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Tariff Authority for Major Ports

G.No.20 **New Delhi,** **14 January 2020**

NOTIFICATION

This Authority, in exercise of the powers conferred on it under Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), had disposed of the proposal received from the Visakhapatnam Port Trust (VPT) for general revision of its Scale of Rates, on 29 November 2019. Considering the time involved for notifying (Speaking) Order along with the Scale of Rates, approved by this Authority, this Authority decided to notify only the revised Scale of Rates immediately. Accordingly, the Scale of Rates approved by this Authority on 29 November 2019 was notified in the Gazette of India on 27 December 2019 vide Gazette No.494. It was stated in the said Notification that this Authority will notify the Speaking Order, in due course of time. Accordingly, this Authority hereby notifies the Speaking Order connected with disposal of the proposal of the VPT for general revision of its Scale of Rates as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No.TAMP/20/2019-VPT

Visakhapatnam 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 29th day of November 2019)

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

2.1. The existing SOR and Performance Standards of the VPT was last approved by this Authority vide Order No.TAMP/9/2016-VPT dated 21 June 2016 which was notified in the Gazette of India on 22 July 2016 vide Gazette No.305. Subsequently, the speaking Order was notified in the Gazette vide No.320 dated 10 August 2016. The validity of existing SOR of VPT is prescribed till 31 March 2019 in the said Order. The validity of said existing SOR of VPT was extended upto 30 September 2019 and communicated to all Major Port Trusts including VPT vide our letter No.TAMP/39/2005-Misc. dated 29 March 2019. Subsequent to that the validity of said existing SOR of VPT was further extended upto 31 December 2019 or till the revised SOR of VPT comes into effect, whichever is earlier and communicated to VPT vide our letter dated 16 September 2019. Subsequent to the SOR approved in the said Order dated 21 June 2016, the VPT filed four proposals for amendment/ revision/ new rates in the existing SOR which are brought out in the later paragraphs.

2.2. Subsequently, the VPT had filed a number of proposals in piecemeal for amendment, revision, new rates, etc. A summary of those proposals and approval of this Authority are tabulated below:

Sl. No.	Proposal	Order details	Gazette No. and Date of Notification
(i).	Proposal for a few corrections in SOR approved vide Order dated 21 June 2016.	TAMP/9/2016-VPT dated 17 September 2016	356 / 28 September 2016
(ii).	Levy of additional cess for supply of Tarpaulins and manpower for covering of dry bulk cargoes.	TAMP/34/2016-VPT dated 08 February 2017	135 / 07 April 2017
(iii).	Modification in the existing conditionalities relating to Levy of Road Stead Charges.	TAMP/40/2018-VPT dated 31 July 2018	312/ 16 August 2018
(iv).	Revisiting the Annual Revenue Requirement (ARR) and for revision of rates for specific cargo viz. (a). Wharfage on certain cargo and (b). Vessel Related Charges for SPM berth.	TAMP/51/2018-VPT dated 3 October 2018	402/ 30 October 2018
(v).	Tariff for Operation of Mobile X-Ray Container Scanning System at VPT	TAMP/77/2018-VPT dated 29 March 2019	199/ 7 June 2019
(vi).	Tariff for movement and handling of coal by Rail-cum-Sea route from the various collieries of MCL/Ib Valley through the load port of Visakhapatnam to TANGEDCO directly	TAMP/24/2019-VPT dated 10 October 2019	374/ 30 October 2019

3. All the Major Port Trusts (MPTs) were governed by the Tariff Guidelines, 2015 for fixation of SOR for handling cargo, vessel and rendering miscellaneous services. The Ministry of Shipping (MOS), vide its letter No.IWT-II/28/2018-IWT dated 26 December 2018 has issued the new "Tariff Policy for determination of Tariff for MPTs, 2018" for determination of SOR which are due for revision in MPTs with effect from 01 April 2019 under Section 111 of the MPTs Act 1963. In compliance with the direction issued by the Government of India, this Authority has notified the Tariff Policy, 2018 in the Gazette of India vide Gazette No.17 dated 16 January 2019. The Tariff Policy, 2018 has come into effect from 26 December 2018. The said Tariff Policy, 2018 was forwarded to all MPTs including VPT vide our letter No.TAMP/79/2018-Misc. dated 25 January 2019. Thereafter, as per Clause 1.5 of the Tariff Policy, 2018, Working Guidelines to operationalize the Tariff Policy is notified in the Gazette of India vide Gazette No.207 dated 4 June 2015. The said Working

Guidelines, 2018 was forwarded to all MPTs including VPT vide our letter No.TAMP/79/2018-Misc. dated 04 February 2019.

4.1. In this backdrop, the VPT has filed its proposal following Tariff Policy, 2018 vide its letter dated 03 April 2019 for general revision of its SOR.

4.2. The VPT has furnished detailed computation of ARR in Form 1 and Revenue estimation at the proposed rate in Form 3 and other prescribed forms. Form 1 and 3 furnished by the VPT are duly certified by a Chartered Accountant. A summary position of ARR computation furnished by VPT is tabulated below:

(**₹ in lakhs**)

Sl. No.	**Description**	**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	36,801.85	34,341.24	35,049.76
(ii).	Management & General Overheads	18,366.92	18,822.81	19,119.98
(iii).	Finance and Miscellaneous expenses (FME)	67,207.42	46,325.52	39,615.77
	Total Expenditure 1=(i)+(ii)+(iii)	**1,22,376.19**	**99,489.58**	**93,785.51**
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	4,474.87	4,617.13	4,773.32
	(b). Management & Administrative Overheads	3,862.21	3,542.06	3,936.58
	(c). Allocated FME	3,179.13	4,010.46	4,081.79
	Subtotal 2 (i)=[(a)+(b)+(c)]	**11,516.21**	**12,169.64**	**12,791.69**
(ii).	**Interest on loans**	422.21	464.14	449.77
(iii).	**2/3rd of One time expenses, if any like arrears of**			
	(a). Wage arrears	0.00	0.00	0.00
	(b). Pension arrears	0.00	0.00	0.00
	Subtotal 2 (iii) = [(a)+(b)+(c)]	**0.00**	**0.00**	**0.00**
(iv).	**2/3rd of the Contribution to the Pension Fund**	26,971.33	11,430.31	6,666.67
(v).	**Management and General overheads over & above 25% of the operating expenses excluding estate expenses.**	5,693.44	6,686.08	6,770.88
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10 of the Tariff Policy, 2015.**			
	(a). Operating Expenses	--	--	--
	(b). Depreciation	--	--	--
	(c). Management and Administrative Overheads	--	--	--
	(d). Allocated FME	--	--	--
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	0.00	0.00	0.00
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+2 (vi)	**44,603.19**	**30,750.17**	**26,679.00**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	**77,773.00**	**68,739.41**	**67,106.51**
(4).	Average Expenses of Sl. No.3 = [Y1 + Y2 + Y3] / 3			71,206.30
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			1,41,506.31
	(ii). Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)			57,657.26
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.			23,590.78
	(iv). Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts.			2,912.89
	(v). Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2018			0.00
	(vi). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines			
	(a). Inventory			1,022.73
	(b). Sundry Debtors			3,736.12
	(c). Cash			5,028.22
	(d). Sum of (a)+(b)+(c)			9,787.07
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]			**1,82,446.98**
(6).	**Return on Capital Employed 16% on Sl. No.5(vii)**			**29,191.52**

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**			**1,00,397.82**
(8).	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 i.e. @ 3.45% (*1.0345)			1,03,861.55
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**1,03,861.55**
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.9 above**			**1,01,713.34**

Note: With reference to 2(iv) above, the deduction is made on account of Pension Fund Contribution though it has not arisen on account of wage revision.

4.3. The proposal of VPT is as given below:

(i). (a). To increase Port Dues @ 10% and Pilotage @ 8% and on berth hire @ 10%.

(b). No increase in vessel related charges for vessels carrying crude oil at SPM, petroleum including LPG and SPM berth.

(ii). To increase Towage, Shifting, Detention and Mooring charges by 5%.

(iii). To increase wharfage charges by 5% on cargoes like coal, pig iron, food grains, granite, edible oil and 20% on Iron ore (manual), Crude oil at VPT berths, fertilizers, Liquid ammonia, etc.

(iv). Water charges, demurrage charges and roadstead charges increase proposed by 10%.

(v). Based on market trend, tariff for fire float charges, Fire Tender, Trailer Pump is proposed to be revised.

(vi). No change is proposed on the tariff approved for specific cargoes w.e.f. 29 November 2018.

(vii). No change is proposed on CHD Levy, Dry Dock charges and Fishing Harbor Dry Dock charges and slipway charges.

(viii). Change in conditionalities are also proposed based on the operational requirements which were furnished at Form 5.

4.4. The Performance Standards proposed by VPT in Form-6 are as follows:

Sl. No.	Performance Parameters	Proposed Performance Standard
(1)	**Cargo Related Services**	
(a)	Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups	
	(i) Coking Coal (Conv)	7,650
	(ii) Steam Coal (Conv)	6,200
	(iii) Thermal Coal	16,400
	Fertilizers (raw mat)	
	(i) Fertilizers (Mech)	3,795
	(ii) Sulphur (Mech)	2,675
	(iii) Rock Phosphate (Mech)	5,550
	(iv) Fertilizer (Conv)	5,150
	(v) Sulphur (Conv)	3,725
	(vi) Rock Phosphate (Conv)	4,625
	POL	
	(i) Export POL-IH	6,500
	(ii) IMP POL-IH	5,025
	(iii) LPG	9,650
	(iv) IMP Crude Oil	62,325
	(v) Transhipment Crude (Mother + Daughter)	27,870
	(vi) Transhipment POL (Mother + Daughter)	9,050
	(vii) Import POL-OH	12,625

Sl. No.	Performance Parameters	Proposed Performance Standard
(b)	**Average moves per hour (in TEUs) in respect of Containers**	--
(2)	**Vessel Related Services**	
(a)	Average Turnaround Time of Vessels (in days)	5.37
(b)	Average Pre-Berthing Time of Vessels (in days)	2.30
(3)	**Any other parameters found relevant by the Port**	---

4.5. The VPT has furnished the Annual Administration Reports with Audited Annual Accounts for the past three years 2015-16, 2016-17 and 2017-18. The VPT has also furnished a copy of the Board Resolution No.199/2018-19 approving the General Revision of its SOR.

5. The VPT vide its letter dated 31 May 2019 has communicated that in view of the Election code of conduct, the port has hosted the draft SOR sent to this Authority on VPT's website on 29 May 2019. Simultaneously, the BOT operators and users/ user organisations have also been intimated about the same.

6.1. We have received comments from Vizag Seaport Private Limited (VSPL), Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) vide its letter dated 14 June 2019 and Visakhapatnam Steamship Agents' Association (VSAA). A copy each of their written comments was forwarded to VPT with a request to furnish its comments. The VSAA has submitted its further comments vide its letter dated 22 June 2019. The further comments made by VSAA was forwarded to VPT as feedback information.

6.2. After reminder dated 4 July 2019 and d. o. letter dated 1 August 2019, the VPT vide its letter dated 16 August 2019 has furnished its reply on the comments made by all users/ user associations.

6.3. Further, the VPT has also furnished its reply to the comments submitted directly to the VPT by Navship Marine Services Pvt. Ltd., Adani, Coromandel International Limited and Rain CII Carbon Limited.

7.1. A joint hearing in this case was held on 17 June 2019 at the VPT premises. The VPT made a brief Power Point presentation of its proposal. At the joint hearing, the VPT and the concerned users/ user organizations have made their submissions.

7.2. Further, at the joint hearing, the VSAA, Navship Marine Services (NMS) and other users had made various suggestions for modification in the proposed SOR. The port had agreed to examine some of the matters suggested by them. The VPT was requested to examine the submissions made by the users at the joint hearing by 27 June 2019 as agreed by VPT.

7.3. The written comments given by VSAA at the joint hearing are reiteration of its earlier written comments on which the written reply is furnished by the VPT.

8. Based on the preliminary scrutiny of the proposal, the VPT was requested vide our letter dated 28 June 2019 to furnish information/ clarifications on a few points by 10 July 2019. This was followed up by reminder dated 4 July 2019 and d.o. letter dated 1 August 2019. The VPT has furnished its reply on additional information/ clarification vide its letter dated 16 August 2019 and subsequent e-mail dated 25 November 2019. A summary of additional information/ clarification sought by us and reply furnished by VPT thereon is tabulated below:

Sl. No.	Information/ Clarification sought by us	Reply furnished by VPT
1.	**<u>General</u>:** The VPT to furnish a copy each of Annual Administrative Report for the years 2015-16 to 2017-18.	VPT had sent the Annual Administrative Reports for the years 2015-16 to 2017-18 while sending the General Revision of SOR along with Annual Account copies on 3.4.2019. However, the same is sent again.
2.	**<u>Annual Revenue Requirement (ARR) (FORM NO. 1)</u>:**	

<table>
<tr><td></td><td>(i). <u>Estate Related Expenses [Sl. No.2 (i)(b) & (c)]</u>:
Note 1 under Form-1 requires the port to furnish a working reconciling the amount reported in the Audited Annual Accounts and the figures considered in the cost statement. The VPT has not furnished requisite reconciliation statement. VPT to provide the same.</td><td>The VPT has given the working relating to exclusion of Management and general overheads and FME for estate activity.</td></tr>
<tr><td></td><td>(ii). <u>Expenses related to Railways</u>:
(₹ in lakhs)
<table>
<tr><th>Particulars</th><th>2015-16</th><th>2016-17</th><th>2017-18</th></tr>
<tr><td>Railway Earnings</td><td>15,378.79</td><td>12,471.41</td><td>15,268.82</td></tr>
<tr><td>Railway related expenses</td><td>8,415.73</td><td>8,479.58</td><td>7,439.00</td></tr>
<tr><td>Average Expenses</td><td colspan="3">8,111.43 Lakhs</td></tr>
</table>
From above, it is seen that Railway activity in VPT is in surplus. VPT may exclude the average railway workings (expenses) of ₹8,111.43 lakhs from the total expenditure in the computation of ARR. This is in line with the approach adopted by the Authority in the recent rate revision of MOPT. Consequent to that, the estimate of ARR may be modified and necessary modification to be done in tariff increase proposed and revenue estimate so as to fall within the estimated ARR.</td><td>As per Working Guidelines 2.2 of the Tariff Policy for MPTs, 2018, expenses related to Estate Related Activity are to be excluded while considering the Total Expenditure. Accordingly, VPT had arrived at ARR. The contention of TAMP to exclude ₹81.11 crores from total expenditure is not in line with the policy guidelines. Further, the VPT's Railway activity is continuously in deficit. In Port Administrative Report at Annexure 41, the Railway Proforma account for the years 2015-16, 2016-17 and 2017-18 with a net deficit of (8144.64) lakhs, (7803.38) lakhs and (3273.33) lakhs is available. Hence VPT has considered the Railway activity expenses in the total expenditure in the computation of ARR and request TAMP to consider and allow the expenses related to Railway as per guidelines.</td></tr>
<tr><td></td><td>(iii). <u>Sl. No.2 (iii): 2/3 of the one-time expenses, if any like arrears of wages, arrears of pension/ gratuity and ex-gratia payment etc.</u>:
As per Clause 2.2 of the Tariff Policy, 2018, 1/3rd of the one-time expenses if any like arrears of wages, arrears of pension/ gratuity and ex-gratia payment etc. need to be considered in the ARR computation which means 2/3rd to be excluded. As against the above position, the VPT has not considered for exclusion 2/3rd of one-time expenses, for the years 2015-16, 2016-17 and 2017-18 respectively. The notes to the Audited Annual Accounts of the VPT for the 2015-16 reports arrears of pension payment of ₹22.51 crores in the year 2015-16. The VPT has, however, not made any adjustment in this regard. The VPT to make necessary correction in Form-1 in the ARR as per clause 2.2. of the Tariff Policy, 2018 to be read with note 2(ii) of Form 1 of the Working Guidelines. Further, necessary adjustments of exclusion of 2/3rd expense also need to be done as regards VRS ex-gratia payment of ₹393.66 lakhs, ₹4,484.67 lakhs and ₹703.18 lakhs reported in the Audited Annual Accounts for the years 2015-16, 2016-17 and 2017-18 respectively.</td><td>As observed by TAMP, the following exclusions made against pension arrears and VRS exgratia.

2/3rd of one-time pension payment expenses of ₹1500.67 lakhs is excluded from the ARR for the year 2015-16 and no arrears paid during 2016-17 and 2017-18.

The exclusion of 2/3rd expense of VRS ex-gratia payment of ₹262.44 lakhs, ₹2989.78 lakhs and ₹468.79 are considered in the computation for the years 2015-16, 2016-17 and 2017-18 respectively.</td></tr>
<tr><td></td><td>(iv). Sl. No.2 (iv): <u>2/3 of the Contribution to the Superannuation funds like Pension Fund, Gratuity Fund</u>:
As per Clause 2.2 of the Tariff Policy, 2018, 1/3rd of the Contribution to the Superannuation funds (Pension Fund, Gratuity Fund and Leave Encashment Fund) needs to be considered in</td><td>VPT has considered for exclusion 2/3rd of Contribution towards Gratuity Fund at ₹1180.17 lakhs and ₹1068.65 lakhs for the years 2015-16 and 2017-18</td></tr>
</table>

<table>
<tr><td></td><td>the ARR computation which means 2/3rd to be excluded. The VPT has considered for exclusion 2/3rd of Contribution towards Pension Fund at ₹26,971.33 lakhs, ₹11,430.31 lakhs and ₹6,666.67 lakhs for the years 2015-16, 2016-17 and 2017-18 respectively. However, the Audited Annual Accounts of the VPT for the years 2015-16 to 2017-18 also reported Contribution to the Gratuity Trust Fund and Leave Encashment Fund which is part of the Superannuation Fund are as given below:
(in crores)
<table><tr><th>Items</th><th>2015-16</th><th>2016-17</th><th>2017-18</th></tr><tr><td>Retirement Gratuities reported in relevant Annual Accounts</td><td>17.70 *</td><td>NIL</td><td>16.03</td></tr><tr><td>Leave Encashment</td><td>3.75 **</td><td>NIL</td><td>NIL</td></tr></table>* As per note no.14 of Note on Accounts for the year 2015-16.
** As per note no.13 of Notes on Accounts for the year 2015-16.

The port has, however, not considered to exclude 2/3rd of the above two items in the ARR computation. The VPT, therefore, to make necessary correction in Form-1 in the ARR computation so as to be in line with the Tariff Policy, 2018.</td><td>respectively. VPT had not provided contribution during the year 2016-17.

Regarding Leave encashment, it is not only on account of superannuation, employees while in service are also eligible for encashment of Earned leave and VPT regularly disburses these payments to employees whoever applies Encashment leave. Hence, it is not a superannuation fund and no exclusion made in ARR.</td></tr>
<tr><td></td><td>(v). Audited Accounts of the years 2015-16 and 2016-17 reports interest on others which the port has not considered for exclusion. The port may make necessary correction in Form-1 to exclude this item.</td><td>Now considered for exclusion of ₹2.61 lakhs, ₹4.08 lakhs and Nil for the years 2015-16, 2016-17 and 2017-18 respectively in the revised ARR in Form 1.</td></tr>
<tr><td></td><td>(vi). In the light of the above points, the VPT to furnish modified ARR (Form-1) duly certified by the Practicing Chartered Accountant/ Cost and Management Accountant.</td><td>Modified the ARR (Form-1) duly certified by the Practicing Chartered Accountant is furnished.</td></tr>
<tr><td>3.</td><td><u>Capital Employed [Sl. No.5(vi)(c) of Form-I]</u>:
As per Clause 2.5 of the Working Guidelines, limit on cash balance will be one month's cash expenses. The VPT has arrived at the allowable cash balance at ₹5,028.22 lakhs. The VPT to furnish the detail calculation for the said figure of ₹5,028.22 lakhs.</td><td>
The limit on cash balance of one month's cash expenses is reviewed and now ₹5115.69 lakhs is considered. Details furnished in soft copy as well.</td></tr>
<tr><td>4.</td><td><u>Revenue estimation (Form -3)</u>:</td><td></td></tr>
<tr><td></td><td>(i). The VPT has not captured the revenue estimation for a few of the tariff items. The list of tariff items prescribed in existing SOR and also included in proposed SOR with revised tariff; but no revenue is estimated by the port in Form-3 which is as follows:

(i). 2.3.2. Concession in Berth Hire

(ii). 2.3.6 Vessel related charges for vessels handled at SPM

(iii). 3.1 Consolidated charges for transshipment/ lighterage of crude oil/ pol product /dry bulk cargoes in outer harbour</td><td>(a). In the original proposal, VPT had captured the revenue implication only for the services for which hike is proposed and missed to consider revenue estimate of other services in Form 3 sent to TAMP.

(b). Now as per modified Form-3, all the services rendered and revenue earned are captured against the traffic handled in the year 2017-18 and escalation given and at proposed tariff increase in Annexure-3.

For Section 2.3.2 Concession in Berth Hire the revenue is captured in 2.3 Berth Hire.</td></tr>
</table>

	(iv). **3.2** Tariff for transshipment/ lighterage of Crude/ pol product at anchorage (v). **4.1 Wharfage Charges** Alcohol, Acetone, All types of Coal, Coke and Coal tar pitch, Alumina (bulk) Aluminum, Alumina Sow Ingots, Alumina Billetts and Alumina products, Asphalt/bitumen, Barytes, Feldspar, Chrome Ore, Cement clinker (including cement), Manganese Ore/ Ferro Manganese Slag, Ammonium Nitrate Blast furnace slag, Bentonite, Dolomite chips, River sand and fly ash etc. (vi). **4.2** Wharfage on container and Containerised Cargo Handled at docks other than VCTPL (vii). **4.3.1** Wharfage charges on goods from vessels in distress (viii). **4.6** Demurrage Charges/Storage Charges (ix). **4.6.1** Free storage period in the transit accommodation (x). **4.6.2.(a)** Demurrage charge other than import general/ import project cargo (xi). **4.6.2.(b)(6)** Demurrage on Cargoes not removed from the Wharf (xii). **4.6.3** Storage charges on containers (xiii). **4.7.1** Charges for handling cargo (labour charges) (xiv). **4.7.2** Handling charges for containers either for import or export. (xv). **4.7.3** Cargo temporarily landed and reshipped by the same vessel. (xvi). **4.7.4.1.** Levy on Time Rate Wages (xvii). **5.1** Floating Crane Charges **5.1.1**. 150 ton Floating Crane **5.1.2**. 60 ton floating crane (xviii). **5.4** Rates for the services for Pilot and Pilot launches provided for shifting of barges, loaded barges/ empty barge “dredger” etc.) from dredging in the Inner Harbour to dumping ground (xix). **5.5** Electrical crane charges (for other usage viz. cargo handling from/to barges, non-cargo operations) when not recovered under berth hire (xx). **5.6** Mobile crane charges	For Section 4.6.1, Free storage period in transit accommodation is captured in Section 4.6 Demurrage charges/ Storage charges.

	(xxi). **5.7** Fork lift truck/ top lift carrier charges (xxii). **5.8** In motion wagon weigh bridge (100 tonne) (xxiii). **6** Charges for licence (storage) fee (xxiv). **7.3** Fire tender charges (xxv). **7.5** Miscellaneous charges (xxvi). **7.6.1.1** For use of Dry dock at Visakhapatnam Port Trust Inner Harbour (xxvii). **7.6.1.2** Dock Block Preparation Charges (xxviii). **7.6.2** Visakhapatnam fishing harbour (xxix). **7.6.2.2** Schedule of pilotage fees (xxx). **7.6.2.3** Schedule of shifting charges for fishing trawlers [mini or big] with the usage of tug (xxxi). **7.6.2.4** Slipping in and slipping out charges of the mechanised fishing boats/ fishing trawlers [mini and big] (xxxii). **7.6.2.5** Slipway repair berth hire charges for slipway complex including approach jetties to slipway complex and fishing harbour dry dock (xxxiii). **7.6.2.6**. Docking and undocking charges for dry dock at fisheries harbour (xxxiv). **7.6.2.7.** Dry docking charges for dry dock at fishing harbour (xxxv). **7.6.2.8** Levy on bunkers (xxxvi). **7.6.2.9** Charges for disposal of oil bilge The port to confirm that no traffic/ services were rendered by the VPT for the above items in the year 2017-18 and no revenue earned during the year 2017-18. If the traffic was not handled by the VPT in the year 2017-18, the port may consider traffic of the years 2015-16 and/ or 2016-17 as base for revenue estimation for the above items if port anticipates to render services for these items.	
	(ii). Confirm that the total GRT vessel considered in the revenue estimates for vessel related charges matches with the actual total GRT of the vessel handled by the port for the year 2017-18. In case of mismatch, if any, the VPT to reconcile the difference.	The total GRT vessels as per Administration Report is 60.98 millions which is based on vessel to vessel. But, for arriving revenue estimates calculations, average GRT of vessels considered which is 60.96 millions and hence there is a meagre difference of around 20000 GRT which is felt very negligible.
	(iii). The excel working furnished by VPT shows total revenue for 2017-18 at ₹542.08	As explained at 4.1 above, VPT earlier has considered revenue of only the

	crores for which VPT has estimated revenue at proposed note. Whereas, the total income reported in the Audited Annual Account for the year 2017-18 less revenue from estate, railways and royalty income is ₹640.27 crores as given below: **₹ in crores** Total Income as per Annual Account 2017-18 - 1,063.81 Less: Estate Income - 163.44 Less: Railway Income - 152.69 Less: Royalty - 107.41 **640.27** ======= The excel working furnished by the VPT shows total revenue for the year 2017-18 at ₹542.08 crores based on which the port has estimated the revenue at the proposed rate at ₹658.84 crores. The VPT to explain the reasons for the not capturing revenue of ₹98.19 crores (₹640.27 – ₹542.08) for estimation of revenue at the proposed tariff.	services for which tariff hike proposed. Hence, there is a gap between audited accounts and workings. Now, the updated sheets furnished as Annexure-3. As per AA 2017-18 ₹ in crores Total Income 1063.81 Less Estate income 163.44 Less Royalty 107.41 Adjusted Revenue 792.96 Excel working for the above is furnished.
	(iv). The VPT has proposed increase of 10% in port dues, berth hire charges and 8% in pilotage fees. However, on perusing the excel working furnished by VPT, it is seen that for LPG, OR1, OR2, OSTT berth and SPM (for specific cargo), the revenue estimation does not capture the percentage increase proposed by the port. The VPT to modify the revenue estimates from vessel related charges in view of above observation and furnish revised Form-3.	TAMP vide Case No.TAMP/51/2018-VPT dated 3.10.2018 has passed the order for revisiting the Annual Revenue Requirement (ARR) ceiling and for revision of rates for specific cargo and notified in Gazette vide G. No.402, dated 30.10.2018. As the revision came into effect at the end of November 2018 and the revised approved rate was valid till the validity of the existing SOR of the VPT till 31 March 2019, VPT decided not to increase the rates (both wharfage and vessel related) for these specific cargoes i.e. Oils, Petroleum products and LPG at OR1, OR2, OSTT, LPG berth and SPM (for specific cargo). Hence VPT while proposing the Scale of Rates in the current General Revision of SOR did not increase the rates. Hence the revenue estimation does not capture the percentage increase proposed by the port In the calculations sent to TAMP at LPG, OR1, OR2, OSTT berth and SPM (for specific cargo) hike of 2% and 3.45% was shown which is being removed in the present Vessel related charges calculation sheet.
5.	**Scale of Rates:**	
	(i). The VPT has proposed a few new tariff items/ conditions and has proposed lot of rationalisation/ simplification of the existing SOR and has also proposed for deletion for few tariff items/ conditions. Clause 2.12. of the Working Guidelines, 2018 stipulates that if a new condition is introduced or if existing condition is modified due to operational or any other contingency, the port may prescribe such	Basing on the operational requirements and at the request of the trade, changes in conditionalities are proposed. In this connection, it is to state that, revenue impact due to change in conditionalities could not be assessed as all these changes proposed are based on operational conveniences and port convenience. Hence, financial

	modification with reasons thereof and capture the financial/ revenue impact in the ARR. The basis adopted for new items is to be furnished and its financial effect to be captured in the revenue estimations in Form-3. The port to capture financial impact, if any, on account of the modifications proposed in the draft proposed SOR in Form 3.	implication on such items is not assessed.
	(ii). The VPT has furnished the Form-5 Comparison of existing SOR and conditionalities vis-à-vis proposed tariff and conditionalities. The said form is incomplete. It does not contain the reasons/ justification for amendments in conditionalities. The VPT to furnish a revised Form-5 citing the reasons/ justification for amendments in conditionalities.	The Form-5 Comparison of existing SOR and conditionalities vis-à-vis proposed tariff and conditionalities is furnished with reasons/ justification for amendments in conditionalities in the revised Form-5.
	(iii). General Note (viii) (a) and (b): The proposed note stipulates that the next annual indexation will be from 1 April 2020 subject to the VPT achieving the performance standard notified along with the SOR. The estimated ARR arrived by the port based on actuals for the years 2015-16 to 2017-18 has been indexed by 3.45% for the year 2018-19. The proposed SOR along with the performance standards will apply for the year 2019-20 from the date it is made effective. That being so, as per clause 2.8 of the Tariff Policy, 2018, the next indexation shall be from 1 May i.e. from 1 May 2020. Hence the proposed note to be corrected accordingly to be in line with the Tariff Policy, 2018.	The proposed note is corrected.
	(iv). 2.1.1 Tariff for Cruise vessels- Notes (a) (b) and (c):	
	(a). The MOS vide letter No.SW-15011/2/2016-MG dated 3 November 2017, has directed all MPTs to collect the composite port charges for Cruise Vessels at $ 0.35 per GRT for the first 12 hours. The port will not charge any other rate like port dues, berth hire, pilotage and passenger fees for the first 12 hours. Beyond 12 hours, individual ports may decide on discount keeping in view the availability and utility of berths. The above rationalised tariff was made effective on trial basis for a period of three years, from the date of issue of the Ministry's letter dated 03 November 2016. The note no.(b) proposed by VPT is not found to be in line with the said MOS letter. The VPT may, therefore, make necessary corrections to be in line with the MOS letter dated 3 November 2017.	As per MOS letter dated 3 November 2017, VPT issued circular as follows: 1. Composite charges for cruise vessels at $0.35 per GRT for first 12 hrs stay. Port shall not charge any other rate like berth hire, port dues, pilotage, passenger fee etc. 2. For the period of stay exceeding 12 hrs, berth hire as per VPT-SOR will be collected (as per the Ministry letter, individual ports may decide, the above clause framed). Further one more letter dated 8.3.2019 received from Under Secretary to GOI, regarding Domestic Cruise vessels in India (Copy enclosed). Basing on this, trade is informed the following: 1. Composite concession of 40% for domestic cruise vessels calls between 75-100 in a year and composite concession of 50% for domestic cruise vessels calls exceeding 100 in year. These concessions are applicable upto 3.11.2020. 2. Both the above concessions are not linked to providing pilot services.

		3. For Berth stay longer than 12 hrs, an additional berth hire as per VPT SOR is applicable. The above, are incorporated in SOR.
	(b). Note no.(c) may be modified to state that the above rate for cruise vessels shall be applicable as per the directions from the Government of India in this regard.	Note no.(c) is modified to state that the above rate for cruise vessels shall be applicable as per the directions from the Government of India in this regard.
	(c). Further, port to capture the revenue estimate from the proposed new Note in the Form-3.	As per past experience, there are no cruise vessels calling at VPT. Hence, no estimation could be made.
	(d). The VPT in note (c) has given reference of MOS letter No.SW-15011/2019-MG dated 08.03.2019. The VPT to share a copy of the said letter of MOS for our reference.	Copy of the said MOS letter is furnished.
	(v). 2.2.3 Shifting Charges: The VPT has proposed to introduce 25% of the shifting charges for cold move during shifting. The port may furnish the basis and capture the revenue realisable on account of this Note in the Form-3.	This clause has been introduced by VPT keeping in view the request made by the trade, vide their letter dated 22.6.2019. In the existing Scale of Rates 2016, item – 2 of Section 2.2.1 stipulate that in case of cold move, 25% of Pilotage charges shall be levied extra for each cold move. The trade has requested to extend this provision in shifting charges also. All these days, cold move charges in shifting were also calculated @ 25% of Pilotage. Now at the request of trade, VPT has agreed to extend cold move charges in case of shifting @ 25% of shifting charges. As shifting charges are less than Pilotage charges, VPT will lose revenue on account of cold move while in shifting. Hence, no revenue estimation made in this regard.
	(vi). Schedule 2.3.3 Penalty: Note 2 for Overstayal of Vessel The port has, under note 2(ii) (f), proposed for reduction in hrs. for occupying berth after completion of cargo operation without attracting penalty (for all other cases) from existing 7 hrs. to 3 hrs. The port to furnish reason for the proposed reduction in time for this item.	Based on the practical experience and ground operational reality, it is felt appropriate to reduce 7 hrs to 3 hrs, for occupying berth after completion of cargo operation without attracting penalty for all other cases. However, on a representation of the Trade who requested for 5 hrs, the reduction is proposed from 7 hrs to 4 hrs.
	(vii). 2.3.4 General Notes relating to Berth hire:	
	(a). The existing Note no.3 stipulates that no berth hire shall be levied for the period when vessels idles at iron ore berths due to plant break down if it is continuous for one hour or more except on account of bad cargo. The said note is proposed for deletion. The existing note may be considered for inclusion as it flows from clause 5.3 prescribed in Working Guidelines.	The said note is deleted. The existing note is included. The reason is, now the ore handling plant is under PPP operator and berth is under VPT. There is no point to relax the berth hire, due to break down in plant of PPP operator as vessel operation hamper due to break down in plant. Hence, as per 5.3 of working guidelines, the PPP operator and user has to resolve the issue as the delay is occurring not on part of VPT.
	(b). The reasons for proposing deletion of existing note no.4 relating to non-levy of berth hire charge if iron ore vessels berthed at OB1 and OB2 berths could not commence loading	As the Ore Handling Plant operations are under PPP operator i.e. M/s.EVTL and vessels at OB 1 & OB 2 are berthed on their behest as well as the behest of the

	due to working of earlier iron ore vessels to be explained.	Agents, this clause is proposed to be deleted.
	(c). The port has proposed for insertion of words "At the same time idle berth hire charges of the ousted vessel if shifted to idle berth shall also be borne by vessel enjoying priority" to the existing note no.5 (iii). The port may justify the proposed insertion. Additional revenue, if any, from the addition proposed in the Note may be captured in Form-3.	At the first instant, it is to be clarified that no additional revenue is generated by this arrangement (proposed clause) as the total Berth Hire that accrues to the Port remain the same whether it is collected from the vessel enjoying ousting priority or the vessel that has to be ousted. This clause has been proposed as a result of opinions of the Trade at various deliberations and also as the cause of action to shift the ousted vessel to any idle berth arises due to the intentions of the vessel that enjoys ousting priority. Thus, to impose reasonableness and justifiable commercial operations, the said clause has been proposed.
	(d). The port has proposed for insertion of new note no.7. The port to furnish the basis for introduction of new notes as reasons therefor are not furnished in Form 5. The proposed note at 7(a) is for levy for non-crane berth hire charges at lower rate for vessels to be berthed at EQ7 HMC mandatory berth. Likewise, 7(b) proposes to levy non-crane berth hire charges at lower rate if ship cranes or HMC or both are engaged. The reasons for proposing to levy lower berth hire charges to be justified by the port for vessels to be berthed at EQ7 HMC mandatory berth. It may be appropriate whenever HMC is provided by the port at EQ7 berth, crane berth hire charges are made applicable since the port deploys an additional resource. Also, consider to capture revenue, if any, from the newly proposed Notes in the Form-3.	On the request of the Trade at various Port working committee meetings and on the principle what the trade can bear, the matter has been placed in the Board Meeting held on 28-11-2018 and the Board, vide its Resolution No.120/2018-19 (copy furnished) resolved to approve the following: 1). In case of bulk cargo vessel berthed at EQ-7 engages Harbour Mobile Cranes (HMC), and due to breakdown of HMC or for any other reason, if the vessel resorts to use ELL wharf crane(s), "Crane Berth Hire" will be for the total hours or part thereof for the hours ELL wharf Crane is used and 2). In case of bulk cargo vessels berthed at EQ-7, if only ship cranes or Harbour Mobile Cranes (HMC) or both are engaged for entire cargo handling operations, then Non-Crane berth Hire Charges will be levied for the total stayal of the vessel at EQ-7. Based on the Board Resolution and to address the needs of the Trade in the back drop of the existing competitive scenario to attract/ retain the cargoes, the said clause has been proposed.
	(viii). <u>2.3.5 Road Stead charges</u>:	
	(a). The port has proposed for reduction in time period of each slab in existing slab structure of Road Stead Charges. The reasons, therefor, to be furnished.	The time period has been modified as 48 hrs after receiving request from the Trade. The other slabs and rates have been proposed after gaining experience from the port operations relevant and accordingly the slabs and rates have been proposed for facilitating ease of operations and calculations, which are uniform to the trade, as a matter of port policy. The 3 times Road Stead Charges have been removed on request from the trade, duly considering slab system of
	(b). The port has proposed for deletion of existing note nos.(b), (d) and (f) and proposed new note nos.2,5,6 &10. The port may furnish the basis for deletion/ introduction of notes related to Road Stead Charges.	

		hike on reduced slab hrs., only to discourage the long waiting at roads. It may also be noted that Road Stead Charges is a floating revenue and has been proposed to discourage long waiting of vessels at anchorage and to protect the earning. It avoids anchorage as being used as a parking place for vessels.
	(ix). <u>4.1. Wharfage</u>:	
	(a). The basis for proposing wharfage rate for various items of chemicals under Sr. No.15 to be explained.	As TAMP is suggesting to do away with Advalorem rates, the wharfage for chemicals per tonne is worked out duly considering Wharfage at advalorem rate and tonnage of each chemical. The calculation sheet is furnished vide Annexure-4.
	(b). Explain the reasons for proposing deletion of wharfage rate for iron ore/ iron ore pellets mechanised handling prescribed in the existing SOR under Sr. Nos.23 and 24 and the interlinked existing note no.10 which prescribes break up of wharfage charge of iron ore/ pellets by mechanised handling.	The Iron Ore/ Pellets (Mechanical) are being handled by the PPP Operator M/s.EVPTL who is guided by separate Scale of Rates approved by TAMP and hence these rates at present are redundant and hence the said rates at Sl. No.23 & 24 and the inter linked note no.10 of the existing SOR, 2016 are deleted in the proposed SOR, 2019.
	(c). Clause 8.2.1. of the Working Guidelines stipulates that wharfage charge shall be on per unit basis either on weight or volume of cargo handled. Even the last tariff Order in para 18 (xxviii) (a) stipulated about phasing out of *ad valorem* rates. The VPT was advised to formulate and file a well analysed proposal to prescribe the Wharfage in respect of Chemicals, Machinery, Electrical goods, and marine products on per unit basis, within a period of three months from the date of notification of the Order passed in the Gazette of India. However no proposal is filed by the VPT till date in this regard. In the light of the above position, the port to propose specific wharfage rate for other chemicals under Sl. No.15, Electrical Goods under Sl. No. 19, Machinery under Sl. No.28 and Marine products under Sl. No.42 instead of continuing wharfage rate on *ad valorem* basis.	VPT could work out and propose wharfage rate on per ton basis in respect of some Chemicals as the chemicals are homogeneous components. In respect of machinery and electrical goods the value, weight/ volume varies abnormally and depending on the physical shape or size, the cost of a component cannot be assumed. There will be a wide range of fluctuations in the cost of machinery and electrical products and hence it is difficult to take care of these fluctuated rates if a per ton rate is fixed as wharfage.
	(d). Based on the request of VPT, the Authority vide its Order No.TAMP/9/2016-VPT dated 17 September 2016 had approved the amendment in note 9 under Section-4 Schedule 4.1 Wharfage by deleting the word "the material brought for 100% EOU and". The VPT has in the proposed SOR not incorporated the said amendment. The VPT to modify the proposed note 9 to fall in line with the Authority's Order dated 17 September 2016.	The same is included in SOR.
	(x). <u>4.6.2. (b) Note no.(6) Demurrage charges on cargoes not removed from the wharf</u>: The VPT has proposed for reduction in the demurrage charge on above item and has also	The Trade have requested in the Port Working committee meeting and other meetings to modify the existing wharf demurrage rates/ conditionalities and accordingly the matter has been

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<td>proposed to introduce new note no.3 below the table which states that Wharf demurrage shall be levied berth wise as per the slab rates, irrespective of shifting of vessel done either by the port or at the agent’s request. The VPT to furnish reasons for proposing reduction in existing rate and introduction of the proposed new note no.3.</td>
<td>examined and placed before the Board in its meeting held on 28-11-2018 vide Resolution No.109/2018-19, the Board Resolved as follows:

<u>Demurrage on cargoes not removed from the wharf</u>
Demurrage shall be levied on cargoes not removed from any berth in the port after completion of discharge from a vessel/ shipment to a vessel/ Barge.
<table>
<tr><th>Sl. No.</th><th>Description</th><th>Amount</th></tr>
<tr><td>i..</td><td>First 5 hours</td><td>Free</td></tr>
<tr><td>ii.</td><td>6th to 10th hour</td><td>Free – subject to limiting the free time from 6th hour to 10th hour or berthing of subsequent vessels, whichever is earlier. Thereafter, ₹5000 per hour or part thereof will be charged in this slab</td></tr>
<tr><td>iii.</td><td>11th to 15th hour</td><td>₹5000 per hour or part thereof</td></tr>
<tr><td>iv.</td><td>16th to 20th hour</td><td>₹10000 per hour or part thereof</td></tr>
<tr><td>v</td><td>21st hour onwards</td><td>₹25000 per hour or part therof</td></tr>
</table>

Further, the proposed rates & conditionalities have been made as a matter of policy keeping in view the operational aspects and ground conditions. (The above rates are without indexation) now after indexation, tariff proposed in SOR proposal.</td>
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<td>(xi). <u>4.6.3. Storage charge on container</u>:
The existing note no.(4) stipulates that if operational area is leased on rent to users, storage charge on container shall not be levied. This is in line with clause 8.7. of the Working Guidelines. The existing note is proposed to be modified by substituting the words “area is leased on rent to users” to “area is allotted on licensed terms to users” which is not found to be in line with the Working Guidelines clause. The reasons and basis for the proposed modification to be explained.</td>
<td>The operational area is given on Licence terms for cargo stacking purposes by applying the licence fee stipulated by the TAMP approved scale of rates. “Lease” is governed by the tariff stipulated in the Schedule of Rates. In case of containers, Storage charges are stipulated under section 4.6.3. If such containers are allowed to be stacked in the licenced area, then as per note 4 of clause 4.6.3 they need not pay storage charges again since they are being stacked in the Licenced area for which licence fee has already been collected as per VPT Scale of Rates.</td>
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<td>(xii). <u>5.1.3 Charges for use of Harbour Mobile cranes installed by the Private operators</u>:
The VPT has proposed for deletion of existing Schedule 5.1.3 along with notes prescribing rate for use of HMC installed by the private operators. The reasons for proposed deletion from the existing SOR to be explained. The port to also clarify as to what charges shall be applicable for HMC in view of the proposed deletion and as to who will provide the HMC services in view of the proposed deletion.</td>
<td>Clause 5.1.3 is now redundant, as the present HMCs are being engaged by private players on “Revenue Sharing” basis through tendering system for which separate rates have been fixed by TAMP.</td>
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	(xiii). 5.5. Electrical crane charges (for other usage viz. cargo handling from/to barges, non-cargo operations) when not recovered under berth hire: The VPT to furnish reasons for the proposed deletion of tariff prescribed in the existing SOR for 10 and 15 tonnes Electrical quay crane.	The 10 and 15 tonnes Electrical quay cranes are not in existence at VPT, hence deleted.
	(xiv). The Authority has passed the common adoption Orders for all MPTs from time to time and all the MPTs including VPT were requested to include suitable notes in the SOR. However, the VPT has not included suitable notes in the proposed SOR in line with following common adoption Orders:	
	(a). (i). Amendment Order No.TAMP/53/2015-VOCPT dated 10 June 2016 in common adoption Order No.TAMP/53/2015-VOCPT dated 26 November 2015 relating to provision prescribed for System of classification of vessel for levy of Vessel Related Charges (VRC) and Criteria for levy of Vessel Related Charges and Concessional Coastal rate.	Relevant notes are incorporated under General Terms & Conditions at 1.2 (ii) A (ii) and at 1.2 (iii) (ii).
	(ii). Amendment Order No.TAMP/53/2015-VOCPT 25 September 2018 in common adoption Order No.TAMP/53/2015-VOCPT dated 26 November 2015 relating to provision prescribed for concessional coastal tariff for ships and cargo that move from one Indian Port to another Indian Port through the territorial waters of Sri Lanka or Bangladesh in terms of Notification No.38/2018- Customs (N.T.) dated 11 May 2018 issued by the Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance.	Relevant notes are incorporated under General Terms & Conditions at 1.2 xxiv a & b.
	(b). Order No.TAMP/4/2004-Genl. dated 25 October 2016 relating to provide 80% discount for two years with effect from 20 September 2016, on the vessel related charges & cargo related charges for coastal transportation of vehicles through Ro-Ro ships.	The TAMP order in connection with Ro-Ro vessels is valid for 2 years w.e.f. 20 September 2016. In other words, the same is valid up to 20 September 2018. No further, orders received in this regard and hence not incorporated in SOR.
	The port to incorporate the provisions stipulated in these common Orders/ letters.	
	(xv). The Authority had passed the Order No.TAMP/46/2018-MUC dated 8 June 2018 as common Order incorporating a provision towards levy of Mandatory User Charge (MUC) on containers for the Logistics Data Bank Service to be rendered by Delhi-Mumbai Industrial Corridor Development Corporation (DMIDC) in the Scale of Rates of all the MPTs and BOT operators operating thereat. In this regard, it is to state that the validity of the rate approved is till 31 March 2019. The DMIDC has recently filed a proposal for revision of mandatory user charges beyond its validity which is being processed separately. The rate as and when approved in DMIDC case shall be made applicable to VPT also. The port may kindly take note of this.	Relevant noting made in SOR at 4.7.2.
6.	**Performance Standards:**	
	(i). Clause 3.1. of the Tariff Policy, 2018 requires the port to propose Performance	The commodity group as suggested by TAMP can be incorporated, however,

	Standards for cargo related services in terms of average ship berth day output only. It is not necessary to commit cargo-wise ship berth day output. The port may, therefore, modify the proposed Performance Standards to fall in line with the Tariff Policy, 2018. The port to ensure best Performance Standards are proposed.	VPT has taken into consideration cargo characteristics such as specific gravity of the cargo, the OSBD which can vary based on the commodity. The commodity basket of Bulk Cargo consists of heterogeneous cargo. As such the grouping of commodity in one group may not represent the correct OSBD, and hence specific commodity OSBD norms are prescribed for different cargoes. Hence, the same may be notified.
	(ii). The port may furnish the basis of the proposed Performance Standards for cargo related service and vessel related services with reference to the actual performance parameters achieved in the year 2017-18.	The cargo-wise average achievement of last five years i.e. 2014 to 2018 (calendar years) has been worked out. The average OSBD thus worked out has been proposed as Performance Standards as at Form-6.

9.1. While furnishing the additional information/ clarifications, the VPT vide its letter dated 16 August 2019 has also furnished revised computation of ARR, revised proposed draft SOR, comparison of existing SOR and conditionalities vis-à-vis proposed tariff and conditionalities and revised estimation of revenue at the proposed rate. A summary position of revised ARR computation furnished by VPT is tabulated below:

(**₹ in lakhs**)

Sl. No.	**Description**	**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	36,801.85	34,341.24	35,049.76
(ii).	Management & General Overheads	18,366.92	18,822.81	19,119.98
(iii).	Finance and Miscellaneous expenses (FME)	67,207.42	46,325.52	39,615.77
	Total Expenditure 1=(i)+(ii)+(iii)	**1,22,376.19**	**99,489.58**	**93,785.51**
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	4,474.87	4,617.13	4,773.32
	(b). Management & Administrative Overheads	3,862.21	3,542.06	3,936.58
	(c). Allocated FME	3,179.13	4,010.46	4,081.79
	Subtotal 2 (i)=[(a)+(b)+(c)]	**11,516.21**	**12,169.64**	**12,791.69**
(ii).	**Interest on loans**			
	Loans from Government	422.21	464.14	449.77
	Interest on others	2.61	4.08	0.00
		424.82	**468.22**	**449.77**
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension/gratuity, arrears of exgratia payment etc. (list our each of the items)**			
	(a). Wage arrears	0.00	0.00	0.00
	(b). Pension arrears	1,501.22	0.00	0.00
	(c). V.R. Scheme Ex-gratia payment	262.44	2,989.78	468.79
	Subtotal 2 (iii) = [(a)+(b)+(c)]	**1,763.66**	**2,989.78**	**468.79**
(iv).	**2/3rd of the Contribution to the Pension Fund**	26,971.33	11,430.31	6,666.67
	2/3rd of the Contribution to Retirement Gratuities	1,180.17	0.00	1,068.65
		28,151.51	**11,430.31**	**7,735.32**
(v).	**Management and General overheads over & above 25% of the operating expense (excluding estate expense)**	5,693.44	6,686.08	6,770.88
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10 of the Tariff Policy, 2018.**			
	(a). Operating Expenses	--	--	--
	(b). Depreciation	--	--	--
	(c). Management and Administrative Overheads	--	--	--
	(d). Allocated FME	--	--	--
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	0.00	0.00	0.00

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)	**47,549.63**	**33,744.04**	**28,216.44**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	**74,826.56**	**65,745.54**	**65,569.07**
(4).	Average Expenses of Sl. No.3 = [Y1 + Y2 + Y3] / 3			69,214.13
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			1,41,506.31
	(ii). Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)			57,657.26
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.			23,590.78
	(iv). Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts.			2,912.89
	(v). Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths			0.00
	(vi). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines			
	(a). Inventory			1,022.73
	(b). Sundry Debtors			3,736.12
	(c). Cash			5,115.69
	(d). Sum of (a)+(b)+(c)			9,874.54
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]			**1,82,534.45**
(6).	**Return on Capital Employed 16% on Sl. No.5(vii)**			**29,205.51**
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**			**98,419.64**
(8).	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 i.e. @ 3.45% (*1.0345)			1,01,815.12
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**1,01,815.12**
(10).	**Revenue Estimation at the proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.9 above**			**87,604.14**

Note: With reference to 2(iii)(c) above, the above deduction is made on account of V.R. Scheme and Ex-gratia payment though it has not arisen on account of wage revision.

9.2. The revised Performance Standards proposed by VPT in Form-6 are as follows:

Sl. No.	Performance Parameters	Proposed in original proposal	Revised proposed Performance Standard (in tonnes) (Avg. of last five years 2014-2018)
(1)	**Cargo Related Services**		
	(i). Coking Coal (Conv)	7,650	7,891
	(ii). Steam Coal (Conv)	6,200	7,175
	(iii). Thermal Coal	16,400	16,774
	(iv). **Fertiliser (Raw materials)**		
	(a). Fertilisers (Mech)	3,795	3,803
	(b). Sulphur (Mech)	2,675	3,124
	(c). Rock Phosphate (Mech)	5,550	5,627
	(d). Fertilisers (Conv)	5,150	6,366
	(e). Sulphur (Conv)	3,725	4,466
	(f). Rock Phosphate (Conv)	4,625	4,604
	(v). **POL**		
	(a). Export POL-IH	6,500	6,338
	(b). IMP POL-IH	5,025	5,263
	(c). LPG	9,650	10,517
	(d). Crude Oil IMP	62,325	70,883
	(e). Transhipment Crude Oil (Mother + Daughter)	27,870	24,517
	(f). Transhipment POL (Mother + Daughter)	9,050	21,307

Sl. No.	Performance Parameters	Proposed in original proposal	Revised proposed Performance Standard (in tonnes) (Avg. of last five years 2014-2018)
	(g). Import POL-OH	12,625	12,765
(2)	**Vessel Related Services**		
(a)	Average Turn Round time of Vessel (days)	5.37	4.14
(b)	Average Pre-berthing time of Vessel (days)	2.30	1.36

10. Subsequently, the VPT vide its e-mail dated 16 November 2019 has submitted the following information on wharfage traffic, HMCs, CHD Levy, Road Stead Charges:

(i). **<u>Revenue estimation on Wharfage linking with Traffic handled by VPT in 2017-18:</u>**
For arriving at estimated revenue for the General Revision of SOR purpose, revenue of 2017-18 is considered. For the year 2017-18 Traffic handled by VPT is 63.53 Million Tons, out of which VPT's Traffic alone is 31.02 Million Tons and BOT Traffic is 32.51 Million Tons. Accordingly, for 31.02 Million Tons VPT has arrived to estimate wharfage revenue as proposed in the General Revision of SOR at ₹176.03 crores.

(ii). **<u>Deletion of Section 5.1.3 Charges for use of Harbour Mobile cranes installed by the Private operators in the proposed SOR:</u>**
The Section 5.1.3 – Charges for use of Harbour Mobile crane installed by Private Operators 3 is now redundant and hence the clause 5.1.3 is deleted in the proposed general revision of SOR. Earlier 2 Nos. HMCs were deployed by VPT through a HMC provider on Hire charges basis where VPT collects charges from users and pays hire charges to the HMC provider. The said contract was completed and present cranes were deployed on revenue share basis for which TAMP has communicated approval vide letter No.TAMP/21/2015-VPT dated 15.5.2015 under reference tariff. Hence the existing clause of 5.1.3 has become redundant and hence deleted in proposed SOR.

(iii). **<u>4.7.4.1. Levy of Time Rate Wages:</u>**
The existing note immediately below the schedule 4.7.4.1 is deleted in the proposed SOR as per TAMP Order No.TAMP/9/2016-VPT dated 17.9.2016 at 5.1(ii).

(iv). **<u>Road Stead Charges:</u>**
Regarding change in conditionalities in Road Stead Charges, it is to state that based on the operational requirements and by experience from port operations changes were proposed hence a common justification is rendered below:

"The time period has been modified as 48 hrs after receiving request from the trade. The other slabs and rates have been proposed after gaining experience from the port operations relevant and accordingly the slabs and rates have been proposed for facilitating ease of operations and calculations, which are uniform to the trade, as a matter of port policy. The 3 times road stead charges have been removed on request from the trade, duly hiking the rate of road stead charges as well as reduction of slabs. It may also be noted that road stead charges is a floating revenue and has been proposed to discourage long waiting of vessels at anchorage and to protect the earning. It avoids anchorage as being used as a parking place for vessels."

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

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

(i). The Scale of Rates (SOR) of Visakhapatnam Port Trust (VPT) was last revised by this Authority vide Order No.TAMP/9/2016-VPT dated 21 June 2016. The validity of the SOR of VPT approved vide Order dated 21 June 2016 expired on 31 March 2019. The validity of said existing SOR of VPT was last extended upto 31 December 2019 and communicated to VPT vide our letter dated 16 September 2019. The VPT vide its letter dated 03 April 2019 has filed its proposal for general revision of its SOR under the Tariff Policy, 2018 and Working Guidelines to operationalize the Tariff Policy, 2018 notified in the Gazette of India on 03 February 2019. After a regular follow up, the port has furnished the requisite information/ clarification sought by us along with revised Annual Revenue Requirement (ARR), draft SOR, modified estimates of revenue and modified Performance Standards vide its letter dated 16 August 2019 and subsequent e-mail dated 16 November 2019. The final revised proposal filed by VPT vide its letter dated 16 August 2019 and subsequent e-mail dated 16 November 2019 along with submissions made by the port during the processing of the case are considered in this analysis.

(ii). Clause 2.1 of the Tariff Policy, 2018 require each Major Port Trust (MPT) to assess the ARR which is the average of the sum of Actual Expenditure as per the final Audited Annual Accounts of the three years (Y1), (Y2) and (Y3) subject to certain exclusions as prescribed in Clause 2.2 of the Tariff Policy, 2018 and the Working Guidelines issued by this Authority plus Return at 16% on Capital Employed including capital work-in-progress obtaining as on 31st March Y3, duly certified by a practicing Chartered Accountant/Cost Accountant.

The VPT has assessed the ARR based on Audited Annual Accounts for three years i.e. 2015-16 (Y1), 2016-17 (Y2) and 2017-18 (Y3) following clause 2.1 of the Tariff Policy, 2018 and the Working Guidelines notified by this Authority and the ARR has been duly certified by a practicing Chartered Accountant. The VPT has excluded the expenses not admissible in ARR computation for arriving at the Average annual expenses for the year 2015-16, 2016-17 and 2017-18. The ARR estimated by the VPT duly certified by the practicing Chartered Accountant is found to be order and hence considered except for modifications for the reasons explained in the following paragraphs.

(a). As per Clause 2.2 (iii) of the Tariff Policy, 2018, 1/3rd of the Contribution to the Superannuation funds (Pension Fund, Gratuity Fund and Leave Encashment Fund) needs to be considered in the ARR computation which means 2/3rd to be excluded in the ARR computation.

(i). The Audited Annual Accounts of the VPT for the year 2015-16 reports Leave Encashment Funds of ₹3.75 crores at note no.13 of Notes on Accounts for the year 2015-16. Despite request to VPT to consider it, the VPT has not excluded the same in Form 1 stating that it is not only on account of superannuation, employees while in service are also eligible for encashment of Earned leave and VPT regularly disburses these payments to employees whoever applies Encashment leave and hence, it is not a superannuation fund and no exclusion is made in ARR by the VPT.

At the first part to the reply, the port has admitted that leave encashment is on account of superannuation as well as disbursement to employees in service who apply for the same. In the absence of the port furnishing the segregation of leave encashment on account of superannuation and employees in service, and also recognising that this item is captured in the ARR computation of other Major Port Trusts, 1/3rd of this item reported in the year 2015-16 is considered. In the modified cost statement relating to ARR prepared by us, entire amount of Leave Encashment Funds of ₹3.75 crores reported in the Annual Accounts in the year 2015-16 is excluded from the expenses for the corresponding year and in the calculation of average expenses, 1/3rd of ₹3.75 crores i.e. ₹1.25 crores is captured. This methodology ultimately results in exclusion of 2/3rd of one-time expenses which is found to be in line with Working Guidelines. In any case, this will not have any impact on the proposal of VPT as there is vast gap of ARR left uncovered by the VPT.

Similar adjustment is also done in respect of Pension arrears which is reported in one year i.e. 2015-16 at ₹2,251.82 lakhs as the adjustment done by the VPT does not ultimately result in exclusion of 2/3rd of the expense. This is in line with the approach followed at other Major Port Trusts as well in the ARR computation.

(ii). The Annual Accounts of the VPT for the years 2015-16 and 2017-18 report retirement gratuity of ₹17.70 crores and ₹16.03 crores respectively. As per note no.2 (ii) below the Form-1 attached to the Working Guidelines, 2018, if the figures for exclusion of 2/3rd of Superannuation funds are reported for two out of three years, then average of two years should be finally captured while computing the average expenses. The port has, excluded 2/3rd of the retirement gratuity i.e. ₹11.80 crores in the year 2015-16 and ₹10.69 crores in the year 2017-18 and then added ₹7.51 crores in the average expenses. The adjustment done by the VPT does not result in excluding 2/3rd of this expense or in other words capturing 1/3rd in the ARR computation. The treatment given by the VPT is not in line with the said note.

That being so, in the modified cost statement relating to ARR prepared by us, entire amount of retirement gratuity of ₹17.70 crores and ₹16.03 crores for the years 2015-16 and 2017-18 respectively are excluded for the said two years from the total expenses. In the calculation of average expenses, average of 1/3rd of retirement gratuity working out to ₹5.62 crores is captured. This methodology ultimately results in exclusion of 2/3rd of one-time expenses which is found to be in line with Working Guidelines.

(b). As per Clause 2.2 (v) of the Working Guidelines notified by this Authority, all expenses relevant for captive berths are to be excluded from the computation of ARR.

The VPT has shown Nil exclusion towards expenses relevant for tariff fixation of captive berth as there is no operating expenditure on development of captive Berth. This information furnished by VPT in ARR Computation is relied upon.

(c). The tariff for port railway services is not fixed by this Authority; it is fixed by the Railway Board. Prima facie, as per Audited Annual Accounts, Railway activity in VPT is in surplus (i.e. excess of railway income over railway operating expenditure). The VPT was, therefore, requested to exclude the average railway workings (expenses) of ₹8,111.43 lakhs from the total expenditure in the computation of ARR. However, VPT has stated that the Railway activity of VPT is continuously in deficit. The port has referred to Annexure 41 of the Railway Proforma account for the years 2015-16, 2016-17 and 2017-18 forming part of the Port Administrative Report which reflects a net deficit of ₹81.45 crores, ₹78.03 crores and ₹32.73 crores for the years 2015-16 to 2017-18 respectively. The VPT has, therefore, considered the railway activity expenses in the total expenditure in the computation of ARR and requested this Authority to allow the expenses related to Railway as per guidelines.

On perusing the said Railway Proforma account referred by the VPT, it is seen that, apart from the Railway expenses (operating), the apportioned Management, General & Administrative Overheads (MGAO), Depreciation, Property Tax and Retirement benefits, etc., to the Railway activity are also captured therein and, therefore, there is deficit in the railway activity. Otherwise, the Railway activity at the operating level is in surplus.

It is relevant here to state that in the other Major Port Trusts, if the Railway income is in excess of the operating Railway expense, then the entire Railway expense is excluded in the ARR computation on the premise that the Railway income is adequate to meet the Railway expenses. If there is deficit in the Railway activity i.e. Railway Income less operating railway expenses, to the extent of the deficit is captured in the ARR computation. As regards the deficit in the proforma railway account referred by the VPT, the deficit arises on account of apportionment of MGAO, Depreciation, Property Tax and Retirement benefits. Since the ARR computation by the VPT already captures the depreciation, admissible MFAO, and admissible Retirement benefits as per Tariff Policy, 2018, it is not found appropriate to again capture the deficit of the railway activity which is mainly arising on account of the above said apportioned items else it will result in double counting of these expenses. That being so, railway expenses to the tune of ₹84.16 crores, ₹84.80 crores and ₹74.39 crores for the years 2015-16 to 2017-18 respectively averaging to ₹81.14 crores is excluded from the ARR computation. Such an approach has been adopted by this Authority while disposing of the general revision proposal filed by Mumbai Port Trust (MBPT), Mormugao Port Trust (MOPT) and New Mangalore Port Trust (NMPT), Cochin Port Trust (COPT), V.O. Chidambaranar Port Trust (VOCPT), Deendayal Port Trust (DPT) and Chennai Port Trust (CHPT).

(iii). Following the provisions prescribed at Clause 2.3 of the Tariff Policy, 2018, the VPT has arrived at average expenses for the years 2016-17, 2017-18 and 2018-19 at ₹692.14 crores. Subject to modifications as explained above, the modified average expenses for the corresponding period computed by us works out to ₹612.90 crores.

(iv). The VPT has arrived at capital employed of the port in line with provision prescribed in Clause 2.4 of the Working Guidelines considering the net fixed assets plus capital work-in-progress as on 31 March 2018 reported in the Audited Annual Accounts. The VPT has considered the net fixed assets plus capital work-in-progress as on 31 March 2018 reported in the Audited Annual Accounts. The port has excluded net fixed assets relating to estate activity to the tune of ₹235.91 crores and net fixed assets transferred to BOT operators to the tune of ₹29.13 crores which are relied upon. There is no capital expenditure reported by port relating to captive berths.

Working capital is computed as per norms prescribed in clause 2.5 of Working Guidelines. The same is considered except for modification in the Cash. $1/12^{th}$ of allowable expenditure excluding depreciation for the year 2018-19 i.e. ₹539.49 crores/ 12 (norm) = ₹44.96 crores is considered as cash expenses in the calculation of Working Capital.

The modified capital employed works out to ₹1,819.15 crores as against capital employed of ₹1,825.35 crores arrived by VPT. Return on Capital Employed (ROCE) considered by VPT at 16% is ₹292.06 crores. The modified ROCE in the modified cost statement is considered at ₹291.06 crores based on the 16% of modified Capital Employed.

(v). The ARR comprises of the average of the expenditure for the three financial years 2015-16 to 2017-18 plus 16% ROCE. Further, as per Clause 2.7 of Working Guidelines, the said ARR needs to be indexed @ 100% of the WPI applicable for the year 2018-19 at 3.45%. The indexed ceiled ARR assessed by the VPT is ₹1,018.15 crores and modified indexed ceiling ARR assessed in the revised cost statement prepared by us is ₹935.15 crores.

The final detailed working of ARR calculation furnished by the VPT which has been duly certified by Chartered Accountant is relied upon. This is subject to minor modification as explained above. The detailed ARR calculation furnished by the port and modified ARR calculation by us are attached as **Annex - I (a) and (b)** respectively. A summary of the ceiling indexation ARR furnished by the VPT is given below:

(₹ **in crores**)

Sr. No.	Particulars	ARR computation furnished by the VPT	ARR computation modified by us
1	Average admissible Expenses for the years 2015-16, 2016-17 and 2017-18 [Y1+Y2+Y3]/3	692.14	612.90
2	Capital employed as on 31.03.2018 including capital work in progress as on 31.03.2018 and working capital as per norms	1,825.35	1,819.15
3	Return on capital employed @ 16%	292.06	291.06
4	ARR as on 31 March 2018 (4=2+3)	984.20	903.96
5	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (3.45% for the year 2018-19)	1,018.15	935.15
6	Ceiling Indexed Annual Revenue Requirement (ARR)	1,018.15	935.15
7	Revenue estimated by the VPT at proposed rate (which includes Railway earnings)	876.04	--
8	Revenue gap as estimated by VPT	142.11	--
9	Modified Revenue estimates of VPT excluding Railway earnings captured by VPT.	723.78	723.78
10	Estimated revenue gap	294.37	211.37

(vi). (a). As per Clause 2.5 of Tariff Policy 2018, for drawing the SOR, the VPT has reportedly considered the actual cargo traffic in tonnes exclusively handled by the port and GRT of vessel handled by the port during the year 2017-18.

(b). As per Clause 2.6 of Tariff Policy 2018, the Major Port Trusts have the flexibility to determine the rates to respond to the market forces based on commercial judgment and draw the Scale of Rates within the ceiling of indexed ARR, duly certified by a practicing Chartered Accountant. The Port has given detailed working of revenue estimation indicating each of the tariff items in the proposed SOR for corresponding traffic handled in 2018-19 as required as per Clause 2.9 of the Working Guidelines. As per Clause 2.5 of Tariff Policy 2018, for drawing the SOR, the VPT has reportedly considered the actual cargo traffic in tonnes exclusively handled by the VPT and GRT of vessels handled by the port during the year 2017-18, to draw the proposed SOR within the ceiling indexed ARR.

The actual cargo traffic handled by VPT in the year 2017-18 is reported to be 63.53 MMT of which cargo exclusively handled by the port is 31.02 MMT after excluding the cargo traffic of the BOT operators to the tune of 32.51 MMT. The cargo traffic exclusively handled by the VPT has been considered by the port for estimation of cargo related revenue at the proposed tariff. As regards revenue from vessel related charges at the proposed rate, the total GRT vessels as per Administration Report is 60.98 millions for the year 2017-18 which is on vessel to vessel basis. For the revenue estimation of vessel related charges, average GRT of vessels for the number of vessels is considered. On that basis, the total GRT considered for revenue estimation is 60.96 millions. The port has stated that there is a meagre difference of around 20000 GRT which is negligible. Based on the above clarification and recognizing that revenue estimation is duly certified by the practicing Chartered Accountant, the same is relied upon.

(vii). As per Clause 2.6 of Tariff Policy 2018, the Major Port Trusts have the flexibility to determine the rates to respond to the market forces based on commercial judgment and draw the Scale of Rates within the ceiling of indexed ARR, duly certified by a practicing Chartered Accountant. The tariff increase proposed by the port which is already brought out in the earlier paragraphs is again brought out here for ease of reference:

(i). **Vessel related charges**

(a). Port Dues and berth hire increase proposed by 10%.

(b). Pilotage charge increase proposed @ 8%.

(c). No increase in vessel related charges for vessels carrying crude oil at SPM, petroleum including LPG and SPM berth.

(d). Towage, Shifting, Detention and Mooring charges - increase by 5%.

(e). Water charges and roadstead charges increase proposed by 10%.

(ii). **Cargo related Charges and Miscellaneous Charges**

(a). Wharfage charges - 5% increase on cargoes like coal, pig iron, food grains, granite, edible oil and 20% increase on Iron ore (manual), Crude oil at VPT berths, fertilizers, Liquid ammonia, etc.

(b). Demurrage charges - increase proposed by 10%.

(c). Based on market trend, tariff for fire float charges, Fire Tender, Trailer Pump is proposed to be revised.

(d). No change is proposed on the tariff approved for specific cargoes by this Authority which is effective from 29 November 2018.

(e). No change is proposed on CHD Levy, Dry Dock charges and Fishing Harbor Dry Dock charges and slipway charges.

(iii). **No increase is proposed for other tariff items other than the tariff items listed above.**

The port has stated that port rates for vessels are less than Gangavaram Port. Hence, port has proposed 8% to 10% increase in the vessel related charges. Where the port is in a dominant position, higher increase is proposed in cargo related charge and for those items where there is competition from the neighboring ports, port has stated to have restricted the increase.

It is seen that in the revenue estimates, the port has in the end added ₹152.26 crores towards revenue from Railway activity. Since the revision of general SOR, does not include revision of railway services, which falls under the domain of Railway Board, to that extent the revenue estimate furnished by the VPT is corrected and shown separately in **Annex - II**. The revenue estimate excluding revenue estimated by VPT from Railway activity is ₹723.78 crores. At this revised revenue estimate, the revenue gap at modified ARR of ₹935.15 crores comes to ₹211.37 crores as against revenue gap of ₹142.11 crores shown by VPT but excluding Railway earning, revenue gap of VPT is ₹294.37 crores left uncovered at the ARR estimated by VPT at ₹1,018.15 crores.

(viii). The total revenue estimated by VPT at the proposed tariff is ₹723.78 crores which is found to be within the modified ceiling indexed ARR of ₹935.15 crores. The revenue estimation by the VPT at the proposed tariff and traffic of 2017-18 has been duly certified by the Chartered Accountant and hence has been relied upon. The revenue estimates at the proposed rates as furnished by the port and considered by this Authority is attached as **Annex - II**.

(ix). (a). Vizag Seaport Private Limited (VSPL) has given a comparison of berth hire charges proposed by the VPT for crane and non-crane berth hire with the berth hire charges prescribed in its own SOR, berth hire charges of other BOT operators in VPT and the rates in Gangavaram port and has requested the VPT to proposed berth hire rate for crane berths at par with non-crane berths with single slab in view of the fact that almost all berths of VPT are non-crane berths, except EQ-6 and EQ-7 berths.

As rightly stated by the VPT, the tariff comparison cannot be drawn between BOT berths and VPT berths as they are governed by different set of Tariff guidelines. Further, the capital cost of the berths at VPT and BOT berths are totally different and return of capital employed also different, hence there could be no comparison in the tariff of both.

Notwithstanding the above position, it is seen that the berth hire charges for crane berths proposed by the VPT for vessels above 30000 GRT is US$ 0.00887 per GRT per hour is comparable to the berth hire charges prescribed in the VSPL at US$ 0.0089 per GRT per hour. The VPT has categorically stated that berth hire proposed by the port is based on the ground reality and stiff competition from neighboring ports. Even at the proposed rate, the total revenue gap left uncovered is ₹211.37 crores. Hence, this Authority goes with the proposal of the VPT.

(b). TANGEDCO has stated that the proposed increase in vessel related charges by 15.52% will result in an additional expenditure to TANGEDCO. It is seen from the Revenue Estimation that for Major VRC items like Port Dues, Pilotage and Berth Hire, the increase sought is 10%, 8% and 10% respectively over the indexed tariff as on 2018-19 and not 15.52% as pointed out by TANGEDCO. As regards the comparison made by TANGEDCO with regard to the increase in the vessel related charges at other Major Port Trusts, the VPT has clarified its stand that comparison of the rates with other ports is not justifiable as the rates prescribed differ based on the infrastructure existing at different ports and other parameters like ARR and capital employed. It has to be recognised that there is diversity of equipment infrastructure and dynamics in traffic profile at other ports.

(c). Visakhapatnam Steamship Agents' Association (VSAA) and Navship Marine Services Pvt. Ltd. (NMSPL) have made various suggestions for improvement/ corrections in the conditionalities in the proposed SOR of VPT. The VPT has examined the matter and has considered the suggestion made by VSAA and NMSPL wherever found necessary and has made modification in the revised proposed Scale of Rates.

(d). M/s.NMSPL has requested to treat river sea vessel as coastal vessel. Definition of coastal vessel is uniformly prescribed in the SOR of all Major Port Trusts, which is explicit.

(x). Clause 2.10 of the Working Guidelines requires the Port Trust to do away with ad-valorem wharfage rate in the existing SOR and determine specific wharfage rate taking into consideration special case to be taken for handling such cargo or a market determined tariff. Even during the last tariff revision, port was advised to formulate and file a well analysed proposal for conversion of ad-valorem rate structure to specific wharfage rate in respect of Chemicals, Machinery, Electrical goods, and marine products on per unit basis, within a period of three months from the date of notification of the Order in the Gazette of India. The port has not filed any proposal in this regard. In the instant proposal also, the port has continued with the existing tariff arrangement of levy of ad-valorem rate for Electric goods, Machinery, Marine Products and other chemicals except for Methalene Chloride, ISC Propylene Alchohol, Toluene, Cyclo Hexane & Hexane in Bulk for which port has proposed specific wharfage rate. The proposed specific wharfage rate on per tonne basis for Methalene Chloride, ISC Propylene Alchohol, Toluene, Cyclo Hexane & Hexane in Bulk is supported with the workings and also included in revenue estimation at the proposed rate. The proposed rates for these items are, therefore, approved.

When sought specific clarification on this in respect of other items where the wharfage is still continued to be proposed on ad valorem basis, VPT has clarified that it could work out wharfage rate on per ton basis in respect of some Chemicals as the chemicals are homogeneous components. In respect of machinery and electrical goods, the variation in value, weight/ volume is abnormal and depend on the physical shape or size and the cost of a component which cannot be assumed. There will be a wide range of fluctuations in the cost of machinery and electrical products and hence it is difficult to take care of these fluctuation if a per ton wharfage rate is fixed for these items.

In the current proposal, in the absence of any proposal of VPT to prescribe wharfage on per unit basis for Electric goods, Machinery, Marine Products and other chemicals, the ad-valorem rates proposed by the VPT are continued to be prescribed. The port is advised to review and explore the possibility of proposing specific wharfage rate on unit basis instead of ad-valorem basis in line with the approach followed in case of other Major Port Trusts to comply with the provision in the clause 2.10 of Working Guidelines during the next revision.

(xi). The comparative statement giving the existing conditionalities and proposed conditionalities wherever the port has proposed amendment/ deletion in the existing conditionalities along with remarks/ reasoning as furnished by the port during the analysis of the case is updated with our brief remarks/ analysis in the last column for accepting or rejecting each of the modifications/ deletions proposed by the port. The said comparative position is attached as **Annex - III**. The proposed modification/ deletion in the existing conditionalities is approved taking into consideration the remarks/ reasoning furnished by the VPT and our remarks/ analysis thereon given in the said Annex and some improvements/ modification done by us in the revised SOR for the reasons given in the said Annex. Some minor typographical errors observed have been corrected in the revised SOR.

(xii). As per Clause 3.1 of the Tariff Policy, 2018, the Major Port Trusts shall also commit Performance Standards for cargo related services in terms of average ship berth day output, average moves per hour in case of container handling. It is not necessary to commit cargo-wise ship berth day output. Instead, the Major Port Trusts may propose overall average ship berth day output. For vessel side services, the port shall prescribe Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and any other parameter which is found relevant by the Port.

The Tariff Policy, 2018 does not prescribe any method or basis for proposing performance standards.

The port had in the original proposal proposed cargo wise ship berth day output. It was, therefore, specifically brought out to the attention of the VPT that as per Clause 3.1 of the Tariff Policy, 2018, the ports are to propose Performance Standards for cargo related services in terms of average ship berth day output only. It is not necessary to commit cargo-wise ship berth day output. The port has clarified that VPT has taken into consideration cargo characteristics such as specific gravity of the cargo, the OSBD which vary based on the commodity. The commodity basket of Bulk Cargo consists of heterogeneous cargo. As such the grouping of commodity in one group may not represent the correct OSBD, and hence specific commodity OSBD norms are proposed for different cargoes and port has requested this Authority to notify the same.
The basis of the proposed Performance Standards for cargo related service and vessel related services is with reference to the actual average performance parameters achieved in the last five years i.e. 2014 to 2018 (calendar years). Most of the performance standards proposed by the port in the revised proposal are found to be higher than the parameters proposed by the port in the original proposal for most of the items under cargo related services and for both the parameters in the vessel related services. It is also higher than the performance standards prescribed in the last tariff Order for all the items except Rock phosphate and Transhipment Crude (Mother + Daughter).

The performance standards as proposed by the VPT is approved. For these two items of Rock Phosphate and Transhipment Crude, the performance standards proposed in last tariff Order are 4623.82 tonnes per day and 26542.73 tonnes per day respectively as against 4604 tonnes per day and 24517 tonnes per day now proposed by the VPT. The performance parameters for these two cargo items are prescribed at the level of the last tariff Order rounded off to 4624 tonnes and 26543 tonnes respectively.

It is relevant here to mention that the Performance Standards committed by the Port are to be considered for the operations carried out exclusively by the Port within the port premises, with its own equipment and will not be applicable to the private service provider authorised by the port for rendering services with his equipment for whom separate benchmark performance standards prescribed in the relevant Order shall be applicable.

(xiii). As per Clause 2.8 of the Tariff Policy, 2018, SOR will be indexed annually to inflation to the extent of 100% of the variation in Wholesale Price Index (WPI) announced by the Government of India. Such adjustment of SOR will be made every year and the adjusted SOR will come into force from 01st May of the relevant year to 30th April of the following year. Further, as per clause 3.2 of the Tariff Policy, 2018 to be read with clause 2.8 of the Tariff Policy, 2018, annual indexation in SOR at 100% of the WPI is applicable subject to achievement of Performance Standards committed by Major Port Trusts. If a particular port does not fulfil the Performance Standard, no indexation would be allowed during the next year. It is relevant to state that in the instant case indexation for the year 2019-20 is already considered in the ARR and for drawing the SOR. The next annual indexation in SOR will be applicable from 1 May 2020 subject to achievement of Performance Standards in the year 2019-20. That being so, a note proposed by the VPT in the SOR is modified to the effect that the SOR approved by this Authority is subject to automatic annual indexation at 100% of the WPI to be announced by this Authority. The annual indexation will be from 01 May 2020 instead of 1 April 2020 proposed by the VPT subject to the VPT achieving the Performance Standards notified alongwith the SOR. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year. The Tariff Policy, 2018 stipulates that annual indexation in the SOR will be automatic subject to achievement of Performance Standards. It does require the Major Port Trusts to approach this Authority for the same. In order to have transparency, the port is advised to declare the Performance Standards achieved for the period 01 January to 31 December vis-à-vis the Performance Standards notified by this Authority at the level committed by the port within one month of end of the calendar year to this Authority. If the Performance Standards as notified by this Authority are achieved by the port, then the port can automatically index the rates prescribed in its SOR at 100% of WPI announced by this Authority and apply the indexed SOR w.e.f. 01 May of the relevant year. The indexed SOR by the VPT has to be intimated by the port to the concerned users and to this Authority.

(xiv). The validity of the existing SOR of the VPT was last extended till 31 December 2019 or till the effective date of implementation of the revised Scale of Rates, whichever is earlier. By the time the revised SOR of VPT notified by separate Order comes into effect, it shall be around mid of January 2020. That being so, the existing Scale of Rates is deemed to have been extended from the date of expiry till the revised SOR comes into effect.

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

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

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

(c). If there is any error apparent on the face of records considered, the VPT may approach this Authority for review of the tariff fixed within 30 days from the date of notification of the Order passed in the Gazette of India. The VPT may also, for any justifiable reasons, approach this Authority for review of the tariff fixed giving adequate justification/ reasoning within 30 days from the date of notification of the Order passed in the Gazette of India.

(d). The modifications proposed by VPT in the conditionalities governing the Scale of Rates are considered for approval based on justification/ clarification furnished by VPT. The VPT may, if necessary, come up with a proposal for amending any of the conditionalities approved, even before the expiry of the tariff validity period.

13.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the revised SOR and the Performance Standards of the VPT which have been notified separately.

13.2. The revised SOR will come into effect after expiry of 30 days from the date the Order notifying the SOR and Performance Standards in the Gazette of India has come into effect and shall be in force for a period of 3 years therefrom. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

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

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

13.5. As per Clause 6 of the Tariff Policy 2018, the VPT shall furnish to this Authority annual reports on cargo traffic, ship berth day output, average turnaround time of VPT ships, average pre-berthing waiting time. In addition, for the container berths, annual reports shall also be provided on average moves per crane hour and average dwell time for containers. The annual reports shall be submitted by the Port within 60 days following the end of each of the year. Any other information which is required by this Authority shall also be furnished to them from time to time.

13.6. As per Clause 4 of the Working Guidelines, this Authority shall publish all the information received by it from VPT under clause 6 of the Tariff Policy, 2018 on its website. However, this Authority shall consider a request from VPT 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 upon such publication. This Authority's decision in this regard would be final.

(T.S. Balasubramanian)
Member (Finance)

				Annex - I (a)
				FORM-1
Computation of Annual Revenue Requirement under Tariff Policy, 2018 for Determination of Tariff for Major Port Trusts furnished by VPT				
				Rs. in lakhs
Sr.No.	**Description**	**Y-1 (Actuals) 2015-16**	**Y-2 (Actuals) 2016-17**	**Y-3 (Actuals) 2017-18**
1	Total Expenditure (as per Audited Annual Accounts)			
(i).	Operating Expenses (including depreciation)	36801.85	34341.24	35049.76
(ii).	Management & General Overheads	18366.92	18822.81	19119.98
(iii).	Finance and Miscellaneous Expenses (FME)	67207.42	46325.52	39615.77
	Total expenditure 1=(i)+(ii)+(iii)	**122376.19**	**99489.58**	**93785.51**
2	Less: Adjustments			
(i).	Estate related Expenses			
	(a) Operating Expenses (including depreciation)	4474.87	4617.13	4773.32
	(b) Management & Administrative Overheads	3862.21	3542.06	3936.58
	(c) Allocated FME	3179.13	4010.46	4081.79
	Subtotal 2(i)=(a)+(b)+(c)	**11516.21**	**12169.64**	**12791.69**
(ii).	Interest on loans			
	Loans from Government	422.21	464.14	449.77
	Interest on others	2.61	4.08	0.00
		424.82	**468.22**	**449.77**
(iii).	2/3rd of One time expenses, if any like arrears of wages, arrears of pension/ gratuity, arears of exgratia payment etc. (list our each of the items)			
	(a) Wage arrears	0.00	0.00	0.00
	(b) Pension arrears	1501.22	0.00	0.00
	(c) V.R. Scheme Ex-gratia payment	262.44	2989.78	468.79
	Subtotal 2(iii)=(a)+(b)+(c)	**1763.66**	**2989.78**	**468.79**
(iv).	2/3rd of the Contribution to the Pension Fund	26971.33	11430.31	6666.67
	2/3rd of the Contribution to Retirement Gratuities	1180.17	0.00	1068.65
		28151.51	**11430.31**	**7735.32**
(v).	Management and General overheads over & above 25% of the agregate of the operating expenditure and depreciation	5693.44	6686.08	6770.88
(vi).	Expenses relevant for tariff fixation of Captive Berth, if any govened under clause 2.10 of the Tariff Policy, 2015			
	(a) Operating Income			
	(b) Depreciation			
	(c) Management & Administrative Overheads			
	(d) Allocated FME			
	Subtotal 2(vi)=(a)+(b)+(c)+(d)	0.00	0.00	0.00
	Total of 2 = 2(i)+2(ii)+2(iii)+2(iv)+2(v)+2(vi)	**47549.63**	**33744.04**	**28216.44**
(3).	Total Expenditure after Total Adjustments (3=1-2)	74826.56	65745.54	65569.07
(4).	**Average Expenses of Sl. No.3 = (Y1+Y2+Y3)/3**		**69214.13**	

(5).	Capital Employed	
	(i) Net Fixed Assets as on 31.3.2018 (as per Audited Annual Accounts)	141506.31
	(ii) Add: Work in Progress as on 31.3.2018 (as per Audited Annual Accounts)	57657.26
	(iii) Less: Net value of fixed assets, related to Estate activity as on 31.3.2018 as per Audited Annual Accounts	23590.78
	(iv) Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts	2912.89
	(v) Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10 of the Tariff Policy, 2015	0.00
	(vi) Add: Woking Capital as per norms prescribed in clause 2.5 of the Working Guidelines	
	(a) Inventory	1022.73
	(b) Sundry Debtors	3736.12
	(c) Cash	5115.69
	(d) Sum of (a)+(b)+(c)	9874.54
	(vii) Total Capital Employed [(i) +(ii)-(iii)-(iv)-(v)+(vi)(d)]	**182534.45**
(6).	Return on Capital Employed 16% on Sl. No.5(vii)	29205.51
(7).	Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+(6)]	98419.64
(8).	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 i.e. @ 3.45% (*1.0345)	101815.12
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**	**101815.12**
(10).	Revenue Estimation at the proposed indexed SOR within the Ceiling indexed ARR estimate at Sl. No.9 above	**87604.14**
(11).	Revenue Estimation at the proposed indexed SOR within the Ceiling indexed ARR estimate at Sl. No.9 above excluding Railway Revenue Captured by VPT	**72378.01**
Note:	(1) With reference to 2(iv) above: The above deduction is made on account of Pension Fund Contribution and Contribution to retirement gratutities though it has not arisen on account of wage revision.	
	(2) With reference to 2(iii)(c) above: The above deduction is made on account of V.R. scheme and Ex-gratia payment though it has not arisen on account of wage revision.	

				Annex - I (b)
				Form-1
Computation of Annual Revenue Requirement under Tariff Policy, 2018 for Determination of Tariff for Major Port Trusts furnished by VPT and modified by TAMP				
				Rs. in lakhs
Sr.No.	**Description**	**Y-1 (Actuals) 2015-16**	**Y-2 (Actuals) 2016-17**	**Y-3 (Actuals) 2017-18**
1	Total Expenditure (as per Audited Annual Accounts)			
(i).	Operating Expenses (including depreciation)	36801.85	34341.24	35049.76
(ii).	Management & General Overheads	18366.92	18822.81	19119.98
(iii).	Finance and Miscellaneous Expenses (FME)	67207.42	46325.52	39615.77
	Total Expenditure 1=(i)+(ii)+(iii)	**122376.19**	**99489.58**	**93785.51**
2	Less: Adjustments			
(i).	Estate related Expenses			
	(a) Operating Expenses (including depreciation)	4474.87	4617.13	4773.32
	(b) Management & Administrative Overheads	3862.21	3542.06	3936.58
	(c) Allocated FME	3179.13	4010.46	4081.79
	Subtotal 2(i)=(a)+(b)+(c)	**11516.21**	**12169.64**	**12791.69**
(ii).	Expenditure relating to Railway Activity	**8415.73**	**8479.58**	**7439.00**
(iii).	**Interest on loans**			
	Loans from Government	422.21	464.14	449.77
	Interest on others	2.61	4.08	0.00
		424.82	**468.22**	**449.77**
(iv).	2/3rd of One time expenses, if any like arrears of wages, arrears of pension/ gratuity, arears of exgratia payment etc. (list our each of the items)			
	(a) Wage arrears	0.00	0.00	0.00
	(b) Pension arrears	2251.82	0.00	0.00
	(c) V.R. Scheme Ex-gratia payment	262.44	2989.78	468.79
	Subtotal 2(iii)=(a)+(b)+(c)	**2514.26**	**2989.78**	**468.79**
(v).	2/3rd of the Contribution to the Pension Fund, Gratuity and Leave Encashment Fund			
	Pension Fund	26971.33	11430.31	6666.67
	Gratuity Fund [Entire amount shown as exclusion and 1/3rd to be admitted shown seperately.]	1770.26	0.00	1602.98
	Leave Encashment Fund [Entire amount shown as exclusion and 1/3rd to be admitted shown seperately.]	375.00	0.00	0.00
		29116.59	**11430.31**	**8269.64**
(vi).	Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation	5693.44	6686.08	6770.88
(vii).	Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10 of the Tariff Policy, 2015			
	(a) Operating Income			
	(b) Depreciation			
	(c) Management & Administrative Overheads			

	(d) Allocated FME			
	Subtotal 2(vi)=(a)+(b)+(c)+(d)	0.00	0.00	0.00
	Total of 2 = 2(i)+2(ii)+2(iii)+2(iv)+2(v)+2(vi)+2(vii)	**57681.05**	**42223.61**	**36189.76**
(3).	**Total Expenditure after Total Adjustments (3=1-2)**	**64695.13**	**57265.96**	**57595.75**
(4).	**Average Expenses of Sl. No.3 = (Y1+Y2+Y3)/3**	**59852.28**		
	Add: 1/3rd of One time expenses (Pension arrears)	750.61		
	Add: 1/3rd of the contribution to the Gratuity Fund	562.21		
	Add: 1/3rd of the contribution to the Leave Encashment Fund	125.00		
	Total Average Expenses	**61290.09**		
(5).	Capital Employed			
	(i) Net Fixed Assets as on 31.3.2018 (as per Audited Annual Accounts)	141506.31		
	(ii) Add: Work in Progress as on 31.3.2018 (as per Audited Annual Accounts)	57657.26		
	(iii) Less: Net value of fixed assets, related to Estate activity as on 31.3.2018 as per Audited Annual Accounts	23590.78		
	(iv) Less: Net value of fixed assets, if any transferred to BOT operator as on 31 March 2018 as per Audited Accounts	2912.89		
	(v) Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10 of the Tariff Policy, 2015	0.00		
	(vi) Add: Working Capital as per norms prescribed in clause 2.5 of the Working Guidelines			
	(a) Inventory	1022.73		
	(b) Sundry Debtors	3736.12		
	(c) Cash	4495.77		
	(d) Sum of (a)+(b)+(c)	9254.62		
	(vii) Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]	**181914.53**		
(6).	Return on Capital Employed 16% on Sl. No.5(vii)	29106.32		
(7).	Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+(6)]	90396.42		
(8).	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 i.e. @ 3.45% (*1.0345)	93515.10		
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**	**93515.10**		
(10).	Revenue Estimation at the proposed indexed SOR within the Ceiling indexed ARR estimate at Sl. No.9 above	**72378.01**		

Annex - II

FORM-3

Revenue Estimation at the proposed Scale of Rates furnished by VPT and considered by the TAMP

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
1	Port dues	Foreign going vessels (in US $)	Coastal Vessel (in Rs.)		Foreign going vessels (in US $)	Coastal Vessel (in Rs.)			63.54 MT		
(i).	All category of vessels	0.3771	10.077	Section-2, 2.1	0.4148	11.09	GRT	Section-2, 2.1	Annexure A	13,040.22	10%
(ii).	Vessels carrying crude oil or petroleum products, including LPG	0.4289	11.46		0.4289	11.46				1,870.06	NIL
2	Pilotage Fees			Section-2, 2.2.1			GRT	Section-2, 2.2.1	Annexure A	20,279.61	8%
(i).	ALL VESSELS										
	1. Upto and inclusive of 30,000 GRT	0.6179	16.51		US $ 0.66741	17.84					
	2. 30,001 to 60,000 GRT	US $ 18539.69 + US $ 0.4943 per GRT over 30,000 GRT	Rs.495412 + 13.21 per GRT over 30,000 GRT		US $20022 + US $ 0.5339 per GRT over 30,000 GRT	Rs.535196 + Rs.14.27 per GRT over 30,000 GRT					
	3. 60,001 and above GRT	US $ 33370.38 + US $ 0.4325 per GRT over 60,000 GRT	Rs.891741 + Rs.11.56 per GRT over 60,000 GRT		US $ 36040 + US $ 0.4672 per GRT over 60,000 GRT	Rs.963353+ Rs.12.49 per GRT over 60,000 GRT					
	4. Minimum charges payable	US $ 1763.22	47131.11		US $ 1904	50901					
(ii).	Vessels carrying crude oil or petroleum products including LPG						GRT	Section-2, 2.2.2		3,051.31	NIL
	1. Upto and inclusive of 30,000 GRT	US $ 0.7028	18.78		US $ 0.7028	18.78					
	2. 30,001 to 60,000 GRT	US $21,084 + US $ 0.5622 per GRT over 30,000 GRT	Rs.563400 + Rs.15.02 per GRT over 30,000 GRT		US $21,084 + US $ 0.5622 per GRT over 30,000 GRT	Rs.563400 + Rs.15.02 per GRT over 30,000 GRT					
	3. 60,001 and above GRT	US $ 37950 + US $ 0.4919 per GRT over 60,000 GRT	Rs.10,14.000 + Rs.13.15 per GRT over 60,000 GRT		US $ 37950 + US $ 0.4919 per GRT over 60,000 GRT	Rs.10,14.000 + Rs.13.15 per GRT over 60,000 GRT					
	4. Minimum charges payable	US $ 2005.20	53599.2		US $ 2005.20	53599.2					
3	Shifting Charges			Section-2, 2.2.3				Section-2, 2.2.3	Annexure A	544.23	5%
	(i). Upto and inclusive of 30,000 GRT	US $ 0.2471	6.61		US $ 0.2595	Rs.6.94					
	(ii). 30,001 to 60,000 GRT	US $ 7415.66 + US $ 0.198 per GRT over 30,000 GRT	Rs.198220.61 + 5.29 per GRT over 30,000 GRT		US $ 7786 + US$ 0.2076 per GRT over 30,000 GRT	Rs.2,08,200+ Rs.5.55 per GRT over 30,000 GRT					
	(iii). 60,001 and above GRT	US $ 13351.11 + US $ 0.1729 per GRT over 60,000 GRT	Rs.356796.67+ Rs.4.62 per GRT over 60,000 GRT		US $ 14016 +US $0.1817 per GRT over 60,000GRT	Rs.3,74,700 + Rs.4.86 per GRT over 60,000 GRT					
4	Detention Charges			Section-2, 2.2.5				P	Annexure A	133.44	5%
(i).	First half-an-hour for Inward/ Outward movement	Free	Free		FREE	FREE					
(ii).	For every subsequent half-an-hour or part thereof	547.33	14630.1		574.69	15361.46					

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
(iii).	Cancellation of movement of a vessel scheduled for Inward/ Outward Movement - Charges to be levied in addition to the detention charges	1641.98	43890.15		1724.08	46084.66					
(iv).	Fees for carriage of Pilot:	216.05	5775.05								
	Compensation per day if an outward-bound vessel carries away a pilot to sea.				226.85	6063.77					
5	Berth Hire:			Section-2, 2.3.1				Section-2, 2.3.1	Annexure A	6,656.50	
	IRON ORE AND PELLETS (Mech.)										
	Up to 42000 GRT	0.015321359	0.409		0.01685	0.4505					10%
	Above 42000 GRT	0.00726 (subject to a minimum of US $ 643.50)	0.1939 (subject to a minimum of Rs.17199.60)		0.00799 (subject to a minimum of 707.85 US $)	0.2135 (subject to a minimum of Rs.18920.74)					10%
	Vessels carrying crude oil or petroleum products, including LPG									363.82	
	Upto 30000 GRT	0.00276	0.0737		0.00276	0.0737					Nil
	Above 30000 GRT	0.00367	0.0982		0.00367	0.0982					Nil
	RESIDUAL CATEGORY										
	(i). Crane berths										
	- Upto 30000 GRT	0.005993479	0.160177842		0.00659	0.1762					
	- Above 30000 GRT	0.008061652	0.215469798		0.00887	0.237					
	(ii). Non-crane berths										
	- Upto 30000 GRT	0.002426937	0.064788666		0.00267	0.0714					
	- Above 30000 GRT	0.003228881	0.086314542		0.00355	0.0949					
	For vessels [including Work Boats] operating in port waters under Visakhapatnam Harbour Craft rules.	NA	0.2215899		NA	0.2437					
					RATE IN 'PER DAY PER VESSEL						
	For vessels under construction at HSL Jetty/ moorings	Upto 3 months Rs.1329.54			Upto 3 months Rs.1462						
		4th Month onwards Rs.1107.95			4th Month onwards Rs.1219						
		Foreign going vessels (in US $)	Coastal vessel (in Rs.)	Section-2, 2.3.5				Section-2, 2.3.5			
6	Road Stead Charges			Road Stead Charges						650.36	
	First 48 hrs.	Free	Free	First 48 hrs.	Free	Free					
	After 48 hrs. and up to 240 hrs.	0.000103409	0.002743494	After 49 hrs. and up to 144 hrs.	0.000108	0.0029					4-6%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
	241 hrs. to 480 hrs.	0.000154058	0.00422076	145 hrs. to 384 hrs.	0.000169	0.0045					7-10%
	481 hrs. onwards	0.001551129	0.041363448	385 hrs. onwards	0.001861	0.0497					20%
7	2.3.6 Tariff at SPM							Section 2, 2.3.6			
	Vessel related charges	Foreign in US $	Coastal in Rs.	Foreign in US $	Coastal in Rs.	Remarks					
(i).	Port dues vessels entering outer harbour (Rate per GRT)	0.4423	11.84	0.4423	11.84	One time payment based on GRT of the vessel for each entry					NIL
(ii).	Pilotage										
	a) Vessel of GRT 30001 and above (Rate per GRT)	0.7	18.56	0.7	18.56	One time payment based on GRT of the vessel for one inward and one outward movement					NIL
	b) For on Board stay 1st pilot	12.56	842.4	12.56	842.4	Per hour or part thereof stay at SPM					NIL
(iii).	Mooring/ Berthing charges	163.7	7293.6	163.7	7293.6	One time for each operation					NIL
(iv).	Unmooring/ unberthing charges	163.7	7293.6	163.7	7293.6	One time for each operation					NIL
(v).	Tug charges	620.537	16586.71	620.537	16586.71	per hour or part thereof subject to minimum of 2 hours					NIL
(vi).	Anchorage charges per GRT	0.0019	0.048	0.0019	0.048	charges per GRT of the vessel per hour of stay at SPM					NIL
(vii).	For usage of VPT tug (Allowances & refreshments for crew)	208.837	9303.6	208.837	9303.6	per shift of 8 hours					NIL
8	Consolidated charges for transhipment/lighterage of Crude Oil and POL products in Outer Harbour.			Section-3,3.1				Section-3,3.1		4,061.27	0%
		Unit	Rate in Rs.		Rate in Rs.						
(i).	Consolidated Charges for Transhipment/lighterage Operation of Crude Oil from mother vessel.	Per each call of mother vessel	6.73 lakhs	Per each call of mother vessel	6.73 lakhs						0%
(ii).	Consolidated Charges for Transhipment/lighterage Operations of POL Product from mother vessel.	Per each call of mother vessel	5.54 lakhs	Per each call of mother vessel	5.54 lakhs						0%
(iii).	Wharfage charges on Cargo transhipped/lighterage to daughter tanker and carried to other ports without discharging at this Port.	Per KL	13.4536725	Per KL	13.45						0%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
(iv).	The Daughter tankers shall pay charges as per notified rates										
(v).	For any other specific services such as supply of water, launches, etc, charges shall be levied as applicable									10.13	0%
9	Tariff for transshipment / lighterage of CRUDE/ POL Products at anchorage:			Section-3,3.2				Section-3,3.2		0	NIL
	Charges on mother tanker	4.75 cents per GRT			Charges on mother tanker	4.75 cents per GRT					
	Charges on daughter tanker	Foreign vessel 4.75 cent per GRT			Charges on daughter tanker	Foreign vessel 4.75 cent per GRT					
		Coastal vessel Rs. 2.37 per GRT				Coastal vessel Rs.2.37 per GRT					
	STS charges	Rs.26.12 per tonne on cargo transshipped/ lightened from mother tanker.			STS charges	Rs.26.12 per tonne on cargo transshipped/ lightened from mother tanker.					
10	Wharfage:			Section-4, 4.1				Section-4, 4.1		12,373.47	5% & 20%
	Nomenclature	Foreign Rate in Rs.	Coastal Rate in Rs.	Foreign Rate in Rs.	Coastal Rate in Rs.						
(i).	Alcohol	316.56	189.93	380	228		Per Tonne				20%
(ii).	Acetone	261.16	156.70	313	188		Per Tonne				20%
(iii).	All types of Coal, Coke and Coal tar pitch	41.15	24.69	43	26		Per Tonne				5%
(iv).	Alumina (bulk)	56.25	33.75	56.25	33.75		Per Tonne	4.1.			NIL
(v).	Aluminum, Alumina Sow Ingots, Alumina Billetts and Alumina products	34.82	20.89	37	22		Per Tonne	4.1.			5%
(vi).	Asphalt/bitumen, Barytes, Feldspar, Chrome Ore	26.12	15.67	31	19		Per Tonne	4.1.			20%
(vii).	Cement clinker (including cement)	26.91	16.14	28	17		Per Tonne	4.1.			5%
(viii).	Manganese Ore / Ferro Manganese Slag	15.67	9.40	19	11		Per Tonne	4.1.			20%
(ix).	Ammonium Nitrate	262.50	157.50	262.5	157.5		Per Tonne	4.1.			NIL
(x).	Blast furnace slag, Bentonite, Dolomite chips, River sand and fly ash	20.58	12.35	22	13		Per Tonne	4.1.			5%
(xi).	Calcined petroleum coke	47.48	28.49	57	34		Per Tonne	4.1.			20%
(xii).	Caustic Soda	39.57	23.74	47	28		Per Tonne	4.1.			20%
(xiii).	Cereals,food grains, Pulses & Sugar	34.82	20.89	37	22		Per Tonne	4.1.			5%

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1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
(xiv).	Charge chrome, Ferro Manganese, Ferro Silicon, Silicon Manganese, Highcarbon Ferrochrome, and other ores.	60.15	36.09	63	38		Per tonne	4.1.			5%
(xv).	Other Chemicals	0.66%	0.40%				Per Tonne	4.1.			
	Methalene Chloride			360	216			4.1.			Specific per tonne rate proposed
	ISC Propylene Alcohol			465	279			4.1.			
	Toluene			355	213			4.1.			
	Cyclo Hexane			255	153						
	Hexane in Bulk			476	286			4.1.			
	Other Chemicals(other than listed at 15 above)			0.79%	0.48%		Advalorem	4.1.			20%
(xvi).	Petroleum Products (Except LPG)	88.20	88.20	88.2	88.2		KL	4.1.			0%
(xvii).	Crude Oil							4.1.			
	(a). Crude oil at VPT berths	61.73	61.73	74	74		Per Tonne	4.1.			20%
	(b). Crude oil at SPM	17.00	17.00	17	17		Per Tonne	4.1.		1,165.59	0%
(xviii).	Edible Oils	25.32	15.19	27	16		K.L.	4.1.			5%
(xix).	Electrical goods	0.40%	0.24%	0.46%	0.27%		Advalorem	4.1.			20%
(xx).	Fertilizers (including MOP)	41.25	24.75	50	30		Per Tonne	4.1.			20%
(xxi).	Granite Blocks & Marbles	58.56	35.14	61	37		Per Tonne	4.1.			5%
(xxii).	Ilemenite sand	18.20	10.92	22	13		Per Tonne	4.1.			20%
	Iron Ore (Mech)	95.00	95.00								Deleted
	Iron Ore Pelllets (Mech)	97.00	97.00								Deleted
(xxiii).	Iron Ore [Conv]	21.37	21.37	26	26		Per Tonne	4.1.			20%
(xxiv).	Iron Ore Pellets [Conv]	24.53	24.53	29	29		Per Tonne	4.1.			20%
(xxv).	Limestone	37.99	22.79	46	27		Per Tonne	4.1.			20%
(xxvi).	Liquid Ammonia, Molten Sulphur, Rock phosphate and Sulphur	41.94	25.17	50	30		Per Tonne	4.1.			20%
(xxvii).	LPG	244.80	146.88	244.8	146.88		Per Tonne	4.1.			0%
(xxviii).	Machinery	0.20%	0.13%	0.24%	0.14%		Advalorem	4.1.			20%
(xxix).	Molasses	39.57	23.74	42	25		Per Tonne	4.1.			5%
(xxx).	All types of Oil Extractions like Soya, Rape seed etc.,	17.41	10.45	17	10		Per Tonne	4.1.			0%
(xxxi).	Phosphoric/ Sulphuric acid	58.56	35.14	70	42		Per Tonne	4.1.			20%
(xxxii).	Pig iron	44.32	26.59	47	28		Per Tonne	4.1.			5%
(xxxiii).	Gypsum	37.99	22.79	40	24		Per Tonne	4.1.			5%
(xxxiv).	Methonal	58.56	35.14	70	42		Per Tonne	4.1.			20%
(xxxv).	Waste oil	15.83	9.50	19	11		Per Tonne	4.1.			20%
(xxxvi).	Bio-diesel	60.01	36.00	72	43		Per Tonne	4.1.			20%

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1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
(xxxvii).	R.R. materials of all grades including	47.48	28.49	50	30		Per Tonne	4.1.			5%
	(a). Dead Burnt Magnesite [DBM]							4.1.			
	(b). Fused Magnesite/ Magnesia [FM]							4.1.			
	(c). Bauxite/ Round kiln super grade/ Round kiln Mid Iron							4.1.			
	(d). Al/Mg/Alloyed powder						Per Tonne	4.1.			
	(e). Brick/Brick Grog							4.1.			
	(f). Graphite							4.1.			
	(g). Silicon Carbide							4.1.			
	(h). Reframul							4.1.			
	(i). Fused alumina							4.1.			
	(j). Mullite							4.1.			
	(k) Sea water magnesite							4.1.			
(xxxviii).	Steel Products - all varieties	55.40	33.24	58	35		Per ton	4.1.			5%
(xxxix).	Styrene Monomar	87.05	52.23	104	63		Per ton	4.1.			20%
(xl).	Thermal Coal	23.74	23.74	25	25		Per ton	4.1.			5%
(xli).	Timber Logs & Wood items	31.66	18.99	38	23		1 Cu.M.	4.1.			20%
(xlii).	Marine products	0.020%	0.011%	0.024%	0.015%		Advalorem	4.1.			20%
(xliii).	Bauxite (ore)	36.40	21.84	38	23		Per Tonne	4.1.			5%
(xliv).	Unenremunerated goods having FOB/CIF value upto and inclusive of Rs.1000/- per tonne	15.83	9.50	19	11		Per Tonne	4.1.			20%
(xlv).	Unenumerated goods having value of more than	63.31	37.99	76	46		Per Tonne	4.1.			20%
	Rs.1000/- per tonne.										
(xlvi).	Transshipment of break bulk cargo where wharfage is levied on advalorem basis:							4.1.			
(xlvii).	a) Vessel to vessel directly	237.42	142.45	285	171		Per Tonne				20%
	b) Landed from one vessel and subsequently	296.77	178.06	356	214		Per Tonne				20%
	shipped to another vessel										
(xlviii).	Wharfage charges of Rs.3500/- on materials for oil exploration purposes carried per trip of the OSVs of the ONGC							4.1.			20%
(xlix).	Defense Stores equipment	135.01	81.01	162	97		MT	4.1.			20%
10	The components of Wharfage of Iron Ore/Pellets (Mechanical Handling) prescribed at item no.23 and 24 are as below				Clause 4.1(10) deleted in the proposed SOR					-	-

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1	2	3			4	5			6	7	8	9=5*8	10=(5-3)/3
		Wharfage	Handling	Haulage, Tippling & Stacking	4.1(10)					4.1(10) deleted		-	-
	Iron Ore	26.2	36.5	32.3	4.1(10)					4.1(10) deleted		-	-
	Iron Ore Pellets	28.2	36.5	32.3	4.1(10)					4.1(10) deleted		-	-
11	Wharfage on container and Containerised cargo handled at docks other than VCTPL												Nil
		Upto 20' in length	Above 20' and upto 40' in length	Above 40' in length		Upto 20' in length	Above 20' and upto 40' in length	Above 40' in length					Nil
	Wharfage on container	23.74	36.40	47.48	4.2	23.74	36.4	47.48	Rate per container (in Rs.)	4.2		0	Nil
	Wharfage on containerised cargo (irrespective of nature of cargo) when no stuffing/ destuffing is done inside the Port premises	672.68	1009.82	1345.37	4.2	672.68	1009.82	1345.37	Rate per container (in Rs.)	4.2		0	Nil
	Wharfage on containerised cargo when cargo is stuffed/ de-stuffed for shipment/ delivery inside the Port premises.	Wharfage as per classification under section 4.1 of the Scale of rates			4.2	Wharfage as per classification under section 4.1 of the Scale of rates				4.2			
12	Demurrage charge other than import general/ import project cargo					Demurrage charge other than import general/ import project cargo						269.33	10%
	Demurrage charge other than import general/ import project cargo	For the first six days after the expiry of free period	Rs.18.99 per tonne/Cu.meter or part thereof for every three days or part thereof.		4.6.2.(a)	Rs.20.90 per tonne/Cu.meter or part thereof for every three days or part thereof.			Per tonne/Cu.meter or part thereof	4.6.2.(a)			10%
	Demurrage charge other than import general/ import project cargo	For the next six days	Rs. 37.99 per tonne/Cu. Meter or part thereof for every three days or part thereof.		4.6.2.(a)	Rs.41.80 per tonne/Cu. Meter or part thereof for every three days or part thereof.			Per tonne/Cu.meter or part thereof	4.6.2.(a)			10%
	Demurrage charge other than import general/ import project cargo	Thereafter	Rs.18.99 per tonne/Cu. Meter or part thereof for every day or part thereof.		4.6.2.(a)	Rs.20.90 per tonne/Cu. Meter or part thereof for every day or part thereof.			Per tonne/Cu.meter or part thereof	4.6.2.(a)			10%
13	Demurage on Cargoes not removed from the Wharf				4.6.2.(b)(6)					4.6.2.(b)(6)			
	Sl.No.	Description	Amount		Sl.No.	Description	Amount						
	i	First 5 hours	Free		i	First 5 hours	Free			10%			

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1	2	3			4	5		6	7	8	9=5*8	10=(5-3)/3
	ii	6th to 10th hour	Rs.5000 per hour or part thereof		ii	6th to 10th hour	Free- subject to limiting the free time from 6th hour to 10th hour or berthing of subsequent vessels, whichever is earlier. Thereafter Rs.5803.55 per hour or part thereof will be charged in this slab					16%
					iii	11th to 15th hour	Rs.5803.55 per hour or part thereof per hour or part thereof					
	iii	11th to 15th hour	Rs.10000 per hour or part thereof		iv	16th hour to 20th hour	Rs.11607.09 per hour or part thereof					16%
	iv	16th hour onwards	Rs.25000 per hour or part thereof		v	21st hour onwards	Rs.29017.73 per hour or part thereof					16%
14	Storage charges on containers:				4.6.3				4.6.3			0%
		Storage charges on laden and empty container				Storage charges on laden and empty container					0	0%
		Rate per container per day or part thereof				Rate per container per day or part thereof						
			20'	40'	4.6.3	20'	40'	Rate per container per day or part thereof	4.6.3			0%
		Foreign-going (in US $)	0.15	0.30	4.6.3	0.15	0.3	Rate per container per day or part thereof	4.6.3			0%
		Coastal (in Rs.)	6.59	13.19	4.6.3	6.59	13.19	Rate per container per day or part thereof	4.6.3			0%
	Charges for handling cargo (labour charges):				4.7.1				4.7.1		1355.48	0%
		Description	Rate			Rate						
15			(in Rs.)			(in Rs.)						0
	Charges for handling cargo (labour charges):	Packages/Bags weighing upto and including 1 tonnee	56.98		4.7.1	56.98		1000 Kgs.	4.7.1			0%
	Charges for handling cargo (labour charges):	Packages weighing over 1 tonne and upto and inclusive of 3 tonnes.	63.31		4.7.1	63.31		1000 Kgs.	4.7.1			0%
	Charges for handling cargo (labour charges):	Packages weighing over 3 tonnes.	71.23		4.7.1	71.23		1000 Kgs.	4.7.1			0%

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1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
	Charges for handling cargo (labour charges):	Cranes used for conveying import cargo from Barge to the Quay when Port provides a Crane.	5.54	4.7.1	5.54		1000 Kgs.	4.7.1			0%
	Charges for handling cargo (labour charges):	Labour handling charges in barges/lighters supplied for import Cargo.	15.83	4.7.1	15.83		1000 Kgs.	4.7.1			0%
	Charges for handling cargo (labour charges):	For shifting of Container from one place to another within the Dock Area.	254.83	4.7.1	254.83		Per Container per each shifting (Load or Empty)	4.7.1			0%
16	Handling charges for containers either for import or export			4.7.2				4.7.2			0%
		Loaded	Empty		Loaded	Empty					
		(in Rs.)	(in Rs.)		(in Rs.)	(in Rs.)					
	20'container	253.25	189.93	4.7.2	253.25	189.93	20'container	4.7.2			0%
	40' container	506.49	379.87	4.7.2	506.49	379.87	40' container	4.7.2			0%
	More than 40' container	569.80	435.27	4.7.2	569.8	435.27	More than 40' container	4.7.2			0%
17	Cargo temporarily landed and reshipped by the same vessel			4.7.3	Cargo temporarily landed and reshipped by the same vessel			4.7.3			0%
	Description	Rate (in Rs.)			Description	Rate (in Rs.)					
	When handled by Port Labour	25.48		4.7.3	When handled by Port Labour	25.48	Per 1000 Kgs.	4.7.3			0%
18	Levy on Time Rate Wages			4.7.4.1.	Levy on Time Rate Wages			4.7.4.1.		3113.73	0%
	For all Cargo availing services of cargo handling worker from Cargo Handling Division including Thermal Coal availing services of cargo handling worker for wagon unloading	150%			150%						
				4.7.4.1.				4.7.4.1.			
19	CHARGES FOR HIRE OF CRAFT/ EQUIPMENT										Nil
	Floating Crane Charges			5.1.				5.1.		48.57	0%
	150 ton Floating Crane			5.1.1.				5.1.1.			0%

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1	2	3		4	5			6	7	8	9=5*8	10=(5-3)/3
	Upto 50 tonnes.	Rs.2639.29 per hour or part thereof subject to a minimum	Rs.1319.65 per hour or part thereof subject to a minimum of	5.1.1.	Rs.2639.29 per hour or part thereof subject to a minimum	Rs.1319.65 per hour or part thereof subject to a minimum of		Per hr. or part thereof	5.1.1.			0%
	Over 50 tonnes but not exceeding 60 tonnes.	1137.63	568.81	5.1.1.	1137.63	568.81		Per tonne or part thereof	5.1.1.			0%
	Over 60 tonnes.	1516.84	758.42	5.1.1.	1516.84	758.42		-do-	5.1.1.			0%
	When the crane is requisitioned but not utilised and the requisition is not cancelled by giving 2 hrs. clear notice during the port's ordinary working hours.	5263.42	--	5.1.1.	5263.42	--		Per requisition.	5.1.1.			0%
	For detention if the crane is kept idle owing to the lift or lifts not being ready for slinging.	2631.71	--	5.1.1.	2631.71	--		Per hr. or part thereof.	5.1.1.			0%
	Penalty for violation of the rule i.e. only one lift at a time shall be slung for discharge or loading.	1880.88	--	5.1.1.	1880.88	--		Per violation.	5.1.1.			0%
	Additional charges for use of crane deck as a barge.	3943.77	--	5.1.1.	3943.77	--		Per loaded trip.	5.1.1.			0%
	For use of the crane for purpose other than routine landing shipment, and delivery of cargo.	17064.41	--	5.1.1.	17064.41	--		Per hr. or part thereof.	5.1.1.			0%
	Placing/removal of equipment on Board the vessel for working in the hatches (only for cargo handling)	1516.84	--	5.1.1.	1516.84	--		- do -	5.1.1.			0%
	For use of the crane for purpose of lifting sunken trawlers of FH	4616.46	--	5.1.1.	4616.46	--		Per hour or part thereof	5.1.1.			0%
20	60 ton floating crane:			5.1.2.					5.1.2.			0%
	Weight of each package or nature of charge	Rate	Rate in Rs. for second operation		Weight of each package or nature of charge	Rate	Rate in Rs. for second operation					0%
		(in Rs.)				(in Rs.)						0%
	Upto 50 tonnes	Rs.2639.29 per hour or part thereof subject to a minimum of Rs.5278.58/-	Rs.1319.65 per hour or part thereof subject to a minimum of Rs.2639.29/-	5.1.2.	Upto 50 tonnes	Rs.2639.29 per hour or part thereof subject to a minimum of Rs.5278.58/-	Rs.1319.65 per hour or part thereof subject to a minimum of Rs.2639.29/-	Per hour or part thereof	5.1.2.			0%
	Over 50 tonnes but not exceeding 60 tonnes.	1137.63	568.81	5.1.2.	Over 50 tonnes but not exceeding 60 tonnes.	1137.63	568.81	Per tonne or part thereof	5.1.2.			0%
				5.1.2.					5.1.2.			0%

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1	2	3		4	5			6	7	8	9=5*8	10=(5-3)/3
	When the crane is requisitioned but not utilised and the requisition is not cancelled by giving 2 hrs. clear notice during the Port's ordinary working hours.	5263.42	--	5.1.2.	When the crane is requisitioned but not utilised and the requisition is not cancelled by giving 2 hrs. clear notice during the Port's ordinary working hours.	5263.42	--	Per requisition	5.1.2.			0%
	For detention, if the crane is kept idle owing to the lift or lifts not being ready for slinging.	2631.71	--	5.1.2.	For detention, if the crane is kept idle owing to the lift or lifts not being ready for slinging.	2631.71	--	Per hour or part thereof	5.1.2.			0%
	Penalty for violation of the rule i.e. only one lift at a time shall be slung for discharge or loading.	758.42	--	5.1.2.	Penalty for violation of the rule i.e. only one lift at a time shall be slung for discharge or loading.	758.42	--	Per violation	5.1.2.			0%
	Additional charges for use of crane deck as a barge.	3943.77	--	5.1.2.	Additional charges for use of crane deck as a barge.	3943.77	--	Per loaded trip	5.1.2.			0%
	Per use of the crane for purposes other than routine landing/ shipments and delivery of cargo.	7508.34	--	5.1.2.	Per use of the crane for purposes other than routine landing/ shipments and delivery of cargo.	7508.34	--	Per hour or part there of	5.1.2.			0%
21	Harbour Mobile cranes			5.1.3	Harbour Mobile cranes				deleted			
	Charges for use of Harbour Mobile cranes installed by the Private operators.											
	Type of Cargo	Ceiling rate per tonne (in Rs.)			Deleted in the present SOR							
		Foreign	Coastal									
	Dry Bulk Cargo	33.23	19.94	5.1.3					Deleted			
	Break Bulk Cargo	69.24	41.55	5.1.3								
	Other Cargo	110.85	66.51	5.1.3								
22	Towage Charges:			5.2. 1					5.2. 1		44.27	5%
		Foreign-going vessel (in US $)	Coastal vessel (in Rs.)		Foreign-going vessel (in US $)	Coastal vessel (in Rs.)						
	Tug upto 30 Tonne BP	389.75	10417.89	5.2. 1	409.23	10938.79		Per hour or part thereof [Subject to minium of two hours]	5.2. 1			5%
	Tug beyond 30 Tonne BP	779.5	20835.78	5.2. 1	818.48	21877.58			5.2. 1			5%
23	Mooring boat with gang/ pilot launch hire/ pilot fee:			5.3	Mooring boat with gang/ pilot launch hire/ pilot fee:				5.3		12.69	5%
	Description	Unit	Rate (in Rs.)		Rate (in Rs.)							
	Mooring boat with gang	For first 4 hours or part thereof	495.34		520.1			For first 4 hours or part thereof				5%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
		For every additional hour or part thereof	186.15		195.45		For every additional hour or part thereof				5%
	Pilot launch	Per movement	2790.13		2929.64		Per movement				5%
24	Rates for the services for Pilot and Pilot launches provided for shifting of barges, loaded barges / empty barge “dredger” etc) from dredging in the Inner Harbour to dumping ground.			5.4				5.4			
		Description	Rate per movement (in Rs.)		Rate per movement (in Rs.)						
		Hire charges for Pilot launch for movement of loaded barge from Inner Harbour to designated area (OH)	2790.13	5.4	2929.64		Rate per movement (in Rs.)	5.4			5%
		Hire charges for Pilot launch for completion of movement of empty barge to designated dredging area in the Inner Harbour	2790.13	5.4	2929.64		Rate per movement (in Rs.)	5.4			5%
25	Electrical crane charges (for other usage viz. cargo handling from/to barges, non-cargo operations) when not recovered under berth hire			5.5				5.5	Included in item no.17 to 20 of Annexure A		
		Rate in Rs.	Minimum Charges (in Rs.)		Rate	Minimum Charges (in Rs.)					
	10 tonnes Electrical quay crane	546.06	1092	5.5	Deleted in the proposed SOR	Deleted in the proposed SOR					
	15 tonnes Electrical quay crane	3693	7386	5.5	Deleted in the proposed SOR	Deleted in the proposed SOR					
	20 tonnes Electrical quay crane	4155	8310	5.5	4155	8310	Per hour or part thereof	5.5			0%
26	Mobile crane charges:										
		Rate	Minimum Charges	5.6	Rate	Minimum Charges		5.6			0%
		(in Rs.)	(in Rs.)		(in Rs.)	(in Rs.)					
	Mobile crane	645	1290		645	1290	Per hour or part thereof				
	(capacity upto 45 tonnes)			5.6				5.6			0%
	Mobile crane	1593	3185		1593	3185	Per hour or part thereof				
	(capacity 75 tonnes)			5.6				5.6			0%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	**2**	**3**		**4**	**5**		**6**	**7**	**8**	**9=5*8**	**10=(5-3)/3**
27	Fork lift truck/ top lift carrier charges:			5.7				5.7			0%
	Description	Rate			Description						
		(in Rs.)									
	Forklift trucks up to and inclusive of 5000 kgs.	2865		5.7	2865		Per shift of Eight hours or part thereof	5.7			0%
	10 Ton and 12 ton diesel forklift truck	6595		5.7	6595		Per shift of Eight hours or part thereof	5.7			0%
28	In motion wagon weigh bridge (100 tonne)			5.8				5.8			NIL
	Change for use of 100 tonne capacity pit less in motion weigh bridge at Rs.10/- per wagon of 8 wheels	Rs.13.20		5.8	Rs.13.20		Per wagon of 8 wheels	5.8		44.16	0%
29	CHARGES FOR LICENCE (STORAGE) FEE			6				6			0%
	Description	Rate (in Rs.)	Penal Rate (in Rs.)		Rate (in Rs.)	Penal Rate (in Rs.)					
	License fee for sheds: Transit sheds and storage sheds, warehouses and all covered spaces including warehouse behind G.C.B.	4710 per week or part thereof	9420	6	4710 per week or part thereof	9420	Per 100 Sq.Mtrs.	6		457.10	0%
	License fee for Open Space	License fee for this item will be as per the Schedule of Rent approved by this Authority separately with effect from the dated of implementation of Order No.TAMP/48/2014-VPT dated 15 January 2016		6	License fee for this item will be as per the Schedule of Rent approved by this Authority separately with effect from the dated of implementation of Order No.TAMP/48/2014-VPT dated 15 January 2016		Per 100 Sq.Mtrs.	6		1586.49	
	License fee for 1st Floor of T-2 Shed	2638 per week or part thereof	5276	6	Deleted in the proposed SOR	Deleted in the proposed SOR	Per 100 Sq.Mtrs.	6			
				6				6			
30	CHARGES FOR OTHER SERVICES										
	Charges for supply of water to vessels:			7.1.				7.1.		33.48	10%
	Description	Foreign-going vessel	Coastal vessel (in Rs.)		Foreign-going vessel	Coastal vessel (in Rs.)					
		(in US $)			(in US $)						
	Supply of water to vessels at Shore.	3.42	91.43	7.1.	3.762	100.58	Per 1000 Ltrs. or part thereof	7.1.			10%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
		[Subject to minimum of 17.099 US $]	(Subject to a minimum of Rs.457.16	7.1.	[Subject to minimum of 18.81 US $]	(Subject to a minimum of Rs.502.88)		7.1.			10%
	Supply of water to vessels by Barge.	4.41	117.97	7.1.	4.854	129.77	Per 1000 Ltrs. or part thereof	7.1.			10%
		[Subject to minimum of 22.07 US $]	(Subject to a minimum of Rs.589.85)	7.1.	[Subject to minimum of 24.273 US $]	(Subject to a minimum of Rs.648.84)		7.1.			10%
	Fire float charges:			7.2				7.2		107.29	
31	Description	Rate	Minimum Charges		Rate	Minimum Charges					
		[in Rs.]	[in Rs.]		[in Rs.]	[in Rs.]					
	For salvage and other purposes.	914.80	2744.42	7.2	2000	6000	Per hour	7.2			118.62%
	For stand by duties.	457.75	1829.44	7.2	1000	3000	Per hour	7.2			118.62%
32	Fire tender charges:										
	Description	Rate (in Rs.)			Rate (in Rs.)						
	Fire Tender [All types of fire tenders]	791.39		7.3	1000		Per hour	7.3		31.81	26.40%
33	Trail or pump										
	Description	Rate (in Rs.)			Rate (in Rs.)						
	For all types of Pumps	395.70		7.4	1000		Per hour	7.4		5.76	153%
34	Miscellaneous charges:			7.5				7.5		250.06	
	Description	Rate (in Rs.)			Rate (in Rs.)						
	Yokohama fenders	1403.40		7.5	2807		Per day or part thereof	7.5			100%
	Pollution control charges including sprinkling and sweeping [Except cargoes handled by mechanical system i.e. Iron Ore, Pellets, Aluminium & cargoes at Fertiliser berth]										
	For Dry bulk	1.98		7.5	1.98		Per Tonne or part thereof	7.5		340.06	0%
	For Break Bulk	0.66		7.5	0.66		Per Tonne or part thereof	7.5		7.20	0%
	60 Ton Road Weighbridge			7.5				7.5		2.42	
	Per Truck [Loaded or Empty]	15.17		7.5	15.17		Per Truck [Loaded or Empty]	7.5			0%
	Per Trailor [Empty]	15.17		7.5	15.17		Per Trailor [Empty]	7.5			0%
	Per Trailor [Loaded]	30.34		7.5	30.34		Per Trailor [Loaded]	7.5			0%
	Shifting of fenders	13189.88		7.5	26380		Per shifting	7.5			100%
	Levy on Bunkers supplied through bunker Barges/ Vessels	7.91		7.5	7.91		Per K.L	7.5			0%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%			Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff			Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3			4	5			6	7	8	9=5*8	10=(5-3)/3
	Duplicate copy of bills	65.95			7.5	65.95			Each copy	7.5			0%
	Certificate of payment/ weighment	65.95			7.5	65.95			Each certificate	7.5			0%
	Amendment copy	65.95			7.5	65.95			Each amendment	7.5			0%
	Scale of Rates	131.90			7.5	131.9			Each Floppy/ Compact Disk/ Hard copy	7.5			0%
	Supply of Berthing Programme				7.5					7.5			0%
	Without postage at TM's office	1318.99			7.5	1320			Per copy per year	7.5			0%
	With postage	3956.96			7.5	3957			Per copy per year	7.5			0%
	Additional copy	329.75			7.5	330			Per copy per year	7.5			0%
35	Dry docking charges:												NIL
	For use of Dry dock at Visakhapatnam Port Trust Inner Harbour:												
	Description	Foreign going vessels (in US $)	Coastal vessels (in Rs.)		7.6.1.1	Foreign going vessels (in US $)	Coastal vessels (in Rs.)			7.6.1.1		382.93	0%
	On the 1st day to 14th day	3150.15	88531.50		7.6.1.1	3150.15	88531.5		Per day	7.6.1.1			0%
	From 15th to 30th day	4723.70	132754.51		7.6.1.1	4723.7	1,32,754.51		Per day	7.6.1.1			0%
	From 31st day onwards	6300.28	177062.99		7.6.1.1	6300.28	1,77,062.99		Per day	7.6.1.1			0%
	Dock Block Preparation Charges:				7.6.1.2					7.6.1.2			0%
	Description	Length of vessel upto 50 mtrs.	Length of vessel above 50 mtrs. upto 100 mtrs.	Length of vessel above 100 mtrs.		Length of vessel upto 50 mtrs.	Length of vessel above 50 mtrs. upto 100 mtrs.	Length of vessel above 100 mtrs.					0%
	Flat Bottom vessels	221589.90	276987.38	332384.85	7.6.1.2	221590	276987	332385	Composite	7.6.1.2			0%
									rate				0%
	Shaped vessels	379868.40	506491.20	633114.00	7.6.1.2	379868	506491	633114		7.6.1.2			0%
36	Composite Docking and Undocking Charges				7.6.1.3.	Composite Docking and Undocking Charges				7.6.1.3.			0%
	The Composite Docking and Undocking charges will be levied at US$ 6704.52 per foreign going vessel and Rs.188424/-/- per coastal vessel.					The Composite Docking and Undocking charges will be levied at US$ 6704.52 per foreign going vessel and Rs.188424/- per coastal vessel.							0%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
	In case of 2nd Docking, a rate of US$ 2428.69 per foreign going vessel and Rs.68256- per coastal vessel will be levied.			7.6.1.3.	In case of 2nd Docking, a rate of US$ 2428.69 per foreign going vessel and Rs.68256- per coastal vessel will be levied.			7.6.1.3.			
37	Visakhapatnam fishing harbour:			7.6.2				7.6.2			Nil
	Consolidated charges for mechanized fishing boats/Trawlers (Mini & Big)										
	Sl. No.	Frequency of Payment	Rate per month (in Rs.)		Frequency of Payment	Rate per month (in Rs.)					
	Mechanised Fishing Boat	Per Calender month	400	7.6.2.1	Per Calender month	400	Per Boat	7.6.2.1		45.87	0%
	Fishing Trawler [Mini] Upto 14 NRT	Per Calender month	3000	7.6.2.1	Per Calender month	3000	Per Trawler	7.6.2.1			0%
	Fishing Trawlers [Big] Above 14 NRT	Per Calender month	6000	7.6.2.1	Per Calender month	6000	Per Trawler	7.6.2.1			0%
38	For Government Survey/ Training Vessels i.e. CIFNET, FSI & CIFT involved/ deployed for scientific survey of marine resources and training operations the Berth hire as specified below is applicable and no Port dues and Wharfage charges are charged on the three Government Survey/ Training vessels										
	Particulars	Berth Hire per day			Berth Hire per day						
		(in Rs.)			(in Rs.)						
	Fishing Trawler [Mini] Upto 14 NRT	135.28		7.6.2.1	135.28		Per Day or part thereof per Trawler	7.6.2.1			0%
	Fishing Trawlers [Big] Above 14 NRT	203.14		7.6.2.1	203.14		Per Day or part thereof per Trawler	7.6.2.1			0%
	Schedule of pilotage fees			7.6.2.2	Schedule of pilotage fees			7.6.2.2		13.80	0%
	"If mechanised fishing boats/ fishing trawlers (Mini or Big) require the services of port's pilot for towing, then a consolidated pilotage fees of US$ 472.50 for foreign-going vessel and Rs.12629.90 for coastal vessels shall be levied".				"If mechanised fishing boats / fishing trawlers (Mini or Big) require the services of port's pilot for towing, then a consolidated pilotage fees of US$ 614.25 for foreign-going vessel and Rs.16418.90 for coastal vessels shall be levied".						0%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%		Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3		4	5		6	7	8	9=5*8	10=(5-3)/3
39	Schedule of shifting charges for fishing trawlers [mini or big] with the usage of tug:			7.6.2.3				7.6.2.3			0%
	Sl. No.	Foreign going vessels (in US $)	Coastal vessels (in Rs.)		Foreign going vessels (in US $)	Coastal vessels (in Rs.)					
	Fishing Trawler [Mini] Upto 14 NRT	9.50	253.90	7.6.2.3	9.5	253.9	For each operation	7.6.2.3			0%
	Fishing Trawlers [Big] Above 14 NRT	26.60	711.00	7.6.2.3	26.6	711	For each operation	7.6.2.3			0%
40	Slipping in and slipping out charges of the mechanised fishing boats/ fishing trawlers [mini and big]								included in item no.35 to 38 of Annexure A		
	Particulars	Rate [in Rs.]			Rate [in Rs.]						
		For both operations			For both operations						
	Mechanised fishing boat	8400		7.6.2.4	8400		For both operations	7.6.2.4			0%
	Fishing Trawler [Mini] Upto 14 NRT	33000		7.6.2.4	33000		For both operations	7.6.2.4			0%
	Fishing Trawlers [Big] Above 14 NRT	84000		7.6.2.4	84000		For both operations	7.6.2.4			0%
41	Slipway repair berth hire charges for slipway complex including approach jetties to slipway complex and fishing harbour dry dock										
	Particulars	Rate per day [in Rs.]			Rate per day [in Rs.]						
	Mechanised fishing boat	[I] For 1st Day Rs. 900.00		7.6.2.5	[I] For 1st Day Rs. 900.00		Operations	7.6.2.5			0%
		[ii] From 2nd Day onwards Rs.450		7.6.2.5	[ii] From 2nd Day onwards Rs.450		Operations	7.6.2.5			0%
	Fishing Trawler [Mini] Upto 14 NRT	1650		7.6.2.5	1650		Operations	7.6.2.5			0%
	Fishing Trawlers [Big] Above 14 NRT	3600		7.6.2.5	3600		Operations	7.6.2.5			0%
42	Docking and undocking charges for dry dock at fisheries harbour			7.6.2.6.	Docking and undocking charges for dry dock at fisheries harbour			7.6.2.6.			0%
	Docking and undocking charges for both operations Rs.1,32,000/- per day.				Docking and undocking charges for both operations Rs.1,32,000/- per day.						0%
43	Dry docking charges for dry dock at fishing harbour.										
	For first day	Rs.48000/- per day		7.6.2.7.	Rs.48000/- per day		Per day	7.6.2.7.			0%

SL.No.	DESCRIPTION	Existing tariff after indexation at 2% & 3.45%			Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff		Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff after indexation
1	2	3			4	5		6	7	8	9=5*8	10=(5-3)/3
	From 2nd day to 10th day	Rs. 39000/- per day			7.6.2.7.	Rs. 39000/- per day		Per day	7.6.2.7.			0%
	From 11th day to 20th day	Rs. 48000/- per day			7.6.2.7.	Rs. 48000/- per day		Per day	7.6.2.7.			0%
	From 21st day to 30th day	Rs. 78000/- per day			7.6.2.7.	Rs. 78000/- per day		Per day	7.6.2.7.			0%
	From 31st day to 37th day	Rs.138000/- per day			7.6.2.7.	Rs.138000/- per day		Per day	7.6.2.7.			0%
	From 38th day to 44th day	Rs. 168000/- per day			7.6.2.7.	Rs. 168000/- per day		Per day	7.6.2.7.			0%
	From 45th day to 51st day	Rs. 198000/- per day			7.6.2.7.	Rs. 198000/- per day		Per day	7.6.2.7.			0%
	From 52nd day to 58th day	Rs.228000/- per day			7.6.2.7.	Rs.228000/- per day		Per day	7.6.2.7.			0%
	From 59th day onwards	Rs. 258000/- per day			7.6.2.7.	Rs. 258000/- per day		Per day	7.6.2.7.			0%
44	Levy on bunkers:											
	Nomenclature	RATE [in Rs.]			7.6.2.8	RATE [in Rs.]			7.6.2.8		6.37	0%
	Levy on bunkers to fishing trawlers/ mechanised fishing boats	0.05			7.6.2.8	0.05		Per litre	7.6.2.8			0%
45	Charges for disposal of oil bilge:											
	Sl. No.	Rate (in Rs.)			7.6.2.9	Rate (in Rs.)			7.6.2.9			0%
	Disposal of Oil bilge residues from ships											
	a) Hire charges for Fixed Oil Boom	3680			7.6.2.9	3680		Per ship per shift of 8 hours or part thereof	7.6.2.9			0%
	b) Hire charges for Floating Oil Boom	9487.5			7.6.2.9	9487.5			7.6.2.9			0%
46	CHARGES FOR ISSUAL OF LICENCE:				8							
	Particulars	Rate per license in Rs.				Rate per license in Rs.						
		Duration	Fresh	Renewal	Duration	Fresh	Renewal					
(i).	Stevedoring	2 years	6825.760313	6825.760313	3 years	100000	100000	Rate per licence	8		19.12	
(ii).	Ship repairing	1 year	3185.354813	3185.354813	1 year	3825	3825	Rate per licence	8			20%
(iii).	Chipping and painting	1 year	1668.519188	1668.519188	1 year	2000	2000	Rate per licence	8			20%
(iv).	Ship Chandelling	1 year	682.5813072	682.5813072	1 year	825	825	Rate per licence	8			21%
(v).	Other trader licenses	1 year	455.0506875	455.0506875	1 year	550	550	Rate per licence	8			21%
(vi).	Co-opering license	1 year	131.89875	131.89875	1 year	175	175	Rate per licence	8			33%
(vii).	Fresh water issue licence	1 year	6594.9375	6594.9375	1 year	7925	7925	Rate per licence	8			20%
										Estimated Revenue	72378.01	
										Railway Earnings	15226.13	
										Total Revenue estimated by VPT	87604.14	
										Total revenu estimate considered by TAMP excluding Railway earinings	72378.01	

Annex - III
Form-5

Comparison of existing SOR and conditionalities vis-à-vis proposed tariff and conditionalities furnished by VPT and modified by TAMP

Sr. No.	Existing SOR Tariff and Conditionalities	Proposed SOR Tariff and Conditionalities	Reasons/ Justification for amendments in conditionalities by VPT	Analysis by TAMP
1	Section 1.2 General Terms & Conditions (xxiv) (a)	Section 1.2 General Terms & Conditions (xxiv) (a)		
	[Common adoption Order No.TAMP/4/2004-Genl. dated 16 December 2016 approved by this Authority.]	(xxiv). (a). As per Clause of the Standard Operating Procedure (SOP) for operation of Indo-Bangladesh Coastal Shipping Agreement, the vessels entering in to India from Bangladesh under the Coastal Shipping Agreement between India and Bangladesh are not be treated as a Foreign Going (FG) Vessels. (b). Port and other charges (i). Port dues to be levied on the entry of vessels of the Republic of Bangladesh into India under the Coastal Shipping Agreement between the two countries and engaged in inter country trade, will be treated as domestic vessel engaged in coastal shipping and not as Foreign Going (FG) vessels. (ii). The charges for conservancy, pilotage and other specific services at par with those charged from the coastal vessels shall be levied on the vessels of the Republic of	(a). Incorporated at Section 1.2 General Terms & Conditions (xiv) (a & b) as per the TAMP order dated 16.12.2016.	One of the users, Navship Marine Services Pvt. Ltd. has requested to modify note (a) to state that as per Clause 6.1 of the Standard Operating Procedure (SOP) for operation of Indo Bangladesh Coastal Shipping Agreement, the vessels entering into Visakhapatnam port from any port of Bangladesh (as specified in SOP) to discharge cargo of Bangladesh origin and sailing from Visakhapatnam to any port of Bangladesh (as specified in SOP) with cargo destination of Bangladesh port under the Coastal Shipping Agreement between India and Bangladesh are not to be treated as a Foreign Going (FG) vessel and will be treated as domestic vessel, accordingly all the vessel & cargo related charges as par with those charged from the coastal vessels shall be levied. The charges will be determined with reference Clause 3.2 of SOP for vessels upto 6,000 GRT.

		Bangladesh. The charges will be determined with reference to cargo carrying capacity of the vessels, as applicable to coastal vessel engaged in coastal shipping."		The VPT has, however, maintained the note as approved in the common adoption Order dated 16 December 2016. The prescription in the common adoption Order dated 16 December 2016 is in pursuance of the MOS letter No.WTC-15025/5/2012-IWT (Vol.III) (Pt) dated 25 November 2016 and is explicit. The notes proposed by the VPT are in line with the common Order approved by this Authority and hence prescribed as proposed by the port. As vessels entering India from Bangladesh can call on VPT and the Order passed by TAMP is a common adoption Order, modification only in the SOR of the VPT is not warranted.
2	2.1.1 Tariff for Cruise vessels:	2.1.1. Tariff for Cruise vessels :	Incorporated as per Ministry of Shipping letter No.SW-15011/2/2016-MG dt. 3.11.2017.	Incorporated in the revised SOR as proposed by the Port as it flows from MOS letter dated 3 November 2017 subject to minor correction. The validity is prescribed till 2.11.2020 i.e. 3 years from 3.11.2017 instead of 03.11.2020 proposed by the VPT.
	--	(a). The composite port charges for a cruise call is fixed at $0.35 per GRT for first 12 hours stay. No other charges are levied like berth hire, port dues, Pilotage, passenger fee etc.		
		(b). For the period of stay exceeding 12 hours, berth hire as per VPT SOR will be collected.		
		(c). The above rationalized tariff are made effective on a trial basis for a period of three years as per Ministry of Shipping letter No.SW-15011/2/2016-MG dt. 3.11.2017 and is valid upto 3.11.2020.		
3	--	2.1.2. **Tariff for Domestic Cruise Vessels in India**:	Incorporated as per Ministry of Shipping letter No.SW-15011/1/2019-MG dated	In view of the clarification furnished by the port, the proposed notes is

		(a). Composite concession of 40% for domestic cruise vessel calls between 75-100 in a year and composite concession of 50% for domestic cruise vessel calls exceeding 100 in a year. (b). Both the above concessions are not to be linked to providing pilot services. (c). For berth stay longer than 12 hrs., an additional berth hire as per the SOR will be applied. (d). These concessions are applicable upto 3.11.2020.	08.03.2019 addressed to all Major Port Trusts. The port has furnished a copy of the said letter of the MOS.	prescribed in the revised SOR of VPT.
4	2.2.3. Shifting Charges	2.2.3. Shifting Charges		
	Nil	**2. In case of cold move during shifting, 25% of the shifting charges shall be levied extra.**	This clause has been introduced by VPT keeping in view the request made by the trade, vide their letter dated 22.6.2019. In the existing Scale of Rates, item – 2 of Section 2.2.1 relating to Pilotage fee, stipulate that in case of cold move, 25% of Pilotage charges shall be levied extra for each cold move. The trade has requested to extend this provision in shifting charges also. All these days, cold move charges in shifting were also calculated @ 25% of Pilotage fee. Now at the request of trade, VPT has agreed to apply cold move charges @ 25% of shifting charges. As shifting charges are less than Pilotage charges, VPT will lose revenue on account of cold move while in shifting. Hence no	Presently, for cold move during shifting, 25% extra pilotage charges are levied. Based on the request from the trade, the port has proposed 25% extra on shifting charges. The proposed note is approved based on justification furnished by the Port.

			revenue estimation made in this regard.	
5	2.2.4. General Notes relating to Pilotage/Shifting:	2.2.4. General Notes relating to Pilotage/ Shifting:		
	3. "Port convenience" is defined as below:	3. "Port convenience" is defined as below:		
	"If a working cargo vessel at berth/ mooring/ Jetty is shifted/ un-berthed for undertaking dredging work, hydrographic survey work or for allotting a berth for dredger or for attending to repairs to berths, for maintenance and such other similar works whereby shifting/ Pilotage is necessitated, such shifting/Pilotage is deemed as SHIFTING/ PILOTAGE FOR PORT CONVENIENCE". The shifting/Pilotage made to reposition such shifted vessel is also deemed as "SHIFTING/ PILOTAGE FOR PORTCONVENIENCE".	"If a working cargo vessel at berth/ mooring/ Jetty is shifted/ un-berthed for undertaking dredging work, hydrographic survey work or for allotting a berth for dredger or for attending to repairs to berths, for maintenance and such other similar works whereby shifting/ Pilotage is necessitated, such shifting/Pilotage is deemed as SHIFTING/ PILOTAGE FOR PORT CONVENIENCE". The shifting/ Pilotage made to reposition such shifted vessel is also deemed as "SHIFTING/ PILOTAGE FOR PORTCONVENIENCE".	Existing clause in SOR 2016 is retained.	--
	--	a) If a working cargo vessel is required to be shifted to another berth so as to enable berthing or sailing of another vessel at the same berth or any other berth in the Dock in view of restriction of LOA, beam etc., such shifting shall be considered as shifting for Port Convenience	Proposed Clause is incorporated to treat this shifting of vessel as Port Convenience.	The Port has proposed to expand the definition of shifting of vessels due to Port Convenience by incorporating 3 new clauses as against existing one clause. The Port has also incorporated the suggestion made by the VSAA during the processing of the case and modified the notes earlier proposed at (b) and (c). The newly proposed notes (a), (b) and (c) to treat vessel movements as shifting for Port Convenience are, therefore, approved. As regards note (b), the Port has stated that it shall be applicable only for port operated berths. The
	--	b) Whenever vessels are required to be shifted from deep draft berth to lesser draft berth in order to accommodate vessel of higher draft, such shifting shall be treated for port convenience and shifting charges shall not be levied on the vessel at berth proposed to be shifted and on the incoming vessel to be berthed.	Clause is incorporated in the proposed SOR to treat shifting of vessel as Port Convenience as trade requested not to levy shifting charges. Hence, the proposed clause has been added. Some improvements suggested by the VSAA has been also	

			incorporated in the revised proposed SOR. The port has, however, clarified that it is applicable only for port operated berths.	said point is included in the note as clarified by the VPT.
	--	c) If a vessel is shifted due to mal-functioning of Port equipment including HMC, clearance of berth etc. it shall be treated as shifting for port convenience.	The trade requested to incorporate the words 'including HMC' after port equipment. The request of the trade was considered, however, incase of malfunctioning of HMC, if vessel is shifted, the relevant conditionality's of work order of HMC will apply.	
	--	d) 'Whenever vessels are required to be shifted from lesser draft berth to deep draft berth directly or through anchorage in order to facilitate continuation of loading, such shifting shall be treated for port convenience. No shifting charges shall be levied on the uptopping vessel seeking deep draft berth and also on the vessel at deep draft berth proposed to be shifted to another berth. All these shiftings are considered for "port convenience".	This clause was not in the original proposed SOR earlier. During the joint hearing with TAMP, trade requested for this clause, as already at 3(b) vessels shifted from deep draft berth to lesser draft berth is incorporated. Now the vessels required to be shifted from lesser draft berth to deep draft berth has been brought in the SOR. The VSAA requested to include this new Clause citing that Port has proposed exemption of shifting charges for vessel shifted from deep draft to lesser draft for accommodating another deep drafted vessel by treating the shifting as 'port convenience'. However, similar exemption was missed out for export vessels i.e. from lesser draft berth to deep draft berth. Hence insertion of this new clause is suggested to be included.	The insertion of the proposed note by the VPT flows from the request made by the users/ user associations viz. VSAA and Navship Marine Services Pvt. Ltd. The proposed note is incorporated in the revised SOR.

			The VPT has considered the request of the Trade and incorporated the proposed note.	
6	2.3.3 (2) For Overstayal of vessel (ii). Vessel shall be permitted to occupy the berth after completion of cargo operation without attracting penalty for period mentioned below:- (f). In all other cases - 07 hrs.	2.3.3. (2). For Overstayal of vessel (ii). Vessel shall be permitted to occupy the berth after completion of cargo operation without attracting penalty for period mentioned below:- [(a) to (e) as in the existing SOR.] (f). In all other cases - 04 hrs.	In the existing SOR, the time permitted for overstayal of vessel at berth after completing cargo operation without attracting penalty at clause 2.3.3(2)(ii)(f) "In all other cases" is 07 hrs. The Port in the original proposal reduced it to 03 hrs. The Trade requested for 05 hrs. and VPT in the revised proposed SOR has proposed as 04 hours. The VSAA has pointed out that vessel can hoist flag after carrying out activities like draft survey, documentation, unloading pay loaders, closing of hatches, securing of hatches and cranes, etc. and hence has requested port to consider at least 05 hours. The VPT has in view of the request of the trade, revised it to 4 hours as against 3 hours proposed earlier.	The proposed modification is approved as it intends to overall improve the efficiency level.
7	**2.3.4. General Notes relating to Berth hire:**	**2.3.4. General Notes relating to Berth hire:**	The existing condition in SOR was framed when Ore plant was under the control of VPT. Now, as the Ore handling plant is handed over to the PPP operator, any breakdown in plant is on account of PPP operator. Hence, it is not	Based on the reason furnished by the Port, the proposal of VPT for deletion of existing note nos.(3) and (4) is approved. As regards the point made by VPT about EVTL, it is to state that the
	3. No berth hire shall be levied for the period when the vessels idle at ore berths due to plant breakdown if it is continuous for one hour or more except on account of bad cargo	deleted		

	4. In case Iron ore/pellet vessel berthed at O B1/OB 2 could not commence loading due to working of earlier Iron ore/pellet vessel, then berth hire shall not be levied after 4 hours of berthing the vessel till the commencement of loading. However, this is not applicable if the vessel is berthed at the request of the trade for purposes other than loading.	deleted	correct to claim exemption in berth hire which is accruable to VPT. The issue is to be addressed with EVTL by trade. As regards the request of VSAA to retain the existing clause, the VPT has brought out the above position and stated that the trade may address this with EVTL.	EVTL is governed under the upfront tariff guidelines of 2008. The indexed SOR is notified in the name of EVTL. The SOR for the BOT operators governed under the 2008 guidelines including EVTL is only subject to automatic indexation at 60% of the WPI for the entire project period.
8	**2.3.4. General Notes relating to Berth hire:**	**2.3.4. General Notes relating to Berth hire:**		
	3. Ousting Priority / Priority Berth Hire: (iii). If a vessel is shifted from the working berth to Anchorage/idle berth/mooring to accommodate ousting priority vessel and brought back to working berth subsequently, the shiftings / pilotage of such vessel shall be levied on the vessel enjoying ousting priority.	3. Ousting Priority / Priority Berth Hire (iii). If a vessel is shifted from the working berth to Anchorage/idle berth/mooring to accommodate ousting priority vessel and brought back to working berth subsequently, the shiftings / pilotage of such vessel shall be levied on the vessel enjoying ousting priority. **At the same time idle berth hire charges of the ousted vessel if shifted to idle berth shall also be borne by vessel enjoying priority.**	This clause has been proposed as a result of opinion of the Trade at various deliberations and also as the cause of action to shift the ousted vessel to any idle berth arises due to the intentions of the vessel that enjoys ousting priority. Thus, to impose reasonableness and justifiable commercial operations, the said clause has been proposed.	Based on the reason furnished by the Port, the modifications proposed in the existing note 3 (iii) is approved subject to minor correction of replacing the words “idle berth hire charges” with berth hire charges as there is no rate as Idle Berth Hire in the proposed SOR.
9	**2.3.4. General Notes relating to Berth hire:**	**2.3.4. General Notes relating to Berth hire:**		
	New clause	(7). Berth hire charges for vessels berthed at EQ -7 a. EQ 7 berth will be Harbour Mobile Crane (HMC) mandatory berth and “Non crane berth Hire” rates will be levied for berth hire. b. In case of Bulk / Break Bulk cargo vessels berthed at EQ -7 engages HMC, and due to break down of HMC or for any other reason, if the	On the request of the Trade at various Port working committee meetings and on the principle what the trade can bear, the matter has been placed in the Board Meeting held on 28-11-2018 and the Board, vide its Resolution No.120/2018-19 (copy enclosed) resolved to approve the following: 1)In case of bulk cargo vessel berthed at EQ-7 engages Harbour	The proposed notes are for levy of non-crane berth hire charges at lower rate for vessels berthed at EQ7 HMC mandatory berth. Likewise, at 7(c) proposal is to levy non-crane berth hire charges at lower rate if ship cranes or HMC or both are engaged. The Port was requested to furnish reasons for proposing levy lower Berth Hire Charges for vessels to be berthed at EQ7 HMC mandatory berth and

		vessels resorts to use ELL wharf cranes, then “crane Berth Hire” will be collected for the total hours or part thereof for the hours ELL wharf crane is used. c. In case of Bulk / Break Bulk cargo vessels berthed at EQ 7, if only ship cranes or HMC or both are engaged for entire cargo handling operations, then non crane berth hire charges will be levied for the total stay of vessels at EQ 7.	Mobile Cranes (HMC), and due to breakdown of HMC or for any other reason, if the vessel resorts to use ELL wharf crane(s), “Crane Berth Hire” will be for the total hours or part thereof for the hours ELL wharf Crane is used and 2) In case of bulk cargo vessels berthed at EQ-7, if only ship cranes or Harbour Mobile Cranes (HMC) or both are engaged for entire cargo handling operations, then Non-Crane berth Hire Charges will be levied for the total stayal of the vessel at EQ-7. The words 'Liquid cargo' was incorporated in the original proposed SOR. However, in view of the discussion in the Joint hearing held with trade the words 'Liquid' incorporated under 2.3.4 (3) (7) (b) and (c) is deleted in the revised proposed SOR, as HMC is not relevant for Liquid Cargo.	to consider levy crane Berth Hire Charges when HMC is provided by the Port EQ7 berth. In this regard, the port has furnished a copy of the Board Resolution No.120/18-19 dated 16 November 2018. The Board of Trustees of Visakhapatnam Port Trust (VPT) has resolved to approve notes (1) and (2) as brought out in the preceding column in the justification furnished by the VPT. It is seen that the Board approval is as regards Bulk Cargo Vessels whereas the Port has proposed for Bulk Cargo/ Dry Bulk Cargo vessels. This brings parity in the category of vessels in levy of the berth hire charge. Hence, the proposed Note Nos.(b) and (c) is approved as proposed by the Port. As regards the proposed Note No.(a), it is to state that this is not included in the Board approval dated 28 November 2018 furnished by the VPT. However, the proposed note (a) appears to be extension of the note (c) and appears to remove ambiguity. Broadly speaking since the proposed notes are flowing from the approval accorded by the VPT Board of Trustees, the same are approved as proposed by the Port.

<table>
<tr><td></td><td></td><td></td><td></td><td>As regards the point made by the VSAA to delete the new Note no.7, stating that, the Port took a decision to dismantle these cranes and all the berths in port will become non-crane berths, the port has proposed to retain the proposed note. This Authority, therefore, goes with the proposal of the Port.</td></tr>
<tr><td></td><td>--</td><td>(8). When a Tanker berthed at Oil Wharfs on priority, does not complete its cargo handling operation in time, penalty equivalent to 100% berth hire charges will be levied for extra hours of stayal at berth and priority will not be considered for the same Shipper / Receiver for their immediate next vessel.

(9). In case, if a vessel is having priority, but by virtue if the same vessel is senior, no Priority charges will be collected.</td><td>Regarding 8 & 9, based on the Board Resolution and to address the needs of the Trade in the back drop of the existing competitive scenario to attract / retain the cargoes, the said clause has been proposed.</td><td>The proposed note (8) is to act as a deterrent if the Tanker berthed at Oil Wharf does not complete its cargo handling operation in tank. Hence, the proposed note is approved.

The proposed note No.9 is more of a clarificatory nature and hence is approved.

Both the notes are approved by the Board of Trustees of VPT.</td></tr>
<tr><td>10</td><td>2.3.5. Road Stead charges: Road Stead charges as mentioned below are leviable for the vessels stay at roads with an exemption up to first 48 hours before berthing on their first arrival at the roads.
(Rate/ GRT/ hour)
<table>
<tr><th>Description</th><th>Foreign rate (in US $)</th></tr>
<tr><td>First 48 hrs</td><td>Free</td></tr>
<tr><td>After 49 hrs to 240 hrs</td><td>0.000098</td></tr>
<tr><td>241 hrs to 480 hrs</td><td>0.000146</td></tr>
<tr><td>481 hrs onwards</td><td>0.001470</td></tr>
</table></td><td>2.3.5. Road Stead charges: Road Stead charges as mentioned below are leviable for the vessels stay at roads with an exemption up to first 48 hours before berthing on their first arrival at the roads.
(Rate/ GRT/ hour)
<table>
<tr><th>Description</th><th>Foreign rate (in US $)</th></tr>
<tr><td>First 48 hrs</td><td>Free</td></tr>
<tr><td>After 48 hrs to 144 hrs</td><td>0.000108</td></tr>
<tr><td>145 hrs to 384 hrs</td><td>0.000169</td></tr>
<tr><td>385 hrs onwards</td><td>0.001861</td></tr>
</table>
[Coastal rates are also proposed.]</td><td>The Road Stead Charges at 2.3.5 of SOR 2016 were modified based on the proposal of the VPT vide TAMP Order No.TAMP/40/2018-VPT dated 31.07.2018. The no. of hours in slabs have been reduced in the proposed SOR. The modified slabs have been proposed after gaining relevant experience from the port operations and rates have been proposed for facilitating ease of operations and calculations, which are uniform to the trade, as a matter of port policy.</td><td>Based on the clarification furnished by the port, the proposed modified slabs along with the proposed rates is approved.</td></tr>
</table>

	--	Notes 2) For vessels which arrive Port limits for other than Cargo handling purposes, for water repairs etc. road stead charges are leviable from the time of actual stayal of the vessel at Roads without any free time and the rate applicable is 2nd slab up to 384 hrs. and thereafter, 4th slab rates to be levied. In order to encourage the vessels calling exclusively for bunkers i.e. "Bunker Call" No Road Stead charges will be applicable for bunker vessels upto first 48 hours. Thereafter charges as per the slab rates as above will be applicable.	New note is proposed. Adani requested VPT to give exemption for 48 hours for vessels calling at VPT for bunkering. The last sentence has been included in the proposed note based on the request of the trade.	The proposal of the port is to levy anchorage charges without giving any free period of 48 hours for vessels arriving for other than cargo handling operation. The Berthing Policy, 2016 at clause 6.1 stipulates that ports are to provide free time of 48 hours during which no anchorage charge is to be levied. However, recognising that the proposal of VPT not to allow free period of 48 hours relates to non cargo handling vessels where by the port will not earn any other cargo related charges and also since none of the users have objected it, the proposed note is approved.
	(b). In case of iron ore vessel (Mechanical Handling), no road Stead Charges shall be levied at the time of initial arrival to roads, if the vessel is waiting for the berth. If the berth is ready and vessel is not ready, then 3 times penal charges shall be levied duly extending 48 hours exemption.	Deleted	--	As stated by VPT, iron ore mechanised handling is now given to PPP operator EVTL. That being so, this existing note is deleted. The said deletion is approved.
	(d). In case of vessel waiting for berth, One time Road stead charges will be levied after expiry of 48 hours of free time, as per schedule in the SOR till such time berth is vacant. However, in case when berth(s) is vacant (i.e. the specific or similar berth)/ offered by the Port and vessel is not ready to occupy that berth/s three (3) times Road stead charges will be levied as per the schedule in the SOR from the time berth(s) is/ are vacant.	Deleted	The note relating to levy of 3 times Road Stead Charges have been removed on request from the trade, duly considering slab system of hike on reduced slab hrs., This is only to discourage the long waiting at roads.	The proposed deletion of notes is approved as it is at the request of the trade.

	(e). In case an Importing Vessel after completion of discharge re-anchors / shifts to roads for carrying out loading operation, one time (1) Road Stead Charges are applicable from the time of re-anchoring / shifting upto a period of 48 hrs. Thereafter clause (d) of the above shall apply after expiry of 48 Hrs from the time of re-anchoring / shifting.	4) In case of an importing vessel after completion of discharge re-anchoring/ shifts to roads for carrying out loading operation, road stead charges as per the 2nd slab rate up to 384 hrs. is applicable from the time of re-anchoring/ shifting and thereafter, 4th slab rates to be levied.	The proposed modified note is after gaining relevant experience from the port operations.	The proposed note is approved in view of clarification furnished by the port.
	(f). Vessels shifted to roads for continuing of loading / unloading for want of cargo / non availability of space to discharge full cargo, shifting due to poor performance or at agents request, three (3) time Road Stead Charges shall be levied from the time of re-anchorage / shifting till readiness without extending 48 Hrs exemption and the second slab rate will be applied from hour one to 240 Hrs. and next slab thereafter.	5) Vessels shifted to roads for continuing loading/ unloading for want of cargo/ non-availability of space to discharge cargo, shifting due to poor performance or shifting due to the concerned Steamer Agent's request, the rates at slab-4 of the above scheduled rates shall be levied from the time of re-anchoring/ shifting till readiness.		Instead of existing provision to levy 3 times road stead charges for first 48 hours and then second slab rate upto 240 hours and next slab rate thereafter, the proposal of the port is to levy the rate of 4th slab for the entire period. This has not been objected by users. Proposed note is approved.
	(g). Vessels shifted / ousted to accommodate ousting priority vessels to road as per port policy or vessel shifted due to emergency / cyclonic condition shall attract only normal Road Stead Charges as per the slab rate.	6) Vessels shifted/ outsed to accommodate ousting priority vessels to roads, as per Port berthing policy, shall attract road stead charges as per slab-2 of the above schedule from time of their shifting/ ousting to roads upto 384 hrs, and thereafter rates at slab-4 shall be applied.	Further, VPT has vide e-mail dated 25 November 2019 clarified that the Road Stead charges are to be collected from the vessel which is shifted to Roads but not from the Vessel which was berthed on ousting priority.	The proposal of the port is to levy higher level of road stead charges for this movement of vessel as against normal road stead charges. Proposed note is approved. The further clarification of VPT vide letter dated 25 November 2019 is also incorporated in the proposed note as given by VPT.
		7) Vessels shifted due to emergency/ cyclonic condition shall attract road stead charges as per the slab rates.	VSAA during the processing of the case has pointed out that when a vessel is shifted to anchorage due to emergency/ cyclonic conditions, the vessel already suffered delay and consequential financial losses due to disruption in cargo operations. On top of it, it is not fair to burden the vessel with road	This is an existing clause delinking the existing note on rate applicable for vessel shifted/ ousted to accommodate ousting priority vessel to roads proposed separately. Proposed note is approved.

			stead charges for her waiting at anchorage for re-berthing. Hence had requested modification in the clause. The VPT has, however, not accepted the request of the trade and proposed to retain the proposed notes. The port has stated that the said clause is retained, as it is justifiable to bear the costs of exigency by both the parties equally.	
	(h). Whenever vessel shifts to roads / goes to another berth for up-topping or lightening the vessel stayal at roads shall be charged without extending 48 Hrs exemption and second slab rate will be applied from hour one to 240 Hrs and next slabs thereafter.	8) Whenever vessel shifts to roads and goes to another berth for up-topping or lightening, the vessel stayal at roads shall be charged the rates at 2nd slab from the time of its shifting to roads till 384 hours and thereafter, rates at slab 4 shall be applied.	The proposed notes are based on experience gained from port operations.	The proposed notes is approved based on the clarification furnished by the VPT.
	(i). Once vessel sailed from port and drop anchor at anchorage, for any reason whatever, one (1) time Road Stead Charges will be levied upto the actual time of departure furnished by Marine Department.	9) Once vessel sailed from Port and drop at anchorage, for any reason, whatever rates at 2nd slab shall be levied upto 384 hours and thereafter rates at slab 4 shall be levied.		
	--	10) The rate mentioned in the slab above shall be made applicable irrespective of the availability/ non-availability of berth(s).		
11	**4.1.Wharfage**	**4.1. Wharfage**		
12	(10). The components of Wharfage of Iron Ore/Pellets (Mechanical Handling) prescribed at item no.23 and 24 are as tabulated:	Deleted	The Iron Ore/ Pellets (Mechanical) are being handled by the PPP Operator M/s.EVTPL who is guided by separate Scale of Rates approved by TAMP and hence wharfage rate for Iron ore, Iron ore pellets for mechanized handling prescribed in the existing SOR at	Based on the justification furnished by the VPT, the proposed deletion is approved.
	Existed			

<table>
<tr><td></td><td></td><td></td><td>Sr. No.23 and 24 and the inter linked note no.10 of the existing SOR, are deleted in the proposed SOR.</td><td></td></tr>
<tr><td>13</td><td>4.3. Wharfage charges for specified cases</td><td>4.3. Wharfage charges for specified cases</td><td></td><td></td></tr>
<tr><td></td><td>In the following specified cases wharfage charges shall be levied as specified in Section 4.1</td><td>In the following specified cases wharfage charges shall be levied as specified in Section 4.1</td><td></td><td></td></tr>
<tr><td></td><td></td><td>(i) to (iii) are as per the existing SOR and hence not reiterated here.</td><td></td><td></td></tr>
<tr><td></td><td></td><td>(iv). Vessels calling the Port on her first voyage, which are declared as cargo in the Import General Manifest or Export General Manifest for the purpose of customs Act 1962, shall not be treated as Cargo and no wharfage shall be levied on such vessels, if the vessels come into Port on their own steam and sail out of the Port limits on their own steam. However, when loading or un-loading of vessels takes place within the Port limits, wharfage shall be payable on such vessels basing on the customs documents.</td><td>It is a new note incorporated.</td><td>The proposed note is approved as it is in line with the decision taken in CHPT Order No.TAMP/29/2015-CHPT dated 15 May 2015 approved by this Authority, based on the legal opinion obtained by TAMP.</td></tr>
<tr><td>14</td><td>4.6.2.(6) Demurrage charges on import general/ import project cargo:</td><td>4.6.2.(6) Demurrage charges on import general/ import project cargo:</td><td></td><td></td></tr>
<tr><td></td><td>(6) Demurrage on cargoes not removed from the wharf
<table>
<tr><th>SI No</th><th>Description</th><th>Amount</th></tr>
<tr><td>i.</td><td>First 5 hours</td><td>Free</td></tr>
<tr><td>ii.</td><td>6th to 10th hour</td><td>₹5000 per hour or part thereof</td></tr>
<tr><td>iii.</td><td>11th to 15th hour</td><td>₹10000 per hour or part thereof</td></tr>
</table></td><td>(6) Demurrage on cargoes not removed from the wharf
<table>
<tr><th>SI No</th><th>Description</th><th>Amount</th></tr>
<tr><td>i.</td><td>First 5 hours</td><td>Free</td></tr>
</table></td><td>The Trade have requested in the Port Working committee meeting and other meetings to modify the existing wharf demurrage rates/ conditionalities and accordingly the matter has been examined and placed before the Board in its meeting held on 28-11-2018 vide Resolution No.109/2018-19 and the Board has approved the revised slabs in 28.11.2016</td><td>It is seen that the port has proposed for reduction in the demurrage on above item and has also proposed to introduce new note no.3 below the table which states that Wharf demurrage shall be levied berth wise as per the slab rates, irrespective of shifting of vessel done either by the port or the agent’s request. When sought the reasons for the proposed reduction</td></tr>
</table>

	iv. | 16th hour onwards | ₹25000 per hour or part thereof	ii. | 6th to 10th hour | Free- subject to limiting the free time from 6th hour to 10th hour or berthing of subsequent vessels, whichever is earlier. Thereafter ₹5,803.55 per hour or part thereof will be charged in this job. iii. | 11th to 15th hour | ₹5,803.55 per hour or part thereof iv. | 16th to 20th hour | ₹11,607.09 per hour or part thereof. v. | 21st hour onwards | ₹29,017.73 per hour or part thereof **[New note 3 proposed]** 3) Wharf demurrage shall be levied berth wise as per the slab rates, irrespective of shifting of vessel done either by Port or at the agent's request.	Meeting. In the current proposal the rates have been proposed after indexation. Citing that demurrage is basically a penalty imposed for non-clearance of cargo in time and not a source of revenue to the port, the VSAA has requested port to retain demurrage charges without any increase. The port has, however, clarified that in order to discourage occupation of transit area, marginal increase of 10% is proposed in the demurrage rate. Hence, sought to retain its proposal.	in existing rate and introduction of the proposed new note no.3, the port has referred to the Board approval dated 28 November 2018 wherein the Board of Trustees of VPT have increased the slab of free period from 5 hours to 10 hours and rates prescribed at ₹5000 per hour or part thereof for the slab 6 to 10 hour is shifted to the subsequent slab and new slab beyond 21 hours is proposed. The port has further clarified that the proposed rates have been made as a matter of policy keeping in view the operational aspects and ground conditions. Based on the clarification of the VPT and recognising that the modified schedule is based on approval of Board of Trustees of VPT and in the current proposal the port has only applied proposed 10% increase on the indexed rate, the proposed rate along with new condition no.3 proposed by the VPT is approved.
15	**4.6.3. Storage charges on containers:** General Notes (4). If operational area is leased on rental to users, storage charges on container shall not be levied.	**4.6.3. Storage charges on containers:** General Notes (4). If operational "area is allotted on licensed terms to users", storage charges on container shall not be levied.	"Lease" is governed by the tariff stipulated in the Schedule of Rates. In case of containers Storage charges are stipulated under section 4.6.3. If such containers are allowed to be stacked in the licensed area then as per note 4 of clause 4.6.3 they need not pay storage charges again since they are being stacked in the Licenced area for which licence fee has already been collected as per VPT SOR.	Clause 8.7 of the Working Guidelines stipulates that, if operational area is leased on rental to users, storage charges of containers/demurrage on cargo stored therein shall not be levied again. The port has proposed to replace the words from existing note i.e. "leased on rental" to "allotted on license terms". The port has furnished clarification for the proposed modification. The proposed modification is approved. However, while doing so, the words

				or "Leased on Rental" is also included after the word "License Terms" so that the note covers both area allotted of license/ lease basis.
16	--	5.1.3. Amounts of ₹145/- per container will be levied on all containers (except transshipment and coastal) handled towards mandatory users charges (MUC) in the Logistic Data Bank (LDB) services to be rendered by DMICDC.	--	VPT has proposed the rate for mandatory users charge as per the rate approved by this Authority vide Order No.TAMP/46/2018-MUC dated 8 June 2018. These rates have been subsequently revised by this Authority based on the proposal of DMICDC. The revised rate as approved by this Authority vide Order No.TAMP/12/2019-MUC dated 24 July 2019 is, therefore, prescribed in the revised SOR. It is prescribed as a separate schedule 4.7.2 (b) in the revised SOR.
17	5.1.3. Charges for use of Harbour Mobile Crane installed by the Private Operators. Existing SOR prescribes schedule of rate.	5.1.3. Charges for use of Harbour Mobile Crane installed by the Private Operators. Deleted.	Schedule 5.1.3 is now redundant, as the present HMCs are being engaged by private players on "Revenue Sharing" basis through tendering system for which separate rates have been fixed by TAMP. Subsequently, VPT vide its email dated 16 November 2019 has further clarified that the Section 5.1.3 – Charges for use of Harbour Mobile crane installed by Private Operators 3 is now redundant and hence the clause 5.1.3 is deleted in the proposed general revision of SOR earlier 2 Nos. HMCs were deployed by VPT through a HMC provider on Hire charges basis. VPT used to collect charges from users and paid hire charges to the	Based on the reason furnished by the VPT, the proposed deletion of schedule 5.1.3 is approved. It is relevant here to state that this Authority vide Order No.TAMP/21/2015-VPT has approved rate for 100T HMC to be installed by private service provider at East and West Quay berths. The validity of the rates for HMC of 100T was originally till 27 June 2018. The validity of the approved rate for 100T HMC was extended till 16 August 2021 subject to annual indexation in the rate as per the note prescribed in the original Order. This was done based on the proposal of VPT. Thus, separate rates for 100T HMC provided by HMC provider is there which is valid

<table>
<tr><td></td><td></td><td></td><td>HMC provider. The said contract was completed.

Presently cranes are deployed on revenue share basis for which TAMP has approved rate and communicated vide letter no.TAMP/21/2015-VPT dt.15.5.2015.

Section 5.1.3 – Charges for use of Harbour Mobile crane installed by Private Operators is now redundant and hence is deleted in the revised SOR.</td><td>till August 2021 subject to annual indexation at the prescribed level. Since validity of the general SOR of VPT will be different from the validity of the 100T HMC provided by private service provider, the schedule approved separately need not form part of the general SOR and the schedule will prevail till its validity.</td></tr>
<tr><td rowspan="2">18</td><td>7.7. Schedule of charge for Operation of Mobile X-Ray Container Scanning System at VPT:</td><td>7.7. Schedule of charge for Operation of Mobile X-Ray Container Scanning System at VPT:</td><td></td><td></td></tr>
<tr><td><table><tr><th>Description</th><th>UNIT</th><th>Rate (in ₹)</th></tr><tr><td>Charges for Operation of Mobile X-Ray Container Scanning System</td><td>TEU</td><td>152.00</td></tr></table>
Notes:

(1). The tariff prescribed for X-Ray container scanning system is applicable to all import overseas containers other than transshipment containers irrespective of whether an import container is scanned or not.

(2). In respect of the Container Terminal operated in the VPT by Visakha Container Terminal Limited (VCTPL), the said charge shall be</td><td>[Not included by VPT in general SOR.]</td><td>--</td><td>The Tariff for Operation of Mobile X-Ray Container Scanning System at VPT was approved by this Authority vide Order No.TAMP/77/2018-VPT dated 29 March 2019 based on proposal of VPT for incorporation at Schedule 7.7. The rates approved are valid for 15 years as proposed by VPT subject to annual indexation at 60% of the WPI.

It appears that port has inadvertently missed to incorporate the said Tariff Schedule in the existing SOR.

The existing tariff for Operation of Mobile X-Ray Container Scanning System approved in the said Order are, therefore, prescribed in the revised SOR as well so that rates</td></tr>
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<td>collected by VCTPL and paid to VPT since the investment on container scanner and its operation is being done by the port.

(3). The tariff prescribed will be valid for period of 15 years from the date it comes into effect subject to automatic annual indexation.

(4). The tariff prescribed above will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1st January 2019 and 1st January of the relevant year. Such automatic adjustment of tariff cap will be made every year and the adjusted tariff cap will come into force from 1st May of the relevant year to 30th April of the following year.

[Order No.TAMP/77/2018-VPT dated 29 March 2019 Tariff for Operation of Mobile X-Ray Container Scanning System at VPT.]</td>
<td></td>
<td></td>
<td>are available at one consolidated place in the SOR.

There may be additional revenue from this item which is not captured in the revenue estimates. But recognising that there is a huge gap of ₹211.37 crores per annum left uncovered, it is presumed that the revenue from this item will get subsumed in it.</td>
</tr>
<tr>
<td>19.</td>
<td>7.8. Schedule of Rate for direct handling of thermal coal by rail-cum-sea route from various collieries through load port of Visakhapatnam:</td>
<td>7.8. Schedule of Rate for direct handling of thermal coal by rail-cum-sea route from various collieries through load port of Visakhapatnam:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I. Schedule of Charge

(in ₹ per tonne)<table><tr><th>Description</th><th>Rate for foreign and coastal thermal coal</th></tr></table></td>
<td>[Not included by VPT in the SOR.]</td>
<td>--</td>
<td>The proposal of VPT for fixation of tariff for movement and handling of coal by Rail-cum-Sea route from the various collieries of MCL/Ib Valley through the load port of Visakhapatnam to TANGEDCO directly was approved by this Authority vide Order No.TAMP/24/2019-VPT dated 10</td>
</tr>
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<tr>
<td></td>
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<table>
<tr><td>Receiving of thermal coal from mine heads of Mahanadi Coal Fields Limited (MCL)/IB Valley at Visakhapatnam Port, unloading at designated rail siding, movement of cargo to stack yard, from stack yard to berth, heaping of cargo and loading into vessels.</td><td>₹190.80</td></tr>
</table>
Notes:
(a). Cargo unloading means unloading of coal from all the wagons by engaging the required manpower and equipment.
(b). Rake means a railway rake consisting of about 58 wagons each with a capacity to carry about 56 tonnes.
(c). Tariff specified in this SOR refers to the service of receiving coal rakes at the port, unloading coal at the designated rail siding, transporting unloaded coal to the designated stack yard for storage, transporting coal from the stack yard to the berth and heaping and loading coal into the nominated vessel.
Tariff does not include railway freight from source mines and charges at VPT viz., railway terminal charges, wagon haulage charges, wharfage, storage plot rent and HMC charges.
</td>
<td></td>
<td></td>
<td>
October 2019 based on proposal of VPT.
It appears that port has inadvertently missed to incorporate the said Tariff for movement and handling of coal by Rail-cum-Sea route from the various collieries of MCL/Ib Valley through the load port of Visakhapatnam to TANGEDCO directly prescribed in the existing SOR.
The tariff approved in the said Order is included in the revised SOR. There may not be additional revenue from this item as the port had proposed the rate at the same level payable to the outsourced contractor with a view to bring back this cargo which had moved to Paradip Port Trust.
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</table>

<table>
<tr><td></td><td>II. Performance Standards<table><tr><th>Activity</th><th>Performance Standard</th></tr><tr><td>Unloading of coal from placement of rake at the designated siding till completion of unloading from wagons.</td><td>9 hours</td></tr></table>Note:
Time taken for handling a rake for the purpose of evaluation of performance standards is “Time taken from placement of rake at designated rail siding till completion of unloading cargo”.
[Order No.TAMP/24/2019-VPT dated 10 October 2019 Tariff for movement and handling of coal by Rail-cum-Sea route from the various collieries of MCL/Ib Valley through the load port of Visakhapatnam to TANGEDCO directly.]</td><td></td><td></td><td></td></tr>
<tr><td>20</td><td>Common Adoption Orders</td><td>Common Adoption Orders</td><td></td><td></td></tr>
<tr><td></td><td>NIL</td><td>(i). Amendment Order No.TAMP/53/2015-VOCPT dated 10 June 2016 in common adoption Order No.TAMP/53/2015-VOCPT dated 26 November 2015 relating to provision prescribed for System of classification of vessel for levy of Vessel Related Charges (VRC) and Criteria for levy of Vessel Related Charges and Concessional Coastal rate.</td><td>--</td><td rowspan="2">The proposed notes are based on common adoption Order and hence are incorporated in the revised SOR.</td></tr>
<tr><td></td><td>NIL</td><td>(ii). Amendment Order No.TAMP/53/2015-VOCPT 25 September 2018 in common adoption Order No.TAMP/53/2015-</td><td>--</td></tr>
</table>

		VOCPT dated 26 November 2015 relating to provision prescribed for concessional coastal tariff for ships and cargo that move from one Indian Port to another Indian Port through the territorial waters of Sri Lanka or Bangladesh in terms of Notification No.38/2018- Customs (N.T.) dated 11 May 2018 issued by the Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance.		

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

F.No. TAMP/20/2019-VPT - Proposal from the Visakhapatnam Port Trust for general revision of its Scale of Rates.

A summary of the comments made by the users/ user associations and BOT operators and reply furnished by VPT thereon is tabulated below:

Sl. No.	Comments received from the users/ user associations and BOT operators	Reply furnished by VPT
1.	**Vizag Seaport Private Limited (VSPL)**	
(i).	In VPT, several BOT operators with huge capital investment are operating the terminals paying substantial royalties to the VPT. As per the PPP Policy, at the end of the concession period, the VPT will be the owners of the Project facilities and services which were built, financed and operated for 30 years by the BOT operators under the PPP Scheme irrespective of whether the envisaged R.O.I was realised by the BOT Investors or not.	No comments furnished by VPT.
(ii).	Apart from Royalty, the spectacular gain to Government of India is the transfer of ownership of the assets created by BOT operators at nominal cost at the end of the license periods which can be commercially exploited by VPT for another 70 years. We have completed 18 years of License periods and left with only 12 years to realize the envisaged 16% ROCE and the past periods shortfall in ROCE are already lost.	No comments furnished by VPT.
(iii).	This situation arose solely due to lower tariff levied on VPT berths towards vessel related thereby creating no level playing fields between BOT berths and Berths operated by VPT through its Stevedores thereby promoting unhealthy competition.	Tariff are based as per the TAMP guidelines and approved by TAMP, hence the averments are not correct.
(iv).	The proposed tariff of berth hire for crane and non-crane berths is fixed at very low level compared to the BOT berths operating at VPT thereby creating uneven level playing field and unhealthy competition beside revenue loss to VPT, a Government Authority.	The berth hire at VPT for Crane and Non-Crane berths is proposed as per the ARR of VPT. The said ARR is as per TAMP Guidelines approved by Ministry and communicated by TAMP.
(v).	Tariff rates of VPT were earlier fixed under 2005 Guidelines on cost plus pricing and the current Tariff Guidelines, 2015 of MPTs envisages fixing tariff based on market forces for similar services in the neighbouring ports/ terminals within the overall revenue requirement.	No comments furnished by VPT.
(vi).	The arguments generally put forth is that if tariffs in Port berths are not kept low, there can be loss of business for the Port with cargo migrating to alternate ports. Same does not apply for berth hire as berth hire of all BOT terminals and the neighbouring Gangavaram Port are much higher than the proposed berth hire tariff of VPT. Further, if such a situation truly arises, the option to reduce the rates is open to the Board of VPT. Hence the argument that MPTs need to keep tariffs low to remain competitive to retain the business does not hold water. Business is retained, if matching infrastructure facilities in terms of adequate draft in navigable waters, good road/ rail network are available. With completion of deepening of draft and improvements made in infrastructure, VPT is adequately geared to match with competing ports. Berth hire tariff of BOT terminals and Gangavaram Port compared with proposed VPT rate of berth hire is furnished below:	VPT's increase on Berth Hire is considered based on the ground reality and stiff competition from neighbouring ports. The Berth Hire now increased is for all users in general. The tariff offered at MPTs are different and comparison cannot be drawn between BOT berths and VPT as the Tariff guidelines are separate for VPT and BOT. Further, the capital cost of the berths at VPT and BOT berths are totally different and return of capital

<table>
<tr><td></td><td>Comparison of berth hire rates of VPT against BOT berths and Gangavaram
<table><tr><th>Name of the Port/ BOT Terminal</th><th>Berth hire per GRT per hour for crane berths</th><th>Berth hire per GRT per hour for non-crane berths</th></tr><tr><td>VPT</td><td>Upto 30000 GRT – 0.00659 USD
Above 30000 GRT – 0.00887 USD</td><td>Upto 30000-0.00267 USD
Above 30000-0.00355 USD</td></tr><tr><td>VSPL</td><td>0.0089 USD</td><td>--</td></tr><tr><td>VGCB (Vedanta)</td><td>₹0.873 or 0.012 USD</td><td>--</td></tr><tr><td>AVCTPL (Adani)</td><td>₹0.693 or 0.0100 USD</td><td>--</td></tr><tr><td>Gangavaram Port</td><td>Upto 45000 GRT – 0.012 USD
Above 45000 GRT – 0.013 USD</td><td>--</td></tr></table></td><td>employed also different, hence there could be no comparison in the tariff of both.</td></tr>
<tr><td>(vii).</td><td>We, therefore, request you to examine this issue in a fair and transparent manner and ensure parity between BOT berths and VPT by fixing uniform berth hire tariff matching with VSPL, which is the lowest berth hire rate fixed among the BOTs. (OR) At least to fix the same berth hire rate proposed for crane berths to non-crane berths also with single slab in view of the fact that almost all berths of VPT are non-crane berths, except EQ-6 and EQ-7 berths. Even EQ-7 berths is treated as non-crane berths whenever ship cranes/ HMCs are used. Accordingly, uniform berth hire rate applicable for crane berths may be fixed for non-crane berths also to achieve the stated parity between BOT berths and VPT berths. It may be noted that Section 48 of the MPT Act too provides for fixation of uniform tariff for same class of vessels and goods at the Port.</td><td>It is not comparable as VPT berths are of almost 20 to 30 years old and capital cost is also very less when compared to different BOT berths. Hence there could be no relevance comparing the berth hire of VPT berths and BOT berths.</td></tr>
<tr><td>2.</td><td>TANGEDCO</td><td></td></tr>
<tr><td>(i).</td><td>Wharfage is proposed to be increased from ₹24.75/MT to ₹25/MT for thermal coal. Wharfage is already increased from ₹23.74/- to ₹24.75/- due to indexation factor of 4.26% for the year 2019-20 effective from 01.05.2019.</td><td>Hike in tariff is proposed based on the TAMP approved ARR methodology. Though there is a gap of around ₹142 crores between ARR and actual revenue, VPT has proposed revision to get an incremental revenue of around ₹83 crores only. The increase in Thermal Coal Wharfage is marginal and hence the proposed rate is appropriate.</td></tr>
<tr><td>(ii).</td><td>The proposed vessel related charges is higher than the existing charges by 15.52% resulting in an additional expenditure to TANGEDCO. Further, it is seen that the proposed vessel related charges at Visakhapatnam is higher than the present vessel related charges at Haldia Port and Paradip Port by 19.01% and by 64.05% respectively.

Hence, the proposal for further increase in wharfage and vessel related charges are to be dropped.</td><td>The VPT has reiterated its comments on Sr. No.2(i) above. The port has further stated that VPT has proposed only 8% -10% hike in vessel related charges but not 15.52% as pointed out by TANGEDCO. Further, comparing the rates with other ports is also not justifiable as these charges are based on the infrastructure existing at different ports and other parameters like ARR and capital employed.</td></tr>
<tr><td>3.</td><td>Navship Marine Services Pvt. Ltd.</td><td></td></tr>
<tr><td>(i).</td><td><u>TO BE INCLUDED:</u>
<u>1.2 General Terms & Conditions in 1st page:</u>
RSV (River Sea Vessels) will be considered as Coastal Vessel and for all the port vessel & cargo related charges Coastal tariff is applicable subject to submission of General Trading Licence issued by DG Shipping or any statutory certificate of the vessel evidencing the vessel as RSV vessel.</td><td>The TAMP has already notified in the Scale of Rates shown in the procedure and conditionality as to how a vessel is to be treated as Coastal/ Foreign. Hence</td></tr>
</table>

		the request of the applicant may be decided by TAMP.
(ii).	**TO BE INCLUDED:** **1.2 General Terms & Conditions (xxiv) (a) In 6th page:** As per Clause 6.1 of the Standard Operating Procedure (SOP) for operation of Indo Bangladesh Coastal Shipping Agreement, the vessels entering into Visakhapatnam port from any port of Bangladesh (as specified in SOP) to discharge the cargo of Bangladesh origin and sailing from Visakhapatnam to any port of Bangladesh (as specified in SOP) with cargo destination of Bangladesh port under the Coastal Shipping Agreement between India and Bangladesh are not to be treated as a Foreign Going (FG) vessel and will be treated as domestic vessel, accordingly all the vessel& cargo related charges as par with those charged from the coastal vessels shall be levied. The charges will be determined with reference Clause 3.2 of SOP vessels upto 6,000 GT.	A copy of the SOP is furnished. [The port in the SOR has incorporated the provisions as approved in the Order No TAMP/4/2004-Genl dated 16 December 2016 as common adoption Order.]
(iii).	To be deleted: **1.2 General Terms & Conditions (xiv) (a&b) in 6th page**	The clause is as per SOP, hence cannot be deleted.
(iv).	To be amended: **2.1 Schedule of Pilotage fee for vessels (3) in 8th page:** In case of cold move 25% on 50% of pilotage charges shall be levied extra for each cold move during Inward or Outward vessel moment.	The present clause in the tariff at 2.2.1(3) i.e. 'In case of cold move 25% of pilotage charges shall be levied extra for each cold move' is retained since cold move has to be carried out with additional Tug(s) and Pilot(s) for each cold move.
(v).	To be amended: **2.2.4 General Notes relating to Pilotage/ Shifting (3/a) in 9th page.** If a working vessel is required to be shifted to any another berth so as to enable berthing/ **shifting** of another vessel to/ at the same berth in the dock in view of restriction of LOA, Beam, Draft etc., such shifting shall be considered as shifting for port convenience.	Clause as prescribed by VPT stands good.
(vi).	To be amended: **2.2.4 General Notes relating to Pilotage/Shifting (3/b) in 9th page:** Whenever vessels are required to be shifted from Deep draft berth to lesser draft berth in order to accommodate vessel with higher draft, such shifting shall be treated for port convenience.	The request of the Trade is considered and is applicable only for Port Operated berths.
(vii).	To be deleted: **2.2.4 General Notes No.(9) relating to Pilotage/ Shifting**	The proposed clause in VPT SOR stands good.
(viii).	To be included: **2.2.4 General Notes relating to Pilotage/ Shifting in 9th page:** Whenever vessel necessitated to be shifted from lesser draft berth to higher draft berth when vessel declared to load further cargo with a sailing draft of more than the lesser draft berth such shifting/ pilotage shall be treated for port convenience.	Section 2.2.4 (3) (b) is modified as Whenever vessels are required to be shifted from deep draft berth to lesser draft berth in order to accommodate vessel of higher draft, such shifting shall be treated for port convenience and shifting charges shall not be levied on the vessel at berth proposed to be shifted and on the incoming vessel to be berthed.
(ix).	To be included: **2.2.4 General Notes relating to Pilotage/ Shifting in 9th page:** Whenever vessels are required to be shifted to any other berth with the reasons other than stated in 2.2.4 Pilotage/ Shifting General Notes i.e. for the convenient of Vessel, Vessel Agents, Shipper,	New clause at 2.2.4 is included as 3(d).

	Importer etc., for such shifting the shifting charges will be levied as per SOR.	
(x).	To be amended: **2.3.4 General Notes relating to Berth Hire (7) (b & c) in 13th page**: The word of "LIQUID CARGO" to be deleted	2.3.4 General Notes relating to Berth Hire (7) (b & c) in 13th page: The word of "LIQUID CARGO" is deleted as the clauses are related to HMC breakdown.
(xi).	To be included: **2.3.4 General Notes relating to Berth Hire (7) in 13th page.** Non Crane berth hire charges will be levied for liquid cargo tankers berthed at EQ6 or EQ7.	When port cranes were not deployed, non-crane berth hire will be charged.
(xii).	To be amended: **2.3.5 Road Stead Charges Slab 2 in 14th page** After 48 hours or from 49th hour.	Necessary correction carried out.
(xiii).	To be amended: **2.3.5 Road Stead Charges Notes 4) in 14th page:** In case of importing vessel after completion of discharge re-anchoring/ shifts to roads for carrying out loading operation, road stead charges as per the 2nd slab rate upto 384 hours is applicable from the time re-anchoring / shifting and thereafter, 4th slab rate to be levied. However, after shifting of the vessel to roads, if vessel leaves out of port limits without anchoring for holds wash, road stead charges will not be levied till re-anchoring in port limits. If vessel shifted to roads and re-anchored immediately before leaving out of port limits for holds wash, for the period of time of vessel is stayed out of port limits, no road stead charges will be levied.	Necessary conditionalities considering the request of the Steamship Agents Association have been proposed in the SOR, which sustains. No further changes are needed.
4.	**Adani**	
	We are pleased to hear that VPT; is considering to implement the Bunker Only Call Model similar to the method followed in Cochin Port. We are confident that the implementation of this model will create history as VPT is the first port in the East Coast to adopt the model. No anchorage charges/ port dues for 48 hr for vessels calling Visakhapatnam Anchorage for Bunkering will boost the Bunker Volumes substantially. After implementation, Ship Owners/ Charterers will be encouraged to lift Bunkers at Visakhapatnam. This will not only increase the Port's revenue but, also the industries related to the port as well. With implementation of bunker call Vessels calling at Gangavaram, Visakhapatnam Port and Vessels enrooting to Bangladesh Ports will prefer to take Bunker at the Vizag Anchorage if similar/ better facilities are provided by Visakhapatnam as presently provided by Cochin Port. We feel that Port too would stand to gain by the wharfage levied on the volumes sold. We sincerely request you to consider this proposal and give an exemption for 48 hr for vessels calling at Visakhapatnam for bunkering.	On the representation from M/s.Adani Bunkering Pvt. Ltd. on their letter dt.26.6.2019, in order to facilitate the Bunker business opportunities in East Coast for the benefit of vessels calling East Coast, it is felt desirable to consider the request of extending 'No Road Stead Charges' for first 48 hrs for exclusive "Bunker Call" vessels. As such modification at item No.2 of the notes of the Road Stead Charges at clause 2.3.5 is made by deleting the word ***"Bunker Call"***, No Road Stead Charges will be applicable for bunker vessels upto first 48 hours. Thereafter charges as per the slab rates will be applicable".
5.	**Coromandel International Limited**	
(i).	TAMP authority to continue on the existing scale of rates only and not to increase anything further.	The Wharfage rates now proposed by VPT are fixed with a hike of between 5% to 20% basing on the commodity. For Fertilizers indexation was not implemented by VPT since
(ii).	Already, Coromandel has suffered with the abnormal hike on rentals in the recent land lease agreement renewals (2013-18 & 2018-23 both period) though we are existing customer associated with VPT for many decades.	

	Request you to look in to our concerns and help us to do business easily.	2017. Hence increase of 20% was considered.
6.	**Rain CII Carbon Limited**	
(i).	VPT has proposed increase in the wharfage for Calcined Petroleum coke from 49.50 to 57.00 per MT. Tariff as per scale of rates in 2016 for Calcined pet coke was ₹45 per MT. Due to Annual escalation factor for ARR computation and computation of Indexed SOR the rate has become ₹49.50 i.e. 10.01% increase within three years. Now the proposed increase to ₹57.00 per metric ton is very high and industry cannot afford such huge increases in the competitive market. There will be further increase expected every year basis Annual ARR computation. Rain CII Carbon (Vizag) Limited is a port based industry situated in port land and handling about 1.3 million tons of cargo per annum. We are the MOU partners with VPT with assured 1.0 million tons of throughput per annum.	The increase is marginal and hence the proposed rate is appropriate.
(ii).	The increase in port dues, pilotage and berth hire charges will also adversely effect us as we are also disponent owners of the vessels being chartered for import of our Raw material.	
(iii).	The increase in storage charges also adversely affects our costs as we are hiring VPT godowns for several years for storage of Calcined Pet Coke.	
(iv).	As manufacturer based in VPT, the increase in every component of tariff will drastically affect our product cost and it would be difficult to compete in the international market. We request your goodself not to increase wharfage charges (on Raw Petroleum Coke, Calcined petroleum coke) and storage charges which will directly add to our costs.	
7.	**VSAA**	
I.	**Modifications requested in proposed tariff:**	
(i).	**Overall increase in Port Tariff**: In the last 3 years port increasing their tariff every year due to annual indexation on achieving performance standards as below: 2.00% - 25.10.2017 3.45% - 01.09.2018 The cumulative effect of the above escalation comes to 5.52%. On port achieving performance standards, port also will be eligible for escalation as per TAMP guidelines in the coming years. Keeping in mind the above annual increases, port may keep the present tariff without any upward revision of vessel related and cargo related charges. Port proposed to increase by 5% and 20% in respect of wharfage charges on certain cargoes. Proposed 20% increase in wharfage in certain cases is very high. Port may reconsider and reduce the increase.	The annual escalation factors of 2% and 3.45% were applied as per the approval of TAMP and which is in line with the Tariff policy clause 2.8 read with 3.2. Regarding 4.26% escalation-, the same was implemented w.e.f. 1.5.2019, which was not factored in the VPT proposal. The proposal of VPT is based on the Annual Revenue Requirement as approved by TAMP vide Tariff policy clause 2.1 and 2.2. Even after considering proposed hike in tariff, still there is gap between revenue estimation at proposed tariff and Annual Revenue Requirement. The increases proposed by VPT are very much meagre and are required to meet the operating expenses of port.

	Present Clause	This clause to be read as	Comments	Reply of VPT
(ii).	2.2 Pilotage fees – Pilotage fees is a composite fee and shall include one inward and one outward movement with services of Port's pilot, with required number of tugs/ launches of adequate capacity and shifting(s) of vessels for 'port convenience'. Shifting and the request of vessels will attract separate shifting charges.	Pilotage fees is a composite fee and shall include one inward and one outward movement with services of Port's pilot/ **pilots**, with required number of tugs/ launches of adequate capacity and shifting(s) of vessels for 'port convenience'. Shifting and the request of vessels will attract separate shifting charges.	Earlier in addition to levy of pilotage/ shifting, port was charging for the services of extra officer/ additional master whenever additional pilots were engaged to carry out certain movements. Though port stopped such levy, the words 'pilots' may be inserted after the word 'pilot' to solve this issue.	It is felt no change is required as the number of pilots does not make any change in the tariff of SOR.
(iii).	2.2.1 Schedule of pilotage fees for vessels – Sl. No.3: In case of cold move, 25% of pilotage charges shall be levied extra for each cold move.	Sl. No.3: In case of cold move, 12.5% of pilotage charges shall be levied extra for each cold move.	Since pilotage includes one inward movement and one outward movement and in case of cold move levy of 25% will translate to levy of 12.5% on inward/ outward movement. Hence levy of 12.5% may be substituted in place of 25%.	The present clause in the tariff is being retained, since cold move has to be carried out with additional Tug(s) and Pilot(s) for each cold move.
(iv).	2.2.2 Concession in pilotage fees shall be extended to the following vessels – For vessels shifted to roads due to exigencies of cyclone/ flood/ natural calamities, and brought back – Concession 50%	For vessels shifted to roads due to exigencies of cyclone/ flood/ natural calamities, and brought back – Concession 100%	Whenever a vessel shifts to anchorage in these circumstances (which are very rare), port may extend concession in pilotage to 100% instead of 50%.	The present clause is retained, as it is justifiable to bear the costs of exigency by both the parties equally.
(v).	2.2.4: General Notes relating to Pilotage/ Shifting – (3) (b). Whenever vessels are required to be shifted from deep draft berth to lesser draft berth in order to accommodate vessel of higher draft, such shifting shall be treated for port convenience.	(3) (b). Whenever vessels are required to be shifted from deep draft berth to lesser draft berth in order to accommodate vessel of higher draft, such shifting shall be treated for port convenience **and shifting charges shall not be levied on the vessel at berth proposed to be shifted and on the incoming vessel to be berthed.**	The words typed in bold are suggested for better understanding and implementation of the clause.	The request of the trade is considered and is applicable only for Port operated berths.
(vi).	2.2.4 General Notes relating to Pilotage/ Shifting – (4). For shifting/ pilotage of a vessel for the convenience of/ benefit of another vessel, the vessel benefited is liable to pay the shifting/ pilotage charges for	This clause has to be deleted.	There is clash between the newly inserted clause (3) (b) and the old clause (4). Hence deletion of clause (4) is suggested to avoid charging for shifting of vessels.	The request cannot be considered.

	shifting and repositioning of the vessel shifted subject to condition that the vessel to be berthed by shifting another vessel ……			
(vii).	2.2.4 (3) (Clause c): General Notes relating to Pilotage/ Shifting – If a vessel is shifted due to mal-functioning of port equipment, clearance of berth etc. it shall be treated as shifting for port convenience.	If a vessel is shifted due to mal-functioning of port equipment **including HMC**, clearance of berth etc. it shall be treated as shifting for port convenience.	There are at least 5 berths equipped with HMC in inner harbour of port. It is very common that HMCs installed and operated by private operators break down occasionally which necessitates shifting of vessel to another berth. The stand of billing section of port is that since HMC belongs to private operator, it does not come under port equipment. Hence the words "**including HMC**" may be incorporated in this clause.	The request of the trade is considered, however, incase of mall functioning of HMC, if vessel is shifted, the relevant conditionality's of work order of HMC will apply.
(viii).	2.3.3(2) For overstayal of vessel: (ii)(f) – Vessel shall be permitted to occupy the berth after completion of cargo operation without attracting penalty for period mentioned below: (f). In all other cases – **03 hrs**	Vessel shall be permitted to occupy the berth after completion of cargo operation without attracting penalty for period mentioned below: (f). In all other cases – **05 hrs**	Port reduced hours for hoisting flag after completion of cargo operations from 07 hours to 03 hours. Since vessel can hoist flag after carrying out activities like draft survey, documentation, unloading pay loaders, closing of hatches, securing of hatches and cranes, etc. **port may consider at least 05 hours**.	Request of the trade is considered for 4 hours.
(ix).	2.3.4 General Notes relating to Berth Hire (7) – Berth Hire charges for vessels berthed at EQ-7.	This clause may be deleted.	At present shore electric cranes are available and serving only EQ-6 berth. It is understood that the port took a decision to dismantle these cranes when all the berths in port will become non-crane berths. Hence tariff for crane berths may be removed from SOR.	The proposed clause in the SOR is being retained as the clause is very clear about the charges.
(x).	2.3.4 General Notes relating to Berth Hire – (7). Berth hire charges for vessels berthed at EQ-7: b. In case of Bulk/ Break Bulk/ Liquid Cargo vessels berthed at EQ-7 …. c. In case of Bulk/ Break Bulk/ Liquid	(7). Berth hire charges for vessels berthed at EQ-7: b. In case of Bulk/ Break Bulk vessels berthed at EQ-7 …. c. In case of Bulk/ Break Bulk vessels berthed at EQ-7 ….	The words "Liquid Cargo" appearing in both clauses due to a typo may be removed from these clauses.	The word 'Liquid Cargo' is deleted.

	Cargo vessels berthed at EQ-7 ….			
(xi).	2.3.3 Berth Hire: Penalty Clause 1 (III) – If the overstayal of the vessel exceeds more than 4 (four) hours beyond prescribed norms of productivity, 2 times penalty shall be levied.	This clause may be deleted.	Since port management agreed not to invoke this Clause, same may be deleted from the SOR.	The said existing clause is a deterrent clause to discourage overstayal of vessels beyond 4 hours and to reduce waiting vessel congestion and the same is also available in existing SOR. Hence retained.
(xii).	2.3.4 General notes relating to Berth Hire – Note (7): No Berth hire shall be levied for the period the vessel is compelled to idle at berth for continuously for one hour or more due to non-availability/ break down of all shore cranes/ port equipment and any other reasons including power failure attributable to the port.	Note (5): No Berth hire shall be levied for the period the vessel is compelled to idle at berth for continuously for one hour or more due to non-availability/ break down of all shore cranes/ port equipment/ **HMC** and any other reasons including power failure attributable to the port.	Whenever a vessel at HMC berth suffers due to HMC break down (which is very common), port billing section is not granting remission in berth hire stating that HMC is not a port equipment. Hence HMC may be inserted after “port equipment” to address the anomaly.	In case if HMC is under breakdown, since the particular vessel continues to occupy the berth and the berth hire requested to be exempted is always higher than the penalty that would be collected from the HMC operator, the request to exempt the berth hire charges for HMC cannot be considered.
(xiii).	2.3.5 Road Stead Charges – Road stead charges as mentioned below are leviable for the vessels stay at roads with an exemption up to first **24** hrs. before berthing on her first arrival at the roads. 5) Vessels shifted to roads for continuing loading/ unloading for want of cargo/ non-availability of space to discharge cargo, shifting due to poor performance or shifting due to the concerned Steamer Agent’s request, the rates at slab-**42** of the above scheduled rates shall be levied from the time of re-anchoring/ shifting till readiness. 6) Vessels shifted/ outsed to accommodate ousting priority vessels to roads as per Port berthing policy shall attract road stead charges as per slab-2 of the above schedule from time of their shifting/ ousting to roads upto 384 hrs. and thereafter rates at slab-4 shall be applied.	1. In the first para line no.2 the exemption may be read as **48** hours instead of **24** hours. 2. Note No.5: The typo of **42** with regard to slab may be rectified as **2**. 3. Note No.6 and 7 may be amended to the effect that in these situations no roadstead charges will be levied.	1 and 2 are typos and need correction. 2. When a vessel is shifted to anchorage to accommodate an ousting priority vessel, the vessel already suffered delay and consequential financial lossess due to disruption in cargo operations. On top of it, it is not fair to burden the vessel with road stead charges for her waiting at anchorage	1) In the first para line No.2 the exemption is now corrected as **48** hours instead of **24** hours. 2) Note No.5: The typo of **42** with regard to slab is rectified as slab **4.** 3) The request of the trade on note No.6, since working vessel is shifted to another working berth instead of anchorage for according ousting priority, the request becomes redundant.

	7) Vessels shifted due to emergency/ cyclonic condition shall attract road stead charges as per the slab rates.		for reberthing. Hence modification in the clause is suggested. When a vessel is shifted to anchorage due to emergency/ cyclonic conditions, the vessel already suffered delay and consequential financial lossess due to disruption in cargo operations. On top of it, it is not fair to burden the vessel with road stead charges for her waiting at anchorage for reberthing. Hence modification in the clause is suggested.	The present clause is retained, as it is justifiable to bear the costs of exigency by both the parties equally.
(xiv).	4.6.2(b) Notes 6) Demurrage on cargoes not removed from the wharf – Port proposed an increase of 10% in tariff item for demurrage charges.	Port may retain demurrage charges without any increase.	Demurrage is basically a penalty imposed for non-clearance of cargo in time and not a source of revenue to the port. Port may keep the demurrage charges without any increase.	In order to discourage occupation of transit area, marginal increase is proposed in the demurrage rate. Hence, the proposal of VPT for 10% increase in tariff for demurrage charges is retained.
(xv).	Tariff Order dated 29.03.2019 vide Notification dated 07.06.2019 extending the validity period for usage of 100 ton HMC upto 16.08.2021. Note no.(vi) – In case shifting of a vessel becomes necessary due to breakdown/ nonperformance of HMC, the shifting charges of the vessel from berth to anchorage will be recovered from the crane operator in addition to the penalty of ₹1,00,000/- (Rupees one lakh only). The shifting charges so recovered will be refunded to the vessel agent while the penalty will be retained by the port.	In case shifting of a vessel becomes necessary due to breakdown/ nonperformance of HMC, the shifting charges of the vessel from berth to anchorage/ **another berth** will be recovered from the crane operator in addition to the penalty of ₹1,00,000/- (Rupees one lakh only). The shifting charges so recovered will be refunded to the vessel agent while the penalty will be retained by the port.	There are at least 5 berth in inner harbour of port. It is very common that HMCs installed and operated by private operators did not work which necessitate mostly shifting of vessel to another berth instead of anchorage. To cover the situations where the vessel is shifted to another berth the words "another berth" may be inserted after the word "anchorage".	Existing clause is retained.
II.	**In the following cases certain conditionalities/ notes in the present tariff are omitted from proposed tariff – same may be retained.**			
(i).	2.3.4 General notes relating to Berth Hire – (3). No berth hire shall be levied for the period when the vessels idle at ore berths due to plant breakdown if it is continuous for one hour	These two clauses were omitted in the proposed tariff.	These clauses which were there in the existing SOR are removed in the proposed SOR. Though iron ore terminal is given to ESSAR for operation	The existing condition in SOR is framed when Ore plant was under the control of VPT. Now, as the Ore handling plant is handed over to the PPP operator, any breakdown in plant is on account of PPP operator. Hence, it is not

	or more except on account of bad cargo. (4). In case iron ore/ pellet vessel berthed at OB1/ OB2 could not commence loading due to working of earlier iron ore/ pellet vessel, then berth hire shall not be levied after 4 hrs of berthing the vessel till the commencement of loading. However, this is not applicable if the vessel is berthed at the request of the trade for purposes other than loading.		and maintenance, it is the owner who suffers for none of their fault for the delay in commencement as well as for conveyor breakdowns. Moreover, berth hire charges are paid to port only. Hence Clause (3) and Clause (4) may be retained.	correct to claim exemption in berth hire which is accruable to VPT. The issue is to be addressed with EVTL by trade.
(ii).	7.3 Fire Tender Charges - Notes: (1). No charges will be levied for fighting fires in ships lying in the port limits.	Notes: This clause was omitted in the proposed tariff.	The notes no.(1) appearing in the existing SOR now deleted in the proposed SOR. Since VPT is service provider, they have to arrange this service without levying any charges. Hence it is requested that the same may be retained.	It is not omission. The present clause in the tariff is to be read as "1. Charges at actuals will be levied for fighting fires in ships lying in the port limits." Charges will be levied for fighting fires in ships lying within the port limits for actual expenditure incurred to mobilise resources with departmental charges. Because if there is a fire on board ship at anchorage area which is well within port limits, then service for providing firefighting cannot be considered free as it will involve huge expenditure for mobilising required resources.
III.	**New Clauses may be incorporated as follows:**			
	Tariff Clause Ref.	**New Clause proposed by Trade**		
(i).	2.2.4 General Notes relating to Pilotage/ Shifting	A new clause may be inserted as follows: Whenever vessels are required to be shifted from lesser draft berth to deep draft berth directly or through anchorage in order to facilitate continuation of loading, such shifting shall be treated for port convenience. No shifting charges shall be levied on the uptopping vessel seeking deep draft berth and also on the vessel at deep draft berth proposed to be shifted to another berth. All these shiftings are considered for "port convenience". Port gave exemption of shifting charges of vessel from deep draft to lesser draft for accommodating another deep drafted vessel by treating the shifting as 'port convenience'. However, similar exemption was missed out for export vessels i.e. from lesser draft berth to deep draft berth. Hence insertion of this new clause is suggested to be included.		The request of the Trade is considered and the clause is incorporated at 2.2.4 General Notes relating to Pilotage/ Shifting at 3(d) 'Whenever vessels are required to be shifted from lesser draft berth to deep draft berth directly or through anchorage in order to facilitate continuation of loading, such shifting shall be treated for port convenience. No shifting charges shall be levied on the uptopping vessel seeking deep draft berth and also on the vessel at deep draft berth proposed to be shifted to another berth. All these shiftings are considered for "port convenience".
(ii).	2.2.4 (3) Clause c): General Notes relating to Pilotage/ Shifting	A new clause may be inserted as follows: In case of bad weather and ships at VGCB are rolling/ surging require the assistance of tug for tying up ropes, such deployment of tugs should not be charged since it is connected with the		The request of the trade is not acceptable as deployment of tugs requires lot of resources and fuel.

		safety of the vessel and port declared VGCB as safe berth.	
(iii).	2.3.4 General notes relating to Berth Hire	A new clause may be inserted as follows: If after berthing of a vessel, the vessel could not commence cargo operations due to reasons beyond the control of the vessel like non clearance of wharf of previous cargo, no berth hire shall be levied on the vessel after expiry of 4 hours from the time of berthing till the time of commencement of cargo operations.	On the request of the trade the clauses relating to wharf demurrage have been modified with the approval of Board and from 6^{th} to 10^{th} hour free time is given subject to limiting the free time from 6^{th} hour to 10^{th} hour or berthing of subsequent vessels whichever is earlier. As per this condition the trade are getting free period of 10 hours approximately for clearing the cargo from the wharf. If the request of the trade is considered i.e. not to levy berth hire after expiry of 4 hours from the time of berthing till the time of commencement of cargo operations, VPT will lose berth hire as well as wharf demurrage even for the first slab of 10 hours on wharf demurrage. Further, in cases where the commencement of cargo operations takes indefinite time, VPT has to forego berth hire revenue to that extent. Hence the request of the trade cannot be considered.

2.1. A joint hearing in this case was held on 17 June 2019 at the VPT premises. The VPT made a brief Power Point presentation of its proposal. At the joint hearing, the VPT and the concerned users/ user organizations have made the following submissions:

Visakhapatnam Port Trust (VPT)

(i). Makes a power point presentation of its proposal. Hard copy is given.

(ii). ARR estimated by the port is ₹1,038.61 crores and revenue estimated at the proposed tariff is ₹1,017.13 crores. At proposed rate there is revenue gap of ₹21.48 crores.

(iii). 10% increase is proposed in port dues and berth hire and 8% increase is proposed in pilotage.

(iv). Our rates for vessels are less than Gangavaram Port. Hence, we have proposed to increase vessel related charges by 8% to 10%.

(v). Where the port is in a dominant position, higher increase is proposed in cargo related charge. For those items where there is competition from the neighbouring ports, we have restricted the increase.

Visakhapatnam Steamship Agents' Association (VSAA)

(i). Every year tariff is indexed on account of performance achievement. Increase in last 3 years on account of indexation has been 10.014%.

(ii). Hence, we request not to increase any further.
[VPT, Dy. Chairman: The proposed increase is to meet the estimated ARR. The latest annual indexation of 4.26% effective from May 2019 is subsumed in the proposed increase sought in the tariff.]

(iii). We request to maintain status quo.

(iv). In note proposed under schedule 2.2.4.(3)(c), we request to add the words "including HMC" for treatment of shifting for port convenience.

(v). We propose insertion of a new note under port convenience so as not to charge for tug in case of requirement of deployment of tug assistance due to bad weather.

(vi). In note (2) under 2.3.3., as regards occupancy of berth after completing the discharge operation for all other cases at (ii) (f) therein, we request port to modify it as 05 hours instead of 03 hours as against existing 7 hours.
[VPT, Dy. Chairman: Now it takes 3 hours on an average. We will examine the matter.]

(vii). As regards general notes nos.3 and 4 relating to berth hire which is proposed for deletion, we request the port to retain it.
[VPT, Dy. Chairman: We will examine it.]

(viii). Note no.7 under Schedule 2.3.4 in existing SOR proposed for deletion may be retained. Also, the word "HMC" may be added after the words "port equipment".

(ix). We request the port to consider insertion of a new clause under berth hire as to not levy berth hire after expiry of 4 hours if after berthing, vessel could not commence discharge for reasons beyond its control like non clearance of wharf of previous cargo.

(x). Clause 2.3.5 - Note on exemption of Road stead charges needs to be corrected as 48 hours instead of 24 hours.
[VPT, Dy. Chairman: We agree. It can be 48 hours.]

(xi). There is a typo error in slab in schedule 2.3.5 which may be rectified.

(xii). Road stead charge should not be charged when vessel is shifted by port when the user has not demanded for such shifting.
[VPT, Dy. Chairman: We would examine the matter.]

(xiii). Port may retain the existing demurrage charges without any increase as basically it is a penalty imposed for non-clearance of cargo in time.
[VPT, Dy. Chairman: This will amount to double benefit for the user. Hence it is not acceptable.]

(xiv). The existing notes (1) and (2) under schedule 7.2. Fire Tender may be retained.
[VPT, Dy. Chairman: We will examine the matter, In case of emergency it can be free of levy.]

(xv). Schedule 2.2.2.(1) Concession in pilotage fee for vessels shifted to roads due to exigencies of cyclone/ flood/ natural calamities and brought back may be prescribed at 100% instead of proposed concession of 50%.

Navship Marine Services (NMS)

(i). Pilotage involves two movements. Whereas, for cold move, there is movement on one side. Hence, the levy on cold move prescribed at schedule 2.2.1. (3), should be 25% of 50% of pilotage fee instead of proposed levy at 25%.

(ii). The proposed Clause (3) (b) under schedule 2.2.4 treats shifting required from deep draft to lesser draft as port convenience. This covers import cycle. Modify this to include vice versa movement also so as to cover export cycle as port convenience.
[Visakhapatnam Stevedores' Association (VSA): This happens occasionally once in a year. It will not have any revenue impact on port.]
[VPT, Dy. Chairman: We can examine. This will help to reduce idling time. Pre-berthing will also come down.]

(iii). Note 4 under general note relating to pilotage / shifting is contradictory to proposed note at 3(a) therein.
[VPT, Dy. Chairman: It is not contradicting. This matter we shall, however, examine]

(iv). Note 7(b) under clause 3 under schedule 2.3.4, which relates to berth hire charge for vessels berthed at EQ-7, the word “liquid” may be deleted.
[VPT, Dy. Chairman: We agree. This will be done.]

(v). River sea vessel should be charged coastal tariff.

Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO)

(i). We require the port to reduce wharfage rate on coal.

(ii). VRC is proposed to be increased by 15.52%. It’s higher than VRC of Paradip Port and Haldia Port.

(iii). The proposed increase will increase the distribution cost. We will have to reduce distribution of power which will lead to reduction in coal import from VPT.

(iv). As a special case, port may consider to reduce the proposed vessel related charge and cargo related charge for coal.
[VPT, Dy. Chairman: If TANGEDCO gives 3 MTPA, volume discount can be discussed with the port.]

Steel Authority of India Limited (SAIL)

(i). Some designated place may be allocated for cargo which lies in the wharf when we have to discharge additional cargo.
[VPT, TM: Port cannot discharge cargo without customs documents.]
[VPT, Dy. Chairman: Within port limit, we can give some transit area. It is between port and user.]

M/s. Coromandel Fertilisers Limited (CFL)

(i). There has been very abnormal increase in rent in past.

(ii). Again the port has increased the rate in the general SOR.

(iii). We request to consider reduction in rental.
[VPT, Dy. Chairman: The rent is different aspect. It is under different guidelines. At the proposed rate, there is still revenue gap of around ₹21 crores. We have considered reasonable increase. It is very nominal.]

Essar Steel India Ltd. (ESIL)

(i). We are captive customer of port.

(ii). Since April, 2019, we are being charged composite rate as against rate charges for last 23 years based on services rendered. Earlier we were not using tippling service and not being charged for that. But, under composite rate, we are being charged for tippling service by the BOT operator.
[VPT, Dy. Chairman: This is not part of the general SOR of the VPT. This relates to upfront tariff fixed for BOT operator.]

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