

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)
TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 511

New Delhi,

18 December 2018

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from V.O. Chidambaranar Port Trust (VOCPT) for incorporation of two additional unit rates under Schedule 5.16 of prevailing Scale of Rates (SOR) at VOCPT as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/64/2018-VOCPT

V.O. Chidambaranar Port Trust

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Applicant

QUORUM

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

ORDER

(Passed on this 27th day of November 2018)

This case relates to a proposal received from the V.O. Chidambaranar Port Trust (VOCPT) for incorporation of two additional unit rates under Schedule 5.16 of prevailing Scale of Rates (SOR) at VOCPT.

2.1. This Authority had vide Order No.TAMP/29/2016-VOCPT dated 17 September 2016 passed an Order relating to general revision proposal of VOCPT along with the revised SOR. The said Order was notified vide Gazette No.370 dated 10 October 2016. The SOR came into force after expiry of 30 days from the date of notification of Order in the Gazette of India i.e. 09 November 2016. The validity of SOR is prescribed till 31 March 2019.

2.2. The main points of the VOCPT proposal dated 18 August 2018 are summarised below:

- (i). As per the Clause 5.16 - 4 (a) and (b) of prevailing SOR of VOCPT relating to License Fee for entry of Vehicles/ Equipments, Entry Pass for the Carrier of Goods is being issued on Daily or Yearly basis only to enter inside the Security wall of Zone-A & B. The tariff of issuing passes for Monthly and Half Yearly are not available.
- (ii). As a part of ease of doing business, these provisions are required to reduce the congestion at Truck Parking Terminal during the peak hours to facilitate free flow of traffic in Port area.
- (iii). Accordingly, a proposal is filed to incorporate new unit rates of license fee for issuing entry passes under Schedule 5.16 of SOR (Licence fee for entry of vehicle/ equipments) for monthly and half yearly basis under Sl. No. 4(b) and 4(c) for the category "Carrier of Goods" as available under the category of 5(b) and 5(c) for Private Cargo Handling equipment. The rate proposed for monthly and half yearly basis at Sl. No.4(b) and (c) is in line with rates available under Sl. No.5(b) & 5(c) for Private Cargo Handling equipment already approved by the Authority.
- (iv). The rates prescribed in the existing SOR at Schedule 5.16-Licence Fee for entry of Vehicles/ Equipment at Sl. No.4 and 5 and the proposed rate newly added for 4(b) and 4(c) is tabulated below:

Sl. No.	Particulars	Unit	Existing	Proposed
			Entry into Check Post I and II (including inside the Security Wall)	Entry into Check Post I and II (including inside the Security Wall)
4	(a). Carrier of goods – Per day	Each	30.00	30.00
	(b). Carrier of goods – Per month	Each	Not available	450.00
	(c). Carrier of goods – Per half year	Each	Not available	2,155.00
	(d). Carrier of goods – Per annum	Each	2,880.00	2,880.00
5	(a). Private Cargo Handling Equipment - Per day	Each	200.00	200.00
	(b). Private Cargo Handling Equipment - Per month	Each	3,000.00	3,000.00
	(c). Private Cargo handling Equipment -Per Half Year	Each	14,370.00	14,370.00

			and B				Wall) Zone A and B	
4.	(a). Carrier of goods- Per day	Each	30.00	4.	(a). Carrier of goods – Per day	Each	30.00	No Change
	--	--	---		(b). Carrier of goods – Per month	Each	450.00	NEW RATE PROPOSED
	---	---	---		(c). Carrier of goods – Per half year	Each	2,155.00	
	(b). Carrier of goods - Per annum	Each	2,880.00		(d). Carrier of goods – Per annum	Each	2,880.00	
5.	(a). Private Cargo Handling Equipment - Per day	Each	200.00	5.	(a). Private Cargo Handling Equipment – Per day	Each	200.00	No Change
	(b). Private Cargo Handling Equipment -Per month	Each	3,000.00		(b). Private Cargo Handling Equipment – Per month	Each	3,000.00	
	(c). Private Cargo Handling Equipment - Per half year	Each	14,370.00		(c). Private Cargo Handling Equipment – Per half year	Each	14,370.00	
	(d). Private Cargo Handling Equipment -Per annum	Each	27,010.00		(d). Private Cargo Handling Equipment – Per annum	Each	27,010.00	

5. A joint hearing in this case was held on 8 November 2018 at the VOCPT premises. The VOCPT made a brief power point presentation of its proposal. At the joint hearing, the VOCPT and the concerned users/ user associations have made their submissions.

6. An excerpt of the 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>.

7.1. As brought out by the port, the proposal filed is because the existing SOR of the port does not prescribe license fee on monthly basis and half yearly basis for Carrier of Goods at Sl. No.4 under Schedule 5.16 – License fee for entry of Vehicles/ Equipment. The existing SOR of the VOCPT approved by this Authority vide Order no.TAMP/29/2016-VOCPT dated 17 September 2016 at Sl. No.4 under the said schedule prescribes rate for entry pass of Carrier of Goods for entry on daily basis and on yearly basis. As far as Private cargo handling equipment is concerned, the existing SOR at Sl. No.5 under Schedule 5.16 – License fee for entry of Vehicles/ Equipment prescribes rate for entry pass on daily, monthly, half yearly and per annum basis.

7.2. The port has, therefore, sought insertion of rate for monthly and half yearly basis for Carrier of Goods as a part of ease of doing business. This is also to decongest the pass section and reduce congestion in the Truck Parking terminal.

For arriving at the proposed new entries in the SOR, the port has taken the existing daily rate for entry pass of Carrier of Goods as the base and increased it proportionately to the extent of increase in the existing rate for daily and monthly pass prescribed for private cargo handling equipment. This is elaborated hereunder for ease of reference.

The existing rate prescribed in the Scale of Rates of VOCPT for entry of private cargo handling equipment is ₹200 per day and ₹3000 on per month basis. For arriving at the proposed rate for carrier of goods for monthly basis, the port has considered the proportionate ratio i.e. $3000/200 = 15$ times as in case of private cargo handling equipment. Accordingly, the port has arrived at the rate for carrier of goods on per month basis at ₹450 i.e. existing rate ₹30 per day x 15 times.

The existing rate prescribed in Scale of Rates of VOCPT for entry of private cargo handling equipment is ₹3000 per month and ₹14370 per half year. For arriving at the proposed rate for carrier of goods on half yearly basis, the port has considered the proportionate ratio i.e. $14370/3000 = 4.79$ times. Accordingly, the port has arrived at the proposed rate for carrier of goods for half yearly at ₹2155 ($450 \times 4.79=2155$)

The port has stated that there will be no financial implication i.e. additional revenue at the proposed new rates.

7.3. In view of the above position and recognising that the proposed two tariff entries are for ease of doing business and have not been objected by any of the users/ user organisations consulted on the proposal of the port, and also recognising that it is approved by the Board of

Trustees of VOCPT, this Authority is inclined to approve the insertions of two tariff entries proposed by VOCPT.

7.4. Ordinarily the rate approved by this Authority shall come into force after expiry of 30 days from the date of notification of the Scale of Rates in the Gazette of India. However, the VOCPT at the joint hearing has sought approval of the proposed rate from 16 November 2018. The users association, Tuticorin Port Handling Agent Association has also agreed to the proposal of VOCPT for applying the proposed rates by VOCPT w.e.f. 16 November 2018. In view of the above, proposed rates are made effective from 16 November 2018 as sought by VOCPT and agreed by the concerned user association at the joint hearing. The validity of the rates prescribed shall be co-terminus with the validity of the existing SOR of VOCPT which is till 31 March 2019.

8.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the following:

- (i). To insert Sl. No.4(b) and 4(c) under Schedule 5.16 - Licence fee for entry of vehicles/ equipment under Chapter – V - Miscellaneous charges in the existing SOR of VOCPT as follows:

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Sl. No.	Particulars	Unit	Entry into Check Post I and II (including inside the Security Wall) Zone A and B
4.	(b). Carrier of goods – Per month	Each	450.00
	(c). Carrier of goods – Per half year	Each	2,155.00

”

- (ii). Consequently, to renumber the existing Serial No.4(b) under Schedule 5.16 - Licence fee for entry of vehicles/ equipment per annum as 4(d).

8.2. The VOCPT is directed to amend the existing Scale of Rates accordingly.

8.3. The rates approved by this Authority are deemed to have come into effect from 16 November 2018 as sought by the VOCPT at the joint hearing and agreed by the concerned users. The approved rate will remain valid till the validity of the existing SOR of the VOCPT i.e. upto 31 March 2019.

(T.S. Balasubramanian)
Member (Finance)

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

F.No. TAMP/64/2018-VOCPT - Proposal received from V.O. Chidambaranar Port Trust (VOCPT) for incorporation of two additional unit rates under Schedule 5.16 of prevailing Scale of Rates (SOR) at VOCPT.

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

V.O. Chidambaranar Port Trust (VOCPT)

- (i). Schedule 5.16 of the existing SOR of VOCPT prescribes License fee for entry of Vehicles/ Equipments. Sr. no.4 (a) and (b) of the said schedule prescribes license fee for carrier of goods on per day and per annum basis. Entry Pass for the carrier of goods is being issued on daily or yearly basis to enter inside the security wall of Zone A and B of the port.
- (ii). For Private Cargo handling equipment, the existing SOR at sr. no.5 prescribes license fee for daily, monthly, half yearly and per annum basis. The SOR, however, does not prescribe rate for issue of passes for monthly and half-yearly basis for this category of vehicle viz. carrier of goods.
- (iii). We want rate for issue of passes for monthly basis and half yearly basis for Carrier of Goods.
- (iv). As a part of Ease of Doing Business, this rate is required to reduce congestion at Truck Parking Terminal during peak hours. We also want to decongest the pass section.
- (v). The rate is proposed for carrier of goods for monthly and half-yearly basis proportionate to the rate differential available for private cargo handling equipment under Sl. No.5 5(b) and 5(c) as approved by TAMP.
- (vi). Our proposal does not state from which date the rate is required. We want the proposed rates for two items from 16 November 2018.

Tuticorin Port Handling Agents Association

- (i). We agree to the proposal of Port for levy of the proposed rate from 16 November 2018.
