

VISAKHAPATNAM PORT TRUST

Scale of Rate

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REFERENCE TARIFF FOR USE OF 40 TONNE HARBOUR MOBILE CRANE TO BE INSTALLED BY PRIVATE SERVICE PROVIDER AUTHORISED BY VISAKHAPATNAM PORT TRUST IN THE INNER HARBOR FOR CARO HANDLING OPERATIONS AT VISAKHAPATNAM PORT.

1.1. Definitions – General

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

- (i). "Coastal vessel" shall mean any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal licence issued by the Director General of Shipping/Competent Authority.
- (ii). "Day" shall mean the period starting from 6.00 A.M. of a day and ending at 6.00 A.M. on the next day.
- (iii). "Foreign-going vessel" shall mean any vessel other than Coastal vessel.

1.2. GENERAL TERMS & CONDITIONS

- (i). The status of the vessel, as borne out by its certification by the Customs or Director General of Shipping is the relevant factor to decide whether vessel is "coastal" or "foreign-going" for the purpose of levy of Berth hire, and the nature of cargo or its origin will not be of any relevance for this purpose.
- (ii). System of classification of vessel for levy of Vessel Related Charges (VRC)
 - (a). A foreign going vessel of Indian flag having a General Trading Licence can convert to coastal run on the basis of a Customs Conversion Order. Such vessel that converts into coastal run based on the Customs Conversion Order at her first port of call in Indian Port, no further custom conversion is required, so long as it moves on the Indian Coast.
 - (b). A Foreign going vessel of foreign flag can convert to coastal run on the basis of a Licence for Specified Period or Voyage issued by the Director General of Shipping and a custom conversion order.
- (iii). Criteria for levy of Vessel Related Charges (VRC) at Concessional Coastal rate and foreign rate:
 - (a). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.
 - (b). In cases of such conversion coastal rates shall be chargeable till the vessel completes discharging operations at the last call of Indian Port; immediately thereafter, foreign going rates shall be chargeable by the discharge ports.
 - (c). For dedicated Indian coastal vessels having a Coastal licence from the Director General of Shipping, no other document will be required to be entitled to coastal rates.

- (iv). Criteria for levy of Cargo Related Charges (CRC) at Concessional Coastal rate
- (a). Foreign going Indian Vessel having General Trading License issued for 'worldwide and coastal' operation should be accorded applicable coastal rates with respect to Handling Charges (HC) i.e. ship to shore transfer and transfer from/ to quay to/ from storage yard including wharfage in the following scenario:
- (i). Converted to coastal run and carrying coastal cargo from any Indian Port and destined for any other Indian Port.
- (ii). Not converted* to coastal run but carrying coastal cargo from any Indian Port and destined for any other Indian Port.
- * The Central Board of Excise and Customs Circular no.15/2002-Cus. dated 25 February 2002 allows carriage of coastal cargo from one Indian port to another port in India, in Indian flag foreign going vessels without any custom conversion.
- (b). In case of a Foreign flag vessel converted to coastal run on the basis of a Licence for Specified Period or Voyage issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.
- (v). (a). The cargo related charges for all coastal cargo other than thermal coal and POL including crude oil, iron ore and iron ore pellets should not exceed 60% of the normal cargo related charges.
- (b). In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship shore transfer and transfer from/to quay to/from storage yard including wharfage.
- (c). Cargo from a foreign port which reaches an Indian Port "A" for subsequent transshipment to Indian Port "B" will be levied the concession charges relevant for its coastal voyage. In other words, cargo from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.
- (d). The charges for coastal vessels shall be denominated in Indian Rupees.
- (vi). Interest on delayed payments / refunds:
- (a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the Terminal Operator shall pay penal interest on delayed refunds.
- (b). The rate of penal interest will be 2% above the prime lending rate of the State Bank of India.
- (c). The delay in refunds will be counted only 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.
- (d). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the Crane Operator. This provision shall, however, not apply to the cases where payment is to be made before availing the services/ use of Port Trust's properties as stipulated in the Major Port Trust Act and/ or where payment of charges in advance is prescribed as a condition in this Scale of Rates.
- (vii). The rates prescribed in the Scale of Rates are ceiling vessels likewise rebates and discounts are floor levels. The Crane Operator may, if so desires, charge lower rates and/ or allow higher rebates and discounts.

The Crane Operator may also, if so desires, rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalization gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels. The Crane Operator should however, notify the Public such lower rates and/ or rationalization of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and/ or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.

- (viii). Users will not be required to pay charges for delays beyond reasonable level attributable to the crane operator.

2. Charges for use of 40 Tonne Harbour Mobile Crane

(i). For Dry Bulk Cargo

Average berthday output (in Metric Tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
Upto 9,240	45.62	27.37
9,241-10,240	47.90	28.74
10,241-11,241	50.18	30.11

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes and for the 2nd thousand tonnes the rate was enhanced to 110% of the base rate. The same methodology shall also be adopted to calculate the rate beyond 11,241 tonnes.

(ii). For Bagged Cargo

Average berthday output (in Metric Tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
Upto 1,512	292.36	175.42
1,513-1,613	306.98	184.19

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes. The same methodology shall also be adopted to calculate the rate beyond 1,613 tonnes.

(iii). For Other Break Bulk Cargo

Average berthday output (in Metric Tonne)	Ceiling rate per tonne (in ₹)	
	Foreign	Coastal
Upto 2,688	152.70	91.62
2,689-3,688	160.34	96.20

Note: To calculate the incremental ceiling rates as shown above, the base rate was enhanced to 105% for first thousand tonnes. The same methodology shall also be adopted to calculate the rate beyond 3,688 tonnes.

Notes:

- (a). The formula for calculation of average berth-day output is as follows:-

$$\frac{\text{Total Quantity loaded / unloaded by HMC (tonnes)}}{\text{Total time taken from vessel commencement to completion (Hrs.)}} \times 24$$

- (b). According to the average berth-day output for the vessel from commencement to completion of loading / discharge of cargo, the appropriate rate of crane hire charge will be chosen for recovery from Port users for the full quantity of cargo loaded / discharged.
- (c). If the 40 T HMC works with another crane/s, the Berth-day output of the crane will be ascertained on the basis of the quantity as recorded by the HMC's load meter.
- (d). In case of breakdown of the crane for more than one hour till the vessel leaves the berth, the quantity handled by HMC will be determined taking into account cargo loaded/ discharged prior to break-down divided by crane working hours and multiplied by 24.
- (e). In case of stoppages of operation of HMC for more than two hours at a stretch for reasons not attributable to the HMC, appropriate allowance will be allowed to the crane while calculating the total time of crane operation in the vessel. Stoppages of HMC for less than 2 hours will not be taken into consideration for the above purpose. No allowance will be allowed for stoppages attributable to the HMC. All stoppages in loading/unloading operations during working of HMC are required to be certified by the Stevedore of the vessel in the daily vessel performance report.
- (f). In case shifting of a vessel becomes necessary due to breakdown / non-performance of HMC, the shifting charges of the vessel from berth to anchorage will be recovered from the crane operator in addition to a penalty of ₹40,000/- (Rupees Forty thousand only). The shifting charges so recovered will be refunded to the vessel's agent while the penalty will be retained by the Port.
- (g). In case of dispute on the average output, the decision of the Port Trust will be final and binding.

3. GENERAL NOTE TO SCHEDULE (2) ABOVE:

- (i). The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1st January 2017 and 1st January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1st April of the relevant year to 31st March of the following year.
- (ii). As specified in clauses 2.9.1. and 2.9.2. of the guidelines, before commencement of commercial operations, the private operator shall approach the Authority for notification of Scale of Rates containing the approved ceiling rates and the statement of conditions, as required under Section 48 of the Major Port Trusts Act, 1963.
- (iii). From the date of Commercial Operation (CoD) till 31st March of the same financial year, the tariff would be limited to the indexed Reference Tariff relevant to that year, which would be the ceiling. The aforesaid Reference Tariff shall be automatically revised every year based on an indexation as provided in para 2.2 of the tariff guidelines of 2013 which will be applicable for the entire licence period.
However, the Licensee would be free to propose a tariff along with Performance Standards (the "Performance Linked Tariff") from the second year of operation onwards, over and above the indexed Reference Tariff for the relevant financial year, at least 90 days before the 1st April of the ensuing financial year. Such Performance Linked Tariff shall not be higher than 15% over and above the indexed Reference Tariff for that relevant financial year (and this will be the Tariff Cap). The Performance Linked Tariff would come into force from the first day of the following financial year and would be applicable for the entire financial year.
- (iv). The proposal shall be submitted to TAMP along with a certificate from the independent engineer appointed under the Concession Agreement of the Project indicating the achievement of Performance Standards in the previous 12 months as incorporated in the Licence Agreement or for the actual number of months of operation in the first year of operation as the case may be.

- (v). On receipt of the proposal, TAMP will seek the views of the Major Port Trust on the achievement of Performance Standards as outlined in para 5 of the tariff guidelines of 2013, within 7 days of receipt.
- (vi). In the event of Licensee not achieving the Performance Standards as incorporated in the Licence Agreement in previous 12 months, TAMP will not consider the proposal for notifying the Performance Linked Tariff for the ensuing financial year and the Licensee shall be entitled to only the indexed Reference Tariff applicable for the ensuing financial year.
- (vii). After considering the views of the Major Port Trust, if TAMP is satisfied that the Performance Standards as incorporated in the Concession Agreement have been achieved, it shall notify the performance linked tariff by 15th of March to be effective from 1st of April of the ensuing financial year.
- (viii). While considering the proposal for Performance Linked Tariff, TAMP will look into the Performance Standards and its adherence by the Licensee. TAMP will decide on the acceptance or rejection of the Performance Linked Tariff proposal based on the achievement or otherwise of the Performance Standards by the Licensee. Determination of indexed Reference Tariff and Performance Linked Tariff will follow the illustration shown in the Appendix attached to the tariff guidelines of 2013.
- (ix). From the third year of operation, the Performance Linked Tariff proposal from the Licensee shall be automatically notified by TAMP subject to the achievement of Performance Standards in the previous 12 months period as certified by the Independent Engineer. The Licensee, for the Performance Linked Tariff from the third year onwards, will submit the Performance Linked Tariff proposal along with the achievement certificate from the independent engineer by 1st March and TAMP shall notify by 20th March, the Performance Linked Tariff to be effective from the ensuing financial year.
