs	130.00	78.00	200.00	120.00	Tonne			0.00	53.85%	53.85%
		140.00	84.00	200.00	120.00	Tonne			0.00	42.86%	42.86%
		150.00	90.00	200.00	120.00	Tonne			0.00	33.33%	33.33%
3	All Cargo in Jumbo Bags	80.00	48.00	125.00	75.00	Tonne	4938		6.17	56.25%	56.25%
		85.00	51.00	125.00	75.00	Tonne	779		0.97	47.06%	47.06%
		90.00	54.00	125.00	75.00	Tonne			0.00	38.89%	38.89%
4	All Cargo handled using Net Slings	200.00	120.00	300.00	180.00	Tonne			0.00	50.00%	50.00%
		220.00	132.00	300.00	180.00	Tonne			0.00	36.36%	36.36%
		250.00	150.00	300.00	180.00	Tonne			0.00	20.00%	20.00%

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(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	Coastal (₹)	Foreign (US $)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
	Container Handling by Mobile Harbour Crane										
	Normal Container Loaded - 20'	1,603.00	962.00	1844.00	1107.00	CONT	1948	602	42.59	15.03%	15.07%
	Normal Container Loaded - 21' to 40'	2,405.00	1,443.00	2766.00	1660.00	CONT	1116	6	30.97	15.01%	15.04%
	Normal Container Loaded - above 40'	3,207.00	1,924.00	3689.00	2213.00	CONT			0.00	15.03%	15.02%
	Normal Container Empty - 20'	1,283.00	770.00	1476.00	886.00	CONT	812	208	13.83	15.04%	15.07%
	Normal Container Empty - 20' to 40'	1,924.00	1,154.00	2213.00	1328.00	CONT	741	24	16.72	15.02%	15.08%
	Normal Container Empty - above 40'	2,565.00	1,539.00	2950.00	1770.00	CONT			0.00	15.01%	15.01%
	Hazardous Container Loaded - 20'	2,004.00	1,203.00	2305.00	1384.00	CONT	398		9.17	15.02%	15.05%
	Hazardous Container Loaded - 20' to 40'	3,006.00	1,804.00	3457.00	2075.00	CONT	31		1.07	15.00%	15.02%
	Hazardous Container Loaded - above 40'	4,008.00	2,405.00	4610.00	2766.00	CONT			0.00	15.02%	15.01%
	Hazardous Container Empty - 20'	1,603.00	962.00	1844.00	1107.00	CONT	32		0.59	15.03%	15.07%
	Hazardous Container Empty - 20' to 40'	2,405.00	1,443.00	2766.00	1660.00	CONT	2		0.06	15.01%	15.04%
	Hazardous Container Empty - above 40'	3,207.00	1,924.00	3689.00	2213.00	CONT			0.00	15.03%	15.02%
	Transhipper/Trans-loader/Floating crane Charges using Own anchor										
	Primary Loading	10.00		20.00	0.00	Tonne			0.00	100.00%	100.00%
	Uptopping	5.00		10.00	0.00	Tonne			0.00	100.00%	100.00%
	SUNDRY CHARGES										
	HIRE OF EQUIPMENT & MACHINERY										
	Mobile Harbour Crane	23500.00		27025.00	0.00	Hour	6		1.62	15.00%	0.00%
	3 Tonne Forklifts	1000.00		1150.00	0.00	Hour			0.00	15.00%	0.00%
	8 Tonne TIL Bull Cranes	1200.00		1380.00	0.00	Hour	6		0.08	15.00%	0.00%
	10 Tonne Dal Cranes	1400.00			0.00	Hour			0.00	15.00%	0.00%
	11 Tonne ACE Cranes	1500.00		1725.00	0.00	Hour	152		2.62	15.00%	0.00%
	45 MT Omega Mobile Cranes	4500.00			0.00	Hour			0.00	15.00%	0.00%
	75 MT TILCranes	6000.00		6900.00	0.00	Hour	264		18.22	15.00%	0.00%
	EOT Crane 8 Tonne			2500.00		Hour			0.00		
	EOT Crane 12 Tonne			3750.00		Hour			0.00		
	EOT Crane 18 Tonne			5625.00		Hour			0.00		
	Loco Engine Pit Charges	1397.83		2000.00		Hour			0.00		
	Bollard Pull Test	10000.00		25000.00		Test	6		1.50	150.00%	
	Hire of Flotilla- Launch	100000.00		120000.00	0.00	shift of 8 hrs	42		50.40	20.00%	100.00%
	Hire of Flotilla- Launch for survey work			30000.00		Hour					
	Weighment Charges for Rail/Road Weighbridges	5.50		6.00	0.00	Tonne	747108		16.14	9.09%	100.00%
	Oil spill Boom						1		3.62		
	Transhipper			150000.00	0.00	Tonne	4		6.00		
	Floating Crane			100000.00	0.00	Tonne	4		4.00		
									13049.03		

Sl. No.	Description	Existing tariff		Proposed Tariff		Unit of levy	Actual Traffic exclusively handled by the port during the year 2017-18		Revenue estimation at the proposed tariff (Rs. In lakhs)	% increase over the existing tariff	
(1)	(2)	(3)		(5)		(6)	(8)		(9) = 5*8	(10) = (5-3)/3	(10) = (5-3)/3
		Foreign (US $)	Coastal (₹)	Foreign (US $)	Coastal (₹)		Foreign	Coastal		Foreign	Coastal
	Total Estimated Revenue at the proposed tariff								**35973.40**		

CERTIFICATE

It is hereby certfied that the Revenue estimation furnished in the above statement has been verfied and found to be in Order.

(Vinayaka Rao)
Financial Advisor &
Chief Accounts Officer

(Amoda U Bene)
Chartered Accountant

Date : 15/03/2019
Place : Headland, Sada

Note:
1. The Ports may give workings separately in support of the above revenue estimation.
2. Revenue from Estate activity for which tariff is governed under Land Policy Guidelines shall not be captured in this Form.
3. For miscellaneous items, if detailed computation is not possible, Ports can estimate based on the previous year’s actuals.

SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

TAMP/11/2019-MOPT	**:**	**Proposal received from Mormugao Port Trust (MOPT) for general revision of its Scale of Rates (SOR).**

The summary of the comments received from the users / user organisations and reply furnished by MOPT thereon is tabulated below:

<table>
<tr><th>Sl. No.</th><th>Comments of the users / user organisations</th><th>Reply furnished by MOPT</th></tr>
<tr><td>1.</td><td>Mormugao Ships Agents Association (MSAA)</td><td></td></tr>
<tr><td>(i).</td><td>Port SOR on main categories are increase to minimum of 25%, whereas on other categories it has increased very excessively compared to current Scale of Rates. Matrix in this to aid further discussion is given in subsequent comments. At the same time, we request to you consider keeping this proposed increase in abeyance due to following reasons :</td><td rowspan="6">No comments furnished by MOPT.</td></tr>
<tr><td>(a).</td><td>The Baltic dry index is at a low of 982, and shipowners are finding it difficult to bear the high port costs from single digit freights being offered to them in the market. Mormugao Port Costs are already very high and a 25% increase would make it unviable for the owners / charterers to undertake any voyages to / from Mormugao.</td></tr>
<tr><td>(b).</td><td>The Port should consider reducing costs, to meet the annual expenditure, instead of increasing the tariff.</td></tr>
<tr><td>(c).</td><td>In 2016, the Port had increased the port charges and wharf charges by about 30%.</td></tr>
<tr><td>(d).</td><td>Since the margins for exporters, importers and ship operators have thinned down, a steep increase will prompt the users to shift to more competitive ports.</td></tr>
<tr><td>(e).</td><td>New Mangalore Port, as a comparison has requested only for a 3% hike.</td></tr>
<tr><td>(ii).</td><td>Items on which, MSAA would like to offer comments are as follows:</td><td></td></tr>
<tr><td>(a).</td><td>Port dues (increased by 25%) – Notes (vi) recommended to read as bunkers, crew change, landing sick crew, body of a deceased crew member, provision / stores shall be charged with only 50% of the Port dues.
<table>
<tr><th>Item</th><th>Propose</th><th>Present</th><th>Increase (%)</th></tr>
<tr><td>Port Dues</td><td>0.337</td><td>0.2696</td><td>25</td></tr>
</table></td><td>The recommendation as proposed cannot be accepted and same has also been conveyed to the Port user's during meeting held on 13.02.2019.</td></tr>
<tr><td>(iii).</td><td>Pilotage (increased by 25%) – Requested to waive of Pilotage charges in case of vessel takes bunkers, crew change, landing sick crew, body of deceased crew members, provisions / stores at West of Breakwater Anchorage as services are not being availed at this point.
<table>
<tr><th>Item</th><th>Propose</th><th>Present</th><th>Increase (%)</th></tr>
<tr><td rowspan="3">Pilotage</td><td>0.718</td><td>0.5744</td><td>25</td></tr>
<tr><td>0.5744</td><td>0.4595</td><td>25</td></tr>
<tr><td>0.5026</td><td>0.4021</td><td>25</td></tr>
</table></td><td>The Port users request is acceptable provided no services from the Port has been availed. However, if the services of the Port are availed to provide the said services at West of Breakwater anchorage, applicable charges will be levied. It is further clarified that even if pilot is not physically present, pilot is deployed on shore at the VTMS for providing remote assistance, remote pilotage charges would be introduced/ levied.</td></tr>
<tr><td>(iv).</td><td>Shifting charges (increased by 700%) – Requested to propose increase in rates of shifting as per current Scale of Rates, rather than omitting shifting charges from proposed SOR and charge shifting on Pilotage rates, as it's 700% increase.</td><td>The shifting operations are equivalent to pilotage operations at WOB as it involves movement of tugs, manpower and pilots from their stations to WOB which is equivalent to the sailing movement of the vessel which in</td></tr>
</table>

<table>
<tr>
<td></td>
<td>For an example, for a cape vessel, for a shifting within WOB or from berth to WOB, the cost of a single shifting is increased to USD 61000 from the existing USD 15000. Even shifting from berth to berth for a cape vessel has increased from USD 7550 to USD 34248. For a panama vessel shifting from one berth to another is presently USD 4884 and is proposed to be increased to USD 22925. Double banking of transhippers / floating cranes has been increased, steeply and separate rates for shifting such tvs / fcs has been deleted which will discourage West of Break Water (WOB) facility, when the port has no other berth facility for such cargoes and also due to environmental reasons, WOB operations is to more viable.
Matrix:
<table>
<tr><th>Item</th><th>Proposed</th><th>Present</th><th>Increase (%)</th></tr>
<tr><td>Shifting</td><td>0.718
0.5744
0.5026</td><td>0.0881
0.0706
0.0616</td><td>700
700
700</td></tr>
</table>
</td>
<td>turn results in the same operation cost as pilotage operations. Also, for the same reason shifting operation within EOB, charges are restricted to 50% of the pilotage charges. However, same will be re-examined.

In the earlier proposed SOR, the shifting charges within East of Break waters were 50% of the pilotage charges and all other shiftings were charged at 100% of pilotage.

Based on the recommendations give by the port users in the joint hearing held on 22.02.2019, the shifting charges were relaxed in the revised proposed SoR as under:
“If the shifting is within the East of Breakwater, then the shifting charges will be equal to 25% of the Pilotage Charges. All other shifting shall be charged at a rate equal to 50% of the Pilotage Charges. The Shifting Charges shall be applicable as per the respective GRT slab of the Pilotage Fees.”</td>
</tr>
<tr>
<td>(v).</td>
<td>Pilot cancellation & Detention charges have been proposed by 150% to 275% increase. Requested for moderation in this, as this is not something which will create enhancement in the earnings of the Port. But, will eventually serve as a source of commercial discord among the various concerned parties if it is implemented. As a deterrent, the levels already prescribed in the Current SOR are considered quite suitable.
For an example, the detention charge per tug per hour is proposed to be increased from existing USD 855 to an steep USD 3207. The Port has only one channel, and at times to facilitate the outgoing vessel to go in time, so that the incoming vessel can catch the time, all the parties concerned are booking the pilot within the time frame work of changing tide, and such high penalties will discourage agents from booking early pilots and will reduce fast turnarounds of vessels in the port and increase pre-berthing delays.
<table>
<tr><th>Item</th><th>Proposed</th><th>Present</th><th>Increase (%)</th></tr>
<tr><td>Pilot cancellation</td><td>500
750</td><td>200.295
300.4458</td><td>150
150</td></tr>
<tr><td>Detention Pilot</td><td>3207.635</td><td>855.3692</td><td>275</td></tr>
</table>
</td>
<td>When the pilots are booked for carrying out any pilotage or shifting operation, there are operational cost involved to carry out the said operation. Hence, it has to be recovered. Further, it is stated that this is a composite detention charges for usage of pilots as well as tugs as opposed to separate detention charges for tugs and pilots in the previous SOR.</td>
</tr>
<tr>
<td>(vi).</td>
<td>The proposal that berth hire charges shall be applicable even if vessel (whether working / non working) is shifted to any berth for Port convenience should be excluded.
<table>
<tr><th>Item</th><th>Proposed</th><th>Present</th><th>Increase (%)</th></tr>
<tr><td>Berth Hire</td><td>0.00078</td><td>0.0062</td><td>25</td></tr>
<tr><td></td><td>0.012</td><td>0.0096</td><td>25</td></tr>
<tr><td></td><td>0.0949</td><td>0.0759</td><td>25</td></tr>
<tr><td></td><td>0.1515</td><td>0.1212</td><td>25</td></tr>
</table>
</td>
<td>It is prerogative of the Traffic Manager to decide where the vessel to be berthed and charges for the corresponding berthing location shall be applicable.</td>
</tr>
<tr>
<td>(vii).</td>
<td>Idle anchorage charges at West of Breakwater, is increased by 25%. We strongly recommend that these charges should not be applied to vessels which are only awaiting their berthing for reasons of lack of berth availability and are otherwise not indulging in any cargo activities at west of breakwater anchorage. Besides,</td>
<td>MOPT has a separate charges for working anchorage and idle anchorage. The charges for the idle anchorage are comparatively very less compared to working anchorage. These charges were also there in the earlier SoR</td>
</tr>
</table>

<table>
<tr><td></td><td>these charges are not applicable at neighboring Ports viz. New Mangalore, Mumbai and Cochin. Thus, most of the Ship owners and Charterers are uncomfortable with these charges as they are incurred due to no fault of the vessel as well as the quantum cannot be clearly anticipated in advance.
<table>
<tr><th>Item</th><th>Proposed</th><th>Present</th><th>Increase (%)</th></tr>
<tr><td>Anchorage</td><td>0.0015
0.0024</td><td>0.0012
0.0019</td><td>25
25</td></tr>
<tr><td>Idle anchorage</td><td>0.0008
0.0013
0.0238
0.0379</td><td>0.0006
0.001
0.019
0.0303</td><td>25
25
25
25</td></tr>
</table></td><td>and hence are increased at 25% as applicable to the other VRS charges.</td></tr>
<tr><td>(viii).</td><td>Fresh water charges (increase by 50%) – Current rates itself are too high, where vessel are reluctant to take fresh water. We would request the Port to rethink on their strategy for providing this essential service to vessels. We may further request rather than handling this service by Port, it should be given in the hands of Agents as per previous practice, where fresh water was supplied at market rate.
<table>
<tr><th>Item</th><th>Proposed</th><th>Present</th><th>Increase (%)</th></tr>
<tr><td>FW at berth</td><td>9.263
12.4712
16.0331</td><td>6.1753
8.3141
10.6887</td><td>50
50
50</td></tr>
</table></td><td>The tender has already been awarded for supply of fresh water, same is valid till 2021. However, port will look into the request made by the Port Users for an amicable solution after holding discussion with Deputy Conservator and contractor.

After discussed in the joint hearing conducted on 22.02.2019 and based on the recommendations of the port users same have been reduced in the revised proposed SOR as under:
<table>
<tr><th rowspan="3">Sr. No</th><th rowspan="3">Position</th><th colspan="2">Rate per 1000 litres</th></tr>
<tr><th>Foreign -going vessels</th><th>Coastal Vessels</th></tr>
<tr><th>(US $)</th><th>(Rs.)</th></tr>
<tr><td>1</td><td>At Berth</td><td>7.7191</td><td>211.79</td></tr>
<tr><td>2</td><td>By Barges</td><td></td><td></td></tr>
<tr><td></td><td>(a). Within Break</td><td>10.3926</td><td>285.19</td></tr>
<tr><td></td><td>(b). Beyond Break</td><td>13.3609</td><td>366.60</td></tr>
</table></td></tr>
<tr><td>(ix).</td><td>Launch hire charges – Port should provide this services to Agents as well for clearing of vessels at anchorage but at same rate as presently Launch Owner Association are providing this service. The request is to avoid monopoly in the Port.</td><td>The matter will be re-examined.</td></tr>
<tr><td>(x).</td><td>EDI charges (increase by 40%) – Proposed rate doesn't bifurcate between foreign and coastal and Port should keep as it is i.e. for Coastal ₹2000 and foreign USD 50.
<table>
<tr><th>Item</th><th>Proposed</th><th>Present</th><th>Increase (%)</th></tr>
<tr><td>EDI charges</td><td>70</td><td>50</td><td>40</td></tr>
</table></td><td>In the earlier SoR, the EDI charges for foreign vessel was ranging between US$ 15 to US $50 and for domestic vessel ₹500 to ₹2000, whereas in the proposed SoR, the EDI Charges are 1% of the Service amount subject to minimum ₹100 and maximum of ₹5000. The EDI charges in the earlier SoR were fixed and were not on the bill amount. There were many complaints from the Port users that even for small bill amount EDI charges levied were ₹2000/-. Hence taking into concern small port users the EDI rates were fixed at 1% of the service amount subject to minimum of ₹100/- and maximum ₹5000/-. Hence, the EDI charges of ₹5000/- will be levied only where the Service amount of the bill exceeds ₹5,00,000/- and minimum ₹100/- will be charged where service amount of the bill is ₹10,000/- and less. However, the same will be re-examined.</td></tr>
</table>

(xi).	We will be following on Cargo, Container Charges with a separate letter with a continuation stating our thoughts on the large increases planned by the Port on container charges.	Reply on Queries on cargo, Container charges will be replied once the queries are forwarded to us.
(xii).	Indexation charges – Port should inform Trade the applicability keeping minimum 1 month advance notice.	The indexation charges are applicable only when the Port fulfills performance parameters and the Finance department of the Port has been issuing circulars to the Trade giving sufficient time for its implementation.
(xiii).	Going forward it may be advantageous to the Port for offering discounts in Port dues, Pilotage and Anchorage charges for attracting non cargo working vessel to our west of breakwater, Provisioning, repairs, etc. This process will help to increase the number of calls into the Port as well as aid the general economy of the state as well.	As regards offering discounts in Port Dues, Pilotage and Anchorage charges for attracting non cargo working vessel to our west of breakwater, Provisioning, repairs etc., there are no such proposals as of now with the port for giving concession. However, in future same may be considered.
(xiv).	We also would like to draw your attention to the method being followed by the Port in arriving at cargo handling norms. We are all aware that such process has been initiated by the MOS and the Port is following the general directives. But, we wish to bring the following to your kind attention as we feel the process do not justify the rationale of setting up such unrealistic parameters.	No comments furnished by MOPT.
(a).	Most rates have been set up without any enhancement being achieved in the basic infrastructure which remains as before with just the minimum handling criteria being enhanced.	
(b).	The existing handling rates have already been bench marked with the available Port infrastructure being considered.	
(c).	We request that enhancement in handling criteria should go hand in hand with provision of better infrastructure.	
(xv).	Finally, we notice following proposals in SOR, which could be detrimental to the cargo interests, which will lead to fall in cargo and affect number of vessels calling Mormugao and need a reconsideration.	No comments furnished by MOPT.
(a).	Dust suppression levy is proposed to be increased from ₹4 to ₹8 PMT. In the earlier tariff, there was a note excluding container and liquid cargoes, and only for MOPT berths (excluding PPP Operators). Such note is missing in the present tariff and should be restored and the rate should be more competive.	The Port is in a very difficult financial situation which is mainly due to pollution and environmental issues and as such Port is required to incur huge expenditure on pollution mitigation measures in order to continue its operations. Dust suppression charge is even levied on clean and containerized cargo as if same is only levied on dusty cargo, it will be too high for the trade to bear, thus requiring cross subsidization. You will appreciate the fact that the dust suppression levy on container and non dusty break bulk cargo has been restricted to ₹3/- per TEU/ per ton respectively as opposed to ₹8/- per ton for dusty cargo. However, the same will be re-examined.
(b).	Wharf dues on steel cargoes is proposed to be increased, which will discourage exports from Mormugao and similarly wharf dues on coal, coke and iron ore and other cargoes should not be increased as these are the mainstay of the Port traffic. Wharf dues on slag is proposed to be increased to ₹. 48.30 a ton,	The coal and coke cargo are not handled at general cargo berths of MOPT.

	though it is a byproduct with low market value and will make its exports unviable.	
(c).	Stevedoring charges slabs have been removed and the highest slab retained, which will make handling of cargoes unnecessarily expensive.	As you are aware in previous SOR, the rates for CHLD operations were in descending order for increased productivity. CHLD operations involves port's crane operators, operating the ship's gear, which means increased productivity would be on account of port. However, when CHLD operators unload the cargo on the wharf, speedy evacuation is the responsibility of the stevedores which includes providing adequate equipment, machinery and manpower, which indicates efficiency of the stevedores. Due to this conflicting interest, it is proposed to do away with the slabs and maintain a single rate per ton. NMPT also has a single rate per ton rate instead of multiple slabs for its operations. However, same will be re-examined.
(d).	Mobile crane charges have been increased steeply. This will specially affect the export of steel and import of ore at general cargo berths.	The charges for Harbour Mobile Crane are rationalized depending on the nature of the cargo as it has been noticed that crane operations for handling lighter cargo are unable to recover its handling cost. In the earlier SoR, there were fixed rates for usage of Harbour Mobile Crane. In the proposed SoR, the rate for usage of Harbour Mobile Crane are differentiated as usage of Harbour Mobile Crane together with ship's gear and for gearless vessels with slab benefits. The rates for usage of Harbour Mobile Crane with ship's gear are in descending order i.e. the rate decreases as average daily performance increases and for gearless vessels, the rates are in ascending order. The rates are proposed in this manner in order to pass on the benefit of increased productivity to port users.
(e).	Primary and uptopping charges by using transhippers and floating cranes have been doubled. A new item for charges for operation transhippers and floating cranes has been proposed which will discourage their use.	The charges for primary and uptopping by using transhippers and floating cranes have been doubled to ensure that operations where cost involved are high and the charges levied by the Port cannot be increased beyond a certain extent, cross subsidization has to be adopted to protect interest of the trade. However, these are ceiling rates. The port may give concessions based on volumes.
(xvi).	In view of the above explained facts, it is requested to kindly consider the request of MSAA favourably and take necessary measures as required, since major ships call at this Port.	
2.	**Marinelinks Shipping Agencies (MSA)**	
(i).	The last revision was implemented in Dec 2016 with a steep and sharp increase in port charges at MPT, whereas other major port had marginal rate increase in their respective SOR. Only after 15 months again, MOPT has proposed to revise the SOR with 25% or 15% increase across all services rendered by the Port.	No comments furnished by the Port.
(ii).	Such frequent increases would hamper cargo volumes and lead to diversion of import / export cargo handled	No comments furnished by the Port.

	at MPT to other neighboring ports especially private ports like Krishnapatnam port wherein they are rigorously marketing for cargo in West Coast of India.	
(iii).	We would like to highlight a few revisions being proposed in the SOR that would be against growth of volume of the port:	No comments furnished by the Port.
(a).	Increase in VRS and CRS charges that are comparably high for cargos being currently handled at this port. Extensively rise in shifting and pilot detention charges are also not justifiable.	(i). The actual increase required in port charges to achieve the Annual Revenue Requirement is 106% non-considering the concessions extended for handling cargo at WOB. If the WOB concessions extended by the Board are considered then the actual increase required is 118%. But, the Port has proposed a modest increase of 25% and 15% in VRS and CRS respectively as against the actual requirement. (ii). As regards increase in shifting charges, it is informed that the shifting operations are equivalent to pilotage operations at WOB as it involves movement of tugs from their stations to WOB which is equivalent to the sailing movement of the vessel which in turn results in the same operation cost as pilotage operations. Also, for the same reason shifting operation within EOB, charges are restricted to 50% of the pilotage charges. (iii). As regards pilot detention, it is informed that this is a composite detention charges for usage of pilots as well as tugs as opposed to separate detention charges for tugs and pilots in the previous SOR.
(b).	Increase in dust suppression levy along with imposition of the levy for clean and containerized cargos.	The Port is in a very difficult financial situation which is mainly due to pollution and environmental issues and as such Port is required to incur huge expenditure on pollution mitigation measures in order to continue its operations. Dust suppression charge is even levied on clean and containerized cargo as if same is only levied on dusty cargo, it will be too high for the trade to bear, thus requiring cross subsidization. You will appreciate the fact that the dust suppression levy on container and non-dusty break bulk cargo has been restricted to ₹3/- per TEU/ per ton respectively as opposed to ₹8/- per ton for dusty cargo.
(c).	Removal of the slabs in cargo handling labor charges that would affect the turnaround time of a vessel. The increase also is too sharp for cargos being handled at this port.	In previous SOR, the rates were in descending order for increased productivity. CHLD operation involves port's crane operators, operating the ship's gear, which means increased productivity would be on account of port. However, when CHLD operators unload the cargo on the wharf, speedy evacuation is the responsibility of the stevedores which includes providing

		adequate equipment, machinery and manpower, which indicates efficiency of the stevedores. Due to this conflicting interest, it is proposed to do away with the slabs and maintain a single rate per ton. NMPT also has a single rate per ton rate instead of multiple slabs for its operation.
(d).	Mobile harbor crane charges are on a higher side as proposed and all vessels calling MPT are adequately equipped with good gear capacity. Also, making HMC mandatory leads to increase of handling rate making handling unviable.	The charges for Harbour Mobile Crane are rationalized depending on the nature of the cargo as it has been noticed that crane operations for handling lighter cargo are unable to recover its handling cost. In the earlier SoR, there were fixed rates for usage of Harbour Mobile Crane. In the proposed SoR, the rate for usage of Harbour Mobile Crane are differentiated as usage of Harbour Mobile Crane together with ship's gear and for gearless vessels with slabs benefit. The rates for usage of Harbour Mobile Crane with ship's gear are in descending order i.e. the rate decreases as average daily performance increases and for gearless vessels, the rates are in ascending order. The rates are proposed in this manner in order to pass on the benefit of increased productivity to port users.
(e).	Reduction in free days of import container storage charges to one day will lead to decline in imports as the average clearance lead time is of 04 days and also would resulting in reduction in import volume and also shortage in inventory for exports.	Port has very less storage space within its custom bound area as compared to other Ports. So in order to maximize storage space available with Port, free time of 20 days has been proposed for containers stored outside custom bound area, with rates maintained with the same existing limit only rates within custom bound area have been increased alongwith reduction in free time. This is to encourage Port Users to utilize free storage space outside custom bound area.
(f).	There is a 100% increase in container storage charges where an increase of 450% was implemented in 2016. Would like to highlight that no importer or exporter would use port area as a storage point for their consignment.	
(iv).	With the above it may be pleased be noted that the volumes at MOPT are on a declining tread from 2016 including containers and liquid cargoes due to the high handling cost at MPT and again a upward revision would further add to the down fall of volumes. Also, handling a vessel or cargo at MOPT is highest compared to other ports in west coast of India.	The Port has convened a meeting with all the Port Users on 13.02.2019 at 10.0 a.m. in the Conference Room of Traffic Department to discuss on the proposed SoR. Kindly make it convenient to attend the meeting.
(v).	Hence, we humbly request to kindly reconsider the proposed revision in SOR at MOPT so as to generate further more cargo for the development of the port and be at par with other major port at west coast of India.	
3.	**Indian National Shipowners' Association (INSA)**	
(i).	At the outset, INSA is thankful for the opportunity provided to give our comments. INSA takes the opportunity to congratulate MOPT for their efforts and achievement in spite the constraints and difficulties faced by it.	-
(ii).	Container service penetration to GOA has not succeeded or grown to the extent at other Ports. The 25% increase in VRC and 15% in CRC will further increase difficulty faced by operators running services to GOA. Going by the ordinarily practiced guide lines for hiking charges i.e. improved infrastructure or services, procurement of new equipment etc., we	-

	understand there is nothing to report for Goa. To sum up, we do not feel the increase proposed in VRC and CRC is justifiable for following reasons.	
(a).	There was an increase of approx. 35 to 40% in Port charges in the year 2016.	The increase proposed in the earlier SoR of 35% was inclusive of 9% Special rate (Pension Levy) which was discontinued and hence the net increase was only 26% and not 35% to 40% as stated.
(b).	There is no additional infrastructure created by the Port for handling containers and for the movement of vessels in the Port to justify the increase in vessel and cargo related charges.	There being no additional infrastructure for handling containers, it needs to be noted that here has not been any substantial increase in the volume of containers being handled at Port that justifies installation of additional infrastructure or equipment. The container volumes were 25,537 TEUs during the 2015-16 financial year and has only increased to 32,000 TEUs during 2017-18. Port stands committed to install equipment and infrastructure commensurate with the surge in the container business.
(c).	Wharf is not adequate to handle container vessels and containers.	On an average 500 to 600 containers are handled during every container vessel call at Mormugao Port. The existing container yard can store approximately 1000 containers at a time, which is sufficient for the current volume handled at the Port. The draft alongside is 12.5 m which can easily handle a container vessel carrying 5000-6000 TEUs.
(d).	Shore cranes are not adequate to handle containers.	Mormugao Port has two 100 Tonne harbour mobile cranes and both are well equipped to handle the containers. The Port has always been improvising to cater the needs of the container vessel.
(e).	Availability of reach stackers are bare minimum and unable to handle the yard feeding.	At present, there are 2 reach stackers deployed in the container handling operation, which is sufficient for the current volume handled at this Port. However, Port has kept certain provisions open in the current tender, for deploying additional reach stacker if the volume of containers increases.
(f).	There is no proper yard maintained to stack import / export and empty boxes.	A dedicated container yard of 13500 sq.mt. is available with 1000 ground slots. This yard also has 85 reefer plug points to cater to refrigerated cargo.
(g).	No software or yard plan for stacking the boxes or to accept the load and discharge plan.	The implementation of yard management software is under progress and once installed will provide for efficient utilization of the container yard. The Port offers Direct Port Delivery (DPD) and Direct Port Entry (DPE) facility and given the fact that average volume is only in the range of 500-600 boxes per call, the yard management requirement is not in the scale of a large container Port.
(h).	Containers vessels are operated with ships own gear because the one harbour mobile crane available is not giving the required results in handling the boxes.	Spatial constraint at the berth restrict deployment of more than one HMC for container handling operation. Further, it is pertinent to mention that, Port has only two general cargo berths to handle all other general cargoes. The Port has always been improvising to cater the needs of the container vessel.

		It needs to be recognised that, MOPT does not have a dedicated container terminal/berth and the current volumes do not justify setting up of such a facility. The container vessels are handled at general cargo berth. Often when there are two vessels simultaneously operating at berth, one of the HMCs is allotted to the dry bulk vessel, the mainstay of the Port's business. However, on an average HMC gives a productivity of 8-12 TEUs per hour depending upon the loading/unloading plan.
4.	**Goa Mineral Ore Exporters Association (GMOEA)**	
(i).	Current Scenario:	
(a).	The mining industry in the State of Goa is facing difficult times, struggling to survive and facing uncertainty in the next 3 years. The international prices for the low-grade Iron Ore generally produced in Goa are also low. Any increase in rates will affect the industry.	No comments furnished.
(b).	As the Baltic dry index is at a low, the ship owners are finding it difficult to bear the high port costs with freight earnings being at very low levels. A 25% increase in Vessels Related Charges (VRC) would make it unavailable for the owners / charterers to call at Mormugao Port.	
(ii).	<u>Past Increase in port tariffs</u>	
	In the past, the increments sought by MOPT have always been at significantly higher levels than justified by the data. We trust that TAMP will thoroughly scrutinize the tariff proposals for validity and will rationalize the same in terms of the tariff setting guidelines. In the past, TAMP has allowed increase the tune of 15% to 40% for various categories of charges in each tariff revision which is at a rather high level. Current revision, if any, may therefore be restricted to the level of inflation since the last revision. This is all the required as a hike in most rates has been proposed without any enhancement in the basic infrastructure provided or improvement in efficiency.	The increase sought earlier by the Port were worked out as per the Tariff Guidelines and same were implemented by the Port after adherence to the procedures as laid down in the Tariff Guidelines. Also, the proposals of the MOPT have been thoroughly scrutinized by the TAMP before granting approval. The increase proposed by MOPT in the earlier and also as proposed now are still not enough to recover Port's cost including funding of pension liabilities. Even though as per the Tariff Guidelines, MOPT was and is eligible for the huge increase in excess of 100%, the port has always taken a considerate view keeping the hardships that would be faced by the trade. Any lower increase would have severe repercussion on the survival of the Port.
(iii).	Revenue not considered by MOPT:	
	MOPT has projected their revenues by considering the actual traffic handled by them in the FY 17-18 with the proposed tariff rates. In doing so, they have ignored significant revenues which is logically incorrect such as licenses fees from PPP's, revenues on account of railways and other miscellaneous income thereby lowering their revenue streams and projecting a lower income. Notwithstanding our contention in the above, had the revenue from PPP project to be deducted, the proportionate share of Management and General Overheads should be deducted proportionate to the volume handled at these berths, since these berths were being allocated such share prior to giving the same on PPP development, and the other users cannot	The Proposal sent to the TAMP has been framed in accordance to the Tariff Guidelines 2018.

	be saddled with such expenses. As the port also derives revenue from such projects, the same should offset such proportionate expenses. If the above factors are considered, the income deficit will reduce considerably resulting in a far lower tariff increase than proposed.	
(iv).	<u>Computation of ROCE:</u>	
(a).	In calculation of capital employed, the guidelines stipulates that a ROCE of 16% is to be considered. As this ROCE is high, it cannot be applied to non-business assets which do not generate returns. The ROCE of 16% as in the past may be limited to business assets whereas capital employed on business-related assets and social assets may be considered at 6.35% and 0% as in the past. Further, details of Capital Employed cannot be verified as the same have not been provided. TAMP may kindly verify the same.	The Proposal sent to the TAMP has been framed in accordance to the Tariff Guidelines 2018. The Annual Revenue Requirement (ARR) calculations are verified and certified by a Chartered Accountant as per the requirements of the Tariff Guidelines.
(b).	Removal of Capital Costs of Berth NO. 9 in calculation of ROCE: MOPT/TAMP may confirm that the capital costs of the earlier MOHP Berth N0. 9 have not been considered for calculation of ROCE in determining tariff, as the facility is not available to users having been scrapped and does not earn revenue. Since detailed calculation of ROCE is not provided to us, the same cannot be verified by us.	
(v).	<u>Wharfage on Iron Ore:</u>	
	Wharfage on iron ore has been increased from ₹24/ ton to ₹27.60/- ton at berth (an increase of 15%). The rate for Iron ore loaded in stream is 60% of that berth. Similarly, in case pellets the increase is from ₹27/ ton to ₹31.05 / ton at berth (an increase of 15%). It may be noted that there is no increase in cost to the port at position in stream and the activity is in surplus. Most vessels are loaded at West of Breakwater (WOB) anchorage which is open sea with sufficient natural draft. The port has been providing a discount scheme on the same to attract cargo. It is therefore, requested to maintain the rate of Wharfage unchanged, particularly in view of the current situation in the iron ore industry.	The Port's overall cost of operations have increased and many times it is not possible to fix the rates based on cost of activity/operations. Hence, cross subsidization is inevitable, even though sincere efforts have been made to keep cross subsidization at minimum level.
(vi).	<u>CHLD charges for use of CHLD gangs at berths / mooring dolphins:</u>	
	Slabs for Stevedores charges based on the loading rate achieved have been merged into a single slab i.e. a single tariff rate is specified irrespective of the loading rate achieved. However, the tariff rate of the highest slab has been made applicable for the same. This will make handling for cargoes unnecessarily expensive. Such rates should be bench marked with the performance and charged at the average rate of the earlier slabs.	In previous SOR, the rates for CHLD operations were in descending order for increased productivity. CHLD operations involves port's crane operators, operating the ship's gear, which means increased productivity would be on account of port. However, when CHLD operators unload the cargo on the wharf, speedy evacuation is the responsibility of the stevedores which includes providing adequate equipment, machinery and manpower, which indicates efficiency of the stevedores. Due to this conflicting interest, it is proposed to do away with the slabs and maintain a single rate per ton. NMPT also has a single rate per ton rate instead of multiple slabs for its operations. However, same will be re-examined.
(vii).	<u>Shifting charges:</u>	

	Shifting charges were earlier not linked to pilotage fees but during the last revision had been fixed at 15% of pilotage fees despite strong objections by the trade. This has now been increased to an exorbitant rate of 50% of the pilotage fees if shifting is within East of Breakwater (EOB) and 100% of pilotage fees in all other cases. This results in a huge increase in shifting charges, with the new rates being 417% of earlier rate for EOB and 833% of earlier rates in other cases, for the first slab of upto 30,000 GRT vessels. With the shifting charges linked to Pilotage fees as a percentage of the same, there is no justification to increase the percentage of shifting charges compared to pilotage charges when the pilotage charges have already been proposed to be drastically increased which will itself increase the shifting charges.	It is informed that the shifting operations are equivalent to pilotage operations at WOB as it involves movement of tugs, manpower and pilots from their stations to WOB which is equivalent to the sailing movement of the vessel which in turn results in the same operation cost as pilotage operations. Also, for the same reason, for shifting operation within EOB, the charges are restricted to 50% of the pilotage charges. However, the same will be re-examined.
(viii).	<u>Charges for double banking of transhippers at West of Breakwater (WOB):</u>	
(a).	These charges are linked to shifting charges i.e. 1.5 times of the shifting charges. The tariff rate for shifting charges were earlier separately specified with no link to pilotage fees. Subsequently, since last tariff revision, with shifting charges linked to pilotage fees i.e. 15% of pilotage fees, the charges for double banking of transhippers shot up to 22.5% of pilotage fees. With the current huge proposed increase in shifting charges for WOB at 100% of proposed pilotage fees, the double banking charges proposed will increase to an astronomical level of 150% of the proposed pilotage fees. It is therefore very necessary that double banking charges for transhippers be brought down substantially and either delinked from shifting charges / pilotage or fixed substantially lower as percentage of pilotage.	
(b).	Further, in many cases, double banking is performed with no assistance being provided by the port in the form of pilot attendance or tugs. Such transhippers are designed to be self-propelling and to double bank alongside vessels as well as cast off (undock) from such vessels under their own propulsion under supervision and manning of qualified technical staff provided. It needs to be made clear that in the scale of rates that such transhippers vessels should not be additionally charged by the port for double banking operations at WOB for which they are fully capable of carrying out on their own and for which they do not use the service of the port. The Port has begun charging for such operations including for undocking where no assistance is required nor provided by the port despite objections of the trade. It may be noted that as per clause 8.4 of TAMP Guidelines 2015, “Major Ports shall charge only for services provided for them. No notional booking of labour and other similar national charges would be permitted.	It is further clarified that even if pilot is not physically present, pilot is deployed on shore at the VTMS for providing remote assistance, remote pilotage charges would be introduced / levied. Charges for Double banking of Transhipper’s at West of Breakwater (WOB) will be applicable only if the services are availed by the Port Users.
(ix).	Charges for operating Transhipppers / Floating Crane:	
	A new item viz. charges for Operating Transhippers and Floating Cranes has been proposed under clause 4.3- Sundry charges without any justification for the	The annual charges levied by the Port for operating Transhippers/ Floating Crane in the Port waters is for the benefit of the Port

<table>
<tr><td></td><td>same. It must be understood that in absence of Berth No. 9, transhippers loading facilities are the ones responsible for bringing business to the Port. These facilities are already paying the necessary dues such as Port dues, transhippers charges on cargo loaded, etc. Introduction of additional charges on these facilities is totally unwarranted and must be done away with.</td><td>users. The Port wants to encourage competition and facilitate free entry of as many service providers so that the competition would result in lowering of service cost and would be beneficial to the Trade.</td></tr>
<tr><td>(x).</td><td>Charges for loading by transhippers / Floating Crane</td><td></td></tr>
<tr><td></td><td>Charges for primary loading and up topping of iron ore under section 3.0 of the proposed SOR have been doubled to ₹20/ton and ₹10 / ton respectively. Such increase is totally unwarranted as the transhippers operate at WOB where the port does not incur any capital cost due to sufficient natural depth available and this operation is always in surplus. The transhippers are provided by private investment to augment the capacity of the port for loading gearless vessels with higher draft than can be loaded at the port facilities.
In fact, since the MoHP at Berth No. 9 has been scraped and is not available to the exporters, the operations by transhippers is the only available option for loading gearless vessels (thus, only primary loading operations of vessels are currently carried out) and should be facilitated with reasonable rates.</td><td>The charges for primary and uptopping by using transhippers and floating cranes have been doubled to ensure that operations where cost involved are high and the charges levied by the Port cannot be increased beyond a certain extent, cross subsidization has to be adopted to protect interest of the trade. However, these are ceiling rates the port may give concessions based on volumes.</td></tr>
<tr><td>(xi).</td><td>Pilotage Fees:</td><td></td></tr>
<tr><td></td><td>Pilotage fees have been proposed to be increased by 25% which is excessive considering that the same was already increased by 35% during the last revision.

It may be noted that vessels working at outer anchorage (WOB) do not avail of pilotage and further as they anchor in the open sea where there is adequate natural draft without dredging by the port, the port incurs very little expense on such activity. This being a notional activity may therefore be waived for vessels at outer anchorage not utilizing the facility.</td><td>The increase proposed in the earlier SoR of 35% was inclusive of 9% Special rate (Pension Levy) which was discontinued and hence the net increase was only 26%.
The pilotage charges for areas beyond the compulsory pilotage areas will not be levied by the Port. It is further clarified that even if pilot is not physically present, pilot is deployed on shore at the VTMS for providing remote assistance, remote pilotage charges would be introduced/ levied.</td></tr>
<tr><td>(xii).</td><td>Pilot cancellation charges:</td><td></td></tr>
<tr><td></td><td>Pilot cancellation & Detention charges have proposed to be increased by 150% and 275% of the existing rates respectively (i.e. the proposed new rates are 250% and 375 % of the existing rates). We request moderation in this, as these charges are not meant to increase earning of the Port. It is rather likely to result in commercial discord between agents / users and their principals if it is implemented. The levels already prescribed in the current SOR are already high enough to act as a deterrent.
The port has only one channel, due to which all the parties concerned book the pilot within a short span of time based on the tide. Such high penalties will discourage agents from booking early pilots and will thus reduce turnaround of vessels in the port and increase pre-berthing delays.
Cancellation of pilot takes place only under unavoidable circumstances.
Table 1
<table>
<tr><th>Pilot Cancellation Charges</th><th>Present Rate (USD)</th><th>Proposed Rate (USD)</th><th>Increase (USD)</th><th>Percentage Increase.</th></tr>
<tr><td>2 hrs before</td><td>0</td><td>0</td><td>0</td><td>-</td></tr>
<tr><td>Less than 2 hours</td><td>200.295</td><td>500</td><td>299.705</td><td>149.63%</td></tr>
<tr><td>After Boarding</td><td>300.446</td><td>750</td><td>449.554</td><td>149.63%</td></tr>
</table></td><td>It is informed that when the pilots are booked for carrying out any pilotage or shifting operation, there are operational cost involved to carry out the said operation. Hence, it has to be recovered. Further, it is stated that this is a composite detention charges for usage of pilots as well as tugs as opposed to separate detention charges for tugs and pilots in the previous SOR.</td></tr>
</table>

(in addition to detention charges)				

Table 2

Pilot Detention Charges	Present Rate (USD / HR)	Proposed Rate (USD / HR)	Increase (USD/HR)	Percentage Increase
Charges per tug per hour or part thereof for foreign going vessels	855.3692	3207.6345	2352.265	275%

(xiii).	Rate for idle anchorage	
	Idle anchorage charges at west of breakwater anchorage have been proposed to be increased by 25%. During last tariff revision, we had pointed out that this rate is already very high at 50% of the working anchorage. We strongly feel that these charges which are applicable to vessels anchored at west of breakwater anchorage which are awaiting their berthing or awaiting their next order after discharging cargo should be charged minimally. Port does not incur any cost on these vessels. Besides, such charges are not applicable at most ports. Most of the ship Owners and Charterers are uncomfortable with these charges as they are incurred due to no fault of the vessels as well as the quantum cannot be clearly anticipated in advance. Low charges for idle anchorage facilitate vessels to wait in the port which facilitate availability for loading or discharge. The vessels have otherwise to wait beyond port limits where they do not have access to some port facilities or to wait other ports.	MOPT has a separate charges for working anchorage and idle anchorage. The charges for the idle anchorage are comparatively very less compared to working anchorage. These charges were also there in the earlier SoR and hence are increased at 25% as applicable to the other VRS charges.
(xiv).	<u>EDI charges:</u>	
	The huge proposed increase in EDI charges is unwarranted as the same is not justified by commensurate cost increase. The increase in EDI charges during the last revision from ₹750 to 2000 per document for a single vessel itself was excessive. A further proposed increase to ₹5000/ document (with each vessel having multiple documents) in the current revision is totally unjustifiable and must be done away with EDI service is in fact part of Management and General Overheads. There is no need for any separate head which leads to an additional item in the billing. Such charge is not levied in other ports and may be clubbed and recovered in the general cost of administration.	In the earlier SoR, the EDI charges for foreign vessel was ranging between US$ 15 to US $50 and for domestic vessel ₹500 to ₹2000, whereas in the proposed SoR, the EDI Charges are 1% of the Service amount subject to minimum ₹100 and maximum of ₹5000. The EDI charges in the earlier SoR were fixed and were not on the bill amount. There were many complaints from the Port users that even for small bill amount EDI charges levied were ₹2000/-. Hence taking into concern small port users the EDI rates were fixed at 1% of the service amount subject to minimum of ₹100/- and maximum ₹5000/-. Hence, the EDI charges of ₹5000/- will be levied only where the Service amount of the bill exceeds ₹5,00,000/- and minimum ₹100/- will be charged where service amount of the bill is ₹10,000/- and less. However, the same will be re-examined.
(xv).	<u>Dust suppression levy:</u>	
	This is to be increased from ₹4 to ₹8 per metric ton. In the earlier tariff there was a note which specified that the levy was applicable only for MOPT berths (excluding PPP operations) and excluded container and liquid cargoes. This note stated that "On all cargoes excluding containers and liquid cargo handled at MOPT berths (excluding PPP Operators)".	As you are aware, the Port is in a very difficult financial situation which is mainly due to pollution and environmental issues and as such Port is required to incur huge expenditure on pollution mitigation measures in order to continue its operations. Dust suppression charge is even levied on clean

	Such note is missing in the present tariff and should be restored. Further, there is no justification for increase in the levy nor is there any information of efficiency of existing system. Except at berths operated by MOPT, there is no service provided nor is any additional cost incurred by the Port in this regard.	and containerized cargo as if same is only levied on dusty cargo, it will be too high for the trade to bear, thus requiring cross subsidization. You will appreciate the fact that the dust suppression levy on container and non-dusty break bulk cargo has been restricted to ₹3/- per TEU/ per ton respectively as opposed to ₹8/- per ton for dusty cargo. However, the same will be re-examined.
(xvi).	<u>Supply of Fresh Water and Bunkers:</u>	
	Fresh water charges have been increased by 50%. The current rates itself are too high, where vessels are reluctant to take fresh water except in the case of emergency. We request the Port to rethink on providing such essential services to vessels. This service should be provided through ship agents as per previous practice. Fresh water may be supplied at market rate and any interested suppliers should be empaneled by the port rather than restricting supply of fresh water to a few suppliers based on highest revenue share paid by them to the port. Similar practice may also be provided for supply of bunkers.	The tender has already been awarded for supply of fresh water and the same is valid till 2021. However, port will look into the request made by the Port Users for an amicable solution after holding discussion with Deputy Conservator and contractor.
(xvii).	<u>Revenue from Dredging Levy:</u>	
	The port has introduced a dredging levy on large size vessels above 50,000 GRT at deep draft locations at berths / dolphins due to dredging planned to be carried out to increase the channel depth and draft at these locations. Since the dredging has not been completed and stayed by order of the National Green Tribunal, increase in such tariff is unwarranted.	The said charges were also there in the earlier SoR; but, same were not levied as Capital dredging has not been completed by the Port. The said levy will be levied only on completion of Capital Dredging by the Port.
(xviii).	**Conclusion**:	
	It is a practice not to grant any increase in tariff in a particular segment which is in deficit if the overall position of the port is positive (in surplus). TAMP may, therefore, decide if there should be any increase in the tariff for the Port as a whole. We trust that our observations and suggestions are helpful in finalizing the MOPTs proposed revision in the scale of rates.	
5.	**Hindustan Petroleum Corporation Limited (HPCL)**	
	Wharfage on POL products was revised upwards vide notification in the Gazette of India, Extraordinary (Part III Section 4) on 20 August 2018 vide Gazette No. 313 from ₹193/MT to ₹500/MT. Any further escalation in port dues as mentioned in the proposal shall cause severe dent in margins on petroleum products in the State of Goa. In view of the short notice received to submit our comments, industry members shall be submitting a joint representation towards the cause at the earliest. We hereby put forth our request to consider not revising the SOR for POL products since they have already been revised upwards substantially recently.	The earlier SOR was implemented in December 2016 and is effective till 31 March 2019. Even though the port has proposed a general increase of 15% on Cargo related services charges, this increase is not applicable to POL Cargo and same may be confirmed from the proposed SOR, uploaded on the Port's website. The wharfage rates for POL cargo has been maintained at the same rate of ₹500/- tonne. Hence, all oil companies are exempted from this general increase of 15% on cargo related services charges. As regards Vessel related service charges, the same were revised during the last General Rate Revision for all Port users and the same are now revised for all Port users and not only for Oil Marketing Companies.

		The Oil Marketing Companies are not paying any storage charges to the port for storage of POL and hence are requested to clarify the nature of storage charges mentioned in the mail. The Port has convened a meeting with all the Port Users on 13.02.2019 at 10.30 a.m. in the Conference Room of Traffic Department to discuss on the proposed SOR. Kindly make it convenient to attend the meeting.
6.	**Vedanta Limited**	
(A).	The existing SOR rates have already been bench marked with the available Port infrastructure. The proposed increase clubbed with the present mining crisis and market uncertainty will further burden our cost of operation. In the interest of the trade, we wish to bring the following points for kind attention.	No comments furnished by MOPT.--
(i).	The operation of blast furnace depends on the iron industry for raw material requirements and unavailability of the same locally has increased our cost of production making the business unviable. The proposed increase in the SOR rates will further burden our cost of operation. This will surely impact the trade adversely.	No comments furnished by MOPT.
(ii).	Most rates have been set up without any enhancement being carried out in the basic infrastructure in the port which remains as before. Since the exporters, importers are working on very thin margins; a steep increase will prompt the users to shift to more competitive port/s.	As regards enhancement of the basic infrastructure in the Port, it needs to be noted that there has not been any substantial increase in the volume of Coal, Pig iron, Slag and Limestone being handled at the Port. Also, these cargo being polluting cargo the Port have to face several pollution and environmental issues. Also, the port has to incur huge expenditure on pollution mitigation measures in order to continue its operations. Hence, the modest increase of 15% on CRS is justifiable considering the Annual Revenue Requirement of 106%. As you are aware, the port is currently going through a difficult financial condition. In order to recover the rising cost of operations and the cost of investment borne by the Port for creation and upgradation of the existing port infrastructure facilitating efficient and cost-effective services to the Port users, warranties revision of the Port charges.
(iii).	EDI charges (increase by 100%) – Increase in EDI charges is unwarranted as there is no value addition to this service. This increase for no additional service in the past itself from ₹750 to ₹2000 per document for a single vessel was unwarranted. A further increase to ₹5000/- is totally unjustified. Eg. If 3 estimation are generated for a particular vessel, then the EDI charges will be 3 times the EDI Charge for a single vessel.	In the earlier SoR, the EDI charges for foreign vessel was ranging between US$ 15 to US $50 and for domestic vessel ₹500 to ₹2000, whereas in the proposed SoR, the EDI Charges are 1% of the Service amount subject to minimum Rs.100 and maximum of ₹5000. The EDI charges in the earlier SoR were fixed and were not on the bill amount. There were many complaints from the Port users that even for small bill amount EDI charges levied were ₹2000/-. Hence taking into concern of small port users the EDI rates were fixed at 1% of the service amount subject to minimum of Rs.100/- and maximum ₹5000/-. Hence, the EDI charges of ₹5000/- will be levied only where the Service amount of the bill exceeds ₹500000/-

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<td>and minimum ₹100/- will be charged where service amount of the bill is ₹10000/- and less.

As regards illustration given, the existing procedure followed making estimation in SAP by the port users is totally wrong as there has been only one estimation against each type of invoice. Hence, the existing estimation has to be revised instead of creating a new estimation. In any case only one estimation can be linked to any one type of invoice. It is further informed that even in cases of multiple estimations are made, the EDI charges will be levied on the service amount of the Bill and even though EDI amount will be collected at the time of estimation, same will be adjusted at the time of final invoice. The pricing method adopted in the proposed SoR is dependent on the service amount and hence beneficial to all Port Users.</td>
</tr>
<tr>
<td>(iv).</td>
<td>Stevedoring charging slabs have been removed and the highest slab retained, which will increase the cost of cargo handling. Such rates should be bench marked with the performance.
<table>
<tr><th>Chld Charges (M. Dol)</th><th colspan="2">Iron Ore</th><th colspan="2">Limestone</th><th colspan="2">Pig Iron</th><th colspan="2">Coal</th><th colspan="2">Slag</th></tr>
<tr><th></th><th>Existing</th><th>Proposed</th><th>Existing</th><th>Proposed</th><th>Existing</th><th>Proposed</th><th>Existing</th><th>Proposed</th><th>Existing</th><th>Proposed</th></tr>
<tr><td rowspan="3">SLAB</td><td>47</td><td rowspan="3">47</td><td>47</td><td rowspan="3">47</td><td>50</td><td rowspan="3">50</td><td>53</td><td rowspan="3">53</td><td>53</td><td rowspan="3">53</td></tr>
<tr><td>38</td><td>38</td><td>40</td><td>35</td><td>35</td></tr>
<tr><td>30</td><td>30</td><td>31</td><td>27</td><td>27</td></tr>
</table>
</td>
<td>(a). In the earlier SoR, the rates were in descending order for increasing productivity. The CHLD operations involves operation of ship’s gear by the Port operators handling the cargo. Since, the cranes were operated by the Port’s operator, the benefit of lower rate on increase in productivity was being passed on to the Port user although it was due to Port’s operators. However, when the CHLD operators unload the cargo on the wharf, to facilitate speedy evacuation of the cargo is the responsibility of the Stevedore by providing adequate manpower, machinery and equipment. Due to this conflicting interest, it is proposed to do away with the slabs and maintain a single rate per ton. NMPT also has a single rate per ton rate instead of multiple slabs for its operations.

(b). The actual increase required in the port charges to achieve Annual Revenue Requirement is 106%. However, the port has proposed a modest increase of 25% in VRS and 15% CRS as against the actual requirement to protect the interest of the trade. As you are aware, the port is currently going through stiff financial condition, mainly due to pollution and environmental issues and as such the Port is required to incur huge expenditure on pollution control measures in order to continue its operation. In order to recover the rising cost of operations and the cost of investment borne by the Port for creation and upgradation of the existing port infrastructure facilitating efficient and cost-effective services to the Port</td>
</tr>
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		users, warranties revision of the Port charges. It is further stated that the proposed rates will be applicable from 01.04.2019 and will remain fixed for next 3 years.
(v).	Wharf dues on COAL / PIG IRON / SLAG / LIMESTONE need to be kept in abeyance considering the stoppage in mining activities in Goa. Secondly, coal handling at mooring dolphin has stopped as per GSPCB order; thereby our coal import cost has increased considerably.	No comments furnished by MOPT
(vi).	Since Slag is a byproduct of Pig Iron having low cargo value, existing SOR rate is quite high therefore any further increase will make exports unviable. Further, under clause 2.0 for Cargo Related Charges it is also observed that the slag rates are considered @ 48.30/- INR. As slag is a low value cargo we request that the same to be considered under Bauxite / Manganese slab (@ 31.05/- INR).	The wharfage rate for slag in the existing SOR, is ₹48.00 per tonne and same has been increased to ₹48.30 per tonne in the revised proposed SOR, nominal increase of 0.625%.
(viii).	Dust suppression levy is proposed to be increased from ₹4 to ₹8 pmt. Handling of coal at mooring dolphin is suspended following the GSPCB order; this has compelled us for anchorage operation facing adverse weather conditions. Further, there is no infrastructure provided nor there is any additional cost incurred by the Port in this regard particularly when the user is complying with the statutory norms on dust suppression. Therefore, the proposed increase in the Dust Suppression is unjustified at anchorage and Mooring Dolphin operations.	The Port is currently undergoing a very stiff financial condition mainly on account of stoppage of iron ore export and restriction on handling coal. The huge expenditure is required to be borne by the port for adopting pollution mitigation measures. The port has procured a road sweeper machine and cannon mist machine which is operating within the Port operational areas as dust suppression measures. In the earlier SoR, the dust suppression charges were charged only on polluting cargo, however in order to reduce the burden and in the interest of Trade, dust suppression charges have been levied even on clean and container cargo
(ix).	With the above submissions, we kindly request your good self in considering the constraining facts and circumstances. Being an important stakeholder we look forward and thank you in advance for your support.	--
7.	**Indian Oil Corporation Limited (IOCL)**	
(i).	We register our protest on the delayed communication to us as well as providing just two days for submitting our comments. This is a matter related to financial outgo of the corporation and hence it requires to be analysed by various departments including finance as well as our higher offices before we provide any response. For this a time period of minimum four weeks is required. Hence MOPT is requested to kindly keep this fact into consideration while seeking the response from Port Users on matters related to changes in tariffs and charges.	The proposed SOR, was uploaded on the port's website on 19.01.2019 and same was also communicated to the port users through mail dated 21.01.2019. A letter was delivered to the office of IOC on 01.02.2019, also a scanned copy of the said letter was mailed on 01.02.2019. The port has taken all the steps to inform the IOC. As far as 4 weeks time is concerned, the port has replied to every query raised by the port users till uploading of the revised proposed SOR i.e. 16.03.2019, hence the port has already granted the IOC more than 4 weeks time to furnish their comments. Hence, the contention of the IOC is incorrect.
(ii).	Vide letter reference FA/Cost/125/2018/172 dated 24.08.2018, MOPT has already unilaterally increased the wharfage charges on Petroleum products by more than 151% hence increasing the same from ₹193 per KL to ₹500 per KL despite protests and disagreement of the Oil Marketing Companies. The subject increase has made the wharfage charges in MOPT as the highest in the country. This increase has already made the Oil Marketing Operations in Goa costliest and any further increase in the charges from MOPT may render the business unviable. Hence we are also registering	The earlier SOR was implemented in December 2016 and is effective till 31 March 2019. Even though the port has proposed a general increase of 15% on Cargo related services charges, this increase is not applicable to POL Cargo and same may be

	our strong protest against any further increase in Vessel/ Carge/ Storage related charges to be effected on Oil marketing Companies/ Petroleum products.	confirmed from the proposed SOR, uploaded on the Port's website. The wharfage rates for POL cargo has been maintained at the same rate of ₹500/- tonne. Hence, all oil companies are exempted from this general increase of 15% on cargo related services charges. As regards, Vessel related service charges, the same were revised during the last General Rate Revision for all Port users and the same are now revised for all Port users and not only for Oil Marketing Companies. The Oil Marketing companies are not paying any storage charges to the Port for storage of POL and hence are requested to clarify the nature of storage mentioned in the comments.
(iii).	As far as we understand that the previous mid-year increase in wharfage charges w.e.f 20 Aug 2018 was imposed only on Petroleum Products in isolation and other port users did not experience any changes in any charges. Hence the Oil Marketing companies have already been burdened in isolation. Hence in our opinion, no further financial burden should be given on Petroleum Products/ OMCs in the current proposed revision of charges.	No comments furnished.
(iv).	This may only be considered as our preliminary comments. We require four weeks time to analyse the proposal of MOPT both Internally as well as on Industry Basis. We would revert with detailed comments as well as with the joint response from Oil Marketing Companies in due course of time. We request both MOPT as well as TAMP to kindly register our comments and protect us through this mail. We also request TAMP to ensure that proper opportunity may be given to Oil Marketing Companies to place their final opinion on the matter before taking any decision.	The Port has convened a meeting with all the Port Users on 13 February 2019 at 10.30 a.m. in the Conference Room of Traffic Department to discuss on the proposed SOR. Kindly make it convenient to attend the meeting. [The Oil Marketing Companies have given joint written submissions vide letter dated 22 February 2019]
8.	**Zuari Agro Chemicals Limited (ZACL)**	
(i).	Wharfage charges for fertilizers (bulk) and fertilizers raw materials at Goa port are already much on the higher side when compared to the prevailing rates at other ports across the country.	The earlier SoR was implemented in December 2016 and is effective till 31.03.2019. The port has proposed a modest increase of 15% on CRS as against the actual requirement to protect the interest of the trade. The actual increase required in the port charges to achieve Annual Revenue Requirement is 106%. As you are aware, the port is currently going through a difficult financial condition. In order to recover the rising cost of operations and the cost of investment beared by the Port for creation and upgradation of the existing port infrastructure facilitating efficient and cost-effective services to the Port users, warranties revision of the Port charges.
(ii).	Our company is currently going through financial strain owing to the difficult market scenario in the fertilizer industry. At this point in time, any increase in cargo related charges will make imports at Goa port unsustainable.	
(iii).	In the light of the above, we sincerely request you not proceed with any enhancement in the wharfage rates of fertilizers (dry bulk) or fertilizer raw materials. (Ammonia/Phosphoric Acid), as any increase will severely affect viability of our operations.	

		The Port has convened a meeting with all the Port Users on 13.02.2019 at 10.30 a.m. in the Conference Room of Traffic Department to discuss on the proposed SoR. Kindly make it convenient to attend the meeting.
9.	**Goa Chamber of Commerce & Industry (GCCI)**	
(i).	The Port has considered the increment to meet their Annual Revenue Requirement by increasing vessel related charges by 25%, Cargo Related charges by 15% and Storage charges by 15% in general.	No Comments.
(ii).	Various industries are located in the state of Goa such as Zuari Agro Chemicals, Goa Carbon, Vedanta Pig Iron plant, ACC cement, and other various companies producing reefer and pharmaceutical products. Such manufacturing units use Mormugao Port due to its proximity to their factories in Goa and, therefore, are the backbone of the exports and imports from Goa region.	No Comments.
(iii).	Nearby factories such as Hindalco Industries, Jindal Steel Limited and others also use the Port facilities due to the proximity of this Port, compared to other ports.	No Comments.
(iv).	The present Tariff Schedule is already very high and the steep hike in the tariff will have an adverse effect on such industries in Goa and will impact the costing involved and they may be forced to look at other Ports for export / import of their cargoes and in the long term even relocate their factories outside Goa. As a comparison, another major ports, New Mangalore Port has requested for hike of only 3% over the same period. Specific items in the proposed Mormugao Port's Tariff proposal on which we would like to offer our comments are as follows:	No Comments.
(a).	Vessel Related Charges:	
(i).	Shifting Charges: Port has proposed increment in rates of shifting as per current scale of rate, rather than omitting shifting charges from proposed SOR and charging shifting at pilotage rates which is steep 700% hike. For example: For a cape vessel, for shifting within west of breakwater or from berth to west of breakwater the cost of single shifting is increased to USD 61000.00 from existing USD 15000.00.	The shifting operations are equivalent to pilotage operations at WOB as it involves movement of tugs, manpower and pilots from their stations to WOB which is equivalent to the sailing movement of the vessel which in turn results in the same operation cost as pilotage operations. Also, for the same reason shifting operation within EOB, charges are restricted to 50% of the pilotage charges. However, the same will be re-examined.
(ii).	Pilot Cancellation & Detention Charges have proposed by 150% to 275% we request that such charges should not be increased beyond the existing charges, as Mormugao Port has only a single channel for navigation of vessels and at times the pilot booking is done keeping in mind that the outgoing vessel should leave in time, for the incoming vessel to catch the tide. This attempt to ensure better turnaround of vessels in the Port, should not be penalized so heavily, otherwise Agents will be discouraged to work for the betterment of the Port.	When the pilots are booked for carrying out any pilotage or shifting operation, there are operational cost involved to carry out the said operation. Hence, it has to be recovered. Further, it is stated that this is a composite detention charges for usage of pilots as well as tugs as opposed to separate detention charges for tugs and pilots in the previous SOR.
(iii).	Idle Anchorage Charges at west of breakwater is proposed to be increased by 25%. Such charges should not be increased and should remain at existing level considering that the Port does not have many	MOPT has a separate charges for working anchorage and idle anchorage. The charges for the idle anchorage are comparatively very less compared to working anchorage. These charges were also there in the earlier SoR

	berth facilities for different type of cargoes which is the reason why such idle anchorage periods result.	and hence are increased at 25% as applicable to the other VRS charges.
(b).	Transhippers and Floating Cranes:	
	Owing the lack of sufficient berths available in Mormugao Port, the industry for export and import have created their own facilities of transhippers and floating cranes to handle cargoes at outer anchorage by arranging barges and such operation reduces the pollution caused in the Port as the entire operation is carried out in open sea conditions away from the inhabitants of the local areas. However, in the current proposed tariff primary and the up topping charges for using transhippers and floating cranes have been doubled. A new item for charges for operation of transhipper and floating crane has been proposed which will discourage their use.	The charges for primary and uptopping by using transhippers and floating cranes have been doubled to ensure that operations where cost involved are high and the charges levied by the Port cannot be increased beyond a certain extent, cross subsidization has to be adopted to protect interest of the trade. However, these are ceiling rates the port may give concessions based on volumes. The annual charges levied by the Port for operating Transhippers/ Floating Crane in the Port waters is for the benefit of the Port users, the Port wants to encourage competition and facilitate free entry of as many service providers so that the competition would result in lowering of service cost and would be beneficial to the Trade.
(c).	Wharfage and Storage :	
(i).	Wharf dues on steel cargoes is proposed to be increased. The proposed increase of 15% in the wharf dues of steel products will affect the cost of exporting steel products from Mormugao Port which will reduce the volume as shippers will look out for other cost effective ports.	The port has proposed a modest increase of 15% on CRS as against the actual requirement to protect the interest of the trade. The actual increase required in the port charges to achieve Annual Revenue Requirement is 106%. The port is currently going through a difficult financial condition. In order to recover the rising cost of operations and the cost of investment borne by the Port for creation and upgradation of the existing port infrastructure facilitating efficient and cost-effective services to the Port users, warranties revision of the Port charges. Hence, at par with other cargoes being handled at the Port the wharfage for Steel products have also been increased at 15%. However, these are ceiling rates the port may give concessions based on volumes.
(ii).	Wharf dues on coal, coke and iron ore should not be increased as they are main stay of port traffic.	Although these cargoes are the main stay of the Port, these cargo being polluting cargo the Port have to face several pollution and environmental issues. As you are aware, the port is currently going through a difficult financial condition due stoppage of iron ore export and restrictions imposed by GSPCB on handling the Coal cargo at the berths. Also, the port has to incur huge expenditure on pollution mitigation measures in order to continue its operations. Hence, the modest increase of 15% on CRS is justifiable considering the nature of cargo.
(iii).	Wharf dues on slag is proposed to be increased to 48.30 per ton. Slag which is a waste by product, and being a low value commodity it has a tight costing and increase in the wharf dues will make the exports unviable.	The matter is being re-examined.

(iv).	Increase of 15% in storage charges at the Port will also effect the overall costing of the cargoes moving through the port.	The Port has limited land within its operational areas for storage of cargo. If the stored cargo is not evacuated, this will hamper ports productivity. Hence, the modest increase of 15% is also applicable to storage charges in order to promote faster movement of cargo from the Port's operational areas.
(d).	Stevedoring and other charges:	
(i).	Stevedoring Charges slabs have been removed and the highest slab retained, which also increases the cost of handling the cargoes from this port.	As you are aware in previous SOR, the rates for CHLD operations were in descending order for increased productivity. CHLD operations involves port's crane operators, operating the ship's gear, which means increased productivity would be on account of port. However, when CHLD operators unload the cargo on the wharf, speedy evacuation is the responsibility of the stevedores which includes providing adequate equipment, machinery and manpower, which indicates efficiency of the stevedores. Due to this conflicting interest, it is proposed to do away with the slabs and maintain a single rate per ton. NMPT also has a single rate per ton rate instead of multiple slabs for its operations. However, same will be re-examined.
(ii).	Mobile crane hire charges have been steeply increased which will affect the export of steel and import of bulk commodities at general cargo berth and also the handling of containers at berths.	The charges for Harbour Mobile Crane are rationalized depending on the nature of the cargo as it has been noticed that crane operations for handling lighter cargo are unable to recover its handling cost. In the earlier SoR, there were fixed rates for usage of Harbour Mobile Crane. In the proposed SoR, the rate for usage of Harbour Mobile Crane are differentiated as usage of Harbour Mobile Crane together with ship's gear and for gearless vessels with slabs benefit. The rates for usage of Harbour Mobile Crane with ship's gear are in descending order i.e. the rate decreases as average daily performance increases and for gearless vessels, the rates are in ascending order. The rates are proposed in this manner in order to pass on the benefit of increased productivity to port users.
(e).	Dust suppression levy is proposed to be increased from ₹4.00 to ₹8.00 PMT. Earlier tariff order had a note excluding container and liquid cargo and only for MOPT berths (excluding PP operations) to be charged. Such note is missing in the present tariff and should be restored.	Port is in a very difficult financial situation which is mainly due to pollution and environmental issues and as such Port is required to incur huge expenditure on pollution mitigation measures in order to continue its operations. Dust suppression charge is even levied on clean and containerized cargo as if same is only levied on dusty cargo, it will be too high for the trade to bear, thus requiring cross subsidization. You will appreciate the fact that the dust suppression levy on container and non-dusty break bulk cargo has been restricted to ₹3/- per TEU/ per ton respectively as opposed to ₹8/- per ton for

		dusty cargo. However, the same will be re-examined.
10.	**Mormugao Stevedores Association (MSA)**	
(i).	It is proposed to increase the wharfage amount by 15% across the board for all cargoes. As this will impact the cargo cost directly, we request that a staggered increase of 3% per year be applied on the current existing rates.	The increase sought by the Port are worked out as per the Tariff Guidelines and same are implemented by the Port after adherence to the procedures as laid down in the Tariff Guidelines. The increase proposed by MOPT is not enough to recover Port's cost including funding of pension liabilities. Even though as per the Tariff Guidelines, MOPT is eligible for the huge increase in excess of 100%, however the port has always taken a considerate view keeping the hardship that would be faced by the trade. Any lower increase would have severe reparations on the survival of the Port.
(ii).	It is our request to consider the increase of weighment charges for port road weighbridge to ₹6 pmt from the existing ₹5.50 pmt	As per the recommendation, the weighment charges for port road weighbridge has been revised to ₹6 pmt in the revised proposed SOR.
(iii).	Dust suppression levy is proposed to be increased by 100% for dry bulk cargoes whilst also bringing break bulk and containerised cargo under this levy which is not justified. However, upon request of port which says this is the need of the hour so as to reduce pollution and dust generation from vehicular movement inside the port premises and their intent to deploy additional machinery for the same, the following has been requested by the stakeholders: (a). Dry bulk cargo: ₹6 pmt (b). Break bulk cargo: ₹2 pmt (c). Containerised cargo: ₹1 per TEU (d). Cargo handled at Mooring Dolphin: ₹3 pmt (50% of cargo handled at berth) (e). West of breakwater: No charge	The situation of the Port worsened only due to the issues pertaining to environment. In this regard, the port has put in place / in process of putting in place various pollution mitigating measures such road sweeping machine, mist cannon machine, truck wheel cleaning equipment, pollution monitoring equipment etc., incurring additional cost to the port. However, the total cost of measures would be unbearable only for the polluting cargo to bear and as such it is proposed to recover the DSL from all cargo. However, the rates as per the revised proposed to recover the DSL from all cargos. However, the rates as per the revised proposed SoR are as under: Dry Bulk @ ₹ 6 per tonne Break Bulk @ ₹ 2 per tonne Container @ ₹ 2 per TEU At mooring dolphin 50% of the above charges. Not applicable for Cargo handled at WOB and PPP Berths
(iv).	Container storage charge: Free days to be kept at 3 days for import cargo.	As per the recommendation, the free days are fixed as 3 days for import containers in Custom Bound area in the revised proposed SoR.
(v).	Cargo handling labour charges: The proposed rates are 50-70% higher than the existing rates. This will increase the cargo import / export cost manifold and be a deterrent to the importers / exporters currently handling their cargo at Mormugao and also not appeal to any new cargoes considering Mormugao as their port of operation. The existing slab rates related to output performance have been done away with and a single slab rate is proposed. We therefore request that the lowest rate in the existing SOR for various categories of cargoes be considered and a 15% increase on that rate be proposed in the new SOR.	The Port has proposed in the revised proposed SoR, in the single slab on the weighted average rate of 2017-18 based on the recommendation made by the port users.

(vi).	Harbour Mobile Crane: A huge increase ranging from 70-100% plus is proposed for use of HMC. This again will contribute to an increase in cost of cargo handled. Considering the unreliability of the HMC and frequent breakdown during operation of the HMC, we request that an increase in 10% of the existing rates be considered. At the same time, we request that the deployment of the HMC should not be mandatory. Same should be the case with the hire of any other equipment /machinery of the port. This will give the trade more flexibility in planning their vessels with appropriate gears / cranes considering the overall cost too.	In the existing SoR, there are two categories i.e. Harbour Mobile Crane (HMC) working together with ship's gear and the other for gearless vessels with rates in descending and ascending order respectively for increased productivity. Hence, as proposed the port has included only one category with single slab in the revised proposed SoR. HMC is having higher capacity compared to ship gear, with the rates in decreasing order with increased productivity, hence it is proposed to have only one slab for HMC to atleast recover its cost of operations.

2. A joint hearing in this case was held on 22 February 2019 at the MOPT premises. The MOPT made a brief Power Point presentation of its proposal. At the joint hearing, the MOPT and the concerned users/ user organizations have made the following submissions:

<u>Mormugao Port Trust (MOPT)</u>
[Sr. Dy. FA&CAO]

(i). Existing SOR is due for revision from 1 April 2019. Revision is sought to recover cost of operation and to generate resources to upgrade.

(ii). ARR is estimated at ₹476.72 crores which is also certified by Chartered Accountant.

(iii). Increase required to meet the estimated ARR is 118%. The port allows concession in the existing rate. If concession part is excluded, increase required to meet the estimated ARR works out to 106%.

(iv). We have generally sought 25% increase in vessel related charges and 15% increase in cargo related charges. Increase in various items may vary.

(v). As per Chairman's initiative to attract more cargo and containers we have proposed very low rate for cargo/ container storage outside custom bound area. The rates are most competitive across all Major Port Trusts.

(vi). Single slab rate is proposed for CHLD. At NMPT also, single slab rates are there.

(vii). Rate proposed is based on what trade can bear.

(viii). Port had meeting with users on 13 February 2019. For most of the points made by users, we have already furnished comments to TAMP. We will, however, examine thoroughly the points made by users in the port users meeting dated 13 February 2019 and furnish our comments to TAMP.

<u>Goa Mineral Ore Exporters Association (GMOEA)</u>

(i). Makes a power point presentation highlighting its objections on the proposal of the port. Hard copy of power point presentation is given.
(ii). Mining industry is facing very difficult and uncertain time for last 3 years which is still continuing. There is ban on iron ore exports. Even for handling

coal there are restrictions placed by the Goa Pollution Control Board. These are the two major cargo items that were handled through MOPT.

(iii). In past, Port has been getting increase of 15% to 40% in their tariff. We request Port to be competitive in tariff.

(iv). Most of the increase proposed is without any improvement in infrastructure. The increase proposed is to meet the expenses.

(v). The new Tariff Policy, 2018 are clear and do not give discretionary powers to the port to project high expenses.

(vi). Railway earnings and estate income are not considered in tariff setting. These are huge surplus activity. Expenses of Railway activity are included but, income is not considered.

(vii). If we reduce railway earnings and estate earnings from the total ARR, there will be 11% surplus. In that case, at the proposed rate, the return will go up to 25% as against 16% entitlement of the port.

(viii). We feel only 5% increase in the rates are justified.

(ix). We request to consider ROCE @ 6.35% for business related asset and 0% for social obligation assets.

[Member (Finance), TAMP: In the new Tariff Policy 2018 there is no distinction in ROCE for the above categories of assets. This provision was in the earlier Tariff Guidelines of 2005. Major Ports are governed under the Tariff Policy, 2018.]

(x). Whether capital cost of Berth Nos.8 and 9 which are decommissioned is excluded from the Capital employed? Users should not be loaded with the capital cost of these berths.

(xi). Surplus activity should not be increased.

(xii). There is no major facility at West of Breakwater (WOB). So, tariff for WOB should not be increased.

(xiii). For CHLD, we request to consider average of existing slab wise rate instead of highest of the existing rate proposed by the port.

(xiv). 25% increase in Pilotage fee is excessive. This was increased by 35% last time. We request for some rationalization.

(xv). Vessels at WOB do not avail Pilotage services. So, WOB may be exempted from levy of Pilotage fee.

(xvi). At proposed rate for shifting, increase works out to 317% for EOB and 733% in WOB.

(xvii). Proposed linking of shifting charge to Pilotage fee becomes huge burden to users. Pilotage involves 2 movements. Whereas, shifting involves 1 movement. This itself requires 50% reduction in the proposed rate for shifting charges.

(xviii). Double banking at 1.5 times of shifting charge which again is linked to Pilotage fee is not justified.

(xix). Only for those operations where services are rendered by the port, the port should charge. No tariff should be charged for notional services.

(xx). In the existing Scale of Rates, there is tariff for primary and uptopping services. With decommissioning of berth no 9, there is no uptopping services done hence tariff for uptopping is deleted. That is ok. But, increase in primary charges is doubled. No cost is incurred by Port. Investments are by private users.

(xxi). Pilot detention and cancellation charges may be rationalized.

(xxii). In existing Scale of Rates, idle anchorage is 50% of working anchorage charges. Other Port, do not charge for idle anchorage as it is to facilitate trade. If at MOPT it cannot be done away with, then existing rates may be retained.

(xxiii). During the port user's meeting on 13 February 2019, it was agreed to have cap of ₹3,500 for Electronic Data Interchange (EDI) charges instead of ₹5,000 proposed by the Port. We, however, request this may not be charged separately and treated it as clubbed with other charges.

(xxiv). As regards dust suppression levy, as per the note in existing SOR states it is applicable only for MOPT berths and not for PPP berths. The same may be retained.

(xxv). For Water supply, the tariff may be kept reasonable. Port may consider to increase the number of suppliers for water.

Goa Chamber of Commerce and Industry

(i). There are many industries nearby Port who use the facilities of Goa Port.

(ii). Increase proposed is steep. This shall drive away traffic from the Port.

(iii). At NMPT, they have proposed only 3% increase.

(iv). Shifting charge should be based on earlier formula. It should not be linked to Pilotage.

(v). Pilot detention charge may be proposed at reasonable level considering Port has single channel.

(vi). Tariff for outer anchorage charge should not be touched. We should handle cargo in mid-stream. This will avoid dust and pollution level in the port.

(vii). Wharfage of Steel is proposed to be increased by 15%. Since steel made in India is exported, existing rate for this item should be kept without any change.

(viii). Wharfage for slag is proposed to be increased by 48%. This is waste product. It cannot bear the proposed increase.

(ix). Where vessel is just passing through Port, no Pilot service is used and even channel is not used, in such case, no Pilotage fee should be charged.

(x). Situation of Port is bad. We are exploring to find out new cargo which we can handle from the MOPT. But, there are objection from general community here in Goa.

(xi). We brought new cargo i.e. live stock to be exported from the port. Port should support us on that. Water should be supplied to live stock.
[MOPT, Chairman: MOPT officials have spoken in detail with the GCCI for this cargo. Live stock is a sensitive cargo. Trade must abide by every Rules and Regulations for export of live stock as it is a very sensitive cargo. Port always welcomes users to bring new cargo.]

(xii). Marginal increase may be considered in the existing SOR. Port may examine whether staggered increase can be given.
[MOPT, Chairman: Every year staggered increase we cannot consider. So, we have arrived at proposed tariff. Rates are, however, ceiling rate. Port is willing to consider concessional rate proportionate to increase in volume of cargo]

Indian Oil Corporation Ltd.

(i). Recently wharfage rates for POL products was increased to ₹500/- tonne. This increase was only done for oil sector.

(ii). Oil companies cannot bear any further increase.

(iii). Increase in POL products is valid till 31 March 2019.

(iv). Whatever increase is applied, it should be applied to pre-revised rate. The pre-revised wharfage rate for POL products was ₹193/- tonne. So 15% increase as proposed for other cargo should be applied on ₹193/- tonne.

(v). Increase should be on the pre-revised rate. Otherwise business will not be viable.

(vi). We cannot pass it on to customers. This is part of marketing margin.
[MOPT, Chairman: That is internal matter where Oil companies place it.]

M/s.Delta Group

(i). HMC for break bulk cargo is proposed to be increased by 200%.

(ii). Port cranes are not operational.

[MOPT, Chairman: Both our crane of Italguru and Alba are in losses.]

Marinelinks Shipping Agencies

(i). We request composite cruise tariff be bifurcated into foreign or coastal. There is no separate rate for coastal under existing SOR.

[MOPT, Chairman: The port has to meet the estimated ARR of ₹476 crores. Let users decide and let us know which tariff should be increased to what level to enable port to meet the ARR of ₹476 crores.]

[MOPT, Chairman: When Port was in crisis, none of the users came to rescue of the Port. All employees working in MOPT are from Goa. We are here to work with consensus.]

[MOPT, Chairman]:

(i). We are proposing to give 45 days free period outside custom bound area at Bogda. No other Port is giving so much free period. Port does not have sufficient land. Hence inside custom bound area, port has proposed increase in storage charge.

(ii). Port is stressed.

(iii). We have agreed with great reluctance to bring in live stock. We have allowed after considering that few more Ports are handling livestock.

(iv). A Renowned Professor of Environmental Science of Indian Institute of Technology (IIT) Mumbai has given a report after examining the pollution level at the MOPT. As per the report contribution of coal handling by MOPT is not significant in environment pollution. Port is not the only one for contributors in pollution. Port is responsible to the extent of 30% only in this regard. There are other contributors also like trucks movements in the road, wind movement etc., which need to be identified. Measures should be taken from all the angles to reduce pollution.]

MOPT
[Sr. Dy. CAO]

(i). ARR model is based on actual expenses for the last three financial years subject to few adjustments as prescribed in the Tariff Policy, 2018.

(ii). Railway rates are approved by Railway Board.

(iii). Railway charges were not excluded during the last revision which was also under the ARR model under the Tariff Policy, 2015. Hence, in current revision also, railway expenses are not excluded.

Chairman, MOPT

(i). We should have been given a copy of power point presentation by the GMOEA earlier so that we could have commented upon that.

[GMOEA: We have already given our comments earlier. The presentation is based on our earlier comments.]

(ii). We already had meeting with users on the revised proposal. However, now since GMOEA has given a copy of the presentation, we will go through it and examine.

<u>J.M. Baxi</u>

(i). Storage on import container is reduced from 3 days to 1 day. Retain the existing rate. It is not possible to clear cargo in 1 day.
[MOPT, Chairman: We will agree to that.]

3. With reference to the first point of action decided at joint hearing, the MOPT vide its letter dated 20 March 2019 has furnished its response on the joint written submission made by IOCL, BPCL and HPCL which is tabulated below:

1.	**Comments of IOCL**	**Reply from MOPT**
(i).	Vide letter reference FA/Cost/125/2018/172 dated 24 August 2018, MOPT has already unilaterally increased the wharfage charges on Petroleum products by more than 151% hence increasing the same from ₹193 per MT to ₹500 per MT despite protests and disagreement of the Oil Marketing Companies. The subject increase has made the wharfage charges in MOPT as the highest in the country. This increase has already made the Oil Marketing Operations in Goa costliest and any further increase in the charges from MOPT may render the business unviable. Hence, we are also registering our strong protest against any further increase in Vessel / Carge / Storage related charges to be effected on Oil marketing Companies / Petroleum products.	
(ii).	We will also like to bring to your notice that as per the above letter reference FA/Cost/125/2018/172 dated 24 August 2018, the midterm increase in charges on Petroleum products are effective till the validity of existing SOR i.e. till 31 March 2019. Hence the rates implemented on OMCs are required to be relooked into during the current rate revision.	In this regard, it is informed that though the port has proposed a general increase of 15% on Cargo related services charges, this increase is not applicable to POL cargo and same may be confirmed from the proposed SOR sent with the original proposal. The wharfage rates for POL cargo has been maintained at the same rate of ₹500/- per tonne. Further, Port's financial position has affected due to ban on Iron ore and restriction of coal handling. Therefore, it is proposed to retain the same rate of ₹500/- per tonne. As regards Vessel related service charges, the same were revised during the last General Rate Revision for all Port users and the same are now revised for all Port users and not only for Oil Marketing Companies.
(iii).	As far as we understand that the previous midyear increase in wharfage charges w.e.f. 20 August 2018 was imposed only on Petroleum Products in isolation and other port users did not have experiences any changes in any charges. Hence the Oil Marketing Companies have already been burdened in isolation. Hence in our opinion, the Oil Marketing Companies may be provided with reduction in the charges being levied on OMCs. In this regards we proposed:	

(a).	The TAMP should decide the quantum of increase in charges that is to be implemented on all port users at MOPT.	The Oil Marketing companies are not paying any storage charges to the port for storage of POL and hence they may be requested to clarify the nature of storage charges mentioned in their joint written submission.
(b).	As the Cargo related charges were increased for OMCs only and not on other port users, hence for deciding the increase of Cargo related charges for OMCs, the same should be calculated on rates applicable before midterm revision i.e. ₹193 per MT.	
(c).	The new rates for OMCs for cargo related charges should be decided by effecting the common quantum of increase in charges that is to be implemented on all port users at MOPT and applying the same rates on Petroleum cargos on pre-midterm revised rates.	
(d).	For example if TAMP decides to increase the Cargo related charges for all port users by 20%, then on Petroleum cargo, there should be an increase calculated on pre midterm revised charges i.e. ₹193 per MT with an increase of 20% i.e. ₹38.60 per MT and the final charges should be made to ₹231.60 per MT.	
(e).	This will provide relief to OMCs from the heavy losses, the OMC's are making due to unilateral unprecedented increase of 159% on cargo related charges that was imposed on OMC's since 20 August 2018.	
(iv).	Further, we wish to inform OMC's are not in position to bear any further increase in charges proposed by MOPT as the same will adversely affect the viability of the business in Goa.	
(v).	We request both MOPT as well as TAMP to kindly register our comments and protests registered through this letter. We also request TAMP to ensure that proper opportunity may be given to Oil Marketing Companies to place their final opinion on the matter before taking any decision.	
(vi).	Further we request to exempt Oil Marketing Companies from any further increase in scale of charges as well as to recalculate the cargo related charges for OMC's as requested above, considering the fact that the revision of wharfage was implemented only on Oil Marketing Companies in isolation and the OMCs are already incurring huge losses on account of the same. Any further increase of charges on OMCs can make the business further unviable for Oil Marketing Companies.	

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