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Tariff Authority for Major Ports

D No. 196 **New Delhi,** **19 July 2013**

NOTIFICATION

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

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/43/2012-MOPT

Mormugao Port Trust - - - **Applicant**

QUORUM:

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. C.B. Singh, Member (Economic)

O R D E R

(Passed on this 14th day of June 2013)

This case relates to the proposal received from Mormugao Port Trust (MOPT) undercover of its letter dated 29 June 2012 for general revision of its Scale of Rates.

2. The existing Scale of Rates of the MOPT was last revised by this Authority vide its Order dated 14 May 2010. The validity of the SOR of MOPT is prescribed till 31 March 2013.

3.1. The main submissions made by the MOPT in its proposal are summarised below:

(i). The main reasons warranting revision of port charges are:

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

(b). To generate adequate internal resources to create and upgrade the existing port infrastructure in order to remain globally competitive and to provide efficient and cost-effective services to the Port users.

Cost Statement

(ii). The total traffic handled at the port during the year 2011-12 is 39 million tonnes. Though, iron ore is a major commodity handled at the port, considering the restrictions imposed by State Government on its mining, marginal increase in traffic for the years 2012-13 to 2015-16 is expected. The actual/estimated traffic for the years 2010-11 to 2015-16 is tabulated below:

Year	Estimates/ Actuals	Traffic (in million tonnes)
2010-11	Actuals	50.02
2011-12	Actuals	39.00
2012-13	Estimates	40.33
2013-14	Estimates	43.22
2014-15	Estimates	46.09
2015-16	Estimates	47.80

(iii). In the rate revision exercise, the operating income has been projected on the basis of expected traffic to be handled by M/s.South West Port Limited (SWPL) and M/s.Adani Mormugao Port Terminal Pvt. Ltd. (AMPTL).

(iv). The operating costs except depreciation for the years under projection (2013-14 to 2015-16) are escalated at an average of 6%. The depreciation has been projected considering the assets to be added during these years. The Finance & Miscellaneous income & expenditure are based on actuals of 2011-12 and expected trend thereof.

(v). The fixed assets have been segregated into business assets, business related assets, social obligation assets, accordingly ROCE @ 16% and 6.35% is considered thereon. The Capital employed is equivalent to net fixed assets for respective years.

(vi). The additions proposed to the Gross Block during the years 2012-13 to 2015-16 are ₹10578.41 lakhs, ₹11599.00 lakhs, ₹5170.00 lakhs and ₹5950.00 lakhs respectively.

(vii). Port has decided to revamp the entire Mechanical Ore Handling Plant (MOHP) which was installed in 1978/ 1979, in a phased manner at a total cost of ₹361 crores. The Plan expenditure has been projected at ₹148 crores, ₹183 crores, ₹219 crores for three years from 2013-14 to 2015-16 respectively. As internal resources are not sufficient to fund the capital scheme, the Port has to borrow loan to meet the requirement.

(viii). An exchange rate of ₹52/- per US dollar has been considered in computation of vessel related charges.

(ix). The estimated financial / cost implications as shown in the consolidated income and cost statement furnished by the MOPT are summarised below indicating the hike proposed:

Sl. No.	Activities/ sub-activities	Surplus/deficit 2012-13		Surplus/deficit 2013-14		Surplus/deficit 2014-15		Surplus/deficit 2015-16		Total surplus/deficit for 2013-14 to 2015-16	Average %	Tariff revision proposed
		(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	
1.	Port as a whole	-8100.73	- 23.77%	-10547.73	- 29.61%	-11476.46	- 30.32%	-12637.72	- 32.33%	- 34661.91	- 30.82%	
2.	Cargo/ container handling activity	-5174.89	- 0.29%	-6753.19	- 0.37%	-7964.52	- 0.43%	-9758.29	- 0.51%	- 24476.00	- 0.44%	
	(i).Ore handling activity	- 6129.28	- 52.75%	- 7304.93	- 63.26%	- 8456.57	- 71.18%	- 10071.15	- 82.44%	- 35832.65	- 72.29%	40% hike
	(a). MOHP	-9281.53	-109.61%	-10348.59	- 121.71%	- 11589.14	- 132.48%	- 13296.12	- 147.87%	- 35233.85	- 134.02%	
	(b). Ore at stream	3152.25	100%	3043.66	100%	3132.57	100%	3224.97	100%	9401.20	100%	
	(ii).General cargo	-826.48	-60.99%	-1320.35	-93.71%	-1401.30	-96.93%	-1428.39	-96.40%	4150.04	-96%	40% hike
	(iii).Ware-housing	-81.99	-48.60%	-76.76	-45.39%	-70.60	-41.65%	-68.51	-40.32%	- 215.87	-42%	40% hike
	(iv).POL	236.51	27.33%	261.73	29.32%	291.28	31.67%	312.81	33.03%	865.82	31%	No hike
	(v).CHLD	1626.34	39.70%	1687.11	39.78%	1672.66	39.08%	1496.94	35.69%	4856.71	38%	No hike
3.	Vessel related activity	-4416.60	-0.41%	-5387.94	-0.48%	-5961.09	-0.51%	-6146.14	-0.51%	- 17495.17	-50%	
	(i). Berthing & Mooring	730.20	15.27%	62.81	1.28%	115.04	2.26%	156.44	3.05%	334.29	2%	No hike
	(ii).Pilotage &Towing	-2898.83	-72.21%	-3242.33	-75.60%	-3728.15	-82.12%	-3924.20	-83.58%	- 10894.68	-80%	50% hike
	(iii). Port Services	-1859.63	-106.07%	-1798.42	-95.86%	-1918.01	-96.45%	-1927.76	-93.66%	- 5644.19	-95%	
	(iv). Water supply	-388.33	-301.03%	-409.99	-317.82%	-429.99	-333.32%	-450.63	-349.32%	- 1290.61	-333%	
4.	Railway	2144.97	51.62%	2203.56	44.92%	3076.62	52.25%	3933.68	58.08%	9213.86	52%	---
5.	Estate	-654.22	-57.63%	-610.17	-49.24%	-627.47	-49.29%	-666.98	-51.22%	- 1904.62	-50%	40% hike

(x). The quantum of revision of rates required as per the deficit position reflected in the cost statement and the revision proposed as given under:

Sl. No.	Activities/Sub-activities	Required %	Proposed %
(i).	Ore handling (MOHP/ Stream)	72	40
(ii).	General Cargo	96	40
(iii).	Warehousing	42	40
(iv).	Pilotage & Towage	80	50
(v).	Port Services	95	50
(vi).	Water supply	333	50

(xi). The sub-activities viz. POL and Cargo Handling Labour activity are self-supporting and are in surplus and hence no revision is proposed.

The principal activity Port & Dock charges for Shipping is in deficit by 50%. The cross-subsidisation is allowed within the sub-activities and taking into consideration the anticipated appreciation in rupee value and also what the trade can bear, an upward revision of 50% on existing rates is proposed in pilotage and towage, port services and water supply. No revision is proposed in berthing activity as it is in surplus.

(xii). The activity of Estate Rentals is in deficit to the extent of (-) 50% and MOPT has proposed 40% hike in the estate rates. The rates already proposed for revision of Estate Rentals are considered in estimating the projected income.

(xiii). The revision of Railway rates is not in jurisdiction of TAMP. No upward revision is proposed in the existing rate as this principal activity is self-sufficient.

(xiv). TAMP has approved special rate of 7% for pension levy in the last proposal. The actuarial valuation of Pension liability for the employees and pensioners including family pensioner has been worked out to ₹680 crores by LIC as on 31.03.2012. The balance of Pension Trust Fund was ₹366 crores as on 31.03.2012. Therefore 7% pension levy is not sufficient to bridge the gap of pension liability.

Further, the wage structure of Port employees (Class III & IV) is due for revision with effect from January 2012. The pension liability will increase further on implementing the wage revision. Therefore, 12% special rate is proposed for pension levy.

(xv). As per report from LIC, the total liability towards gratuity was ₹89 crores as against the fund balance of ₹52 crores as on 31.03.2012. This is not sufficient to meet the annual gratuity payment from the annual return on the investments. Therefore, it is proposed to contribute ₹10 crores towards this fund during the years under projection.

(xvi). The net deficit of ₹76 crores for the period of 3 years from 2006-07 to 2008-09 and ₹186 crores for 4 years for the period from 2009-10 to 2012-13 may be considered in deciding the upward revision of tariff.

(xvii). The MOPT has recently constructed Berth no. 4, Break water Mole and Break Water Berth particularly to handle non-cargo vessels at a total cost of ₹101 crores. Accordingly, berth hire charges has been proposed at $0.0607 per GRT per hour for foreign going vessels and ₹1.88 per GRT per hour for coastal vessels, irrespective of size of the vessel, in the Scale of Rates.

(xviii). The MOPT is witnessing import of project cargo/ machinery. Since no advalorem rates are prescribed in the existing Scale of rates, the port is levying wharfage charges at ₹30/- per tonne prescribed for ‘goods not otherwise specified elsewhere’. Hence, advalorem rates are proposed in the Scale of Rates at Section G of Part – II.

(xix). Pleasure yachts, small boats and other crafts are imported and parked in the port water areas for a long time for completion of custom formalities. It creates problem for operation of cargo/ non-cargo vessels. Since no provision is available in the existing Scale of rates, wharfage and congestion charges are proposed in the Scale of rates on pleasure yachts, small boats and other crafts arriving as cargo at advalorem rates.

(xx). During fair season, it is seen that some of the facilities at the MOPT are under utilised as some exporters shift their operations to other neighboring ports on the ground that the overall cost is not comparable at MOPT. However, whenever they experience unfavourable working conditions due to deterioration of weather and other lack of facilities, these exporters shift their operations to MOPT. This causes disadvantage/ inconvenience to the regular users operating at MOPT. In order to distinguish between regular users and new exporters, it has been agreed with the relevant stakeholders to collect a rate of ₹50/- per tonne towards monsoon levy from 1st June to 30th September. Accordingly, monsoon levy has been proposed in the Scale of Rates.

(xxi). At present, anchorage charges are collected from vessels operating at anchorage for working and non-working hours. Compiling and capturing the workings hours and idle hours is found to be cumbersome and voluminous and there are delays finalization of bills for the vessels. Therefore, it is proposed to charge anchorage charges uniformly irrespective of idling or working of vessels, in the Scale of Rates. The idle anchorage charge has been proposed for deletion.

(xxii). Cargo at Berth no. 10 and 11 is at present handled by using ship gears, due to which the throughput at these berths is comparatively low. It has, therefore, been decided to procure 100 MT Harbour Mobile Crane (HMC) at Berth no. 10 and 11 to handle export/ import cargo. The hire charges for handling dry bulk, break bulk and other cargo with the help of HMC has been worked out at ₹48.58 per tonne, ₹101.20 per tonne and ₹161.93 per tonne respectively considering the norms as per the 2008 guidelines.

(xxiii). The MOPT has also proposed to amend its Scale of Rates and Statement of conditionalities to meet the operational requirements and also to reflect the proposed changes as explained in the preceding paragraphs.

3.2. The MOPT, subsequently under cover of its letter dated 27 July 2012 furnished a copy of its Board Agenda, proceedings of the Meeting and the Board Resolution of the meeting held on 11 July 2012 approving the MOPT proposal.

3.3. While forwarding the above said documents, the MOPT has also forwarded the observations on the proposal of the port made by one of the Trustees for perusal of the Authority. The proceedings of the Board Meeting state that the Authority may take a decision on the points raised by the Trustee. At the joint hearing held on 12 October 2012, the MOPT was requested to furnish its reply to the issues raised by Trustee. The MOPT vide its letter dated 2 November 2012 has furnished its reply. A summary of the points raised by the Trustee and corresponding reply furnished by MOPT are tabulated below:

Sl. No.	Points raised by the Trustee	Reply furnished by MOPT
(i).	Total income and expenditure figures need to be reconciled with the balance sheet figures / budgeted estimates as they do not match.	In accordance with Clause 2.8.3 of revised tariff Guidelines of 2005 issued by the Tariff Authority for Major Ports (TAMP), the revenue share / royalty receivable by the land lord Port Trust should be maintained in an Escrow Account for the purpose of creation and / or modernizations of Port infrastructure facilities. During the year 2011-12, Port has received ₹14.02 crores as royalty from Private Terminal Operator viz. M/s.SWPL. This amount is not forming part of operating income as per tariff guidelines. Interest earned on General fund investments and depreciation on assets identified under Escrow Account are not included in the proposal of revision of tariff. (Papers attached).
(ii).	Although the agenda item mentions that operating income has been projected based on the expected traffic including traffic to be handled by M/s. South West Port Ltd. (SWPL) and M/s. Adani	As stated above royalty / revenue share from M/s. SWPL and M/s. AMPTPL is excluded from operating income in the proposal for revision of Scale of Rates.

	Mormugao Port Terminal Pvt. Ltd. (AMPTPL), the income from revenue share to the port from these facilities under PPP agreement does not appear to have been included.	
(iii).	Traffic projections with break-up by the mode of loading have not been provided for the relevant period. It may be noted that on refurbishing the MOHP, the handling volume and therefore the revenue is expected to increase or else there would be under-utilisation of its capacity which would lower the ROCE allowed. Further, the increase in traffic due to vessels expected to call at the AMPTPL berth does not seem to have been projected.	The breakup of traffic projections under different modes of handling including private operators is furnished. As regard handling operations at MOHP, it is submitted that the technical Consultant has advised to operate plant at rated capacity of 70% of the installed capacity and hence, even after refurbishing of the MOHP, the plant may not achieve its 100% installed capacity. The traffic estimates and revenue generation thereon is projected considering the present trend and expected growth in the traffic. The vessel related income on the vessels expected to handle at the AMPTPL berth is accounted under vessel related charges.
(iv).	The list of additions to capital invested along with its classification, as also calculation of capital employed and the return thereon needs to be provided.	Year wise additions to Capital assets including capital employed, sub-activity wise, is furnished.
(v).	Cost statement in Form 5A(iii) for the activities of Ore Handling Other than MOHP, POL, CHLD, B&M, Estate and Railway have not been provided Further, the facilities of SWPL and AMPTPL operated on PPP basis also need to be shown in Form 5A (iii) with a proportionate share of Management and General Overheads to be apportioned to these facilities which enjoy the benefits from the port such as roads, security, compound walls, etc. Revenue from facilities such as the new berth at the break-water in which the port has invested capital is also to be considered in the income and Form 5A(iii) to be prepared for the same.	As desired, the cost statements in form 5A (iii) for activities of Ore Handling other than MOHP, POL, CHLD, Berthing & Mooring, Estate and Railway is furnished. The cost statements of these principal activities / sub-activities were not furnished along with the Board Agenda as no revision was proposed under these activities. The royalty / revenue share is applicable to the BOOT / PPP Operators as per the concession agreement. As such, suggestions made by the Hon'ble Trustee to allocate Management and General Overheads appears to be not appropriate. The expected revenue generation from newly created facilities "Break Water Berth" is considered in the proposal. However, there would be incremental revenue as Cruise vessels which are accommodated at Berth No. 10 & 11 will be shifted to Break Water Berth.
(vi).	Under "Operating Expenses" the head "Others" forms a major head of around 20% of the operating expenses. The nature of the same cannot be understood without further clarification, for which relevant details of the expense head need to be furnished. It would be advisable to segregate major items included under this head into a separate head.	The break-up of operating expenditure under the head of "others" for years from 2012-13 to 2015-16 is furnished.

(vii).	Similarly, Management and General Overheads form a large item of expenditure and needs to be split into sub-heads in order to understand and project its future trend of escalation.	It may please be noted that the costs which is not specific to the particular Principal Activity / Sub-activity and common to all activities are grouped under Management and General Overheads (M&G). The specific cost to the principal sub-activity is already allocated under respective heads. However, break-up of M&G is furnished.
(viii).	The Port has mentioned that some changes have been made in the proposed Scale of Rates with regard to operational aspects. The changes may please be listed out separately for perusal as the same cannot be otherwise easily identified. The reason for the same may also be mentioned.	The proposed additions / deletions to existing Scale of Rates alongwith reasons is furnished.
(ix).	While on the point, it may be mentioned that the proposed monsoon levy of ₹50/- per tonne for non-regular users/new exporters may not be incorporated into the scale of rates especially as demand for monsoon loading is currently low. Such levies by the port only complicate the scale of rates. They rankle and may even discourage potential customers thus being counter-productive to the earning of the port. As the mandate of the port is to facilitate trade, such a levy which increase the cost of business and discriminated between users by charging abnormally high rates is not advisable. (Further, the term "non-regular users/new exporters" has not even been defined).	As regards proposing of incorporation of monsoon levy in the Scale of Rates, it is submitted that Port had constructed Mooring Dolphins considering long awaited demand of the Trade. However, we have experienced that Mooring Dolphins remain idle during fair season, as Trade has diverted its cargo to Panaji Port and rushes to our Port only during monsoon for safety reasons. As such, our regular users are deprived for the facility to handle their cargo at our Port during monsoon. Therefore, monsoon levy is proposed during the period from 1st June to 30th September on non-regular users / new exporters.
(x).	With regard to the Port's proposal to increase the Pension Levy to 12%, it may be noted that since the time Pension Levy at the rate of 7% on port charges was allowed by TAMP, the corpus of the Pension fund has accumulated to ₹366 crores as of 31.03.2012 against the liability of the port of ₹680 crores (as mentioned in the agenda note). Since TAMP has earlier ruled that the pension liability is a long-term liability which need not be covered in a short time, the growth in the fund by way of interest on the accumulated balance and contribution from collection of Pension Levy at 7% in future years should suffice to cover the liability over time. The port can provide a detailed working for the same to cover the liability over a long period of say 10-15 years.	With reference to proposed increase in Pension Levy to 12%, it is stated that the shortfall of Pension Fund is ₹315.31 crores as on 31/03/2012. The liability increases every year on account of increase in salary & VDA. Further, with the revision of wages of Class III & IV employees, which is due from 01/01/2012, the gap will widen further. It is not feasible to quantify the Pension liability for the next 10 to 15 years, as wage structure of the Port employees varies every five years and the contribution towards this fund is based on the net surplus available. The annual outflow on account of Pension / Commuted Pension for the year 2011-12 was ₹49.43 crores. The interest earned on accumulated fund balance of ₹366 crores as on 31/03/2012 is not sufficient to meet the ever increasing pension liability. Therefore, Pension Levy is proposed to be revised to 12% as against 7%, in order to build the corpus of Pension Fund.
(xi).	In the case of the Gratuity fund too, the port needs to justify any contribution with detailed working in order to cover the	Similarly, a shortfall of Gratuity Fund is ₹37.67 crores as on 31/03/2012. The liability increases as salary & VDA

	liability over a period of say 10-15 years.	increases. This is likely to further increase due to wage revision. The interest generated on the investments of the fund is not sufficient for the settlement of Gratuity claims. To cope up with the short fall, Port is paying gratuity by withdrawing from the fund.
(xii).	Port of late contributes an annual amount of ₹26-27 crore towards Pension Trust Fund which is reflected in the FME. This amount is to be treated as paid out of the surplus generated by the port and should be reduced from the net FME while calculating the deficit and tariff hike required to offset the same.	The clarifications on Para 12 is furnished at Para 10 above.

4.1. In accordance with the consultation process prescribed, the proposal dated 29 June 2012 received from the MOPT was circulated to the concerned users / user organisations for seeking their comments. The comments received from the users / user organisations were forwarded to the MOPT as feedback information. The MOPT has furnished its remarks on comments of the users / user organisations.

4.2. The Indian National Shipowners' Association and Goa Minerals Ore Exporters Association have furnished further comments vide their letter dated 22 November 2012 and 28 November 2012 on the points made by MOPT. They have mostly reiterated their earlier submissions.

5. Based on the preliminary scrutiny of the proposal, the MOPT was requested vide our letter dated 18 September 2012 to furnish the information / clarifications on some points. The MOPT has subsequent to the joint hearing, vide its letter dated 14 November 2012 furnished its reply on queries raised. Summary of queries raised by us and the response of the MOPT is brought out in the subsequent part of the Order.

6.1. A joint hearing in this case was held on 12 October 2012 at the MOPT premises. The MOPT made a powerpoint presentation of its proposal. At the joint hearing, the MOPT and the concerned users/ organisation bodies have made their submissions.

6.2. At the joint hearing, the GMOEA made a brief powerpoint presentation on its views on the proposal of the MOPT.

7.1. As decided at the joint hearing, the MOPT was requested to take action / furnish additional information / clarification on following points, which were communicated to MOPT vide our letter dated 17 October 2012:

(i). Furnish MOPT's revised proposal based on the actuals for the first six months of the financial year 2012-13 within a period of three weeks. Simultaneously, forward a copy of its revised proposal to the user organisations, so as to enable them to furnish their comments on the revised proposal. The users were also advised to furnish their comments to TAMP and MOPT simultaneously, within two weeks. Thereafter, MOPT to respond to the comments of the users within two weeks.

(ii). MOPT has envisaged capital and maintenance dredging, commissioning of two more mooring dolphins, revamping of berth No. 9 and commissioning of one 100 Tonne HMC during the tariff cycle 2013-14 to 2015-16. It appears that Adani Mormugao Port Terminal Pvt. Ltd. (AMPTPL) may also commission the PPP Berth in the next tariff cycle of MOPT on account of which there may be additional vessel traffic at PPP berth. It appears that the MOPT has built a new berth at break-water for use by Cruise vessels and other vessels. It also appears that MOPT may handle non-cargo vessels at Berth No. 4 and Break Water mole.

Therefore, the MOPT may review its traffic and income estimates while revising its proposal in view of its development plans.

(iii). With reference to the written comments received from Mormugao Ships' Agents' Association (MSAA) on the proposal of MOPT at the joint hearing (forwarded to MOPT), the port was requested to furnish its comments, if any, on the written comments made by Mormugao Ships' Agents' Association.

(iv). To furnish its specific reply on the comments of GMOEA & INSA in a focused manner. Simultaneously, a copy of MOPT's response to the GMOEA's comments may be forwarded to GMOEA, to enable them put forth their views.

(v). To furnish its response to the queries raised by us under cover of our letter of even number dated 18 September 2012 within a couple of days, as agreed by it during the joint hearing.

(vi). To furnish its reply to the issues raised by one of the Trustees.

7.2. Since, no reply has been received from MOPT, a reminder was issued vide our letter dated 8 November 2012.

8. With reference to the written submissions filed by MSAA at the joint hearing a copy of which was forwarded to MOPT to furnish its comments, the MOPT vide its letter dated 7 November 2012 has furnished its reply.

9. As decided at the joint hearing, the MOPT was requested to furnish its response to the queries raised by us vide our letter dated 18 September 2012. After reminders, the MOPT has furnished its response vide its letter dated 14 November 2012. Subsequently, the MOPT has furnished further additional information/ clarifications vide its e-mail dated 15 May 2013, fax dated 16 May 2013, e-mails dated 20 May 2013, fax dated 23 May 2013, e-mails dated 31 May 2013, e-mail dated 5 June 2013 and fax dated 7 June 2013. The summary of the queries raised by us and reply furnished by the port through various communications are tabulated below:

Sl. No.	Queries raised by us	Response of MOPT
(A).	**General**	
(i).	In the Form no. 1 at Sl no.3, the MOPT has stated that its pricing strategy is cost based. The MOPT to bring out the impact of the anticipated improvement in the productivity on the unit price.	The MOPT has both Market based and Cost based strategy. The MOPT has furnished revised Form no.1.
(ii).	As required under Sl.No.4 of Form -1, the MOPT to furnish a comparative position between the existing Scale of Rates and the proposed Scale of Rates separately with reasons for change and the proposed changes may be justified.	The MOPT has furnished the copies of existing Scale of Rates and proposed Scale of Rates.
(iii).	In the covering letter dated 29 June 2012, the MOPT has sought an increase of 50% for the vessel related activities. However, in the statement furnished by MOPT to show the change in the average cost for typical port users as required at Sl. No. 5 of Form – 1, the percentage increase in the bill value of the vessel related charges to the user is shown to be around 40%. In this regard, the MOPT to explain the reasons for the said difference.	The MOPT has sought an increase of 50% for the vessel related activities. The necessary changes have been made in revised Form No. 1 at Sl. No. 5 to reflect an increase of 50% for the vessel related activities.
(iv).	The tariff guidelines of 2005 stipulate that tariff should be linked to benchmark of the levels of productivity. In this regard, the	The current performance upto Oct. 2012 and targeted objectives for 2012-13 are as follows:

	MOPT is requested to furnish the details about the current performance and targeted objectives for productivity enhancement measures as required under Sl. No. 6 of its Form – 1. Such benchmark in the level of productivity be included in the Scale of Rates as a conditionality governing the respective tariff items.	**Traffic handled Upto September, 2012** — 12.66 million tonnes **Target 2012-13** — 44.00 million tonnes However, in view of present situation of iron ore mining in Goa, target has to be revised.
(v).	Furnish a copy of the approval of the Board of Trustees of the MOPT for the said proposal.	The approval of the Board of Trustees of the MOPT for the proposal was furnished vide letter of even No. 48 dated 27/07/2012. It has again furnished a copy of the same.
(B).	**Comparison of actuals vis-à-vis estimates provided earlier:**	
	Clause 2.13 of the tariff guidelines of 2005 requires this Authority to review the actual physical and financial performance at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing the prevailing tariff. In this context and with reference to Form – 7 of the tariff proposal filed by MOPT, the MOPT to clarify/ furnish the following:	
(i).	In the Form – 7, the MOPT has compared the estimates of the years 2009-10 to 2011-12 with the actuals for the respective period. As mentioned at paragraph no. 14(ii) of the Order of May 2010, the MOPT has correctly included the actuals for the year 2009-10 for comparison with the estimates of the corresponding period. Nevertheless, it may be recalled that the tariff had been fixed for the years 2010-11 to 2012-13 by relying upon the estimates for the said years. Therefore, it is necessary to compare the estimates relied upon in the Order of May 2010 for the year 2012-13 also with the actuals/ estimates for the said period. In view of the above, MOPT to revise the Form - 7 by including the comparison for the year 2012-13 also. In this regard, the MOPT to also furnish the following:	The MOPT has furnished the revised Form – 7 including the actual for the period from April, 2012 to September, 2012.
	(a). Actuals for the period from April 2012 to August 2012.	
	(b). Revised Estimates for the year 2012-13.	
	(c). Budget Estimates for the years 2013-14 and 2014-15.	
(ii).	As mentioned at Paragraph no. 14(xvi)(c) of the Order of May 2010, the MOPT was advised to maintain a separate account of the pension fund and furnish the audited details of fund for scrutiny at the time of next review. In this regard, except for stating in its proposal that the actuarial valuation of Pension liability for the	(a). The Balance Sheet and Receipt & Payment Account of Pension Trust Fund are forming part of Annual Accounts of the Port. These are being audited by C&AG every year. The copies of Annual Accounts are also forwarded to the TAMP every year. The relevant extract of the audit observations as regards short contributions to the Pension

<table>
<tr><td></td><td>employees and pensioners including family pensioner has been worked out to ₹680 crores by LIC as on 31.03.2012 and that the balance of Pension Trust Fund was ₹366 crores as on 31.03.2012, the MOPT has not furnished the audited details of the pension fund. The MOPT to furnish the audited account of the pension fund for the years 2009-10 to 2011-12.</td><td>Trust Fund on the Annual Accounts for 2011-12 is furnished.

(b). The port has subsequently vide email dated 20 May 2013 requested to consider the updated actuarial valuation of the Pension Fund liability and the Pension fund Balance assessed as on 31 March 2013 as given below:
₹ in crores<table><tr><td>Pension fund liability as per the actuarial valuation as on 31 March 2013</td><td>996.26</td></tr><tr><td>Balance assessed in the Pension fund as on 31 March 2013</td><td>414.00</td></tr><tr><td>Short fall in the Pension Fund</td><td>582.26</td></tr></table>
The port has furnished a copy of the actuarial Report of the LIC as on 31 March 2013 in this regard.</td></tr>
<tr><td>(iii).</td><td>Furnish a statement reconciling the surplus/ deficit shown in the Annual Accounts for the year 2009-10 with the surplus/ deficit reflected in the Cost statement for the corresponding period.</td><td>A statement reconciling the surplus/deficit for the year 2009-10 with the surplus/deficit in the cost statement was submitted alongwith the proposal which is again furnished.</td></tr>
<tr><td>(iv).</td><td>The reason for a reduction of actual major item of cargo traffic to the tune of around 22% during the year 2011-12 as compared to the year 2010-11 to be explained, in the context of the MOU for the year 2011-12 targets an increase in traffic to the tune of 5% over the actuals for the year 2010-11.</td><td>MOPT is Mono-Commodity Port. The traffic of iron ore consists of 80% of the total traffic handled at this Port. The State Govt. had restricted extraction / transportation of iron ore during the year 2011-12, as “Shah Commission” was investigating the cases of illegal iron ore mining operations in Goa. The iron ore traffic reduced to 29 MMT during 2011-12 from 40 MMT in 2010-11.</td></tr>
<tr><td>(v).</td><td>There is difference between all the actual figures for the years 2010-11 and 2011-12 as given in the Form – 3A and that given in the Form – 7. The MOPT to revise the relevant Forms, wherever necessary, to ensure reflection of same figures in both the Forms.</td><td>Form – 7 is revised incorporating the actual figures for the year 2010-11 as given in the Form – 3A. The actual figures for the year 2011-12 match with the figures given in Form – 3A.</td></tr>
<tr><td>(vi).</td><td>This Authority in its Order of May 2010 had granted an increase of 30% in the Ore handling activity, 30% in the vessel related activity and 30% increase in the ground rent and storage charges for explosives in the then existing Scale of rates of MOPT with effect from 9 July 2010. The MOPT is, therefore, to increase the estimated income shown in Form -7 at the then existing level of tariff for the period 9 July 2010 to 31 March 2013, to give effect to the increase granted vide tariff Order of May 2010.</td><td>The MOPT has furnished Form No.7 incorporating therein estimated income at the actual level of traffic.</td></tr>
<tr><td>(vii).</td><td>As can be seen from the cost statements furnished by MOPT for the years 2009-10 to 2011-12, no royalty receipt has been considered as part of the operating income. That means, the entire amount</td><td>The MOPT has furnished the revised Form – 9 wherein it has considered entire revenue share receipts are transferred to the Escrow Account.</td></tr>
</table>

	should have been transferred to the Escrow Account. However, from the details furnished by the MOPT in the Form – 9, it is seen that the MOPT has transferred only 50% of the income received from the BOT operators during the year 2010-11 and 2011-12 to the Escrow account. It is relevant to mention here that as seen from the details of Escrow account as reflected in para 14(xii) of the Order of May 2010, the entire amount of royalty receivable by the MOPT has been estimated to be transferred to the Escrow account. The MOPT is, therefore, to revise Form – 9 by considering the entire royalty / revenue share receipt for all the years under consideration. Further, the MOPT to furnish the details in Form – 9 for the year 2009-10 also, by linking the opening balance for the year 2009-10 from the details of Escrow account as reflected in para 14(xii) of the Order of May 2010.	
(viii).	Furnish the workings on the interest earned on the investment from Escrow account shown in Form – 9.	The actual interest received on the investments from 2009-10 to 2011-12 are accounted to Escrow Account. The interest for the subsequent years is estimated @ 9% on investments available pertaining to this account.
(ix).	As reflected in the Escrow account drawn at para 14(xii) of the Order of May 2010, the MOPT had estimated utilisation of amount in the Escrow account to the tune of ₹977.66 lakhs, ₹800 lakhs and ₹4200 lakhs during the years 2009-10 to 2011-12 towards creation of infrastructure. However, from the details now furnished by MOPT shows that the MOPT has spent an amount of only ₹1509 lakhs during the year 2010-11 and no amount was utilised for the year 2011-12. The reason for not making investments from the Escrow account in tune with the Order of May 2010 to be furnished.	The Port is funding scheme through general reserve and once a particular scheme is completed, then to that extent an amount is withdrawn from Escrow Fund and general reserve is adjusted. In 2011-12, not a single scheme was completed and therefore, amount was not withdrawn from Escrow Fund.
(x).	In its cost statement, MOPT has considered an amount of ₹9432.04 lakhs and ₹9690.54 lakhs as Income from the Vessel related charges for the years 2010-11 and 2011-12. However, the Income from the Port & Dock facility as furnished in the Annual Accounts of the respective years less income from special rate works out to ₹9447.03 lakhs and ₹9711.06 lakhs. The difference in the amount shown in the Cost statement and Annual Accounts to be reconciled and a reconciliation statement to be furnished.	Reconciliation statement of vessel related charges is furnished.
(xi).	The activity wise operating cost given in the Cost statement by the MOPT for the years 2009-10 to 2011-12 does not match	Reconciliation statement of activity-wise operating cost is furnished.

<table>
<tr><td></td><td>with the activity wise expenditure less depreciation in the Annual Accounts. The MOPT to reconcile the difference in the amount shown in the Cost statement and Annual Accounts and the reconciliation statement to be furnished.</td><td></td></tr>
<tr><td>(xii).</td><td>In its Cost statement, MOPT has considered an amount of ₹6274.46 lakhs, ₹6047.53 lakhs and ₹6336.69 lakhs as Management & General Overheads for the years 2009-10 to 2011-12. However, Management & General Overheads as furnished in the Annual Accounts of the respective years less depreciation works out to ₹5943.84 lakhs, ₹5428.90 lakhs and ₹5687.42 lakhs. The difference in the amount of Management & General Overheads shown in the Cost statement and Annual Accounts to be reconciled and the reconciliation statement be furnished.</td><td>Reconciliation statement of Management and General Overheads is furnished.</td></tr>
<tr><td>(xiii).</td><td>From the Reconciliation Statement furnished by MOPT, it is seen that the MOPT in its Cost Statement has excluded the depreciation relating to the assets funded from the Escrow account. The MOPT is requested to furnish the workings for the amount so excluded. The reasons for excluding the depreciation on assets funded from Escrow account to be explained.</td><td>In terms of para No.2.8.3 of revised tariff guidelines of 2005, the investments made out of the Escrow Account will not qualify for ROCE when the assets are funded by the Escrow Account, therefore net value of fixed assets and depreciations is excluded from rates revision exercise.</td></tr>
<tr><td>(xiv).</td><td>Furnish a Statement reconciling the difference between the Finance & Miscellaneous Expenditure as reflected in the Cost Statement and that reflected in the Annual Accounts for the year 2009-10.</td><td>The reconciliation statement of the Finance & Miscellaneous Expenditure indicating the difference between Cost Statement and Annual Accounts for the year 2009-10 is given below:

₹ in lakh
<table>
<tr><td>Amount as per Cost Statement</td><td>6,965.56</td></tr>
<tr><td>Add: Contribution to Pension Trust Fund –</td><td></td></tr>
<tr><td>Received from Pension Levy</td><td>1,763.66</td></tr>
<tr><td>Board's Contribution to CPF</td><td>9.49</td></tr>
<tr><td>Contribution to Port Employees Welfare Fund</td><td>7.70</td></tr>
<tr><td>Board Contribution - PFRDA -Tier I</td><td><u>32.38</u></td></tr>
<tr><td>Amount as per Annual Account</td><td>8778.79</td></tr>
</table>

Income received from Pension Levy is excluded from the purview of tariff computation. Employee related expenditures are accounted under respective activities and residual administration expenses are apportioned on the basis of principal / sub-activities as Management and General Overheads.</td></tr>
</table>

<table>
<tr><td>(C).</td><td><u>Financial/Cost Statement :</u></td><td></td></tr>
<tr><td>(1)</td><td><u>Capacity:</u>
Furnish workings for the designed capacity of the port for the years 2012-13 to 2015-16 shown in Form – 2A. The MOPT is also requested to assess and furnish alongwith workings, the capacity of the major facilities separately for the years 2012-13 to 2015-16 considering the capital investment proposed to be made during these years and the productivity improvements expected to achieve.</td><td>The details of the designed capacity of the Port for the years 2012-13 to 2015-16 was submitted alongwith the proposal. However, the MOPT has again furnished its copy and has also furnished the details of capacity utilization of the major facilities for the years 2012-13 to 2015-16 which is tabulated below:
<table><tr><th></th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr><tr><td>Traffic MT</td><td>403.30</td><td>432.20</td><td>460.90</td><td>478.00</td></tr><tr><td>Designed Capacity</td><td>419</td><td>458.10</td><td>507.90</td><td>507.90</td></tr><tr><td>Capacity Utilisation</td><td>96%</td><td>94%</td><td>91%</td><td>94%</td></tr></table></td></tr>
<tr><td>(2)</td><td><u>Traffic :</u></td><td></td></tr>
<tr><td></td><td>With reference to estimation of traffic, the following may be clarified:-</td><td></td></tr>
<tr><td>(i).</td><td>Clause 2.5.1. of revised tariff guidelines stipulate that the traffic projections should be in line with the projections in the 5 year annual plan and current / expected growth. The MOPT to, therefore, furnish commodity-wise projections made in the MOU for the year 2012-13. Traffic projections contained in the Business Plan of the Port to be furnished. The basis of estimation of traffic for the years 2012-13 to 2015-16 to be explained.</td><td>The commodity-wise projections made in the MOU for the year 2012-13 and traffic projections contained in the Business Plan of the Port are furnished.</td></tr>
<tr><td>(ii).</td><td>The MOPT to furnish actual cargo and container traffic handled by it during the first five months of the financial year 2012-13.</td><td>The statements of actual cargo and container traffic handled upto October, 2012 are furnished.</td></tr>
<tr><td>(iii).</td><td>The reason for projecting an increase in overall cargo traffic to the tune of only around 3% during the year 2012-13 over the actuals for the year 2011-12 to be justified.</td><td>As “Shah Commission” was investigating the case of illegal mining in the state, the operators of floating crafts & transhippers were reluctant to indicate traffic expected to be handled for next three years during formulation of the General rate revision. Due to uncertain situation of iron ore traffic, only 3% increase on previous year was estimated. It is pertinent to note that under the present mining environment in the State; traffic for the year 2012-13 will decrease by 30% to 35% of the previous year.</td></tr>
<tr><td>(iv).</td><td>Though the MOPT has projected an increase of around 7% in the overall cargo traffic for the years 2013-14 and 2014-15 over the respective previous years, it has projected an increase in traffic of only around 3.7% for the year 2015-16 as compared to the year 2014-15. The MOPT to explain the reasons for reducing the growth percentage in the year 2015-16.</td><td>The private operator M/s. AMPTPL is expected to handle their terminal at Berth No. 7 at traffic level of 3 MMT during 2015-16. The coal which was estimated at MPT berths will be diverted to Berth No. 7. Hence, the growth percentage in the year 2015-16 has been reduced.</td></tr>
<tr><td>(v).</td><td>The reason for estimating only a miniscule increase (3%) in traffic of containers for all the years under consideration to be explained.</td><td>Container traffic over the years has neither shown any dramatic increase nor there were indications of the same. Hence, only 3% increase is considered.</td></tr>
</table>

<table>
<tr><td>(vi).</td><td>List out the items handled/ proposed to be handled under the head of ‘Other port specific Cargo’.</td><td>The following are the list of items handled/proposed to be handled under the head of ‘Other port specific cargo’:
<table><tr><td>(a) Containerised Cargo</td><td>(g) Lime Stone</td></tr><tr><td>(b) Alumina</td><td>(h) Sugar</td></tr><tr><td>(c) Steel Slabs/ Plates</td><td>(i) Granite</td></tr><tr><td>(d) Hot Rolled Coils</td><td>(j) Other Miscellaneous Cargo</td></tr><tr><td>(e) Bauxite</td><td>(k) Other Liquid Cargo</td></tr><tr><td>(f) Coke</td><td>(l) New cargo</td></tr></table></td></tr>
<tr><td>(3).</td><td><u>Operating income :</u></td><td></td></tr>
<tr><td>(i).</td><td>(a). Note 3 to Form 2B of the prescribed formats for tariff proposal adopted by this Authority requires the major ports to provide detailed computation of income with reference to the estimated traffic. However, no such computation has been furnished by MOPT. The MOPT to furnish detailed computation of income with reference to the estimated traffic at MOPT's existing Scale of Rates and the proposed Scale of Rates for all the years under consideration separately for each of the activities and sub-activities.</td><td>The MOPT has furnished the computation of income with reference to the estimated traffic at MOPT’s existing Scale of Rates for each of the activities and sub-activities.</td></tr>
<tr><td></td><td>(b). In the covering letter dated 29 June 2012, the MOPT has stated that operating income has been projected on the basis of expected traffic including traffic to be handled by the South West Port Limited (SWPL) and the Adani Mormugao Port Terminal Ltd. (AMPTL). The rationale behind considering the traffic of SWPL and AMPTL in the income estimation of MOPT to be explained. The MOPT to furnish Cost statement excluding the projections of the private terminal operators.</td><td>The private terminals viz. M/s. SWPL and M/s. AMPTPL are handling their cargo at their terminals, but Port is providing vessel related including railway services to them. Therefore, traffic of these private players are considered in the projections. The Authority may please advise whether to exclude the income from the services provided to them. Traffic expected to be handled by them are shown in the traffic projection statements separately.

The MOPT vide its e-mail dated 15 May 2013 has furnished the revised projections based on RE/BE and earlier estimates of 2013-14, 2014-15 and 2015-16 which is given below:
<table><tr><th>Traffic</th><th>Actual 2011-12</th><th>2012-13 RE</th><th>2013-14 BE</th><th>2012-13 Est.</th><th>2013-14 Est.</th><th>2014-15 Est.</th><th>2015-16 Est.</th></tr><tr><td>MPT</td><td>32490</td><td>17860</td><td>26400</td><td>33430</td><td>34420</td><td>34810</td><td>35020</td></tr><tr><td>SWPL</td><td>6511</td><td>7150</td><td>7600</td><td>6800</td><td>7200</td><td>7500</td><td>7500</td></tr><tr><td>ADANI</td><td></td><td></td><td>1000</td><td></td><td>1500</td><td>2500</td><td>3000</td></tr><tr><td>XIPPP</td><td></td><td></td><td></td><td></td><td></td><td>1000</td><td>2000</td></tr><tr><td>TOTAL</td><td>39001</td><td>25010</td><td>35000</td><td>40230</td><td>43120</td><td>45810</td><td>47520</td></tr><tr><td>MPT</td><td></td><td>55%</td><td>148%</td><td>103%</td><td>103%</td><td>101%</td><td>100.6%</td></tr><tr><td>SWPL</td><td></td><td>110%</td><td>106%</td><td>104%</td><td>106%</td><td>104%</td><td>100%</td></tr><tr><td>ADANI</td><td></td><td></td><td></td><td></td><td></td><td>250%</td><td>120%</td></tr><tr><td>XIPPP</td><td></td><td></td><td></td><td></td><td></td><td></td><td>200%</td></tr><tr><td>TOTAL</td><td></td><td>64%</td><td>140%</td><td>103%</td><td>107%</td><td>106%</td><td>104%</td></tr></table></td></tr>
<tr><td>(ii).</td><td>Apart from the general increase in rate proposed, the MOPT has also proposed introduction of some new tariff items/ facilities. The year wise additional revenue implication arising from all these new tariff items and facilities to be quantified item wise and furnished for all the years under consideration with workings.</td><td>New tariff items introduced are in respect of services which are very rare. In the absence of regular tariff, port was finding it difficult to fix rate which was being questioned by the Trade. No projections are possible at this stage.</td></tr>
<tr><td>(iii).</td><td>The MOPT has not indicated the exchange rate considered by it for estimation of income, as required in Form</td><td>Exchange rate of ₹52 per USD was considered in the proposal.</td></tr>
</table>

	– 2B. The MOPT to indicate the exchange rate adopted by it in its income estimation for the years 2012-13 to 2015-16.	
(iv).	The percentage increase in cargo handling income estimated by MOPT for the years 2012-13 to 2015-16 over the respective previous years is not seen to be in line with the percentage increase in traffic for the corresponding period. While, the traffic for the years 2012-13 to 2015-16 is projected to increase by 3.41%, 7.17%, 6.64% and 3.71% respectively, the cargo handling income is seen to increase only by 0.94%, 0.84%, 2.4% and 1.6%. The MOPT to clarify the position.	Revenue increase cannot be in the same proportion as that of traffic since the rates for handling at different locations differs. It depends on the traffic mix at different locations. Rates of handling iron ore differs at Berth No.9, Mooring Dolphins and West of Breakwater. Further, total traffic also includes cargo to be handled by SWPL and AMPTPL. Their cargo constitute 25% (average) for the years under projections. No cargo handling income from private operators is accounted under cargo handling activity as far tariff guidelines as it is accounted under Escrow Account.
(v).	Explain the reason for not estimating any income from Wharfage and Handling charges of Iron Ore at Mooring Dolphin for the years 2012-13 to 2015-16.	Wharfage and handling charges for cargo handled at Mooring Dolphins has been considered in the workings.
(vi).	In the Form – 2A, the reason for reduction in Revenue share from Transhippers and Floating Cranes and reduction in income from Monsoon levy at Mooring Dolphins for the years 2012-13 to 2015 - 16 as compared to 2011-12 to be explained.	There were indications of Floating cranes and Transhippers reducing their operations due to prevailing mining scenario. Hence, reduction has been shown under revenue share.
(vii).	In the Form – 2A, the reason for estimating a reduction in the income from penal rent on open plots during the years 2012-13 to 2015-16 as compared to 2011-12 to be explained.	Berth No.11 is expected to be developed on PPP basis for which area of open plot is demarcated. Since the project was expected to be awarded in 2012-13, reduction in plot rent is anticipated.
(viii).	In the Form – 2A, the reason for not anticipating any income from Entry permits during the years 2012-13 to 2015-16 when there is actual realisation of income in 2011-12 to be explained.	Income from entry permits has been considered under the Sub-head Sundry Income.
(ix).	In the Form – 2A, the reason for estimating a reduction in the income from penal rent on warehouses during the years 2012-13 to 2015-16 as compared to 2011-12 may be explained.	Since Berth No.11 is expected to be given on PPP basis, virtually port is left with only one berth i.e., Berth No.10 for handling general cargo and therefore lesser general cargo is expected. Hence, lesser penal rent from warehouses is anticipated.
(x).	The reasons for downward trend in income in the following items in the year 2012-13 as compared to the year 2011-12 to be explained :- (a). Wharfage on ore – MD (b). Wharfage on ore – Non OHP (c). Untopping of vessel (d). Prime loading of vessel (e). Wharfage – ship's gear (f) Mooring dolphin	In view of overall scenario of iron ore mining in the State of Goa and downward trend since August 2011, traffic estimated is realistic.
(xi)	Explain the reason for not estimating income from wharfage and handling charges of coal for the year 2015 -16.	Coal being handled at Berth No.11, is expected to be operated at Berth No.7. High Court had ordered port to have pollution free operations which involved huge expenditure. Since it is the policy of the government to have new facilities on PPP basis, no income from coal handling is anticipated as the coal

		handling facility at Berth No.7 is expected to be commissioned by March 2014. However, the royalty / revenue share from the Private Operators is expected at a level of ₹39.19 crores for 2015-16 which is not forming part of operating income of the Port as per tariff guidelines, as this is accounted under Escrow Account.
(xii).	Explain the reasons for not estimating income from demurrage / storage / licence fee / rental on POL including crude oil for the year 2012-13 to 2015-16 when there is actual realization in the year 2011-12.	Port does not have storage facility for POL products and hence no storage, demurrage for POL products are anticipated
(xiii).	The reason for not estimating income from fork lift changes for the years 2014-15 and 2015-16, when there is actual realization in the previous year, to be explained.	Fork-lifts are old and are being disposed off. Further, there is not much demand for them by the Trade.
(4)	**Operating Cost :**	
(i).	MOPT has adopted different escalation factors in the estimation of operating cost. As already communicated by us vide our letter No.TAMP/27/2005-Misc. dated 11 May 2012, an escalation factor of 6.50% per annum will be considered for the expenditure projections in the cost statement.	An escalation factor of 6% (average) is considered for the expenditure projections in the cost statements as against 6.50% communicated by the TAMP, vide its letter dated 11th May 2012. Expenditure like power, maintenance dredging, hire of tugs are market driven and escalation of 6.5% per annum on uniform basis may not be realistic in our opinion.
(ii).	Furnish basis for allocation of all expenses covered under the head of 'Operating Expenses', 'Depreciation' and 'Management & General Overheads' to the various activities and sub-activities alongwith workings.	The operational expenses are apportioned based on the direct cost of individual activity. The Depreciation is based on the life of the assets and the MOPT is following straight line method of depreciation. Depreciation is apportioned based on the value of Capital assets identified to the particular activity and are adopted as per the Companies Act for computation of depreciation. In the case of fixed assets added during the year, depreciation is computed proportionately from the date of assets put to use. The Management and General Overheads are also apportioned on direct cost of the individual activity. The MOPT has furnished the working sheet.
(iii).	Salaries and Wages:	
	(a). The National Tribunal Award of 2006 on manning scales has already been notified. Clause 2.6.2 of the tariff guidelines requires the port to regularly review and adjust the manning scales / datum. Please clarify whether the proposal of the MOPT is based on the revised manning scales. If not, MOPT to modify the estimation of salary and wage cost based on the revised manning scales awarded by National Tribunal in 2006.	Revised manning scale has not been adopted in this port and therefore actual/estimated salaries and wage components have been considered.
	(b). Furnish the existing manning scales for different services, the manning scale proposed to be followed by the MOPT	As stated above, the manning scale for different services has not adopted by the Port. The salaries and wages under principal

<table>
<tr><td></td><td>and cost thereon for the traffic estimation made during the years 2012-13 to 2015-16.</td><td>activities are furnished at Form No.8.</td></tr>
<tr><td></td><td>(c). In the Form – 3B submitted by the Port, it is shown that there is a reduction in the number of employees during the years 2012-13 to 2015-16 as compared to the respective previous years. The MOPT to explain the reason for this decrease in the number of employees.</td><td>There will be decrease in number of employees during the years 2012-13 to 2015-16 as the employees are retiring on superannuation and there will be no new recruitment.</td></tr>
<tr><td>(iv).</td><td><u>Power cost</u>:
Furnish the workings to determine the power cost for each sub-activity for the years 2012-13 to 2015-16.</td><td>The breakup of the power cost for each sub-activities for the years 2012-13 to 2015-16 is as furnished below:
<table>
<tr><th>Sr.</th><th>Name of sub-activity</th><th>2011-12</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr>
<tr><td>1</td><td>MOHP</td><td>2536.09</td><td>2688.26</td><td>2849.56</td><td>3020.53</td><td>3201.76</td></tr>
<tr><td>2</td><td>Estate Activity</td><td>4.52</td><td>4.79</td><td>5.08</td><td>5.39</td><td>5.71</td></tr>
<tr><td>3</td><td>Management and General overhead</td><td>51.34</td><td>54.43</td><td>57.69</td><td>61.15</td><td>64.82</td></tr>
<tr><td></td><td></td><td>2591.96</td><td>2747.48</td><td>2912.33</td><td>3087.07</td><td>3272.29</td></tr>
</table>
The power cost of each sub-activity are based on the cost centre allocated to each sub-activity.</td></tr>
<tr><td>(v).</td><td><u>Fuel cost:</u>
Furnish the workings to determine the fuel cost for each sub-activity for the years 2012-13 to 2015-16.</td><td>The fuel cost for each sub-activities for the years 2012-13 to 2015-16 is given below:
<table>
<tr><th>Sr. No.</th><th>Name of sub-activity</th><th>2011-12</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr>
<tr><td>1</td><td>MOHP</td><td>32.71</td><td>35.98</td><td>39.58</td><td>43.53</td><td>47.89</td></tr>
<tr><td>2</td><td>General Cargo</td><td>0.33</td><td>0.37</td><td>110.08</td><td>132.05</td><td>132.09</td></tr>
<tr><td>3</td><td>Berthing & Mooring</td><td>0.78</td><td>0.85</td><td>0.94</td><td>1.03</td><td>1.14</td></tr>
<tr><td>4</td><td>Pilotage & Towage</td><td>397.13</td><td>436.84</td><td>551.29</td><td>684.26</td><td>752.69</td></tr>
<tr><td>5</td><td>Port Service</td><td>5.16</td><td>5.67</td><td>6.24</td><td>6.86</td><td>7.55</td></tr>
<tr><td>6</td><td>Water supply</td><td>0.17</td><td>0.18</td><td>0.20</td><td>0.22</td><td>0.25</td></tr>
<tr><td>7</td><td>Railway Activity</td><td>90.53</td><td>99.59</td><td>109.54</td><td>120.50</td><td>132.55</td></tr>
<tr><td>8</td><td>Estate Activity</td><td>0.27</td><td>0.30</td><td>0.33</td><td>0.36</td><td>0.39</td></tr>
<tr><td>9</td><td>Management & General overheads</td><td>22.56</td><td>24.81</td><td>27.29</td><td>30.02</td><td>33.02</td></tr>
<tr><td></td><td></td><td>549.63</td><td>604.59</td><td>845.49</td><td>1018.84</td><td>1107.57</td></tr>
</table>
The fuel cost of each sub-activity are based on the cost centre allocated to each sub-activity</td></tr>
<tr><td>(vi).</td><td><u>Repairs and Maintenance Expenses:</u></td><td></td></tr>
<tr><td></td><td>(a). Furnish the workings to determine the repair and maintenance expenses for each sub-activity for the years 2012-13 to 2015-16.</td><td>The Repairs & Maintenance for each sub-activities for the years 2012-13 to 2015-16 is given below :
<table>
<tr><th>Sr</th><th>Name of sub-activity</th><th>2011-12</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr>
<tr><td>1</td><td>MOHP</td><td>388.30</td><td>405.12</td><td>422.70</td><td>441.07</td><td>460.26</td></tr>
<tr><td>2</td><td>General Cargo</td><td>45.23</td><td>47.94</td><td>50.82</td><td>53.87</td><td>57.10</td></tr>
<tr><td>3</td><td>POL</td><td>1.92</td><td>2.04</td><td>2.16</td><td>2.29</td><td>2.43</td></tr>
<tr><td>4</td><td>CHLD</td><td>15.36</td><td>16.28</td><td>17.26</td><td>18.30</td><td>19.39</td></tr>
<tr><td>5</td><td>Berthing & Mooring</td><td>21.25</td><td>22.39</td><td>23.60</td><td>24.87</td><td>26.21</td></tr>
<tr><td>6</td><td>Pilotage & Towage</td><td>4.35</td><td>4.52</td><td>4.70</td><td>4.89</td><td>5.09</td></tr>
<tr><td>7</td><td>Port Service</td><td>42.43</td><td>44.14</td><td>45.91</td><td>47.75</td><td>49.66</td></tr>
<tr><td>8</td><td>Water supply</td><td>30.85</td><td>32.09</td><td>33.38</td><td>34.72</td><td>36.12</td></tr>
<tr><td>9</td><td>Railway Activity</td><td>79.13</td><td>83.56</td><td>88.24</td><td>93.19</td><td>98.42</td></tr>
<tr><td></td><td>Estate Activity</td><td>140.33</td><td>148.41</td><td>156.97</td><td>166.03</td><td>175.62</td></tr>
<tr><td></td><td>Management & General overheads</td><td>688.81</td><td>724.69</td><td>762.51</td><td>802.37</td><td>844.38</td></tr>
<tr><td></td><td></td><td>1457.96</td><td>1531.19</td><td>1608.25</td><td>1689.34</td><td>1774.69</td></tr>
</table>
The cost to individual sub-activities are based on the cost centre allocation.</td></tr>
</table>

<table>
<tr><td></td><td>(b). The MOPT to confirm and show that one time major repairs and maintenance cost, if any, incurred during the past period 2009-10 to 2011-12 are not considered for the past period as well as while estimating this cost item for the years 2012-13 to 2015-16.</td><td>It is confirmed that no one time major repairs and maintenance cost are incurred during the past period 2009-10 to 2011-12.</td></tr>
<tr><td>(vii).</td><td><u>Stores and Spares:</u>
In the Form – 3B submitted by the Port, the expenses towards Stores and Spares is shown at ₹704.74 lakhs for the year 2011-12. On comparison with the ‘Notes to Profit & Loss Account’ forming part of the Annual Accounts, it is seen that the consumption of stores and spare parts for the year 2011-12 is ₹855.10 lakhs. The MOPT to explain the reason for this difference and the difference may be reconciled.</td><td>The amount of ₹855.10 indicated under Notes to Profit and Loss Account in Annual Accounts of 2011-12 is as per General Ledger Codes excluding fuel (₹549.63 lakhs) and tool and equipment's (₹18.74 lakhs). The details are enclosed. While compiling cost statements ₹150.36 lakhs towards stores consumption on sub-activity of Management and General Overhead has been excluded.</td></tr>
<tr><td>(viii).</td><td><u>Dredging Expenses:</u>
The MOPT to furnish the workings to determine the dredging cost estimates for each sub-activity under Vessel related activity for the years 2012-13 to 2015-16.</td><td>The Dredging Expenses for each sub-activity for the years 2012-13 to 2015-16 is given below: The expenditure is allocated on the basis of quantity dredged at different locations:
<table>
<tr><th>Sr. No.</th><th>Name of sub-activity</th><th>2011-12</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr>
<tr><td>1</td><td>Berthing & Mooring</td><td>482.50</td><td>587.78</td><td>588.49</td><td>684.24</td><td>685.02</td></tr>
<tr><td>2</td><td>Pilotage & Towage</td><td>1028.49</td><td>1252.90</td><td>1254.42</td><td>1458.51</td><td>1460.18</td></tr>
<tr><td>3</td><td>Port Service</td><td>1028.49</td><td>1252.90</td><td>1254.42</td><td>1458.51</td><td>1460.18</td></tr>
<tr><td></td><td>Total</td><td>2539.48</td><td>3093.58</td><td>3097.34</td><td>3601.27</td><td>3605.38</td></tr>
</table>

The rates are projected based on actual which in turn influenced by market driven prices.</td></tr>
<tr><td>(ix).</td><td><u>Other expenses</u>:
In each of the Cost statement pertaining to the various sub-activities, there is an item of expenditure ‘Others’. The MOPT to list out the items covered under this head of expenditure. The MOPT to also furnish the workings to arrive at this cost for the years 2012-13 to 2015-16.</td><td>The MOPT has furnished the workings of the Other Expenses for each sub-activity for the years 2012-13 to 2015-16.</td></tr>
<tr><td>(x).</td><td><u>Depreciation</u>:
Depreciation is to be computed in line with Clause 2.7.1. of the tariff guidelines of 2005 and a detailed working for the estimated depreciation cost for the years 2009-10 to 2012-13 indicating details of assets, rate of depreciation, method followed and life norms adopted as per Companies Act to be furnished.</td><td>The Port has been following the straight-line method of depreciation. Depreciation is provided based on the economic life of assets in accordance with the directives/guidelines issued by the Government. The Ministry of Shipping, Road Transport & Highways (MSRTH) vide their letter no. PR-14019/5/2003-PG dated 14th March 2005 had issued revised guidelines. Accordingly, the life norms of fixed assets are adopted as per Companies Act for computation of depreciation. In case of fixed assets added during the year, depreciation is computed proportionately from the date of assets put to use. The MOPT has furnished the detailed working for the estimated depreciation cost for the years 2009-10 to 2012-13 through email dated 14.11.2012.</td></tr>
</table>

(5)	**Management & General Administration Expenses:**	
	(a). List out the items covered under this head of expenditure.	The list of items covered under Management and General Administration Expenses are (i) Management and Secretarial Expenses (ii) Medical Expenses (iii) Store Keeping (iv) Accounting and Auditing (v) Expenditure on Administrative Office (vi) Telephone Expenses (vii) Engineering and workshop overheads (viii) Sundry Expenses (ix) Port Security (x) Legal expenses (xi) Depreciation
	(b). Furnish basis for allocation of the said expenditure to the various activities and sub-activities along with workings.	The MOPT has furnished the basis of allocation of the Management & General Administration Expenses to the various activities and sub-activities.
(6)	**Finance & Miscellaneous Income:**	
	With reference to Finance & Miscellaneous Income, the MOPT to clarify/ furnish the following:	
(i).	Basis for estimating each item under the head of Finance and Miscellaneous Income for the years 2012-13 to 2015-16.	The interest on advances is estimated considering the quantum of advance and interest rate applicable. The other items under the Finance & Miscellaneous Income such as profit on disposal of fixed assets, sale of immovable materials, forfeited deposits, sundry receipts are based on actuals of 2011-12 including previous years.
(ii).	Basis for allocation of the income to the various activities and sub-activities.	The finance and miscellaneous income is apportioned to principal activities/sub-activities based on direct income of the respective activity
(iii).	The nature of the following heads of income reflected under the Finance & Miscellaneous Income to be explained:	
	(a). Interest on TDS Receivable for the years 2010-11 to 2015-16.	Interest on TDS Receivable Account is received when there is delay in refunding the TDS amount by the Income Tax Department.
	(b). Recovery of Liquidated damages for the years 2010-11 to 2015-16.	The recovery of liquidated damages are accounted if the contractor fails to comply with the terms and conditions of the tender conditions.
(7)	**Finance & Miscellaneous Expenses:**	
	With reference to Finance and Miscellaneous Expenditure, the MOPT to clarify/ furnish the following:	
(i).	Basis for estimating each item under the head of Finance and Miscellaneous Expenditure for the years 2012-13 to 2015-16.	The major items under the FME are terminal benefits to the employees including pension payments, contribution to Pension Trust Fund and Gratuity Trust Fund.

		• The Pension Payments are based on actual of 2011-12, number of employees likely to retire during the years 2013-14 to 2015-16 and expected increase in DA. • Retirement Gratuity, Commuted Pension and Terminal Benefit (Encashment of EL) payments are based on the number of employees due for retirement during the years under projections. • Contribution to Pension Trust Fund are based on the no. of employees pay roll during the respective year and amount likely to receive from Pension levy, including actual liability. • Contribution to Gratuity Trust Fund is based on the actuarial liability towards Gratuity. • Remaining items under FME are estimated based on actual of 2011-12.
(ii).	Basis for allocation of the expenditure to the various activities and sub-activities.	The employee related and non-employee related expenditure is apportioned /allocated to the various activities and sub-activities based on man power cost and direct cost of the respective activity.
(iii).	The nature of the following heads of expenditure reflected under the Finance & Miscellaneous Expenditure and considered in the cost statement to be explained:	
	(a). C. to Corporate S R during the years 2011-12 and 2012-13.	In pursuance of Govt. guidelines issued vide letter No. PD-25021/10/2011-PD.II dated 02.12.2011, a proposal was submitted to the Board. The Board vide B.R. No. 221 dtd. 06.01.2012 has approved to allocate a sum of ₹1.65 crores (3% of net surplus of 2010-11 ₹55 crores) towards CSR. As per guidelines a separate fund has been created to fund the activities under CSR. The contribution to Corporate Social Responsibility for the years 2011-12 and 2012-13 is ₹1,64,96,000/- and ₹74,00,000/- respectively.
	(b). Material Price Difference during the year 2011-12.	The Material Price difference during the year is ₹1,91,067.44 which is a stores adjustment entry.
	(c). Contribution to Pension Trust Fund for the years 2010-11 to 2015-16.	The special rate (Pension levy) @ 7% was sanctioned by the TAMP in 2006 for specific purpose i.e. for creation of Pension Fund. The income received / receivable from Pension levy is not sufficient to build-up the Corpus required as per the actuarial liability towards the Pension. Therefore, Port had decided to contribute annually from the General reserve of the Port in addition to Pension levy.

	(d). Contribution to Gratuity Trust Fund for the years 2010-11 to 2015-16.	The available Fund balance in respect of Gratuity Trust Fund is not sufficient to meet the enhanced liability towards Gratuity on account of increase in Gratuity ceiling from ₹3.50 lakhs to ₹10.00 lakhs per employee and increase in salary & wages due to wage revision due from 01/01/2012.
(iv).	One of the items of Expenditure under Finance & Miscellaneous Expenditure is provision for EL Encashment. In this regard, it may be noted that generally expenditure in the form of provision is not considered as an item of expenditure for tariff fixation.	A provision of ₹4.00 Crores has been made towards Earned Leave Encashment of employees for the year 2011-12. The Fund balance as on 31.03.2012 is ₹19.30 crores as against the liability of ₹22.92 crores. The deficit in the fund will be made good in the subsequent years and provision made for the years under projection.
(v).	The reasons for not considering the following expenditure under the head of Finance & Miscellaneous Expenditure for all the years under consideration to be explained: (a). Contribution to P T Fund (b). Board's contribution to CPF (c). C. to Port Emp W.F. (d). B.C. – PFRDA – Tier I	As stated above, employee related costs are allocated under the sub-activity of Residual Administration and then apportioned under other principal/sub-activities in the cost statements on the basis of salaries and wages.
(8)	**Capital employed**:	
	Fixed Assets:	
(i).	MOPT has proposed additions to the gross block as furnished under Form – 4B, during the years 2012-13 to 2015-16. In this regard, please clarify/ furnish the following: (a). Except for making a general statement that the additions to the gross block is to revamp the existing plant and machinery and to provide additional infrastructure facilities to the trade, the MOPT has otherwise not justified the proposed additions to the gross block amounting to around ₹333 crores during all the years under consideration. The MOPT to furnish justification for each of the proposed addition for all the years under consideration.	The MOPT has furnished the (revised) additions to fixed assets vide e-mail dated 31 May 2013 giving the present status of major investments.
	(b). The estimated cost of investments for the years 2012-13 (₹10519.04 lakhs), 2013-14 (₹11499.00 lakhs), 2014-15 (₹5000.00) and 2015-16 (₹5800.00 lakhs) shown in the Form – 4B do not match with the figures shown as addition to Gross Block for the years 2012-13 (₹10578.41 lakhs), 2013-14 (₹11599.00 lakhs), 2014-15 (₹5170.00 lakhs) and 2015-16 (₹5950.00 lakhs) in Form 4-A. The MOPT to reconcile the figures.	Form 4B is prepared after excluding the projects with smaller amounts; hence there was difference in the amounts in the respective years. Now, after including all the projects (i.e. projects with smaller amounts), MOPT has furnished revised Form 4B.
	(c). As per Form – 4B, MOPT has envisaged replacement of receiving yard conveyors and stackers in the years	The book value of assets viz. receiving yard conveyors and stacker is zero and hence the value of these assets is not included in the

	2012-13 and 2013-14. However, Form 4A does not reflect deletion of the said assets from the Gross Block of assets during respective years. Therefore, the MOPT to accord for the deletion of the said items from the Gross Block and account for the profit / loss on sale, if any, of such item in the cost statements.	cost statements. The tender value of replacement of these assets includes the value of old assets.
	(d). The present status in respect of additions proposed for the year 2012-13 to be furnished.	The MOPT has furnished the revised list of additions during 2012-13.
	(e). The status of action initiated in respect of additions proposed for the year 2013-14 also to be intimated.	The MOPT has furnished its revised list of addition during 2013-14.
	(f). It may be noted that only completed and commissioned assets should alone be counted for capital employed. The work-in-progress shall not be taken into account. A confirmation in this regard to be furnished.	It is confirmed that MOPT has considered only completed and commissioned assets for computing capital employed.
	(g). Confirm that the capital outlay in the form of additions to the gross block of assets proposed for the years 2012-13 to 2015-16 is in line with Five year plan envisaged by the Port.	In the revised proposal, capital expenditure has been taken as envisaged in the Five-year plan.
	(h). Furnish basis for allocation of the net block of assets to the various activities and sub-activities along with workings.	The assets identified against the principal activities/sub-activities are directly allotted to that activity with actual cost. The assets identified under the activity of Management and General are apportioned to all the activities based on the cost of their respective activities to the total cost of the activities. The workings for allocation of the net block of assets to the various activities and sub-activities are furnished.
	(i). Though the MOPT has projected huge additions to the gross block of assets, the Form 9 furnished by the Port does not reflect use of the funds from the Escrow account for the proposed additions. The MOPT to consider revising its Form 9.	The MOPT has furnished its revised Form 9 indicating details of the funds utilized from Escrow Account.
	(j). Furnish the items of the capital expenditure incurred or proposed to be incurred from the balance maintained in the Escrow Account. It may be noted that as stipulated in Clause 2.8.3 of the tariff guidelines, the investment made out of the Escrow Account will not qualify for ROCE. Accordingly, MOPT to exclude the items of assets funded from the Escrow account for the purpose of calculating ROCE. The details of items of assets so excluded from the capital employed may be furnished year wise beginning from 2005-06 to 2015-16.	The MOPT has furnished the details of items of assets funded from Escrow account excluded from the Capital Employed are furnished.
	(k). The treatment given in the cost statement to the amount of ₹13 crores received by MOPT as grant from the Ministry of Commerce and Industry for	The Capital cost of the proposed Harbour Mobile Crane is ₹31.06 crores. ₹13.00 crores grants has been received from the Ministry of Commerce and Industry for

	procurement of one Mobile Harbour Crane to be explained.	procurement of one Mobile Harbour Crane. Therefore, ₹18.06 crores is accounted in cost statement.
	Working Capital:	
	The reason for not estimating working capital for the years 2009-10 to 2015-16 to be explained.	The Port receives amount in advance for the services rendered as such working capital estimates is nil.
D.	Scale of Rates	
(i).	MOPT has formulated its proposed Scale of Rates considering an increase in the existing tariff at MOPT. The additional services/ facilities proposed to be provided to the users and the benefit of productivity improvements accruing to users justifying this hike to be listed out.	As stated earlier, additional services/facilities are rare items which give negligible income to port. Rates are proposed for regulating services.
(ii).	The proposed note at 1.2(vi)(a) may be modified in line with clause 2.18.2 of the tariff guidelines of 2005 and the rate of interest to be updated with the prevailing Prime Lending Rate of State Bank of India.	Note at 1.2(vi) (a) has been modified.
(iii).	The reason for deleting the provision prescribed in the existing Note (3)(i) under Section A of Part I regarding non-levy of port dues on pleasure yachts to be explained.	In the proposed scale of rates, Pleasure yachts have been considered under separate classification and composite charge has been proposed. Therefore, levy of port dues has been deleted.
(iv).	The existing Schedule II under Section C of Part I prescribes separate Anchorage charges for vessels engaged in loading/ unloading operations of cargo or embarking/ disembarking passengers and vessels not engaged in loading/ unloading operations of cargo or embarking/ disembarking passengers. The MOPT has now proposed a single Schedule prescribing Anchorage charges to cover all type of vessels. It is seen that such a rationalisation will lead to increase in rates for some group of users and reduced rates to the other set of users. The basis of arriving at the proposed rationalised structure to be indicated. Also, the MOPT to furnish detailed workings to reflect the revenue impact analysis in view of modifications proposed in the rate structure.	To discourage idling of vessels at anchorage at west of break water, rationalization in anchorage charges is proposed. Further, existing rates for idle anchorage are too less to discourage vessels parked at the anchorage without cargo handling which reflected on the efficiency of the Port. Further, since the existing rate is same irrespective of the size of the vessel, it was injustice to the smaller vessels to pay same as the bigger vessel. It may please be noted that the total inberth come under this sub-head will not change if proposed rationalization is considered.
(v).	The reason for proposing the deletion of the existing note no. 6 (relating to levy of berth hire charges at the barge unloading jetties) and 10 (relating to payment of additional charges by Vessels handling cargo or idling at Mooring Dolphis) under the existing Schedule II under Section C of Part I to be explained.	On account of operational difficulties in monitoring the movements of barges berthed at barge jetties, the Port has not been levying the subject charges to the barges.
(vi).	The reason for proposing the deletion of the existing note no. 14 under the existing Schedule II under Section C of Part I (relating to prescription of Efficiency Linked Tariff Scheme) to be explained.	The TAMP had introduced the Efficiency Linked Tariff Scheme at Mechanical ore Handling Plant which was installed in 1979. This plant has outlived its economic life and therefore expecting the old machinery to perform at optimum level may not be

		reasonable. Because of the norm fixed, port is always on the losing side. Therefore, it is requested that Efficiency Linked Tariff Scheme may be deferred till plant is refurbished.
(vii).	The reason for proposing the deletion of the charges prescribed for supply of water by Barges within Breakwater and beyond Breakwater under the existing Schedule A under Section D of Part I to be explained.	Earlier facility of supply of water through port water-barge has been discontinued. Services for supply of water has been contracted out and therefore this item has been proposed for deletion.
(viii).	The MOPT has introduced levy of Wharfage charges on Steel pipe in the Wharfage Schedule prescribed under the existing Schedule 1 under Section A of Part II at ₹84/- per MT. The MOPT to furnish detailed workings to arrive at the proposed wharfage rate for Steel pipes and year wise additional income that may accrue to the part on this account.	Separate working has not been done. However, prevailing rate in the neighbouring port has been considered. The MOPT vide its e-mail dated 5 June 2013 has submitted that the need was felt to introduce wharfage on steel pipes, import and export cargo in the (proposed) Scale of Rate as recently steel pipes were handled at this port, since there was no specific wharfage charges on this commodity. The steel pipes handled are of different size/ dia. Considering the specific type of cargo, output of commodity handled per shift/ per hook, it was proposed to charge ₹60/- per tonne. (The wharfage on steel pipe is ₹51/- per tonne at Paradip Port Trust.) The MOPT vide its e-mail dated 5 June 2013 has also clarified with regard to wharfage charges on granite and marbles that it is handling only dressed engraved granite/ marbles. Therefore, in order to avoid wrong interpretation as regards undressed/ dressed marbles/ granite, classification in the existing Scale of Rate has been deleted.
(ix).	The rationale behind proposing levy of advalorem wharfage charges on pleasure yachts, boats and other small crafts by treating them as cargo to be furnished. In any case, prescription of charges on advalorem basis is not permissible under the tariff guidelines of March 2005, as brought out subsequently in this note.	As brought out in the reply earlier, new tariff items introduced are in respect of services which are very rare. In the absence of regular tariff, port was finding it difficult to fix rate which was being questioned by the trade. Therefore, rates on advalorem basis are proposed. The advalorem rates are also applicable in neighbouring Ports.
(x).	The MOPT has introduced Monsoon levy of ₹50/- per tonne leviable on cargo handled at Mooring Dolphin during the period from 1 June to 30 September on non-regular users/ new exports. In this regard, the MOPT to clarify/ furnish the following:	It was observed that Mooring Dolphins were being used by the trade as and when it suited even though it was constructed at the demand of the trade. There were irregular exporters who used the services of Panjim port during fair season and shifted during monsoon to mooring dolphins due to safety factors. Due to this, regular users of the port were put at disadvantage and therefore in consultation with the Trade and their consent only it was decided to charge monsoon levy only to those users who do not use the port during fair season upto thresh-hold limit. There was no objection from the trade to pay monsoon levy. The levy of monsoon levy was agreed by the Users. A copy of minutes
	(a). Detailed workings to arrive at the proposed monsoon levy.	
	(b). It appears that the levy is penal in nature and that MOPT would not be rendering any additional service towards the said levy. In this backdrop, the MOPT to justify the Monsoon levy, bearing in mind the stipulation contained in Clause 2.11.1 of the tariff guidelines of 2005.	

	(c). From the documents furnished by the Port, it is seen that the MOPT has already started levying Monsoon levy at the rate of ₹50/- per MT from 16 June 2011 onwards. In this regard, as per Clause 2.17.1 to 2.17.3 of the tariff guidelines of 2005, whenever a specific tariff for a service/ cargo is not available in the notified Scale of Rates, the port is to submit a suitable proposal. With the submission of the proposal, the port can levy the proposed charges on an adhoc basis till the rates are finally notified, provided the adhoc rate is derived based on the existing notified tariff for comparable service/ cargo and it is mutually agreed upon by the Port/ terminal and the concerned users. We have not received any proposal with regard to the Monsoon levy. It may be noted that Monsoon levy if charged by the MOPT, from 16 June 2011 does not fall under the stipulation contained in Clause 2.17.1 to 2.17.3 of the tariff guidelines of 2005.	of meeting with the Users is enclosed for kind reference.
(xi).	The reason for proposing a new note that handling charges is a composite charge for unloading of cargo on plot at MOHP, stacking and loading of cargo into ships as note no. (5) under Schedule IV under Section A of Part II to be explained.	Services rendered for the composite charge has not been mentioned in the existing scale of rates. To make it clear, new note on composite charge for handling at MOHP has been proposed.
(xii).	It is observed that the MOPT has not proposed any increase in storage rates of some of the import/ export cargo prescribed under Section C and D of Part II. the reasons for the same to be explained.	General revision in rates may also be applied to the storage rates.
(xiii).	Explain the reason for proposing the deletion of the rent of plots for storing bauxite under the existing Schedule I(B) under Section D of Part II.	Port has shifted to per tonne basis instead of area basis for all bulk cargo as sanctioned by the Authority and only Bauxite was inadvertently left out under the existing schedue1(B) under section D of part II.
(xiv).	The reason for not proposing any increase in the Cargo handling Labour Charges prescribed under Section E of Part II to be explained.	No increase has been proposed for Cargo Handling Labour charges as the activity is in surplus.
(xv).	The MOPT has introduced prescription of advalorem wharfage rates for break bulk cargoes under Section G of Part II of the proposed Scale of Rates. In this regard, it is relevant to mention here that Clause 4.2.2 of the tariff guidelines of 2005 stipulate phasing out of the Advalorem rates from the Scale of Rates of the port trusts. In such a scenario, the reason for now introducing Advalorem levy in the Scale of Rates of MOPT is not found to be appropriate. The MOPT to propose wharfage rates for all cargo items on the basis of cost of handling and special care	It is understood that advalorem rates are still valid in some of the major ports. Break-bulk is being handled in this port whereas the revenue is very meager. Therefore, advalorem rate is proposed.

	required to be taken while handling and storage of the cargo, as stipulated in the tariff guidelines.	
(xvi).	The MOPT has proposed hire charges for some additional Cargo handling equipment under the existing Schedule I under Section C of Part IV. The MOPT to furnish detailed workings to arrive at the proposed hire charge for each of the new equipment in the said Schedule and the estimated year wise additional income that may accrue to the part of this account.	Calculation of hire charges for new equipments is enclosed. The hiring of these equipments is infrequent and therefore revenue is meager. The MOPT vide its e-mail dated 5 June 2013 has further stated that it was proposed to introduce hire charges of cranes in the Scale of Rates viz. 10 Tonne Dal Crane, 11 Tonne ACE Crane, 45 Tonne Omega Mobile Crane and 75 Tonne TIL Crane. All these are old cranes procured by the port. These are used during the repairs and maintenance of Ore Handling Plant. However, whenever, repair and maintenance works are outsourced to the contractors, these cranes are hired to the private parties. Further, it is informed that these cranes are not used in normal cargo operation of the port. The income from hire charges of cranes for the year 2012-13 was ₹5,98,856/-.
(xvii).	The existing Schedule II under Section C of Part IV of MOPT Scale of Rates prescribes levy of hire charges for Reach Stacker on per move basis and per shift of 8 hours. In the proposed Scale of Rates, the MOPT is seen to have deleted the levy based on per shift of 8 hours. The reason for the deletion to be explained.	Container yard management in port has been out-sourced. The Port no more owns any reach stacker. The hire charges are applicable on per move basis and not on 8 hours shift basis. The port users are mostly using the reach stacker on per move basis, hence charges on 8 hours shift basis have been proposed for deletion.
(xviii).	The existing Schedule II under Section C of Part IV of MOPT Scale of Rates prescribes charges for entry of Trucks in Harbour area. In the proposed Scale of Rates, the MOPT is seen to have deleted the said levy. The reason for the deletion to be explained.	Port has mechanized issue of Harbour Entry Permits and separate charges have been fixed based on the investment. Since the charges in the existing schedule II under section C part IV of scale of rates would have been duplication and hence the same has been proposed for deletion
(xix).	The existing Schedule III under Section C of Part IV of MOPT Scale of Rates prescribes charges for Hire of Launches for transporting personnel, provisions, spares etc. In the proposed Scale of Rates, the MOPT is seen to have deleted the said levy. The reason for the deletion to be explained.	Port does not provide the services of hire of launches for transportation of personnel and provision. Therefore, prescribed rates for the services have been deleted in the proposal.
(xx).	The reason for seeking 50% increase in the existing rates prescribed in Schedule III under Section C of Part IV of MOPT Scale of Rates to be explained.	The changes prescribed under Schedule – III, Section C of Part IV of Scale of Rates is falling under Cargo Handling Activity, under which upward revision has been proposed by 50%. Fuel cost due to market conditions and wages to the staff due to wage revision have increased substantially. Already wage revision is due for class III & IV from 1.1.2012. Therefore, the same has been factored in to the cost. However, these services are rarely availed by trade and hardly any income accrues to the port.

<table>
<tr><td>(xxi).</td><td>The MOPT has introduced levy of ‘Congestion charges’ at Schedule IV under Section C of Part IV of the proposed Scale of Rates. In this regard, the MOPT to clarify/ furnish the following:</td><td rowspan="6">Port has limited water area. Within this limited area, floating crafts park the vessel in the East of Breakwater for safety reason. Since, there are lot of movements of crafts like barges and fishing vessels in addition to vessels carrying cargo, to discourage vessels which hinder the movements by parking in the water area, congestion charge is proposed and kept steep as the same is penal in nature. The revenue generation on account of this new proposition would be negligible as these charges are proposed not for revenue generation but only to facilitate movement of cargo vessels.</td></tr>
<tr><td></td><td>(a). Detailed workings to arrive at the proposed Congestion charges for each type of vessels.</td></tr>
<tr><td></td><td>(b). It appears that the levy is penal in nature and that MOPT would not be rendering any additional service towards the said levy. In this backdrop, the MOPT to justify the Congestion charges, bearing in mind the stipulation contained in Clause 2.11.1 of the tariff guidelines of 2005.</td></tr>
<tr><td></td><td>(c). This Authority is required to prescribe conditionalities governing the application of rates. Therefore, the MOPT to propose draft conditionalities to govern the proposed rates.</td></tr>
<tr><td></td><td>(d). The basis for proposing different unit of levy like “per entry”, “per day”, and “per GRT per hour” to be explained.</td></tr>
<tr><td></td><td>(e). The year wise additional income estimated to accrue due to the levy of the Congestion charges.</td></tr>
</table>

10.1. As decided at the joint hearing, the MOPT has furnished the revised cost statement updating the estimates for the year 2012-13 and also estimates for the years 2013-14 to 2015-16 vide their letter dated 19 November 2012. The main submissions made by the MOPT in its revised proposal are summarised below:

(i). The revised proposal is based on the actuals for the first 6 months of financial year 2012-13.

(ii). During the year 2012-13 i.e. upto October, 2012 Port has handled a total traffic of 13.43 MMT as against 20.01 MMT in the corresponding period of previous year. Thus, there is reduction of traffic by 33%. The revised traffic for the years 2010-11 to 2015-16 is tabulated below:

Year	Estimates/ Actuals	Traffic (in million tonnes)
2010-11	Actuals	50.02
2011-12	Actuals	39.00
2012-13	Estimates	25.02
2013-14	Estimates	35.00
2014-15	Estimates	46.09
2015-16	Estimates	47.80

(iii). The major cargo of our traffic consists of Iron Ore which was reduced by 50% upto October, 2012 as compared to the corresponding period of previous year. Besides restrictions on iron ore by State Government and Hon’ble Supreme Court of India, Goa State Pollution Control Board also restricted handling of coal and coke at Berth No. 10 & 11 w.e.f. 24.09.2012.

(iv). Considering the above factors, total traffic to be handled during the period 2012-13 and 2013-14 is projected at 25 MMT and 35 MMT respectively. The traffic projections for the year 2014-15 and 2015-16 is retained at 46 MMT and 47 MMT respectively. However, MOPT are uncertain about it.

(v). The Revised Budget Estimates 2012-13 and Budget Estimates of 2013-14 has been approved by the Board in its Meeting held on 9 November 2012. A copy of Board Note is furnished. The net deficit for the year 2012-13 is (-) 70.96 crores. The estimated net surplus for 2013-14 is only ₹1.40 crores. The Port is in financial crisis at present. There are no indications of operation of mining activities by the end of December 2012. If same situation continues further, we would be unable to pay the salaries and wages to our staff.

(vi). Due to ban imposed by Goa State Pollution Control Board on Coal and Coke the projection of revenue from Harbour mobile crane on Cargo Handling charges has been revised downwards from 2013-14 onwards.

(vii). The cost statement of the port as a whole and for different principal activities and sub activities have been prepared in Form No. 3A as prescribed by the Authority. The summarised position is given below:

(**₹ in Lakhs**)

Sl. No.	Activities/ sub-activities	Surplus/deficit 2012-13		Surplus/deficit 2013-14		Surplus/deficit 2014-15		Surplus/deficit 2015-16		Total surplus/deficit for 2013-14 to 2015-16	Average %	Tariff revision proposed
		(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	
1.	Port as a whole	-14695.26	-60.77%	-11257.98	-35.32%	-9126.67	-23.95%	-10474.49	-26.45%	-30859.14	-28.57%	
2.	Cargo/ container handling activity	-8005.12	-68.30%	-6417.60	-40.44%	-6079.03	-32.52%	-7948.61	-41.81%	-20445.24	-38.26%	
	(i).Ore handling activity	-7416.88	-102.02%	-5891.49	-58.22%	-6101.08	-51.35%	-7761.01	-63.53%	-19753.58	-57.70%	40% hike
	(a). MOHP	-9858.65	-182.42%	-8981.85	-112.53%	-10043.61	-114.81%	-11684.90	-129.95%	-30710.36	-119.10%	
	(b). Ore at stream	1865.70	100.00%	2137.64	100.00%	3132.58	100.00%	3224.97	100.00%	8495.19	100.00%	
	(ii).General cargo	-734.55	-55.70%	-1881.53	-174.51%	-1773.36	-122.67%	-1813.81	-122.41%	-5468.70	-140%	40% hike
	(iii).Ware-housing	-186.71	-271.77%	-87.79	-51.91%	-80.63	-47.57%	-79.35	-46.71%	-247.77	-49%	40% hike
	(iv).POL	253.96	29.34%	220.69	25.32%	255.20	27.75%	275.87	29.13%	751.76	27%	No hike
	(v).CHLD	79.06	3.60%	1222.49	33.67%	1620.84	37.87%	1429.69	34.09%	4273.02	35%	No hike
3.	Vessel related activity	-8410.76	122.55%	-7165.57	-74.35%	-5998.56	-48.96%	-6234.90	-49.79%	-19399.03	-57.70%	
	(i). Berthing & Mooring	-903.42	-28.06%	-926.71	-21.36%	159.19	2.85%	213.54	3.79%	-553.98	-5%	No hike
	(ii).Pilotage &Towing	-4403.86	-177.54%	-3569.01	-99.52%	-3641.33	-80.15%	-3862.95	-82.07%	-11073.29	-87%	50% hike
	(iii). Port Services	-2728.62	-253.26%	-2299.27	-145.21%	-2094.61	-105.25%	-2140.45	-104.43%	-6534.33	-118%	
	(iv). Water supply	-374.87	-438.90%	-370.58	-287.27%	-421.80	-326.98%	-445.04	-345.00%	-1237.42	-320%	
4.	Railway	2390.51	54.94%	3045.85	59.85%	3747.26	63.64%	4557.05	67.28%	11350.16	64%	---
5.	Estate	-669.89	-53.79%	-720.64	-56.41%	-796.36	-62.56%	-848.01	-65.13%	-2365.01	-61%	40% hike

It may be seen from the statement that the total deficit works out to ₹308.59 crores for the projected years (2013-14 to 2015-16) for the port as a whole at existing tariff. Percentage of increase sought in the revised proposal remains at the level of earlier proposal. This is mainly because reduction in revenue due to reduced traffic is compensated by reduction in expenditure on salaries and wages (OTA), power, repairs and maintenance, depreciation, hire charges of tugs, contribution to pension trust fund and gratuity trust fund, which is taken on actual basis whereas in the earlier proposal it was estimated.

10.2. As decided at the joint hearing, the MOPT has also forwarded the revised cost statements to the concerned users to enable them to furnish their comments to TAMP on the revised proposal. The comments received from the users / user organisations were forwarded to the MOPT as feedback information. The MOPT has furnished its remarks on comments of the users / user organisations. M/s.Adani Murmugao Port Terminal Pvt. Ltd. (AMPTPL) vide its letter dated 11 February 2013 has furnished its views on the reply of MOPT as well.

10.3. As decided at the joint hearing, the GMOEA vide its letter dated 23 January 2013 has furnished its comments on the revised proposal of MOPT. The MOPT vide its letter dated 6 February 2013 has furnished its response on GMOEA comments. The GMOEA vide its letter dated 5 March 2013 has furnished its views on the MOPT response. Again the MOPT vide its letter dated 16 March 2013 has furnished its response on GMOEA views.

11. 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.

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

(i). The existing Scale of Rates of the Mormugao Port Trust (MOPT) was last approved by this Authority on 14 May 2010 and the Order was notified on 10 June 2010 with a tariff validity upto 31 March 2013.

Well before the expiry of validity of its Scale of Rates, the MOPT filed its proposal for general revision of its Scale of Rates vide its letter dated 29 June 2012. Subsequently, while addressing queries raised by us, the MOPT has filed revised cost statements vide its letter dated 19 November 2012. The revised cost statements filed by the MOPT vide its letter dated 19 November 2012 along with information/ clarifications submitted by the port during the processing of the case are considered in this analysis.

(ii). (a). Clause 2.8.3 of the tariff guidelines requires the royalty/ revenue share receipts should be first utilised to meet the cost of surplus labour and thereafter at least 50% of the royalty/ revenue share receipts should be transferred to the Escrow Account after meeting the cost of surplus labour and to utilise the funds from Escrow Account for the purpose of creation and/ or modernisation of the port infrastructure facilities within a period of five years. The port has in Form 9 reported that there is no cost of surplus labour.

In the last tariff revision Order, the MOPT had proposed to transfer the entire annual revenue share/ royalty estimated to be earned from BOT operators for the years 2009-10 as well for the years 2010-11 to 2012-13 to the Escrow Account. This position furnished by the MOPT was relied upon in the last Order.

The MOPT in the current proposal has maintained its stand that the entire revenue share receipts is transferred to the Escrow Account.

However, on perusal of the Escrow Account reported in the Annual Accounts for the years 2010-11 and 2011-12 it is seen that port has transferred 50% of the revenue share/ royalty receipt to the Escrow Account and not the entire revenue share as claimed by it during the last tariff revision.

The transfers to the Escrow Account is, therefore, considered at the level reported in the Annual Accounts for the years 2010-11 and 2011-12. For the year 2012-13, the Annual Accounts is not available. Based on the position obtained for the past period, 50% royalty/ revenue share receipt is treated as transferred to Escrow Account as against the port's claim to transfer full revenue share receipts to the Escrow account.

The balance 50% royalty/ revenue share receipt is treated as revenue under cargo handling activity for all these years. For the future period 2013-14 to 2015-16 as well, following the same approach, 50% of the revenue share estimated by port is transferred to the Escrow account and the balance 50% is treated as revenue in the cost statement under the cargo handling activity.

(b). For the years 2012-13, the port has estimated royalty/ revenue share as per Revised Estimates 2012-13. For the years 2013-14 to 2015-16 the MOPT has estimated the royalty / revenue share from the existing BOT terminal operator South West Port Limited as well as revenue share expected to accrue from the year 2013-14 from Adani Mormugao Port Terminal Ltd. (AMPTL) and from the year 2014-15 from the BOT Project awarded/ proposed to be awarded for Berth No.XI on PPP basis. The revenue share likely to accrue from the various BOT operators estimated by the MOPT for the years 2012-13 to 2015-16 is relied upon in this analysis.

(c). During the last revision, the MOPT had proposed to utilize ₹977.66 lakhs ₹800 lakhs and ₹4200 lakhs in the years 2009-10 to 2011-12 respectively from the Escrow Account to meet the capital cost for creation of infrastructure. As against the above position, the details furnished by the MOPT show that ₹749.92 lakhs in the year 2009-10 and ₹78.52 lakhs in the year 2010-11 summing to ₹828.44 lakhs is funded from the Escrow Account for computerisation in the port. In the year 2011-12, capex of ₹1509 lakhs for creation of jetty for relocation of port crafts and small boats and capex to the tune of ₹1206.73 lakhs towards 3 additional mooring dolphins jetty is shown to be funded from the Escrow account. Port has also excluded the net value of these assets from the total capital employed while claiming return on capital employed.

The Escrow account reported in the Annual Accounts, however, indicate only single investment of ₹1509 lakhs withdrawn from the Escrow Account in the year 2011-12. The Annual Accounts of the years 2009-10 and 2010-11 do not report any funds utilized from the Escrow Account in these years to meet any of the capital cost. When sought reasons for the difference in the escrow funding given in the cost statement and figures reported in the Annual Accounts, the port has clarified that the scheme is initially funded through general reserve and once a particular scheme is completed, then to that extent an amount is withdrawn from Escrow Fund and general reserve is adjusted to that extent. It thus appears that though the port envisaged a few projects to be funded from the Escrow account, it has not made suitable transfers from escrow to the general reserve to that extent for the years 2009-10 to 2011-12. In our analysis, based on the clarification furnished by the port, the capex funded from the Escrow account is considered as indicated by the port in its email dated 20 May 2013 and Form 9. The MOPT is, therefore, advised to transfer ₹2089 lakhs (i.e. ₹828.44 lakhs towards computerisation in MOPT plus ₹1206.73 lakhs for 3 additional mooring dolphins) from the Escrow Account for the assets envisaged to be funded from the Escrow Account but not assigned by the port in its Accounts.

(d). The proposal of the MOPT to meet the capex towards replacement of stacker worth ₹266 lakhs in the year 2012-13 and replacement of receiving yard conveyor worth ₹3346 lakhs in the year 2013-14 from Escrow Account is considered.

(e). The additions proposed to the gross block for the year 2014-15 at ₹5170 lakhs and for the year 2015-16 at ₹5950 lakhs includes modernization of Mechanical Ore Handling Plant (MOHP) to the tune of ₹5000 lakhs and ₹5800 lakhs for the corresponding period. For the reasons explained in the subsequent part of the analysis, the additions relating to modernization of MOHP proposed in the year 2014-15 by the port has been deferred to 2015-16 in our analysis. The port has not proposed any assets to be funded from the Escrow Account during the years 2014-15 and 2015-16. However, considering the overall deficit reflected in the cost statement of the MOPT and in view of the port's own submission that it will have to borrow funds to meet the capital cost of MOHP, it is not found unreasonable to advise port to meet part of the estimated capex towards modernization of MOHP estimated during these two years by deployment of funds from the Escrow account. Accordingly, in our analysis, ₹3600 lakhs is considered to be deployed from the Escrow account in the year 2015-16 to meet part of the capex relating to revamping / modernization of the MOHP.

(f). Interest on the Escrow Account is estimated at prevailing interest rate of 9% for the years 2012-13 to 2015-16.

(g). Based on the above analysis, the year-wise details of the actual inflows and outflows for the years 2009-10 to 2011-12 and estimated position for the years 2012-13 and for the years 2013-14 to 2015-16 regarding the royalty / revenue share receipts and investment from the Escrow Account are tabulated below:

(**₹ in lakhs**)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1. Opening balance in Escrow Account	2146.20	2298.66	3140.73	1412.13	2143.67	97.09	1724.33
2. Royalty / revenue share Receipts	1200.20	1425.86	1402.20	1740.89	2213.00	3237.00	3919.00
3. Royalty receipts transferred to escrow account as reported in the Annual Accounts in the years 2009-10 to 2011-12 and 50% in the years 2012-13 and 2013-14 to 2015-16	703.05	712.93	701.10	870.45	1106.50	1618.50	1959.50
4. Interest on Investments as per Annual Accounts for the years 2009-10 to 2011-12. Thereafter, computed at 9% on the opening balance in the fund	199.33	207.66	340.21	127.09	192.93	8.74	155.19
5. Funds utilized/ to be utilized from Escrow Account for creation of infrastructure assets	749.92	78.52	2769.91	266.00	3346.00	0	3600.00
6. Closing Balance (1+3+4-5)	**2298.66**	**3140.73**	**1412.13**	**2143.67**	**97.10**	**1724.34**	**239.03**

(iii). (a). Clause 2.1.3 of the tariff guidelines mandates review of the actual physical and financial performance of the port at the end of the prescribed tariff validity period with reference to the projections relied upon at time of fixing the prevailing tariff.

(b). The Scale of Rates of MOPT last approved in May 2010 was based on the estimated position for the years 2010-11 to 2012-13.

The actuals for the year 2012-13 are not available at the time of analysis of this case. The MOPT has furnished estimates for the year 2012-13 based on the actuals for the period April to October 2012. The estimates furnished by the MOPT are considered subject to certain modifications as explained in the subsequent paragraphs of this analysis. Since the analysis for the year 2012-13 is done based on the estimates, the actual position shall be subject to review during the next revision exercise. If the variation is found to be more than the level prescribed in the tariff guidelines, it shall be adjusted in the next tariff validity cycle.

It may be further relevant to mention here that during the last revision, the figures for the year 2009-10 was analysed as part of the past period performance based on the estimates given by the port for the period April to September 2009. Para 14(ii) of the last Order states that the actual for the year 2009-10 will be subject to review in the next tariff review. Hence the actuals for the year 2009-10 is also analysed with reference to the estimates relied upon in the last tariff Order.

(c). The analysis furnished by the MOPT for the past period 2009-10 to 2012-13 is modified. The modifications for the years 2009-10 to 2011-12 are explained below. The modifications done in the estimated position furnished by MOPT for the year 2012-13 are explained in para 12(vii) to (xiii).

(i). The income estimates for the years 2010-11 to 2012-13 considered by the MOPT as per the last tariff Order are adjusted with reference to the increase in the tariff granted in the last tariff Order for a like to like comparison. The effect of 30% increase in the ore handling, 30% hike in vessel related activity and 30% increase in the storage charge for explosives/ dangerous goods along with rationalization in the demurrage charge estimated to generate additional revenue of ₹172 crores in the three years period is considered in the estimated income.

(ii). The actual income reported from the levy of the special rate to meet the Pension fund Liability is excluded from the income reported for the years 2009-10 to 2011-12 in line with the approach followed in the last tariff Order. The same approach is followed for the year 2012-13 as well.

(iii). 50% of the revenue share receipts is treated as the revenue and the balance 50% is transferred to the Escrow Account as explained in the earlier paragraph.

(iv). The MOPT has excluded the depreciation on the assets funded from the Escrow account. Clause 2.8.3. stipulates that the investment made out of this Escrow Account will not qualify for ROCE on the assets funded by the Escrow Account. It does not disallow depreciation and maintenance cost on the assets funded from the Escrow account. That being so, the depreciation is considered as reported in the Annual Accounts for the years 2009-10 to 2011-12. The same approach is followed for the year 2012-13. This is in line with the approach followed in the tariff revision cases of other Major Ports.

(v). Interest income, dividend income under the head Finance and Miscellaneous Income and interest expense under the head Finance and Miscellaneous Expense are excluded maintaining the position followed in the last tariff Order.

(vi). The MOPT has considered actual pension payments as reported in the Annual Accounts at ₹3846.85 lakhs, ₹4404.54 lakhs for the years 2010-11 and 2011-12 respectively and ₹5285.50 lakhs estimated for the year 2012-13. This is in line with the approach followed in the last tariff Order.

Apart from that MOPT has also considered contribution to the Pension Fund after excluding the revenue collected from the special rate. The Contribution to the Pension fund reported in the Annual Accounts is ₹2800 lakhs in the year 2010-11, ₹2650 lakhs in the year 2011-12 and for the year 2012-13 it is estimated at ₹1264.71 lakhs. After excluding the revenue earned from the special rate for the respective years, the port has considered ₹749.18 lakhs and ₹740.18 lakhs and nil as a contribution to the Pension Fund for these three years and claimed as an expense under the head FME.

Considering part of the contribution towards the Pension fund as expense in addition to total pension payments is not in line with the approach followed in the last tariff Order and the general approach followed by this Authority in tariff revision of other Major Ports. While analysing the actuals, the pension payments reported in the Annual Accounts under the head FME is included for each of the year 2009-10 to 2012-13. Contribution to pension fund considered by the MOPT under the head FME is not considered in line with the approach followed in the last tariff Order.

(vii). The port has not estimated the working capital. It has clarified that the working capital is nil as the port collects amount in advance for the services rendered. The current assets in terms of Debtors, Inventory and Cash balances are, however, worked out by us as per the norms stipulated in the guidelines. The items of current liabilities are considered as reflected in the Annual accounts. The figures of working capital so derived turns out to be negative. As a result, the working capital is considered as NIL.

(viii). For the years 2009-10 to 2011-12, the net block of assets as shown in the annual accounts for the respective years has been considered as the capital employed. The net block of assets for the year 2012-13 estimated by MOPT is considered as capital employed.

As explained earlier, some of the capex is considered to be met from the Escrow fund. The net value of the assets funded from the escrow account furnished by the port in its cost statement has been subsequently revised by the port. The revised position is considered in our analysis. The capital employed excluding the net value of assets funded from the Escrow account in each of the years is considered for allowing ROCE.

The port has furnished classification of assets into business assets, business related assets and social obligation assets. The business related assets and the social obligation assets are considered at the level indicated by the MOPT. The business assets furnished by the port for different activities/ sub-activities is modified in view of the modified capital employed. In the absence of the classification of assets into business assets, business related assets and social obligation assets for the year 2009-10, ratio of asset classification in the year 2010-11 is applied to the year 2009-10.

(iv). Clause 2.9.10 of the tariff guidelines allows maximum permissible Return for capacity utilisation of 60% and above and if capacity utilization is in the region of 50% to 60%, guideline stipulates pro-rata adjustment after analysing the factors leading to capacity underutilisation. The designed capacity as furnished by MOPT is 350.5 lakh tonnes for each of the years 2010-11 and 2011-12 and 419 lakh tonnes in the year 2012-13. This includes the capacity of BOT berths.

The designed capacity after excluding the designed capacity of the BOT operators comes to is 345.5 lakh tonnes for each of the years 2010-11 and 2011-12 and 414 lakh tonnes for the year 2012-13. The MOPT has not furnished designed capacity of the port for the year 2009-10. For the purpose of review, it is considered at 345.5 lakh tonnes at the level of 2010-11. Taking into account the actual traffic handled by MOPT (excluding traffic of BOT berths) during the said years, the capacity utilization with reference to the total designed capacity of the port works out to 120%, 129%, 94% and 43% during the years 2009-10, 2010-11 to 2012-13 respectively. It is seen that for the years 2009-10 to 2011-12, the capacity utilization is above 60% and hence the MOPT is entitled for maximum permissible Return of 16% on the business assets for these years.

It is seen that only for the year 2012-13 the capacity utilization is below 60%. The port has requested to allow 16% ROCE without any pro-rata adjustment in the return.

The MOPT has clarified that the major cargo handled by the port is Iron Ore which has reduced from 406.25 lakh tonnes handled in the year 2010-11 to 293.70 lakh in the year 2011-12 and 150.10 lakh tonnes in the year 2012-13. The reduction in the traffic of the MOPT is reportedly on account of ban imposed by Hon'ble Supreme Court of India in October 2012 on the mining operations. Recognizing that the reduction in the iron ore traffic on account of ban imposed by the Supreme Court is beyond the control of the MOPT and also recognizing that the average capacity utilization of MOPT for the three years 2010-11 to 2012-13 together comes to 78%, maximum permissible return of 16% on business assets is allowed for the years 2012-13 as well at the level of return allowed in the last tariff Order.

This, however, does not have any effect on the future tariff revision because the loss for the past period, for reasons explained in the subsequent paragraphs, is not considered for adjustment in future tariff.

Return on business related assets is also allowed at the maximum permissible level of 7.40% in the year 2009-10 and 8.40% for the years 2010-11 to 2012-13 as considered in the last tariff revision. The social obligation assets do not attract any return as per the guidelines.

(v). A copy of the cost statement for the year 2009-10 vis-à-vis the estimates relied in the last tariff Order as past period analysis is attached as **Annex - I**. A summary of the comparison of the actuals vis-à-vis the estimates for the year 2009-10 which was analysed as past period performance in the last tariff Order is tabulated below:

Particulars	**For the years 2009-10 (₹ in lakhs)**		**Variation in %**
	Estimates as per tariff Order	**Actuals**	
Traffic (in lakh tonnes) [excluding traffic of BOT operator]	398.4	416.0	4%
Operating Income	26,452	30,216	14%
Total Expenses	**28403**	29,070	2%
Surplus/ deficit before Return	**(1951)**	**1146.50**	
Capital Employed (Average)	30,912	29,126	-6%
Return on Capital Employed	4,335	4,106	-5%
Net Deficit after ROCE	(6285)	(2960)	

The exercise of analysing the 2009-10 actuals is limited to the extent of examining whether any undue advantage has accrued to the MOPT in the actuals. As can be seen in the above table, the variation in all the parameters is less than (+)/(-) 20% when compared to the estimates relied upon in the last Order. As against deficit of ₹6285 lakhs estimated in the last Order, in actual terms the MOPT was in deficit to the tune of ₹2960 lakhs. Thus, it is ascertained that no advantage is accrued to the MOPT in actual terms for the year 2009-10.

(vi). (a). A copy of the cost statement analysing the actual vis-à-vis estimates for the past period 2010-11 to 2012-13 is attached as **Annex - II**. A summary of the comparison of the actuals vis-à-vis the estimates considered in the last tariff Order is tabulated below:

Particulars	**Aggregate for the years 2010-11 to 2012-13 in absolute terms (₹ in lakhs)**		**Variation in %**
	Estimates as per tariff Order	**Actuals (2010-11 and 2011-12) Estimates (2012-13)**	
Traffic (in lakh tonnes)	1376	950	-31.0%
Operating Income	106,061*	93,065	-12.3%
Total Expenses (including depreciation)	**89,992**	**93,799**	4.2%
Surplus/ deficit before Return (Average)	**16,069**	**(734)**	
Capital Employed (Average)	39,405	33,502	-15%
Return on Capital Employed	17,880	15,338	-14.2%
Net Deficit after ROCE	(1,811)	(16,072)	

***** The operating income estimates are updated to reflect the effect of tariff increase granted in last tariff Order.

(b). It is seen that the MOPT has made a revenue deficit of ₹22.15 lakhs, ₹3,825.38 lakhs and ₹12,224.07 lakhs for the years 2010-11 to 2012-13 respectively aggregating to ₹16,072 lakhs. It is seen that the port has thus not earned the entitled return of 16% per annum for these three years.

(c). In the instant case, the variation in the overall physical performance i.e. traffic is more than -31% for the three years 2010-11 to 2012-13. The port has explained that main cause for reduction in the traffic is due to ban imposed by the Supreme Court on the mining operations. Though the traffic shows a drop of 31%, the variation in the other financial parameters viz., the income, the expense and the capital employed is found to be within 20%.

It is observed that the actuals for the years 2010-11, 2011-12 and estimates for 2012-13 reflect total operating loss of ₹734 lakhs without even considering return on capital employed. It is notable that the port has not made any claim for adjustment of deficit during the past period in the current tariff cycle. As can be seen later, even without providing for past losses, tariff increase warranted would be high.

It is, therefore, not found necessary to adjust the deficit accrued in the past period in the future tariff and unduly burden the users for lower traffic volume handled by port on account of reasons beyond its control.

(vii). In the original proposal, the MOPT had estimated the total traffic of the MOPT including the traffic of the BOT operator at 40.33 Million Metric Tonnes (MMT) MMT and 43.22 MMT for the years 2012-13 and 2013-14 respectively and 46.09 MMT and 47.80 MMT respectively for the years 2014-15 and 2015-16. As against that in the revised proposal, the port has estimated the overall traffic of the MOPT at 25.0 MMT in the year 2012-13 and 35.00 MMT in the year 2013-14.

The port has stated that as per the MOU entered by the MOPT with the Ministry of Shipping for the year 2012-13, the targeted volume for the port was 44 Million Tonnes. The actual traffic reportedly handled by the port for the first seven months period from April to October 2012 is 13.43 MMT as against 20.01 MMT handled in the corresponding period of previous year. Thus, there is reduction of traffic by 33%. The port has clarified that the reduction in the traffic of the port is on account of ban on iron ore mining by Hon'ble Supreme Court of India and also restriction imposed by Goa State Pollution Control Board in handling of coal and coke at Berth No. 10 & 11 w.e.f. 24.09.2012. In view of the above factors, total traffic during the period 2012-13 and 2013-14 is projected at 25 MMT and 35 MMT respectively.

The traffic projections for the year 2014-15 and 2015-16 are retained at 46.09 MMT and 47.80 MMT respectively as estimated by MOPT in the original proposal though port is uncertain about achieving it. The MOPT has furnished the traffic likely to be handled by the BOT operators operating at its port. The traffic of the MOPT excluding the traffic of the BOT operators viz. South West Port Limited, Adani Mormugao Port Terminal Ltd. (AMPTL) and the BOT operator expected to commence operations at Berth No.XI is 17.865 MMT, 26.40 MMT, 35.09 MMT and 35.30 MMT for the years 2012-13 to 2015-16 respectively.

Based on the clarifications and justification furnished by the port, the traffic projections made by the MOPT for the years 2012-13 to 2015-16 are relied upon and considered for the purpose of this analysis. However, if any undue advantage is found to have accrued to the MOPT due to wrong estimation, adjustment will be made in the tariff at the time of next review of tariff in line with the tariff guidelines.

(viii). The cargo related income is estimated to increase by 36%, 18% and 1.7% in the years 2013-14 to 2015-16 respectively over the income estimates of the respective previous year. As regards the vessel related income, the increase estimated works out to 47%, 20% and 2% for the years 2013-14 to 2015-16 respectively over the income estimates of the respective previous year. It is observed that the income estimated for the year 2014-15 does not commensurate with the traffic growth estimated in this year. The port has clarified that revenue increase cannot be in the same proportion as that of traffic since the rates for handling at different locations differ and it depends on the traffic mix at different locations. The MOPT has furnished the detailed break up on the income estimation and has confirmed that the income has been estimated at the existing rates prescribed in the SOR. Relying on the submissions made by the MOPT, the income estimation is accepted subject to few modifications as explained below:

(a). The MOPT has stated that it has considered a foreign exchange rate of ₹52.00 per US$ to estimate the dollar denominated vessel related income for the years 2012-13 and 2013-14 and 1 US$ = ₹54.00 for the years 2014-15 and 2015-16. In respect of the income estimates from dollar denominated tariff items, the exchange rate prevailing at the time of analysis of the case is to be considered uniformly for all the years under consideration.

The average dollar exchange rate for the year 2012-13 is 1US$ = ₹54.45. The vessel related income from the foreign going vessels for the year 2012-13 is updated to reflect the average exchange rate for the year 2012-13.

Since two months of the year 2013-14 i.e. period from April 2013 and May 2013 is already over, the average exchange rate of ₹54.60 per US$ obtained for the said period is considered. For the period thereafter, an exchange rate of ₹54.74 per US$ is considered as prevailing at the time of concluding the analysis of this case.

(b). The port has not estimated income from demurrage/ storage/ license fee/ rental on POL including crude oil for the year 2014-15 and 2015-16. For the year 2013-14, port has estimated steep reduction in the income from this item over the income estimated for the year 2012-13. When sought clarification, the port has clarified that it does not have storage facility for POL products. It is relevant to state here that the break up of income figures shows there is actual realization of ₹138.86 lakhs and ₹156.53 lakhs in the years 2010-11 and 2011-12 and port has also estimated income of ₹160 lakhs from this item in the year 2012-13. In the absence of any proper justification furnished by the port for steep reduction/ nil income for the years 2013-14 to 2015-16, based on the position obtained for the past period, the storage income from POL is considered at the level of ₹160 lakhs for each of the year 2013-14 to 2015-16 at the level estimated for the year 2012-13.

(c). The port has confirmed that income from vessel related services, license fee and also railway related services provided/ to be provided to the BOT operator is captured in the income estimation under the relevant heads. The breakup of the income estimation furnished by the port confirms this point. The income estimated by the MOPT from the BOT operators is, therefore, considered.

It is observed that the license fee received by the MOPT from SWPL, WISL, etc., is reported under the head vessel related income in the Annual Accounts for the past period. In the cost statement, the port has considered the income estimated from license fee for area allotted to the BOT operators in the berth hire sub activity under the vessel related activity. The nature of income from license fee is of rental nature. At other Major Port Trusts this income is considered under the estate rental. Based on the position and methodology followed at the other Major Port Trusts, the license fee income is treated under the estate activity instead of vessel related activity for all the years under consideration.

(d). The port has estimated the royalty/ revenue share from SWPL, Adani Mormugao Port Terminal Ltd. (AMPTL) and the BOT operator expected to commence at berth no.XI and has transferred the entire estimated revenue share to the Escrow Account. Goa Mineral Ore Exporters Association (GMOEA) and few other users have pointed out that the port has not considered any revenue share income in the income estimates and thereby the deficit has increased.

Clause 2.8.3. of the tariff guidelines of 2005 stipulates that the revenue share/ royalty receivable from the BOT operators is to be first applied to meet cost of surplus labour, if any, and thereafter at least 50% of the balance should be maintained in an Escrow Account for the purpose of creation and / or modernisation of the port infrastructure facilities within a period of five years. The port has not reported any cost of surplus labour.

The analysis of the past period shows that in actual terms, 50% of revenue share is transferred to the Escrow Account which is in line with the provision in clause 2.8.3 of the tariff guidelines of 2005. That being so, as stated in our analysis in para (12) (ii), 50% of the revenue share is transferred to Escrow Account and balance 50% is treated as revenue under cargo handing activity. This is in line with the provision in the guidelines. So the grievance to GMOEA and few other users association in this regard is addressed.

(e). Subject to above modification the estimated cargo handling income works out to ₹12,590.46 lakhs, ₹17,065.22 lakhs, ₹20,473.95 lakhs and 21,129.66 lakhs for the years 2012-13 to 2015-16 respectively. The vessel related income works out to ₹6,027.52 lakhs, ₹8,886.33 lakhs, ₹10,642.60 lakhs and ₹10,881.26 lakhs respectively and the estimated estate income works out to ₹2,363.37 lakhs, ₹2,443.44 lakhs, ₹3,020.21 lakhs and ₹3,085.15 lakhs for the years 2012-13 to 2015-16 respectively.

(ix). Clause 2.5.1. of the revised tariff guidelines requires that the expenditure projections of the major ports / terminal operators should be in line with traffic adjusted for price fluctuations with reference to current movement of Wholesale Price Index (WPI) for all commodities as announced by the Government of India.

The MOPT has adopted different percentage of increase for estimating different cost items. For the purpose of analysis, the total operating expenditure and the management and general overheads (excluding depreciation) is analysed. It is seen that operating expenditure and the management and general overheads (excluding depreciation) is estimated at ₹25,797.44 lakhs for the year 2012-13 which is closer to the Revised Estimates of ₹25,806.46 lakhs as against the actual expenditure of ₹24,082.48 lakhs reported in the previous financial year 2011-12. The increase in the estimated expenditure for the year 2012-13 works out to 7.1% over the actuals reported in the previous year. It is relevant to state that the traffic of the MOPT in the year 2012-13 shows a drop of 45% mainly due to ban on iron ore operations. The total cost excluding the management and general overheads is estimated to reduce by 5% in the year 2012-13, whereas the management and general overheads in the year 2012-13 is estimated to increase by 45% which is leading to overall increase of 7% in the cost over the 2011-12 actuals. It is admitted that in case of the Major Ports most of the expenses / overheads will be fixed in nature and may not vary in proportion to the traffic, however, recognizing that there has been steep reduction of 45% in the cargo traffic of the port, in the year 2012-13, there may be a few cost elements which may reduce to some extent due to drop in traffic. In any case increase of 7% in the total cost does not seem to be justified with 45% reduction projected in the traffic in the year 2012-13 over the 2011-12 actual traffic. Further, in the present financial position of the port it is not unreasonable to expect port to initiate cost control measures to reduce the overall cost. Viewed from this perspective, total operating expenses plus management and general overhead are maintained at the level of 2011-12 actuals without allowing any increase as against 7% annual escalation estimated by the MOPT.

For the subsequent year 2013-14 to 2015-16, the total operating expenditure including the management and general overheads but excluding depreciation is estimated at ₹27,415.76 lakhs, ₹29,298.88 lakhs and ₹30,424.41 lakhs over the estimates of the respective previous financial year. The increase in the estimated expenditure works out to 6.3%, 6.9% and 3.8% for the years 2013-14 to 2015-16 respectively over the estimates of the respective previous years.

This Authority has decided to adopt escalation factor of 7% for the expenditure projections in all tariff cases of major ports and private terminals to be decided in the year 2013-14. Accordingly, the escalation factor in the estimation of overall expenses in the vessel related, cargo handling, estate expense, railways and management and general overheads excluding depreciation for the years 2013-14 to 2015-16 is allowed at 7% per annum over the estimates of the respective previous years. Accordingly, the modified total operating expenditure including management and general overheads excluding depreciation comes to ₹25,768.25 lakhs, ₹27,572.03 lakhs and ₹29,502.07 lakhs for the years 2013-14 to 2015-16 respectively.

(x). The revised tariff guidelines require computation of depreciation on straight line method following the life norms adopted as per the Companies Act in case of major ports. The MOPT has clarified that the Ministry of Shipping, Road Transport & Highways (MSRTH) vide their letter no.PR-14019/5/2003-PG dated 14 March 2005 had issued revised guidelines. Accordingly, the life norms of fixed assets are adopted as per Companies Act for computation of depreciation. In case of fixed assets added during the year, depreciation is computed proportionately from the date of assets put to use. The approach adopted by the MOPT is found to be in line with the provisions prescribed in the tariff guidelines of 2005. The port has excluded the depreciation on escrow account from the estimates. For reasons explained in an earlier paragraph, depreciation on Escrow account is added and is considered in the cost statement.

(xi). The MOPT has estimated Finance and Miscellaneous Income (FMI) after excluding the interest income and also income from school transport charges, port employees transport charges, medical charges. The FMI estimated by the port is ₹221.84 lakhs, ₹221.85 lakhs, ₹650 lakhs and ₹650 lakhs for the years 2012-13 to 2015-16 respectively. The exclusion of interest income on FDs is found to be in line with the approach followed by this Authority. However, in the cost statement prepared by us the income from school transport charges, port employees transport charges, medical charges, etc., are considered as part of the FMI income. The port has included income from dividend on GSL shares and interest on TDS receivable which are excluded in the cost statement prepared by us. Subject to above modifications, the FMI estimated in the cost statement is ₹217.50 lakhs, ₹207.49 lakhs, ₹609 lakhs and ₹609 lakhs for the years 2012-13 to 2015-16 respectively.

(xii). The Finance and Miscellaneous Expenditure (FME) estimated by the MOPT is ₹6,109.00 lakhs, ₹7,392.50 lakhs, ₹9,134.53 lakhs and ₹10,204.28 lakhs for the years 2012-13 to 2015-16 respectively. As stated earlier, the port has considered pension payments as well as contribution to the pension fund after excluding the income estimated from the special rate. The MOPT has clarified that the income received from the special rate to meet Pension levy is not sufficient to build-up the corpus required as per the actuarial liability towards the Pension. Therefore, Port is required to contribute annually from the General reserve of the port in addition to Pension levy to build up the corpus.

It is clarified that in tariff fixation exercise, pension either by way of annual contribution to pension fund or by way of actual payment is allowed as pass through.

In the instant case, the estimate of pension payment is allowed as an expense and hence contribution made to the fund considered by the MOPT is not allowed to be perpetuated in tariff in line with the approach followed by this Authority in other tariff cases.

Port has excluded Board's contribution to welfare fund, PFRDA, contribution to PT fund and treated as part of general overheads. These expense are allowed as expense and considered as part of FME.

Accordingly, the modified FME considered in the cost statements is ₹6,159.00 lakhs, ₹7,4460.50 lakhs, ₹9,114.58 lakhs and ₹10,135.14 lakhs for the years 2012-13 to 2015-16 respectively.

(xiii). (a). The MOPT has proposed the additions to its gross block of assets for the years 2012-13 to 2015-16 to the tune of ₹69.21 crores, ₹120.79 crores, ₹51.70 crores and ₹59.50 crores respectively.

With reference to major additions to the gross block proposed during the year 2012-13 to 2014-15, it has indicated the updated completion date for the major projects which is summarised below:

Particulars	**Expected date of completion / present status**	**Estimated cost (₹ in crores)**
2012-13		
Capital Dredging	Completed 21.06.2012	6.83
Construction of RCC piles structure near berth No. 4	Completed 31.01.2012	12.35
Construction of Berth alongside breakwater	Completed 20.4.2012	45.00
Major additions for 2012-13		**64.18**
2013-14		
Capital Dredging for mooring area	Expected date – 31.12.2013	50.00
Harbour mobile crane	Expected date – 31.07.2013	31.06

Replacement of Receiving yard conveyor	Work awarded	33.46
Major Additions for 2013-14		**114.52**
2014-15 Projects		
Modernisation of MOHP		**50.00**
2015-16 Projects		
Modernisation of MOHP		**58.00**

Based on the status of the capex indicated by the port, the additions proposed to the gross block in the year 2012-13 to 2013-14 is accepted.

As regards, modernization of MOHP estimated in the year 2014-15 and 2015-16, the present status of these projects is not indicated by the port. GMOEA has argued that due to temporary reduction in traffic and uncertainty, revamping and major maintenance may not be considered in the tariff fixation process. The port has during the processing of the case submitted that Mechanical Ore Handling Plant (MOHP) was installed in 1978/ 1979. Since plant is not safe to operate at 100% of the rated capacity, as advised by the technical consultant, it is operating MOHP at a rated capacity of 70% presently and has proposed to revamp the entire MOHP facility in a phased manner. It is understood that some of investment like replacement of receiving yard conveyor, etc., are part of the revamping of the MOHP. Since port has reported that it has initiated the process for few of the capex relating to revamping MOHP, it is not unreasonable to assume that the two other major investments estimated in the years 2014-15 and 2015-16 will materialise in this tariff cycle. Based on this assumption, the additions proposed in the year 2014-15 and 2015-16 is considered subject to one modification. As the port has not shown to have initiated any process on revamping of the MOHP estimated in the year 2014-15, it is deferred to the year 2015-16. Further, as stated in the earlier part of the analysis, part of the capex for revamping of the MOHP i.e. to the tune of ₹3600 lakhs is assigned to be met from the escrow fund balance. This will to some extent provide relief to users from increased burden in the tariff.

If, however, during the time of next tariff review it is found that the capex estimated in 2014-15 and 2015-16 for revamping of MOHP has not materialised in this tariff cycle due to which port has gained any undue advantage, then in that event undue benefit so accrued to the port will be fully adjusted in the next tariff review.

(b). The capital cost for HMC considered by the MOPT is ₹31.03 crores in the year 2012-13. It has not furnished any detailed working for arriving at the cost of ₹31.03 crores. Documentary support furnished by the port shows that the total cost of the HMC including freight is ₹27.46 crores. The capital cost of the HMC is, therefore, considered at ₹27.46 crores relying on the documentary proof submitted by the port. Consequently, the depreciation and the capital employed figures are modified to that extent.

(c). The port has clarified that of ₹31.06 crores capital cost for the HMC considered in the cost statement, ₹13.00 crores is funded by the Government through non-refundable Grant-in-aid. It has forwarded copy of the letter dated 2 February 2012 from Government of India sanctioning grant-in-aid of ₹13 crores to meet the part of the capital cost of the Harbour Mobile crane. That being so, in assessing the overall cost position, return is not allowed on the part of cost of HMC that is funded by interest free non-refundable Grant-in-aid.

(d). Subject to above modification, the net block of assets comes to ₹42,087.24 lakhs, ₹52,036.93 lakhs, ₹50,031.51 lakhs and ₹58,367.27 lakhs for the years 2012-13 to 2015-16 respectively (e). The port has rightly not claimed return on the capex proposed to be met from the Escrow account in line with the stipulation in the tariff guidelines. The position in respect to the Capital Employed considered by us in the cost statement for the purpose of allowing return is given in the following table:

(**₹ in lakhs**)

Sr. No.	Particulars	2012-13 (Estimates)	2013-14 (Estimates)	2014-15 (Estimates)	2015-16 (Estimates)
A.	**Capital Employed at the end of the year**	**42,087.24**	**52,036.93**	**50,031.51**	**58,367.27**
B.	**Utilisation from Escrow A/c**				
(i).	Assets funded from Escrow A/c till the beginning of the year	5222.64	5488.64	8834.64	8834.64
(ii).	Assets funded from Escrow A/c during the year	266.00	3346.00	0	3600.00
(iii).	Cumulative utilization of funds from Escrow Account	5488.64	8834.64	8834.64	12434.64
(iv).	Less Cumulative depreciation (opening)	818.56	1080.86	1484.00	1909.44
(v).	Less Depreciation during the year	262.30	403.14	424.44	450.03
(vi).	Cumulative depreciation	1080.86	1484.00	1909.44	2359.47
(vii).	**Written Down Value of assets funded from Escrow A/c. (iii) - (vi)**	**4407.78**	**7350.64**	**6925.20**	**10075.17**
(viii).	**Written Down Value of HMC cost funded through Grant in aid received from the Government**	**0**	**1165.58**	**1031.16**	**896.74**
C.	**Balance capital employed qualifying for return [A - B (vii) -(viii)]**	**37,679.49**	**43,520.71**	**42,075.15**	**47,395.36**

(f). The port has furnished the breakup of business assets, business related assets and social obligation assets which is relied upon. Consequent to modification in the estimation of capital employed, the classification of assets into three categories also stands modified.

(g). The port has not estimated the working capital. It has clarified that the working capital is nil as the port collects amount in advance for the services rendered. Estimation of current assets following the norms prescribed in the tariff guidelines of 2005 and taking into account the current liability at 2011-12 actuals, the working capital of MOPT becomes negative. As a result, nil working capital has been considered in the cost statements.

(h). The designed capacity assessed by the port is 458.1 lakhs tonnes, 507.9 lakh tonnes and 507.9 lakhs tonnes for the three years 2013-14 to 2015-16 respectively. The port has assessed the overall capacity utilisation of the port including the operations of the BOT at 76%, 91% and 94% for the years 2013-14 to 2015-16 respectively based on the designed capacity of the port and the traffic projections.

The major additions proposed to gross block are for revamping MOHP in a phased manner. The port has confirmed that revamping of MOHP is only replacement of existing old machinery and is not likely to increase the capacity of the port. The position reported by the MOPT is relied upon in this analysis.

In our analysis, the designed capacity excluding the capacity of the BOT operator indicated by the port at 447.99 lakhs tonnes, 492.81 lakh tonnes and 492.81 lakh tonnes is considered for the corresponding period.

Accordingly, the capacity utilization considering the designed capacity and the projected traffic exclusively of the port comes to 59%, 71% and 72% for the years 2013-14 to 2015-16 respectively.

Since the capacity utilization is more than 60% for the years 2014-15 and 2015-16, the MOPT is entitled for full return on capital employed for these two years. It is seen that in the past period the capacity utilisation has been 129% and 94% in the years 2010-11 and 2011-12. The drop in capacity utilisation found from the years 2012-13 and 2013-14 is mainly due to drop in the iron ore traffic during these years. Recognizing that the reduced capacity utilization in these two years is on account of ban imposed by the Hon'ble Supreme Court in October 2012 on the iron ore mining operations which still continues and also bearing in mind that this event is beyond the control of the port, and also recognising that capacity utilization of 59% for the year 2013-14 is closer to the minimum capacity utilization of 60%, prescribed for claiming full return, full return is allowed to the port in the year 2013-14.

By way of abundant caution, it is clarified that this is not to be considered as a precedence for claiming full return in other cases where capacity utilisation is below 60%.

The port has computed the Return on capital employed at 16% for the entire capital employed. The rate of return fixed by this Authority for the cases to be decided in the year 2013-14 is 16% for business assets and Risk free rate is 8.33% for business-related assets. Hence the maximum permissible return of 16% for business assets and 8.33% for business related assets are considered for all the years 2013-14 to 2015-16. No return is allowed on social obligation assets as per the tariff guidelines.

(xiv). In the light of the analysis given above, the cost statements for the port as a whole and different main activities have been modified. The modified consolidated cost statement for the port is attached as **Annex - III** and the modified cost statements for the different main activities/ sub-activities are attached as **Annex - IV (a) to (d)** respectively. The summarised position of the results disclosed by the financial / cost statements for the port as a whole and different main activities are tabulated below:

Particulars	**Operating Income (₹ in lakhs)**				**Net Surplus(+)/ Deficit(-) (₹ in lakhs)**				**Net Surplus(+)/ Deficit(-) as a % of operating Income**			**Average Surplus/ Deficit %**
	2013-14	**2014-15**	**2015-16**	**Total**	**2013-14**	**2014-15**	**2015-16**	**Total**	**2013-14**	**2014-15**	**2015-16**	
(i). Port as a whole	33484.07	40024.75	41869.07	115377.89	-8299.70	-4803.03	-6968.59	-20071.32	-24.79%	-12.00%	-16.64%	-17.40%
(ii). Cargo handling activity	17065.22	20473.95	21129.66	58668.83	-4398.27	-3293.84	-5289.50	-12981.62	-27.56%	-17.47%	-27.59%	-22.13%
(a). Ore	10824.84	12909.10	13476.25	37210.19	-4573.64	-4355.26	-6087.42	-15016.32	-45.20%	-36.66%	-49.83%	-40.36%
(b). General	1153.36	1570.81	1634.52	4358.69	-1720.07	-1499.35	-1591.94	-4811.35	-159.53%	-103.71%	-107.43%	-110.39%
(c). Warehouse	180.89	184.17	187.41	552.48	-68.49	-44.36	-48.85	-161.70	-40.50%	-26.17%	-28.75%	-29.27%
(d). POL	1022.46	1159.44	1204.79	3386.69	387.03	539.17	558.20	1484.41	40.25%	49.93%	50.42%	43.83%
(e). CHLD	3883.67	4650.42	4626.69	13160.78	1576.90	2065.95	1880.49	5523.35	43.43%	48.27%	44.83%	41.97%
(iii). Vessel	8886.33	10642.60	10881.26	30410.18	-7533.36	-6351.50	-7197.37	-21082.23	-84.77%	-59.68%	-66.14%	-69.33%
(a). Berthing	3346.91	3899.03	3913.47	11159.41	-1790.86	-1093.26	-1263.84	-4147.96	-53.51%	-28.04%	-32.29%	-37.17%
(b). Pilotage	3750.83	4599.57	4763.41	13113.81	-3232.06	-2935.63	-3424.03	-9591.72	-86.17%	-63.82%	-71.88%	-73.14%
(c). Port service	1659.58	2015.00	2075.39	5749.97	-2161.26	-1920.45	-2070.08	-6151.79	-130.23%	-95.31%	-99.74%	-106.99%
(d). Water Supply	129.00	129.00	129.00	387.00	-349.18	-402.15	-439.42	-1190.76	-270.68%	-311.75%	-340.64%	-307.69%
(iv). Railway	5089.08	5888.00	6773.00	17750.08	3112.13	3815.30	4571.51	11498.94	61.15%	64.80%	67.50%	64.78%
(v). Estate	2443.44	3020.21	3085.15	8548.79	519.80	1027.01	946.78	2493.59	21.27%	34.00%	30.69%	29.17%
(vi). Port as a whole excluding railways	28394.99	34136.75	35096.07	97627.81	-11411.83	-8618.33	-11540.10	-31570.26	-40.19%	-25.25%	-32.88%	-32.34%

(xv). The cost summary given in the table above clearly indicates that the port as a whole will be in deficit to the extent of about ₹200.71 crores for the three years period under consideration at the existing level of tariff including the railway activity. Excluding the surplus in the railway activity, the port is in deficit to the extent of ₹315.70 crores for the three years period.

Clause 2.11.6. of the tariff guidelines specifies that the financial position of the port as a whole and for each activity / sub-activity is to be considered while determining the extent of tariff revision. At the MOPT some of the activities like the CHLD and POL are reporting revenue surplus position while the rest are in deficit. Therefore, while determining the tariff increase in the deficit making activities the flow of cross-subsidisation needs to be recognised. In this context, it is to be mentioned that though there is a need for phasing out the cross-subsidisation, a sudden withdrawal will have adverse tariff impact on certain activities. For the time being, this Authority has decided to contain the cross-subsidisation by not permitting any tariff increase in the surplus making activities without resorting to a reduction of tariff in such activities. Incidentally, the MOPT has also proposed status quo in the tariff of POL and CHLD which reflect revenue surplus position.

Based on the cost position reflected in each of the activities, this Authority decides to allow tariff increase in some of the major deficit activities leaving some revenue gap uncovered as explained below:

(a). <u>Cargo handling activity</u>:

- Ore handling activity
  The port has proposed 40% increase in the tariff of MOHP and ore handling elsewhere. It is stated here that the assessment of tariff increase in ore handling segment is always done in a comprehensive manner in the past tariff revision cases. The same approach is followed. The ore handling activity reflects a deficit of about 40.36**%.**

  Recognising the deficit reflected in the iron ore handling segment, and also considering that MOPT is proposing major capex to revamp the MOHP facility in this tariff cycle, the tariff increase of 40% proposed by the MOPT on all charges recoverable under iron ore handling activity is found justified. It is relevant here to point out that the iron ore handling charges of MOPT has not been revised upwards for the reasons recorded in the respective tariff Orders since the year 2000 and first increase since the year 2000 was granted only in the year 2010 Order.

- General cargo and warehousing:
  The port has proposed 40% increase handling general cargo and warehousing charges. The cost statement of warehousing activity reflects a deficit of 29% and the general cargo activity is in deficit of 110%. Since the deficit in general cargo handling activity is substantial and also recognising that the warehousing activity complements the cargo handling service which shows a deficit more than 40% except POL and CHLD, it is justified to allow proposed increase of 40% in the warehousing charges as well as the general cargo handling activity.

- POL and CHLD:
  These activities are in revenue surplus position. Hence, status quo is maintained as proposed by the port.

(b). Vessel related charges:

- The MOPT has proposed 50% increase in vessel relating charges viz. port dues, pilotage, and water supply except berth hire. In the cost statement filed by the port, as stated earlier, the port had estimated the income from license fee from BOT operators under the berth hire charge and the cost statement filed by the port reflected a marginal average deficit of 5%. In the modified cost statement prepared by us for reasons already explained, the income from licensee fee is captured under the estate activity and the berth hire activity reflects a deficit of 37% for three years.

- Most of the users have requested not to increase the vessel related charges or moderate the tariff increase proposed by the port. However, recognizing the overall deficit of 69% in the vessel related activity there is a case to increase the vessel related charges.

  The different sub-activities under the vessel related activity including berth hire activity report different levels of deficit. The combined estimated deficit under port and dock activity is about 69% for the three years under consideration. Of the three main sub-activities under the port and dock activity, the sub-activity concerning port conservancy and services reports a huge deficit of 107% whereas the other two sub-activities viz., berthing and pilotage, report a deficit of 37% and 73% respectively. Generally, any vessel calling at the port essentially pays port dues, pilotage and berth hire. Since the effect of all the sub-activities is to be met by the common user group i.e. vessel, it is not found necessary to consider different rate of increase in individual sub-activities. Considering the overall deficit in the vessel related activity and the flow of cross-subsidisation between the activities and bearing in mind that most of the users have raised objection on steep increase proposed in the vessel related charges, 30% across-the-broad increase is granted in the vessel related services.

- The tariff guidelines envisage prescription of berth hire in single slab. In case of MOPT, berth hire is prescribed in two tier slab. During the last tariff revision, the MOPT had submitted that further rationalisation would not be possible perhaps due to adverse impact of certain segment of vessel. It is noteworthy that none of the users during the last tariff revision and in the current tariff revision exercise have demanded berth hire in single slab. At some other ports, this Authority has exercised its discretion and permitted levy of berth hire in more than one slab in view of the difficulties reported. Hence, the existing two-tier berth hire structure is allowed to continue.

- The port has proposed deletion of the existing note no. 14 relating to prescription of Efficiency Linked Tariff Scheme. The port has clarified that the Efficiency Linked Tariff Scheme introduced by TAMP was with reference to MOHP which was installed in 1979. This plant has outlived its economic life and therefore expecting the old machinery to perform at optimum level may not be reasonable. It has, therefore, requested that Efficiency Linked Tariff Scheme may be deferred till plant is refurbished. In view of the submissions made by the MOPT and also recognizing that none of the users including the GMOEA have raised any objection on discontinuing of the ELT scheme, this scheme is temporarily discontinued in the current tariff cycle. The port is advised to include the ELT scheme while formulating the proposal for next tariff revision taking into consideration the modifications envisaged in the ELT scheme in the view of completely revamped facilities at the MOHP.

(c). Estate Rentals:

The proposal of the Port seeks 40% increase in the existing Estate Rentals perhaps to partly compensate the revenue deficit of 61% estimated in the concerned activity. In the cost statement prepared by us estate activity reflects a revenue surplus of 29% on an average for three years.

The proposal of the port seeking revision in the estate under the general revision proposal is not in line with the land policy guidelines. The port trusts are governed by the land policy guidelines issued by the Government from time to time for revision of estate rentals. This position has already been brought out to the MOPT during the tariff revision of 2002, 2006 and 2010 Order.

The MOPT had filed a separate proposal in January 2012 seeking revision of estate rentals following the land policy guidelines of the Government. This Authority has vide Order No.TAMP/8/2012-MOPT dated 8 May 2012 revised the estate rentals of the MOPT lands following the land policy guidelines. The rates prescribed in the said Order are valid for five years period from the date of implementation of the Order i.e. till the year 2017.

In view of the above, the proposal seeking revision in estate rental is rejected.

(d). The port has rightly not proposed any modification in the railway related tariff as it does not fall within the jurisdiction of this Authority.

(xvi). The MOPT has stated that it has recently constructed Berth no. 4, Break water Mole and Break Water Berth particularly to handle non-cargo vessels at a total cost of ₹101 crores. Accordingly, berth hire charges has been proposed at $0.0607 per GRT per hour for foreign going vessels and ₹1.88 per GRT per hour for coastal vessels, irrespective of size of the vessel, in the Scale of Rates. The original proposal furnished by the port contain detailed working for computation of arriving at the proposed berth hire charge. The port has considered deprecation on the asset cost, repairs and maintenance cost at 1% of the Gross block and 16% return on the capital employed of the relevant assets. The total revenue requirement to recover average cost plus 16% ROCE is estimated at ₹1686.76 lakhs per annum after excluding the income estimated from passenger levy. This is estimated to be recovered over total berth occupancy of 588.198 lakh GRT hours and taking into consideration the coastal concession applicable to coastal vessel. Relying on the cost calculation and recognizing that none of the users have made any adverse comment on the rate proposed by the port, the berth hire charge proposed for new berths is approved. The additional income estimated by the MOPT is considered in the financial model to bridge the overall deficit in the port.

(xvii). The MOPT has stated that cargo at Berth nos.10 and 11 is presently handled by using ship gears, due to which the throughput at these berths is comparatively low. It has, therefore, been decided to procure 100 MT Harbour Mobile Crane (HMC) at Berth no.10 and 11 to handle export/ import cargo. The port has proposed hire charges for handling dry bulk, break bulk and other cargo at ₹48.58 per tonne, ₹101.20 per tonne and ₹161.93 per tonne respectively adopting the norms prescribed in the 2008 guidelines. It is seen from the working furnished by the port forming part of the original proposal that the norms and approach adopted by the port for estimating the cargo-wise capacity of the HMC and for estimating the cost is in line with the norms and approach adopted by this Authority while determining the hire charge for HMC at New Mangalore Port Trust, Paradip Port Trust, V.O. Chidambaranar Port Trust for 100 Tonne HMC. The cost computation furnished by the port is relied upon and accepted subject to following modifications:

(a). In the cost calculation furnished for arriving at the proposed rate for hire charge for HMC, the MOPT has considered capital cost of 100 Tonne at ₹3691.73 lakhs. In our analysis total capital cost for HMC is considered at ₹2746.26 lakhs based on documentary proof as stated earlier. It is relevant to mention here that though in the overall cost position, the part of capital cost of HMC funded by the Government is excluded for computation of return, while arriving at the individual cost for hire of 100 Tonne HMC, return is computed on the average net value of assets for three years on the premise that the users should pay for hire of harbor mobile crane irrespective of the funding arrangement followed by the port. It is not found unreasonable to allow the port to recover the overall cost and maximum return permissible by it from users for hire of HMC.

(b). The port has assumed consumption of fuel by MHC at 70 litres per hour as estimated in the case of fixation of hire charge for 100 tonne HMC at PPT, VOCPT and NMPT. The unit cost of fuel considered by the MOPT at ₹47 per litre is updated to ₹52.76 per litre prevailing at the time of this analysis.

(c). The repairs and maintenance cost and insurance are estimated at 5% and 1%, respectively of the capital cost of the HMC are as per the norms prescribed in the guidelines of 2008. This is in line with the approach followed in fixation of hire charge for HMC at other Major Ports and hence considered subject to applying these norms on the modified capital cost. Depreciation is estimated at 10.34% of the modified capital cost of the HMC as per the rate prescribed under the Companies Act, 1956.

(d). ROCE of 16% on the average Written Down Value of the MHC for the three years period is considered based on the decision of this Authority to allow 16% return on investment for the tariff cases to be decided in the year 2013-14.

(e). The MOPT has considered the effect of ratio of foreign/ coastal cargo while arriving at the final rate for HMC. The same ratio is maintained in our calculation as well.

The total estimated annual revenue requirement of operating MHC is ₹1082.31 lakhs which is aggregate of operating cost of crane ₹733.78 lakhs plus 16% return ₹348.53 lakhs. Hire charge for MHC is arrived for broad cargo groups with reference to their respective standard capacity.

(f). The port has arrived at hire charge for broad categories of cargo with reference to the standard capacity of the HMC in line with the approach followed in the case of determining hire charge of HMC in NMPT, PPT and VOCPT.

(g). The cost statement of the MOPT for hire of HMC has been modified in line with the above analysis. A copy of the modified statement for HMC is attached as **Annex - V**. The rate per tonne for use of MHC for foreign cargo works out to ₹37.87 per tonne for dry bulk cargo, ₹87.97 per tonne for handling break bulk and ₹126.27 per tonne for other cargo to achieve the estimated annual revenue requirement of ₹1082.31 lakhs for the respective cargo group as against per tonne rate proposed by MOPT at

₹48.58 per tonne for dry bulk cargo, ₹101.20 per tonne for handling break bulk (steel and bagged cargo) and ₹161.93 per tonne for other cargo to achieve the estimated annual revenue requirement of ₹1387.94 lakhs for the respective cargo group.

(h). In the working furnished for arriving at the proposed rate for HMC, the port has indicated the proposed rate linked to the performance of the HMC. In the performance linked tariff it has provided for a reward of 5% by way of increment in the base rate if the performance achieved is 1000 tonnes higher than the benchmark level and a disincentive by way of reduction in the base rate by 5% if performance achieved is 1000 tonnes lower than the benchmark in line with the performance linked tariff prescribed for hire of HMC in the NMPT, PPT, VOCPT. In the draft proposed Scale of Rates, however, such performance linked tariff is not found to have been incorporated. The tariff approved for HMC is prescribed linked to performance as furnished by the port in its working which is found to be in line with the performance linked tariff prescribed at the other ports.

(xviii). The total revenue impact of the tariff increase allowed as discussed in the above paragraph is estimated to be around ₹277.68 crores for the three years under consideration assuming the increased tariff will become effective from 1 August 2013. As mentioned earlier, tariff increase is allowed by leaving a fraction of total deficit uncovered for the reasons given in the subsequent part of this Order. The deficit left uncovered to the extent of ₹38.03 crores can be met by the port from revenue likely to arise from modifications like rationalisation in anchorage fee, wharfage for new cargo like steel, hire charge from HMC and few handling equipment which are approved for which revenue impact is not furnished by the port.

(xix). Pension Levy

(a). In the tariff order of 2006, this Authority had initially accorded approval to a special levy at the rate of 7% on all revenue earning activities (excluding railway related charges) to build up a pension fund to meet the pension liability of the port.

This Authority in the last tariff revision in June 2010 had observed that the MOPT had not furnished any separate audited accounts of the pension levy. Based on actuarial valuation of the pension liability indicated at ₹522 crores as of 31 March 2009 as against accumulation in the pension fund of ₹229 crores, the prevailing special rate of 7% was allowed to continue.

(b). It is observed that Pension fund accounts is maintained and the position is reported in the Annual Accounts of the port. The port in its original proposal has submitted that the actuarial valuation of Pension Fund liability as on 31 March 2012 is ₹680.98 crores. As against that the balance in Pension Fund as on 31 March 2012 is ₹365.67 crores. These figures match with the figures reported in the Audited Annual Account for the year 2011-12. The port has subsequently updated the actuarial valuation towards the pension liability as assessed by the actuarial valuer as on 31 March 2013 at ₹996.26 crores which is substantiated with copy of the report of the Actuarial and hence is relied upon. The provisional Pension Fund balance is assessed at ₹414.00 crores which is also relied upon for the purpose of this analysis.

(c). In view of wide gap in the Pension Fund Balance and Pension Fund liability as per the actuarial valuation, the MOPT has proposed to increase the existing special rate from 7% to 12% to augment the balance in the Pension Fund. The MOPT has, however, not furnished detailed working for arriving at the proposed rate of 12% special rate as against the existing special rate of 7%.

(d). The port has not considered interest likely to accrue on the pension fund balance for the next three years. In our analysis the prevailing rate of interest of 9% is considered for the next three years.

The revenue likely to be generated at the existing rate of 7% till the time the revised rate likely to be implemented by say July 2013 is also considered in our analysis.

(e). The cost statement for railway activity for the past period 2010-11 to 2012-13 furnished by the port shows a total net surplus of ₹56.59 crores. The cost statement for railway activity for the years 2013-14 to 2015-16 furnished by MOPT and modified in line with the analysis explained reflects a net surplus ₹114.99 crores. Recognising that the shortfall in the Pension Fund to meet the liability is significant, it is not found unreasonable to consider the total revenue surplus in the railways activity for the years 2010-11 to 2015-16 to the tune of ₹172.78 crores to meet the short fall in the Pension Fund.

(f). Further, considering the quantum of the shortfall in the Pension fund is significant, it is found appropriate to spread the recovery of the shortfall in pension liability over a longer duration say three cycles as done in the case of the Kolkata Port Trust in its last tariff revision Order No.TAMP/6/2010-KOPT dated 29 November 2010 so as to reduce the impact of burden on users.

(g). Accordingly, the shortfall in the Pension Fund Liability and the recovery proposed to be made in this cycle is estimated below:

(**₹ in crores**)

(a).	Pension fund liability as per the actuarial valuation as on 31 March 2013	996.26
(b).	Balance in the Pension fund as on 31 March 2013	414.00
(c).	Shortfall in Pension Fund (a-b)	582.26
(d).	Less: Levy estimated to be collected from April to July 2013 (4 months) at the existing Rate of 7%	7.96
(e).	Less: Surplus in the Railway activity for the years 2010-11 to 2012-13 as estimated by MOPT adjusted to meet the short fall in the Pension fund	56.59
(f).	Less: Net Surplus estimated in the Railway activity for the years 2013-14 to 2015-16 adjusted to meet the short fall in the Pension fund	114.99
(g).	Less: Interest @ 9% say likely to accrue for the next three years	111.78
(h).	Short fall in the Pension fund (c-d-e-f-g)	290.94
(i).	Short fall in the Pension fund estimated at (h) is proposed to be recovered from say three cycles, then the recovery to be made in this cycle	96.98

(h). After considering increase granted over the existing cargo / container related charges and vessel related charges, and new tariff items approved, the total operating income of the port for the period from August 2013 to March 2016 works out to ₹1116.15 Crores.

If the MOPT has to realize the sum of ₹96.98 crores towards pension fund during the corresponding period, then the MOPT has to charge special rate of 8.7% on the revised cargo/ container and vessel related charges. Thus, for the present, the MOPT is authorised to charge a special rate of 9% in the current tariff cycle and the position may be reviewed at the time of the next revision of its Scale of Rates.

(i). The port is advised to maintain a separate account of the pension fund and furnish the audited details of the fund for scrutiny at the time to next review.

(xx). The penal interest on delayed payments by the user and refunds by the port has been proposed by the port at 13.75% as prescribed in the existing SOR. In line with clause 2.18.2. of the tariff guidelines, the interest on delayed payments will be 2% above the Prime Lending Rate of the State Bank of India. The prevailing Prime Lending Rate of State Bank of India is reported at 14.45%. Accordingly, the rate of penal interest is modified to 16.45%.

(xxi). The existing SOR of MOPT exempts levy of port dues on pleasure yacht. The port has proposed to delete this item from the basket of items exempted from levy of port dues. When sought clarification the port has clarified that pleasure yachts have been considered under separate classification and composite charge has been proposed.

It is relevant to state here that as per Section 48 of the Indian Port Trust Act, port dues is not chargeable on any pleasure yacht. That being so, the proposal of the port to delete pleasure yacht from the exemption list of port dues is not found to be in line with the provisions of the Indian Port Trusts Act and hence cannot be accepted. In case of other Major ports like Mumbai Port Trust, Cochin Port Trust, etc., also the please yacht is shown under exemption category from levy of port dues. The existing provision exempting pleasure yacht from levy of port dues is retained.

(xxii). The existing note (1) states that port dues shall be levied on each entry of a vessel except transhipper where the levy shall be once in thirty days. The port has proposed to extend this provision to floating crane as well. The proposed modification is approved.

The port has now proposed to introduce a condition under note (1) stating that in case vessel stays in the port for more than 30 days then additional port dues equivalent to each entry of vessel shall be levied for every thirty days of stay in the port. The port has not furnished any justification for the proposed modification in the Scale of Rates. The proposal to levy additional set of port dues if vessels stays beyond 30 days is not in line with the prescription in any other Major Port Trusts. It has to be recognised that port dues is a levy for entry of vessel in the port. In view of the above position and in the absence of any justification for the proposed modification, the proposal to levy additional port dues equivalent to each entry if vessel stays in the port for more than 30 days is not accepted.

(xxiii). The existing SOR prescribes uniform berth hire for berth nos.7, 10 and 11. The port has deleted berth no.7 from the schedule because this berth is handed over to Adani Mormugao Port Terminal Pvt. Ltd. (AMPTL) who are likely to commence operations in the year 2013-14. The proposed modification is, therefore, accepted.

(xxiv). The existing Scale of Rates prescribes separate anchorage charges for vessels engaged in loading/ unloading operations or embarking/ disembarking passengers and vessels not engaged in loading/ unloading operations of cargo or embarking/ disembarking passengers. For vessels not engaged in any operations, the existing unit of levy is prescribed on hourly basis without any linkage to GRT of vessel. The MOPT has now rationalised the rates and proposed uniform anchorage charges on per GRT per hour basis to cover all type of vessels irrespective of operations carried out by such vessel.

At the proposed rationalised rates, the increase on vessels engaged in loading/ unloading operations at East of Break water will be 12.36%, and for vessels anchored at West of Break water it will be 20.96%.

GMOEA and few other users have stated that at the proposed rate the increase would be steep for vessels not engaged in loading / unloading operations. The MOPT has clarified that the existing rates prescribed on hourly basis are too less to discourage vessels parked at the anchorage without cargo handling operations which has an impact on the efficiency of the Port. The proposed rationalisation is mainly to discourage idling of vessels at anchorage. It has further submitted that as per the existing SOR anchorage fee is applied uniformly irrespective of the size of the vessel for vessels not engaged in any operations. This is injustice to smaller vessels who pay same as the bigger vessel as the rate is not linked to the GRT of the vessel. Based on the justification and clarifications furnished by the port and also recognizing that berth hire activity shows an average deficit of 37%, the proposed rationalisation in anchorage charge is approved.

The port has clarified that the total income under this sub-head will not change even if proposed rationalization is considered. It is difficult to accept the argument that no additional income will accrue on account of the proposed rationalised structure. The additional income on account of rationalisation in anchorage fee is expected to compensate the deficit left uncovered by tariff increase.

(xxv). The port has proposed to delete the existing note no. 6 relating to payment of additional charges on any barge which do not vacate the jetty within 15 minutes of completion of unloading vessels. The MOPT has clarified that the existing note is proposed for deletion on account of operational difficulties in monitoring movements of barges berthed. Based on the clarification furnished by the port and also recognising that port has not been levying the subject charges, proposal of the port to delete the existing note is accepted.

(xxvi). The existing SOR prescribes charges for supply of water to vessels at berth and supply of water to vessels by barges. The port has proposed to delete the tariff for the latter part. It has also proposed to delete the other charges like cancellation of water supply after barges has left station and detention charges for water barge. The port has clarified that the facility of supply of water through port water-barge has been discontinued and has been contracted and, therefore, it has proposed for deletion of these tariff items from the draft Scale of Rates. In this context it is relevant to state that the mandate of this Authority is to determine tariff and conditions with reference to the services offered by the Major Port Trusts or any other person authorised under Section 42 of the Major Port Trusts Act at or in relating to the port or port approaches. It is understood that the service relating to supply of water through barges which was being provided by the port has been outsourced. This service falls under Section 42 of the Major Port Trusts Act, hence there is no doubt that fixing tariff for water supply by barges even if it is provided by outsourced service provider need to be regulated by TAMP. As per Clause 7.2 of the tariff guidelines of 2005, in cases where authorisation arrangement u/s 42(3) is other than by way of a BOT concession agreement, ceiling rates have be prescribed for such services to be applied commonly at the concerned ports without reference to individual service provider. The MOPT is, therefore, advised to file a proposal seeking approval of a common ceiling rate in accordance with Chapter 7 of the tariff guidelines of 2005 within three months from the date of notification. Till such time, the existing rate without any increase is allowed to continue.

(xxvii). (a). In the existing SOR, wharfage rate for granite and marble is prescribed under two categories viz. blocks undressed at ₹15 per tonne and for blocks dressed, sculptured or engraved at ₹30 per tonne. In the proposed Scale of Rates, the MOPT has proposed a single wharfage rate of ₹42 per tonne for granite and marble. It has clarified that port handles granite/ marbles only dressed or engraved form. Therefore, in order to avoid ambiguity, the existing classification of two categories is deleted and a single rate is proposed. In view of the clarification furnished by the port, the proposed modification is accepted and tariff increase at the level allowed for general cargo is allowed. Accordingly, the wharfage rate for granite and marble is approved at ₹42 per tonne as proposed by the port applying 40% increase in the existing rate for granite and blocks (dressed).

(b). The MOPT has introduced levy of wharfage charges on steel pipe at ₹84/- per MT. The port was requested to furnish detailed workings to arrive at the proposed wharfage rate along with year wise additional income that may accrue from this item. The MOPT has clarified that the separate detailed working has not been done.

Steel pipes, import and export cargo were recently handled at its port. Since there is no specific wharfage charges for this commodity, this item is classified under unspecified cargo and wharfage rate of ₹30 per tonne was levied under the prevailing arrangement. Recognising that the steel pipes handled are of different size/ dia and considering the specific type of cargo, output of commodity handled per shift/ per hook, it has stated that ₹60 per tonne is proposed for steel pipe. It is observed that in the draft Scale of Rates the wharfage rate for steel pipe is proposed at ₹84/- per tonne.

In the absence of detailed working provided by the port, clarifications furnished by the port that the proposed rate comes to ₹60 per is relied upon. In fact the reference of the wharfage rate of Paradip Port Trust at ₹51/- per tonne indicated by MOPT is also not very different from the rate proposed by the port. Accordingly, wharfage rate for steel pipe is approved at ₹60/- per tonne.

(c). The port has proposed to introduce a note stating that pleasure yachts, boats and other small crafts arriving as cargo will be charged ad-valorem rate. The port has clarified that in the absence of regular tariff, it is difficult to fix rate which was being questioned by the trade. Therefore, rates on ad-valorem basis are proposed. It has also proposed to introduce ad-valorem wharfage rates for break bulk cargoes under Section G of Part II of the proposed Scale of Rates. The MOPT has contended that ad-valorem rates are still valid in some of the major ports and hence it is proposed in its port where the revenue is very meager.

In this regard, it is relevant to mention here that Clause 4.2.2 of the tariff guidelines of 2005 stipulate phasing out of the Ad-valorem rates from the Scale of Rates of the port trusts. In other major port trusts also where such ad-valorem rates already exist, this Authority has been emphasizing on phasing it out a gradual manner. In such a scenario, introducing ad-valorem levy in the Scale of Rates of MOPT is not found to be appropriate. The port is, therefore, advised to file a proposal for specific wharfage rate for such cargo items based on the cost involved for handling such items instead of proposing ad-valorem rate. Till such time, the levy of wharfage for such cargo as per the existing system is allowed to continue.

(xxviii). The MOPT has proposed to introduce Monsoon levy of ₹50/- per tonne on cargo handled at Mooring Dolphin during the period from 1 June to 30 September on non-regular users/ new exports. The MOPT has clarified that though Mooring Dolphins were constructed at the demand of the trade; the trade uses these facilities only when it suits them. There are irregular exporters who used the services of Panjim port during fair season and shift to Mooring Dolphins during monsoon due to safety factors. Due to this, regular users of the port are put at a disadvantageous position. Therefore, in consultation with the trade and with their consent port has decided to charge monsoon levy only on those users who do not use the port during fair season upto thresh-hold limit. The port has submitted that the trade has no objection to pay monsoon levy and it is agreed by the users. A copy of minutes of meeting with the users have been forwarded by the port.

The port has not furnished any basis for arriving at the proposed rate despite request. It has to be recognised that the port is not providing any additional service for levy of the proposed rate but it appears to be of penal nature on the trade if they do not avail the facility of the port. Though the port has stated that the users have consented the proposed rate, from the minutes of the meeting with users attached it cannot be concluded that it includes the views of the affected parties i.e. non-regular users and new exporters. Even the GMOEA has requested to withdraw levy of the proposed rate. The proposed rate discriminates among users availing / not availing regular service of the port. This Authority has not approved such rate in the past in case of any other Major Port Trusts/ Private terminal. In view of the position explained above, this Authority is not inclined to approve the proposal of the port for levy of monsoon charge.

It is understood that the MOPT has already started levying Monsoon levy at the rate of ₹50/- per MT from 16 June 2011 onwards based on a circular issued to the trade. As per Clause 2.17.1 to 2.17.3 of the tariff guidelines of 2005, whenever a specific tariff for a service/ cargo is not available in the notified Scale of Rates, the port is to submit a suitable proposal. With the submission of the proposal, the port can levy the proposed charges on an adhoc basis till the rates are finally notified, provided the adhoc rate is derived based on the existing notified tariff for comparable service/ cargo and it is mutually agreed upon by the Port/ terminal and the concerned users.

Levy of monsoon charges by the MOPT from 16 June 2011 is not found to be line with the stipulation contained in Clause 2.17.1 to 2.17.3 of the tariff guidelines of 2005 as the rate is not derived based on the existing notified tariff for comparable service/ cargo. Even though port has stated that the proposed levy has the consent of users it is seen that GMOEA has requested to withdraw the proposed levy which is not with the approval of TAMP. Hence this Authority is not in a position to ratify the action of the port of levying the proposed charge which is not in line with the said clauses in the guidelines.

(xxix). The port has not prescribed the concessional wharfage rate applicable for Mineral oil under schedule II, Part – II Cargo Related Charges under Section A – Wharfage Charge. The concessional rate applicable for Mineral oil is prescribed as per the Government guidelines in this regard. The existing note under this schedule that the POL products will not be entitled for coastal concession as per the Government guidelines in this regard in the wharfage rate is retained.

(xxx). The port has proposed a new note no. (5) under Schedule IV under Section A of Part II stating that handling charges is a composite charge for unloading of cargo on plot at MOHP, stacking and loading of cargo into ships. The MOPT has explained that the proposed note is introduced only with a view to make clear the services rendered under the composite charge. Based on the clarification furnished by the port, introduction of the proposed note is approved.

(xxxi). When pointed out to the MOPT that it has not proposed any increase in storage rates of some of the import/ export cargo prescribed under Section C and D of Part II as against 40% increase otherwise proposed in storage charge, the MOPT has clarified that the general upward revision in rates proposed by the port may be applied to all the items in the storage rates. In view of the clarification furnished by the port, all the items under storage charge are revised upwards by 40% in line with the decision to allow 40% increase in the warehousing activity and general cargo.

(xxxii). The port has proposed to delete the rent on plots for storing bauxite under the existing Schedule I(B) under Section D of Part II. It has clarified that the port has shifted to per tonne basis instead of area basis for all bulk cargo and only Bauxite was inadvertently left out in the existing SOR. The deletion proposed by the port is accepted in view of clarification furnished by the port.

(xxxiii). The draft proposed Scale of Rates include hire charges for some additional cargo handling equipment such as 10 Tonne Dal Crane, 11 Tonne ACE Crane, 45 Tonne Omega Mobile Crane and 75 Tonne TIL Crane under the existing Schedule I under Section C of Part IV. When requested port to furnish detailed workings to arrive at the proposed hire charge for each of the new equipment in the said Schedule along with additional income likely to accrue, the MOPT has clarified that all these are old cranes procured by the port. These are normally used for the repairs and maintenance of Ore Handling Plant. Occasionally, whenever, repair and maintenance work is outsourced to the contractors, these cranes are hired to the private parties. It has clarified that these cranes are not used in normal cargo operation of the port. The port has stated that hiring of these equipment is not frequent and hence revenue is meagre. The revenue earned from hire charges of cranes for the year 2012-13 is reported at ₹5.99 lakhs. Based on the clarification furnished by the port and recognising that none of the users have raised any objection, the proposed hire charge for these equipment are approved.

(xxxiv). (a). The hire charges for Reach Stacker is prescribed on per move basis and per shift of 8 hours in the existing SOR. The MOPT has proposed to delete the levy based on per shift of 8 hours. It has clarified that the container yard management in port has been out-sourced. The charges on per move basis is used. Users do not hire on per shift basis and hence hire charges on shift basis is proposed for deletion. In view of clarification furnished by the port, the proposal for deletion of hire charge for reach stacker on per shift basis is accepted.

During the processing of this case, it is observed that the port has outsourced few services like supply of water to vessels by barges, reach stacker etc. However, tariff arrangement proposed for few such services is not found to be in line with the provision prescribed in Chapter 7 of the 2005 guidelines. The port is advised to examine the services qualifying under Section 42(3) of the Major Port Trusts Act which are offered by any service provider authorised by the port and initiate action with reference to Chapter 7 of the tariff guidelines.

(b). The existing Scale of Rates prescribes supply of electricity charges at ₹4.25 per unit subject to rate applicable as modified by Government of Goa from time to time. The port has proposed rate as notified by the Government of Goa/ RSPC rate from time to time plus 20% overheads. The existing arrangement is approved in the absence of justification from the port and also recognizing that the overall financial position includes overheads which is considered for arriving at the financial model for determining the tariff increase.

(xxxv). The existing Scale of Rates prescribes charges for entry of Trucks in Harbour area. In the proposed Scale of Rates, the tariff for this item is deleted as port has mechanized issue of harbour entry permits for which separate charges have been fixed based on the investment. Hence to avoid duplication, the tariff for this item in the existing SOR is proposed for deletion which is accepted.

(xxxvi). (a). The charges for Hire of Launches for transporting personnel, provisions, spares etc. is proposed to be deleted. The MOPT has clarified that it does not provide the services of hire of launches for transportation of personnel and provision. Therefore, the proposal for deletion of tariff for this item from the existing Scale of Rates is accepted.

(b). The MOPT has sought 50% increase in the hire charges for launch and dumb barge. It is understood that income from this service is captured under Port and Dock Activity. 30% increase in tariff for this item is, therefore, allowed restricting it to the level of increase allowed in the vessel related activity.

(xxxvii). This Authority vide Order No.TAMP/30/2011- MOPT dated 2 May 2012 had approved charges for use of transhipper / floating crane provided by authorised private operators for cargo operations. The proposed SOR do not include the rate approved by this Authority in the said Order. The rate approved by this Authority in the tariff Order dated 2 May 2012 for use of transhipper / floating crane provided by authorised private operators for cargo operations are incorporated in the revised Scale of Rates.

(xxxviii). The MOPT has proposed to introduce 'Congestion charges' in the proposed Scale of Rates at ₹10,000 per entry for barges/ craft, going to private shipyards upto 500 GRT size, for pleasure yacht and for rigs at ₹1 lakh per day, on vessel to Western India Shipyard Limited at ₹1 per GRT/ hour, for casinos ₹2 lakhs per day and for new vessel built in GLS and other shipyards for refitting at ₹50,000 per entry to ₹1,50,000 per entry depending on the size of the vessel. The port was requested to furnish detailed workings to arrive at the proposed congestion charges for each type of vessels and justify the proposed rate bearing in mind the stipulation contained in Clause 2.11.1 of the tariff guidelines of 2005.

The port has stated that within the limited area, floating crafts park the vessel in the East of Breakwater for safety reason and there are lot of movements of crafts like barges and fishing vessels in addition to vessels carrying cargo. They occupy valuable port area and create problem for operation of cargo vessels. In order to discourage these vessels which hinder the movements by parking in the water area, the port has proposed this charge steep as the same is penal in nature. The port has stated that proposed charges is mainly to discourage parking of non-cargo vessels for longer period and to assist in smooth handling of cargo vessels. The port has stated that charges are not introduced with intention of revenue generation but only to facilitate movement of cargo vessels.

Firstly, recognizing the present traffic scenario at the port and also recognising steep reduction in the cargo and vessel traffic projection by the port in the years 2012-13 and 2013-14 in view of Supreme Court ban on iron ore mining operations, it is difficult to accept the argument of the port that there is congestion in the port affecting the handling of cargo vessels.

The port has not furnished the basis for arriving at different rate for different categories of vessels and the reasons for proposing different unit of levy such as 'per entry', 'per day', 'per GRT/ hour' basis for different categories of vessel. In view of the position explained above, this Authority is not inclined to approve the proposal of port for levy of congestion charge in its present form.

Notwithstanding the above it is fully admitted that these vessels which occupy port waters should pay the port as port water area is a limited resource. The existing SOR already prescribes anchorage charge for stay of vessel at the port. This is proposed to be rationalised and the rationalised anchorage fee is approved by this Authority. With this modification, it is felt that few categories of vessels will be discouraged from over staying at the port. Still if the port is of the view that separate rate need to be prescribed to act as a deterrent from stayal/ over stayal of vessel then it may propose rate on more scientific basis with proper justification.

(xxxix). The validity of the existing Scale of Rates of the MOPT had expired on 31 March 2013. The port is allowed to continue to levy the existing tariff till the implementation of the revised Scale of Rates approved by this Authority. The tariff guidelines prescribe tariff validity cycle of the three years. As already mentioned earlier, the cost position considered in this analysis is for three years i.e. 2013-14 to 2015-16. Since the financial position considered for the purpose of this analysis is only till 31 March 2016, the validity of the revised Scale of Rates is prescribed till 31 March 2016.

13.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the revised Scale of Rates of the MOPT which is attached as **Annex - VI**.

13.2. As per the tariff guidelines the tariff approved by this Authority will come into effect after expiry of 30 days from the date of notification of the Order in the Gazette and shall be in force till 31 March 2016. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

13.3. The tariff of the MOPT has been fixed relying on the information furnished by the port and based on assumptions made as explained in the analysis. If this Authority, at any time, during the prescribed tariff validity period, finds that the actual position varies substantially from the estimations considered or there is deviation from the assumptions accepted herein, this Authority may require the MOPT to file a proposal ahead of the schedule to review its tariff and to setoff fully the advantage accrued on account of such variations in the revised tariff.

13.4. In this regard, the MOPT is requested furnish a report of the actual physical and financial performance within 15 days of completion of each quarter of a year i.e. for the period ending on 30 June, 30 September, 31 December and 31 March of each of the years in the same format in which the cost statement for the tariff proposals are filed. The report should also be accompanied with the reasons for variation from the estimates relied upon for fixing the tariff in force. If a variation of (+)/(-)20% is observed between the actual and the estimates for two consecutive quarterly period, TAMP will call upon the MOPT to submit their proposal for an ahead of scheduled review. If the MOPT fails to file a tariff proposal within the time limit to be stipulated by TAMP, this Authority will proceed *suo motu* for review of the tariff.

(T.S. Balasubramanian)
Member (Finance)

ANNEX - I

Mormugao Port Trust (MOPT)

Analysis of performance of MOPT for the years 2009-10

Sr. No.	Particulars	Estimates in the last General 2009-10	Actuals 2009-10	% Variation
I	Total Traffic handled at MOPT (in Lakh tonnes)	448.40	488.47	9%
	Share of Traffic of South West Port Limited (in Lakh tonnes)	50.00	72.49	
	Total Traffic handled at MOPT (in Lakh tonnes)	398.4	416.0	4%
II	**Total Operating Income**	**26451.98**	**30216.03**	14%
III	**Operating Costs (excluding depreciation)**	14,188.99	16,196.17	14%
IV	Depreciation	1,278.75	1,385.03	8%
V	**Finance & Miscellaneous Expenses Less Finance & Miscellaneous Income**	4,092.12	5,544.49	35%
VI	**Total Expenditure (III + IV + V)**	19,559.86	23,125.69	18%
VII	**Surplus (II - VI)**	6,892.12	7,090.34	
VIII	**Allocated Management & General Overheads**	8,842.82	5,943.84	-33%
IX	**Net Surplus (VII - VIII)**	**(1,950.70)**	**1,146.50**	
X	**Capital Employed**	30,912.02	29,126.07	-6%
	Capacity Utilisation		120%	
XI	**Return on Capital Employed**	**4,334.66**	**4,106.45**	-5%
XII	**Net Surplus / (Deficit) after Return (IX - XI)**	(6,285.36)	(2,959.95)	-53%
XIII	**Net Surplus / (Deficit) as a % of operating income (XII / II in %)**	-23.76%	-9.8%	

Annex - II

Sr. No.	Particulars	Estimates considered in the last General Revision Order			Actuals		Estimates
		2010-11	2011-12	2012-2013	2010-11	2011-12	2012-13
Mormugao Port Trust (MOPT)							
Analysis of performance of MOPT for the years 2010-11 to 2012-13.							
Cost statement for the Port as a whole							
							(Rs. in Lakhs)
I	Total Traffic handled at MOPT (in Lakh tonnes) - Excluding traffic of SWPL	**429.70**	**458.00**	**488.00**	**446.21**	**324.90**	**178.60**
	Share of Traffic of South West Port Limited (in Lakh tonnes)				54.01	65.11	71.50
II	**Total Operating Income ***	**32533.56**	**35877.58**	**37650.27**	**34422.31**	**33309.65**	**25332.79**
III	**Operating Costs (excluding depreciation)**	14,490.13	15,046.14	15,675.33	17165.62	18395.06	17565.11
IV	Depreciation	1,331.27	1,691.84	1,979.52	1577.46	1806.67	1752.28
V	**Finance & Miscellaneous Expenses Less Finance & Miscellaneous Income**	3,289.63	3,619.39	3,793.69	5690.07	6271.14	5941.50
VI	**Total Expenditure (III + IV + V)**	19,111.03	20,357.37	21,448.54	24433.15	26,472.87	25258.89
VII	**Surplus (II - VI)**	13,422.53	15,520.21	16,201.73	9989.16	6,836.78	73.90
VIII	**Allocated Management & General Overheads**	9,028.07	9,518.38	10,529.03	5428.90	5687.42	6517.37
IX	**Net Surplus (VII - VIII)**	**4,394.46**	**6,001.83**	**5,672.70**	**4560.26**	**1,149.36**	**-6443.47**
X	**Capital Employed**	31,814.06	44,551.59	41,847.96	30351.26	32514.42	37640.95
XI	**Return on Capital Employed**	**4,742.53**	**6,791.30**	**6,346.19**	**4582.41**	**4974.74**	**5780.60**
	Capacity utilization				129%	94%	43%
	RoCE adjusted for capacity utilization				**4582.41**	**4974.74**	**5780.60**
XII	**Net Surplus / (Deficit) after Return (IX - XI)**	(348.07)	(789.47)	(673.49)	-22.15	-3,825.38	-12224.07
XIII	**Net Surplus / (Deficit) as a % of operating income (XII / II in %)**	-1.07%	-2.20%	-1.79%	-0.06%	-11.48%	-48.25%
XIV	**Average Net Surplus / (Deficit) as a % of operating income**	-1.69%			-19.93%		

Annex - III

Consolidated Income & Cost statement of Mormugao Port Trust

Sr.No.	Particulars	Actuals	Actuals	Estimates by MOPT	Estimates by MOPT at existing tariff			Estimates considered by TAMP at existing level of tariff			
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
	Traffic (In lakh tonnes) including BOT traffic	500.22	390.01	250.15	350.00	460.90	478.00	250.15	350.00	460.90	478.00
	Traffic (In lakh tonnesMTs) Excluding BOT traffic	446.21	324.90	178.65	264.00	350.90	353.00	178.65	264.00	350.90	353.00
	Cargo Traffic of BOT operators										
	SWPL	54.01	65.11	71.5	76.00	75.0	75.0	71.5	76.00	75.0	75.0
	AMPTPL	0.00	0.00	0.0	10.00	25.0	30.0	0.0	10.00	25.0	30.0
	PPP operator for Berth XI	0.00	0.00	0.0	0.00	10.0	20.0	0.0	0.00	10.0	20.0
	Designed Capacity (in lakh tonnes)	350.5	350.5	419	458.1	507.9	507.9	419	458.1	507.9	507.9
	Designed Capacity(Excluding capacity of BOT operators) in lakh tonnes	345.5	345.5					414	447.99	492.81	492.81
I	**Operating Income**										
	(i) Cargo Handling income	20736.78	18631.84	11720.01	15868.72	18695.44	19010.16	12590.46	17065.22	20473.95	21129.66
	(ii) Vessel related income	8764.59	8668.88	6863.18	9637.69	12251.47	12522.66	6027.52	8886.33	10642.60	10881.26
	(iii) Railway Income	3094.91	3882.17	4351.44	5089.08	5888.00	6773.00	4351.44	5089.08	5888.00	6773.00
	(iv) Estate Income	1826.03	2126.77	1245.47	1277.57	1273.02	1302.12	2363.37	2443.44	3020.21	3085.15
	Total Operating Income (i to iv)	**34422.32**	**33309.66**	**24180.10**	**31873.06**	**38107.93**	**39607.94**	**25332.79**	**33484.07**	**40024.75**	**41869.07**
II	**Operating cost (excl depreciation)**										
	(i) Cargo Handling & storage	10348.23	10788.34	9809.45	10880.39	11322.95	11786.17	9809.45	10506.14	11004.75	11473.17
	(ii) Port and dock facilities	5542.91	6219.40	6308.34	6455.79	7380.53	7565.40	6308.34	6429.73	6875.61	7221.42
	(iii) Railway Activity	542.31	629.89	793.83	807.56	843.18	880.91	793.83	807.56	843.18	880.90
	(iv) Estate Activity	732.17	757.43	653.49	690.14	717.84	746.72	653.49	690.14	717.83	746.72
	Total Operating Cost (i to iv)	**17165.62**	**18395.06**	**17565.11**	**18833.88**	**20264.50**	**20979.20**	**17565.11**	**18433.57**	**19441.37**	**20322.21**
III	Depreciation	1577.46	1806.67	1482.10	1690.13	1861.95	2096.50	1752.28	2056.97	2255.17	2456.51
IV	Management & General Administration Overheads	5428.90	5687.42	8232.33	8581.88	9034.38	9445.21	6517.37	7334.68	8130.66	9179.86
V	Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)	10250.34	7420.51	-3099.44	2767.17	6947.10	7087.02	-501.97	5658.84	10197.55	9910.49

Sr.No.	Particulars	Actuals	Actuals	Estimates by MOPT	Estimates by MOPT at existing tariff			Estimates considered by TAMP at existing level of tariff			
		2010-11	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
VI	Finance & Miscellaneous Income (FMI)										
	(i). Profit on sale of assets	12.68	158.42	5.00	5.00	50.00	50.00	5.00	5.00	50.00	50.00
	(ii). Others	412.88	367.30	216.84	206.85	600.00	600.00	212.50	202.49	559.00	559.00
	Total	**425.56**	**525.72**	**221.84**	**211.85**	**650.00**	**650.00**	**217.50**	**207.49**	**609.00**	**609.00**
VII	Finance & Miscellaneous Expenses (FME)										
	(i) Pension payment / contribution (Refer Note 6)	4596.03	5144.72	5285.50	5814.00	6799.53	7431.03	5285.50	5814.00	6799.53	7431.03
	(ii) Loss on sale of assets	0.00	17.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Others with details	1519.60	1635.02	823.50	1578.50	2542.00	2773.25	873.50	1632.50	2315.05	2704.12
	Total	**6115.63**	**6796.86**	**6109.00**	**7392.50**	**9341.53**	**10204.28**	**6159.00**	**7446.50**	**9114.58**	**10135.15**
VIII	**FMI Less FME (VI) - (VII)**	**-5690.07**	**-6271.14**	**-5887.16**	**-7180.65**	**-8691.53**	**-9554.28**	**-5941.50**	**-7239.01**	**-8505.58**	**-9526.15**
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**4560.27**	**1149.37**	**-8986.61**	**-4413.47**	**-1744.42**	**-2467.26**	**-6443.47**	**-1580.17**	**1691.97**	**384.34**
X	Capital Employed	32,238.75	36,918.50	42,087.24	52,075.91	54,951.74	58,406.25	42087.24	52036.93	50031.51	58367.27
	Less Assets funded by Escrow Account	1887.49	4404.08	4446.29	7387.46	6955.26	6555.28	4407.78	7350.64	6925.20	10075.17
	Less Assets funded by grant in aid							0.00	1165.58	1031.16	896.74
	Capital employed excluding assets funded by Escrow Account and Grant received from the Government	30351.26	32514.42	37640.95	44688.45	47996.48	51850.97	37679.46	43520.70	42075.15	47395.33
	- Business Assets	26781.26	29550.19	34405.54	41538.11	44933.47	48873.54	34444.05	40370.37	39012.14	44417.93
	- Business Related Assets	3540.54	2936.97	3208.91	3124.56	3037.96	2952.10	3208.91	3124.56	3037.96	2952.10
	- Social Obligation assets	29.46	27.26	26.50	25.78	25.05	25.33	26.50	25.78	25.05	25.33
XI	RoCE	4582.41	4974.74	5708.66	6844.51	7382.26	8007.23	5780.60	6719.53	6495.00	7352.94
	- Business Assets	4285.00	4728.03	5504.89	6646.10	7189.36	7819.77	5511.05	6459.26	6241.94	7107.03
	- Business Related Assets	297.41	246.71	203.77	198.41	192.91	187.46	269.55	260.28	253.06	245.91
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total ROCe	4582.41	4974.74	5708.65	6844.51	7382.27	8007.22	5780.60	6719.53	6495.00	7352.94
XII	Capacity Utilization	129%	94%	60%	76%	91%	94%	43%	59%	71%	72%
XIII	RoCE adjusted for capacity utilization	4582.41	4974.74	5708.65	6844.51	7382.27	8007.22	5780.60	6719.53	6495.00	7352.94
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**-22.14**	**-3825.37**	**-14695.26**	**-11257.98**	**-9126.70**	**-10474.47**	**-12224.07**	**-8299.70**	**-4803.03**	**-6968.60**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I in %)**	**-0.06%**	**-11.48%**	**-60.77%**	**-35.32%**	**-23.95%**	**-26.45%**	**-48.25%**	**-24.79%**	**-12.00%**	**-16.64%**
XVI	**Average of three years**					**-28.57%**				**-17.40%**	

Annex - IV(a)(i)

Cost statement for the Cargo handling activity

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**	**11720.01**	**15868.72**	**18695.44**	**19010.16**	**11720.01**	**15958.72**	**18855.45**	**19170.16**
	Royalty income 50% treated as income	0.00	0.00	0.00	0.00	870.45	1106.50	1618.50	1959.50
	Total operating income	11720.01	15868.72	18695.44	19010.16	12590.46	17065.22	20473.95	21129.66
II	**Operating Expenses**								
	(i) Salary & wages	5200.01	5483.31	5647.16	5815.92	5200.01	5461.51	5647.16	5815.92
	(ii) Power	2039.00	2500.00	2650.00	2809.00	2039.00	2181.73	2334.45	2497.86
	(iii) Fuel	27.49	151.36	166.49	183.15	27.49	151.36	166.49	183.15
	(iv) Repairs and maintenance	456.99	513.83	537.63	562.59	456.99	497.81	534.99	560.73
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	2085.96	2231.89	2321.66	2415.51	2085.96	2213.72	2321.66	2415.51
	Total	**9809.45**	**10880.39**	**11322.95**	**11786.17**	**9809.45**	**10506.14**	**11004.75**	**11473.17**
III	**Depreciation**	579.65	736.98	893.55	1155.17	720.42	974.41	1157.67	1406.30
IV	**Allocated share of Management and General overheads**	4413.77	4603.94	4845.77	5066.20	3494.29	3934.85	4361.04	4923.87
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**-3082.86**	**-352.59**	**1633.17**	**1002.62**	**-1433.71**	**1649.82**	**3950.49**	**3326.31**
VI	**Allocated share of FMI**	127.12	121.37	372.41	372.41	124.62	118.88	348.92	348.92
VII	**Allocated share of FME**	3187.64	3970.54	5150.85	5574.92	3213.72	3999.54	5025.71	5537.15
VIII	**FMI Less FME (VI) - (VII)**	-3060.53	-3849.17	-4778.44	-5202.51	-3089.10	-3880.66	-4676.79	-5188.23
IX	**Surplus / deficit (V) + (VIII)**	**-6143.39**	**-4201.76**	**-3145.27**	**-4199.89**	**-4522.81**	**-2230.84**	**-726.30**	**-1861.92**
X	**Capital Employed for the activity**	11996.99	14245.54	18783.02	23924.36	12009.76	13863.36	16404.53	21817.30
	- Business Assets	11403.80	13594.58	18048.98	23113.25	11416.57	13212.40	15670.49	21006.19
	- Business Related Assets	584.69	641.63	723.51	799.47	584.69	641.63	723.51	799.47
	- Social Obligation assets	8.50	9.33	10.53	11.64	8.50	9.33	10.53	11.64
XI	**Return on Capital Employed**	1861.74	2215.88	2933.78	3748.73	1875.76	2167.43	2567.55	3427.59
	- Business Assets	1824.61	2175.13	2887.84	3698.12	1826.65	2113.98	2507.28	3360.99
	- Business Related Assets	37.13	40.74	45.94	50.77	49.11	53.45	60.27	66.60
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**Return on Capital Employed linked to Capacity utilisation**	1861.74	2215.88	2933.78	3748.73	1875.76	2167.43	2567.55	3427.59
XIII	**Net surplus / (Deficit) (IX) - (XII)**	**-8005.12**	**-6417.62**	**-6079.03**	**-7948.61**	**-6398.58**	**-4398.27**	**-3293.84**	**-5289.50**
XIV	**Net Surplus / (Deficit) as a % of Operating Income)**	-68.30%	-40.44%	-32.52%	-41.81%	-54.60%	-27.56%	-17.47%	-27.59%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**-38.26%**				**-22.13%**		

Annex - IV(a)(ii)

Mormugao Port Trust (MOPT)

Cost statement for Ore Handling including ore handling at MOHP

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**								
	Operating Income	7270.10	10119.24	11880.57	12216.97	7270.10	10119.24	11880.58	12216.97
	Royalty income 50% treated as income	0	0	0	0	539.95	705.60	1028.52	1259.28
	Total operating income	**7270.10**	**10119.24**	**11880.57**	**12216.97**	**7810.05**	**10824.84**	**12909.10**	**13476.25**
II	**Operating Expenses**								
	(i) Salary & wages	3486.35	3654.10	3763.71	3876.60	3486.35	3654.10	3763.71	3876.60
	(ii) Power	2039.00	2500.00	2650.00	2809.00	2039.00	2181.73	2334.45	2497.86
	(iii) Fuel	27.49	23.03	25.33	27.87	27.49	23.03	25.33	27.87
	(iv) Repairs and maintenance	409.49	450.83	470.85	491.80	409.49	438.15	470.85	491.80
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	1467.29	1588.17	1654.65	1724.24	1467.29	1570.00	1654.65	1724.24
	Total	**7429.62**	**8216.13**	**8564.54**	**8929.51**	**7429.62**	**7867.01**	**8248.99**	**8618.37**
III	**Depreciation**	480.78	490.48	619.98	889.17	612.35	718.71	874.93	1133.35
IV	**Allocated share of Management and General overheads**	3242.37	3378.00	3554.80	3715.46	2566.92	2887.08	3199.21	3611.08
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	-3882.67	-1965.37	-858.75	-1317.17	**-2798.84**	**-647.96**	**585.97**	**113.45**
VI	**Allocated share of FMI**	74.41	71.06	218.03	218.03	72.95	69.60	204.28	204.28
VII	**Allocated share of FME**	2373.64	2874.03	3633.77	3968.60	2393.06	2895.02	3545.48	3941.71
VIII	**FMI Less FME (VI) - (VII)**	-2299.23	-2802.97	-3415.74	-3750.57	-2320.11	-2825.42	-3341.21	-3737.44
IX	**Surplus / deficit (V) + (VIII)**	**-6181.90**	**-4768.35**	**-4274.49**	**-5067.74**	**-5118.95**	**-3473.38**	**-2755.24**	**-3623.99**
X	**Capital Employed for the activity**	7971.09	7268.46	11726.2	17209.02	7979.55	7075.62	10248.02	15696.39
	- Business Assets	7556.44	6859.74	11217.02	16592.94	7564.90	6666.90	9738.84	15080.31
	- Business Related Assets	408.71	402.86	501.88	607.24	408.71	402.86	501.88	607.24
	- Social Obligation assets	5.94	5.86	7.30	8.84	5.94	5.86	7.30	8.84
XI	**Return on Capital Employed**	1234.98	1123.14	1826.59	2693.27	1244.72	1100.26	1600.02	2463.43
	- Business Assets	1209.03	1097.56	1794.72	2654.87	1210.38	1066.70	1558.21	2412.85
	- Business Related Assets	25.95	25.58	31.87	38.56	34.33	33.56	41.81	50.58
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**RoCE adjusted for Capacity utilization**	1234.98	1123.14	1826.59	2693.27	1244.72	1100.26	1600.02	2463.43
XIII	**Net surplus / (Deficit) (IX) - (XII)**	-7416.88	-5891.49	-6101.08	-7761.01	-6363.67	-4573.64	-4355.26	-6087.42
XIV	**Net Surplus / (Deficit) as a % of Operating Income)**	-102.02%	-58.22%	-51.35%	-63.53%	-87.53%	-45.20%	-36.66%	-49.83%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**-57.70%**				**-40.36%**		

Annex - IV(a)(iii)

Mormugao Port Trust (MOPT)
Cost statement for General Cargo

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**	**1318.72**	**1078.18**	**1445.66**	**1481.78**	**1318.72**	**1078.18**	**1445.66**	**1481.78**
	Royalty income 50% treated as income	0.00	0.00	0.00	0.00	97.94	75.18	125.15	152.74
	Total operating income	**1318.72**	**1078.18**	**1445.66**	**1481.78**	**1416.66**	**1153.36**	**1570.81**	**1634.52**
II	**Operating Expenses**								
	(i) Salary & wages	671.06	689.65	710.15	731.27	671.06	689.65	710.15	731.27
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	0.00	128.33	141.16	155.28	0.00	128.33	141.16	155.28
	(iv) Repairs and maintenance	42.50	52.00	55.12	58.43	42.50	52.00	55.12	58.43
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	283.74	290.73	301.95	313.69	283.74	290.73	301.95	313.69
	Total	**997.30**	**1160.71**	**1208.38**	**1258.67**	**997.30**	**1160.71**	**1208.38**	**1258.67**
III	**Depreciation**	35.57	181.90	207.4	201.67	38.88	185.21	210.70	204.17
IV	**Allocated share of Management and General overheads**	518.37	541.92	570.48	596.71	410.38	463.16	513.41	579.95
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**-232.52**	**-806.35**	**-540.60**	**-575.27**	**-29.90**	**-655.72**	**-361.68**	**-408.27**
VI	**Allocated share of FMI**	19.76	18.87	57.89	57.89	19.37	18.48	54.24	54.24
VII	**Allocated share of FME**	360.24	467.94	629.06	672.55	363.19	471.36	613.78	667.99
VIII	**FMI Less FME (VI) - (VII)**	-340.48	-449.07	-571.17	-614.66	-343.82	-452.87	-559.54	-613.76
IX	**Surplus / deficit (V) + (VIII)**	**-573.00**	**-1255.42**	**-1111.77**	**-1189.93**	**-373.72**	**-1108.60**	**-921.22**	**-1022.03**
X	**Capital Employed for the activity**	1037.70	3997.74	4216.69	3969.42	1038.81	3889.26	3678.72	3618.05
	- Business Assets	991.68	3858.94	4082.33	3854.14	992.79	3750.46	3544.36	3502.77
	- Business Related Assets	45.36	136.81	132.43	113.63	45.36	136.81	132.43	113.63
	- Social Obligation assets	0.66	1.99	1.93	1.65	0.66	1.99	1.93	1.65
XI	**Return on Capital Employed**	161.55	626.12	661.58	623.88	162.66	611.47	578.13	569.91
	- Business Assets	158.67	617.43	653.17	616.66	158.85	600.07	567.10	560.44
	- Business Related Assets	2.88	8.69	8.41	7.22	3.81	11.40	11.03	9.47
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**RoCE adjusted for Capacity utilization**	161.55	626.12	661.58	623.88	162.66	611.47	578.13	569.91
XIII	**Net surplus / (Deficit) (IX) - (XI)**	-734.55	-1881.54	-1773.35	-1813.81	-536.37	-1720.07	-1499.35	-1591.94
XIV	**Net Surplus / (Deficit) as a % of Operating Income)**	-55.70%	-174.51%	-122.67%	-122.41%	-40.67%	-159.53%	-103.71%	-107.43%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**-139.86%**				**-110.39%**		

Annex - IV(a)(iv)

Mormugao Port Trust (MOPT)
Cost statement for Warehouse

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**	**68.70**	**169.10**	**169.50**	**169.90**	**68.70**	**169.10**	**169.50**	**169.90**
	Royalty income 50% treated as income	0.00	0.00	0.00	0.00	5.10	11.79	14.67	17.51
	Total operating income	**68.70**	**169.10**	**169.50**	**169.90**	**73.80**	**180.89**	**184.17**	**187.41**
II	**Operating Expenses**								
	(i) Salary & wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Repairs and maintenance	1.00	5.00	5.30	5.62	1.00	1.60	2.58	3.66
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	23.49	24.60	25.45	26.33	23.49	24.60	25.45	26.33
	Total	**24.49**	**29.60**	**30.75**	**31.95**	**24.49**	**26.20**	**28.03**	**29.99**
III	**Depreciation**	26.63	25.88	25.29	24.59	29.11	28.36	27.76	26.46
IV	**Allocated share of Management and General overheads**	20.42	21.28	22.51	23.59	16.17	18.19	20.26	22.93
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**-2.84**	**92.34**	**90.95**	**89.77**	**4.04**	**108.15**	**108.12**	**108.03**
VI	**Allocated share of FMI**	1.83	1.73	5.32	5.32	1.79	1.69	4.98	4.98
VII	**Allocated share of FME**	20.35	23.48	28.31	31.45	20.52	23.65	27.62	31.24
VIII	**FMI Less FME (VI) - (VII)**	-18.53	-21.75	-22.99	-26.13	-18.73	-21.96	-22.64	-26.25
IX	**Surplus / deficit (V) + (VIII)**	**-21.37**	**70.59**	**67.96**	**63.64**	**-14.69**	**86.19**	**85.49**	**81.78**
X	**Capital Employed for the activity**	1061.99	1011.29	947.07	909.80	1063.13	983.85	826.24	829.27
	- Business Assets	1014.89	976.18	916.90	883.38	1016.03	948.74	796.07	802.85
	- Business Related Assets	46.42	34.61	29.74	26.04	46.42	34.61	29.74	26.04
	- Social Obligation assets	0.68	0.50	0.43	0.38	0.68	0.50	0.43	0.38
XI	**Return on Capital Employed**	165.33	158.39	148.59	142.99	166.46	154.68	129.85	130.62
	- Business Assets	162.38	156.19	146.70	141.34	162.56	151.80	127.37	128.46
	- Business Related Assets	2.95	2.20	1.89	1.65	3.90	2.88	2.48	2.17
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**RoCE adjusted for Capacity utilization**	165.33	158.39	148.59	142.99	166.46	154.68	129.85	130.62
XIII	**Net surplus / (Deficit) (IX) - (XII)**	-186.70	-87.80	-80.63	-79.35	-181.15	-68.49	-44.36	-48.85
XIV	**Net Surplus / (Deficit) as a % of Operating Income)**	-271.75%	-51.92%	-47.57%	-46.70%	-263.69%	-40.50%	-26.17%	-28.75%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		-49%				-29.27%		

Annex - IV(a)(v)

Mormugao Port Trust (MOPT)
Cost statement for POL

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	**2013-14**	**2014-15**	**2015-16**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
I	**Operating Income**	865.66	871.68	919.81	947.16	865.66	961.68	1079.81	1107.16
	Royalty income 50% treated as income	0.00	0.00	0.00	0.00	64.29	60.78	79.63	97.63
	Total operating income	**865.66**	**871.68**	**919.81**	**947.16**	**929.95**	**1022.46**	**1159.44**	**1204.79**
II	**Operating Expenses**								
	(i) Salary & wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Repairs and maintenance	3.00	5.00	5.30	5.62	3.00	5.00	5.30	5.62
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	140.59	147.75	152.60	157.63	140.59	147.75	152.60	157.63
	Total	**143.59**	**152.75**	**157.90**	**163.25**	**143.59**	**152.75**	**157.90**	**163.25**
III	**Depreciation**	36.67	38.72	40.88	39.74	40.08	42.13	44.28	42.32
IV	**Allocated share of Management and General overheads**	81.68	85.26	89.69	93.76	64.66	72.87	80.72	91.13
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**603.72**	**594.95**	**631.34**	**650.41**	**681.61**	**754.71**	**876.54**	**908.10**
VI	**Allocated share of FMI**	5.42	5.17	15.87	15.87	5.31	5.06	14.87	14.87
VII	**Allocated share of FME**	55.32	71.20	95.00	101.83	55.77	71.72	92.69	101.14
VIII	**FMI Less FME (VI) - (VII)**	-49.90	-66.03	-79.13	-85.96	-50.46	-66.66	-77.82	-86.27
IX	**Surplus / deficit (V) + (VIII)**	553.82	528.92	552.21	564.45	**631.16**	**688.05**	**798.72**	**821.82**
X	**Capital Employed for the activity**	1926.21	1968.06	1893.06	1836.12	1928.27	1914.64	1651.54	1673.59
	- Business Assets	1840.79	1899.72	1832.73	1782.79	1842.85	1846.31	1591.21	1620.26
	- Business Related Assets	84.20	67.35	59.46	52.56	84.20	67.35	59.46	52.56
	- Social Obligation assets	1.22	0.98	0.87	0.77	1.22	0.98	0.87	0.77
XI	**Return on Capital Employed**	299.87	308.23	297.01	288.58	301.93	301.02	259.55	263.62
	- Business Assets	294.53	303.96	293.24	285.25	294.86	295.41	254.59	259.24
	- Business Related Assets	5.35	4.28	3.78	3.34	7.07	5.61	4.95	4.38
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**RoCE adjusted for Capacity utilization**	299.87	308.23	297.01	288.58	301.93	301.02	259.55	263.62
XIII	**Net surplus / (Deficit) (IX) - (XI)**	**253.95**	**220.69**	**255.20**	**275.87**	**329.23**	**387.03**	**539.17**	**558.20**
XIV	**Net Surplus / (Deficit) as a % of Operating Income (XII / I in %)**	29.34%	25.32%	27.74%	29.13%	38.03%	40.25%	49.93%	50.42%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**27%**				**43.83%**		

Annex - IV(a)(vi)

Mormugao Port Trust (MOPT)
Cost statement for CHLD

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**	2196.83	3630.52	4279.90	4194.35	2196.83	3630.52	4279.90	4194.35
	Royalty income 50% treated as income	0.00	0.00	0.00	0.00	163.16	253.15	370.52	432.34
	Total operating income	**2196.83**	**3630.52**	**4279.90**	**4194.35**	**2359.99**	**3883.67**	**4650.42**	**4626.69**
II	**Operating Expenses**								
	(i) Salary & wages	1042.60	1139.56	1173.30	1208.05	1042.60	1117.76	1173.30	1208.05
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Repairs and maintenance	1.00	1.00	1.06	1.12	1.00	1.06	1.13	1.21
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	170.85	180.64	187.01	193.62	170.85	180.64	187.01	193.62
	Total	**1214.45**	**1321.20**	**1361.37**	**1402.79**	**1214.45**	**1299.46**	**1361.44**	**1402.88**
III	**Depreciation**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV	**Allocated share of Management and General overheads**	550.93	577.48	608.29	636.68	436.16	493.56	547.44	618.79
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**431.45**	**1731.84**	**2310.24**	**2154.88**	**709.38**	**2090.65**	**2741.53**	**2605.01**
VI	**Allocated share of FMI**	25.70	24.54	75.30	75.30	25.20	24.04	70.55	70.55
VII	**Allocated share of FME**	378.09	533.89	764.71	800.49	381.18	537.79	746.13	795.07
VIII	**FMI Less FME (VI) - (VII)**	-352.39	-509.35	-689.41	-725.19	-355.99	-513.75	-675.58	-724.52
IX	**Surplus / deficit (V) + (VIII)**	**79.06**	**1222.49**	**1620.83**	**1429.69**	**353.39**	**1576.90**	**2065.95**	**1880.49**
X	**Capital Employed for the activity**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	**Return on Capital Employed**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**RoCE adjusted for Capacity utilization**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIII	**Net surplus / (Deficit) (IX) - (XII)**	79.06	1222.49	1620.83	1429.69	353.39	1576.90	2065.95	1880.49
XIV	**Net Surplus / (Deficit) as a % of Operating Income (XII / I in %)**	3.60%	33.67%	37.87%	34.09%	16.09%	43.43%	48.27%	44.83%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**35%**				**41.97%**		

Annex - IV(b)(i)

Mormugao Port Trust (MOPT)

Cost statement for the Vessel related activity

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**	**6863.18**	**9637.69**	**12251.47**	**12522.66**	**6027.52**	**8886.33**	**10642.60**	**10881.26**
II	**Operating Expenses**								
	(i) Salary & wages	1152.20	1272.33	1310.30	1349.39	1152.20	1251.51	1299.07	1349.39
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	389.85	447.90	492.69	541.96	389.85	447.90	479.43	541.89
	(iv) Repairs and maintenance	92.70	111.20	116.40	121.85	92.70	105.96	111.47	121.85
	(v) Dredging	3206.79	3309.80	3614.05	3618.44	3206.79	3309.80	3554.30	3618.44
	(vi) Others	1466.80	1314.56	1847.13	1933.76	1466.80	1314.56	1431.34	1589.85
	Total	**6308.34**	**6455.79**	**7380.57**	**7565.40**	**6308.34**	**6429.73**	**6875.61**	**7221.42**
III	**Depreciation**	702.05	758.90	778.63	756.90	812.80	869.65	889.14	851.68
IV	**Allocated share of Management and General overheads**	2609.81	2718.67	2871.33	3006.05	2066.13	2323.57	2584.11	2921.60
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**-2757.02**	**-295.67**	**1220.94**	**1194.31**	**-3159.75**	**-736.63**	**293.74**	**-113.44**
VI	**Allocated share of FMI**	63.59	60.72	186.31	186.31	62.34	59.47	174.56	174.56
VII	**Allocated share of FME**	2402.45	2793.33	3395.52	3761.07	2422.11	2813.73	3313.02	3735.58
VIII	**FMI Less FME (VI) - (VII)**	-2338.86	-2732.61	-3209.21	-3574.76	-2359.77	-2754.27	-3138.47	-3561.02
IX	**Surplus / deficit (V) + (VIII)**	-5095.88	-3028.28	-1988.27	-2380.45	-5519.52	-3490.90	-2844.73	-3674.47
X	**Capital Employed for the activity**	21366.67	26472.86	25611.12	24569.37	21389.40	25757.03	22354.41	22401.20
	- Business Assets	20301.16	25462.99	24713.26	23782.56	20323.89	24747.16	21456.55	21614.39
	- Business Related Assets	1050.23	995.40	884.99	775.53	1050.23	995.40	884.99	775.53
	- Social Obligation assets	15.28	14.47	12.87	11.28	15.28	14.47	12.87	11.28
XI	**Return on Capital Employed**	3314.88	4137.28	4010.31	3854.45	3340.04	4042.46	3506.77	3522.90
	- Business Assets	3248.19	4074.08	3954.12	3805.21	3251.82	3959.55	3433.05	3458.30
	- Business Related Assets	66.69	63.21	56.20	49.25	88.22	82.92	73.72	64.60
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**Return on Capital Employed linked to Capacity utilisation**	3314.88	4137.28	4010.31	3854.45	3340.04	4042.46	3506.77	3522.90
XIII	**Net surplus / (Deficit) (IX) - (XII)**	-8410.76	-7165.57	-5998.56	-6234.90	-8859.56	-7533.36	-6351.50	-7197.37
XIV	**Net Surplus / (Deficit) as a % of Operating Income)**	**-122.55%**	**-74.35%**	**-48.96%**	**-49.79%**	**-146.99%**	**-84.77%**	**-59.68%**	**-66.14%**
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**-57.70%**				**-69.33%**		

Annex - IV(b)(ii)

Mormugao Port Trust (MOPT)
Cost statement for Berthing and Mooring

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**	**3219.95**	**4339.00**	**5588.96**	**5637.18**	**2216.10**	**3346.91**	**3899.03**	**3913.47**
II	**Operating Expenses**								
	(i) Salary & wages	238.20	275.69	283.95	292.45	238.20	254.87	272.72	292.45
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	1.00	1.00	1.10	1.21	1.00	1.00	1.07	1.14
	(iv) Repairs and maintenance	24.00	46.00	48.54	51.22	24.00	40.76	43.61	51.22
	(v) Dredging	609.29	628.86	686.67	687.50	609.29	628.86	673.88	687.50
	(vi) Others	37.29	38.20	39.53	40.91	37.29	38.20	39.53	40.91
	Total	**909.78**	**989.75**	**1059.78**	**1073.30**	**909.78**	**963.69**	**1030.81**	**1073.22**
III	**Depreciation**	294.15	369.01	410.38	399.52	321.53	396.39	437.66	420.21
IV	**Allocated share of Management and General overheads**	410.95	428.73	452.94	474.42	325.34	366.42	407.63	461.09
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**1605.06**	**2551.51**	**3665.86**	**3689.94**	**659.45**	**1620.40**	**2022.93**	**1958.94**
VI	**Allocated share of FMI**	28.06	26.79	82.21	82.21	27.51	26.24	77.02	77.02
VII	**Allocated share of FME**	372.47	442.58	549.67	604.15	375.52	445.81	536.32	600.06
VIII	**FMI Less FME (VI) - (VII)**	-344.41	-415.79	-467.46	-521.94	-348.01	-419.57	-459.29	-523.03
IX	**Surplus / deficit (V) + (VIII)**	**1260.65**	**2135.72**	**3198.40**	**3168.00**	**311.44**	**1200.83**	**1563.64**	**1435.91**
X	**Capital Employed for the activity**	13934.63	19579.40	19394.16	18818.58	13949.48	19049.25	16924.78	17155.85
	- Business Assets	13262.58	18858.00	18738.68	18238.44	13277.43	18327.85	16269.30	16575.71
	- Business Related Assets	662.41	711.06	646.08	571.82	662.41	711.06	646.08	571.82
	- Social Obligation assets	9.64	10.34	9.40	8.32	9.64	10.34	9.40	8.32
XI	**Return on Capital Employed**	2164.08	3062.43	3039.21	2954.46	2180.03	2991.69	2656.91	2699.75
	- Business Assets	2122.01	3017.28	2998.19	2918.15	2124.39	2932.46	2603.09	2652.11
	- Business Related Assets	42.06	45.15	41.03	36.31	55.64	59.23	53.82	47.63
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**RoCE adjusted for Capacity utilization**	**2164.08**	**3062.43**	**3039.21**	**2954.46**	**2180.03**	**2991.69**	**2656.91**	**2699.75**
XIII	**Net surplus / (Deficit) (IX) - (XII)**	-903.42	-926.71	159.19	213.54	-1868.59	-1790.86	-1093.26	-1263.84
XIV	**Net Surplus / (Deficit) as a % of Operating Income)**	-28.06%	-21.36%	2.85%	3.79%	-84.32%	-53.51%	-28.04%	-32.29%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		-5%				-37.17%		

Annex - IV(b)(iii)

Mormugao Port Trust (MOPT)
Cost statement for Pilotage and Towage

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**	**2480.43**	**3586.31**	**4543.42**	**4706.75**	**2599.42**	**3750.83**	**4599.57**	**4763.41**
II	**Operating Expenses**								
	(i) Salary & wages	686.49	756.62	779.17	802.39	686.49	756.62	779.17	802.39
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	383.00	441.00	485.10	533.61	383.00	441.00	471.87	533.61
	(iv) Repairs and maintenance	5.00	4.00	4.16	4.33	5.00	4.00	4.16	4.33
	(v) Dredging	1298.75	1340.47	1463.69	1465.47	1298.75	1340.47	1434.30	1465.47
	(vi) Others	1166.44	1036.67	1555.55	1635.43	1166.44	1036.67	1139.77	1291.51
	Total	**3539.67**	**3578.76**	**4287.67**	**4441.23**	**3539.68**	**3578.76**	**3829.27**	**4097.31**
III	**Depreciation**	230.54	223.98	218.86	212.80	272.67	266.11	260.91	249.68
IV	**Allocated share of Management and General overheads**	1448.29	1508.62	1593.20	1667.68	1146.58	1289.37	1433.83	1620.83
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**-2738.07**	**-1725.05**	**-1556.31**	**-1614.96**	**-2359.51**	**-1383.41**	**-924.44**	**-1204.41**
VI	**Allocated share of FMI**	24.11	23.02	70.64	70.64	23.64	22.55	66.18	66.18
VII	**Allocated share of FME**	1338.64	1560.21	1901.18	2103.99	1349.59	1571.61	1854.99	2089.74
VIII	**FMI Less FME (VI) - (VII)**	-1314.53	-1537.18	-1830.54	-2033.36	-1325.96	-1549.06	-1788.81	-2023.55
IX	**Surplus / deficit (V) + (VIII)**	**-4052.61**	**-3262.24**	**-3386.85**	**-3648.32**	**-3685.47**	**-2932.47**	**-2713.25**	**-3227.97**
X	**Capital Employed for the activity**	2256.26	1958.73	1621.97	1365.60	2258.67	1905.58	1415.04	1244.72
	- Business Assets	2156.20	1890.73	1570.29	1325.94	2158.61	1837.58	1363.36	1205.06
	- Business Related Assets	98.63	67.03	50.94	39.09	98.63	67.03	50.94	39.09
	- Social Obligation assets	1.43	0.97	0.74	0.57	1.43	0.97	0.74	0.57
XI	**Return on Capital Employed**	351.26	306.77	254.48	214.63	353.66	299.60	222.38	196.07
	- Business Assets	344.99	302.52	251.25	212.15	345.38	294.01	218.14	192.81
	- Business Related Assets	6.26	4.26	3.23	2.48	8.28	5.58	4.24	3.26
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**RoCE adjusted for Capacity utilization**	351.26	306.77	254.48	214.63	353.66	299.60	222.38	196.07
XIII	**Net surplus / (Deficit) (IX) - (XII)**	**-4403.86**	**-3569.01**	**-3641.33**	**-3862.95**	**-4039.13**	**-3232.06**	**-2935.63**	**-3424.03**
XIV	**Net Surplus / (Deficit) as a % of Operating Income (XII / I in %)**	-177.54%	-99.52%	-80.15%	-82.07%	-155.39%	-86.17%	-63.82%	-71.88%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		-87%				-73.14%		

Annex - IV(b)(iv)

Mormugao Port Trust (MOPT)
Cost statement for Port Service

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**	**1077.39**	**1583.38**	**1990.09**	**2049.73**	**1126.59**	**1659.58**	**2015.00**	**2075.39**
II	**Operating Expenses**								
	(i) Salary & wages	134.52	140.70	144.88	149.18	134.52	140.70	144.88	149.18
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	5.75	5.80	6.38	7.02	5.75	5.80	6.38	7.02
	(iv) Repairs and maintenance	57.20	55.20	57.44	59.77	57.20	55.20	57.44	59.77
	(v) Dredging	1298.75	1340.47	1463.69	1465.47	1298.75	1340.47	1446.12	1465.47
	(vi) Others	147.51	118.64	122.25	127.06	147.51	118.64	122.25	127.06
	Total	**1643.73**	**1660.81**	**1794.64**	**1808.49**	**1643.73**	**1660.81**	**1777.07**	**1808.50**
III	**Depreciation**	175.20	163.81	147.34	142.59	216.25	204.86	188.33	179.65
IV	**Allocated share of Management and General overheads**	602.44	627.04	663.14	694.71	476.94	535.91	596.81	675.19
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**-1343.98**	**-868.28**	**-615.04**	**-596.06**	**-1210.32**	**-742.00**	**-547.20**	**-587.96**
VI	**Allocated share of FMI**	10.57	10.09	30.97	30.97	10.36	9.88	29.02	29.02
VII	**Allocated share of FME**	597.92	674.81	795.25	890.93	602.81	679.74	775.93	884.89
VIII	**FMI Less FME (VI) - (VII)**	-587.35	-664.71	-764.28	-859.96	-592.45	-669.86	-746.91	-855.88
IX	**Surplus / deficit (V) + (VIII)**	-1931.33	-1533.00	-1379.32	-1456.02	**-1802.77**	**-1411.85**	**-1294.12**	**-1443.84**
X	**Capital Employed for the activity**	5161.29	4923.14	4586.64	4379.27	5166.74	4790.92	4007.31	3995.24
	- Business Assets	4868.53	4703.08	4396.20	4212.43	4873.98	4570.86	3816.87	3828.40
	- Business Related Assets	288.56	216.91	187.71	164.45	288.56	216.91	187.71	164.45
	- Social Obligation assets	4.20	3.15	2.73	2.39	4.20	3.15	2.73	2.39
XI	**Return on Capital Employed**	797.29	766.27	715.31	684.43	804.08	749.41	626.34	626.24
	- Business Assets	778.96	752.49	703.39	673.99	779.84	731.34	610.70	612.54
	- Business Related Assets	18.32	13.77	11.92	10.44	24.24	18.07	15.64	13.70
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**RoCE adjusted for Capacity utilization**	797.29	766.27	715.31	684.43	804.08	749.41	626.34	626.24
XIII	**Net surplus / (Deficit) (IX) - (XII)**	**-2728.62**	**-2299.27**	**-2094.63**	**-2140.45**	**-2606.85**	**-2161.26**	**-1920.45**	**-2070.08**
XIV	**Net Surplus / (Deficit) as a % of Operating Income (XII / I in %)**	**-253.26%**	**-145.21%**	**-105.25%**	**-104.43%**	**-231.39%**	**-130.23%**	**-95.31%**	**-99.74%**
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**-118%**				**-106.99%**		

Annex - IV(b)(v)

Mormugao Port Trust (MOPT)
Cost statement for Water Supply

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates furnished by MOPT at existing level of tariff				Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	Operating Income	85.41	129.00	129.00	129.00	85.41	129.00	129.00	129.00
II	Operating Expenses								
	(i) Salary & wages	92.99	99.32	102.30	105.37	92.99	99.32	102.30	105.37
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	0.10	0.10	0.11	0.12	0.10	0.10	0.11	0.12
	(iv) Repairs and maintenance	6.50	6.00	6.26	6.53	6.50	6.00	6.26	6.53
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	115.56	121.05	129.80	130.36	115.56	121.05	129.80	130.37
	Total	215.15	226.47	238.46	242.39	215.15	226.47	238.46	242.39
III	Depreciation	2.16	2.10	2.05	1.99	2.36	2.30	2.25	2.14
IV	Allocated share of Management and General overheads	148.13	154.28	162.05	169.24	117.27	131.86	145.84	164.49
V	Operating Surplus/ Deficit (I) – (II) - (III) - (IV)	-280.04	-253.85	-273.56	-284.61	-249.37	-231.63	-257.55	-280.01
VI	Allocated share of FMI	0.85	0.81	2.49	2.49	0.83	0.79	2.33	2.33
VII	Allocated share of FME	93.42	115.73	149.42	161.99	94.18	116.58	145.79	160.89
VIII	FMI Less FME (VI) - (VII)	-92.57	-114.92	-146.93	-159.50	-93.35	-115.78	-143.46	-158.56
IX	Surplus / deficit (V) + (VIII)	-372.61	-368.77	-420.49	-444.11	-342.72	-347.41	-401.01	-438.57
X	Capital Employed for the activity	14.49	11.59	8.35	5.92	14.51	11.28	7.28	5.40
	- Business Assets	13.85	11.18	8.09	5.75	13.87	10.87	7.02	5.23
	- Business Related Assets	0.63	0.40	0.26	0.17	0.63	0.40	0.26	0.17
	- Social Obligation assets	0.01	0.01	0.00	0.00	0.01	0.01	0.00	0.00
XI	Return on Capital Employed	2.26	1.81	1.31	0.93	2.27	1.77	1.15	0.85
	- Business Assets	2.22	1.79	1.29	0.92	2.22	1.74	1.12	0.84
	- Business Related Assets	0.04	0.03	0.02	0.01	0.05	0.03	0.02	0.01
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	RoCE adjusted for Capacity utilization	2.26	1.81	1.31	0.93	2.27	1.77	1.15	0.85
XIII	Net surplus / (Deficit) (IX) - (XII)	-374.87	-370.58	-421.80	-445.04	-345.00	-349.18	-402.15	-439.42
XIV	Net Surplus / (Deficit) as a % of Operating Income (XII / I in %)	-438.91%	-287.27%	-326.98%	-345.0%	-403.93%	-270.68%	-311.75%	-340.64%
XV	Average Net Surplus / (Deficit) as a % of operating income		-320%				-307.69%		

Annex - IV (c)

Mormugao Port Trust (MOPT)
Cost statement for the Railways

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates	Estimates furnished by MOPT at existing level of tariff			Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**								
	(i). Haulage	2905.84	3398.44	3947.00	4540.00	2905.84	3398.44	3947.00	4540.00
	(ii). Terminal Charges	1445.60	1690.64	1941.00	2233.00	1445.60	1690.64	1941.00	2233.00
	(iii). Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total operating income	**4351.44**	**5089.08**	**5888.00**	**6773.00**	**4351.44**	**5089.08**	**5888.00**	**6773.00**
II	**Operating Expenses**								
	(i) Salary & wages	483.04	516.89	532.37	548.31	483.04	516.89	532.37	548.31
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	115.20	120.20	132.22	145.44	115.20	120.20	132.22	145.44
	(iv) Repairs and maintenance	65.00	40.00	42.20	44.52	65.00	40.00	42.20	44.52
	(v) Others	130.59	130.47	136.39	142.63	130.59	130.47	136.39	142.63
	Total	**793.83**	**807.56**	**843.18**	**880.91**	**793.83**	**807.56**	**843.18**	**880.90**
III	**Depreciation**	150.78	146.04	142.66	138.64	164.81	160.07	156.64	149.24
IV	**Allocated share of Management and General overheads**	527.21	549.82	577.30	602.80	417.38	469.92	519.55	585.87
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**2879.62**	**3585.66**	**4324.86**	**5150.65**	**2975.41**	**3651.53**	**4368.63**	**5156.99**
VI	**Allocated share of FMI**	23.99	22.91	70.29	70.29	23.52	22.44	65.86	65.86
VII	**Allocated share of FME**	320.35	400.19	520.48	562.83	322.97	403.11	507.83	559.02
VIII	**FMI Less FME (VI) - (VII)**	-296.36	-377.28	-450.19	-492.54	-299.45	-380.67	-441.98	-493.16
IX	**Surplus / deficit (V) + (VIII)**	**2583.25**	**3208.38**	**3874.68**	**4658.11**	**2675.96**	**3270.86**	**3926.65**	**4663.83**
X	**Capital Employed for the activity**	1238.07	1037.73	812.13	643.03	1239.39	1009.57	708.52	586.11
	- Business Assets	1183.16	1001.70	786.25	624.35	1184.48	973.54	682.64	567.43
	- Business Related Assets	54.12	35.51	25.51	18.41	54.12	35.51	25.51	18.41
	- Social Obligation assets	0.79	0.52	0.37	0.27	0.79	0.52	0.37	0.27
XI	**Return on Capital Employed**	192.74	162.53	127.42	101.07	194.06	158.72	111.35	92.32
	- Business Assets	189.31	160.27	125.80	99.90	189.52	155.77	109.22	90.79
	- Business Related Assets	3.44	2.25	1.62	1.17	4.55	2.96	2.12	1.53
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	**Return on Capital Employed linked to Capacity utilisation**	**192.74**	**162.53**	**127.42**	**101.07**	**194.06**	**158.72**	**111.35**	**92.32**
XIII	**Net surplus / (Deficit) (IX) - (XII)**	**2390.51**	**3045.85**	**3747.26**	**4557.05**	**2481.90**	**3112.13**	**3815.30**	**4571.51**
XIV	**Net Surplus / (Deficit) as a % of Operating Income**	54.94%	59.85%	63.64%	67.28%	57.04%	61.15%	64.80%	67.50%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**64%**				**64.78%**		

Annex - IV(d)

Mormugao Port Trust (MOPT)

Cost statement for the Estate activity

(Rupees in Lakhs)

Sr. No.	Particulars	Estimates	Estimates furnished by MOPT at existing level of tariff			Estimates considered by TAMP at existing level of tariff			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
I	**Operating Income**								
	(i) Rent from land	879.90	897.30	878.62	894.72	1997.80	2063.17	2625.81	2677.75
	(ii) Others	365.57	380.27	394.40	407.40	365.57	380.27	394.40	407.40
	Total operating income	**1245.47**	**1277.57**	**1273.02**	**1302.12**	**2363.37**	**2443.44**	**3020.21**	**3085.15**
II	**Operating Expenses**								
	(i) Salary & wages	398.16	409.01	421.28	433.92	398.16	409.01	421.28	433.92
	(ii) Power	6.20	7.20	7.64	8.11	6.20	7.20	7.64	8.11
	(iii) Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Repairs and maintenance	160.85	183.85	194.58	205.94	160.85	183.85	194.58	205.94
	(v) Others	88.28	90.08	94.33	98.75	88.28	90.08	94.33	98.75
	Total	**653.49**	**690.14**	**717.84**	**746.72**	**653.49**	**690.14**	**717.83**	**746.72**
III	**Depreciation**	49.62	48.21	47.11	45.79	54.24	52.83	51.71	49.28
IV	**Allocated share of Management and General overheads**	681.54	709.45	739.98	770.16	539.56	606.35	665.96	748.52
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	**-139.19**	**-170.23**	**-231.91**	**-260.55**	**1116.08**	**1094.13**	**1584.70**	**1540.63**
VI	**Allocated share of FMI**	7.16	6.84	20.99	20.99	7.02	6.70	19.67	19.67
VII	**Allocated share of FME**	198.57	228.44	274.69	305.46	200.19	230.11	268.02	303.39
VIII	**FMI Less FME (VI) - (VII)**	-191.41	-221.60	-253.70	-284.48	-193.18	-223.41	-248.35	-283.72
IX	**Surplus / deficit (V) + (VIII)**	**-330.59**	**-391.82**	**-485.61**	**-545.03**	**922.90**	**870.72**	**1336.35**	**1256.90**
X	**Capital Employed for the activity**	3039.20	2932.31	2790.21	2714.20	3040.90	2890.74	2607.70	2590.72
	- Business Assets	1517.41	1478.84	1384.98	1354.40	1519.11	1437.27	1202.47	1230.92
	- Business Related Assets	1519.86	1452.01	1403.95	1358.67	1519.86	1452.01	1403.95	1358.67
	- Social Obligation assets	1.93	1.46	1.28	1.13	1.93	1.46	1.28	1.13
XI	**Return on Capital Employed**	339.30	328.82	310.75	302.98	370.73	350.92	309.34	310.13
	- Business Assets	242.79	236.61	221.60	216.70	243.06	229.96	192.39	196.95
	- Business Related Assets	96.51	92.20	89.15	86.28	127.67	120.95	116.95	113.18
	- Social Obligation assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	RoCE adjusted for Capacity utilization	339.30	328.82	310.75	302.98	370.73	350.92	309.34	310.13
XIII	**Net surplus / (Deficit) (IX) - (XII)**	**-669.89**	**-720.64**	**-796.36**	**-848.01**	**552.18**	**519.80**	**1027.01**	**946.78**
XIV	**Net Surplus / (Deficit) as a % of Operating Income**	-53.79%	-56.41%	-62.56%	-65.13%	23.36%	21.27%	34.00%	30.69%
XV	**Average Net Surplus / (Deficit) as a % of operating income**		**-61%**				**29.17%**		

ANNEX - V

Cost calculation for fixation of rate for use of 100 tonne Mobile Harbour Crane of the Mormugao Port Trust

A. For Dry bulk cargo

(Rs. in Lakhs)

Sr. No.	Particulars	As furnished by Mormugao Port Trust		Norms if any prescribed in 2008 tariff guidelines (for multipurpose cargo berth)	
		Workings			For Dry bulk - (a). Food grains & Fertiliser (b). Coal, lime stone, minerals. etc.
I	Cost of Harbour Mobile Crane (Rs. in Lakhs)	-	3691.7347		2746.26
	B. Capacity in tonnes/ annum			Dry bulk a) Food grain, fertiliser = 10000 tonnes / days (for vessels more than 30000 tonnes parcel size) b) Coal, Lime stone, minerals, etc. = 10000 tonnes / days	
	Handling rate per hour (in tonnes)		744		744
	Working hours per annum		4000	A norm of 4000 hours of working in a year is prescribed for estimating power / fuel cost	4000
	Annual Capacity (in tonnes)		**2976190**		**2976000**
	Annual Capacity (in Million tonnes)		**2.976**		**2.976**
III	Operating Cost		**Rs. in lakhs**		**Rs. in lakhs**
	(a). Fuel cost	70 ltrs per hour * Rs. 47 per litre * 4000 hours	131.60		147.73
	(b). Repairs & Maintenance cost	(5% of capital cost)	184.59	(5% of capital cost)	137.31
	(c). Insurance	(1% of capital cost)	36.92	(1% of capital cost)	27.46
	(d). Depreciation	As per norms prescribed in Companies Act	381.73	As per norms prescribed in Companies Act	283.96
	(f). Other Expense	5% of Gross fixed Asset Value	184.59	5% of Gross fixed Asset Value	137.31
	Total (a) to (f)		**919.42**		**733.78**
IV	ROCE	16% on average capital employed	**468.52**	16% on capital employed	**348.53**
V	**Total Cost plus Return on investment**		**1387.94**		**1082.31**
VI	**Hire Charge per tonne (Foreign)**		**46.63**		**36.36**
VII	**Hire Charge per tonne (Foreign) after adjustment (for foreing/ coastal cargo)**		**48.58**		**37.87**
VIII	**Hire Charge per tonne - Coastal**	-	**29.15**		**22.72**

B. For break bulk cargo

Sr. No.	Particulars	Working	Break bulk cargo (steel and bagged cargo)	Others
I	Cargo Handling rate at 50% above the norms precribed in upfront tariff guidelines 2008 for multipurpose cargo terminal (in tonnes / day)		**6000**	**3750**
II	Cargo Handling rate in tonnes / hour	Sr. no I / (24 hours * 70% utilisation norm)	**357**	**223**
III	Working hours (per annum)		4000	4000
IV	Capacity (tonnes / annum)	Sr. No II * III	1428571	892857
V	Total cost plus return as estimated in Sr. No V in the first table (Rs. in lakhs)		1082.31	1082.31
VI	**Hire Charge per tonne (Foreign going) in Rs. / tonne**	Sr. No V / IV	**75.76**	**121.22**
VII	**Hire Charge per tonne (Foreign going) in Rs. / tonne after adjustment (for foreign/ coastal cargo)**		**87.97**	**126.27**
VIII	**Hire Charge per tonne (Coastal) in Rs. / tonne**	60% of Sr. No VI	**52.78**	**75.76**

@ Note : Workings for capital employed

Gross value of HMC **Rs.2746.26 lakhs**

Rate of Depreciation as per provisions of Companies Act **10.34%**

	Year 1	Year 2	Year3
Value of HMC at the beginning of the year	2746.26	2462.30	2178.33
Depreciation	283.96	283.96	283.96
Written down value at the end of the year	2462.30	2178.33	1894.37
Average written down value		2178.33	

Annex - VI

Mormugao Port Trust

SCALE OF RATES

1.1. Definitions - General

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

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

(ii). **"Cold Move"** shall mean movement without the power of the engine of the vessel.

(iii). **"Combination Loading"** denotes loading of vessel primarily at berth No. 9 (MOHP) and then uptopping in stream.

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

(v). **"Stream Loading"** denotes loading of vessel exclusively at places other than at berths.

1.2. General Terms & Conditions

(i). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, is the relevant factor to decide whether vessel is 'coastal' or 'foreign-going' for the purpose of levy of vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

(ii). (a). A Foreign-going vessel of Indian Flag having a General Trading Licence can convert to coastal run on the basis of a Customs Conversion Order.

(b). A foreign-going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.

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

(d). In cases of such conversion coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations, immediately thereafter, foreign-going rates shall be chargeable by the discharge ports.

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

(iii). (a). Vessel related charges shall be levied on Shipowners/Steamer Agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the market buying rate notified by the Reserve Bank of India, State Bank of India or its associates or any other Public Sector Bank as may be specified from time to time. The date of entry of the vessel into the port limit shall be reckoned with as the day for such conversion.

(b). Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees. For this purpose, the market buying rate prevalent on the date of entry of the vessel in case of import containers; and on the date of arrival of the containers in the port premises in case of export containers shall be applied for conversion of dollar denominated charges.

(iv). A regular review of exchange rate shall be made once in thirty days from the date of arrival of the vessels in cases of vessels staying in the port for more than thirty days. In such cases, the basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of the review.

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

(b). Cargo/container related charges for all coastal cargo/containers, other than thermal coal, POL, including crude oil, Iron Ore and Iron Pellets, should not exceed 60% of the normal cargo/container related charges.

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

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

(e). In case container / cargo from foreign port lands at MOPT for subsequent transhipment to an Indian Port on coastal voyages, 50% of the transhipment rate prescribed for foreign going and 50% of that prescribed for coastal leg shall be levied.

(vi). Interest on delay payments /refunds:

(a). The user shall pay penal interest at the rate of 16.45% per annum on delayed payments under this Scale of Rates. Likewise, the MOPT shall pay penal interest at the rate of 16.45% per annum on delayed refunds.

(b). The delay in refunds will be counted only 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.

(c). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the MOPT. This provision shall, however, not applied to the cases where payment is to be made before availing the services / use of Port Trust's properties as stipulated in the Major Port Trust Act and / or where payment of charges in advance is prescribed as a condition in this Scale of Rates.

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

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

(b). The Port may also, if they so desire, rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling level.

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

(ix). Port dues @ 50% shall be levied in case of cruise vessels. Likewise, pilotage fees, Berth Hire & Anchorage Charges @ 70% of applicable rate shall be charged on cruise vessels.

(x). The users shall not be required to pay charges for delays beyond a reasonable level attributable to the MOPT.

PART - I -VESSEL RELATED CHARGES

SECTION : A - PORT DUES

Sr. No.	Particulars	Rate Per GRT		Frequency of payment in respect of the same vessel
		Coastal Vessels (in ₹)	Foreign-going vessels (in US $)	
1.	Vessels	5.226	0.1900912	Each Entry
2.	(a). Country Crafts, Tugs, Launches, Fishing trawlers, Barges and other vessels not covered in Sl. No. 1 above and not engaged in carrying iron ore.	2.327	0.0852436	Each Entry
	(b). Country Crafts, Launches and barges carrying ores handled at MOPT.	Free	Free	

Notes:

(1). Port Dues shall be levied for each entry of a vessel except transhippers/ floating cranes in which case the levy will once in thirty days.

(2). Port Dues shall be levied at 70% of above rates in the following cases:

(i). Vessels engaged in loading and unloading parcels of general cargo of the order of not more than 3000 tonnes.

(ii). Vessels calling at the Port exclusively for lightering general cargo into other vessels for being carried to any other port in the country.

(iii). LASH, container and RO - RO vessels.

(3). Port Dues shall not be levied on:

(i). Any pleasure yacht.

(ii). Any vessel, which having left the Port, is compelled to re-enter by stress of weather or in consequence of having sustained any damage.

(iii). Vessels belonging to Government and plying blue/white ensigns.

(iv). Vessels belonging to other Indian Ports.

(v). Research vessels of Govt. of India and defence vessel of Foreign Government coming on goodwill visits.

(4). A vessel entering the Port in ballast and not carrying passengers shall be charged with only 75% of the Port Dues with which she would otherwise be chargeable.

(5). A Vessel entering the Port but not discharging or taking in any cargo or passenger therein (with the exception of such unshipment and reshipment as may be necessary for purposes of repair) shall be charged with only 50% of the Port Dues with which she would otherwise be chargeable.

(6). The cruise vessels where embarking or disembarking of passengers is not involved shall be charged with only 50% of the Port dues.

(7). For oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the 'Remarks' column of its International Tonnage Certificate will be taken to be its gross tonnage for the purpose of levy of Port Dues.

(8). The special rate of US $ 0.02451 per GRT per hour or part thereof shall be levied on foreign naval vessels for occupation of General Cargo Berths and Mooring Dolphins.

SECTION : B - PILOTAGE FEES

The composite Pilotage-cum-towage fee includes one inward and one outward movement with required number of tugs/launches of adequate capacity and shifting/s of vessels for 'Port convenience '. Shifting at the request of vessels will attract separate shifting charges.

I. Schedule of Pilotage Fees

Sr. No.	Class of Vessel	Rate Per GRT	
		Coastal Vessels (in ₹)	Foreign-going vessels (in US $)
1.	Up to 30000 GRT	11.66	0.425508
2.	30001 to 60000 GRT	9.39	0.340400
3.	60001 GRT & above	8.20	0.297863

II. Schedule of Shifting charges

Sr. No.	Class of Vessel	Rate per GRT per act of shifting	
		Coastal Vessels (in ₹)	Foreign-going vessels (in US $)
1.	All vessels upto 30,000 GRT	1.79	0.0653
2.	Vessels of 30,001 to 60,000 GRT	1.44	0.0523
3.	Vessels of 60,001 GRT and above	1.25	0.0456

Notes:

(1). For shifting a vessel from stream to berth or berth to stream or change of berths or anchorages, separate charges are leviable. The shiftings charges shall be levied on all acts of shiftings, which excludes the inward and outward movements connected with the pilotage.

(2). Any shifting operation performed for the convenience of the port shall not be charged.

Port Convenience is defined to mean any of the following:

(i). If a working cargo vessel at berth or any vessel including transhippers at anchorage/mooring buoys is shifted/unberthed for undertaking dredging work/hydrographic survey work or for allotting a berth for the dredger or for attending to repairs to berths, maintenance and such other similar works whereby shifting is necessitated, such shifting shall be considered as "SHIFTING FOR PORT CONVENIENCE". The shifting made to reposition such shifted vessel (s) shall also be considered as "SHIFTING FOR PORT CONVENIENCE".

(ii). If a working cargo vessel is shifted from berth to accommodate on ousting priority, vessels which are exempted from bearing the shifting charges, such shifting shall be treated as " Shifting for port convenience".

(3). In case of transhippers, however, all acts of shifting are chargeable.

(4). Whenever a vessel is shifted from berth to accommodate another vessel on ousting priority, the vessel shifted is exempted from the payment of shifting charges since the same is paid by the vessel enjoying the ousting priority or the shifting is treated as for PORT CONVENIENCE when the priority vessel is exempted from the payment of such charges. However, this benefit will not be applicable in the following cases:

(i). Non-Cargo vessels which in any case have to vacate the berth when cargo vessels arrive.

(ii). Vessels using the berth exclusively for overside loading/discharge.

(iii). Vessels which are idling at berth without doing any cargo handling operations.

(5). **Cancellation Charges:**

In case of Pilots, whose services have been requisitioned for any movement but not utilised, fees as given below shall be levied.

Sr. No.	**Description**	**Coastal Vessel (in ₹)**	**Foreign-going vessel (in US $)**
(i).	Cancellation received 2 hrs. before Pilot booked time	NIL	NIL
(ii).	Cancellation received less than 2 hrs but more than ½ hr before Pilot booked time	3434.85	125.1844
(iii).	Cancellation received less than ½ hr before Pilot booked time or if pilot has left station but tugs have not left Station	4293.54	156.4805
(iv).	Cancellation received after pilot boarding and within ½ hr of boarding but tugs have not left station	5152.42	187.7786
(v).	- do - but 1 tug left station	10304.53	375.5552
(vi).	- do - but 2 tugs left station	15456.74	563.3338
(vii).	- do - but 3 tugs left station	20608.97	751.1104
(viii).	After 30 minutes of Pilot boarding (In addition to the detention charges as applicable)	5152.30	187.7786

Note: The cancellation charges shall not be levied if a booking for vessel's movement is cancelled for reasons attributable to the Port.

(6). **Detention charges –**

If a vessel is not able to move within thirty minutes of pilot's boarding it for the purpose of pilotage, it shall be liable to pay an extra fees @ ₹3434.68 per half an hour or part thereof in case of coastal vessel or US$ 125.18 per half an hour or part thereof in case of Foreign going vessel beyond thirty minutes, till it moves. In addition to this, tug hire charges will be payable as given below:

Sr. No.	**Description**	**Coastal Vessel (in ₹)**	**Foreign-going vessel (in US $)**
(i).	Without tug per half hr. or part thereof	3434.85	125.1844
(ii).	With 1 tug - do -	10304.53	375.5552
(iii).	With 2 tugs - do -	15456.74	563.3338
(iv).	With 3 tugs - do -	20608.97	751.1104

(7). If an outward bound vessel carries away a pilot outside the port limits due to the bad weather, compensation @ ₹4023.05 per day in case of coastal vessel or US$ 205.569 per day in case of foreign-going vessels shall be payable by the Master of the vessel till the pilot reports back for duty at the Port. In addition, the boarding and lodging expenses of the pilot on board the ship and the cost of sending him back to the Port shall be payable by the Master of the Vessel.

(8). Charges for double banking of transhipper at West of Break water shall be 1½ times the shifting charges applicable.

(9). For piloting a vessel on "Cold Move", partly or fully in any operations, pilotage fee shall be levied at double the rates mentioned in the Schedule of Pilotage Fees.

(10). The vessel after discharging cargo, goes out of Port limits for cleaning and re-enters the Port limit shall attract pilotage fees. Shifting charges shall be applicable, if cleaning of such vessel is carried out within the Port limits.

III. Special charges for Western India Shipyard Limited Dry dock at Mormugao Harbour

1. Inward and outward Movements into / from WISL Area:

Vessels entering Floating Docks/Lay up Jetty / Slipway:

(i).	Hot Move	The actual rate of Pilotage Fees as per the Schedule of rates given under section B (I)
(ii).	Cold Move (Viz, without the Powers of engines or steering, partly or fully)	Double the rate of Pilotage fees as per the Schedule of rates given under section B(I), if both inward and outward movements are cold movements. If only one is cold then 1 1/2 times the rate of Pilotage fees will be charged.

2. Other Movements:

From Port area to dry Docks/Slipway and vice versa, Dry Docks/Slipway to Lay-up Jetty and vice versa or from lay-up Jetty to port area or vice versa.

(i).	Hot Move	50% of the Pilotage fees as per Schedule of rates for each operation.
(ii).	Cold Move (Viz, without the power of engines or steering, partly or fully)	Charges at double the rates as specified for movements at Hot Move.

Notes:

(1). The above charges are in addition to the prescribed Pilotage Fees as per the Scale of Rates & statement of conditions prevailing from time to time.

(2). All movements for berthing, unberthing or shifting to/from WISL facilities are charged at the rates mentioned above.

(3). Vessels arriving Mormugao port solely for use of the WISL facilities, will initially pay as per rates prescribed in 1 (i) or 1 (ii) above. They will be entitled to one free shiftings not involving movement to/from WISL facilities.

SECTION - C - BERTH HIRE / ANCHORAGE CHARGES
I. BERTH HIRE CHARGES

Sr. No.	Size of Vessel	Rate per GRT per hour or part thereof						
		Berth No.8		Berth No. 10, and 11 (where shore cranes are not provided)		Berth No.9 (MOHP)		
		Coastal vessel (in ₹)	Foreign going vessel (in US $)	Coastal vessel (in ₹)	Foreign going vessel (in US $)	Size of vessel for Berth No.9	Coastal vessel (in ₹)	Foreign going vessel (in US $)
(i)	Vessels upto 15000 GRT	0.0896	0.003296	0.0456	0.0016562	(i) Vessels upto 30,000 GRT	0.1808	0.0066209
(ii)	Vessels above 15000 GRT	0.1893	0.006882	0.1268	0.0046059	(ii) Vessels from 30,001 to 60000 GRT	0.4867	0.01776528
						(iii) Vessels from 60,000 GRT	0.1673	0.0061139

Notes:

(1). The Berth hire charges at Berth No. 4, Mole Berth and Break water berth shall be ₹1.88 and $ 0.0607 per GRT per hour or part thereof for Coastal and Foreign going vessels respectively irrespective of size of vessel.

(2) The above charges are leviable against Masters, Owners or Agents of vessels and other floating crafts approaching or lying at or alongside berths, wharfs, mooring, quay, jetties etc., per GRT per hour or part thereof.

(3). The rates are applicable to all vessels irrespective of the destination.

(4). No berth hire shall be levied for the period when the vessel idles at its berth for continuous one hour or more due to breakdown of port equipment or power failure or for any other reasons attributable to the port subject to night navigation & inclement weather.

II. ANCHORAGE CHARGES

1. The Anchorage Charges are applicable on all vessels.

Sr. No.	Rate per GRT per hour or part thereof			
	Coastal Vessel (in ₹)		Foreign-going vessel (in US$)	
	East of Break Water	West of Break Water	East of Break Water	West of Break Water
(a).	0.0311	0.0237	0.0011	0.0009

2. Other Vessels:

Sr. No.	Description	Rate per hour or part thereof			
		Coastal Vessel (in ₹)		Foreign-going vessel (in US$)	
		East of Break Water	West of Break Water	East of Break Water	West of Break Water
(a).	Launches, fishing Trawlers, country crafts, research and survey vessels, barges not engaged in ore carrying & Mini bulk carriers of size up to 1800 GRT.	7.014	7.014	0.25468	0.25468

Notes common to Sections C(I) and C(II):

(1). Berth hire includes charges for services rendered at the Berth, such as occupation of Berth, overtime at Berth, telephones, rubbish removal, cleaning of Berths, fire watch, etc.

(2). The period of 1 hour shall be calculated from the time the vessel occupies berth/ anchorage.

(3). (i). Berth hire shall stop 4 hours after the time of the vessel signalling its readiness to sail.

(ii). The time limit of 4 hours prescribed for cessation of berth hire shall exclude the ship's waiting time for want of favourable tidal conditions, inclement weather and due to lack of night navigation.

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

(iv). There shall be a penal berth hire equal to one day's berth hire charge for a false signal.

"False signal" would be when a ship signals readiness and asks for a pilot in anticipation even when she is not ready for un-berthing due to engine not being ready or cargo operation not completed or such reasons attributable to the vessel. This excludes the signalling readiness when a ship is not able to sail due to unfavourable tide, lack of night navigation or adverse weather conditions.

(4). If a vessel is not ready to vacate the berth within 3 hours after the completion of cargo or after the expiry of notice given by the officers authorised by the MOPT, to so vacate the berth, whichever is later, the vessel shall be liable to pay an additional berth hire charge at five times the normal rate, the incidence being reduced to per hour or part thereof.

(5). The deballasting time allowed at Berth no. 9 shall be 3 hours and beyond that penal Berth hire charges shall be levied at five times the normal berth hire charges, the incidence being reduced to per hour or part thereof, i.e. without any supplementary charge or rebate that may be applicable to the vessel. This will be in addition to the normal berth hire charges applicable for the entire duration of the vessels' stay at the berth.

(6). Vessels banked on off-side of another vessel at the Berth, Berth Hire Charges shall be leviable at 50% of charges payable by the vessels.

(7). Barges, country crafts, tugs or fishing trawlers, etc. which come to berth solely for the purpose of bunkering, taking water, for repairs or landing ship's crew, the minimum prescribed berth hire charges shall not apply.

(8). Vessel using mooring dolphins for loading and unloading of cargo or embarking or disembarking passengers or idle at mooring dolphins, an additional charge of ₹0.0248 per GRT per hour or part thereof in case of coastal vessel and US $ 0.0008 per GRT per hour or part thereof in case of foreign-going vessel, shall be levied in addition to anchorage fees prescribed at Schedule 1 under Anchorage charges.

(9). Rates prescribed at Schedule 2 under section C(II) shall not be applicable in case of launches, fishing trawlers and country crafts duly registered in Goa and licensed to operate within the port limits under the MPT Harbour Craft Rules.

(10). Priority Berthing

(i). For providing "Priority Berthing" to any vessel, a fee equivalent to Berth hire charges for a single day or 75% of the berth hire charges calculated for a total period of actual stay at the Berth whichever is higher, shall be levied.

(11). Ousting Priority Berthing

(i). For providing ousting priority to a vessel, a fee equivalent to berth hire charges for single day or 100% of the berth hire charges calculated for the total period of actual stay of the vessels at berth, whichever is higher, shall be levied.

(ii). In addition, shifting out/in charges of the Vessels shall be levied on the vessels, which are provided ousting priority.

(iii). Exemptions to the following vessels from the application of charges as per the above schemes:

(a). Vessels carrying cargo on account of Ministry of Defence, Government of India.
(b). Defence vessels of Foreign Govt. coming up on goodwill visits.
(c). Vessels hired for the purpose of Antartic expedition by Department of Ocean Development and research vessel of Govt. of India.
(d). Any other vessel for which special exemption has been granted by the Ministry of Shipping.

SECTION - D - CHARGES FOR SUPPLY OF WATER TO VESSELS AND MISCELLANEOUS SERVICES

I. (A). Charges for supply of water to vessels:

Sr. No.	Position	Rate per 1000 litres	
		Coastal Vessel (in ₹)	Foreign-going vessel (in US $)
1.	At Berth	169.43	6.17530
2.	By Barges		
	(a). Within Break Water	228.15	8.31409
	(b). Beyond Break Water	293.28	10.68865

(B). Charges for cancellation of water supply after barge has left station:

Sr. No.	Description	Coastal Vessel (in ₹)	Foreign-going vessel (in US $)
1.	For supply at EOB	3076.45	112.13
2.	For supply at WOB	6152.97	224.25

(C). Detention charges for water barge:

Sr. No.	Description	Rate per half an hour or part thereof	
		Coastal Vessel (in ₹)	Foreign-going vessel (in US $)
1.	For supply at EOB	1538.23	56.063
2.	For supply at WOB	3076.52	112.125

Charges for minimum requisition for water supply by barge shall be for 50 tonnes at WOB or 25 tonnes at EOB. However, if lesser quantity is being supplied by the Port due to shortage of water then charges would be as per the quantity.

II. Charges for use of Tugs:

Sr. No.	Description	Rate per hour or part thereof (inclusive of fuel and lubricants)	
		Coastal Vessel (in ₹)	Foreign-going vessel (in US $)
1	Tug used for operation other than for assisting berthing, Unberthing, shifting and towage of vessels within Port limits.	16763.95	610.978

PART : II - CARGO RELATED CHARGES

SECTION : A - WHARFAGE CHARGES

1. BULK CARGO

Sr. No.	Particulars of Commodities	Unit	Rate in ₹	
			Import & Export Cargo	Import/Export Coastal Cargo
I.	**Bulk Cargoes**			
1.	Acids of all kinds	Metric Tonne	94.50	56.70
2.	Animal Products			
	(a). Hides & Skin	Metric Tonne	42.00	25.20
	(b). Bone and Bone Meal	Metric Tonne	21.00	12.60
3.	Arms, Ammunition, Explosives and Defence Stores	Metric Tonne	84.00	50.40
4.	Asbestos			
	(a). Asbestos, unmanufactured	Metric Tonne	25.20	15.12
	(b). Asbestos, manufactured	Metric Tonne	31.50	18.90
5.	Alumina (Bulk)	Metric Tonne	42.00	25.20
6.	Carbon Black Feedstock	Metric Tonne	63.00	37.80
7.	Caustic Soda	Metric Tonne	63.00	37.80
8.	Cement Clinker, Cement & Cement Products	Metric Tonne	42.00	25.20
9.	Coal, Firewood, Coke/Charcoal	Metric Tonne	42.00	25.20
10.	Construction Materials like Sand, Bricks, Tiles, Lime, Clay, etc.	Metric Tonne	12.60	7.56
11.	Cotton			
	(a). Raw Cotton and Cotton Yarn	Metric Tonne	63.00	37.80
	(b). Cotton Waste	Metric Tonne	12.60	7.56
12.	Fertilizers & Fertilizer Raw Materials including Sulphur, Rock Phosphates, Manures and other chemicals	Metric Tonne	37.80	22.68
13.	Foodgrains other than Rice & Wheat, Oil Seeds, Cereals, Pulses including Food	Metric Tonne	31.50	18.90
14.	Fruits, Nuts including Raw Cashew, Tapioca, Coconut, Copra, Tamarind Seeds etc.			
	(a). Fruits and Vegetables including Coconut and Onions	Metric Tonne	25.20	15.12
	(b). Nuts of all sorts and not otherwise specified	Metric Tonne	50.40	30.24
15.	Jute and Jute Products, Coir and Coir Products	Metric Tonne	21.00	12.60
16.	Granite & Marbles	Metric Tonne	42.00	25.20
17.	Liquid Cargo			
	(a). Mono Ethylene Glycol	Metric Tonne	63.00	37.80
	(b). Other Liquid Cargo	Metric Tonne	63.00	37.80

Sr. No.	Particulars of Commodities	Unit	Rate in ₹	
			Import & Export Cargo	Import/Export Coastal Cargo
18.	Logs, Timber, Wood, Bamboos, etc.			
	(a). Unprocessed	Metric Tonne	31.50	18.90
	(b). Processed such as Boards, Poles, Plywood etc.	Metric Tonne	42.00	25.20
	(c). Wood Pulp	Metric Tonne	52.50	31.50
19.	Molasses	Metric Tonne	42.00	25.20
20.	Phenol	Metric Tonne	73.50	44.10
21.	Metals (All), Metal Products, Sponge Iron, Hot Briqueted Iron & Scrap, etc.	Metric Tonne	42.00	25.20
22.	Pig Iron	Metric Tonne	36.75	22.05
23.	Oil Cakes, Fodder, Bran, Cattle Feed, etc.	Metric Tonne	33.60	20.16
24.	Paper			
	(a). Paper of all kinds other than Waste Paper	Metric Tonne	52.50	31.50
	(b). Waste Paper	Metric Tonne	31.50	18.90
25.	Rubber and Rubber Products			
	(a). Rubber-Raw	Metric Tonne	31.50	18.90
	(b). Rubber-Manufactured	Metric Tonne	52.50	31.50
26.	Salt	Metric Tonne	6.09	3.65
27.	Sugar	Metric Tonne	52.50	31.50
28.	Synthetic Resin	Metric Tonne	52.50	31.50
29.	Metallurgical Coke	Metric Tonne	63.00	37.80
30.	Liquefied Petroleum Gas	Metric Tonne	175.00	105.00
31.	Rice	Metric Tonne	42.00	25.20
32.	Wheat	Metric Tonne	42.00	25.20
33.	Limestone	Metric Tonne	13.44	8.05
34.	Liquid Ammonia	Metric Tonne	138.60	83.16
35.	Goods not otherwise specified elsewhere	Metric Tonne	42.00	25.20
36.	Steel Pipe	Metric Tonne	60.00	36.00
37.	All live Animals, Birds & Reptiles	Each	10.50	6.30
38.	Baggage and personal effects not accompanying bonafide passengers	Per 50 Kgs or part thereof	4.20	2.52

Notes:

1. The wharfage charges on phosphoric acid when handled in stream, will be 50% of the wharfage prescribed under item no. 1.

2. Before classifying any cargo as 'unenumerated goods' the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in the schedule given above.

II. Mineral Oils / POL Products

Sr. No.	Description	Unit	Rate in ₹	
			Import /Export Cargo	Import/Export Coastal Cargo
1.	(a). All items with flash Point of 76 deg F (24.44 deg C) & above, including Diesel Oil, Furnace Oil, Fuel Oil, Aviation Turbo Fuel and items not specified herein, except kerosene.	Metric Tonne	70.00	42.00
	(b). Kerosene	Metric Tonne	50.00	30.00

2.	(a). All items with flash point below 76 deg F (24.44 deg C) including Aviation Spirit, Benzene, Petrol, Gasoline, Motor Spirit and items not specified herein except Petroleum Coke.	Metric Tonne	99.00	59.40
	(b). Petroleum Coke	Metric Tonne	24.00	14.40

Note: POL products will not be entitled for concessional wharfage rate for coastal cargo. Wharfage rate prescribed for import/export cargo in column 4 will apply to coastal POL products as well.

III. Mineral Ores and Pellets (Other than Berth No. 9 - MOHP)

Sr. No.	Class of Vessel	Rate per tonne (in ₹)							
		Position at Berth				Position in Stream / Overside			
		Iron Ore	Iron Ore Pellets	Other ores & Pellets		Iron Ore	Iron Ore Pellets	Other ores & Pellets	
				Other than coastal cargo	Coastal Cargo			Other than coastal cargo	Coastal Cargo
1.	Upto 30,000 DWT	17.11	20.38	23.94	14.38	10.56	13.83	15.47	9.28
2.	Above 30,000 DWT but below 1,00,000 DWT	17.11	20.38	23.94	14.38	12.19	15.47	17.11	10.29
3.	1,00,000 DWT & above	17.11	20.38	23.94	14.38	13.83	17.11	20.38	12.19
4.	(i). Perlite Ore			26.94	16.20			26.94	16.20
	(ii). Ferrous metallurgical residue (oxide fine)			20.38	12.19			20.38	12.19
	(iii). Manganese Ore and Ferro-manganese Ore			17.11	10.29			17.11	10.29
5.	Iron Ore pellets (handled by barges for coastal traffic)		30.21						

<u>Notes to Section A- I, II & III</u>:

(1). The weight to be charged shall be subject to a minimum of 50 Kgs. The Fraction to be rounded off to the next higher multiple of 50 Kgs.

(2).	Goods landed on the quay wall with a declaration made within 24 hours after their arrival or within 48 hours when the day of unloading is a port holiday; that they are intended for transhipment for other ports, such goods being despatched within one month from the date of landing.	At two thirds (2/3) of respective wharfage rates for each operation
(3).	Goods from vessels, which being alongside the landing place transhiped into a lighter or vice versa without their being passed over the landing place.	At 75% of the wharfage rates.

(4). The bulk items handled in small lots of less than one metric tonne shall attract wharfage on per tonne basis.

(5). Wharfage on all the commodities, other than Ores and Pellets, when handled in stream, shall be charged at 60% of the rates applicable at Berth.

(6). Fee @ ₹3.01 per tonne on Coal/Coke handled at Berth nos.10 and 11 towards recovery of expenditure on Dust Suppression System. This levy shall not be charged for calcined coke, which is brought in bagged form for export.

IV. Iron Ores and Pellets Handling Charges (Exported through MOHP at Berth no.9)

Sr. No.	Description of Goods	Import/ Export Rate per Tonne or part thereof (in ₹)
1.	Iron Ore	117.94
2.	Iron Ore Pellets	
	(i). During the period June to August each year	126.11
	(ii). During the fair season beginning from September to May each year	222.59

Notes:

(1). In addition to the above handling charges, minimum surcharge shall be leviable @ ₹8.19 per tonne, subject to rebate for the plot allotees holding the plot for a minimum period of 1 year from the start of each operational year on the following pattern.

On Achieving a level of turnover	Rate of rebate allowed per 1000 kg or part thereof (in ₹)
8.75 times the normal plot capacity	1.82
9.00 times the normal plot capacity	3.64
9.25 times the normal plot capacity	5.82
9.50 times the normal plot capacity	8.19

(2). 'Operational Year ' means the period of 12 months beginning with the 1st day of October and ending with 30th September of the following calendar year.

(3). Rebate to the plot allottee will be paid in two installments as indicated below:

(i). On the expiry of the first eight months of the operational year, an interim payment of rebate limited to 75% of the amount admissible under note (1) on the turnover actually achieved during this period shall be paid.

(ii). On the completion of the operational year the rebate admissible on the total turnover during the year shall be paid after adjusting the interim payment made, if any, as per note 3 (i) above.

(4). The charges for primary loading and uptopping of iron ore through transhippers shall be collected from the transhipper vessel owners @ ₹9.83 per tonne and ₹4.91 per tonne respectively.
(The above rates are based on consent terms agreed upon by both the parties before the Hon'ble Supreme Court of India during September 1996.)

(5) Handling charges is a composite charges for unloading of cargo on plot at MOHP, stacking and loading of cargo into ships.

SECTION - B - CONTAINER HANDLING CHARGES

I. Consolidated charges for handling containers and containerized cargo

Sl. No.	Particulars	Rate per container (in ₹)			
		Coastal		Foreign	
		20'	40'	20'	40'
1.	Loaded Container	840.00	1260.00	1400.00	2100.00
2.	Empty Container	84.00	126.00	140.00	210.00

Note: Consolidated charges prescribed above include handling charges, wharfage for container as well as wharfage on containerised cargo.

II. **Storage Charges**

Sr. No.	Period	Rate per container per day or part thereof	
		Coastal (in ₹)	Foreign-going (in US $)
1.	For the first 30 days - upto 20 ft - above 20 ft	 9.17 13.72	 0.2002 0.2996
2.	The above rates shall be increased by :		
(a).	From 31st day to 45th day : 50%		
(b).	From 46th day to 60th day : 75%		
(c).	From 61st day to 90th day : 100%		
(d).	From 91st day & onwards : 200%		

Notes:

(1). 1 day Free Period shall be allowed on containers landed/shipped either empty or stuffed. Free period for import containers shall commence from the day after the day of landing of the container and for export containers, the free period shall commence from the time the container enters the terminal.

(2). Free Period prescribed above excludes Sundays, Customs notified holidays and port's non-working days.

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

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

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

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

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

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

(iv). Where the container is seized / confiscated by the Custom Authorities and the same cannot be destuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the date the Custom orders for release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and destuffing. Otherwise, seized / confiscated containers should be removed by the line/consignee from the port premises to the customs bonded area and in that case the storage charge shall cease to apply from the date of such removal.

(4). Storage charge on container shall not accrue for the period when the port is not in a position to deliver/ship container when requested by the user.

(5). If operational area is leased on rental to users, storage charge on containers shall not be levied.

III. Electricity charges for reefer containers

Sr. No.	Description	Rate Per 4 hours or Part thereof (in ₹)
1.	Charges for supply of electricity per reefer container	
(a).	Container of length upto 20'	194.60
(b).	Container of length above 20'	215.60

General Note to Section B:

(1). There shall be no shifting charge for shifting of containers due to reasons not attributable to the users.

SECTION - C- STORAGE CHARGES FOR TRANSIT SHEDS.

I. IMPORT

A. Break Bulk Cargo

(i). Free days - 10 days

(ii). Demurrage

Demurrage shall be payable on expiry of free days at the following rates:

Period	Rate per tonne per day (₹)
1 - 10 days	14.00
11 - 20 days	21.00
21 - 30 days	28.00
31st day onwards	35.00

B. Dry Bulk Cargo

(i). Free days - 3 days

(ii). Normal rent

Commodity	Rate per tonne per day (₹)
(a). MOP, Rock Phosphate, Urea, etc. (for all types of fertilizers)	1.40
(b). Raw Sugar	1.40
(c). Cement & Others	1.40

Normal rent shall be payable after the expiry of free days which will be calculated based on the daily delivery rate as follows after complete discharge of vessel's cargo.

Commodity	Delivery rate per day
(a). MOP, Rock Phosphate, Urea, etc. (for all types of fertilizers)	750 tonnes
(b). Raw Sugar	500 tonnes
(c). Commodity other than specified above	500 tonnes

(iii). **Demurrage**

Demurrage shall be payable after the expiry of normal period at the rate given below:

Period	Rate per tonne per day (₹)
1 - 10 days	4.20
11 - 20 days	8.40
21 - 30 days	14.00
31st day onwards	21.00

II. EXPORT

A. BREAK BULK CARGO

(i). Free days - 30 days

(ii). Demurrage

Demurrage shall be payable on expiry of free days at the following rates:

Period	Rate per tonne per day (₹)
1 - 10 days	2.80
11 - 20 days	4.20
21 - 30 days	7.00
31st day onwards	14.00

B. DRY BULK CARGO

(i). Free days - 20 days

(ii). Demurrage
Demurrage on all types of cargo shall be payable on expiry of free days at the rate of ₹2.80/- per tonne per day.

(iii). Demurrage shall cease from the date of commencement of loading of cargo into the vessel.

(iv). Shut-out Cargo -
The demurrage shall be payable for shut-out cargo from the date of completion of the vessel till the clearance of the cargo at the rate as specified above.

General Notes:

(1). Free days for import cargo shall be reckoned excluding Customs notified holidays and Port's non- operating days after complete discharge of vessels cargo or the day when the last package was discharged.

(2). Free days for export cargo shall be calculated from the date of aggregation of the export cargo, excluding Custom notified holidays and Port's non-operating days.

(3). "Day" for the purpose of free days shall be reckoned as from 07.30 am to 07.30 am on the following day.

(4). The Cargo stored in Port sheds/open plots on rental basis will be at the risk and responsibility of the shipper/ exporters/ importers.

(5). Shippers/ Importer/Exporter shall confirm to all safety measures prescribed in the Dock Safety Regulations and they shall be solely responsible for any damages caused to the person and/ or port property.

(6). The period of storage shall be reckoned from the actual day of receipt of goods or day of allotment of space.

(7). The rental charges shall be deposited in advance at the Central Documentation Centre of the Port by self assessment which will be adjusted against the actual bills.

III. GROUND RENT / DEMURRAGE

Sr. No.	Description	Rate per 50 kgs. or part thereof per day (in ₹)
1.	Ground rent for explosives or other dangerous goods.	
	(a). Over 6 to 10 days	25.03
	(b). Over 11 to 15 days	30.03
	(c). Beyond 15 days	40.04

Notes:

(1). The weight to be charged shall be subject to a minimum of 50 Kgs. To be rounded off to the next higher multiple of 50 Kgs.

(2). Free days shall be reckoned as 6 working days excluding Sundays, Customs notified holidays and Port's non-operating days after complete discharge of vessels cargo or the day when the last package was discharged.

(3). "Day" for the purpose of free days shall be reckoned as from 7.30 a.m. to 7.30 a.m. of the following day.

(4). Storage charge on container shall not accrue for the period when the Port is not in a position to deliver / ship import / export cargo for reasons attributable to the Port.

(5). If operational area is leased on rental to users, storage charge on Cargo shall not be levied.

SECTION D - RENT ON OPEN PLOTS

Rent on open plot for storing merchandise at open plots in the declared custom bound area.

I. IMPORT

A. BREAK BULK CARGO

(i). Free days - 10 days

(ii). Demurrage
Demurrage shall be payable on expiry of free days at the following rates

Period	Rate per tonne per day (₹)
1 - 10 days	14.00
11 - 20 days	21.00
21 - 30 days	28.00
31st day onwards	35.00

B. DRY BULK CARGO

(i). Free days - 3 days

(ii). Normal Rent

Commodity	Normal Rent Rate per tonne per day (₹)
(a). Coal (all types)	0.70
(b). Metallurgical Coke (all other types)	0.70
(c). Limestone	1.05
(d). Scrap	1.05
(e). Any other bulk cargo not specified above	1.05

Normal rent shall be payable after the expiry of free days, which will be calculated based on daily delivery rate as follows after complete discharge of vessels cargo:-

Commodity	Delivery Rate per tonne per day
(a). Coal (all types)	1000 tonnes
(b). Metallurgical Coke (all other types)	600 tonnes
(c). Limestone	500 tonnes
(d). Scrap	800 tonnes
(e). Any other bulk cargo not specified above	800 tonnes

(iii). Demurrage

Demurrage shall be payable after the expiry of normal period at the following rates:

Sr. No.	Particulars of Commodity	Rate for the first five days for the balance cargo remaining after the Normal Rent Period	Rate for the sixth day to tenth day for the balance cargo	Rate for eleventh day to twentieth day for the balance cargo	Rate for twenty first day onwards for the balance cargo
		₹ /MT/DAY	₹ /MT/DAY	₹ /MT/DAY	₹ /MT/DAY
1.	All types of cargoes	5.60	8.40	11.20	14.00

II. EXPORT

A. BREAK BULK CARGO
Open & covered Storage

(i). Free days - 30 days

(ii). Demurrage
Demurrage shall be payable on expiry of free days at the following rates

Period	Rate per tonne per day (₹)
1 - 10 days	2.80
11 - 20 days	4.20
21 - 30 days	7.00
31st day onwards	14.00

B. DRY BULK CARGO

Open & Cover Storage

(i). Free days - 20 days

(ii). Demurrage
Demurrage on all types of cargo shall be payable on expiry of free days @ ₹2.80 per tonne per day.

(iii). Demurrage shall cease from the date of commencement of loading of cargo in to the vessel

(iv). Shut-out Cargo
The demurrage shall be payable to shut-cut cargo from the date of completion of the vessel till the clearance of the cargo at the rate as specified above

General Notes:

(1). Free days for import cargo shall be reckoned excluding Customs notified holidays and Port's non- operating days after complete discharge of vessels cargo or the day when the last package was discharged.

(2). Free days for export cargo shall be calculated from the date of aggregation of the export cargo, excluding Custom notified holidays and Port's non-operating days.

(3). "Day" for the purpose of free days shall be reckoned as from 07.30 am to 07.30 am on the following day.

(4). The Cargo stored in Port sheds/open plots on rental basis will be at the risk and responsibility of the shipper/exporters/importers.

(5). Shippers/ Importer/Exporter shall confirm to all safety measures prescribed in the Dock Safety Regulations and they shall be solely responsible for any damages caused to the person and/ or port property.

(6). The period of storage shall be reckoned from the actual day of receipt of goods or day of allotment of space.

(7). The rental charges shall be deposited in advance at the Central Documentation Centre of the Port by self assessment which will be adjusted against the actual bills.

SECTION : E - CARGO HANDLING LABOUR CHARGES

Sr. No.	Cargo	Average output per hook per vessel	Rate per tonne (in ₹)	
			Other than Coastal Cargo	Coastal Cargo (except iron ore and iron pellets and thermal coal)
I. STEVEDORING				
1.	Pellets/Ores/Lumpy/ Fines/ Manganese/ Lime Stone/Pig Iron by grabs	Upto 250 tonnes	72.00	43.20
		251 to 500 tonnes	58.50	35.10
		501 to 750 tonnes	40.50	24.30
		751 to 1000 tonnes	32.40	19.45
		1001 to 1250 tonnes	28.80	17.30
		1251 and above	25.20	15.15
2.	Lumpy/Ore/Fines/Pellets by net Slings	Upto 200 tonnes	99.00	59.40
		201 to 250 tonnes	82.80	49.70
		251 and above	70.20	42.15
3.	Coal/Coke by net Slings	Upto 150 tonnes	126.00	75.60
		151 to 200 tonnes	99.00	59.40
		201and above	82.80	49.70
4.	Coal/coke/Met/R.P. Coke by grabs	Upto 250 tonnes	79.20	47.55
		251 to 500 tonnes	54.00	32.40
		501 to 750 tonnes	36.00	21.60
		751 to 1000 tonnes	27.00	16.20
		1001 and above	22.50	13.50
5.	Fertilizers/Foodgrains by grabs	Upto 350 tonnes	96.30	57.80
		351 to 450 tonnes	81.00	48.60
		451 to 550 tonnes	64.80	38.90
		551 and above	58.50	35.10
6.	Fertilizers/Foodgrains with Slings and pay loader/JCB	Upto 200 tonnes	117.00	70.20
		201 to 300 tonnes	99.00	59.40
		301 to 400 tonnes	81.00	48.60
		401 and above	67.50	40.50

Sr. No.	Cargo	Average output per hook per vessel	Rate per tonne (in ₹)	
			Other than Coastal Cargo	Coastal Cargo (except iron ore and iron pellets and thermal coal)
7.	Fertilizers/foodgrains by net Slings	Upto 120 tonnes	180.00	108.00
		121 to 150 tonnes	157.50	94.50
		151 and above	126.00	75.60
8.	Bagged cargo fertilizer/ sugar/ foodgrains (including stacking in the hatch)	Upto 120 tonnes	171.00	102.60
		121 to 150 tonnes	144.00	86.40
		151 and above	112.50	67.50
9.	Scrap by grabs	Upto 150 tonnes	135.00	81.00
		151 to 250 tonnes	108.00	64.80
		251 to 350 tonnes	81.00	48.60
		351 and above	72.00	43.20
10.	Bauxite	Upto 500 tonnes	54.00	32.40
		501 to 750 tonnes	38.70	23.25
		751 to 1000 tonnes	31.50	18.90
		1001 and above	28.80	17.30
11.	Alumina/C.P. coke in Jumbo bags to sling and open the bags in the hold	Upto 150 tonnes	117.00	70.20
		151 to 200 tonnes	103.50	62.10
		201 to 250 tonnes	94.50	56.70
		251 to 300 tonnes	85.50	51.30
		301 and above	76.50	45.90
12.	Alumina/C.P. coke in Jumbo bags	Upto 150 tonnes	106.20	63.75
		151 to 200 tonnes	103.50	62.10
		201 to 250 tonnes	90.00	54.00
		251 to 300 tonnes	76.50	45.90
		301 and above	67.50	40.50
13.	H.R. Coils/Steel Slabs by slings	Upto 350 tonnes	63.00	37.80
		351 to 500 tonnes	54.00	32.40
		501 to 750 tonnes	45.00	27.00
		751 to 1000 tonnes	40.50	24.30

II.	SHORE OPERATIONS	Average out put per hook per vessel	Rate per tonne (in ₹)
14.	Loading/Unloading of Steel Slabs and coils at R & D Yard/Open Plot.	Upto 350 tonnes	13.50
		351 to 500 tonnes	12.60
		501 to 750 tonnes	11.70
		751 to 1000 tonnes	10.80
15.	Loading/Unloading of Alumina/C.P. Coke jumbo bags in sheds/open plot	Upto 120 tonnes	27.00
		121 to 150 tonnes	23.40
		151 to 180 tonnes	21.60
		181 and above	19.80
16.	Bagged Cargo Loading/Unloading of Fertilizers/ Sugar/ Foodgrains etc., into/from trucks/wagons in the shed (one operation)	Upto 120 tonnes	63.00
		121 to 150 tonnes	54.00
		151 and above	45.00
17.	Bagged Cargo (loading in trucks in the shed and for placing on net slings at berths) (two shore operations)	Upto 120 tonnes	126.00
		121 to 150 tonnes	108.00
		151 and above	90.00

III. CONTAINER HANDLING		Average output per hook per trawler	Rate per TEU
18.	Stuffing/de-stuffing from Fishing Trawler	Upto 3 TEUs	9900.00
		4 to 6 TEUs	2700.00
		7 TEUs and above	1800.00
19.	Containers loading/ unloading from/into vessels	Upto 30 boxes	450.00 per box subject to a min. of ₹10,800/-
		31 Boxes and above	₹360.00 per box
20.	Containers Stuffing/de-stuffing (manual)	Upto 3 TEUs	5760.00
		4 to 6 TEUs	1440.00
		7 TEUs and above	1080.00
21.	Container Stuffing/de-stuffing (with forklift)	Upto 3 TEUs	2880.00
		4 to 6 TEUs	720.00
		7 TEUs and above	450.00
22.	Containers Stuffing/ de-stuffing (Personal effects)	Upto 3 TEUs	3600.00
		4 to 6 TEUs	900.00
		7 TEUs and above	720.00

Notes:

(1). In case of handling coastal cargo eligible for concessional tariff and for coastal containers involving ship-shore transfer from/quay to/from storage yard, 60% of the rates prescribed for normal cargo in the above schedules will be levied if not prescribed specifically in this schedule.

(2). The average output per hook /shift per vessel shall be arrived as follows:

(i). The tonnage as per Bill of Lading shall be divided by the number of hooks employed for the vessel to determine the tonnage per hook for the vessel.

(ii). In the case of shore operations the shift-wise tonnage as per tally sheet based on the lorry / railway/packing list will be the basis for billing.

(iii). The fraction of output below 0.5 shall be ignored and 0.5 and above shall be rounded off to the next higher tonne.

(3). The handling charges for transhipment container shall be concessional rate not exceeding 1.5 times the handling charges for normal handling operation in loading or unloading cycle.

SECTION : F - RATES OF EMBARKATION AND DIS-EMBARKATION OF PASSENGERS FROM CRUISE VESSELS

Ceiling Rate in ₹ per Passenger

Sr. No.	Particulars	Coastal passenger vessels	Foreign passenger vessels
(i).	For embarkation	350.00	541.80
(ii).	For disembarkation	350.00	541.80
(iii).	For transit passenger	210.00	407.40

PART – III

ESTATE RENTALS

(As approved vide Order No.TAMP/8/2012-MOPT dated 8 August 2012)

General Note:

All the conditions/ notes prescribed in the existing Scale of Rates/ Schedule of License Fees and Lease Rentals shall apply to the extent they are not inconsistent with the conditions prescribed in the Land Policy for Major Ports 2010 announced by the Government on 13 January 2011. Incase of disagreement, the conditions prescribed by the Government in the Land Policy for Major Ports 2010 shall prevail.

I. **LICENSE FEE ON PORT LAND FOR OFFICE BUILDING AND OTHER STRUCTURES**:

Description	Rate per 10 sqm. or part thereof per calendar month or part thereof (in ₹)
Licence fee on Port land for maintaining office bldgs. and other structures at:	
(a). Mormugao Harbour and Vasco Da Gama - Bay. (i) Land surveyed under Chalta no. 3 of P.T Sheet no.7 (ii) Land other than at (i) above	 300.00 500.00
(b). Head Land Sada (i) Land surveyed under Chalta no. 2 of P.T Sheet no.54 (ii) Land other than at (i) above	 250.00 400.00
(c). Baina	500.00
(d). Vasco Da Gama - City	2500.00
(e). Dabolim	300.00

Notes: (a). The approval of the Board is to be obtained in case the land is used for building structures for residential purpose, in the above mentioned areas.

(b). The Licence fee on land surveyed under Chalta no.3 of P.T Sheet no.7 for maintaining office building and other structures at Mormugao Harbour and Vasco Da Gama – Bay as prescribed at (a)(i) would stand revised automatically to ₹500/- per 10 sqm. or part thereof per calendar month or part thereof, immediately upon the MOPT reclaiming the rear seaside of the said portion of land.

(c). The Licence fee on land surveyed under Chalta no.2 of P.T Sheet no.54 for maintaining office building and other structures at Headland Sada as prescribed at (b) (i) above would stand revised to ₹400/- per 10 sqm. or part thereof per calendar month or part thereof, immediately upon shifting of the garbage plant from the said portion of land.

II. **CHARGES FOR OCCUPATION OF FORESHORELAND**:

Sr. No.	Description	Rate (in ₹)	Unit
1.	For the purpose of carrying out launch/ barge repairs workshop or any other industry including Commercial/ Non-Commercial purpose at Vasco Da Gama bay. (i) Land surveyed under Chalta no. 3 of P.T Sheet no.7 (ii) Land other than at (i) above	 300.00 500.00	Per 10 sqm. or part thereof per calendar month or part thereof.
2.	For the purpose of carrying out launch/ barge repairs workshop or any other industry including Commercial/ Non-Commercial purpose beyond Vasco Da Gama bay upto the port limits (Dabolim/ Chicalim/ Sancoale/ North of Zuari River/ Betul Foreshore).	350.00	- do -

Note: The charges for occupation of Foreshore land for the purpose of carrying out launch/ barge repairs workshop or any other industry including Commercial/ Non-Commercial purpose at Vasco Da Gama bay as prescribed at (1) above would stand revised to ₹500/- per 10 sqm. or part thereof per calendar month or part thereof, immediately upon the MOPT reclaiming the rear seaside at Mormugao Harbour.

III. **WAY LEAVE CHARGES**:

Sr. No.	Description	Rate per 10 sqm. or part thereof per calendar month or part thereof (in ₹)
	Way leave charges at:	
(a).	(a). Mormugao/ Vasco Da Gama - Bay. (i) Land surveyed under Chalta no. 3 of P.T Sheet no.7 (ii) Land other than at (i) above	 300.00 500.00
(b).	(b). Head Land Sada/ Bogda (i) Land surveyed under Chalta no. 2 of P.T Sheet no.54 (ii) Land other than at (i) above	 250.00 400.00
(c).	Baina	500.00
(d).	Beyond Vasco Bay upto Port limit, Dabolim/ Chicalim/ Sancoale/ North of Zuari River/ Betul Foreshore	350.00

Note:

1. For the purpose of way leave charges, the area occupied by single pipelines should be calculated based on the diameter and length of those pipelines. Incase of multi-layer pipeline stacks, the physical area occupied by the multilayer pipeline stacks should be considered and the respective users should be billed for pro-rata area on the basis of the diameter and length of their pipelines passing through that area. With respect to the area shared with road, rails, jetties, etc., the respective users should be billed pro-rata for 50% of the concerned area assuming that they do not have exclusive possession of land and what they have is only ‘Right of Way’. As far as underground pipes are concerned if the users establish that the possession of surface area above the underground cross-country pipelines is not physically with them, the area occupied by such pipelines should be counted 50% of the product of diameter and length, for the purpose of levy of way leave charges.

2. The way leave charges at Land surveyed under Chalta no. 3 of P.T Sheet no.7 as prescribed at (a)(i) above would stand revised to ₹500/- per 10 sqm. or part thereof per calendar month or part thereof, immediately upon the MOPT reclaiming the rear seaside of the said portion of land.

3. The way leave charges at Land surveyed under Chalta no. 2 of P.T Sheet no.54 as prescribed at (b)(i) above would stand revised automatically to ₹400/- per 10 sqm. or part thereof per calendar month or part thereof, immediately shifting of the garbage plant from the said portion of land.

4. The Licence Fees for water area shall be charged 50% of the licence fee of abutting land.

5. The rates provided in the Scale of Rates shall get automatically escalated by 2% per annum after expiry of each year from the effective date of implementation of the Scale of Rates and the escalated rates shall be considered as the prevailing Scheduled Rent for the concerned year. The rate so arrived is rounded off to nearest Rupee.

PART – IV

SECTION: C - SUNDRY CHARGES

I.1. HIRE OF CARGO HANDLING EQUIPMENT:

Sr. No.	Description	Rate (in ₹)	Unit
1	3 Tonne Forklifts	726.25	Per hour or part thereof.
2	8 Tonne TIL Bull Cranes	2975.00	Per day shift of 8 hours.
		376.25	Per hour or part thereof.
		1484.00	Minimum charges per requisition for 4 hours.
3	10 Tonne Dal Crane	8082.20	Per day shift of 8 hours.
		1010.80	Per hour or part thereof.
		4620.00	Minimum charges per requisition for 4 hours.
4	11 Tonne ACE Cranes	8890.00	Per day shift of 8 hours.
		1113.00	Per hour or part thereof.
		5082.00	Minimum charges per requisition for 4 hours.
5	45 MT Omega Mobile Cranes	26370.40	Per day shift of 8 hours.
		3297.00	Per hour or part thereof.
		13185.00	Minimum charges per requisition for 4 hours.
6	75 MT TIL Cranes	39690.00	Per day shift of 8 hours.
		4963.00	Per hour or part thereof.
		19845.00	Minimum charges per requisition for 4 hours.

I.2. CHARGES FOR HIRE OF 100 TONNE HMC:

(I). For Dry Bulk Cargo

Average daily crane performance (in Metric Tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
9500-10499	32.20	19.30
10500-11499	34.09	20.44
11500-12499	35.98	21.58
12500	37.87	22.72
12501-13500	39.76	23.86
13501-14500	41.65	25.00
14501 – 15500	43.54	26.14

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes and for the 2nd thousand tonnes the rate was enhanced to 110% of the base rate. The rate for third thousand tonnes was arrived by enhancing the base rate by 115%. The same methodology shall also be adopted to calculate the rate beyond 15500 tonnes. Likewise, ceiling rates for performance below 9500 tonnes shall be calculated by reducing the base rate accordingly.

(II). For Break-bulk cargo:

(A). Steel and Bagged Cargo

Average daily crane performance (in Metric tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
5000-5999	83.57	50.14
6000	87.97	52.78
6001-7000	92.37	55.42

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes. The same methodology shall also be adopted to calculate the rate beyond 7000 tonnes. Likewise, ceiling rates for performance below 5000 tonnes shall be calculated by reducing the base rate accordingly.

(B). Others

Average daily crane performance (in Metric tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
2750-3749	119.96	71.97
3750	126.27	75.76
3751-4750	132.58	79.55

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes. The same methodology shall also be adopted to calculate the rate beyond 4750 tonnes. Likewise, ceiling rates for performance below 2750 tonnes shall be calculated by reducing the base rate accordingly.

Notes:

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

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

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

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

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

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

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

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

Notes for I.1 and I.2:

(1). 1st shift is calculated (standard time) from 7.30 to 12.30 hours & 13.00 to 16.00 hours.

(2). 2nd shift is calculated from 15.30 to 20.30 hours and from 21.00 to 24.00 hours.

(3). 3rd shift is calculated from 23.30 to 3.30 hours and from 4.00 to 8.00 hours.

(4). The period prior to the recess or the period after the recess during any of the three shifts will be considered as half-shift.

(5). Recess period is reckoned from:
12.30 hours to 13.00 hours during the 1st shift.
20.30 hours to 21.00 hours during the 2nd shift.
03.30 hours to 04.00 hours during the 3rd shift.

II. HIRE OF MACHINERY, EQUIPMENT AND MISCELLANEOUS RATES:

Sr. No.	Description	Rate ₹	Unit
1.	Reach Stacker #	651.00	Per move
2.	Supply of electric energy	4.25 (Rates would be modified as notified by Govt. of Goa/ RSPC from time to time)	Per unit

Note:

It is mandatory to use only the Port's Reach Stacker subject to its availability to the hirer for operations incases when the Reach Stacker though requisitioned but could not be spared by the MOPT for reason like maintenance, overhaul repairs, non-availability because of being hired by another party etc. as certified by the authorised officer of the MOPT, private equipment will be allowed to be used for operations.

III. HIRE OF FLOTILLA:

Sr. No.	Description	Rate ₹	Unit
1.	Launch (For Survey Work)	41134.60	Per Shift of 8 Hrs.
		21125.00	Minimum charges per requisition for 4 hrs.
		5492.50	For every additional hour or part thereof
2.	Dumb Barge (For Buoy Mooring work, etc.)	41236.00	Per Shift of 8 Hrs.
		21125.00	Minimum charges per requisition for 4 hrs.
		5492.50	For every additional hour or part thereof
3.	Dumb Barge (For transporting goods, slops, etc.)	23068.50	Per Shift of 8 Hrs.
		11830.00	Minimum charges per requisition for 4 hrs.
		3126.50	For every additional hour or part thereof

Note: Rates are inclusive of fuel and lubricants.

IV. CHARGES FOR USE OF TRANSHIPPER/ FLOATING CRANE PROVIDED BY THE AUTHORIZED PRIVATE OPERATORS FOR CARGO OPERATIONS:

Particulars	Ceiling rate per tonne (Foreign)
Transhipper 30 T	121.89
Floating Crane 32 T	95.74

PART - V
SPECIAL RATE

1. (a). To meet the pension liability accrued upto 31st March 2013 based on the actuarial valuation made by the LIC, a special rate as a percentage of the various charges notified in the Scale of Rates under Part I to Part IV shall be levied from the date of commencement of this Scale of Rates till the Financial Year 2015-16.

   (b). The special rate shall be applicable on the Estate Rentals prescribed notified in the Scale of Rates under part IV provided that the individual lease agreements contain a special clause permitting revision of rates, from time to time.

2. The special rate shall be @ 9% of the respective charges payable by users from the date of implementation of this Scale of Rates.

3. The Mormugao Port Trust shall apply the revenue generated through this special rate only for the specified purpose.

4. The Mormugao Port Trust shall maintain a separate account covering the receipts and payments in this regard.

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

F.No.TAMP/43/2012-MOPT	**PROPOSAL FROM THE MORMUGAO PORT TRUST FOR GENERAL REVISION OF ITS SCALE OF RATES.**

1.1. The comments received from the users / user organisations and the comments of Mormugao Port Trust (MOPT) thereon are given below:

Sl. No.	Comments of users / user	Comments of MOPT
1.	**Mormugao Port Users Association**	
(i).	Since the members of MPUA handle coal and coke in MOPT, views of MPUA regarding revision of rates are restricted to general cargo of coal and coke only.	(a). The rates revision has been worked out as per Tariff Guidelines prescribed by the TAMP for Revision of Scale of Rates. (b). The wharfage rates were stable for a considerable period in the past. There has been substantial increase in the input cost to MOPT and hence there is a need to revise the existing rates. (c). TAMP is deciding the extent of increase in the existing scale of rates in general taking into consideration the income and expenditure of the Port as a whole. Accordingly, 40% increase in handling charges at MOHP is proposed despite a deficit of 134% under this sub-activity.
(ii).	The need for revision of scale of rates has been established as there is no doubt that there has been substantial increase in the input cost in last few years and the statement submitted by MOPT clearly indicates increase in expenditure for various activities of handling general cargo. Only the reasonableness of the quantum of increase needs to be determined taking into account various concomitant factors.	
(iii).	Even though sub activities of principal activity are permitted to be cross-subsidised, ore handling rate at MOHP has been increased by 40% when deficit of this activity indicates 134%. It amounts to an increase of 29.8% with reference to deficit. If increase of 40% on wharfage is compared with reference to deficit of 90% indicated by MOPT the increase amounts to 41.6%. Similarly, deficit in warehousing activity is only 42%. If TAMP takes all this factors into account there is a clear case of reduction in increase of rates of general cargo.	No comments to offer on other points as MPUA has addressed the general problems of the Trade. However, as regards demurrage charges, it is informed that the rationalization of rent on open plot was sanctioned by the Authority after consultative procedure taking into consideration all the relevant factors.
(iv).	In the last few years there has been steady increase of cost of coal and coke in the international market. Attempts have been made for looking for alternative source of supply even from former USSR countries. But constraints of weather and freight cost do not permit diversification to full extent. So, the Association has to live in a situation where a high cost is to be paid for the raw material.	
(v).	In addition to higher cost of raw material, the Association has been paying approximately 25% higher cost in terms of rupees due to gradual depreciation of rupee value with reference to US $ during last one year. This factor has also badly affected the viability as the products are not exported with consequential benefit of rupee depreciation.	
(vi).	The members of the Association have been facing problems for speedy evacuation of cargo. As	

<table>
<tr><td></td><td>demurrage charges are quite stiff, evacuation at rates determined by MOPT are necessary to be adhered to. Road evacuation suffers from restriction in transportation during certain period of the day imposed by local government. The Association has been attempting to increase evacuation by rail but parts of rail tracks are unusable for loading the cargo into the wagons particularly during monsoon. These factors add to the cost and hence are required to be taken into account particularly in wharfage cost.</td><td></td></tr>
<tr><td>(vii).</td><td>Present Indian economic situation is sluggish and does not promise revival in the immediate future. This situation does not allow any freedom to the members of the Association to increase the cost of the final product, so as to at least offset part of increase in the input cost, to the end consumers. Such situation is leading to unviability of the units.</td><td></td></tr>
<tr><td>(viii).</td><td>These factors be taken in to account and a balance be arrived by TAMP between the need for increase in rates by MOPT and capacity of the trade to bear the additional cost.</td><td></td></tr>
<tr><td>2.</td><td>MMTC Limited</td><td></td></tr>
<tr><td>(i).</td><td>The iron ore export from India is already reeling under severe strain on account of 30% export duty and unrealistically high railway freight. In such a scenario, 40% increase in the cargo related charges by MOPT would further dent the competitiveness of the Indian ore in the International / spot market.</td><td>The existing rates have been proposed for upward revision, which is entirely based on the cost of the services and as per the Tariff Guidelines.</td></tr>
<tr><td>(ii).</td><td>At least in case of iron ore, the cargo related handling rate at MOHP be maintained at the existing level of ₹84.24.</td><td></td></tr>
<tr><td>3.</td><td>Adani Mormugao Port Terminal Private Limited</td><td rowspan="4">The rate revision exercise has been worked out as per tariff guidelines prescribed by the Authority for Revision of Scale of Rates.</td></tr>
<tr><td>(i).</td><td>Vessel related charges</td></tr>
<tr><td>(a).</td><td>1.1 – Port dues
<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Unit</th><th>MOPT Existing SOR</th><th>MOPT proposed SOR</th><th>Change in %</th><th>NMPT Existing SOR</th></tr>
<tr><td>1.</td><td>Vessel</td><td>Per GRT in USD</td><td>0.146</td><td>0.219</td><td>50%</td><td>0.143</td></tr>
<tr><td>2.</td><td>Tugs</td><td>Per GRT in USD</td><td>0.066</td><td>0.098</td><td>50%</td><td>0.040</td></tr>
</table>
From the above table it can be seen that port dues as per the revised proposal of MOPT when compared with competing port, are on much higher side.</td></tr>
<tr><td>(b).</td><td>1.2 – Pilotage
<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Unit</th><th>MPT Existing SOR</th><th>MPT proposed SOR</th><th>Change in %</th><th>NMPT Existing SOR</th></tr>
<tr><td>1.</td><td>Upto 30000 GRT</td><td>Per GRT in USD</td><td>0.327</td><td>0.491</td><td>50%</td><td>0.32</td></tr>
<tr><td>2.</td><td>30000 to 60000 GRT</td><td>Per GRT in USD</td><td>0.262</td><td>0.3928</td><td>50%</td><td>USD 9600 + USD 0.256 per GRT over 30K GRT</td></tr>
<tr><td>3.</td><td>60001 GRT & above</td><td>Per GRT in USD</td><td>0.229</td><td>0.3437</td><td>50%</td><td>USD 17280 + USD 0.224 per GRT over 60K GRT</td></tr>
</table>
Based on a hypothetical example to compare the vessel related charges borne by the trade coming at NMPT V/s. MOPT for a Panamax Coal vessel (40,000 GRT)
<table>
<tr><th></th><th>Unit</th><th>Mormugao Old charge</th><th>Mormugao New charge</th><th>New Mangalore</th><th>MOPT expensive by</th></tr>
<tr><td>Port Dues</td><td>In ₹</td><td>321,693</td><td>482,460</td><td>314,600</td><td>53.3%</td></tr>
</table></td></tr>
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<tr><td></td><td>
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<tr><td>Pilotage</td><td>In ₹</td><td>576,061</td><td>864,160</td><td>668,800</td><td>29.2%</td></tr>
<tr><td>Total</td><td>In ₹</td><td>897,754</td><td>1,346,620</td><td>983,400</td><td>36%</td></tr>
</table>
It is obvious that the trade, which is predominantly located on Bellary Hospet region will find NMPT a more attractive destination.
Further, private port of Krishnapatnam on east coast is also well connected with Bellary Hospet region and with a deep draft of 18 m. offers advantage to trade which can bring larger vessel, not possible in MOPT or even NMPT. Hence, increase in tariffs of MOPT will incentivize trade to shift to east coast ports.
</td><td></td></tr>
<tr><td>(ii).</td><td>Estate Rentals</td><td></td></tr>
<tr><td></td><td>
MOPT is proposing to increase its Pension Levy on Estate Rentals from the present 7% to 12%. This will have a huge impact on the cost to Lessee. The impact can be shown through an example seen as under :
Area - 100,000 sq. mt.
Rate - 30 per sq mt per month
Amount - ₹30 lakhs per month or ₹3.6 cr per year
Pension levy proposed - As per current SOR is 7% and to be increased to 12%.
<table>
<tr><th>Estate Rental in ₹ (Crores)</th><th>Pension levy old @7%</th><th>Pension levy proposed @12%</th><th>Increase in amt. payable in ₹ crores</th></tr>
<tr><td>3.6</td><td>0.252</td><td>0.463</td><td>0.18</td></tr>
</table>
From the above example, it is clear that for 100,000 sq. mt. of land leased, the lessee will be required to pay ₹18 lakhs extra per year if the pension levy is increased to 12% from the existing 7%. This will have a big impact on the operational expenditure of a concessionaire/ lessee and will impact the profitability. Also there is no provision in the concession agreement for concessionaire to recover these costs by modification of any type of tariff.
</td><td rowspan="2">No specific comments have been furnished by the Port.</td></tr>
<tr><td>(iii).</td><td>
In view of the above, it is suggested that:
(a). Vessel related charges may not be increased and if at all any revision is required it should be kept at competitive rate.
(b). Pension levy on the estate rentals should not be increased for the BOT operators under the upfront tariff regimes as these are additional burden, not accounted for at the time of tariff setting. In case the increase in pension levy is required, it should be limited to other land lease which is out of long term terminal development concessions.
</td></tr>
<tr><td>4.</td><td>Indian National Shipowners' Association</td><td></td></tr>
<tr><td>(i).</td><td>The financial performance of the port is stated to be far from desirable and even the proposed increase in tariff which is aimed at pulling up the overall port performance from -30% to positive,</td><td>No comments.</td></tr>
</table>

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<tr><td></td><td>may not be achieved through the increase sought. In ports where the Landlord ports are consistently in red, it is wondrous to see how private players are able to find it attractive for investment. The increase in tariff therefore needs to be looked from a different perspective and the costs of inputs need to be controlled and kept low or efficiency increased. TAMP must examine this.</td><td></td></tr>
<tr><td>(ii).</td><td>It is also felt that for the over all objective of improving the return, the increase proposed on vessel charges be reduced because :-</td><td rowspan="3">INSA is commenting on rates being higher in India in respect of vessel related charges and to have comparable rates with neighboring ports in respect of cargo related charges. Rates have been proposed as per TAMP guidelines, which is based on cost plus approach.</td></tr>
<tr><td></td><td>(a). Vessel related charges are already much higher in all Indian ports. Making a one of call by a ship for carrying out partial cargo work, repairs or any husbanding requirement is discouraged due to steep cost.</td></tr>
<tr><td></td><td>(b). Handling charges are commodity basis. The charges of the near by ports and facilities which could be competing for some cargo may be examined, so as to remain competitive on cargo related charges. Land side logistics parameters are more relevant and important criteria when making choice of port.</td></tr>
<tr><td>(iii).</td><td>There are no tariff provided for reception facilities for oil sludge or waste/ garbage removal in accordance with international conventions to which India is signatory. These are statutory services which must be provided by law and may therefore be considered by MOPT for including in tariff as a regular port services. The thrust of Environment protection will get a boost with such a step which in any case is a mandatory requirement for ports.</td><td>The port is not providing the services of oil sludge/waste or garbage removal directly. The job has been outsourced and hence no rates are proposed.</td></tr>
<tr><td>(iv).</td><td>Form 6 of proposal giving Analysis of Efficiency & Productivity Improvement is not filled up sufficiently to draw any conclusion. The same is, therefore, not 'commentable'. The per tonne cost is shown to be about ₹41/- for cargo related charges. INSA is certain that with crane handling charges of over>100 ₹per tonne and wharfage of the major commodity handled i.e. iron ore being in region of ₹40/- per tonne the over all cost of handling one tonne cargo does not seem to be correct.</td><td>Form No. 6 of the proposal indicates the cost per tonne, which is ₹41/- (average) for cargo related charges. This is arrived at considering cargo related expenditure and expected traffic during those years. In this regard, it is clarified that wharfage charges on iron ore in stream is ₹7.54 per tonne and handling in stream constitute about 61% of the total traffic of MPT (2011-12).</td></tr>
<tr><td>(v).</td><td>It has been reported that the Port system didn't have provision of charging coastal tariff when coastal movement is carried out on foreign going vessel. It would be appropriate for TAMP to direct that concessional tariff be prescribed and held applicable for all coastal shipments even if the ship is levied foreign going tariff for vessel related charges.</td><td></td></tr>
<tr><td>5.</td><td>Goa Mineral Ore Exporters Association</td><td></td></tr>
<tr><td>(i).</td><td>In the past the increments sought by MOPT in their last three tariff proposals and the increase allowed by TAMP are tabulated below in Table:
<table>
<tr><th colspan="7">MOPT's past proposals and TAMP's endorsements</th></tr>
<tr><th rowspan="2">Tariff item</th><th colspan="2">2002</th><th colspan="2">2006</th><th colspan="2">2009</th></tr>
<tr><th>Requested</th><th>Allowed</th><th>Requested</th><th>Allowed</th><th>Requested</th><th>Allowed</th></tr>
<tr><td>Cargo Related Charges</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>• Iron ore and pellets exported through Berth # 9</td><td>25%</td><td>No increase</td><td>15%</td><td>No increase *</td><td>60%</td><td>30%*</td></tr>
</table></td><td>The information tabulated by GMOEA in Table-I is factual. GMOEA has requested TAMP to review this proposal with scepticism. In this regard it is stated that the port has ended up with a huge deficit during the past two cycle of tariff revision on account of not considering the required percentage worked out by the Port as per tariff</td></tr>
</table>

• General Cargo and Ore – (other than Berth # 9)	25%	No increase			No increase	-
Vessel Related Charges	50%	No increase	20%	17%*	40%	30%*
Railway rates	50%	No increase			No increase	-
Estate rental rates including way leave			10%	10%*	40%	No* increase
CHLD	19%	No increase			No increase	-
Warehousing			20%	20%*	40%	40%*

Source: MOPT proposals 2002, 2006 and 2009
**: Additional increase of 7% granted as special levy towards pension fund.*

Since there has been a wide variation between the expectations of MOPT and the increments regarded as fair by TAMP, this Proposal of MOPT also needs to be viewed with scepticism.

guidelines. This may be seen from the Form 7. The deficit for the period 2006-07 to 2008-09 and 2009-10 to 2011-12 was ₹ (-) 75.80 crores and ₹ (-) 108.97 crores respectively.

(ii). The projections of MOPT for the purpose of computing the tariff with regard to Net deficit before return on capital employed were higher by ₹5,633 lakhs and after return on capital employed were higher by ₹7,307 lakhs as compared to the actual figures for the period from 2009-2012 despite maintaining the same levels of expenditure with regard to operation costs, depreciation and management and general overheads as projected by MOPT

MOPT's past proposals [TAMP's endorsements] and Actual Figures

	As estimated by MOPT			Actuals		
	2009-10	*2010-11*	*2011-12*	*2009-10*	*2010-11*	*2011-12*
						₹. in lakhs
Operating income*	26,452	28,042	29,586	29,673	33,709	32,588
Operating cost	14,189	14,490	15,046	15,820	17,166	17,731
Depreciation	1,279	1,331	1,692	1,191	1,308	1,549
FME – FMI**	4,092	3,290	3,619	6,581	6,424	6,864
Management and General overheads *	8,843	9,028	9,518	6,274	5,429	6,337
Net surplus /(deficit) before return on capital employed	(1,951)	(97)	(289)	(193)	3,382	107
Return on capital employed	4,335	4,743	6,791	4,560	4,727	4,908
Net surplus / (deficit)	(6,286)	(4,840)	(7,080)	(4,753)	(1,345)	(4,801)
Net surplus / (deficit) for 3 years			(18,206)			(10,899)
Gap						(7,307)

Source: Performance report as provided in Form 7 of the Proposal made by MOPT.

* In this connection it is stated that the estimates for the management and general overheads were significantly overestimated by the MOPT. Further income and traffic projections were also not very accurate. Since there have been wide variation between the expectations of MOPT and the actual performance, TAMP is cautioned about the reliability of the Figures included in the current MOPT proposal.

** Further, FME has tremendously increased when compared to the estimates made by the MOPT and the same have been considered as a base for the future projections and proposal made by the MOPT. The same could have been controlled and turned into the surplus instead of deficit.

As regards higher estimates in M&G Overhead as contended by GMOEA, it is stated that the Management & General overheads includes Workshop overheads (12%), Stores overheads (5%), Medical (20%) and General administration (50%) of the total M&G overheads. Normally, projections are made based on the Budget Estimates / Revised Estimates. As per the accounting system followed by the Port, the provision of budget allocations of M&G overheads are made under respective Cost Center Codes and wherever services are provided by the these service centres to the principal operating activities, the cost of services are charged to the respective activities, therefore the estimates under M&G overheads would be always on higher side as compared to actuals. This does not affect total operating expenditure for a particular year. This has been overlooked by the GMOEA. As regards Income and Traffic projection, it is stated that estimated income was projected based on the existing rates. However, the actual income reflects the effect of the revised traffic. Hence, there is variation as noticed by GMOEA.

FME includes Pension payment including contribution to Pension Trust Fund. Pension payments was estimated for the period from 2009-10 to 2011-12 based on the actual pension payment for the year 2007-08. However, wage revision for the port sector was revised from January 2007. This was also applicable to the pensioners/family pensioners. The arrears was paid during the year 2008-09 with fitment rise of 23%. The estimated pension payment for 2009-10 to 2011-12 was ₹21.92 crores, ₹23.66 crores, ₹25.57 crores as against actuals

		of ₹49.65 crores, ₹42.38 crores, ₹49.65 crores respectively. In the estimate, a provision of ₹2.50 crores was made as contribution to Gratuity Trust Fund though the shortfall in liability is ₹38 crores. Due to wage revision and increase in ceiling limit of Gratuity payment from ₹3.5 lakhs to ₹10 lakhs per employee, it was proposed to contribute ₹10.00 crores (Estimated ₹2.5 crores) in the Gratuity Trust Fund every year to meet the enhanced liability. The actual contribution towards the Gratuity trust Fund from 2009-10 to 2011-12 was ₹2.50 crores, ₹10.00 crores, & ₹10.00 crores respectively.
(iii).	There is a deficit of ₹10,899 lakhs between MOPT's projections for the financial years 2009-10; 2010-11 and 2011-12 for the port as a whole. In fact the port would have had a surplus of ₹8,607 lakhs had the expenditure on Management & General Administration (upto 15% of the Operating Income) and on Finance and Miscellaneous expenses (as estimated by the MOPT) been controlled and maintained within the proper levels. It should be noted that though the actual Overheads are reduced as compared to the projections, these still comprise approx. 20% of Operating Revenue which is higher as compared to other ports. In addition to the above the Operating Costs has also been significantly increased as comparing to the projected figures which has resulted in higher deficit. In the year 2010-11, the MOPT had a net surplus before ROCE of about 10%, despite an increase in the Operating expenses and an exceptional increase in FME over the projections at the time of last tariff fixation. In the year 2011-12 also, MOPT had a net surplus of ₹107 lakhs before ROCE despite steep increase in expenditure on Management and General Overhead and FME. However, the year 2011-12 was not the equally performing year and that can be evidenced from the reduction in the traffic handled and operating revenue. Therefore the surplus of 107 lakhs i.e. 0.33% is not a representative position. Had the year, been an equally performing year i.e. had the traffic as estimated by the MOPT been achieved, the net surplus before ROCE would have been 15%. Infact, high expenditure on Management and General Administration overheads and Finance and Miscellaneous expenses appears to be the cause of the deficit (post ROCE) in all three year's.	The GMOEA has compared estimates (2009-10 to 2011-12) with actual (2009-10 to 2011-12) under the heads of operating income, operating expenditure, depreciation, M&G expenses and others. It is reiterated that the major components under Management General Overheads and FME are salaries & wages, Medical expenses and retirement benefits respectively. The operating expenditure, M&G overheads & FME are not inflated. Salaries & Wages constitute an average 47% of the total operating expenditure (2009-10 to 2011-12) and terminal benefits consist in average of 55% of the FM Expenditure (2009-10 to 2011-12). These expenditures are directly related to employees and pensioners. We fail to understand the logic of GMOEA of considering management and General administration expenditure upto 15% of the operating income. Further, GMOEA has reduced actual expenditure for the year 2009-10 to 2010-11 at their discretion and showed surplus. The port is not in a position to understand the logic behind the contention of GMOEA. Expenditure incurred other than on operating activities like, store keeping, medical, Engineering & workshop overheads, security, etc. are treated as Management & Administration expenses and this classification is as per the standard norms issued by

		Ministry.
(iv).	We have also come across gaps between the "actual" figures included in the proposal for the last two financial years i.e. 2010-12 and the "audited" figures. MOPT has operated at a surplus of ₹7,935 lakhs before adjustment of ROCE as against a surplus of ₹3,429 lakhs mentioned in the proposal (difference of ₹4,506 lakhs). The figures in the proposal which form the basis for the proposed revision are therefore not reliable.	The rate revision exercise has been worked out as per tariff guidelines prescribed by the Authority. The GMOEA is commenting on the reliability of figures of the Port. It appears that they have missed certain points in the tariff guidelines. As per the tariff guidelines the royalty for landlord port, interest on General Fund investment, deprecation on assets identified under Escrow Fund are excluded from purview of the tariff fixations. It has furnished a statement reconciling the surplus/deficit as per annual accounts with cost statement.
(v).	Form 3A of the proposal shows that for the year ended 31st March 2011 & 2012, the port has earned a surplus of ₹3,322 lakhs and ₹107 lakhs respectively, before adjustment of ROCE. Whereas the financial statements presented to and approved by the Board, shows a surplus before adjustment of ROCE of ₹5,499 lakhs and ₹2,436 lakhs respectively. It therefore appears that there is an understatement of the surplus before ROCE to the extent of ₹2,177 lakhs and ₹2,329 lakhs for the fiscal year 2011 and 2012 respectively (total ₹4,506 lakhs). MOPT needs to tally their proposal with the financial statements by bringing such additional surplus into their proposal for revision of tariffs.	There is no case of understatement of the surplus before ROCE for the year 2010-11 and 2011-12 in Form No. 3A as alleged by GMOEA as can be seen from the above reply.
(vi).	Paragraph 4 of the proposal states that all costs except depreciation have been escalated by 6% over the previous year. However, major items of costs such as Salary & wages, dredging expenses, fuel costs, management & general administrative overheads as included in Form 3B of the proposal reveal compounded growth rates of 7%, 9%, 19% and 9%, respectively. These projected increases in costs need to be cut down accordingly.	Para 4 of the proposal states that "the Operating Costs except deprecation for the years under projection (2013-14 to 2015-16) are escalated @ 6% (average)". The major items of costs such as salary & wages, dredging expenses, fuel costs, management and general administration considered in rate revision exercise are based on present trend. (a). Expenditure on salary & wages is based on the escalation of VDA factor and 3% increment on basic salary as per wage settlement order. (b). The cost of dredging is market driven and cannot be escalated on the basis of 6% escalation, as present dredging rate has moved from ₹30/-m^3 to ₹94 m^3 within a period of 4 years. (c). The diesel price vary in accordance with Government policies including the international rate per barrel and the exchange rate. (d). The major components of management general overheads are Salary & Wages, Medical expenses,

		Stores and security expenses. The actual trend of escalation is more than inflation factor considered in the proposal. In view of the above, It is reiterated that overall average escalation in operating expenditure @ 6% is justifiable and appropriate. It is now known on what basis GMOEA has sought reduction.
(vii).	The projections for 2012-16 show that the maintenance dredging costs will grow to ₹3500 lakhs by 2012 as per the proposal given by MOPT for revision of rates. These costs are over and above the capital dredging costs of ₹780 lakhs & ₹3,600 Lakhs proposed to be spent in 2012-13 & 2013-14 respectively. The reasons for consistently high dredging costs, both maintenance and capital dredging, have not been explained in the proposal. Also, its impact on the revenues is not apparent in the proposal. It may therefore, be necessary to go into details of capital and maintenance dredging during the last 3-5 years and make an assessment of the trend and its bearing on the revenue of the port. The maintenance dredging is expected to put two more Mooring Dolphins into full operation at full draft of year 2013-14, which will lead to additional handling quantity of at least 2 million tons shifting from WOB loading (capacity of each Mooring Dolphin being about 2.5 MT p.a.) The additional revenue needs to be factored in by the port due to the additional capital employed on which return is being sought.	The expenditure on maintenance dredging is market driven. As mentioned at para 5 the present cost of dredging per cubic meter is ₹94. The expenditure on maintenance dredging for the year 2012-13 and 2013-14 would be ₹63,71,88,000/-. A copy of work order dated 17.07.2012 placed on M/s.International Sea Port Dredging Ltd., Chennai, is enclosed for kind reference. The Authority is aware that there is shortage of dredgers in India and all Major Ports are facing problem for dredging to maintain sufficient draft for smooth handling of vessels. Due to shortage of dredgers, expenses on maintenance dredging is beyond the control of Port. As regards Capital dredging, it is stated that the port has created infrastructure with high investment. The construction of Mooring Dolphins have been appreciated by the Trade and benefits have been derived by the exporters by handling higher throughput at Mooring Dolphin during the last seven to eight years. The Capital dredging is planned to increase the draft for handling higher GRT vessels. Trade prefer to handle vessel at WOB rather than at Mooring Dolphin except during monsoon. Traffic projections are not made based on capacity. However, it is made based on the expected traffic to be handled. Other factors relative to projections have already been explained at point No. 1.
(viii).	Salaries and wages account for almost 40%-45% of the total costs. No efforts appear to have been made to curtail these costs in spite of huge investments on up gradation of plants, computerisation etc.	Salaries & Wages payable to the employees at Major Ports are decided by Wage Settlements and cannot be controlled by the Port. However, salaries & wages (overtime) has been reduced to ₹11.39 crores during 2011-12 from ₹14.95 crores during 2010-11. The number of employees in 2001 was 4500. However, the strength in March, 2012 was 2636.
(ix).	Form 3A of the proposal shows that Management & General Administration Overheads grow from ₹6,048 lakhs to ₹8,178 lakhs over the period from	The Management and General Administration overheads includes expenditure on salaries & wages of

<table>
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<td>2012-16. The proposals do not explain any attempt at cost reduction. Also, these costs constitute over 35% of the total operating costs.
In comparison, such costs at other major ports such as V.O Chidambaranar Port Trust are around 16%-18%, as ascertained from the website of VOCPT. The high levels of the Management & General Administration Overheads have neither been explained in the Proposal nor steps have been taken to control these costs.</td>
<td>General Administration Depts. CISF, Stores, Accounts & Audit, Medical etc. However, the strength of employees is down to 2636 as on March 2012 from 4500 is as on January, 2001.</td>
</tr>
<tr>
<td>(x).</td>
<td>It has included the following amounts as a part of its costs towards pension and gratuity payments and contribution in Form 3A.

<table>
<tr><th colspan="4">Pension & Gratuity payment / contribution</th></tr>
<tr><td colspan="4" align="right">₹in lakhs</td></tr>
<tr><td>Year</td><td>Pension payments (as charged to operations)</td><td>Pension Fund (collected from special levy)</td><td>Gratuity Fund</td></tr>
<tr><td>2010-11</td><td>4,237.65</td><td>2,050.82</td><td>1,000.00</td></tr>
<tr><td>2011-12</td><td>4,943.11</td><td>1,909.82</td><td>1,000.00</td></tr>
<tr><td>2012-13</td><td>5,439.09</td><td>Not provided</td><td>1,000.00</td></tr>
<tr><td>2013-14</td><td>6,257.06</td><td>Not provided</td><td>1,000.00</td></tr>
<tr><td>2014-15</td><td>6,962.07</td><td>Not provided</td><td>1,000.00</td></tr>
<tr><td>2015-16</td><td>7,740.33</td><td>Not provided</td><td>1,000.00</td></tr>
</table>

The Port has attempted to explain that its pension liability stands at ₹680 crores as assessed by Life Insurance Corporation as on 31st March 2012, and corresponding balance in the fund at ₹366 crores. The port has not provided the Actuarial Valuation reports to support its liability and fund position of the pension costs.

TAMP had already addressed this issue in its previous orders in 2006 and 2009, wherein it has held that the past deficit in pension fund may be recovered by way of a levy of surcharge of 7% on the tariffs. This allowance was in the nature of a concession and did not confer a power on the Port to recover all future funding deficits in respect of its employee benefits by levying a surcharge on users for future periods. The port having created a fund by levying 7% surcharge, the pension payments should have been made out of that fund and not charged to operation. This would amount to taxing the trade twice apart from violating the directions of TAMP.

In addition MOPT now is asking for revision in this special rate to increase it to 12%. It should also be noted that the levy of special rate should be for limited period as per the Para 2.5.2 of tariff guidelines 2005.

Though advised by the Authority in its October 2006 and June 2010 orders, the MOPT has neither furnished the separate account maintained in this regard nor the audited details in the proposal. On providing the same, MOPT also needs to provide an estimate of the projected fund movement over the next 10-15 years and the rate of pension levy required to cover the shortfall over this time-frame.</td>
<td>It has been stated by GMOEA that 7% Pension Levy was in the nature of a concession and did not confer a power on the port to recover all future funding deficits in respect of its employees benefits by levying a surcharge on users for future periods. In this context, it is submitted that tariff is revised based on cost plus approach and in accordance with the tariff guidelines of the Authority. The contribution to Pension Fund was very meager in the past (before 2009). This has benefited the users in the past with lower tariff.

Further, it is pertinent to mention that the pension liabilities is for the past services of the employees and not future services. As advised by the TAMP, Port has been maintaining separate account of Pension Levy. This is forming part of Annual Accounts of the port and being audited by C&AG every year.

In the tariff Order of 2006, a special rate (pension levy) @ 7% on all the activities except railway rate was sanction by the TAMP as against 12% requested by the port. This was sanctioned to build the pension fund as necessity has arisen because the contribution made in the past towards the pension fund was not commensurate with the then requirement. It is submitted that the actuarial valuation towards pension liabilities as on 31st March 2012 was ₹680.98 crores as against the Fund balance of ₹365.67 crores. At present pension payments are made from the general revenue of the port. This will continue till the pension fund reaches at par with actuarial liability.

The actuarial valuation of Gratuity Liability was ₹89.37 crores as on 31st March 2012 as against the Fund balance as ₹51.70 crores. The Actuarial Reports/ Valuation done by LIC for Pension and Gratuity liability as</td>
</tr>
</table>

<table>
<tr><td></td><td>It appears from the breakup of FME and FMI, as seen from the Annual Administration Report that the same has been charged to operations and the same treatment has been proposed for the next three years as well for the revision of Scale of Rates. This has not been approved by TAMP so far and hence needs to be discussed as has been done in the case of pension levy in the past, the figure of ₹1,000 lakhs per year being quite large.</td><td>on 31st March 2012 were submitted to the TAMP alongwith the proposal.</td></tr>
<tr><td>(xi).</td><td>Capacity Utilisation:

MOPT has assumed the capacity utilisation of 91% to 94% for 2013-16 despite the fact that in the past port had better capacity utilisation of 143% to 111% for 2010-12. The fiscal year 2011-12, on an overall basis not being a good year and hence the same should not be considered for the future estimation of capacity utilisation. MOPT has estimated a reduced quantity handling in the projections considered for proposal when compared to the actual quantity handled in financial year 2010-11. Total tonnage handled (traffic) in 2010-11 was 500.22 MMT however the projections for fiscal 2013-16 are 403.30 Lakhs MT, 432.20 Lakhs MT, 460.90 Lakhs MT and 478.00 Lakhs MT respectively.

MOPT has used two different figures/ estimates of capacity utilisation in the proposal i.e. “Form 2A - Traffic Projections” and “Form 5A Port as whole”. A comparison of the two estimates is tabulated below:

<table>
<tr><th>Particulars</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr>
<tr><td>Per Form 2A</td><td>96%</td><td>94%</td><td>91%</td><td>94%</td></tr>
<tr><td>Per Form 5A</td><td>82%</td><td>77%</td><td>70%</td><td>70%</td></tr>
</table>

It may be noted that the capacities of the port are significantly underestimated, thereby resulting in a higher projected capacity utilisation. Capacity of the various port facilities need to be more scientifically established.</td><td>As regards “Capacity utilization” it is stated that except MOHP, the capacity utilization is beyond the control of the port. It is entirely in the hands of the Trade. There could be better capacity utilisation if guaranteed cargo is brought by the Users. The port is making huge investment for modernization, replacement of machinery, augmentation of the facility etc.

During the year 2010-11, iron ore traffic handled was 40 million tonnes. This reduced to 29 million tonnes during the year 2011-12. The trade enquires were made as regards expected iron ore traffic, whereas operators of Floating crafts & Transhippers were reluctant to indicate traffic expected to be handled for next three years as Shah Commission was investigating the cases of illegal mines in the state.
It is noteworthy that the traffic has been projected not on the basis of availability of installed capacity but on the present trend of traffic growth.

Further, it is stated that since the availability of traffic is key factor for determining capacity utilization, there is no need of any prorata adjustment to capital employed. The capacity utilization for the year under projection is more than 60% of the installed capacity. Therefore, pro-rata adjustment in capital employed is not applicable as stipulated at para No. 2.9.10 of tariff guidelines.</td></tr>
<tr><td>(xii).</td><td>Expectation development for various Incomes:

(a). MOPT has estimated various incomes on the basis of the performance of the fiscal year 2011-12 which was not equally performing year for the MOPT and hence MOPT has estimated the income on a conservative basis.

MOPT should have considered the optimum utilisation of present capacity and increase in the efficiency and capacity while projecting the income for the period.</td><td>The trend of traffic is based on the volume of traffic handled in previous year and expected additional facilities. It may be noted that the total traffic decreased by 33 % upto October 2012 as compared to corresponding period of previous year. Further, due to trend of falling exchange rate in coming days, there would be further reduction of income under vessel related activity.

As regard to modernization of MOHP, it</td></tr>
</table>

	More particularly, MOHP Berth. No.9 has been in the past few years operating at 70% capacity and the quantity handled has further reduced in FY 2011-12 due to replacement of stackers being carried out during part of the operating season. Once the stackers are replaced by 2013, quantity handled at Berth 9 will increase to 11-12 Million Tonnes (MT). On completion of the proposed modernisation, the capacity of Berth 9 is expected to increase to around 17 million tons with actual quantity handled reaching at least 14-15 million tons, as the port generally loads vessels at Berth 9 and permits vessels to be taken for mid-stream loading only if the berth is vacant. Similarly, with increase in available mooring dolphin positions by 2 at full draft of 13-14 m. the capacity at Mooring Dolphins will increase to 12.5 MT and the actual quantity handled at mooring dolphins is expected to immediately go up by at least 2 MT. This increase in revenues for MOHP berth 9 and Mooring Dolphins has not been accounted for in the proposal. Another significant omission from the projected income is the Cargo Related Charges from the 7 MMTPA project of AMPTPL.	is stated that there won't be substantial increase in capacity as modernization is planned in a phase manner so as not to disturb the present handling system. Moreover, the modernization of MOHP will not complete in this proposed tariff period. MOHP is working at a rated capacity of 70% as advised by the consultant since plant is not safe to operate at 100% capacity. Further it is stated that the traffic projection is not based on availability of cargo and present scenario of mining activity in Goa. As regard to omission of projected income of cargo related charges from the 7 MMTPA project of AMPTPL, it is stated that royalty receivable from private terminal is not forming part of operating income as per tariff guidelines of TAMP.
	(b). Despite huge modernisation and replacement, MOPT has not estimated for any deletion/ disposals of old machineries and equipment. These major disposals/ deletions will need to be reduced from the capital employed and consequently Return on Capital Employed, adjusted appropriately. This effect should be given in the proposal before estimating the surplus/ deficit and rate revision required.	The plant was installed way back in 1979 and is more than 33 years old. These assets are fully depreciated, as such, there is no impact on capital employed. The tendered cost of replaced / stacker / other machineries is inclusive of adjusted scrap value of old materials.
	(c). The income from revenue share from M/s.South West Port Ltd. (SWPL) and M/s.Adani Mormugao Port Terminal Pvt. Ltd. (AMPTPL) to the port from their facilities do not appear to have been included.	Revenue share received from M/s.SWPL & M/s.AMPTPL is not included in the operating Income. Separate Form – 9 is furnished for details of Royalty received from BOOT operators.
	(d). Since the income from the above private parties does not seem to be included in the projections, there should be proper allocation of overheads as well to SWPL and AMPTPL so as to arrive at the surplus/deficit for the use of rate revision pertaining to other beneficiaries. Further, income from new berth built at the break-water to be used for cruise and other vessels as well as income from deployment of 100 Ton Mobile Harbour Crane being procured by MOPT has not been projected. Separate income-expenditure sheets need to be provided for these activities.	The income from the BOOT operators other than royalty i.e., license fees and vessel related charges are considered under Port & Dock activity. The management and general overheads of Port & Dock facilities which are not directly attributable to the sub activities are allocated on other sub activities and recovered for the users to whom services are provided by the Port. The income from proposed mobile harbour crane and break water berth is considered in the proposal. The details of income from Harbour Mobile

<table>
<tr><td></td><td></td><td>crane considered in our proposal is as follows:-
<table><tr><th>Year</th><th>Quantity (mn)</th><th>Rate ₹</th><th>Income (₹ in lakhs)</th></tr><tr><td>2013-14</td><td>1.19</td><td>48.58</td><td>576.00</td></tr><tr><td>2014-15</td><td>1.19</td><td>48.58</td><td>576.00</td></tr><tr><td>2015-16</td><td>0.50</td><td>48.58</td><td>240.00</td></tr></table></td></tr>
<tr><td>(xiii).</td><td>MOHP income and capital employed:

(a). The Table below demonstrates the projected growth in quantities handled and the income projections vis-à-vis the capital employed.

<table><tr><th colspan="7">MOHP income vis-a-vis Capital employed</th></tr><tr><td></td><td colspan="2">Actuals</td><td colspan="4">Projections</td></tr><tr><td></td><td>2010-11</td><td>2011-12</td><td>2012-13</td><td>2013-14</td><td>2014-15</td><td>2015-16</td></tr><tr><td>Iron ore handled (Lakhs MT)</td><td>406.25</td><td>293.70</td><td>303.10</td><td>312.00</td><td>321.30</td><td>330.80</td></tr><tr><td>Growth (YoY)</td><td>-</td><td>-28%</td><td>3%</td><td>3%</td><td>3%</td><td>3%</td></tr><tr><td>Income (₹ in lakhs)</td><td>8,741</td><td>7,752</td><td>8,467</td><td>8,503</td><td>8,748</td><td>8,992</td></tr><tr><td>Growth (YoY)</td><td>-</td><td>-11.3%</td><td>9.2%</td><td>0.4%</td><td>2.9%</td><td>2.8%</td></tr><tr><td>Capital employed (₹ in lakhs)</td><td>9,477</td><td>8,772</td><td>11,168</td><td>11,985</td><td>16,030</td><td>21,276</td></tr><tr><td>Growth (YoY)</td><td>-</td><td>-7%</td><td>27%</td><td>7%</td><td>34%</td><td>33%</td></tr></table>
It can be seen from the above that while the Capital employed almost doubles over the period 2012-16 (Compounded Annual Growth Rate – CAGR almost 24%), the CAGR for income and the quantities handled is 2%/3% (at existing scale of rates). MOPT proposal has projected the quantities to be handled at the same level as the actual quantities handled in 2011-12 despite replacement to the entire MoHP loading system by 2016. Considering that a substantial capital expenditure would be incurred during the years 2012-2016 and that the new machines will operate at a higher efficiency, a growth in traffic of about 10%-20% in the quantities handled is justified.</td><td>The capital expenditures envisaged at MOHP are mainly on replacement of existing machineries. Capital employed is worked out as per tariff guidelines.</td></tr>
<tr><td></td><td>(b). MOPT has proposed an investment of about ₹17,759 lakhs (based on the details provided vide letter no. FA/Cost/125/2012 of MOPT dated 23rd August, 2012) towards replacement and expansion of its entire MOHP handling system in the year 2012–2016.

A review of the proposal by MOPT and its latest financials reveals that MOPT needs to borrow money to fund its expansion project. If MOPT is to borrow money to fund its capital expansion projects then such capital acquisitions need to be excluded for claiming the Return on capital employed. However, the interest costs on such borrowed funds should form part of the costs charged to revenue account.</td><td></td></tr>
<tr><td>(xiv).</td><td>MOHP expenses overestimated

The Table below provides a profile of MOHP costs:
<table><tr><th colspan="7"><u>A profile of the MOHP costs</u></th></tr><tr><td colspan="7">₹ in lakhs</td></tr><tr><td>Element of cost</td><td colspan="2">Actual</td><td colspan="4">Projection</td></tr><tr><td></td><td>2010-11</td><td>2011-12</td><td>2012-13</td><td>2013-14</td><td>2014-15</td><td>2015-16</td></tr><tr><td>Operating (Op)</td><td>8,295</td><td>8,704</td><td>9,837</td><td>10,266</td><td>10,716</td><td>11,189</td></tr><tr><td>Management & General Overheads (M & GO)</td><td>2,369</td><td>2,486</td><td>2,821</td><td>2,943</td><td>3,076</td><td>3,210</td></tr><tr><td>M & GO / Op</td><td>29%</td><td>29%</td><td>29%</td><td>29%</td><td>29%</td><td>29%</td></tr></table></td><td>It has been planned to refurnish the plant in phased manner. However the handling capacity will not augment and commensurate with capital expenditure. The traffic growth of 3% for the ensuing year is appropriate and realistic under the present situation.</td></tr>
</table>

Depreciation	521	499	558	698	830	1,094
FME (net of FMI)	2,519	2,706	2,800	3,076	3,205	3,455
Net costs	13,704	14,395	16,016	16,983	17,827	18,948
Increase	-	5%	11%	6%	5%	6%
FME / Net costs	18%	19%	17%	17%	17%	17%

Source: Data provided by TAMP along with MOPT's proposal

	A closer analysis of the figures in Table reveals that: (a). The operating costs particularly the power and fuel costs show a compounded annual growth of 6% and 10% respectively during the period 2011-16. Further Other expenses (under operating expenses) which are almost 21%-22% of total operating for which no details have been provided in the proposal, also show a compounded annual growth of almost 7% during the period of 2011-16. As has been explained in paragraphs above, these costs are very high and call for suitable adjustments.	The reasons for projecting higher operating costs in case of power / fuel is explained above. The details of "other expenses" under operating expenses is furnished separately.
	(b). The level of Management and General Overheads vis-à-vis Operating Costs is also alarming. These account for approximately 29% of the operating costs. These are very high overhead levels for absorption by Port users. It is necessary to provide norms for controlling such costs and their growth rate. A norm not exceeding 15% of operating costs may be fixed.	The Management & General Overheads includes expenditure on engineering workshops, stores, finance, medical, General Administration including legal section. These costs are not directly attributable to the principal operating activities. The breakup of M&G overheads is enclosed at Annexure – VI. As explained above these costs are incurred on supporting facilities viz., Finance, Stores, Workshop, vigilance, planning & Management service, Electronic Data management, General Administration etc. The proposition of GMOEA to fix the norm at 15% of operating cost is not appropriate. It is reiterated that salaries & wages contribute 48 % of M & G overheads.
	(c). Total expenditure (net of FMI) in fiscal 2012-13 has been increased by 11% overall which is the base for the future expectations for the period 2013-16. This is very high and should also call for suitable adjustment.	The reasons for increase in expenditure has already been explained above.
	(d). On refurbishing of the MOHP, there will be increase in handling volume and therefore the revenue is expected to increase or else there would be under-utilization of its capacity which would call for a suitable adjustment to the ROCE allowed. Further, the increase in traffic due to vessels expected to call at the AMPTPL berth does not seem to have been projected in the proposal.	Increase in traffic and revenue thereon due to vessels expected to handle at the AMPTPL berth have been included in the estimated operating Income but this is not accounted separately. The clarification for increase in volume of traffic at MOHP and adjustment for under utilization of capacity has been furnished at para No. 10 supra.
	(e). Deficit of the MOHP is higher on account of improper allocation of expenses to the sub activity "Ore Handling in Stream". MOPT has estimated earning of ₹12,553.45 lakhs from the above activity for the period 2012-16. However, no expenses have been allocated to this activity which has resulted in the increase in the deficit of other activities under Cargo related services. (Source Form 5 A (iii) of the proposal). Similarly expenses need to be allocated to SWPL, AMPTPL, new Berth at Break-water, etc. It may be noted that	The ore handling activity is segregated into two sub activities namely ore handling at MOHP & in stream. The Cargo handling operation in stream is entirely managed & operated by the Private Players. The cost for the Port on ore handling in stream is Nil. The cost statement of these sub activities are prepared separately as advised by the Authority. It is not appropriate to charge the overheads on this sub activity (ore

cargo handled at Berth No.9 has decreased as additional cargo handling facilities have been commissioned in the port; however, a disproportionate share of costs/overheads continue to be allocated to Berth 9, which results in a unjustifiably high cost for this facility.

handling in stream) without any base. Further, the TAMP determines the asking rate considering principal activity as a whole. The revenue sharing is applicable to M/s. SWPL and M/s. AMPTPL. It is not justifiable to allocate these overheads to BOOT operators as suggested by GMOEA.

(f). The growth in depreciation is linked to the estimated growth in capital employed as shown in Table below.

Depreciation			
			₹ in lakhs
Year	Closing Capital Employed	Depreciation	Average Rate
2010-11	9,477	521	6%
2011-12	8,772	499	6%
2012-13	11,168	558	5%
2013-14	11,985	698	6%
2014-15	16,030	830	5%
2015-16	21,276	1,094	5%
Source MPT proposal			

While the average rates seem consistent, it is clear that the projected capital employed drives up depreciation cost. Needless to state that if any adjustments are carried out to the Capital Employed, the projected depreciation would need to be correspondingly adjusted.

Depreciation is apportioned based on the cost of Capital assets identified against the particular activities. In the case of fixed assets added during the year, depreciation is computed proportionately from the date of assets put to use.

(xv). **Vessel related charges and capital employed**

A profile of the Vessel related income and costs I capital employed						
						₹ in lakhs
	Actual		*Projection*			
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Operating income	9,432	9,691	10,679	11,216	11,749	12,006
Growth (YoY)	-	3%	10%	5%	5%	2%
Operating costs (Op)	4,963	5,569	6,357	6,831	7,792	8,002
Growth (YoY)	-	12%	14%	7%	14%	3%
Operating cost / Operating income	53%	57%	60%	61%	66%	67%
Management & General Overheads (M & GO)	1,867	2,039	2,318	2,419	2,531	2,643
M & GO / Op	38%	37%	36%	35%	32%	33%
Depreciation	570	705	662	735	721	704
FME (net of FMI)	2,144	2,391	2,499	2,814	2,996	3,276
Net costs	9,544	10,704	11,836	12,799	14,040	14,625
I Iincrease	12%	11%	8%	10%	4%	12%
Source: Data provided by TAMP along with MOPT's proposal						

An analysis of the figures in the above Table reveals that:

It can be seen that during the year 2010-11 to 2015-16, there is steep increase in operating costs mainly on account of maintenance dredging, port conservancy, berthing & mooring and pilotage & towage with no corresponding increase in revenues. There appears to be no control on the above costs. Further there is no pattern of the estimation of these costs which has YoY growth of 1% to 20%. Estimations for fiscal 2012 & 2014 are very high for the operating costs mainly pertaining to port conservancy and pilotage & towage i.e. 20% & 14% respectively.

The Management and General Overheads form 32% - 38% of the operating costs, which are very high and needs to be curtailed.

(xvi).	**Capital employed** (a). Upto 2010-11 the capital employed (net fixed assets) aggregated ₹28,791 lakhs while the total traffic aggregated 500.22 lac MT. The average cost per MT worked out to ₹58. During the projection period 2012-16, it is proposed that the net increase in capital employed would aggregate ₹26,809 lakhs which will cater no additional traffic rather there is a decrease in traffic projection to the tune of 22 lakhs MT. It is difficult to understand that even after huge incremental capitalisation, why there has been no increase in traffic projected. Despite the significant capitalisations projected, MOPT is unable to maintain the achieved traffic in year 2010-11.	 MOHP is 33 years old plant and requires major overhauling to run at existing capacity. The capital expenditure on MOHP is mainly for replacement of existing machineries and may not result in additional capacity. The increase in capacity cannot be put to use in absence of guaranteed traffic handling. The Port traffic handling decreased from 50 MMT during year 2010-11 to 39 MMT during the year 2011-12. The port has planned to make huge investment to provide the facilities to the Trade.
	(b). The following proposed investments over the period 2011-16 are largely in the nature of replacements / improvements that do not create additional capacities or result in improved productivity. There is no growth in additional traffic during the period 2012-16 with additional capital expenditure which is not in the nature of replacement (as the same is not charged to Revenue). Further in the past also, MOPT has sought full return on capital employed which has had no significant impact on capacities or efficiencies.	It is needless to state that the plant is old and operating at risk, the investment over the period is in nature of replacement / improvement.
	(c). As in the past, the proposed fresh investment does not meet any of the reasonableness criteria of fresh investment stipulated in the Guidelines. In the light of this, allowing full return on such proposed incremental capital cannot be considered reasonable. In the light of the above arguments, a significant part of the incremental capital proposed to be employed during the period 2012-16 seems to be in the nature of replacements, rehabilitation or modernisation.	It is stated that the increase in capital employed is mainly on account of replacement of aged Mechanical Ore Handling Plant as already clarified. It is not safe to operate the plant at existing condition. It is further stated that during the year 2010-11 the port handled 50 million tonnes of traffic but during the year 2011-12 the traffic reduced to 39 million tonnes inspite of having spare capacity. The handling of traffic is not entirely in control of the Port but depend on external factor such as shipment commitments of exporters and Government policies.
	(d). MOPT's reserves for replacement of capital assets aggregated to ₹526 lakhs as at 31st March, 2012 after transfers to Capital Reserve. MOPT periodically transferred its balances in the reserves for replacement, rehabilitation and modernisation of capital assets to capital reserve. The reasons for such transfers have not been clarified. The capital reserve aggregated to ₹44,336 lakhs as at 31st March, 2012. These reserves have never been adjusted against capital expenditure for the purpose of tariff fixation. As in the case of repairs, replacements and renewals all proposed augmentations to capital employed, which do not result in creation of additional capacities or improved productivity, need to be set off against the reserve created for the purpose of replacements and no return allowed thereon.	The argument of GMOEA on Capital Reserve is not tenable. This reserve represent gross block of the Port. The same issue was raised by GMOEA on the rate revision proposal of 2005 which was clarified by the Port & was accepted by the Authority. Further, this reserve cannot be adjusted against the capital expenditure as suggested by the GMOEA. However, Statutory Reserves are adjusted against the capital expenditure every year. Form 3-C prescribed for details of fund position such as additions, deletion, withdrawal, investments etc. The Capital Reserve is Reserve and not a Fund. There is no corresponding investment against this

	Further, the fund position in Form 3C of the proposal does not give any details of Capital reserve and Capital asset replacement reserve.	Fund. The tariff revision proposal is carried out as per tariff guidelines. Return is calculated on the capital employed. It is not relevant whether it is funded through resources or through any other means. Therefore, the observation of GMOEA are not relevant.
	(e). Capital dredging & maintenance dredging : Total capital and maintenance dredging estimated during the period 2012-13 to 2015-16 aggregates to ₹17,380 lakhs. However the necessity, quantitative details, rates used and the positive impact of such huge dredging costs over revenue has not been explained by the MOPT in its proposal. In the light of this, such proposed costs cannot be considered reasonable and calls for suitable adjustment. In particular, need for capital dredging of ₹3,600 lakhs during Year 2013-14 and the commensurate returns has not been explained.	Refer to comments offered at point (vii) above.
	(f). Major capitalisation in Plant & Machinery at Berth 9 : The major additions to berth no.9 during the year 2012-13 to 2015-16 is to the extent of ₹4506 lakhs, ₹2283 lakhs, ₹5080 lakhs and ₹5890 lakhs respectively. All the major additions expected by MOPT have been put on assumptive basis without proper study and research (total amounting to ₹17,759 lakhs). Further MOPT has not properly defined the modernisation of MOHP amounting to ₹10,800 lakhs in the period 2014-16. We being a beneficiary, expect a detailed and proper feasibility study and financial viability of the additions/ modernisation proposed by MOPT and its simultaneous impact on the Revenue/ Traffic as these additions would be considered for ROCE calculation and consequently will affect the scale of rates. Further it has been experience in past that all the capital expenditures which were proposed in the previous tariff revision and considered for the rate revision in that period; the same have not been incurred during the relevant period. Therefore the capital expenditure proposed for the current tariff revisions has to be again viewed with scepticism. Return on the same may therefore be provided only in the subsequent tariff cycle after verifying the commissioning and productive use of the asset.	As already stated MOHP has exhausted its life and continues workings, it has to be modernized. The proposal has been considered by the port after due study
(xvii).	**Return on Capital employed** (a). The port has considered a ROCE of 16% in respect of business assets in their proposal. This is in accordance with the Guidelines given by TAMP. While we are broadly in agreement with the model defined by TAMP in the Guidelines, We differ in the matter of the debt: equity ratio used. For an	The return on capital employed considered as per the tariff guidelines prescribed.

	infrastructure project, a gearing of 70:30 (Debt: Equity) is considered reasonable. If this gearing ratio were used, the Return on capital Employed would need to be revised.	
	(b). All infrastructure projects, function in a riskier environment than the one in which MOPT operates. For example, power projects face a significant credit risk on account of the financial health of the State Electricity Boards. Road projects are relatively new and face significant operations risk. MOPT, by contrast, has an established business with minimal risks relating to credit, liquidity and operations on account of its monopolistic position.	Every business has its own risk. Port business risk started from the year 2011-12 wherein traffic reduced by 22% compared to the year 2010-11. Port is uncertain of its future due to its present condition. The infrastructure facilities are made available at huge investment. Port's operating cost are also of fixed nature. We afraid that the facilities created for the Trade will remain idle.
	(c). Anchorage charges are proposed on rate on GRT per hour basis instead of present charge on the basis of rate per hour basis. The change in method would increase the financial burden by approximately 10 times.	The Anchorage charges are proposed on GRT per hour basis. As per present system, the working hours & idle hours are calculated based on the data available on statements of facts maintained by Master of Vessels and acknowledged by the agents. Besides difficulties in capturing these data changing vessels irrespective of GRT is being unreasonable to smaller vessels as larger vessels get away with ridiculously lower rates. The charges in proposed method will not be additional burden as total charges on working & idle anchorage will not change.
(xviii).	From all the gaps pointed out above, a pattern seems to emerge i.e. all inconsistencies invariably favour MOPT and are detrimental to its users. This gives the impression that the figures used are not objective but have been drawn up for a predetermined purpose viz., justification of MOPT's proposal for a predetermined level of tariff increase. Based on what is stated in the forgoing paragraphs, if one were to make adjustments to the revenue and cost projections (only for major adjustments) during the period for which tariff is sought to be revised, the port as a whole does not require any significant revision.	

1.2. The Indian National Shipowners' Association and Goa Minerals Ore Exporters Association have furnished further comments vide their letter dated 22 November 2012 and 28 November 2012 on the points made by MOPT. They have mostly reiterated their earlier submissions. The gist of the main points made by these organisations is as below:

Indian National Shipowners' Association:

(i). In our understanding the principle of cross subsidization of port activities are not permitted, especially where multiple commodities and different types of ships are being handled using different port resources.

However ports majorly handling dry bulk cargoes where identical cargo handling equipments are used for cargo operations there is need to see the issue in totality i.e. to achieve a predetermined minimum rate of return is the sole purpose of revision, adopting cost plus approach, only one category of port users like in this case vessel owners/ operators, should not be burdened with the increased tariff.

(ii). Services that are supposed to be integral part of Port services, even if subcontracted by port are to be regulated by a prescribed tariff. e.g. in Container terminals, transportation, Reefer plugging, container survey work and other services are also sub contracted but the SOR prescribes a tariff for each of them.

(iii). The explanation of MOPT doesn't help understand, how all inclusive average handling cost per ton is ₹41/- if crane handling charges are over ₹100 per ton?

(iv). The letter of MOPT doesn't confirm its figures are correct or need to be modified. We believe, Form No.6 is for, "Analysis of Efficiency & Productivity Improvement" where all inclusive figures are to be considered for calculating cost reduction in per unit handling cost of different commodities.

If cargo operations are carried out at berth and at stream, figures could have been given for both, but Port has only made reference to wharfage being less for Iron Ore handled at stream which is not relevant.

The port has not furnished comments on our observation of Port levying foreign going tariff for coastal carriages carried by Indian foreign going ships.

Goa Minerals Ore Exporters Association:

(i). The huge deficits of the port during the past two cycles were only due to uncontrolled expenditures and not because of the tariff or revenue. It can be seen in Form 7 that the operating revenue has always exceeded the estimation (with the given increase in Scale of Rates), however, expenses were way ahead of estimation which has resulted into loss/deficit.

(ii). As regards M&G Overheads, GMOEA has once again cautioned TAMP about the reliability of the figures included in the current MOPT proposal.

(iii). FME and Pension payments:

(a). With regard to Pension Fund, huge pension payments have been considered for preparation of cost statements however the basis and estimation has not been explained by the port. In addition Port has made provision for pension trust fund contribution to ₹20-21 crore approximately every year (however not included in FME for tariff fixation). Since the port have created pension trust fund by levying 7% surcharge, the pension payments should have been made out of that fund.

(b). Port has stated that the contribution to the fund has been meager in the past and this has benefitted the users in the past with lower tariff. In this context GMOEA has stated that the arrears of any expenditure or shortfall which is pertaining to past liabilities cannot be considered while determining tariff. Clause 2.5.2 of the revised tariff guidelines also mention that such one-time liability/expenses will not be allowed as admissible cost while determining the tariff. Moreover, cost plus approach should not be taken in a manner in which Port ended up with out-pricing of its services by loading all abnormal, exceptional and extraordinary costs to the tariff.

(c). With regard to the claim that the Pension liabilities are for the past services of the employees and not future services, it is pertinent to note that the Actuarial Valuation report on Annuity & Pension fund provided by the Port (of which Pension Fund valuation report is not signed by any authority) is based on the all the pensioners which includes existing pensioners, family pensioners and existing employees of which separate details are not made available to us neither in report nor in proposal. Hence the claim of the Port in this regard is not tenable.

(d). Moreover MOPT has not come up with any proper plan as to how to cover the shortfall between the Fund value and actual obligation and till when the burden of pension payments will be completely be borne by the Trust as such.

(e). Analysis of Pension payments and provision clearly indicates that the same is significantly growing burden for the users as can be seen from the details of the pension fund payments and provision for contribution. TAMP vide its Order dated 7th June 2010 has said about the Pension Levy that the whole arrangement appears to be adhoc and the port should correctly assess the requirement of the fund upto date and furnish the audited report of the collection and contributions made to the fund in the past. But the Port is still maintaining the same ad-hoc position and has not come up with any plan. Therefore, GMOEA has requested TAMP, to critically examine the facts mentioned above and seek for the detailed plan and future projections to mitigate the pension fund shortfall, and may decide on merit of the case.

(iv). As regard to provision of Gratuity Trust Fund, since the gap between liability and fund is 38 crores as on 31 March 2012 mainly pertaining to previous years, MOPT had provided and paid ₹10 crore towards fund in 2010-11 and 2011-12 against the estimation of ₹2.5 crore per year and has estimated the same amount of provision in year 2013-16. GMOEA has stated that the full amount of contribution should not be considered for the tariff fixation as it is not justifiable to recover the past liabilities in a particular year. In this regard, GMOEA has reiterated clause 2.5.2 of revised guidelines.

(v). With regard to adjustments made for excessive expenditure in Table 3 of the representation letter it can be seen that even after significantly exceeding the revenue estimation; MOPT had incurred huge losses because of the uncontrolled expenditure. Following are the major adjustments and the explanations there of:

(a). FME Expenditure has been restricted to the estimation made by the MOPT in the previous proposal.

(b). Management and General Administration Overheads have been restricted to 15% of the Operating Expenditure. In previous three years the M&GA expenses were 32%-40% of Operating costs as per the Annual Administrative reports of MOPT, in comparison, such costs at Tuticorin Port Trust around 16%-18% (as per the data available on the website of Tuticorin Port Trust).

(c). In addition, there were differences between the Operating Expenditure estimated figures and actual audited figures, which has been explained by the port as contra differences in M&GA Expenses and Operating Expenditure. However the claim of the Port that the same does not have any impact over the Total Expenditure for a particular year is not correct and the same has been explained in Paragraph (i) above.

(vi). With regard to the reconciliation between Audited surplus and the amount used in proposal, it is evident that the Royalty received from SWPL and interest on general fund investments have not been considered as revenue of the Port for Tariff proposal.

As per Clause 2.8.3 of the guidelines the accruals in Escrow Account will not be treated as revenue of the Port trust for tariff fixing exercise. However, the remaining income should be part of the Revenue as nothing is specifically mentioned about the same in the above Clause or in other clauses of the revised guidelines.

(vii). With regards to interest income on general fund investment, GMOEA could not find any clause in the revised guidelines, which will exclude the same from the ambit of the tariff fixation process.

Further it is a practice not to grant any increase in tariff in respect of a particular segment which is in deficit, if the overall position of the port is positive. Clause 2.11.6 of the revised tariff guidelines clearly states that the financial position of the port as a whole and for each activities / sub-activities is to be considered while determining the extent and need for tariff revision and therefore the income from private players which is also Port's income should also be considered as income for the tariff fixation.

(viii). With regards to the projection for expenditure, GMOEA has pointed out the anomaly between the actual calculations and the base assumptions given in the Proposal. Port itself has contradicted the verdict given in Paragraph 4 of the proposal which states that all costs except depreciation have been escalated by 6% over the previous year and now came with the different assumptions and basis for the different operating and other expenses.

GMOEA has requested TAMP to critically examine all the assumptions and other basis used for the proposal made by MOPT.

(ix). As regards Dredging costs, the Port has not furnished the work order given to M/s. International Sea Port Dredging Limited Chennai as mentioned in the letter for our reference. Further Port has mentioned about the shortage of dredgers and volatile rates of dredging i.e. ₹94 per cubic meter however looking to the present industry scenario it would be pertinent to note that the Ports in India would not be interested in Capital and maintenance dredging which would affect the demand and rates for dredging in future.

As regards Capital Dredging, GMOEA in its earlier representation had requested to explain the impact of the same on the revenues and cost benefit analysis of the same and the details of capital and maintenance dredging during the last 3 -5 years and make an assessment of the trend and its bearing on the revenue of the port, however Port has neither given any details nor explained the above.

The GMOEA has reiterated its earlier submissions regarding capital dredging, additional traffic and revenue.

(x). As regards Salary and Wages, Port has proclaimed that the salaries and wages have been reduced to ₹11.39 Crores during 2011-12 from ₹14.95 Crores during 2010-11. However from form 3B of Proposal, it is evident that Salary expenses are in the range of ₹14.15 Crores to ₹15.46 Crore from the year 2012-13 to 2015-16.

Salary and wages expenses are continuously growing year by year even after significant reduction in number of employees.

Moreover, even after reduction in number of employees in forthcoming years, Salary and Wages expenses in absolute term and cost per employee are continuously increasing that at significant rate. During the year 2012-13 by 23% over 2011-12 and thereafter 8% over previous year in 2013-14 and 2014-15, whereas, in the year2015-16 there is increase of 9% over 2014-15.

GMOEA has requested TAMP to critically examine the factors considered for the projection of Salary and Wages Expenses and basis for the significant increase expected particularly 23% in the forthcoming year itself as it is having impact over the future projections.

(xi). Port has stated the Management and General Administration overheads includes salaries and wages of general administration departments however the details provided by Port in Annexure V & VI of the Letter pertaining to other overheads of MOHP sub-activity (part of M&GA overheads) and M&GA overheads or the Port as a whole does not include Salary & Wages.

(xii). Capacity Utilisation & Capital Employed:

(a). Port has considered the fact that the iron ore quantities have been reduced in year 2011-12 as compared to 2010-11 however it has not mentioned that the same is due to unavailability of around one third plot capacity while revamping of MOHP during 2011-12.

Port users have to first declare the vessel for berth no.9 loading before permission is given by the Port for loading by transhipers thereby Port ensures full occupancy of Berth 9.

Further the Port has not provided scientific calculations of the total capacity of MOHP which is currently 8,000 tons per hour (running at 70% capacity due to its age) and after revamping it will be operating at 100% capacity. At this rate, the projected utilisation would fall below 50% and calls for a suitable adjustment to the return on capital employed as mentioned in Clause 2.9.10 of the revised guidelines.

(b). Port has stated that the traffic has been projected on the basis of present trend of traffic growth. In this context, GMOEA has stated that the traffic projection should not be done on the basis of latest year i.e. 2011-12 as the same is not equally performing year and the temporary obscurity on Mining of ore should also not affect the traffic projections. However Port has considered the same and capacity utilisation is having a negative growth in the proposal.

(c). The iron ore quantities handled by MOPT for last 12 years are produced in below table. It is seen that iron ore quantities at berth no. 9 are almost guaranteed except for the year 2011-12 which is affected due to revamping. It is also evident that in recent years Trade has responded positively to the Mooring Dolphin and West of Breakwater Loading subject to the cost effectiveness and smooth loading.

Details of Iron Ore handling during last 12 years through MOPT

Year	Birth 9	Transhipper	Floating Crane	Mooring Dolphin	Midstream & WOB	Total	MOHP
2000-01	10.83	4.77	-	-	0.12	15.71	69%
2001-02	10.69	5.87	0.69	-	0.33	17.58	61%
2002-03	10.99	7.18	0.24	-	0.31	18.72	59%
2003-04	11.73	8.27	-	-	2.64	22.63	52%
2004-05	12.43	8.92	-	-	3.26	24.61	50%
2005-06	11.94	9.39	-	3.37	0.23	24.93	48%
2006-07	12.59	7.93	-	4.69	1.35	26.56	47%
2007-08	10.31	7.68	-	5.14	3.72	26.85	38%
2008-09	11.58	8.22	1.50	5.97	6.49	33.77	34%
2009-10	11.78	9.26	2.26	5.76	10.44	39.50	30%
2010-11	10.75	9.67	2.77	7.38	9.38	39.96	27%
2011-12	8.80	7.47	3.37	7.41	1.92	28.97	30%

(d). Port has not given any explanations or reply as regards the different figures for capacity utilisation percentages used by the Port in the Proposal and therefore it is difficult to construe as to which data have been used for the projections of the traffic.

(e). The Port is making huge investments for modernisation, replacement of machinery, augmentation of facility etc. however there is no impact of the same in capacity or efficiency of the Port. The Port has stated that the major expansion/replacement is to maintain the existing capacity. In this regard, GMOEA has given reference of clause 2.9.6 of the revised guidelines.

(f). In the past all the capital expenditures which were proposed in the previous tariff revision and considered for the rate revision have not been actually incurred during the period. Table below shows the differences between estimated capital employed and actual in past two years (Amounts in Lacs):

Particulars	2010-11	2011-12	Total
Actual	**31,325**	**32,468**	**63,793**
Estimation	**31,814**	**44,552**	**76,366**
Gap	**(489)**	**(12,084)**	**(12,572)**

Therefore the capital expenditure proposed for the current tariff revisions has to be again viewed with scepticism.

GMOEA has requested TAMP to critically examine the traffic projections, basis thereof, effect of huge modernisation and replacements and take a call for suitable adjustments.

(xiii). (a). As stated by the port, modernisation will not be completed in the proposed tariff period. In spite of this fact, port has claimed full return on capital employed on the closing capital employed including proposed phased modernisation of MOHP. It is not correct to pass the burden of capital work in progress to Users. In this regard, GMOEA has given reference of clause 2.9.5 of the revised guidelines.

The proposed fresh investment does not meet any of the reasonableness criteria of fresh investment stipulated in the Guidelines.

GMOEA has requested TAMP to adjust the capital employed to the suitable extent for the calculation of actual return on capital employed.

(b). GMOEA has reiterated that non-inclusion of Royalty received/ receivables from private players have increased the deficit in MOPT's cost statements in the proposal.

Since the income from the above private parties has not been included in the revenue, Port should prepare a proper cost statement with appropriate allocation of all operating expenditure and overheads so as to ensure the sub activity is operating in profit or deficit. Also the in-efficiency if any pertaining to this sub activity should not be passed on to the other Users. The facilities and services provided by the Port to private players/ports can be used as a base for cost allocation.

(c). As regard to the disposal of scrapped assets, port has claimed that the tendered cost of replaced machineries are inclusive of adjusted scrap value of old material, however the same has neither quantified in the proposal nor details have been provided.

(d). Pertaining to income from Harbour Mobile Crane, Port has given and included the expected income from 2013-14 onwards however reasons for decrease in quantities to be handled in 2015-16 by 0.60 million tons (Income reduced by ₹236 Lacs) has not been explained.

(e). MOPT has chosen financial year 2011-12 as a base for Income projection however the same should not have been taken being not a normal performing year. This issue is raised in point no. 11.1 of GMOEA's letter no. 2012-13/30B/1242 dated 25th September 2012 however MOPT has not addressed the same.

(f). Significant decreases in proposed tariff period pertaining to revenue shares of transhippers, floating cranes and monsoon levy has not been explained properly.

(g). The income from new berths at break water/break water mole does not seems to have been included in Cargo related/vessel related activities and cost statement of the same has also not been provided. The port has not given any explanations or details of the same in its Letter.

(xiv). GMOEA had put a remark on financing of the projects in point no. 12.1 of its letter no. 2012-13/30B/1242 dated 25th September 2012, however the same is not addressed by the MOPT.

(xv). (a). The basis for the projections of various expenditures are not provided and growth is higher than 6% in many of the items included there in. Major instances are as follows:

Other Expenses - MOHP					[Amount in Lacs]	
Particulars/ Year	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
CISF/Security	397	478	516	557	602	650
Growth	-	20%	**8%**	**8%**	**8%**	**8%**
Fire Fighting Exp.	38	38	44	46	47	48
Growth	-	0%	**16%**	5%	2%	2%
Engg. Overheads on CHS	761	812	953	985	1,017	1,051
Growth	-	7%	**17%**	3%	3%	3%

The above table only pertains to MOHP activity. The same anomaly will be carried forward to other activities and sub-activities also. GMOEA has requested TAMP to make suitable adjustments to the projection of expenditure.

(b). Port has claimed that the Salary and Wages contribute 48% of M&GA overheads which does not seems to be a correct proportion.

GMOEA has reiterated that it has not given any proposition or cap of 15% for M&GA overheads but has cautioned TAMP about the alarming growth in overheads. GMOEA has given reference of TAMP's opinion on the subject matter, in its said order of 27th August, 2002, which has noted the astronomical rate of growth in Management and General Overheads.

(c). Port is monitoring the cargos in and out for private players, providing security, extending use of the infrastructure, providing electronic data maintenance services, ISPS etc. and still claiming that there are no base for allocation for expenses.

Port must prepare a proper cost statement with appropriate allocation of all operating expenditure and overheads so as to ensure the profitability of these sub activities and further to ensure that the in-efficiency if any pertaining to this sub activities should not be passed on to the other Users.

(d). As regard depreciation, if any adjustments are carried out to the Capital Employed, the projected depreciation would need to be correspondingly adjusted.

It seems that Port has claimed depreciation on capital work in progress also in case of major revamping/replacement and modernisation which should be adjusted to that extent as required in Para 2.9.5 of Revised guidelines.

(xvi). Capital Employed:

(a). GMOEA has suggested MOPT to reconsider the Capital Expenditure Budgets and Plan for the forthcoming years looking to the current industry scenario. Only least required maintenance and replacements should be undertaken whereas all the major modernisation and capitalisation plans should be deferred.

(b). The fall in the tonnage handled by the Port during the current period is mainly pertaining to Iron ore quantities handled (i.e. reduced to 29 MMT in 2011-12 from 40 MMT in 2010-11). This may be mainly attributable to revamping of the MOHP and reduction in iron ore quantities handled at WOB due to higher port levies as compare to the neighbouring port (Panaji Port).

The temporary reduction in traffic is due to revamping, major maintenance or due to uncertainties regarding Government Policies should not be taken into consideration while preparing long term plan for tariff fixation.

(c). The purpose of reserves for replacement, rehabilitators and modernisations of capital assets is replacement of fixed assets. Since the significant part of the incremental capital proposed to be employed during the period 2012-16 seems to be in the nature of replacements, rehabilitation or modernisation, the same should be utilised for the replacement/ modernisation.

As per the administrative reports for March 2012, an investments amounting to ₹717.70 Lacs under the balance sheet of above reserve is unused for the purpose it is created including some portion of general fund. Position of Reserve for Replacement, Rehabilitators & Modernisations of Capital Assets as on 31st March 2012 (Amount in Lacs):

Liabilities	**Amount**	**Assets**	**Amount**
Reserve Balance	359.21	Investments	717.70
To General Fund	373.32	Accrued Interest	14.83
	732.52		732.52

In addition there is outstanding balance of ₹526.14 Lacs in Capital Assets Replacement Reserve and ₹3,501.13 Lacs in Escrow Fund as on 31st March 2012, for which separate balance sheets are not available to comment on the status thereof and unused balance.

GMOEA has requested TAMP to critically examine the purpose and utilisation of the above funds created and make necessary adjustments to the capital employed if required.

(d). GMOEA being a beneficiary has expected a detailed and proper feasibility study and financial viability of the additions/ modernisation proposed and has requested MOPT to share the study report to TAMP and GMOEA for better understanding.

(xvii). Return on Capital Employed:

(a). With regards to gearing ratio used as per Clause 2.9.1 and debt equity ratio factored as 1:1, GMOEA has reiterated that for an infrastructure project, a gearing of 70:30 (Debt: Equity) may be considered reasonable.

If this gearing ratio were used, the return on capital employed would need to be revised.

(b). The temporary obstacles due to Government Policies should not be considered permanent. Generally the MOPT has an established business with minimal risks relating to credit, liquidity and operations on account of its monopolistic position and there will be no idle capacity once we will get the clear view on Government Policies and Supreme Court's directives in this regard.

(xviii). Port has ignored the case study given for understanding the effect of proposed change in anchorage charges in GMOEA's Power Point Presentation.

GMOEA has requested TAMP to maintain the differences between anchorage charges for idle and working vessel, however reduce the base rates for idle and working anchorage to such extent as it should not impact the overall cost to the users.

(xix). Additional Anchorage Charges at Mooring Dolphin:

In the proposed Scale of Rates MOPT has proposed to increase the additional anchorage charges at mooring dolphin to the tune of 19 times and 17 times for coastal and foreign going Vessels respectively.

Since there is a change in Methodology of Calculation from rate per hour basis to rate per hour per GRT basis which has resulted in the increase in the effective rates and the absolute costs to the users. Change in Methodology of Calculation is not highlighted in the proposal however has been incorporated in the Proposed Scale of Rates.

In view of the above, GMOEA has submitted that there should not be any effective change in the Scale of Rates or the changes should be modified in such a manner as it would not increase any additional burden to the users.

(xx). Monsoon Levy:

The monsoon levy of ₹50/- per ton applicable in addition to the wharfage charges on cargo handled at mooring dolphin during the period from 1st June to 30th September on non-regular users/new exporters, which has been introduced in the proposed Scale of Rates by the Port. In this regard, GMOEA has stated that the same has not been approved by TAMP as per the normal procedure adopted for the new tariff in Scale of Rates but only has been introduced by way of circular by Port. This being an additional charge to an already existing tariff and not approved by the TAMP, the same may be withdrawn.

2.1. A joint hearing in this case was held on 12 October 2012 at the MOPT premises. The MOPT made a powerpoint presentation of its proposal. At the joint hearing, the MOPT and the concerned users/ organisation bodies have made the following submissions:

MOPT

(i). 80% of our traffic is iron ore.

(ii). Rates of Maintenance Dredging has gone up.

(iii). Volume of maintenance dredging has also gone up.

(iv). We will furnish our reply to the comments of GMOEA & INSA within a couple of days.

(v). We will furnish our reply to the issues raised by one of our Trustees.

Goa Mineral Ore Exporters' Association (GMOEA)

(i). GMOEA makes a power point presentation. Hard Copy is given.

(ii). We are in the crisis in iron ore area. Some export will take place from existing stock of iron ore.

(iii). There is generally a tendency to over-estimate cost (FA& CAO of MOPT says that if cost is overestimated, there would not have been deficit in actuals)

(iv). Port estimates capital expenditure and ROCE is given on the estimated capital expenditure. But, investment does not materialize.

(v). Expenditure is under the control of Port (FA& CAO says most of the expenditures are fixed).

(vi). Had the MOPT controlled costs, there would have been surplus in the port.

(vii). It is detrimental to the users if income is understated and expenditure is overstated.

(viii). MOHP gets disproportionate share of overheads. Port may review the distribution of overheads to various activities.

(ix). 7% pension contribution and interest on the accumulated fund will take care of the liabilities.

(x). Workings for design capacity are not provided by the port. Capacity utilization is having negative growth.
(Dy. Chairman: we are doing more due to transhipment in high sea)

(xi). MOHP is continuously engaged. It has guaranteed traffic. Port should review traffic of MOHP.

Adani Mormugao Port Terminal Pvt Ltd (AMPTPL)

(i). We have estimated revenue share on some basis. Any change now in Pension levy will be an additional burden to BOT operators.

Mormugao Ships' Agents' Association (MSAA)

(i). Ship owners are not in a position to accept any hike in VRC.

(ii). This will discourage cargo to come to MOPT.

(iii). Anchorage charge increase is very steep.

(iv). Congestion charge of ₹1,00,000 per entry is detrimental.

Mormugao Port Users Association (MPUA)

(i). 40% hike is little high.

(ii). We are affected by weakening Rupee and higher cost of raw materials.

(iii). TAMP may apply their mind and moderate the increase.

<u>Mormugao Stevedores Association (MSA)</u>

(i). With increase in tariff, trade is affected.

<u>MMTC</u>

(i). TAMP may moderate increase.

2.2. At the joint hearing, the GMOEA made a brief powerpoint presentation on its views on the proposal of the MOPT.

3. At the joint hearing, the Mormugao Ships Agents Association (MSAA) filed their written submissions. A copy of the written comments received from MSAA was forwarded to MOPT to furnish its comments. The MOPT vide its letter dated 7 November 2012 has furnished its reply. A summary of the written submissions made by MSAA and reply of MOPT thereon are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Written submissions made by MSAA</th><th>Reply of MOPT</th></tr>
<tr><td>(i).</td><td>The freight market has seen an unprecedent downturn, with the Batlic dry index crashing from its May 2008 high of 11753 points to a low of 875 points in October 2012, having lost over 95 percent of its value. This has mainly been due to lack of demand for bulk commodities such as coal and iron ore.</td><td rowspan="8">MSAA has generally commented on the international scenario of slump in shipping market and have requested for review of increase in vessel related charges. Port has worked out tariff as per guidelines. Market rates are always volatile and in our opinion that cannot be considered. Further, rates fixed by TAMP are ceiling rates.

It has reiterated its views given on (xvii) (c) above on the modification proposed in anchorage charges.

As regards to proposed congestion charges, it is stated that the port is experiencing, congestion as pleasure yacht, small boats & other crafts are parked in the Port water areas for longer period for completion of custom formalities and other non-operational activities. It occupies valuable port area and creates problem for operation of cargo vessels. The congestion charges are proposed to discourage parking of non-cargo vessels for longer period. This also helps in smooth handling of cargo vessels.

The Port has requested TAMP to discontinue with the existing ELT scheme at Berth No. 9.</td></tr>
<tr><td>(ii).</td><td>As such the vessel owner is today carrying cargo at rock bottom freight rates and any increase in port tariff would make in uneconomical for vessels to call Mormugao and the Ship Owners are not in a position to accept a 50 percent hike in port charges at this stage.</td></tr>
<tr><td>(iii).</td><td>On the other hand, Mormugao Port's exports and imports have drastically fallen due to the recent issues of iron ore regulations and also coal pollution.</td></tr>
<tr><td>(iv).</td><td>In view of the unprecedented fall in export and import of cargoes, it would be unwise to increase port tariff at this stage, as it would discourage handling of whatever cargo which is still going through Mormugao Port.</td></tr>
<tr><td>(v).</td><td>Therefore, they request that this debate on increase of port tariff be postponed till the situation improves.</td></tr>
<tr><td>(vi).</td><td>Anchorage charges – It has been proposed by MOPT not to have separate working and idling anchorage charges, but to have one common anchorage charges whether the vessel is working or idling to rationalise such rates. However, the rate arrived at by the Port is very high.</td></tr>
<tr><td>(vii).</td><td>For a supramax the present idling charge is USD 1.96 per hour, while the proposed idling charge is USD 28.41 per hour which is over 14 time the existing rate.</td></tr>
<tr><td>(viii).</td><td>For a capesize vessel the present idling rate is USD 1.96 per hour and the proposed idling charge is USD 83.3 per</td></tr>
</table>

	hour.	
(ix).	The additional mooring dolphin charges from the present to USD 1,75525 per hour to USD 26 per hour for a supramax vessel, the new rate now being made to USD 0.0008 per GRT per hour-this single item will bring and additional cost of USD 4000 to the port charges of a supramax vessel loading at mooring dolphins. There is congestion charge proposed to be levied on new vessels from shipyards at the rate of ₹100,000 per entry or more and this would be detrimental to the shipbuilding industry in Goa a small vessel may have to make several trials during its launching period leading to very high port costs. The Efficiency Linked Scheme for Berth No.9 is not appearing in the Port tariff.	

4. As decided at the joint hearing, the MOPT has also forwarded the revised cost statements to the concerned users to enable them to furnish their comments to TAMP on the revised proposal. The comments received from the users / user organisations were forwarded to the MOPT as feedback information. The MOPT has furnished its remarks on comments of the users / user organisations. M/s.Adani Murmugao Port Terminal Pvt. Ltd. (AMPTPL) vide its letter dated 11 February 2013 has furnished its views on the reply of MOPT as well. A summary of comments received from the users / user organisations, comments of MOPT and views of user/s on comments of MOPT are given below:

Sl. No.	Comments of the users/ user organisations	Reply of MOPT	Views of user on reply of MOPT
1.	**Indian National Ship owners' Association (INSA)**		
	INSA's comments on the Port levying EXIM cargo related charges for coastal movement on Foreign Going Vessels was raised through its letter dated 10 September and remains unattended and should be addressed by MOPT.	As regards levying EXIM cargo related charges for coastal movement on foreign going vessels, if is stated that such vessels do not fall within the definition of coastal vessel defined in Scale of Rates. The Scale of Rate already prescribed concessional rate for coastal cargoes and as such it is not appropriate to prescribe concessional tariff for all coastal shipment even if the ship is levied foreign going tariff for vessel related charges.	
	Port has to include detail Schedule of rates for activities of Waste disposal even if these jobs are contracted out to private vendors because under IMO regulations these facilities and services are important and to be seen as integral part of Port	As regards request of INSA to prescribe the rates for activities of waste disposal, it is reiterated that the Port is not directly providing the services of collecting oil sludge, waste or bilge from ships. These services are outsourced and as such it is not appropriate to prescribe	

<table>
<tr><td></td><td>services.</td><td>in the scale of rate of the port. TAMP may decide on this issue.</td><td></td></tr>
<tr><td>2.</td><td>Adani Mormugao Port Terminal Pvt. Ltd. (AMPTPL)</td><td></td><td></td></tr>
<tr><td>(i)</td><td>The pension levy on the estate rentals should not be increased from the present rate of 7% to propose rate of 12% as it would severely impact the viability of the project. This increase will have a big impact on the operational expenditure of a concessionaire and will impact the profitability.
Any increase in the pension levy will be additional burden on the BOT operators under the upfront tariff regime, as this kind of increase is not accounted for at the time of tariff setting. Also there is no provision in the concession agreement for concessionaire to recover these costs by modification of any type of tariff.</td><td>As regards to proposed increase in pension levy from 7% to 12%, it is stated that the actuarial valuation of pension liability for the employees, pensioners including family pensioners has been worked to ₹680 crores by LIC of India as on 31.03.2012. The balance of Pension Trust Fund was ₹366 crores as on 31.03.2012. Thus, there is a deficit of ₹314/- crores. The proposed pension levy of 12% is not sufficient to bridge the gap between existing pension liability and the accumulated balance of pension trust fund. Moreover, rent and pension levy paid are allowed as passed through cost for the purpose of tariff revision. Hence, there would be no impact for Adani Mormugao Port Terminal Pvt. Ltd. on the viability of the project.</td><td>The pension levy on the estate rentals should not be increased from the present rate of 7% to proposed rate of 12% as it would increase the operational expenditure and impact the viability of the project. In case of M/s. Adani Murmugao Port Terminal Pvt. Ltd. (AMPTPL) the impact of increase in Pension Levy can be seen as under :
Amt. ₹ in crores<table>
<tr><td>Lease Area</td><td>98.000 sq mt</td></tr>
<tr><td>Year</td><td>2013-14</td></tr>
<tr><td>Lease rate (per sq mt.)</td><td>355.04</td></tr>
<tr><td>Lease amt. (incl. taxes)</td><td>4.17</td></tr>
<tr><td>Pension levy at 7%</td><td>0.29</td></tr>
<tr><td>Pension levy at 12%</td><td>0.50</td></tr>
<tr><td>Difference</td><td>0.21</td></tr>
</table>From the above table it can be seen that there is an additional burden of ₹0.21 crore (2013-14) to the BOT operator having tariff fixed under upfront tariff regime. This difference will increase every year as the lease rental will be escalated by 2% on the yearly basis. TAMP may kindly advise us whether any additional burden due to increase in pension levy or lease rent can be passed on the trade by making tariff revision.</td></tr>
<tr><td>(ii)..</td><td>In view of the above, AMPTPL has requested the following :
(a). Vessel related charges may not be increased.</td><td>As regard to vessel related charges (VRC) it is informed that the sub activities pilotage and port services are under deficit to the extent of 87% & 118% respectively. However, the Port has proposed upward</td><td>There may not be a direct impact on the financial of AMPTPL but would result in MOPT being less competitive compared to New Mangalore and Ports located on the East Coast.</td></tr>
</table>

		revision of 50% on existing rates. It is reiterated that the rate revision proposal is entirely as per the tariff guidelines. VRC has no impact on the Adani Terminal's financials as it is paid by the vessel owners.	
	(b). Pension levy on the estate rentals should not be increased for the BOT operators under the upfront tariff regimes.	The apprehension of M/s. AMPTPL as regards increase in pension levy will be additional burden on the BOT operator under the upfront tariff regime is not justifiable as pension levy is not applicable on revenue share/royalty by the BOT operator to the landlord port.	Pension Levy on the Estate Rentals should not be increased for the BOT operators under the upfront tariff regimes as these are additional burden, not accounted for at the time of tariff setting. Also any revisions in the VRC if made should not be after considering the competition.

5. As decided at the joint hearing, the GMOEA vide its letter dated 23 January 2013 has furnished its comments on the revised proposal of MOPT. The MOPT vide its letter dated 6 February 2013 has furnished its response on GMOEA comments. The GMOEA vide its letter dated 5 March 2013 has furnished its views on the MOPT response. Again the MOPT vide its letter dated 16 March 2013 has furnished its response on GMOEA views. A summary of the comments received from GMOEA, response of MOPT, views of GMOEA and MOPT's comments thereon is tabulated below:

Comments of GMOEA on revised proposal of MOPT dated 19 November 2012	**Response of MOPT on GMOEA's comments**	**Views of GMOEA on MOPT's response**	**Response of MOPT on GMOEA's views**
With regard to current status of the Mining Industry, GMOEA has stated that earlier in September; following the Shah commission submitting its report, the Government of Goa in terms of its notification dated 10 September 2012 ordered a temporary suspension on extraction of ore across the State w.e.f. 11 September 2012. Consequently, the Ministry of Environment and Forests suspended existing environmental clearances of mines across the State from 14 September 2012. and finally on 5 October 2012, the Supreme Court	The GMOEA is requesting the Authority to defer the proposed revision of scale of rates, stating that there is a ban on mining operations in Goa State and apprehended that the actual resumption of mining will take still longer time. In this regard, it is brought to the kind consideration of the Authority that the Scale of Rates is due for revision with effect from April 2013. The proposal has been submitted within the stipulated time and in accordance with the tariff Guidelines issued by the Authority. Further, as advised by the Authority in the Joint	The tariff revision should be based on the normal working of the trade and should not be based on unforeseen or unpredictable situations like temporary suspension on mining. Without admitting the validity of MOPT's proposal for revision, even if MOPT desires an immediate revision in the tariff, then their first proposal vide letter No. TAMP/43/2012 dated 20.07.2012 i.e. original proposal of MOPT for general revision along with our suggestions vide	The revised proposal on General Revision of Scale of Rates was submitted to the TAMP vide our letter of even no. 85 dated 19.11.2012 as advised by the Authority in its joint hearing held on 12.10.12. In the revised proposal the asking rate remained at the same level of earlier proposal. The level of traffic for the year 2013-14 has been projected 35 MMT and for the years 2014-15 and 2015-16 have been retained at 46 MMT and 47 MMT respectively. It may be noted that, even if the iron ore exports resumes, there would be a cap on mining and port may not be

ordered suspension of all mining operations and transportation of iron ore in the State. In view of the same, operations at all mine in Goa have been suspended. The Supreme Court Order dated 5 October 2012, on the suspension of the mining operations required the CEC to study and revert with its interim report to the Court in four weeks' time. Accordingly, CEC has submitted its report on the subject matter dated 7 December 2012. Since that time, the matter is awaiting hearing by the Supreme Court but has not yet come up for hearing. The hearing on the case is now likely to commence from February, and it is not clear as to when an order in the matter will be given. Actual resumption of mining is likely to take still longer, until implementation of the directions as may be issued by the Supreme Court. Considering the present industry scenario, wherein mining industry is running at zero production / zero revenue and is under tremendous pressure for its very survival, it will not be appropriate to put any additional burden on the iron ore exporters. It is evident that, even without admitting the	hearing held on 12.10.2012, the revised proposal was also submitted considering traffic trend. The proposal is for general revision of scale of rates and not restricted to Iron Ore only. As contended by GMOEA, it is not appropriate to defer the proposal for revision of scale of rates due to ban on mining operations in Goa as ban on mining not to be linked with revision of scale of rates. The revised rates would be applicable only when GMOEA is availing the services of the Port. It may be noted that, due to ban on handling of iron ore and coal at this port, the financial condition of the port is very critical. The revenue generated upto January 2013 was ₹190.24 crores as against ₹278.72 crores for the corresponding period of previous year. Operating expenditure upto January 2013 was ₹202.02 as against ₹191.64 crores for the corresponding period of previous year. As a result the port is in deficit of ₹59.64 crores upto January 2013 as compared to surplus of ₹38.25 crores for the corresponding period of previous year. The traffic decreased by 16.11 Million Tonnes upto January 2013 as compared to previous	our letter No. 2012-13/30B/1242 dated 25.09.2012 (including power-point presentations made) and replies to the MOPT's queries/observations vide our letter No. 2012-13/30B/1281 dated 28.11.2012 should be considered for revision of the tariff. Revised proposal of MOPT must not be considered, presuming that normal usage of the port services would be availed once the ban is lifted. MOPT had communicated to TAMP during the meeting that MOPT would like to revise their proposal stating that they were severely affected within a short period of 1-2 months due to ban on mining and transport of iron ore. However, they are now requesting TAMP, to approve the proposal citing that Tariff is not only applicable to Iron ore but it is also applicable for other commodities. It is also clearly evident from para 4 of the MOPT's letter discussing about the reduction in revenue due to suspension on mining, that the iron ore/MOHP segment is the significant part of the MOPT's earning and proposed Tariff Schedule. It may be noted that	able to handle even the revised traffic figures. We don't understand the logic of GMOEA as they have stated that the revised proposal of MOPT may not be considered presuming that the normal usage of the port services can be availed once the ban on iron ore is lifted. It is reiterated that the revised proposal of rates revision is entirely worked out in accordance with the tariff guidelines. As stated at above para, we have not changed the asking rate in the revised proposal. The Authority is, therefore, requested to take a holistic view in considering the revised proposal as it was submitted as advised by the Authority. It is factual that the handling of iron ore at MOHP including in stream constitute a significant part of MO PT's earnings. It may be noted that due to ban on mining in Goa from September, 2012, the revenue loss to the Port during the current financial year would be around ₹200/- crores. It has been stated by GMOEA that due to stoppage of mining in Goa, the iron ore export have cut or put on hold capex, put assets on sale/re-deploy assets, reduced liabilities, wage bills, etc. In the absence of any

revised proposal, MOPT would not be in a situation wherein they would lose any revenue or opportunity to earn due to the SOR not being revised, as in any case there will not be any shipments/operations till the withdrawal of ban. In the existing obscure environment of trade, we strongly request TAMP and MOPT to defer the proposed amendments to the Scale of Rates and maintain the status quo till the withdrawal of mining ban.	year. Considering the critical financial position, Port has taken up following measures : 1. Inventory holdings are brought to minimum level. 2. Payments of Power charges are partially made. 3. Payment of maintenance dredging is made in Part. 4. Expenditure on welfare measure of employees are restricted. 5. Advance to employees are stopped. 6. The services of hired tug (1 no.) are stopped.	due to the stoppage of mining in Goa, iron ore exporters have cut or put on hold capex, put assets for sale/ redeployed assets, reduced liabilities, wage bill, etc. whereas no much impact of any such actions is seen from MOPT side in their revised proposal. Unproductive (idled) assets of MOPT during the period of stoppage of iron ore exports would be not entitled for considering ROCE and depreciation for the purpose of tariff fixation. We request TAMP to give proper consideration to the above facts and existing obscure condition of the ore industry in the state before finalising the tariffs applicable to ore exporters directly or indirectly.	supplementary details, port cannot comment on this. In the revised proposal at para no.8, it was brought out by the Port that the percentage of increase sought in the revised proposal remains at the level of earlier proposal. This was mainly because of reduction in revenue due to reduced traffic which is compensated by reduction in expenditure on salaries and wages (OTA), power, reparis and maintenance, depreciation, hire charges of tugs, contribution to Pension Trust Fund and Gratuity Trust Fund, etc. Thus the Port has also reduced its revenue expenditure wherever possible. It has been stated by GMOEA that unproductive (idle) assets of MOPT during the stoppage of iron ore export would not be entitled for considering ROCE and depreciation for the purpose of tariff fixation. In this regard it is submitted that the infrastructural facilities are created by the Port to meet the operational needs of the Trade. The GMOEA is aware that the MOHP is idle from September, 2012 as exporters could not bring any vessels for handling of iron ore at MOHP. As per the guidelines tariff is fixed on cost plus approach and there is no provision in the guidelines to exclude

			idle assets for tariff workings.

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