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Tariff Authority for Major Ports

G.No. 398 **New Delhi,** **12 October 2017**

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from V.O. Chidambaranar Port Trust (VOCPT) for fixation of normative tariff for stevedoring and shore handling operations at VOCPT, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/76/2016-VOCPT

V.O. Chidambaranar Port Trust … Applicant

QUORUM

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

O R D E R

(Passed on this 15th day of September 2017)

This case relates to a proposal received from the V.O. Chidambaranar Port Trust (VOCPT) dated 19 November 2016 for fixation of normative tariff for stevedoring and shore handling operations at VOCPT.

2. The Ministry of Shipping vide its letter no. PD-11033/73/2013-PT (pt) dated 14 June 2016 has forwarded a copy of Stevedoring and Shore Handling Policy for Major Ports, 2016 to be effective from 01 August 2016. Subsequently, the MOS vide its letter no. PD-11033/73/2013-PT (pt) dated 7 October 2016 read with 17 October 2016 has issued the Guidelines for determination of Upfront Tariff for Stevedoring and Shore Handling Operation authorized by Major Ports as a Policy direction under Section 111 of the Major Port Trusts Act, 1963. The said Guidelines have been notified by this Authority vide Gazette No.407 dated 15 November 2016.

3. A workshop was held on 5 November 2016 on the said Guidelines issued by the MOS Guidelines for Determination of Upfront Tariff for Stevedoring and Shore Handling Operations authorized by Major Port Trusts under Section 42 (3) of the Major Port Trusts Act 1963. Senior Officials of all the Major Port Trusts including VOCPT, participated in the said workshop.

4. In pursuance of the said Guidelines issued by the MOS, the VOCPT has come up with a proposal for fixation of upfront tariff for stevedoring and shore handling operations vide its letter dated 19 November 2016. The main points made by the VOCPT in its proposal dated 19 November 2016 are summarized below:

(i). The tariff is proposed according to the respective commodity groups specified in the guidelines issued by the MOS under two major categories viz. Dry Bulk and Break Bulk for both Stevedoring and Shore Handling Operations.

(ii). The Optimal Capacity for the tariff workings is considered as per the Productivity Norms specified in the Guidelines issued by the Ministry except Sl.No.10 & 12 of Break Bulk (Project Cargo and Machinery & machinery parts). The productivity norms for said two items are considered based on the prevailing productivity achieved for the respective cargo. In respect of Sl. No.11 (Motor Vehicles other than through RORO), the tariff is not proposed since the same is not handled at present and will not be handled in the near future.

(iii). The equipment hire cost per shift is considered based on the information received from the Trade for the tariff workings and the copy of the same is furnished. In some cases, among the offers furnished by the Trade, if the same rate is offered by more than one or two firms the said rate is considered and if different rates is furnished by the different firms the average is considered.

(iv). Under the different method of handling for Shore handling operations for dry bulk, as per guidelines two categories are specified viz., ‘within 1 kilometer’ and ‘beyond 1 kilometer’. The port considers the category of beyond 1 kilometer for the equipments requirement.

(v). As far as Labour cost is concerned, in respect of Stevedoring Operations, the labour cost is considered for the labour actually to be deployed as per National Tribunal Award for Stevedoring Operations and for Shore handling operations 5% on equipment hire cost for dry bulk and 10% for Break Bulk as per clause 4.5.7 of the

Guidelines. In respect of no equipment is involved in the operations, the labour cost is considered at ₹10,000/- per shift.

(vi). Separate tariff is proposed for foreign and coastal cargo considering the cargo arrival pattern in 2015-16 and in the future in line with the clause 2.8 of the Guidelines issued by the Ministry.

(vii). The remaining factors viz., Operational Overhead, Administrative Overhead, Profit Margin etc., are as specified in clause 3.5, 4.5 and 5 of the Guidelines issued by the Ministry.

5. The tariff working calculation in respect of Stevedoring Operations for Dry Bulk and for Break Bulk is furnished by VOCPT. The tariff working for Shore handling operations is furnished under 5 methods for Dry Bulk and under 4 methods for Break Bulk. The proposed rate for Stevedoring operations for both Dry Bulk and Break Bulk considering the above and given in Scale of Rates (SOR) are tabulated below:

(i). Proposed Tariff for Stevedoring – Dry Bulk

(**In ₹ per MT**)

Sl.No.	Commodity	Foreign	Coastal
1	Finished Fertiliser	192.32	115.39
2	Raw Fertiliser	213.68	128.21
3	Food Grain	261.38	156.83
4	Non Coking Coal (Thermal Coal)	135.41	135.41
5	Coking Coal	150.74	90.44
6	Iron Ore, Iron ore Pellets, Bentonite, Bauxite, Copper Conc., Led & Zinc Ore	92.75	55.65
7	Shredded Scrap	266.99	160.19
8	Heavy Melting Scrap	522.60	313.56
9	Other Ores and Miners	198.95	119.37
10	Limestone, Dolomite, Clinker, Clay, Sand and Other similar Dry Bulk Cargo	164.17	98.50
11	Salt	221.78	133.07
12	Alumina and Pig Iron Ingots and similar Dry Bulk Cargo	167.98	100.79

(ii). Proposed Tariff for Stevedoring – Break Bulk

(**In ₹ per MT**)

Sl.No.	Commodity	Foreign	Coastal
1	Bagged Cargo	177.34	106.41
2	Jumbo Bags	87.50	52.50
3	Iron and Steel – Coils and Slabs	71.21	42.73
4	Iron and Steel – Pipes, Tubes, Plates	369.07	221.44
5	Timber logs – Soft	244.19	146.51
6	Timber logs – Hard	162.79	97.68
7	Granites and Marbles	204.31	122.59
8	Containers Empty	267.67	160.60
9	Containers Laden	50.99	30.59
10	Project cargo	200.66	120.39
11	Machinery and Machinery Parts	207.34	124.41

(iii). The proposed rate for Shore handling operations for Dry Bulk:

Shore Handling – Dry Bulk										**(In ₹ Per M.T)**	
Sl. No.	**Commodity**	**Method – 1**		**Method – 2**		**Method – 3**		**Method – 4**		**Method – 5**	
		Foreign	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**
1	Finished Feriliser	39.20	23.52	257.41	154.45	133.28	79.97	23.52	14.11	117.60	70.56
2	Raw Fertiliser	32.67	19.60	104.53	62.72	148.09	88.85	26.13	15.68	130.67	78.40
3	Food Grain	53.45	32.07	128.29	76.97	181.75	109.05	32.07	19.24	160.36	96.22
4	Non Coking Coal (Thermal Coke)	26.46	26.46	87.32	87.32	113.78	113.78	31.75	31.75	119.07	119.07
5	Coking Coal	29.45	17.67	97.20	58.32	126.65	75.99	35.35	21.21	132.54	79.53
6	Iron Ore, Iron ore Pellets, Bentonite,	18.12	10.87	76.12	45.67	94.24	56.54	21.75	13.05	97.87	58.72

	Bauxite, Copper Conc., Led & Zinc Ore										
7	Shredded Scrap	8.70	5.22	149.74	89.84	8.70	5.22	183.52	110.11	251.09	150.65
8	Heavy Melting Scrap	16.91	10.14	186.41	111.85	16.19	10.14	199.73	119.84	213.04	127.83
9	Other Ores and Minerals	30.41	18.25	97.32	58.39	137.88	82.73	24.33	14.60	121.66	72.99
10	Limestone, Dolomite, Clinke, Clay, Sand and Other Similar Dry Bulk Cargo	33.57	20.14	110.79	66.47	144.36	86.62	40.29	24.17	151.08	90.65
11	Salt	43.52	26.11	143.62	86.17	187.13	112.28	52.22	31.33	195.84	117.50
12	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	34.24	20.54	112.99	67.79	147.23	88.34	41.09	24.65	154.08	92.45

(iv). The proposed rate for Shore handling operations for Break Bulk:

Tariff – Shore Handling – Break Bulk									
Sl. No.	**Commodity**	**Method – 1**		**Method – 2**		**Method – 3**		**Method – 4**	
		Foreign	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**
1	Bagged Cargo	22.86	13.71	20.24	12.15	20.24	12.15	120.25	72.15
2	Jumbo Bags	12.24	7.35	12.24	7.35	72.73	43.64	12.24	7.35
3	Iron and Steel – Coils and Slabs	4.94	2.96	24.46	14.68	75.01	45.00	80.71	48.43
4	Iron and Steel – Pipes, Tubes, Plates	24.00	14.40	35.64	21.38	311.52	186.91	347.16	208.30
5	Timber logs – Soft	21.00	12.60	288.72	173.25	21.00	12.60	653.73	392.24
6	Timber logs – Hard	14.00	8.40	192.50	115.50	14.00	8.40	435.82	261.49
7	Granites and Marbles	16.80	10.08	16.80	10.08	255.02	153.01	16.80	10.08
8	Containers Empty	44.20	26.52	65.64	39.39	765.85	459.51	831.49	498.90
9	Containers Laden	15.98	9.59	46.31	27.79	179.68	107.81	225.99	135.60
10	Project Cargo	38.57	23.14	216.75	130.05	216.75	130.05	216.75	130.05
11	Machinery and Machinery Parts	38.57	23.14	223.97	134.38	223.97	134.38	223.97	134.38

6.1. At our request, the VOCPT vide its letter dated 7 December 2017 has furnished the proposed SOR alongwith performance standards. Subsequently, the VOCPT has submitted a copy of Board Resolution.

6.2. The Performance standards for Stevedoring and Shore handling Operations proposed by the port are as under:

(i). **DRY BULK CARGO**:

Group No:	**Commodity**	**Performance Standard (Tonnes)**
1	Finished Fertilizers	2,666
2	Fertilizer -Raw Materials	2,500
3	Food Grains	1,944
4	Non Coking Coal (Thermal Coal) 9th Berth	9,333
	Non Coking Coal (Thermal Coal) Conventional Berths	4,000
5	Coking Coal - 9th Berth	9,333
	Conventional Berths	4,000
6	Iron Ore, Ore Pellets, Bemtonite, Bauxite, Copper Concentrate, Led and Zincore	3,667
7	Shredded Scrap	700

8	Heavy Melting Scrap	360
9	Other Ores and Minerals	4,266
10	Limeston, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	3,222
11	Salt	2,333
12	Aluminia and pig Iron Ingots and similar Dry Bulk Cargo	1,083

(ii). **BREAK BULK CARGO**:

Group No.	Commodity	Performance Standard (Tonnes)
1	Bagged Cargo	833
2	Jumbo Bags	2,666
3	Iron and Steel - Coils and slabs	1,600
4	Iron and steel-pipes, tubes, plates	1,600
5	Timber logs -Soft	1,533
6	Timber logs-Hard	1,533
7	Granites and Marbles	667
8 9	Container Empty Containers Laden	200 1,050
10	Project Cargo	400
11	Machinery and machinery parts	400

7. In accordance with the consultative procedure prescribed, a copy each of the proposal of VOCPT dated 19 November 2016 and subsequent letter dated 7 December 2016 was forwarded to the concerned users / user organisations seeking their comments. The comments received from users / user organisations were forwarded to VOCPT for feedback information. The VOCPT vide its email dated 16 February 2017 has furnished its reply on the comments of users / user organisations thereon.

8. In the meantime, considering that the proposal is under consultation and as it was felt it may take some more time to dispose of the case and keeping in view that the MOS has directed this Authority for immediate action, this Authority has decided to grant adhoc approval to the upfront tariff for stevedoring and shore handling operations and Performance Standards as proposed by the port as an interim arrangement, pending fixation of final rates by this Authority after completion of the consultation process. Accordingly, this Authority had passed an Order on 8 February 2017. This Order has been notified in the Gazette of India Extraordinary (Part III Section 4) on 1 March 2017 vide Gazette No. 80.

9.1. A joint hearing in this case was held on 16 February 2017 at the VOCPT premises. The VOCPT made a brief power point presentation of its proposal. At the joint hearing, the VOCPT and the concerned users / user organisations have made their submissions.

9.2. As agreed at the joint hearing, the VOCPT was requested vide our letter dated 24 February 2017 to take action on the few points:

(i). At the joint hearing, Tuticorin Stevedores' Association (TSA), the St. John Freight Systems Ltd. (SJFSL), the TANGEDCO and the Hari & Co. have furnished their written submissions. A copy each of the written submissions was forwarded to VOCPT for its comments.

(ii). At the joint hearing, the VOCPT has reported that it has briefed the users on the proposal in a meeting with Stevedores on 10 November 2016 before filing the proposal. The St. John Freight Systems Ltd. has also stated that port conducted a meeting with all Stevedores on 10 November 2016. However, Stevedores and Users still have issues as emerged at the joint hearing. A copy of the notes on arguments as recorded at the joint hearing was forwarded to VOCPT with a request to review the proposal, if necessary, keeping in view the issues raised in the joint hearing and file a modified proposal latest by 3 March 2017.

9.3. In response to point of action brought out at para 9.2, the VOCPT vide its email dated 7 March 2017 has furnished its reply on the written submission furnished by Tuticorin Stevedores' Association (TSA), St. John Freight Systems Ltd. (SJFSL), the TANGEDCO and the Hari & Co with a request to consider the proposal of the port for approval in view of the justification and its reply to the comments of the above said parties.

10. On preliminary scrutiny of the proposal dated 19 November 2016 and 7 December 2016, additional information / clarification was sought from VOCPT to have clarity on a few points vide our letter dated 02 May 2017. This was followed by reminders dated 18 May 2017 and 7 June 2017. The VOCPT has, vide its letter dated 01 July 2017 and 24 August 2017, responded to the additional information/ clarifications sought by us. A summary of the information/ clarifications sought by us and the response of VOCPT are tabulated below:

Sl. No.	Information/ clarifications sought by us	Reply furnished by VOCPT
1.	**General**:	
(i).	Board Resolution approving its proposal for fixation of upfront tariff for Stevedoring and Shore Handing Operation at VOCPT. The VOCPT is again requested to submit the same at the earliest.	A copy of Board Resolution approving the proposal for fixation of upfront tariff for Stevedoring and Shore Handing Operation at VOCPT vide Resolution No.253 in the Board Meeting dated 03.02.2017 is furnished.
(ii).	The VOCPT has proposed the Performance Standards for non-coking coal (Thermal coal) under two groups viz., 9th Berth and Conventional Berths at 9,333 tonnes per shift and 4,000 tonnes per shift respectively. Similarly, identical Performance Standards for coking coal also proposed for 9th Berth and Conventional Berths. In this regard, the VOCPT is requested to clarify.	
	(a). The reasons for not prescribing any tariff for both non-coking coal and coking coal for 9th berth.	The tariff workings for fixation of upfront tariff for Stevedoring Operations for dry bulk cargo consist of HMC hire cost for both Non-coking coal and Coking coal for 9th berth and conventional berths as the Annexure V of guidelines with identical handling for determination of upfront tariff for Stevedoring and Shore handling Operations. A Ship Crane or a Shore Crane or a HMC or combination of these can be used for handling of cargo between Ship and Shore. Therefore, the tariff for both non-coking & coal for 9th berth as furnished in Performance Standards, has not been split.
	(b). The measure of performance standards are stated to be per tonne/ shift. However, it seems that the figures are related to per day and not per shift.	The figures for performance standards have been furnished by VOCPT in the format provided by TAMP which required Tonne/ Shift information. Also the figures furnished in the performance standards format were related to Tonne / Shift only and not Tonne/ day.
2.	**Productivity Parameters:**	
(i).	No specific norms are prescribed for break bulk cargo like Project Cargo and Machinery and Machinery Parts in the Guidelines. The VOCPT has considered the norms per hook per shift at 435 Tonnes and one no of hook per shift for Project Cargo and Machinery	Based on the past actual performance the norms per shift at 435-T was adopted. Based on the actual past experience, the norms for blade and other Machineries have been fixed: Following norms may be continued.

<table>
<tr><td></td><td>and Machinery Parts. The VOCPT to furnish the basis for adoption of such norms.</td><td>Wind mill Blades — 100 MT
Other Machineries — 435 MT</td></tr>
<tr><td>(ii).</td><td>The performance standards proposed by the VOCPT are not matching with the productivity norms considered by it for arriving the upfront tariff. The VOCPT to correct the mismatch.</td><td>The performance norms are not unique for the products in the same category. The individual commodities (Dry bulk & Break bulk) handled in VOC Port have been categorized under the relevant commodity group. The Performance Norms i.e. tonnes / shift for each commodity is calculated and the average value of all individual commodities under one commodity group is considered as performance standard. Therefore, the Performance Standards and the Productivity Norms shall not be identical.</td></tr>
<tr><td>3.</td><td><u>Equipment hire cost for both Stevedoring and Shore Handling operations</u>:</td><td></td></tr>
<tr><td>(i).</td><td>Annex-(X) to Clause 4.4.2 of the Stevedoring and Shore handling guidelines stipulates the norms for requirement of the equipment for 5 different handling methods. The equipment considered by the VOCPT in case of Break Bulk Cargo are lower/higher than the equipments as per the norms prescribed in the guidelines as follow:
<table>
<tr><th>Sr. no.</th><th>Commodity</th><th>Equipment</th><th>As per norms prescribed by the MOS</th><th>As considered by VOCPT</th></tr>
<tr><td colspan="5">Shore handling – Break Bulk</td></tr>
<tr><td colspan="5">Method - 3</td></tr>
<tr><td>1.</td><td>Granite and Marbles</td><td>Trucks – 40T</td><td>12</td><td>18 Nos.15 T</td></tr>
<tr><td>2.</td><td>Containers Laden</td><td>Top Lifter</td><td>1</td><td>2</td></tr>
<tr><td colspan="5">Method - 4</td></tr>
<tr><td>1.</td><td>Bagged Cargo</td><td>Trucks-10T</td><td>9</td><td>9 Nos.15 T</td></tr>
<tr><td>2.</td><td>Timber Logs-Soft & Hard</td><td>Tractor Trailers-40T</td><td>12</td><td>9 Nos.35 T</td></tr>
</table>
However, the VOCPT has not furnished any reason for deviation in the equipment considered by it. The VOCPT to justify its estimation of all equipment considered by it which are lower/higher than the norms prescribed in the Stevedoring and shore handling Guidelines.</td><td>(a). The equipment hire cost has been obtained from the Agencies and the total average cost was considered for the calculation as per the prevailing market condition. The deviation in the no. of equipment by VOCPT is based on the local working condition.

(b) For hatch working, norms prescribes Dozer 5T – 1 number per hatch. Normative hatch working prescribed is 3 or 4 in the guidelines. As against that, the port has considered 1 no of dozer.

[The VOCPT has vide email dated 24 August 2017 clarified that one number of dozer takes into account calculation of 3 hatch working for finished fertiliser. The no of dozer considered is in order. The port has stated that dozer is not required to work in all the 3 hatches throughout working of the vessel. One number of dozer is used in any of the 3 hatches.]</td></tr>
<tr><td>(ii).</td><td>Annex (X) to Clause 4.4.2 of the Stevedoring and Shore handling operations guidelines prescribes 4 different methods for arrival of shore handling tariff rates for break bulk cargo. In this regard, following additional information/ clarification is requested:</td><td></td></tr>
<tr><td></td><td>(a). <u>Shore handling - Break bulk-Method-1:</u></td><td></td></tr>
<tr><td></td><td>(i). Under Method 1, i.e., the cargo unloaded onto trucks for direct delivery to consignees premises and vice versa is stated to be not applicable for bagged cargo, timber logs –soft/hard etc.

However, the VOCPT has considered the labour cost @ 10% on equipment hire cost at ₹10,000 per shift and accordingly worked out the upfront tariff. The VOCPT to explain the basis for proposing upfront tariff for the above mentioned cargo groups where the</td><td>The equipment to be used is not furnished in TAMP Guidelines and hence it is not possible to consider the labour cost @ 10% on equipment hire cost, an estimated ₹10,000 per shift is adopted as labour cost.</td></tr>
</table>

	method itself is not applicable as per the guidelines.	
	(ii). Clause 4.5.7 of the Guidelines on Stevedoring and Shore handling operations states that operator will be deploying their own labour for shore handling operations. The norms for estimation of labour cost for shore handling operation is 5% of the equipment hire cost for dry bulk cargo and 10% of equipment hire cost for break bulk cargo. Under Method 1, “no equipment” is prescribed for handling of cargo group like Jumbo bags, Iron & Steel-coils and slabs/pipes, tubes, plates, granite and marbles, containers empty and containers laden etc. However, the VOCPT has considered the labour cost @ 10% on equipment hire cost at ₹10,000 per shift and accordingly worked out the upfront tariff. The VOCPT to justify the basis for considering the labour cost @ 10% of equipment Hire Charges where “no equipment” is prescribed as per the guidelines. The VOCPT to also furnish the reasons for the deviations from the prescribed norms.	Since the equipment to be used is not furnished in TAMP Guidelines, it is not possible to consider the labour cost @ 10% on equipment hire cost, hence an estimated ₹10,000 per shift was adopted as labour cost.
	(b). **<u>Shore handling - Break bulk – Method – 2:</u>**	
	(i). As per the stevedoring and shore handling guidelines, Method-2 is not applicable for cargo groups viz., Jumbo Bags and Granite. However, the VOCPT has considered the labour cost @ 10% on equipment hire cost at ₹10,000 per shift and accordingly worked out the upfront tariff. The VOCPT to justify upfront tariff proposed by it for the above mentioned cargo groups by considering the labour cost @ 10% of equipment Hire Charges when the method itself is not applicable as per the guidelines.	Assuming no equipment, is prescribed for these cases an estimated labour cost at ₹10,000 per shift was adopted. This Authority may consider admittance of this cost as a token for provision of labour as contingency.
	(ii). Under Method 2, “no equipment” is prescribed for Bagged Cargo. However, the VOCPT has considered the labour cost @ 10% on equipment hire cost at ₹10,000 per shift and accordingly worked out the upfront tariff. The VOCPT to justify consideration of the labour cost @ 10% of equipment Hire Charges where “no equipment” is prescribed as per the guidelines.	
	(c). **<u>Shore handling - Break bulk – Method – 4:</u>**	
	(i). As per stevedoring and shore handling guidelines, Method-4 is not applicable for the cargo groups viz., Jumbo Bags and Timber logs- hard.	(i). Assuming for these cases no equipment is involved instead of the method itself is not applicable, an estimated labour cost at ₹10,000 per shift was adopted. This

	However, the VOCPT has considered the labour cost @ 10% on equipment hire cost at ₹10,000 per shift and accordingly worked out the upfront tariff. The VOCPT to justify the basis for considering the labour cost @ 10% of equipment Hire Charges where the method itself is "not applicable" as per the guidelines.	Authority may disallow the labour cost provided in the calculations and the rate may be modified. (ii). Shore handling-Break Bulk-Method-4: VOCPT has not considered 2 numbers of logs grabber in Shore Handling Method 4 for Break Bulk cargo.
(ii).	As per the Stevedore and Shore handling Guidelines, project cargo, motor vehicles other than RORO and Machinery and machinery products, as these cargo are not homogeneous and coming in different size and volume, time taken and productivity will vary widely. No shore equipment is considered and cargo will be loaded on the consignee truck directly to consignee premises or to storage yard. However, the VOCPT has considered 2 no. logs grabber for project cargo and machinery and machinery products. The port to furnish the basis for considering 2 no. logs grabber for above cargo groups.	
4.	**<u>Labour Cost for Stevedoring Operations</u>**:	
(i).	Annex – VIII of the Stevedoring and Shore handling Guidelines (labour cost estimation) stipulates the norms for deployment of labour per shift in respect of each of the commodity group for stevedoring operation. The VOCPT has considered the labour cost for signal man per hook at ₹1895 and operator per equipment at ₹1785. The VOCPT to confirm that the unit rate of labour per shift complies with the guideline position.	The labour cost-for Signal Man per hook at ₹1895/- & Operator per equipment at ₹1785/- has been worked out based on the prevailing actual cost of labour as per Clause 3.5.7 of the guidelines for determination of Upfront Tariff for Stevedoring and Shore Handling Operations Authorized by Major Ports.
(ii).	The VOCPT has considered Piece Rate Wages in addition to wages per shift. Further, the VOCPT has considered different piece rate for different cargo commodities groups. As per clause 3.5.7, the unit rate for deployment of labour will be the prevailing actual cost of labour prescribed in the norms. The VOCPT to furnish reasons for considering the piece rate wages while arriving the labour cost. The VOCPT also to confirm that the consideration of piece rate per shift complies with the guideline position.	The prevailing actual cost of labour for VOCPT includes the piece rate. As per Clause 3.5.7, the unit rate for labour deployment will be the prevailing actual cost of labour for the quantum of labour prescribed in the norms.
(iii).	The Norms for estimation of labour Cost for break bulk cargo prescribe one no. Tindal per shift for each commodity, however such Tindal per shift is not prescribed for Dry Bulk Cargo in the guidelines. It is understood that the Tindal who is the leader of the Gang is a mandatory requirement per shift. The VOCPT may examine the issue in light of above and make necessary modification in the proposal.	Annexure 8 of the guidelines for determination of Upfront Tariff for Stevedoring and Shore Handling Operations Authorized by Major Ports on Norms for Estimation of Labour Cost for Stevedoring Operation for Dry Bulk cargo does not necessitate a Tindal per shift. Ministry's guidelines have been followed by VOCPT for the calculation of labour cost. It is to inform that the practice of having a Tindal in a Gang may not be necessary.
5.	**<u>Scale of Rates & Performance Standard</u>**	

	As per clause 7.1 of the Stevedoring and Shore Handling Guidelines, the operator is entitled for 100% WPI indexation in tariff instead of 60% WPI indexation on achievement of Performance Standard as prescribed in the Berthing Policy issued by the Ministry of Shipping vide letter no.PD-11033/73/2013-PT (pt) dated 16.06.2016 for dry bulk cargo. The port to confirm that the proposed Performance Standards is based on the berthing policy issued by MOS dated 16.06.2016 as required in the said guidelines. If not, the port may consider to propose Performance Standards for dry bulk cargo as per the Berthing Policy as provided in the clause 7.1. of the Stevedoring and Shore Handling Guidelines.	The performance norms worked out by VOCPT based on the formulae provided by M/s.Boston Consulting Group has been considered to be impractical and shall not be achievable. Therefore, VOCPT proposed last previous three year average as norms. These proposed Berthing Norms for VOC Port was communicated to Ministry of Shipping vide letter No.TRA-OFTBL-VSL-BERTH-V1-15(42340)/D1933 dated 25.08.2016. The same has also been approved by Board vide Reso. No:200 (Agenda Item No.13) dated 23.09.2016. Therefore, the Performance Standards proposed by VOCPT may not be synchronized with the Berthing Policy provided by the Ministry.

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

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

(i). The Ministry of Shipping in June 2016 has issued Stevedoring and Shore Handling Policy for Major Ports, 2016, to fix normative tariff for carrying out of Stevedoring and Shore Handling operations, separately for mechanized and manual handling of dry bulk cargo and break bulk cargo. Subsequently, the MOS in October 2016 has forwarded the Guidelines for determination of Upfront Tariff for Stevedoring and Shore Handling Operation authorized by Major Ports. Thereafter, a Workshop was conducted in the Office of this Authority in November 2016 with all the Major Port Trusts. In this backdrop, the V.O.Chidambaranar Port Trust (VOPT) has come up with a proposal for fixation of normative tariff for stevedoring and shore handling operations at VOCPT.

(ii). The VOCPT had filed a proposal on 19 November 2016 under the ibid guidelines. The proposal of the VOCPT and the information/ clarification furnished by the VOCPT vide its letters dated 1 July 2017 and 24 August 2017 during the proceedings of the case in reference are considered in the analysis.

(iii). As stated earlier, this Authority has vide Order No.TAMP/76/2016-VOCPT dated 8 February 2017 approved upfront stevedoring and shore handling operations on adhoc basis as an interim arrangement. The current exercise is for fixation of final upfront tariff based on the proposal filed by the VOCPT.

(iv). (a). The Stevedoring and Shore handling Guidelines prescribes norms for twelve broad Commodity Group under each dry bulk cargo and break bulk cargo. The VOCPT has proposed upfront tariff for Stevedoring and Shore handling operations for twelve dry bulk group viz., (i). Finished Fertilizers, (ii) Fertilizer – Raw Material, (iii) Food Grain, (vi) Non Coking Coal (Thermal Coal), (v) Coking Coal, (vi) Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led & Zinc Ore, (vii) Shredded Scrap, (viii) Heavy Melting Scrap, (ix) Other Ores & Minerals, (x) Limestone, Dolomite, Clinker, Clay, Sand & other similar Dry Bulk cargo, (xi) Salt, and (xii) Alumina & Pig Iron ingots and similar Dry Bulk Cargo, following the broad cargo classification prescribed in the Guidelines.

(b). The VOCPT has proposed upfront tariff for Stevedoring and Shore handling operations for eleven break bulk cargo group viz., (i). Bagged cargo, (ii).

Jumbo Bags, (iii) Iron and steel- coils & slabs, (iv) Iron, steel- pipes, tubes, plates, (v) Timber logs-Soft, (vi) Timber logs-Hard and (vii) Granites & Marbles, (viii) Containers Empty, (ix) Containers Laden, (x) Project Cargo, (xi) Machinery and Machinery Parts following the broad cargo classification prescribed in the Guidelines. The port has not proposed rate for one of the Break bulk Cargo Groups namely Motor Vehicles other than through RORO citing that this cargo is not being handled at present in the port and not likely to be handled in the near future.

(v). **Productivity Standards for Dry Bulk Cargo and Break bulk Cargo:**

(a). For cargo groups under Dry Bulk Cargo and Break Bulk Cargo, the VOCPT has proposed productivity norms in line with productivity norms prescribed in the Stevedoring and Shore handling Guidelines.

The guidelines do not prescribe any norms for Break Bulk Cargo such as Project Cargo and Machinery and Machinery Parts citing that these two cargo are not homogeneous in nature and come in different size, shape and weight. Guidelines require the concerned port to considered productivity based on the best productivity achieved by any of the ports in handling such cargo.

The VOCPT has considered productivity norms in respect of these two break bulk cargoes based on the prevailing productivity achieved by port. In this nascent stage of fixation of upfront tariff based on norms at all the Major Port Trusts, the proposal of VOCPT in this regard is accepted. The port is advised to consider the best productivity achieved by any of the Major Port Trusts in handling such cargo during the next review, when the relevant and better performance level will be available for such cargo.

(b). A comparative position of the normative productivity for dry bulk and break bulk cargo as per the Guidelines, the productivity level considered by the port based on the information furnished by VOCPT is furnished in a statement attached as **Annex – I** for dry bulk cargo and break bulk cargo.

Since, the VOCPT has considered productivity as per the norms prescribed in the Guidelines, this Authority goes ahead with the proposal of the Port based on the productivity standards proposed by the VOCPT.

(c). The optimal capacity assessed by the VOCPT for Timber Logs-Soft is 800 M.T. / shift and for Timber logs-Hard it is 1,200 M.T. per shift. During the processing of the case one of the user M/s. St. John and Hari & Co. have pointed out that handling rate of both timber log soft and timber log hard is almost equal and hence difference between tariff for these cargoes are unworkable. They have requested to revise the stevedoring tariff for timber log hard at ₹215/- per tonne (instead of ₹162.79 per tonne as proposed by VOCPT) at par with the rate proposed by VOCPT for timber log soft.

The VOCPT has stated that as per the Guidelines, the optimal capacity per shift for Timber Logs-Soft is 800 M.T. and for Timber logs-Hard is 1,200 M.T. per shift hence the tariff for Timber logs- soft is higher than the Timber Logs Hard for stevedoring operations. The port has stated that as per the Berthing Policy communicated by the Ministry no difference is made for Hard and Soft wood and has been uniformly fixed at 4,600 Tonnes per day. As per the Stevedoring Policy the performance of the stevedores is to be monitored based on the berthing policy norms which have been uniformly fixed. Hence the VOCPT has requested to adopt uniform optimal capacity as 320-T per hook per shift for both Timber - soft and Timber- hard and also the same rate already proposed for Timber logs- soft i.e., ₹244.19 (Foreign) and ₹146.51 (Coastal) is adopted for Timber Logs- Hard.

Clause 1.8 of the Stevedoring and Shore handling Guidelines allows this Authority to accept necessary adjustment in norms based on justification furnished by the port keeping in view the port specific conditions. It is relevant to state that whilst the port has stated to consider the same rate for timber logs soft and timber log hard, the port has not substantiated with any the actual handling rate for both the cargo achieved at the VOCPT. At KPT which is one of the major ports handling timber, the port has considered separate productivity for Timber logs – soft and hard at 800 T/ day and 1000 T/ day. As regards the point made by the VOCPT that the berthing policy prescribes the same productivity for Hard and Soft wood at 4,600 Tonnes, it is to state that the Berthing Policy gives the Productivity for dry bulk cargo. There is no productivity for wood mentioned in the Berthing Policy as stated by the VOCPT. In view of the above position, and in the absence of the port furnishing justification for reduced productivity norm for Timber and based on the different productivity levels prescribed for the same cargo and KPT as proposed by the KPT, this Authority decides to go by the original proposal of the VOC port in this regard.

(vi). **Rates for the Stevedoring Operations - Dry bulk and Break bulk:**

(a). As stipulated in Clause 3.5.2 of the Stevedoring and Shore Handling Guidelines, the Operating cost for the Stevedoring Operations are grouped under following major heads, viz., Equipment hire cost, Labour cost, Operational Overheads and Administrative Overheads.

(b). Equipment hire charge:

(i). Annex – VII to the Stevedoring and Shore handling Guidelines prescribes norms for estimation of equipment hire cost for stevedoring operations. As per the said Annex, for ship to shore operations, the normative handling equipment are ship crane or shore crane or HMC or combination of these handling equipments.

The VOCPT has considered equipment hire charge of 1 HMC. The port in the proposal has stated that a Ship Crane or a Shore Crane or a HMC or combination of these can be used for handling of cargo between Ship and Shore.

As regards hatch working, norms prescribes Dozer 5T – 1 number per hatch, grabs 1 no. per hook for a few dry bulk cargo and for a few dry bulk cargo viz. Non coking coal, coking coal, iron ore, shredded scrap and Heavy Melting scrap, it is 1 no of excavator per hatch, 1 no of Grab per hook. It is seen that the VOCPT has proposed deployment of dozers in place of excavators.

Further, the guideline stipulates 1 Dozer per hatch. The port has clarified that one number of dozer takes into account calculation of 3 hatch working for finished fertiliser. The no of dozer considered is in order. The port has stated that dozer is not required to work in all the 3 hatches throughout working of the vessel.

Clause 1.8 of the Stevedoring and Shore handling Guidelines allows this Authority to accept necessary adjustment in norms based on justification furnished by the port keeping in view the port specific conditions. The VOCPT has not furnished justification for the slight deviation proposed in the type of the equipment for hatch working. In this regard it is relevant here to state that even KPT, had proposed pay loaders in place of dozers / excavators based on the local condition of the port which was accepted by this Authority. As regards deviation in no of dozer, the port has furnished justification.

In view of the above position and keeping in view that none of the stakeholders consulted in this case have objected to the equipment proposed for stevedoring operations, the deviation in the type of one of the equipment for hatch working and no. of dozer proposed by VOCPT is considered.

Apart from this, the VOCPT has proposed the deployment of equipment for both dry bulk and break bulk cargo as per Stevedoring and Shore handling Guidelines which is considered as proposed by the port.

(ii). As per the Stevedoring and Shore Handling Guidelines, the hire charges towards deployment of equipment is to be estimated based on the equipment hire cost prevailing at the relevant port locations or prevailing market based hire cost.

The VOCPT has, in its proposal, estimated hire charges for equipments taking into consideration the lowest quotation submitted by the vendors. The VOCPT has also furnished documentary evidence in support of the hire charge of equipment considered by it and has, also, confirmed that hire charges reflect the prevailing market rate. The position reported by the port is relied upon.

Thus, in short, equipment hire cost as estimated by VOCPT is relied upon and considered for fixation of upfront tariff for stevedoring and shore handling operations.

(c). **Labour Cost:**

(i). As per clause 3.5.7 of the Guidelines, labour deployment shall be as per the norms prescribed by the National Tribunal Award (NTA) as provided in Annex – VIII to the Guidelines and the unit rate will be the prevailing actual cost of labour for the quantum of the labour prescribed in the norms. The Guidelines also state that the prescribed norms and any other norms specifically given for a port shall be followed for calculation of labour cost.

The VOCPT has implemented the NTA. The labour deployment considered by the VOCPT is based on the NTA.

The Stevedoring and Shore handling Guidelines do not stipulate any norms towards deployment of one Tindal for Dry Bulk operations. It was understood during processing of stevedoring and shore handling proposal of KPT, that Tindal who is the leader of the Gang is a mandatory requirement per shift. The VOCPT was requested to examine the requirement of Tindal in light of above and make necessary modification in the proposal. The VOCPT has, however, stated that the practice of having a Tindal in a Gang is not necessary. In one another case of Mormugao Port Trust (MOPT) also, when this point was brought out, the MOPT has clarified that Tindal is not deployed. Therefore, non requirement of Tindal at VOCPT is accepted. Recognising that the number of labour considered by the VOCPT is based on NTA, the labour deployment as proposed by the port is considered.

(ii). The VOCPT has considered Piece Rate Wages in addition to wages per shift. Further, the VOCPT has considered different piece rate for different cargo commodities groups. As per clause 3.5.7, the unit rate for deployment of labour will be the prevailing actual cost of labour prescribed in the norms. The VOCPT was requested to furnish reasons for considering the piece rate wages while arriving the labour cost and also to confirm that the consideration of piece rate per shift complies with the guideline position.

The VOCPT has stated that the prevailing actual cost of labour for VOCPT includes the piece rate.

The VOCPT has also confirmed that the unit cost of labour considered in estimation of labour is the actual prevailing cost and is in line with the guideline position and hence is considered as estimated by the VOCPT.

(d). Each of the Operational Overheads and Administrative Overheads has been estimated at 20% of the equipment hire cost and labour cost, which is as per the stipulation contained in Clause 3.5.8 and 3.5.9 of the Stevedoring and Shore Handling Guidelines.

(e). As stipulated in Clause 5 of the Stevedoring and Shore Handling Guidelines, margin at 20% on the total operating cost has been considered by VOCPT to arrive at the upfront stevedoring tariff.

(f). A working to arrive at the upfront stevedoring tariff for dry bulk cargo and break bulk cargo as furnished by VOCPT and considered by us based on the various parameters discussed above is attached as **Annex – II**.

(vii). **Rates for the Shore handling Operations:**

(a). As stipulated in Clause 4.5.2 of the Stevedoring and Shore Handling Guidelines, the Operating cost for the Shore Handling Operations are grouped under following major heads, viz., Equipment hire cost, Labour cost, Operational Overheads and Administrative Overheads.

(b). Equipment hire cost:

(i). Clause 4.4.1 and 4.4.2 of the Stevedoring and Shore Handling Guidelines list down the five different handling methods that are adopted for shore handling operations of dry bulk cargo and four methods adopted for handling break bulk cargo. The VOCPT has proposed shore handling rates as per the five methods prescribed in the Guidelines for dry bulk cargo. In respect of break bulk cargo, the VOCPT has proposed shore handling rates as per the four methods prescribed in the Guidelines. Slight deviation in some of the break bulk cargo for shore handling operations has been justified by VOCPT. The methods of handling dry bulk and break bulk cargo for shore handling operations as envisaged by VOCPT for proposing the rates for shore handling operations is relied upon.

(ii). Clause 4.5.6 of the Stevedoring and Shore Handling Guidelines stipulates that hire cost of Equipment to be taken on hire shall be estimated as per norms prescribed in Annex – IX and X of the Guidelines for dry bulk and break bulk cargo respectively.

(iii). A comparative position of the equipment deployment proposed by VOCPT for Shore handling operation vis-à-vis the norms prescribed in the Stevedoring and Shore Handling Guidelines for the methods adopted by VOCPT and justification furnished by the VOCPT for deviation ,if any, from the prescribed norms is attached as **Annex – III** for dry bulk cargo and break bulk cargo.

M/s. Vedanta Limited (VL) has stated that they have made their own investment of ₹10 Cr on hopper and same is being used and maintained by them for handling copper concentrate for more than 8 years. M/s. VL have, therefore, requested the port to remove the hire charges of Hopper for tariff calculation of shore handling charges.

In this context, the VOCPT has clarified that the upfront tariff is to be prescribed following norms prescribed in guideline and the Guidelines is to be applied uniformly to all and there can not be any exemption. This Authority therefore, decides to go with the proposal of VOCPT. In any case, the upfront tariff fixed by this Authority is a ceiling tariff for stevedoring and shore handling operations. The stevedore engaged by VL can appropriately adjust his tariff within the ceiling rate for use of the hopper of the VL.

As seen from **Annex – III** above, there is a slight deviation in equipment profile proposed for deployment by VOCPT for some of the cargo items for undertaking the Shore Handling Operations for break bulk cargo by Method 3 and Method 4 as compared to the equipment deployment norms prescribed in the Stevedoring and Shore Handling Guidelines. The VOCPT has justified the deviation proposed from the norm in respect of these cargo items which is brought out in said Annex. The deviation is due to the actual working conditions. Clause 1.8 of the Stevedoring and Shore handling Guidelines allows this Authority to accept necessary adjustment in norms based on justification furnished by the port keeping in view the port specific conditions. In view of the above provision in the guidelines, and in view of justification furnished by VOCPT for deviation from norms as brought out in said Annex, the equipment profile proposed by VOCPT is accepted.

Clause 4.5.6. of the stevedoring and shore handling guidelines stipulates that the concerned port shall obtain the hire cost of equipment from the market for determination of the upfront tariff.

M/s VL has stated that the cost of front end loader considered in the proposal at ₹12,000/- per shift is exorbitant whereas the present market value is in the range of ₹7000-7500/- per shift. M/s VL has requested to rework the proposal according to the market conditions. The figures mentioned by M/s VL is not substantiated with any documentary evidence by the VL.

In Annex IX relating to the equipment norms prescribed in guidelines for shore handling operations for dry bulk cargo there is no mention of Front End Loaders. The VOCPT has considered hire charge of ₹12,000/- towards pay loaders. There are many types of loaders, which depending on design and application are called by various names including Front End Loader / Pay Loader. The VOCPT has furnished comparison of rate quoted by three vendors for pay loaders and ₹12,000/shift is the lowest rate quoted by two vendors. The VOCPT has also confirmed that equipment hire cost is as per the prevailing market condition. Since the VOCPT has substantiated its figures with documentary evidence, the estimate of VOCPT is considered in this regard.

In respect of other equipment as well, the VOCPT has furnished quotations as documentary evidence in support of the hire charge for each equipment and has furnished comparison of rate quoted by vendors and has considered lowest rate quoted for each of the equipment. The VOCPT has also confirmed that the rate represents the prevailing market condition. The unit rate of hire charge furnished by VOCPT is relied upon and considered.

(c). Labour Cost:

Clause 4.5.7. of the Stevedoring and Shore Handling Guidelines stipulates that the norm for estimating labour cost for shore handling operations at 5% and 10% of the equipment hire cost for dry bulk cargo ad break bulk cargo respectively. The labour estimated by the VOCPT is at 5% of the equipment hire cost for Dry Bulk Cargo and 10% of the equipment hire cost for Break bulk cargo, which is per the stipulation contained in Clause 4.5.7.9 of the Stevedoring and Shore Handling Guidelines except for minor deviations which are discussed in the subsequent paragraphs.

Annex- X to the Stevedoring and Shore Handling Guidelines prescribes equipment norms for handling break bulk cargo under various methods. For shore handling operations for break bulk cargo, under Method-1 i.e. cargo unloaded onto truck for direct delivery to consignees premises or vice versa, the norms do not prescribe any equipment in respect of Jumbo bags, Iron & Steel-coils and slabs/pipes, tubes, plates, containers empty and containers laden etc. for granite and marble. Method 1 is stated to be not applicable in the said Annex. As regards Method 2- for bagged cargo, no equipment is prescribed in the guidelines citing that the cargo is manually loaded onto truck.

Whilst the VOCPT has followed the equipment norms prescribed in the guidelines for these items, the VOCPT, while assessing the upfront tariff for these cargo items under the above mentioned methods has considered the labour cost at ₹10,000 per shift on estimate basis.

Method 4 relates to cargo unloaded onto wharf and loaded onto trucks and transported to storage yard within the port premises or vice versa. As per Guidelines, this method is not applicable for Jumbo bags and Granite and marbles. Whilst, the VOCPT has followed the equipment norms prescribed in the guidliens for these items, however, the VOCPT, for assessing the upfront tariff for this cargo, the VOCPT has estimated labour cost at ₹10,000 per shift on estimate basis.

To a specific query for the deviation from the guidelines in this regard, the port has clarified that equipment to be used is not furnished in TAMP Guidelines and hence it is not possible to consider the labour cost @ 10% on equipment hire cost. Citing that no equipment, is prescribed for these cases in the guidelines, an estimated labour cost at ₹10,000 per shift is adopted by the port and port has requested this Authority to consider admittance of labour cost as a token for provision of labour as contingency. In this context, it is relevant here to state that even while disposing the stevedoring and shore handling tariff proposal of COPT, the port had pointed out that guidelines prescribes nil equipment or prescribe method not applicable for a few break bulk cargo items. If no equipment is assigned as per norms, then the labour cost which is linked to equipment hire cost will also be nil and consequently overheads, total cost will also be nil and it will not be possible to propose tariff for these few cargo items. In COPT and KPT, the ports have, based on their local condition of handling these break bulk cargo items, proposed equipment for these break bulk items and labour cost linked as percentage of the equipment cost as per the prescribed norms is considered.

Clause 1.8 of Stevedoring and Shore handling Guidelines allows that this Authority to accept necessary adjustments in the norms, based on the justification to be furnished by the concerned Port Trust keeping in view the port specific conditions having impact on the norms prescribed in these guidelines.

In view of the justification furnished by VOCPT for the deviation from the norms, the labour cost as estimated by VOCPT at ₹10,000/- shift for a few cargo items as explained above is considered as estimated by VOCPT.

(d). Each of the Operational Overheads and Administrative Overheads have to be estimated at 20% of the equipment hire cost and labour cost, as per the stipulation contained in Clause 4.5.8 and 4.5.9 of the Stevedoring and Shore

Handling Guidelines for shore handling operations. It is seen that for Shore handling Operations under Methods -2, 3 and 4 for Bagged Cargo, VOCPT has estimated the Administrative Overhead at 20% on Operational Overhead instead of total equipment hire and labour cost. This has been corrected and considered at 20% on the total equipment hire and labour cost.

(e). As stipulated in Clause 5 of the Stevedoring and Shore Handling Guidelines, margin at 20% on the total operating cost has been considered by VOCPT to arrive at the upfront shore handling tariff.

(f). The port has, while arriving at the proposed rate, considered the share of foreign cargo / coastal cargo and has considered the impact of coastal concession while arriving at the proposed tariff. In the working furnished by the VOCPT a few arithmetical errors observed in respect of the computation of rate for foreign and coastal cargo for Shore handling Operations for a few cargo items have been corrected. Some minor rounding off errors also have been corrected.

(g). The cost statement for determination of the upfront tariff for shore handling operations for dry bulk cargo and break bulk cargo as furnished by VOCPT and considered by us subject to minor corrections as explained above, based on the various parameters discussed above is attached as **Annex – IV**.

(viii). Based on the above analysis and taking into consideration the submissions made by the VOCPT and recognising that the proposal is filed by VOCPT with the approval of the VOCPT Board, the upfront Stevedoring and Shore Handling Charges for dry bulk cargo and Break bulk cargo is approved as proposed by the Port in its proposal.

(ix). (a). As per clause 7.1 of the Stevedoring and Shore Handling Guidelines, the operator is entitled for 100% WPI indexation in tariff instead of 60% WPI indexation on achievement of Performance Standard as prescribed in the Berthing Policy issued by the Ministry of Shipping vide letter no. PD-11033/73/2013-PT (pt) dated 16.06.2016 for dry bulk cargo. The port was, therefore, requested to confirm that the proposed Performance Standards is based on the berthing policy issued by MOS dated 16.06.2016 as required in the said guidelines. If not, the port was requested to consider to propose Performance Standards for dry bulk cargo as per the Berthing Policy as provided in the clause 7.1. of the Stevedoring and Shore Handling Guidelines. The VOCPT in response has stated that the performance norms worked out by VOCPT based on the formulae provided by M/s.Boston Consulting Group (BCG) has been considered to be impractical and not achievable by the port. Therefore, VOCPT has proposed performance standards based on last previous three years average. The port has also stated that the same has also been approved by Board and the proposed Berthing Norms for VOCPT was communicated to Ministry of Shipping its letter dated 25.08.2016. The Performance Standards proposed by VOCPT and our analysis thereon is given below:

(a). **Performance Standards proposed by VOCPT for Dry Bulk Cargo for 100% indexation of Ceiling Tariff.**

(i). Clause 7.1 of the Guidelines stipulates the Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT (pt) dated 16 June 2016 for dry bulk cargo for 100% indexation in tariff.

(ii). The VOCPT has proposed Performance standards for dry bulk cargo based on last previous three years average. The performance standards for dry bulk cargo proposed by VOCPT vis-à-vis the productivity rate considered in the upfront tariff for stevedoring and shore operations are tabulated below:

DRY BULK CARGO:

Group No:	Commodity	Performance Standards Proposed by VOCPT (Tonnes / Shift)	Productivity level considered for arriving at proposed upfront tariff for Stevedoring and Shore Handling operations. (Tonnes / Shift)
1	Finished Fertilizers	2,666	2,700
2	Fertilizer -Raw Materials	2,500	2,430
3	Food Grains	1,944	1,980
4 (i).	Non Coking Coal (Thermal Coal) 9th Berth	9,333	4,000 Non Coking coal (thermal coa)
(ii).	Non Coking Coal (Thermal Coal) Conventional Berths	4,000	
5(i).	Coking Coal - 9th Berth	9,333	3,600 Coking Coal
(ii).	Conventional Berths	4,000	
6	Iron Ore, Ore Pellets, Bemtonite, Bauxite, Copper Concentrate, Led and Zincore	3,667	5,840
7	Shredded Scrap	700	2,100
8	Heavy Melting Scrap	360	1,080
9	Other Ores and Minerals	4,266	2,601
10	Limeston, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	3,222	3,240
11	Salt	2,333	4,000
12	Aluminia and pig Iron Ingots and similar Dry Bulk Cargo	1,083	3,360

(iii). It is seen from the above table that for most of the cargo items except Fertiliser – Raw material and other ores the Performance Standards proposed by VOCPT for 100% indexation is lower than even the performance standards considered by the port for fixation of upfront tariff for stevedoring and shore handling operations.

Further, while proposing differential Performance Standards for non-coking coal (Thermal coal) and coking coal under two groups viz., 9th Berth and Conventional Berths, the port has sought uniform upfront tariff for these two cargo items at 9th berth and conventional berth. When sought clarification in this regard, the port has stated that the tariff workings consist of HMC hire cost for both Non-coking coal and Coking coal for 9th berth and conventional berths as the Annexure V of guidelines prescribed identical handling for determination of upfront tariff i.e. a Shore Crane or a HMC or combination of these can be used for handling of cargo between Ship and Shore. Therefore, the VOCPT has stated that tariff for both non-coking & coking coal for 9th berth has not been split as done for Performance Standards. Clause 1.8. of the Stevedoring and Shore handling Guidelines allows port to make necessary adjustment in norms and furnish justification to this Authority in view the port specific conditions. That being so, if the port is of the opinion that for berth no 9, the productivity level and equipment profile for stevedoring operations, if involved, is different from the conventional handling of coal, the port may propose separate tariff with necessary justification within one month's time from the date of notification of the Order in the Gazette. Till such time, the rates notified by this Authority in this Order to be applied by the port for stevedoring and shore handling operations across the cargo groups proposed by the port.

The cargo description for Performance standards should exactly match with the cargo description for which the stevedoring and shore handling tariff is to be prescribed. Further, when the upfront tariff proposed for Non Coking coal (Thermal Coal) and Coking Coal does not distinguish between 9 berth and Conventional berth, the reason for proposing different performance standards by port only for 100%WPI indexation in tariff is not explained by the port.

In view of the above position, it may not be appropriate for this Authority to prescribe performance standards as proposed by VOCPT which are even lower than the productivity level considered by it in the upfront tariff proposed by VOCPT for stevedoring and shore handling operation for dry bulk cargo and having mismatch in the cargo description on the two cargo items as explained above.

Whilst the port has stated that it has forwarded the proposed performance standard under berthing policy to MOS, the VOCPT has not filed any proposal before this Authority for approval of penalty / disincentive scheme following the Berthing Policy announced by the MOS. This Authority has approved penalty / disincentive scheme following the Berthing Policy announced by the MOS for other Major Ports viz. Jawaharlal Nehru Port Trust (JNPT), Cochin Port Trust (COPT) and New Mangalore Port Trust (NMPT) based on the proposals filed by each of these ports.

Since Clause 7.1 of the Stevedoring and shore handling Guidelines stipulates the Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT (pt) dated 16 June 2016 for dry bulk cargo for 100% indexation in tariff, a note is prescribed stating that the performance Standards for dry bulk cargo shall be as per the Berthing Policy issued by the MOS. The VOCPT is advised to file a separate proposal for performance standards for dry bulk cargo under the Berthing Policy issued by the MOS within one month from the date of notification of the Order in the Gazette.

(b). **Performance Standards proposed by VOCPT for Break Bulk cargo:**

(i). As per clause 7.1 of the guidelines. Performance Standard for cargo other than Dry Bulk cargo shall be prescribed by respective port for 100% indexation in SOR.

(ii). The Performance standard proposed by VOCPT for break bulk cargo is as given below:

Group No.	Commodity	Performance Standards proposed by VOCPT Tonnes / Shift
1	Bagged Cargo	833
2	Jumbo Bags	2,666
3	Iron and Steel - Coils and slabs	1,600 *
4	Iron and steel-pipes, tubes, plates	1,600
5	Timber logs -Soft	1,533
6	Timber logs-Hard	1,533
7	Granites and Marbles	667 *
8	Container Empty	200 *
9	Containers Laden	1,050 *
10	Project Cargo	400 *
11	Machinery and machinery parts	400 *

It is seen that performance standards proposed by VOCPT for most of the break bulk cargo items (except for iron and steel – coils and slabs, Granites and Marbles, Container Empty and container laden, project cargo and machinery) are higher than the productivity level considered by the port for stevedoring and shore handling operations. The performance standards proposed by the port for cargo items as given in the parenthesis are lower than the productivity standards considered for tariff fixation.

For break bulk cargo, the Stevedoring and Shore handling guidelines stipulates that the Performance Standards prescribed by the respective ports, will be applicable. Though, the Guidelines gives flexibility to port to propose performance standard for break bulk cargo for 100%. WPI indexation, it is not unreasonable to assume that the performance standard should be not lower that the performance level considered in arriving at the upfront tariff calculation of stevedoring and shore handling operations. That being so, for the above mentioned cargo items, given in parenthesis the performance standard proposed by VOCPT is prescribed at par with the performance standard proposed by VOCPT for arriving at the stevedoring and shore handling tariff.

(x). (a). While approving ad-hoc tariff, this Authority has approved terms and conditions commonly for all Major Port Trusts. The VOCPT has proposed to define the term 'Day' as the period starting from 6 a.m. of a day and ending at 6 a.m. on the following day. The definition of "Day" proposed by VOCPT is in line with the definition prescribed in the Scale of Rates of VOCPT. Hence, the proposed definition is prescribed.

(b). The VOCPT has proposed to define the term "Shift" as the duration of 8 as applicable to port employees which is approved as proposed by the VOCPT.

(c). The VOCPT has also proposed to define the term "Per day" as per calendar day unless otherwise stated which is approved as proposed by the VOCPT.

(d). The VOCPT has also proposed to define the term "Month" as the period from 1st to end of the calendar month. The definition of "Month" proposed by VOCPT is in line with the definition prescribed in the Scale of Rates of VOCPT. Hence, the proposed definition is prescribed.

(e). The definitions of other relevant terms prescribed by this Authority while approving adhoc upfront tariff schedule for Stevedoring and Shore Handling at VOCPT are prescribed in the upfront tariff schedule while approving the final rates.

(xi). The VOCPT has proposed some notes under the General Terms and Conditions, which are discussed hereunder:

(a). The note proposed by the VOCPT under General Terms & conditions relating to the interest on delayed payments / refund at 2% above the State Bank of India base rate is approved as proposed by the port.

(b). The note (ix) proposed by the VOCPT under General Terms & conditions states that all charges worked out shall be rounded off to the next higher rupee on the grand total of each bill is in line with the note prescribed in the Scale of Rates of VOCPT . Hence, the proposed note is approved.

(c). Other general terms and conditions prescribed in the ad-hoc upfront tariff approved by this Authority in the Order dated 8 February 2017 are continued to be prescribed in the final upfront tariff schedule as well, as they are found relevant.

(xii). As per Clause 2.10 of the Stevedoring and Shore Handling Guidelines, tariff caps will be indexed annually to the inflation to the extent of 60% variation in Wholesale Price Indexed (WPI) announced by the Government of India occurring between 1 January and 31 December 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. Since the estimates are of the year 2016, the base year for WPI escalation is prescribed as 01 January 2016. Accordingly, a suitable note is prescribed in the upfront tariff schedule for Stevedoring and Shore Handling operations.

(xiii). Clause 2.8 of Stevedoring & Shore Handling Guidelines states that Major Port Trusts should comply with the policy direction set out by the Government from time to time like coastal cargo/ containers etc. One of the policy directions issued by the (then) MOS, Road and Transport and Highways (MSRTH) relates to concessional rate for coastal vessel and coastal cargo. As per para 3 (iii) and 5(2.2) of Order No. TAMP/4/2004-Genl. dated 07 January 2005 passed by this Authority based on the said policy direction of the MSRTH, the concessional tariff need to be prescribed for cargo handling charges at 60% of the rate for foreign for all the relevant handling charges i.e. ship-shore transfer and transfer from quay to storage yard including wharfage except thermal coal, POL including crude oil, iron ore and iron ore pellets which are not eligible for Coastal Concession. The policy direction issued by the (then) MSRTH is uniformly applied at all the Major Ports and Private Terminal Operators governed under 2005, 2008 and 2013 guidelines while setting their tariff.

In this regard, the VOCPT has in its proposal proposed separate concessional rate for coastal cargo at 60% of the tariff for foreign cargo as per coastal concession policy issued by the MOS. The port has, while arriving at the proposed rate, considered the share of foreign cargo / coastal cargo and has considered the impact of coastal concession which arriving at the proposed tariff as already stated earlier.

It is relevant to state that in view of submission made by Mormugao Port Trust (MOPT) while processing its proposal for fixation of upfront tariff for Stevedoring and Shore handling that coastal concession policy should not be applicable for this exercise and in view similar request from few other Major Port Trust, this Authority has requested the MOS in January 2017 to examine whether the policy direction for prescription of concessional rate for eligible coastal cargo need to be applied while fixing tariff under the stevedoring and shore handling operations. The response of MOS is awaited.

In view of Clause 2.8. of the Stevedoring and shore handling guidelines and also recognising that the Coastal concession policy issued by the Government stipulates grant of coastal concession on all charges prescribed for ship-shore transfer and transfer from quay to yard and since the activities involved under the stevedoring and shore handling operations also include these activities, this Authority is bound to comply with the coastal concession policy while approving upfront tariff for stevedores and shore handling operations. Since the proposal of VOCPT for prescription of concessional tariff for coastal cargo is in line with the coastal policy direction issued by the MOS, this Authority may prescribe the upfront tariff for foreign and coastal cargo as proposed by the VOCPT. As regards, non coking coal (Thermal Coal), the VOCPT has rightly proposed tariff for both foreign and coastal cargo at par and thermal coal is not eligible for coastal concession. However, the VOCPT has proposed concessional rate for iron ore and iron ore pellets which are not eligible for coastal concession as per the coastal concession policy of the Government. That being so, the cost statement furnished by VOCPT as well as the SOR are corrected by prescription of uniform rate for this cargo item for foreign and coastal cargo in tandem with the coastal concession policy of the MOS.
If the response of the MOS (to be received) on the matter referred to the MOS is different from the approval accorded based on proposal of the VOCPT, a suitable amendment is issued at that point of time.

(xiv). Tuticorin Stevedores Association (TSA) has stated that, cargo is attracted in VOCPT only because of the cost efficiency and good turn around. Hence, if such normative tariff is slapped on the cargo this may lead to losing volume of cargo as the private run major ports are located close to the industrial belt. Hence in order to implement the Govt. guidelines the royalty/revenue share is fixed by the port in a simplified manner (per tonne basis) and the cost should be kept as low as possible.
TSA has requested to notify a fixed Rate for as Normative Tariff Revenue for the Port at ₹5/- PMT (Per Tonne Basis) irrespective of the cargo handled in a simplified manner.

It is relevant to state that Clause 3.5.5 and 4.5.5 of the stevedoring and shore handling guidelines explicitly stipulate that revenue share will not be considered as cost for determination of tariff. Further, clause 3.5.5. (a) stipulates that the concerned Port Trust shall fix per metric tonne royalty considering the aspects prescribed in the guidelines. Thus, as rightly pointed by VOCPT fixation of royalty is beyond the mandate of this Authority. It falls under the domain of the concerned Port Trust.

The Port has, during processing of this case, mentioned that it shall fix royalty in a simplified per tonne Royalty for both Stevedore and Shore handling operations in consultation with other ports on approval by Board of VOCPT.

(xv). (a). The Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) has stated that VOCPT has proposed an increase in Stevedoring charges by 165% in respect of Thermal coal handled at Coal Jetty II. It is seen that the TANGEDCO has compared the per tonne levy approved in the General revision Order of September 2016 where in levy of VOCPT Cargo Handling Division (CHD) was approved. TANGEDCO has compared the CHD levy with the proposed rate for stevedoring and contended that the proposed rates are 165% higher.

The VOCPT has stated that the rates proposed in the current proposal are for the upfront ceiling tariff for stevedoring operation and the same can not be compared with CHD cargo levy collectable by VOCPT for Cargo Handling Division. The VOCPT has categorically stated that there is no linkage between current proposal and the CHD levy approved in the general revision of SOR vide Order dated 17 September 2016. The VOCPT has clarified that TANGEDCO has to pay the Labour levy and other tariffs as per the prevailing SOR approved by the TAMP to port vide order dated 17 September 2016. Clause 3.5.4. of the Stevedoring and shore handling guidelines states that Port will continue to charge and collect the wharfage, storage charges or any other cargo related charges prescribed in the Scale of Rate of the Port from the respective cargo owners or their authorised representatives.

(b). The another point made by the TANGEDCO is as regards granting concession of 60% in the tariff for coastal vessels to the Thermal coal handled by TANGEDCO. In this regard, it is relevant to state that as per coastal policy direction issued by the MOS and notified by this Authority vide Order No. TAMP/4/2004 –Genl. dated 7 January 2005 and 15 March 2005, thermal coal, is not eligible for coastal concession. That being so, the request made by TANGEDCO is not found to be in line with the coastal concession policy of the MOS.

(xvi). (a). Clause 2.11. of the Stevedoring and Shore Handling Guidelines states that before commencement of the stevedoring and or the shore handling operations, the operator will approach this Authority for notification of the Scale of Rates containing the ceiling rates of the stevedoring and or the shore handling charges and performance standards as required under Section 48 of the Major Port Trust Act, 1963. As per Clause 2.3 of the Stevedoring and Shore Handling Guidelines, once the upfront tariff caps are set out for stevedoring and shore handling operations of various commodities for a port, it will be applicable uniformly to the entire port where the stevedoring and shore handling operations are carried out by private agencies or firms and will be valid for a period of three years.

(b). It is relevant to state that this Authority in consultation with all the Major Port Trusts had already, with reference to regulation of rates for provision of services by person authorised under Section 42 of the Major Port Trusts Act, 1963, decided that regulation of tariff can be done for the port as a whole without reference to individual service providers. Accordingly, this Authority had decided that ceiling tariff will be prescribed for a particular port and the port trust concerned will ensure their application to authorised service provider by making it a condition of authorisation in terms of Section 42(3) of the Major Port Trusts Act, 1963, while issuing the license. The said decision of this Authority was communicated to all the Major Ports and MOS vide letter No.TAMP/47/2000-MBPT dated 06 May 2002.

In view of the above position and keeping in view Clause 2.3. of the Stevedoring and Shore Handling Guidelines, the port is advised to apply the ceiling rates approved by this Authority to the authorised individual stevedoring and shore handling operator, by making it as a condition of authorization, while issuing licenses, for a period of 3 years.

(xvii). (a). As per clause 2.7 of the Stevedoring and Shore Handling Guidelines, the upfront tariff approved by this Authority are ceiling levels; rebates and discounts are floor levels. The authorised individual stevedoring and shore handling operator may exercise the flexibility to charge lower rates and/or allow higher rebates and discounts.

(b). As per clause 2.9 of the Stevedoring and Shore Handling Guidelines, the authorised individual stevedoring and shore handling operator shall charge only for services provided by them. No notional booking of labour and other similar notional charges would be permitted

(xviii). This Authority while approving upfront tariff for Stevedoring and Shore handling operations on adhoc basis vide Order No. TAMP/76/2017-VOCPT dated 08 February 2017 has stated that the final rates to be approved by this Authority will have prospective effect. Accordingly, the final rates approved by this Authority in this Order will come into effect prospectively after expiry of 30 days from the date of notification of the Order in the Gazette as per the general approach followed by this Authority. As stated in the interim Order dated 08 February 2017, the interim rates adopted in an adhoc basis are recognized as such. There will not be any question of refund/ recovery, if any, in case of variation between the adhoc rates and final rates as decided by this Authority in the interim Order dated 08 February 2017.

(xix). If any error apparent on the face of record or for any other justifiable reasons, the VOCPT may approach this Authority for review giving adequate justification / reasoning within 30 days of notification of the Order in the Gazette of India. If port users / user association have any issue they may approach the port.

13.1. In the result, and for the reasons give above, and based on application of mind, this Authority approves the schedule of Upfront tariff for Stevedoring and Shore Handling Charges alongwith the Performance Standards for the VOCPT attached as **Annex - V** and **VI** respectively.

13.2. The ceiling rates approved are to be applied by the VOCPT to the authorised individual stevedoring and shore handling operator, by making it as a condition of authorization, while issuing licenses, for a period of 3 years. The approval accorded shall automatically lapse thereafter unless specifically extended by this Authority. The port is advised to take necessary action for implementation of the upfront tariff for Stevedoring and Shore Handling operations along with Performance Standards.

13.3. As stipulated in Clause 2.4. of Stevedoring and Shore Handling Guidelines, the upfront tariff and performance standards notified by TAMP will be mentioned in the agreement in respect of the operator.

13.4. The indexation of upfront Stevedoring and Shore Handling Charges as provided in Clause 2.10 of the Stevedoring and Shore Handling Guidelines is to be read with Clause 7 of the Stevedoring and Shore Handling Guidelines. If the Operator does not achieve the prescribed performance standards as per **Annex - VI** in previous 12 months, the operator will not be entitled for 100% WPI indexation and the operator will continue to levy the tariff with 60% indexation as prescribed in Clause 2.10 of the Stevedoring and Shore Handling Guidelines.

13.5. As stipulated in Clause 8.1. of Stevedoring and Shore Handling Guidelines, the operator shall furnish to the VOCPT and TAMP, annual reports on cargo traffic, ship berth day output, per shift output within a month following the end of financial year in respect of stevedoring/ shore handling operations licensed by the port. Any other information which is required by TAMP shall also be furnished to them from time to time.

13.6. As stipulated in Clause 8.2. of Stevedoring and Shore Handling Guidelines, TAMP shall publish on its website all such information received from operators and Major Port Trusts. However, TAMP shall consider a request from any operator or 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 of upon publication. TAMP's decision in this regard would be final.

13.7. (a). As stipulated in Clause 9.1. of Stevedoring and Shore Handling Guidelines, the performance norms prescribed for various commodities shall be the minimum that should be achieved by the Operator. These performance norms shall be incorporated in the agreement in respect of the operator.

(b). As stipulated in Clause 9.2. of Stevedoring and Shore Handling Guidelines, the performance actually achieved by the operator shall be monitored by both the VOCPT and the TAMP on a quarterly basis. In the event of any shortfall in achieving the performance prescribed, the Port will initiate action on the operator as per the terms contained in the agreement entered into with the operator by the Port.

13.8. As stipulated in Clause 10 of Stevedoring and Shore Handling Guidelines, in the event any user has any grievance regarding non-achievement by the operator of the Performance Standards as notified by the TAMP, he may prefer a representation to TAMP which, thereafter, shall conduct an inquiry into the representation and give its finding to the VOCPT. The VOCPT will be bound to take necessary action on the findings as per the provisions of the contract conditions of the Agreement.

(T.S. Balasubramanian)
Member (Finance)

Annex - I

V.O. Chidambaranar Port Trusts

Comparative position of the productivity norms prescribed in the Stevedoring and Shore handling guidelines vis-a-vis the parameters taken into account by the VOCPT to arrive at the proposed productivity levels and justification for deviation from the prescribed norms furnished by VOCPT.

Stevedoring operations - Productivity norms

Sr. No.	Commodity group	Productivity norms		No. of hooks per shift		Productivity (in tonnes per shift) (rounded off)	Justification for deviation, if any, as explained by VOCPT
	As per Guidelines	As per Guidelines per hook	As proposed by Port per hook	As per Guidelines	As proposed by Port		
	Dry bulk						
1	Finished Fertilizers	900	900	3	3	2700	No Deviation from Norms
2	Raw Fertilizer	810	810	3	3	2430	
3	Food Grains	660	660	3	3	1980	
4	Non Coking Coal (Thermal Coal)	1000	1000	4	4	4000	
5	Coking Coal	900	900	4	4	3600	
6	Iron Ore and Iron Ore Pellets	1460	1460	4	4	5840	
7	Bentonite, Bauxite, Copper Con Led & Zinc.Ore	1460	1460	4	4	5840	
8	Shredded Scrap	700	700	3	3	2100	
9	Heavy Melting Scrap	360	360	3	3	1080	
10	Other Ores and Minerals	870	870	3	3	2610	
11	Limestone, Dolomite, Clinker, Clay, Sand and other	1080	1080	3	3	3240	
12	Salt	1000	1000	4	4	4000	
13	Alumina and Pig Iron ingots and similar dry bulk cargo	1120	1120	3	3	3360	
	Break bulk						
1	Bagged cargo	300	300	2.5	2.5.	750	No Deviation from Norms
2	Jumbo Bags	560	560	2.5	2.5.	1400	
3	Iron and steel- coils and slabs	1360	1360	2.5	2.5	3400	
4	Iron and steel- pipes, tubes, plates	280	280	2.5	2.5	700	
5	Timber logs-Soft	320	320	2.5	2.5	800	
6	Timber logs-Hard	480	480	2.5	2.5	1200	
7	Granites and Marbles	500	500	2	2	1000	
8	Containers Empty	200	200	2	2	400	
9	Containers Laden	1050	1050	2	2	2100	
10	Project Cargo	The Cargo are Homogeneous and they come in different size , shape and weight. Hence no productivity norm prescibed. The tariff to be prescribed in the best productivity achieved by any of the ports in handling such cargo.	435	No Norms	1	435	Based on Actual Productivity Achieved by VOCPT *
11	Machinery and Machinery Parts		435	No Norms	1	435	Based on Actual Productivity Achieved by VOCPT *

* Please refer analysis in para 12 (v) (a)

Annex - II

STEVEDORING OPERATIONS

Workings to arrive at upfront tariff for Stevedoring operations at VOCPT as furnished by VOCPT and considered by TAMP

(In Rs.)

A. **Dry Bulk cargo**

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin/ Shift	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic		Upfront tariff per tonne per shift considering coastal concession policy	
				Equipment Hire Cost/ Shift	Labour charges	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost / Shift				Foreign %	Coastal %	Foreign	Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Finished Fertilizers	2700	2700	295000	14080	309080	61816	61816	432712	86542	519254	192.32	100.00	0.00	**192.32**	**115.39**
2	Fertilizer-Raw Materials	2430	2430	295000	14080	309080	61816	61816	432712	86542	519254	213.68	100.00	0.00	**213.68**	**128.21**
3	Food Grains	1980	1980	295000	13059	308059	61612	61612	431283	86257	517540	261.38	100.00	0.00	**261.38**	**156.83**
4	Non Coking Coal (Thermal Coal)	4000	4000	305000	17412	322412	64482	64482	451376	90275	541651	135.41	100.00	0.00	**135.41**	**135.41**
5	Coking Coal	3600	3600	305000	17412	322412	64482	64482	451376	90275	541651	150.46	99.54	0.46	**150.74**	**90.44**
6	Iron Ore, Iron Ore Pellets	5840	5840	305000	17412	322412	64482	64482	451377	90275	541652	92.75	100.00	0.00	**92.75**	**92.75**
7	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	5840	305000	17412	322412	64482	64482	451377	90275	541652	92.75	100.00	0.00	**92.75**	**55.65**
8	Shredded Scrap	2100	2100	295000	12038	307038	61408	61408	429853	85971	515824	245.63	80.00	20.00	**266.99**	**160.19**
9	Heavy Melting Scrap	1080	1080	295000	14080	309080	61816	61816	432712	86542	519254	480.79	80.00	20.00	**522.60**	**313.56**
10	Other Ores and Minerals	2610	2610	295000	14080	309080	61816	61816	432712	86542	519254	198.95	100.00	0.00	**198.95**	**119.37**
11	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3240	3240	295000	13059	308059	61612	61612	431283	86257	517539	159.73	93.25	6.75	**164.17**	**98.50**
12	Salt	4000	4000	305000	16050	321050	64210	64210	449470	89894	539364	134.84	2.00	98.00	**221.78**	**133.07**
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	3360	3360	295000	14080	309080	61816	61816	432712	86542	519254	154.54	80.00	20.00	**167.98**	**100.79**

B. **Break Bulk cargo** (in Rs.)

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin/ Shift	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic		Upfront tariff per tonne per shift considering coastal concession policy	
				Equipment Hire Cost/ Shift	Labour charges	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost/ Shift				Foreign %	Coastal %	Foreign	Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Bagged cargo	750	750	24090	48747	72837	14567	14567	101972	20394	122366	163.15	80.00	20.00	**177.34**	**106.40**
2	Jumbo Bags	1400	1400	18333	48747	67080	13416	13416	93912	18782	112694	80.50	80.00	20.00	**87.50**	**52.50**
3	Iron and steel- coils and slabs	3400	3400	112500	31613	144113	28823	28823	201758	40352	242110	71.21	100.00	0.00	**71.21**	**42.73**
4	Iron and steel- pipes, tubes, plates	700	700	112500	41281	153781	30756	30756	215293	43059	258352	369.07	100.00	0.00	**369.07**	**221.44**
5	Timber logs-Soft	800	800	75000	41281	116281	23256	23256	162793	32559	195352	244.19	100.00	0.00	**244.19**	**146.51**
6	Timber logs-Hard	1200	1200	75000	41281	116281	23256	23256	162793	32559	195352	162.79	100.00	0.00	**162.79**	**97.67**
7	Granites and Marbles	1000	1000	90000	31613	121613	24323	24323	170258	34052	204310	204.31	100.00	0.00	**204.31**	**122.59**
8	Containters Empty	400	400	19272	41281	60553	12111	12111	84774	16955	101729	254.32	87.53	12.47	**267.67**	**160.60**
9	Containers Laden	2100	2100	19272	41281	60553	12111	12111	84774	16955	101729	48.44	87.53	12.47	**50.99**	**30.59**
10	Project Cargo	No Norms	435	9636	41281	50917	10183	10183	71284	14257	85541	196.64	95.00	5.00	**200.66**	**120.40**
11	Machinery and Machinery Parts	No Norms	435	9636	41281	50917	10183	10183	71284	14257	85541	196.64	87.1	12.9	**207.34**	**124.40**

<u>Annex-III</u>

Comparative position of the equipment norms prescribed for Shore handling operations in the Stevedoring and Shore handling Guidelines vis-à-vis equipment deployment proposed by VOCPT is tabulated below:

A. Dry Bulk Cargo:

Sl. No.	Group	Equipment Profile		Justification furnished by VOCPT for deviation, if any, from the prescribed norms.
		Norm	Proposed by VOCPT	
I.	**Method 1 [Cargo unloaded onto truck for direct delivery to consignees premises or vice versa]**			
1	Finished Fertilizers	Mobile Hoppers 30 cum - 4 nos	Mobile Hoppers 30 cum - 4 nos	No deviation
2	Fertilizer-Raw Materials	Mobile Hoppers 30 cum – 3 nos	Mobile Hoppers 30 cum – 3 nos	No deviation
3	Food Grains	Mobile Hoppers 30 cum – 4 nos	Mobile Hoppers 30 cum – 4 nos	No deviation
4	Non Coking Coal	Mobile Hoppers 30 cum - 4 nos	Mobile Hoppers 30 cum - 4 nos	No deviation
5	Coking Coal	Mobile Hoppers 30 cum – 4 nos	Mobile Hoppers 30 cum - 4 nos	No deviation
6	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	Mobile Hoppers 30 cum - 4 nos	Mobile Hoppers 30 cum - 4 nos	No deviation
7	Shredded Scrap	NA	NA	No deviation
8	Heavy Melting Scrap	NA	NA	No deviation
9	Other Ores and Minerals	Mobile Hoppers 30 cum - 3 nos	Mobile Hoppers 30 cum - 3 nos	No deviation
10	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	Mobile Hoppers 30 cum - 4 nos	Mobile Hoppers 30 cum - 4 nos	No deviation
11	Salt	Mobile Hoppers 30 cum - 4 nos	Mobile Hoppers 30 cum - 4 nos	No deviation
12	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	Mobile Hoppers 30 cum - 4 nos	Mobile Hoppers 30 cum - 4 nos	No deviation
	Method 2 [Cargo unloaded onto truck (without hopper) and moved to storage yard within the port premises (beyond 1KM)]			
1	Finished Fertilizers	A. Ship Crane :Trucks 15T -20 nos, B. HMC Payloaders 10T -2 nos (at storage yard)	A. Ship Crane :Trucks 15T -20 nos, B. HMC Payloaders 10T -2 nos (at storage yard)	No deviation
2	Fertilizer-Raw Materials	Trucks 15T -20 nos, Payloaders 10T -2 nos (at storage yard)	Trucks 15T -20 nos, Payloaders 10T -2 nos (at storage yard)	No deviation
3	Food Grains	Trucks 15T -20 nos, Payloaders 10T -2 nos (at storage yard)	Trucks 15T -20 nos, Payloaders 10T -2 nos (at storage yard)	No deviation
4	Non Coking Coal	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	No deviation
5	Coking Coal	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	No deviation

6	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	Trucks 15T -34 nos, Payloaders 10T -4 nos (at storage yard)	Trucks 15T -34 nos, Payloaders 10T -4 nos (at storage yard)	No deviation
7	Shredded Scrap	Trucks 15T - 15 nos, Payloaders 10T -2 nos and excavators 2 nos (at storage yard)	Trucks 15T- 15 nos, Payloaders 10T - 2 nos and excavators 2 nos (at storage yard)	No deviation
8	Heavy Melting Scrap	Trucks 15T - 15 nos, Mobile Cranes 15T- 2 nos at yard	Trucks 15T- 15 nos, Mobile Cranes 15T - 2 nos at yard	No deviation
9	Other Ores and Minerals	Trucks 15T -20 nos, Payloaders 10T -2 nos (at storage yard)	Trucks 15T- 25 nos, Payloaders 10T - 4 nos (at storage yard)	No deviation
10	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Trucks 15T- 25 nos, Payloaders 10T - 4 nos (at storage yard)	No deviation
11	Salt	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	No deviation
12	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	No deviation
III.	**Method 3 [Cargo unloaded onto truck (through Hopper) & moved to storage yard within port premises for Storage (beyond 1KM)]**			
1	Finished Fertilizers	Mobile Hoppers 30 cub -4 nos, Trucks 15T -20 nos Payloaders 10T -2 nos (at storage yard)	Mobile Hoppers 30 cub -4 nos, Trucks 15T -20 nos Payloaders 10T -1 nos (at storage yard)	No deviation
2	Fertilizer-Raw Materials	Mobile Hoppers 30 cub -4 nos, Trucks 15T -20 nos Payloaders 10T -2 nos (at storage yard)	Mobile Hoppers 30 cub -4 nos, Trucks 15T -20 nos Payloaders 10T -1 nos (at storage yard)	No deviation
3	Food Grains	Mobile Hoppers 30 cub -4nos, Trucks 15T -20nos Payloaders 10T -2 nos (at storage yard)	Mobile Hoppers 30 cub -4nos, Trucks 15T -20nos Payloaders 10T -2 nos (at storage yard)	No deviation
4	Non Coking Coal	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25nos Payloaders 10T -4 nos (at storage yard)	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25 nos Payloaders 10T - 4 nos (at storage yard)	No deviation
5	Coking Coal	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25nos Payloaders 10T -4 nos (at storage yard)	Mobile Hoppers 30 cub - 4nos,Trucks 15T -25nos Payloaders 10T - 4 nos (at storage yard)	No deviation
6	Iron Ore, Iron Ore Pellets,Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	Mobile Hoppers 30 cub - 4nos, Trucks 15T -34nos Payloaders 10T -4 nos (at storage yard)	Mobile Hoppers 30 cub - 4nos, Trucks 15T -34nos Payloaders 10T -4 nos (at storage yard)	No deviation
8	Shredded Scrap	NA	NA	No deviation
9	Heavy Melting Scrap	NA	NA	No deviation

10	Other Ores and Minerals	Mobile Hoppers 30 cub -4nos, Trucks 15T -20nos Payloaders 10T -2 nos (at storage yard)	Mobile Hoppers 30 cub -4nos, Trucks 15T -20nos Payloaders 10T -2 nos (at storage yard)	No deviation
11	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25nos Payloaders 10T -4 nos (at storage yard)	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25nos Payloaders 10T -4 nos (at storage yard)	No deviation
12	Salt	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25nos Payloaders 10T -4 nos (at storage yard)	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25nos Payloaders 10T -4 nos (at storage yard)	No deviation
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25nos Payloaders 10T -4 nos (at storage yard)	Mobile Hoppers 30 cub - 4nos, Trucks 15T -25nos Payloaders 10T -3 nos (at storage yard)	No deviation
IV.	**Method 4 [Cargo unloaded onto wharf & loaded onto trucks & going to consignees premises]**			
1	Finished Fertilizers	Payloaders 10T - 3 nos,	Payloaders 10T - 3 nos	No deviation
2	Fertilizer-Raw Materials	Payloaders 10T - 3 nos,	Payloaders 10T - 3 nos	No deviation
3	Food Grains	Payloaders 10T - 3 nos,	Payloaders 10T - 3 nos	No deviation
4	Non Coking Coal	Payloaders 10T - 6 nos,	Payloaders 10T - 6 nos.	No deviation
5	Coking Coal	Payloaders 10T - 6 nos,	Payloaders 10T - 6 nos.	No deviation
6	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	Payloaders 10T - 6 nos,	Payloaders 10T - 6 nos.	No deviation
7	Shredded Scrap	Trucks 15T - 15 nos, Payloaders 10T -3 nos at berth and excavators 3 nos at the berth	Trucks 15T -15 nos, Payloaders 10T - 3 nos at berth and excavators 3 nos at the berth	No deviation
8	Heavy Melting Scrap	Trucks 15T - 15 nos, Mobile Cranes 15T -3 nos at berth	Trucks 15T -15 nos, Mobile Cranes 15T - 3 nos at the berth	No deviation
9	Other Ores and Minerals	Payloaders 10T - 3 nos,	Payloaders 10T - 3 nos	No deviation
10	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	Payloaders 10T - 6 nos,	Payloaders 10T - 6 nos	No deviation
11	Salt	Payloaders 10T - 6 nos,	Payloaders 10T - 6 nos	No deviation
12	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	Payloaders 10T - 6 nos,	Payloaders 10T - 6 nos	No deviation
V.	**Method 5 [Cargo Unloaded onto Wharf and Loaded onto trucks and transported to storage Yards (beyond 1KM)]**			
1	Finished Fertilizers	Payloaders 10T - 3 nos (at berth) Trucks 15T -20 nos,	Payloaders 10T - 3 nos (at berth) Trucks 15T - 20 nos,	No deviation

		Payloaders 10T -2 nos (at storage yard)	Payloaders 10T - 2 nos (at storage yard)	
2	Fertilizer-Raw Materials	Payloaders 10T - 3 nos (at berth) Trucks 15T -20 nos, Payloaders 10T -2 nos (at storage yard)	Payloaders 10T - 3 nos (at berth) Trucks 15T - 20 nos, Payloaders 10T - 2 nos (at storage yard)	No deviation
3	Food Grains	Payloaders 10T - 3 nos (at berth) Trucks 15T -20 nos, Payloaders 10T -2 nos (at storage yard)	Payloaders 10T - 3 nos (at berth) Trucks 15T - 20 nos, Payloaders 10T - 2 nos (at storage yard)	No deviation
4	Non Coking Coal	Payloaders 10T - 6 nos (at berth) Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Payloaders 10T - 6 nos (at berth) Trucks 15T - 25 nos, Payloaders 10T - 4 nos (at storage yard)	No deviation
5	Coking Coal	Payloaders 10T - 6 nos (at berth) Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Payloaders 10T - 6 nos (at berth) Trucks 15T - 25 nos, Payloaders 10T - 4 nos (at storage yard)	No deviation
6	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	Payloaders 10T - 6 nos (at berth) Trucks 15T -34 nos, Payloaders 10T -4 nos (at storage yard)	Payloaders 10T - 6 nos (at berth) Trucks 15T - 34 nos, Payloaders 10T - 4 nos (at storage yard)	No deviation
7	Shredded Scrap	Trucks 15T - 15 nos,Payloaders 10T -3 nos at berth and excavators 3 nos at the berth, Payloaders and excavators 2 nos each at the yard	Trucks 15T - 15 nos, Payloaders 10T - 3 nos at berth and excavators 3 nos at the berth. Payloaders and excavators 2 nos each at the yard	No deviation
8	Heavy Melting Scrap	Trucks 15T - 15 nos, Mobile Cranes 15T -3 nos at berth and 2 nos at yard	Trucks 15T - 15 nos, Mobile Cranes 15T - 3 nos at berth and 2 nos at yard	No deviation
9	Other Ores and Minerals	Payloaders 10T - 3 nos (at berth) Trucks 15T -20 nos, Payloaders 10T -2 nos (at storage yard)	Payloaders 10T - 3 nos (at berth) Trucks 15T - 20 nos, Payloaders 10T - 2 nos (at storage yard)	No deviation
10	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	Payloaders 10T - 6 nos (at berth) Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Payloaders 10T - 6 nos (at berth) Trucks 15T - 25 nos, Payloaders 10T - 4 nos (at storage yard)	No deviation
11	Salt	Payloaders 10T - 6 nos (at berth) Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Payloaders 10T - 6 nos (at berth) Trucks 15T - 25 nos, Payloaders 10T - 4 nos (at storage yard)	No deviation
12	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	Payloaders 10T - 6 nos (at berth) Trucks 15T -25 nos, Payloaders 10T -4 nos (at storage yard)	Payloaders 10T - 6 nos (at berth) Trucks 15T - 25 nos, Payloaders 10T - 4 nos (at storage yard)	No deviation

B. Break Bulk Cargo:

Sl. No.	Group	Equipment Profile		Reasons for deviation, if any, as explained by VOCPT
		Norm	**Proposed by VOCPT**	
I.	**Method 1 [Cargo unloaded onto truck for direct delivery to consignees premises or vice versa]**			
1	Bagged cargo	Not Applicable	Not Applicable	No deviation
2	Jumbo Bags	No Equipment	No Equipment	No deviation
3	Iron and steel- coils and slabs	No Equipment	No Equipment	No deviation
4	Iron and steel- pipes, tubes, plates	No Equipment	No Equipment	No deviation
5	Timber logs-Soft	Not Applicable	Not Applicable	No deviation
6	Timber logs-Hard	Not Applicable	Not Applicable	No deviation
7	Granites and Marbles	No Equipment	No Equipment	No deviation
8	Containers Empty	No Equipment	No Equipment	No deviation
9	Containers Laden	No Equipment	No Equipment	No deviation
10	Project Cargo	No Equipment	No Equipment	No deviation
11	Motor Vehicles other th through RORO	Not proposed		
12	Machinery and Machinery Products	No Equipment	No Equipment	No deviation
II.	**Method 2 [Cargo unloaded onto wharf and loaded onto trucks and going to consignees premises or vice versa]**			
1	Bagged cargo	No Equipment (manually loaded onto truck)	No Equipment (manually loaded onto truck)	No deviation
2	Jumbo Bags	Not Applicable	Not Applicable	No deviation
3	Iron and steel- coils and slabs	Fork Lift Truck 30 T - 1 nos at berth	Fork Lift Truck 30 T - 1 nos at berth	No deviation
4	Iron and steel- pipes, tubes, plates	Fork Lift Truck 10 T - 1 nos at berth	Fork Lift Truck 10 T - 1 nos at berth	No deviation
5	Timber logs-Soft	Log Grabbers 10 T - 5 nos at berth	Log Grabbers 10 T - 5 nos at berth	No deviation
6	Timber logs-Hard	Log Grabbers 10 T - 5 nos at berth	Log Grabbers 10 T - 5 nos at berth	No deviation
7	Granites and Marbles	Not Applicable	Not Applicable	No deviation
8	Containers Empty	Fork Lift Truck 10T -1 no at berth	Fork Lift Truck 10T -1 no at berth	No deviation
9	Containers Laden	1 Top Lifter at berth	1 Top Lifter at berth	No deviation
10	Project Cargo	2 Log Grabbers	2 Log Grabbers	No deviation
11	Motor Vehicles other than through RORO	Not proposed		
12	Machinery and Machinery Products	2 Log Grabbers	2 Log Grabbers	No deviation
III.	**Method 3 [Cargo unloaded onto truck and transported to storage yard within the port premises or vice versa]**			
1	Bagged cargo	Not Applicable	Not Applicable	No deviation
2	Jumbo Bags	Trucks 15 T- 9 nos.	Trucks 15 T- 9 nos.	No deviation
3	Iron and steel- coils and slabs	Mobile Cranes 30 T - 2 nos at yard, Tractor Trailers - 40T - 9 nos	Mobile Cranes 30 T - 2 nos at yard, Tractor Trailers - 40T - 9 nos	No deviation
4	Iron and steel- pipes, tubes, plates	Mobile Cranes 10 T - 2 nos at yard, Tractor Trailers - 40T - 9 nos	Mobile Cranes 10 T - 2 nos at yard, Tractor Trailers - 40T - 9 nos	No deviation

5	Timber logs-Soft	Not Applicable	Not Applicable	No deviation
6	Timber logs-Hard	Not Applicable	Not Applicable	No deviation
7	Granites and Marbles	Mobile Cranes 30T - 2 nos , Trucks 40 T - 12 nos.	Trucks 15 T - 18 nos.	The port has confirmed that the no. of equipments considered are as per the actual working conditions.
8	Containers Empty	Fork Lift Truck 10 T - 1 no, Tractor trailers 40 T - 12 nos.	Fork Lift Truck 10 T - 1 no, Tractor trailers 40 T - 12 nos.	No deviation
9	Containers Laden	Top Lifter 1 no, Tractor trailers 40 T - 12 nos.	Top Lifter 2 no, Tractor trailers 40 T - 12 nos.	The port has confirmed that the no. of equipments considered are as per the actual working conditions.
10	Project Cargo	Mobile crane – 10T – 10 nos.	Mobile crane – 10T – 10 nos.	No deviation
11	Motor Vehicles other th through RORO	Not proposed		
12	Machinery and Machinery Products	Mobile crane – 10T – 10 nos.	Mobile crane – 10T – 10 nos.	No deviation
IV.	**Method 4 [Cargo unloaded onto wharf and loaded onto trucks & transported to storage yard within the port premises or vice versa]**			
1	Bagged cargo	Trucks 10 T- 9 nos.	Trucks 15 T- 9 nos.	The port has confirmed that the no. of equipments considered are as per the actual working conditions.
2	Jumbo Bags	Not Applicable	Not Applicable	No deviation
3	Iron and steel- coils and slabs	Fork Lift Truck 30 T - 1 nos at berth and 2 nos at yard, Tractor Trailers - 40T - 9 nos	Fork Lift Truck 30 T - 1 nos at berth and 2 nos at yard, Tractor Trailers - 40T - 9 nos	No deviation
4	Iron and steel- pipes, tubes, plates	Fork Lift Truck 30 T - 1 nos at berth and 2 nos at yard, Tractor Trailers - 40T - 9 nos	Fork Lift Truck 30 T - 1 nos at berth and 2 nos at yard, Tractor Trailers - 40T - 9 nos	No deviation
5	Timber logs-Soft	Log Grabbers 10 T -5 nos at berth and 2 nos at yard, Tractor Trailers - 40T - 12 nos	Log Grabbers 10 T -5 nos at berth and 2 nos at yard, Tractor Trailers - 35T - 9 nos.	The port has confirmed that the no. of equipments considered are as per the actual working conditions.
6	Timber logs-Hard	Log Grabbers 10 T -5 nos at berth and 2 nos at yard, Tractor Trailers - 40T - 12 nos	Log Grabbers 10 T -5 nos at berth and 2 nos at yard, Tractor Trailers - 40T - 12 nos	No deviation
7	Granites and Marbles	Not Applicable	Not Applicable	No deviation
8	Containers Empty	Fort Lift Truck 10 T - 1 no at berth and 1 no at yard, Tractor trailers 40 T - 12 nos	Fort Lift Truck 10 T - 1 no at berth and 1 no at yard, Tractor trailers 40 T - 12 nos	No deviation
9	Containers Laden	Top Lifter 1 at berth and 1 at yard, Tractor trailers 40 T - 12 nos.	Top Lifter 1 at berth and 1 at yard, Tractor trailers 40 T - 12 nos.	No deviation
10	Project Cargo	Mobile crane – 10T – 10 nos.	Mobile crane – 10T – 10 nos.	No deviation
11	Motor Vehicles other th through RORO	Not proposed		
12	Machinery and Machinery Products	Mobile crane – 10T – 10 nos.	Mobile crane – 10T – 10 nos.	No deviation

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Annex - IV

SHORE HANDLING OPERATIONS

Workings to arrive at upfront tariff for Shore handling operations at VOCPT as furnished by VOCPT and considered by TAMP

Dry Bulk cargo

Method 1 [Cargo unloaded onto truck for direct delivery to consignees premises or vice versa]

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic		Upfront tariff per tonne per shift considering coastal concession policy	
				Equipment Hire Cost	Labour cost @ 5% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign %	Coastal %	Foreign	Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Finished Fertilizers	2700	2700	60000	3000	63000	12600	12600	88200	17640	105840	39.20	100.00	0.00	**39.20**	**23.52**
2	Fertilizer-Raw Materials	2430	2430	45000	2250	47250	9450	9450	66150	13230	79380	32.67	100.00	0.00	**32.67**	**19.60**
3	Food Grains	1980	1980	60000	3000	63000	12600	12600	88200	17640	105840	53.45	100.00	0.00	**53.45**	**32.07**
4	Non Coking Coal (Thermal Coal)	4000	4000	60000	3000	63000	12600	12600	88200	17640	105840	26.46	100.00	0.00	**26.46**	**26.46**
5	Coking Coal	3600	3600	60000	3000	63000	12600	12600	88200	17640	105840	29.40	99.54	0.46	**29.45**	**17.67**
6	Iron Ore, Iron Ore Pellets	5840	5840	60000	3000	63000	12600	12600	88200	17640	105840	18.12	100.00	0.00	**18.12**	**18.12**
7	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	5840	60000	3000	63000	12600	12600	88200	17640	105840	18.12	100.00	0.00	**18.12**	**10.87**
8	Shredded Scrap	2100	2100	0	10000	10000	2000	2000	14000	2800	16800	8.00	80.00	20.00	**8.70**	**5.22**
9	Heavy Melting Scrap	1080	1080	0	10000	10000	2000	2000	14000	2800	16800	15.56	80.00	20.00	**16.91**	**10.15**
10	Other Ores and Minerals	2610	2610	45000	2250	47250	9450	9450	66150	13230	79380	30.41	100.00	0.00	**30.41**	**18.25**
11	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3240	3240	60000	3000	63000	12600	12600	88200	17640	105840	32.67	93.25	6.75	**33.57**	**20.14**
12	Salt	4000	4000	60000	3000	63000	12600	12600	88200	17640	105840	26.46	2.00	98.00	**43.52**	**26.11**
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	3360	3360	60000	3000	63000	12600	12600	88200	17640	105840	31.50	80.00	20.00	**34.24**	**20.54**

Method 2 [Cargo unloaded onto truck (without hopper) and moved to storage yard within the port premises (beyond 1KM)]

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic		Upfront tariff per tonne per shift considering coastal concession policy	
				Equipment Hire Cost	Labour cost @ 5% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign %	Coastal %	Foreign	Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Finished Fertilizers	2700	2700	394000	19700	413700	82740	82740	579180	115836	695016	257.41	100.00	0.00	**257.41**	**154.45**
2	Fertilizer-Raw Materials	2430	2430	144000	7200	151200	30240	30240	211680	42336	254016	104.53	100.00	0.00	**104.53**	**62.72**
3	Food Grains	1980	1980	144000	7200	151200	30240	30240	211680	42336	254016	128.29	100.00	0.00	**128.29**	**76.97**
4	Non Coking Coal (Thermal Coal)	4000	4000	198000	9900	207900	41580	41580	291060	58212	349272	87.32	100.00	0.00	**87.32**	**87.32**
5	Coking Coal	3600	3600	198000	9900	207900	41580	41580	291060	58212	349272	97.02	99.54	0.46	**97.20**	**58.32**
6	Iron Ore Iron Ore Pellets	5840	5840	252000	12600	264600	52920	52920	370440	74088	444528	76.12	100.00	0.00	76.12	76.12
7	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	5840	252000	12600	264600	52920	52920	370440	74088	444528	76.12	100.00	0.00	**76.12**	**45.67**
8	Shredded Scrap	2100	2100	164000	8200	172200	34440	34440	241080	48216	289296	137.76	80.00	20.00	**149.74**	**89.84**
9	Heavy Melting Scrap	1080	1080	105000	5250	110250	22050	22050	154350	30870	185220	171.50	80.00	20.00	**186.41**	**111.85**
10	Other Ores and Minerals	2610	2610	144000	7200	151200	30240	30240	211680	42336	254016	97.32	100.00	0.00	**97.32**	**58.39**
11	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3240	3240	198000	9900	207900	41580	41580	291060	58212	349272	107.80	93.25	6.75	**110.79**	**66.47**
12	Salt	4000	4000	198000	9900	207900	41580	41580	291060	58212	349272	87.32	2.00	98.00	**143.62**	**86.17**
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	3360	3360	198000	9900	207900	41580	41580	291060	58212	349272	103.95	80.00	20.00	**112.99**	**67.79**

Method 3 [Cargo unloaded onto truck (through Hopper) & moved to storage yard within port premises for Storage (beyond 1KM)]

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic		Upfront tariff per tonne per shift considering coastal concession policy	
				Equipment Hire Cost	Labour cost @ 5% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign %	Coastal %	Foreign	Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Finished Fertilizers	2700	2700	204000	10200	214200	42840	42840	299880	59976	359856	133.28	100.00	0.00	**133.28**	**79.97**
2	Fertilizer-Raw Materials	2430	2430	204000	10200	214200	42840	42840	299880	59976	359856	148.09	100.00	0.00	**148.09**	**88.85**
3	Food Grains	1980	1980	204000	10200	214200	42840	42840	299880	59976	359856	181.75	100.00	0.00	**181.75**	**109.05**
4	Non Coking Coal (Thermal Coal)	4000	4000	258000	12900	270900	54180	54180	379260	75852	455112	113.78	100.00	0.00	**113.78**	**113.78**
5	Coking Coal	3600	3600	258000	12900	270900	54180	54180	379260	75852	455112	126.42	99.54	0.46	**126.65**	**75.99**
6	Iron Ore, Iron Ore Pellets,	5840	5840	312000	15600	327600	65520	65520	458640	91728	550368	94.24	100.00	0.00	**94.24**	**94.24**
7	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	5840	312000	15600	327600	65520	65520	458640	91728	550368	94.24	100.00	0.00	**94.24**	**56.54**
8	Shredded Scrap	2100	2100	0	10000	10000	2000	2000	14000	2800	16800	8.00	80.00	20.00	**8.70**	**5.22**
9	Heavy Melting Scrap	1080	1080	0	10000	10000	2000	2000	14000	2800	16800	15.56	80.00	20.00	**16.91**	**10.15**
10	Other Ores and Minerals	2610	2610	204000	10200	214200	42840	42840	299880	59976	359856	137.88	100.00	0.00	**137.88**	**82.73**
11	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3240	3240	258000	12900	270900	54180	54180	379260	75852	455112	140.47	93.25	6.75	**144.36**	**86.62**
12	Salt	4000	4000	258000	12900	270900	54180	54180	379260	75852	455112	113.78	2.00	98.00	**187.13**	**112.28**
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	3360	3360	258000	12900	270900	54180	54180	379260	75852	455112	135.45	80.00	20.00	**147.23**	**88.34**

Method 4 [Cargo unloaded onto wharf & loaded onto trucks & going to consignees premises]

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic		Upfront tariff per tonne per shift considering coastal concession policy	
				Equipment Hire Cost	Labour cost @ 5% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign %	Coastal %	Foreign	Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Finished Fertilizers	2700	2700	36000	1800	37800	7560	7560	52920	10584	63504	23.52	100.00	0.00	**23.52**	**14.11**
2	Fertilizer-Raw Materials	2430	2430	36000	1800	37800	7560	7560	52920	10584	63504	26.13	100.00	0.00	**26.13**	**15.68**
3	Food Grains	1980	1980	36000	1800	37800	7560	7560	52920	10584	63504	32.07	100.00	0.00	**32.07**	**19.24**
4	Non Coking Coal (Thermal Coal)	4000	4000	72000	3600	75600	15120	15120	105840	21168	127008	31.75	100.00	0.00	**31.75**	**31.75**
5	Coking Coal	3600	3600	72000	3600	75600	15120	15120	105840	21168	127008	35.28	99.54	0.46	**35.35**	**21.21**
6	Iron Ore, Iron Ore Pellets	5840	5840	72000	3600	75600	15120	15120	105840	21168	127008	21.75	100.00	0.00	**21.75**	**21.75**
7	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	5840	72000	3600	75600	15120	15120	105840	21168	127008	21.75	100.00	0.00	**21.75**	**13.05**
8	Shredded Scrap	2100	2100	201000	10050	211050	42210	42210	295470	59094	354564	168.84	80.00	20.00	**183.52**	**110.11**
9	Heavy Melting Scrap	1080	1080	112500	5625	118125	23625	23625	165375	33075	198450	183.75	80.00	20.00	**199.73**	**119.84**
10	Other Ores and Minerals	2610	2610	36000	1800	37800	7560	7560	52920	10584	63504	24.33	100.00	0.00	**24.33**	**14.60**
11	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3240	3240	72000	3600	75600	15120	15120	105840	21168	127008	39.20	93.25	6.75	**40.29**	**24.17**
12	Salt	4000	4000	72000	3600	75600	15120	15120	105840	21168	127008	31.75	2.00	98.00	**52.22**	**31.33**
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	3360	3360	72000	3600	75600	15120	15120	105840	21168	127008	37.80	80.00	20.00	**41.09**	**24.65**

Method 5 [Cargo Unloaded onto Wharf and Loaded onto trucks and transported to storage Yards (beyond 1KM)]																
Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic		Upfront tariff per tonne per shift considering coastal concession policy	
				Equipment Hire Cost	Labour cost @ 5% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign %	Coastal %	Foreign	Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Finished Fertilizers	2700	2700	180000	9000	189000	37800	37800	264600	52920	317520	117.60	100.00	0.00	**117.60**	**70.56**
2	Fertilizer-Raw Materials	2430	2430	180000	9000	189000	37800	37800	264600	52920	317520	130.67	100.00	0.00	**130.67**	**78.40**
3	Food Grains	1980	1980	180000	9000	189000	37800	37800	264600	52920	317520	160.36	100.00	0.00	**160.36**	**96.22**
4	Non Coking Coal (Thermal Coal)	4000	4000	270000	13500	283500	56700	56700	396900	79380	476280	119.07	100.00	0.00	**119.07**	**119.07**
5	Coking Coal	3600	3600	270000	13500	283500	56700	56700	396900	79380	476280	132.30	99.54	0.46	**132.54**	**79.52**
6	Iron Ore, Iron Ore Pellets	5840	5840	324000	16200	340200	68040	68040	476280	95256	571536	97.87	100	0.00	**97.87**	**97.87**
7	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	5840	324000	16200	340200	68040	68040	476280	95256	571536	97.87	100.00	0.00	**97.87**	**58.72**
8	Shredded Scrap	2100	2100	275000	13750	288750	57750	57750	404250	80850	485100	231.00	80.00	20.00	**251.09**	**150.65**
9	Heavy Melting Scrap	1080	1080	120000	6000	126000	25200	25200	176400	35280	211680	196.00	80.00	20.00	**213.04**	**127.82**
10	Other Ores and Minerals	2610	2610	180000	9000	189000	37800	37800	264600	52920	317520	121.66	100.00	0.00	**121.66**	**73.00**
11	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3240	3240	270000	13500	283500	56700	56700	396900	79380	476280	147.00	93.25	6.75	**151.08**	**90.65**
12	Salt	4000	4000	270000	13500	283500	56700	56700	396900	79380	476280	119.07	2.00	98.00	**195.84**	**117.50**
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	3360	3360	270000	13500	283500	56700	56700	396900	79380	476280	141.75	80.00	20.00	**154.08**	**92.45**

Break Bulk cargo

Method 1 [Cargo unloaded onto truck for direct delivery to consignees premises or vice versa]																
Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic		Upfront tariff per tonne per shift considering coastal concession policy	
				Equipment Hire Cost	Labour cost @ 10% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign %	Coastal %	Foreign	Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Bagged cargo	750	750	0	10000	10000	2000	2000	14000	2800	16800	22.40	95.00	5.00	**22.86**	**13.72**
2	Jumbo Bags	1400	1400	0	10000	10000	2000	2000	14000	2800	16800	12.00	95.00	5.00	**12.24**	**7.34**
3	Iron and steel- coils and slabs	3400	3400	0	10000	10000	2000	2000	14000	2800	16800	4.94	100.00	0.00	**4.94**	**2.96**
4	Iron and steel- pipes, tubes, plates	700	700	0	10000	10000	2000	2000	14000	2800	16800	24.00	100.00	0.00	**24.00**	**14.40**
5	Timber logs-Soft	800	800	0	10000	10000	2000	2000	14000	2800	16800	21.00	100.00	0.00	**21.00**	**12.60**
6	Timber logs-Hard	1200	1200	0	10000	10000	2000	2000	14000	2800	16800	14.00	100.00	0.00	**14.00**	**8.40**
7	Granites and Marbles	1000	1000	0	10000	10000	2000	2000	14000	2800	16800	16.80	100.00	0.00	**16.80**	**10.08**
8	Container Empty	400	400	0	10000	10000	2000	2000	14000	2800	16800	42.00	87.53	12.47	**44.20**	**26.52**
9	Container Laden	2100	2100	0	10000	10000	2000	2000	14000	2800	16800	8.00	87.53	12.47	**8.42**	**5.05**
10	Project Cargo	435	435	0	10000	10000	2000	2000	14000	2800	16800	38.62	95.00	5.00	**39.41**	**23.65**
11	Machinery and Machinery Parts	435	435	0	10000	10000	2000	2000	14000	2800	16800	38.62	95.00	5.00	**39.41**	**23.65**

Method 2 [Cargo unloaded onto wharf and loaded onto trucks and going to consignees premises or vice versa]

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost: Equipment Hire Cost	Operating Cost: Labour cost @ 10% of the Equipment Hire cost	Operating Cost: Total Equipment hire cost & Labour Cost	Operating Cost: Operational overheads @ 20%	Operating Cost: Administrative overheads @ 20%	Operating Cost: Total Cost	Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic: Foreign %	% of Foreign and Costal Traffic: Coastal %	Upfront tariff per tonne per shift considering coastal concession policy: Foreign	Upfront tariff per tonne per shift considering coastal concession policy: Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Bagged cargo	750	750	0	10000	10000	2000	2000	14000	2800	16800	22.40	95.00	5.00	**22.86**	**13.72**
2	Jumbo Bags	1400	1400	0	10000	10000	2000	2000	14000	2800	16800	12.00	95.00	5.00	**12.24**	**7.34**
3	Iron and steel- coils and slabs	3400	3400	45000	4500	49500	9900	9900	69300	13860	83160	24.46	100.00	0.00	**24.46**	**14.68**
4	Iron and steel- pipes, tubes,	700	700	13500	1350	14850	2970	2970	20790	4158	24948	35.64	100.00	0.00	**35.64**	**21.38**
5	Timber logs-Soft	800	800	125000	12500	137500	27500	27500	192500	38500	231000	288.75	100.00	0.00	**288.75**	**173.25**
6	Timber logs-Hard	1200	1200	125000	12500	137500	27500	27500	192500	38500	231000	192.50	100.00	0.00	**192.50**	**115.50**
7	Granites and Marbles	1000	1000	0	10000	10000	2000	2000	14000	2800	16800	16.80	100.00	0.00	**16.80**	**10.08**
8	Container Empty	400	400	13500	1350	14850	2970	2970	20790	4158	24948	62.37	87.53	12.47	**65.64**	**39.38**
9	Container Laden	2100	2100	50000	5000	55000	11000	11000	77000	15400	92400	44.00	87.53	12.47	**46.31**	**27.79**
10	Project Cargo	435	435	50000	5000	55000	11000	11000	77000	15400	92400	212.41	95.00	5.00	**216.75**	**130.05**
11	Machinery and Machinery Parts	435	435	50000	5000	55000	11000	11000	77000	15400	92400	38.62	87.10	12.90	**223.97**	**134.38**

Method 3 [Cargo unloaded onto truck and transported to storage yard within the port premises or vice versa]

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost: Equipment Hire Cost	Operating Cost: Labour cost @ 10% of the Equipment Hire cost	Operating Cost: Total Equipment hire cost & Labour Cost	Operating Cost: Operational overheads @ 20%	Operating Cost: Administrative overheads @ 20%	Operating Cost: Total Cost	Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic: Foreign %	% of Foreign and Costal Traffic: Coastal %	Upfront tariff per tonne per shift considering coastal concession policy: Foreign	Upfront tariff per tonne per shift considering coastal concession policy: Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Bagged cargo	750	750	0	10000	10000	2000	2000	14000	2800	16800	22.40	95.00	5.00	**22.86**	**13.72**
2	Jumbo Bags	1400	1400	54000	5400	59400	11880	11880	83160	16632	99792	71.28	95.00	5.00	**72.73**	**43.64**
3	Iron and steel- coils and slabs	3400	3400	138000	13800	151800	30360	30360	212520	42504	255024	75.01	100.00	0.00	**75.01**	**45.01**
4	Iron and steel- pipes, tubes,	700	700	118000	11800	129800	25960	25960	181720	36344	218064	311.52	100.00	0.00	**311.52**	**186.91**
5	Timber logs-Soft	800	800	0	10000	10000	2000	2000	14000	2800	16800	21.00	100.00	0.00	**21.00**	**12.60**
6	Timber logs-Hard	1200	1200	0	10000	10000	2000	2000	14000	2800	16800	14.00	100.00	0.00	**14.00**	**8.40**
7	Granites and Marbles	1000	1000	138000	13800	151800	30360	30360	212520	42504	255024	255.02	100.00	0.00	**255.02**	**153.01**
8	Container Empty	400	400	157500	15750	173250	34650	34650	242550	48510	291060	727.65	87.53	12.47	**765.85**	**459.51**
9	Container Laden	2100	2100	194000	19400	213400	42680	42680	298760	59752	358512	170.72	87.53	12.47	**179.68**	**107.81**
10	Project Cargo	435	435	50000	5000	55000	11000	11000	77000	15400	92400	212.41	95.00	5.00	**216.75**	**130.05**
11	Machinery and Machinery Parts	435	435	50000	5000	55000	11000	11000	77000	15400	92400	212.41	87.10	12.90	**223.97**	**134.38**

Method 4 [Cargo unloaded onto wharf and loaded onto trucks & transported to storage yard within the port premises or vice versa]

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift (in tonne)	Operating Cost: Equipment Hire Cost	Operating Cost: Labour cost @ 10% of the Equipment Hire cost	Operating Cost: Total Equipment hire cost & Labour Cost	Operating Cost: Operational overheads @ 20%	Operating Cost: Administrative overheads @ 20%	Operating Cost: Total Cost	Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	% of Foreign and Costal Traffic: Foreign %	% of Foreign and Costal Traffic: Coastal %	Upfront tariff per tonne per shift considering coastal concession policy: Foreign	Upfront tariff per tonne per shift considering coastal concession policy: Coastal
1	2	3	4	5	6	7 = (5+6)	8 = 20% * (7)	9 = 20% * (7)	10 = (7+8+9)	11 = 20% * (10)	12 = (10 + 11)	13 = (12 / 4)				
1	Bagged cargo	750	750	54000	5400	59400	11880	11880	83160	16632	99792	133.06	95.00	5.00	**135.77**	**81.46**
2	Jumbo Bags	1400	1400	0	10000	10000	2000	2000	14000	2800	16800	12.00	95.00	5.00	**12.24**	**7.34**
3	Iron and steel- coils and slabs	3400	3400	148500	14850	163350	32670	32670	228690	45738	274428	80.71	100.00	0.00	**80.71**	**48.43**
4	Iron and steel- pipes, tubes,	700	700	131500	13150	144650	28930	28930	202510	40502	243012	347.16	100.00	0.00	**347.16**	**208.30**
5	Timber logs-Soft	800	800	283000	28300	311300	62260	62260	435820	87164	522984	653.73	100.00	0.00	**653.73**	**392.24**
6	Timber logs-Hard	1200	1200	283000	28300	311300	62260	62260	435820	87164	522984	435.82	100.00	0.00	**435.82**	**261.49**
7	Granites and Marbles	1000	1000	0	10000	10000	2000	2000	14000	2800	16800	16.80	100.00	0.00	**16.80**	**10.08**
8	Container Empty	400	400	171000	17100	188100	37620	37620	263340	52668	291060	727.65	87.53	12.47	**765.85**	**459.51**
9	Container Laden	2100	2100	244000	24400	268400	53680	53680	375760	75152	358512	170.72	87.53	12.47	**179.68**	**107.81**
10	Project Cargo	435	435	50000	5000	55000	11000	11000	77000	15400	92400	212.41	95.00	5.00	**216.75**	**130.05**
11	Machinery and Machinery Parts	435	435	50000	5000	55000	11000	11000	77000	15400	92400	212.41	87.10	12.90	**223.97**	**134.38**

ANNEX - V

V.O. CHIDAMBARANAR PORT TRUST
UPFRONT TARIFF FOR STEVEDORING AND SHORE HANDLING SERVICES
SCALE OF RATES

Definitions and General conditions

I. DEFINITIONS:

(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 Directorate General of Shipping/ Competent Authority.

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

(iii). 'Stevedoring' includes loading and unloading and stowage of cargo in any form on board the vessels in Port.

(iv). 'Shore handling' includes arranging and receiving the cargo to/from the hook point, inter modal transport from wharf to stack yard and vice-versa and also receiving and delivering of cargo from/to wagons /trucks.

(v). 'Stevedore' is an authorized agent for loading and unloading and anchorage of cargo in any form on board the vessels in ports and to whom the licence has been given under regulations.

(vi). 'Shore handling agent' is an authorized agent for arranging the receiving the cargo to/ from the hook point, intermodal transport from wharf to stock yard and vice-versa and also receiving and delivering of cargo from/ to wagons/ trucks.

(vii) "Port" shall mean V.O. CHIDAMBARANAR PORT TRUST.

(viii) "Month" shall mean the period from 1st to end of the calendar month.

(ix). "Day" shall mean the period starting from 6 a.m. of a day and ending at 6 a.m. on the following day.

(x). "Per day' shall mean per calendar day unless otherwise stated.

(xi). "Shift" shall mean shift of 8 hours as applicable to port employees.

II. GENERAL CONDITIONS:

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

(ii). 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 cus conversion is required, so long as it moves on the Indian Coast.

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

(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 Licence for Specified Period or voyage issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.

(v). <u>Interest on delayed payments / refunds:</u>

(a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the Stevedoring and Shore handling Agent shall pay penal interest on delayed refunds.

(b). The rate of penal interest will be 2% above the State Bank of India Base Rate.

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

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

(vi). This tariff is not applicable for BOT/ BOOT operators or any other arrangement for private sector participation who are governed by the Tariff Guidelines of 2005, 2008 and 2013.

(vii). This tariff is applicable uniformly to the entire port where the stevedoring and shore handling operations are carried out by private agencies or firms.

(viii). (a). The tariff notified is ceiling level.

(b). The rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The authorized agent may, if he so desires, charge lower rates and/or allow higher rebates and discounts.

(c). The authorized agent may also, if he 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.

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

(ix). The authorized agent shall charge only for services provided by him. No notional booking of labour and other similar notional charges would be permitted.

(x). If any new cargo is to be handled which is not notified/ not included in the list, then the port may categorise that cargo under any one of the cargo category based on the nature, physical characteristics and the method of handling that cargo.

(xi). Services for other miscellaneous activities and also the handling charges for specific cargoes when Port takes custody of cargo as per Section 42 of MPT Act shall continue to be levied by Port as per TAMP notified SOR.

(xii). Tariff caps are indexed to inflation but only to an extent of 60% of the variation in the Wholesale Price Index (WPI) occurring between 1st January 2016 and 31st December of the relevant year. Such automatic adjustment of the tariff cap will be made every year and the adjusted tariff cap will come into effect from 1st April of the relevant year till 31st March of the following year.

(xiii). (a). From the date of Commercial Operation (CoD) till 31st March of the same financial year, the tariff would be limited to the indexed upfront tariff relevant to that year, which would be the ceiling. The aforesaid tariff shall be automatically revised every year based on an indexation as provided in para 2.10. of the normative tariff guidelines, 2016 which will be applicable for the entire License period.

(b). The operator, however, is entitled to 100% WPI indexation instead of 60% WPI indexation, from the second year of operation on achievement of performance standards as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT(pt) dated 16 June 2016 for dry bulk cargo as stipulated in clause 7.1. of the guidelines issued by the Ministry of Shipping for fixation of upfront tariff for stevedoring and shore handling operations. For break bulk cargo, the Performance Standards as notified along with the Scale of Rates will be applicable.

(c). For this purpose, the Operator shall approach the concerned Major Port Trust within 30 days of completion of financial year of operation along with details of cargo wise average Performance standard achieved for each cargo for both stevedoring and shore handling operations.

(d). The Major Port Trust shall ascertain the achievement of performance standards claimed to have been achieved by the operator by engaging Consultant if required in one month's time.

(e). The operator can apply 100% indexation instead of 60% on written confirmation by the Major Port Trust to the operator that it has achieved the Performance Standards notified along with the upfront tariff.

(f). In the event the Major Port Trust confirms that the operator has not achieved the Performance Standards as notified by TAMP in previous 12 months, the operator will not be entitled for 100% WPI indexation. The operator will continue to levy the tariff with 60% indexation as prescribed at clause 2.9. above of the normative tariff guidelines, 2016.

(xiv). All the operators shall furnish to the Major Port Trust and TAMP annual reports on cargo traffic, ship berth day output, per shift output within a month following the end of financial year in respect of stevedoring/ shore handling operations licensed by the port. Any other information which may be required by TAMP shall also be furnished to them from time to time.

(xv). TAMP shall publish on its website all such information received from operators and Major Port Trusts. However, TAMP shall consider a request from any operator or Major Port Trust about not publishing certain data/ information furnished which may be 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 of upon publication. TAMP's decision in this regard would be final.

(xvi). The performance norms prescribed for various commodities shall be the minimum that should be achieved by the operator. These performance norms shall be incorporated in agreement in respect of the operator.

(xvii). The performance actually achieved by the operator shall be monitored by both the Port and the TAMP on a quarterly basis. In the event of any shortfall in achieving the performance prescribed, the Port will initiate action on the operator as per the terms contained in the agreement entered into with the operator by the Port.

(xviii). In the event any user has any grievance regarding non-achievement by the operator of the Performance Standards as notified by the TAMP, he may prefer a representation to TAMP which, thereafter, shall conduct an inquiry into the representation and give its finding to the concerned Major Port Trust. The Major Port Trust will be bound to take necessary action on the findings as per the provisions of the contract conditions of the Agreement.

(xix). In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto 0.50 shall be taken as 0.50 unit and fractions of 0.50 and above shall be treated as one unit, except where otherwise specified.

(xx). No claim for refund shall be entertained unless the amount refundable is ₹100/- or more. Likewise Stevedoring and Shore handling Agent shall not raise any supplement any if the amount due to terminal is ₹100 /- or less.

(xxi). Users will not be required to pay charges for delays beyond reasonable level attributable to the terminal operator.

(xxii). As per coastal policy direction issued by the MOS and notified by this Authority vide Order No.TAMP/4/2004-Genl. dated 7 January 2005 and 15 March 2005.

(a). 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.

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

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

(As and when there is a change in the policy direction issued by the MOS on the coastal concession policy, the same will be communicated to the port.)

III. STEVEDORING CHARGES:

(In ₹ per M.T)

Stevedoring - Dry Bulk			
S. No.	**Commodity**	**Foreign**	**Coastal**
1	Finished Fertiliser	192.32	115.39
2	Raw Fertiliser	213.68	128.21
3	Food Grain	261.38	156.83
4	Non Coking Coal (Thermal Coal)	135.41	135.41
5	Coking Coal	150.74	90.44
6	Iron Ore, Iron Ore Pellets	92.75	92.75
7	Bentonite, Bauxite, Copper Conc., Led & Zinc Ore	92.75	55.65
8	Shredded Scrap	266.99	160.19
9	Heavy Melting Scrap	522.60	313.56
10	Other Ores and Minerals	198.95	119.37
11	Limestone, Dolomite, Clinker, Clay, Sand, and Other similar Dry Bulk Cargo	164.17	98.50
12	Salt	221.78	133.07
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	167.98	100.79
Stevedoring - Break Bulk			
S.No.	**Commodity**	**Foreign**	**Coastal**
1	Bagged Cargo	177.34	106.40
2	Jumbo Bags	87.50	52.50
3	Iron and steel- coils and Slabs	71.21	42.73
4	Iron and steel- pipes, tubes, plates	369.07	221.44
5	Timber logs-Soft	244.19	146.51
6	Timber logs-Hard	162.79	97.67
7	Granites and Marbles	204.31	122.59
8	Containers Empty	267.67	160.60
9	Containers Laden	50.99	30.59
10	Project cargo	200.66	120.40
11	Machinery and Machinery parts	207.34	124.40

IV. SHORE HANDLING CHARGES:

Shore handling - Dry Bulk											(In ₹ Per M.T)
S. No.	**Commodity**	**Method-1**		**Method-2**		**Method-3**		**Method-4**		**Method-5**	
		Foreign	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**
1	Finished Fertiliser	39.20	23.52	257.41	154.45	133.28	79.97	23.52	14.11	117.60	70.56
2	Raw Fertiliser	32.67	19.60	104.53	62.72	148.09	88.85	26.13	15.68	130.67	78.40
3	Food Grain	53.45	32.07	128.29	76.97	181.75	109.05	32.07	19.24	160.36	96.22
4	Non Coking Coal (Thermal Coal)	26.46	26.46	87.32	87.32	113.78	113.78	31.75	31.75	119.07	119.07
5	Coking Coal	29.45	17.67	97.20	58.32	126.65	75.99	35.35	21.21	132.54	79.52
6	Iron Ore, Iron Ore Pellets	18.12	18.12	76.12	76.12	94.24	94.24	21.75	21.75	97.87	97.87
7	Bentonite, Bauxite, Copper Conc., Led & Zinc Ore	18.12	10.87	76.12	45.67	94.24	56.54	21.75	13.05	97.87	58.72
8	Shredded Scrap	8.70	5.22	149.74	89.84	8.70	5.22	183.52	110.11	251.09	150.65
9	Heavy Melting Scrap	16.91	10.15	186.41	111.85	16.91	10.15	199.73	119.84	213.04	127.82
10	Other Ores and Minerals	30.41	18.25	97.32	58.39	137.88	82.73	24.33	14.60	121.66	73.00
11	Limestone, Dolomite, Clinke, Clay, Sand, and Other similar Dry Bulk Cargo	33.57	20.14	110.79	66.47	144.36	86.62	40.29	24.17	151.08	90.65
12	Salt	43.52	26.11	143.62	86.17	187.13	112.28	52.22	31.33	195.84	117.50
13	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	34.24	20.54	112.99	67.79	147.23	88.34	41.09	24.65	154.08	92.45

Shore handling - Break Bulk									(In ₹ Per M.T)
S.No.	**Commodity**	**Method-1**		**Method-2**		**Method-3**		**Method-4**	
		Foreign	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**	**Foreign**	**Coastal**
1	Bagged Cargo	22.86	13.71	22.86	13.72	22.86	13.72	135.77	81.46
2	Jumbo Bags	12.24	7.35	12.24	7.34	72.73	43.64	12.24	7.34
3	Iron and steel- coils and Slabs	4.94	2.96	24.46	14.68	75.01	45.01	80.71	48.43
4	Iron and steel- pipes, tubes, plates	24.00	14.40	35.64	21.38	311.52	186.91	347.16	208.30
5	Timber logs-Soft	21.00	12.60	288.75	173.25	21.00	12.60	653.73	392.24
6	Timber logs-Hard	14.00	8.40	192.50	115.50	14.00	8.40	435.82	261.49
7	Granites and Marbles	16.80	10.08	16.80	10.08	255.02	153.01	16.80	10.08
8	Containers Empty	44.20	26.52	65.64	39.38	765.85	459.51	765.85	459.51
9	Containers Laden	8.42	5.05	46.31	27.79	179.68	107.81	179.68	107.81
10	Project cargo	39.41	23.65	216.75	130.05	216.75	130.05	216.75	130.05
11	Machinery and Machinery parts	39.41	23.65	223.97	134.38	223.97	134.38	223.97	134.38

Notes:

1. Description of Methods for shore handling methods of Bulk Cargo as per para 4.4.1 of Guidelines for determination of upfront tariff for Stevedoring Operations and Shore handling operations is given below:

Methods	**Details of Handling Methods**
1	Cargo unloaded onto truck for direct delivery to consignees premises.
2	Cargo unloaded onto truck (without hopper) and moved to storage yard within the port premises.
3	Cargo unloaded onto truck through hopper and moved to storage yard within the port premises for storage.
4	Cargo unloaded onto wharf and loaded onto trucks and going to consignee premises.
5	Cargo unloaded onto wharf and loaded onto trucks and transported to storage yard.

2. Description of Methods for shore handling operations of Break Bulk as per para 4.4.2 of Guidelines for determination of upfront tariff for Stevedoring Operations and Shore handling operations is given below:

Method	**Details of Handling Method**
1	Cargo unloaded onto truck for direct delivery to consignees premises or vice versa
2	Cargo unloaded onto wharf and loaded onto trucks and going to consignee premises or vice versa
3	Cargo unloaded onto truck and transported to storage yard within the port premises or vice versa
4	Cargo unloaded onto wharf and loaded onto trucks and transported to storage yard within the port premises or vice versa

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ANNEX - VI

Performance Standards

A. **For Dry Bulk Cargo**:

The Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT(pt) dated 16 June 2016 for dry bulk cargo as stipulated in clause 7.1. of the guidelines issued by the Ministry of Shipping for fixation of upfront tariff for stevedoring and shore handling operations.

B. **For Break Bulk Cargo**:

Sl. No.	Commodity	Performance Standard Tonne / Shift
1	Bagged Cargo	833
2	Jumbo Bags	2,666
3	Iron and Steel - Coils and slabs	3400
4	Iron and steel-pipes, tubes, plates	1,600
5	Timber logs-Soft	1,533
6	Timber logs-Hard	1,533
7	Granites and Marbles	1000
8	Container Empty	400
9	Containers Laden	2100
10	Project Cargo	435
11	Machinery and machinery parts	435

C. **Mandatory disclosures by Operators:**

All the Stevedoring and Shore handling Agent shall furnish to the Major Port Trust and TAMP annual reports on cargo traffic, ship berth day output, per shift output within a month following the end of financial year in respect of stevedoring/shore handling operations licensed by the Port.

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

F.No. TAMP/76/2016-VOCPT - Proposal received from the V.O. Chidambaranar Port Trust (VOCPT) for fixation of reference tariff for Pleasure Yacht and Boat as part of development of Marina on license basis for a period of 10 years on revenue share mode at VOCPT.

A summary of the comments received from users / user organisations and response of VOCPT thereon are summarised below:

Sl. No.	Comments received from users / user organisations	Reply of VOCPT
1.	**Vedanta Limited (VL)**	
I.	Copper Concentrate	
(i).	Stevedoring	
	(a). In the present proposal, port has considered HMC charges as inclusive under Stevedoring for Copper Concentrate. Considering the availability of cargo from different mines, suppliers are engaging different vessel size, vessels may operate at different berth (deep/Normal) depending on the draft conditions, it is proposed to keep HMC charges outside the Stevedoring rate. HMC charges can be paid at actuals directly by the user.	The Stevedoring and Shore handling tariff has been calculated as per the Clause 3.5.2 of guidelines from the MOS for determination of upfront tariff for Stevedoring and Shore handling operations. The equipment hire cost, labour cost, operational overheads and administrative overheads have already been considered in the tariff as per Ministry's guidelines. Therefore, the request of excluding the charges of hopper, HMC and grab does not arise.
	(b). VOC port considered the Grab rate as a part of tariff for new stevedoring rate. But, many of our vessels are built with grab. Hence the grab may not be considered in the costing.	
	(c). The Operational Overhead Charges and Administrative charges are considered at each 20% over and above the market rate. But in general, market rates for Front end loaders, Grabs, Labour Cost etc. are already accounted for Overhead, Administrative charges and reasonable profits. Hence, this double accounting may be removed from the calculation to arrive the correct costing.	
(ii).	Shore Handling	
	(a). For Copper Concentrate – We have our own Hoppers and the same is being used for handling of Copper concentrate & maintained by us. The nature of material is with high moisture & there is a possibility of contamination of cargo while using the common hopper. Moreover, we invested more than ₹10 Cr for creating the facilities and the same is being used more than 8 years. Hence, we request to remove the Hopper Charges in shore handling charges.	
(iii).	Actual Vs Assumption considered in the proposed tariff	
	For Copper Concentrate vessel, discharge rate considered at 5840 MT per shift for 4 hatch vessel is on the very higher side. In general, we bring 2/3 hatch vessels.	

<table>
<tr><td></td><td>Moreover, over past few years, the discharge rates were improved to the tune of 2400/2500 MT per Shift. However we are working towards achieving 2700-3000 MT per shift even though we have only 02(two) nos of HMC cranes available in the deep draft berth. However for tariff proposal purpose, we may consider 2800 MT per shift.</td><td rowspan="15">No comments furnished by the VOCPT.</td></tr>
<tr><td>II.</td><td>Rock Phosphate</td></tr>
<tr><td>(i).</td><td>Stevedoring</td></tr>
<tr><td></td><td>(a). The VL has reiterated its comments furnished on Copper Concentrate as brought out earlier.</td></tr>
<tr><td>(ii).</td><td>Shore Handling</td></tr>
<tr><td></td><td>(a). FEL (Front End Loader) charges are considered exorbitantly as high as `12,000 per shift, where the present market rate is `7,000-7500 per shift which is inclusive of Fuel Cost, Operator Cost, Operational Overhead Charges, Administrative charges & profit. We request port to rework the proposal according to the Market Conditions.</td></tr>
<tr><td>III.</td><td>Coal</td></tr>
<tr><td>(i).</td><td>Stevedoring</td></tr>
<tr><td></td><td>The VL has reiterated its comments furnished for Copper Concentrate.</td></tr>
<tr><td>(ii).</td><td>Shore Handling</td></tr>
<tr><td></td><td>(a). FEL (Front End Loader) charges are considered exorbitantly as high as ₹12,000 per shift where the present market rate of ₹7,000-7,500 per shift which is inclusive of Fuel Cost, Operator Cost, Operational Overhead Charges, Administrative charges & profit. We request you to rework the proposal according to the Market Conditions.</td></tr>
<tr><td>(iii).</td><td>Actual Vs Assumption considered in the proposed tariff</td></tr>
<tr><td></td><td>(a). In general, coal vessels are arriving with 7 hatches, whereas port has considered only 4 hatch vessel in the calculations. We request port to revisit the proposal.</td></tr>
<tr><td>IV.</td><td>Clarifications required</td></tr>
<tr><td>(i).</td><td>Labour cost is already considered in the stevedoring and shore hire charges. After implementation of this proposal, whether “Labour Levy” charges will be removed permanently from the port tariff for the above said Cargos? – Please clarify.

With the above considerations, we just reworked the proposal and arrived the rate as below:
<table>
<tr><th>Commodity</th><th>UOM</th><th>Stevedoring</th><th>Shore Handling</th><th>Total</th></tr>
<tr><td>Concentrate</td><td>₹ PMT</td><td>19.45</td><td>-</td><td>19.45</td></tr>
<tr><td>Rock Phosphat</td><td>₹ PMT</td><td>8.10</td><td>11.81</td><td>19.91</td></tr>
<tr><td>Coal-Method 4 – Directly to Plant</td><td>₹ PMT</td><td>5.05</td><td>13.50</td><td>18.55</td></tr>
<tr><td>Coal – Method 5 – Wharf to Plot, Heaping & loading onto trucks</td><td>₹ PMT</td><td>5.05</td><td>56.70</td><td>61.75</td></tr>
</table></td></tr>
</table>

2.	**DCW Limited**	
(i).	As a long term port user for decades, while appreciating the steps initiated by your goodself on productivity angle and performance based consideration, we would like to inform your goodself that the procedure adopted by the TAMP (i.e. productivity norms output for the liquid cargoes such as VCM and Caustic Soda Lye) seems to be taken on par with other general cargo for increased output. Here we would like to highlight that we are taking utmost care and following all safety measures as per the requirements laid down on such cargo in operation. Hence, we fear that a steep increase in handling volume (33% increase) should not pave way for comprising safety norms, which you may also agree.	The new performance standards for the commodities handled in the VOCPT have been calculated based on the past three year's average. Also, the new performance norms have already been communicated to the Ministry of Shipping vide letter No:TRA-OFTBL-VSL-BERTH-V1-15(42340)/D1933 dated 25 August 2016 and also approved by Board vide Reso No: 200 (Agenda Item No:13). Therefore, the request for following of old productivity norms does not arise.
(ii).	Also, for the cargo limonite Ore the increase has been projected with 95% from the existing volume of handling. Here we would request to consider a basic increase of 25% which can be definitely achieved and being met by us.	
(iii).	Hence, we would request your goodself to kindly allow us to follow the old procedures (i.e. old productivity norms output) based on the safety reasons. However, we shall improve the volume to achieve maximum productivity. Also we assure that we would abide by the conditions mentioned by the Port Trust.	

2. At the joint hearing, the VOCPT and the concerned users / user organisations have made the following submissions:

V.O. Chidambaranar Port Trust (VOCPT)

(i). We have considered equipment requirement as per norms. Labour is considered as per NIT Award.

(ii). We have ascertained hire charges for equipment from Trade. Labour charge is as per actuals for stevedoring.

(iii). Guidelines allow agents to deploy their own labour for shore handling operation. We do not deploy separate gang for shore handling operations. We have considered labour cost as a percentage of equipment hire charges.

(iv). We have proposed separate tariff for foreign and coastal category as per Government policy.

[Dy. Chairman, VOCPT: Royalty is separate which is to be decided by the Board of the port. Present proposal is only for fixing tariff.]

(v). We have briefed the users on the proposal in a meeting with Stevedores. We request the Authority to approve the proposed tariff.

Vedanta

(vi). We own a Hopper purchased at a cost of ₹10 crores for shore handling operation. Please exclude hopper charges for our cargo of copper concentrate.

[Dy. Chairman: Policy is to be applied uniformly to all. There cannot be exemption.]

Tuticorin Stevedores Association (TSA)

(vii). Tuticorin port attracts cargo due to low cost operation. The normative tariff will add to cost and cargo may drift away to private ports. Keep the cost as low as possible.

(viii). Port wants a charge in the form of royalty for its infrastructure, though we pay a fee for license to operate in the port. Please ensure a reasonable revenue share. Discuss with Stevedores and cargo interests before implementation and going to Board.

Indian Chamber of Commerce & Industry (ICCI)

(ix). We agree with the comments of Stevedores Association.

(x). Earnings from foreign cargo and coastal cargo are different. So, royalty also should differ.

TANGEDCO

(xi). Coastal cargo other than thermal coal and POL enjoy 40% concession in port charges. Extend 40% concession to thermal coal also handled by us.

(xii). The existing rate for stevedoring in respect of thermal coal is ₹51 per tonne. Proposed rate is ₹135. When service tax is also added, increase is 165%.

[Dy. Chairman: Proposed rates are ceiling rates chargeable by the Stevedores.]

St. John Freight Systems Ltd. (SJFSL)

(xiii). Discharge rate of soft timber log and hard timber log is almost same. The recommended stevedoring charge for hard timber log is lower at ₹162.79 than the soft timber log ₹244.19. Rate for hard timber log is unworkable. Please revise the rate for hard timber log to ₹215 per tonne.

3. A summary of the comments received from users / user organisations and reply furnished by VOCPT thereon is tabulated below:

Sl. No.	Comments of users	Reply furnished by VOCPT
1.	**Tuticorin Stevedores Association**	
(i).	In ports like Tuticorin, the cargo is attracted only because of the cost efficiency and good turn around. Hence, if such normative tariff is slapped on the cargo, this may lead to losing volume of cargo as the private run major ports are located close to the industrial belt. Hence in order to implement the Govt. guidelines, the royalty/revenue share may be fixed by the port in a simplified manner (per tonne basis). It should ensure that, the cost is kept as low as possible with port ensuring reasonable revenue share which need to be discussed with the stevedores and cargo interests before implementation.	The fixation of Royalty per tonne as license fee from the stevedore and Shore handling Operator is outside the purview of TAMP on fixation of tariff for the stevedoring & Shore handling operation. However, the Port proposes to fix a simplified per tonne Royalty for both Stevedore and Shore handling operations in consultation with other ports on approval by Board of VOCPT. This is for information of the Authority.
(ii).	In regards to the 5 Methods said to be adopted while discharging and moving the cargo at shore end as per the Proposed Normative Tariff, as different methods would be adopted at different times according to the storage area available during discharge of a single vessel, the 5 methods of operation must be dispensed with and only two methods must be followed i.e., Mechanical and Non Mechanical to avoid confusion to the Importers.	The ceiling tariff for the Stevedoring and Shore handling operations are proposed with respect to the Guidelines formulated by the Ministry and TAMP considering the optimal capacity of each cargo group, equipment and Labour involved in the respective operations
(iii).	The Implementation of normative tariff in the Tuticorin Port is riddled with bottlenecks and confusion in regards to Stevedoring & Shore Handling Rate. The fixation is practically	

<table>
<tr><td></td><td>unviable and counter productivity to increase in the volume and productivity of the Port. Several problems are cropping up in regard to its implementation and affect the smooth functioning of the Stevedoring Operation. We note the Tariff fixed is cumbersome and unworkable on cargo to cargo basis which will ultimately become a burden on the Stevedores and Port Operation.</td><td></td></tr>
<tr><td>(iv).</td><td>The idea and implementation of the Normative Tariff will affect the Port productivity and economic viability of cargo handling operation in the Tuticorin Port; we request you to notify a fixed Rate for as Normative Tariff Revenue for the Port at ₹5/- PMT (Per Tonne Basis) irrespective of the cargo handled in a simplified manner.</td><td>Reply as per point No.(i) above.</td></tr>
<tr><td>2.</td><td>M/s. St. John</td><td></td></tr>
<tr><td>(i).</td><td>As per stevedoring and Shore handling Policy for Major Ports, 2016 issued by the Ministry of Shipping vide letter 17.09.2016, VOC Port had submitted the proposal to TAMP vide dated 19.11.2016.</td><td>Factual</td></tr>
<tr><td>(ii).</td><td>In this connection, as per the initial workings, port has submitted their proposal to TAMP after conducting a meeting with all stevedore at port chamber on 10.11.2016. Accordingly, port had worked out the individual cost for stevedoring and shore handling activities on individual commodity basis. As per their working, port had worked out the cost as tabulated below and recommended to TAMP for implementation.
<table><tr><th>Sl.No.</th><th>Commodity</th><th>Foreign in ₹</th><th>Costal in ₹</th></tr><tr><td>1.</td><td>Timber Logs –Soft</td><td>244.19</td><td>146.51</td></tr><tr><td>2.</td><td>Timer Logs-Hard</td><td>162.79</td><td>97.68</td></tr></table></td><td>Since as per the Guidelines, the optimal capacity per shift for Timber Logs-Soft is 800 M.T. and for Timber logs-Hard is 1,200 M.T. per shift hence the tariff for Timber logs- soft is higher than the Timber Logs Hard for stevedoring operations. However, as per the Berthing Policy communicated by the Ministry no difference is made for Hard and Soft wood and has been uniformly fixed at 4,600 Tonnes per day. As per the Stevedoring Policy the performance of the stevedores is to be monitored based on the berthing policy norms which have been uniformly fixed. Hence the Authority is requested to adopt uniform optimal capacity as 320-T per hook per shift for both Timber — soft and Timber — hard and also the same rate already proposed for Timber logs — soft i.e., ₹244.19 (Foreign) and ₹146.51 (Coastal) may be adopted for Timber Logs — Hard also.</td></tr>
<tr><td>(iii).</td><td>When we had gone through the revised tariff rates issued by the Port, the stevedoring charges for handling "Timber logs - Hard" found to be unworkable, as the actual cost were not been taken for their consideration.</td><td>The ceiling tariff for the Stevedoring and Shore handling operations are proposed with respect to the Guidelines formulated by the Ministry and TAMP considering the optimal capacity of each cargo group, equipment and Labour involved in the respective operations.</td></tr>
<tr><td>(iv).</td><td>Though "Timber logs - Soft wood and Timber logs - Hard wood" are generating almost equal in discharge rate, the difference between the tariff mentioned in their proposal are found to be unworkable.</td><td>Reply as per point No. 2 (ii) above.</td></tr>
<tr><td>(v).</td><td>Hence, we kindly request your goodselves to revise the tariff for "Timber logs — Hard" as ₹215.00 per M. Ton in stevedoring charges instead of ₹162.79 per M.Ton as mentioned in their tariff. Kindly incorporate the revised fixation of upfront tariff for stevedoring and shore handling operation at VOCPT.</td><td>The VOCPT has mostly reiterated its response given at Sl. No. 2(ii) above.</td></tr>
</table>

<table>
<tr><td>3.</td><td>Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO)</td><td></td></tr>
<tr><td>(i).</td><td>The Tariff Authority for Major Ports in India has sent proposals of VOC Port Trust (VOCPT) for Joint hearing Scheduled on 16.02.2017 at VOC Port Trust premises- on amendments to existing Scale of Rates and fixation of Normative tariff for New Stevedoring and Shore Handling operation at VOCPT General Revision of Scale of Rates vide letter cited above.</td><td>Factual</td></tr>
<tr><td>(ii).</td><td>It is noted from the proposal that VOC port has proposed an increase in Stevedoring charges by 165% in respect of Thermal coal handled at CJ — II berth.</td><td>The rates proposed are for levy by stevedores and the same could not be compared with port's levy.</td></tr>
<tr><td>(iii).</td><td>In this regard, the following remarks of TANGEDCO are furnished:

Coal for T.T.P.S./TANGEDCO is handled through VOC Port and during 2015-16 about 56.5 Lakh Tonnes of Thermal Coal had been handled. Tariff is paid to VOC Port for utilizing their facilities and services.
<table>
<tr><td colspan="2">Existing Rate</td><td colspan="2">Proposed Rate</td></tr>
<tr><td>Stevedoring charges</td><td>51.01</td><td>Stevedoring charges</td><td>135.41</td></tr>
<tr><td>Service Tax @ 15%</td><td>7.65</td><td>Service Tax @ 15%</td><td>20.31</td></tr>
<tr><td>Grand Total (b)</td><td>58.66</td><td>Grand Total (b)</td><td>155.72</td></tr>
<tr><td>Increase ₹ / MT</td><td>97.06</td><td></td><td></td></tr>
<tr><td colspan="3">Increase in % age</td><td>165%</td></tr>
</table>

In this regard, it is stated that VOCPT recently decreased its stevedoring charges by ₹ 9.01/MT vide TAMP Order dated 17 September 2016 and the same was implemented w.e.f. 9 November 2016.</td><td rowspan="2">The present proposal submitted to TAMP is fixation of ceiling tariff for the operations of Stevedoring and Shore handling operations by the Stevedoring operations and shore handling operators at VOCPT. There is no linkage between this proposal and the SOR already fixed by the TAMP vide order dated 17 September 2016. TANGEDCO has to pay the Labour levy and other tariffs as per the prevailing SOR approved by the TAMP to port vide order dated 17 September 2016. The tariff for the present proposal of Stevedoring and Shore handling operations are only the indicative ceiling rates for collection by Stevedores and Shore handling Agents.</td></tr>
<tr><td>(iv).</td><td>As per the proposal clause (1.2 (v) (b)), the handling charges for all coastal vessels other than Thermal coal and POL etc. should not exceed 60% of the normal cargo related charges. The same concession of 60% for coastal vessels may be given to Thermal coal handled by TANGEDCO</td></tr>
<tr><td>(v).</td><td>Further as per the proposed clause 1.2(viii) the rates prescribed in Scale Of Rates are ceiling levels likewise rebates and discount are floor levels. The stevedoring and shore handling agent may charge lower rates and/ or allow higher rebates and discounts. TANGEDCO handles about 6.0 Million Tonnes of coal per annum. The stevedoring agent may be instructed by VOC Port to offer volume based discount as done in other- ports like Paradip port.</td><td>No comments furnished by port.</td></tr>
<tr><td>(vi).</td><td>Further to the above, the scale of rates has come into force w.e.f 9.11.2016, based on the proposal made by VOC port during May 2016. As per clause 2.1 and 2.6 of the Working</td><td>No comments furnished by port.</td></tr>
</table>

	Guidelines of 2015 to Major Port Trusts for Determination of Scale of rates, the new rates shall be based on the actual expenditure based on Audited accounts + 16% of return on capital employed. But, this proposal seeks to hike the stevedoring charges exorbitantly to ₹135.41 which is 165% -over the existing rate of Rs.51.01 within such a short span of one year. The TAMP may examine the genuineness of the hike with respect to actual expenditure and return on equity as per the TAMP guidelines.	
(vii).	Any increase in the Stevedoring charges will adversely impact the landed cost of coal which will ultimately lead to increase in the cost of Generation at TTPS. Now as per the new merit order dispatch policy, if the running cost (Generation cost) increases in comparison with other power plants, the thermal power plants will be requested to be backed down which ultimately will lead to decrease in the handling of coal through VOCPT leading to decrease in the throughput of the Port.	By this fixing of ceiling tariff there shall not be any additional tariff levied by VOCPT. TANGEDCO shall be continuing to pay to their stevedores/ shore handling agents what at present they are paying or pay more or less than the ceiling tariff notified. It is for TANGEDCO to ask for discounts or negotiate the rates with Stevedore / Shore handling agents for which VOCPT through TAMP order has notified the ceiling tariff, which will enable the users to know the ceiling tariff payable by users to Stevedore and Shore handling agent.
(viii).	If the above tariff rise is implemented, the additional financial burden on TANGEDCO would be around ₹27.18 Crores/annum. In view of the above it is requested that TAMP may maintain the present scale of rates for stevedoring charges at CJ2 of VOC Port for Thermal Coal on a/c. TANGEDCO.	
4.	**M/s. Hari & Co.**	
(i).	They have mostly reiterated the comments furnished by M/s. St. John which is brought out earlier.	The VOCPT has reiterated its comments furnished on comments of M/s. St. John.

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