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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 68 **New Delhi,** **26 February 2015**

NOTIFICATION

This Authority, in exercise of the powers conferred on it under Sections 48, 49 & 50 of the Major Port Trusts Act, 1963, had disposed of the proposal received from the Mumbai Port Trust (MBPT) for general revision of its Scale of Rates, in the Meeting of this Authority held on 2 January 2015. However, considering the time involved for notifying (Speaking) Order along with the Scale of Rates, approved by this Authority and considering that the revised Scale of Rates is based on the financial/ cost position of the MBPT for the period of 26 months from 01 February 2015 to 31 March 2017, this Authority decided to notify only the revised Scale of Rates immediately. Accordingly, the Scale of Rates approved on 02 January 2015 were notified in the Gazette of India on 19 January 2015 vide Gazette No.19 Further, it was stated in the said Notification dated 19 January 2015 that this Authority will notify the Order, in due course of time. Accordingly, this Authority hereby notifies the reasoned Speaking Order connected with disposal of the proposal of the MBPT 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/23/2013-MBPT

Mumbai Port Trust **- - -** **Applicant**

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Chandra Bhan Singh, Member (Economic)

O R D E R
(Passed on this 2nd day of January 2015)

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

2.1. The Scale of Rates of MBPT was last revised in October 2011 vide tariff Order no.TAMP/46/2009-MBPT dated 11 October 2011. This Order was notified in the Gazette of India on 22 November 2011 vide Gazette No. 227. The validity of the Scale of Rates of the MBPT prescribed vide tariff Order dated 11 October 2011 was upto 31 March 2014.

2.2. As per para 5(i)(a) of the Common Order No. TAMP/23/2003-WS dated 30 September 2008 passed by this Authority, the major port trusts and private terminals have to file their proposals by 30 June of the financial year in which the tariff revision falls due along with the actuals upto the previous financial year. Accordingly, the MBPT was advised to file its proposal by 30 June 2013 vide our letter dated 17 April 2013 followed by reminder dated 10 July 2013.

3.1. In this backdrop, the MBPT vide its letter dated 20 July 2013 has filed its proposal for general revision of its Scale of Rates.

3.2. The main submissions made by the MBPT in its proposal dated 20 July 2013 are summarised below:

(i). **Traffic:**
The traffic of 61 MMT for the year 2013-14 as per Budget Estimate has been considered as base. Traffic for the years 2014-15, 2015-16 and 2016-17 has been considered at 63 MMT, 65 MMT and 67 MMT respectively.

(ii). **Income:**

(a). The income for the year 2013-14 is based on BE and income for the years 2014-15, 2015-16 and 2016-17 has been increased based on traffic for cargo related, vessel related and railway income.

(b). Estate income is increased by 4% every year from 2014-15, taking the BE 2013-14 as base.

(c). F&M income for the years 2014-15, 2015-16 and 2016-17 has been considered, taking the BE 2013-14 as base.

(iii). **Expenditure:**

(a). Employee Cost:-
The salaries and wages has been increased by 12% for normal increase in D.A. and increment etc. for the years 2014-15, 2015-16 and 2016-17 based on BE 2013-14. Reduction in salaries and wages of retiring employees during the years has been considered.

(b) Other Expenditure:-

The other expenditure has been increased by 7% for the years 2014-15, 2015-16 and 2016-17 based on other expenditures of 2013-14 (BE) as per TAMP letter dated 27 June 2013 for revised escalation factor.

(c). Financial and Miscellaneous expenditure:-

Contribution to Pension Fund and PLB/ PR has been considered for the years 2014-15, 2015-16 and 2016-17 as below:

F&M Expenditure	2013-14 (BE) ₹ in lakh	2014-15 (BE) ₹ in lakh	2015-16 (BE) ₹ in lakh	2016-17 (BE) ₹ in lakh
MBPT				
Contribution to Pensio	48500	45000	45000	45000
.Fund PLB/PR	1101	1101	1101	1101
Ex-BDLB				
Contribution to Pension	6703	7500	7500	7500
.Fund PLB/PR	300	300	300	300
Total	**56604**	**53901**	**53901**	**53901**

(d). Return on Capital Employed:-

ROCE has been worked out without considering the new project in the years 2013-14 to 2016-17. It is pertinent to mention here that TAMP has not considered projects in progress in the last general revision and advised MBPT to come up with separate proposal six months prior to commissioning of the projects.

(iv). Statement showing Income & Expenditure without considering rate revision as given below:

(₹ in crores)

	2011-12 Actual	2012-13 Actual	2013-14 BE	2014-15 Projection	2015-16 Projection	2016-17 Projection	Total (6+7+8)
1	2	3	4	5	6	7	8
Traffic (MT)	57.04	58.04	61.00	63.00	65.00	67.00	195
Operating Income	1106.50	1238.43	1281.19	1318.55	1360.18	1415.82	4094.55
F&M Income	17.65	4.38	4.41	4.41	4.41	4.41	13.22
Total Income (A)	**1124.15**	**1242.81**	**1285.60**	**1322.96**	**1364.59**	**1420.23**	**4107.78**
S&W	747.16	903.34	947.47	965.48	1079.15	1189.71	3234.34
Depreciation	60.91	59.16	58.00	57.85	56.56	37.35	151.76
Other expdt.	188.96	193.99	275.67	291.82	309.10	327.58	928.50
Operating expenditure	997.02	1156.49	1281.14	1315.16	1444.80	1554.65	4314.60
Pension & PLB/PR	480.34	581.11	566.04	539.01	539.01	539.01	1617.03
ROCE (16%)	95.43	86.24	76.35	66.38	56.30	46.12	168.81
Total Cost (B)	**1572.79**	**1823.85**	**1923.54**	**1920.54**	**2040.12**	**2139.78**	**6100.44**
Surplus/Deficit (A-B)	-448.64	-581.04	-637.94	-597.59	-675.53	-719.55	-1992.66
Percentage	**-39.91**	**-46.75**	**-49.62**	**-45.17**	**-49.50**	**-50.66**	**-48.45**

It is seen from the above statement that the average deficit for the years 2014-15, 2015-16 and 2016-17 is ₹664.22 crores, which works out to 48.45% of the average operating income. However, considering the competition and diversion of cargo, the Board of Trustees has approved in the meeting held on dated 28 June 2013 to effect an across the board increase of only 23% on existing scale of rates except License (Storage) fees which is increased by 70% after considering Land Policy based rates in line with direction from TAMP in this regard.

(v). The estimated financial results with 23% upward revision in overall tariff and 70% increase in Licence (storage) fees (section 3.3 of SOR) is tabulated below:-

	2011-12 Actual	2012-13 Actual	2013-14 BE	2014-15 Projection	2015-16 Projection	2016-17 Projection	Total (6+7+8)
1	2	3	4	5	6	7	8
Traffic (MT)	57.04	58.04	61.00	63.00	65.00	67.00	195.00
Operating Income	1106.50	1238.43	1281.19	1585.57	1619.20	1699.79	4904.56
F&M Income	17.65	4.38	4.41	4.41	4.41	4.41	13.22

Total Income (A)	1124.15	1242.81	1285.60	1589.98	1623.61	1704.19	4917.79
S & W Depreciation Other expdt.	747.16 60.91 188.96	903.34 59.16 193.99	947.47 58.00 275.67	965.48 57.85 291.82	1079.15 56.56 309.10	1189.71 37.35 327.58	3234.34 151.76 928.50
Operating expenditure	997.02	1156.49	1281.14	1315.16	1444.80	1554.65	4314.60
Pension & PLB/PR ROCE (16%)	480.34 95.43	581.11 86.24	566.04 76.35	539.01 66.38	539.01 56.30	539.01 46.12	1617.03 168.81
Total Cost (B)	1572.79	1823.85	1923.54	1920.54	2040.12	2139.78	6100.44
Surplus / Deficit (A-B)	-448.64	-581.04	-637.94	-330.56	-416.50	-435.59	1182.65
Percentage	**-39.91**	**-46.75**	**-49.62**	**-20.79**	**-25.65**	**-25.56**	**-24.00**

The proposal if approved in total can generate an additional revenue of ₹826.46 crores during the 3 years of tariff validity from 2014-15 to 2016-17.

3.3. The proposal of the MBPT is as follows:

(a). Increase of 23% has been sought on all rates of SOR except Licence (storage) Fees under section 3.3.

(b). Vide TAMP's order dated 11 October 2011, Licence (storage) Fees and warehousing charges are to be fixed following the Land policy Guidelines 2010 announced by the Government. A comparative study of Licence (storage) Fees under section 3.3(A) (i), (ii), (iii), (iv) and (v), vis-à-vis Rates as per Ready Reckoner Rates-2013 has been carried out. It is observed that Ready Reckoner Rates compared to existing Licence (storage) Fees are quite high. Section 3.3 of SOR deals with facility to support import/export cargo activities at Mumbai Port. If licence fee is revised as per Ready reckoner Rates, same will have adverse impact on cargo traffic of the Port. Therefore, it is proposed to increase Licence (storage) Fees under section 3.3 by 70%.

(c). The Slipway charges of MBPT workshops in line with Land Policy 2010 is proposed.

(d). Certain definitions have been introduced and certain definitions have been modified for clarity, such as Barge, Offshore supply vessel, telegraph vessel.

(e). Wharfage and Demurrage charges for Animals, Birds, reptiles, etc. handled at Bunders and also demurrage charges for same class of goods handled at Docks are newly introduced.

(f). Charges for Dock entry permits and registration /renewal fees from the port users have been introduced.

3.4. Subsequently, the MBPT vide its letter dated 23 September 2013 has forwarded the copy of the proceeding of Trustees Resolution as well as Cost Statements in the prescribed formats on the subject proposal. From the copy of the Resolution of the Board Meeting, it is seen that the Trustees have accorded ex-post facto sanction to the Scale of Rates forwarded to TAMP.

4. In accordance with the consultative procedure prescribed, a copy each of the MBPT proposal dated 20 July 2013 as well as the MBPT letter dated 23 September 2013 was separately forwarded to Indira Container Terminal Private Limited (ICTPL), and concerned users/ user organisations seeking their comments. The ICTPL has not furnished its comments, till the time of finalization of the case. The comments received from users/ user organisations were forwarded to MBPT as feedback information. The MBPT has responded to the comments of the users.

5.1. The MBPT vide its letter dated 15 April 2014 has proposed modification to the proposed Schedule 9.2 C under Chapter IX – Miscellaneous charges. The MBPT has requested this Authority to delete the provisions at 9.2 C of proposed Scale of Rates forwarded on 20 July 2013 and replace the same by the following provision:

"Chapter – IX – Miscellaneous Charges

9.2.C Dock Entry Permit Charges

(a)	Daily DEP	=	Rs.10/- per person per day
(b)	Temporary DEP (2 to 7 days)	=	Rs.10/- per person per day
(c)	Monthly DEP (MDEP)	=	Rs.250/- per person per day
(d)	Duplicate MDEP	=	Rs.350/- per person per day (including penal charges of Rs.100/-)
(e)	Yearly DEP (Smart Card)	=	Rs.1000/- per person
(f)	Duplicate smart card	=	Rs.1200/- per person (including penal charges of Rs.200/-)
(g)	Driver / Cleaner's permit	=	Rs.60/- per book per month
(h)	Duplicate Driver/Cleaner's permit	=	Rs.60/- per book
(i)	Hawker Permit	=	Rs.250/- per annum
(j)	LMV Permit	=	Rs.100/- per LMV per annum
(k)	Duplicate LMV Permit	=	Rs.150/- per LMV Permit
(l)	Daily Lorry Permit	=	Rs.50/- per vehicle
(m)	Group pass for educational tour		
	Student	=	Rs.20/- per day
	Faculty / instructor	=	Rs.150/- per day

Note :-

The following categories of port users / officials are exempted from levy of DEP Charges:

(i). Yellow Gate Police Station Officials
(ii). Sea Port Immigration Clearance Officials
(iii). High Court Judges, Judicial magistrates
(iv). Officials / workers of MBPT Contractors
(v). ICTPL Officials
(vi). Staff and suppliers of Cooperative Canteens
(vii). Government Officials, visitors VIPs, Dignitaries and other categories as may be permitted by the MBPT."

5.2. In this connection, the MBPT under cover of its letter dated 15 April 2014 has forwarded the copy of the proceedings of Trustee's Resolution No. 206 dated 13 February 2014.

5.3. In this regard, it is relevant to mention here that the existing Scale of rates of MBPT approved in October 2011 does not prescribe any Dock Entry Permit charges. In its general revision proposal of July 2013, the MBPT proposed a new tariff item at Schedule 9.2 C. As per the proposed charges at Schedule 9.2 C, the MBPT had proposed a charge of ₹5/- for a daily dock permit and ₹5/- per day per person for a Weekly permit. Now, the MBPT has proposed modification to the proposed Schedule 9.2 C, as brought out at para 5.1 above.

5.4. Since a change has been proposed by the MBPT to its proposed Scale of Rates, the proposal dated 15 April 2014 was also forwarded to the concerned users/ user organisations for their comments vide our letter dated 21 April 2014. Some of the users/ user organisations have furnished their comments. The comments received from users/ user organisations were forwarded to MBPT as feedback information. The MBPT has responded to the comments of the users.

6. Based on a preliminary scrutiny of the proposal, the MBPT was requested vide our letter dated 07 August 2014 to furnish additional information/ clarifications on various points. The MBPT has responded vide its letter dated 22 September 2014. The queries raised by us and the response of MBPT thereon are tabulated as below:

Sl. No.	Queries raised by us	Response by MBPT
A.	**<u>GENERAL :</u>**	
(i).	From the proposal of MBPT, it is seen that the MBPT has sought an across the board increase of 23% on existing scale of rates except License (Storage) fees which is proposed to be increased by 70%. In this connection as stated by the MBPT the Licence (storage) Fees under section 3.3(A) (i), (ii), (iii), (iv) and (v) and warehousing charges are to be fixed following the Land policy Guidelines announced by the Government. In this connection, it is to be noted that the revision of Estate rentals of MBPT will be governed by the stipulations contained in the Land Policy Guidelines. Therefore, the revision in the estate rentals/ licence fees to be delinked from the general revision proposal of MBPT and a separate proposal in line with the stipulation contained in the applicable Land Policy Guidelines to be filed by MBPT.	Licence (storage) Fees and warehousing charges are to be fixed following the Land policy announced by the Government. A comparative study of Licence (storage) Fees under section 3.3(A) (i), (ii), (iii),(iv) and (v), vis –a vis Rates as per Ready Reckoner Rates - 2013 has been carried out. It is observed that Ready Reckoner Rates compared to existing Licence (storage) Fees are quite high. Section 3.3 of SOR deals with facility to support import/ export cargo activities at Mumbai Port. If licence fee is revised as per Ready reckoner Rates, same will have adverse impact on cargo traffic of the Port. Therefore, it is proposed to increase Licence (storage) Fees under section 3.3 by 70%. However, the rate was revised under section 3.3 of SOR on 28 Oct. 2006.
(ii)	As the MBPT is aware, this Authority had passed an order dated 15 March 2000 setting out correct legal position about this Authority's jurisdiction in respect of framing of SOR and Statement of Conditions for use of port properties. This Order was notified in the Gazette of India on 28 March 2000 as Gazette No. 29. MBPT filed a Writ Petition in the Bombay High Court challenging the order dated 15 March 2000 and praying, inter alia, that this Authority has no power to fix the rates of the premises belonging to the MBPT and situated outside the Port limits. The Hon'ble Division Bench of Bombay High Court passed an interim order on 02 May 2000 restraining this Authority from giving effect to the Order dated 15 March 2000 to the extent that the decision taken therein shall not apply to any property or place not within the limits of the Port or Port approaches. The Division Bench also restrained this Authority from giving effect to the sub-para 3 of Para No. 4 of the TAMP order dated 15 March 2000. The sub-paragraph 3 of Paragraph 4 of the order dated 15 March 2000 is reproduced below: "*3. For the purpose of framing Scale of Rates and Statement of conditions of lease cases (irrespective*	Revision for license (storage) Fees, Section3.3, is not considered by TAMP in last revision. TAMP has stated that "License fees for allotment of port lands are to be fixed following the Land Policy Guideline 2010 announced by the Government". Accordingly, comparative study of the existing rates and rates based on land value as per ready reckoner 2013 was carried out. It is observed that rates on land value are as high as 660%. If licence fee is revised as per Ready reckoner Rates, same will have adverse impact on cargo traffic of the Port. Therefore, it is proposed to increase Licence (storage) Fees under section 3.3 by 70%. The area covered under the License (storage) Fees, section 3.3, is utilized for cargo handling activity and not for the Estate Related Activity. Therefore, the proposal of the MBPT for revision of License fees is not barred by the interim order dated 2.5.2000.

<table>
<tr><td></td><td>of any time limitation) relating to the properties of a Major Port Trust shall be seen to fall within the jurisdiction of this Authority.”

Since the interim order dated 02 May 2000 passed by the Hon’ble Division Bench of the Bombay High Court is still in force, the MBPT to examine and confirm that the proposal of the MBPT to be submitted for revision in the licence fees is not barred by the interim order dated 2 May 2000 passed by the Hon’ble Division Bench of Bombay High Court.</td><td></td></tr>
<tr><td>(iii)</td><td>In respect of Sl.No.3 of Form -1, the MBPT has stated that its pricing strategy is cost based. MBPT to bring out the impact of the anticipated improvement in the productivity on the unit price.</td><td>There is no much improvement in the level of productivity. Hence, impact of the anticipated improvement in the productivity on unit price is minimum.</td></tr>
<tr><td>(iv)</td><td>With regard to Sl.No.4 of Form -1, though the MBPT has furnished a comparative position of the existing and the proposed Scale of Rates, the MBPT has not brought out the reasons for proposing the changes in its proposed draft Scale of Rates. The MBPT to, therefore, furnish the reason for each and every change proposed in its draft Scale of Rates and the financial implication arising out of each and every change proposed.</td><td>The comparative position of the existing and proposed scale of rates and reason for change in proposed draft scale of rates is furnished.</td></tr>
<tr><td>(v)</td><td>The tariff guidelines of 2005 stipulate that tariff should be linked to benchmark of the levels of productivity. In this connection, Sl. No. 6 of the Form – 1 requires a port to furnish the current performance and the targeted objective for productivity enhancement measures. The MBPT at Sl. No. 6 of its Form – 1 has furnished the details of the average turnaround time, Percentage of berth occupancy and pre-berthing detention for the years 2008-09 to 2012-13. In this regard, the MBPT to furnish the following information:</td><td></td></tr>
<tr><td>(a)</td><td>The targeted turnaround time, Percentage of berth occupancy and pre-berthing detention period to be furnished for the years 2013-14 to 2016-17.</td><td>The average turn-round time, Percentage of berth occupancy and average pre-berthing detention for the years 2013-14 to 2016-17 is given below:
<table>
<tr><th></th><th>Actual for FY 13/14</th><th>Target for FY 14/15</th><th>Projection for FY 15/16</th><th>Projection for FY 16/17</th></tr>
<tr><td>Average turn-round time (days)</td><td>3.89</td><td>3.80</td><td>3.75</td><td>3.70</td></tr>
<tr><td>Average Pre-berthing detention (days)</td><td>0.51</td><td>0.38</td><td>0.33</td><td>0.29</td></tr>
<tr><td>Berth occupancy (*)</td><td>53.02</td><td>50.00</td><td>50.00</td><td>50.00</td></tr>
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(*) not included in RFD</td></tr>
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<tr><td>(b)</td><td>The reason for taking more time for turnaround of a vessel in the year 2012-13 (3.88 days) as compared to the year 2008-09 (3.64 days) to be explained.</td><td>The increase in turn-round time of vessels in 2012-13 (3.88 days) as compared to 2008-09 (3.64 days) is due to increase in the average parcel size of vessels from 17262 tonnes during 2008-09 to 22023 during 2012-13.</td></tr>
<tr><td>(c)</td><td>The reason for taking more time for pre-berthing detention in the year 2012-13 (0.32 days) as compared to the year 2008-09 (0.31 days) to be explained.</td><td>The increase is negligible (0.01 days) hence no explanation can be offered.</td></tr>
<tr><td>(d)</td><td>Sl. No. 6 of Form – 1 calls for furnishing of current performance and targeted objectives for productivity enhancement measures. However, the MBPT has furnished only current performance for the years 2008-09 to 2012-13. Therefore, the MBPT to furnish targeted objectives achieved during the year 2013-14 and proposed to be achieved during the years 2014-15 to 2016-17.</td><td>The average turn-round time, Percentage of berth occupancy and average pre-berthing detention for the years 2013-14 to 2016-17 is given below:
<table>
<tr><th></th><th>Actual for FY 13/14</th><th>Target for FY 14/15</th><th>Projection for FY 15/16</th><th>Projection for FY 16/17</th></tr>
<tr><td>Average turn-round time (days)</td><td>3.89</td><td>3.80</td><td>3.75</td><td>3.70</td></tr>
<tr><td>Average Pre-berthing detention (days)</td><td>0.51</td><td>0.38</td><td>0.33</td><td>0.29</td></tr>
<tr><td>Berth occupancy (*)</td><td>53.02</td><td>50.00</td><td>50.00</td><td>50.00</td></tr>
</table>
(*) not included in RFD</td></tr>
<tr><td>(e)</td><td>Such benchmark in the level of productivity to be included in the Scale of Rates as a conditionality governing the respective tariff items.</td><td>There is improvement in productivity levels looking at the factors such as average time spent at berths, average turn-round time and average detention per affected ship. An average improvement to the tune of 1% on the existing level of productivity for the purpose of benchmark can be expected during the tariff validity period. The productivity levels, the revenue realization and the cost for the year 2013-14 are taken as base for the proposal.</td></tr>
<tr><td>(vi)</td><td>Since the financial year 2013-14 is already over, the MBPT to furnish its provisional annual accounts for the year 2013-14 approved by its Board, if audited annual accounts are not available. The MBPT to also update the figures for the year 2013-14 with actuals for the corresponding period and review the estimates for the years 2014-15 to 2016-17 based on the actuals for the year 2013-14, if required, and submit its revised proposal in the prescribed formats.</td><td>The cost statement for the year 2013-14 (actual) and estimates for the years 2014-15 to 2016-17 are updated in respective formats is furnished. The Annual Accounts for the year 2013-14 is also furnished.</td></tr>
<tr><td>(vii)</td><td>Rebates and discounts, it any, over the notified ceiling tariff, allowed by MBPT during the years 2011-12 to 2013-14 to be furnished year wise.</td><td>Rebates and discounts, if any, over the notified ceiling tariff during the years 2011-12 to 2013-14 :
<table>
<tr><th rowspan="2">No</th><th rowspan="2">Rebates and discounts</th><th colspan="2">During the years 2011-12 to 2013-14</th></tr>
<tr><th>Circular No./ TR No.</th><th>Validity</th></tr>
<tr><td>1</td><td>Concessional rates for demurrage on export of agricultural products (free days)</td><td>TM/D/4-3/28 dt. 13.03.2014
TR No 183/27.03.12</td><td>07.03.2015</td></tr>
<tr><td>2</td><td>Levy of charges on container/ containerized cargo brought by road</td><td>TM/C/3-93/30 of 88-89 dtd 21.03.2014</td><td>31.03.2015</td></tr>
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<tr><td></td><td>from other Indian Ports to Mumbai Port for destuffing and delivery</td><td>TR No. 226 / 07.03.2014</td><td></td></tr>
<tr><td>3</td><td>Handling of Fertilizer / Fertilizer raw material through Hay Bunder – Reduction in stevedoring charges. (discontinued)</td><td>TM/S/11-3/19 dtd. 11.07.2012
TR No. 12 / 19.06.2012
TR No. 101/ 13.09.2012</td><td>21.07.2013</td></tr>
<tr><td>4</td><td>Storage facilities for imported bagged Cargo</td><td>TR No. 70/ 14.08.2014</td><td>31.07.2015</td></tr>
<tr><td>5</td><td>Concessional charges for storage of empty containers at designated yards of Mumbai Port</td><td>TM/C/3-93/03 of 88-89 dtd 05.04.2014
TR No. 253 / 28.03.2014</td><td>31.03.2015 or till the date of revision of SOR, whichever is earlier</td></tr>
<tr><td>6</td><td>Concessional composite box rate for handling of containers at CFS / Docks</td><td>TM/C/3-93/II/32 of 04-05 dtd 26.03.2014
TR No. 238 / 07.03.2014</td><td>31.03.2015 or till the date of revision of SOR, whichever is earlier</td></tr>
<tr><td>7</td><td>Extended free days for cargo / containers</td><td>Circular TM/M/13-5/19 dtd. 31.10.2013
TR No. 137/ 08.10.2012</td><td>19.11.2014</td></tr>
<tr><td>8</td><td>Extension of Concessional Storage for Import / Coastal Consignment of Iron & Steel</td><td>TM/M/13-5/01 dtd. 16.11.2012
TR No. 256 / 28.03.2014</td><td>19.11.2014</td></tr>
<tr><td>9</td><td>Rationalization of Stevedoring charges for midstream operations and cargo brought to Bunders.</td><td>TM/S/11-3/29 dated 13.03.2014
TR No. 229/07.03.2014</td><td>31.03.2015 or till the date of revision of SOR, whichever is earlier</td></tr>
</table>

From the Administrative Report furnished by the MBPT, it is seen that MBPT has granted concession to the tune of ₹90.32 crores, ₹53.03 crores and ₹5.50 crores during the years 2011-12 to 2013-14 respectively.</td></tr>
<tr><td>(viii)</td><td>If the port has authorized any private parties, to render any of the port services listed under the MPT Act, for which the rates would have to be fixed following Clause 7.2 of the tariff guidelines of 2005, the MBPT to file a suitable proposal</td><td>The present proposal is for fixation of tariff for services rendered by MBPT. However, during the tariff validity period, the following BOT contracts are concluded under section 42(3) of MPT Act.

During the year 2009 the port has signed an agreement with Buthello Travels on BOT basis. TAMP has approved scale of rates of Buthello Travels vide its order dated 21.2.2014.</td></tr>
<tr><td>(ix)</td><td>A copy of the Audited Annual Accounts of MBPT as well as Bombay Dock Labour Board (BDLB) for the year 2013-14 to be furnished.</td><td>A copy of the Annual Accounts of MBPT and BDLB for the year 2013-14 is furnished.</td></tr>
<tr><td>(B).</td><td><u>Comparison of actuals vis-à-vis estimates provided earlier:</u></td><td></td></tr>
<tr><td></td><td>Clause 2.13 of the tariff guidelines of</td><td></td></tr>
</table>

	2005 requires the 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 MBPT, the MBPT to clarify/ furnish the following:	
(i)	The Authority in its Order of October 2011 had, interalia, granted an increase of 30% in the then existing cargo handling charges and an increase of 23% in the then existing vessels related charges of MBPT. The MBPT to, therefore, update the estimates of income for the years 2011-12 to 2013-14 as reflected in the Cost statement of MBPT, forming part of the Order of October 2011, so as to give effect to the increase in the estimated income considered in the said Order	The information is furnished.
(ii)	The Authority in paragraph no. 12(xiv) of its Order of October 2011 had arrived at the closing balance of the Escrow account as on 31 March 2011 as ₹587 lakhs. Further, based on the estimated transfer to Escrow account and the estimated withdrawls from the Escrow account, the closing balance of the Escrow account as on 31 March 2014 was estimated at ₹1845 lakhs. In the Form – 9 now furnished by the MBPT, the MBPT has simply stated that the Escrow account has not been opened by the port. Considering that the details of the Escrow account in the Order of October 2011 captured the actual position upto the year 2010-11 and the estimated position for the years 2011-12 to 2013-14, the MBPT to cast the Form – 9, by taking into consideration the opening balance of ₹587 lakhs for the year 2011-12 as base and then taking into account 50% of the Royalty income as transfer to Escrow account, actual withdrawals from the Escrow account and the actual interest earned on the amount in the Escrow account for the years 2011-12 to 2013-14. The Form – 9 to also capture the estimated transfer to Escrow account during the years 2014-15 to 2016-17, estimated withdrawals from the Escrow account and the interest estimated to be earned on the amount in the Escrow account for the years 2014-15 to 2016-17.	Clause 2.8.3 of the tariff guidelines of 2005 is stated below: "2.8.3 The revenue share/royalty receivable by the landlord Port Trust should be applied first to meet cost of surplus labour, if any. At least 50% of the balance should be maintained in an Escrow - 6 - Account for the purpose of creation and / or modernization of the port infrastructure facilities within a period of 5 years. The accruals in this Escrow Account will not be treated as revenue of the port trust for tariff fixing exercise. The investment made out of this Escrow Account will not, however, qualify for ROCE when the facilities so funded by this Escrow Account are put into use and tariff thereof is fixed. **Provided that the entire accrual will be taken as revenue of the port trust for tariff fixation if the funds in the Escrow Account are found to have been not utilized for the stated purpose within the stipulated time."** In view of above, the income received from revenue share/ royalty has been considered in the operating income of the port.
(iii)	The cargo handling income, vessel related income and the estate income	The MBPT has furnished the following information:

as reflected in the Cost statement for the years 2011-12 and 2012-13 do not match with the cargo handling income, vessel related income and the estate income as reflected in the annual Accounts for the respective years. The MBPT to clarify the reason for the said differential. A reconciliation statement in this regard to be furnished. Since the MBPT would be updating the figures for the year 2013-14 with actuals, the explanation as well as the reconciliation also to be furnished for the year 2013-14 also, if the difference between the operating income in the cost statement and annual accounts prevails.

Year 2011-12:

(₹ in lakhs)

	As in Accounts	As in Cost statement	Reason
Cargo activity	**51093.65**	**51093.65**	
Add:			
Licence fees on vessel, boats	97.35		Collected from Dock
Embarkation/ Disembarkation	8.45		
Double Banking & Lighterage	243.40		
Income from ONGC	1156.10		Income due for same financial year
Charges for use of MBPT's workshop waterfront area wharf/ hard & Clerk basin	2.67		
	51093.65	**51093.65**	
Vessel activity	**37775.36**	**37426.16**	
Less:			
Licence fees on vessel, boats	-97.35		Collected from Dock and trf. to Cargo activity
Embarkation/ Disembarkation	-8.45		
Double Banking & Lighterage	-243.40		
	37426.16	**37426.16**	
Estate Rentals	**11965.09**	**11832.37**	
Less:			It is related to welfare activity & considered in F & M income under welfare activity.
Rent from P.T Quarters	-132.72		
	11832.37	**11832.37**	

Year 2012-13:

(₹ in lakhs)

	As in Accounts	As in Cost statement	Reason
Cargo activity	**55404.64**	**55404.64**	
Add:			
Licence fees on vessel, boats		217.22	Collected from Dock
Embarkation/ Disembarkation		52.56	
Double Banking & Lighterage		426.16	
Income from ONGC		1217.10	Income due for same financial year
	55404.64	**57318.29**	
Vessel activity	**47740.29**	**47044.35**	
Less:			
Licence fees on vessel, boats	-217.22		Collected from Dock and trf. to Cargo
Embarkation/ Disembarkation	-52.56		

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<table>
<tr><td>Double Banking & Lighterage</td><td>-426.16</td><td></td><td>activity</td></tr>
<tr><td></td><td>47044.35</td><td>47044.35</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Estate Rentals</td><td>11118.6</td><td>11010.12</td><td></td></tr>
<tr><td>Less:</td><td></td><td></td><td rowspan="2">It is related to welfare activity & considered in F & M income under welfare activity.</td></tr>
<tr><td>Rent from P.T Quarters</td><td>-108.49</td><td></td></tr>
<tr><td></td><td>11010.12</td><td>11010.12</td><td></td></tr>
</table>
Year 2013-14:
(₹ in lakhs)
<table>
<tr><td></td><td>As in Accounts</td><td>As in Cost statement</td><td>Reason</td></tr>
<tr><td>Cargo activity</td><td>55913.04</td><td>56818.68</td><td></td></tr>
<tr><td>Add:</td><td></td><td></td><td></td></tr>
<tr><td>Licence fees on vessel, boats</td><td>372.34</td><td></td><td rowspan="3">Collected from Dock</td></tr>
<tr><td>Embarkation/ Disembarkation</td><td>62.77</td><td></td></tr>
<tr><td>Double Banking & Lighterage</td><td>470.53</td><td></td></tr>
<tr><td></td><td>56818.68</td><td>56818.68</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Vessel activity</td><td>49720.55</td><td>48814.91</td><td></td></tr>
<tr><td>Less:</td><td></td><td></td><td></td></tr>
<tr><td>Licence fees on vessel, boats</td><td>-372.34</td><td></td><td rowspan="3">Collected from Dock and trf. to Cargo activity</td></tr>
<tr><td>Embarkation/ Disembarkation</td><td>-62.77</td><td></td></tr>
<tr><td>Double Banking & Lighterage</td><td>-470.53</td><td></td></tr>
<tr><td></td><td>48814.91</td><td>48814.91</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Estate Rentals</td><td>23528.51</td><td>23418.18</td><td></td></tr>
<tr><td>Less:</td><td></td><td></td><td rowspan="2">It is related to welfare activity & considered in F & M income under welfare activity.</td></tr>
<tr><td>Rent from P.T Quarters</td><td>-110.34</td><td></td></tr>
<tr><td></td><td>23418.18</td><td>23418.18</td><td></td></tr>
</table>
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<tr>
<td>(iv)</td>
<td>Similarly, the operating expenditure (less depreciation) related to the cargo activity, vessel activity, railways and estate activity as reflected in the Cost statement for the years 2011-12 and 2012-13 does not match with the operating expenditure (less depreciation) related to the cargo activity, vessel activity, railways and estate activity as reflected in the annual Accounts of MBPT for the respective years. Also, the operating expenditure related to the Stevedoring activity as reflected in the Cost statement for the years 2011-12 and 2012-13 does not match with the operating expenditure</td>
<td>The figure for the years 2011-12 to 2013-14 has been reconciled/ reworked and updated. The reconciliation statement is furnished.</td>
</tr>
</table>

	related to the Stevedoring activity as reflected in the annual Accounts of Erstwhile Bombay Dock Labour Board (BDLB) for the respective years. The MBPT to clarify the reason for the said differentials. A reconciliation statement in this regard to be furnished. Since the MBPT would be updating the estimates for the year 2013-14 with actuals, the explanation as well as the reconciliation also to be furnished for the year 2013-14, if the difference between the operating expenditure in the cost statement and annual accounts prevails.	
(v).	The sum total of the depreciation figures under each of the heads viz., Cargo handling, Port & Dock, Railways, Estate and Management & administration Overheads as in the Annual Accounts for the years 2011-12 and 2012-13 do not match with the amount of depreciation considered in the Cost statement for the corresponding years. MBPT to explain the reason for the difference in the amount of depreciation and the difference may be reconciled. Since the MBPT would be updating the estimates for the year 2013-14 with actuals, the explanation as well as the reconciliation also to be furnished for the year 2013-14 also, if the sum of the depreciation figures as in the Annual Accounts for the year 2013-14 does not match with the amount of depreciation considered in the Cost statement for the said year.	An analysis has identified deprecation for each work with the principal service/ sub-services. Any deletion on account of ceasing of depreciation or extinction or demolition of asset is also considered. Depreciation in respect of sub-services is apportioned to the principal services on some predetermined basis. The working of depreciation is furnished.
(vi)	Similarly, the amount of Management and General Administration expenditure (less depreciation) as in the Annual Accounts for the years 2011-12 and 2012-13 do not match with the amount of Management and Administration overheads as considered in the Cost statement for the corresponding years. Also, the Management and General Administration expenditure related to the Stevedoring activity as reflected in the Cost statement for the years 2011-12 and 2012-13 does not match with the Management and General Administration expenditure related to the Stevedoring activity as reflected in the annual Accounts of Erstwhile Bombay Dock Labour Board (BDLB) for the respective years. MBPT to explain the reason for the differences in the amount and the differences may be reconciled. Since the MBPT would be updating the estimates for the year	The figure for the years 2011-12 to 2013-14 has been reconciled/ reworked and updated. The reconciliation statement is furnished.

	2013-14 with actuals, the explanation as well as the reconciliation also to be furnished for the year 2013-14 also, if the amount of Management and General Administration expenditure (less depreciation) as in the Annual Accounts for the year 2013-14 does not match with the amount of Management and Administration overheads considered in the Cost statement for the said year.	
(vii)	The MBPT to also confirm that one-time expenses such as arrears of wages/ pension, VRS compensation are not included under any head of expenditure in the Cost statement for the years 2011-12 to 2013-14.	The one-time expenses such as arrears of wages/pension, VRS compensation are not included under any head of expenditure in the cost statement.
(viii)	The figure of the Finance & Miscellaneous Income in the Cost statement does not match with the figure of the Finance & Miscellaneous Income as shown in the Annual Accounts for the years 2011-12 and 2012-13. Similarly, the Finance & Miscellaneous Income pertaining to the Stevedoring activity as given in the Cost statement does not match with the Finance & Miscellaneous Income as reflected in the Annual Accounts of Erstwhile BDLB. The MBPT to explain the differences and reconcile the differences. Similar information also to be furnished for the year 2013-14 also.	The required information is furnished for the years 2011-12 to 2013-14.
(ix)	Similarly, the figure of the Finance & Miscellaneous Expenditure in the Cost statement does not match with the figure of the Finance & Miscellaneous Income as shown in the Annual Accounts for the years 2011-12 and 2012-13. Also, the Finance & Miscellaneous Expenditure pertaining to the Stevedoring activity as given in the Cost statement does not match with the Finance & Miscellaneous Expenditure as reflected in the Annual Accounts of Erstwhile BDLB. The MBPT to explain the differences and reconcile the differences. Similar information also to be furnished for the year 2013-14 also.	The required information is furnished for the years 2011-12 to 2013-14.
(x)	The linkage between the net block of assets as reflected in the Annual Accounts of the MBPT and the Erstwhile BDLB for the years 2011-12 and 2012-13 and the capital employed figure of ₹607.48 crores and ₹560.21 crores in the Cost statement for the respective years is not clear. The MBPT to furnish detailed workings to arrive at the capital employed figures	The working of capital employed and net block is furnished. However, in the cost statement only MBPT capital employed and net block has been considered to arrive returned on capital employed. Capital employed and net block of BDLB is not considered

<table>
<tr><td></td><td>for the years 2011-12 and 2012-13, by taking the value of net block of assets in the annual Accounts of the MBPT and the Erstwhile BDLB, as base</td><td></td></tr>
<tr><td>(C)</td><td><u>Financial/ Cost Statement</u>:</td><td></td></tr>
<tr><td>(1).</td><td><u>Capacity</u>:</td><td></td></tr>
<tr><td></td><td>The MBPT to furnish workings to arrive at the capacity of the port for the years 2014-15 to 2016-17 considering the capital investment proposed to be made during these years and the productivity improvements expected to achieve.</td><td>(in Million Tonnes)
<table>
<tr><th>No.</th><th></th><th>2011-12</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th><th>2016-17</th></tr>
<tr><td>1</td><td>POL & Chemicals</td><td>32.00</td><td>32.00</td><td>32.00</td><td>32.00</td><td>34.00</td><td>34.00</td></tr>
<tr><td></td><td>(at JD & PP)</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>2</td><td>Indira Docks</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>-Containers (ID)</td><td>1.00</td><td>1.00</td><td>1.00</td><td>1.00</td><td>1.00</td><td>1.00</td></tr>
<tr><td></td><td>-General Cargo</td><td>9.70</td><td>9.70</td><td>10.25</td><td>11.25</td><td>11.25</td><td>19.85</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>3</td><td>P&V Docks</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>General Cargo</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>4</td><td>Anchorage Berths</td><td>6.00</td><td>6.00</td><td>6.00</td><td>6.00</td><td>6.00</td><td>6.00</td></tr>
<tr><td></td><td>Total</td><td>48.70</td><td>48.70</td><td>49.25</td><td>50.25</td><td>52.25</td><td>60.85</td></tr>
</table>

In the year 2013-14 1.00 million capacity was added by construction of OCT berths.
In the year 2014-15 2.00 million capacity is likely to be added by construction of 2nd liquid chemical berth.
In the year 2015-16 8.60 million capacity is likely to be added after completion of OCT project.
</td></tr>
<tr><td>(2).</td><td><u>Traffic:</u></td><td></td></tr>
<tr><td>(i)</td><td>Clause 2.5.1. of tariff guidelines of 2005 stipulates that the traffic projections should be in line with the projections in the 5 year annual plan and current/ expected growth. The MBPT to, therefore, furnish commodity-wise projections made in the Results Framework Document (RFD) for the year 2014-15. The MBPT to confirm whether the traffic projections for the years 2014-15 to 2016-17 is as per the projections contained in the Business Plan of the Port for the corresponding years.</td><td>Commodity-wise projections are not worked out under RFD. However, total traffic projections are as under.
(in million tonnes)
<table>
<tr><th></th><th>Actual for FY 13/14</th><th>Target for FY 14/15</th><th>Projection for FY 15/16</th><th>Projection for FY 16/17</th></tr>
<tr><td>Traffic throughput</td><td>59.18</td><td>60.00</td><td>61.00</td><td>63.00</td></tr>
</table>
[The traffic estimates is more than capacity estimates. It is understood from MBPT that capacity estimate does not include oil cargo.]</td></tr>
<tr><td>(ii)</td><td>If not, then the reasons for the variation to be furnished. The basis of estimation of traffic for the years 2014-15 to 2016-17 also to be explained.</td><td>The throughput considered when proposal was made in 2013 in an optimistic assessment. Whereas, RFD is based on conservative assessment. However, proposal is only covering 23% deficit as against average 48% as per the proposal.</td></tr>
<tr><td>(iii)</td><td>MBPT to list out the items handled/ proposed to be handled under the sub-head of 'Others' under the head ' Other port specific cargo'</td><td>The cargo handled/ proposed to be handled given under the head 'Other port specific cargo' is listed under the head 'other cargo'.</td></tr>
<tr><td>(iv)</td><td>The reason for not estimating any improvement in the average time spent at the berth in respect of all foreign</td><td>The parameter average time at berth is not estimated, as the same is not included in RFD. However, the same can be arrived at by</td></tr>
</table>

	going vessels and coastal vessels to be explained.	subtracting pre-berthing detention and inward and outward navigation time from turn-round time.
(3)	**<u>Operating Income:</u>**	
(i)	Note 3 to Form 2B of the prescribed formats for tariff proposal adopted by the 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 MBPT. MBPT to furnish detailed computation of income with reference to the estimated traffic at MBPT'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.	The income projection at the existing scale of rates as well as proposed scale of rates for the activities and sub-activities is furnished.
(ii)	Apart from the general increase in rate proposed, the MBPT has also proposed introduction of some new tariff items/ facilities. The year-wise additional revenue implication arising from all these new tariff items to be quantified item wise and furnished for all the years under consideration with workings.	(a) Dock Entry Permits (b) Dry Docking (c) Slipway For additional revenue, please refer subsequent paragraphs.
(iii)	From the Form – 2B, it is not clear as to what dollar exchange rate has been adopted by the MBPT for estimating the vessel related income for the years 2014-15 to 2016-17. MBPT to furnish the same.	The average dollar rate is ₹59.86.
(iv)	The Form – 2A provided by the MBPT furnishes the traffic of about 12 cargo items estimated to be handled at MBPT during the years 2014-15 to 2015-16. However, the Form – 2B furnished by the MBPT captures income from handling only 4 cargo items. In the absence of workings, for actual/ estimated income, we are not in a position to ascertain whether income from all cargo items has been captured. In this connection, the MBPT to confirm that the income furnished by the MBPT for the years 2011-12 to 2016-17 takes into account the income from all the cargo items handled/ proposed to be handled by MBPT during the corresponding period supported by detailed workings.	It is confirmed that the income furnished by the MBPT for the years 2011-12 to 2016-17 takes into account the income from all the cargo items handled/ proposed to be handled by MBPT.
(v)	The reason for not estimating any revenue share income from ICTPL during the years 2013-14 to 2015-16 to be explained.	The BPS Berth was allotted to ICTPL for the period of 5 years. However, the period of 5 years for commercial operation for BPS Berth expired on 2.12.2012. Hence, the revenue share is not received from 2.12.2012.
(vi)	As against the actual income of ₹39 lakhs from weighment charges for use of MBPT's weigh bridge, no income has	The income from weighment charges for use of MBPT's weigh bridge is given below:

<table>
<tr><td></td><td>been estimated by the MBPT in this regard during the years 2013-14 to 2014-15. The reason for the same to be explained.</td><td><table><tr><th>Sr. No.</th><th>Year</th><th>Rs. In lakhs</th></tr><tr><td>1</td><td>2012-13</td><td>39.08</td></tr><tr><td>2</td><td>2013-14</td><td>24.51</td></tr><tr><td>3</td><td>2014-15(BE)</td><td>42.42</td></tr></table></td></tr>
<tr><td>(vii)</td><td>The actual income from railways and estate during the year 2012-13 is seen to be lower when compared with the actual for the year 2011-12. The reason for the drop in the income from railways and estate during the year 2012-13 to be explained.</td><td>Income from railway activity is lower in the year 2012-13 when compared with the year 2011-12 on account of reduction in traffic from 3.64 MT in 2011-12 to 2.78 MT in 2012-13.

Income from estate activity in the years 2011-12 and 2012-13 is ₹118.32 crores and ₹110.10 crores respectively. However, an amount of ₹16.56 crores received from the department of Customs was considered in the year 2011-12.</td></tr>
<tr><td>(4).</td><td><u>Operating Expenditure:</u></td><td></td></tr>
<tr><td>(i)</td><td>Considering the position that the MBPT would be updating the estimates for the years 2014-15 to 2016-17 based on the actuals for the year 2013-14, MBPT to note that an escalation factor of 6% only over the actuals for the year 2013-14 can be allowed in the estimation of expenditure for the years 2014-15 to 2016-17 as per the tariff guidelines, instead of varying percentages of escalation adopted by the MBPT in the estimation of expenditure for the said years in the cost statements of various sub-activities forming part of the cargo handling activity as well as vessel related activity.</td><td>Updated actual expenditure for the 2013-14 and for the year 2014-15 the expenditure has been considered from BE 2014-15. The following assumptions considered for the estimating expenditure for the years 2015-16 and 2016-17 based on BE 2014-15.

a. <u>Employee Cost:-</u> The salaries and wage has been increased by 12% for normal increase in D.A. and increment etc. for the years 2015-16 and 2016-17 on salaries and wage of 2014-15 (BE).
b. <u>Other Expenditure:-</u> The other expenditure have been increased by 6% for the years 2015-16 and 2016-17 on expenditures of 2014-15 (BE).

c. <u>Dredging Cost:-</u> The dredging expenditure is as per the BE 2014-15 for maintenance of main channel dredging.</td></tr>
<tr><td>(ii)</td><td>The reason for seeking an escalation of about only 3% to 4% for estimating all the items of expenditure during the year 2013-14 over the actuals for the year 2012-13 to be explained</td><td>Expenditure for the year 2013-14 has been updated based on actual</td></tr>
<tr><td>(iii)</td><td>In each of the Cost statement pertaining to the various sub-activities, there is an item of expenditure ‘Others’. MBPT to list out the items covered under this head of expenditure along with the values.</td><td>The expenditure covered under the head ‘Other’ is listed out below:

a. General Store expenses
b. General expenses and
c. Sundry expenses

The MBPT has furnished the details.</td></tr>
<tr><td>(iv)</td><td>With regard to the Form – 3B furnished by the MBPT, the MBPT to clarify/ furnish the following:</td><td></td></tr>
<tr><td>(a)</td><td>Salary and Wages:</td><td></td></tr>
<tr><td>(i)</td><td>The reason for reduction in the number of employees in each of the years under consideration to be explained.</td><td>The reduction in the number of employees in each year is due to retirement/ superannuation of employee.</td></tr>
</table>

<table>
<tr><td>(ii)</td><td>Out of the total salary & wage cost, the MBPT is seen to have apportioned around 35% cost to Management & General Administration overheads. The basis for the said apportionment to be explained.</td><td>Management & General Administration overhead has been apportioned on the basis of Salaries & Wages.</td></tr>
<tr><td>(iii)</td><td>The MBPT is seen to have considered an escalation of about 9%, 22% and 20% to estimate the average cost per employee during the years 2014-15 to 2016-17 over the estimates of the respective previous year. The reason for considering a higher escalation factor to be explained.</td><td>The salaries and wage has been increased every year by 12% for normal increase in D.A. and increment etc.</td></tr>
<tr><td>(iv)</td><td>MBPT to furnish basis for allocation of the above mentioned expenditure to the various activities and sub-activities along with workings.</td><td>Salaries and Wages have been estimated on the basis of salaries and wages of 2013-14 for the activity and sub-activity.</td></tr>
<tr><td>(b)</td><td>Power cost:</td><td></td></tr>
<tr><td>(i)</td><td>The reason for reduction in the actual/ estimated consumption of power during the years 2012-13 and 2013-14 over the respective previous years to be explained.</td><td>The expenditure on power has increased by ₹92 lakh in 2013-14 when compared to previous year 2012-13. However, in the BE 2014-15 the expenditure on power is reduced from the previous year 2013-14, due to vacating of the quarter by employee due to retirement of employee under SVRS.</td></tr>
<tr><td>(ii)</td><td>The reason for estimating about 3.4%, 11% and 10% increase in the consumption of power in respect of Cranes, Machinery & Equipment and Others during the years 2014-15 to 2016-17 over the estimates of the respective previous year to be explained.</td><td>The expenditure on power for various equipment and other has been allocated on the basis of actual expenditure of 2013-14.</td></tr>
<tr><td>(iii)</td><td>MBPT to list out the equipment covered under the head of ‘Others’ along with the respective values of power consumption in respect of each of the equipment.</td><td>The expenditure on power covered under head `Others’ are given below:

1. Power consumption on employee’s quarters.
2. Power consumption in Docks Areas.
3. Power consumption in Offices of the Port Trust.
4. Power consumption in Bunder’s Areas.
5. Roads lighting covered under Port Trust areas.</td></tr>
<tr><td>(iv)</td><td>MBPT to furnish documentary evidence in support of the unit cost of power considered at ₹6.86, for all the equipment and for all the years under consideration.</td><td>Power is purchased from Reliance Energy, Tata Power, BEST etc. Tariff leviable by these parties are slab-wise. Average Power Tariff has been considered at ₹6.86 per unit based on power consumption during 2012-13. The average rate of power consumption in kwh for the year 2012-13, worked out on the basis of power purchased is as follows:
<table>
<tr><th>2012-13</th><th>Amount (₹)</th><th>Units in kwh</th><th>Average rate in ₹</th></tr>
<tr><td>Tata Power</td><td>165936026</td><td>25744760</td><td>6.45</td></tr>
<tr><td>Reliance Energy - LT</td><td>694669</td><td>58680</td><td>11.84</td></tr>
<tr><td>Reliance Energy - HT</td><td>3436517</td><td>369561</td><td>9.30</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td></td><td><table>
<tr><td>BEST (North)</td><td>1679750</td><td>174978</td><td>9.60</td></tr>
<tr><td>BEST (South)</td><td>23435633</td><td>2117268</td><td>11.07</td></tr>
<tr><td>Total</td><td>195182595</td><td>28465247</td><td>6.86</td></tr>
</table>
The average rate of consumption is ₹.6.86</td></tr>
<tr><td>(v)</td><td>MBPT to furnish the basis for allocation of the above mentioned power expenditure to the various activities and sub-activities along with workings.</td><td>The power expenditure has been allocated on the basis of power expenditure of 2013-14 for the activity and sub-activity</td></tr>
<tr><td>(c)</td><td>Fuel Cost:</td><td></td></tr>
<tr><td>(i)</td><td>The reason for reduction in the actual/ estimated consumption of fuel during the years 2012-13 to 2014-15 over the respective previous years to be explained.</td><td>The expenditure on Fuel has increased by ₹3.74 crore in 2013-14 when compared to previous year 2012-13. However, in the BE 2014-15 projection of Fuel expenditure is considered on lower side due to hire of motor vehicle by the department.</td></tr>
<tr><td>(ii)</td><td>The reason for about 94% reduction in the actual fuel consumption in respect of ‘Others’ during the year 2012-13 over the actual for the year 2011-12 to be explained</td><td>The errors is rectified and updated.</td></tr>
<tr><td>(iii)</td><td>The reason for estimating about 11% and 10% increase in the consumption of fuel in respect of Floating Crafts, Locomotives, Vehicles and Others during the years 2015-16 and 2016-17 over the estimates of the respective previous year to be explained</td><td>The expenditure on fuel for various equipment and other has been allocated on the basis of actual expenditure of 2013-14.</td></tr>
<tr><td>(iv)</td><td>MBPT to list out the equipment covered under the head of ‘Others’ along with the respective values of fuel consumption in respect of each of the equipment.</td><td>The equipment covered under the head ‘Others’ is given below:
<table>
<tr><td>1</td><td>FLOATING CRANE</td></tr>
<tr><td>2</td><td>MOBILE CRANES</td></tr>
<tr><td>3</td><td>FORK LIFT TRUCKS</td></tr>
<tr><td>4</td><td>TRACTORS</td></tr>
<tr><td>5</td><td>HEAVY DUTY FORK LIFT TRUCKS</td></tr>
</table></td></tr>
<tr><td>(v)</td><td>The reason for considering different cost of fuel for different types of equipment to be explained.</td><td>The average rate for the year has been worked out considering the consumption of fuel by the equipment.</td></tr>
<tr><td>(vi)</td><td>MBPT to furnish documentary evidence in support of the unit cost of fuel considered for all the equipment and for all the years under consideration.</td><td>Copy of bill of fuel purchase by MBPT is furnished, which reflects a rate of ₹12/- per KL.</td></tr>
<tr><td>(vii)</td><td>There appears to be a typographical error in estimation of fuel cost of Floating craft for the year 2013-14 as the rate of fuel has been considered at ₹ 20.12. MBPT to rectify the same.</td><td>Average cost per unit of Floating craft in the year 2013-14 is ₹50.12</td></tr>
<tr><td>(viii)</td><td>MBPT to furnish the basis for allocation of the above mentioned fuel expenditure to the various activities and sub-activities along with workings.</td><td>The power expenditure has been allocated on the basis of power expenditure of 2013-14 for the activity and sub-activity</td></tr>
<tr><td>(d)</td><td>Dredging cost:</td><td></td></tr>
<tr><td>(i)</td><td>The reason for estimating about 64% increase in the quantum of silt dredged during the year 2013-14 over the actual for the year 2012-13 to be explained.</td><td rowspan="2">Reconciled and updated from 2011-12 to 2016-17, in the revised cost statement.</td></tr>
<tr><td>(ii)</td><td>The reason for a steep increase of about 308% in the unit cost of dredging</td></tr>
</table>

	during the year 2012-13 over the year 2011-12 to be justified.	
(iii)	MBPT to furnish basis for allocation of the dredging expenditure to the various sub-activities under vessel related activity, along with workings.	The dredging expenditure has been allocated on the basis of dredging expenditure of 2013-14 for the sub-activity of vessel related. Allocation of dredging expenditure is furnished.
(e).	Repairs and Maintenance cost:	
(i)	The reason for estimating about 82% increase in the repair cost of machinery, buildings and others during the year 2013-14 over the actuals for the year 2012-13 to be brought out.	In the BE 2013-14 the expenditure of repair and maintenance was projected at ₹52.02 crore as against actual expenditure of ₹28.51 in 2012-13. However, the allocation of repair expenditure of Machinery and Building is done on actual repair expenditure of 2012-13.
(ii)	As against the allocation of about 38% of the total repairs and maintenance cost to Management & General Administration overheads during the year 2012-13, the MBPT is seen to have allocated about 61% of the estimated repairs and maintenance cost to Management & General Administration overheads during the years 2014-15 to 2016-17. The reason for the same to be furnished.	
(iii)	The reason for estimating about 103% increase in the Stores/ Spares during the year 2013-14 over the actuals for the year 2012-13 to be brought out.	In the BE 2013-14 the expenditure of Stores/ Spares has been projected at ₹17.45 crore as against actual expenditure of ₹8.60 in 2012-13.
(iv)	MBPT to furnish basis for allocation of the said expenditure to the various activities and sub-activities, along with workings.	The expenditure has been allocated on the basis of expenditure of 2013-14 for the activity and sub-activity.
(f)	Others:	
(i)	MBPT to list out the items covered under the head of 'Others' along with values.	The items covered under the head of 'Others' is given below head 'Other Expenses' under Form – 3B(VIII).
(ii)	MBPT to furnish basis for allocation of the above mentioned expenditure to the various activities and sub-activities along with workings.	The other expenditure has been allocated on the basis of other expenditure of 2013-14 for the activity and sub-activity.
(g).	Depreciation:	
(i).	The MBPT was advised vide paragraph no.12(x) of the Order of October 2011 to adhere to the norms prescribed in Clause 2.7.1. of the tariff guidelines of 2005 during the next review of its tariff. In this connection, the MBPT to confirm that the depreciation for the years 2014-15 to 2016-17 has been computed in line with the Clause 2.7.1 of the tariff guidelines.	It is confirmed that the depreciation of assets has been computed as specified in clause 2.7.1 of the revised guidelines.
(ii).	The MBPT to also furnish a detailed working for the depreciation cost for the years 2011-12 to 2016-17 indicating details of assets, rate of depreciation, method followed and life norms adopted as per Companies Act.	The Port is having more than 3000 asset cards and allocation on individual asset basis is voluminous. As such, the asset group and its value have been considered for the purpose of allocation of cost.
(iii).	MBPT to furnish basis for allocation of the depreciation to the various activities	The basis of allocation of the depreciation to the various activities and sub-activity is

<table>
<tr><td></td><td>and sub-activities along with workings.</td><td>furnished.</td></tr>
<tr><td>(h).</td><td>Management & General Administration overheads:</td><td></td></tr>
<tr><td>(i).</td><td>MBPT to list out the items covered under the head of 'Management & General Administration overheads' along with values.</td><td>The required information is furnished for the year 2013-14.</td></tr>
<tr><td>(ii).</td><td>MBPT to furnish basis for allocation of the above mentioned overheads expenditure to the various activities and sub-activities along with workings.</td><td>The basis of apportionment of the Management and General Overheads and Finance and Miscellaneous Expenditure is as under :

(a). Stores Overhead: Store consumed by each service.
(b). Residual Management & General Overheads, Direct cost of each service
(c). Labour Welfare & Medical: No. of employees of each service.
(d). Engineering & Workshop Overhead: R&M of each service.
Same is in line with General Instruction given in Form 5 of the cost format.</td></tr>
<tr><td>(5).</td><td><u>Finance & Miscellaneous Income:</u></td><td></td></tr>
<tr><td>(i).</td><td>MBPT to list out the items covered under this head of income along with values for each of the years under consideration.</td><td>The required information is furnished for the years 2011-12 to 2015-16.</td></tr>
<tr><td>(ii).</td><td>MBPT to furnish the basis for estimating each of the sub-item forming part of the estimated Finance and Miscellaneous Income for the years 2013-14 to 2015-16.</td><td>Those income under Finance & Miscellaneous which are directly related to the services have been only considered as income for the cost statement for the year 2013-14 and same F&M income considered for 2014-15 to 2016-17. However, F&M income cannot be accurately estimated.</td></tr>
<tr><td>(iii).</td><td>MBPT to furnish basis for allocation of the said income to the various activities and sub-activities along with workings.</td><td>The F&M income received from the services are store keeping, Labour Welfare & Medical, Residual Management & General Overheads and Engineering & Workshop Overhead. Therefore, the F&M income is allocated on the basis as given below:
(a) Income received from Stores : Store consumed by each service,
(b) Income received from Residual Management & General : Direct cost of each service
(c). Income received from Labour Welfare & Medical: No. of employees of each service.
(d). Income received from Engineering & Workshop : R&M of each service</td></tr>
<tr><td>(6).</td><td><u>Finance & Miscellaneous Expenditure:</u></td><td></td></tr>
<tr><td>(i).</td><td>The items covered under this head of expenditure along with values for each of the years under consideration, to be furnished.</td><td>The item covered under the F&M expenditure is Contribution to Pension Fund and PLB/PR as given below:
<table>
<tr><th><u>F&M Expenditure</u></th><th>2012-13
₹ in lakh</th><th>2013-14
₹ in lakh</th></tr>
<tr><td><u>MBPT</u></td><td></td><td></td></tr>
<tr><td>Contribution to Pen.Fund</td><td>50100</td><td>62500</td></tr>
<tr><td>PLB/PR</td><td>1101</td><td>650</td></tr>
<tr><td>Ex-BDLB</td><td></td><td></td></tr>
<tr><td>Contribution to Pen.Fund</td><td>6610</td><td>8247</td></tr>
<tr><td>PLB/PR</td><td>300</td><td>250</td></tr>
<tr><td>Total</td><td>58111</td><td>71647</td></tr>
</table></td></tr>
</table>

<table>
<tr><td>(ii).</td><td>The basis for estimating each of the sub-item forming part of the estimated Finance and Miscellaneous Expenditure for the years 2013-14 to 2015-16, to be furnished.</td><td>As per Note No.6 of Form-3A, either Contribution to Pension Fund or Pension payment paid to pensioner is to be considered. MBPT has considered the contribution to pension fund. However, it depends upon Actuarial valuations by LIC and fund available and as decided from time to time for tax Planning. Further, the PLR is decided based on a settlement with Labour Federations with Govt. of India until 2010. As such, the actual expenditure of 2013-14 has been considered on a conservative basis for the future period for tariff fixation.</td></tr>
<tr><td>(iii).</td><td>The basis for allocation of the said expenditure to the various activities and sub-activities along with workings, to be furnished.</td><td>Finance & Miscellaneous Expenditure is allocated on basis of Salaries & Wages of each service.</td></tr>
<tr><td>(iv).</td><td>MBPT to confirm that other one-time expenses such as arrears of wages/ pension, VRS compensation are not included under this head of expenditure in the cost statement as per Clause 2.5.2 of the 2005 guidelines.</td><td>The one-time expenses such as arrears of wages/pension, VRS compensation are not included under the head F&M expenditure</td></tr>
<tr><td>(7)</td><td><u>Capital Employed:</u></td><td></td></tr>
<tr><td>(i).</td><td>During the last review of tariff of MBPT in the year 2011, the capital cost pertaining to Replacement of VTMS was considered in full for the purpose of allowing Return and since the VTMS would be utilsied by Jawaharlal Nehru Port Trust (JNPT) also, it was mentioned in the Order of October 2011 that if the JNPT shared any capital expenditure then appropriate adjustment thereof would be made at the time of next tariff review of MBPT. In this connection, the MBPT to clarify the factual position and quantify the amount that may have to be adjusted in this regard.</td><td>The share from the JNPT for replacement of VTMS has been adjusted with capital cost of replacement of VTMS as given below:
<table>
<tr><th>Description</th><th>₹ In crores</th></tr>
<tr><td>Capital Cost of replacement of VTMS</td><td>1959.18</td></tr>
<tr><td>Less Amount received from JNPT</td><td>979.59</td></tr>
<tr><td>Balance</td><td>979.59</td></tr>
</table></td></tr>
<tr><td>(ii).</td><td>During the last review of tariff of MBPT in the year 2011, for the reasons recorded at para 12(xiii)(a), the capital expenditure relating to the construction of a New Cruise Terminal at Gateway of India was not considered and it was stated that the said capital expenditure would be considered in the next tariff cycle depending on the merits of the case. From the Form 4A furnished by the MBPT, it is seen that the MBPT has not proposed any capital investments during the years 2014-15 to 2016-17. In this backdrop, the MBPT to clarify the factual position in this regard.</td><td>The proposal for the capital expenditure relating to the construction of a New Cruise Terminal at Gateway of India is dropped due to objection raised by the Navy. In the last revision TAMP has not considered capital project for calculation of capital employed. Major Capital Assets amounting to ₹1523.35 crores are to be commissioned during the validity period from 2014-15 to 2016-17.
<table>
<tr><th>Description</th><th>Estimated cost ₹. In lakh</th><th>Anticipated date of completion</th></tr>
<tr><td>Construction of 2 off-shore berths for handling Containers on BOT basis</td><td>44500</td><td>Oct. 2015</td></tr>
<tr><td>Construction of Second berth for handling Liquid chemicals/specialised grades of POL off New Pir Pau Pier.</td><td>11600</td><td>March 2015</td></tr>
<tr><td>Dredging & infrastructure development for handling bigger ships at 18 to 22 ID Harbour Wall berths</td><td>61300</td><td>March 2016</td></tr>
<tr><td>Deepening & widening of common portion of main channel of Mumbai Harbour & anchorage by JNPT</td><td>16300</td><td>Aug. 2014</td></tr>
<tr><td>Improvement to port connectivity:-</td><td></td><td></td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td></td><td><table>
<tr><td>Improvement of Rail & Road infrstructure</td><td></td><td></td></tr>
<tr><td>Rail - Wadala-Kurla dedicated Goods Line</td><td>17681</td><td>March 2016</td></tr>
<tr><td>Road -</td><td></td><td></td></tr>
<tr><td>a) Sewree Bunder Road & Gadi Adda Junction</td><td>355</td><td>March 2015</td></tr>
<tr><td>b) Caltex Road & approach road to Petroleum Godown Wadala.</td><td>355</td><td>March 2015</td></tr>
<tr><td>c)Approach Godown Road to Wadala incinerator Plot & IOC Gate.</td><td>244</td><td>March 2015</td></tr>
<tr><td>TOTAL</td><td>152335</td><td></td></tr>
</table></td></tr>
<tr><td>(iii).</td><td>The reason for not proposing any capital investments during the years under consideration to be explained.</td><td>TAMP has not considered project in the last general revision and advised MBPT to come up with separate proposal before six months from commissioning of the project.</td></tr>
<tr><td>(iv)</td><td>MBPT to furnish basis for allocation of the net block of assets to the various activities and sub-activities along with workings.</td><td>Assets are identified with the service rendered. Allocation has been done accordingly. The details are furnished.</td></tr>
<tr><td>(8).</td><td><u>Scale of Rates:</u></td><td></td></tr>
<tr><td>(i).</td><td>The MBPT has formulated its proposed Scale of Rates considering an increase in the existing tariff at MBPT. 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.</td><td>1. Deepened main channel given higher window for vessels amounting ₹1400 crores.
2. Maintenance of dredging of approach channel.
3. Road infrastructure and additional road improvements amounting to ₹100 crores.
4. Replacement of VTMS.
5. Installation of CCTV allotted at various places in docks for monitoring.</td></tr>
<tr><td>(ii).</td><td>The MBPT has introduced the definition of ‘barge’, ‘crew boat’ and ‘offshore supply vessel’ in the proposed Section 1.1. In this regard, MBPT to clarify the following:

(a). The reason for introducing the said definitions.

(b). The existing arrangement of classifying the boat/ vessel as barge, crew boat or offshore supply vessel.</td><td>For clarity while levying charges, definition of ‘barge’, ‘crew boat’ and ‘offshore supply vessel’ has been introduced.

For every Boat, Barge, Craft or vessel with GRT of 1000 and above berthed, the Composite berth Hire Charges are leviable in terms of Note 1 of Section 2.17 of chapter II of SOR. Sometimes the vessel/craft /crew boat/barge with GRT greater than 1000 are used for Offshore Supply work and bill is raised considering the vessel as OSV. Port users contend that the composite Berth Hire Charges applicable for coastal vessel are leviable and not as per OSV rate which is not correct.</td></tr>
<tr><td>(iii).</td><td>The reason for modifying the definition of ‘Telegraph vessel’ so as to refer the Telegraph vessel as cable ship in the proposed Section 1.1 to be explained.</td><td>This is for clarity of definition of Telegraph vessel</td></tr>
<tr><td>(iv).</td><td>The reason for proposing modification to the existing definition of ‘Transhipment cargo and ‘Transhipment container’ in the proposed Section 1.1, to be explained.</td><td>The concept of Transhipment requires more clarity, hence modification in the existing definition of ‘Transhipment cargo’ and ‘Transhipment container’ is proposed. In the existing Scale of Rates it is defined only for cargo landed/ discharged at Mumbai port i.e. import oriented cycle.

Recently, one private party has approached MBPT for export of packages containing helicopter in dismantled condition, pleading it as “Transhipment” on the strength of “Transhipment permit” issued by Specific</td></tr>
</table>

		Officer at free Trade Warehousing Zone. Finally, after confirming the matter from custom officials, a decision was taken to levy export wharfage.
(v).	MBPT to confirm whether the rate of interest at the proposed note S.1.2(v)(a) has been updated with the prevailing Prime Lending Rate of State Bank of India as stipulated in clause 2.18.2 of the tariff guidelines of 2005.	The rate of interest at the proposed note 1.2(v)(a) has been updated with the prevailing PLR of State Bank of India.
(vi).	The reason for proposing modification to the existing note no. (5), (6) and (7) under Section 2.1. (B) to be explained.	Suitable modifications to the existing notes no. (5), (6) and (7) under section 2.1(B) are proposed as MFL (Mumbai Floating Light) is within Port's revised limits. Hence, Supply vessels / tugs/ barges going beyond extended port limit will have to be treated as leaving Mumbai Port and going to sea and next arrival of the vessel shall be treated as fresh voyage for the purpose of levy of vessel related charges. Since 'Barges' are also used as offshore supply vessels, the word 'barges' or 'any vessel' are added to the word 'Tug'.
(vii).	The reason for including dredgers, tugs and passenger boats of less than 1000 GRT within the scope of levy of berth hire charges at note no. 4 under Section 2.18 of the proposed Scale of Rates to be explained. The year wise additional revenue arising due to the proposed coverage of dredgers, tugs and passenger boats also to be furnished along with workings in this regard.	The dredgers, tugs and passenger boats of less than 1000 GRT have been included within the scope of levy of berth hire charges at note No. 4 (section 2.17) of the proposed Scale of Rates, since the dredgers of MBPT contractors carrying our capital dredging/ maintenance dredging require berthing facility. Such maintenance dredging contracts are awarded every year by MBPT. Thus, berth hire charges are required to be billed for such dredgers. Further, the tugs and passenger boats also require berthing facility for carrying out minor repairs/ shelter. Most of these dredgers, passenger boats and tugs are less than 1000 GRT. However, in absence of inadequate provision in the existing SOR, these have been billed treating them as vessel, which is detrimental to the trade. Further, the berth hire charges billed for these dredgers, tugs and passenger crafts during the Financial year 2012-2013 are furnished.
(viii).	The proposed prescription of stevedoring charge on cargo handled in stream at 35% of the charge applicable with reference to the rates for cargo handled at docks instead of the existing prescription of levying stevedoring charge at 20% more than the applicable rates for cargo handled at docks, at sl no. 15 of Section 2.18 of the proposed Scale of rates to be justified. The yearwise additional revenue arising due to the proposed provision may also be furnished along with workings in this regard.	Port has reduced the stevedoring charges on cargo discharged in mid-stream in respect of cargo brought to Docks and Bunders of MBPT to reduce the cost of handling of those users who bring cargoes to Mumbai Port. Above prescription is proposed as a measure to reduce costs at Mumbai Port to retain and attract traffic. In the existing Scale of Rates stevedoring charges on cargo discharged in mid-stream are charged at as per Sr. No.15 i.e. 20% more than the applicable rates for cargo handled at Docks. Whereas in the proposed prescription of stevedoring charges on cargo discharged in mid-stream, rate has been reduced, as such no

		additional revenue will arise.
(ix).	The reason for proposing introduction of note no. (iv) to (ix) under proposed Section 2.18 relating to cargo brought by barges to be explained. The existing arrangement of charging the cargo brought by barges to be explained. The yearwise additional revenue arising due to the proposed provision also to be furnished along with workings in this regard.	(a) Note No. 1 (ii) under Section 2.17 of the Scale of Rates states that the term “Vessel” will include the boats, barges and crafts of GRT 1000 and above. (b) In respect of barges (having GRT more than 1000) involved in carrying the cargo between MBPT and other nearby Indian Ports used to be treated as coastal vessel and rates prescribed in Schedule 2.18 of the Scale of Rates for coastal were applied depending upon the exact nomenclature of cargo. (c) Stevedoring charges used to be recovered in respect of cargo brought by barges, depending upon the status of the mother vessel anchored in stream for lightening draft or in case of non availability of berths or discharging cargo at PLA and cargo brought to shore for discharging. The barge or the boat cannot be treated as coastal barge since it is just the cargo carrier to the shore from the mother vessel. This in respect of vessel classified as “foreign” vessel in terms of Para 1.2 (i) of the General Terms and Conditions of the Scale of Rates. The barges which unloaded/loaded the cargo on “foreign” vessels were charged stevedoring rates under the column “foreign” of Para 2.18 of the Scale of Rates depending upon the nature (nomenclature) of cargo enumerated at Sr. No. 1 to 9 and 16 of the Section 2.18 of Scale of Rates. The cargo unloaded / loaded from foreign going vessels to the barges will attract foreign vessel rate and not the coastal one. This is due to the fact that the cargo will continue to assume the status of import/export cargo. It is therefore, proposed to introduce notes no.(iv) to (viii) under section 2.18 relating to cargo brought by barges. Reason for introducing note no.(ix) is explained at point (viii) above. Existing arrangement of charging Stevedoring charges recovered for cargo brought by barges is proposed to introduce at notes no.(iv) to (viii).Hence, no additional revenue will arise.
(x).	The reason for proposing modification to the existing note no. 9 under Section 2.19 so as to prescribe preparation of docking/ undocking programme to be explained.	Though proposed modification to the existing note no.9 under section 2.19 to prescribe preparation of docking/ undocking programme is a part of operating procedure, it amounts to deficiency in service and to avoid any benefits to the trade and maximize the revenue, the modification is proposed.
(xi).	The MBPT has introduced prescription of licence fees for renewal/ issue of dry	(a) The existing Licence fees for renewal/issue of dry dock/ permission for carrying out

<table>
<tr>
<td></td>
<td>dock/ permission for carrying out ship repair specialized job on board vessels as sl. no. III under Section 2.19. In this regard, the MBPT to clarify/ furnish the following:

(a). The existing arrangement of levying any charges on ship repair specialized job on board vessels.

(b). To furnish workings to arrive at the proposed licence fees in respect of each of the category.

(c). The yearwise additional revenue arising due to the proposed licence fees also to be furnished along with workings in this regard.</td>
<td>ship repair specialized job on board vessels which are effective from 2005 and not revised thereafter are as under.
<table>
<tr><td>A)</td><td>Dry/Wet Dock Licence Application form.</td><td>₹.1050 per application form.</td></tr>
<tr><td>B)</td><td>Annual Dry Dock Licence - new/ renewal of the Licence</td><td>₹.12,000 per year.</td></tr>
<tr><td>C)</td><td>Annual Specialised Job Category registration.</td><td></td></tr>
<tr><td>(i)</td><td>For Job Category I (carried out in Dry Docks)</td><td>₹.6,000 per job per year.</td></tr>
<tr><td>(ii)</td><td>For Job category II (carried out in the Wet)</td><td>₹.1,200 per job per year.</td></tr>
</table>
The rate for dry/ wet dock licence application form is inadvertently mentioned ₹600 instead of ₹1050 per application form.

Working sheet to arrive at the proposed licence fees is furnished

(c) The per year average additional revenue arising due to the proposed Licence fees will be approximate ₹56.52 lakhs.

Further, A list of 03 dry dock for Job Category I and 20 wet dock activities for Job Category II to be replaced at 2.19 III (c) (i) & (ii) is furnished.</td>
</tr>
<tr>
<td>(xii).</td>
<td>The reason for elaborating the description contained at proposed sl. no. 13 under Section 3.1(A) to be explained.</td>
<td>At present wharfage is levied on Iron and Steel materials (excluding scraps, dross & ores) as per rate prescribed at Sr.-13 of para 3.1 (A) of Chapter III of SOR. Separate rates have been prescribed per tonne basis under the said Sr. 13 for import & export & also for foreign & coastal clarification. Many times big structures made up of Iron & Steel forming part of big machinery such as Tower Crane etc. are being imported/exported. Nevertheless wharfage meant for “Iron & Steel Materials” is required to be levied in absence of separate rate for such high value sophisticated cargo. It is felt that wharfage on ad-valorem basis as per rate no. 15 should be levied in such case. Hence the nomenclature of Sr. no 13 needs to be suitably modified as Iron & Steel materials (excluding scraps, dross, ores, Structures and parts of structures viz, bridge and bridge-section, lock-gates, towers, lattice masts, roofs, roofing frame-works, doors, and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns etc. of iron or steel, plates, rods angles, shapes, sections, tubes and the like, prepared of Iron or Steel for use in structures).</td>
</tr>
<tr>
<td>(xiii).</td>
<td>The basis for modifying the existing</td>
<td>Wharfage rates for Arms, Ammunition,</td>
</tr>
</table>

	note no. 11 and introducing note no 13 under Section 3.1(A) relating to defence stores and defence equipment to be explained.	Explosives and Defence Stores are prescribed at Sr. No. 2 at schedule 3.1(A) of SOR. The term 'defence stores' is not defined in detail. Hence, it needs to clarify the detailed description of defence stores. The basis for modifying the existing note No. 11 and 13 is custom Tariff
(xiv).	The MBPT has introduced demurrage charges for Animals, Birds, Reptiles etc., at sl no. (c) under Section 3.1(B). In this regard, the MBPT to clarify/ furnish the following: (a). The existing arrangement of levying demurrage charges on Animals, Birds, Reptiles etc. may be explained. (b). To furnish workings to arrive at the proposed demurrage charges. (c). The yearwise additional revenue arising due to the proposed demurrage charges also to be furnished along with workings in this regard.	(a) Demurrage charges are not prescribed and not levied at present thus not applied. (b) As Demurrage charges are not prescribed in the SOR, even if Animals, Birds, Reptiles etc. are retained or stayed in Port area, charges cannot be recovered and results in loss of revenue. Hence, Demurrage charges for all goods are proposed Each per day basis for Animals, Birds, Reptiles etc. (c) The yearwise additional revenue cannot be predicted as it is not regular type of cargo and comes rarely and it depends on the arrival and period of stay of the same.
(xv).	The MBPT has introduced a note to the effect that any export cargo for shipment through MBPT but moved out of MBPT area either in break bulk form or after stuffing, with customs permission for any purpose shall be treated as 'Back to town cargo' and shall be levied demurrage as per Section 3.1(B). In this regard, the MBPT to clarify/ furnish the following: (a). The existing arrangement of levying demurrage charges on Back to town cargo to be explained. (b). To furnish workings to arrive at the proposed demurrage charges.	(a) & (b) As per existing, demurrage charges are levied on Back to Town Cargo as per Note No. 9 to Section 3.1(B) of SOR, which interalia reads as "Demurrage as per Section 3.1(B) shall be levied on shut out cargo from the date of admission of cargo into Dock till and including the date of removal". The definition of shut cargo in the existing SOR in chapter 1.1 reads as "Shut out cargo shall mean any cargo brought into the Port for shipment but not shipped by the designated vessel and is lying in the Port premises". To bring clarity for levy of demurrage charges on the shut out cargo taken

	(c). The yearwise additional revenue arising due to the proposed demurrage charges also to be furnished along with workings in this regard.	out of Mumbai Port area, the additional Note to Section 3.1(B) at Sr. No. 9 is included. (c) The present container traffic at MBPT is quite negligible. Thus additional revenue arising on containerized cargo traffic due to the proposed demurrage charges cannot be furnished at this stage.
(xvi).	The reason for proposing increase in the number of free days in respect of Uncleared goods at Section 3.1(C) to be explained.	At present, a free period of 10 days from the date of confirmation of sale is allowed for clearance of cargo sold by MBPT. The same is proposed to be increased to 15 days. This is due to fact that generally 4-5 days are elapsed for obtaining Out of Charge B/E from Customs in respect of goods sold in Auction. Consequently, a total number of 15 days allowed for clearance may be increased to 20 days following the date of confirmation of Sale. Thus, a total of 15 days free period will be allowed and goods will be allowed to be cleared upto a maximum period of 20 days on payment of demurrage charges as per the prescribed rate.
(xvii).	The reason for elaborating the existing note no. 7 under Section 5(H) so as to enable MBPT apportion the Cargo Management Charges provided on per box basis in respect of LCL containers to be furnished.	With reference to the Section 5(H)(7) of the SOR,TAMP approved vide order dated 8.8.2013 Cargo Management Charges. These charges shall be in force till 31.03.2014 as per the TAMP's Notification, Co-terminus with the validity of the existing SOR of MBPT. While there are no difficulties experienced in recovery of Cargo Management Charges in respect of FCL containers, difficulties are being experienced for recovery of Cargo Management Charges in respect of LCL containers. This is due to the fact that a LCL container contains 2 or more items (consignments) of different consignees and sometimes it may have different IGMs consignments belonging to different consignees. Therefore the modifications in the existing note no.7 under section 5(H) are proposed to be incorporated so as to enable MBPT to apportion the Cargo Management Charges provided on per box basis in respect of LCL containers.
(xviii)	The MBPT has introduced wharfage charges and Demurarge charges for Animals, Birds, Reptiles etc., at sl no. (h) under Section 6.2 and at sl no. (d) under Section 6.2 respectively. In this regard, the MBPT to clarify/ furnish the following: (a). The existing arrangement of levying wharfage/ demurrage charges on Animals, Birds, Reptiles etc. to be explained.	 (a) Wharfage is applied as per Section 3.1(A) Sr No.1(i).

	(b). To furnish workings to arrive at the proposed wharfage/ demurrage charges. (c). The yearwise additional revenue arising due to the proposed wharfage/ demurrage charges also to be furnished along with workings in this regard.	(b) 50% of Dock wharfage/ Demurrage rate are proposed for Animals, Birds, Reptiles etc. at 6.2 and 6.3 under chapter VI – charges leviable at bunders. (c) The yearwise additional revenue cannot be predicted as it is not regular type of cargo and comes rarely and it depends on the arrival and period of stay of the same.
(xix).	The reason for increasing the regulated period of the vessel from 900 LDT to 1300 LDT at sl. no. (2) under Section 7.1 and the subsequent change in the slab structure as prescribed at note (3) under Section 7.1 to be explained.	Note no. 3 to Section 7.1 under caption "Charges for Ship breaking" provides the initial regulated period. As per Statistical data for the past three years, it is revealed that on an average, ships with a LDT upto 1305.34 T are generally broken within a period of one month. Thus, initial regulated period needs to be determined considering 1300 Tonnes to be broken per month for optimum utilization of ship breaking plots.
(xx).	The basis for increasing the charges for furnishing the copy of an application cum bill from ₹13/- per copy to ₹100/- per copy, at Section 9.1(C) to be furnished.	The charges towards application-cum-bill have been proposed to be raised from ₹13/- per copy to ₹100/- per copy, keeping in view the administrative cost involved.
(xxi).	The MBPT has introduced prescription of charges for daily permits, renewal etc., at Section 9.2 C and 9.2 D. In this regard, the MBPT to clarify/ furnish the following: (a). The existing arrangement of levying any charges for daily permits, renewal etc., to be furnished. (b). To furnish workings to arrive at the proposed charges for daily permits, renewal etc. (c). The year wise additional	Charges for issuance of daily Dock Entry Permits (DEPs) and other permits are prescribed more than a decade ago basically to meet the expenditure incurred on the set of staff deployed at the Permit Section. Charges have been proposed to be revised based on the increased expenditure incurred on staff deployed at the Permit Section. New Access Control System involving additional cost is under advanced stage of implementation and will be in place shortly. Trustee's resolution no.206 dated 13.02.2014 approving revision of Dock Entry Permit charges has already been forwarded to TAMP vide letter No. FA/ACC/201/3984 dated 15.04.2014. (a) Existing Port Trust charges for various dock Entry permits is furnished. (b) The cost sheet for Activity dealt by Permit Section has been worked out. Considering the deficit of the activity dealt by permit section, the rate has been increased. The cost sheet for activity dealt by permit section is included in the TR No.206 dated 13.2.2014 approving revision of Dock Entry Permit charges has already been forwarded to TAMP vide letter No. FA/ACC/201/3984 dated 15.04.2014. (c) The yearwise additional revenue arising

<table>
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<td>revenue arising due to the proposed charges for daily permits, renewal etc. also to be furnished along with workings in this regard.</td>
<td>due to the proposed is furnished below.
<table>
<tr><td>Year</td><td>Additional revenue (₹.)</td></tr>
<tr><td>2014-15</td><td>1.90 crores</td></tr>
<tr><td>2015-16</td><td>1.96 crores</td></tr>
<tr><td>2016-17</td><td>2.02 crores</td></tr>
</table></td>
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<tr>
<td>(xxii).</td>
<td>The MBPT has introduced slipway charges at Section 9.5 of the proposed Scale of rates. In this regard, the MBPT to clarify/ furnish the following:

(a). The existing arrangement of levying any slipway charges to be furnished.

(b). To furnish workings to arrive at the proposed slipway charges.

(c). The basis for covering this tariff item under the Land Policy Guidelines of 2010 to be furnished.

(d). The year wise additional revenue arising due to the proposed slipway charges also to be furnished along with workings in this regard.

(e). It may be recalled that during the proceedings relating to the proposal submitted by MBPT in February 2012 for fixation of hire charges for Slipway at MBPT Workshops, the MBPT then had withdrawn its proposal on the ground that the MBPT workshop area where slipways are installed is not covered under Appendix "G" to the MBPT Docks Bye-laws. In this connection, the MBPT to explain how the position now is</td>
<td>(a) At present Slipway Charges at MBPT Workshops are recovered at Rs.565/- per shift (8 hrs) or part thereof (exclusive of operational cost and usual overheads like supply of labour, electricity etc. which is recovered at actual whenever requisitioned by the party).

(b) Working for proposed rental charges for slipway is furnished.

(c). As per TAMP's order dated 11.10.2011, it is mentioned at Para (XLvii) that "If any additional areas have to be brought under the purview of SOR, they have to be first included in Appendix ‘G’ ibid with the sanction of the Central Government under Section 124 of the MPT Act, 1963." However, the MBPT workshop area where slipways are installed is not covered under Appendix “G” to the MBPT Docks Bye-Laws. Land outside customs notified area can be allotted at the rate approved by the competent authority as per land policy 2010. The slipway facility of MBPT workshop is outside custom bound area and hence, rate for facility can be proposed as per land policy.

(d) The yearwise additional revenue arising due to the proposed Slipway charges is furnished below.
<table>
<tr><td>Year</td><td>Additional revenue (₹.)</td></tr>
<tr><td>2014-15</td><td>1,70,800</td></tr>
<tr><td>2015-16</td><td>1,86,050</td></tr>
<tr><td>2016-17</td><td>1,46,400</td></tr>
</table>
(e) It is pertinent mention here that MBPT has not withdrawn the proposal of slipway charges. However, MBPT has informed TAMP that the area has not been covered under the Appendix ‘G’ and requested to process the proposal. TAMP vide its order dated 17.12.2012 has closed the case. Therefore, MBPT has included Slipway charges in the proposed SOR under chapter-VIII, based on land value as per the land policy.</td>
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</table>

	different from the position prevailing then, whereby the MBPT has now sought approval for hire charges for slipways.	

7.1. Since the financial year 2013-14 was already over, the MBPT was requested to update the figures for the year 2013-14 with actuals for the corresponding period and review the estimates for the years 2014-15 to 2016-17 based on the actuals for the year 2013-14. While responding to the queries, the MBPT has updated the figures for the year 2013-14 with actuals for the corresponding period and has reported to have reviewed the estimates for the years 2014-15 to 2016-17. A comparative position between the actual/ estimates for the years 2013-14 to 2016-17, as furnished by the MBPT in its initial proposal of July 2013 vis-à-vis the revised proposal of September 2014, is summarized below:

Particulars			Original proposal of July 2013				Revised proposal of September 2014			
	Actual		BE	Projection			Actual	Projection		
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6	7				
Traffic (MT)	57.04	58.04	61.00	63.00	65.00	67.00	59.18	63.00	65.00	67.00
Operating Income	1106.50	1238.43	1281.19	1318.55	1360.18	1415.82	1363.49	1343.23	1386.16	1431.90
F&M Income	17.65	4.38	4.41	4.41	4.41	4.41	4.11	4.11	4.11	4.11
Total Income (A)	**1124.15**	**1242.81**	**1285.60**	**1322.96**	**1364.59**	**1420.23**	**1367.60**	**1374.34**	**1390.27**	**1436.01**
S&W	747.16	903.34	947.47	965.48	1079.15	1189.71	899.71	970.58	1087.05	1217.50
Depreciation	60.91	59.16	58.00	57.85	56.56	37.35	61.82	61.71	60.44	41.24
Other expdt.	188.96	193.99	275.67	291.82	309.10	327.58	208.04	242.44	254.29	266.84
Operating expenditure	997.02	1156.49	1281.14	1315.16	1444.80	1554.65	1169.67	1274.73	1401.78	1525.58
Pension & PLB/PR	480.34	581.11	566.04	539.01	539.01	539.01	716.47	584.01	584.01	584.01
ROCE (16%)	95.43	86.24	76.35	66.38	56.30	46.12	88.01	77.66	67.47	60.21
Total Cost (B)	**1572.79**	**1823.85**	**1923.54**	**1920.54**	**2040.12**	**2139.78**	**1974.15**	**1936.40**	**2053.26**	**2169.80**
Surplus/Deficit (A-B)	-448.64	-581.04	-637.94	-597.59	-675.53	-719.55	-606.35	-589.06	-662.99	-733.79
Percentage	**-39.91**	**-46.75**	**-49.62**	**-45.17**	**-49.50**	**-50.66**	**-44.35**	**-43.72**	**-47.69**	**-51.10**

7.2. Though the average deficit for the period of three years viz., 2014-15 to 2016-17 is about 47.50%, the MBPT, in its revised proposal, has sought an increase of 23% in all tariff items and 70% increase in the Licence (Storage) fees prescribed at Section 3.3 of MBPT SOR, at the level sought by it in its original proposal.

8.1. A joint hearing on the case in reference was held on 11 August 2014 at the office of the Authority in Mumbai. The MBPT made a brief power point presentation of its proposal. At the joint hearing, the MBPT and the concerned users / organization bodies have made their submissions.

8.2. During the joint hearing, the users/ user organisations had raised serious concern about the condition of the infrastructure facilities and the problems encountered by them at the MBPT on account of the status of infrastructure facilities. In this connection, as agreed by the MBPT at the joint hearing, the port was requested vide our letter dated 19 August 2014 to furnish a report in the matter, followed by a reminder dated 5 September 2014.

8.3. In this regard, the MBPT vide its letter dated 30 September 2014 has submitted the report on status of the infrastructure facilities as given below:

(i). MBPT has provided dedicated services to the Trade for more than 150 years. Mumbai Port Trust renders services at the Docks, Bunders and in the Harbour. MBPT also runs its own Railway service for traders which facilitates easy transportation of goods to interior parts of country. MBPT Dock has total 29 berths (including Ballard Pier Station and Ballard Pier Extn.) handling various type of cargos. MBPT provides facility for handling of POL cargo at 6 berths at Jawahar dweep and Pir Pau. The draft of Indira Dock is 7.60 m, Jawahar Dweep and Pir Pau is 8.6 m and Main channel is 10.1 m.

(ii). For vessel related services, MBPT has 12 tugs, 11 Launches, 2 Barges and 1 Floating crane and has also hired 2 tugs from M/s. Great Eastern Shipping Company. For cargo handling, MBPT has 4 Mobile Crane, 20 Fork Lift Trucks, 2 TLT, 4 Electric Fork Lifts, 5 Tractors, 4 Heavy Duty Fork Lift,1 Tower Cranes, 5 Diesel Locomotives and 11 Wharf Cranes.

(iii). Further, facilities of storage of various cargo at place of Port land is given below:

Type		**Dry Storage Accommodation**			**Liquid Storage Tanks**				**Container Storage Yard**		
		No	**Area (Sq. Mtrs)**	**Location Inside Port / Outside Port**	**No**	**Location Inside/ Outside Port**	**Capacity (KLs/ Tonnes)**	**Types of Cargo**	**No**	**Location Inside / Outside Port**	**Capacity (slots)**
(A)	Port Owned										
	a)Covered										
	i) Transit Shed	12	76740	Indira Docks	2	Jawahar Dweep	771 to 4545 KLS (Total 5316 KLS)	Petroleum products and fresh water			
		1	2602	Victoria Docks (14VD)							
		--	--	Prince's Docks							
		17	56939	Outside Docks							
	ii) Ware Houses	6	25007	Inside Docks							
		17	106836	Outside Docks							
	iii) Container Freight Station										
	b) Open	26	180349	Inside Docks					2	Inside Docks	622 TEU
		7	9571	Victoria Docks					5	Outside Docks	5507 TEU
		5	10930	Prince's Docks					2	Outside Docks	45682 sq.mtr.
		26	300513	Outside Docks							
B)	**OTHERS**										
	a) Covered				8	Jawahar Dweep (BPCL)	182864 KLS	HSD/SKO/FO	--	--	--
					8	Jawahar Dweep (MBPT)	34458KLS	LDO/ NAPTA/ BALLAST	--	--	--
		--	--	--	4	12 Victoria Docks (Inside Docks)	29000 Tonnes	Molasses/Veg.Oil	--	--	--
		--	--	--	6	Carnac Bunder	11500 Tonnes	Veg. Oil	--	--	--
		--	--	--	3	Mallet Bunder	36000 Tonnes	Veg. Oil	--	--	--
		--	--	--	69	Hay Bunder	47600 Tonnes	Veg. Oil	--	--	--
		--	--	--	55	Pir Pau (Aegis)	210000 KLS	Chemicals	--	--	--
		--	--	--	2	Pir Pau (Aegis)	20000 KLS	LPG	--	--	--
		--	--	--	22	Pir Pau (CTTL)	41000 KLS	Chem./ Lub oil	--	--	--

(iv). The capital dredging and maintenance dredging done during last 3 years is given below:

Sr. No.	Dredging carried out	2011-12 Qty. (MCUM)	2012-13 Qty. (MCUM)	2013-14 Qty. (MCUM)	2014-15 Qty. (MCUM) Projection
1	Capital	3.200	2.303	0.040	3.000
2	Maintenance	2.127	1.400	1.500	2.360

(v). The year wise major capital expenditure on facilities for cargo handling activity and Port activity is given below:

(a). YEAR 2013-14

Sr No.	Description	Expenditure (₹ in Lakhs)
1	Providing concrete pavement at the Indira Dock wharves 7 ID to 12 ID, 12A ID, 13A, 13B ID and 15ID	92.27
2	Reconstruction of Raising of Nawab tank Over Bridge (NTOB) at Mazgaon including purchase of demolition of existing NTOB.	469.95
3	(1) Dedicated Container road from OCT Gate complex, Mallet Road to Link Road (2) Two-Way Road from VOB to Sewree through Grain Depot	1123.29
4	Construction of Hospital Road, Hay Bunder Road, Fosbery Road, Second Avenue Road, VOB RAMP	1585.68
5	Concreting of “Sewree Fort Road”, “Road Veg Oil Junction to Wadala Mahul Bridge, “Oil Depot Road”, “Signal Hill Avenue Road”	2050.72
6	Resurfacing with asphaltic materials inside Malet Bunder and paving the area around Gate No.1, Bunder section.	65.54
7	Resurfacing with Asph. Material the area available after demolition of shed no. 2 Admin Blocks, oil water separator sheds & west side Dock Boundary wall to facilitate oil Barge operation of Ferry Wharf.	62.25
8	Laying New Level crossing in Concrete Pavement across Messent Road to join Cotton depot Up Main Line with Grain Depot.	18.11
9	Construction of Compound wall to FCI godown (earlier) TO MEARGE into Custom Notified area, WINC, Wadala.	35.76
10	Construction of permanent boundry wall around plot No. RR 910, 931, & 1659 at Fosberry Road, GRAIN DEPOT, adjacent to MOD.	51.10
11	Construction of RR Masonary wall to Plot No. 26, 27, 28 adjacent to MOD.	10.81

(b). YEAR 2012-13

Sr No	Description	Expenditure (₹ in Lakhs)
1	Supply and Delivery of 3 Nos. Floating Type PNEUMATIC (YOKOHAMA) Rubber Fenders each of size 3.3m x10.6m Length at the F.O.B.	111.83
2	Civil work related of Construction of oil cargo barges operations at Ferry Wharf. Demolition and realignment of Dock Boundary wall near shed No. 1 &2 & construction of Gates & Gate house at Ferry wharf.	28.32
3	Installation of Electronic in-motion Weigh Bridge at Wadala Yard, MBPT Railway.	13.32
4	Manufacturing & Supply if one No. Hydraulic Sluice Cylinder along with Manifold block & adapter at Lock Gate ID.	11.67

(c). YEAR 2011-12

Sr No.	Description	Expenditure (Rs. In Lakhs)
1	Replacing 8” Dia.CI water main feeding to Jawahar Dweep and Pir Pau with M.S. Pipes from Fresh Water Pump House to Old Manifold at Pir Pau, GWMOT.	61.52
2	Paving with Asphaltic Material in front of B,C & D Shed Grain Depot on East side of Messent Road Reclamation (MSR) Road from Nautical college Hay Bunder to Sewree station Junction.	79.48
3	Providing Street Light Installation on IBP Road from Gate No. 7 Sewree to Veg Oil Junction, Wadala.	38.28
4	Concretization of Road at the Abandoned Rail Crossing on Road leading to 13-B, Indira Dock.	7.71
5	Concreting of Mazagaon Sewree Reclamation (MSR) Road from Nautical College, Hay Bunder to Sewree Station Junction.	534.98
6	Replacement of VTMS for Mumbai Harbour BPX, ID, INS TRATA, SHEVA Hill, JNPTY & INS Angre.	18.59
7	Providing and Erecting a new Hot Dip Galvanised Structural Street Tower for VTMS. 1) Tower for VTMS on BPX BLDG, Indira Docks 2) Tower for VTMS at Navy Nagar Vandana Bldg 3) Tower for VTMS at Jawahar Dweep	99.86

(vi). Further, additional infrastructure facilities/ services installed/ to be installed are given below:

(a). Replacement of VTMS.
(b). Installation of CCTV allotted at various places in docks for monitoring.
(c). The work order for providing & fixing fenders at berths 12A, 12B, 13A, 13B at Indira Dock has been placed on 09.05.2014 and the work is in progress.
(d). The estimate for providing old tyre fenders in Lock Gate Indira Dock has been sanctioned and tenders have been invited.
(e). The detailed survey has been carried out for missing/damaged fenders at other berths of Indira Dock Basin & Harbour wall berths. Estimate is under preparation. There will be write-off loss involved for some fenders since the damage is during its useful life span. Estimate will be sent for audit concurrence shortly. Tenders will be processed thereafter.
(f). The areas of P & V Channels, dredger & Barge berth, 14 VD and Ferry Wharf have not been dredged for last 3 years. It is to state that the maintenance-dredging tenders invited for the period 2014 to 2017 include these areas as well as Harbour Wall Berths, BPS & BPX.
(g). Road infrastructure and additional road improvements amounting ₹100 crores.
(h). Maintenance of dredging of approach channel.

(vii). Major Capital Assets are to be commissioned during the validity period from 2014-15 to 2016-17.

Description	Estimated cost	Anticipated date of completion
		₹ in lakh
Construction of 2 off-shore berths for handling Containers on BOT basis	44500	Oct. 2015
Construction of Second berth for handling Liquid chemicals/ specialised grades of POL off New Pir Pau Pier.	11600	March 2015
Dredging & infrastructure development for handling bigger ships at 18 to 22 ID Harbour Wall berths	61300	March 2016

Deepening & widening of common portion of main channel of Mumbai Harbour & anchorage by JNPT	16300	Aug. 2014
Improvement to port connectivity:- Improvement of Rail & Road infrstructure		
Rail - Wadala-Kurla dedicated Goods Line	17681	March 2016
Road -		
a) Sewree Bunder Road & Gadi Adda Junction	355	March 2015
b) Caltex Road & approach road to Petroleum Godown Wadala.	355	March 2015
c) Approach Godown Road to Wadala incinerator Plot & IOC Gate.	244	March 2015
TOTAL	**152335**	

(viii). The new schemes to be added in 12th Five Year Plan:

- (a). Replacement of 20T capacity crane at HDD.
- (b). Upgradation of slipways in MBPT workshops.
- (c). Development of berthing facilities for offshore supply vessels and other vessels.
- (d). Upgradation of 4th Oil Berth.
- (e) Procurement of Radio Active Detector Scanner
- (f) Reconstruction of Hay Bunder Quay Wall.
- (g) Replacement of 14" dia flushing pipeline from Pir Pau to Wadala.
- (h) Construction of transit shed at Indira Dock.
- (i). Replacement of 3 nos high capacity ELL Wharf Cranes.
- (j). Replacement of 2 Dock Tugs.
- (k). Replacement of Marine loading Arms.
- (l) Development of off-shore multipurpose cargo berths.

(ix). The proposal is based on cost plus approach. However, MBPT has not claimed ROCE on Major Capital Assets to be commissioned during the validity period from 2014-15 to 2016-17. Nevertheless, in order to provide facilities and the required infrastructure to the users, it is necessary to earn a reasonable rate of return.

9. As stated earlier, in the last general Order of MBPT passed in November 2011, the validity of the Scale of Rates was upto 31 March 2014. Therefore, this Authority vide its Orders dated 4 April 2014, 4 July 2014 and 30 September 2014 has extended the validity of the Scale of Rates of the MBPT till 30 June 2014, 30 September 2014 and 31 December 2014 respectively subject to fully adjusting the additional surplus, if any, over and above the admissible cost and permissible return accruing to the MBPT for the period post 1 April 2014 in the tariff to be fixed for the next cycle, as assessed during the review of its performance.

10. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website http://tariffauthority.gov.in

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

(i). The existing Scale of Rates of the Mumbai Port Trust (MBPT) was notified by this Authority in November 2011 with a tariff validity upto 31 March 2014. Subsequently, the validity of the Scale of Rates of MBPT stands extended till 31 December 2014 or the date of effect of the reviewed Scale of Rates, whichever is earlier, subject to fully adjusting the additional surplus, if any, over and above the admissible cost and permissible return accruing to the MBPT for the period post 1 April 2014 in the tariff to be fixed for the next cycle.

(ii). The MBPT filed its proposal for general revision of its Scale of Rates in July 2013. This proposal was taken up for consultation with the relevant users. During the processing of the case, since the financial year 2013-14 was already over, the

MBPT was requested to update the cost statements with actuals for the year 2013-14. The MBPT was also requested to review the estimates for the years 2014-15 to 2016-17 based on the actuals for the year 2013-14. The port was also requested to furnish additional information / clarifications on its July 2013 proposal. The MBPT furnished a revised proposal in September 2014 with updated cost statements in the light of the additional information / clarifications sought by us. The updated cost statements furnished by MBPT under cover of its letter dated 22 September 2014 along with the submissions made by MBPT during the processing of the case are considered for the purpose of this analysis.

(iii). In this connection, the MBPT, on regular basis, has been sending reminders to us making a request to expedite revision of its Scale of Rates. On one such occasion, the MBPT has stated that the delay in the revision of its rates will lead to the loss of revenue thereby resulting in increase in the quantum of its deficit. In this regard, it was clarified to the port that the deficit/ surplus position, as the case may be, will be assessed for the three financial years i.e. 2014-15 to 2016-17 as a whole and that the quantum of increase/ reduction in its existing tariff, as the case may be, may have to be decided based on the estimated income for the remaining period of the tariff cycle. Thus, it was also communicated to MBPT that the estimated deficit, if any, from 1 April 2014 till the effective date of implementation of the revised tariff will be covered by tariff increase for the remaining period of the tariff cycle.

(iv). (a). Clause 2.8.3 of the tariff guidelines requires all the major port trusts to create and maintain an Escrow account to record inflows of Royalty/ Revenue share receipts from the BOT operators and outflows for creation/ modernization of the port infrastructure facilities. In the tariff Order of October 2011, the Escrow account was drawn up based on the actual position upto the year 2010-11 and based on the estimated position for the years 2011-12 to 2013-14. Accordingly, the closing balance of the Escrow account as on 31 March 2011 was arrived at ₹587 lakhs in the Order of October 2011, based on the actual details then furnished by the MBPT.

(b). The MBPT has simply stated in the Form – 9 that the Escrow account has not been opened by the port. In this connection, the port has stated that as per Clause 2.8.3 of the 2005 Guidelines, if the funds in the Escrow Account are not utilized for the stated purpose within the stipulated time then the entire accrual is to be taken as revenue of the port trust for tariff fixation. As a result, the MBPT has stated to have considered the income received from revenue share/ royalty as the operating income of the port.

(c). In this connection, it is to state that Clause 2.8.3 of the 2005 Guidelines mandates transfer of atleast 50% of the royalty/ revenue share to the Escrow Account, which is to be utilized for the purpose of creation and/ or modernization of the port infrastructure facilities within a period of 5 years. And, only incase, where the amount so transferred is not utilized within a period of five years that the Guideline stipulates considering such unutilized amount as income of the port. Thus, the action of MBPT considering the entire royalty / revenue share as income of the port cannot replace the action warranted by the Guideline to transfer the amount to Escrow account.

(d). In this regard, it is relevant here to mention that the revenue share is receivable by the MBPT from its BOT operator viz., Indira Container Terminal Private Limited (ICTPL). In the Cost statement furnished by the MBPT, the MBPT is not seen to have estimated any revenue share income from ICTPL from the years 2013-14 onwards upto 2016-17. On a specific query in this regard, the MBPT has sought to state that the allotment of the Ballard Pier Station (BPS) Berth to ICTPL for commercial operation was for the period of 5 years, which has expired on 02 December 2012. As a result, the MBPT has reported to be not in receipt of revenue share and has, therefore, not taken into account the royalty/ revenue share for the period from 2013-14 onwards.

(e). With regard to the Off-shore Container Terminal (OCT) Project related to ICTPL, though as per the agreement, the OCT was to be completed by December 2010, the project is expected to be completed by October 2015 in the year 2015-16. Thus, though the revenue share is receivable by the MBPT due to the operations at OCT, it is not seen to have estimated any revenue share receivable by it from the year 2015-16 onwards. This may perhaps be due to the position that the revenue share is payable by the OCT operator based on the gross income of the operator to be derived based on the rates to be approved by this Authority for the operator at the time of commencement of operations at OCT. Since no rates have been approved in respect of OCT, for want of proposal from OCT, it is not found possible to estimate the quantum of revenue share receivable by the MBPT. This position is, therefore, relied upon in the analysis.

(f). The MBPT has not taken into account any revenue share earned / estimated to be earned by it from M/s. Buthello Travels (BT) another BOT Operator for weigh bridge at MBPT. The MBPT has also not estimated any revenue share income estimated to be received by it in future from the few PPP projects. It appears that the port is of the view that none of the PPP projects would materalise and commence operations during the period of three years from 2014-15 to 2016-17. Even if either the 50% royalty / revenue share from BT is taken into account or the OCT project or any of the PPP projects comes into operation during the current tariff cycle viz., 2014-15 to 2016-17, the Revenue share that would be earned by the port may not be sufficient to wipe off the deficit of the port. The position of MBPT with regard to Revenue share is relied upon and as a result, no income from Revenue share has been estimated during the years 2014-15 to 2016-17 in the analysis. However, during the next review of its tariff, the MBPT is advised to furnish the actual revenue share earned by it during the current tariff cycle and estimates during the next cycle, as stipulated in Clause 2.8.3 of 2005 guidelines.

(g). It may be recalled that in the tariff Order of October 2011, 50% of the estimated Revenue share income was transferred to the Escrow account during the years 2011-12 to 2013-14 and the balance 50% of the Revenue share income was considered as the estimated income of the MBPT for the corresponding years. This position along with the estimated cost position and other relevant factors culminated into the decision taken in the November 2011 Order to revise upwards the Scale of rates of MBPT. Though the action taken by MBPT of not transferring any amount of the Revenue share income to Escrow account during the year 2013-14 onwards (due to non-receipt of Revenue share income) is found reasonable, such an approach cannot be extended to the years 2011-12 and 2012-13, when the MBPT is seen to have received some revenue share.

It has to be recognized that for assessment of past period performance of MBPT (i.e. comparison of actuals vis-à-vis actuals as envisaged in Clause 2.13 of the 2005 tariff guidelines) for the years 2011-12 to 2013-14, it is necessary that the approach relied upon at the estimate stage is retained in respect of actuals also, so as to enable a like to like comparison of estimates vis-à-vis actuals, irrespective of the position adopted by the MBPT. Therefore, the transfer of revenue share receipt to the Escrow account is recognized to the extent of 50% only for the years 2011-12 and 2012-13 and the balance 50% of the Revenue share receipt is considered as the income of the MBPT for the corresponding years, in accordance with the approach adopted in October 2011 Order.

(h). As stated earlier, the balance in the Escrow account as on 31 March 2011 in the MBPT general revision Order of October 2011 was to the tune of ₹587 lakhs. Further, as discussed above, 50% of the revenue share receipt has been transferred to the Escrow account for the years 2011-12 and 2012-13. The balance in the Escrow account to the extent available for each of the year 2011-12 and 2012-13 is considered to have been utilized for acquiring capital assets, based on the details of capital additions furnished by the MBPT for the years 2011-12 and 2012-13 respectively.

(i). The Escrow account drawn up based on the position as brought out in the previous paragraphs is given below:

(₹ In Lakhs)

No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Opening Balance	587 *	0	0	0	0	0
2a	Transfer to Escrow a/c	206	217	0	0	0	0
2b	Interest on balance**	40	11	0	0	0	0
3	Total transfer (2a + 2b)	246	228	0	0	0	0
	Balance available	833	228	0	0	0	0
4	Considered as withdrawal for creation of assets	833	228	0	0	0	0
5	Closing balance (1 + 3 - 4)	0	0	0	0	0	0

* The Opening balance of ₹587 lakhs is the balance as on 31.03.2011 as per the Tariff Order of October 2011.

****** The interest has been calculated @ 5%, in line with the position maintained in the General Revision Order of other Major Port Trusts.

As can be seen from the above table, no balance in the Escrow Account is available as at the end of the previous tariff cycle.

(v). Clause 2.13 of the tariff guidelines of 2005 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 the time of fixing the prevailing tariff.

As stated earlier, the last review of the Scale of Rates of MBPT was done in October 2011. Vide the said Order, the tariff for the MBPT was fixed for the years 2011-12 to 2013-14, by relying upon the estimates for the said years. Thus, the estimates vis-à-vis actuals for the years 2011-12 to 2013-14 is to be analysed to assess the past performance of MBPT. The analysis of performance of MBPT for the said past period is discussed below:

(a). The aggregate of the actual traffic handled by MBPT during the three year period from 2011-12 to 2013-14 works out to 173.41 million tonnes as against the estimated traffic of 186 million tonnes, registering a negative variation of about 6.77%.

(b). In the last general revision Order of MBPT passed in October 2011, an increase of 30% had been granted on the cargo related charges (except pertaining to POL sub-activity and Licence Fee) and on Stevedoring charges and an across the board increase of 23% in the vessel related charges was granted. The revised rates came into effect from 18 December 2011, after expiry of 30 days from the date of notification of the Order. Since the impact of the upward revision of tariff is reflected by the actual income, the estimated income relied upon in October 2011 Order needs to be updated with the quantum of increase allowed in October 2011 to make a correct comparison between the actuals and estimates. Accordingly, the estimated operating income in respect of the above mentioned tariff items as relied upon in the October 2011 Order is updated applying the increase allowed with effect from 18 December 2011 for the tariff validity period up to 31 March 2014.

(c). There is a difference in the aggregate of the actual operating income from Cargo handling activity and the Port & Dock activity for the years 2011-12 and 2012-13 considered by the MBPT in its Cost statement vis-à-vis aggregate of the actual operating income from Cargo handling activity and the Port & Dock activity for the years 2011-12 and 2012-13 reflected in the Annual Accounts. In other words, a higher quantum of income has been considered in the Cost statement to the tune of ₹1156 lakhs and ₹1218 lakhs for the years 2011-12 and 2012-13 respectively. In the Reconciliation Statement furnished by the MBPT, the MBPT has stated that the income pertains to the income received by it from ONGC which is due for the same financial year. In view of this position, the higher level of income as considered by the MBPT in the Cost statement is considered in the analysis.

(d). Since the tariff fixing exercise cannot recognize the discounts/ rebates allowed by the MBPT at its discretion, the MBPT was requested to furnish the details of the Rebates and discounts, if any, allowed by it during the years 2011-12 to 2013-14. In this connection, the MBPT has reported to have granted remission by way of fixing lower rates from the Scale of rates by its Board in exercise of its power for commercial consideration and giving concession to agricultural products. Though the MBPT has not furnished any working in this regard, from the Administrative Report furnished by the MBPT, it is seen that MBPT has granted such remission to the tune of ₹90.32 crores, ₹53.03 crores and ₹5.50 crores during the years 2011-12 to 2013-14 respectively. The said concessions have been captured in the analysis.

(e). The income from the Estate activity, Railways and Stevedoring activity is considered as reflected in the Annual Accounts for the years 2011-12 to 2013-14.

(f). From the Reconciliation Statement furnished by the MBPT to reconcile the differences occurring in the Expenditure for the years 2011-12 to 2013-14 considered in the Cost statement and the Annual Accounts, it is seen that the MBPT has made some inter-activity adjustments in the expenditure among its four main activities viz., Cargo handling, Port & Dock facility, Railways and Estate and also in the Management & Administrative expenses. In view of this position, instead of ensuring that the each of activity wise Expenditure considered in the Cost statement is in line with the activity wise Expenditure reflected in the Annual Accounts, it is ensured that the overall expenditure comprising of activity wise operating expenditure, depreciation and Management & Administrative expenses as considered in the Cost statement is in line with the overall activity wise Operating Expenditure and Management & Administrative expenses as reflected in the Annual Accounts for each of the years 2011-12 to 2013-14. Some minor differences noticed in the overall expenses considered in the Cost statement are adjusted so as to reflect the overall position as reflected in the Annual Accounts.

(g). With regard to the Stevedoring activity, the operating expenditure as considered by the MBPT in its Cost statements for the years 2011-12 to 2013-14 is seen to be as per the operating expenditure reflected in the annual Accounts for the corresponding years.

(h). The MBPT has considered Finance and Miscellaneous Income to the tune of ₹1765 lakhs, ₹438 lakhs and ₹411 lakhs for the years 2011-12 to 2013-14 respectively in the Cost statement. The MBPT is seen to have excluded Interest on earmarked funds, interest on staff advances, profit on sale of assets, prior period income and sundry receipts as shown in the Annual Accounts for the years 2011-12 to 2013-14 to arrive at the figure pertaining to Finance & Miscellaneous Income in the Cost statement, for the respective years. While exclusion of interest element from the Finance and Miscellaneous Income is found to be in order (since interest cost is not considered as an item of cost), profit on sale of assets, prior period income and sundry receipts as shown in the Annual Accounts has been considered as part of Finance and Miscellaneous Income in the Cost statement, in line with the approach adopted by this Authority in the general revision cases of other major port trusts.

(i). The MBPT has considered ₹48034 lakhs, ₹58110 lakhs and ₹71647 lakhs as Finance and Miscellaneous expenses for the years 2011-12 to 2013-14 respectively in the Cost statement. The said amount is inclusive of amount towards Contribution to pension fund to the tune of ₹41800 lakhs, ₹50100 lakhs and ₹62500 lakhs for the years 2011-12 to 2013-14, as reported by MBPT. The MBPT is seen to have excluded Contribution towards CSR Fund, Special VRS Compensation payment, Interest on loans, bank charges, loss on disposal on assets, prior period expenses including arrears on account of wage revision, as shown in the Annual Accounts for the years 2011-12 to 2013-14 to arrive at the figure pertaining to Finance & Miscellaneous Expenses in the Cost statement, for the respective years.

Contribution towards CSR Fund is an expenditure incurred by the port to meet its Corporate Social Responsibility (CSR). The expenditure is not incurred towards the core activity of the port and hence it is excluded from the Cost statement, as has been done by the port. The amount of Special VRS Compensation, Arrear on account of wage revision forming part of the annual Accounts for the years 2011-12 to 2013-14 is also excluded from the Cost statement in line with the stipulation contained in Clause 2.5.2 of the 2005 Guidelines, as has been done by the port. The loss on sale of assets, prior period expenses, bank charges and others as shown in the Annual Accounts has been considered as part of Finance and Miscellaneous Expenses in the Cost statement, in line with the approach adopted by this Authority in the general revision cases of other major port trusts.

(j). (i). The Net Block of Assets as reflected in the Annual Accounts of MBPT for the years 2011-12 to 2013-14 is to the tune of ₹57911 lakhs, ₹51516 lakhs and ₹51154 lakhs respectively.

(ii). As stated earlier, 50% of the revenue share received by the MBPT during the years 2011-12 and 2012-13 has been transferred to the Escrow account. The balance so available in the Escrow account is treated to have been utilized by the Port to meet some quantum of capital additions carried out during the years 2011-12 and 2012-13. Accordingly, value of the capital additions so considered has been reduced from the Net Block of assets for each of the year, as the investments made out of the proceeds of the Escrow account do not qualify for Return, as stipulated in the relevant Clause of the Guidelines. While doing so, the cumulative impact of depreciation on such assets for each of the year has also been taken into account.

(iii). The MBPT has considered working capital for the years 2011-12 to 2013-14. Based on norms prescribed in clause 2.9.9 of the tariff guidelines, the current assets in terms of Debtors and Cash balances are worked out for the years 2011-12 to 2013-14. In the absence of details about consumption of spares, the value of Inventory is considered as furnished by the Port. The value of current liabilities is considered as furnished by the MBPT. The working capital so derived works out to ₹4262 lakhs, ₹4461 lakhs and ₹6491 lakhs for the years 2011-12 to 2013-14.

(iv). The MBPT has not considered the net block of assets pertaining to the Bombay Dock Labour Board (BDLB) in the Cost statement. Given that the income and expenditure relating to the Stevedoring activity has been considered as part of the Cost statement, the reason for excluding the net block of assets alone pertaining to BDLB is not found to be appropriate. The net block of assets pertaining to the BDLB is also considered in the analysis.

(v). Thus, the Capital Employed comprising of net Fixed Assets of port as well as BDLB and the Working Capital works out to ₹61465 lakhs, ₹55059 lakhs and ₹56768 lakhs for the years 2011-12 to 2013-14 respectively.

(k). During the last general revision of MBPT in the year 2011, the ratio of business assets and business related assets for the port as a whole was considered at about 97 : 3. For the past period analysis, the same percentages are considered for a like to like comparison for the purpose of allowing return.

(l). The designed capacity of the port as furnished by the MBPT is about 48.70 MMTPA each during the years 2011-12 and 2012-13 and 49.25 MMTPA during the year 2013-14. Taking into account the actual traffic handled by MBPT during the said years, the actual capacity utilization of the port works out to about 115%, 119% and 120% during the years 2011-12 to 2013-14 respectively. It is noteworthy that in the October 2011 Order of MBPT also, the capacity of the MBPT had been estimated at 100%, 103.18% and 102.40% during the years 2011-12 to 2013-14 respectively. The traffic is more than the design capacity for the reason that the design capacity does not capture the oil cargo, as understood from the MBPT. Since the capacity utilization for all the years exceeds the cutoff limit of 60% for allowing full return, maximum Return on Capital employed is allowed at 16% for business assets and 8.20% for business related assets, as was allowed in the October 2011 Order of MBPT.

(vi). (a). A statement showing the analysis of the performance of MBPT for the years 2011-12 to 2013-14 is attached as **Annex – I**. A summary of the comparison of the actuals vis-à-vis the estimates considered in the last tariff Order is tabulated below:

Sl. No.	Particulars	Aggregate for the years 2011-12 to 2013-14 in absolute terms (₹ in lakhs)		Variation %
		Estimates	Actual	
1.	Traffic (in million tonnes)	186	173.41	(-) 16.77%
2.	Operating Income	399578	385304	(-) 3.57%
3.	Total Operating Expenses including depreciation and overheads	325772	332011	(+) 1.90%
4.	Operating Surplus (Average)	24602	17764	(-) 27.80%
5.	Net of Finance & Miscellaneous Exp. (Average)	50283	47203	(-) 6.12%
6.	Surplus / Deficit before interest / tax (Average)	(-) 25681	(-) 29438	(+) 14.63%
7.	Capital Employed (Average)	55946	57764	(+) 3.25%
8.	Return on Capital Employed	8831	9107	(+) 3.13%

* The operating income estimates are moderated to reflect the increase granted in the then prevailing charges with effect from 18 December 2011.

Significantly, the MBPT was in operating surplus position during the previous tariff cycle, as seen from the above table. The operating surplus position turned into deficit position (before return) mainly on account of annual average contribution to the pension fund to the tune of about ₹515 crores.

(b). As per clause 2.13 of the tariff guidelines, if review of actual physical and financial performance for the previous tariff cycle shows the variation of more than + or – 20%, then 50% of such accrued benefit / loss has to be adjusted in the next tariff cycle. As can be seen from the above table, the variation in the physical performance is less than +/- 20%. The variation in respect of operating income, operating expenses and capital employed is less than 20%.

(c). The MBPT was in deficit before allowing return aggregating to ₹883.14 crores (₹15218 + ₹31627 + ₹41470) during the years 2011-12 to 2013-14. The average of the actual deficit before return is seen to be ₹294.38 crores. If the average actual deficit is seen as a percentage of average actual capital employed of ₹577.64 crores for the said three years, it works out to 50.96%, as shown in the following table:

(₹ in lakhs)

Particulars	2011-12	2012-13	2013-14	Average
Actual Deficit before Return	-15218	-31627	-41470	-29438
Actual Capital Employed	61465	55059	56768	57764
Actual deficit as a % of capital employed	-24.76%	-57.44%	-73.05%	-50.96%

(d). As can be seen from the above tables, though the variation in actual physical performance as compared to the respective estimates, is seen to be less than (+/-) 20%, the financial performance as compared to the respective estimates, is seen to be more than (-) 20%. Therefore, in terms of the stipulation contained in Clause 2.13, there is a case to adjust 50% of the deficit pertaining to the years 2011-12 to 2013-14 in the current tariff cycle of MBPT.

(e). A summary of the actual deficit position for the years 2011-12 to 2013-14 is given below:

(₹ in lakhs)

Years	Amount
2011-12	-24908
2012-13	-40308
2013-14	-50420
Total	**-115636**
50% to be set off in future tariff	**-57818**

(f). The validity of the existing Scale of Rates of MBPT has been extended beyond 31 March 2014, subject to the condition that the surplus over and above the admissible cost and permissible return accruing to MBPT for the period after 1 April 2014 will be set-off fully, in the tariff to be fixed for the next cycle. The position relating to the year 2014-15 is dealt in the subsequent part of the analysis.

(vii). The traffic estimates as furnished by MBPT is 63 million tonnes, 65 million tonnes and 67 million tonnes during the years 2014-15 to 2016-17 respectively. The traffic is estimated to grow at about 6.50% during the year 2014-15 over the actuals for the year 2013-14 and further estimated to grow at about 3% each during the years 2015-16 and 2016-17 over the respective previous years. Infact, the traffic projection for the year 2014-15 is seen to be higher than the traffic projection made in the Results Framework Document (RFD) for the year 2014-15 at 60 million tonnes, as according to MBPT, the projections in the RFD is based on conservative assessment.

In this context, it is relevant here to mention that none of the user/ user organizations have objected to the traffic forecasts made by MBPT. Also, this Authority does not carry out any independent study so as to determine the likely traffic at a port/ private terminal. In view of the above position, the traffic forecasts for the years 2014-15 to 2016-17 as furnished by MBPT is relied upon for the purpose of this analysis.

(viii). (a). The Cargo handling income estimates have been furnished by MBPT at ₹58923 lakhs, ₹60794 lakhs and ₹62663 lakhs for the years 2014-15 to 2016-17 respectively, at the existing level of tariff. As stated earlier, this income is exclusive of any Royalty/ Revenue share amount receivable by the MBPT from the BOT operators during the said years. The MBPT has confirmed that the income is based on the existing Scale of Rates of MBPT. The estimated Cargo handling income as furnished by the port is relied upon in the analysis.

(b). The income estimated by MBPT for the Vessel related activity is at ₹54114 lakhs, ₹55832 lakhs and ₹57550 lakhs for the years 2014-15 to 2016-17 respectively, at the existing level of tariff.

The MBPT has stated that it has considered a Foreign Exchange rate of ₹59.86 per US$ to estimate the dollar denominated vessel related income, for each of the years 2014-15 to 2016-17. In respect of the income estimates from dollar denominated tariff items the exchange rate prevailing at the time of analysis of the case is considered uniformly for estimation of income from dollar denominated tariff items, for all the years under consideration.

In our analysis, since the major part of the financial year 2014-15 is already over, and since the actual dollar exchange rate for the said period is known, the vessel related income from the foreign going vessels for the year 2014-15 is estimated based on the average exchange rate of ₹60.53

per US$ that prevailed during the period from April to November 2014. For the years 2015-16 and 2016-17, an exchange rate of ₹62.42 per US$ is considered as prevailing at the time of concluding the analysis of this case.

Thus, the moderated operating income related to Vessel related activity considered in the Cost statement is ₹54501 lakhs, ₹57358 lakhs and ₹59123 lakhs for the years 2014-15 to 2016-17 respectively.

(c). The MBPT has reported that it has considered increase in Estate income to escalate by 4% per annum. The Land Policy Guidelines of 2010 which prevailed when the MBPT filed the proposal in July 2013 permitted 4% escalation per annum. The operating income estimates at the existing level of tariff relating to Railway activity, Estate activity and Stevedoring activity for the years 2014-15 to 2016-17 are relied upon as furnished by MBPT.

(d). Thus, the total estimated operating income for MBPT as a whole works out to ₹1347.10 crores, ₹1401.42 crores and ₹1447.62 crores for the years 2014-15 to 2016-17 respectively, instead of ₹1343.23 crores, ₹1386.16 crores and ₹1431.90 crores, as estimated by MBPT. The difference arises on account of variation in exchange rate, as explained earlier.

(ix). The estimates of operating expenses for the years 2014-15 to 2016-17 are discussed as given below:

(a). The annual escalation of the cost estimates is considered in terms of Clause 2.5.1 of the Tariff Guidelines of 2005 which requires that the expense projections of the major ports and terminal operators should be in line with traffic adjusted for price fluctuation with reference to current movement of Wholesale Price Index for all commodities as announced by the Government of India. The escalation factor to be adopted in respect of tariff cases to be disposed during the year 2014-15 has been announced at 6% by this Authority.

(b). In the estimation of expenses for some items of expenditure in some years, the MBPT is sometimes seen to have not considered any escalation factor or seen to have considered a lower escalation factor and in the estimation of some items of expenditure, a higher escalation factor has been considered by the port to estimate the expenditure.

(c). The lower escalation factor as considered by the port to estimate the expenditure is relied upon. However, where the MBPT has considered a higher escalation factor, the same is restricted to 6% over the actuals for the year 2013-14 to estimate the expenditure for the year 2014-15 and the escalation factor of 6% is considered to estimate the expenditure for the years 2015-16 and 2016-17, over the respective previous years, irrespective of the escalation factor considered by the MBPT for estimation of expenditure under each of the activity viz., Cargo, Vessel, Railway, Estate and Stevedoring activity.

(x). Clause 2.7.1 of the Tariff guidelines of March 2005 stipulates that for the purpose of depreciation of assets, straight line method following the life norms adopted as per the Companies Act will be allowed in the case of Port Trusts. In this regard, the MBPT was advised vide Order of October 2011 to adhere to the norms prescribed in Clause 2.7.1. of the tariff guidelines of 2005 during the next review of its tariff. Accordingly, the MBPT has confirmed that the depreciation of assets has been computed as specified in clause 2.7.1 of the 2005 tariff guidelines. The amount of depreciation as estimated by the MBPT is considered in the analysis.

(xi). The principal components forming part of Management and General Overheads are Store keeping, Labour Welfare & Medical Expenses, Residual Administration & General Expenses and Engineering & workshop overheads. In the estimation of Management and General Overheads for the years 2014-15 to 2016-17, an escalation factor of 6% is considered over the estimates of the respective previous year, taking the actuals for the year 2013-14 as base.

(xii). The estimated Finance and Miscellaneous Income for the years 2014-15 to 2016-17 as estimated by MBPT is seen to mainly comprise of Rent from Quarters, Hire of sundry Plant, Sale of Coupons at Canteen, Recovery of Diet Charges, Collection of Training fees from DNB etc. It is seen that the Finance and Miscellaneous Income estimated by the MBPT for the years 2014-15 to 2016-17 is seen to be less as compared to the actuals for the year 2013-14. However, the MBPT has stated that Finance and Miscellaneous Income cannot be accurately estimated. The estimates of Finance and Miscellaneous income for the years 2014-15 to 2016-17, as furnished by the MBPT is relied upon in this analysis.

(xiii). The Finance and Miscellaneous Expenditure for the years 2014-15 to 2016-17 as estimated by MBPT comprises of Contribution to Pension Fund and PLB/PR. As the 2005 Guidelines provide an option to the port to consider either Contribution to Pension Fund or Pension payment paid to pensioner, MBPT has reported to have considered the contribution to pension fund, based on the Actuarial valuation by LIC and availability of funds. With regard to PLB/PR, the MBPT has stated to have considered the actual expenditure of 2013-14 on a conservative basis for the future period. The estimates of Finance and Miscellaneous expenses for the years 2014-15 to 2016-17, as furnished by the MBPT is relied upon in this analysis.

(xiv). (a). The MBPT has not considered any capital additions during the years 2014-15 to 2016-17, on the ground that in the last general revision, this Authority had not considered projects in progress and had advised MBPT to come up with separate proposal six months prior to commissioning of the projects. In this regard, it is relevant here to mention that para 12(xiii) of the MBPT Order of 2011 clearly brings out the reasons for not allowing some of the capital investments during the last general review of tariff of MBPT, as summarized below:

(i). The expenditure of ₹131.00 Crores estimated towards payment to Central Railway for providing rail connectivity between Wadala and Kurla which falls outside the territorial jurisdiction of the port and ₹35.00 Crores considered by the port towards payment to the State Govt. for providing improvement of road connectivity in Anik Panjarpol Road during the year 2011-12 was not considered as the said investments were not to become the assets of the port.

(ii). In the year 2012-13, the cost towards capital dredging (₹540 Crores), filling the P&V Docks (₹ 60 Crores) and laying rail tracks to RCD and road improvement works (₹21.71 Crores) was estimated to be incurred by the port as per the obligation arising out of the Concession Agreement entered into between MBPT and the BOT Operator (pertaining to two off-shore container berths). Since the benefit of the said investments would be availed only on the commissioning of the off-shore berths and also only by the containers and the vessels visiting the offshore berths, it was not felt appropriate to burden the vessels and cargo interests not availing these facilities to share the cost incurred by the Port by way of increased tariff, and hence was not considered.

(iii). For the project of dredging and infrastructure development for handling bigger ships at 18 to 21 Harbour Wall, Indira Dock, estimated to be incurred during the year 2012-13, based on the submissions made by MBPT then, it was felt that the asset may be commissioned only beyond the tariff cycle under consideration and hence not considered.

(iv). The capital investments relating to project of deepening and widening of common portion of main channel of Mumbai Harbour estimated to be carried out jointly with JNPT, the project of construction of a New Cruise Terminal at Gateway of India and construction of the fifth oil berth at Jawahar Dweep, based on the submissions made by MBPT then, it was felt that the assets may be commissioned only beyond the tariff cycle under consideration and hence were not considered in the last tariff cycle.

(v). Thus, based on the information furnished by the MBPT then, the capital additions were not factored in the last tariff revision of MBPT. However, if the MBPT was in a position to complete and commission the projects (excluding specifically disallowed investments), it was advised to come up with a suitable tariff proposal with cost details, six months before the scheduled date of commissioning of the facility.

(b). Thus, from the above, it can be seen that it was in this context, that the MBPT was advised to come up with a suitable tariff proposal with cost details, six months before the scheduled date of commissioning of the facility. The information on the Major capital assets to be commissioned during the tariff validity period from 2014-15 to 2016-17 furnished by MBPT provide only estimated cost and anticipated date of completion. Even now, had the port furnished the details of the investments proposed to be undertaken by it in the current tariff cycle, in the prescribed tariff filing formats, then based on the position that the said asset would be put into use in the current tariff cycle, the cost of such assets would have been taken into account. The port has, however, chosen to not consider any capital additions in the current tariff cycle. It is the option of the MBPT.

(c). As stated above, the MBPT has not proposed to consider any capital additions during the years 2014-15 to 2016-17 for tariff review. Therefore, the net block of assets as reflected in the Annual Accounts for the year 2013-14 is taken as base to determine the net block of assets for the years 2014-15 to 2016-17. While doing so, the cumulative impact of depreciation on assets assumed to have been utilized by the Port to have been met from Escrow Account during the year 2011-12 and 2012-13, have also been taken into account for each of the year 2014-15 to 2016-17. Further, for the reasons stated earlier, the net block of assets pertaining to the BDLB is also considered in the analysis.

(d). The MBPT has considered working capital for the years 2014-15 to 2016-17. Based on norms prescribed in clause 2.9.9 of the tariff guidelines, the current assets in terms of Debtors and Cash balances are worked out for the years 2014-15 to 2016-17. In the absence of details about consumption of spares, the value of Inventory is considered as furnished by the Port. The value of current liabilities is considered as furnished by the MBPT. The working capital so derived works out to ₹4530 lakhs, ₹4558 lakhs and ₹4578 lakhs for the years 2014-15 to 2016-17.

(e). Thus, the Capital Employed comprising of Net Fixed Assets of port as well as BDLB and the Working Capital works out to ₹48685 lakhs, ₹42712 lakhs and ₹38647 lakhs for the years 2014-15 to 2016-17 respectively, as against the figures of ₹49346 lakhs, ₹42841 lakhs and ₹38176 lakhs estimated by the MBPT for the said years respectively.

(f). Clause 2.9.7 and 2.9.8 of the tariff guidelines of March 2005 stipulates classification of port assets into business assets, business related assets and social obligation assets. The ratio of business assets and business related assets for the port as a whole has almost been maintained by MBPT in the ratio of 97 : 3, similar to the ratio considered in the past years viz., 2011-12 to 2013-14. The MBPT has not estimated any Social Obligation assets. The position relating to Segregation of assets, as considered by the Port is relied upon for the purpose of allowing return.

(xv). The actual design capacity of the port as furnished by the MBPT is 49.25 MMTPA for the year 2013-14. Considering the position that the MBPT has not proposed any capital investments during the years 2014-15 to 2016-17, the said capacity of 49.25 MMTPA is considered as the capacity of the port for all the years 2014-15 to 201-17, instead of the designed capacity furnished by the MBPT at 50.25 MMTPA, 52.25 MMTPA and 60.85 MMTPA for the said years respectively. Thus, taking into account the estimated traffic proposed to be handled by MBPT during the said years, the capacity utilization of the port works out to 125.37%, 124.40% and 110.11% for the years 2014-15 to 2016-17 respectively. The reason for capacity utilization working out more than the estimated traffic has been explained in the earlier part of this analysis.

As per clause 2.9.10 of tariff guidelines of 2005, maximum permissible return will be allowed for capacity utilisation of 60% and above. Since the estimated capacity utilisation is more than 60%, the MBPT is eligible for maximum permissible return. Accordingly, Return on Capital employed at 16% on business assets and 8.90% for business-related assets are considered for all the years 2014-15 to 2016-17.

(xvi). (a). In the light of the analysis given above, the cost statements for the port as a whole and also for the different main activities/ sub-activities have been modified. The modified cost statements are attached as **Annex – II (a) to (f)**. The summarised position of the results disclosed by the financial/ cost statements is tabulated below:

Sr. No	Particulars	Operating Income (₹ in crores)				Net Surplus(+)/ Deficit(-) (₹ in crores)				Net Surplus(+)/ Deficit(-) as a % of operating Income			Average Surplus/ Deficit %
		2014-15	2015-16	2016-17	Total	2014-15	2015-16	2016-17	Total	2014-15	2015-16	2016-17	
1	**Port as a whole**	**1347.10**	**1401.42**	**1447.62**	**4196.14**	**-733.90**	**-740.73**	**-745.26**	**-2219.89**	**-54.48%**	**-52.86%**	**-51.48%**	**-52.94%**
	Cargo	589.23	607.94	626.63	**1823.80**	-443.33	-449.84	-443.23	**-1336.40**	-75.24%	-74.00%	-70.73%	-73.32%
	Vessel	545.01	573.58	591.23	**1709.82**	38.79	50.92	50.70	**140.40**	7.12%	8.88%	8.57%	8.19%
	Railway	12.82	13.22	16.26	**42.30**	-106.23	-108.92	-109.22	**-324.37**	-828.86%	-823.77%	-671.57%	-774.74%
	Estate	120.90	125.04	129.34	**375.29**	90.25	90.94	91.52	**272.72**	74.65%	72.73%	70.76%	72.71%
	Stevedoring	79.13	81.64	84.15	**244.92**	-313.39	-323.82	-335.03	**-972.23**	-396.05%	-396.64%	-398.11%	**-396.93%**
		589.23	607.94	626.63	1823.80	-443.33	-449.84	-443.23	-1336.40	-75.24%	-74.00%	-70.73%	**-73.32%**
2	**Cargo activity**	**589.23**	**607.94**	**626.63**	**1823.80**	**-443.33**	**-449.84**	**-443.23**	**-1336.40**	**-75.24%**	**-74.00%**	**-70.73%**	**-73.32%**
	General Cargo handled at Docks	234.88	242.34	249.78	**727.00**	-566.04	-580.23	-596.04	**-1742.31**	-240.99%	-239.43%	-238.62%	-239.68%
	General Cargo handled at Bunders	18.35	18.93	19.52	**56.80**	-24.40	-23.37	-22.37	**-70.14**	-132.94%	-123.44%	-114.63%	-123.67%
	Crane Vessels	0.28	0.29	0.30	**0.88**	-9.39	-9.66	-9.94	**-28.99**	-3313.18%	-3300.93%	-3297.04%	-3303.72%
	Uncleared Warehouse	117.75	121.49	125.22	**364.46**	23.29	23.28	23.01	**69.59**	19.78%	19.17%	18.37%	19.11%
	POL & Liquid Chemicals	217.97	224.89	231.81	**674.67**	133.21	140.13	162.12	**435.45**	61.11%	62.31%	69.94%	64.45%
		545.01	573.58	591.23	1709.82	38.79	50.92	50.70	140.40	7.12%	8.88%	8.57%	**8.19%**
3	**Vessel activity**	**545.01**	**573.58**	**591.23**	**1709.82**	**38.79**	**50.92**	**50.70**	**140.40**	**7.12%**	**8.88%**	**8.57%**	**8.19%**
	Port Conservancy	146.35	154.79	159.56	**460.70**	191.68	199.83	204.25	**595.76**	130.97%	129.09%	128.01%	129.36%
	Berth hire	88.69	94.06	96.95	**279.71**	-111.81	-112.07	-115.27	**-339.15**	-126.06%	-119.15%	-118.89%	-121.37%
	BM at Bunders (MOT - Pir Pau)	93.29	96.25	99.21	**288.74**	-56.26	-56.95	-58.07	**-171.28**	-60.31%	-59.17%	-58.54%	-59.34%
	Dry Docking	7.11	7.34	7.57	**22.02**	-23.74	-24.06	-24.42	**-72.22**	-333.75%	-327.83%	-322.79%	-328.12%
	Towage & Pilotage	180.48	191.13	197.01	**568.62**	7.85	12.49	11.93	**32.28**	4.35%	6.54%	6.06%	5.65%
	Ship Breaking	29.09	30.01	30.94	**90.04**	31.06	31.68	32.27	**95.02**	106.78%	105.55%	104.32%	105.55%

(b). As stated earlier, the validity of the existing Scale of Rates of MBPT has been extended beyond 31 March 2014, subject to the condition that the surplus over and above the admissible cost and permissible return accruing to MBPT for the period after 1 April 2014 will be set-off fully in the tariff to be fixed for the next cycle. However, the MBPT will be in deficit to the tune of ₹733.90 crores during the year 2014-15. Therefore, the question of set off of the surplus of the year 2014-15 does not arise.

(c). As can be seen from the above table, the MBPT would be in deficit to the tune of around ₹2219.89 crores during the years 2014-15 to 2016-17 at the existing level of tariff. In view of the deficit position depicted by the cost statements for the port as a whole at the existing level of tariff, there is a case for upward revision of tariff.

(d). The Railway activity is in deficit to the tune of ₹ 324.37 crores. Absorption of the deficit relating to the railway activity will mean acceptance of flow of new cross subsidy in this activity from other services which will not be in line with the guideline position. The 2005 tariff guidelines stipulates to contain flow of cross subsidy and to eventually phase it out. Moreover, regulation of railway related charges do not fall under the jurisdiction of this Authority. The port is, therefore, advised to file a suitable proposal with the Railway Board seeking hike on the railway related charges to recover the deficit, if found necessary. Therefore, for deciding the tariff to be fixed for the current tariff cycle, the railway deficit has been excluded. It is relevant here to mention that in the tariff revision of other ports such as Visakhapatnam Port Trust, V.O Chidambaranar Port Trust and Chennai Port Trust, the deficit position relating to railway activity was excluded while determining the tariff increase/ decrease to be allowed to the concerned port for other activities.

(e). As seen from the above table, the Estate activity for the years 2014-15 to 2016-17 reflects an aggregate surplus to the tune of ₹272.72 crores. Clause 2.11.5 of the 2005 guidelines calls for the Estate activity to contribute to meet the deficit in the port operations in the short term. Since the estimated cost/ financial position of MBPT is in deficit, the surplus of the Estate related activity may be utilized to cross subsidize the other deficit making activities of the port.

(f). The aggregate deficit of the Cargo and the Stevedoring activity for the years 2014-15 to 2016-17 is to the tune of ₹2308.63 crores (₹1336.40 crores and ₹972.23 crores). After taking into account the surplus of the Estate activity as quantified at ₹272.72 crores above, it leaves a balance deficit to the tune of ₹2035.92 crores in the Cargo and Stevedoring activity taken together. In this connection, it is relevant to mention here that some of the sub-activities within the Cargo related activity viz., Uncleared warehouse and POL & Liquid Chemicals reflect a surplus position. Thus, going by the cost position reflected by the Cost statement of the individual sub-activities, the deficit making sub-activities under Cargo handling activity viz., General cargo handled at Docks, General cargo handled at Bunders and the Crane vessels would have warranted an increase of about 240%, 124% and 3304% respectively over the existing level of tariff and the surplus making sub-activities under Cargo handling activity viz., Uncleared Warehouse and POL & Liquid Chemicals would have warranted a reduction to the tune of about 11% and 64% on the existing level of tariff, so as to enable the port to meet the quantum of entire deficit reflected by the Cargo handling activity.

(g). The deficit of ₹2035.92 crores quantified above in the Cargo and Stevedoring activity taken together, is after the surplus making sub-activities cross subsidizing the other deficit making sub-activities within the cargo related activity. Considering the position that the revised tariff may come into force at MBPT from February 2015, it is seen that only 26 months in the current tariff cycle is available i.e. February 2015 to March 2017. Thus, the said net deficit of the cargo and stevedoring activity taken together as a percentage of estimated cargo handling and stevedoring income for the remaining 26 months works out to about 135%.

(h). However, it is noteworthy that the MBPT has sought an across the board increase of only 23% in the cargo handling activity. Considering the overall deficit of cargo handling activity, even if an across the board increase of only 23% in the cargo handling activity is granted as sought by the port, the Cargo handling activity would still continue to be in deficit. Further, as submitted by MBPT while responding to the comments of All India Liquid Bulk Importers Exporters Association (AILBIEA), the existing rates of POL in MBPT have been in force since 2001 as no increase has been granted during the last two comprehensive revision of tariff of MBPT, undertaken in the years 2006 and 2011. In view of this position, and considering that the cargo handling activity will continue to be in deficit even after granting increase of 23% in the other sub activities under the main cargo handling activity, it is felt appropriate to grant an increase of 23% on all the cargo related charges, including the charges pertaining to Uncleared Warehouse and POL & Liquid Chemicals.

(i). As can be further seen from the above table, though some of the sub-activities within the Vessel related activity i.e. Berth hire, BM at Bunders (MOT - Pir Pau) and Dry Docking reflect a deficit position, the Vessel related activity as a whole reflects a surplus position. The surplus making sub-activities within the Vessel related activity i.e. Port Conservancy, Towage & Pilotage and Ship Breaking, after cross-subsidising its deficit making sub-activities, the Vessel related activity reflects a surplus to the tune of ₹140.40 crores. Considering the position that the revised tariff effected may come into force at MBPT from February 2015, it is seen that only a period of 26 months in the current tariff cycle is available i.e. February 2015 to March 2017. Thus, the said surplus of the vessel related activity as a percentage of estimated vessel related income for the remaining 26 months works out to about 11%.

(j). In view of the surplus position reflected by the Vessel related activity, there is no scope to effect any increase in the Vessel related charges, as proposed by the port. However, considering the position that a substantial quantum of the deficit of the cargo related activity and stevedoring activity of MBPT has been left uncovered, it is felt appropriate to maintain the Vessel related charges at the existing level, instead of effecting reduction in the existing Vessel related charges. By not effecting reduction in the existing Vessel related charges, as warranted by the cost position, the port will not be put into any undue advantageous position, as even after the flow of cross subsidization, the port as a whole is estimated to be in deficit during the tariff cycle under consideration.

(k). During the proceedings relating to the case in reference as well as during the joint hearing, all the users have raised serious concern about the condition of the infrastructure facilities and the problems encountered by concerned stakeholders at the MBPT on account of the status of infrastructure facilities. Some of the users have also objected to the increase in the rates proposed by the MBPT considering the reported poor infrastructure of MBPT. Clause 2.11.1 of tariff guidelines of 2005 requires that tariff should be commensurate to the services provided by a Port

Trust. Infrastructure plays significant role in provision of quality services. The Infrastructure Report furnished by the MBPT reflects the capital works undertaken by the MBPT during the past three years as well as those proposed to be undertaken by the MBPT in the current tariff cycle. Though the decision to grant increase in rates is governed by the deficit cost position as reflected by the cost statement, which is inevitable, the MBPT is advised to endeavor to adequately address the concerns of the users while rendering the port services.

(l). As brought out in the part of this order relating to factual position, the MBPT has sought an increase of 70% in the License (Storage) Fees and Warehousing Charges. Further, the MBPT has proposed introduction of Slipway charges in the proposed Scale of rates. As reported by the MBPT, the said License (storage) Fees, warehousing charges and Slipway charges are to be fixed following the Land Policy Guidelines. As per Clause 8 of the tariff guidelines of March 2005, this Authority is mandated to follow the Land Policy Guidelines issued by the Government from time to time for the purpose of determining estate related charges for the estates of Port Trusts. The Ministry of Shipping in the Government of India has announced Land Policy Guidelines for Major Ports, 2014 in January 2014 which has come into effect from 2 January 2014. As a result, the fixation of License (Storage) Fees and Warehousing Charges is to be governed by the provisions of the Land Policy Guidelines of 2014.

Para 18 of the Land Policy Guidelines for Major Ports, 2014, provides for five factors for determination of Market value of port land. The 2014 guidelines clearly recommends consideration of the highest of the five factors for determination of the latest market valuation of land, in the normal course. Clause 18(b) of the said guidelines also stipulates that Reserve Price in terms of annual lease rent would be arrived, as a percentage of latest market value of land determined based on the five factors in accordance with para 18(a) and that the percentage should not be less than 6% which is to be fixed by the Port Trust Board. Further, as per clause 18(a) read with clause 16.2(e) of the Land Policy Guidelines 2014, a Land Allotment Committee (LAC) constituted by the Port Trust Board consisting of Deputy Chairman of the Port, and Heads of Departments of Finance, Estate and Traffic shall determine the market value of land as per the methodology prescribed in clause 18(a).

Mere comparison of existing rates with Ready Reckoner Rates of 2013 does not fully meet the stipulations contained in the Land Policy Guidelines of 2014. If the rates reflecting the market condition are quite high, Land Policy 2014 provides for moderation of Rates backed by reasons.

Since the MBPT has not determined the License (Storage) Fees, Warehousing Charges and Slipway charges based on the stipulation contained in the Land Policy Guidelines of 2014, it is felt appropriate to prescribe the License (Storage) Fees and Warehousing Charges at the existing level only and not prescribe any Slipway charges at this juncture. The MBPT is advised to formulate a well analysed proposal to prescribe License (Storage) Fees, Warehousing Charges and Slipway charges in line with the stipulations contained in the Land Policy Guidelines of 2014. Incidentally, it is relevant here to mention that the MBPT has recently filed a separate proposal for fixation of market value and Reserve price for some plots of land within the port limits, after following the procedure as envisaged in the Land Policy Guidelines of 2014, which has been approved by this Authority.

The MBPT, while responding to one of our queries, has stated that in the MBPT general revision order of 2006, the License (Storage) Fees and Warehousing Charges were revised. In this connection, it is to state that the exercise of general revision of Scale of Rates of MBPT undertaken in the year 2006 was the first comprehensive proposal of MBPT. During the proceedings of the relevant case, it was not brought to our notice that the License (Storage) Fees and Warehousing Charges would be governed by the Land Policy Guidelines. It was only during the proceedings relating to the general revision Order of MBPT passed in 2011, when the MBPT had submitted that the proposal for revision of License (Storage) Fees and Warehousing Charges was not formulated as per Land Policy 2010, that no revision was effected on the said charges and the port was advised to propose these rates following the Land policy Guidelines of 2010 announced by the Government, prevailing then.

(m). Thus, based on the analysis given above, it is decided to grant a 23% increase only in the existing Cargo related and stevedoring charges and miscellaneous charges. In this connection, there may be an argument that the port has sought an increase of 23% with effect from 01 April 2014, whereas, the increase granted will come into effect from February 2015, thereby denying the MBPT of the increase with effect from 01 April 2014. To make good for the time gap, the option available is to grant a quantum of increase higher than 23% during the remaining tariff cycle of 26 months i.e. February 2015 to March 2017. In fact, it was communicated to the MBPT that the estimated deficit, if any, from 1 April 2014 till the effective date of implementation of the revised tariff will be covered by tariff increase for the remaining period of tariff cycle. However, this Authority is not in a position to grant increase *suo moto* more than 23%, considering that the port itself has sought an increase of only 23%, though, as per its deficit position, it could have sought a higher percentage of increase. Nevertheless, this Authority is open to consider a proposal from MBPT in this regard, if the port so desires, to grant a higher quantum of increase beyond 23%, to be effective prospectively, to make good the revenue for the loss of time.

(xvii). The MBPT has introduced the definition of ‘barge’, ‘crew boat’ and ‘offshore supply vessel’ in the proposed Section 1.1. Similarly, the MBPT has proposed modification to the existing definition of ‘Telegraph vessel’ so as to refer the Telegraph vessel as cable ship.

The definition for the terms ‘barge’, ‘crew boat’, ‘offshore supply vessel’ and ‘Telegraph vessel’ are not prescribed in the Scale of Rates of other major port trusts. Nevertheless, the users have neither objected to the definition of the said terms nor did propose any modification to the proposed definitions. Since the proposed definitions are to have clarity while levying charges the definition of the terms like ‘barge’, ‘crew boat’, ‘offshore supply vessel’ and ‘Telegraph vessel’ is approved, as proposed by the MBPT.

(xviii). The existing definition of Transhipment cargo covers transshipment in import cycle when cargo landed in Mumbai is ‘reshipped’. The MBPT has proposed to modify the existing definition of ‘Transhipment cargo’ so as to add the words “removed” to other Ports by same or any other vessel also. MBPT has also proposed to explicitly state that the Transhipment of cargo is applicable to import oriented cycle only and not for export oriented cycle. Similarly, the MBPT has proposed to modify the existing definition of ‘Transhipment container’ so as to cover containers transhipped through same or another vessel. The modifications have been proposed by MBPT reportedly to bring in more clarity in the definitions. The proposed modifications are approved.

(xix). In line with clause 2.18.2 of the tariff guidelines, the existing note has been modified to reflect the prevailing Prime Lending Rate of State Bank of India at 14.75 %.

(xx). In the existing scenario, Supply vessels/ tugs going to Mumbai Floating Light (MFL) / MPL (Nhava Sheva Cross Line) were treated as leaving Mumbai Port and going to sea and next arrival of the vessel at MBPT was treated as fresh voyage. In the proposed Scale of Rates, the MBPT has proposed to modify the said note by replacing the word “MFL” with “beyond Mumbai Port Trust revised port limits”, as MFL is reportedly within the Port’s revised limits, so that only the Supply vessels / tugs going beyond extended port limit will have to be treated as leaving Mumbai Port and going to sea and next arrival of the vessel shall be treated as fresh voyage for the purpose of levy of vessel related charges. Further, the MBPT has proposed to bring any vessel and barges within the scope of this note as any vessel or Barges are also used as offshore supply vessels. The proposed modifications are approved.

(xxi). Instead of the existing prescription at sl no. 15 of Section 2.18, to levy stevedoring charge at 20% more than the applicable rates for cargo handled at docks on cargo handled at stream, the port has proposed levy of 35% of the charge applicable with reference to the rates for cargo handled at docks. By way of this modification, the MBPT has reported that there would be a reduction of stevedoring charges on cargo discharged in mid-stream, thereby reducing the cost of handling of those users who bring cargo to the Port and thus enabling the port to retain and attract traffic. The proposed prescription is approved.

(xxii). (a). Section 2.18 of the existing Scale of Rates prescribes foreign and coastal Charges for providing On Board Stevedoring Services for various types of commodities/ services payable by the Indenters/ Vessel Agents/ Vessel Owners/ Container Operators. In the said section, a separate per tonne rate is also prescribed for cargo brought by coastal barges.

The MBPT has now proposed to introduce note nos. (iv) to (ix) to the said Section. The notes are proposed to the effect that the term “Vessel” will include boats, barges and craft of GRT 1000 and above and that the rate for Cargo handled by coastal barges will be applicable on cargo brought and loaded by barges (having GRT less than 1000) plying between MBPT and other nearby Indian Ports and that for cargo brought and loaded by barges (having GRT of more than 1000) plying between MBPT and other nearby Indian Ports, the barge would be treated as coastal vessel and the coastal rates as per type of cargo/ commodity of Section 2.18 of SOR are applicable. The MBPT has also described the scenarios when the Stevedoring charges would be recovered treating the vessels as “foreign vessels” and the scenarios when the Stevedoring charges would be recovered treating the vessels as “coastal vessel”. Further, a note has also been proposed to enable the port levy stevedoring charges in respect of cargo discharged/ loaded in stream provided the barges are brought to the Docks or at Bunders in respect of import cargo and vice versa in respect of export cargo.

The notes proposed now by MBPT are seen to regularise its existing arrangement of charging stevedoring charges recovered for cargo brought by barges, which is already in vogue. Since there is no objection from the users, the proposed notes are approved.

(b). The MBPT has proposed inclusion of dredgers, tugs and passenger boats of less than 1000 GRT within the scope of levy of berth hire charges at note no. 4 under section 2.17 of the proposed Scale of Rates. In this connection, the MBPT has reported that dredgers are deployed to carry out capital dredging/ maintenance dredging of MBPT and also deploying of tugs and passenger boats for carrying out minor repairs/ shelter, which require berthing facility. According to MBPT, most of these dredgers, passenger boats and tugs are less than 1000 GRT and in the absence of an adequate provision in the existing SOR, these dredgers/ tugs/ passenger boats are treated as a vessel, which acts as detrimental to the trade. Since the proposed modifications will give relief to the users, the proposed modifications are approved.

(xxiii). In the existing Section 2.19 which prescribes charges for use of Dry Docks, the existing note no. 9 states that no separate charge will be levied for docking/undocking on Sundays and Customs notified holidays and port non-working days. Now, the MBPT has proposed to insert the provision in the said note that docking/ undocking programme should be prepared in advance in such a way to avoid docking/ undocking of vessels from dry docks on Sunday and Customs notified holidays and Port non-working days. The MBPT has stated that though the proposed modification is a part of operating procedure, the note will enable it remove any deficiency in service and would prove to be beneficial to the port. Since the proposed modification help the port in effectively operate its dry docking facility, the proposed modification is approved.

(xxiv). The MBPT has introduced licence fees for renewal / issue of dry dock permission for carrying out ship repair specialized job on board vessels as sl. no. III under Section 2.19. In this connection, the MBPT has stated that the existing Licence fees for renewal/ issue of dry dock/ permission for carrying out ship repair specialized job on board vessels are effective from 2005 and have not been revised thereafter. However, the existing Scale of Rates of MBPT do not prescribe any such charges. The working furnished by the port is in support of the rate of ₹36800/- for issue of new/ renewal of Annual Dry Dock Licence. No basis has been furnished to arrive at the rate of ₹1050/- per application form and no workings have been furnished to arrive at the rate of ₹18400/- for issue of Annual Specialised Job Category I registration and ₹3700/- per job per year for issue of Annual Specialised Job category II. In the absence of requisite details and workings the proposed charges for application form, job category I and II are not approved. In this connection, approval to the rate of ₹36,800/- for issue of new / renewal of Annaul Dry Dock licence alone, may not serve any purpose to MBPT, as they all form part of same tariff category. Therefore, the proposed provision in totality is not approved. The port is advised to file a separate proposal in this regard, supported by cost details for all tariff items. All the same time, the MBPT is advised to refrain from levy of charges, which do not have the approval of this Authority.

(xxv). The existing Scale of Rates of MBPT prescribe wharfage charges to be levied on Import and Export Iron and steel Materials (excluding scrap, dross and ores). The MBPT, in addition to the existing excluded items like scrap, dross and ores has now proposed to expand the exclusive list so as to specifically exclude Structures and parts of structures viz. bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frame-works, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns etc. of iron or steel, plates, rods angles, shapes, sections, tubes and the like, prepared of Iron or Steel for use in structures. The proposed elaboration is reported to be to enable the port to levy wharfage on ad-valorem basis on such high value sophisticated cargo, instead of the per tonne rate.

Considering the position that the Clause 4.2.2 of the 2005 guidelines stipulates all the ports to phase out Ad-valorem wharfage rates, the question of including more cargo items (in addition to the existing cargo items) within the ambit of levy of Ad-valorem wharfage rates does not arise. As a result, this Authority may not be in a position to approve the modification as proposed by the port at this juncture. However, if the port is of the view that handling of such high value sophisticated cargo warrants a levy of higher wharfage rate, the port is advised to come up with a well analysed proposal for levy of wharfage on such goods on per unit levy basis. Further, Clause 4.2.2 of the 2005 guidelines stipulates the port to phase out Ad-valorem wharfage rates over a period of five years. The current general review of tariff of MBPT is the third revision of tariff of MBPT after the issue of the 2005 Guidelines. It is noteworthy that many of the major port trusts have already phased out levy of advalorem wharfage charges. The MBPT is also advised to phase out Ad-valorem wharfage rates during the next review of its tariff.

(xxvi). The Sl. no. 2 of the existing Wharfage schedule prescribes wharfage charges for Arms, Ammunitions, Explosives, Defence Stores. The MBPT has now proposed to include Defence equipment/ machinery to the existing entry.

Further, the note no. 11 under the existing Wharfage schedule states that before classifying any cargo under unspecified category in the wharfage schedule, 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 wharfage schedule. The MBPT has now proposed modification to the said note in such a way as to also state that in respect of Defence Stores and Defence equipment/ machinery, which can be classified under Sl. No.2 of Section 3.1(A), such reference to Customs classification will not be applicable.

In addition, the MBPT has also introduced a note to the effect that "Defence stores" would include 'Bombs, grenades, torpedoes, mines, missiles, and similar munitions of war and parts thereof: cartridges and other ammunition and projectiles and parts thereof, including shot and cartridges wads' coming under Arms, Ammunition, parts and accessories thereof but the reference to "parts thereof does not include radio or radar apparatus as note no. 2 of Chapter no. 93 of Customs Tariff of India. The changes have been proposed by the MBPT so as to bring in more clarity to the term of defence stores.

In this connection, it may be recalled that based on the position that the Ministry of Shipping (MOS) has received representations with regard to the levy of wharfage charges by the Chennai Port Trust (CHPT) and Mumbai Port Trust (MBPT) on the defence stores by calculating wharfage under wrong entry in the SORs, the MOS had requested this Authority to deal with the issue of classification of defence stores appropriately in the General notes so that the ambiguity in charging wharfage is avoided. Accordingly, all the Major Port Trusts were, interalia, requested to propose a suitable conditionality that can be incorporated by way of a general note in the Scale of Rates of respective Major Port Trusts, so as to remove any ambiguity in charging wharfage on goods imported by DRDO for defence purpose and on Defence Stores. However, inspite of a specific request, majority of the major port trusts did not propose any conditionality for incorporation by way of a general note in the Scale of Rates. In the absence of prescription of note by all the major port trusts and considering the position that the manner of treatment of defence stores by the different major port trusts are different, this Authority did not feel it appropriate to suo motu prescribe a common note for common applicability among all major port trusts. In view of this position, all the major port trusts were requested to prescribe a suitable note in their respective Scale of Rates regarding applicability of wharfage rates for Defence Stores in such a way that there is no ambiguity in the mind of users on the application of the prescribed rates. It is in this backdrop that the MBPT appears to have proposed the modifications as brought out above. Given that the modifications proposed by the port would bring in more clarity in levy of wharfage charges on defence stores, the proposed modifications are approved.

(xxvii). The MBPT has introduced demurrage charges for Animals, Birds, Reptiles etc., at sl no. (c) under Section 3.1(B) governing demurrage leviable on all traffic dealt within the relevant areas specified in Appendix 'G' to the MBPT Dock Bye-Laws. The MBPT has stated that in the absence of availability of Demurrage charges in its Scale of Rates, it is not in a position to levy demurrage charges on Animals, Birds, Reptiles etc. are retained or stayed in Port area, thereby resulting in loss of revenue to the port. Though the port has not furnished any workings to arrive at the proposed rates, the slabwise rates proposed to be levied by MBPT on each of the Animals, Birds, Reptiles etc. per day are seen to be based on the existing slabwise per tonne rates leviable by MBPT on all goods classified in the wharfage schedule. The MBPT has also expressed its inability to predict any additional income on account of this new levy on the ground that it is not a regular type of cargo and that the income would depend on the period of stay of the same. Based on the position as brought out by MBPT, the proposal of the port to introduce demurrage charges on Animals, Birds, Reptiles etc. is approved.

(xxviii). The MBPT has introduced a note to the effect that any export cargo for shipment through MBPT but moved out of MBPT area either in break bulk form or after stuffing, with customs permission for any purpose shall be treated as 'Back to town cargo' and shall be levied demurrage as per Section 3.1(B).

Under the existing arrangement, reportedly, demurrage charges are levied on Back to Town Cargo as applicable for Shut out cargo, i.e. from the date of admission of cargo into Dock till and including the date of removal. However, since as per the definition of shut out cargo in the existing SOR, Shut out cargo shall mean any cargo brought into the Port for shipment but not shipped by the designated vessel and is lying in the Port premises and to have clarity on the aspect of levy of demurrage charges on the shut out cargo taken out of Mumbai Port area, the MBPT has proposed a new note, as brought out above. The port has expressed its inability to quantify the additional revenue arising on containerized cargo traffic due to the proposed demurrage charges, due to negligible container traffic at MBPT. Based on the position as brought out by MBPT, the proposal of the port to introduce the note is approved.

(xxix). At present, a free period of 10 days from the date of confirmation of sale is allowed for uncleared cargo sold by MBPT. The MBPT has now proposed to increase the number of free days to 15 days due to time taken for some procedural aspects. Consequently, the MBPT has also proposed to increase the total number of days allowed for clearance following the date of confirmation of Sale from 15 days to 20 days. Thus, the port has proposed to allow a free period of 15 days and allow the goods to be cleared upto a maximum period of 20 days on payment of demurrage charges as per the prescribed rate. The major port trusts have liberty to prescribe the number of free days, as stipulated in Clause 4.5 of tariff guidelines of 2005. Accordingly, the proposal of the port to increase the free days and the consequent clearance period is approved.

(xxx). The existing Section 3.3 (C) prescribes Licence (Storage) Fees on Over-dimensional packages stored in Docks, Sheds and Yards and the conditionalities governing the levy. The MBPT has now proposed a note to the effect that the licence fee on OD packages would be applicable only on receipt of application from the importer and on placement of indent for supply of special wagons. This appears to be a procedural requirement. This Authority does not go into the procedural aspects unless they have impact on tariff. Therefore, the proposed note is not incorporated in the Scale of Rates of the port.

(xxxi). The existing note no. 7 under Section 5(H) prescribes Cargo Management Charge (CMC) to be recovered in case of import/ export containers brought from/ taken to other than MBPT operated berths to/ from its CFS/ Docks pre-stack/ 1 Unclear Warehouse ID for delivery/ loading. The MBPT has now proposed to elaborate the note so as to enable MBPT apportion the Cargo Management Charges provided on per box basis in respect of LCL containers. According to MBPT, since the LCL container contains 2 or more items (consignments) of different consignees, it is experiencing difficulties for recovery of Cargo Management Charges in respect of LCL containers and that the proposed modification would enable it apportion the Cargo Management Charges provided on per box basis in respect of LCL containers. Based on the reasoning furnished by the port, the proposed modification is approved.

(xxxii). The MBPT has introduced wharfage charges and Demurarge charges for Animals, Birds, Reptiles etc.to be handled at Hay Bunder, Haji Bunder, Malet Bunder and New Ferry Wharf (except Fish Jetty) and such other Bunders as may be notified separately, at sl no. (h) under Section 6.2 and at sl no. (d) under Section 6.2 respectively. Inspite of a request, no workings have been furnished to arrive at the proposed wharfage/ demurrage charges. However, the MBPT has stated that the proposed charges are 50% of the wharfage charges and Demurarge charges for Animals, Birds, Reptiles etc. handled at Docks. Further, since the handling of these items is a rarity, the MBPT has expressed its inability to quantify the additional income on account of the proposed levy. From the submissions made by the MBPT, it appears that in the absence of a specific provision in its existing Scale of Rates, it used to levy wharfage charges and Demurarge charges on Animals, Birds, Reptiles etc. at the higher rate as prescribed for the docks. Given that the port has now proposed to recover a lower wharfage charges and Demurarge charges for Animals, Birds, Reptiles etc. handled at Hay Bunder, Haji Bunder, Malet Bunder and New Ferry Wharf, the proposed levy is approved.

(xxxiii). On the ground that during the past three years, ships with an average LDT upto 1305.34 tonnes have been broken within a period of one month, the MBPT has proposed to increase the regulated period for ship breaking of the vessel from 900 LDT to 1300 LDT at Section 7.1, thereby resulting in change in the subsequent slab structure also. Further, MBPT has proposed to discontinue the existing rebate being allowed incase of vessel being broken and removed prior to the expiry of the regulated period, for the reason that with the use of modern equipment, ship breakers are able to complete ship breaking well within the regulated period.

There has been objection from the Ship Breakers with regard to the existing system, where according to them, charging for the whole ship for the entire period per LDT basis discourages larger vessel coming to MBPT. According to the Ship Breakers Association, the manner of calculating the ship breaking charges itself is not correct and it is their submission to review the manner of levy and the charges be levied on the reduced level of quantity. The MBPT has not categorically responded with reference to request made with regard to review the manner of levy of ship breaking charges. There appears to be some merit in the submissions made by the Ship Breakers. In view of this position, the MBPT is advised to come up with a well analysed proposal to review the manner of levy of ship breaking charges, within a period of three months from the date of notification of the Order passed. Given that the matter would be reviewed then, there does not appear to be any justification to effect any modification in the slab structure as proposed by the MBPT at this juncture. The existing arrangement may continue. Nevertheless, the ship breaking charges are also increased by 23%, as proposed by the port.

(xxxiv).The port has proposed to increase the charges for furnishing the copy of an application cum bill from the existing ₹13/- per copy to ₹100/- per copy, at Section 9.1(C) in view of the administrative cost involved. In view of the nominal nature of the levy, the proposal of the port is approved.

(xxxv). The MBPT has introduced prescription of charges for daily permits, renewal etc., at Section 9.2 C and 9.2 D. In this connection, the MBPT has stated that the Charges for issuance of daily Dock Entry Permits (DEPs) and other permits have been prescribed more than a decade ago basically to meet the expenditure incurred on the set of staff deployed at the Permit Section. Since the expenditure incurred on staff deployed at the Permit Section has increased, the MBPT has proposed revision to the Charges. The existing Scale of Rates of MBPT do not prescribe any such charges. The MBPT has quantified the income to be arising on account of the said charges at about ₹2 crores per annum. Though, the users have objected to the rates, it is to be recognised that Dock entry permit charges have been prescribed in the Scale of Rates of other Major Port Trusts. Therefore, it is felt appropriate to prescribe such charges at MBPT also, which are seen to be nominal. Income from levy of these rates constitute only a nominal share of income of the port. Even with the levy of the proposed rates, the cost position of MBPT would continue to be in deficit. In view of this position, the daily permit charges as proposed by the port are approved. However, the MBPT is advised to refrain from levy of charges, which do not have the approval of this Authority

(xxxvi). For the reasons stated earlier, Slipway Charges are not prescribed in the Scale of Rates approved. The MBPT is advised to formulate a well analysed proposal to prescribe Slipway charges in line with the stipulation contained in the Land Policy Guidelines of 2014.

13.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the revised Scale of Rates of the MBPT.

13.2. The effective date of the revised Scale of Rates and conditionalties governing the application of revised Scale of Rates will remain the same as already indicated in the separate order dated 2 January 2015.

13.3 The validity of the existing SOR of MBPT is deemed to have been extended beyond 31 December 2014 till the effective date of implementation of the Order passed.

13.4. Since the estimates of cost and financial position of MBPT has been considered upto 31 March 2017, the tariff approved now shall remain in force till 31 March 2017. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

13.5. The tariff of the MBPT 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 MBPT 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.

13.6. In this regard, the MBPT is requested to 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, this Authority may call upon the MBPT to submit its proposal for an ahead of schedule review. If the MBPT fails to file a tariff proposal within the time limit to be stipulated by this Authority, this Authority may proceed *suo motu* to review the tariff.

(T.S. Balasubramanian)
Member (Finance)

Annex - I

MUMBAI PORT TRUST

Analysis of performance of Mumbai Port Trust for the period from 2011-12 to 2013-14.

₹ in lakhs

Sr. No.	Particulars	Estimates relied upon in the October 2011 Order of MBPT			Actuals		
		2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
	Traffic (In MTs)	60.00	62.00	64.00	56.19	58.04	59.18
I	**Operating Income**						
	(i) Cargo Handling / Container Handling income & BDLB	57438	67314	70240	61427	62404	57369
	(ii) Vessel related income	40218	48221	49778	37426	47044	48815
	(iii) Railway Income	948	948	948	1468	1181	1326
	(iv) Estate Income	11146	11592	12055	11832	11010	23418
	(v) Stevedoring Incl. Chipping & Painting	8180	10113	10440	7322	7290	5972
	Total Operating Income (i to v)	**117930**	**138187**	**143461**	**119476**	**128929**	**136899**
II	**Operating cost (excl depreciation)**						
	(i) Cargo Handling & storage	29670	32711	35002	28420	34370	33990
	(ii) Port and dock facilities	16985	18402	19610	16109	17878	20177
	(iii) Railway Activity	2861	3052	3240	2941	3248	3312
	(iv) Estate Activity	6548	6985	7415	3655	4199	4114
	(v) Stevedoring Incl. Chipping & Painting	15684	16733	17765	15396	18849	18161
	Total Operating Cost (i to iv)	**71748**	**77883**	**83032**	**66521**	**78545**	**79754**
III	Depreciation	6246	6246	6439	6100	5924	6182
IV	Management & General Administration Overheads	22634	24905	26639	26874	31090	31021
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	17302	29153	27351	19981	13370	19942
VI	**Finance & Miscellaneous Income (FMI)**	1183	1183	1183	8279	6983	2449
VII	Finance & Miscellaneous Expenses (FME)	51466	51466	51466	43478	51980	63861
VIII	FMI Less FME (VI) - (VII)	-50283	-50283	-50283	-35199	-44997	-61412
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**-32981**	**-21130**	**-22932**	**-15218**	**-31627**	**-41470**
X	Capital Employed	58426	52208	57203	61465	55059	56768
XI	Return on Capital Employed	9212	8231	9049	9691	8681	8950
XII	Capacity Utilization	100%	100%	100%	115.38%	119.16%	120.17%
XIII	RoCE adjusted for capacity utilization	9212	8231	9049	9691	8681	8950
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**-42193**	**-29361**	**-31981**	**-24908**	**-40308**	**-50420**

Annex - II (a)

MUMBAI PORT TRUST

Consolidated Income & Cost statement for the port as a whole

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
	Traffic (In MTs)	56.19	58.04	59.18	63.00	65.00	67.00	63.00	65.00	67.00
I	**Operating Income**									
	(i) Cargo Handling / Container Handling income	61427	62404	57369	58923	60794	62663	58923	60794	62663
	(ii) Vessel related income	37426	47044	48815	54114	55832	57550	54501	57358	59123
	(iii) Railway Income	1468	1181	1326	1282	1322	1626	1282	1322	1626
	(iv) Estate Income	11832	11010	23418	12090	12504	12934	12090	12504	12934
	(v) Stevedoring activity & Chipping & Painting	7322	7290	5972	7913	8164	8415	7913	8164	8415
	Total Operating Income (i to v)	**119476**	**128929**	**136899**	**134323**	**138616**	**143190**	**134710**	**140142**	**144762**
II	**Operating cost (excl depreciation)**									
	(i) Cargo Handling & storage	28420	34370	33990	37142	41421	46202	36117	38284	40581
	(ii) Port and dock facilities	16109	17878	20177	22682	24604	26740	20859	22276	23798
	(iii) Railway Activity	2941	3248	3312	3643	4040	4482	3510	3721	3944
	(iv) Estate Activity	3655	4199	4114	4555	5020	5536	4361	4622	4900
	(v) Stevedoring activity & Chipping & Painting	15396	18849	18161	19624	22090	24859	19251	20406	21630
	Total Operating Cost (i to v)	**66521**	**78545**	**79754**	**87646**	**97175**	**107818**	**84098**	**89309**	**94853**
III	**Depreciation**									
	(i) Cargo Handling & storage	3207	3258	3706	3711	3640	1746	3711	3640	1746
	(ii) Port and dock facilities	2697	2470	2275	2274	2231	2206	2274	2231	2206
	(iii) Railway Activity	108	110	111	111	104	104	111	104	104
	(iv) Estate Activity	80	77	82	67	61	60	67	61	60
	(v) Stevedoring activity & Chipping & Painting	8	8	8	8	8	8	8	8	8
	Total Depreciation (i to v)	**6100**	**5924**	**6182**	**6171**	**6044**	**4124**	**6171**	**6044**	**4124**
IV	**Allocated share of Management and General overheads including Administration & General expenses**									
	(i) Cargo Handling & storage	13696	16462	16156	17529	19301	21266	17126	18153	19242
	(ii) Port and dock facilities	8253	9041	9319	10110	11132	12266	9878	10470	11099
	(iii) Railway Activity	1548	1730	1792	1944	2141	2359	1899	2013	2134
	(iv) Estate Activity	1460	1664	1549	1680	1850	2038	1641	1740	1844
	(v) Stevedoring activity & Chipping & Painting	1917	2194	2206	2391	2535	2687	2338	2478	2627
	Total Management & Administration overhead (i to v)	**26874**	**31090**	**31021**	**33655**	**36958**	**40615**	**32883**	**34855**	**36947**
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	19981	13370	19942	6850	-1561	-9368	11558	9933	8839
VI	**Finance & Miscellaneous Income (FMI)**									
	(i) Cargo Handling & storage	4015	4061	1466	246	246	246	246	246	246
	(ii) Port and dock facilities	2481	1878	649	109	109	109	109	109	109
	(iii) Railway Activity	704	403	144	24	24	24	24	24	24
	(iv) Estate Activity	976	338	103	17	17	17	17	17	17
	(v) Stevedoring activity & Chipping & Painting	103	303	87	15	15	15	15	15	15
	Total FMI (i to v)	**8279**	**6983**	**2449**	**411**	**411**	**411**	**411**	**411**	**411**
VII	Finance & Miscellaneous Expenses (FME)									
	(i) Cargo Handling & storage	25579	30378	37335	33231	33231	33231	33231	33231	33231
	(ii) Port and dock facilities	10171	11869	14587	12984	12984	12984	12984	12984	12984
	(iii) Railway Activity	2064	2337	2873	2557	2557	2557	2557	2557	2557
	(iv) Estate Activity	1018	1214	1492	1328	1328	1328	1328	1328	1328
	(v) Stevedoring activity & Chipping & Painting	4645	6181	7574	8300	8300	8300	8300	8300	8300
	Total Pension and PLB/PR (i to v)	**43478**	**51980**	**63861**	**58401**	**58401**	**58401**	**58401**	**58401**	**58401**
VIII	FMI Less FME (VI) - (VII)	-35199	-44997	-61412	-57990	-57990	-57990	-57990	-57990	-57990
IX	**Surplus Before Interest and Tax (V) + (VIII)**	**-15218**	**-31627**	**-41470**	**-51140**	**-59551**	**-67358**	**-46432**	**-48057**	**-49151**
X	**Capital Employed**									
	(i) Cargo Handling & storage	21038	17909	20134	15839	11844	9882	15595	11783	9983
	(ii) Port and dock facilities	34864	31788	31140	28360	26007	23493	27923	25873	23732
	(iii) Railway Activity	4463	4383	4501	4343	4250	4128	4276	4228	4170
	(iv) Estate Activity	977	863	886	804	741	673	791	737	680
	(v) Stevedoring activity & Chipping & Painting	124	116	108	0	0	0	100	91	83
	Total Capital Employed (i to v)	**61465**	**55059**	**56768**	**49346**	**42841**	**38176**	**48685**	**42712**	**38647**
XI	**Return on Capital Employed**									
	(i) Cargo Handling & storage	3317	2824	3174	2452	1826	1526	2462	1860	1576
	(ii) Port and dock facilities	5497	5012	4910	4501	4130	3733	4408	4085	3747
	(iii) Railway Activity	704	691	710	688	675	656	675	667	658
	(iv) Estate Activity	154	136	140	125	116	105	125	116	107
	(v) Stevedoring activity & Chipping & Painting	20	18	17	0	0	0	15	14	13
	Total ROCE (i to v)	**9691**	**8681**	**8950**	**7766**	**6747**	**6021**	**7686**	**6743**	**6101**
XII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIII	RoCE adjusted for capacity utilization	9691	8681	8950	7766	6747	6021	7686	6743	6101
XIV	**Net Deficit (IX) - (XIII)**	-24908	-40308	-50420	-58907	-66298	-73379	-54118	-54800	-55253
XV	**50% of the Past Period deficit set off in the current tariff cycle**		-57818		0	0	0	-19273	-19273	-19273
XVI	**Total Deficit**				-58907	-66298	-73379	-73390	-74073	-74526
XVII	**Total Deficit as a % of operating income (XVI/I in %)**				-43.85%	-47.83%	-51.25%	-54.48%	-52.86%	-51.48%
XVIII	**Average Deficit as a % of operating income**					**-47.64%**			**-52.94%**	

Annex - II (b)

MUMBAI PORT TRUST

Cost statement for cargo handling activity

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	(i) General Cargo at the Docks	30683	28982	24607	23488	24234	24978	23488	24234	24978
	(ii) General Cargo at the Bunders	1573	1579	1230	1835	1893	1952	1835	1893	1952
	(iii) Cranes Vessel	102	26	13	28	29	30	28	29	30
	(iv) Uncleared Warehouse	10474	11032	13744	11775	12149	12522	11775	12149	12522
	(v) POL and Liquid chemicals	18595	20785	17775	21797	22489	23181	21797	22489	23181
	Total	**61427**	**62404**	**57369**	**58923**	**60794**	**62663**	**58923**	**60794**	**62663**
II	**Operating Expenses**									
	(i) General Cargo at the Docks	21555	25096	24771	26891	30020	33519	26229	27803	29471
	(ii) General Cargo at the Bunders	800	813	661	912	1013	1125	898	952	1009
	(iii) Cranes Vessel	217	237	254	278	310	345	269	285	302
	(iv) Uncleared Warehouse	3048	4460	4234	4620	5161	5767	4486	4755	5040
	(v) POL and Liquid chemicals	2801	3765	4070	4440	4916	5446	4235	4489	4759
	Total (i to v)	**28420**	**34370**	**33990**	**37142**	**41421**	**46202**	**36117**	**38284**	**40581**
III	Depreciation									
	(i) General Cargo at the Docks	636	621	622	620	573	548	620	573	548
	(ii) General Cargo at the Bunders	219	299	740	740	737	736	740	737	736
	(iii) Cranes Vessel	1	1	3	3	2	2	3	2	2
	(iv) Uncleared Warehouse	78	81	80	80	74	73	80	74	73
	(v) POL and Liquid chemicals	2273	2256	2260	2267	2254	387	2267	2254	387
	Total (i to v)	**3207**	**3258**	**3706**	**3711**	**3640**	**1746**	**3711**	**3640**	**1746**
IV	**Allocated share of Management overheads**									
	(i) General Cargo at the Docks	10292	11599	11401	12370	13620	15007	12085	12810	13579
	(ii) General Cargo at the Bunders	456	474	327	354	390	430	346	367	389
	(iii) Cranes Vessel	102	106	189	205	226	249	200	212	225
	(iv) Uncleared Warehouse	1458	2032	1890	2050	2258	2487	2003	2123	2251
	(v) POL and Liquid chemicals	1387	2251	2350	2549	2807	3093	2491	2640	2799
	Total (i to v)	**13696**	**16462**	**16156**	**17529**	**19301**	**21266**	**17126**	**18153**	**19242**
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	16104	8314	3516	541	-3567	-6551	1970	716	1094
VI	**Allocated share of FMI**							**615**	**615**	**615**
	(i) General Cargo at the Docks	2514	2929	1069	179	179	179	179	179	179
	(ii) General Cargo at the Bunders	333	135	35	6	6	6	6	6	6
	(iii) Cranes Vessel	19	25	16	3	3	3	3	3	3
	(iv) Uncleared Warehouse	422	484	162	27	27	27	27	27	27
	(v) POL and Liquid chemicals	727	488	184	31	31	31	31	31	31
	Total (i to v)	**4015**	**4061**	**1466**	**246**	**246**	**246**	**246**	**246**	**246**
VII	**Allocated share of FME**							**0**	**0**	**0**
	(i) General Cargo at the Docks	19741	23282	28613	25468	25468	25468	25468	25468	25468
	(ii) General Cargo at the Bunders	628	669	822	731	731	731	731	731	731
	(iii) Cranes Vessel	186	210	258	229	229	229	229	229	229
	(iv) Uncleared Warehouse	2809	3557	4371	3891	3891	3891	3891	3891	3891
	(v) POL and Liquid chemicals	2216	2661	3271	2911	2911	2911	2911	2911	2911
	Total (i to v)	**25579**	**30378**	**37335**	**33231**	**33231**	**33231**	**33231**	**33231**	**33231**
VIII	**FMI Less FME (VI) - (VII)**	**-21564**	**-26317**	**-35868**	**-32985**	**-32985**	**-32985**	**-32985**	**-32985**	**-32985**
IX	**Surplus / deficit (V) + (VIII)**	-5460	-18004	-32352	-32444	-36553	-39536	-31016	-32269	-31892
X	**Capital Employed for the activity**							**0**	**0**	**0**
	(i) General Cargo at the Docks	7857	6563	5663	4934	4327	3718	4858	4304	3756
	(ii) General Cargo at the Bunders	2061	1714	6964	6083	5287	4452	5989	5260	4497
	(iii) Cranes Vessel	57	32	34	31	28	26	30	28	26
	(iv) Uncleared Warehouse	1676	1715	1705	1604	1530	1448	1579	1522	1463
	(v) POL and Liquid chemicals	9386	7885	5767	3188	672	239	3139	669	241
	Total (i to v)	**21038**	**17909**	**20134**	**15839**	**11844**	**9882**	**15595**	**11783**	**9983**
XI	**Return on Capital Employed**							**0**	**0**	**0**
	(i) General Cargo at the Docks	1239	1035	893	728	642	555	767	680	593
	(ii) General Cargo at the Bunders	325	270	1098	971	844	711	945	830	710
	(iii) Cranes Vessel	9	5	5	4	4	4	5	4	4
	(iv) Uncleared Warehouse	264	270	269	250	240	228	249	240	231
	(v) POL and Liquid chemicals	1480	1243	909	497	96	28	496	106	38
	Total (i to v)	**3317**	**2824**	**3174**	**2452**	**1826**	**1526**	**2462**	**1860**	**1576**
XII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIII	RoCE adjusted for Capacity utilization									
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	-8777	-20827	-35527	-34896	-38379	-41062	-33478	-34129	-33468
XV	**50% of the Past Period deficit set off in the current tariff cycle**		-32565		0	0	0	-10855	-10855	-10855
XVI	**Total Deficit**				-34896	-38379	-41062	-44333	-44984	-44323
XVII	**Total Deficit as a % of operating income (XIV/I in %)**				-59.22%	-63.13%	-65.53%	-75.24%	-74.00%	-70.73%

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
XVIII	Average Deficit as a % of operating income					-62.63%			-73.32%	

Annex - II (b) (i)

MUMBAI PORT TRUST

Cost statement for individual subactivities within cargo handling activity

General cargo handled at Docks

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Income from Cargo handling at Docks	17140	18994	15774	19917	20549	21180	19917	20549	21180
	Other Income									
	Hire of PL & Gear/ N/ Cont. Cargo	10	0	0	0	0	0	0	0	0
	Tranship. Charges on N N/Cont.Cargo	37	5	7	5	6	6	5	6	6
	CR./CHRGS FOR H/LIFT CRANES	0	0	0	0	0	0	0	0	0
	STAMP DUTY - ADM.CHARGES	498	387	145	420	433	446	420	433	446
	Reco.-Elect Lighting-DKS,BUND,MOT	316	368	211	445	460	474	445	460	474
	Reim.on A/C of Ham.N/CONT.CARGO	86	34	46	37	38	39	37	38	39
	Comm-Collection of MCGB Octroi	123	150	267	160	165	170	160	165	170
	Reco.-water charges	35	35	20	28	29	30	28	29	30
	Sundry charges-cargo handling/ storage	616	595	4895	658	678	699	658	678	699
	Double Banking/ Lighterage Dues	243	426	471	463	477	492	463	477	492
	Embarkation/ Disembarkation	8	53	63	57	59	61	57	59	61
	Income from OCT	0	0	0	0	0	0	0	0	0
	COMP. I/L from ONGC	2333	2415	2160	1299	1340	1382	1299	1340	1382
	Revenue Share - ICTPL	206	217	0	0	0	0	0	0	0
	Rebates and Discounts	9032	5303	550	0	0	0	0	0	0
	Total income	**30683**	**28982**	**24607**	**23488**	**24234**	**24978**	**23488**	**24234**	**24978**
II	**Operating Expenses**									
	(i) Salary & wages	18661	21830	21875	23610	26443	29616	23187	24579	26053
	(ii) Power	142	188	180	166	176	186	166	176	186
	(iii) Fuel	14	14	15	12	13	14	12	13	14
	(iv) Repairs and maintenance	397	252	310	496	525	557	329	348	369
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	615	936	650	698	740	784	689	731	775
	(vii) General Administration overheads	1726	1875	1741	1910	2123	2361	1846	1957	2074
	Total	**21555**	**25096**	**24771**	**26891**	**30020**	**33519**	**26229**	**27803**	**29471**
III	Cost of surplus manpower	---	---	---				---	---	---
IV	Depreciation	636	621	622	620	573	548	620	573	548
V	Allocated share of Management	10292	11599	11401	12370	13620	15007	12085	12810	13579
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	-1800	-8334	-12187	-16393	-19979	-24096	-15446	-16952	-18620
VII	Allocated share of FMI	2514	2929	1069	179	179	179	179	179	179
VIII	Allocated share of FME	19741	23282	28613	25468	25468	25468	25468	25468	25468
IX	FMI Less FME (VII) - (VIII)	-17227	-20352	-27544	-25289	-25289	-25289	-25289	-25289	-25289
X	**Surplus / deficit (VI) - (VIII)**	-19027	-28687	-39731	-41682	-45268	-49385	-40735	-42241	-43909
XI	Capital Employed for the activity	7857	6563	5663	4934	4327	3718	4858	4304	3756
XII	Return on Capital Employed	1239	1035	893	728	642	555	767	680	593
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	1239	1035	893	728	642	555	767	680	593
XV	**Net surplus / (Deficit) (X) - (XII)**	-20266	-29721	-40624	-42411	-45910	-49939	-41502	-42921	-44502
XVI	**50% of the Past Period deficit set off in the current tariff cycle**	-45306			0	0	0	-15102	-15102	-15102
XVII	**Total Deficit**				-42411	-45910	-49939	-56604	-58023	-59604
XVIII	**Total Deficit as a % of operating income (XIV/I in %)**				-180.56%	-189.45%	-199.93%	-240.99%	-239.43%	-238.62%
XIX	**Average Deficit as a % of operating income**				**-189.98%**			**-239.68%**		

Annex - II (b) (ii)

MUMBAI PORT TRUST

Cost statement for individual subactivities within cargo handling activity

General cargo handled at Bunders

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Income from cargo handled at Bunders	1110	1029	557	1245	1285	1324	1245	1285	1324
	Other Income									
	Stamp duty - ADM.charges	1	1	0	1	1	1	1	1	1
	Reco.- Elect Lighting-	9	15	15	13	14	14	13	14	14
	Comm.-Collection of MCGB OCTROI	146	178	145	189	195	201	189	195	201
	Reco-Water charges	44	23	44	36	37	38	36	37	38
	Sundry charges-	65	74	80	70	72	74	70	72	74
	Charges of supply of fresh water supplied by Licensed agencies	98	42	15	45	47	48	45	47	48
	Licence Fees on vessels, Boats	97	217	372	236	243	251	236	243	251
	Passenger Levy	0	0	0	0	0	0	0	0	0
	Charges for use of MBPT's workshops waterfront area wharf/ hard and clerk basin	3	0	0	0	0	0	0	0	0
	Total income	**1573**	**1579**	**1230**	**1835**	**1893**	**1952**	**1835**	**1893**	**1952**
II	**Operating Expenses**									
	(i) Salary & wages	638	686	692	746	836	936	733	777	824
	(ii) Power	0	0	0	0	0	0	0	0	0
	(iii) Fuel	0	0	0	0	0	0	0	0	0
	(iv) Repairs and maintenance	92	59	-122	68	73	77	68	73	77
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	44	46	70	75	79	84	74	79	84
	(vii) General Administration overheads	26	22	21	23	25	28	22	23	25
	Total	**800**	**813**	**661**	**912**	**1013**	**1125**	**898**	**952**	**1009**
III	Cost of surplus manpower	---	---	---				---	---	---
IV	Depreciation	219	299	740	740	737	736	740	737	736
V	Allocated share of Management Overhead	456	474	327	354	390	430	346	367	389
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	98	-6	-498	-172	-246	-339	-149	-162	-183
VII	Allocated share of FMI	333	135	35	6	6	6	6	6	6
VIII	Allocated share of FME	628	669	822	731	731	731	731	731	731
IX	FMI Less FME (VII) - (VIII)	-295	-534	-787	-726	-726	-726	-726	-726	-726
X	**Surplus / deficit (VI) - (VIII)**	-197	-540	-1285	-897	-972	-1065	-875	-888	-908
XI	Capital Employed for the activity	2061	1714	6964	6083	5287	4452	5989	5260	4497
XII	Return on Capital Employed	325	270	1098	971	844	711	945	830	710
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	325	270	1098	971	844	711	945	830	710
XV	**Net surplus / (Deficit) (X) - (XII)**	-522	-811	-2383	-1868	-1816	-1776	-1820	-1718	-1618
XVI	**50% of the Past Period deficit set off in the current tariff cycle**	-1858			0	0	0	-619	-619	-619
XVII	**Total Deficit**				-1868	-1816	-1776	-2440	-2337	-2237
XVIII	**Total Deficit as a % of operating income (XIV/I in %)**				-101.82%	-95.91%	-91.00%	-132.94%	-123.44%	-114.63%
XIX	**Average Deficit as a % of operating income**				**-96.24%**			**-123.67%**		

Annex - II (b) (iii)

MUMBAI PORT TRUST

Cost statement for individual subactivities within cargo handling activity

Crane Vessels

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**	**102**	**26**	**13**	**28**	**29**	**30**	**28**	**29**	**30**
II	**Operating Expenses**									
	(i) Salary & wages	177	203	215	232	259	290	227	241	256
	(ii) Power	0	0	0	0	0	0	0	0	0
	(iii) Fuel	7	4	0	0	0	0	0	0	0
	(iv) Repairs and maintenance	3	0	9	14	15	16	9	10	10
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	11	10	13	13	14	15	13	14	15
	(vii) General Administration overheads	18	19	18	19	22	24	19	20	21
	Total	217	237	254	278	310	345	269	285	302
III	Cost of surplus manpower	---	---	---				---	---	---
IV	Depreciation	1	1	3	3	2	2	3	2	2
V	Allocated share of Management Overhead	102	106	189	205	226	249	200	212	225
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	-218	-318	-433	-458	-509	-566	-444	-471	-500
VII	Allocated share of FMI	19	25	16	3	3	3	3	3	3
VIII	Allocated share of FME	186	210	258	229	229	229	229	229	229
IX	FMI Less FME (VII) - (VIII)	-167	-184	-242	-227	-227	-227	-227	-227	-227
X	**Surplus / deficit (VI) - (VIII)**	-385	-502	-675	-685	-736	-793	-671	-698	-726
XI	Capital Employed for the activity	57	32	34	31	28	26	30	28	26
XII	Return on Capital Employed	9	5	5	4	4	4	5	4	4
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	9	5	5	4	4	4	5	4	4
XV	**Net surplus / (Deficit) (X) - (XII)**	-394	-507	-681	-689	-740	-797	-676	-702	-731
XVI	**50% of the Past Period deficit set off in the current tariff cycle**	-791			0	0	0	-264	-264	-264
XVII	**Total Deficit**				-689	-740	-797	-939	-966	-994
XVIII	**Total Deficit as a % of operating income (XIV/I in %)**				-2431.3%	-2529.0%	-2642.5%	-3313.2%	-3300.9%	-3297.0%
XIX	**Average Deficit as a % of operating income**				**-2534.27%**			**-3303.72%**		

Annex - II (b) (iv)

MUMBAI PORT TRUST

Cost statement for individual subactivities within cargo handling activity

UNCLEARED WAREHOUSE

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Income from warehouse (demurrage, storage etc)	10474	11032	13744	11775	12149	12522	11775	12149	12522
	Total Income	**10474**	**11032**	**13744**	**11775**	**12149**	**12522**	**11775**	**12149**	**12522**
II	**Operating Expenses**									
	(i) Salary & wages	2680	3996	3794	4093	4584	5134	4022	4263	4519
	(ii) Power	14	14	15	13	14	15	13	14	15
	(iii) Fuel	0	0	0	0	0	0	0	0	0
	(iv) Repairs and maintenance	49	38	87	140	148	157	93	98	104
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	44	51	4	7	8	8	4	4	5
	(vii)General Administration overheads	260	359	334	366	407	452	354	375	397
	Total	**3048**	**4460**	**4234**	**4620**	**5161**	**5767**	**4486**	**4755**	**5040**
III	Cost of surplus manpower	---	---	---				---	---	---
IV	Depreciation	78	81	80	80	74	73	80	74	73
V	Allocated share of Management Overhead	1458	2032	1890	2050	2258	2487	2003	2123	2251
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	5891	4459	7540	5025	4655	4195	5206	5196	5159
VII	Allocated share of FMI	422	484	162	27	27	27	27	27	27
VIII	Allocated share of FME	2809	3557	4371	3891	3891	3891	3891	3891	3891
IX	FMI Less FME (VII) - (VIII)	-2387	-3073	-4209	-3864	-3864	-3864	-3864	-3864	-3864
X	**Surplus / deficit (VI) - (VIII)**	3504	1386	3331	1161	792	332	1342	1332	1295
XI	Capital Employed for the activity	1676	1715	1705	1604	1530	1448	1579	1522	1463
XII	Return on Capital Employed	264	270	269	250	240	228	249	240	231
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	264	270	269	250	240	228	249	240	231
XV	**Net surplus / (Deficit) (X) - (XII)**	3240	1116	3062	911	552	103	1093	1092	1064
XVI	**50% of the Past Period surplus set off in the current tariff cycle**	3709			0	0	0	1236	1236	1236
XVII	**Total Surplus**				911	552	103	2329	2328	2301
XVIII	**Total Surplus as a % of operating income (XIV/I in %)**				7.74%	4.54%	0.83%	19.78%	19.17%	18.37%
XIX	**Average Surplus as a % of operating income**				**4.37%**			**19.11%**		

Annex - II (b) (v)

MUMBAI PORT TRUST

Cost statement for individual subactivities within cargo handling activity

POL AND LIQUID CHEMICALS

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Income from POL (wharfage, transfer charges on-shore pipeline)	15246	16652	16122	17446	18000	18554	17446	18000	18554
	Other Income									
	Stamp duty - ADM.charges	7	5	5	6	6	6	6	6	6
	Reco.-Elect Lighting-	86	151	80	121	125	129	121	125	129
	Comm.-Collection of MCGB OCTROI	3244	3968	1555	4214	4348	4481.7	4214	4348	4482
	Reco-Water charges	12	9	13	10	10	10	10	10	10
	Total Income	**18595**	**20785**	**17775**	**21797**	**22489**	**23181**	**21797**	**22489**	**23181**
II	**Operating Expenses**									
	(i) Salary & wages	2121	2573	2988	3224	3611	4044	3168	3358	3559
	(ii) Power	40	33	46	43	45	48	43	45	48
	(iii) Fuel	280	388	279	223	237	251	223	237	251
	(iv) Repairs and maintenance	126	312	244	390	413	438	258	274	290
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	162	155	231	252	267	283	245	259	275
	(vii) General Administration overheads	72	303	282	309	343	382	299	316	335
	Total	**2801**	**3765**	**4070**	**4440**	**4916**	**5446**	**4235**	**4489**	**4759**
III	Cost of surplus manpower	---	---	---				---	---	---
IV	Depreciation	2273	2256	2260	2267	2254	387	2267	2254	387
V	Allocated share of Management Overhead	1387	2251	2350	2549	2807	3093	2491	2640	2799
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	12133	12513	9095	12540	12512	14256	12804	13105	15237
VII	Allocated share of FMI	727	488	184	31	31	31	31	31	31
VIII	Allocated share of FME	2216	2661	3271	2911	2911	2911	2911	2911	2911
IX	FMI Less FME (VII) - (VIII)	-1489	-2173	-3087	-2880	-2880	-2880	-2880	-2880	-2880
X	**Surplus / deficit (VI) - (VIII)**	10645	10339	6008	9659	9631	11375	9923	10225	12356
XI	Capital Employed for the activity	9386	7885	5767	3188	672	239	3139	669	241
XII	Return on Capital Employed	1480	1243	909	497	96	28	496	106	38
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	1480	1243	909	497	96	28	496	106	38
XV	**Net surplus / (Deficit) (X) - (XII)**	9165	9096	5099	9162	9535	11347	9428	10119	12318
XVI	**50% of the Past Period surplus set off in the current tariff cycle**	11680			0	0	0	3893	3893	3893
XVII	**Total Surplus**				9162	9535	11347	13321	14013	16212
XVIII	**Total Surplus as a % of operating income (XIV/I in %)**				42.03%	42.40%	48.95%	61.11%	62.31%	69.94%
XIX	**Average Surplus as a % of operating income**				**44.46%**			**64.45%**		

Annex - II (c)

MUMBAI PORT TRUST
Cost Statement for vessel related activity

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	(i) Port dues (including Anchorage)	10003	12453	13276	14505	14965	15426	14635	15479	15956
	(ii) Berth Hire	6494	8096	8105	8782	9061	9339	8869	9406	9695
	(iii) Pier Dues	6291	8027	8641	9329	9625	9921	9329	9625	9921
	(iv) Dry Docking	854	655	885	711	734	757	711	734	757
	(v) Pilotage & Towage	12142	15133	16346	17879	18447	19014	18048	19113	19701
	(vi) Ship breaking	1641	2680	1562	2909	3001	3094	2909	3001	3094
	Total Income	**37426**	**47044**	**48815**	**54114**	**55832**	**57550**	**54501**	**57358**	**59123**
II	**Operating Expenses**									
	(i) Port conservancy	235	296	291	328	364	405	308	327	346
	(ii) Comp. Berth Hire	5539	5983	6430	7604	8254	8979	6801	7209	7642
	(iii) BM Bunder	3443	3557	4549	5691	6062	6476	4853	5309	5813
	(iv) Dry Docking	751	778	689	755	839	933	724	768	814
	(v) Pilotage & Towage	5902	6989	7828	7893	8646	9477	7762	8228	8722
	(vi) Ship breaking	240	275	390	411	439	470	411	435	461
	Total	16109	17878	20177	22682	24604	26740	20859	22276	23798
III	**Depreciation**									
	(i) Port conservancy	142	202	11	11	8	7	11	8	7
	(ii) Comp. Berth Hire	339	299	272	271	258	257	271	258	257
	(iii) BM Bunder	1229	1264	1285	1285	1268	1246	1285	1268	1246
	(iv) Dry Docking	371	109	108	108	107	107	108	107	107
	(v) Pilotage & Towage	614	595	597	597	590	589	597	590	589
	(vi) Ship breaking	2	1	1	1	1	1	1	1	1
	Total Depreciation (i to vi)	**2697**	**2470**	**2275**	**2274**	**2231**	**2206**	**2274**	**2231**	**2206**
IV	**Allocated share of Management and General overheads including Administration & General expenses**									
	(i) Port conservancy	340	180	200	217	239	264	212	225	239
	(ii) Comp. Berth Hire	3043	3175	3197	3469	3819	4208	3389	3592	3808
	(iii) BM Bunder	1505	1750	1788	1940	2136	2354	1896	2009	2130
	(iv) Dry Docking	460	439	397	431	475	523	421	446	473
	(v) Pilotage & Towage	2804	3402	3633	3942	4340	4782	3851	4082	4327
	(vi) Ship breaking	102	96	102	111	122	134	108	115	121
	Total Depreciation (i to vi)	**8253**	**9041**	**9319**	**10110**	**11132**	**12266**	**9878**	**10470**	**11099**
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	10367	17654	17044	19049	17865	16339	21491	22380	22020
VI	**Allocated share of FMI**									
	(i) Port conservancy	84	43	17	3	3	3	3	3	3
	(ii) Comp. Berth Hire	1084	758	263	44	44	44	44	44	44
	(iii) BM Bunder	460	396	131	22	22	22	22	22	22
	(iv) Dry Docking	258	103	33	6	6	6	6	6	6
	(v) Pilotage & Towage	521	561	200	34	34	34	34	34	34
	(vi) Ship breaking	75	16	4	1	1	1	1	1	1
	Total FMI (i to vi)	**2481**	**1878**	**649**	**109**	**109**	**109**	**109**	**109**	**109**
VII	**Allocated share of FME**							**0**	**0**	
	(i) Port conservancy	185	218	268	238	238	238	238	238	238
	(ii) Comp. Berth Hire	4557	4983	6124	5451	5451	5451	5451	5451	5451
	(iii) BM Bunder	1908	2438	2996	2667	2667	2667	2667	2667	2667
	(iv) Dry Docking	616	638	784	698	698	698	698	698	698
	(v) Pilotage & Towage	2866	3548	4361	3881	3881	3881	3881	3881	3881
	(vi) Ship breaking	39	44	55	49	49	49	49	49	49
	Total FME (i to vi)	**10171**	**11869**	**14587**	**12984**	**12984**	**12984**	**12984**	**12984**	**12984**
VIII	FMI Less FME (VI) - (VII)	-7690	-9991	-13939	-12875	-12875	-12875	-12875	-12875	-12875
IX	**Surplus / deficit (V) + (VIII)**	2678	7663	3106	6173	4990	3463	8615	9505	9145
X	**Capital Employed for the activity**									
	(i) Port conservancy	2019	907	979	959	955	946	944	950	955
	(ii) Comp. Berth Hire	5494	4339	4323	3989	3721	3430	3927	3702	3465
	(iii) BM Bunder	17292	17133	16433	14869	13523	12104	14640	13453	12227
	(iv) Dry Docking	2737	2586	2551	2411	2304	2181	2374	2292	2203
	(v) Pilotage & Towage	7310	6811	6820	6100	5471	4803	6006	5443	4852
	(vi) Ship breaking	12	12	34	32	32	30	32	31	31
	Total Capital Employed (i to vi)	**34864**	**31788**	**31140**	**28360**	**26007**	**23493**	**27923**	**25873**	**23732**
XI	**Return on Capital Employed**									
	(i) Port conservancy	318	143	154	152	152	151	149	150	151
	(ii) Comp. Berth Hire	866	684	682	626	586	541	620	584	547
	(iii) BM Bunder	2726	2701	2591	2371	2157	1931	2311	2124	1930
	(iv) Dry Docking	432	408	402	385	368	348	375	362	348
	(v) Pilotage & Towage	1152	1074	1075	962	863	758	948	859	766
	(vi) Ship breaking	2	2	5	5	5	5	5	5	5
	Total ROCE (i to vi)	**5497**	**5012**	**4910**	**4501**	**4130**	**3733**	**4408**	**4085**	**3747**
XII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIII	RoCE adjusted for Capacity utilization	5497	5012	4910	4501	4130	3733	4408	4085	3747
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	-2819	2652	-1804	1672	860	-270	4207	5420	5398
XV	**50% of the Past Period deficit set off in the current tariff cycle**	-986			0	0	0	-329	-329	-329
XVI	**Total Deficit**				1672	860	-270	3879	5092	5070
XVII	**Total Deficit as a % of operating income (XIV/I in %)**				3.09%	1.54%	-0.47%	7.12%	8.88%	8.57%
XVIII	**Average Deficit as a % of operating income**				**1.39%**			**8.19%**		

Annex - II (c) (i)

MUMBAI PORT TRUST

Cost statement for individual sub-activities within vessel related activity

PORT CONSERVANCY

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Port Dues	8481	10708	11433	12622	13023	13424	12753	13537	13954
	Anchorage Fees	696	683	638	741	764	788	741	764	788
	Other Income									
	Double banking & Lighterage	243	426	471	463	477	492	463	477	492
	Licence fees for water conveyance	553	579	724	628	648	668	628	648	668
	Sundry Fees	29	56	9	50	51	53	50	51	53
	Cleaning Oil Pollution	1	0	1	0	0	0	0	0	0
	Licence fees from Contractors for supply of Fresh Water to Vessels.	1	1	1	1	1	1	1	1	1
	Total Income	**10003**	**12453**	**13276**	**14505**	**14965**	**15426**	**14635**	**15479**	**15956**
II	**Operating Expenses**									
	(i) Salary & wages	177	211	240	259	290	325	254	269	286
	(ii) Power	0	0	0	0	0	0	0	0	0
	(iii) Fuel	0	0	0	0	0	0	0	0	0
	(iv) Repairs and maintenance	37	46	27	43	46	48	29	30	32
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	9	21	5	6	6	6	6	6	6
	(vii)General Administration overheads	11	18	19	20	23	25	20	21	22
	Total	**235**	**296**	**291**	**328**	**364**	**405**	**308**	**327**	**346**
III	Cost of surplus manpower	---	---	---				---	---	---
IV	Depreciation	142	202	11	11	8	7	11	8	7
V	Allocated share of Management Overhead	340	180	200	217	239	264	212	225	239
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	9287	11774	12774	13948	14354	14750	14104	14920	15363
VII	Allocated share of FMI	84	43	17	3	3	3	3	3	3
VIII	Allocated share of FME	185	218	268	238	238	238	238	238	238
IX	FMI Less FME (VII) - (VIII)	-101	-175	-251	-236	-236	-236	-236	-236	-236
X	**Surplus / deficit (VI) - (IX)**	9186	11599	12522	13713	14118	14514	13868	14684	15128
XI	Capital Employed for the activity	2019	907	979	959	955	946	944	950	955
XII	Return on Capital Employed	318	143	154	152	152	151	149	150	151
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	318	143	154	152	152	151	149	150	151
XV	**Net surplus / (Deficit) (X) - (XIV)**	8868	11456	12368	13560	13966	14364	13719	14534	14977
XVI	**50% of the Past Period surplus set off in the current tariff cycle**	16346			0	0	0	5449	5449	5449
XVII	**Total Surplus**				13560	13966	14364	19168	19983	20425
XVIII	**Total Surplus as a % of operating income (XIV/I in %)**				93.49%	93.33%	93.12%	130.97%	129.09%	128.01%
XIX	**Average Surplus as a % of operating income**				93.31%			129.36%		

Annex - II (c) (ii)

MUMBAI PORT TRUST

Cost statement for individual sub-activities within vessel related activity

COMPOSITE BERTH HIRE CHARGES

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Berth Hire Charges	6133	7495	7449	8135	8393	8651	8222	8738	9007
	Penal Charges for False Signal	10	20	21	22	23	23	22	23	23
	Other Income									
	Water Supply to vessels	93	131	132	142	147	152	142	147	152
	Water Supply to Country Crafts	0	0	0	0	0	0	0	0	0
	Salavage Fees	1	1	2	1	1	2	1	1	2
	Diver Fees	2	1	4	0	0	0	0	0	0
	Hire of Port Trust Flotilla	0	0	0	0	0	0	0	0	0
	Double banking & Lighterage	243	426	471	463	477	492	463	477	492
	Sundry Fees	11	22	26	18	19	20	18	19	20
	Cleaning Oil Pollution	1	0	1	0	0	0	0	0	0
	Total Income	**6494**	**8096**	**8105**	**8782**	**9061**	**9339**	**8869**	**9406**	**9695**
II	**Operating Expenses**									
	(i) Salary & wages	4178	4638	4510	4865	5449	6103	4780	5067	5371
	(ii) Power	12	13	13	12	13	14	12	13	14
	(iii) Fuel	56	44	47	37	40	42	37	40	42
	(iv) Repairs and maintenance	105	103	107	170	181	191	113	120	127
	(v) Dredging	734	622	1305	2020	2020	2020	1384	1467	1555
	(vi) Others	136	165	50	63	66	70	53	56	60
	(vii) General Administration overheads	318	398	398	436	485	539	422	447	474
	Total	**5539**	**5983**	**6430**	**7604**	**8254**	**8979**	**6801**	**7209**	**7642**
III	Cost of surplus manpower									
IV	Depreciation	339	299	272	271	258	257	271	258	257
V	Allocated share of Management Overhead	3043	3175	3197	3469	3819	4208	3389	3592	3808
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	-2426	-1361	-1793	-2562	-3271	-4105	-1592	-1654	-2011
VII	Allocated share of FMI	1084	758	263	44	44	44	44	44	44
VIII	Allocated share of FME	4557	4983	6124	5451	5451	5451	5451	5451	5451
IX	FMI Less FME (VII) - (VIII)	-3473	-4225	-5861	-5407	-5407	-5407	-5407	-5407	-5407
X	**Surplus / deficit (VI) - (IX)**	-5899	-5585	-7654	-7969	-8678	-9512	-6999	-7061	-7418
XI	Capital Employed for the activity	5494	4339	4323	3989	3721	3430	3927	3702	3465
XII	Return on Capital Employed	866	684	682	626	586	541	620	584	547
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	866	684	682	626	586	541	620	584	547
XV	**Net surplus / (Deficit) (X) - (XIV)**	-6765	-6269	-8336	-8595	-9263	-10053	-7619	-7646	-7965
XVI	**50% of the Past Period deficit set off in the current tariff cycle**	-10685			0	0	0	-3562	-3562	-3562
XVII	**Total Deficit**				-8595	-9263	-10053	-11181	-11207	-11527
XVIII	**Total Deficit as a % of operating income (XVII/I in %)**				-97.88%	-102.24%	-107.64%	-126.06%	-119.15%	-118.89%
XIX	**Average Deficit as a % of operating income**				**-102.59%**			**-121.37%**		

Annex - II (c) (iii)

MUMBAI PORT TRUST

Cost statement for individual sub-activities within vessel related activity

BM AT BUNDERS (MOT - PIR PAU)

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Pier Dues	6262	7998	8613	9281	9576	9870	9281	9576	9870
	Other Income									
	Sundry Fees	28	29	27	48	49	51	48	49	51
	Cleaning Oil Pollution	1	0	1	0	0	0	0	0	0
	Total Income	**6291**	**8027**	**8641**	**9329**	**9625**	**9921**	**9329**	**9625**	**9921**
II	**Operating Expenses**									
	(i) Salary & wages	1869	2403	2554	2755	3085	3456	2755	3085	3456
	(ii) Power	0	0	0	0	0	0	0	0	0
	(iii) Fuel	36	44	65	52	55	58	52	55	58
	(iv) Repairs and maintenance	96	213	79	126	134	142	84	89	94
	(v) Dredging	1250	622	1603	2480	2480	2480	1699	1801	1909
	(vi) Others	26	56	22	29	31	33	23	25	26
	(vii) General Administration overheads	165	219	227	249	276	307	240	255	270
	Total	**3443**	**3557**	**4549**	**5691**	**6062**	**6476**	**4853**	**5309**	**5813**
III	Cost of surplus manpower	---	---	---	---	---	---	---	---	---
IV	Depreciation	1229	1264	1285	1285	1268	1246	1285	1268	1246
V	Allocated share of Management Overhead	1505	1750	1788	1940	2136	2354	1896	2009	2130
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	114	1456	1018	412	159	-155	1295	1038	732
VII	Allocated share of FMI	460	396	131	22	22	22	22	22	22
VIII	Allocated share of FME	1908	2438	2996	2667	2667	2667	2667	2667	2667
IX	FMI Less FME (VII) - (VIII)	-1448	-2042	-2865	-2645	-2645	-2645	-2645	-2645	-2645
X	**Surplus / deficit (VI) - (IX)**	-1335	-585	-1847	-2233	-2486	-2800	-1350	-1607	-1913
XI	Capital Employed for the activity	17292	17133	16433	14869	13523	12104	14640	13453	12227
XII	Return on Capital Employed	2726	2701	2591	2371	2157	1931	2311	2124	1930
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	2726	2701	2591	2371	2157	1931	2311	2124	1930
XV	**Net surplus / (Deficit) (X) - (XIV)**	-4061	-3287	-4438	-4604	-4643	-4730	-3662	-3731	-3843
XVI	**50% of the Past Period deficit set off in the current tariff cycle**	-5893			0	0	0	-1964	-1964	-1964
XVII	**Total Deficit**				-4604	-4643	-4730	-5626	-5695	-5807
XVIII	**Total Deficit as a % of operating income (XIV/I in %)**				-49.35%	-48.24%	-47.68%	-60.31%	-59.17%	-58.54%
XIX	**Average Deficit as a % of operating income**				**-48.42%**			**-59.34%**		

Annex - II (c) (iv)

MUMBAI PORT TRUST

Cost statement for individual sub-activities within vessel related activity

DRY DOCKING

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Dry Docking Charges	854	655	885	711	734	757	711	734	757
	Total Income	**854**	**655**	**885**	**711**	**734**	**757**	**711**	**734**	**757**
II	**Operating Expenses**									
	(i) Salary & wages	582	611	555	599	671	752	589	624	662
	(ii) Power	41	35	42	39	41	43	39	41	43
	(iii) Fuel	5	0	2	2	2	2	2	2	2
	(iv) Repairs and maintenance	57	43	33	52	55	59	35	37	39
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	30	42	8	10	10	11	9	9	10
	(vii) General Administration overheads	36	47	49	53	59	66	52	55	58
	Total	**751**	**778**	**689**	**755**	**839**	**933**	**724**	**768**	**814**
III	Cost of surplus manpower		---	---				---	---	---
IV	Depreciation	371	109	108	108	107	107	108	107	107
V	Allocated share of Management Overhead	460	439	397	431	475	523	421	446	473
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (v)**	-727	-669	-310	-583	-686	-806	-542	-587	-637
VII	Allocated share of FMI	258	103	33	6	6	6	6	6	6
VIII	Allocated share of FME	616	638	784	698	698	698	698	698	698
IX	FMI Less FME (VII) - (VIII)	-358	-535	-751	-692	-692	-692	-692	-692	-692
X	**Surplus / deficit (VI) - (IX)**	-1086	-1204	-1061	-1275	-1378	-1498	-1234	-1279	-1329
XI	Capital Employed for the activity	2737	2586	2551	2411	2304	2181	2374	2292	2203
XII	Return on Capital Employed	432	408	402	385	368	348	375	362	348
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	432	408	402	385	368	348	375	362	348
XV	**Net surplus / (Deficit) (X) - (XIV)**	-1517	-1612	-1463	-1660	-1746	-1846	-1609	-1641	-1677
XVI	**50% of the Past Period deficit set off in the current tariff cycle**	-2296			0	0	0	-765	-765	-765
XVII	**Total Deficit**				-1660	-1746	-1846	-2374	-2406	-2442
XVIII	**Total Deficit as a % of operating income (XIV/I in %)**				-233.29%	-237.94%	-244.02%	-333.75%	-327.83%	-322.79%
XIX	**Average Deficit as a % of operating income**				**-238.42%**			**-328.12%**		

Annex - II (c) (v)

MUMBAI PORT TRUST

Cost statement for individual sub-activities within vessel related activity

TOWAGE AND PILOTAGE

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	Pilotage & Towage Charges	11870	14675	15843	17379	17931	18482	17548	18597	19169
	Other Income									
	Hire of Port Trust Flotilla	0	0	0	0	0	0	0	0	0
	Double banking	257	436	476	474	489	504	474	489	504
	Sundry Fees	15	22	27	26	27	28	26	27	28
	Total Income	**12142**	**15133**	**16346**	**17879**	**18447**	**19014**	**18048**	**19113**	**19701**
II	**Operating Expenses**									
	(i) Salary & wages	2849	3536	3923	4232	4740	5308	4158	4407	4672
	(ii) Power	0	0	0	0	0	0	0	0	0
	(iii) Fuel	1359	1615	2054	1641	1740	1844	1641	1740	1844
	(iv) Repairs and maintenance	153	102	82	131	139	147	87	92	98
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	1258	1304	1324	1400	1484	1574	1404	1488	1577
	(vii) General Administration overheads	284	432	446	489	544	605	473	501	531
	Total	**5902**	**6989**	**7828**	**7893**	**8646**	**9477**	**7762**	**8228**	**8722**
III	Cost of surplus manpower	---	---	---				---	---	---
IV	Depreciation	614	595	597	597	590	589	597	590	589
V	Allocated share of Management Overhead	2804	3402	3633	3942	4340	4782	3851	4082	4327
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (v)**	2823	4147	4287	5446	4870	4165	5837	6213	6063
VII	Allocated share of FMI	521	561	200	34	34	34	34	34	34
VIII	Allocated share of FME	2866	3548	4361	3881	3881	3881	3881	3881	3881
IX	FMI Less FME (VII) - (VIII)	-2345	-2987	-4160	-3848	-3848	-3848	-3848	-3848	-3848
X	**Surplus / deficit (VI) - (IX)**	478	1160	127	1599	1022	318	1990	2365	2215
XI	Capital Employed for the activity	7310	6811	6820	6100	5471	4803	6006	5443	4852
XII	Return on Capital Employed	1152	1074	1075	962	863	758	948	859	766
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	1152	1074	1075	962	863	758	948	859	766
XV	**Net surplus / (Deficit) (X) - (XIV)**	-675	86	-948	637	160	-440	1041	1506	1449
XVI	**50% of the Past Period deficit set off in the current tariff cycle**	-768			0	0	0	-256	-256	-256
XVII	**Total Surplus/ (Deficit)**				637	160	-440	785	1249	1193
XVIII	**Total Surplus/ (Deficit) as a % of operating income (XIV/I in %)**				3.56%	0.87%	-2.31%	4.35%	6.54%	6.06%
XIX	**Average Surplus/ (Deficit) as a % of operating income**				**0.71%**			**5.65%**		

MUMBAI PORT TRUST

Cost statement for individual sub-activities within vessel related activity

SHIP BREAKING

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**	**1641**	**2680**	**1562**	**2909**	**3001**	**3094**	**2909**	**3001**	**3094**
II	**Operating Expenses**									
	(i) Salary & wages	38	43	39	42	47	53	41	44	46
	(ii) Power	20	21	24	22	23	25	22	23	25
	(iii) Fuel	0	0	0	0	0	0	0	0	0
	(iv) Repairs and maintenance	41	10	0	0	0	0	0	0	0
	(v) Dredging	0	0	0	0	0	0	0	0	0
	(vi) Others	120	179	307	324	344	365	326	345	366
	(vii) General Administration overheads	20	22	21	23	25	28	22	23	25
	Total	**240**	**275**	**390**	**411**	**439**	**470**	**411**	**435**	**461**
III	Cost of surplus manpower	---	---	---				---	---	---
IV	Depreciation	2	1	1	1	1	1	1	1	1
V	Allocated share of Management	102	96	102	111	122	134	108	115	121
VI	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV) - (V)**	1298	2307	1068	2386	2439	2489	2389	2451	2510
VII	Allocated share of FMI	75	16	4	1	1	1	1	1	1
VIII	Allocated share of FME	39	44	55	49	49	49	49	49	49
IX	FMI Less FME (VII) - (VIII)	36	-28	-51	-48	-48	-48	-48	-48	-48
X	**Surplus / deficit (VI) - (IX)**	1333	2279	1017	2339	2391	2441	2341	2403	2462
XI	Capital Employed for the activity	12	12	34	32	32	30	32	31	31
XII	Return on Capital Employed	2	2	5	5	5	5	5	5	5
XIII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIV	RoCE adjusted for Capacity utilization	2	2	5	5	5	5	5	5	5
XV	**Net surplus / (Deficit) (X) - (XIV)**	1331	2278	1012	2333	2386	2436	2336	2398	2457
XVI	**50% of the Past Period deficit set off in the current tariff cycle**	2311			0	0	0	770	770	770
XVII	**Total Deficit**				2333	2386	2436	3106	3168	3227
XVIII	**Total Deficit as a % of operating income (XIV/I in %)**				80.21%	79.51%	78.74%	106.78%	105.55%	104.32%
XIX	**Average Deficit as a % of operating income**				**79.49%**			**105.55%**		

Annex - II (d)

MUMBAI PORT TRUST
Cost statement for Railway Activity

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	(i) Haulage	701	527	611	571	589	725	571	589	725
	(ii) Terminal charges	579	436	506	474	489	601	474	489	601
	(iii) Others	188	218	208	237	244	301	237	244	301
	Total	**1468**	**1181**	**1326**	**1282**	**1322**	**1626**	**1282**	**1322**	**1626**
II	**Direct Operating Expenses**									
	(i) Direct Cost	2464	2697	2784	3065	3397	3767	2951	3128	3316
	(ii) General Administration overheads	477	551	527	578	643	715	559	593	628
	Total	**2941**	**3248**	**3312**	**3643**	**4040**	**4482**	**3510**	**3721**	**3944**
III	Depreciation	108	110	111	111	104	104	111	104	104
IV	Allocated share of Management Overhead	1548	1730	1792	1944	2141	2359	1899	2013	2134
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	-3129	-3908	-3889	-4417	-4963	-5318	-4239	-4516	-4556
VI	Allocated share of FMI	704	403	144	24	24	24	24	24	24
VII	Allocated share of FME	2064	2337	2873	2557	2557	2557	2557	2557	2557
VIII	FMI Less FME (VI) - (VII)	-1360	-1934	-2729	-2533	-2533	-2533	-2533	-2533	-2533
IX	**Surplus / deficit (V) + (VIII)**	-4489	-5842	-6618	-6950	-7496	-7851	-6772	-7049	-7089
X	Capital Employed for the activity	4463	4383	4501	4343	4250	4128	4276	4228	4170
XI	Return on Capital Employed	704	691	710	688	675	656	675	667	658
XII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIII	RoCE adjusted for Capacity utilization	704	691	710	688	675	656	675	667	658
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	-5192	-6533	-7328	-7638	-8171	-8507	-7447	-7717	-7747
XV	**50% of the Past Period deficit set off in the current tariff cycle**	-9526			0	0	0	-3175	-3175	-3175
XVI	**Total Deficit**				-7638	-8171	-8507	-10623	-10892	-10922
XVII	**Total Deficit as a % of operating income (XIV/I in %)**				-596%	-618%	-523%	-829%	-824%	-672%
XVIII	**Average Deficit as a % of operating income**				-578.99%			-774.74%		

Annex - II (e)

MUMBAI PORT TRUST

Cost statement for Estate activity

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	(i) Rent from land	8304	8379	18219	9377	9752	10142	9377	9752	10142
	(ii) Others	3528	2631	5199	2713	2752	2792	2713	2752	2792
	Total	**11832**	**11010**	**23418**	**12090**	**12504**	**12934**	**12090**	**12504**	**12934**
II	**Direct Expenses**									
	(i) Direct Cost	2826	3177	3031	3367	3699	4067	3212	3405	3610
	(ii) General Administration overheads	829	1022	1083	1188	1321	1469	1148	1217	1290
	Total	**3655**	**4199**	**4114**	**4555**	**5020**	**5536**	**4361**	**4622**	**4900**
III	Depreciation	80	77	82	67	61	60	67.33	60.56	59.77
IV	Allocated share of Management Overhead	1460	1664	1549	1680	1850	2038	1641	1740	1844
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	6637	5070	17674	5788	5574	5301	6021	6081	6130
VI	Allocated share of FMI	976	338	103	17	17	17	17	17	17
VII	Allocated share of FME	1018	1214	1492	1328	1328	1328	1328	1328	1328
VIII	FMI Less FME (VI) - (VII)	-42.6443	-877	-1390	-1311	-1311	-1311	-1311	-1311	-1311
IX	**Surplus / deficit (V) + (VIII)**	6595	4193	16284	4477	4263	3989	4710	4770	4819
X	Capital Employed for the activity	977	863	886	804	741	673	791	737	680
XI	Return on Capital Employed	154	136	140	125	116	105	125	116	107
XII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIII	RoCE adjusted for Capacity utilization	154	136	140	125	116	105	125	116	107
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	6441	4057	16144	4352	4147	3884	4585	4654	4712
XV	**50% of the Past Period surplus set off in the current tariff cycle**	13321			0	0	0	4440	4440	4440
XVI	**Total Surplus**				4352	4147	3884	9025	9094	9152
XVII	**Total Surplus as a % of operating income (XIV/I in %)**				35.99%	33.16%	30.03%	74.65%	72.73%	70.76%
XVIII	**Average Surplus as a % of operating income**				**33.06%**			**72.71%**		

Annex - II (f)

MUMBAI PORT TRUST
Cost statement for Stevedoring and Chipping & Painting activity

₹ in Lakhs

Sr. No.	Particulars	Actuals			Estimates at the existing level of tariff as furnished by the MBPT			Estimates at the existing level of tariff as moderated by us		
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
I	**Operating Income**									
	(i) Handling & Storage charges (Including demurrage)	7253	7240	5959	7859	8109	8358	7859	8109	8358
	(ii) Others	69	50	12	54	55	57	54	55	57
	Total	**7322**	**7290**	**5972**	**7913**	**8164**	**8415**	**7913**	**8164**	**8415**
II	**Operating Expenses**									
	(i) Handling and Storage of general cargo	14767	18622	17908	19284	21595	24388	18983	20122	21329
	(ii) Others	629	227	253	340	495	470	268	284	301
	Total (i to ii)	**15396**	**18849**	**18161**	**19624**	**22090**	**24859**	**19251**	**20406**	**21630**
III	Depreciation	8	8	8	8	8	8	8	8	8
IV	Allocated share of Management and General overheads including Administration & General expenses	1917	2194	2206	2391	2535	2687	2338	2478	2627
V	**Operating Surplus/ Deficit (I) – (II) - (III) - (IV)**	-9999	-13760	-14403	-14111	-16469	-19139	-13684	-14728	-15850
VI	Allocated share of FMI	103	303	87	15	15	15	15	15	15
VII	Allocated share of FME	4645	6181	7574	8300	8300	8300	8300	8300	8300
VIII	FMI Less FME (VI) - (VII)	-4542	-5878	-7486	-8285	-8285	-8285	-8285	-8285	-8285
IX	**Surplus / deficit (V) + (VIII)**	-14541	-19638	-21889	-22396	-24755	-27424	-21969	-23013	-24135
X	Capital Employed for the activity	125	116	109	0	0	0	98	91	84
XI	Return on Capital Employed	20	18	17	0	0	0	15	14	13
XII	Capacity Utilization	115.38%	119.16%	120.17%	125.37%	124.40%	110.11%	127.92%	131.98%	136.04%
XIII	RoCE adjusted for Capacity utilization	20	18	17	0	0	0	15	14	13
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	-14561	-19657	-21907	-22396	-24755	-27424	-21985	-23028	-24149
XV	**50% of the Past Period deficit set off in the current tariff cycle**	-28062			0	0	0	-9354	-9354	-9354
XVI	**Total Deficit**				-22396	-24755	-27424	-31339	-32382	-33503
XVII	**Total Deficit as a % of operating income (XIV/I in %)**				-283.04%	-303.21%	-325.88%	-396.05%	-396.64%	-398.11%
XVIII	**Average Deficit as a % of operating income**				**-304.04%**			**-396.93%**		

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

F. No.TAMP/23/2013-MBPT	**-**	**Proposal from the Mumbai Port Trust for general revision of its Scale of Rates**

A summary of comments received from the users/ user organisations and the comments of Mumbai Port Trust (MBPT) thereon are tabulated below:

Sl. No.	Comments of users/user organisations	Reply of MBPT
1.	**Iron Steel Scrap & Ship breakers Association of India and Indian Ship Breakers Association**	
(i)	The industry is passing through bad times as can be verified from the number of vacant ship breaking plots at Mumbai Port and further the situation is going to worsen in coming months. Therefore, the need of the hour is to give incentive and not to penalize the industry.	No specific comments furnished by the MBPT.
(ii).	If MBPT wants to maintain its Revenue from this Industry, beaching and breaking charges should be reduced by 25% instead of revising upward.	A considerate view in the upward revision of rates has already been taken since Board has sanctioned 23% increase against the proposed 48%. The productivity levels have been increased and is in line with the TAMP policy. The demand that rates to be reduced by 25% is not justified. Shipbreaking is environmentally sensitive and involves high amount of monitoring by the Port. Hence also there is justification for the upward revision of tariff.
(iii).	The plots for breaking in MBPT are small and without back up space which restrict the productivity and therefore monthly production target should not be increased to 1300 tonnes.	There are total 19 plots (12 at Lakri bunder (south), 06 at Power works bunder and 01 at Coal bunder) which are allotted for breaching / breaking of vessels at Darukhana. The plots are big enough to handle vessels upto 7000 to 8000 LDT and the productivity at all these plots is comparatively quite high, as breaking of the vessels have been completed before the regulated period and the rebates claimed/ granted to the ship breakers. Based on the actual position during the year 2012-13, it can be seen that the monthly tonnage dismantled is quite high as compared to the regulated period of 900 LDT per month and therefore, the request of the Association for not increasing the regulated period @ 1300 LDT per month cannot be accepted.
(iv).	As per the present norms of MBPT, shipbreakers are expected to break 9600 tonnes of ship per year i.e. 800 tonnes per month. The present system of charging for the whole ship per LDT basis totally discourages larger vessels	As provided under Section 7.1 of existing SOR, the regulated period is 900 LDT per month and not 800 LDT per month as stated. Beaching / breaking charges are paid in advance for the entire regulated period. The breaking of the vessels is completed much

	coming to MBPT. For example, as per present stipulation, at the rate of 800 tonnes per month, 9600 tonnes have to be broken up in a plot per year. Thus, a shipbreaker bringing a 9600 tonne vessel is liable to pay 9,600 x ₹.6.25 per LDT/day (present rate for the regulated period) = ₹.60,000/ day which amounts to ₹.2.19 crore/ year. Against that, if 3 ships of 3200 tonnes each are brought by a shipbreaker, equivalent to 9600 tonnes total, he will be paying 3200x6.25= 20,000/day totaling ₹.73 lakh/year only. (Subsequently, the ISSSAI vide its letter dated 28 August 2014 has forwarded to us the copy of the letter sent by it to the MOS, interalia, highlighting the above example. In the letter to MOS, the ISSSAI has stated that the need is to formulate a method of levy on the basis of use of a plot per month with the stipulation on minimum tonnage to be broken up per month so that the breaker should not occupy the plot for unduly long period. This way, both the breaker and MBPT are benefited. In other words, the charges should be related to occupancy of the plot per month and not on the basis of LDT of the ships. Though this letter was forwarded to MBPT, the MBPT has not responded till the finalization of the case.)	prior to the regulated period for which ship breakers claim rebates as per the provision of SOR. Charging on the basis of per day per LDT approved by the TAMP and in existence for the past many a years is logical against per day utility of the plot which requires daily monitoring by MBPT staff and is not feasible. During the past two years only 4 vessels having LDT above 9000 MT were broken. Further, bigger vessels having high LDT are completing dismantling at a faster pace by deploying additional work force. Thus, request of Association for relating the penal charges to per day utility of the plot cannot be accepted.
(v).	In the same way, Penal rate for a day beyond the regulated period for a breaker bringing a 9600 ship even at the normal rate (leaving aside the increased penal rate) calculated on the whole ship, even if the material left is only one tonne, will amount to ₹60,000/- in place of ₹20,000/- for a breaker who brings 3200 tonne ship. This looks illogical, irrational and unjust. It is like charging demurrage on the material which has already been lifted.	Penal rates prescribed ensure that ships are broken within the regulated period and plots are available for vessels in waiting. However, as per the statistics, all the ships which have been beached at MBPT ship breaking plots have completed breaking of the vessels much prior to the regulated period. As such, no penal rates have been levied so far. Moreover, in the absence of rebate, penal rates are essential as they would act as a deterrent in case the ship breaker tends to slow down the rate of breaking.
(vi).	This totally discourages and unduly penalize bringing of larger vessels to MBPT. In such a scenario, how can MBPT expect larger vessels to arrive in Mumbai for breaking? Thus, the whole system of charging on the basis of LDT is defective. Charges should be based on per day basis irrespective of the LDT of the ship because size of plot and its utility remain same. So charges should be related to utility per day of plot and not related to ships LDT.	Ship breaking charges are recovered on the total LDT of vessel for entire period of occupation since entire plot remains in the custody of ship breaker till removal of last piece of broken material and till then plot cannot be allotted to another ship breaker. The partial vacations of plot will not serve any useful purpose. Hence, request for fixing penal charges on 50% of LDT of ship and not on total LDT of ship breaking cannot be considered.
(vii).	As explained in earlier para, penal charges are irrational and illogical in the case larger ship and smaller ship. Even if	

	penal charges are to be imposed, we maintain that penal charges for beyond the regulated period should be fixed on 50% LDT of the ship and not on the total LDT of the ship for the reason:	
	(a). During the sanctioned period, substantial portion of the ship is broken. The balance to be broken at any given time is not the entire ship.	The port is allocating plots having areas ranging from 522.560 sq.mtrs. to 3094 sq.mtrs. for which no charges are recovered separately except beaching/breaking charges based on LDT of vessel. The plot remains in possession of ship breaker till completion of the breaking of the vessel and hence, the beaching/breaking charges are rightly recovered over the years on the total LDT of the vessel.
	(b). In many cases, the ship is removed from the sea, but the materials are lying on the plot. MBPT allows another ship to be beached at the same plot from where the ship has been removed. Thus MBPT will be charging double the rate for the same plot. One for the ship in the sea and another for the material lying on the plot.	As per norms, beaching of a vessel behind a vessel undergoing breaking is allowed only on completion of 80% breaking of the vessel undergoing breaking. It provides for sufficient time for completion of documentation and other formalities for clearances/ permissions for breaking for the vessel beached so that the plot does not remain vacant on completion of breaking of the previous vessel.
(viii).	Further, the present proposal does not show the rebate being given at present for timely completion of breaking by a ship breaker. We do not know, whether this incentive is proposed to be withdrawn or not. MBPT may also be requested to clarify that any change in rate and rebate shall be applicable prospectively only i.e. rate and rebate which is applicable on the Date of Beaching of vessel for Breaking shall be applicable.	Rebate has been proposed to be discontinued. Rebate was first introduced in the year 1996. It is seen that with the use of modern equipment, ship breakers are able to complete ship breaking well within the regulated period. As per the statistics, the ship breakers are breaking at the rate of 1500-2000 per month.
(ix).	In spite of earning huge revenue from this industry, the MBPT is not spending for development of this Industry and on Labor Welfare of this Industry such as creating Training Centres for the Labors, providing water, toilets and medical facilities. The condition of roads is also very bad in this particular stretch which requires immediate attention.	The activity has been started due to the compelling need of the industry for such a facility. There was demand from the trade for such a facility to be restarted at Mumbai. This demand was after due consideration of the facilities available to the Association. After conducting business, making general comments on facilities, inadequacy of facilities etc. is to be construed as deliberate attempt to delay the process of upward revision.
2.	**Shipping Corporation of India Limited**	
(i).	The current global business scenario is extremely depressing and undergoing very serious crisis in the aftermath of economic meltdown. Serious doubts have arisen as the world economy continues on a downward slide and struggling to come out of dire straits.	Comprehensive tariff proposal is sought as per tariff guidelines. The revision is proposed as per guidelines and based on cost plus approach. Considering the financial position 2014-15, 2015-16 and 2016-17 average deficit works out to 48.45% to achieve 16% ROCE. However, considering the competition and diversion of cargo, the Board of Trustees has approved an increase of only 23% across all tariffs on existing scale of rates.
(ii).	Circumstances as of now are making economic recovery a very slow and	Further, there has been a wage revision, which too needs to be addressed and port has

	prolonged painful process without end in sight. Consequently, shipping companies are also impacted severely as the freight rates have crashed and the volumes have shrunk. Thus, the survival of shipping companies is at stake.	35000 pensioners to be taken care of. The port has not loaded any past liability on account of terminal benefits to fix the tariffs. Port has to balance its books and the revision of tariff has become unavoidable in order to meet the ever increasing expenditure.
(iii).	In the above context, the Shipping Companies are severely constrained to survive therefore, its earnestly urged to keep any upward revision on hold till such time the above described business scenario shows improvement. It is submitted that a reduction in rates may be considered to support shipping industry's efforts to survive	While concern regarding competition and diversion of cargo from MBPT is well appreciated, many proactive steps have been initiated to retain the existing traffic and attract more cargo by extending various concessions to the trade wherever required.
3.	**Hindustan Petroleum Corporation Limited (HPCL)**	
(i).	MBPT is proposing to increase the rates @ 23% over and above the existing rates, which is exorbitant and not acceptable to Oil Industry Members namely HPCL, BPCL and IOC.	
(ii).	PSU Oil Marketing Companies have to sell petroleum products at subsidized rates fixed by Government of India and is also facing serious cash crunch due to increase in crude oil price and negative Refinery Margins. Secondly, infrastructure facilities at Jawahar Dweep, Mumbai Port, especially for crude oil discharge are very poor and berth No. JD-IV is in a dilapidated condition and due to poor infrastructure facility, Oil Companies are incurring huge demurrage cost (approx. ₹40 crores per year) on crude tankers for abnormal waiting.	The Fourth Oil Berth (FOB) at Jawahar Dweep which was constructed and commissioned in 1984 will be outliving its useful life in 2014. Due to continuous exposure to harsh environment, the RCC structural members of the FOB are presently in deteriorated condition. In order to repair and strengthen these members and extend the useful life of the FOB, Civil Engineering department has already taken up the work of major restorative repairs to FOB (at a cost of ₹15 crore) since September 2012. As a result of undertaking major restorative repairs, the life of the structure is likely to be extended by 10-12 years. In addition to this, regular maintenance of the structure is also being carried out. Thus, the present infrastructure is fully catering the need.
(iii).	In view of the above, it is requested that this proposal for increasing the tariff submitted by Mumbai Port Trust, be not accepted. Alternatively, Oil Industry will have no other option but to look forward to shift their operations to other neighbouring Ports for their survival.	
4.	**India Pulses and Grains Association**	
(i).	The first para of revision proposal clearly defines that the Second Comprehensive Tariff revision proposal was effective from 22.12.2011 and that this is the third revision of SOR. Although, the revision was scheduled and does not come as a surprise, it is rude shock and heavy burden to the Port Users and EXIM Traders. Under the current economic situations importers are already facing losses due to the erratic variations of foreign currency, especially, the USD. The proposal of MBPT for revision on the	Comprehensive tariff proposal is sought as per tariff guidelines. The revision is proposed as per guidelines and based on cost plus approach. Considering the financial position 2014-15, 2015-16 and 2016-17 average deficit works out to 48.45% to achieve 16% ROCE. However, considering the competition and diversion of cargo, the Board of Trustees has approved an increase of only 23% across all tariffs on existing scale of rates. Further, there has been a wage revision, which too needs to be addressed and port has

	last price is multifold and not on a base price, therefore, has a cascading effect of more than 28%, and therefore additional difference of 5% on the base price. The price increase has also added burden on the shipping fraternity in terms of port charges, DA etc. making Mumbai Port unattractive under the presently available infrastructure and facility. The above proposal for stevedoring (Vessel Related Charges Chapter II, 2.18 (2,4,5,10,11,12,13,14 & 15), Cargo Related Charges on Wharfage (Chapter III, 3.1 (A) 4(iv)) & Warehousing (License Storage) Fees and Warehousing Charges) (A)(I), (II)] etc. is not very logical /rational since there has been no basic improvement in facilities to the port users. Any increase in tariff is traditionally supplemented and complemented by way of additional facilities, infrastructure, technology and upgraded professional environment. MBPT is yet to execute or propagate its willingness to employ new heads as labour for gangs who are employed in the business of stevedoring. The upcoming private ports are equipped with state of the art facilities and are serving the port users in a customized and phased manner with quicker out turns, better discharge/ loading rates, deep draughts, multiple and state of the art warehousing complexes, extended duration of free warehousing storage to exclude demurrage. As an outcome port users save huge shipping hours, DA charges, quick out-turns etc. which is beneficial to all concerned as the freight becomes economical to these destinations as compared to Mumbai Port.	35000 pensioners to be taken care of. The port has not loaded any past liability on account of terminal benefits to fix the tariffs. Port has to balance its books and the revision of tariff has become unavoidable in order to meet the ever increasing expenditure. While concern regarding competition and diversion of cargo from MBPT is well appreciated, many proactive steps have been initiated to retain the existing traffic and attract more cargo by extending various concessions to the trade wherever required. Various schemes of increasing free days for cargo and containers have been extended in the port. Port has well formulated development plans to augment and expand its capacity. Some of the major schemes under implementation are Construction of offshore Container Terminal, Development of Harbour wall between 18-21 ID, Construction of second liquid berth, Dedicated rail freight line between Wadala & Kurla etc. The Port has taken various initiatives primarily aiming at leveraging the assets and revenue generation and cargo throughput. Few of the proposals conceived in this direction are setting up of container Terminal, setting up of Base Oil Terminal, Edible Oil Terminal, Floatel, Bunkering Terminal, development of anchorage and cargo operations at port waters, multi-level car parking, dry bulk terminal for food grains, exploring water area resources for leisure activities etc. Old Vessel Traffic System (VTMS) has been replaced by new technologically advanced and fully computerized Art Vessel Traffic System (VTS) for control of port operations surveillance and harbor navigations (tracing and guidance of ships). The International Ship and Port Facility Security Code (ISPS Code) is a mandatory regulation promulgated by International Maritime Organisation to which GOI is signatory, MBPT has taken necessary steps to implement ISPS Code which would enhance security level for shipping and port industry to detect / access security threats and take preventive measures against any untoward incident.
(ii).	The major cost is related only to salary, wages and facilities to the workers without even demonstrating or cataloging any new infrastructure or any other facility which could serve the port user. The Mumbai Port Trust is one of the largest land owners in the city and can absorb the cost by creating additional revenues from its land holding under various projects and schemes. They can overall become a profit making company in the larger sense taking the whole organization into consideration rather than trying to show cause losses due to increase in wages etc.	
(iii).	Indirect revenues like cargo demurrage etc. are also added feature to the port	On request of India Pulses and Grains Association, storage facilities for import

	which is not on account of importer but due to sheer failure in logistics, warehousing solutions at Mumbai.	bagged cargo at concessional rates at notified outlying areas as well as at areas under GBL has been extended upto 270th day.
(iv).	Unfortunately, there has been no additional labour recruited at the port while numbers of stevedoring gangs are reducing over the years. The question arises "is MBPT planning to create more gangs or any idea of technical support to increase rates of discharge/loading?" Is any additional facilities being offered by the Port to increase the rate of discharge/ loading? What are the port plans to speed up evacuation?	As regards creation of more labour gangs, it is stated that as per Office Memorandum issued in last 2 years by Ministry of Finance, Department of Expenditure, New Delhi, there is total ban on creation of plan and Non-plan posts.
(v).	Further, with regarding to the weigh bridge facility, we would like to add that there should be no increase in price as this has to be component of stevedoring cost and a part of the port infrastructure. No private ports charge separately for weighment. The private overbridge contractors who are in a profit sharing business with MBPT have not shown any intent to increase their price. MBPT representatives were also present in the same meeting of TAMP when the decision was taken. The department of weighment should not be looked in isolation and if there are any losses it should be consumed by the organization and therefore no separate hike is justified.	Charges for use of weighbridges installed by the port may be fixed at par with charges for private weighbridges installed at Mumbai Port.
(vi).	The pulses industry have been one of the major source of revenue to port as they have been very efficient in utilizing the outline warehousing on as-is-where-is basis, storing the cargo on short term basis to facilitate evacuation of the cargo from the port and to further move the cargo to various locations to the hinterland. The Association is very much concerned with Agri-Trade. Our members as port users have been importing huge volumes of pulses through the Port of Mumbai and contributing to a major share of revenue to MBPT. The vessels arriving at Mumbai are Handymax and Panama vessels of 50 MT odd parcel sizes which are heavily draughted and much beyond the permissible draught required for the berths available at Mumbai Port. These vessels are lightered at outer anchorage and the cargo transited to the port, then further evacuated from the barge and moved to the transit shed, all at our own cost. The vessel at berth is also discharged by grabs and moved by dumpers to transit sheds. These discharging operations are no longer	Regarding stevedoring charges, it is stated that as per the prevailing manning, on board gang and 3 GPM workers for hooking/ unhooking of dry bulk cargo, Signaler (H.F.) and pair of Winch drivers are deployed per hatch along with set of Supervisory staff per point, even though cargo is discharged by the grabs. Thus, contentions of M/s. India Pulses and Grain Association are not correct.

	done by OBL gangs as required, but, only with the assistance of crane drivers. No MBPT gangs are being used for these discharge operations. Our point in highlighting the said operation is to address the fact that the importers have been spending heavily out of their pockets for discharge and still paying the stevedoring charges to MBPT which itself is not fair and needs to be waived for Pulses operations and hence the increase in price is not correct or justified.	
(vii).	The volume of cargo and clubbing of vessels during the peak periods reduces pace of discharge for shortage of transit sheds where bagging the cargo is done and later to be moved to hinterland (evacuation). The cargo being bulk, sensitive and meant for direct human consumption, requires lot of sanctity in operation and huge warehousing space and cannot be heaped in the open, thus, making the duration of stay longer at the berths for vessels, also adding to increase in berth hire revenue to the Port which is not the case for other cargoes.	No specific comments furnished by the MBPT.
(viii).	Our members mostly import basic nutritional and generic food products catering to the general mass and for those under the poverty line. This food acts as a huge source of protein which is distributed under the PDS system and may now also complement as an additional segment to be added in the food security bill alongwith rice and wheat, to be distributed to the masses. Any additional costs will be directly passed on to the user and would also make the commodity costlier than the MSP under the current scenario prevailing in the market. Importers will also be burdened with additional losses due to increase of such irrational and unwarranted hikes.	No specific comments furnished by the MBPT.
(ix).	Pulses trade at Mumbai is ever growing and can be proved by figures in the recent years. The Association wishes that it continues with MBPT in a long way in mutual interest. With the revision of the tariff, the upcoming private ports will automatically get competitive, attractive and therefore diverting cargo from Mumbai Port will become more frequent. This shift in trade will automatically hamper all the stake holders at Mumbai Port right from Labour Forces, Allied Services and the Port itself. The additional cost package will discourage trade impetus in Mumbai and all the	No specific comments furnished by the MBPT.

	stake holders will suffer due to fall in volume, affecting the existence of bread winners who are directly/indirectly occupied in this trade at Mumbai Port for Centuries.	
(x).	Under the circumstances, it is firmly submitted that the said revision is not warranted under current situations and it is humbly requested to stall the revision in the best interests of port users. It is requested that TAMP may review the said proposal in the best interests of the trade and the stake holders and for the survival of Mumbai port.	No specific comments furnished by the MBPT.
5.	**Bharat Petroleum Corporation Limited (BPCL)**	
(i).	The increase of 23% proposed for all port charges is quite steep. In the past, the increase has been in the range of approx.10%, which is quite reasonable. Moreover, the infrastructure at the port has not improved and in fact jetty No. 4, which is the only jetty used for crude import, is in a dilapidated condition. Hence, it is requested that MBPT may reconsider their proposal for such a steep increase in the port charges.	The Fourth Oil Berth (FOB) at Jawahar Dweep which was constructed and commissioned in 1984 will be outliving its useful life in 2014. Due to continuous exposure to harsh environment, the RCC structural members of the FOB are presently in deteriorated condition. In order to repair and strengthen these members and extend the useful life of the FOB, Civil Engineering department has already taken up the work of major restorative repairs to FOB (at a cost of ₹15 crore) since September 2012. As a result of undertaking major restorative repairs, the life of the structure is likely to be extended by 10-12 years. In addition to this regular maintenance of the structure are also being carried out. Thus the present infrastructure is fully catering the need.
6.	**Mumbai and Nhava-Sheva Ship-Agents Association (MANSA)**	
(i).	According to MBPT's proposal, the Port has sought a revision of rates by 23% on all rates except for the license (storage) fees where they have asked for an increase of 70%. In this regard, we would like to make the following comments. According to TAMP, the guidelines of 2005 are said to be the guiding principles under which the tariff will be approved. As per Para 2 (vii) and (viii) of these guidelines, Tariff leverage will be used to improve operational efficiency of the ports and that the overall long term objective will be to move to competitive pricing and to push performance of Indian Ports to internationally competitive levels. The trade is greatly encouraged by this objective approach of TAMP towards Port's tariff. We are sure if TAMP continues to look at Port tariff, with these objectives, we will have no problem in accepting any tariff, formulated under	No specific comments furnished by the MBPT.

<table>
<tr><td></td><td>this doctrine, wholeheartedly. Perhaps it is for this reason that the subsequent guidelines also continue to link them to the basic feature of the guidelines of 2005 as it got mentioned in the preamble of 2013.</td><td></td></tr>
<tr><td>(ii).</td><td>The port has given its volume projection vide Para 2 (i) as

<table><tr><th>Year</th><th>2014-15</th><th>2015-16</th><th>2016-17</th></tr><tr><td>Throughput in MT</td><td>63</td><td>65</td><td>67</td></tr></table>
However, the Port has not given the bifurcation of the type of cargo composing these volumes, consisting of mostly POL, the volume of which is not fully reflective of Port’s administrative and operational efficiency, but, more on the organic growth in its inevitability of import and the productivity of the Offshore Oil Fields.

We require the details of Port-induced volume of general cargo and bulk cargo before we can comment on the justifiability of a tariff increase. MBPT should also provide its strategies to increase the volume of these commodities and, thereafter, justify the tariff increase in relation to such volume, particularly in relation to the above quoted principle of tariff formulated so very rightly by TAMP.</td><td>The Commodity wise projection of cargo has been furnished in Form No. 2A of format A.</td></tr>
<tr><td>(iii).</td><td>Our worst fear has been obliquely confirmed by MBPT itself in their explanatory note given under Para 2 (iv) : “………. However, considering the competition and <u>diversion of cargo</u>, the Board of Trustees has approved in the meeting held on dated 28.6.2013 to an increase of only 23% across all tariff on existing scale of rates except License (Storage) fees which is increased by 70% after considering Land Policy based rates in line with direction from TAMP in this regard.”</td><td>Comprehensive tariff proposal is sought as per tariff guidelines and based on cost plus approach. Considering the financial position 2014-15, 2015-16 and 2016-17 average deficit works out to 48.45% to achieve 16% ROCE. However, considering the competition and diversion of cargo, the Board of Trustees has approved an increase of only 23% across all tariffs on existing scale of rates.

Further, there has been a wage revision, which too needs to be addressed and port has 35,000 pensioners to be taken care of. The port has not loaded any past liability on account of terminal benefits to fix the tariffs. Port has to balance its books and the revision of tariff has become unavoidable in order to meet the ever-increasing expenditure.</td></tr>
<tr><td>(iv).</td><td>In our view, the diversion of cargo takes place because of two main factors:

1) Structural limitation of port

2) Operational restrictiveness or inefficiency.</td><td>In order to maintain draft, dredging has been done through private contract as well as MBPT own dredger. The quantity dredged for last 3 years are given below
<table><tr><th>Year</th><th>Quantity In Cu. M.</th></tr><tr><td>2010-11</td><td>2188953</td></tr><tr><td>2011-12</td><td>1875831</td></tr><tr><td>2012-13</td><td>373578</td></tr></table></td></tr>
</table>

In our view, both the above reasons are the root-cause because of which the cargo gets diverted. In terms of structural limitation it is the draft and lack of Infrastructure development. However, Port has done nothing to maintain the rated draft of Mumbai Port, leave alone increase in the draft by engaging timely maintenance dredging as well as contracting for capital dredging. The trade has been continuously writing to them requesting MBPT to immediately engage appropriate dredging contract so that the draft is increased and not just maintained. This request is keeping in mind the technological development taking place in the maritime field in terms of tonnage modernization. Apart from writing to MBPT, MANSA had held several meetings with Chairman and other Senior Officials of the Port drawing their attention to this serious issue. However, it is our observation that in MBPT the Management is just not interested in taking any timely action to improve the infrastructures and operational efficiency. Without these administrative actions no port can be competitive. In this regard, we seriously doubt whether the Port has enlightened even its Board members on its own deficiency of action in implementing steps that are integral and primary to the functioning of the Port itself.

As a result of inadequate service, the trade is constrained to divert cargo to distant ports at heavy additional logistic cost. Therefore, what MBPT term as diversion of cargo is in effect driving out of cargo by its own lack of initiative. The Port has instead opted for the easy option of increasing the tariff to maintain its revenue, without having to take any action or initiative for it. Any increase in tariff to fill the gap in revenue, would, therefore, tantamount to incentivizing inefficiency – the very opposite of the principle of tariff adopted by TAMP as quoted earlier above. TAMP should, in our considered view, encourage the Port to earn its revenue by effectively operationlising its inherent capabilities with required efforts rather than just be collecting it by hiking the tariff. It is painful to see a gifted Port being wasted to its optimum level of neglectance in terms of restrictive contributory essential structures. We are, therefore, completely opposed to providing any increase as

Total	**4438362**

The Traffic handled by MBPT during the years 2007-08 to 2012-13 is as given below:

Year	Traffic in MT
2007-08	57.04
2008-09	51.89
2009-10	54.54
2010-11	54.59
2011-12	56.19
2012-13	58.04

From the above table it is seen that traffic had decreased in the year 2008-09 due to global recession. However, global economy is slowly recovering and traffic of MBPT has been consistently increased from the year 2009-10.

In order to retain the traffic, various schemes of increasing free days for cargo and containers have been extended in the port. Concessional storage charges for various cargo at notified areas as well as at areas under GBL have been extended. Reduction in stevedoring charges handled at midstream has been extended.

Performance indicator of Mumbai Port are as follows :

Sl. No.	Performance indicator	2011-12	2012-13
1.	Average time spent at berth (days)		
(i)	Liquid Bulk	1.48	1.44
(ii).	Dry Bulk	11.51	10.84
(iii).	Containers	2.69	1.30
(iv).	General Cargo	3.64	3.53
	Overall	**2.56**	**2.44**
2.	Average detention on account of non-availability of berth (days)		
(i)	Liquid Bulk	0.48	0.50
(ii).	Dry Bulk	0.11	0.03
(iii).	Containers	0.25	0.04
(iv).	General Cargo	0.07	0.04
	Overall	**0.32**	**0.32**
4.	No of ships days lost on account of non-availability of berth		
(i)	Liquid Bulk	459	464
(ii).	Dry Bulk	5	2
(iii).	Containers	4	1
(iv).	General Cargo	39	17
	Total	**507**	**484**
5.	Average size of parcel per ship (Tonnes)		
(i)	Liquid Bulk	26195	29243
(ii).	Dry Bulk	15597	13472

<table>
<tr><td></td><td>submitted by MBPT, without the Port having to undertake its responsible functions to safeguard the available trade volume and trying to increase it by real efforts.</td><td><table>
<tr><td>(iii).</td><td>Containers</td><td>9817</td><td>4599</td></tr>
<tr><td>(iv).</td><td>General Cargo</td><td>9133</td><td>9720</td></tr>
<tr><td></td><td>Overall</td><td>19752</td><td>22023</td></tr>
</table>
Comprehensive tariff proposal is sought as per tariff guidelines. The revision is proposed as per guidelines and based on cost plus approach. Considering the financial position 2014-15, 2015-16 and 2016-17 average deficit works out to 48.45% to achieve 16% ROCE. However, considering the competition and diversion of cargo, the Board of Trustees has approved an increase of only 23% across all tariffs on existing scale of rates.

Further, there has been a wage revision, which too needs to be addressed and port has 35000 pensioners to be taken care of. The port has not loaded any past liability on account of terminal benefits to fix the tariffs. Port has to balance its books and the revision of tariff has become unavoidable in order to meet the ever increasing expenditure.</td></tr>
<tr><td>(v).</td><td>Instead, we seek the following:
1) Product-wise projection of cargo volume.
2) Proper assessment of cargo lost by virtue of Port's current inefficiency.
3) Reason for not undertaking dredging.
4) Total loss of cargo accrued and accruable due to the restricted draft resulting in optimum sized vessel not being allowed to call Mumbai port by constituted lack of facilities – draft, cranes, Storage Warehouses etc.

We are sure; an efficient professional consultant would be able to provide the above study in less than a month.

Once we have these details from MBPT, we will be in a position to rationally comment on the proposal. In fact, we would encourage any increase in tariff that the Port wants as the Port would then be fully justified in seeking same, if the resultant assessment is correct.</td><td>No specific comments furnished by the MBPT.</td></tr>
<tr><td>(vi).</td><td>While awaiting the details as mentioned above, on the following grounds alone we would disagree with the proposal for an increase:</td><td></td></tr>
<tr><td></td><td>(a). There is an Operating Surplus in each "Service" being offered by the Port, totally amounting to over ₹ 200 crores which has been transferred to Pension/ Gratuity Fund Trusts in order to augment the fund and avail of benefits under the Income Tax Act. Does this mean that irrespective of the costs of the service,</td><td>Form3A (note-6) of TAMP's Formats states are under:

"Pension payments made by the port to the extent it is not drawn from the fund and the contribution made to the pension fund relevant to current year towards pension liabilities of existing employees based on</td></tr>
</table>

	the Trade will have to bear the burden of sustained increases? Why should Port users be burdened with this cost, especially when there has been no benefit to the Trade by way of Port efficiency or overall Voyage cost reduction?	actuarial valuation shall be considered." Accordingly, contribution made to Pension Fund has been considered.
	(b). <u>Port Dues</u>: These dues are primarily collected for the upkeep of the Anchorage, approach channels and berthing facilities. Instead of an improvement in these facilities, there is deterioration in the Services being provided where depths of all the approach channels and berths have fallen and vessels are made to wait or shifted in and out due to berth/ channel/ tidal restrictions. It is understood that there is a surplus in the collection/ cost of this service.	Port Dues, Pilotage & Towage and Berth Hire Charges – These all services are covered under the vessel related activity. The vessel related activity is in net deficit. The following points are given below for your kind information. (i) Old Vessel Traffic System (VTMS) has been replaced by new technologically advanced and fully computerized Art Vessel Traffic System (VTS) for control of port operations surveillance and harbour navigations (tracing and guidance of ships) (ii) Replacement of EEL crane at ID. (iii) MBPT has hired private Tugs in addition to MBPT tugs for towing the vessels and hire Pilots.
	(c). <u>Pilotage Towage</u>: Once again a surplus, however, efficiency of services have reduced due to lack of facilities being provided resulting in reduction in the size and draft of vessels permitted to transit the locks and outer berths leading to congestion and delay to vessels movements and turnaround.	
	(d). <u>Composite Berth Hire</u>: We would like to know on what basis the MBPT is asking for an increase in this Service, which we understand is already in surplus. Individual charges for Berth occupancy, shed, telephone, shore cranes etc. were consolidated and charged under one head of 'Composite Berth Hire'. Over a period of time most of the facilities have deteriorated, sheds have been demolished, shore crane facilities have reached a performance level of "nuisance value", wharf conditions are deplorable.	
	(e). <u>Rates in Dollar denomination</u>: All the above services are charged in Dollar terms. We request TAMP to fix these rates in Rupees as there is no justification for a Dollar denominated tariff other than giving an unscheduled increase to the Port, without any reference or approval by TAMP and complicating accounting procedures for the Agents with Foreign Principals.	Government of India, Ministry of surface Transport, vide letter dated 07.12.1991, had directed to all Major Ports to notify the vessel related charges in US dollars and send proposals for fixation of such charges in US dollars to the Ministry for approval. Further, as per conditions, Port are not allowed to handle the foreign currency directly and collect the same in equivalent Indian Rupees, at the rates notified by the R.B.I. on the date of arrival of the vessel. Further, as per clause 6.1.1 TAMP's tariff guidelines of 2005, vessel related charges for foreign-going vessels will

<table>
<tr><td></td><td></td><td>continue to be denominated in dollars and recovered in Indian Rupees.</td></tr>
<tr><td></td><td>(f). <u>Wharfage:</u>
This service cost includes safe storage of the cargo. The cargo storage facilities are deplorable. Shed space availability has reduced, open storage is inadequate and storage areas weak, uneven and approaches inadequate.
Another cost inclusion for this service is “Receiving the cargo at the hook point and movement to the stack area”. However, the MBPT has put its hands up and 99% of the cargo has to be moved by the Agent for and on behalf of the Cargo interest. There has been no investment in acquiring of Equipment or gear to handle this function which is a part of this service. As little or no funds are used to cater to these services, obviously this ‘service’ too has an operating surplus.</td><td>With regard to general flexibility allowed by TAMP to reduce the rates at the discretion of the Port on commercial considerations and the consequential effect of concessions granted by MBPT for various schemes in respect of wharfage and storage are as under:

(i). Grant of extended free days for cargo and containers.
(ii). Concessional charges for storage of empty containers at designated yards of MBPT.
(iii). Grant of extended free days for import consignment of iron & steel.
(iv). Storage facilities for import bagged cargo at concessional rate at notified outlying areas as well as areas under GBL has been extended upto 270th day.

Further, MBPT owned equipment available for handling of cargo are given below:
<table>
<tr><th>Sr. No.</th><th>Description</th><th>Number</th><th>Rated Capacity</th></tr>
<tr><td>1</td><td>Mobile Crane (14T)</td><td>4</td><td>14 tonnes at 3 Radius</td></tr>
<tr><td>2</td><td>Fork Lifts Trucks (3T)</td><td>20</td><td>3 tonnes capacity at 500mm load center</td></tr>
<tr><td>3</td><td>Electric Fork Lifts (1/1.5T)</td><td>2
4</td><td>1T / 1.5T at 400 mm load center</td></tr>
<tr><td>4</td><td>Tractors (3T)</td><td>5</td><td>3000 kgs</td></tr>
<tr><td>5</td><td>Heavy Duty Fork Lift Trucks (16T)</td><td>4</td><td>16 tonnes capacity at 900 mm load center</td></tr>
<tr><td>6</td><td>Tower Cranes (20T)</td><td>1</td><td>20 tonnes capacity at 6 mtrs radius</td></tr>
<tr><td>7</td><td>Diesel Locomotives</td><td>5</td><td>1) Horse Power BHEL – 700 HP
2) Houling capacity – 2200 Tonnes</td></tr>
<tr><td>8</td><td>Wharf Cranes</td><td>08
03</td><td>10 tonnes
20 tonnes</td></tr>
</table></td></tr>
<tr><td></td><td>(g). <u>License (Storage) Fees and Warehousing Charges</u>:

We fail to understand the reason for a 70% hike in these charges. Warehouse, Outlying open and Office spaces are rotting with lack of occupancy and upkeep. MBPT have been reluctant to lease these spaces resulting in huge losses of revenue that could have easily been earned by the Port.</td><td>License (storage) Fees has not been revised since 2006. TAMP in its order dated 11.11.2011 has not given any increase for the section 3.3 – License / Storage Fees and warehousing charges as charges are to be fixed in accordance with Land Policy Guidelines – 2010 announced by the Government.

Vide TAMP’s above order, License (storage) Fees and warehousing charges are to be fixed following the Land Policy Guidelines – 2010. A comparative study of License (storage) Fees under section 3.3(A) (i), (ii), (iii), (iv) and (v) vis s vis Rates as per Ready Reckoner Rates – 2013 has been carried out. It is observed that Ready Reckoner Rates are quite high compared to existing License (storage) Fees. Section 3.3 of SOR deals with facility to support import/export cargo activities at Mumbai Port. If license fee is revised as per Ready Reckoner Rates, it will have adverse impact on cargo traffic of the Port. Therefore, it is proposed to increase</td></tr>
</table>

		License (storage) Fees under section 3.3 only by 70%.
(vii).	We are yet to be advised on what basis the MBPT is seeking an increase as ALL the services are showing a surplus.	No specific comments have been furnished by the MBPT.
(viii).	We request TAMP to look into the below issues which are ambiguous in nature resulting in interpretation by MBPT only to their advantage.	
	(a). More clarity in the definition of FCL/ LCL, especially in view of the present trend of Consolidation/ Deconsolidation.	As per SOR, "Full Container Load" (FCL) shall mean a container containing cargo belonging to one consignee in th evessel's manifest and "Less than a Container Load" (LCL) shall mean a container containing cargo belonging to more than one consignee in the vessel's manifest". The above definitions are time tested and have been duly approved by TAMP.
	(b). SOR Chapter V. RE: Container related charges. "SOR 5(B) Composite charges on cargo containers Handled with cranes other than Quayside Gantry Cranes" These charges should not be levied as port is not giving any services. Presently only transportation rebate is being given to lines/agents as per SOR 5(C). Rebates 5(C)(ii) Transportation Charges. When gang is booked whether G/C or containers are handled we are being charged by gang per shift, as stevedores charges. Hence 5(C)(i)(b) rebate should be applicable. i.e. ₹2431 x 20' -- ₹3647 x 40'.	Note No. (III) to Section 5 (B) of the SOR provides: "The above charges include on board stevedoring charges, handling at shipside, lift on of export / lift off import containers at the pre-stack area, removal of container between shipside and pre-stack / RCD yard in docks, loading / off loading of ICD containers on Railway wagons within the Docks. Transport rebate is allowed as per chapter 5(C) (ii) of SOR. MANSA's contention that when gang is booked whether G/C or containers are handled, they are being charged by gang per shift, is not correct as the stevedoring charges are being recovered in terms of para 2.18 of SOR which are based on types of commodities / activities per Ton / per TEU / per box, as the case may be and not on gang per shift, as contended. It is further to be mentioned that for containers loading /unloading operation on board the vessel by ship crane/ ship gantry or quayside gantry cranes, on board laborers are being booked alongwith stevedoring supervisory staff for container loading/unloading operations.
	(c). Transshipment only refers to movement by Sea. Transshipment rates should also be applicable for Imports and Exports if moved by Road/Rail. This should include 'shut out' cargoes.	Transhipment charges for containers are being recovered based on the customs document presented by the vessel agent.
	(d). Clauses with words "beyond a reasonable level attributable to the port" or "production of all documents required by the Port" should be removed as, till date, MBPT has not paid a single Rupee for late refunds. Any delay in refunds over 15 days, <u>for any reason whatsoever</u>, should attract penal interest.	Clause 1.2(v) provides: 1.2 (v) Interest on delayed payments / refunds: (c) The delay in refunds by the port will be counted beyond 20 days from the date of completion of services or on production of all the documents required from the user, whichever is later.
	(e). Overtime is being charged by the	Details of charges of out of pocket expenses

	Port, however, no proper costing and explanation has been given to Port Users.	as required by MANSAA have already been forwarded to them. Further, it was clarified that wages of the workers have increased over the years and the overtime is required to be given to the workers as per the provisions of Minimum Wages Act.
	(f). Chapter II Notes 3 states towage charges will be double in case of movement of vessel without the power of the engine and 4 says vessel not able to move on its own propulsion or cold move additional tug hire charges will be applicable.	Vide Trustees Resolution No. 16 dated 19.06.2012 sanction is accorded not to charge Port Dues on re-entry of a vessel on same voyage, if the said vessel was forced to go out of MBPT port limits before completion of its planned discharging / loading of cargo due to removal of the vessel from the berth for safety consideration and no suitable anchorage was available. Further, supply vessels and cruise vessels home ported at Mumbai port visiting more than once in a month are charged at 25% of Port Dues for second and subsequent calls.
	(g). Applicability of Port Dues/Charges on each entry to be removed and should be applied on the basis of change in VCN or Port Clearance taken/Vessel sailed.	No specific comments have been furnished by MBPT.
	(h). When vessel moved to anchorage for Port convenience, anchorage charges should "not" be applicable.	No specific comments have been furnished by MBPT.
	(i). As Stevedoring is being done by the Port, penal berth hire in completion of cargo/sailing of vessel should be discontinued and made applicable only if the delay is attributable to the vessel. "Cessation of berth hire subject favorable tides or inclement weather or night navigation" to be removed. If a vessel is delayed beyond 6 hours of its completion of cargo/readiness to sail, irrespective of the reason, berth hire should cease.	Note 2 (i) to (v) of 2.17 are prescribed as per TAMP's order dated 04.02.2000 and clauses 6.6.1, 6.6.2 and 6.6.3 of March 2005 guidelines. Further, 'Penal berth hire' is recovered for a false signal by vessel indicating its readiness to sail. Conditional cessation of berth hire prescribed in the SOR is to avoid undue advantage to trade.
	(j). Priority and Ousting Priority charges were introduced in Mumbai primarily for Government Priority Fertilizer or Food grain vessels and not for vessels accorded priority berthing due to the categorization of cargo or passengers. Priority charges cannot be applicable especially when these vessels have declared their schedule much in advance. The Port are not planning properly or deliberately keeping the berth occupied to extract 'Priority charges'.	With regard to MANSA's contention that priority charges cannot be made applicable to passenger vessels, especially when these vessels had declared the schedule much in advance, this is to state that, in terms of Clause 1.2 (xiii) of SOR, vessel related charges for cruise vessels are 60% of relevant applicable charges leviable on other vessels. Further, Priority / ousting Priority Berth Hire Charges are levied as per the Government guidelines and provisions of Scale of Rates. The MANSA's contention that the port are not planning properly or deliberately keeping berths occupied to extract Berth Hire Charges is totally incorrect and without any substance.
	(k). Shifting/re-stowing of cargo within the hold should be exempted from additional Stevedoring charges, especially when shifting is done by the use of F/lifts or ship's crew. This may be charged if the Vessel Master/Agent	This is to mention that even during the shifting of cargo either by forklifts or ships crew, etc. the time is consumed and the entire set of workers posted to work in the hatch remains standby. The shifting operation is supervised by the supervisory staff posted on the vessel

	specifically asks for the assistance of a gang.	and also noting to that effect is taken by the supervisory staff in the stevedoring documents. In case of shifting of same bottom cargo, the shifting report is being generated. Therefore, the present system of reckoning the shifting tonnage for levying stevedoring charges is justified.
	(l). MBPT is not justified in charging the same Stevedoring rate for RORO & LOLO operation of Rolling stock above 10 tons as no labour is used for the RORO operation. Request revision in rates to max double the rate charged for Rolling stock below 10 tons.	It is not true that no labour is used for RORO operation. The regular gang is not booked on RORO operations, instead 4 General Purpose Mazdoors (GPM) are being booked along with Tally & Sorting Clerks and set of supervisory staff for supervising the operation ad for documentation. MBPT has to maintain a large labour force for deploying work on board the vessel. Salaries and wages of these labour which is maintained purely for the vessel working are payable even if they remain idle. Hence, contentions of MANSA are not correct.
	(m). Licence Storage fees & Warehousing charges have been increased by 70% with no justification or additional expense being incurred by the Port. MBPT is reluctant to give office/ storage space to port users resulting in excessive vacant covered/ office spaces and still want to increase rates by 70%.	--
(ix).		Moreover, Port has a well formulated development plans to augment and expand its capacity. Following are the major schemes under implementation. (i). Construction of Offshore Container Terminal in order to develop dedicated container port in the Private Public Participation (PPP) mode. Expected date of completion is March 2015. (ii). Dredging and Infrastructure development for having larger size vessels along Harbour Wall Berths 18-21 ID. The development of Harbour Wall Berth 18-21 ID, is expected to be completed in July 2015. This project will have a capacity addition of 6.50 million tonnes. This project is proposed for implementation through PPP mode. (iii). Second Liquid chemical berth at New Pir Pau is another important project designed for vessels up to 37000 DWT at an estimated cost of ₹ 116 crores. It is expected to be completed by October 2014 with a capacity of 2 Million MT p.a. IIT has been consulted to increase the capacity to 3 MMTPA and increase of displacement load from 50000 DWT to 75000 DWT with nominal increase in project cost within sanctioned time. (iv). Considering the importance of connectivity aspect with hinterland the

		improvement in rail road infrastructure was envisaged in 11th and 12th Five Year Plan. The dedicated rail freight line between Wadala Kurla is expected to be ready by March 2015. There are also other schemes in this category, which are under progress and there is a scheme with participation of State Government such as construction of Anik Panjapole Link Road and 700 meters of road from Wadala Mahul Road to Truck Terminal. (v). The port has taken various initiatives primarily aiming at leveraging the assets and revenue generation and cargo throughput. Few of the proposals conceived in this direction are setting up of Container Terminal, setting up of Base Oil Terminal, Edible Oil Terminal, Floatel, Bunkering Terminal, development of anchorage and cargo operations at port waters, multi-level car parking, dry bulk terminal for food grains, exploring water are resources for leisure activities etc. (vi). To sum up, it can be stated that out of the total investment of Rs.3135.50 crores planned for development of Port infrastructure, Private Investment envisages is to the tune of R.1186 crore and State Government's participation is to the tune of Rs.174.50 crore. The remaining Rs.1775 crore will be funded from the internal resources of the Port. (vii). The above are expected to take the Port on to a capacity of 76 MMT from the current level of 49 MMT. (viii). The International Ship and Port Facility Security Code (ISPS Code) is a mandatory regulation promulgated by International Maritime Organization to which GOI is signatory, MBPT has taken necessary steps to implement ISPS code which would enhance security level for shipping and port industry to detect/access security threats and take necessary steps to implement ISPS code which would enhance security level for shipping and port industry to detect/access security threats and take preventive measures against any untoward incident.
7.	**Indian Ship Breakers Association**	
(i).	Currently ship breaking activity is at its worst stage being the local currency being volatile. The MBPT intends to increase rate of port charges for beaching and breaking of vessel. In current scenario, industries all over India including ship breaking is facing huge business loss due to slow down in economy. The frequency of ship beaching/ breaking in Mumbai has	The MBPT has drawn reference to the comments given by it earlier, while responding to the earlier comments of Indian Ship Breakers Association.

	drastically gone down by 80% in terms of total tonnage beached/ in process of breaking. The same can be visualized in Alang also where beaching and breaking of the vessels have gone down by 50% even when GMB is charging flat rate of ₹.125/- per LDT in MT. Due to inflation and government regulatory, overhead expense has also gone up which is directly affecting the industry.	
(ii).	During this slowdown in economy and downfall of shipbreaking industry, increase in tariff rate will directly hit the industry and it may also lead to closure of this industry. Hence, we strongly oppose to this increase in rate.	
8.	**Indian Merchants' Chamber (IMC)**	
(i).	The Board of Trustees in their Board Meeting dated 28 June 2013 has approved an increase of 23% against all the existing scale of rates, without any reasons being extended.	Mumbai Port Trust entered into an agreement with M/s Indira Container Terminal Pvt.Ltd. (ICTPL) for construction of offshore container terminal on 03.12.2007. As per the agreement the offshore container terminal was to be completed by December 2010. The project is expected to be completed by March 2015.
(ii).	The volume of cargo being handled at Mumbai Port has dwindled to almost nothing, as far as containerized cargo is concerned, and the unilateral decision by the Port Administration to hike their Scale of rates (SOR), except storage fees under section 33, in our humble opinion would be a highly counter-productive step.	
(iii).	The Board of Trustees in 2008 signed an Agreement for creation of OCT i.e. Offshore Container Terminal, which has to be completed by December 2010. If the BPT administration had ensured, that the said project had met with its completion of project dates, we are confident, instead of seeking a hike in the Scale of Rates, the Mumbai Administration would have reduced their tariff automatically to attract the higher volume of containerized cargo. What is the factual position on the OCT that would be constructed and made operational by December 2010?	
(iv).	It is requested that the MBPT Port Administration may reconsider their proposal of 23% hike in their Scale of Rates.	

2. The MBPT vide its letter dated 23 September 2013 has forwarded the copy of the proceeding of Trustees Resolution as well as Cost Statements in the prescribed formats on the subject proposal. The said information was also made available to the concerned users / user organisations, seeking their comments. The comments received from users/ user organisations

were forwarded to MBPT as feedback information. The MBPT has responded to the comments of the users. The summary of the comments received from users/ user organisations and the response of MBPT thereon is tabulated below:

<table>
<tr><th>Sl. No.</th><th>Comments of users / user organisations</th><th>Reply of MBPT</th></tr>
<tr><td>1.</td><td>Iron Steel Scrap & Shipbreakers Association of India</td><td></td></tr>
<tr><td>(i)</td><td>Even at the present rates, ship breaking at Mumbai Port is not viable. Already a number of plots are vacant. In the circumstance, any further upward revision in rates will only lead to the closure of ship breaking activity at Mumbai resulting in the whole area being occupied by slums and loss of revenue to MBPT.

Thus, in the case of shipbreaking, the proposed upward revision in rates will only result in double damage to MBPT.</td><td rowspan="6">The MBPT has drawn reference to the comments given earlier by it, while responding to the earlier comments of Indian Steel Scrap & Ship Breakers Association.</td></tr>
<tr><td>(ii).</td><td>If ship breaking charges are not fixed on a realistic basis, the industry is likely to close down, whereby MBPT will lose revenue and the entire yard will again be encroached by slum dwellers.</td></tr>
<tr><td>(iii)</td><td>The present system of charging on the total LDT of the ship from the 1st to last day of removal of last tonne of material, has no logic, science and it is absolutely absurd. Hypothetically, if a ship of 6000 LDT is beached on a plot, a breaker will be paying ₹37,500 per month as breaking charges calculated at the rate of ₹ 6.25 per LDT/ per day which is continued for the entire period. Whereas, for a smaller ship of 3000 tonnes, the charges will work out to only ₹ 17,750 for using the same plot. In other words, for using the same plot, one person will be paying ₹ 37,500 whereas the other person beaching a smaller vessel will be paying ₹ 17,750. There is no justification for such a differential charge for using the same plot. This will discourage the breakers from bringing larger ships.</td></tr>
<tr><td>(iv)</td><td>In the present above method, a breaker continues to pay the above charges from the 1st day of beaching to the last day of removal of last tonne of material from the plot although he has to break minimum 900 tonnes a month and the quantity stands reduced at the end of every month.</td></tr>
<tr><td>(v)</td><td>We suggest that the breaking charge should be based on reducing quantity method; for example, as illustrated in the following chart, based on breaking and removal of 900 tonnes per month:

<table>
<tr><th>Month</th><th>Qty.</th><th>Rate/LDT/Day in ₹</th><th>Charges for 30 days in ₹</th></tr>
<tr><td>1</td><td>6000</td><td>6.25</td><td>37,520</td></tr>
<tr><td>2</td><td>5100</td><td>6.25</td><td>31,875</td></tr>
<tr><td>3</td><td>4200</td><td>6.25</td><td>26,250</td></tr>
<tr><td>4</td><td>3300</td><td>6.25</td><td>20,625</td></tr>
<tr><td>5</td><td>2400</td><td>6.25</td><td>15,000</td></tr>
<tr><td>6</td><td>1500</td><td>6.25</td><td>9,375</td></tr>
<tr><td>7</td><td>600</td><td>6.25</td><td>3,750</td></tr>
</table></td></tr>
<tr><td>(vi)</td><td>Further, in this method, the breaker should be charged as per the reducing rate for the specified</td></tr>
</table>

<table>
<tr><td></td><td>period for completing the breaking or till the last month of completion within the specified period of breaking whichever is earlier.</td><td></td></tr>
<tr><td>2.</td><td>Iron Steel Scrap & Ship breakers Association of India</td><td></td></tr>
<tr><td>(i)</td><td>Even at the present rates, ship breaking at Mumbai Port is not viable. Already a number of plots are vacant. In the circumstance, any further upward revision in rates will only lead to the closure of ship breaking activity at Mumbai resulting in the whole area being occupied by slums and loss of revenue to MBPT.

Thus, in the case of shipbreaking, the proposed upward revision in rates will only result in double damage to MBPT.</td><td>The MBPT has drawn reference to the reply furnished by it earlier, while responding to the comments furnished by the ISSSAI earlier.</td></tr>
<tr><td>3.</td><td>Indian National Shipowners' Association (INSA)</td><td></td></tr>
<tr><td>(i).</td><td>The port proposal includes ROCE of 16% when calculating total cost. This is incorrect and unnecessarily inflates the negative returns ratio.</td><td>16% ROCE has been worked out as per TAMP's guidelines.</td></tr>
<tr><td>(ii).</td><td>The port in its proposal has admitted a projected average deficit of 48.45% but ultimately sought an upward revision of 23% over existing tariff under all heads and 70% in Storage Fees. We feel a cost+ tariff fixed every 3 years showing such high deficient results points out an erroneous planning.</td><td>The projection for next 3 years has been worked out as per TAMP's guidelines</td></tr>
<tr><td>(iii).</td><td>Our findings extracted out of the proposal are submitted for your perusal.
<table>
<tr><td></td><td colspan="5">Extract from MBPT proposal</td></tr>
<tr><td></td><td colspan="5">Amounts in Crores ₹.</td></tr>
<tr><td>S N</td><td></td><td></td><td>2011-12 Actual</td><td>2012-13 Actual</td><td>2013-14 (BE)</td></tr>
<tr><td>1</td><td>Salary & wages</td><td>X</td><td>747.16</td><td>903.34</td><td>947.47</td></tr>
<tr><td>2</td><td>Pension & PLB/PR</td><td>Y</td><td>480.34</td><td>581.11</td><td>566.04</td></tr>
<tr><td>3</td><td>Total cost excluding Deprn</td><td>Z</td><td>1416.45</td><td>1678.45</td><td>1789.19</td></tr>
<tr><td>4</td><td>Capital Employed - Form 3A</td><td></td><td>607.47</td><td>548.75</td><td>485.73</td></tr>
<tr><td>5</td><td>Business Assets Form 4A</td><td></td><td>1352.6</td><td>1372.05</td><td>1363.46</td></tr>
<tr><td>6</td><td>% of salary & pension schemes</td><td>$\frac{(X+Y)}{Z}$</td><td>87%</td><td>88%</td><td>85%</td></tr>
<tr><td>7</td><td>% of pension cost Y/Z</td><td></td><td>34%</td><td>35%</td><td>32%</td></tr>
</table></td><td>--</td></tr>
<tr><td>(iv).</td><td>Unless there is difference in our understanding, we notice that –</td><td></td></tr>
<tr><td></td><td>(a). There is substantial increase in wages and Pension costs from 2011-12 to 2012-13 figures.</td><td>Pension Expenditure : Form-3A (note-6) of TAMP's Formats states as under:
"Pension payments made by the port to the extent it is not drawn from the fund and the contribution made to the pension fund relevant to current year towards pension liabilities of existing employees based on actuarial valuation shall be considered".

Accordingly, contribution made to Pension Fund has been considered</td></tr>
<tr><td></td><td>(b). The total cost (considered without ROCE) has contribution of 85% and more for Salary and Pension schemes.</td><td>The port has not loaded any past liability on account of terminal benefits to fix the tariffs.

Moreover, Port has to balance its books, and the revision of tariff has become unavoidable in order to meet</td></tr>
</table>

<table>
<tr><td></td><td></td><td>the ever-increasing expenditure.</td></tr>
<tr><td></td><td>(c). Business Assets seem to be utilized less than 50% of the total available asset. We feel Port's obligations towards pension benefits should be met through judicious utilization of Assets by leveraging it's strength of having large mass of unutilized land.</td><td>--</td></tr>
<tr><td>(v).</td><td>We take this opportunity to raise the issue of reception facilities & services required to be provided by port under MARPOL convention. These should be spelt out with correct SOPs and the tariff as part of SOR. India is a signatory to the convention, and these services are required to be provided by law and should therefore be treated as integral part of Port services.</td><td>All the dues as per TAMP's guidelines has been included in the proposal. TAMP's guidelines are silent about the specific tariff to be charged by the port in compliance of ports obligation under MARPOL.</td></tr>
<tr><td>4.</td><td>All India Liquid Bulk Importers Exporters Association (AILBIEA)</td><td></td></tr>
<tr><td>(i).</td><td>There is no justification for MBPT to ask for increase in rate, which is already highest among the Ports in the Country. The cost per ton of bulk chemicals handling based on present charges (vessel and cargo related) levied by Mumbai Port as compared to other ports are shown in the following Table I below:

<u>Cost of handling per MT for Bulk Liquid Chemicals based on present MBPT charges</u>:

<table>
<tr><th>Port</th><th>Cost per Ton in ₹</th><th>% high (vis-à-vis other ports)</th></tr>
<tr><td>Mumbai</td><td>469/-</td><td></td></tr>
<tr><td>JNPT</td><td>242/-</td><td>MBPT higher by 94%</td></tr>
<tr><td>Kandla</td><td>315/-</td><td>MBPT higher by 49%</td></tr>
<tr><td>Mangalore</td><td>199/-</td><td>MBPT higher by135%</td></tr>
<tr><td>Kochi</td><td>412/-</td><td>MBPT higher by14%</td></tr>
<tr><td>Mundra</td><td>285/-</td><td>MBPT higher by 65%</td></tr>
</table>

<u>Cost of handling per MT for Bulk Liquid Chemicals based on proposed MBPT charges</u>

<table>
<tr><th>Port</th><th>Cost per Ton in ₹</th><th>% high (vis-à-vis other ports)</th></tr>
<tr><td>Mumbai</td><td>573/-</td><td></td></tr>
<tr><td>JNPT</td><td>242/-</td><td>MBPT higher by 137%</td></tr>
<tr><td>Kandla</td><td>315/-</td><td>MBPT higher by 82%</td></tr>
<tr><td>Mangalore</td><td>199/-</td><td>MBPT higher by187%</td></tr>
<tr><td>Kochi</td><td>412/-</td><td>MBPT higher by39%</td></tr>
<tr><td>Mundra</td><td>285/-</td><td>MBPT higher by 101%</td></tr>
</table>
At present, cost of import/export of Bulk Liquid in Mumbai Port on per ton basis is highest. Any upward revision will only divert cargo from Mumbai to other recently commissioned private ports in Gujarat viz. Hazira, Dahej, Mundra, etc.</td><td rowspan="2">The proposed rates on POL products have been increased on par with other rates of SOR.
The comparative wharfage rates of POL Crude with other Major Port are given below:

<table>
<tr><th>Sr. No</th><th>Name of Port</th><th>Rates (₹)</th></tr>
<tr><td>1</td><td>Mumbai Port Trust</td><td>52.10
(Proposed rate is ₹64.08)</td></tr>
<tr><td>2</td><td>Kolkata Port Trust</td><td>76.50</td></tr>
<tr><td>3</td><td>Cochin Port Trust</td><td>65</td></tr>
<tr><td>4</td><td>Mormugao Port Trust</td><td>70</td></tr>
</table>

It is seen from the above table, MBPT rates are lower when compared to above major ports. Further, the MBPT's existing rates of POL are in force since 2001 i.e. for the last 12 years and TAMP has not given any increase in the last two comprehensive revisions.

The revision is proposed as per guidelines and based on cost plus approach. As per the financial position of Port as whole for the years 2014-15, 2015-16 and 2016-17, average deficit works out to 48.45% to achieve 16% ROCE. However, considering the competition and diversion of cargo, the Board of Trustees has approved an increase of only 23% across all tariffs on existing scale of rates. Furthermore, POL service is covered under cargo handling activity, which is in deficit.
The MBPT's wharfage for liquid chemicals at existing rates is</td></tr>
<tr><td>(ii).</td><td>The cost statement provided by Mumbai Port Trust in respect of POL and liquid chemical does not justify any increase in charges related to POL and liquid chemicals cargoes. The figures which appears in Form 5(A)(iii) indicate for the year 2012-13, POL and liquid chemicals have generated a surplus of ₹14,991 Lacs as against capital employed for this activity of ₹7,875 Lacs. This means this activity has generated surplus of almost</td></tr>
</table>

<table>
<tr><td></td><td>two times the capital employed every year of operations. Even if very high allocation of management and general administrative overheads of ₹2,189 Lacs and allocated share of FME of ₹2,945 Lacs is reduced from this surplus, still the ROC comes to 125%. Therefore this is an ideal case for reduction in various charges, which are levied on POL and liquid chemicals. This product line every year also registers an impressive volume growth. It may be noted that Jetty is being utilized well above its capacity.</td><td rowspan="2">comparable and lower than that at neighbouring ports.</td></tr>
<tr><td>(iii).</td><td>The assets of this segment have already depreciated 85% till 2012-13. In effect all the money invested has been recovered by the Port with the earnings from this product line. Therefore, a case for reduction and not increase on charges related to POL/ Liquid chemicals is justified and called for.</td></tr>
<tr><td>(iv).</td><td>Further, since last 3 years our Rupee has depreciated by 25%, which has already given Mumbai Port the additional increase in the charges. This has contributed towards additional revenue to MBPT in the form of foreign exchange.</td><td>As far as benefit arising out of devaluation of rupee is concerned, the yearly average dollar rate has been worked out and tabulated below:

<table>
<tr><th>Sr.No</th><th>Year</th><th>Dollar Rates (₹)</th></tr>
<tr><td>1</td><td>2006-07</td><td>45.08</td></tr>
<tr><td>2</td><td>2007-08</td><td>40.14</td></tr>
<tr><td>3</td><td>2008-09</td><td>45.80</td></tr>
<tr><td>4</td><td>2009-10</td><td>47.25</td></tr>
<tr><td>5</td><td>2010-11</td><td>45.32</td></tr>
<tr><td>6</td><td>2011-12</td><td>47.55</td></tr>
<tr><td>7</td><td>2012-13</td><td>53.77</td></tr>
</table>

It is seen from the above table that the average dollar rates are fluctuating during the last 7 years. Further, the benefit from the fluctuating dollar rate is a temporary phenomenon and carries inherent risk.</td></tr>
<tr><td>(v).</td><td>In fact, increasing the rate in such arbitrarily manner as proposed at present will help private ports of Gujarat viz. Hazira, Dahej, Mundra, etc., who are trying their level best to snatch liquid cargo from Mumbai Port. This will also discourage traffic through MBPT and compel existing customers to divert to adjacent major and non-major ports (who offer much lower rates). This will be highly detrimental to MBPT itself.</td><td rowspan="3">No specific comments furnished by the Port.</td></tr>
<tr><td>(vi).</td><td>Mumbai Port's present charges are highest in comparison with other Ports. After modernization and increase in capacity, port should increase its revenue by handling additional traffic not by increasing its rate of existing traffic. In fact charges at newly developed modern private ports of Gujarat are almost 50% of Mumbai Port charges.</td></tr>
<tr><td>(vii)</td><td>The pre-berthing detention of vessels at MBPT Pir Pau is very high resulting in demurrage, which is an additional cost to the users of Mumbai Port. The Port should concentrate on increasing traffic with</td></tr>
</table>

	less detention.	
(viii)	As it is, due to high volatility of rupee and low demand, the trade is through a rough patch and importers/ exporters are incurring huge losses. In present scenario they will not be able to absorb any further cost. This increase in charges, will force them to look out for other alternatives resulting in major loss to MBPT share of cargo.	
(ix).	Bulk liquid cargoes are the major source of revenue for Mumbai Port and we request TAMP to please take note of what is stated above and appreciate that MBPT's overall charges to customers/ users is already 50 to 100% higher than other ports. Accordingly, MBPT should be dissuaded from raising any vessel and cargo related charges for POL and bulk liquid cargo.	
(x).	In interest of Mumbai Port and in order to increase the volumes and revenue of MBPT we request TAMP reduce and make the charges attractive and comparable to other competing ports. We also request TAMP to organize a joint meeting with the Port users and various associations to discuss this issue when comments from all organizations are received by them.	
5.	**Oil and Natural Gas Corporation Limited (ONGC)**	
(i).	ONGC entered into an agreement with MBPT on 28.01.2005 and as per clause 2 and 3 of the Terms and Conditions of the said contract, MBPT is charging following levies/compensations from ONGC. (a). Way Leave fees/ rent for Oil & Gas pipelines passing through port limit. (b) Wharfage compensation on Crude oil not handling through Marine Oil Terminal (Jawahar Deep) of MBPT.	
(ii).	ONGC had been protesting for charging of above levies/compensation since 1978 when the pipelines were laid for the first time and suggested that these levies/compensation must conform to either existing laws/prevalent practice or to a fair and equitable settlement between two commercial entities. The dispute was referred by Ministry of Petroleum and Natural Gas to Ministry of Shipping for adjudication by TAMP, but instead of referring with ONGC amicably. Inspite of numerous meetings, the dispute could not be resolved mutually.	
(iii).	MBPT revised Way Leave fee from 01.10.2009 and there is exorbitant increase of 1000% for 4 pipelines. Inspite of repeated request, the basis calculation of way leave prior to revision has not been provided to ONGC.	
(iv).	Wharfage compensation is charges at 50% of Wharfage applicable to Jawahar Deep of MBPT. If the same is revised, than ONGC has to pay additional compensation proposal to the increase in Wharfage charges.	
(v).	While going through Major Port Trust Act, 1963 it is understood that TAMP is the only Authority (under	

	section 48 of the act) for framing of scale of rate for the services performed by a board, which is MBPT in this case. MBPT is bound by section 48 of the act to get the rate of way leave fee and wharfage compensation approved by TAMP after signing of the agreement with ONGC. In view of the above facts, it is requested that Way Leave fees and wharfage compensation charged by MBPT may be included in the proposal of general revision of scale of rate. The rates for Way Leave fee and wharfage compensation may be fixed to confirm to either existing laws/prevalent practice or to a fair and equitable settlement between two commercial entities.	
6.	**Society of Indian Automobile Manufacturers (SIAM)**	
(i)	In the past five years of operation we have exported 109,654 cars from Mumbai Port & also having ambitious plan in coming years. However, poor port infrastructure & deteriorating port facilities would be the major constraint to realize our plan of action.	No specific comments furnished by the port.
(ii)	In due course of time, several representations have been given to the Port Authority on following critical issues related to our export operation from Mumbai port but there is hardly any improvement.	No specific comments furnished by the port.
(iii)	<u>Parking Space:-</u> Insufficient parking space in Mumbai Port due to which vehicles are parked in various locations leading to great threat for damages etc.	At present, Mumbai Port is having dedicated space for parking LMVs at Frere Basin and Gamadia Complex and for HMVs at RCD, with total area of approx.. 1,13,500 sq.mtrs., with storage capacity of about 5000 LMVs and 500 HMVs at a given time. Further, whenever vessel is at berth, temporary parking is permitted at berths viz. BPX, BPS and 18ID, with total storage capacity of about 500 LMVs. MBPT is also considering a proposal to create Multi-storied Car Parking facility at it's 1 uncleared warehouse, which will create additional storage capacity of 500-800 LMVs.
(iv)	<u>Dedicated Road:-</u> Vehicles are driven in general traffic conditions appx. 2kms to 3 kms thereby becoming more prone to accident/ damages. Need dedicated road or lane for movement of export vehicles only. Also a separate gate for export vehicles entry into the Docks is necessary.	Whenever Car Carries vessel is in the Docks, Gate No. 3 & 4 Orange Gate Prince's Dock (OGPD) is exclusively used for entry of export vehicles. MBPT is considering a proposal to create Multi-stories parking within Docks on PPP basis, which will reduce the distance to be travelled by the cars from storage areas to the berths and thus minimize damages to vehicles.
(v)	<u>Separation of Grain Storage Area:-</u> Storage of grains, unclaimed cargo in Frere Basin needs to be shifted to other location to avoid dust contamination, pilferage, damage to vehicles. Lack of cleanliness in Mumbai Port is affecting the quality	Necessary steps for cleanliness of the area are regularly taken. Further, as regards their contentions regarding storage of pulses, the issue will be suitably examined.

	of export vehicles.	
(vi)	<u>Night shipment operation:-</u> Poor Yard light in Gamadia area, thereby making night shift operation during vessel loading difficult.	The illumination level of Gamadia Complex is found to be satisfactory.
(vii)	Keeping in mind the above operational difficulties at Mumbai Port, it is requested that any hike in Scale of Rates is not justified.	MBPT has incurred an expenditure of about ₹4.08 crores for asphalting of Gamadia Complex. Thus, it is not correct to say that MBPT has not taken any action to improve the infrastructure. Thus, Mumbai Port's proposal for increasing the tariff by 23% is justified.
7.	**Indian Barge Owners' Association (IBOA)**	
(i).	Earlier, the berths at P & V Docks were offered to the barges to discharge the cargo. Since, these berths have been buried and as the port does not have sufficient berths to allot for the barges, we are constrained to place the barge in second banking. Now, only the 14 VD and the Ferry wharf are allotted for barges to berth and discharge the cargo.	Oil barges are presently permitted berthing facility at 14 VD and ½ Ferry Wharf, on receipt of berthing application. On some occasions, there is double / triple banking at these berths. The berthing application is given by the Barge Owners in such cases also. Eventhough, these barges are double / triple banked by the Barge Owners for their convenience, the berth hire charges are due since they are availing the dock facility for cargo operation / in idling position.
(ii).	The Port is wrong in charging berth hire to barges that are double banked at the same berth where a barge is discharging the cargo, as for that period the barge is only idling on that berth and not using the berth as they cannot commence discharge of the cargo. Refer : SOR 2.16 Note 6 : Therefore, the Port recovers for the same berth twice or even three times the berth hire charges which is not applicable as per the SOR.	
(iii).	For the barges to ply in Port limits the MBPT recover "Licence Fees for harbor crafts" charges vide Chapter II Clause 2.10 II. As such the barges are idling in the harbor limits for which the charges have already been recovered.	License fees for water conveyance under Section 2.11 of SOR is levied for plying of craft / vessel / barges in Mumbai Harbour. Further, Board of Trustee vide TR No.130 of 05.09.2014 has accorded sanction for proposal for amending the provision in Scale of Rates for recovery of re-entry of Port dues where the vessels are required to move out for reasons not attributable to the vessel agents and vessels. Copy of the same is furnished. TAMP is requested to delete the note at Sr.No.9 under Section 2.16 Port Dues, Chapter II, Vessel Related Charges of proposed SOR, forwarded to TAMP on 20.07.2013 for approval and replace the same by revised proposed note No.9 is furnished.

		(The Note no. 9 under Section 2.16 of existing SOR of MBPT states that no port dues shall be levied on the vessels re-entering the port after being forced to go out of the port limits before completing its discharge/ loading, when naval exercise is undertaken. The MBPT has now proposed to replace the above said existing provision with the following: No port dues shall be levied on the vessels re-entering the port after being forced to move out of the port limits before completing its discharge/ loading operation and in the same voyage when, (a). If the Naval exercise is undertaken i.e. for safety consideration and vessel is shifted to outer anchorage. (b). If the Vessel is shifted to outer anchorage to accommodate another passenger vessel. (c). No suitable deep draft anchorage is available for the vessel after entering the port and forced to go to at outer anchorage. (d). If the vessel was forced to move out due to dredging work carried out at respective berth or channel. (e). If the Vessel is moved to outer anchorage due to operational difficulties such as non-availability of MBPT floating crafts required for shiping operation or change of tide or non-functioning of lock gates etc. (f). If the Vessel is shifted to outer anchorage as deep draft anchorage was not available. (g). Any other operational reasons for safety consideration which are not attributable to the vessel.
(iv).	As per TAMP's guidelines as enshrined in Clause 2.11.1 that the quantum of tariff should be commensurate with the level of services rendered and facilities provided. Therefore, since no extra services or facilities are provided in any way the berth hire charges cannot be levied on the barges at second or third banking at the berth.	
8.	**India Pulses and Grains Association (IPGA) and Mumbai and Nhava-Sheva Ship-Agents Association (MANSA)**	
(i).	In MBPT revision of 2011, an application was made by MBPT to TAMP for provision of "Priority Berthing/ Ousting Priority Charges" when priority was accorded by the Government of India, for	MBPT has already furnished its comments vide letter dated 22.11.2013 on the comments made by IIPGA vide its letter dated

	Fertilizer vessels. TAMP has accordingly permitted the tariff for extending priority berthing to Fertilizer vessels etc. of GOI nominated under "SOR No. 2.17 Composite Berth Hire charges, Note 8." However, Note 8 does not specifically state that the priority charge is applicable only for Govt. accorded priority vessels which are few during months of June/July.	25.09.2013. Joint hearing on the proposal was held on 11.08.2014 and further, requisite information/ clarification was sent to TAMP on 22.09.2014. The repeated and belated letters from users may not be taken cognizance as it delays the upward revision. This office has no comments to offer at this belated stage. [Comments of MBPT on the issue of Priority Berthing / ousting Priority Charges now raised by IPGA are not found in MBPT letter No. FA/ACC/201/9753 dated 22 November 2013.
(ii).	MBPT have issued a general circular TM/ID/BPRIOROTU/5925 of 2313-14 dated 16.9.2013 and have commenced implementing the same and recovering the priority berthing charges as per Item No.2.17 Note 8 of the SOR, from all the vessels opting for priority without specific sanction of the Government. This has resulted in almost 80% of waiting vessels applying for priority berthing.	
(iii).	The bunching of vessels is persistent for the past 4-5 months because of inevitable factors created purely on account of sheer neglect and inefficiency of the Port. The factors are like "lack of timely maintenance of Lock Gate Leaves, Dredging of the Basin and the Channel, Heavy Shortage of Labour and Storage place besides lack of equipment, pilots etc." and the inexhaustive list goes on and on. The remedial action is still not clearly visible.	
(iv)	The vessels being granted priority enjoy the facility of jumping the waiting queue, on onetime payment of priority berthing charges initially and move on to non-priority berths on payment of normal berth hire charges ignoring the turn of the vessels indefinitely waiting in the Port/ Stream. The reasoning behind demanding priority berthing declaration 21 days prior arrival is not explained.	
(v).	Due to congestion at port and delay in unloading of cargo, there is artificial storage which gets created resulting in higher prices. As we know pulses come under essential commodities so all efforts must be made to make this commodity easily available to masses. The recent logistical jam at Mumbai Port, delay in berthing and lack of storage space, may result in diversion of volume to other ports which will result in higher import costing for consumers of nearby areas and therefore result in rising prices of essential commodity like pulses.	
(vi).	TAMP is requested to modify the said item in the tariff, to reflect the correct version, which would state that the same would be applicable only "To any Govt. nominated priority vessel".	
(vii).	We further object to any increase in stevedoring costs on bulk pulses, and request either a reduction or subsidy on the same, in following cases :	

(a).	Mid-Stream Discharge, where nominal MBPT labour gangs are allocated.	
	(i). At outer anchorage discharging is done by private stevedores on behalf of receivers without any interaction/ labor gangs from the Port, hence, reduction in stevedoring charges.	
	(ii). At inner anchorage discharging is done by private stevedores on behalf of receivers without any interaction/ labor gangs from the Port, the port charges 70% to 120% additional stevedoring charges without providing any gangs, hence, reduction in total stevedoring charges.	
(b).	Discharge from barges at the jetty – Where only 3 tally clerks are posted whereas cargo is discharged mechanically by receivers.	
(c).	At berth whilst vessel is discharging with ships grabs, and on board labour is not required.	

3 The MBPT vide its letter dated 15 April 2014 has proposed modification to the proposed Schedule 9.2 C under Chapter IX – Miscellaneous charges. Since a change has been proposed by the MBPT to its proposed Scale of Rates, the proposal dated 15 April 2014 was forwarded to the concerned users/ user organisations for their comments vide our letter dated 21 April 2014. Some of the users/ user organisations have furnished their comments. The comments received from users/ user organisations were forwarded to MBPT as feedback information. The MBPT vide its letter dated 11 August 2014 has furnished his reply to the comments of the said users. The summary of the comments received from the users/ user organisations and the response of MBPT thereon is given below:

Sl. No.	**Comments of users / user organisations**	**Reply furnished by MBPT**
1.	**Indian Merchants' Chamber**	
(i)	IMC has noted the desire of the Mumbai Port Trust Authorities, to bring in "Miscellaneous Charges", as Annexure VII with proposed changes to the existing charges being levied on Port Users.	
(ii)	The same are reasonable and do not have any objections to the same.	
2.	**Mumbai and Nhava-Sheva Ship-Agents Association**	
(i)	The Mumbai Port as a facilitator providing services to the trade has to ensure movement of vehicles with cargo/ men of the Agents and EXIM Trade. In order to ensure genuine movements the port has to take steps for identifying the incoming and outgoing traffic as a duty. The cost of such function of identification has to be inbuilt in the income derived from various activities on account of cargo and vessel related services to meet the expenses thereof. As such levying increased tariff for issuance of DOCK Entry permits 100% or more is not at all reasonable and acceptable.	Charges for issuance of daily Dock Entry Permits (DEPs) and other permits are prescribed more than a decade ago basically to meet the expenditure incurred on the set of staff deployed at the Permit Section. Charges have been proposed to be revised based on the increased expenditure incurred on the deployment of staff. Ship-Agents are required to be registered with the Port to carry out activities of vessels handling. Registration Fee has been proposed for registration of Port Users for issuance of Dock Entry Permit which will also restrict entry of unwarranted elements into the Port,
(ii)	Ship-Agents have already registered with the port and hence clause 9.2(d) for levy of additional registration fee is not	

	warranted. Also even in the cost sheet taking the contribution towards pension fund and PLB (PR) amounting to ₹254.08 lakhs into account is really incomprehensible. The port has to make provision for such lump-sum expenses from the other sources of earning with improved services etc., as a primary function. Issuance of DEP is merely an incidental work and cannot be deemed as a major source of income for maintaining numerous excessive staff with high wages. Therefore, the deficit of ₹283.00 lakhs should be deleted and there will be hardly any deficiency thereby. Such new ideas and practices should be discouraged and totally desisted.	thereby allowing entry to only genuine Port users in the Docks for carrying out their legitimate business. New Access Control System involving additional cost is under advanced stage of implementation and will be in place shortly. Expenditure furnished for activity dealt by Permit Section is as per TAMP guidelines for tariff fixation. Proposed charges for various Dock Entry Permits are reasonable and comparable with other Ports.
(iii)	MANSA is constrained to oppose any increase in levy of DEP charges etc. We earnestly request you to please consider our appeal as we do not have any scope to incur such exorbitant expenses and it would result in an added burden on ship-agent and cannot be recovered from the trade.	
3.	**Bharat Petroleum Corporation Ltd.**	
(i)	The modifications pertaining to Dock Entry Permit charges proposed by MBPT will have insignificant impact as compared to their proposal of steep increase of 23% for all port charges pertaining to vessels loading and unloading. In the past, the increase has been in the range of approx.10%, which is quite reasonable. Moreover, the infrastructure at the port has not improved and in fact jetty No.4, which is the only jetty used for crude import, is in a dilapidated condition.	The MBPT has drawn reference to the reply furnished by it earlier, while responding to the comments furnished by the BPCL earlier.
(ii)	MBPT to reconsider their proposal for such a steep increase in the port charges pertaining to vessels loading/unloading.	
4.	**The Crane Owners Association**	
(i)	The revised rates proposed by MBPT for Registration and renewal of permit from Port users (like us) is very excessive and on very high side. There is a need to reduce the rates in view of rising cost of operation and dwindling business in the ports.	Charges for issuance of daily Dock Entry Permits (DEPs) and other permits are prescribed more than a decade ago basically to meet the expenditure incurred on the set of staff deployed at the Permit Section. Charges have been proposed to be revised based on the increased expenditure incurred on the deployment of staff. Ship-Agents are required to be registered with the Port to carry out activities of vessels handling. Registration Fee has been proposed for registration of Port Users for issuance of Dock Entry Permit which will also restrict entry of unwarranted elements into the Port,

		thereby allowing entry to only genuine Port users in the Docks for carrying out their legitimate business. New Access Control System involving additional cost is under advanced stage of implementation and will be in place shortly. Expenditure furnished for activity dealt by Permit Section is as per TAMP guidelines for tariff fixation. Proposed charges for various Dock Entry Permits are reasonable and comparable with other Ports.

4. A joint hearing on the case in reference was held on 11 August 2014 at the TAMP Office, Mumbai. The MBPT made a brief power point presentation of its proposal. At the joint hearing, the MBPT and the concerned users / organization bodies/ service providers have made the following submissions:

Mumbai Port Trust (MBPT)

(i). Briefly explained the highlights of the proposal.

(ii). This is the third comprehensive tariff revision proposal of MBPT.

(iii). The traffic projections considered are optimistic and should be appreciated.

(iv). Though the cost position warrants a higher tariff increase, the Board has concluded to have a 23% increase in the existing SOR with limited exceptions viz., Storage charges – which has been proposed to be increased by 70%.

(v). As per the Land Policy Guidelines, the increase in the Storage charges worked out to about 400%. However, the increase has been restricted to 70%. It is to be seen that the storage charges have not been increased even during the 2011 tariff revision.

(vi). The rates of POL cargo have not been revised since the last two general revisions and from the year 2001 as the activity showed a surplus position. The cost of materials have gone up by around 290% and hence an increase in POL cargo is sought.

(vii). The deficit of MBPT is to the tune of about ` 600 crores p.a. The historical costs, legacy costs, impact of wage revision, pension payments are some of the factors leading to the said deficit.

(viii). The proposal of MBPT may be accepted in toto. It is requested that TAMP may expedite the process of revising the tariff of MBPT and notify the revised SOR at the earliest.

(ix). Even without considering the impact of Pension payments, we are in deficit. The figures are based on facts and records.

(x). Channeling and Deepening of Window Channel has been undertaken by MBPT with JNPT for an amount of `170 crores. We have brought 4 Tugs. This will bring some respite to the trade. Operational issues may be there, but we will look into it.

(xi). Facilities at MBPT are 100 years old. Ageing of the berths, deepening restrictions curb handling of bigger vessels.

(xii). Port is considering two PPP projects i.e. HWB and Multipurpose Offshore Cargo berth, to facilitate the trade. However, there has been no response from the bidders for both the projects. We are in the process of restructuring the projects. Implementation of the projects will make MBPT competitive.

(xiii). For the POL products, we are in the process of revamping the structures, oil jetties etc.

(xiv). We are constructing additional facility with a 13 mtr draft, which is expected to be commissioned by March 2015.This will reduce the waiting time of the ships to some extent and may attract bigger ships.

(xv). Our attempts to deepen the Bunder area has not yielded any results as there is heavy siltation. We spent `15 crores in 2012. We are not able to maintain draft.

(xvi). The Offshore Container Terminal with a capacity of 1-2 million TEUs is expected to be commissioned by December 2015.

(xvii). Regarding Overtime charges of Stevedores, it is based on an understanding between the Trade and Board. With regard to technicality of the levy, we will look into it and take necessary steps.

(xviii). Regarding Priority charges, if everyone is being charged the same, we will look into it. We are not looking at squeezing the trade.

(xix). Regarding the point made by ONGC, the decision is based on a MOU between Ministry of Shipping and Ministry of Petroleum and we would not like to make any change in the approach.

(xx). The rates of POL products have not been increased since 2001. Since we have made investments, we would request TAMP to increase the charges without going into the cost position reflected by the POL activity.

(xxi). We understand COA’s concern. We will look into the matter. We have already incurred about `75-100 crores for improving roads. But increase in Dock entry permit fees should not be linked to quality of road.

(xxii). No concern about increase in the charges and regulated period of ship breaking charges, is a welcome sign. However, the mode of levy of ship breaking charges is historical and has been in force for quite some time.

(xxiii). Ship breaking may not continue in MBPT for eternity and is only an interim arrangement. If the ship breakers come up with a business proposition, we will consider the matter.

MANSA

(i). All the activities reflect an operating surplus position. The net deficit in the cost position of MBPT has arisen mainly due to the pension payments.

(ii). The Port dues are primarily collected for the upkeep of the Anchorage, approach channels and berthing facilities. However, there is no infrastructure, depths of all the approach channels and berths have fallen and vessels are made to wait.

(iii). Lack of facilities has resulted in reduction in the size and draft of vessels. Further, poor quality of tugs has impacted the services.

(iv). We would like to know on what basis the MBPT is asking for an increase in this Service, when most of the facilities have deteriorated, sheds have been demolished, wharf conditions are deplorable etc.

(v). The cargo storage facilities are deplorable. Open storage area is inadequate.

(vi). It is the responsibility of the port to receive the cargo at the hook point and move it to the stack area. However, almost the entire cargo has to be moved by the Agent for and on behalf of the Cargo interest. There are no Equipment or gear to handle this function which is a part of this service.

(vii). There are insufficient gangs to carry out the stevedoring activity. Productivity of the gangs is poor. Overtime for the workers are charged, though it is not prescribed in the SOR of the Port.

(viii). Since the services rendered by MBPT are inadequate and there is no proper infrastructure to render the services, there is no case for any increase in the tariff of MBPT. Due to inadequacy of port infrastructure vessels are shifted out and made to pay port dues again even if Input General Manifest (IGM) is same.

(ix). Priority charges were introduced to help the vessels which need priority in berthing. However, due to poor planning and due to inadequate infrastructure, all vessels end up paying priority charges for berthing. This is really affecting the trade.

(x). Why should the trade be asked to pay when no facilities/ services are provided by the port? The tariff is not linked to productivity. Further increase in tariff will drive away the cargo.

(xi). The projects envisaged by MBPT are to materialize only in the future. So, why does the port need revision in tariff now? It can seek increase when its capital projects materialize.

Indian Bargeowners' Association (IBOA)

(i) As per guidelines, tariff should be commensurate with the facilities and services rendered by the port. Incase of MBPT, the jetties are in a very dilapidated condition. We have given some photographs to show the condition of the jetties.

(ii). Because of the condition of the MBPT jetties, the POL cargo is going away to ports like JNPT, KPT and Dahej, where the rates are less and the facilities are better.

(iii). We have to undertake direct delivery as there are no storage facility. Why should we pay more for no service being rendered by the port?

(iv). The vessels are double/ triple banked to save time on berthing of vessels. However, we are being penalized by levying berth hire charges incase of double/ triple banked vessels even though one barge is not unloading. It is to be seen that the double/ triple banked vessels do not carry out any operations. The trade is suffering huge pecuniary loss. This is not the correct time to seek increase in the rates. The trade would not be in a position to bear any increase in tariff. During the Board meeting itself, it was desired that the proposal in the current form may not be sent to TAMP. Yet, the MBPT has forwarded the proposal to TAMP.

(MBPT: We will come back on this issue in our response).

India Pulses and Grains Association (IPGA)

(i). It is not clear why we should be paying stevedoring charges to the port when the said service is being undertaken by us with our own dumpers/ barges etc. We get no service from the port. There is no justification for any increase in tariff.

(ii). Sometimes the vessels are heavily draughted and are much beyond the permissible draught required for the berths available at Mumbai Port. These vessels are lightered at outer anchorage and the cargo transited to the port, then further evacuated from the barge and moved to the transit shed at our own cost. The vessel at berth is also discharged by grabs and moved by dumpers to transit sheds. These discharging operations are no longer done by OBL gangs as required, but, only with the assistance of crane drivers. No MBPT gangs are being used for these discharge operations. The Members of the Association end up spending heavily out of their pockets for discharge as well as pay the stevedoring charges to MBPT, for not doing any service.

Oil and Natural Gas Commission (ONGC)

(i). We pay way leave fees and wharfage charges to MBPT for having granted permission to lay off-shore and on-shore oil and gas pipe lines between Mumbai High Field and Uran terminal. But we do not get any corresponding service.

(ii). The said charges should be included in the SOR of MBPT.

Hindustan Petroleum Corporation Limited (HPCL)

(i). No revision is warranted when the services rendered by the port and the infrastructure of the port is not up to the mark.

Bharat Petroleum Corporation Limited (BPCL)

(i). We agree that there is inflation, increase in the contractual payments etc. But we request MBPT to revisit the percentage of increase, as any increase will have to be passed on to the users.

(ii). There is a gangway problem in jetty.

(iii). There is no proper facility to handle cargo.

Indian Oil Corporation Limited (IOCL)

(i). The 23% increase in tariff proposed by the port is not acceptable. The percentage of increase should be reasonable.

Crane Owners Association (COA)

(i). The Dock Permit entry fees can be increased provided good roads are provided and the quality of the roads are improved.

Ship Breakers Association

(i). The increase in the regulated period of the vessel from 900 LDT to 1300 LDT as proposed by the port is not the concern. The concern is that the levy of ship breaking charges should be based on some logic. It should be charged based on the utilitisation of the plot per month rather than based on tonnage.

(ii). Manner of calculating the ship breaking charges is not correct and has to be reviewed. It may be charged on the reduced level of quantity.

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