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Tariff Authority for Major Ports

G.No.133 **New Delhi,** **13 April 2016**

NOTIFICATION

In exercise of the powers conferred by Sections 48 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from the New Mangalore Port Trust for 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/22/2015-NMPT

New Mangalore Port Trust - - - **Applicant**

QUORUM:

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

O R D E R
(Passed on this 27th day of February 2016)

This case relates to the proposal dated 18 March 2015 received from New Mangalore Port Trust (NMPT) for general revision of its Scale of Rates (SOR).

2. The existing SOR of NMPT was last approved by this Authority vide Order No. TAMP/34/2010-NMPT dated 6 January 2012. The validity of the SOR of the NMPT prescribed in the said Order is 31 March 2015. The validity of the SOR stands extended till 31 December 2015 vide Order No.TAMP/34/2010-NMPT dated 10 November 2015.

3. All the Major Port Trusts were governed by the Tariff Guidelines of 2005 for fixation of SOR for handling cargo, vessel and rendering miscellaneous services. The Ministry of Shipping (MOS), vide its letter No.8(1)/2014-TAMP dated 13 January 2015 issued the new Tariff Policy, 2015 for determination of Tariff for Major Port Trusts, 2015 under Section 111 of the Major Port Trusts (MPT) Act 1963. In compliance with the said policy direction, this Authority notified the Tariff Policy for Major Ports, 2015 in the Gazette of India vide Gazette No. 30 dated 27 January 2015. The Tariff Policy 2015 has come into effect from 13 January 2015. Thereafter, as per Clause 1.5 of the Tariff Policy, 2015, Working Guidelines to operationalize the Tariff Policy was finalized in consultation with all the Major Port Trusts and notified in the Gazette of India on 4 June 2015.

4.1. In this backdrop, the NMPT has filed its proposal following Tariff Policy 2015 vide its letter dated 18 March 2015 for general revision of its SOR. The NMPT has made the following assumptions / submissions regarding its general revision proposal:

(i). As per the TAMP's Tariff Policy 2015, the Cargoes handled and revenue earned from the Captive Berths are not to be taken into consideration. Following are the Captive Berths at NMPT:

(a). Berth No. 08 - Kudremukh Iron Ore Company Ltd. (KIOCL)
(b). Berth No. 15 - Udupi Power Corporation Ltd. (UPCL)

(ii). The US Dollar rate, wherever applicable, is considered at ₹61/-.

(iii). GRT for computation of Port Dues, berth hire, shifting charges is arrived based on actual GRT handled from April 2014 to February 2015 i.e. 11 months duly extrapolated to 12 months. Container traffic for computation of wharfage charges has been extrapolated to 12 months based on data available for 11 months.

(iv). Port dues have not been revised for 15 years (5 Tariff Cycles). Based on the costing done at the time of Single Point Mooring (SPM) proposal, the port dues of the Port has been revised accordingly.

(v). For the computation of Wharfage charges, Revised Estimates of Cargoes for the year 2014-15 is considered excluding KIOCL and UPCL.

4.2. The NMPT has furnished detailed computation of Annual Revenue Requirement (ARR) under Form 1 and Revenue estimation at the proposed rate in Form 3.

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

(₹ in lakhs)

Sl. No.	Description	Y1 (2011-12)	Y2 (2012-2013)	Y3 (2013-2014)
(1).	**Total Expenditure (As per Audited Annual Accounts)**	26,586.10	27,981.89	27,979.29
(2).	**Less: Railway related Expenses**	171.24	144.97	131.74
(3).	**Total Expenditure excluding Railway expenses**	**26,414.86**	**27,836.92**	**27,847.55**
(4). (a)	**Less Adjustments:**			
(i).	Estate related expenses	979.04	1070.98	1142.05
(ii).	**Interest on loans**	0.78	-	-
(iii).	**4/5th of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of ex-gratia payment, etc.**			
	(a).WRC Arrears	-	1,340.00	-
(iv).	**4/5th of the Contribution to the Pension Fund**	3,812.00	3,520.00	2,160.00
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	-	-	221.66
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**	1,145.52	1,145.70	1,038.99
	Total adjustments	**5937.34**	**7076.68**	**4562.70**
(4). (b)	**Add Adjustments:**			
	Railway activity	171.24	144.97	131.74
(5).	**Total Expenditure after Total Adjustments (5 = 3 - 4(a) + 4(b))**	**20,477.52**	**20,760.24**	**23,284.85**
(6).	Average Expenses of Sl. No. 5 = [Y1 + Y2 + Y3] / 3		21,507.54	
(7).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2014 (As per Audited Annual Accounts)		61,480.49	
	(ii). Add : Work in Progress as on 31.03.2014 (As per Audited Annual Accounts)		7,153.06	
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2014 as per Audited Annual Accounts.		3,245.65	
	(iv). Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2014 as per Audited Accounts.		-	
	(v). Less: Net value of fixed assets as on 31 March 2014 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2015.		2,538.29	
	(vi). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines		3,106.31	
	(vii). Total Capital Employed		65,955.92	
(8).	**Return on Capital Employed 16% on Sl. No. 7(vii)**		10,553.00	
(9).	**Annual Revenue Requirement (ARR) as on 31 March 2014 [(6)+ (8)]**		32,060.54	
(10).	**Indexation in the ARR @ 100% of the WPI applicable for the year 2014-15**		**6.30%**	
(11).	**Ceiling Indexed Annual Revenue Requirement (ARR)**		**34,080.00**	

(ii). (a). The NMPT has furnished in Form 3 detailed working of revenue estimation for the existing tariff as well as the proposed tariff for the actual traffic of 2014-15 (i.e. April 2014 to February 2015 extrapolated for 12 months). As per the said form, the total revenue estimated at the proposed tariff from Cargo, Vessel, Miscellaneous charges, levy for supply of cargo handling worker from Registered Cargo Handling Labour Wing is ₹34,049 lakhs.

(b). With reference to revenue estimation at the proposed tariff, the NMPT has stated that revised rate is proposed for following items but revenue is not estimated:

(i). Detention charges of the vessels.
(ii). Wharfage for cargoes handled on Ad valorem basis.

(iii). Wharfage for new items proposed, wherein no projection for 2014-15 is given.
(iv). Storage and Re-Stow charges of containers.
(v). Electricity and monitoring charges for reefer containers.
(vi). Demurrage charges.
(vii). Charges for supply of water.
(viii). Charges for use of bunkering facility alongside the berth.
(ix). Fees for issue of Licence to C&F/ Steamer Agency.
(x). Charges for hire of launches and tugs within the limits of the Port.
(xi). Hire charges for cargo handling equipment.
(xii). Charges for use of Harbour Mobile Cranes installed by the private operators.
(xiii). Charges for taking photographs or shooting films in the harbour premises.
(xiv). Fees of issue of passes / licence for entry into the wharf.
(xv). Fees for the hire of weighing scale and for the issue of certificates of weights.
(xvi). Charges for the use of weigh bridges.
(xvii). Charges for issue of Entry & Clearance Certificate.
(xviii). Per ton levy in case of newly proposed cargoes for which no projection is given for the year 2014-15.
(xix). Charges for use of Port owned Harbour Mobile Crane.

(iii). Increase/ decrease proposed in the Existing Scale of Rates to meet the estimated ARR:

(a). Vessel related Charges:
18 % increase proposed in all tariff items except Port Dues for - Ships/ Steamers - at 132% for foreign going vessels- and 425% for Coastal vessels.

(b). Cargo related charges:
18 % increase proposed in all tariff items except Demurrage for all export cargoes and Marshalling yard usage charges 33% increase is proposed for demurrage. 100% increase is proposed for use of Marshalling yard on the ground that this charge was not received for the past 20 years after revision in 1995. It has also proposed tariff for few new cargo items.

(c). Miscellaneous Charges:
18 % increase in all tariff items except Charges for the use of weigh bridges for Weighment of cargo on the Port Lorry Weigh Bridge for which existing tariff is proposed to continue.

(d). Charges for supply of Cargo Handling Workers from RCHD: 18% increase is proposed in existing SOR. The NMPT has also proposed tariff for few new cargo items.

(e). The charges for handling cargoes/containers by port owned Mobile Harbour Crane is proposed as per the proposal already submitted to TAMP.

(iv). The Performance Standards proposed by NMPT in Form-5 are as follows:

Sl. No.	**Performance Parameters**	**Performance Achieved (2014-15)**	**Proposed Performance Standards (2015-16)**
(1)	**Cargo Related Services**		
(a)	Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups		
	(i) Containers	5438	5500
	(ii) Break Bulk	1232	1300
	(iii) Dry Bulk (Mech)	17268	17300
	(iv) Dry Bulk (Conv)	12566	12600

	(v) Liquid Bulk	29359	29500
	Overall	18906	19000
(b)	Average Moves per hour (in TEUs) in respect of Containers	NA	NA
(2)	**Vessel Related Services**		
(a)	Average Turnaround Time of Vessels (in days)		
	(i) Containers	1.60	1.55
	(ii) Break Bulk	3.28	3.20
	(iii) Dry Bulk (Mech)	3.04	3.00
	(iv) Dry Bulk (Conv)	4.13	4.00
	(v) Liquid Bulk	2.13	2.10
	Overall	2.55	2.50
(b)	Average Pre-Berthing Time of Vessels (in days)		
	(i) Containers	0.04	0.04
	(ii) Break Bulk	0.51	0.50
	(iii) Dry Bulk (Mech)	0.65	0.63
	(iv) Dry Bulk (Conv)	0.66	0.65
	(v) Liquid Bulk	0.73	0.72
	Overall	0.63	0.62
(3)	**Any other parameters found relevant by the Port**	--	--
(4)	**% of idle time at Berth**		
	(i) Containers	9.69	9.65
	(ii) Break Bulk	17.51	17.45
	(iii) Dry Bulk (Mech)	12.71	12.70
	(iv) Dry Bulk (Conv)	9.08	9.05
	(v) Liquid Bulk	18.83	18.80
	Overall	14.12	14.10

5.1. Based on the preliminary scrutiny of the proposal it was observed that there are certain information gaps / deficiency in the proposal of NMPT. The NMPT was, therefore, vide our letter dated 31 March 2015 requested to respond to comply with the provisions of Tariff Policy, 2015. The NMPT vide its letter dated 18 May 2015 has responded. In addition, the NMPT has also filed a revised proposal. A summary of information / clarification sought by us and point wise reply given by NMPT are tabulated below:

Sr. No.	Information / clarification sought by us	Reply from NMPT
(i).	As per clauses 2.1. and 2.6. Of the Tariff Policy 2015, the Computation of Annual Revenue Requirement (ARR) in Form 1 and the Revenue Estimation at the proposed Scale of Rates in Form 3 has to be certified by a practising Chartered Accountant/ Cost Accountant. This has not been done. The NMPT to get these computation certified by a practising Chartered Accountant/ Cost Accountant as required in the Tariff Policy, 2015.	The Annual Revenue Requirement (ARR) in Form 1 and the Revenue Estimation at the proposed Scale of Rates in Form 3 duly certified by a practicing Chartered Accountant /Cost Accountant is furnished.
(ii).	It is seen that while estimating the ARR the NMPT has applied indexation factor for the year 2014-15 at 6.30% instead of 6% annual indexation factor announced by this Authority for the year 2014-15 which was already communicated to all the Major Port Trusts including the NMPT and also uploaded on the web site of this Authority. The NMPT to revise the ARR computation applying the correct indexation factor. Consequently, the NMPT may also modify the tariff proposed which will undergo change.	ARR computation has been revised applying 6% annual indexation factor for the year 2014-15.

(iii).	For quite a number of tariff items, though revised rate is proposed, it has not estimated revenue for the same. The NMPT to furnish reasons for not considering any revenue from these items listed by it. If the NMPT has earned revenue from these items in the last three years, then the NMPT may estimate revenue for the current tariff cycle as well.	For the new items envisaged to be handled in NMPT indicated in proposed SOR, most of the cargoes are new in nature and estimate of the traffic to be handled cannot be ascertained as there is no firm commitment for cargo. However, the rate for these new items have been proposed based on the same nature/category under which it falls. Similarly, revenue could not be ascertained as specific in the Sl.no. 12of the assumption list, due to lack of availability of details separately.
(iv).	The NMPT in its proposal has stated that for revenue estimation at the proposed tariff as required under the Tariff Policy 2015, the traffic figures of 2014-15 are considered based on actuals for the period April 2014 to February 2015 i.e. for 11 months and extrapolated for 12 months. In this regard, the NMPT to consider the following points: (a). Since the year 2014-15 is coming to an end, the NMPT may consider to update the traffic figures with the actuals for the entire year 2014-15. (b). In Form 3, please furnish the total of the cargo traffic (in tons) considered for revenue estimation from cargo handling charge. Also, confirm that the total traffic considered in this form matches with the actual total traffic handled by the port for the year 2014-15. In case, traffic of any captive cargo berth like KIOCL is excluded as the tariff for such cargo is determined separately, then the same should be shown separately. In short, if the actual total traffic handled by the port should be reconciled with traffic considered for revenue estimation giving reasons for such adjustments done. (c). Likewise, in Form 3, please furnish the total GRT of vessels considered for revenue estimation of vessel related charges (in GRT). Also, confirm that the total GRT of vessel so considered in this form matches with the actual total GRT of the vessel handled by the port for the year 2014-15.	For revenue estimation of 2014-15, the actual traffic (in tonnes) and actual GRT of vessels has been taken into consideration, excluding handling of cargo at captive berths.
(v).	As per clause 4.1. of the Tariff Policy, 2015, (i). the additional surplus assessed by TAMP in earlier tariff Orders which remain unadjusted has to be transferred by Major Port Trusts to any fund as desired by the Port Trust, and, further (ii). additional surplus, if any, accruing to the Major Port Trusts during the period of application of existing Scale of Rates till the effective date of implementation of the new Scale of Rates fixed under this policy should be assessed and transferred to the General Reserve and use the funds for the purpose of development, creation and / or modernization of the port infrastructure	As far as NMPT is concerned, there is only deficit and no additional surplus assessed by TAMP in earlier tariff orders. TAMP may allow the deficit of ₹120.75 Crores as assessed in the earlier TAMP order period of 3 years from 2012-13 to 2014-15 for future adjustment. Similarly, if any additional surplus accrues during the pendency of this revision, the same would be transferred to General reserve and used for modernization of Port infrastructure facilities.

	facilities. For this purpose, the NMPT to assess the additional surplus for (ii) above as required under clause 4.1. of the said Tariff Policy and furnish the same to TAMP for information.	

5.2. The NMPT has also enclosed a copy of the Board Resolution no.214/2014-15 passed by its Board of Trustees on 30 March 2015 approving the earlier proposal for revision of Scale of Rates.

5.3. The NMPT has reiterated the assumptions made by it in its March 2015 proposal and hence not reproduced again. The assumptions which are modified / newly inserted points are, however, given below:

(i) GRT for computation of Port Dues and Shifting Charges, Berth Hire and Average GRT for computing berth hire charges is based on actuals from April 2014 to March 2015 as against extrapolated figure considered based on actuals for April 2014 to February 2015 in its March 2015 proposal.

(ii) Vessel related charges have not been revised for the past 2 tariff cycles.

(iii) In respect of containers, computation of wharfage charges on actuals handled during 2014-2015 has been considered.

5.4. The NMPT has reiterated the list of tariff items where revised rate are proposed but revenue is not estimated. Hence list of tariff items is not reproduced again.

5.**5.** As per the revised proposal, the ARR estimated by the NMPT is ₹33,552lakhs as against ₹34,080lakhs estimated earlier. In the revised cost statement for computing the ARR, the NMPT has applied WPI indexation of 6% for the year 2014-15 instead of 6.30% considered in its March 2015 proposal. The NMPT has not made any other modification.

5.6. The NMPT has also modified the increase proposed in the Scale of Rates. The modified increase proposed in the revised Scale of Rates is as follows:

(i). Port Dues for Ships/ Steamers the increase proposed is 132% for foreign going vessels and for coastal vessel it is 425% as in its original proposal.

(ii). For all other items, a uniform increase of 25% is proposed as against 18% increase proposed in its original proposal. [Though the ARR has reduced from ₹34,080 lakhs to ₹33,552 lakhs, the increased proposed is higher than the original proposal because of the actual traffic considered for the full year 2014-15 which is found lower than extrapolated traffic figures considered in the original proposal.]

(iii). For Marshalling Yard and demurrage Charges on cargo the increase proposed is 100% (as in its original proposal) and 33.33% for demurrage (as in its original proposal) respectively.

(iv). New Category of Scale of rates proposed by NMPT is as follows:

(a). Detention charges of the vessels-Other Vessel related charges for SPM activity.

(b). Rates of embarkation and dis-embarkation of passengers from cruise vessels.

(b) Demurrage - Dwell Time Charges for Motor Vehicles/ Equipments. (Import / Export / Transshipment)

(c) Charges for parking Barge

6.1. As per clause 5.2 of Tariff policy guidelines 2015, the Major Port Trusts shall host the draft SOR along with the proposed Performance Standards in its website giving the designated email address of Port as well as TAMP for comments of relevant stakeholder / users within 15 days time. The NMPT was, therefore, vide our letter dated 29 May 2015 requested to immediately host the draft SOR along with the proposed Performance Standards in its website and give the designated email address of Port as well as TAMP for comments of relevant stakeholder / users with 15 days' time. The NMPT was also requested to communicate about the same to all the relevant users/stakeholders as per the list enclosed in the letter dated 29 May 2015 and also intimate this Authority when action is completed. The NMPT vide its letters dated 3 June 2015 and 22 June 2015 has confirmed that, the draft proposed SOR alongwith the proposed performance standards of NMPT has been uploaded in the Ports website on 1 June 2015, enabling port users / stakeholders to offer comments / remarks within 15 days.

6.2. The comments received from the concerned users / user organisations were forwarded from time to time to NMPT as feedback information. The NMPT vide its letter dated 5 August 2015 and 24 August 2015 has furnished its reply.

6.3. The MRPL while furnishing its comments had pointed out that the proposal uploaded by the NMPT on its website does not contain any detail considered by NMPT for arriving at the revised proposed rates and hence it was unable to furnish detailed observation / comments on the proposal. In this regard, the NMPT was requested vide our letter dated 3 July 2015 to share the details / workings of its proposal, sought by the MRPL as well as other user/ user organisations as well. The NMPT vide its letter dated 3 June 2015 has confirmed to have furnished details / ARR working and draft SOR to MRPL. The MRPL vide its letter dated 24 June 2015 has also confirmed receipt of required information from NMPT.

7.1. In the meanwhile, the NMPT vide its letter dated 26 May 2015 referring to meeting held by this Authority in Mumbai on 18 April 2015 with the officials of Major Ports, on the draft working Guidelines on the Tariff Policy 2015, has stated that in the meeting, it was suggested that contribution to the pension and one-time expenses like arrears of wages, arrears of pension / gratuity, arrears of ex-gratia payment, etc., should be allowed to be taken in full instead of $1/5^{th}$, for calculation of Annual Revenue Requirement (ARR).

7.2. In this regard, it is relevant to state that the matter referred by the NMPT as well as few other Major Port Trusts on the same issue was referred to the Ministry of Shipping MOS vide our letter no.TAMP/21/2009-WS dated 9 June 2015 with request to modify the relevant Clause of the Tariff Policy 2015. The response of the MOS was not received till finalization of this case.

8.1. Subsequently, the NMPT vide its letter dated 29 June 2015 has sought clarification whether in view of deletion of Clauses no.9.5 and 9.6 flowing from the discussion in a review meeting taken by MOS on 11 June 2015 and 12 June 2015 with all Major Port Trusts, the proposal already submitted will need modification or otherwise.

8.2. In this regard, it is relevant to state that, d.o. letter no.TAMP/21/2009-WS dated 8 July 2015 from Member (Finance) was addressed to Joint Secretary (Ports) intimating about deletion of Clauses 9.5., 9.6., 10.9. and modification to Clause 10.1.2. of the Working Guidelines issued by this Authority which arose from the discussion in a review meeting taken by MOS on 11 June 2015 and 12 June 2015 with all Major Port Trusts. The MOS was requested to incorporate the decisions while drawing the minutes of the meeting to regularize the action taken by TAMP. The response of the MOS is awaited.

9. A joint hearing in this case was held on 31 August 2015 at the NMPT premises. The NMPT made a brief Power Point presentation of its proposal. At the joint hearing, the NMPT and the concerned users/ user organizations / prospective bidders have made their submissions.

10.1. As agreed at the joint hearing, the NMPT and the concerned users were requested vide our letters dated 7 September 2015 with subsequent reminder dated 18 September 2015 to take action on the following points arising out of joint hearing proceedings:

(i). Most of the users/ user associations objected the tariff increase proposed by NMPT. The NMPT to discuss the general revision proposal with users and examine possibility of moderating the increase proposed, as agreed at the joint hearing.

(ii). The Association of New Mangalore Port Stevedores (ANMPS) has been allowed to furnish is comments by 10 September 2015 to TAMP and to NMPT. The port to furnish its response within three days thereafter.

(iii). Users were requested to furnish additional comments, if any, within seven days to TAMP and NMPT at the joint hearing. The NMPT to furnish its comments within three days from the receipt of the comments of the users.

10.2. With reference to first point of action referred above, the NMPT vide its letter dated 3 September 2015 has stated that, a comparative statement of rates prevailing at other major ports in its vicinity has been prepared, wherein the rates of NMPT are the lowest for the similar services. The same has been forwarded to the Port users for their perusal and information. Further, it has stated that its SOR is due for revision from 1 April 2015 and this Authority has earlier extended the validity of the existing SOR upto 30 September 2015 which was further extended upto 31 December 2015. NMPT has submitted its proposal to TAMP and uploaded the same in its website on 18 May 2015, giving sufficient time to the port users to offer their comments. However, even after 3 months, the port users are again allowed to raise issues on the proposal submitted by NMPT by giving further extension of time, which is against the time frame as spelt out in the Tariff Guidelines, 2015. This may lead to further extension of the existing SOR.

10.3. With reference to the third point of action referred above, the NMPT has subsequent to our reminder dated 18 September 2015 furnished its comments vide its letters dated 14 September 2015, 23 September 2015 and subsequent letter dated 30 September 2015 on the further comments made by Mangalore Steamer Agents Associations (MSAA), Mangalore Refinery and Petrochemicals Limited (MRPL), KIOCL Limited, The Shipping Corporation of India Limited (SCI), Association of New Mangalore Port Stevedores (ANMPS), M/s. Mangalore Chemicals & Fertilizers Limited (MCF) and M/s. Mangalore Customs House Agents Association (MCHAA).

11. On a preliminary scrutiny of the revised proposal of the NMPT dated 18 May 2015, the NMPT was requested vide our letter dated 13 October 2015 to furnish requisite information / revised proposal. This was followed by reminder dated 23 October 2015. The NMPT vide its emails dated 30 October 2015 has furnished its response to the information / clarification sought by us. Subsequently, NMPT vide its letter dated 9 December 2015 has furnished further clarification on few points. A summary of the information / clarification sought by us and reply furnished by NMPT thereon is tabulated below:

Sl. No.	Information / clarifications sought by us	Reply furnished by NMPT
(1).	It is seen that the proposal formulated by NMPT is based on the Tariff Policy for Major Port Trusts, 2015 and the Working Guidelines issued by the TAMP vide its letter No. TAMP/21/2009-WS dated 30 January 2015 along with Cost formats. Subsequent to that, this Authority has notified revised Working Guidelines to operationalize the Tariff Policy 2015 along with revised format on 15 May 2015 and issued a corrigendum on 2 July 2015 notified on 8 July 2015. The revised Working Guidelines and the corrigendum thereof were forwarded to all Major Port Trusts including NMPT vide our letter No. TAMP/ 21/2009-WS dated 29 May 2015 & 10 July 2015 respectively. The main modifications made in the revised Working Guidelines / revised format are highlighted as follows for ease of reference: (i). Entire Railway related expenses are admissible in the ARR computation. (ii). 3.82% indexation in ARR for the year 2015-16 is prescribed to arrive at the indexed ceiling ARR.	As directed by TAMP, the proposal is modified taking into consideration the revised working guidelines and revised format including the items (i), (ii) & (iii).

	(iii). The Note-2 under Form no.1 relating to adjustment of one-time expenses has also been modified. Since the above modification may have significant impact on the ARR as well as on the increase proposed in the existing SOR, the NMPT to make necessary modifications in the Cost Statements based on the revised Working guidelines and revised format circulated to all Major Port Trusts including NMPT vide letter no. TAMP/21/2009-WS dated 29 May 2015 and corrigendum dated 10 July 2015.	
(2).	As per Clause 2.10 of Tariff Policy for Major Port Trust, 2015, tariff arrangement for captive berths/facility where a separate tariff arrangement is prescribed in the mutual agreement entered into by the port and the concerned user, will continue to be governed by the respective agreement. Tariff for captive berths/facilities not covered by specific agreement will continue to be stipulated by TAMP. NMPT has stated that the cargo handled, expenditure and revenue earned from two Captive Berths namely Kudremukh Iron Ore Company Limited (KIOCL) & Udupi Power Corporation Ltd. (UPCL) are not taken into consideration in the current proposal. In this regard, the following points are to be clarified:	
(i).	Tariff of KIOCL is fixed by this Authority annually following the methodology decided in the Inter-Secretarial meeting held on 27 May 1992 between Secretary / Ministry of Surface Transport and the Secretary (Steel). However, as regards UPCL, please clarify the authorisation regarding the tariff arrangement.	(a). The tariff relating to KIOCL is being notified by TAMP for each year based on the cost statements submitted by NMPT after taking the consent of KIOCL. The same procedure will continue as per the earlier directions of TAMP. As the KIOCL is a captive berth, the income and expenditure relating thereto is excluded from the present General Scale of Rates. (b). As regards the clarification sought by TAMP relating to the captive berth given by NMPT to M/s. UPCL, it is stated that the arrangement is governed by the agreement prevailing between the NMPT & UPCL. A copy of which has already been sent by NMPT to TAMP vide e-mail dated 21.08.2015.
(ii).	Please confirm that expenditure, capital employed excluded / (to be) excluded with reference to KIOCL matches with the expenditure and capital employed considered for fixation of wharfage rate for iron ore pellets for the KIOCL for each of the year 2011-12 to 2013-14.	It is confirmed that expenditure and capital employed with respect to M/s.KOICL is excluded from the calculation of ARR in the present SoR and matches with the expenditure and capital employed considered for fixation of wharfage rate for iron ore pellets for M/s.KIOCL for each of the year 2011-12 to 2013-14 w.r.t. Berth No.8.
(iii).	Furnish the break-up of traffic, expenditure and capex relating to KIOCL and UPCL for each of the items which are excluded by NMPT in the current proposal. This information is being sought to ensure that these expenditure are captured by NMPT while fixing tariff for the respective captive berths.	A statement on the break-up details on M/s.KIOCL & M/s.UPCL is enclosed at Annexure I. As the present arrangement is in the PPP mode, the Port is not incurring any capital or revenue expenditure relating to captive berth allotted to M/s. UPCL W.r.t. Berth No.15.
3.	Annual Revenue Requirement (FORM NO. 1):	

(i).	Railway Related Expenses (Sl.No.2):	
	NMPT may make necessary modification in view of observation at point 1 (i) above regarding admissibility of entire Railway related expenses.	Modification on the proposal is carried out as directed by TAMP.
(ii).	4/5th of the One time expenses like arrears of wages /pension /gratuity/ exgratia Payment etc., & Contribution to the Pension Fund (Sl.No. 4 (iii) & (iv)) of Form-I:	--
(a).	The NMPT has excluded ₹1340.00 Lakhs in the year 2012-13 towards arrears of wages /pension /gratuity /ex-gratia etc., ₹3812 Lakhs, ₹3520 Lakhs & ₹2160 Lakhs are excluded by NMPT in the years 2011-12, 2012-13 & 2013-14 respectively towards contribution to the pension fund. Note 2 and 3 under Form-3 require the port to furnish a working reconciling the amount reported in the Audited Annual Accounts and the figures considered in the cost statement. The NMPT has not furnished requisite reconciliation working. Kindly provide the same.	(a). It is stated that the figures indicated in the proposal have already been reconciled and same is enclosed along with this letter. (Note 2 & 3) (b). The NMPT has subsequently, vide its letter dated 9 December 2015 stated that the Wage revision Charges arrears payment of ₹1675 lakhs has been made during December 2013, which has been included in the establishment part of the respective operation activity wise and hence not shown separately in the Audited Accounts report of 2013-2014. The NMPT has given working to show that 4/5 of ₹1675 lakhs i.e. ₹1340 lakhs has been excluded in ARR computation.
(b).	As regards, ₹1340 lakhs excluded by the NMPT in the year 2012-13, please confirm it is in line with the Note. No.2 prescribed in the revised cost format issued vide our letter dated 29 May 2015.	It is confirmed that the same is in line with the Note no.2 prescribed in the revised cost format issued vide TAMP letter dated 29.5.2015.
4.	Management & General Overheads (MGO) (Form - 2 Sl.No.1):	
	The MGO at ₹4194.30 lakhs, ₹4435.14 lakhs and ₹5336.66 lakhs for the years 2011-12 to 2013-14 respectively considered in Form-2 is not as per Audited Annual Accounts of the respective years. It is seen from the MGO reported in the Audited Annual Accounts, that the NMPT has reduced Medical expenses, CISF expenses and Pension payments and allocated it to the various other activities. Please explain the reasons for such adjustment.	The reasons for adjustment are as follows: a. Medical expenses - Medical expenses of the employees of the line departments is taken out of the O&M and it is reallocated to the operating expenditure of the concerned line activity, as it is a direct expenditure. b. CISF expenses- CISF expenses relates to the security deployed inside the Port and it is a direct expenditure. The CISF security expenditure is taken out of O&M and reallocated to the operating expenditure of the concerned activity. c. Pension payment-Pension payment of line employees being a direct expenditure, are taken out from O&M and reallocated to the operating expenditure of the concerned activity. d. The NMPT has subsequently vide its letter dated 9.12.2015 stated that, the Annexure IV (deficit statement) i.e., the estimate and Actuals of NMPT has been updated for the year 2014-15. The FMI for the year 2012-13, 2013-14 and 2014-2015 has been recognized, incorporated and enclosed.
5.	Working Capital (Form 1 Sl. No.7(vi) (c) and Form 4):	
	While considering one month cash expenses, it is seen from the excel working that the NMPT has excluded depreciation reported under management and general overheads to arrive at cash expenses.	The entire depreciation, as it is a non-cash cost, is excluded in the modified proposal submitted now to TAMP, as per the TAMP's directions.

	[i.e. (₹23576.44 lakhs – ₹40.47 lakhs) / 12 = 1916.33 lakhs)]. The depreciation reported under cargo, vessel, estate and railway expenses may also be excluded as they are also non-cash expenses.	
6.	<u>Revenue estimation (Form -3):</u>	
(i).	The current exchange rate is 1US$ = ₹66 as against 1US$ = ₹61.00 considered by NMPT in the revenue estimation of vessel related charges. The NMPT may consider to modify the revenue estimation of vessel related charges based on the prevailing exchange rate.	The proposal has been modified as directed by TAMP by adopting ₹66/- as conversion rate for US$.
(ii).	The MOS has recently vide its letter No.8/(15)2015-TAMP dated 17 September 2015 issued a direction to this Authority partially modifying the coastal concession policy issued by the then Ministry of Shipping, Road Transport & Highways (MSRTH) in January 2005. As per the said direction of the MOS, vessel related charges for coastal vessel should take into account the exchange rate fluctuation of the Indian Rupee vs the US$ so that vessel related charges for all coastal vessels do not exceed 60% of the corresponding charges for other vessels and these charges will be collected in Indian Rupees at the applicable exchange rate. Also, as regards container related charges dominated in US$ for foreign containers, the tariff for coastal container shall not exceed 60% of the corresponding charges applicable for other foreign containers and these charges will be collected in Indian Rupees at the applicable exchange rate. Based on the direction of the MOS for immediate prescription of rates for coastal vessel and coastal container, the Competent Authority has passed an Order No. TAMP/4/2004-Genl. dated 5 October 2015 which is in the process of gazette notification and will shortly be communicated to all the Major Port Trusts including NMPT and concerned BOT operators for implementation. Since this will have an impact on the revenue estimation as well as on the proposed tariff, the NMPT is requested to make necessary modification in form – 3 as well as the proposed Scale of Rates on receipt of the letter from this Authority in this regard.	The content has been noted. In this respect, it is stated that the Vessel related charges for coastal vessels and storage charges of containers for coastal cargo indicated in the proposal of NMPT is much less than the 60% tariff fixed by the Ministry. Hence, it will not necessitate any change in the proposal earlier submitted to TAMP. Hence, this portion of item is retained as such without any change.
(iii).	The NMPT was requested vide our letter dated 31 March 2015 to estimate revenue for all the tariff items which are not covered in the form-3. The NMPT has, however, still not estimated the revenue for items listed at serial no 12 (a) to (s) under "Assumptions" in its proposed citing lack of availability of details. In this context it is relevant to state that the revenue estimated by NMPT in Form-3 (which does not cover revenue from the few items) is seen to meet the estimated ARR of ₹33,552.22 lakhs / annum. The revenue likely to accrue to NMPT from the tariff items not covered by NMPT in the revenue estimation in form – 3 will be thus over and above estimated ARR of ₹33,552.22 lakhs which is a ceiling ARR as per clause 8.1 of the Tariff Policy 2015. The NMPT is, therefore, to capture the revenue estimates from the tariff items not included by it or alternatively leave some revenue of the estimated ARR	The observation made by TAMP in item No.6 (iii) is not factual. In the proposal earlier submitted by NMPT, ARR works out to ₹33,984 lakhs/annum and not ₹33,552.22 lakhs per annum as observed by TAMP. In the modified proposal, the revised ARR works out to ₹35,313 lakhs / annum. Further the increase to be made to the prevailing SOR rates is now proposed at 33%. Accordingly, the Revenue estimation is projected to ₹34,728 lakhs / annum leaving the cushion of ₹585 lakhs / annum. The stand of the Port is that the Port is not in a position to estimate the revenue to be generated from the items mentioned at Serial No.12 (a) to (s) under "Assumptions" and also it is very

	uncovered so that the total revenue likely to be collected from all tariff items does not cross the ceiling ARR to meet the said stipulation in the Tariff Policy 2015.	difficult to forecast the traffic likely to be handled during each financial year as no commitments has been given by the Port Users. The rates for new items proposed is based on the rates prescribed for similar items in the same category. The new cargo notification being asked for is to enable the Port to charge notified rates without again coming to TAMP for permission. In this context, certain other new cargo has also been identified which the Port may handle during the said tariff cycle. The statement of assumption at Serial No.12 (a) to (s) will continue to hold good. It is felt that un-utilized ARR / Cushion of ₹585 lakhs is sufficient to cover the items listed at Serial no.12 (a) to (s) under "Assumptions".
(iv).	Apart from the items listed in Sr. No.12 in the Assumptions, it is seen that the NMPT has proposed the following new tariff items/ conditionalities:	
(a).	Levy of port dues and pilotage for coast guard, naval and other Govt. vessels as per rate applicable to other ships / Steamers. [Note (8) & 1(b), Clause 2.1 & 2.2 in Chapter -II]	As per the Major Port Trusts Act, the Port is not permitted to give any services free of charge. The Coastguard vessel/Naval Vessels were using the Port related services and no tariff was notified for the same. To cover this lacuna, the same bas been included in the conditionalities, so that the charges/rates as applicable to other ships / steamers will apply for Coast guard vessel / Naval vessels also.
(b).	Levy of ₹16.56 per hour if service boat remains in port area though not berthed. [Clause 2.4.2 (vii)(d) in Chapter -II]	In the existing Scale of Rates, there was no provision to charge for service boat. In order to cover this lacuna, in the present proposal this new conditionality has been inserted.
(c).	Wharfage Charge for new cargo items.	The explanation given at point No.6 (iii) may be referred to.
(d).	Rates of embarkation and dis-embarkment of passenger from cruise vessel. (Chapter III Clause 3.3)	In the existing notified Scale of Rates, there are no rates notified for (d), (e) & (f). As the Major Port Trusts Act does not allow the Port to provide any services free of charge, a token rate has been proposed for (d), (e) & (f). Further, it is stated that the rates now proposed are very nominal and is very low when compared to the similar services charged by neighboring Ports like Cochin Port Trust, Murmugoa Port Trust and Jawaharlal Nehru Port Trust.
(e).	Dwell time charges for motor vehicle / equipment. (Chapter- V Clause 5.3)	
(f).	Charges for parking barge. (Item No.VI under Miscellaneous Schedule 6.9)	
(g).	Deletion of some of the tariff items in the existing SOR under Chapter – III Schedule 3.2. Sl. No. 6(d), Chapter VI Schedule no.6.6 Sr.No.(1), Schedule no.6.7 Sl. No. 1, 2, 5 and 6 along with some notes. Clause 2.12. of the revised Working Guidelines issued by TAMP stipulates that if new condition is introduced or if existing condition is modified due to operational or contingency, the port may prescribe	The items pointed out by TAMP in the existing Scale of Rates are considered redundant and no more required by the Port. Hence the same has been removed from the proposed Scale of Rates. It is not possible by the Port to forecast the financial implication of the above. It is to state that the rates now proposed

	such modification with reasons therefor and capture the financial / revenue impact in the ARR. NMPT has, however, not furnished any reasons for the above mentioned modification nor captured its impact in the revenue estimation. The NMPT, therefore, to furnish the reasons for the modifications / insertions / deletions from the existing SOR. Furnish the basis adopted for the tariff proposed for new items. Also, capture effects of all the new items in the revenue estimations in Form - 3.	are token and is much less than the rates prevailing for the same in the Ports near NMPT vicinity. As already indicated at Item No.6 (iii), the uncovered ARR / cushion of ₹585 lakhs will take care of this uncovered items and hence the revenue implication are not indicated in Form no.3.
(v).	As far as the SPM operation is concerned, the revenue estimation by NMPT from pilotage fee, tug hire charges for pull back operations, and cancellation / detention charges are not as per the rates approved by this Authority vide Order No. TAMP/17/2014 dated 2 July 2015. The said Order at para 16 (vii) (b) (xii) states that the rates approved will have validity which will be coterminus with the general revision of the SOR (to be) revised. The NMPT to, therefore, suitably modify the revenue estimation in the Form – 3 for SPM operations based on the rates approved by this Authority for the above tariff items in the said Order.	The earlier proposal had been submitted before the TAMP notified the final rates for SPM. As directed by TAMP, the final rates notified has been incorporated in the modified proposal.
(vi). (a).	The NMPT has stated that traffic figures based on 2014-15 actuals are considered for revenue estimation excluding the traffic of KIOCL & UPCL. The NMPT to furnish 2014-15 Audited Annual Accounts along with Administrative Report.	The Audited Annual Accounts along with the Administrative Report of 2014-2015 is enclosed herewith as requested by TAMP. NMPT has already confirmed that the actual traffic and GRT handled during 2014-2015 matches with Form 3 vide point (iv) in letter of even no. dated 18.05.2015. The reconciliation of the same is furnished.
(b).	In our letter of even no. dated 31 March 2015 at para 2 (iv)(b) & (c) the NMPT was requested to furnished the following.	
	(i). In Form 3, please furnish the total of the cargo traffic (in tons) considered for revenue estimation from cargo handling charge. Also, confirm that the total traffic considered in this form matches with the actual total traffic handled by the port for the year 2014-15. In case, traffic of any captive cargo berth like KIOCL is excluded as the tariff for such cargo is determined separately, then the same should be shown separately. In short, if the actual total traffic handled by the port should be reconciled with traffic considered for revenue estimation giving reasons for such adjustments done.	
	(ii). Likewise, in Form 3, please furnish the total GRT of vessels considered for revenue estimation of vessel related charges (in GRT).Also, confirm that the total GRT of vessel so considered in this form matches with the actual total GRT of the vessel handled by the port for the year 2014-15.	
	The NMPT has however, not furnished requisite information Hence the said point is reiterated.	
7.	<u>Scale of Rates:</u>	
(i).	The NMPT has proposed 25% increase for all the tariff items. However, for port dues, the increase proposed by NMPT is 132.17% and for marshalling yard charges it is 100%. The NMPT is requested to seriously explore the possibility of moderating the increase proposed in these two tariff items which are higher than the general increase proposed in the other items.	It is to state that in the modified proposal, the increase proposed is 33% as against 25% in the earlier proposal. As regards increase in the rates of Port dues are concerned, 132.17% increase over the notified SOR is arrived as per the costing done for the New Mangalore Port Trust and submitted with the proposal for fixation of tariff for SPM

		operations. The same is again enclosed. In this connection, the reason for higher increase proposed is that the rates for the Port dues had not been revised for 5 tariff cycles i.e. 15 years. Further, even after the increase in the rates now proposed, the rates will be much lower than the prevailing rates for Port dues in the vicinity viz., Cochin Port Trust, Murmagoa Port Trust, JNPT. This has been transparently stated in the assumption point no. A. For Marshalling Yard, the rates are revised in the proposal and the Port is asking for increase of 100% as the rates have not been revised for the last 20 years. The same has also been transparently indicated in the assumption point no. 11.
(ii).	(a). This Authority in Para 15 (xxiii) (a) of last general revision Order dated 6 January 2012 had advised NMPT to prescribe wharfage rate on per unit basis instead of ad- valorem charges based on the stipulation in Clause 4.2.2 of the Tariff Guidelines of 2005. In the said Order this Authority while allowing to continue with advalorem wharfage rate on few items had also categorically brought out that in the next tariff revision exercise it will be deleted automatically, if the port does not come up with specific unit based rate. Clause 2.10 of Working Guidelines issued by this Authority to operationalize the Tariff Policy 2015, also stipulates that the while drawing up the SOR, Major Port Trusts shall as far as possible do away with advalorem wharfage rate if any, in the existing SOR of the concerned Major Port Trusts and determine specific wharfage rate in these cases taking into consideration special care to be taken for handling this cargo or a market determined tariff. The NMPT has however, despite our advice in the last Order and stipulation in the Working Guidelines in the instant proposal continued with the existing tariff arrangement of levy of advalorem rate for break bulk cargo. The MOS in its recent letter dated 15 July 2015 has advised TAMP that the advalorem wharfage rate should be phased out. Wharfage rate should be fixed on per unit basis. The NMPT is, therefore, advised to propose wharfage rate for break bulk cargo based on weight or volume of cargo with reference to cost of handling the relevant cargo in line with the advice rendered in the last tariff Order, in line with the advice rendered by the MOS and in compliance with the tariff guidelines. If not done, wharfage rates proposed on advalorem basis may have to be deleted from the existing SOR in line with the decision in the last tariff order.	The observations made by TAMP that the advalorern rate if any should be phased out is noted. In the revised proposal the advalorem rates are continued to be retained as the Port is not in a position to identify the correct rate based on weight/unit as suggested by TAMP / MoS. In this respect the Tariff Policy 2015 guidelines clause no. 2.10 is relied upon by the Port. The same quotes as "while drawing Up the SoR, Major Port Trusts shall as for as possible do away with advalorem rate if any in the existing SoR of the concerned Major Port Trust....….". In view of the facts stated above, in the present proposal, the advalorem rates proposed in Chapter III sub heading 3.1 Break Bulk Cargo is retained, However, attempts will be made to phase out the advalorem rate by the time the proposal for the next tariff cycle is submitted. [Subsequently, NMPT vide its letter dated 9 December 2015 has clarified that it has requested to maintain the advalorem rate for the commodities detailed under 3.1. Break Bulk cargo of the Chapter III – Schedule of Wharfage Charges. Since TAMP has insisted to do way with advalorem rate and charge commodities based on per ton / per CUM basis, either by adopting rates from other Major Ports or by way of costing, NMPT proposes to adopt rates charged by other Major Ports, which may be included under 3.2. Bulk cargo of the Chapter III – Schedule of Wharfage charges as per Annexure V enclosed. The modification proposed in the SOR from advalorem wharfage rate to per tonne rate in Schedule 3.2. Bulk Cargo is brought out in subsequent paragraph.]
(iii).	Chapter VII-Levy for supply of Cargo Handling	

	worker from Registered Cargo Handling Labour Wing (RCHW) for Cargo Handling Operations:	
	(a). Explain the basis of arriving at Levy for supply of Cargo Handling workers from Registered Cargo Handling Labour Wing for Cargo Handling Operations for new class at Sr. Nos. 30 to 44 in the proposed SOR.	The rates for new items proposed is based on the rates prescribed for similar items in the same category. The new cargo notification being asked for is to enable the Port to charge notified rates without again coming to TAMP for permission.
	(b). Revenue estimation does not include revenue from these new items which may be captured in Form-3.	The Port is not in a position to forecast the quantity likely to be handled per annum for the new cargo, The levy for supply of cargo handling workers for the new cargo is based on the rates prescribed for similar items in the same category. As already indicated at Item No.6 (iii) & 6 (iv) (g), the uncovered ARR / cushion of R.s.585 lakhs will take care of this uncovered items and hence the revenue implication are not indicated in Form 3.
8.	<u>Adjustment of Additional surplus:</u>	
	The reply furnished by NMPT to the information sought at para 2 (iv) of our letter dated 31 March 2015 is not addressed satisfactorily. As stated in the said letter the NMPT to assess the additional surplus as required under clause 4.1 of the said Tariff Policy from the date of implementation of the last tariff revision Order till date and furnish the same to us for information.	The observation made by TAMP is noted. In this respect, a detailed self-explanatory statement is enclosed along with this letter as Annexure IV, which will clarify the position.
9.	<u>Performance standard:</u>	
	The NMPT has proposed performance standards in Form-5. Clause 3.2. of the Tariff Policy 2015 stipulates that the indexation of SOR as provided in Clause 2.8 will be subject to achievement of Performance Standards committed by Major Port Trusts. If a particular port does not fulfil the Performance Standard, no indexation would be allowed during the next year. The NMPT to, therefore, incorporate a suitable clause in the SOR on indexation in line with the provision stipulated in clause 3.2.	The Performance Standard in Form No.5 is now forming part of the modified proposal as directed by TAMP. NMPT has taken all due care to incorporate the modifications, as suggested by TAMP and thereby is eligible to claim the ceiling Indexed Annual. Revenue Requirement (ARR) of ₹35,313 lakhs / annum, as per Tariff Policy 2015 guidelines. Against this, NMPT has estimated the revenue at Form 3 to a tune of ₹34.728.08 lakhs / annum leaving an uncovered ARR / cushion of ₹584.92 lakhs / annum.

12. While furnishing additional information / clarification, the NMPT vide its email dated 30 October 2015 has also furnished revised computation of ARR, revised proposed SOR and revised estimation of revenue at the proposed rate in view of revised estimation of ARR. The main modifications made by the NMPT in the revised proposal dated 30 October 2015 is given below:

(i). Modification is done in Form-2 relating to the Management and General Overheads admissible in the ARR subject to a cap of 25% of aggregate of operating expenditure and depreciation. Consequent to this, the management and general overheads considered for exclusion in the year 2013-14 at ₹221.66 lakhs in the original proposal is modified to ₹502.13 lakhs in the revised proposal.

(ii). Further, there is some minor modification in the capital employed figure as on 31 March 2013 owing to modification in the net fixed assets related to Estate Activity excluded. The modified capital employed considered in the ARR computation for the purpose of allowing 16% ROCE is ₹65,778.90 lakhs as against ₹65,955.92 lakhs estimated in its original proposal.

(iii). As per the revised computation of ARR, the revised ARR is ₹35,313 lakhs for the year 2015-16 as against ₹33,552 lakhs arrived by NMPT in its May 2015 proposal.

(iv). A summary of revised ARR computation furnished by NMPT is tabulated below:

(₹ in lakhs)

Sl. No.	**Description**	**Y1 (2011-12)**	**Y2 (2012-2013)**	**Y3 (2013-2014)**
(1).	**Total Expenditure (As per Audited Annual Accounts)**	26,586.10	27,981.89	27,979.29
(2). (a)	**Less Adjustments:**			
(i).	Estate related expenses	979.04	1070.98	1142.05
(ii).	**Interest on loans**	0.78	-	-
(iii).	**4/5th of Onetime expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	(a).WRC Arrears	-	1,340.00	-
(iv).	**4/5th of the Contribution to the Pension Fund**	3,812.00	3,520.00	2,160.00
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	-	-	502.13
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**	1,145.52	1,145.70	1,038.99
	Total adjustments	**5937.34**	**7076.68**	**4843.17**
(3).	**Total Expenditure after Total Adjustments (3 =2-1)**	**20,648.76**	**20,905.21**	**23,136.12**
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3	21,563.36		
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2014 (As per Audited Annual Accounts)	61,480.49		
	(ii). Add : Work in Progress as on 31.03.2014 (As per Audited Annual Accounts)	7,153.06		
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2014 as per Audited Annual Accounts.	3,431.27		
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2014 as per Audited Accounts.	-		
	(v). Less : Net value of fixed assets as on 31 March 2014 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2015.	2,538.29		
	(vi). Add : Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines	3,114.91		
	(vii). Total Capital Employed	65,778.90		
(6).	**Return on Capital Employed 16% on Sl. No. 5(vii)**	10,525.00		
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2014 [(4)+ (6)]**	32,088.36		
(8).	**Indexation in the ARR @ 100% of the WPI applicable for the year 2014-15 (6%)**	**34,014.00**		
(9).	**Indexation in the ARR @ 100% of the WPI applicable for the year 2015-16 (3.82%)**	**35,313.00**		
(10).	**Ceiling Indexed Annual Revenue Requirement (ARR)**	**35,313.00**		
(11).	**Revenue estimation at the proposed SOR which is within the Ceiling indexed ARR estimated at Sl. No. 10 above.**	**34,728.08**		

(v). (a). The NMPT has furnished detailed working of revenue estimation in Form 3 considering the proposed tariff for the actual traffic handled by NMPT for the year 2014-15.

(b). For estimating the revenue from vessel related service denominated in US$, the NMPT has considered exchange rate of 1US$ = ₹66.00 as against 1US$ = ₹61.00 considered by it earlier.

(c). As per the said form, the total revenue estimated by NMPT at the proposed tariff for the actual traffic handled by NMPT in 2014-15 from Cargo, Vessel, Miscellaneous charges, levy for supply of cargo handling worker from Registered Cargo Handling Labour Wing is ₹34,728 lakhs at the proposed tariff as against ARR of ₹35,313 lakhs arrived by NMPT. The port has stated that the balance revenue of ₹585 lakhs (i.e. ₹35,313lakhs – ₹34,728lakhs) is left uncovered towards the revenue from a few tariff items as discussed earlier for which port could not estimate revenue for reasons brought out in the reply furnished by NMPT to the additional information / clarification sought by us.

(vi). The NMPT has not proposed any modification in the proposed SOR filed in October 2015 except for the increase proposed at 33% across the board instead of 25% increase proposed in the May 2015 proposal. Increase proposed in Port Dues, Marshalling yard charges, however, is, on the level proposed in May 2015 proposal.

(vii). As stated earlier, the NMPT vide its letter dated 9 December 2015 has proposed on wharfage rate for Break Bulk Cargo on per tonne basis as against advalorem wharfage rate proposed by it in its May 2015 proposal.

The existing advalorem wharfage rate vis-à-vis the proposed per tonne rate proposed by NMPT is given below:

Sl. No.	Description of Cargo	Existing rate on advalorem basis		Proposed rate in October 2015 proposal.		Proposed rate in 09.12.15 proposal (in ₹ / tonne) except Sr. No. 3		Rate adopted from (as given by NMPT)
		F	C	F	C	F	C	
1	Spices (cardamom, ginger, turmeric, coriander seed, pepper, chillies etc.)	0.015%	0.009%	0.020%	0.012%	50.77	30.46	Chennai Port
2	Fish dried, fresh, salted preserved or frozen prawns, frog legs and lobsters preserved or frozen	0.059%	0.036%	0.078%	0.048%	38.58	23.14	Chennai Port
3	Yarn, cotton and wool raw, waste or manufactured staple fibre	0.059%	0.036%	0.078%	0.048%	121.68/CBM	73.00/CBM	Chennai Port
4	Areca nuts, beedi leaves and beedies, coffee instant coffee essence or powder, magnasite illuminates monazite bauxite rutile sand, sandal wood logs, and product, Tea, Coffee/ Coffee husk, tobacco	0.074%	0.044%	0.098%	0.059%	50.00	30.00	Cochin Port
5	Asphalt, Bitumen	0.237%	0.142%	0.315%	0.189%	81.65	48.99	Kolkatta Port
6	Plant & Machinery (in Knock Down Conditions or otherwise) (in tonnes)	₹96.20	₹57.72	0.370%	0.223%	127.95	76.77	Existing rate increased by 33%
7	Vehicle / equipments imported / exported through the Port	--	--	0.61%	0.37%	3000	1800	Cochin Port
8	Over Dimensional Cargo	0.296%	0.178%	0.394%	0.237%	875.00	525.00	JNPT

(iv). **Performance Standards:**

The Performance Standards are proposed to be retained as proposed in its earlier revised proposal dated 18 May 2015 and hence not reiterated here.

13. The NMPT vide its earlier letter dated 25 November 2015 has furnished certified copy of Annual Revenue Requirement (ARR) under Form 1 and Revenue estimation at the proposed rate in Form 3, which was already furnished vide NMPT letter dated 30 October 2015**.**

14. The NMPT vide its e-mail dated 06 January 2016 has requested to consider the following points:

(i). The Single Point Mooring (SPM) Facility was commissioned w.e.f. 29 August 2013 and at that time no prevailing rates were available in the SOR of NMPT for SPM facilities.

(ii). NMPT vide its letter of even number dated 02 April 2014, enclosed the consent letter of M/s. MRPL dated 25 March 2014 conveying the acceptance of Cochin Port Trust SPM rate in totality.

(iii). This Authority passed an interim Order vide No.TAMP/17/2014-NMPT dated 20 May 2014 by partially adopting Cochin Port Trust rates with retrospective effect from 29 August 2013.

(iv). NMPT had filed a proposal dated 14 March 2014 for fixation of final rates for SPM operations along with detailed cost calculations as also the clarifications sought by this Authority from time to time.

(v). The Authority has passed final Order on the SPM rates vide TAMP Order No.TAMP/17/2014-NMPT dated 27/28 July 2015, prospectively. While passing the final Order TAMP has noted under Clause 16 (xii) that NMPT has already filed a proposal for revision of its Scale of Rates under Tariff Policy, 2015 and once approved the validity of the rates approved for SPM operation are made co-terminus with the validity of the general scale of rates to be revised by TAMP.

(vi). This Authority vide its letter No.TAMP/22/2015-NMPT dated 13 October 2015 have requested to modify the proposal of NMPT's revision of Scale of Rates by adopting the indexation for the ARR requirement and submit modified proposal for revision of Scale of Rates. In this context, it is submitted that the indexation will be equally applicable for the fixation of final rate of SPM also, since the proposal submitted to TAMP was based on 2012-2013 actual. The Authority is, therefore, requested to pass modified order by indexing the fixation of final rate for SPM by 6% for the year 2014-2015 and again by 3.82% for the year 2015-2016.

15. The NMPT vide its email dated 14 January 2016 and 6 February 2016 has also furnished revised computation of ARR, revised proposed SOR duly taking into consideration the amendment to coastal concession policy notified by this Authority vide Order No.TAMP/4/2004-Genl. dated 5 October 2015. The revised revenue estimates is duly certified by the practicing Chartered Accountant and Finance and Chief Accounts Officer. The main modifications made by the NMPT in the revised proposal dated 14 January 2016 and the submissions made by the NMPT are given below:

(i). As notified by the Authority vide its Order no.TAMP/53/2015-VOCPT dated 3 December 2015, NMPT has incorporated in the general conditions of its SOR the amendment to the provisions prescribed in the common adoption Order on the levy of concessional charges for coastal cargo/container.

(ii). Consequent to this modification the increase in port dues for coastal vessel proposed by NMPT works out to 467% increase instead of 425% increase proposed in its proposal dated 30 October 2015. The increase in other vessel related charges for coastal vessel is in the range of 95% to 97% instead of 33% increase proposed by it earlier consequent to proposing the vessel related charges for coastal vessel applying the prevailing exchange rate on the proposed rate for foreign going vessel and 60% thereof as per the recent modification in the coastal concession policy issued by the MOS. The estimated revenue requirement in Form-3 is accordingly revised to ₹35,091.99 lakhs / annum as against ₹34,728.08 lakhs / annum estimated by NMPT in its proposal of October 2015. There is no change in the indexed ceiling ARR estimated by NMPT at ₹35,313 lakhs / annum. As per the revised revenue estimation in Form-3, the ARR left uncovered is ₹212.01 lakhs / annum (i.e. ₹35,313 – ₹34,728.08) instead of ₹585 lakhs / annum estimated in October 2015 proposal. Apart from the above, the port has not made any other modification.

(iii). Further, it is pertinent to mention here that though NMPT has sought rate for various services notified by the Authority, as the ceiling rate, NMPT is charging its users much less by way of rebate. One such instance is that allowing rebate of 25% on the applicable port charges compromising Port Dues and berth hire charges of Feeder line vessels. NMPT is providing this rebate from 2004-2005 onwards by obtaining approval from the NMPT Board which is extended by every six months to till date. Hence, it is felt that un-utilized ARR of ₹ 221.01 lakhs is sufficient to cover revenue for the items listed at para 4.2. (ii) (b) of this agenda note.

(iv). The NMPT has not proposed any modification in the proposed SOR filed in January 2016 except for the general conditions (v) (a) and (b) which are prescribed as approved in the common adoption Order dated 5 October 2015. Further, the provisions relating to criteria for concession of foreign going vessel to coastal vessel and applicable charges as approved vide Order no. TAMP/53/2015-VOCPT dated 3 December 2015 are also stated to have been incorporated in prescribed proposed SOR.

(v). As regards, the vessel related charges for coastal vessel, the NMPT has proposed the note stating that *"Rate for coastal vessel is upto 60% (of the rate for foreign-going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation"* as approved in Order dated 5 October 2015.

(vi). **Performance Standards:**
The Performance Standards are proposed to be retained as proposed in its earlier revised proposal dated 18 May 2015 and hence not reiterated here.

16.1. When the case was in the advanced stage of finalization, it was observed that the revenue estimate in respect of Vessel Related Charges (VRC) from captive berths of Kudremukh Iron Ore Company Ltd. (KIOCL) and Udupi Power Corporation Ltd. (UPCL) are not captured by the NMPT in the revenue estimates in Form-3. When the revenue estimates as furnished by the NMPT were corrected to capture the vessel related revenue from these two captive berths as the port collects vessel related charges for these two captive berth as per the Scale of Rates of the port, it was observed that the revenue estimates worked out to 36489.94 at the tariff level proposed by the port which exceeded the ARR estimated by the port. The port was, therefore, vide our email dated 28 January 2016 requested to propose suitable reduction in the proposed tariff so that the revenue estimate and cushion left for uncovered tariff items is well within the ARR and send the revised Form-1, Form-3 and Revised SOR accordingly duly certified by the Chartered Accountant.

16.2. The NMPT has responded vide its letter dated 28 January 2016. The submissions of the port are summarized below to the extent found relevant:

(i). In the Tariff Policy 2015, Clause no.2.2(v) states "all expenses (viz., operating expenses, depreciation, allocated management and general overheads, allocated Finance and Miscellaneous expenses) and all such expenses which are relevant for captive berths irrespective of whether there is a mutually agreed tariff arrangements between the port and the concerned user or not, are to be excluded. In this context, based on the plain reading of the clause and also as per the Matching Concept under GAAP, NMPT has not only excluded the expenditure part of the captive berths. But also excluded the corresponding revenue for the captive berths. Moreover, the "assumption" submitted along with the proposal, which is also based on the above concept, NMPT has clearly mentioned that as per the Tariff Policy 2015, the Cargoes handled and revenue earned from the Captive Berths have not been taken into consideration.

(ii). The port is not in agreement with the interpretation made in the letter 28 January 2016 for inclusion of vessel related revenue from captive berths in the revenue estimates.

(iii). Port has reiterated that the Port dues have not been revised for 15 years (5 Tariff cycles). Based on the costing done at the time of SPM proposal, submitted to the Authority, the port dues has been revised accordingly. Similarly, VRC have not been revised for the past 2 tariff cycles and the rate for Marshalling Yard usage charges were last revised during the year 1995 and has since not been revised for past 20 years.

(iv). The NMPT has, therefore, requested the Authority to retain the proposal submitted by the NMPT, consider and notify the proposed tariff to which the port is entitled to as per Tariff Policy, 2015.

17. 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.

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

(i). The Scale of Rates (SOR) of New Mangalore Port Trust (NMPT) was last revised by this Authority in January 2012. The validity of the SOR of NMPT approved by this Authority vide its Order dated 6 January 2012 is till 31 March 2015. The NMPT, therefore, filed its proposal for general revision of its SOR following Tariff Policy, 2015 effective from 13 January 2015. Clause 1.5. of the Tariff Policy, 2015 mandated this Authority to issue Working Guidelines in consultation with all the Major Port Trusts to operationalize the Tariff Policy. Accordingly, a draft of the Working Guidelines was circulated by letter dated 30 January 2015 to all the Major Port Trusts and a consultation meeting was organized on 18 April 2015 at the office of this Authority. The Working Guidelines was notified on 4 June 2015 vide Gazette no.207. when the NMPT filed its proposal, the Working Guidelines was in formulation stage.

The NMPT filed the original proposal in March 2015 under the Tariff Policy 2015 wherein it had sought, 132% increase in port dues for foreign going vessel, 100% increase in charges for marshalling yard and 18% increase in all the tariff items. Consequent to the meeting convened by this Authority with all the Major Port Trusts on draft Working Guidelines in pursuance of Clause 1.5. of the Tariff Policy 2015, the port filed a revised proposal dated 18 May 2015. Subsequently, the NMPT while furnishing information/ clarification sought by us has filed revised proposal vide its letter dated 30 October 2015. In the revised proposal, the increase proposed by NMPT is 33% as against 25% increase sought in its May 2015. The increase in the rates of Port dues and charges for marshalling yard was retained as proposed in its original proposal.

In the 13 October 2015 letter, as brought out in Para 11 at Sl. No. 7(ii) referring to advise rendered in the earlier Orders passed by this Authority, and reference to Clause 2.10 of Working Guidelines issued by this Authority to operationalize the Tariff Policy 2015, and also the MOS letter dated 15 July 2015, the NMPT was specifically requested to propose wharfage rate for break bulk cargo on weight or volume of cargo with reference to cost of handling the relevant cargo instead of the proposed wharfage rate on advalorem basis. The NMPT in its October 2015 proposal, however, proposed to continue with advalorem wharfage rate for break bulk cargo. Subsequently, the NMPT vide its letter dated 9 December 2015 proposed per tonne wharfage rate and considered its impact in the revenue estimation.

It is also relevant to state here that in our letter dated 13 October 2015 as brought out in para 11 at Sl. No. 6(ii), while seeking additional information from the port, reference was drawn to the MOS letter dated 17 September 2015 issuing a direction to this Authority partially modifying the coastal concession policy issued by the (then) Ministry of Shipping, Road Transport & Highways (MSRTH) in January 2005. Based on the direction of the MOS for immediate prescription of rates for coastal vessel and coastal container, this Authority has passed an Order No. TAMP/4/2004-Genl. dated 5 October 2015 which was also communicated to all the Major Port Trusts including NMPT and concerned BOT operators for implementation. As per the said Order notified by this Authority based on the direction of the MOS, vessel related charges denominated in US$ should take into account the exchange rate fluctuation of the Indian Rupee vs the US$ for levy of concessional charges for coastal vessels so that vessel related charges for all coastal vessels do not exceed 60% of the corresponding charges and these charges will be collected in Indian Rupees at the applicable exchange rate. Similar treatment is to be given to container related charges dominated in US$ for foreign containers. Since this will have an impact on the revenue estimation as well as on the proposed tariff, the NMPT was specifically requested vide our letter dated 13 October 2015 to make necessary modification in the revenue estimates as well as the proposed Scale of Rates. The NMPT did not carry out this exercise while furnishing its revised proposal dated 30 October 2015. It is only vide its letter dated 14 January 2016 the NMPT has modified the proposed Scale of Rates as regards vessel related charges for coastal vessel and container storage charges for coastal container whose counterpart is denominated in US$.

The final revised proposal filed by NMPT vide its letter dated 14 January 2016, along with submissions made by the port during the processing of the case are considered in this analysis.

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

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

(a). The NMPT has excluded expenses related to estate activity and interest on loan as per Clause 2.2. (i) and (ii) of the Tariff Policy, 2015 and Working Guidelines notified by this Authority.

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

NMPT has excluded ₹1,340 lakhs in the year 2012-13 towards arrears of wages, being 4/5 of the wage revision arrears of ₹1,675 lakhs reported in the year 2014-15. This is supported with working by NMPT and hence considered.

The NMPT has excluded ₹3,812 lakhs, ₹3,520 lakhs and ₹2,160 lakhs in the years 2011-12, 2012-13 and 2013-14 respectively being 4/5th of the contribution to the pension fund reported in the Annual Accounts of the corresponding years. The above adjustment done by NMPT is in line with Tariff Policy, 2015 and is supported with working and hence considered.

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

The Management and General Administration Overheads (MGAO) reported in the Audited Annual Accounts is ₹5,474.81 lakhs, ₹5802.18 lakhs and ₹7065.75 lakhs for years 2011-12, 2012-13 and 2013-14 respectively. As against that, the NMPT has considered MGAO in Form-2 at ₹4,240.20 lakhs, ₹4,468.30 lakhs and ₹5,377.13 lakhs respectively for the corresponding period to assess whether the MGAO is within the cap of 25% of operating expense and depreciation. The NMPT has reconciled the MGAO considered in Form-2 with the figures reported in the Audited Annual Accounts for each of the years. The Port has clarified that the Medical expenses of employees, CISF & Pension payments which are reported in MGAO in the Audited Annual Accounts are direct expenses attributable to cargo, vessel, railway and estate related activities. Hence, these nature of expenses reported under MGO has been reallocated to concerned relevant activities. In views of clarification furnished by the port and recognizing that the ARR computation is certified by Chartered Accountant, the above adjustment done by the NMPT is relied upon and may be accepted. As per the working furnished by the MOPT in Form-2, for the years 2011-12 and 2012-13, actual MGAO is within the cap of 25% of aggregate of operating expense and depreciation. For the year 2013-14, the NMPT has identified an amount of ₹502.13 lakhs of MGAO as excess of 25% of aggregate of operating expenses and depreciation and hence excluded the same from ARR in the year 2013-14 complying with the provision of Tariff Policy, 2015.

(d). (i). As per Clause 2.2(v) of the Working Guidelines notified by this Authority, all expenses relevant for captive berths are to be excluded from the computation of ARR. The proposal of NMPT mentions that there are two captive berths viz. Berth No.8 given to KIOCL and Berth No. 15 to UPCL. The NMPT has excluded expenses related to the captive berth no.8 KIOCL for each of the years 2010-11, 2011-12 and 2012-13 from the ARR calculation as tariff relating to KIOCL is notified by this Authority separately for each years based on the proposal filed by NMPT in accordance with the decision taken in the Inter-Secretarial meeting between the Secretary (Ministry of Surface Transport) and the Secretary (Steel) held on 27 May 1992. The ARR calculation by NMPT duly capturing this adjustment which is duly certified by the Chartered Accountant is relied upon.

(ii). As regard UPCL, the NMPT has reported that it does not incur any capital or revenue expenditure as it is given on the Public Private Partnership (PPP) mode and hence there is no case for exclusion of expenses for UPCL. The above clarification furnished by NMPT is relied upon.

During the process of this case, it has been brought out by the NMPT that it has given berth No. 15 as Captive Berth to UPCL. The NMPT was requested to clarify the authorization regarding the tariff arrangement for the services offered at captive berth of UPCL since neither the NMPT nor UPCL has approached this Authority seeking tariff for services rendered at Berth No.15. The NMPT has not addressed the specific point raised by us. It has merely forwarded a copy of the agreement dated 9 May 2008 entered by NMPT with UPCL and stated that it is governed by the said agreement entered by it with UPCL. On perusal of the Concession Agreement for bulk coal terminal on captive basis entered between the NMPT and UPCL in May 2008 forwarded by the port during the processing of this case, it is seen that as regard tariff which come under the purview of this Authority, the UPCL has to pay of 50% of Railway Marshalling Yard charges at applicable SOR approved by this Authority for NMPT for the actual cargo handled. For water front and land area, Annual License fee prescribed in the Concession Agreement as per the Scale of Rates approved by this Authority for the port is payable. As per the Concession Agreement, UPCL has to pay ship related charges in respect of port dues, pilotage, water charges and any other charges for services requested by UPCL, at the rates prescribed in the Scale of Rates approved by this Authority as applicable to any other vessel agent at the port. The Concession Agreement specifically states that berth hire charges are not applicable as it is for captive berth.

From the above provision, it is seen that the charges levied by the NMPT for UPCL captive berth towards vessel related charges, marshalling yard charges and license fee are as per the rates applicable in the SOR approved by this Authority. As stated earlier, the NMPT has not come up with any separate tariff arrangement for the captive facility given to UPCL.

It is relevant to state here that the said Concession Agreement at clause 9.2.(vi).(b) allows UCPL to utilise the captive terminal for handling coal cargo for other users. Neither the NMPT nor the UPCL have approached this Authority as regards the tariff arrangement for levy of charges in the event the UPCL utilises the captive terminal for handling coal cargo for other users. The tariff to be levied by the Major Port Trust or operator authorised by the Major Port Trust to render services to any user even if it is a captive berth user will require approval of this Authority as per the statute. That being so, it is the sole responsibility of the NMPT being the licensor port, to ensure that tariff, if any, to be levied by the UPCL for service rendered to other user has the approval of this Authority as required under the statute and the NMPT is directed to suitably advise the UPCL in this regard to file a proposal following the approach adopted in IFFCO Kisan Bazar Logistics Ltd. Vide Order No.TAMP/55/2013-KPT dated 15 January 2016 atleast three months prior to UPCL envisaging to handle third party cargo. By way of abundant caution, it is clarified that tariff, if any, being levied by UPCL for third party cargo for services if any, rendered by them does not have the approval of this Authority.

(iii). Following the provisions prescribed at Clause 2.3. of the Tariff Policy, 2015 and Clause 2.3. of the Working Guidelines, the NMPT has arrived at average expenses for the years 2011-12, 2012-13 and 2013-14 at ₹21,563.36 lakhs.

(iv). The NMPT has arrived at capital employed in line with provision prescribed in Clause 2.4. of the Working Guidelines. The NMPT has considered the net fixed assets plus capital work-in-progress as on 31 March 2014 reported in the Audited Annual Accounts. Net fixed assets relating to captive berth KIOCL is reported to have been excluded. As stated earlier, the NMPT has stated that there are no capital expenditure incurred by port relating to captive berth UPCL. Working capital is computed as per norms prescribed in clause 2.5. of Working Guidelines. The total capital employed arrived by NMPT is ₹65,778.90 lakhs. Return on Capital Employed at 16% is ₹10,525.00 lakhs which is considered in the ARR computation.

(v). The ARR is the average of the expenditure for the three financial years 2011-12 to 2013-14 at ₹21,536.36 lakhs plus 16% ROCE at ₹10,5252.00 lakhs aggregating to ₹32,088.36 lakhs as on 31 March 2014. Further, the NMPT as per Clause 2.7. of Working Guidelines has indexed the said ARR @ 100% of the WPI applicable for the year 2014-15 and 2015-16 at 6% and 3.82% respectively and arrived at ceiling indexed ARR forwarding SOR at ₹35,313 lakhs for the year 2015-16.

The detailed working of ARR calculation, attached as **Annex- I**, given by the port vide its letter dated 30 October 2015, which is duly certified by Chartered Accountant is relied upon by this Authority. The NMPT has not made any modification in the ARR in its subsequent communication. A summary of the ceiling indexation ARR furnished by the NMPT duly certified by the Chartered Accountant is given below:

(₹ in lakhs)

Sr. No	Particulars	2011-12	2012-13	2013-14
1	Total Expenditure after all Adjustments	20,648.76	22,245.21	21,796.12
2	Average Expenses [Y1 + Y2 + Y3] / 3		21,563.36	
3	Capital employed as on 31.03.2014 including capital work in progress as on 31.03.2014 and working capital as per norms		65,778.90	
4	Return on capital employed @ 16%		10,525.00	
5	ARR as on 31 March 2014 (5=2+4)		32,088.36	
6	Indexation in the ARR @ 100% of the WPI applicable for the year 2014-15 (6%)		34,014.00	
7	Indexation in the ARR @ 100% of the WPI applicable for the year 2015-16 (3.82%)		35,313.00	
8	Ceiling Indexed Annual Revenue Requirement (ARR)		35,313.00	

(vi). As per Clause 2.5. of Tariff Policy 2015, for drawing the SOR, the NMPT has reportedly considered the actual cargo traffic in tonnes and GRT of vessel handled by the port during the year 2014-15 to draw the proposed SOR within the ceiling indexed ARR of ₹35,313 lakhs.

The actual cargo traffic reported to have been handled by NMPT in the year 2014-15 is 365.66 lakhs tonnes. The port has excluded cargo traffic of captive berths viz. UPCL and KIOCL at 27.25 lakhs tonnes and 13.02 lakh tonnes respectively while estimating the revenue for cargo related services. As stated earlier, the wharfage rate for KIOCL is determined separately and the port has excluded expenses related to KIOCL which is considered for determining the wharfage rate for the years 2011-12 to 2013-14. That being so, the approach adopted by the NMPT of excluding the cargo traffic (and wharfage related revenue of KIOCL from the revenue estimation) is found to be in order.

As regard UPCL, the concession agreement entered by the NMPT and UPCL on 9 May 2008 do not prescribe about levy of wharfage rate for captive cargo handled by UPCL. The Concession Agreement stipulates per TEU Royalty agreed between the NMPT and UPCL subject to Minimum Guaranteed Throughput. Royalty is not a tariff related item. The NMPT has not approached this Authority seeking approval of any other tariff for the captive berth given to UPCL. The exclusion of cargo traffic of UPCL from the revenue estimates of wharfage rate seems to be in order as port does not appear to collect any wharfage rate for captive cargo of UPCL. Moreover, the Practicing Chartered Accountant has certified the revenue estimates.

For estimating the vessel related charges, the total GRT of vessels reported by the NMPT for the year 2014-15 is 30,989,860. For estimating the revenue from vessel related services, port has excluded 2,545,361 GRT from the total GRT citing that it relates to the GRT of vessel handled at captive berth of UPCL and KIOCL.

It is relevant here to state that it is only the wharfage rate for KIOCL which is being annually determined separately as per the pre-determined methodology duly agreed between Secretary (steel) and the Ministry of Surface Transport (MOST) in the year 1992. The vessel related charges for KIOCL are collected by the NMPT as per the rates prescribed in the port's SOR which is common for all the users. As stated earlier, as regard UPCL as per the Clause 9.2.(a) (vi) of the Concession Agreement entered between the NMPT and UPCL, the applicable vessel related charges as prescribed in the SOR of NMPT are leviable. That being so, the exclusion of GRT of vessels handled at captive berths of KIOCL and UPCL from the revenue estimate is not found to be appropriate. This was pointed out to the NMPT with a request to modify the calculation. The NMPT has referred to clause no.2.2.(v) of the Tariff Policy which states all expenses (viz., operating expenses, depreciation, allocated management and general overheads, allocated Finance and Miscellaneous expenses) and all such expenses which are relevant for captive berths irrespective of whether there is a mutually agreed tariff arrangements between the port and the concerned user or not, are to be excluded. Citing this clause the port has argued that not only the expenditure but corresponding revenue earned from the Captive Berths have been excluded from the revenue estimates.

It is seen that the NMPT has rightly excluded the actual expenditure which was considered in the wharfage rate computation of captive berth KIOCL to the tune of ₹682.17 lakhs, ₹749.27 lakhs and ₹637.82 lakhs for the years 2011-12 to 2013-14 respectively in line with clause 2.2(v) of the Tariff Policy 2015. As admitted by the port, these figures match with the expenditure considered by the NMPT for the wharfage rate of KIOCL approved by this Authority for the corresponding period.

Hence, for estimating the revenue, the exclusion of cargo traffic of KIOCL and UPCL is justified as explained above. However, apart from excluding the cargo traffic of KIOCL, the NMPT has also excluded the vessel traffic in terms of GRT of KIOCL while estimating vessel related revenue. Likewise, the NMPT has excluded the GRT of the vessels handled by UPCL in respect of port dues and pilotage charge. Since the expenditure on handling of vessels calling at KIOCL and UPCL are not excluded from the ARR computation of the NMPT, it is incorrect to exclude the income accruing to the NMPT on handling of such vessels from revenue estimates. The GRT of the vessels calling at KIOCL and UPCL are captured in the revised revenue estimates under the relevant head of vessel related charges. As stated earlier, no berth hire charge is leviable for UPCL berth and hence berth hire revenue from UPCL is not captured in the revenue estimates.

Apart from the above modification, the revenue estimates furnished by the port are relied upon as they are duly certified by the Chartered Accountant.

(vii). As per Clause 2.6. of Tariff Policy 2015, the Major Port Trusts have the flexibility to determine the rates to respond to the market forces based on its commercial judgment and draw the SOR within the ceiling of indexed ARR, duly certified by a practicing Chartered Accountant. The Port has given detailed working of revenue estimation indicating each of the tariff items in the proposed SOR for corresponding traffic handled in 2014-15 as required as per Clause 2.9. of the Working Guidelines. The total revenue estimated by NMPT at the proposed tariff is ₹35,091.99 lakhs which is within the ceiling indexed ARR of ₹35,313.00 lakhs. The revenue estimation by the NMPT at the proposed tariff and traffic of 2014-15 has been duly certified by the Chartered Accountant and hence been relied upon.

The NMPT in its final revised proposal has proposed 33% increase across the board in all the existing tariff except for Port Dues and Marshalling Yard Charges. For port dues, the NMPT has proposed 132% increase for the foreign going vessel. The vessel related charges for coastal vessel is proposed at 60% of the rate proposed for foreign going vessel applying the current exchange rate as per the recent modification in the coastal concession policy by the MOS. For marshalling yard charges, the NMPT has proposed 100% increase.

Most of the Users / User Associations have objected to the increase proposed by the NMPT and in particular port dues and marshalling charges. The Port was, therefore, requested to consider moderation in the increase proposed by it. The port has stated that it has made comparison of existing vessel related rates and wharfage rate of crude, food grains, edible oil, iron and steel and thermal coal prevailing at the port vis-à-vis rates prevailing in other Major Ports in the vicinity to show that the existing rates at the port are the lower. The NMPT has also forwarded the comparative position to port users. As regards increase proposed in port dues, the NMPT has clarified that the port dues have not been revised for last 15 years and are lowest in comparison to other Major Port Trusts in the vicinity. As regards, Marshalling yard charges, the NMPT has justified that the rates have not been revised for the last 20 years. The NMPT has stated that, even after the increase in the rates now proposed, the rates are much lower than the prevailing rates in the vicinity viz., Cochin Port Trust, Mormugao Port Trust, Jawaharlal Nehru Port Trust. It is also relevant here to state here that during the last tariff revision Order in January 2011 based on the surplus position, this Authority had effected 26% reduction in the cargo handling charges except the KIOCL, RCHW and storage charge. Status quo was maintained in the vessel related charges. In the revision prior to 2010 i.e. in the tariff revision in May 2006, the NMPT itself had based on the demand made by the users and applying commercial judgment, proposed to reduce wharfage rates for most of the cargo items in the wharfage and RCHW levy under the cargo handling activity along with rationalization in pilotage fee and berth hire which was approved by this Authority. Thus, it can be seen that on the past two tariff cycles, no tariff increase was granted to the port. The users and user association have had the benefit of the same tariff for the last two tariff cycle despite inflation in all the other cost items. In any case, as stipulated in Clause 8.1. of the Tariff Policy, the rates prescribed in the SOR are ceiling levels; the NMPT is charge lower rates if it so desires. In view of the above justification furnished by the NMPT and that the Clause 2.6. of the Tariff Policy, 2015 gives flexibility to Major Port Trusts to fix the tariff within the ceiling ARR and also recognizing that the revenue estimated by the NMPT at the proposed tariff is within the ceiling ARR and the revenue estimates at the proposed tariff are duly certified by the Chartered Accountant, the increase in existing tariff as proposed by NMPT is approved bringing to the notice of the NMPT that the NMPT has to ensure that as a result of hike in the SOR there will not be loss of traffic to the port as stipulated by the Government in Clause 2.7. of the Tariff Policy.

(viii). As stated earlier, the MOS has vide its letter No.8/(15)2015-TAMP dated 17 September 2015 issued a direction to this Authority partially modifying the coastal concession policy issued by the then Ministry of Shipping, Road Transport & Highways (MSRTH) in January 2005. As per the said direction of the MOS, vessel related charges for coastal vessel should take into account the exchange rate fluctuation of the Indian Rupee vs the US$ so that vessel related charges for all coastal vessels do not exceed 60% of the corresponding charges for other vessels and these charges will be collected in Indian Rupees at the applicable exchange rate. Also, as regard container related charges denominated in US$ for foreign containers, the tariff for coastal container shall not exceed 60% of the corresponding charges applicable for other foreign containers and these charges will be collected in Indian Rupees at the applicable exchange rate. Based on the direction of the MOS for immediate prescription of rates for coastal vessel and coastal container, this Authority has passed an Order No. TAMP/4/2004-Genl. dated 5 October 2015 incorporating suitably notes in the SOR of Major Port Trusts and private terminals operating thereat and communicated to all the Major Port Trusts including NMPT and concerned BOT operators for implementation. Since this will have an impact on the revenue estimation as well as on the proposed tariff, the NMPT was requested to make necessary modification in form – 3 as well as the proposed Scale of Rates. As stated earlier, the NMPT vide its letter dated 14 January 2016 has modified the proposed Scale of Rates as regard vessel related charges for coastal vessel and container storage charges for coastal container whose counterpart is denominated in US$ and captured the impact of the same in the revenue estimates. The revised revenue estimated by NMPT in this regard is relied upon. **In view of the restatement of coastal rates, the rates proposed by NMPT for coastal vessel / container will result in steep increase**

as compared to the pre-revised rates. Keeping in view the importance given by the Government to the coastal movement of cargo / containers, the NMPT is requested to exercise caution while applying the coastal tariff and consider gradual increase in coastal tariff.

(ix). This Authority has notified the final rates for SPM operations operated by MRPL at NMPT vide Order no.TAMP/17/2014-NMPT dated 2 July 2015. The validity of the rates approved for SPM operations in the said Order are made co-terminus with the validity of the current general revision of SOR of the NMPT so that the tariff for SPM can be reviewed in future alongwith the next general revision of the SOR of the NMPT at one go. In the said Order, this Authority while approving the then prevailing port dues for SPM operations has at para 16 (vi) (a) of the Order categorically stated that the NMPT has filed the proposal for general revision of SOR which is being proposed separately. The said Order states that the port dues to be approved by this Authority in the general revision of SOR will automatically apply to vessels arriving at SPM also. Based on the decision in the said Order, the port has proposed port dues for SPM vessels at par with port dues for other categories of vessels. This is in line with the decision of this Authority in July 2015 Order, hence is accepted. The point made by the MRPL that the NMPT has not indexed revenue estimates from SPM operations in the overall revenue estimation within ceiling ARR is not found to be correct. The port has estimated revenue from SPM operations at the level approved in July 2015 Order except for port dues which is estimated at proposed tariff for the reasons explained above.

(x). This Authority in Para 15 (xxiii) (a) of last general revision Order dated 6 January 2012 had advised NMPT to prescribe wharfage rate on per unit basis instead of ad- valorem charges based on the stipulation in Clause 4.2.2 of the then applicable Tariff Guidelines of 2005. In the said Order, this Authority while allowing to continue with advalorem wharfage rate on a few items had also categorically brought out that in the next tariff revision exercise it will be deleted automatically, if the port does not come up with specific unit based rate. Even Clause 2.10 of Working Guidelines, stipulates that while drawing up the SOR, Major Port Trusts shall as far as possible do away with advalorem wharfage rate if any, in the existing SOR of the concerned Major Port Trusts and determine specific wharfage rate taking into consideration special care to be taken for handling cargo or a market determined tariff.

The NMPT despite our advice in the last Order and stipulation in the Working Guidelines and during the processing of the case had proposed to continue with the existing tariff arrangement of levy of advalorem rate for break bulk cargo. It is relevant here to state that he MOS in its recent letter dated 15 July 2015 has advised this Authority that the advalorem wharfage rate should be phased out and wharfage rate should be fixed on per unit basis. That being so, on repeated insistence to comply with the said provision of the Tariff Policy, 2015, the NMPT has vide its communication dated 9 December 2015 proposed wharfage charges for break bulk cargo on per tonne / per CUM basis instead of existing advalorem wharfage rates. For this purpose, the NMPT has reported to have adopted the wharfage rates proposed at other Major Ports for the corresponding cargo items. The NMPT has furnished the details whose wharfage rate the port has proposed to adopt in place of advalorem wharfage rate which is brought out in para 13.(vii) which is relied upon. The proposed wharfage rate for break bulk cargo on per unit basis instead of advalorem basis is, therefore, approved as proposed by the port. The impact thereof is seen to have been captured in the revenue estimates which shows nil income from the break bulk cargo.

As regard rate for Plant and Machinery, port had earlier proposed to modify existing per tonne rate of ₹96.90 / tonne to advalorem basis. Subsequently, the NMPT has proposed 33% increase in the wharfage rate for this cargo item in line with increase proposed for other tariff items and captured the revenue estimates in Form 3.

(xi). In the revised Scale of Rates, as against the rate prescribed for coastal vessel in the existing SOR, a note is prescribed by NMPT stating that the rate for coastal vessel will be collected in Indian rupees upto 60% (of the rate juxtaposed) for foreign going vessel calculated by taking into account the exchange rate fluctuation. The revenue impact on account of this is reported to have been captured in the Form-3. This is relied upon. The prescription of note as regards levy of charges for coastal vessel is in line with Order dated 5 October 2015 hence incorporated in the SOR.

(xii). The NMPT has proposed new tariff item viz. embarkation / disembarkation of passengers from foreign cruise vessel at ₹720.59 per passenger and ₹541.84 per passenger for transit passenger. The KCCI has objected the proposal of NMPT for introduction of embarkation and disembarkation fee of passengers. The port has clarified that in the existing SOR no rate is prescribed for this service. The port has referred to the embarkation / disembarkation fees prescribed in the existing SOR of Mormugao Port Trust (MOPT) at ₹541.80 per passenger to justify the rate proposed. The charges proposed by the NMPT is approved as port have flexibility to determine the tariff within the ceiling ARR. Despite specific request the port has not estimated revenue for this item expressing difficulty in estimating the traffic. It has, however, categorically stated part of the ARR is left uncovered which will take care of revenue of such miscellaneous tariff items. The said clarification of the port is relied upon.

(xiii). In the revenue estimation, the NMPT has not estimated revenue for a few miscellaneous tariff items listed at para 4.3. (ii) (b) brought out in an earlier paragraph of the Order. They are not reiterated here for sake of brevity. When the port was requested to capture the revenue estimates for the tariff items not included by it in the revenue estimates, the port has clarified that whilst the ceiling indexed ARR is ₹35,313 lakhs, the revenue estimation at the proposed SOR is at ₹35,091.99 lakhs. This will automatically leave a gap of ₹221.01 lakhs (i.e. ₹35,313.00 lakhs - ₹35,091.99 lakhs) which will take care of the revenue for a few items which are not covered in the revenue estimates. The port has clarified that it is difficult to forecast the traffic likely to be handled in the absence of commitment from port users and hence difficult to estimate of revenue for the few items. The port has confirmed that ₹221 lakhs of ARR estimation is sufficient to take care of items listed at para 4.2. (ii) (b) above.

The above submission made by the NMPT expressing difficulty in estimating revenue for a few items which appear to be of miscellaneous in nature and the confirmation of the port that ₹221 lakhs uncovered ARR is sufficient to take care of revenue from the few tariff items not included in revenue are relied upon. None of the users have made any adverse comment on the above approach adopted by the port.

(xiv). The revenue estimates furnished by the NMPT at the proposed tariff vide its revised proposal at ₹35,091.99 lakhs is within the ARR of ₹35,313.00 lakhs and both the ARR and revenue estimates at the proposed tariff is duly certified by Practising Chartered Accountant and the Finance and Chief Accounts Officer (FA&CAO) of the NMPT. Hence the revised working of revenue estimates by the NMPT at ₹35,091.99 lakhs is relied upon subject to modification in the revenue estimates as regards the vessel related income relevant to the KIOCL and UPCL which is not captured by the port.

(xv). Subject to above analysis, the revenue estimates furnished by the NMPT has been modified. The revenue estimates at the proposed rate in Form 3 as given by NMPT and considered by us.

The modified revenue estimates after capturing the impact of vessel related revenue from vessels handled at KIOCL and UPCL comes to ₹36,324.28 lakhs which is found to be ₹1,011.28 lakhs more than the estimated ARR of ₹35313. The modified revenue estimates is ₹1,232.29 lakhs higher when compared to the revenue estimated by NMPT at ₹35,091.99 lakhs after leaving cushion of ₹221.01 lakhs uncovered for a few miscellaneous items.

It is also relevant to state that Scale of Rates of the NMPT was originally due for revision from 1 April 2015. For various reasons cited in the earlier paragraphs, the proposal of the NMPT did not mature for final consideration as stated earlier. By the time the revised SOR comes into effect it is expected that the financial year 2015-16 will be over and it will be around April 2016 in view of the time involved in getting the Order notified in the Gazette of India and lead time for the Order to come into effect after the expiry of 30 days from the date of notification in the Gazette. For the past period 2012-13 to 2014-15, as brought out in the subsequent paragraphs, the port has furnished cost statement after admissible cost and permissible return which reports net deficit of ₹6,659.70 lakhs. Even after considering unadjusted past period surplus in the last tariff Order, there is actually deficit of ₹3897.78 lakhs for the period 2011-12 to 2013-14. In view of the above deficit position reflected for the immediate preceding tariff cycle at the existing tariff being levied by the port and in order to ensure that the port does not further lose revenue, this Authority decides to approve the tariff as proposed by the NMPT though it marginally exceeds ARR by ₹1232.29 lakhs from the level estimated by the port (₹36,324.27 minus 35,091.98). This differential income would otherwise have accrued to the port if the revised tariff is implemented from February 2016 the date the Order is passed. As explained above, clause 3.7. of the Working Guidelines issued by this Authority to operationalise the Tariff Policy 2015 stipulates that ordinarily the Order approved by this Authority shall come into effect after expiry of 30 days from the date the Order is notified in the Gazette.

As per clause 8.1. of the Tariff Policy 2015, the rates prescribed in the Scale of Rates are ceiling levels; rebates and discounts are floor levels. The NMPT may exercise the flexibility to charge lower rates and/or allow higher rebates and discounts.

Further, as stated earlier, as per Clause 2.7. the Tariff Policy 2015, it is for the NMPT to ensure that as a result of revision in the SOR there will not be loss of traffic to the port.

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

As brought out in para 15.(iv). of the last general revision Order dated 6 January 2012, this Authority has decided to set off past period surplus of ₹6904.80 lakhs over five years beginning from 2012-13. Accordingly, ₹1380.96 lakhs was considered for adjustment in each of the years 2012-13 to 2014-15. The remaining unadjusted surplus flowing from the last tariff Order is ₹2761.92 lakhs [i.e. ₹6904.80 lakhs – (₹1308.96 lakhs * 3 years =₹4142.88 lakhs)].

For the years, 2012-13 to 2014-15, the port has assessed the actual net deficit after admissible cost and 16% return at ₹3058.47 lakhs, ₹684.90 lakhs and ₹2916.33 lakhs respectively aggregating to ₹6659.70 lakhs. The aggregate of unadjusted past period surplus in the last tariff Order and the actual deficit reported for the period 2012-13 to 2014-15 reflects overall deficit position of ₹3897.78 lakhs and hence question of treatment of transfer of surplus as per clause 4.1. of the Tariff Policy 2015 does not arise.

After finalising the accounts for the financial year 2015-16, the NMPT should assess the actual surplus / deficit and in case of surplus comply with provision prescribed in Clause 4.1. of the Tariff Policy 2015 and also report the position to this Authority.

(xvii). The Kanara Chamber of Commerce and Industry (KCCI) and the Association of New Mangalore Port Stevedores have stated that the NMPT should discontinue the practice of notional booking of labour for Mobile Harbour Crane (MHC) quoting Clause 8.4. of the Tariff Policy 2015. It is relevant to state here that as per Clause 8.4. of the Tariff Policy 2015, Major Ports shall charge only for services provided for them. No notional booking of labour and other similar notional charges is permitted. The NMPT is, therefore, bound to comply with the said provision of the Tariff Policy 2015 issued by the Government of India.

(xviii). (a). It is relevant to state here that this Authority in view of the clarification sought by the V.O. Chidambarnar Port Trust regarding levy of concessional charges for coastal cargo/ container has passed an Order No.TAMP/53/2015-VOCPT dated 29 September 2015 based on the recommendations of Directorate General of Shipping. The provisions approved in the said Order were further amended vide Order No.TAMP/53/2015-VOCPT dated 26 November 2015. The said Order passed is for common adoption by all the Major Port Trusts. The NMPT has incorporated the provisions prescribed in the Order dated 26 November 2015. However, on perusing the revised SOR it is seen that the port has not deleted the provisions prescribed in existing SOR which are replaced by the provisions prescribed in the November 2015 Order. Further, it has not incorporated all the approved provisions at one place. The proposed SOR is suitably modified in line with the prescription approved in the common adoption Order of November 2015.

(b). The Authority has vide Order No.TAMP/52/2014-Genl. dated 28 November 2014 notified the Guidelines issued by the MOS on priority berthing of coastal vessel for common adoption by all Major Port Trusts. The guidelines so notified are incorporated in the revised SOR.

(xix). (a). The NMPT has slightly modified the existing note nos.(2) and (3) as regard levy of concessional port dues on vessel entering the port in ballast and not carrying passengers and vessel entering the port but not discharging or taking in any cargo or passengers. The port has proposed to add the words “or at anchorage” in the existing condition so as to give the concessional port dues to the such vessels entering port or at anchorage. It is relevant to state that the existing prescription in the SOR follow provision prescribed in Section 50B and Section 50C of the Major Port Trusts Act. The ibid section which prescribe the provision relating to levy of port dues on vessels not discharging or taking in cargo and for vessels in ballast entering the port. There is no mention of anchorage. The existing provisions prescribed in the Scale of Rates are uniformly prescribed in the Scale of Rate of all the Major Port Trusts including NMPT and hence there is no extraordinary circumstance found to modify only in the case of the NMPT. In any case anchorage point if within the port limit, the existing condition can very well be applied. Hence the modification proposed by NMPT in the existing notes is not approved. The note proposed related to conversion of vessel related charges to rupee is slightly modified in line with stipulation in clause 5.6.1 of the Working Guidelines.

(b). The port has proposed notes stating that port dues, Pilotage and Berth hire shall be levied for coast guard/ Naval and other government vessels. Apart from that the port has proposed to introduce a few more conditions, modified few existing conditions, deleted some of the tariff items not found relevant. The port has proposed wharfage rate for few cargo items under POL, chemical, iron and steel material, ores and metals etc., dwell time charges for motor vehicles / equipments. The revenue estimated by NMPT includes the proposed tariff items. As regard Levy for supply of Cargo Handling workers from Registered Cargo Handling Labour Wing for Cargo Handling Operations, the port has proposed tariff for new cargo at Sr. Nos. 30 to 44 and stated that it is based on the rates prescribed for similar items in the same category. The revenue estimated by the NMPT includes these tariff items. The port has stated that revenue of ₹221.01 lakhs is left uncovered towards revenue for a few items which could not be estimated for reasons cited by the port as stated earlier. The Scale of Rates as proposed by NMPT is approved except for the modification in note (2) and (3) under Port dues as explained above.

(xx). As per Clause 3.1. of the Tariff Policy 2015, the Major Port Trusts shall also commit Performance Standards for cargo related services in terms of average ship berth day output, average moves per hour in case of container handling. For vessel side services, the port shall prescribe Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and any other parameter which is found relevant by the Port. The NMPT has committed Performance Standards for cargo related services in terms of average ship berth day output in tonnes / day including container handling and for vessel side services, port has proposed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels, percentage of idle time at berth. The Tariff Policy 2015 does not prescribe any method or basis for proposing performance standards. It is seen that the Performance Standard proposed by NMPT for the various parameters mentioned above are comparable to the actual Performance Standards reported to have been achieved in the year 2014-15 except for a few items in vessel related services which is marginally lower at the decimal level only. The performance standard as proposed by the NMPT is prescribed along with SOR. The performance standards proposed by the port will be applicable for the three years tariff validity cycle instead of 2015-16 mentioned by NMPT.

(xxi). As per Clause 2.8. of the Tariff Policy, 2015, SOR will be indexed annually to the inflation to the extent of 100% variation in Wholesale Price Indexed (WPI) announced by the Government of India occurring between 1 January 2014 and 1 January of the relevant year and the adjusted indexed SOR will come into force from 1 April of the relevant year to 31 March of the following year. Further, as per clause 3.2 of the Tariff Policy 2015 to be read with clause 2.8 of the Tariff Policy 2015, annual indexation in SOR at 100% of the WPI is applicable subject to achievement of Performance Standards committed by Major Port Trusts. If a particular port does not fulfil the Performance Standard, no indexation would be allowed during the next year. It is relevant to state that in the instant case indexation for the year 2015-16 is already considered in the ARR and for drawing the SOR. The next annual indexation in SOR will be applicable from 1 April 2017 subject to achievement of Performance Standards in the year 2016-17. That being so, a note is inserted in the SOR to the effect that the SOR approved by this Authority is subject to automatic annual indexation at 100% of the WPI to be announced by this Authority. The annual indexation will be from 1 April 2017 subject to the NMPT achieving the Performance Standards notified alongwith the SOR. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year. The Tariff Policy 2015 stipulates that annual indexation in the SOR will be automatic subject to achievement of Performance Standards. It does require the Major Port Trusts to approach this Authority for the same. In Order to have transparency, the port is advised to declare the Performance Standards achieved for the period 1 January to 31 December vis-à-vis the Performance Standards notified by this Authority at the level committed by the port within one month of end of the calendar year to the concerned users as well as to this Authority. If the Performance Standards as notified by this Authority are achieved by the port, then the port can automatically index the rates prescribed in this SOR at 100% of WPI announced by this Authority and apply the indexed SOR w.e.f. 1 April of the relevant year. The indexed SOR by the NMPT to be intimated by the port to the concerned users and to this Authority.

(xxii). The validity of the existing SOR of the NMPT was last extended till 31 December 2015 or till the effective date of implementation of the revised Scale of Rates, whichever is earlier. By the time the Order comes into effect, it will be around April 2016. That being so, the existing Scale of Rates is deemed to have been extended from the date of expiry till the revised SOR comes into effect.

(xxiii). As per Clause 3.8. of Working Guidelines, the SOR notified shall remain valid for 3 years after expiry of 30 days from the date of notification of the Order in the Gazette of India. By the time the Order comes into effect, it will be around April 2016. Since the Tariff Policy, 2015 requires computation of tariff based on ARR on the actuals reported in the Audited Accounts, the validity of the revised SOR is prescribed till 31 March 2019.

19.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the revised SOR and the Performance Standards of the NMPT attached as **Annex – II** and **III** respectively.

19.2. The revised SOR shall come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and shall be in force till 31 March 2019. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

19.3. The MOS vide its letter No.8(15)/2015-TAMP, dated 17 September 2015 has instructed that restatement of rates for coastal vessel / containers should take into account the exchange rate fluctuations of the Indian Rupee vs. the US $ so that vessel / container related charges for all coastal vessels / containers should not exceed 60% of the corresponding charges for other vessel / containers. Accordingly, this Authority has passed an Order dated 5 October 2015 prescribing suitable notes in the Scale of Rates of Major Port Trusts and Private Terminals operating thereat. **In view of the restatement of coastal rates, the NMPT proposal for coastal vessel / container will result in steep increase as compared to the pre-revised rates. Keeping in view the importance given by the Government to the coastal movement of cargo / containers, the NMPT is requested to exercise caution while applying the coastal tariff and consider gradual increase in coastal tariff.**

19.4. The NMPT has committed Performance Standard for cargo related services in terms of average ship berth day output, average moves per hour in case of container handling. For vessel side services, the port has committed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and idle time at berth Port.

19.5. The indexation of SOR as provided in Clause 2.8 of the Tariff Policy, 2015 is to be read with Clause 3.2. of Tariff Policy 2015. If NMPT does not fulfil the Performance Standard, the NMPT is not eligible for indexation during the next year.

19.6. As per Clause 7.1. of the Tariff Policy 2015, Major Port Trust shall furnish to this Authority annual reports on cargo traffic, ship berth day output, average turnaround time of ships, average pre-berthing waiting time as well as the tariff realized for each of its berth. In addition, for the container berths, annual reports shall also be provided on average moves per crane hour and average dwell time for containers. The annual reports shall be submitted by the Ports within 60 days following the end of each of the year. Any other information which is required by this Authority shall also be furnished to them from time to time.

19.7. As per Clause 4 of the Working Guidelines this Authority shall publish all the information received by it from Major Port Trusts under clause 7.1. of the Tariff Policy, 2015 on its website. However, this Authority shall consider a request from any Major Port Trust about not publishing certain data/information furnished which is commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data / information in question and the likely adverse impact on their revenue/ operation upon such publication. TAMP's decision in this regard would be final.

(T.S. Balasubramanian)
Member (Finance)

Annex-I

Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2015 for NMPT

Rs. in lakhs

Sl. No.	Description		Y1 (2011-12)	Y2 (2012-2013)	Y3 (2013-2014)
(1).	**Total Expenditure (As per Reconcilied Audited Annual Accounts)**	**Note 1**			
(i).	Operating Expenses		17240.75	17228.63	18302.48
(ii).	Depreciation		2190.53	2279.22	2157.99
(iii).	Management & General Overheads		4194.30	4435.14	5336.66
(iv).	Finance and Miscellanous Expenses (FME)		2960.52	4038.90	2182.16
	Subtotal 1=(i)+(ii)+(iii)+(iv)		26,586.10	27,981.89	27,979.29
(2).	**Less Adjustments:**				
(i).	Estate related expenses				
	(a). Operating Expenses		459.38	488.67	542.99
	(b). Depreciation		329.02	341.95	375.99
	(c). Management & Administrative Overheads		111.76	125.8	158.33
	(d). Allocated FME		78.88	114.56	64.74
	Subtotal 2(i)=[(a)+(b)+(c)+(d)]		979.04	1070.98	1142.05
(ii).	**Interest on loans**		0.78	-	-
(iii).	**4/5th of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**	**Note 2**			
	(a).WRC Arrears		-		1,340.00
	Subtotal 2(iii) (a)		-		1,340.00
(iv).	**4/5th of the Contribution to the Pension Fund**	**Note 3**	3,812.00	3,520.00	2,160.00
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	**As per Form 2**	-	-	502.13
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**				
	(a). Operating Expenses		418.67	351.75	356.49
	(b). Depreciation		44.68	44.68	44.68
	(c). Allocated Management and Administrative Overheads & FME		682.17	749.27	637.82
	Subtotal 2(vi) = [(a)+(b)+(c)		1,145.52	1,145.70	1,038.99
	Total of 2 = 2(i)+2(ii)+2(iii)+2(iv)+2(v)+2(vi)		5937.34	5736.68	6183.17
(3).	**Total Expenditure after Total Adjustments (3 =2-1)**		20,648.76	22,245.21	21,796.12
(4).	Average Expenses of SI. No.3 = [Y1 + Y2 + Y3] / 3				21,563.36
(5).	**Capital Employed**				
	(i). Net Fixed Assets as on 31.03.2014 (As per Audited Annual Accounts)				61,480.49
	(ii). Add:Work in Progress as on 31.03.2014 (As per Audited Annual Accounts)				7,153.06
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2014 as per Audited Annual Accounts.				3,431.27
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2014 as per Audited Accounts.				-
	(v). Less : Net value of fixed assets as on 31 March 2014 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2015.				2,538.29
	(vi). Add : Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines	**As per Form 4 & Note 4**			
	(a). Inventory				409.26
	(b). Sundry Debtors				735.72
	(c). Cash				1,969.93
	(d). Sum of (a)+(b)+(c)				3,114.91
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]				65,778.90
(6).	**Return on Capital Employed 16% on SI. No. 5(vii)**				10,525.00
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2014 [(4)+ (6)]**				32,088.36
(8).	**Indexation in the ARR @ 100% of the WPI applicable for the year 2014-15**	**6%**			**34,014.00**
(9).	**Indexation in the ARR @ 100% of the WPI applicable for the year 2015-16**	**3.82%**			**35,313.00**
(10).	**Ceiling Indexed Annual Revenue Requirement (ARR)**				**35,313.00**
(11).	**Revenue Estimation at the Proposed SOR within the Ceiling indexed ARR estimated at Sl No. 10 above**	**As per Form 3 & Note 5**			**35,091.99**

Annex-II

NEW MANGALORE PORT TRUST

SCALE OF RATES

CHAPTER – I

Definitions and General Terms and Conditions

1.1 Definitions – General

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

(i) “Coastal Vessel” shall mean any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal licence issued by the Competent Authority / Directorate General of Shipping.

(ii) “Foreign - going vessel” shall mean any vessel other than coastal vessel.

1.2 General Terms & Conditions

(i) The status of a vessel as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for its classification as ‘coastal’ or ‘foreign-going’ for the purpose of levy of vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

(ii). System of classification of vessel for levy of Vessel Related Charges (VRC)

(a). A foreign going vessel of Indian flag having a General Trading Licence can convert to coastal run on the basis of a Customs Conversion Order. Such vessel that converts into coastal run based on the Customs Conversion Order at her first port of call in Indian Port, no further custom conversion is required, so long as it moves on the Indian Coast.

(b). A Foreign going vessel of foreign flag can convert to coastal run on the basis of a Specified Period Licence issued by the Director General of Shipping and a custom conversion order.

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

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

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

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

(iv). Criteria for levy of Cargo Related Charges (CRC) at Concessional Coastal rate

(a). Foreign going Indian Vessel having General Trading License issued for ‘worldwide and coastal’ operation should be accorded applicable coastal rates with respect to Handling Charges (HC) i.e. ship to shore transfer and transfer from/ to quay to/ from storage yard including wharfage in the following scenario:

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

(ii). Not converted* to coastal run but carrying coastal cargo from any Indian Port and destined for any other Indian Port.
* The Central Board of Excise and Customs Circular no.15/2002-Cus. dated 25 February 2002 allows carriage of coastal cargo from one Indian port to another port in India, in Indian flag foreign going vessels without any custom conversion.

(b). In case of a Foreign flag vessel converted to coastal run on the basis of a Specified Period License issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.

(v) (a) Vessel related charges shall be levied on ship owners/steamer agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the Reference Rate notified by the Reserve Bank of India or Market Buying Rate of State Bank of India as may be specified from time to time. The date of entry of the vessel into the Port Limits shall be reckoned with as the day for such conversion.

(b) Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees. For this purpose, the Reference Rate as notified by the Reserve Bank of India or Market Buying Rate of State Bank of India prevalent on the date of entry of the vessel in case of import containers and on the date of arrival of containers in the Port premises in the case of export containers shall be reckoned as the day for such conversion of dollar denominated charges.

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

(vii) (a) The vessel related charges for Coastal vessels should take into account the exchange rate fluctuation of Indian Rupee Vs US $ so that vessel related charges for coastal vessels shall not exceed 60% of the corresponding charges for other foreign going vessels. Further, these charges will be collected in Indian Rupees only at the applicable exchange rates.

(b) As regards the Container related charges which are denominated in US dollars for the foreign containers, the tariff for coastal container shall not exceed 60% of the corresponding charges for other foreign containers. Further, these charges will be collected in Indian Rupees only at the applicable exchange.

(c) The cargo / container related charges for all coastal cargo/containers, other than thermal coal, POL including Crude Oil, iron ore and iron pallets, should not exceed 60% of the normal cargo/container related charges.

(b). In case of a Foreign flag vessel converted to coastal run on the basis of a Specified Period License issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.

(viii) Interest on delayed payments/refunds:

(a) The User shall pay interest at the rate of 15% per annum, on the delayed payments of any charge under the Scale of Rates.

(b) Likewise, the Port Trust shall pay penal interest at the rate of 15% per annum on delayed refunds.

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

(d) Delay in payments by user will be counted only 10 days after the date of raising the bills by NMPT. This provision will, however, not apply to the cases where payment is to be made before availing the services/use of port properties as stipulated in the MPT Act, 1963 and/or where payment of charges in advance is prescribed as a condition in the Scale of Rates.

(ix) No refund shall be made unless the amount refundable is ₹100/- or more. Likewise, NMPT will not raise supplementary or under charge bills, if the amount due to Port is ₹100/- or less.

(x) All charges worked out shall be rounded off to the next higher rupees in each category.

(xi) (a) The rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The NMPT may, if they so desire, charge lower rates and/or allow higher rebates and discounts.

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

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

(xii) Users shall not be required to pay charges for delays beyond a reasonable level attributable to the NMPT.

(xiii). (a). The SOR is subject to automatic annual indexation at 100% of the WPI to be annually announced by the Authority. The next annual indexation will be from 1 April 2017 subject to the NMPT achieving the Performance Standards notified alongwith the SOR. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year.

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

(xiv). Guidelines on priority berthing of coastal vessels at Major Ports issued by the Ministry of Shipping vide letter No.PT-11033/51/2014-PT dated 4 September 2014:

(a). “Coastal vessels” is defined as any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal license issued by the Director General of Shipping / competent authority.

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

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

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

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

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

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

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

(i). Major Ports shall clearly work out the time limit within which a coastal vessel would be berthed in a particular port. This time limit may differ depending on the cargo and berth. Each Major Port should carry out a detailed exercise and issue a trade notice clearly indicating the upper time limit within which a coastal vessel would be given a berth in the port. As regards priority berthing through a specific window to coastal container vessels, Major Ports should have a detailed discussion with the PPP operator and publish the specific window for coastal container vessels. The above mentioned exercise and publication should be completed within 30 days from the date of issue of these guidelines.

(j). The MIS in the Port should capture data for coastal and foreign vessels cargoes separately. The data so captured shall be monitored and reported internally in the port as well as to IPA and Ministry in separate formal for coastal and foreign vessels."

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

[This condition is incorporated in pursuance to the MOS letter No.PD/14033/101/2015-PD.V dated 3 February 2016 based on which a common adoption Order No.TAMP/14/2016-Misc dated 16 February 2016 is approved by the Authority]

CHAPTER-II

VESSEL RELATED CHARGES

2.1 PORT DUES

Vessels chargeable (Sea going vessels of 15 tonnes and above)	Rate per GRT		Frequency of payment in respect of the same vessel	
	Foreign-going Vessels (in US $)	Coastal Vessels (in ₹)	Foreign-going Vessels (in US $)	Coastal Vessels (in ₹)
Ships/Steamers	0.332	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation	Each entry	Each entry
Tugs, Launches, Barges, etc. not included above	0.053		Each entry	Each entry
Single Point Mooring (SPM)	0.332		Each entry	Each entry

Notes:

(1) ‘Ship” means a vessel propelled solely by wind power and ‘Steamer” means any vessel other than a ship. In respect of sailing vessels fitted with auxiliary engines charges shall be levied at the rate applicable to ships.

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

(3) A vessel entering the port but not discharging or taking in any cargo or passenger (with the exception of such un-shipment and reshipment as may be necessary for the purpose of repairs) shall be charged with only 50% of the port dues with which she would otherwise be chargeable.

(4) A vessel calling only for bunker at port or at anchorage shall be charged with only 25% of the port dues with which she would otherwise be chargeable.

(5) A LASH vessel making a ‘second call’ to pick up empty and/or laden fleeting LASH barges shall be treated as a vessel entering the Port but not discharging or taking any cargo or passengers therein, as described in Section 50B of the Major Port Trusts Act, and shall not be charged any Port Dues.

(6) No Port dues shall be levied in respect of:

(i) Any pleasure yatch; or,
(ii) Any vessel which having left the port is compelled to re-enter it by stress of weather or in consequence of having sustained any damage.

(7) For oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the remarks column of its International Tonnage Certificate will be taken to be its gross tonnage for the purpose of levying port dues.

(8) Port Dues shall be levied for Coast Guard/Naval and other Government Vessels as per the rate applicable to other Ships/Steamers.

2.2 PILOTAGE

Classification of the vessels	Rate per GRT	
	Foreign-going Vessels (in US $)	Coastal Vessels (in ₹)
(i) For Pilotage both inward and outward		Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation
(a) Upto 30,000 GRT	0.426 subject to minimum of USD 1,278	
(b) 30,001 to 60,000 GRT	USD 12,780 + USD 0.340 per GRT over 30,000 GRT	

(c) 60,001 GRT and above	USD 22,980 + USD 0.298 per GRT over 60,000 GRT	
(d) SPM	USD 0.2515	
	Rate per vessel	
(ii) (a) Barges, Tugs, Launches, etc., not specified above and sailing vessels [with / without auxiliary engines] and fishing vessels upto GRT 199	USD 94.88 per vessel	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation
(b) GRT 200 and above	USD 142.31 per vessel	

Notes:

1. (a) Plilotage-cum-towage fee will be composite and shall include one inward and one outward movement with services of Port's Pilot for to and fro pilotage and towage with required number of tugs/launches of adequate capacity and shifting/s of vessels for 'Port convenience' and supply of mooring boats.

   (b) Pilotage-cum-towage charges shall be levied for Coast Guard/ Naval and other Government Vessels as per the rate applicable to other vessels.

2. No charges for shifting shall be levied for shifting of a vessel for Port convenience.

   (i). "Port convenience" is defined to mean the following:

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

   (b) For shifting/pilotage of any vessel for the convenience of/benefit of another vessel, the vessel benefited is liable to pay the shifting / pilotage charges for shifting and re-positioning of the vessel shifted.

   (c) For shifting of vessels as port convenience from Berth No. 8 (Old No.14) to other berths for accommodating waiting vessels those could not be berthed at any other berths due to draft constraints, no shifting charges to be levied.

3. (i) Shifting at the request of the vessels will attract separate shifting charges as prescribed below:

   Shifting charges:

Classification of vessels	Rate per GRT	
	Foreign going Vessel (in US $)	**Coastal Vessel (in ₹)**
(i) (a) Upto 30,000 GRT	USD 0.106 subject to a minimum of USD 318	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation
(b) 30,001 to 60,000 GRT	USD 3,180 + USD 0.085 per GRT over 30,000 GRT	
(c) 60,001 GRT and above	USD 5,730 + USD 0.074 per GRT over 60,000 GRT	
	Rate per vessel	
(ii) (a) Barges, Tugs, Launches, etc., not specified above and sailing vessels [with/without	USD 23.73 per vessel	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by

auxiliary engines] and fishing vessels upto GRT 199		taking into account the exchange rate fluctuation
(b) GRT 200 and above	USD 35.58 per vessel	

(ii) When tugs are not used for shifting, 50% concession shall be given on shifting charges.

4. The shifting charges prescribed above are for the movement of vessels within the dock basin movement from/to anchorage outside the dock basin qualifies for a second set of pilotage fee.

5. If the status of the vessel is changed during its stay in the Port, from foreign run to coastal run or vice versa, then the consolidated pilotage should be divided into two equal halves (i.e. one for inward and other for outward pilotage) which should be charged according to the status of the vessel prevailing at the time of taking place of relevant movement.

6. Where a movement of a vessel is aborted or had to be changed due to reasons like tug failure, insufficiency of length, lack of proper fenders, etc. for which the vessel is not at fault, no charge shall be levied for the unsuccessful operation involved till she occupies allotted berth.

7. For piloting a vessel on COLD MOVE as certified by the Master of the vessel namely without the power of the engine of the vessel partly or fully in any operation, a surcharge of 20% shall be levied over the rates payable as per the Schedule of pilotage charges prescribed above.

8. During the course of hot movements, if a vessel fails to offer its full power for a duration not exceeding five minutes, it shall not be considered as cold move.

9. In the event of the vessel carrying a Pilot outside the Port limits for unavoidable reasons, the Master shall be bound to leave the pilot at the next nearest port and Master, Owner or his representatives shall be responsible for the repatriation and all connected formalities thereof and also be liable to pay all expenses incurred in the matter of boarding, lodging, other reasonable expenses and repatriation of the Pilot thus over carried. In addition, compensation at the rate of US dollar 3.78 for foreign going vessel per hour or upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation for coastal vessels shall be payable by the Master of the vessel till the Pilot reports back to duty at the Port.

2.3 Detention charges of the vessels:

	Description	**Foreign going vessel (in US $)**	**Coastal Vessel (in ₹)**
(i)	For cancellation of a requisition for the services of a Pilot with less than 2 hours notice for pilotage between 0600 hours to 1800 hours or with less than 6 hours notice for pilotage between 1800 hours and 0600 hours	USD 99.75	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation
(ii)	For detention of Pilot by a Steamer for more than 30 minutes beyond the time for which the requisition was made		
	(a) For 1st hour or part thereof	USD 49.88	
	(b) For every subsequent hour or part thereof	USD 41.56	

Note:

In case where a Pilot boards a Steamer but has to return on being informed that this services are not required, cancellation charges specified in sub-item (i) above shall be levied. If a Pilot is made to wait for more than 30 minutes after boarding the vessel before being informed that his services are not required, charges specified in sub-item (ii) above shall be levied in addition to cancellation charges.

2.3.1 Charge for Hire of Tugs:

Activity	Rate per Tug hour or part thereof	
	Foreign going Vessel (in US $)	Coastal Vessel (in ₹)
Tug Hire charges for SPM operations	USD 1,240.63	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation

2.4 Berth Hire charges:

2.4.1 Berth Hire charges for occupation of berths where wharf cranes are not installed

Classification of the Vessel	Rate per hour or part thereof per GRT	
	Foreign going Vessel (in US $/cents)	Coastal Vessel (in ₹)
Vessel other than oil tanker		
All vessels irrespective of GRT	0.23 cents subject to a minimum of USD 7.98	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation

2.4.2 Oil Tankers and Other vessels

Classification of the Vessel	Rate per hour or part thereof per GRT	
	Foreign going Vessel (in US $/cents)	Coastal Vessel (in ₹)
(i) Tankers / Oil tankers	0.33 cents subject to a minimum of USD 6.58	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation
	Rate per Vessel per Hour	
(ii) Sailing vessels, Barges, Tugs (Vessels other than steamer and Tankers)	USD 4.12 Per vessel/hour	Rate for coastal vessel is upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation
(iii) Fishing vessels/ trawlers/service boat	USD 0.66 Per vessel/hour	
(iv) Wooden rowing boat with or without auxiliary engines	USD 0.32 Per vessel/hour	
(v) Double banking	Whenever a vessel is double banked with other vessel occupying a berth, it will be charged 50% of the berth hire specified above	

(vi) **Mother Ships:**

(a) If the mother ships are berthed alongside a Wharf, all the charges as applicable to other Merchant vessels shall be recoverable.

(b) If anchored at outer anchorage, there will be no pilotage fees, berth hire, mooring charges and tug hire charges

(c) If anchored at inner anchorage, all applicable vessel related charges excluding berth hire shall be recovered.

(vii) **Lash Barges**

(a) The berth hire charges shall be levied at the rate of US $0.60 per barge per hour or part thereof for foreign going during the process of loading and unloading of cargo or upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation for coastal vessels.

(b) When the barges wait at the safe fleeting area, they shall be charged at US $0.20 per barge per hour or part thereof for a foreign going vessel or upto 60% (of the rate for foreign going vessel juxtaposed) calculated by taking into account the exchange rate fluctuation for coastal vessels.

(c) The charges for towing of barge shall be according to the rate prescribed for tugs or launches, as the case may be.

(d) Though not berthed, if the Service Boat remaining in the Port area, they shall be charged at the rate of ₹17.62 per hour.

Notes:

1. Berth hire shall be levied per hour from the time of completion of mooring of a vessel in a berth or when its anchoring is completed, whichever is later.

2. (i) Berth hire shall stop 4 hours after the time of the vessel signaling its readiness to sail. A penal berth hire equal to berth hire charges for one day's berth hire charge (i.e. 24 hours) shall be levied for a false signal.

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

(ii) The time limit prescribed for cessation of berth hire shall exclude the ship's waiting time for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

3. A vessel which owing to an impending cyclone, elects to say in the Port after being duly warned by the Port authorities, shall be charged at the specified rates for the period covered by warning and commencing in the case of a vessel which has not completed its loading or unloading at the time of warning, from the day after the loading or unloading has been completed.

4. (a) The vessel for whose convenience an adjacent berth(s) is (are) kept vacant due to the nature of cargo to be handled at that particular berth shall be charged berth hire charges applicable to the berths kept vacant in addition to berth hire charge for the berth occupied by the vessel.

(b) Berth Hire charges shall be levied for Coast Guard/ Naval and other Government Vessels occupying the berth or berthed alongside the wharf/diaphragm wall as applicable to other vessels.

5. Penal charges for unauthorised occupation of berths; without prejudice to any other course of action in accordance with the relevant provisions of law, rules and regulations, berth hire charges for the unauthorised occupation of a berth in the Port shall be levied at the following rates after giving 3 hours advance intimation or notice in writing to the agents / owner of the vessels concerned:

i	Upto 3 days or part thereof	:	At three times the rate of berth hire charges
ii	Above 3 and upto 6 days	:	At four times the rate of berth hire charges
iii	Above 6 and upto 9 days	:	At five times the rate of berth hire charges
iv	Above 9 days and so on for subsequent days	:	At six times the rate of berth hire charges and so on

6. No berth hire shall be levied for the period when the vessels idle at its berths due to break down of Port equipments or power failure or any other reasons attributable to the Port.

7. **Priority Berthing or Ousting priority**

(i) For providing priority berthing to any vessel, a fee equivalent to berth hire charges for single day (24 hours) or 75% of the berth hire charges calculated for a total period of actual stay of the vessel at the berth, whichever is higher, shall be charged.

(ii) For providing ousting priority berthing to any vessel, a fee equivalent to berth hire charges for single day (24 hours) or 100% of the berth hire charges calculated for a total period of actual stay of the vessel at the berth, whichever is higher, shall be charged.

(iii) The fee for according 'priority' /ousting as indicated above shall be charged from all vessels, except the following categories:

(a) Vessels carrying cargo on account of the Ministry of Defence

(b) Defence vessels coming on goodwill visits

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

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

8. **Berth Reservation**

(i) A Shipping line requiring advance reservation for a container ship should give its scheduled arrival of ships at least 3 months in advance. In the case of other vessels, a minimum notice of 1 month should be given. The shipping line should also intimate the expected stay of the ship at the berth at the time of asking for berth reservation.

(ii) A berth reservation equal to berth hire charges for single day (24 hours) or 25% of the berth hire for the expected stay of the ship at the berth, whichever is higher, will be charged.

(iii) If the shipping line does not bring the ship at the pre-reserved time, then the berth reservation fee paid in advance will be forfeited.

(iv) Liner ships should arrive within 6 hours of the commencement of the time reserved for the berths and non-liner ships should arrive within 24 hours of the time indicated for arrival of the ship.

CHAPTER – III

SCHEDULE OF WHARFAGE CHARGES

The rates to be paid for the use of wharves, jetties and landing places (hereinafter referred to as Wharfage dues) on goods landed at or shipped from the Port of New Mangalore shall be as specified below:-

3.1 Break –Bulk Cargo

	Cargo	Unit	Foreign (in ₹)	Coastal (in ₹)
1	Spices (cardamom, ginger, turmeric, coriander seed, pepper, chillies etc.	MT	50.77	30.46
2	Fish dried, fresh, salted preserved or frozen prawns, frog legs and lobsters preserved or frozen	MT	38.58	23.15
3	Yarn, cotton and wool raw, waste or manufactured staple fibre	CBM	121.68	73.01
4	Arecanuts, beedi leaves and beedies, coffee instant coffee essence or powder, magnasite illuminates monazite bauxite rutile sand, sandal wood logs, and product, Tea, Coffee/ Coffee husk, tobacco	MT	50.00	30.00
5	Asphalt, Bitumen	MT	81.65	48.99
6	Plant & Machinery (in Knock Down Conditions or otherwise)	MT	127.95	76.77
7	Over Dimensional Cargo	MT	875.00	525.00

3.2 . Bulk Cargo

Sl.	Cargo	Unit	Foreign (in ₹)	Coastal (in ₹)
1	**(a) Finished Fertilizers**			
	MOP, SOP, Urea, DAP, NPK, CAN Ammonia Sulphate and any other Finished fertilizer	MT	34.45	20.67
	(b) Fertilizer Raw Materials			
	Sulphate/ Rock phosphate	MT	39.37	23.62
2	**Food Grains and Food Products**			
	(a) Rice,Wheat, Maize, Pulses (bags/bulk)	MT	39.37	23.62
	(b) Sugar, Sugarcandy or Cube	MT	39.37	23.62
3	**P.O.L.**			
	(a) Motor spirit	MT	68.89	68.89
	(b) Superior Kerosene Oil	MT	68.89	68.89
	(c) Diesel Oil	MT	68.89	68.89
	(d) Crude Oil	MT	68.89	68.89
	(e) Naphtha	MT	68.89	68.89
	(f) Furnace Oil	MT	68.89	68.89
	(g) Grease	MT	63.97	63.97
	(h) Asphalt/ coaltar/ bitumen	MT	63.97	63.97
	(i) Crude oil through Single Point Mooring (SPM)	MT	25.00	25.00
	(j) Pet Coke (in bulk or break bulk)	MT	39.90	39.90
	(k) Others	MT	68.89	68.89
4	**Other Chemicals**			
	(a) Ammonia Liquid or Gas	MT	68.89	41.33
	(b) Phosphoric Acid and Styrene Monomer	MT	59.05	35.43
	(c) Sulphuric Acid	MT	59.05	35.43
	(d) Orthoxylence	MT	59.05	35.43
	(e) Ethylene Dichloride (E.D.C.)	MT	59.05	35.43
	(f) Cyclohexanone	MT	59.05	35.43
	(g) Cumene	MT	59.05	35.43
	(h) Methanol	MT	59.05	35.43
	(i) Phenol	MT	59.05	35.43
	(j) Caustic Soda Dye	MT	59.05	35.43
	(k) Acids/ Chemicals of all kinds in crystals liquids not specified above	MT	59.05	35.43
	(l) Benzene	MT	59.05	35.43
	(m) Mixed Xylene	MT	59.05	35.43
	(n) Para Xylene	MT	59.05	35.43
	(o) Soda Ash	MT	63.97	38.38
	(p) Sulphur	MT	59.05	35.43
	(q) Poly Propelene Granuales	MT	59.05	35.43
	(r) Purified Terephthalic Acid (PTA)	MT	59.05	35.43
	(s) Ploy Ethylene Terephthalate (PET)	MT	59.05	35.43
	(t) Mono Ethylene Glycol (MEG)	MT	59.05	35.43
5	**Edible Oil & Other Liquids**			
	(a) Palm oil, vegetable Oil etc.	MT	49.21	29.53
	(b) Oil seeds	MT	49.21	29.53
	(c) Molasses	MT	49.21	29.53
6	**Iron & Steel Materials**			
	(a) Iron and Steel Plates, Pipes, tubes, steel wire coils (irrespective of the weight of individual piece)	MT	49.21	29.53
	(b) Iron and steel scraps and drops	MT	39.37	23.62
	(c) Pig iron/ Sponge iron	MT	49.21	29.53
	(d) Galvanized Steel, Ingots, Tin plates, Lead material of all types	MT	81.02	48.61
	(e) Alloy Steel, Stainless Steel and Metals not otherwise specified - Ingots and products	MT	134.82	80.89
7	**Granite in any form**	MT	44.29	26.57
8	**Ores/ Metals**			
	(a) Manganese ore	MT	29.53	17.72
	(b) Perlite ore	MT	29.53	17.72
	(c) Chromite ore	MT	29.53	17.72
	(d) Bentonate & ballclay sand/ clay of any Class	MT	19.68	11.81
	(e) Rock sand	MT	26.60	15.96
	(f) Zinc concentrate	MT	103.34	62.00
	(g) Copper concentrate	MT	39.37	23.62

	(h) Copper cathode	MT	123.03	73.82
	(i) Copper wire, rods, cables, bars blocks	MT	98.42	59.05
	(j) Limestone	MT	34.45	20.67
	(k) Aluminium and Tin	MT	108.26	64.96
	(l) Iron Ore Pellets other than KIOCL	MT	34.45	34.45
	(m) Iron Ore Fines/Lumps	MT	32.38	32.38
	(n) Slag	MT	33.25	19.95
	(o) Bauxite	MT	34.45	20.67
	(p) Any other ore in bulk	MT	34.45	20.67
9	**Gas**			
	LPG/LNG or any gas in any other form	MT	177.16	106.30
10	**Timber & Allied Products**			
	(a)Timber of all kinds of logs including plywood	CBM	49.21	29.53
	(b) Wood pulp and wood chips	MT	39.37	23.62
	(c) Papers of all kinds including waste papers	MT	49.21	29.53
11	**Coal and Coke in bulk**			
	(a) Thermal Coal (other than UPCL)	MT	24.61	24.61
	(b) Coal (other than Thermal Coal) and coke	MT	24.61	14.77
12	**Cement**			
	(a) upto 3.00 lakh tonnes per annum	MT	59.05	35.43
	(b) Above 3.00 lakhs tonnes and upto 4.00 lakhs Tonnes per annum	MT	49.21	29.53
	(c) Above 4.00 lakh tonnes per annum	MT	39.37	23.62
	(d) Bagged cement/ sugar/ raw sugar/ all types of bagged cargo	MT	59.05	35.43
13	(a) Gypsum/ Clinker	MT	29.53	17.72
	(b) Dolomite	MT	29.53	17.72
14	**Others**			
	(a) Raw cashew nuts	MT	34.45	20.67
	(b) Cashew kernels	MT	54.13	32.48
	(c) Cashew shell liquid	MT	39.37	23.62
	(d) Coir and coir products	MT	54.13	32.48
	(e) Ferro silicon	MT	39.37	23.62
	(f) Defence stores equipments	MT	127.95	76.77
	(g) Oil cakes and fodder of all kinds	MT	29.53	17.72
	(h) Unaccompanied personal effects	MT	98.42	59.05
	(i) Baggages accompanying passengers or Seamen free and personnel baggages, Horses and carriages/ accompanying Military personnel moving on duty Embarking from vessels and the Animal meats for providing food for them.		Free	Free
	(j) Mill Scale	MT	46.55	27.93
15	Salt	MT	29.53	17.72
16	Rice Bran	MT	29.53	17.72
17	Tapioca chips, flour starch, waste & tamarind Seed powder in bags	MT	49.21	29.53
18	Onion	MT	29.53	17.72
19	Construction and building materials			
	(i) Sand, Stones, Boulders, Jelly, manufacturing sand, marble	MT	69.16	41.50
	(ii) Clay, chalk, fly ash in bulk	MT	96.82	58.09
20	Conveyance- Various types, parts and accessories			
	(a) Vehicles/Equipments Imported/Exported through the Port	Each Unit	3000.00	1800.00
	(b) Vehicles/Equipments handled with loaded merchandise or cargoes through Ro-Ro operation	Per vehicle/ equipment	1,500.00	900.00
21	Unenumerated goods other than the above specified	MT	63.97	38.38

M.T = Metric Tonne **CBM = Cubic metre**

3.3 . Rates of embarkation and dis-embarkment of passengers from Cruise vessels

Sl.	**Particulars**	**Unit**	**Foreign (in ₹)**	**Coastal (in ₹)**
(i)	Cruise vessel passenger- disembarking	Per passenger	720.59	432.35
(ii)	Cruise vessel passenger- embarking	Per passenger	720.59	432.35
(iii)	For transit passenger (Tourist/Cruise)	Per passenger	541.84	325.10

Notes:

1. No export cargo shall be admitted into the Port premises without the permission in writing of the authorized official of the Port. Normally export cargo for a vessel shall be admitted only after the vessel is opened for export.

2. Wharfage shall be in addition to any charges towards rent for storage of goods in the quays, warehouses, transit sheds or landing places of the Port of New Mangalore.

3. Request for amendment in import / export applications or documents shall be accompanied by a fee of ₹10/- which shall not be refunded.

4. The cargo/container related charges for all coastal cargo/containers, other than thermal coal, POL including crude oil, iron ore and iron ore pellets, should not exceed 60% of the corresponding charges for normal cargo/container related charges.

5. **Method of calculating wharfage:**

   (i) All goods intended for shipment shall be assessed on export application and wharfage shall be paid before the goods are shipped.

   (ii) All goods landed within the limits of the Port of New Mangalore shall be assessed on import application and the wharfage shall be paid before the goods are delivered.

   (iii) The wharfage dues shall be calculated on the manifested tonnage of the vessel's cargo in the case of imports, iron and steel scrap, ores and other goods in bulk

   (iv) In the case of cargo other than that mentioned in sub-rule (iii), the wharfage shall be calculated in accordance with the unit specified against each item of the goods in the Schedule of Wharfage given above.

   (v) The wharfage dues shall be calculated on the total tonnage of each item of goods. For this purpose, the gross and not the net tonnage of each package as specified in the relative invoice or other shipping document shall be taken, subject to fresh check by the Port if the circumstances so require. In the absence of these documents or in the absence of the specification of gross tonnage therein the tonnage arrived at by actual test-check shall be taken as gross tonnage

   (vi) For the purpose of calculating the dues in the Scale of rates –

      (a) One unit by weight means 1 tonne (1000 kilograms)
      (b) One unit by measurement means 1 cubic meter
      (c) One unit by liquid measurement (capacity) means 1000 liters

   (vii) In calculating the gross weight or measurement by volume or capacity or an individual item, fractions upto and including 0.50 shall be reckoned as 0.50 and fractions over 0.50 shall be reckoned as one unit

   (viii) Assessment on packages containing articles of a miscellaneous character shall be levied based on the rate applicable for individual cargo items

   (ix) Where marks are indistinguishable and the cargo is landed in bulk or under such conditions that the tonnage is not readily ascertainable in that case;

      (a) if the cargo is landed at the Wharf, the tonnage shall be ascertained by taking the actual measurement and converting it at one cubic meter to a tonne,

(b) if the cargo is conveyed by craft from a vessel at the outer roads, the licenced carrying capacity of the craft shall be taken as the tonnage.

(x) Before classifying any cargo as ‘unenumerated goods’ the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in the Schedule given above.

6. **Refund**:

No refund of dues shall be made in respect of goods lost over board or jetties within the limits of the Port. However, in the case of goods thrown over board or jettisoned but not salvaged, refund of wharfage will be considered on production of a certificate from the authorized official of the Port Trust, justifying the circumstances under which the goods were jettisoned or thrown over board. In case the goods are salvaged and landed within the port limits, the wharfage dues would be charged on a pro-rata basis.

7. **Porterage (Handling of Cargo) at wharf or jetties**

(i) The Port shall not assume custody of any export cargo and handle the same at the wharf or jetties.

(ii) Import cargo covered by Overside Delivery Order (ODO) and for all bulk cargoes (import), NMPT doesn’t assume the Custody of cargo.

(iii) The Port may assume custody at shore and convey to transit space and sort for delivery all import general cargo and other cargo for which overside delivery direct from ships is permitted in special case by the Port and the Customs except the bulk cargo and for this service in addition to wharfage, the following charges shall be levied namely

(a) Actual labour charges incurred by the Port plus 20% overhead

(b) Crane hire charges as per rates prescribed in the Scale of Rates, if Crane is provided by the Port

(c) Fork lift hire charges as per rates prescribed in the Scale of Rates, if Forklift is provided by the Port

(d) Overtime allowance admissible

(iv) In case of ship to shore transfer and transfer from quay/ to storage yard operations in respect of coastal cargo eligible for concessional tariff, 60% of the rates prescribed in the above schedule will be levied

8. **Tranship Goods**

(i) Cargo landed on and shipped from the wharf, except as otherwise provided shall be charged full wharfage. The transhipment charges in respect of coastal cargo / vessel shall be at the concessional rate as prescribed for coastal cargo.

(ii) Though cargo originally manifested at Port of shipment for transhipment landed on the Wharf and cargo manifested for local and subsequently amended at the Port of New Mangalore for transhipment shall be charged 85% of the applicable wharfage

(iii) Cargo discharged overside or shipped overside (ship to ship) shall be charged 50% of the applicable wharfage rate except in respect of food grains manifested for Indian Ports and transhipped to smaller vessels from cargo tankers or bulk carriers within the Port limits

(iv) Wharfage shall be levied at ₹1/- per tonne on food grains manifested for Indian Ports and transhipped into a smaller vessel from tanker or bulk carrier at the Port. This charge shall not be levied in respect of transhipped quantity landed at this Port

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

9. **Goods exempted from wharfage**

The following categories of goods shall be exempted from the wharfage charges:

(i) Bonafide consumable/non consumable ship stores.

(ii) Passenger and seaman's bonafide baggage and personal effects accompanying them.

(iii) Empty gunnies and twines sent to ship to facilitate landing or loading of cargoes in bulk or for replacing wet or torn bags.

(iv) Goods consigned to or by the New Mangalore Port Trust

(v) Postal Mail bags.

CHAPTER – IV

CONTAINER CHARGES

4.1 **Wharfage charges**

Sl.	Container Size	Rate per container			
		Empty		Loaded	
		Foreign (in ₹)	Coastal (in ₹)	Foreign (in ₹)	Coastal (in ₹)
1	Upto 20'	59.05	35.43	295.26	177.16
2	Above 20' and upto 40'	88.58	53.15	442.89	265.73
3	Above 40'	118.10	70.86	590.52	354.31

4.2 **Storage charges**

Sl.No.	Container Size	Rate per container Per day or part thereof	
		Foreign(in US $)	Coastal (in ₹)
1	Upto 20'	0.285	Rate for coastal is upto 60% (of the rate juxtaposed) calculated by taking into account the exchange rate fluctuation
2	Above 20' and upto 40'	0.427	
3	Above 40'	0.569	

Notes:

1. 1 day free period shall be allowed on containers whether landed/shipped either empty or stuffed

2. Free period prescribed above excludes Customs notified holidays and port's non-working days.

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

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

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

(a) the line shall resume custody of container alongwith cargo and either take back it or remove it from the Port premises; and

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

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

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

4. Storage charge on container shall not accrue for the period when the N.M.P.T is not in a position to deliver/ship container when requested by the user

5. If operational area is licensed on rental terms to users, storage charge on containers/demurrage on cargo stored thereat shall not be levied again.

4.3 **Re-Stow charges:**

Container manifested for other destination, unloaded and reloaded in the same vessel in the same voyage, the following rates will be levied:

Sl.	Container Size	Rate per container			
		Empty		Loaded	
		Foreign (in ₹)	Coastal (in ₹)	Foreign (in ₹)	Coastal (in ₹)
1	Upto 20’	29.53	17.72	49.21	29.53
2	Above 20’ and upto 40’	44.29	26.57	73.82	44.29
3	Above 40’	59.05	35.43	98.42	59.05

General Notes:

1. Wharfage on containers is collected irrespective of the contents of the containers.

2. The stuffed cargo removed from the container and cargo meant for stuffing in the container stacked in transit area other than the space allotted on lease for that purpose will be liable for demurrage as applicable to the cargo specified in Chapter V Demurrage.

(i) **Containerised import cargo**
For levy of demurrage, the free days for import cargo destuffed from the container shall count from the date following the date of destuffing.

(ii) **Containerised Export cargo**
For levy of demurrage, the free days for export cargo shall be reckoned from the date on which cargo is admitted in the transit area and demurrage leviable, if any shall be computed from the day following the completion of free days till the cargo has been stuffed into containers.

3. The applicant shall accept all risks and responsibilities for goods stored at the rental space allotted and shall make his own arrangement for security of the goods stored in such spaces. Hire charges for port equipment whenever utilised by the shipper will be charged separately according to the Scale of Rates in force from time to time.

4.4 **Hire charges of Spreaders for Container Handling**:

Sl. No.	Description	Rate per hour or part thereof (in ₹)
1	20’ Spreader	147.63
2	40’ Spreader	221.45

4.5 **Container Handling charges**

Sl. No.	Container Size	Rate per container			
		Empty		Loaded	
		Foreign (in ₹)	Coastal (in ₹)	Foreign (in ₹)	Coastal (in ₹)
1	Upto 20’	120.07	72.04	251.96	151.18
2	Above 20’ and upto 40’	180.11	108.07	377.93	226.76
3	Above 40’	240.14	144.08	503.91	302.35

4.6 **Electricity and monitoring charges for Reefer container**

Sl. No.	Container Size	Rate per 4 hours or part thereof per container (in ₹)
1	Upto 20’ containers	155.61
2	Above 20’ and upto 40’ containers	188.86
3	Above 40’ containers	222.11

Notes:

1. No private equipment shall be permitted into the port premises without prior permission of the NMPT.

2. The hire charges shall commence from the time the equipment is made available for use.

3. If the equipment is detained without use, detention charges shall be leviable at the rate of ₹100 per hour or part thereof.

4. A charge of ₹350 per equipment will be recovered if a requisition is cancelled in writing before the commencement of the period of hire, provided no such charges shall be recovered if the notice of cancellation was received before action was taken by the NMPT to comply with the requisition. In case where no written notice of cancellation is received before the commencement of the period of hire or where the equipment is used only for a portion of the period applied for, charges payable for the full period of requisition shall be recovered. If the NMPT are unable to supply the equipment to suit their convenience either for the entire period of requisition or for a part thereof, no charge shall be recovered for the period of non-supply of the equipment.

5. (i) The hirer shall not put on the equipment hired or cause to be put on them by his agents or employees or other persons working under such hirer, any load heavier than the lifting capacities of the said equipment.

   (ii) The hirer shall be liable to pay a penalty of ₹500 per every breach of the above condition whenever he is found guilty of such breach by the NMPT

   (iii) The cost of damage, if any, caused to the equipment by its being used in contravention of the above condition, shall, in addition to the penalty referred to above, be recovered from the hirer and shall include even the replacement value of the equipment if the damage caused makes such a recovery necessary. On admittance of the claim of damages of the equipments from the insurance company, the same shall be refunded to the hirer from whom the cost of the damage was collected.

6. The NMPT shall not be responsible to the hirer or any person for any loss or damage or injury to the life of the person arising directly or indirectly from the use of the equipment during the period of its supply for hire. The hirer shall indemnify the NMPT against all loss or damage or injury to life arising directly or indirectly from the use of the equipment during the period of the supply on hire to any property belonging to the Port including the equipment, or to any other person or property. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the Port. The hirer shall also indemnify the NMPT for all liabilities under the Workmen's Compensation Act, 1923.

7. When equipment are requisitioned for a specified number of hours but are made available not continuously but at different times to suit the convenience of the Port, charges shall be calculated as if the hire was for a continuous period by totaling up the broken periods of work instead of rounding off each spell of work separately.

8. In case of breakdown of equipment due to mechanical defects, the period taken to repair shall be deducted in calculating the hire charges.

9. Wherever separate rate for coastal container handling are not prescribed, the admissibility and extent of concession will be governed by clause (v) of Schedule 1.2-General Terms & conditions.

CHAPTER-V

DEMURRAGE

5.1 Imports

Demurrage charges at the following rates shall be levied in respect of all goods left in the port's Transit sheds or open space after the expiry of the free days and free periods till their delivery is effected.

Sl.	Classification	Unit	Rate
1	Goods lying in the Transit sheds or in the open transit space	Per wharfage unit per day	(a) first week ₹4.00 (b) second week ₹6.65 (c) succeeding period ₹9.30

Notes:

1. **Free days**

(i) Free days prescribed below shall exclude customs holidays and Port's non working days.

(ii) Seven working days (excluding customs holidays and Port's non-working days) following the date of the complete discharge of the goods from the vessel on to jetties, quays or wharves shall be allowed as free period.

When goods are landed from the vessel into lighters, barges or other floating craft, the seven working days shall be calculated from the date of complete discharge of goods from the lighters, barges or other floating craft on the jetties, quays or wharves.

(iii) In the case of salvaged goods, the free days shall be reckoned from the day following the date of notification of salvage by the Receiver or wrecks in the Official Gazette of Karnataka State.

2. **Free period:**

The following free periods shall be allowed in addition to the free days prescribed above:

(i) Periods during which the goods are detained by the Collector of Customs for examination under sub-section (3) and (4) of section 144 of the Customs Act 1962 (152 of 1962), other than the ordinary process of appraisement and certified by the Collector of Customs to be not attributable to any fault or negligence on the part of importers, plus one working day. The Customs holidays shall also be treated as free periods in addition.

(ii) Periods during which the goods are detained by any public Health Authority whether cleared or destroyed.

3. **Survey of Goods**

If the goods are detained for survey, then a period not exceeding seven days excluding Customs holidays and Port's non-working days, from the date of completion of discharge from the vessel may be excluded while calculating the demurrage charges provided the goods are removed within twenty four hours after the completion of the survey.

4. **Empty or partially empty packages.**

Demurrage charges shall be payable on packages landed empty or partially empty.

5. **Demurrage charges on Sundays and Port Holidays**

Once demurrage charges begin to accrue, no allowance shall be made for Sundays and port holidays

6. **Delivery of goods**

Goods shall not be delivered to owners or consignees unless all dues leviable thereon, including demurrage charges are paid.

7. **Congestion of goods**

If at any time the Port apprehends a serious congestion in the transit area which may effect rapid transit of goods through the Port, it may direct the owners or consignees of any specified goods to remove such goods from the port premises within a specified period.

8. If the goods are not removed within a specified period, the Port may cause them to be removed and restacked in any other place within the Port premises at the expense and the sole risk of the owner or consignees. Goods so removed shall be charged demurrage charges at the rates prescribed in the Schedule of Demurrage (Imports) at (c) in Sl.No.1 or 2 whichever is applicable.

5.2 Exports

Demurrage at the rate of ₹4.00 per wharfage unit shall be levied after the expiry of the free days.

Notes:

1. **Free days**

(i) Free days shall exclude the Customs holidays and port non-working days

(ii) All cargo except salvaged goods (a) Twenty One days free days(excluding Customs holidays and Port's non-working days) from the actual date of the receipt of goods in the transit area. (b) From the date the vessel is berthed for working cargo to the date of the vessel completes loading.

(iii) For salvaged goods, three days (excluding Customs holidays and port's non-working days) from the date on which the goods were actually salvaged.

2. **Shut out cargo**

(i) In the case of goods shut out from shipment and if removed outside, in addition to the free days mentioned in Note 1, the working day next to the date of completion of taking in of the exports by the vessel also be allowed as a free day.

(ii) In the case of goods shut out by one vessel and subsequently shipped by another vessel the free days shall count from the date of the first shut out, upto ten days excluding Customs holidays and port's non-working days. The total free period, however, shall not be more than 21 days as specified in Note 1.

(iii) Cargo intended for export but not actually shipped will be allowed free days up to only seven days excluding Customs holidays and port's non-working days from the actual date of receipt of the goods in the transit area.

3. **Free periods**

In addition to the free days prescribed above, the period during which goods are detained by the Collector of Customs for examinations under Sub section (3) and (4) of Section 17 and for chemical test under Section 144 of the Customs Act, 1962, other than the ordinary processes or appraisement and certified by the Collector of Customs to be not attributable to any fault or negligence on the part of the exporters, plus one working day shall also be allowed as free period. The Customs holidays shall also be treated as free periods in addition.

4. **Congestion of goods**

If at any time the Port apprehends a serious congestion in the transit sheds or other spaces allotted for the goods in transit to the detriment of the rapid transit of goods through the Port, it may direct the owner or consignor or Agents of any specified goods to remove such goods from the Port premises within a specified period. If the goods are not removed within such period, Port may cause them to be removed and restacked in any other place within the Port premises at the expense and the sole risk of the owner or shipper/agents. Demurrage charges shall be levied on such goods in accordance with the rate specified for demurrage on export cargo.

5. **Transhipment of Goods**

The free period shall be allowed for the transhipment cargo up to 28 days excluding Customs holiday and port's non-working days from the date of receipt of the goods.

General Notes:

1. Demurrage charge on both import and export cargo shall not accrue for the period when the NMPT is not in a position to deliver/ship cargo when requested by the user

2. If operational area is licensed on rental terms to users, demurrage charge on cargo stored there-at shall not be levied again.

5.3 Dwell Time Charges for Motor Vehicle / Equipments (Import/Export/Transhipment)

		Gross Weight of the Motor Vehicle/Equipment in MT	
		Less than 10 Ton	**More than 10 Ton**
1	1 - 10 days	Free	Free

2	10 - 20 days	₹150/- per day per vehicle / equipment	₹300/- per day per vehicle / equipment
3	Thereafter	₹300/- per day per vehicle / equipment	₹600/- per day per vehicle / equipment

Notes:

1. Free days shall exclude the Customs holidays and Port non-working days

2. The Dwell charges shall be levied for storage inside the Port other than the area leased out for the purpose of storage of vehicle/equipment.

3. Dwell time for import / transhipment of motor vehicle / equipment shall be calculated from the day following the day of landing.

4. Dwell time for export of motor vehicle/equipment shall be calculated from the day following the day of receipt in NMPT

5. Shut out charges for not loading on the vessel for which the vehicle / equipment is brought in is ₹50/- per vehicle / equipment

CHAPTER - VI

OTHER CHARGES

6.1. Charges for supply of water

Description	Rate per K.L./Tonne	
	Foreign-going Vessels (in US $)	Coastal Vessels (in ₹)
Water Charges	USD 4.655	Rate for coastal is upto 60% (of the rate juxtaposed) calculated by taking into account the exchange rate fluctuation

6.2. Charges for use of bunkering facility alongside berths/anchorage

Sl.No.	Description	Rate per M.T. (in ₹)
1	For providing bunkers alongside berth(s)/anchorage through fixed pipelines or loading arms or flexible hoses of users or through mobile trucks/trainers/barges	35.91

6.3. Marshalling yard usage charges

Sl.No.	Description	Rate per M.T. (in ₹)
1	Use of Marshalling yard only	16
2	Use of Marshalling yard including private siding inside the wharf	20

6.4. Fees for issue of Licence to C&F Agency

Sl.No.	Description	Rate (in ₹)
1	New Licence	6,650.00 for two calendar years
2	Renewal within the period of licence for a further period of two calendar years	1,330.00 per licence
3	For issue of duplicate licence when the original is lost or defaced	266.00 per licence
4	For temporary licence for a period not exceeding one year	1,330.00 for one calendar year

Note:
Renewal licence shall be effected only if the licence has utilised and transacted activities at the port during the pervious licence period. Failure to renew the licence within the specified period entails cancellation of the licence.

6.5 Fees for issue of licence to Steamer Agency

Sl.No.	Description	Rate (in ₹)
1	New Licence	6,650.00 per licence
2	Renewal within the period of licence for a	1,330.00 per licence

	further period of two calendar years	
3	For issue of duplicate licence when the original is lost or defaced	266.00 per licence
4	For temporary licence for a period not exceeding one year	1,330.00 for one calendar year

Note:

Renewal of licence shall be effected only if the licence was utilized and transacted activities at the port during the pervious licence period. Failure to renew the licence within the specified period entails cancellation of the licence.

6.6. Charges for hire of launches and tugs within the limits of the Port

I. Tugs

Sl.No.	Name of the vessel	Rate per hour or part thereof	
		Foreign-going vessels (in US $)	**Coastal vessels (in ₹)**
1	32.50 T.B.P	USD 1,578.98	Rate for coastal is upto 60% (of the rate juxtaposed) calculated by taking into account the exchange rate fluctuation
2	50.00 T B.P.	USD 2,342.98	

Note:

For use of the above tugs by Indian Navy and Coast Guard only 60% of the rate prescribed above shall be levied.

II. Launches

Sl.No.	Name of the vessel	Rate per hour or part thereof	
		Foreign-going vessels (in US $)	**Coastal vessels (in ₹)**
(a)	**Multi purpose vessel:** M.V. Mallya.	USD 1,528.04	Rate for coastal is upto 60% (of the rate juxtaposed) calculated by taking into account the exchange rate fluctuation
(b)	**Mooring Launches**:	USD 152.80	
(c)	**Pilot Launches**:	USD 387.10	
(d)	**Survey Launch**:	USD 306.99	

6.7. Hire charges for cargo handling equipment

Sl.No.	Equipment	Rate per hour or part thereof (in ₹)	
1	10 MT capacity Fork Lift Truck	₹705.00 subject to minimum of ₹2,820.00	
2	Tata Truck Model LPT 909/36	₹555.00 subject to minimum of ₹4,440.00	
3	3 Ton Forklift Trucks	**Foreign (in ₹)**	**Coastal (in ₹)**
		₹120.00 subject to a minimum of ₹240.00	₹72.00 subject to a minimum of ₹144.00

Notes:

1. No private equipment shall be permitted into the port premises without prior permission of the NMPT.

2. The hire charges shall commence from the time the equipment is made available for use.

3. If the equipment is detained without use, detention charges shall be leviable at the rate of ₹100 per hour or part thereof.

4. A charge of ₹350 per equipment will be recovered if a requisition is cancelled in writing before the commencement of the period of hire, provided no such charges shall be recovered if the notice of cancellation was received before action was taken by the NMPT to comply with the requisition. In case where no written notice

of cancellation is received before the commencement of the period of hire or where the equipment is used only for a portion of the period applied for, charges payable for the full period of requisition shall be recovered. If the NMPT are unable to supply the equipment to suit their convenience either for the entire period of requisition or for a part thereof, no charge shall be recovered for the period of non-supply of the equipment.

5. (i) The hirer shall not put on the equipment hired or cause to be put on them by his agents or employees or other persons working under such hirer, any load heavier than the lifting capacities of the said equipment.
   (ii) The hirer shall be liable to pay a penalty of ₹500 per every breach of the above condition whenever he is found guilty of such breach by the NMPT
   (iii) The cost of damage, if any, caused to the equipment by its being used in contravention of the above condition, shall, in addition to the penalty referred to above, be recovered from the hirer and shall include even the replacement value of the equipment if the damage caused makes such a recovery necessary.

6. The NMPT shall not be responsible to the hirer or any person for any loss or damage or injury to the life of the person arising directly or indirectly from the use of the equipment during the period of its supply for hire. The hirer shall indemnify the NMPT against all loss or damage or injury to life arising directly or indirectly from the use of the equipment during the period of the supply on hire to any property belonging to the Port including the equipment, or to any other person or property. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the Port. The hirer shall also indemnify the NMPT for all liabilities under the Workmen's Compensation Act, 1923.

7. When equipment are requisitioned for a specified number of hours but are made available not continuously but at different times to suit the convenience of the Port, charges shall be calculated as if the hire was for a continuous period by totaling up the broken periods of work instead of rounding off each spell of work separately.

8. In case of breakdown of equipment due to mechanical defects, the period taken to repair shall be deducted in calculating the hire charges.

9. Wherever coastal rates are not prescribed for cargo/container handling, the admissibility and extent of concession will be governed by clause (v) of Schedule 1.2 – General Terms and conditions.

6.8 Charges for use of Harbour Mobile Cranes installed by the private operators:

The hire charges for HMC installed by private operators authorized by NMPT will be governed by separate Order No.TAMP/24/2013-NMPT approved by TAMP on 13.02.2015 & notified in the Gazette of India on 19.03.2015.

6.8.1 Charges for use of Harbour Mobile Cranes installed by the port:

The rate for 63T HMC installed by the port will be governed by the rates approved by the Authority vide separate Order No.TAMP/41/2014-NMPT dated 21.03.2015 notified in the Gazette of India on 13.04.2015.

6.9. Miscellaneous Charges

I. Charges for taking photographs or shooting films in the harbour premises:

Sl	Classification	Rate (in ₹)
1	For shooting of films by film making company or private parties	25,000 per day or part thereof
2	For still photographs of export/import cargoes	532 per day or part thereof
3	For taking photographs of the parties or of the crew on Board the ships and in case not covered in clauses (1) & (2) above	66.50 per each time for each party

Notes:

1. The permission shall be issued by the NMPT or any official authorised by it.

2. Still photographs taken and shooting film by the State and Central Govt. for education and scientific purposes and in connection with Govt. Publicity and shipping activities are exempted from paying charges.

3. Any other cases of taking still photographs and shooting of films within the perimeter wall or in the Port premises shall be at the discretion of the NMPT on merit of each case.

4. The charges shall be paid in advance and no refund of such payments shall be allowed for any failure/cancellation of the programme.

5. If the cancellation of programme is at the instance of the Port or under extraordinary circumstances the charges paid shall be refunded subject to the claim in time.

6. The hire charges for any craft and or appliance of the Port if any, that are supplied and used by the film making company or by those taking photographs shall be levied as per the respective provisions of the Scales of Rates in addition to charges payable under this scale.

II. Fees of issue of passes/licence for entry into the wharf:

Sl.No.	Classification	Rate (in ₹)
1	For issue of temporary pass for admission into the Harbour (per head, per day)	3.00
2	Temporary pass for bus, authorized trucks carrying passengers (per vehicle per day)	66.50
3	Temporary pass for trucks/trailers/ tippers (per day)	13.30
4	Temporary pass for Car/Jeep/Van (per day)	7.98
5	For private cargo handling equipments (per day)	99.75
6	Issue/renewal of permanent photo pass (per head)	133.00
7	Issue of duplicate photo pass (per head)	332.50
8(a)	Permanent vehicle pass for trucks/trailers/tippers For six months For one year For duplicate	 665.00 1,064.00 332.50
8(b)	Permanent vehicle pass for car/jeep/van For six months For one year For duplicate	 505.40 798.00 332.50
9	Permanent pass for private cargo handling equipments For six months For one year	 3,325.00 5,320.00
10	Entry fees for cargo trucks entering the Bounded area of the Port - payable by C&F Agent per entry	13.30

Notes:

1. The licence shall be issued by the NMPT or any official authorized by it.

2. The payment of the charge will not automatically entitle a person to get a pass.

3. The temporary pass shall be valid for a day for which it is obtained from zero to zero hours.

4. The NMPT may issue temporary passes free of charge to the distinguished guests to the Port, visiting staff of other Major Ports and other Govt. Officers/officials connected with the Port Trust and visiting the Wharf on official duty. No charges shall also be collected from the employees of the Port holding valid identity cards and other shipping interests holding valid photo passes issued by the NMPT.

5. Only persons who have harbour entry passes will be issued with temporary vehicles licence on payment of the above prescribed fee and it is not transferable.

6. No refund will be allowed for the charges once paid for temporary vehicle licences issued by the Port.

7. Drivers of vehicles (with permanent licence) are exempted from the payment for entry into the Wharf.

8. No refund will be allowed for the charges once paid for the licences issued for the vehicles covered by item above for unexpired period of licence.

9. Failure to apply for the renewal of the annual or half yearly licence within 15 days, before the day of expiry thereof may entail cancellation of the licence or levy of penalty of ₹50/- per vehicle in addition to the renewal fee.

10. A fee of ₹50/- shall be charged for transfer of each annual or half yearly licence due to change of ownership of the carriers.

11. A sum of ₹50/- shall be charged for the issue of a duplicate annual or half yearly licence when the original is defaced or illegible or is lost.

12. Vehicles i.e. carriers of goods belonging to the New Mangalore Port Trust and other Major Port Trusts alone shall be exempted from holding a licence.

13. Any other vehicles not covered by above may be exempted from charge under the scale of Rates at the discretion of the NMPT.

14. No refund is permissible for the unexpired period of licence.

15. Whenever damage to the NMPT property is caused by any vehicle plying within the NMPT foreshore premises, the owner of the vehicle shall accept liability thereof and pay the damages resulting therefrom.

III. Fees for the hire of weighing scale and for the issue of certificates of weights:

(1)	For hire of weighing scales	₹1.33 per tonne or part thereof
(2)	For issue of certificate of total tonnage of cargo	₹4.00 subject to a minimum of ₹20 per certificate

Notes:

1 The attendant labour shall be supplied by the parties concerned in all cases.

2 Charges shall be levied in accordance with the above scale when it is necessary for the Port to weigh goods, e.g. for the purpose of assessing the amount of wharfage payable in respect of the goods.

3 No refund of hire charges shall be allowed in case a notice of cancellation of requisition is not sent to the authorised officer of the NMPT in writing so as to reach him at least 2 hours prior to the commencement of the period of hire.

4 A fee of ₹10/- each shall be levied for a duplicate certificate of payment issued by the port authorities.

IV. Charges for the use of weigh bridges:

(1)	Weighment of cargo on the Port Lorry weigh bridge	:	₹20.00 per truck both ways
(2)	For issue of weighing Certificate	:	₹25 in addition to the charge prescribed at (1) above per certificate.

Notes:

1. The weighbridge shall be used only for weighing lorries or carts etc, with or without loads.

2. The fee under item (1) above shall cover hire charges of passing the cart or lorry etc, both empty and loaded over the weighing platform. The fee under item (2) above shall be payable in addition for the issue of certificate showing both the tare and loaded weight of the vehicle.

3. If any empty lorry after recording the tare weight on the ports weigh bridge within the wharf area is not brought to the ports weigh bridge during the same day with a load for recording the gross weight, a fee of ₹7.00 per lorry shall be payable by the party on whose behalf the tare weight is asked to be recorded.

4. The weigh bridge shall be manned by the NMPT

5. The NMPT shall not be responsible to the hirer or any person for any loss or damage or injury to life arising directly or indirectly from the use of the weigh bridge during the period of its hire. The hirer shall indemnify the NMPT against all loss or damage or injury to life arising directly or indirectly from the use of the weigh bridge to any other person or property. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the port. The hirer shall also indemnify the NMPT for all liabilities under the Workmen's Compensation Act, 1923.

V. Charges for issue of Entry & Clearance Certificate:

Charges for issue of entry and clearance certificate to Master/Owner/Agent of vessel which calls at the Port for crew change and anchor within or beyond port limits without discharging or loading any cargo or passenger.	₹1,330.00 per certificate

VI. Charges for parking Barge:

Charges for parking Barge including Bunkering Barge within the Port limit other than berth(s)	₹50/- per hour

CHAPTER VII

Levy for supply of Cargo Handling worker from Registered Cargo Handling Labour Wing for Cargo Handling Operations

The charges for obtaining services of cargo handling worker from New Mangalore Port Trust Registered Cargo Handling Workers' Administrative Wing shall be as follows:

Sl.	Commodity	Foreign Cargo (₹ per ton)	Coastal Cargo (₹ per ton)	Benchmark Productivity per gang per shift (in tonnes)
1	Iron ore	33.25	33.25	1644
2	Coal	33.25	19.95	1352
3	Limestone	33.25	19.95	1268
4	Coke	46.55	27.93	792
5	Granite/Boulders	46.55	27.93	794
6	M.O.P / S.O.P.	53.20	31.92	972
7	Maize	59.85	35.91	637
8	Pig Iron	59.85	35.91	440
9	DAP	66.50	39.90	958
10	Rock Phosphate	66.50	39.90	944
11	Urea	66.50	39.90	733
12	Clay	39.90	23.94	220
13	Machinery	133.00	79.80	316
14	Timber	133.00	79.80	193
15	Wood Pulp	66.50	39.90	99
16	Wheat	46.55	27.93	814
17	Sulphur	53.20	31.92	594

18	M. Logs/B. Logs	133.00	79.80	94
19	Bentonite	59.85	35.91	840
20	Yellow Peas	33.25	19.95	1034
21	Container per TEU	598.50	359.10	82 TEU
22	Other foodgrains and cereals	46.55	27.93	814
23	Other Bulk Cargo not classified in this list	59.85	35.91	275
24	Iron ore by HMC	6.42	6.42	4993
25	Coal (mechanical by HMC)	6.32	3.79	4028
26	Coke (mechanical by HMC)	9.22	5.53	2787
27	Lime Stone (mechanical by HMC)	7.16	4.29	3772
28	Urea (mechanical by HMC)	16.60	9.96	1163
29	M.O.P/S.O.P (mechanical by HMC)	6.45	3.87	5422
30	DAP/Sulphate/Rock Phospate (mechanical by HMC)	20.75	12.45	1163
31	Fertilizer (mechanical by HMC)	8.06	4.84	5422
32	Pet Coke (Grab)	46.55	27.93	792
33	Soda Ash	59.85	35.91	637
34	Galvanized steel, ingots, Tin plates, lead material of all types	133.00	79.80	316
35	Alloy steel, stainless steel and metals not otherwise specified- ingots and products	133.00	79.80	316
36	Bauxite	66.50	39.90	958
37	Bag Cement/ sugar/ raw sugar/ all types of bagged cargo	46.55	27.93	814
38	Dolomite	33.25	19.95	1268
39	Gypsum	33.25	19.95	1268
40	Salt	59.85	35.91	637
41	Rocksand	166.25	99.75	316
42	Construction of Building Materials	166.25	99.75	316
43	Vehicle/equipment- Less than 10 tons	₹75.00 per vehicle / equipment	₹45.00 per vehicle / equipment	-
44	Vehicle/equipment - More than 10 tons	₹550.00 per vehicle / equipment	₹330.00 per vehicle / equipment	-

Notes:

(i) The rate indicated above is in addition to the actual incentives calculated as per the respective clauses of prevailing settlement/scheme and payable to the NMPT by the licensed stevedores.

(ii) Following penalty / incentive in the rate prescribed will apply for performance below/higher than the benchmark level of productivity per gang/shift prescribed in the schedule:

On achieving productivity higher than the benchmark level of productivity per gang/shift prescribed in the schedule	Rebate on the rate prescribed in the above schedule if the productivity achieved is higher than the benchmark productivity per gang/shift (in %)	On achieving productivity lower than the benchmark level of productivity per gang/shift prescribed in the schedule	Penalty on the rate prescribed in the above schedule if productivity is lower than the benchmark productivity per gang/shift (in %)
Upto 10% higher than the productivity prescribed	10%	Upto 10% lower than the productivity prescribed	10%
Above 10% to 20%	20%	Below 10% to 20%	20%
Above 20% to 30%	30%	Below 20% to 30%	30%

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Annex- III

Performance Standards

Sl. No.	Performance Parameters	Performance Standards
(1)	**Cargo Related Services**	
(a)	Average Ship Berth day Output in respect of Major Cargo groups (in tonnes/day)	
	(i) Containers	5500
	(ii) Break Bulk	1300
	(iii) Dry Bulk (Mech)	17300
	(iv) Dry Bulk (Conv)	12600
	(v) Liquid Bulk	29500
	Overall	19000
(b)	Average Moves per hour (in TEUs) in respect of Containers	NA
(2)	**Vessel Related Services**	
(a)	Average Turnaround Time of Vessels (in days)	
	(i) Containers	1.55
	(ii) Break Bulk	3.20
	(iii) Dry Bulk (Mech)	3.00
	(iv) Dry Bulk (Conv)	4.00
	(v) Liquid Bulk	2.10
	Overall	2.50
(b)	Average Pre-Berthing Time of Vessels (in days)	
	(i) Containers	0.04
	(ii) Break Bulk	0.50
	(iii) Dry Bulk (Mech)	0.63
	(iv) Dry Bulk (Conv)	0.65
	(v) Liquid Bulk	0.72
	Overall	0.62
(3)	**Any other parameters found relevant by the Port**	
(4)	**% of idle time at Berth**	
	(i) Containers	9.65
	(ii) Break Bulk	17.45
	(iii) Dry Bulk (Mech)	12.70
	(iv) Dry Bulk (Conv)	9.05
	(v) Liquid Bulk	18.80
	Overall	14.10

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.

TAMP/22/2015-NMPT	**:**	**Proposal received from New Mangalore Port Trust (NMPT) for general revision of its Scale of Rates (SOR).**

The summary of the comments received from the users/ user organisations and reply furnished by NMPT thereon are summarised below:

Sl. No.	Comments of the users / user organisations	Reply furnished by NMPT
1.	**The Mangalore Refinery and Petrochemical Limited (MRPL)**	
(i).	*Prima facie,* the current proposed Scale of Rates of wharfage for POL are higher since the same have gone up substantially compared to earlier year rates. Besides, it was seen during earlier revision of Scale of Rates that surplus of previous years was not fully credited and NMPT had included dredging expenses in the statement of POL activity resulting in higher level of charges. Therefore, this rate revision may not be implemented. Besides, as per policy for determination of tariff of Major Port Trusts, 2015, tariff arrangement for captive berths / facilities where a separate tariff arrangement is prescribed in the mutual agreement entered into by the port and the concerned user, will continue to be governed by respective arrangement. Since the two POL berths (No. 10 & 11) were constructed under a separate arrangement between NMPT & MRPL and as specified in respective MoUs, the rates for such berths would have to be separately fixed on mutual agreement. Additionally, for SPM also, which was developed by way of BOO, the general tariff should not be applied to this as per TAMP guidelines. In view of this, rate notified should not be applicable for all oil cargo to be handled at berth no.10 & 11 besides SPM. MRPL has requested a joint hearing to be held for finalizing the charges relating to PoL berth.	(a). The proposed Scale of Rates are strictly adhered to and arrived at as per the determination of Annual Revenue Requirement (ARR), which is the average of sum of actual expenditure as per the Final Audited Accounts of NMPT for three years i.e. 2011-12 to 2013-14 plus return at 16% capital employed as per the Clause No.2.1. (b). Regarding the observation made relating to dredging expenses included for arriving at wharfage charges, it is again reiterated that for arriving at the wharfage for SOR, dredging expenses are not included, as it is no way connected with for levy of wharfage charges. Hence, the observation made is not factual. (c). As regards your observation that the POL Berth Nos.10 & 11 are captive berths, it is stated that MOU earlier entered into has already expired for Berth No.10 on 15.10.2009 & Berth No.11 on 31.03.2011. Hence, the contention of MRPL that these Berths are still captive Berths are not factual. (d). As regards observation relating to Single Point Mooring Facility (SPM), the detailed calculations have already been submitted to TAMP, a copy of the same also given to TAMP, is under consideration of TAMP. In the proposed scale of rates, the same rates have been indicated under the SPM Facilities / Services. In this context, further facts are submitted for information of MRPL:- (i). Port dues have not been revised for the past 15 years (five tariff cycles) - The Port dues is proposed to be revised after 15 years. (ii). Vessel related charges have not been revised for the past 6 years (2 tariff cycles) - It is proposed to be revised after 6 years. (iii). The marshalling yard usage charges have not been revised for the past 20 years - The same is proposed to

<table>
<tr><td></td><td></td><td>be revised after 20 years.
(iv). The cost of rendering Port related services have gone up by more than 30% - 40%. However, in the proposed Scale of Rates, a modest increase of only 25% is proposed. The proposed SOR will be in force for period of 3 years i.e. from 01.04.2015 to 31.03.2018.
(v). The major items of cost viz., Salaries & Wages of Officers & Staff, Electricity, Port security, other administrative costs and maintenance costs are the major cost which need to be recovered from the cargo related and vessel related services from the Port Users.
(e). The Port is incurring huge expenditure for creation of new infrastructure like Opening of new Berths, Deepening of the existing Berths & Channels etc., which have to be partially borne by the Port Users in the form of cargo / vessel related charges.</td></tr>
<tr><td>2.</td><td>M/s. Mangalore Steamer Agents Associations (MSAA)</td><td></td></tr>
<tr><td>(i).</td><td>The present tariff has been hiked without any basis. Such a steep hike for change in variables without any value addition to the existing infrastructure is uncalled for.
MSAA requests to kindly have a holistic approach to this revision and propose a revision only if it warrants one, in the present business scenario.</td><td>[The port has reiterated its comments furnished by it on the comments of MRPL which are brought above and hence not reproduced here.]</td></tr>
<tr><td>3.</td><td>The Kanara Chamber of Commerce and Industry (KCCI)</td><td></td></tr>
<tr><td>(i).</td><td>(a). As per the policy for determination of Tariff for Major Port Trusts, 2015 clause 2.7 states QUOTE: while going for a change in SOR, the major port trusts have to ensure that as a result of the changes in SOR, there will not be a loss of traffic UNQUOTE. A careful study of the traffic handled at NMPT for the last couple of years, highlights that volume has been declining and is also the case with respect to number of vessels called which is as under.
<table>
<tr><th>Year</th><th>Imports</th><th>Exports</th><th>Total</th><th>No. of vessels</th></tr>
<tr><td>2010-11</td><td>210,66,145</td><td>104,84,038</td><td>315,50,183</td><td>1097</td></tr>
<tr><td>2011-12</td><td>236,84,139</td><td>92,56,986</td><td>329,41,125</td><td>1136</td></tr>
<tr><td>2012-13</td><td>273,21,925</td><td>97,13,975</td><td>370,35,900</td><td>1072</td></tr>
<tr><td>2013-14</td><td>293,16,790</td><td>100,48,873</td><td>393,64,663</td><td>1062</td></tr>
<tr><td>2014-15</td><td>283,24,847</td><td>82,41,491</td><td>365,66,338</td><td>1032</td></tr>
</table>
It is seen from above statistics that, the traffic at NMPT has been decreasing primarily due to the cost factor. Going by the present trend, the traffic is expected to be further reduced during current year as some of the major dry bulk importers are moving towards cost effective private ports.

As mentioned in the Tariff guidelines preamble - Non-major ports are expanding rapidly and now have a substantial presence which accounts for about 42% of the cargo share. In this backdrop, it</td><td>During the Tariff cycle of 3 years from March 2012 to April 2015, there was no change in NMPT's SoR (Tariff) notified by TAMP. The decline in traffic is mainly due to global depression and recession prevailing across the world. This has adversely affected all the Major Ports including NMPT. In case of NMPT, the decline in traffic is mainly due to decline in traffic handled by the captive berth operators namely M/s.MRPL, M/s.KIOCL, M/s.Udupi power Corporation.

Non-major ports have got the flexibility to change their tariff rates as per the market forces/market trend. They are not coming under the ambit of TAMP and hence their rates are not constant, contrary to the fact that Major Ports have to maintain constant rates during the 3 year tariff cycle as notified by TAMP.

The Marketing strategy adopted by Pvt. Ports allows them to discriminate between customers. They are adopting certain unethical marketing practices which cannot be resorted by the Major Ports due to constraints under which they are working being Government Ports.</td></tr>
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<td></td>
<td>is worth mentioning here that NMPT is losing major chunk of its existing traffic to these private ports viz Jaigarh and Krishnapatnam. The TAMP guidelines clause 2.5 says 'for drawing the SOR, the traffic to be considered would be the overall traffic estimated exclusively for the port for the year 2014-15. It is evident from above statistics that NMPT handled lowest cargo during 2014-15 as compared to previous years. NMPT could not achieve the target set by Ministry of Shipping for the year 2014-15 due the facts mentioned above. The Detailed commodity-wise traffic handled for the past 5 years is enclosed.</td>
<td>NMPT has strictly prepared and submitted the Average Revenue Requirement (ARR) of the port, based on the last three years expenditure as per the guidelines of TAMP's new Tariff Policy, 2015. Further, to meet out the ARR, the traffic handled at NMPT during 2014-2015 has been considered, as directed by TAMP.</td>
</tr>
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<td>(ii).</td>
<td>The NMPT has proposed to increase the charges for various services rendered by 25% over the existing rates. In the interest of the Trade, Commerce and Industry of this region, we strongly object to this proposal viz::
The Port basically was setup as a Trust by Government of India to facilitate services at reasonable and affordable rates and not as a profit making organization.
For the Financial Years 2013-14 and provisional figures for 2014-15 reveals an operating profit of ₹129.35 crores and ₹144.90 crores respectively which is 35.43% and 36.81% of the turnover. The operating profit ratio has been worked out is reproduced here for reference.</td>
<td rowspan="2">NMPT being a major Port is subject to TAMP's 2005 guidelines and now by 2015 guidelines. The Port's SoR is due for revision from 01.04.15 as per TAMP guidelines 2015. Once the tariff is notified by TAMP, the Port cannot change its SoR for a period of 3 years namely 2015 to 2018. Only indexation is allowed as per new guidelines. The Port users have already enjoyed the benefit of constant / stable SoR rates notified by TAMP for the past 3 years and still enjoying the same as the validity of current SoR has been further extended by TAMP for another six months to 30th September 2015.
The rates of NMPT are minimum and competitive compared to other Major Ports. A detailed statement is enclosed as Annexure I & II.
It is a fact that port is a service oriented industry setup as a Trust by GOI. However, the scenario has changed in the course of years. Each Port has to generate its own resources / revenue not only to meet out its day-to-day expenditure but also to meet the investment required to improve the infrastructure of the Port viz., construction of berths, procurement of cranes, deepening of channel through capital dredging, 2 laning / 4 laning / 6 laning of roads etc., The NMPT's Capital dredging cost itself is expected to cost more than ₹2500 Crores. No grant is being provided by the Government. To lay a Kilometer of road costs ₹25 Crores. The Port has given the land and also contributed to NHAI for construction of roads. Also, as per section 42 of MPT Act, the surplus amount in the Port Account is ploughed back and used to lay roads (NHAI), construction of new berths, capital dredging, covered sheds, development and improvement of lands, storehouses, etc., which are made available to the Port Users as a Port service.
As a facilitator to develop infrastructure, Port has to develop in anticipation of expected traffic. For construction of berths, there is a long gestation period of 3 to 5 years and its associated risk is huge. The amount for such</td>
</tr>
<tr>
<td>(iii).</td>
<td>Operating Profit to revenue ratio:
<table>
<tr><th>Years</th><th>Cargo Handling & Storage charges</th><th>Port & Dock charges</th><th>Railway earnings</th><th>Estate Rentals</th><th>Total</th></tr>
<tr><td>2013-14</td><td>44.86</td><td>10.86</td><td>63.16</td><td>60.36</td><td>35.43</td></tr>
<tr><td>2014-15</td><td>46.84</td><td>3.07</td><td>59.06</td><td>70.28</td><td>36.81</td></tr>
</table>
It can be seen that the operating profit margin is as high as 35.43% and 36.81% for the years 2013-14 and 2014-15. Moreover there is an increase by about 1.38% over the earlier year.

Net Profit after tax to revenue ratio:
The net profit after tax to revenue ratio for the F.Y. 2013-14 is 18.29% and that for the F.Y. 2014-15 at 15.81%.</td>
</tr>
</table>

		construction is at present sourced through Internal budgetary resources of Port only. Further, the revenue budget for Repair and Maintenance, operating expenses like power, fuel, salaries & wages are to be borne out by the Port from its own budgetary resources. The Port has seen 2 wage revisions i.e. 2007, 2012 of 25% hike and another wage revision is expected from 2017 onwards. Further, the costs have to be borne by the Port out of its own Internal budget resources. The obligation of the Port to spend 2% to 5% of its profit for Corporate Social Responsibility (CSR) is strictly followed by the Port as per the law, benefiting the general public including the port users. The Public exchequers money is utilized for the betterment of Public only. Further to the above, M/s. KCCI may also look into the debtors position of NMPT, whereby a huge sum of amount has to be recovered from the Port Users towards the arrears on cargo related charges, vessel related charges and importantly Estate rentals. The Port ends up paying Service Tax, Income Tax, etc., to the Government, as Port accounts are on accrual basis without collecting the amount from the Port Users. On estate rental front, the facts are alarming: **Due date for revision** / **TAMP Order received** / **Arrear Amount (approx.)** 2007 / 2010 / ₹.25 Crores 2012 / 2014 / ₹38 Crores Though TAMP has passed order on revision, the private Port Users have not paid the arrears amount for the period between 2007 to 2010 and 2012 to 2014 and have gone to court. The cases are still pending. However, Government undertakings like M/s.MRPL, M/s.KIOCL, M/s.IOC, M/s.BPCL, M/s.HPCL & M/s. CWC have paid their arrear amount in full.
(vi).	**<u>Interest earned on Reserves:</u>** Interest earned on reserves during the F.Y. 2013-14 to the extent of ₹69,02,15,216/- has been credited to various reserves directly instead of crediting the same to the Profit & Loss Account. The same has been credited to the reserves and Income-tax pertaining to the said income has been included in the current tax and reduced from the Profit of the current year. Had the same been credited to the Profit and Loss Account according to the normally accepted Accounting Principle, the Profit after tax for F.Y. 2013-14 would have been ₹135.80 crores and that for F.Y. 2014-15 would have been ₹132.25 crores. Statutory reserve for Development, Repayment of loan and contingencies as on 31st March 2015 stood at ₹881.30 crores backed by fixed deposits with banks. The said reserve has been created out of appropriation of Profit during	The Port Users do not even pay the interest on debtors amount due @16.5% to the Port as per TAMP order. However, they tend to enjoy the benefit of extended period of validity of current SoR for another six months to 30th September 2015 by TAMP.

<table>
<tr><td></td><td>all the earlier years of existence of the Port. The detailed working has been given.</td><td></td></tr>
<tr><td>(v).</td><td><u>Financial position of the Trust:</u>
The total sources of Funds is ₹2,161.98 crores as per the provisional Balance Sheet for the year ended 31st March 2015. The breakup of the same is as follows:
<table>
<tr><th></th><th></th><th>Sources of Funds:</th><th></th><th>₹ in crores</th></tr>
<tr><td>1.</td><td></td><td>Reserves & Surplus:</td><td></td><td></td></tr>
<tr><td></td><td>a)</td><td>Capital Reserve and Grant-in-aid from Government</td><td></td><td>1,126.10</td></tr>
<tr><td></td><td>b)</td><td>Revenue Reserves</td><td></td><td>27.94</td></tr>
<tr><td></td><td>c)</td><td>Statutory Reserves:</td><td></td><td></td></tr>
<tr><td></td><td></td><td>Capital Replacement Reserve</td><td>10.31</td><td></td></tr>
<tr><td></td><td></td><td>Reserve for Development, Repayment of Loan and Contingencies</td><td>881.30</td><td>891.61</td></tr>
<tr><td>2.</td><td></td><td>Loan Funds</td><td></td><td>Nil</td></tr>
<tr><td>3.</td><td></td><td>Deferred Tax Liability</td><td></td><td>116.33</td></tr>
<tr><td></td><td></td><td>Total Sources of Funds</td><td></td><td>2,161.98</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>Application of Funds:</td><td></td><td></td></tr>
<tr><td>1.</td><td></td><td>Fixed Assets:</td><td></td><td></td></tr>
<tr><td></td><td></td><td>Gross Block</td><td>996.96</td><td></td></tr>
<tr><td></td><td></td><td>Less: Depreciation written off to date</td><td>311.97</td><td></td></tr>
<tr><td></td><td></td><td></td><td>684.99</td><td></td></tr>
<tr><td></td><td></td><td>Capital Work-in-Progress</td><td>43.37</td><td>728.36</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>2.</td><td></td><td>Investments:</td><td></td><td></td></tr>
<tr><td></td><td></td><td>Current investments</td><td></td><td></td></tr>
<tr><td></td><td></td><td>Long Term Investments</td><td></td><td>1,010.01</td></tr>
<tr><td></td><td></td><td></td><td></td><td>1,738.37</td></tr>
<tr><td></td><td></td><td>Current Assets Loans & Advances:</td><td></td><td></td></tr>
<tr><td></td><td></td><td>Total Current Assets</td><td>1,667.73</td><td></td></tr>
<tr><td></td><td></td><td>Less: Current Liabilities</td><td>1,244.12</td><td>423.61</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>Total Application of Funds</td><td></td><td>2,161.98</td></tr>
</table>
From the figures of the financial for the year 2014-15, it is clearly evident that NMPT is a cash rich organization with huge reserves which have been built over the years by appropriating profit of the respective earlier years and the current year. The total investment in fixed assets net of depreciation is only ₹728.36 crores. There are no loans due to Banks over and above the same. There is Reserve for development, repayment of loans and contingencies to the extent of ₹881.30 crores and cash surplus funds of about ₹197.60 crores which is represented by Fixed Deposits.</td><td>It is true that NMPT does not have any loan due to any Bank. As already mentioned, the reserves accumulated over a period of years by NMPT is used only for the development of its infrastructure. Every year, huge amount is spent by NMPT on deepening and dredging the channels and berths, enabling the Port Users to handle their vessels and cargoes smoothly and efficiently. NMPT depends on its own Internal resources and does not borrow the amount externally.</td></tr>
<tr><td>(vi).</td><td>For any upward revision the datum per shift needs to be fixed as the same was fixed as early as 3 decades ago. Fixing datum ensures efficiency for the Port users and reduces the speed money that needs to be disbursed. Further, NMPT should discontinue the practice of notional booking of labour for Mobile Harbour Cranes as same is not permitted as per TAMP</td><td>[NMPT has not furnished comments.]</td></tr>
</table>

<table>
<tr><td></td><td>guidelines clause 8.4. We urge the NMPT to charge only for the actual services provided to the users.</td><td></td></tr>
<tr><td>(vii).</td><td>NMPT has proposed to include rates for embarkation and disembarkation of passengers from cruise vessels. NMPT had demolished 2 transit sheds to construct cruise lounge at a huge cost. For first few years, this facility was underutilized due to limited cruise vessels call at NMPT. KCCI strived very hard to promote passenger vessels to call at New Mangalore Port. The cruise vessel's traffic has increased substantially and 18 cruise vessels were handled during 2014-15 at NMPT. The details as under:
<table>
<tr><th>Year</th><th>No. of vessels</th><th>No. of passeners</th></tr>
<tr><td>2010-11</td><td>11</td><td>6000</td></tr>
<tr><td>2011-12</td><td>15</td><td>9500</td></tr>
<tr><td>2012-13</td><td>16</td><td>11000</td></tr>
<tr><td>2013-14</td><td>8</td><td>4000</td></tr>
<tr><td>2014-15</td><td>18</td><td>16500</td></tr>
<tr><td>Projections:</td><td></td><td></td></tr>
<tr><td>2015-16</td><td>20</td><td>20000</td></tr>
<tr><td>2016-17</td><td>23</td><td>25000</td></tr>
</table>
We are glad that NMPT is being included in the itinerary of tour package despite the fact that Mangalore is not a designated tourist destination. This being the case, a proposal to levy embarkation/disembarkation fee would kill this trade and tour operators will skip Mangalore in their itinerary. Should this happen, NMPT will not have passenger vessels calling New Mangalore. Passenger Trade runs on emotions and sentiments and one move of this type can hurt the Tourism trade badly.</td><td>Earlier the Port was charging Nil / Zero rate for embarkation and disembarkation. The rates proposed for embarkation and disembarkation passengers from cruise vessels is nominal and is charged for providing better services. Even in Cochin Port and Mormugoa Port, such rate prevails.</td></tr>
<tr><td>(viii).</td><td>NMPT has permitted a private vendor to provide launch service to the users to go to anchorage and SPM. NMPT has been charging berth hire for this service boat as applicable for sailing vessels/barges/tugs and hence the vendor is passing on this cost to the users. As a result, the launch hire payable at NMPT is most expensive compared to all the Indian ports. It is requested that this service be classified under fishing vessels/trawlers/service boat and charged accordingly.</td><td>The point raised by KCCI relating to Private Vendor. This service has already been classified and included under fishing vessels/trawlers by including service boat.</td></tr>
<tr><td>(ix).</td><td>TAMP has already passed separate order for handling vessels at Single Point Mooring (SPM) facility at NMPT vide Notification No.TAMP/17/2014-NMPT dated 20.07.2015. Hence, this item may be excluded from this proposal.</td><td>The proposal for fixation of charges for SPM related operations, already submitted by NMPT has been maintained as such in this overall revision of rates in SoR, for revenue estimation purpose only.</td></tr>
<tr><td>(x).</td><td><u>KCCI - Prayer:</u>
In view of the above mentioned points and considering the objective for which the Port was setup as a Trust, we strongly object to any increase. On the contrary we at KCCI pray that the Hon. TAMP considers 10% downward</td><td>The rates proposed by NMPT are much lower than the rates fixed by other Ports in its vicinity. As already indicated, the rate has been increased uniformly by 25% across the table. However, in case of Port dues, the increase is as per the costing done and</td></tr>
</table>

	revision of the existing rates. Reduction in rates will certainly increase volumes handled at the Port and give a thrust to the economy of business concerns, generate employment and boost productivity. New Mangalore Port has to be the Gateway of Karnataka in every sense and fulfil this qualifications in every aspect.	submitted to the TAMP, while filing the proposal of rate fixation of SPM operations. It is also pertinent to mention that the Port dues has not undergone any change in the past 5 tariff cycles (i.e. 15 years) and Vessel Related Charges for the past 2 tariff cycles (i.e. 6 years). Further, the increase is necessitated to meet out the ARR of NMPT as per TAMP's Tariff Policy 2015.
4.	**The Mangalore Refinery and Petrochemical Limited (MRPL)**	
(i).	Hitherto, the Tariff fixation was based on the premise, that there should not be any cross subsidization of Tariffs. It appears from the present method of tariff fixation based on projection of Annual Revenue requirement (ARR), the established philosophy of going away from era of cross subsidization has been given a go by NMPT. As evident from the current tariff proposal of NMPT, while they have proposed an uniform increase of 25% over the existing wharfage rate for all the products and as well as for vessel related charges, the rate increase for dirty cargo is not in line with the efforts involved. Since, bulk/dirty cargo involves higher efforts, the rate increase for bulk/dirty cargo should have been more as compared to clean cargo like oil products for which loading arm operations are owned by user and the port is just collecting royalty for allowing the cargo to pass through their premises. The higher rates proposed for the 80% of revenue items clearly demonstrates the effect of cross subsidization.	The Port has proposed a uniform increase of 25% on the existing rates in SoR, irrespective of the nature of cargo involved as per TAMP guidelines viz., Tariff Policy 2015. In the earlier guidelines of TAMP (i.e.2005, 2008) also there is no such classification as clean or dirty cargoes. Hence, the question of cross subsidization doesn't arise. It is for TAMP to take a call and notify the rates.
(ii).	The Tariff guidelines also mention that "while going for a change in SoR, the Ports have to ensure that, as a result of the change in SoR, there will not be a loss of traffic". As the port in mangalore is a monopolistic port as far as oil cargo is concerned, proposing a steep increase of 25% over the charges currently existing, (which itself is higher) as compared to cost incurred for handling such activity, is unjustified. As Refinery is established in Mangalore, the POL cargo becomes captive cargo, perhaps, therefore, NMPT is proposing such high tariffs, as MRPL do not have any alternative than to live with it.	By check and balance method, the uniform increase of 25% is proposed across the table, so that the Annual Revenue Requirement of NMPT is achieved by not losing the traffic achieved during 2014-2015. The same is in line with the Tariff Policy, 2015 guidelines.
(iii).	As the model is based on ARR, fixing the tariffs in dollar terms for foreign vessel may result in unexpected gain, when Rupee is continuing to depreciate against US$ year on year. This will enhance undue surplus, which as per current guidelines, is not being passed on in future rates.	The norm is universal to fix vessel related tariff rate based on US dollar for foreign vessels. Further, the rupee is more or less stable against the US dollar during last 1 year.
(iv).	The revised computation of ARR as per attached statement (Annexure-I) which shows the correct quantum of ARR, that should have been reckoned considering the guidelines of TAMP. Hence, TAMP is requested to reassess the ARR submitted by NMPT in line with the guidelines.	The Annual Revenue Requirement (ARR) of NMPT has been arrived strictly based on the directions prescribed in the Tariff Policy, 2015. It is not correct to leave out the Management & Administrative Overhead Expenses and Finance & Miscellaneous Expenses altogether from the ARR

		calculations as suggested by M/s.MRPL.
(v).	During previous Tariff revision at point no.15(xxiii)(a), TAMP observed that, ad valorem rate will be deleted if port does not come up with specific unit based rate. Despite this observation of TAMP, the port has proposed ad valorem rate for certain types of cargo, Therefore, port may be asked to fix unit based rate for these cargo.	As per TAMP's Tariff Policy, 2015, clause 2.10, NMPT has taken due care to determine specific wharfage rate for cargoes as far as possible and do away with advalorem rates. However, advalorem rate has been fixed for certain cargoes, where the unit rates could not be arrived at.
(vi).	TAMP order dated 06.01.2012, wherein TAMP has observed that cost position reflected for POL activity is purely on adhoc basis and detailed working of allocation of cost is not made available and the same is to be provided during next tariff review. Due to this, in the previous rate revision, a higher cost allocation to POL activity has been made resulting in lower cost allocation to other activity. Due to this and also as the port revenue being higher than cost of operation, for POL activity, due reduction in wharfage for POL activity was denied and reduction was spread over all cargo during previous rate revision. As the proposed increase is on a higher rate, which, if appropriate allocation were to have been made, would have brought down the rates in the last revision of rates.	It is a fact that the rates notified by TAMP in 2012 was not a cost based rate. The Port has subsequently done a detailed cost analysis and actually the rates arrived is much higher than the TAMP notified rate for jetty no.10 & jetty no.11. However, as Tariff cycle holds good up to 31.03.2015, the Port has no alternative but to wait for the tariff cycle to get over before proposing revision of rates.
(vii).	The unabsorbed surplus in the previous Tariff cycle should be adjusted in the ARR. Only because of the policy change, the surplus which was considered by TAMP for next rate revision in the TAMP order dated 06.01.2012 should not be denied to the trade and port users. Therefore, MRPL request that proposed increase may not be allowed for POL cargo without adjusting such surplus.	As far as NMPT is concerned, there is only deficit and no additional surplus assessed when compared to the projections submitted to TAMP for earlier tariff cycle. TAMP may allow the deficit of ₹120.75 Crores as indicated to TAMP in the Port's letter of even no. dated 18.05.15 for the period of 3 years from 2012-13 to 2014-15 for future adjustment. Similarly, if any additional surplus accrues during the new tariff cycle (2015-2018), the same would be transferred to the General Reserve and used for modernization of the port infrastructure facilities.
(viii).	The port has prescribed two tariffs, one for coastal traffic and another for foreign traffic. POL traffic being the largest, such concession is not extended to coastal traffic of oil cargo. This may be allowed by suitably increasing the Tariff of other cargo, wherever, more effort is involved.	As per the TAMP's tariff policy guidelines, the cargo/container related charges for all coastal cargo/containers, other than Thermal Coal, POL including Crude Oil, Iron Ore and Iron pellets, should not exceed 60% of the normal cargo/container related charges. Based on the above concept, the rate for POL including Crude Oil is same for both the foreign and coastal traffic.
(ix).	The policy of keeping the estate activity outside the purview is only helping the port to create more surplus and making the port users to pay higher charges for the services. The estate rentals were increased manifold recently, due to this, the port user who use this activity for carrying out their business has to pay higher charges. The net result is that port users have to incur more cost. Due to this, while port makes more revenue, the port users' business becomes uneconomical.	The core activity of the Port service is handling of vessels and its cargo. As per the TAMP's Tariff Policy, 2015 guidelines, Clause 1.3(ii)-the fixation/revision of tariff for estate activities will continue to be governed by the Land Policy guidelines issued by government from time to time. Hence, the same is not considered for calculation of ARR.

(x).	The port is not considering any rebate for the major users of the port facility, while it extends the facility of separate fixation of tariff for iron ore handled by KIOCL despite reduction in volume. MRPL request that cost based approach be considered for POL activity and rate revision considered separately for POL cargo, which can be on ARR methodology also. MRPL are confident that such rate will be lower than the proposed tariff for vessel related as well as cargo related charges due to volumes.	KIOCL & NMPT are bound by MOU entered into between Ministry of Steel and Ministry of Shipping and rate is arrived at every financial year based on the clauses in the Inter Secretarial meeting. Even though KIOCL handle less volume, as per MOU, they pay amount to NMPT based on Minimum Guaranteed Throughput (MGT). Whereas, in case of MRPL there is no such MOU and hence the rate as prescribed in NMPT's SoR is applicable.
(xi).	Interest charges indicated for delayed payment is very high. This may be fixed at Max of 12% particularly when the RBI is trying to bring down the interest rates. This may be revised.	Policy decision as per 2015 guidelines
(xii).	RoI considered in the proposal/guidelines is very high. This kind of return is not available for Petroleum industry or for that matter any industry which are capital intensive. Therefore, this may be fixed @ 10%, since port being a service industry.	Policy decision as per 2015 guidelines
(xiii).	In the traffic schedule, percentage increase over the existing tariff has been omitted to be indicated.	As already indicated, the rate has been increased uniformly by 25% across the table. However, in case of Port dues, the increase is as per the costing done and submitted to the TAMP, while filling the proposal of rate fixation of SPM operations. It is also pertinent to mention that the Port dues has not undergone any change in the past 5 tariff cycles (i.e. 15 years) and Vessel Related Charges for the past 2 tariff cycles (i.e. 6 years).
(xiv).	The wharfage in respect of POL has been based on erstwhile Tariff rate of ₹51.80/- per MT. However certain issues already raised by MRPL with regard to this rate needs to be addressed before the same is taken as base rate for the current Tariff cycle. These are as under: a. NMPT has included dredging expenses for arriving at the income and expenditure pertaining to POL activity. This evident from cost statement for POL activity which is also forming part of TAMP order dated 06.01.2012 vide Annex-I(c) to the said letter and a copy attached vide Annexure-II to this letter. b. For arriving at this rate the past period surplus has been considered only to the extent of 3/5th of 50% of the surplus (which is effectively 30% of total surplus) there by leaving behind huge unadjusted surplus. The issues referred at (vi) and (vii) above.	For POL wharfage rate it has been repeatedly communicated to M/s.MRPL & TAMP that no dredging expenditure are taken in arriving at wharfage rate in the cost sheet submitted to TAMP at time of submitting the proposal for SPM operations. After arbitration, the Government of India has passed order in favor of NMPT and has asked MRPL to make payment from 2009 onwards @ ₹51.80 per MT to NMPT. Hence, the proposed wharfage charge calculation based on the earlier TAMP notified rate of ₹51.80/- per MT is correct.
(xv).	POL berth no. 10 & 11 have been constructed by the port under two separate MoUs between MRPL and NMPT. The cost of the berth along with RoI has been recovered through a special mechanism of fixing wharfage rates. Thus it is a hybrid type of BOT for infrastructural development. As per guidelines, the tariff fixation does not cover this arrangement. Also the MoUs clearly stipulate that beyond the MoU periods,	As already mentioned, NMPT and KIOCL are bound by an MOU, where specific wharfage rates are arrived for each year as per clauses contained in Inter Secretarial meeting between Secretary of Ministry of Shipping and Secretary of Ministry of Steel and notified by TAMP. NMPT has entered an MOU with MRPL for construction of berth no. 10 & 11, where rates are fixed during the

	the wharfage shall be fixed by mutual agreement. As per TAMP guidelines, the Tariff rates are ceiling level rates and NMPT may be directed to apply separate mutually agreeable rates for these berths as being extended to KIOCL.	applicability of the said MOU period. After MOU period NMPT can collect the rate as per SoR.
(xvi).	The ARR statement furnished by port includes new proposals for SPM under the heads wharfage, port Dues, Pilotage and Tug Hire charges. It may be recalled that NMPT has made separate proposal for fixation of charges for SPM related operations. MRPL have furnished our detailed view on the same vide our letter reference no.MRPL/F&A/port/SPM/2015-16 dated 24th April 2015. The Proposal is currently under consideration by TAMP. MRPL hereby request that all submissions made by us through our aforesaid letters are also considered while finalizing the rates for SPM related operations.	The proposal for fixation of charges for SPM related operations, already submitted by NMPT has been maintained as such in this overall revision of rates in SoR.
(xvii).	Since, SPM is a dedicated facility constructed with 100% investment by MRPL, as done for other ports, wharfage rates shall be separate from the POL rates. SPM is intended to handle additional traffic on account of expansion of the Refinery by taking investment risks. As such port is not justified in charging the general tariff rate of wharfage for the same. The proposed rate for SPM is very high as compared to vizag and kandla ports. Since, SPM is a dedicated facility constructed with 100% investment by MRPL, as done for other ports, wharfage rates shall be separate from the POL rates. SPM is intended to handle additional traffic on account of expansion of the Refinery by taking investment risks. As such port is not justified in charging the general tariff rate of wharfage for the same. The proposed rate for SPM is very high as compared to vizag and kandla ports.	NMPT has proposed separate wharfage rate for handling crude through SPM @ ₹35/- per MT which is much less than the general tariff rate of whafage @ ₹64.75/- per MT as proposed in the new Scale of Rates, 2015 to TAMP.
(xviii).	The actual traffic pertaining to MRPL cargo during 2014-15 at berth was 11.01 MMT and at SPM 10.02 MMT totaling to 21.03 MMT. Besides, this does not include traffic generated by other Oil company cargoes and that of OMPL. As against this, NMPT has considered a total of 20.10 MMT as the total POL traffic of 2014-15. This needs to be corrected. MRPL is expecting to handle crude oil of 15 MMT plus products of 11 MMT totaling to total 26 MMT of traffic on account of MRPL cargo at berth and SPM. Hence, considering this increase, revenue projection will go beyond ARR. Further, as ARR computation itself requires review for reduction, as pointed out as para (iv) by ₹3,025 Lakhs, the rate proposed for POL is to be reduced to approximately ₹27/- per MT, so that the adjusted revenue realization will match the adjusted ARR which may kindly be considered by TAMP.	The actual traffic handled during 2014-2015, as furnished by the Traffic Department of NMPT, has been considered for the computation of revenue generation at form 3, as per the directions of the TAMP.

2. A joint hearing in this case was held on 31 August 2015 at the NMPT premises. The NMPT made a brief Power Point presentation of its proposal. At the joint hearing, the NMPT and the concerned users/ user organizations / prospective bidders have made the following submissions:

New Mangalore Port Trust (NMPT)

(i). We have put on our website the tariff revision proposal filed before TAMP for comments of users. It is hosted on our website for more than one week's time for comments.

(ii). The proposal is filed under 2015 Tariff Policy.

(iii). Annual Revenue Requirement is arrived based on actuals of 2011-12, 2012-13 and 2013-14.

(iv). Estate related expense are excluded as required under Tariff Policy 2015.

(v). 4/5th of the contribution to Pension Fund and 4/5th of one time expense like arrears of wages/ pension/ gratuity/ exgratia are excluded as per Tariff Policy 2015.

(vi). MGT and net Railway Expenses are considered as per stipulation in the Tariff Policy 2015.

(vii). Expenses/ net fixed assets relating to captive jetties viz. Kudremukh Iron Ore Company Ltd. (KIOCL) and Udupi Power Corporation Limited (UPCL) are excluded.

(viii). ARR as on 31.03.2014 is ₹320.60 crores. Applying 6% WPI, the ceiling indexed ARR comes to ₹339.84 crores.

(ix). GRT for computation of port dues and shifting charge, berth hours, cargo traffic excluding KIOCL and UPCL considered is based on actuals of 2014-15.

(x). Port dues have not been increased for 15 years (5 tariff cycles). Increase proposed in port dues is 132%. Shifting charges is proposed to increase by 87%.

(xi). We have proposed uniform increase of 25% in all the other tariff items to meet the estimated ARR.

(xii). We have to meet all the expense from revenue.

(xiii). Our rates are lowest as compared to rates of other Major Port Trusts on western coast.

The Mangalore Refinery and Petrochemicals Limited (MRPL)

(i). Port is not in deficit even though vessel related rates are not revised for 15 years. Port is in surplus even at the existing rates. Is there any case for revision?

(ii). ARR model is also broadly cost plus 16% return model like the 2005 guidelines.

(iii). In last Order, there was some past surplus left unadjusted by TAMP. But, the new Tariff Policy 2015 does not allow to adjust past unadjusted surplus in the tariff.

(iv). Foreign exchange variation is significant. The current exchange rate is 1US$ = ₹66 as against 1US$ = ₹61.00 considered by NMPT. This will give sweeping revenue to the port.

(v). Port should not go for uniform increase of 25%. Port should examine which cargo requires increase and then propose the increase in the existing rate.

(vi). As per Tariff Policy 2015, 25% of operating cost is allowed as Management and General Overheads. The Management and General Overheads considered by NMPT is more than 25% of the operating cost.

(vii). While for coastal cargo 40% concession is allowed, it is not clear why it is not extended to crude and oil. Crude and POL should also get this coastal concession. It will benefit public in large.

(viii). Estate revenue should cross subsidise port services. But, as per Tariff Policy 2015, estate activity is excluded.

(ix). ARR is based on average of actual expenses of three years viz. 2011-12, 2012-13 and 2013-14. But GRT, and traffic considered for proposing tariff to meet the ARR is based on the 2014-15 actuals.

(x). The existing POL wharfage rate of ₹51.80/ tonne includes dredging expense apportioned by NMPT in the last tariff revision. The dredging expense should be adjusted (excluded) from the existing wharfage rate and then 25% increase should to be considered.

(xi). Adjustment is required to be done relating to SPM operations for which tariff is already approved by TAMP. The NMPT has not captured the revenue of approved tariff from SPM.

(xii). Let port freeze the pension scheme as on 2005 figures.

The Association of New Mangalore Port Stevedores (ANMPS)

(i). Earlier NMPT used to discuss the general revision with users. This time, the general revision proposed was not discussed.

(ii). Granite and Timber has shifted from NMPT to other neighbouring ports.

(iii). Krishnapatnam neighbouring private port gives better facilities with 18 mtrs. draft to handle capesize vessels. Such facility is not there in NMPT.

(iv). Many vessels have also shifted to neighbouring port Jaigarh.

(v). Estate rental of port is very high. Many cargo has shifted due to high lease rent that too with retrospective effect.

(vi). Proposed increase is detrimental to the interest of port.

(vii). TAMP has given ceiling rate. Port does not exercise flexibility to offer rebates/ discounts on the ceiling rate.

(viii). The NMPT has not increased datum for last 30 years.

The Kanara Chamber of Commerce and Industry (KCCI)

(i). No. of vessel traffic has reduced at NMPT. Fortunately, cargo volume has gone up due to crude import by MRPL.

(ii). NMPT has huge net profit after tax and has huge reserves. Interest income from various funds is not shown by the port in the Profit and Loss statement. When port is in surplus at existing revenue, why should tariff be increased?

(iii). The proposal to levy embarking / disembarking fees will kill the passenger vessel traffic at NMPT.

(iv). We request to reduce the existing tariff to 10% instead 25% increase.

The Mangalore Steamer Agents Association (MSAA)

(i). Port lost coal vessels to neighbouring ports.

(ii). Instead of 25% increase, existing tariff should be continued or reduce it by 10%.

(iii). Vessels are coming only to lighten cargo. Then they go to other private ports.

The Mangalore Custom House Agents Association (MCHAA)

(i). We endorse the views of KCCI that lease rent has gone very high at NMPT.

Kudremukh Iron Ore Company Limited (KIOCL)

(i). Coastal concession is not allowed on Iron Ore / Iron Ore pellets. Coastal concession may be allowed for this cargo category also.

(ii). Marshalling yard charge is also doubled in the current proposal.

3. The summary of the comments made by user / user organizations in response to the action point taken at the joint hearing and the comments furnished by NMPT thereon is tabulated below:

Sl. No.	Written submissions	Reply furnished by NMPT
1.	**Mangalore Steamer Agents Associations**	
(i).	The traffic at NMPT over the couple of years has been decreasing mainly due to cost factor. With this proposal for revision, it is evident that NMPT has not assessed the root cause for the short fall of traffic. One of· the major import cargo-coal is being imported by traders which is being moved from NMPT to Bellary/Hospet region to cater to end users. As this place is situated at equidistance from NMPT and Krishnapatnam, the traders prefer the latter port as it is offering discounted charges in addition to other value added services. If the SOR is increased, they have all the more reasons to divert the cargo to nearest competitive ports.	The decline in traffic is mainly due to global depression and recession prevailing across the world. This has adversely affected all the Major Ports including NMPT. In case of NMPT, the decline in traffic is mainly due to decline in traffic handled by the captive berth operators namely M/s.MRPL, M/s.KIOCL, M/s.Udupi Power Corporation. Non-major ports have got the flexibility to change their tariff rates as per the market forces/market trend. They are not coming under the ambit of TAMP and hence their rate are not constant, contrary to the fact that Major Ports have to maintain constant rates during the 3 year tariff cycle as notified by TAMP. Also non-major ports Tariff is not regulated by TAMP guidelines. The Marketing strategy adopted by Private Ports allows them to discriminate between customers. They are adopting certain unethical marketing practices which cannot be restored by the Major Ports due to constraints under which they are working being Government Ports. The rate proposed to TAMP by NMPT is the ceiling rate. However the issue raised by the Association is discount offered by the private ports. Once the Association/port users comes out with a firm commitment of traffic throughput for the 3 year tariff cycle through NMPT, they can approach the NMPT management for a volume rebate/discount in a transparent manner.
(ii).	Like container trade, there has been gradual increase in the number of cruise vessel calls at NMPT. Despite the fact that Mangalore is not a tourist destination, the number of cruise vessels calling NMPT is on the rise. The reason could also be attributed to the lobbying done by other agencies at various levels. However, this can be termed as quite an achievement by NMPT as Mangalore is not	Earlier the Port was charging Nil/Zero rate for embarkation and disembarkation. The same cannot be continued forever. The rates proposed for embarkation and disembarkation passengers from cruise vessels is nominal and is charged for providing better services. The rate proposed is not unique for NMPT. Even in Cochin Port and Mormugao Port, such rate prevails.

	well known place for tourism unlike our neghbouring cities Kochi and Goa. If the levy is introduced, there will be drastic reduction in tourism trade at NMPT.	
(iii).	While engaging Mobile Harbour Crane (MHC) the users need to book one labour gang. This practice is continuing ever since MHC services is introduced at NMPT. According to TAMP guidelines, ports can only charge the users for actual services provided. If this practice of notional booking of labour for MHC is discontinued, the handling cost will come down and users will be encouraged to use MHC which will be beneficial to NMPT and trade at large.	As per the settlement reached before ALC, Port Users are mandated to deploy a gang consisting of various categories of worker. This category of workers are assigned with specific work onboard and onshore. In this backdrop of the settlement between workmen and management under the ID Act entered in the presence of ALC, the deployment of gang cannot be discontinued unilaterally.
(iv).	TAMP has already passed separate order for handling vessels at Single Point Mooring (SPM) facility at NMPT vide notification No.TAMP/17/2014-NMPT dated 20.07.15. Hence, same may be kept out of this current proposal. Further, prior to passing above order, TAMP also passed an interim order for SPM facility. The NMPT is now disputing this interim order and claiming that they have requested TAMP to modify this Order to suit them so as to avoid refund of excess amount collected by them. M/s.MSAA wonder whether such provision does exist in the policy for determination of Tariff for Major Port Trust 2015.	The proposal for fixation of charges for SPM related operations, already submitted by NMPT has been maintained as such in this overall revision of rates in proposed SoR and the same is considered for revenue estimation purpose only as part of overall ARR.
(v).	In view of above, there is no need for such a steep hike for change in variables without any valuable addition to the existing infrastructure. MSAA requests the honorable Authority to consider 10% downward revision of the existing SOR.	NMPT is surprised by the comments that "no need for such a steep hike for change in variables without any valuable addition to the existing infrastructure" from a valuable Port User like MSAA which is unwarranted. NMPT has to generate its own resources / revenue not only to meet out its day- to-day expenditure but also to meet the investment required to improve the infrastructure of the Port viz., construction of berths, procurement of cranes, deepening of channel through capital dredging, 2 laning / 4 laning / 6 laning of raods, etc., The NMPT's capital dredging cost itself is expected to cost more than ₹2500 crores. No grant is being provided by the Government. Also as per section 42 of MPT Act, the surplus amount in the Port Account is ploughed back and used to lay roads (NHAI), construction of new berths, capital dredging, covered sheds, development and improvement of lands, storehouses, etc., which are made available to the Port Users as a Port service. The costs have to be borne by the Port out of its own Internal budgetary resources. The Public exchequers money is utilized for the betterment of Port Users and Public only. Some of the major projects undertaken at NMPT in the last 3 years are as follows:

Project Name	**Project cost (₹ in crores)**	**Year of completion**

<table>
<tr><td></td><td></td><td>
<table>
<tr><td>Procurement of 2 no. Harbour Mobile crane</td><td>47.65</td><td>2014</td></tr>
<tr><td>Construction of POL Berth No.17 (Berth no.13)</td><td>79.17</td><td>2014</td></tr>
<tr><td>Construction of a New Multipurpose Berth no.12 (Berth no.18)</td><td>137.44</td><td>Work in Progress</td></tr>
<tr><td>Construction of Business development Park and testing centre at NMPT</td><td>21.98</td><td>Work in Progress</td></tr>
<tr><td>Construction of Pump house for augmentation of Firefighting facility at Berth No.17 (Berth no.13) to handle VLGC at NMPT.</td><td>16.86</td><td>Work in Progress</td></tr>
<tr><td>The Project under implementation of NHAI - Four laning of NH 66 (Old 17) Surathkal to Bantwal</td><td>363</td><td>Expected to complete in 2015</td></tr>
<tr><td>Augmentation of VTMS facilities</td><td>9.10</td><td>Work in progress</td></tr>
<tr><td>Maintenance Dredging for 2011-12</td><td>40.13</td><td>2012</td></tr>
<tr><td>Maintenance Dredging for 2012-13</td><td>45.44</td><td>2013</td></tr>
<tr><td>Maintenance Dredging for 2013-14</td><td>43:10</td><td>2014</td></tr>
<tr><td>Maintenance Dredging for 2014-15</td><td>56.00</td><td>2015</td></tr>
</table>
NMPT has strictly prepared the Average Revenue Requirement (ARR) of the Port, based on the last three years expenditure as per the guidelines of TAMP's new Tariff Policy, 2015.

The Port dues have not been revised for the past 15 years (five tariff cycles), Vessel related charges for the past 6 years (two tariff cycles) and the marshalling yard usage charges for the past 20 years, The cost of rendering port related services have gone up by more than 30% - 40%. However, in the proposed Scale of Rates, a modest increase of only 25% is proposed.

In view of the facts stated above, TAMP is kindly requested to notify the NMPT's proposed Tariff to which the port is entitled to as per Tariff Policy, 2015 guidelines.</td></tr>
<tr><td>2.</td><td>Mangalore Refinery and Petrochemicals Limited</td><td></td></tr>
<tr><td>(i).</td><td>MRPL submit that, as per the Annual Accounts and Audit Report of NMPT for the year 2014-15, it is gathered that the revenue generated by NMPT from Cargo handling and Port Related activities is ₹323.99 crore. Besides, the Annual Revenue Requirement of NMPT as per the details submitted by NMPT is ₹339.89 crore. Percentage of increase with regard to the existing revenue and proposed revenue generation works out to about 4.89% only. Hence, the proposed increase of 25% across the board on all port services is unjustified.</td><td>It is observed that M/s. MRPL has taken the factual figures of ₹323.99 crores from the Annual Accounts and Audit Report for the year 2014-15, which includes revenue generated by captive berths viz., Berth No.08 by KIOCL and Berth No.15 by M/s. UPCL. M/s. MRPL has also taken Railway Earning into consideration which is not correct and needs to be excluded.

NMPT has arrived on the Average Annual Requirement (ARR) strictly based on clause No.2.2 and its related sub-clauses of the Tariff Policy, 2015 guidelines issued by TAMP.

As the stipulated time by TAMP is over and in view of the facts stated above, TAMP is kindly requested to notify the proposed Tariff to which the port is entitled to as per Tariff Policy, 2015 guidelines.</td></tr>
</table>

(ii).	Earlier written submissions vide letter dtd. 14/07/2015 and oral submission made in the joint hearing held on 31/08/2015 may please be given cognizance and the revised tariff with 25% increase over existing levels as proposed by NMPT be not considered.	M/s.MRPL had again raised the objections already addressed vide their letter dated 14.07.15. Reply has already been made and the same was forwarded to TAMP vide letters of even no. dated 05.08.15. Apart from the above, no new objections have been raised by the M/s.MRPL.
3.	**Kudremukh Iron Ore Company Limited**	
(i).	Clause 1.2 (V) (b) of the proposed Scale of Rates is reproduced below: Quote: "The cargo / container related charges for all coastal cargo / containers, other than thermal coal, POL including Crude Oil, iron ore and iron pallets should not exceed 60% of the normal cargo / container related charges." Unquote: The subject proposal does not specify the reason for excluding cargos like Thermal Coal, POL including Crude Oil, Iron Ore and Iron Pellets from the 40% concessions proposed for all other coastal / container related charges. KIOCL is of the view that the proposed concessions for coastal / container related charges are to be extended for all cargos.	The points raised relates to Policy decision as per new 2015 guidelines. In the earlier 2005 guidelines also such separate classification exists for fixing of coastal tariff rates.
(ii).	As per clause 6.3. of the proposed Scale of Rates, it is proposed to increase the Marshalling yard usage charges to ₹16/- per MT from the present rate of ₹8/- per MT. The proposed hike of 100% over the existing rate is unjustifiable. It is felt that any increase in marshalling yard usage charges at the present juncture is going to affect the industries adversely and hence it is requested to retain the marshalling yard usage charges at the present rate of ₹8/- per MT.	The major items of cost viz., Electricity, Fuel, Salaries & Wages of Officers and Staff, maintenance costs (Dredging, Port crafts, Port equipment's, hiring of crafts), Port Security have increased as compared to the last tariff cycle. Hence the Port is entitled to an increase in the rates for the port related services provided to the Port Users. The rate for Marshalling Yard usage charges were last revised during the year 1995 and has since not been revised for past 20 years, inturn the effective rate comes to only 1.25%. Further, the increase is proposed adhering to guidelines of TAMP's Tariff Policy, 2015 to meet out the ARR of NMPT.
4.	**The Shipping Corporation of India Limited**	
	SCI has no comments to offer at this juncture.	No comments of Port.
5.	**Association of New Mangalore Port Stevedores**	
(i).	At NMPT the generally established practice is to discuss the proposal for revision of SOR with Port users since ANMPS & EXIM Customers are directly affected by any increase in SOR. But, ANMPS are surprised to note that NMPT has not discussed with ANMPS. Moreover, ANMPS have not received the copy of the port proposal either from port or TAMP. Hence ANMPS are in the dark concerning the rationale behind these proposals of NMPT.	The current proposal on revision of NMPT's Scale of rates is based on the last three years expenditure as per the guidelines of TAMP's new Tariff Policy, 2015, for the Average Revenue Requirement (ARR) of the Port. NMPT has strictly adhered to the Tariff Policy, 2015 and the proposal has been uploaded in the Port's website on 18.05.2015 seeking comments from the Port Users and the same remains in Port's website till date. Moreover, as per, TAMP's direction the same has been forwarded to the Port Users via email also.

<table>
<tr><td>(ii).</td><td>NMPT cargo handling datum per shift needs to be fixed since this was fixed 35 years back when cargo handled manually. Presently, cargo being handled by using mechanical equipment's by stevedores & most of the cases the port workers are not touching the cargo but taking huge money cash as well as wages /incentives from the stevedores. Fixing datum ensures efficiency of the port / users.</td><td rowspan="4">The observation made by ANMPS with regard to fixation of datum, wages and notional gang is noted. All the settlement have been reached and settled with the-Trade Unions representing the workmen after negotiation in the presence of Assistant Labour commissioner (ALC) Central. Since this settlement is made under Industrial Dispute Act and is in vogue, the Port cannot abruptly alter settlement nor comment without consulting the Trade Unions.

With regard to Notional gang, the above system is in vogue as per the settlement reached between the Management and the Trade Unions in the presence of ALC.

Further, it is to reiterate that the datum and incentive was discussed and settled by the workmen/Unions with the Stevedores prior to takeover of the labour wing in the year 1990 and this settlement is reached by the stevedores association representing the stevedores and the Trade Unions representing the workmen. Port has inherited and complying with the settlement as on date.

The Port has now constituted a committee to study and recommend incentive scheme with revised datum as envisaged by the Port User.</td></tr>
<tr><td>(iii).</td><td>The NMPT's levy for supply of cargo handling workers from RCHW is 25% on the higher side. The Trade cannot afford this increase since ANMPS are already paying wages, incentives & Ghost money highest in India. Especially, farmers requirements are fertilizers like –Urea, MOP, DAP, CAN, Ammonia, SOP, Rock Phospate and other finished fertilizers are required for the farmers who are the back bone of the Indian Economy.

Similarly, Food grains like wheat and maize are not coming regularly to this port, due to high rate of labour charges and multiple handling of cargo. Moreover Timber cargo traffic at NMPT is also affected & due to the above reasons, many importers are diverted their cargoes to other ports.ss</td></tr>
<tr><td>(iv).</td><td>Therefore ANMPS earnestly request the TAMP to maintain the existing Labour levy which is already on the higher side. Furthermore the benchmark productivity for handling of these fertilizers by HMC should be maintained for MOP, SOP, DAP, CAN, Ammonia, SOP, Rock Phospate and other finished fertilizers, item in serial no.29, 31, should be maintained as 2000MT for Private 103Tn HMC and 1500Tn for port 63Tn HMC. Since, ANMPS have to handle these cargoes carefully to avoid losses and contamination.</td></tr>
<tr><td>(v).</td><td>NMPT should discontinue the practice of notional booking of labour for MHC as same is not permitted as per TAMP guidelines clause 8.4 & also in other ports. ANMPS urge the NMPT to charge only for the actual services provided to the users, no work no pay.</td></tr>
<tr><td>(vi).</td><td>The Other Major Ports like Cochin, Chennai, Visakhapatnam etc. & other Major Ports, Ports are deploying the port labour for handling shore work and they will not charge to the port users since they are charging wharfage charges. Cochin Port is collecting wharfage dues and not charging labour charges for deploying labour for shipment, whereas at NMPT ANMPS have to pay the wharfage dues and also book the port workers for shipment and pay them wages & all benefits, additional incentives, Ghost money etc.</td><td>At NMPT, the gang composition is unified. The gang comprises of all category of workers for onboard and onshore, which is also as per the settlement enumerated above.</td></tr>
<tr><td>(vii).</td><td>In view of the above mentioned facts and considering the objective for which the NMPT was set up as a Trust to serve EXIM-Trade and port users, ANMPS strongly object to an</td><td>(a). NMPT's proposed rates are much lower than the rates fixed by other Ports in its vicinity. The gist of the information furnished by NMPT is tabulated below:</td></tr>
</table>

increase on the existing rates on SOR since the presently existing SOR is already giving a high revenue to NMPT and further increases based the Ports new proposal will be detrimental for the existing the cargo traffic and will not attract new / more cargo at NMPT.

	NMPT		CHPT		COPT		Ennore		MOPT	
	F (in $)	C (in ₹)	F (in $)	C (in ₹)	F (in $)	C (in ₹)	F (in $)	C (in ₹)	F (in $)	C (in ₹)
Port Dues (per GRT)	0.143	2.32	0.2907	7.678	0.377	10.08	0.424	12.37	0.19009	5.226
Berth Hire (per GRT/hr)	0.0017	0.045	0.0041	0.1083	0.00549	0.1743	0.01	0.22	0.00688	0.1893
Pilotage (per GRT)										
Upto 30,000	0.32	8.55	0.50694	13.3906	0.8033	21.49	0.656	19.04	0.4255	11.66
30,001-60,000	0256	6.84	0.71994	19.0138	0.6426	17.19	0.656	19.04	0.3404	9.39
>60,001	0.224	5.99	0.83354	22.01	0.5622	15.05	0.656	19.04	0.2978	8.20
Tug Hire (per hr)	612.75	19379	875.90	22658.65	₹18620		394	18120	610.978	6763.95
Wharfage (per MT)										
Food Grains	29.60	17.76	40.60	24.40	61.60	36.95	-	-	42.00	25.20
Crude oil	51.80	51.80	51.50	51.50	65.00	65.00	-	-	70.00	42.00
Edible Oil	37.00	22.20	78.10	46.90	91.00	54.60	-	-	63.00	37.80
Iron & Steel	37.00	22.20	60.90	36.50	112.00	67.20	-	-	60.00	36.00
Thermal Coal	18.50	18.50	32.70	32.70	56.00	56.00	130.00	130.00	42.00	25.20

(b). It is also pertinent to mention that the Port Dues has not undergone any change in the past 5 tariff cycles (i.e. 15 years) and Vessel Related Charges for the past 2 tariff cycles (i.e. 6 years). The Marshalling Yard usage charges have not been revised for the past 20 years. The cost of rendering port related services have gone up by more than 30% - 40%. However, in the proposed Scale of Rates, a modest increase of 25% is proposed. Further, the increase is necessitated to meet out the ARR of NMPT as per TAMP's Tariff Policy 2015.

Note: Some of the comments of ANMPS and the response of NMPT thereon are identical to those of KCCI, which have already been brought out earlier. Hence, they are not repeated here.

6. **M/s. Mangalore Chemicals & Fertilizers Limited**

(i). MCF imports all their Raw Materials viz. Phosphoric Acid, Ammonia, Naphtha, Furnace Oil & major quantity of the finished Fertilizers through New Mangalore Port Trust (NMPT). Thus MCF is dependable on NMPT for their efficient import operations.

MCF noted that most of the charges levied by NMPT are proposed to be increased. MCF note that the wharfage rates for all Fertilizers & Fertilizer Raw Materials are increased substantially which will lead to increased cost of production. We give here below the comparison of Wharfage rates for our kind perusal:

Product	Previous ₹ PMT	Proposed ₹ PMT	% increase	Previous ₹ PMT	Proposed ₹ PMT	% increase
	Foreign Shipments			Coastal Shipments		
MOP, SOP, Urea, DAP, NPK, CAN, Ammonium, Sulphate and any other finished fertilizer	25.90	32.38	25	15.54	19.43	25
Naphtha, Furnace Oil	51.80	64.75	25	51.80	64.75	25
Ammonia	51.80	64.75	25	31.08	38.85	25
PhosphoricAcid	44.40	55.50	25	26.64	33.30	25
Sulphuric Acid	44.40	55.50	25	26.64	33.30	25

The proposed increase in wharfage rates of 25% is very high.

NMPT has strictly prepared and submitted the Average Revenue Requirement (ARR) of the port, based on the last three years expenditure as per the guidelines of TAMP's new Tariff Policy, 2015. Uniform increase of 25% is proposed across the table, as it is necessitated to meet out the ARR of NMPT as per Tariff Policy 2015.

The major items of cost viz., Electricity, Fuel, Salaries & Wages of Officers and Staff, maintenance costs (Dredging, Port crafts, Port equipments, hiring of crafts) Port Security have increased as compared to the last tariff cycle. Hence the Port is entitled to an increase in the rates for the port related services provided to the Port Users.

The observation of MCF is noted. The benchmark pertaining to productivity has been arrived at after taking into consideration the group of commodities especially fertilizers on the basis of the data/productivity available with the Port for 3 years in the previous occasion. Since the productivity has increased, Port will revisit the concept of benchmark of productivity in near future.

The Port has now constituted a committee to study and recommend incentive scheme with

	The charges for supply of workers for cargo handling operations are also increased considerably. This overall increase in the charges on vessels / stevedorers / suppllers will be passed onto us by different agencies, as we are the ultimate importers, increasing our production/operation cost of Fertilizers. TAMP are kindly aware that the fertilizer is essential commodity & under Nutrient Based Subsidy policy fertilizer's subsidy is fixed by Govt. of India. For MCF's viable operations any increase in MCF's cost of production/operation, MCF will be constrained to pass on the same to MCF's customers who are the Farmers of our country. Considering the above MCF request TAMP to look in to the Schedule of rates for NMPT & offer rebates on the current existing levels, for Fertilizers & Fertilizer raw Materials so that we can continue our operations without affecting farming community. Also under Chapter VII, benchmark productivity for Urea is much lower at 733 MT / gang / shift as compared to other fertilizers (for MOP, SOP 972 MT / gang / shift & for DAP 958 MT/gang/shift). For all finished fertilizers, MCF request TAMP to review benchmark productivity & increase the same so that vessel owners/suppliers show interest in calling at NMPT at competitive rates.	revised datum as envisaged by the Port User. NMPT has reiterated its comments furnished on the comments of ANMPSA at (xii) above.
7.	**M/s. Mangalore Customs House Agents Association**	
(i).	(a). Chapter VII - prescribes Levy for supply of cargo handling workers from RCHW Labour wing for cargo handling operations. NMPT has proposed very high rates for tonnage levy. It has to be brought down to the present level in the interest of Trade. The benchmark for the productivity per gang per shift given for Stevedores is very high (ten times more) whereas labour / cargo datum per shift is 72 to 80 tons. There is no compensation for benchmark productivity fixed by the Port since Labour are supposed to do only 80 tonnes per shift. First of all Port has to increase the datum to the Labour. It is not at all possible to Discharge quantity which is fixed at 5422Ton as per benchmark per gang per shift for MOP, SOP, DAP, Fertilizers.	The observation of M/s. MCHAA is noted. The benchmark pertaining to productivity has been arrived at after taking into consideration the group of commodities especially fertilizers on the basis of the data/productivity available with the Port for 3 years in the previous occasion. Since the productivity has increased, Port will revisit the concept of benchmark of productivity in near future. With regard to fixation of datum, wages and notional gang, all the settlement have been reached and settled with the Trade Unions representing the workmen after negotiation in the presence of Assistant Labour commissioner (ALC) Central. Since this settlement is made under Industrial Dispute Act and is in vogue, the Port cannot abruptly alter the settlement nor comment without consulting the Trade Unions. With regards to Notional gang, the above system is in vogue as per the settlement reached between the Management and the Trade Unions in the presence of ALC. Further, it is to reiterate that the datum and incentive was discussed and settled by the workmen / unions with the Stevedores prior to takeover of the labour wing in the year
	(b). Fertiliser cargoes are sensitive and susceptible to deterioration in quality. It may get contaminated with coal, wet, discoloured, damaged if it's not handled carefully. Vessel officials close the ship's hatches during bad weather / rain. Hence, cargo operations cease. During this period, the benchmark productivity cannot be achieved with HMC for MOP, SOP and Fertiliser cargoes. Moreover, it is not possible to achieve the benchmark productivity. This cannot be achieved because it is not practical. Average discharge rate for Private 103 Ton HM Cranes for this cargo may be fixed	

	at 2000Tons to 2500MT and NMPT 63Ton capacity HMC from 1500Ton to 1800Tons per gang per shift,	1990 and this settlement is reached by the stevedores association representing the stevedores and the Trade Unions representing the workmen. Port has inherited and complying with the settlement as on date. The major items of cost viz. Electricity, Fuel, Salaries & Wages of Officers and Staff, maintenance costs (Dredging, Port equipment's, hiring of crafts), Port Security have increased as compared to the last tariff cycle. Hence the port is entitled to an increase in the rates for the port related services provided to the port users. The port has now constituted a committee to study and recommend incentive scheme with revised datum as envisaged by the port user.
(ii).	Cash payment to labours like incentives& Ghost monies are higher with huge levy. There is no necessity to pay penalty to Port on less discharge on Benchmark even if Labourers are not performing working due to low level of datum which has been fixed while they are working manually 35 years back.	
(iii).	While enforcing Benchmark, quantity fixed for shipment of Fertilizers and other cargoes at NMPT, the stoppages due to Rains, Ship's Cranes, Shore Cranes out of order and Cyclones, strike etc., act of God should be considered in calculation on pro-rata basis for shipment quantity.	
(iv).	The Port is blessed with NH 66 &13" Railway Lines, but these roads are always congested with Traffic-jam which hurdles the discharge rate and to achieve the high Benchmark productivity.	
(v).	There is only one berth at NMPT for facilitating general cargo for handling higher draft vessels. This berth is not facilitated with broad wharf area, which in result reduces the discharge rate and cargo loss spillage into sea water.	In Order to mitigate this problem, steps are taken by NMPT to mechanize the handling of general cargo at berth and reduce the spillage of cargo into the sea.
(vi).	The Labour facility at Port Railway Marshalling Yard Panambur for loading and unloading the railways wagons is available during general shift from 8 am to 5pm. But, railways are placing the wagon / trains on 2400hrs basis and free time is only 8 Hours. Hence Port Users and EXIM-Trade has to pay always demurrage. We can load only one rake per day only due to insufficient infrastructure and labour facility. No shelters for cargo handling port Rail yards during rains.	NMPT is always trying to improve the infrastructure facility of the port for the benefit of the port users. The observation of the MCHAA has been noted. As the feeder operation is carried by the Indian Railways, Port will continuously follow-up and request Indian Railways to redress the grievances to the satisfaction of the port users.
(vii).	In the Wharf area of the NMPT everywhere containers are stacked and dumped. There is no sufficient infrastructure like land/yard, equipments-stackers, Lifters/Cranes. If vessel is in operation at Port then the other in/out movement of containers are curtailed by shortage of equipments- stackers and Cranes.	Since the container traffic is in the infancy stage at NMPT and presently registering a steady growth rate, action has been initiated to develop additional storage facility. NMPT's Board has approved to develop 24,000 sq.mtr. of additional storage area exclusively for containers at a cost of ₹12.50 crores. Further, the Board has also approved to hire 3nos. of Reach Stackers for handling containers by incurring a cost of approx. ₹2.50 crores.
(viii).	Our Ancestors have surrendered the land for the inception of Port. Then Government set the Port at Mangalore to facilitate the Exporters/ importers at reasonable and affordable charges and also the exim Trade of this region. But till now the Port has no proper. Infrastructure for the development of exim trade. Instead year after year Land prices, SOR & other charges / levy is increasing very high and NMPT is thinking only making profit than service to the exim-trade.	The NMPT has reiterated its comments furnished on comments of NMPT at (iv), (v) and (vi) above. Hence not reiterated here. In the concluding para, the NMPT has stated that, the MOS, Government of India has clearly indicated that ports are to be operated on commercial lines by rendering port related services to customer satisfaction.

(ix).	NMPT proposal on Scale of Rates, wharfage dues etc, cargo tonnage levy on Labour are on much higher side of 25%, this increase the exim trade cannot bare suddenly. Kindly note Port is making huge profit more than ₹100 Crores every year, whereas the Port Users/ exim trade is loosing due to Port heavy charges. Therefore, we request your good selves not to increase the rates based on the Port proposal and maintain the existing rates which are already on higher side.	
(x).	We have to target for more business at NMPT by encouraging exim -trade By Simply increasing all Port charges definitely we will be loosing new business & also existing business by diversion of cargo / vessels to other Ports.	

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