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TARIFF AUTHORITY FOR MAJOR PORTS

G. No. : 51

New Delhi, 30 March, 2006

NOTIFICATION

In exercise of the powers conferred under Sections 48, 49 and 50 of the Major Port Trust Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby approves the proposal of the Chennai Port Trust for general revision of its Scale of Rates as in the Order appended hereto.

(**A.L. Bongirwar**)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/36/2005-CHPT

The Chennai Port Trust

Applicant

ORDER

(Passed on this 7th day of March 2006)

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

2. The Scale of Rates of CHPT was last revised in October 2002. A proposal for revision of Scale of Rates was filed by CHPT in March 2005. Since the revised tariff guidelines were notified on 31 March 2005, this proposal was returned to CHPT with an advice to review and resubmit its proposal in line with the revised tariff guidelines. In this backdrop, the CHPT filed the proposal for general revision of its Scale of Rates.

3.1. The main points made by the CHPT in its proposal are summarised below:

- (i). The cost statement of each activity has been prepared based on the revised tariff guidelines and the salient points are given below:
 - (a). The operating income and expenditure for the years 2005-06, 2006-07 and 2007-08 have been projected to increase at 6% overall over the previous year.
 - (b). The surplus generated from container handling, POL and warehouse has been applied to cross-subsidise other deficit activities.
 - (c). Finance and Miscellaneous Income and Expenditure excluding the interest element have been apportioned to all activities / sub-activities.
 - (d). Cash and bank balances have been excluded from the current assets in the computation of working capital and the capital employed is also altered accordingly.
 - (e). Depreciation of the assets has been re-calculated as per the percentage specified in the Companies Act.
 - (f). Return on Capital Employed (ROCE) has been worked out at 15%
- (ii). (a). The wharfage rates for coastal cargo have been fixed at 60% of the normal cargo related charges at the exchange rate of US \$ = Rs.43.52 as on 1 February 2005.
- (b). The hire charges for tugs, cranes and grabs have been proposed by grouping them based on the capacity ranges wherever possible.
- (iii). The vessel related charges have been modified and a single rate has been fixed for port dues and berth hire charges as per the revised tariff guidelines. Likewise, pilotage and shifting charges have been proposed on a three-slab rate basis.

3.2. The percentage of increase in rates for the various activities / sub-activities initially proposed by CHPT are given below:

I. **Cargo related charges**

- (a). General Cargo 35%
- (b). Cranage and Fork Lift Truck (FLT) 110%

	(c). Iron Ore	110%
	(d). 150 tonne floating crane	No increase
	(e). Warehouse	No increase
	(f). POL	No increase
II.	Vessel related charges	
	(a). Berthing & Mooring including water supply	90%
	(b). Port Dues	No increase
	(c). Towage & Pilotage	45%
	(d). Salvage and Divers	60%
III.	Railways	- 140%
IV.	Estates	- 175%
V.	Container handling	- No increase.
VI.	Charges for stevedoring operations and Clearing & forwarding operations	- No increase.

The CHPT also proposed modifications in some of the existing conditionalities and proposed some new conditionalities governing the proposed Scale of Rates.

4. (i). The CHPT vide its letter dated 18 July 2005 communicated the following iron-ore handling charges which were mutually agreed between the CHPT and iron-ore exporters:

- (i). Handling Charge Rs.85 per Metric Tonne (*Existing: Rs.57.96 per MT*)
- (ii). Cleaning charge Rs.2 per Metric Tonne (*Existing: Rs.0.92 per MT*)
- (iii). Special haulage Rs.15 per Metric Tonne (*Existing: Nil*)

The CHPT has further stated that the iron-ore exporters have also agreed for a pollution levy of Rs.5 per MT.

- (ii). Again, the CHPT by its letter dated 17 November 2005 further stated that the MMTC which initially did not agree to the proposed rates, has also agreed to the proposed rates.
- (iii). The Consensus proposal for revision of iron ore handling charges was, however, not agreed by the Federation of Indian Mineral Industries (FIMI) and another user MSPL.

5.1. In accordance with the consultative procedure prescribed, the proposal from the CHPT was forwarded to Chennai Container Terminal Limited and also to the concerned user organisations for their comments.

5.2. The comments received from the concerned user organizations were forwarded to CHPT as feed back information. The CHPT has responded to the comments furnished by the users on its proposal.

6. Based on a preliminary scrutiny of the proposal, the CHPT was requested to furnish additional information / clarifications on various points vide our letter dated 29 September 2005. Our queries and the response of CHPT furnished vide its letter dated 12 December 2005 are tabulated below:

Sr. No	Our queries	Response of CHPT
1.	<p><u>General:</u></p> <p>(i). The CHPT is requested to furnish an analysis of variation in traffic, income and expenditure between the actuals and projections based on which tariff was fixed for the years 2002-03 to 2004-05 duly indicating the reasons for such variations.</p>	<p>(The comparison of actuals made by the port is not with reference to projections based on which tariff was fixed by TAMP for the years 2002-03 and 2003-04)</p>

	<p>(ii). At the time of the last general revision of its Scale of Rates, this Authority had advised [paragraph No. 16 (xix)] the CHPT to seriously identify areas of cost reduction and take immediate steps to introduce corrective measures. CHPT may indicate the action initiated in this regard and the resultant cost reduction achieved.</p>	<p>Action was initiated to control the expenditure and areas like Overtime, Stores consumption, Repairs & Maintenance were identified for reducing the Operating Expenditure. Accordingly, the Operating Expenditure which stood at Rs.308.01 Crores during 2001-02 has reduced to Rs.270.25 Crores in 2002-03 and to Rs.261.39 Crores during 2003-04.</p>																
<p>2.</p>	<p>Financial/Cost Statement: (i) The CHPT is, requested to furnish the following:</p> <p>(a). Cost statement for the year 2002-03 for the port as a whole.</p> <p>(b). Activity/sub-activity wise cost statements for the years 2002-03 and 2003-04.</p> <p>(c). Cost statements for container handling activity for the years 2002-03 to 2007-08.</p> <p>(d). Cost Statements of principal activities for the years 2002-03 to 2007-08.</p> <p>(e). Supply of cargo handling workers for stevedoring and C&F activities may be treated as a separate activity since separate tariff structure is proposed. Cost statement for this activity may also be furnished.</p>	<p>The CHPT has furnished the requisite cost statements.</p> <p>Stevedoring and C&F activities are part of cargo handling activities after merger of DLB with the Port. Hence, they are not treated as separate activity. A separate proposal will be sent shortly.</p>																
	<p>Traffic:</p> <p>(i) The CHPT is requested to provide itemised actual traffic for major commodities/ head in line with the projections in the Five Year/ Annual Plan and the current/ expected growth.</p>	<p>The CHPT has furnished itemised actual traffic for major commodities for imports / exports with further breakup into liquid bulk, dry bulk and break bulk, TEUs handled for the years 2002-03 to 2004-05 and estimates for the years 2005-06 to 2007-08. The CHPT revised the traffic forecast as follows:</p> <table border="1" data-bbox="911 1541 1417 1675"> <thead> <tr> <th colspan="4">In Million Tonnes</th> </tr> <tr> <th>Projections</th> <th>2005-06</th> <th>2006-07</th> <th>2007-08</th> </tr> </thead> <tbody> <tr> <td>Furnished earlier</td> <td>46.00</td> <td>48.76</td> <td>51.69</td> </tr> <tr> <td>Revised</td> <td>49.00</td> <td>50.91</td> <td>53.96</td> </tr> </tbody> </table>	In Million Tonnes				Projections	2005-06	2006-07	2007-08	Furnished earlier	46.00	48.76	51.69	Revised	49.00	50.91	53.96
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	<p>Capacity: Please furnish capacity utilisation for the years 2002-03 to 2004-05 and also the assessed capacity of the port as a whole and major facilities for the next three years (2005-06 to 2007-08) considering the capital investment proposed to be made during these years and the productivity improvements expected to achieve.</p>	<p>The port has furnished statements for berth occupancy and utilization of cargo handling equipments for the years 2002-03 to 2004-05. No details for assessed capacity for the years 2005-06 to 2007-08 have been furnished.</p>																

	<p><u>Operating Income:</u></p> <p>(i). The activity wise operating income as well as total of the operating income do not tally with the figures shown in the draft Annual Accounts for the year 2004-05.</p> <p>(ii). As stated earlier, the CHPT has projected an increase of around 5% in the total traffic for the year 2005-06 as compared to the year 2004-05. That being so, the drop in total operating income for the year 2005-06 as compared to the year 2004-05 may be explained.</p> <p>(iii). Please furnish, detailed working for computation of estimated operating income for the years 2005-06 to 2007-08.</p> <p>(iv) Clause 2.8.3. of the revised tariff guidelines prescribes the treatment to be given to the revenue share/ royalty receivable by a major port. It further stipulates creation of an Escrow account for the stated purpose and application of such fund. The approach followed by the CHPT is not in line with the revised tariff guidelines.</p> <p>(v).(a).The CHPT has not furnished the cost statement for container handling activities and hence the flow of cross subsidization from surplus generating activities to the activities, which are in deficit, could not be linked. The basis for apportionment of surplus so generated to the activities / sub-activities which are in deficit may also be explained.</p> <p>(b). Clause 2.11.4 of revised tariff guidelines stipulates that cross subsidization shall be restricted with the objective of ultimately phasing it out. The CHPT is, therefore, requested to confirm that the flow of cross-subsidization from surplus generating activities to the activities which are in deficit are restricted at the level obtained at the time of last general revision of its scale of rates in October, 2002.</p> <p>(vi). The railway earnings have dropped from Rs.45.51 crores in the year</p>	<p>The proposal was sent to TAMP before compilation of actual accounts based on Revised Estimates for the year 2004-05. Hence the difference. A revised cost sheet is furnished.</p> <p>Though there is an increase in traffic throughput, the drop in Operating Income is due to reduction in the Oil wharfage from Rs.27/- to Rs.10/- per M.T. as per the agreement entered with CPCL.</p> <p>The operating income has been estimated with an increase of 6% over the previous year for 2007-08.</p> <p>The Port has to follow the common frame work of accounting as per the Billimoria Report. The Revenue share / Royalty received from the CCTPL has been accounted separately by allotting a separate account code. This forms part of the Port Operating Income. In view of that creation of separate Escrow account is not considered necessary.</p> <p>Revised Cost Statement including Container Handling are furnished. (The port has not explained the basis for apportionment of surplus generated to the activities / sub-activities which are in deficit).</p> <p>The surplus generated from some activities like POL, Warehouse, Port Dues and Container activities has been Cross-subsidized to other deficit activity / sub-activity in order to reduce the deficit thereby reducing the increase in tariff.</p> <p>The reduction in Terminal Charges is due to lesser movement of coal by railways as a</p>
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	<p>2002-03 to Rs.31.72 crores in the year 2003-04 and Rs.29.76 crores in the year 2004-05. It is noticed that the drop in railway earnings is mainly due to drop in Terminal charges. Please clarify the position. This Authority made an observation at paragraph 16 (xi) regarding sending a proposal for revision of railway charges to the Railway Board. Please comment. It may also be explained why this deficit should be continued to be covered by other activities for the 3 years under consideration without attempting to make this activity self-reliant.</p> <p>(vii). This Authority in its Order of October 2002 [paragraph 16 xx(i)] advised the CHPT to correctly classify the lease rentals payable by the private operator CCTL under estate activity. Please confirm whether the lease rentals payable by CCTL is classified under rentable lands & buildings.</p> <p>(viii). The Authority has allowed a flexibility to all the major port trust to reduce the rates prescribed in the Scale of Rates, at their discretion mainly on commercial consideration. Such reduction, if any, affected by CHPT may be listed out and the consequential effect of such concessions granted on growth of traffic may be analysed item wise.</p>	<p>major portion of coal handling has been shifted to Ennore Port Limited.</p> <p>Railway Board, it is informed that Railway Board has not made any significant efforts in this direction. Hence, cross-subsidization has been made in the cost sheet to this activity also.</p> <p>As advised by TAMP, action was already taken to classify the lease rentals payable by the M/s. CCTPL under estate activity from the year 2005-06.</p> <p>As per the flexibility to all the major port trust to reduce the rates prescribed in the SoR, reduction is effected in the case of M/s. CPCL from Rs.33/- to Rs.10/- per MT. Similarly for 20 tonne Gantry Crane the rate has been reduced from Rs.19/- per tonne to Rs.10/- per tonne. (The consequential effect of concession granted on growth of traffic is not explained by the port).</p>
	<p><u>Operating Cost (Port as a whole):</u></p> <p>(i). Break up of operating cost type wise may be furnished in the consolidated as well as activity wise cost statements.</p> <p>(ii). At the time of the past two general revision of Scale of Rates of CHPT, this Authority advised CHPT to follow correct allocation of cost of dredging to the port service and berth hire on the basis of number of days the dredger has worked for each service or the quantity dredged. The CHPT may indicate the method of allocation of cost of dredging followed for the years under consideration.</p>	<p>The Operating Cost for 2007-08 has been projected with an increase of 6% over the previous year (No break-up of operating cost either for the consolidated cost statement or for activitywise cost statements is furnished by the port).</p> <p>The quantity dredged at each berth will differ based on the sludge & its location and the number of days of dredging will also vary accordingly. However, it is mentioned that since the dredging work mainly relates to Dock activity the dredging cost is apportioned to Port Dues, Towage & Pilotage and Berthing & Mooring in equal proportions in cost sheet though it is shown separately under Dredging & Marine Survey in the Annual Accounts.</p>

<p>(iii). (a). The break up of finance and miscellaneous expenditure and the basis of apportionment of F&M expenditure to various activities / sub-activities.</p> <p>(b). CHPT may clarify whether the contribution to pension fund and gratuity fund are annual contribution to the pension / gratuity fund to meet the current liability of the existing pensioners towards pension payment and future liability towards pension and gratuity of the existing employees based on actuarial evaluation. This position may be clarified with reference to the F & M Expenditure for the years 2004-05 to 2007-08.</p> <p>(c). The nature of prior period income accounted for the year 2003-04 and 2004-05 and prior period charge booked for the years 2003-04 and 2004-05 may be brought out.</p> <p>(iv).(a). The CHPT may furnish the break up of Management and General Overheads and indicate the basis of its allocation to various activities / sub-activities.</p> <p>(b). The allocated Management and General Overheads for the port as a whole.</p> <p>(c).This Authority observed in its Order of October 2002 [paragraph No. 16(xix)] that the Management & General Overhead was 48% of operating cost and advised the port to curtail the Management & General Overhead. But, the allocated Management & General Overhead has shot up to around 60% during the years 2003-04 and 2004-05 and estimated at around 63% for the years 2005-06 to 2007-08. Please furnish the reasons for steep increase in Management and General Overhead and the steps taken to curtail it.</p>	<p>The break up of Finance and Miscellaneous (F&M) expenditure is given in the Annual Accounts. The basis of apportionment of F&M expenditure to various activities / sub-activities is as per V.R. Mehtha committee recommendation.</p> <p>The contribution to Pension fund / Gratuity Fund has not been included in F&M expenditure for the purpose of Cost Sheet. It is stated that the contribution to the funds are made based on the requirement under Income Tax Rules, 1962.</p> <p>The accounting for the previous year is due to receipt of Income pertaining to previous year during the current financial year and adjustments made under the Current Assets/Liabilities.</p> <p>The basis of apportionment of Management and General Overheads to various activities / sub-activities is as per V.R. Mehtha committee recommendation.</p> <p>The consolidated figures of various sub-activities will give the allocated Management and General Overheads for the port as a whole and is furnished in Form III of the formats furnished to TAMP.</p> <p>The increase in Management & General Overhead is due to the following reasons.</p> <ul style="list-style-type: none"> ▪ The Annual increase in the Salaries & Wages of the Administrative Staff. ▪ Periodical increase in Electricity Tariff. ▪ Periodical increase in Telephone Bills. ▪ Increase in Audit Fees is due to payment of Audit Fees for conducting Tax Audit as per the Income Tax Act in addition to increase in Audit Fees payable to Government Audit. ▪ Increase in Depreciation Charges due to procurement of New Assets. <p>Other donation / contribution to Tsunami Relief.</p>
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	<p>(v). (a). Whether the computation of depreciation for all the years under consideration is as per the revised tariff guidelines.</p> <p>(b). Please furnish a detailed working for computation of depreciation for all the activities separately and the port as a whole.</p>	<p>The computation of depreciation for all the years under consideration is as per the revised tariff guidelines.</p> <p>The detailed working for commutation of depreciation of all the activities separately and the port as a whole has been furnished in the soft copy sent to TAMP on 25.05.2005.</p>
	<p>Capital employed:</p> <p>(i). The CHPT is requested to furnish activity wise details of assets deployed in the facilities. It may also be confirmed that only completed and commissioned assets are shown under capital employed estimates and all condemned and fully depreciated assets are excluded.</p> <p>(ii). The Schedule of fixed assets in the cost statement may be revised by classifying these assets in terms of business assets, business related assets and social obligation assets in terms of Clauses 2.9.5., 2.9.7. and 2.9.8. of the revised tariff guidelines.</p> <p>(iii). A list of various capital additions proposed to be made in the 3 years under consideration may be furnished. Details of the project/ feasibility reports relied upon for taking such investment decisions may be furnished alongwith the summary of recommendations contained in those reports. An analysis in terms of clause 2.6.3 may be made for each of the capital additions. Anticipated reduction in unit operating cost, additional traffic projected and improvement in operational efficiency due to the proposed additions to the assets may also be furnished.</p> <p>(iv).(a). The CHPT has not furnished the individual components of current assets for the years 2003-04 to 2007-08; nor details of current liabilities have been furnished.</p>	<p>The assets are generally identified with the nature of five principal activities. However where assets are put to use in different activities, the depreciation is allocated to these activities. Where use of assets cannot be identified to any particular activity, the depreciation is apportioned to different activities.</p> <p>All condemned and fully depreciated assets are excluded under capital employed.</p> <p>Those assets that are likely to be commissioned during the year and that portion of asset creation likely to be completed during the year have been taken into account.</p> <p>The port has not furnished the details as required.</p> <p>A list of various capital additions proposed to be made in the 3 years under consideration has been furnished in the soft copy sent to TAMP on 25.05.2005. (The soft copy sent to us on 25 May 2005 does not contain any list. The soft copy contained only additions in respect of mechanical equipment and flotilla proposed for the year 2005-06 and 2006-07 without any details of equipments) (The port has also not furnished details of the project / feasibility report and the analysis in terms of Clause 2.6.3.).</p> <p>The details of current assets and liabilities for the years 2003-04 & 2004-05 are available in the Annual Accounts that was already forwarded to TAMP.</p>

	<p>Please furnish details of working capital keeping in view Clause 2.9.9 of the revised tariff guidelines.</p> <p>(b). The reasons are not explained for the steep increase in the working capital from Rs.44.77 Crores in the year 2003-04 to Rs.130.26 Crores in 2004-05 and estimated at Rs.396.69 Crores, Rs.660.28 Crores and Rs.836.41 Crores for the years 2005-06, 2006-07 and 2007-08, respectively.</p>	<p>The calculation of Working Capital has since been revised and the Revised Working Capital are as follows:</p> <table border="1" data-bbox="906 436 1300 680"> <thead> <tr> <th>Year</th> <th>Working Capital (Rs. In Crores)</th> </tr> </thead> <tbody> <tr> <td>2003-04</td> <td>44.77</td> </tr> <tr> <td>2004-05</td> <td>78.84</td> </tr> <tr> <td>2005-06</td> <td>143.03</td> </tr> <tr> <td>2006-07</td> <td>198.38</td> </tr> <tr> <td>2007-08</td> <td>272.20</td> </tr> </tbody> </table>	Year	Working Capital (Rs. In Crores)	2003-04	44.77	2004-05	78.84	2005-06	143.03	2006-07	198.38	2007-08	272.20
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2003-04	44.77													
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<p>3.</p>	<p><u>Scale of Rates (SOR)</u> (1). (i). <u>Definitions - General</u></p> <p>Port limit should be defined as that prescribed in the Government notification issued in terms of the relevant provisions of Indian Ports Act 1908.</p>	<p>The definition of Port Limit is modified as per Indian Ports Act 1908.</p>												
	<p>(2). <u>General Terms and Conditions:</u></p> <p>(i). With reference to the proposed Note iii(a), the CHPT may specify the name of the reference Bank which it proposes to adopt for this purpose.</p> <p>(ii). The proposed Note vi(b) regarding interest on delayed payments / refunds may be updated with reference to the prevailing PLR.</p>	<p>Market buying rate notified by the Reserve Bank of India, State Bank of India or its subsidiary or any other Public Sector Banks as may be specified from time to time is adopted for conversion of VRC.</p> <p>The interest on delayed payments / refunds may be updated with reference to the prevailing PLR. The present interest rate is 13.5% (2+11.5% PLR) is to be adopted as interest rate till further revision as discussed in the user meeting.</p>												
	<p>(3). <u>Chapter-II (Vessel Related Charges):</u></p> <p>(i) Port dues for iron ore vessels and for vessels other than iron ore vessels.</p> <p>(a). The CHPT has proposed to levy port dues on foreign going vessels once in 30 days instead of the present arrangement of levy of port dues on each entry into the port. The reason for the proposed change in frequency is not explained. The financial impact of proposed change in frequency of levy of port dues in respect of foreign going vessels may be brought out.</p> <p>(b). Please explain the reason for withdrawing the separate rate of port dues leviable for other than iron ore vessels of 1000 tonnes or less.</p>	<p>The 30 days clause on levy of Port dues on Foreign going vessels has been amended suitably.</p> <p>A single slab for the Port Dues has been worked out as per the TAMP's revised guidelines and with the consensus reached with Users.</p>												

<p>(4). <u>Berth hire charges:</u></p> <p>(i). The basis for adopting the existing highest rate of berth hire applicable for over 60,000 GRT for iron ore vessels and other than iron ore vessels may be justified. A detailed working for computation of single rate for berth hire may be furnished along with the assessment of additional revenue accruing at the existing rates due to rationalisation.</p> <p>(ii). Berth hire charges may be prescribed by grouping berths as required under clause 6.5.1 of the revised tariff guidelines. The logic of charging same rate of berth hire charges at the multi purpose berths, container berths, oil berths, etc. is not clear when facilities provided thereat differ.</p> <p>(iii). The CHPT has classified the vessels into two categories viz., Group – I (upto & including 30000 GRT) and Group– II (above 30000 GRT). In respect of Group I vessels, the CHPT has proposed rebate for vessels berthed at Oil berths, Ore berths and container berths. The rebate is presumably for not providing wharf crane at the Oil/ Ore/ Container Berths. When the same rate of berth hire is applied, the reason for not proposing similar rebate to Group–II vessels may be explained. The statement that, berth hire charges proposed at Schedule – II exclude the charges for wharf crane hire leviable for Group – II vessels should be justified with reference to cost details relevant for this category.</p> <p>(iv). Likewise, the proposed rebate towards Night & Holiday charges for Group – I vessels, when berths are managed & operated by private parties has not been allowed for Group II vessels.</p> <p>(v). Please justify with cost details the crange element of \$13.12 per hour. Likewise, cost details may be furnished for the night and holiday charge component.</p> <p>(vi).The rate for mooring and Old Petroleum Berth may be prescribed based on costing of facilities provided thereat without linking to rates prescribed for other facilities.</p>	<p>The Berth Hire Charges, which was fixed at higher slab, has been modified by taking the average rate and also to ensure the current income generation, which has been accepted by the Users.</p> <p>The Berth Hire Charges have been prescribed by grouping berths as required under Clause 6.5.1 of the revised tariff guidelines in the recent proposal.</p> <p>The rebate clause has been removed at Users request.</p> <p>The rebate clause has been removed at Users request.</p> <p>The rebate clause has been removed at Users request.</p> <p>The rebate clause has been removed at Users request.</p>
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	<p>(vii). With reference to Note (6) please give reasons why CHPT should levy additional berth hire even at berths privatised or berths under BRS or proposed to be privatised.</p> <p>(viii). This Authority in its order of October 2002 (paragraph No. 16 xxxv) advised CHPT to come up with the objective criteria/norms to be followed for issue of notice to vacate the berths. CHPT has not come up with any proposal in this regard so far.</p> <p>(ix). (a). Furnish the reasons for introducing new note (a) to Anchorage fee in the proposed Scale of Rates enlarging the application of this tariff item.</p> <p>(b). Anchorage fees may be prescribed without linking to berth hire charges. There is no justification for requiring a vessel at anchor to pay for cramage element also by linking with berth hire charges.</p> <p>(x). CHPT may consider to incorporate a conditionality in its draft Scale of Rates stating that no berth hire charges shall be payable for the period when a vessel is compelled to idle at berth due to breakdown of port equipment or power failure or any other reasons attributable to CHPT.</p>	<p>The Additional Berth Hire is not applicable for BRS operators.</p> <p>CHPT has not given any comments.</p> <p>The note to Anchorage fees has been included to provide clarity. This has been agreed by the Users.</p> <p>This is being examined.</p> <p>The CHPT has not furnished any comments.</p>
	<p>(5). <u>Pilotage:</u></p> <p>(i). A detailed working for computation of 3 slab rates for Pilotage charges may be furnished. Please furnish the estimated traffic of vessels in terms of the size of the vessels, namely upto 30000 GRT, 30001 to 60000 GRT and over 60000 GRT.</p> <p>(ii). Unit rate of pilotage fees for iron ore vessels and other than iron vessels for over 60000 GRT is not in accordance with clause 6.10 of the revised tariff guidelines.</p> <p>(iii). In terms of clause 6.4 of the tariff guidelines, shifting at the request of users does not form part of the composite fee. Shifting element may be separated and unit rate of the composite fee may be reduced correspondingly.</p>	<p>The existing 6 slab rates has been retained for berths other than Iron Ore berths as per users request at the meeting held on 11.11.2005.</p> <p>The Pilotage rate for Iron Ore berths has been modified to three slabs to retain the existing revenue with users consent though it is not in accordance with clause 6.10 of the revised tariff guidelines.</p> <p>The Shifting Charges, which were fixed at higher slab, have been modified by taking the average rate and also to ensure the current income generation, which has been accepted by the Users.</p>

	<p>(iv). The proposed shifting charges in three slabs may be justified with cost details.</p> <p>(v). It appears that the unit rate of shifting charges proposed for vessels over 60000 GRT are not in line with Clause 6.10 of the revised tariff guidelines.</p> <p>(vi). This Authority vide Order of October 2002 (paragraph No.LX vi) observed that the rate of rebate for non-supply of water to ships by CHPT required further refinement with reference to cost of water included in the composite rate. The CHPT has, however, maintained the rate of rebate at Rs.40/- per 1000 litres for non-supply of water. Please clarify.</p> <p>(vii). Special Scheme for main line container vessels:</p> <p>(a). Please furnish an assessment report on the functioning of this Scheme and the benefits derived by the port.</p> <p>(b) This Authority in its Order dated 5 June 2003 [paragraph 7(ii)] advised CHPT to review the position with reference to feeder vessels also. General reduction in VRC for other categories of vessel was to be kept in mind while formulating the proposal for general revision of the Scale of Rates. The current proposal of CHPT for general revision of its Scale of Rates, does not contain anything in this regard. Please clarify.</p>	<p>The CHPT has not furnished any comments.</p> <p>The Shifting charges are in line with clause 6.10 of the revised guidelines.</p> <p>The rebate clause for non supply of water to ships has been removed.</p> <p>The Special Scheme for Main line container vessels has been removed as the time period of 2 years from June'03 has expired and also no Main line container vessels have visited Port.</p>
	<p>(6). <u>Wharfage Charges:</u></p> <p>(i). This Authority in its Order of October 2002 on the general revision proposal of the Chennai Port Trust advised the CHPT (Para 16 (xxxvii) of the Order) to examine advalorem rate structure and convert some of the regular items into a tonnage based wharfage rate with reference to cost of handling such commodities. It is, however, seen that CHPT has not converted any item of existing advalorem rate into a tonnage based wharfage rate. Further it appears that no rationalisation of the wharfage schedule is attempted. Please review and rationalise the wharfage schedule.</p>	<p>The proposal of the TAMP to convert some of the Advalorem rate structures to tonnage based Wharfage is being examined.</p>

<p>(ii). Clause 4.3. of the revised tariff guidelines does not exempt "Charcoal of all kinds" from levy of concessional coastal tariff.</p> <p>(iii). Clause 4.3. of revised tariff guidelines exempts POL including crude oil from the purview of concessional tariff. The reason for not prescribing concessional tariff for animal oil, vegetable oils (item No. 22(A), 22(B) may be explained.</p> <p>(iv). Concessional wharfage rates have been prescribed for ores and minerals of all kinds at Sr. no. 26A, 26B and 26C. It may be noted that iron ore does not qualify for concessional tariff in terms of Clause 4.3. of the revised tariff guidelines.</p> <p>(v). With reference to the volume discount scheme, this Authority observed in its Order of October 2002 (paragraph 16 (xxxix)) that the volume discount scheme requires further major commodity wise examination to fine tune it to a scientifically formulated scheme so that it can really act as an incentive to attract additional traffic.</p> <p>(vi). The proposal for levy of inner harbour cleaning charge of Rs.10 per MT in respect of coal and Iron Ore handled, in addition to normal wharfage, may be justified with cost details. It may also be explained how the expenditure on this account was covered earlier.</p> <p>(vii). The special port services provided to rail borne goods may be listed out and included as a conditionality in the Scale of Rates. The rate may be justified with reference to cost of providing such special services.</p> <p>(viii).(a). The basis for prescribing the rate of Rs.1592.50 per shift subject to a minimum of Rs.1155/- per half shift or part thereof for wharf crane upto 10 tonnes capacity may be brought out with workings.</p> <p>(b). The CHPT has proposed 181% increase in the existing hire charges for wharf cranes of over 10 tonnes capacity but not exceeding 15 tonnes capacity. The hike proposed in the wharf crane hire charges may be</p>	<p>The concessional coastal tariff has been extended to Charcoal of all kinds.</p> <p>The concessional coastal tariff has been extended to Animal Oil & Vegetable Oil.</p> <p>The wharfage rate for the Iron Ore has been suitably modified by excluding the concessional tariff.</p> <p>The volume discount clause has been removed as per the users request at the meeting held on 11.11.2005.</p> <p>A separate Pollution levy @ of Rs.5/- per tonne in the case of dry bulk cargoes has been proposed with opening of Corpus Fund for the purpose.</p> <p>The increase proposed for the SPSC is as per the consensus arrived at with the Port Users.</p> <p>In the hire charges for wharf cranes, the charges for 5 tonne capacity cranes has been removed due to non-availability of such cranes, and the charges for other capacity cranes has been modified suitably with the users consent in the recent proposal.</p> <p>In the hire charges for wharf cranes, the charges for 5 tonne capacity cranes has been removed due to non-availability of such cranes, and the charges for other capacity cranes has been modified suitably with the users consent in the recent proposal.</p>
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	<p>justified with cost details. In this regard, it is relevant here to mention that the CHPT was advised during the consultation process in respect of its proposal for fixation of hire charges for 15 tonne ELL Wharf Crane to recast its proposal bearing in mind the adoption of existing rates in the Scale of Rates for similar capacity equipments and the various points raised by this Authority. The CHPT was also advised to recast the proposal in consultation with users. The CHPT may communicate the action taken in this regard to fix hire charges for capacity for 10 tonnes but not exceeding 20 tonnes.</p> <p>(c). During the last revision of its Scale of Rates in October 2002, the CHPT was advised that it can consider insuring the port equipments and cover the cost of insurance while proposing tariff revision instead of recovering the cost of damage from the user causing the damage. But, the CHPT has not proposed suitable provisions in this regard. Please comment.</p> <p>(ix). During the consultation process of CHPT's earlier proposal filed by it in this regard in August 2004, the CHPT agreed to revise the proposal for fixation of overtime charges for the crew of 150 tonnes floating crane in consultation with the users and file a report of such consultation. Since, the proposed rate and the earlier proposed rate are found to be similar, it appears that the proposal for fixation of fee for working the 150 tonne floating crane during the 2nd and 3rd shifts is not recast by the CHPT. Please comment. The proposed rate may be justified keeping in mind the requisite information called for from CHPT vide our letter No. TAMP/47/2003-CHPT dated 29 November 2004.</p> <p>(x).(a). Please state the basis for proposing at general note No. 1 to Clause-II of Scale-11 an additional charge at twice the crane hire charge when loads heavier than</p>	<p>A General Insurance Fund is available with the Trust to take care of such damages and hence no insurance cover is made.</p> <p>A revised rate of Rs.10,000/- per shift or part thereof has been fixed as fee for working the 150 tonne floating crane during the 2nd and 3rd shifts with users consent in the recent proposal</p> <p>The proposed charge for Safe Working Load has been removed and new clause has been included in the recent proposal to take care of the situation.</p>
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	<p>the Safe Working Load is put on the equipment hired out or on the auxiliary hooks provided to the equipments. Likewise, the proposed minimum charge of Rs.4200/- for the purpose may also be justified.</p> <p>(b). At general note No. 6 to Clause-II of Scale-11, the CHPT has proposed to recover the written down book value of the concerned equipment when it is fully damaged by the user. As stated earlier, the meaning of written down book value may be suitably explained in line with Clause 2.7.1. of the revised tariff guidelines.</p> <p>(xi).With reference to free days (export), mentioned at Clause No. 1 (a) (i) to Scale-2, revised tariff guidelines prescribes that free period will be exclusive of Customs notified holidays and port's non-working days.</p>	<p>This clause has been modified as "<i>the value as ascertained by an Independent Loss assessor / Valuer appointed by the Trust</i>".</p> <p>The free days (export) clause has been modified as per the TAMP's revised guideline.</p>
	<p>(7). Chapter VI (Miscellaneous Charges):</p> <p>(i). It may please be confirmed whether the proposed licence fee/lease rentals are in line with the revised land policy guidelines issued by the Government. Calculation of licence fees in terms of the guidelines for different zones of land may be furnished.</p> <p>(ii). Most of the conditions included in the Scale of Rates governing conditions for licensing of space for 11 months or upto 3 years or warehouses appear to be reproduction of the licence agreements applicable for such cases. All administrative, management and operation related conditions might be excluded.</p> <p>(iii).The proposed way leave charges at Scale 2 may be justified with reference to lease rent value for the different zones of land through which the pipelines are laid.</p>	<p>The Port has not implemented the New Land Policy (NLP) issued by the Government of India vide its letter no.PT-17011/55/87-PT dt.08.03.2004 as the ChPT has replied the Government by its letter No.C4/1500/2004/T dt.26.07.2005 that the NLP would result in a loss. The implementation of the NLP would be taken up after Government's reply.</p> <p>Same as at 7 (i) above.</p> <p>Same as at 7 (i) above.</p>
	<p>(8). The CHPT has proposed an increase of around 131% towards charges payable for new stevedoring licenses as compared to the existing charge payable. Likewise, it has proposed an increase of around 362% for renewal of stevedoring licenses as compared to the existing charge. Please justify the proposed</p>	<p>The new rate has been fixed based on the Stevedores Association's suggestion and acceptance.</p>

	<p>increases. The unit of charging may also be modified to two years instead of two calendar years.</p>	
	<p>(9). Please explain the reason for deleting the existing note under category-1 of Scale-6 of Chapter-VI.</p>	<p>Since the users have the option to hire equipments from outside even though Trust equipments are available, this note has become redundant and hence removed.</p>
	<p>(10). (i). With reference to prescription of hire charges for hiring out the tugs upto 40 BP capacity to the outside public of the CHPT, the new tugs Sundaranar and Sekkizhar have been added to the existing fleet. Incidentally, regarding the earlier proposal of the CHPT for fixation of rates for these new two tugs the CHPT agreed to recast the proposal keeping in mind, interalia, adoption of the existing rates in the scale of rates for similar capacity of tugs. It is, however, noticed that the CHPT has proposed an increase of 7.2% over the existing rates for similar capacity of tugs. Please furnish workings for computation of the rates proposed for tugs upto 40 BP capacity.</p> <p>(ii).(a). Please refer to the proposal for fixation of hire charges of tugs upto 40 BP capacity (Item No. 6 of Category-I of Scale-6 of Chapter-VI), grabs upto 5 cubic meter and grabs of 8 cubic meter capacity (Sr. No. 4 & 5 of Category-II of Scale-6 of Chapter-VI), 75 tonne capacity tyre mounted mobile crane (Item No. 6 of Category-II of Scale-6 of Chapter-VI), Survey launch-IV and DGPS survey instrument (Item No. 7 of Category-II of Scale-6 of Chapter-VI), Pilot launches 'Progress or Muthu and Utility' (Item No. 6(a) of Scale-18 of Chapter-VI). In this context and with reference to the earlier relevant proposals of CHPT on the fixation of hire charges for various equipments/tugs/cranes, this Authority at the joint hearings advised the CHPT to recast its proposals bearing in mind the following points:</p> <p>(aa). Adoption of the existing rates in the scale of rates for similar capacity equipments;</p> <p>(ab).The various points on overheads, utilization, fixing of</p>	<p>A revised rate has been proposed for tugs of all capacities as suggested by TAMP by grouping equipment of similar nature. The Coastal rates for tugs have been modified in line with clause 6.1.2 of the revised guidelines.</p> <p>The revised rates has been fixed based on the TAMP's suggestion of grouping equipment of similar capacity in respect of Grabs and Pilot Launches. As far as 75 Tonne Tyre Mounted Mobile crane and Survey Launch-iv & Survey equipments the required details already been furnished vide this office note no.T2/80/12724/2003/A dt.28.12.2004.</p>

	<p>rates based on capacity range, etc. raised in our queries; and</p> <p>(ac). considering the written down capital cost and incremental operating cost and overheads.</p> <p>(iii).The proposed coastal rates for tug of 45 BP capacity and rates for oil pollution vessel 'ANNAM' are not in line with clause 6.1.2. of the revised tariff guidelines. Please modify the proposed coastal rates.</p> <p>(iv). The CHPT has stated that it has considered US\$ exchange rate of Rs.43.52. Applying Rs.43.52 on the existing dollar denominated hire charges for 'Prestige' multipurpose vessel, works out to Rs.13,465.09. The reason for pegging the hire charges of the said multipurpose vessel at Indian Rs.10517.10 may be explained.</p>	<p>The Coastal rates for Annam have been modified in line with clause 6.1.2 of the revised guidelines.</p> <p>The pegging of hire rate for Prestige multipurpose vessel at Rs.10517.10 is as per TAMP's order dt.18.06.2003.</p>
	<p>(11). <u>Item 6 of Scale – 18 of Chapter VI:</u></p> <p>(i).The 150 tonnes floating crane was in replacement of FC Vaigai. The entry at serial No. 15 prescribing rate of hire for 60 tonne spreader with shackles attached to FC Vaigai may be deleted.</p> <p>(ii).The new entries at serial No. 20 & 21 fixing rate of hire for tipper lorry and gas cutting plant respectively may be justified with cost details.</p>	<p>At sl.no.15 prescribing rate of hire for 60 tonne spreader with shackles attached to FC Vaigai should read as FC Thangam and accordingly it has been rectified in the present proposal.</p> <p>Though the hire rates for Tipper Lorry and Gas cutting plant were available in the 2000 edition they did not find a place. Since the equipments are in use the old rates available in the 2000 scale has been re-introduced.</p>
	<p>(12). <u>Chapter VII (Stevedoring Operations):</u></p> <p>(i). Please explain the reason for deletion of the existing condition No. 6 to Scale-I from the proposed Scale of Rates.</p> <p>(ii). The introduction of a new condition and rates towards piece rate incentive proposed at serial No. 6 to Scale-I may be justified with cost details. The Line no. indicated may be explained with details.</p>	<p>As discussed in the Joint hearing held with TAMP on 26.10.2005 and in Users meeting held on 04.11.2005 & 11.11.2005 it was decided to take up the issue separately and till then the existing rates may be continued. Hence, a proposal will be sent separately.</p>
	<p>(13). <u>General:</u></p> <p>(i). The revised tariff guidelines stipulate that tariff should be linked to benchmark levels of productivity. CHPT has not indicated anything about productivity levels to be</p>	<p>The CHPT has not furnished any reply.</p>

	<p>maintained for various operations/ services. These may be included in the Scale of Rates and the levels so adopted may be justified.</p> <p>(ii). The action taken by CHPT with reference to clause 7 of the revised tariff guidelines may be explained.</p> <p>(iii). A brief note on surplus manpower, if any, may be forwarded explaining the allocation of such manpower cost.</p> <p>(iv). Please refer to paragraph 4 of our letter of even no. dated 6 June 2005. Since no communication conveying any views of the Board of Trustees of CHPT is received so far, it is presumed that the Board has endorsed the proposal. Please confirm.</p>	
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7.1. A joint hearing in this case was held on 26 October 2005 at the CHPT premises. The CHPT and the concerned users have made their submissions.

7.2. It was agreed at the joint hearing that, the CHPT would circulate its revised proposal for general revision of its Scale of Rates including the proposed Scale of Rates among all users for their comments and firm up its revised proposal on the basis of the feed back from the users. The CHPT vide its letter dated 17 November 2005 has intimated the following consensus towards increase in tariff:

(i).	General Cargo	10%
(ii).	Cranage & Fork Lift Truck	20%
(iii).	Berthing and mooring	05%
(iv).	Port Dues	05%
(v).	Towage and pilotage	05%
(vi).	Salwage and Divers	60%
(vii).	Special Port Service Charges	50%
(viii).	Building	NIL
(ix).	Warehouse	NIL
(x).	POL	NIL
(xi).	FC Thangam	NIL
(xii).	Container handling	NIL

7.3. The CHPT has further reported the following position:

- (i). In the joint hearing a consensus to increase the land tariff by 20% was arrived at. But, the CCTL and IOC did not agree to increase in the land tariff during the subsequent discussion with port users. The CPSA, further, agreed for 10% increase. No consensus, therefore, could not arrived at on land tariff.

There is no revision in land tariff after 2000. Taking into consideration inflation and the annual escalation of 5% levied on long term allottees, 20% hike, after 4 years is a realistic one. Therefore, TAMP may kindly enhance the land tariff taking into consideration the cost statement submitted by CHPT alongwith the proposal dated 25 May 2005.

- (ii). As per the cost statement CHPT had proposed the over time of Rs.27,776/- for the second shift operation of floating crane Thangam and accordingly the port

is collecting the rate from the users for this second shift operation. Since the users unanimously stated in the meeting that the over time is deterrent to bring project cargo and the project cargo is diverted to other nearby ports, CHPT agreed for overtime of Rs.10,000/- for the second shift operation of floating crane Thangam in order to maximize the usage of floating crane.

Port users demanded to refund the second shift charges already collected from them in excess of Rs.10,000/-. In this regard, it is submitted that the port users would have got the actual charge paid to the port reimbursed from the importers / exporters. Any revision, if ordered by TAMP, may not be reaching the importers / exporters. Since the CHPT fixed the nominal rate of Rs.10,000/- to attract the cargo which may or may not yield results as expected, the refund shall affect the port revenue. In view of this, it is requested not to order for refund of the charges collected till notification of rate of Rs.10,000/-.

- (iii). The revision of cargo handling charges are not covered in this proposal. It will be discussed with the port users and submitted to TAMP separately for revision. It is requested that the rate in force may be allowed to be levied till revision of the tariff.
- (iv). The terms and conditions in the Scale of Rates have been discussed in detail and the agreed terms and conditions are included in the draft Scale of Rates.

7.4. It was also decided in the joint hearing that the Hindustan Chamber of Commerce (HCC) would coordinate circulation of the revised proposal of the CHPT for revision of its Scale of Rates among the users for eliciting their comments. Accordingly, HCC vide its letter dated 17 November 2005 stated that it circulated the revised Scale of Rates to the users and a meeting on the revised proposal was held on 11 November 2005 at the CHPT to arrive at a consensus. The main points made by the HCC in its letter dated 17 November 2005 are summarized below:

- (i). Users have taken into consideration the increase in cost of consumables, the additional burden of Rs.20 Crores by way of fringe benefits tax that would have to be borne by the port due to the new Income Tax Act. The port has to have a reasonable surplus to ensure investments in doing upgradation of facilities and infrastructure. Users have decided not to go into merits or demerits of the cost details furnished by the CHPT for each individual activity.
- (ii). The issues where no consensus was arrived are listed below from the minutes of the meeting furnished by HCC:-

- (a). Levy of berth hire charges after one hour from the time of calling for the pilot instead of 4 hours for after the calling of the pilot.

- (b). Discounts scheme on main line

The users stressed for continuation of the scheme relating to discounts to mainline container vessels. The port has, however, felt that it is not necessary to include the scheme in the general revision proposal.

- (c). Wharfage charges for Coal, Coke, Char Coal of all kinds: (Chapter III)

CHPT is collecting Rs.13 per metric tonne as wharfage and Rs.10 per metric tonne towards cleaning charges. Thus making the total to Rs.23 per metric tonne. Minimum rate of wharfage for other bulk commodities is Rs.25 per metric tonne. The CHPT has applied the proposed percentage increase of 10% of Rs.23 per metric tonne. While the users agreed for hike of 10% in cargo related charges the

increase was proposed of Rs.23 per metric tonne and not Rs.26 per metric tonne. There is no consensus on the final rate.

(d). The Licence fee for space allotted under monthly licence and under annual licence (Scale 1 under Misc charges):

CHPT had proposed an increase of 175% over the current rate. Further, the port agreed to reduce the hike to 20% at the joint hearing.

(e). The users felt that since the rate is automatically increased by 5% annually there is no necessity for the port to seek a fresh increase now. CCTL / IOC did not agree for any increase. They felt that the increase should not be applicable to long term allottees. CPSA agreed for a 10% increase. The port insisted for minimum increase of 20%.

(f). Overtime charges for operation of 150T Floating crane in second shift:

Initially the port had proposed Rs.27,776/- has overtime charges for the second shift operation of floating crane. The CHPT has agreed for overtime of Rs.10,000/- for the second shift operation of the floating crane. The disagreement relates to refusal of CHPT to refund the different amount already collected by it. The users demanded that refund of the difference between the rate already collected on adhoc basis and the rate being notified by TAMP.

(iii). There is consensus on the quantum of increase as shown below:

(a).	General Cargo	10%
(b).	Cranage & Fork Lift Truck	20%
(c).	FC Thamgam	NIL
(d).	Warehouse	NIL
(e).	POL	NIL
(f).	Berthing and mooring	5%
(g).	Port Dues	5%
(h).	Towage / Pilotage	5%
(i).	Salvage and divers	60%
(j).	Container handling	NIL.

7.5. The Board of Trustees of the CHPT has approved the revised proposal dated 17 November 2005 in its meeting held on 16 December 2005.

8. After the joint hearing, the HCC, Chennai Port Stevedores Association (CPSA) and Chennai and Ennore Ports Steamer Agents' Association (CEPSAA) have also furnished their written submissions.

9. The HCC vide its letter dated 13 December 2005 informed that no discussion has been held on cargo handling division / stevedoring operations and the validity of the existing rates may be extended till such time the new rates are notified. In the new Scale of Rates, a new conditionality with serial no. 8 has been included which need not be notified.

10.1. The reply furnished by CHPT to our queries was found to be not comprehensive. The CHPT has substantially modified the estimates for the years 2005-06 to 2007-08. The draft Scale of Rates has also undergone modification without explaining the reasons for changes made in some of the conditionalities governing the Scale of Rates. Further, some changes made in the conditionalities were found to be not in line with revised tariff guidelines. The CHPT was, therefore, requested to furnish additional information/

clarification arising out of its revised proposal vide our letter dated 27 December 2005. Our queries and the response of the CHPT are tabulated below:

Sl. No.	Our Queries	Response of CHPT
I. (i)	<p>General The CHPT is again requested to furnish an analysis of variation in traffic, income and expenditure between the actuals and projections based on which tariff was fixed in October 2002 for the years 2002-03 to 2004-05 clearly deducing net surplus / shortfall after return on capital employed for the respective years.</p>	<p>The CHPT has only furnished an analysis of traffic, income and expenditure between the actuals for the year 2002-03 and 2003-04 and the projections sent by the port to the Authority for the revision of its tariff in October 2002.</p>
(ii)	<p>The CHPT has not furnished its response to any of the general queries vide item No. (xiv) of Annex to our letter of even number dated 29 September 2005.</p>	<p>(a). Regarding linkage of tariff to benchmark levels of productivity, it is stated that the tariff fixed based on the throughput of cargo and the concept of what the traffic can bear. The productivity of the CHPT is reflected in the tonnage handled during the year and the same was furnished in our letter dated 12.12.2005.</p> <p>(b). Contents of Clause 7 of the revised tariff guidelines are noted. It is informed that at present there are no authorised service providers in the CHPT.</p> <p>(c). With reference to surplus manpower it is informed that the total strength of CHPT, which was 10,269 during 2001-02, has been brought down to 8,734 during the year 2004-05 by bringing in Special VRS Scheme.</p>
II.	<p>Capacity The CHPT is again requested to furnish assessed capacity of the port as a whole and major facilities for the years under consideration.</p>	<p>Not furnished</p>
III. (i).	<p>Financial / Cost Statements Explain the basis on which such apportionment was carried out keeping in view the Clause 2.11.4 of the revised tariff guidelines. Please confirm specifically whether the flow of cross-subsidization from surplus generating activities to the activities which are in deficit are restricted at the level obtained at the time of last general revision of its Scale of Rates in October 2002.</p>	<p>The surplus generated from warehouse, oil handling, port dues and container handling have been cross subsidized to other deficit activities / sub-activities based on the deficit in the respective activities as per the revised tariff guidelines.</p>
(ii).	<p>Working for operating income with reference to tariff items and anticipated traffic levels may be furnished instead of projecting income by applying an adhoc increase of 6%.</p>	<p>(The working for computation of operating income furnished by the CHPT indicates only the formula adopted by it for computation of operating income. The statement does not establish the income projections for the year 2005-06 and 2007-08.)</p>

(iii).	Additional revenue generation due to the proposed rates may be furnished activitywise / sub-activitywise.	<p>The details of additional revenue generation are as follows:</p> <p style="text-align: right;">(Rs. in crores)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Activity / Sub-activity</th> <th style="text-align: center;">Proposed % of increase</th> <th style="text-align: center;">2005-06</th> <th style="text-align: center;">2006-07</th> <th style="text-align: center;">2007-08</th> </tr> </thead> <tbody> <tr> <td>General Cargo</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">19.07</td> <td style="text-align: center;">18.88</td> <td style="text-align: center;">20.01</td> </tr> <tr> <td>Cranage & FLT</td> <td style="text-align: center;">40%</td> <td style="text-align: center;">3.46</td> <td style="text-align: center;">3.52</td> <td style="text-align: center;">3.73</td> </tr> <tr> <td>Iron Ore</td> <td style="text-align: center;">45%</td> <td style="text-align: center;">19.89</td> <td style="text-align: center;">19.89</td> <td style="text-align: center;">19.89</td> </tr> <tr> <td>Berthing & mooring (including water supply)</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">3.35</td> <td style="text-align: center;">3.39</td> <td style="text-align: center;">3.60</td> </tr> <tr> <td>Towage and pilotage</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">6.01</td> <td style="text-align: center;">6.18</td> <td style="text-align: center;">6.55</td> </tr> <tr> <td>Railways</td> <td style="text-align: center;">60% *</td> <td style="text-align: center;">8.44</td> <td style="text-align: center;">8.98</td> <td style="text-align: center;">8.39</td> </tr> <tr> <td>Land & Buildings</td> <td style="text-align: center;">15%</td> <td style="text-align: center;">0.44</td> <td style="text-align: center;">0.44</td> <td style="text-align: center;">0.46</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: center;">60.66</td> <td style="text-align: center;">61.28</td> <td style="text-align: center;">62.63</td> </tr> </tbody> </table> <p>* The % revision does not include increase in terminal charges.</p>	Activity / Sub-activity	Proposed % of increase	2005-06	2006-07	2007-08	General Cargo	20%	19.07	18.88	20.01	Cranage & FLT	40%	3.46	3.52	3.73	Iron Ore	45%	19.89	19.89	19.89	Berthing & mooring (including water supply)	10%	3.35	3.39	3.60	Towage and pilotage	10%	6.01	6.18	6.55	Railways	60% *	8.44	8.98	8.39	Land & Buildings	15%	0.44	0.44	0.46	Total		60.66	61.28	62.63
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Total		60.66	61.28	62.63																																											
(iv).	Creation of a separate escrow account for royalty / revenue share receipts is mandated by the Government policy as contained in Clause 2.8.3. of the revised tariff guidelines. If CHPT does not like to abide by the Government policy, it may take up the issue with the Government for obtaining a specific exemption. In this regard, it may also be clarified whether the Billimoria Report explicitly prohibits creation of any specific purpose escrow accounts / reserve funds.	The port has to follow the common frame work of accounting as per the Billimoria Report. The revenue share / royalty received from the CCTPL has been accounted separately by allotting a separate account code. This forms part of the port operating income. In view of that, it is considered that creation of separate Escrow account is not as per the accounting policy of the Port.																																													
(v).	The CHPT to intimate when the last proposal for revision of Terminal Charges was filed with the Railway Board and the quantum of revision sought. It is not clear why should all commodities bear the burden of cross-subsidisation arising in the context of Railway working which is predominantly relevant for few bulk items.	<p>The revision of Terminal charges is being made by the Railway Board and hence no revision has been sought for Terminal charges in the present proposal of general revision of Scale of Rates. The rate of Terminal charges made by Southern Railway to CHPT for past two years is given below:</p> <p style="text-align: right;">(In Rs.)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Type of Traffic</th> <th colspan="2" style="text-align: center;">Rate per tonne</th> </tr> <tr> <th style="text-align: center;">2004-05</th> <th style="text-align: center;">2005-06</th> </tr> </thead> <tbody> <tr> <td>On traffic including coal in respect of which loading / unloading is done by the consignor / consignee</td> <td style="text-align: center;">12.92</td> <td style="text-align: center;">12.50</td> </tr> <tr> <td>On traffic in respect of which loading / unloading is done by the Railways</td> <td style="text-align: center;">16.93</td> <td style="text-align: center;">16.38</td> </tr> </tbody> </table> <p>There is reduction in the terminal charges and consequently in Railway income. Revision has been sought only with regard to Haulage and SPS charges which have already been agreed to by users and users consent has already been forwarded to TAMP.</p>	Type of Traffic	Rate per tonne		2004-05	2005-06	On traffic including coal in respect of which loading / unloading is done by the consignor / consignee	12.92	12.50	On traffic in respect of which loading / unloading is done by the Railways	16.93	16.38																																		
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(vi).	<p>The applicable rate of oil wharfage leviable on CPCL is mentioned as Rs.10/-PMT from 1.4.2005 onwards. However, Rs.33/- PMT is shown in the draft Scale of Rates. If no other oil cargo other than CPCL is anticipated to be handled during the years 2005-06 to 2007-08, the concessional wharfage rate of Rs.10/-PMT may be indicated in the draft Scale of Rates. If the rate of oil wharfage of Rs.33/- PMT with applicable increase is proposed to be maintained as a ceiling rate, then, the estimated income arising out of oil traffic may be suitably shown in the cost statement at the proposed ceiling rate.</p>	<p>The rate available in the Scale of Rates for oil handling is Rs.33/- PMT TAMP is suggesting to change the basic rate itself as Rs.10/- PMT since majority of the cargo is handled by CPCL for whom a concession rate of Rs.10/- is being levied right now. In this context it is pointed out the concession rate is extended based on the powers conferred under Section 111 of the MPT Act, 1963 and as per TAMP Order dated 28.8.2003. Hence there is no proposal to change the basic rate.</p> <p>It is mentioned that the estimated income for oil handling for the years 2005-06 to 2006-07 has been made only by taking the income at Rs.10/- PMT as per the agreement entered with the CPCL.</p>
(vii).	<p><u>Operating cost</u> The CHPT has not furnished the break-up of operating cost for each activity in its revised cost statements. Please furnish the requisite details.</p>	<p>The operating cost for the years 2005-06 to 2006-07 has been projected based on the actual operating cost for the year 2004-05 activity-wise / sub-activitywise. (The port has furnished activity-wise / sub-activitywise breakup of operating cost for the year 2004-05.)</p>
(viii).	<p>With reference to apportionment of Finance and Miscellaneous expenditure to various activities / sub-activities, the CHPT is requested to furnish the working of apportionment of different cost items to different activities.</p>	<p>The CHPT has furnished details of apportionment of various cost items to different activities for the year 2004-05.</p>
(ix).	<p>(a). There is around 10% increase in the estimated expenditure in cargo handling activity for the year 2005-06 as compared to the year 2004-05.</p> <p>(b). The estimated expenditure for Railway activity for the year 2005-06 is around 10% more than the actual expenditure for the year 2004-05; and, the Estimates in this regard for the year 2005-06 to 2007-08 are fluctuating. Please clarify and Estimates may be modified in line with Clause 2.5.1. of the revised tariff guidelines.</p> <p>(c). The estimated expenditure for Estate Activity for the year 2005-06 is more by 26% as compared to the actual expenditure for the year 2004-05. Please clarify. The estimated expenditure of Estate activity for the year 2005-06 to 2007-08 may be modified in line with Clause 2.5.1. of the revised tariff guidelines.</p>	<p>Apart from making provision for the normal increase of 6% in the annual increment and VDA, additional provision has been made for the activities as under:</p> <p>(a). Procurement of 2 Nos. Aluminum Gangways and procurement of spares for tippler, LT gear box internals for ship loader.</p> <p>(b). (i). Procurement of stores track materials from Southern Railway. (ii). Replacement of old damaged wooden and RCC sleepers by new PSC sleepers. (iii). Proposal for sending DELHI locomotive for overhauling to Golden rock workshop at Southern Railway.</p> <p>(c). (i). A major repair work is being envisaged for Quarters at Tondiarpet Housing Colony and hence additional provision has been made. (ii). More provision has been made for Maintenance of Lawns & Gardens to make Port the Green belt.</p>

		The projected expenditure is generally in line with Clause 2.5.1 of the revised tariff guidelines.															
(x).	The CHPT is again requested to furnish breakup for civil structures, mechanical equipment and flotilla further classifying these assets in terms of business assets, business related assets and social obligation assets as stipulated in Clauses 2.9.5., 2.9.7. and 2.9.8. of the revised tariff guidelines.	The port is a service oriented organisation and maximization of profit is not the objective of the port as in the case of Corporate Sector. All the assets procured are meant for the port activity. Hence, it is not prudent to classify the asset as business assets, business related assets and social obligation assets as applicable to Corporate Sector.															
(xi).	<p>The CHPT is again requested to furnish the details of current assets and current liabilities estimated for the years 2005-06 to 2007-08 in line with the Clause 2.9.9. of the revised tariff guidelines. Further, please clarify the following:</p> <p>(a). It appears that the CHPT has excluded the opening value of land from the Gross Block while furnishing the figures for cost statement.</p> <p>(b). The cost statement shows additions to the fixed assets for the year 2004-05 as Rs.97.47 Crores against Rs.91.98 Crores shown in the schedule of fixed assets forming part of Annual Accounts for the year 2004-05. Please reconcile the difference and revise the cost statement.</p> <p>(c). Please furnish the details for Rs.28.42 Crores shown as proposed addition to the fixed assets for the year 2006-07. The CHPT has not responded adequately to our query No. (2) (vi) (c) of our letter dated 29 September 2005. Please furnish requisite details.</p>	<p>The current assets and current liabilities cannot be estimated for future years. However, taking into account the various works under progress the Working Capital has been projected.</p> <p>As observed by TAMP the gross block does not include the value of the land</p> <p>The difference in the value of fixed assets as per the Annual Accounts and as indicated in the cost statements is due to adoption of different depreciation method. In respect of Annual Accounts, the depreciation has been worked out based on Straight Line Method as per the Accounting Policy of the port. In respect of cost statements, depreciation has been worked out based on the rates provided in the Company's Act as per TAMP guidelines.</p> <p>The CHPT has furnished a statement of work in progress for the years 2005-06 to 2007-08 giving details. The year-wise total amount of work in progress is as given below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;">(Rs. in lakhs)</th> </tr> <tr> <th style="text-align: center;">Sl. No.</th> <th style="text-align: center;">Year</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td style="text-align: center;">2005-06</td> <td style="text-align: center;">2489</td> </tr> <tr> <td style="text-align: center;">2.</td> <td style="text-align: center;">2006-07</td> <td style="text-align: center;">4960</td> </tr> <tr> <td style="text-align: center;">3.</td> <td style="text-align: center;">2007-08</td> <td style="text-align: center;">3760</td> </tr> </tbody> </table> <p>The port has not furnished details of the project / feasibility report relied upon for taking such investment decisions. No analysis in terms of Clause 2.6.3. of revised guidelines is made available. Anticipated reduction in unit operating cost, additional traffic projected and improvement in operational efficiency due to the proposed additions to the assets are also not furnished by the port.</p>	(Rs. in lakhs)			Sl. No.	Year	Amount	1.	2005-06	2489	2.	2006-07	4960	3.	2007-08	3760
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(xii).	<p>Depreciation:</p> <p>Please furnish detailed computation of estimated depreciation for the years 2005-06 to 2007-08 in line with clause 2.7.1. of the revised tariff guidelines.</p>	<p>The computation of depreciation for all the years under consideration is in line with Clause 2.7.1. of the revised guidelines. The year of 2004-05 was taken as the base year and the depreciation as per Companies Act has been worked out. The depreciation for 2004-05 as per accounts is Rs.24.96 crores where as the depreciation for 2004-05 as per Companies Act is Rs.32.18 crores. Similarly the depreciation for other years have been worked out.</p>
IV. (i).	<p>Scale of Rates</p> <p>The rate of penal interest does not seem to have been updated in line with prevailing PLR of State Bank of India.</p>	<p>The rate for penal interest has already been updated. The present rate is 13.5% (2+11.5% PLR), which is to be adopted as interest rate till further revision as discussed in the user meeting.</p>
(ii).	<p>Clause 6.5.1. of the revised tariff guidelines stipulate that berth hire charges shall be prescribed with rebate for major components of services / facilities not provided. It is note worthy that Scale – 9, Chapter – III (Cargo related charges) of the draft Scale of Rates specify that berth hire includes use of one wharf crane. That being so, the reasons for withdrawing the existing conditionalities of governing the rebates for non-provision of wharf crane from the proposed Scale of Rates may be brought out. A suitable conditionality for allowing rebate when wharf crane is not provided by the port at the berths may be proposed.</p>	<p>While rationalizing per GRT rate of berth hire charges the users' requested to remove the rebate Clause and Night & Holiday charges and accordingly fix the per GRT rate. Therefore the per GRT rate berth hire charges has been fixed removing the rebate clauses. Therefore the users will pay the prescribed berth hire charges whether they use the wharf crane or not.</p>
(iii).	<p>The CHPT has deleted the existing list of services provided at its berths. Please specify in the Scale of Rates the services provided at the berths.</p>	<p>The berth hire charges has been fixed at single rate by the combining different services i.e., wharf crane and Night & Holiday charges etc., and also the relevant rebate clauses have been removed with users consent. It is felt that there is no need to specify explicitly a list of services provided at berth.</p>
(iv).	<p>As already brought out, a conditionality in the Scale of Rates stating that no berth hire charges shall be payable for the period when a vessel is compelled to idle at berth due to breakdown of port equipment or power failure and any other reasons attributable to CHPT will be introduced. The CHPT may offer its comments, if any.</p>	<p>The vessel brought into port are turned around at the earliest as to accommodate other vessels. Whenever a vessel is compelled to idle at berth due to breakdown of port equipment or power failure and any other reasons attributable to CHPT, waiver is allowed with competent authority and as such it is felt that there is no need to include a specific conditionality in the Scale of Rates.</p>
(v).	<p>With reference to levy of additional berth hire charges on vessels which occupy the berths of CHPT for more than four hours after completion of the vessel working, the CHPT has agreed that additional berth hire is not applicable for BRS operators. Likewise, additional berth hire charges should not be applicable for vessels visiting the berths under BOT</p>	<p>Additional berth hire charges are applicable for BRS operators as well as in BOT arrangements as the Trust is rendering the marine service and collecting the vessel-related charges.</p>

	arrangement. A suitable conditionality in this regard may be proposed in the draft Scale of Rates.																									
(vi).	Scale-9, Chapter-III (cargo related charges) of the draft Scale of Rates specify that berth hire includes use of one wharf crane. The proposed anchorage fee has linkage to the proposed rate of berth hire charges. As already stated by us, there is no justification for requiring a vessel at anchor to pay for crange element also. If the agreed hike of 5% on berth hire charges is applied there will be an automatic hike in the rate of anchorage fees. The CHPT is, therefore, is requested to furnish the crange element for use of wharf crane included in the proposed berth hire charges.	Since the berth hire charges have been rationalised as a single composite rate, the percentage rate of increase will apply to anchorage fees also which has been agreed to by the users.																								
V.	<u>Pilotage</u>																									
(i).	<u>Pilotage fee for iron ore vessels</u> Though CHPT has proposed three slabs of rates under this category as base rates, the differentials for second and third slab have not been maintained as required under clause 6.10 of the revised tariff guidelines. Please modify the base rates for second and third slabs in line with the revised tariff guidelines.	The Port proposed a three slab rates in line with the Clause 6.10 of the revised guidelines on 25.05.2005. However, this was not accepted to by the users and consequently based on the out come of the meetings held with the users, the present three slab rates have been proposed with the users consent.																								
(ii).	The existing pilotage fee included one shifting operation. In the revised tariff guidelines (Clause 6.4), one shifting operation is eliminated. Therefore, the effective increase in the fee for the composite pilotage service will be more than 5%. The CHPT is requested to identify and state the shifting component in the proposed base rates of pilotage fee for iron ore vessels and non-iron ore vessels.	The pilotage fee includes one shifting at users' request for Hot move as decided in the users meeting though not in conformity with Clause 6.4 of the revised guidelines.																								
(iii).	The rationale for incorporating a new conditionality No. (vii) in note 4 to Schedule 4.1. (shifting charges) to define port convenience may be explained.	The new Clause has been introduced based on user's request.																								
(iv).	The reason for proposing a higher rate of wharfage for coal, coke and charcoal of all kinds in the wharfage schedule as compared to the existing rates may be explained.	At present the basic wharfage rate is Rs.13/- PMT and the additional levy for coal handling is Rs.10/- PMT. Both these elements have been put together and a rate of Rs.23/- has been arrived at. The same has been agreed by the port users and their consensus has been conveyed to TAMP vide HCC letter dated 17.12.2005.																								
(v).	Though the CHPT has proposed a new tariff item of pollution levy at Rs.5/- PMT for handling iron ore through the MOHP, it anticipates traffic of other new dry bulk cargo creating pollution and accordingly has introduced a new conditionality in this regard. In this context, the CHPT is requested to furnish year- wise traffic of	Details of dry bulk cargo anticipated to be handled (In lakh tonnes)																								
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	<p>anticipated dry bulk cargo creating pollution and estimated income out of pollution levy for the years 2005-06, 2006-07 and 2007-08.</p>	<table border="1" data-bbox="895 226 1401 309"> <tr> <td>Iron Ore</td> <td>75.00</td> <td>75.00</td> <td>79.50</td> </tr> <tr> <td>Other ores</td> <td>53.40</td> <td>37.17</td> <td>39.40</td> </tr> <tr> <td></td> <td>202.96</td> <td>201.24</td> <td>213.31</td> </tr> </table> <p>The estimated income out of pollution levy is as follows:</p> <table data-bbox="895 367 1342 488"> <tr> <td></td> <td></td> <td>(Rs. in lakhs)</td> </tr> <tr> <td>2005-06</td> <td>-</td> <td>1014.80</td> </tr> <tr> <td>2006-07</td> <td>-</td> <td>1006.20</td> </tr> <tr> <td>2007-08</td> <td>-</td> <td>1066.55</td> </tr> </table>	Iron Ore	75.00	75.00	79.50	Other ores	53.40	37.17	39.40		202.96	201.24	213.31			(Rs. in lakhs)	2005-06	-	1014.80	2006-07	-	1006.20	2007-08	-	1066.55
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(vi).	<p>The CHPT has enhanced the existing charges for handling iron ore through MOHP in consultation with the users. Though the quantum of rebate for manual handling of iron ore is maintained at 40% of the proposed rates, the resultant rebate in rupee terms needs to be enhanced correspondingly.</p>	<p>The rebate for manual handling of iron ore at 40% of the proposed rates in rupee terms has been modified as suggested.</p>																								
(vii).	<p>The CHPT was requested to list out the service provided to levy special port service charges on rail borne goods passing through the ports and include it as a conditionality. The port has not responded.</p>	<p>This is levy collected in addition to Haulage for all Rail Borne Goods for other maintenance.</p>																								
(viii).	<p>The CHPT has maintained the existing rate of hire charges of wharf cranes (Scale – 9) relating to 10 tonne capacity as base rate whereas it has enhanced the existing hire charges of wharf cranes over 10 tonne capacity and below 15 tonne capacity and stated as the base rate. Please clarify.</p>	<p>It is stated that the Trust does not have wharf crane below 10 tonne capacity and accordingly the revised rates have been proposed by grouping of equipments including the new 15T ELLW cranes with users' consent.</p>																								
(ix).	<p>(a). CHPT has stated that the port has not implemented the revised Land Policy announced by the Government and it has referred the matter to Government. The implementation of the Land Policy will be taken up after reply from the Government as stated by the CHPT. That being so, the introduction of a new note 3 to Scale 1 under Chapter VI and the proposed hike in rates may be justified.</p> <p>(b). Likewise, modification to the existing conditionality No. 1 to Scale-I of Chapter VI may be justified.</p>	<p>(a). Though clarification has been sought from Government with regard new Land Policy, the new Clause has been introduced as a deterrent to store cargo in the open area beyond the specified / requested period and to enable quick clearance of cargo from Port premises with consequent pollution control.</p> <p>(b). No change made in conditionality No.1 to Scale-I of Chapter-VI. The existing condition has been retained.</p>																								
(x).	<p>With reference to fixation of hire charges for grabs up to 5 cubic meter, grabs of 8 cubic meter capacity, 75 tonne tyre mounted mobile crane, survey launch and DGPS survey instrument, CHPT was requested to furnish the working for fixation of charges of these equipments. However, the CHPT has not furnished the requisite working. Without the cost analysis, it may not be possible for this Authority to approve the proposed rates.</p>	<p>The port has furnished the calculation sheets for 75 tonne tyre mounted mobile crane, grabs and survey launches which do not support the proposed rates.</p>																								
(xi).	<p>With respect to the proposed hire charges for the pilot launches Progress, Muthu and Utility the CHPT was earlier advised by</p>	<p>The working sheet for Pilot Launches of Progress, Muthu & Utility have already been forwarded to TAMP vide CHPT</p>																								

<p>this Authority to fix the hire charges depending on the capacity of the equipments / appliances rather than by individual name. The detailed workings for fixation of hire charges for the pilot launches in reference were also requested keeping in view the various points raised by us in our earlier letter No. TAMP/44/2004-CHPT, dated 5 November 2004. However, the CHPT has proposed the same rate proposed by it earlier. No workings for arriving the proposed rate is furnished by CHPT. In the absence of requisite details it may not be possible for this Authority to approve the proposed rates for pilot launches.</p>	<p>proposal T2/69/11094/2003/A dated 25.8.2004. We have replied to the queries made by TAMP vide CHPT note of even no dated 5.1.2005.</p> <p>It is also mentioned that the original hire rate of US \$ 146 for foreign vessel has been retained in the latest proposal and only the coastal rate has been modified as 60% as per the guidelines.</p>
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10.2. The CHPT has subsequently furnished the following clarifications vide its letter dated 27 January 2006:

A. Clarifications on points with reference to earlier Orders passed by the TAMP and revised tariff guidelines.

- (i). Though port trust has invested substantial amount for creation of infrastructure to facilitate on-shore and off-shore for handling of cargo and vessels, a separate account to account for the royalty receipts from CCTL and expenditure thereto has not been maintained, but a separate account code is being maintained in this regard to account for the royalty receipt from CCTPL. However, a separate yearwise Escrow account shall be maintained to account for the royalty receipts from M/s. CCTPL and the infrastructure development expenditure and furnished to the TAMP in the next revision.
- (ii). As regards inadequacy of railway income to meet the expenditure related to railway activities, port trust requested Indian Railway to enhance the terminal charge accordingly. But, Indian Railways unilaterally ex-parte reversed the increase in terminal charge. Though port trust has taken up the issue with the Indian Railways, no action has been taken by the Indian Railways to enhance the terminal charge. Since port trust depends upon the Indian Railways for its cargo evacuation, no drastic steps could be taken in this regard except mutual settlement with the Railway. However, the port shall take up the issue with Ministry of Shipping, Road Transport & Highways to take up with the Railway Board since there is no response from Railway Board.
- (iii). Since the royalty receipt from the CCTPL shall only be credited to the Escrow account and other charges such as land rental etc., paid to the port trust shall be taken to the respective of head of accounts such as Estate Rentals, it is noted to follow the principle in the next revision.
- (iv). The observation of the Authority as regards apportionment of dredging expenditure to different activities is noted and shall be followed in the next revision.
- (v).
 - (a). The value of land may be included in the capital employed.
 - (b). Since Chennai Port Trust is a very old port and the asset registers are being updated to meet the Income Tax requirement and it may take some time for completion, the business related assets such as hospital and port quarters may be around Rs.10 Crores.

- (c). On account of investment estimated for the year 2006-07, there may be an increase in productivity by 5%.
 - (d). The assets handed over to CCTPL have been excluded from the capital employed.
 - (e). Our earlier reply is reiterated with reference to working capital requirement for future.
- (vi). Berth hire charges include use of one wharf crane. The CHPT has not prescribed rebate for non-provision of wharf crane. Earlier, the CHPT clarified that the users requested to remove the rebate clause while rationalising the berth hire charges. The users shall pay the berth hire charges whether they use the wharf crane or not. However, necessary provision for rebate for non-use of wharf crane may be incorporated as per the guidelines.
- (vii). (a). As regards the proposed anchorage fee as a percentage of the applicable berth hire charges, it is requested to quantify the anchorage fee as US\$.0.0011 per GRT per hour towards anchorage fee within the enclosed harbour and US\$. 0.0006 per GRT per hour for outside the enclosed harbour for foreign going vessels. As regards coastal vessels, the anchorage fee of Rs.0.0288 per GRT per hour within the enclosed harbour and Rs.0.0144 per GRT per hour outside the enclosed harbour.
- (b). The anchorage fee has been delinked from the berth hire charges and quantified as above.
- (viii). (a). The issue of rationalization of slabs and rates of marine charges as per the revised guidelines was discussed with the port users and they stated that the fixation of slab and rates for the marine charges as per the new guidelines shall affect the smaller vessels heavily which the vessel / trade could not able to bear. Therefore, the slabs for non-marine vessels was not revised as per the new guidelines and the proposed increase of 5% was unanimously agreed over the present rate. As regards the iron ore vessels the users agreed to revise the slab as per the guidelines but deviated from the guidelines as regards the tariff structure. The port has no objection to continue the old slabs as regards iron ore vessels and provide the increase of 5% thereon as unanimously agreed. The port may pursue the steamer agents to revise the slab structures and fixation of tariff as per the new guidelines in the next revision.
- (b). While reaching at the consensus, the issue of non-inclusion of one shifting in the pilotage fees as per the new guideline was discussed and accordingly, the original proposal to increase the pilotage by 15% was reduced and the consensus of 5% was arrived at. Hence, the general condition 1 of scale 3.2. may be modified accordingly.
- (B). Clarifications on information sought and not furnished by the CHPT
- (i). The capacity of the port for the year 2005-06 has been estimated at 41.5 million tonnes. During the year 06-07 and 07-08 there is no addition of berth to augment the capacity. However, infrastructure such as road for quicker evacuation of cargo, pavement of transit area and replacement of railway track and creation of additional stacking yard are being taken up during the said two years. On account of this throughput of port may increase marginally by 5%. Hence the capacity for the year 06-07 may be around 42.5 million tonnes and 44 million tonnes for the year 07-08.

- (ii). The income has been calculated taking into consideration the cargo mix and the tariff in force.
- (iii). Since other companies such as IOC etc., are also handling around 0.5 million tonnes of finished petroleum products, in the scale of rate it may be indicated that the Rs.10 per metric is applicable to CPCL only. Rs.33 per metric tonne shall be applicable for parties other than CPCL. The income estimation has been made based on the rate applicable to the cargoes as per the consignors.
- (iv). As regards the hire charges of grabs, mobile crane, survey launch and pilot launch after discussion with the port users the consensus has been arrived. As per the provision of new scale of rate the users are free to bring their own equipment despite availability of port equipment. Hence, the rate shall not affect the port users. Since it is a consensus the proposed rates may be approved.
- (v). Chennai port has taken a decision for implementation of the new Land Policy and accordingly, the terms and conditions to the allotment of land has been revised and intimated in the letter dated 17 January 2006, which may kindly be incorporated in the new scale of rates. The Government guidelines shall be applicable to the land inside and outside the port area and in this regard the port letter dated 21.01.06 is hereby withdrawn.

In the revised terms and conditions it may be clearly incorporated that the port shall allot lands for 11 months and renew it following the Land Policy guidelines and resort to tender procedure in the event of request from more than one party for the same land. On the issue of way leave charges it is submitted that the port has a single land rate for the total land and there is no zonal rate.

- (vi). During the last unusual heavy rain the entire marshalling yard and railway track connecting the port yard and the railway exchange yard was fully inundated. Hence, there is necessity to relay the railway line phase wise and do major repair and maintenance to ensure there is no derailment. In view of this the expenditure appears to be very high compared to previous years.

10.3. The CHPT vide its letter dated 17 January 2006 informed us that the port has decided to implement the Land Policy guidelines announced by the Government in March 2004. Subsequently, the CHPT vide its letter dated 21 January 2006 stated that it has referred the issues relating to Land inside Custom bound area to the Government since there is a financial loss on account of implementation of the policy guidelines. The port, therefore, requested that the conditionalities relating to the land outside Custom bound area be approved. The CHPT, however, withdrew its letter dated 21 January 2006 and stated that the Land Policy guidelines shall be applied to the land inside and outside the Custom bound area and requested to incorporate the terms and conditions of allotment of land proposed by its letter dated 17 January 2006 in the Scale of Rates.

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 are also available at our website <http://tariffauthority.gov.in>

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

- (i). The port and the users have revisited the port's proposal in its entirety and have reached a consensus on most of the tariff items barring a few areas. The CHPT and the user organisations deserve to be complimented for evolving a consensus joint proposal. This joint proposal is taken up for consideration.

- (ii). Many issues on its initial proposal required clarifications from the CHPT. Even though the consensus proposal was before this Authority for consideration, it is necessary for us to ensure that the proposal conforms to the accepted 'cost plus' principle followed and the conditionalities in the Scale of Rates reflect the position envisaged by the tariff guidelines. It is noteworthy that the HCC has categorically asserted that the consensus in tariff increase was reached relying on the cost position reported by CHPT without any independent scrutiny by them. It cannot be argued that consensus proposal need not be subject to any detailed scrutiny before approval. Though this Authority is aware that a regulator should only attempt to mimic the market and should not have any reservation in accepting what has been agreed in the market following a due consultation approach, it is equally responsible to ensure that such consensus was not reached based on mistaken facts and inadequate information. A coordinated action of the port would have perhaps expedited the process of finalisation of this case.
- (iii). The last review of the Scale of Rates of CHPT was made in October 2002 relying on the estimated cost position for the years 2002-03 and 2003-04. The CHPT has operated its facilities during the years 2002-03 to 2004-05 at the tariff level approved in October 2002. Clause 2.13 of the revised tariff guidelines mandates this Authority to review the actual physical and financial performance of the major port at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing the prevailing tariff. The comparative position furnished by CHPT was with reference to estimates furnished by it and not the position approved by this Authority. Therefore, an analysis was attempted by us based on the information available. The 15% upward revision in iron ore handling charges and 20% hike in vessel related charges approved in October 2002 by this Authority was applied to the estimated income (before adjustment of tariff) for the years 2002-03 and 2003-04 for a meaningful comparison and the following position is seen to emerge:
- (a). The CHPT has handled around 27% more traffic than the estimated level during these two years; and, therefore, the operating income is more than the estimated level. Since there is marginal increase in operating cost with reference to the estimated level, the port has earned a total net surplus (before ROCE) of around Rs.123 crores in these two years as against the estimated net deficit of around Rs.47.48 crores for the relevant two years. The port has operated its facilities for the year 2002-03 and 2003-04 at a capital employed level of Rs.588.41 crores and Rs.507.02 crores respectively against the estimates of capital employed of Rs.332.42 crores and Rs.336.56 crores for the relevant years relied upon by this Authority. Considering the actual traffic of 33.69 million tonnes and 36.71 million tonnes for the years 2002-03 and 2003-04 respectively, the CHPT has made an average net deficit (after ROCE) of Rs.5.13 crores as against the estimated average net deficit of around Rs.64 crores for these two years (2002-03 & 2003-04).
- (b). As stated earlier, the CHPT has operated its facilities during the year 2004-05 at the tariff level approved in October 2002 with a capital employed of Rs.606.33 crores. Considering the Return on Capital Employed at 17.50% applicable for the year 2004-05 and reckoning with the capacity utilisation at 100% for the year 2003-04, the computation reveals a net deficit (after ROCE) of Rs.36.78 crores. Since the CHPT maintained the operating expenditure more or less at the estimated level, the increase in the estimated operating income has enabled the CHPT to narrow the gap in the estimated deficit position. The CHPT has estimated a net deficit (after ROCE) to the tune of around Rs.42 crores for the year 2005-06.

It is to be noted that the higher level of investments reported by the CHPT in its facilities during the years in reference remains unexplained. While the CCTL has highlighted the need for allocation of sufficient funds for development of infrastructure facilities, the CEPSSA has pointed out the poor usage of some of the newly acquired port equipments. Nevertheless the actual capital employed position is relied upon without effecting any moderation.

- (iv). The revised tariff guidelines stipulates a tariff validity cycle of three years. The tariff proposal initially filed by the CHPT in May 2005 contained projections for three years (2005-06, 2006-07 and 2007-08). The modified proposal subsequently filed by the port in November 2005 also contained the projections for the said three years. The port based on our queries has subsequently revised the cost statements. The revised cost statements sent to us also contained projections upto the year 2007-08. The current financial year (2005-06) is drawing to a close and the CHPT is operating the facilities in the current financial year at the existing rates. In view of this position, the amended cost statements furnished by the CHPT are considered in this analysis, subject to a truncated tariff validity period of two years.
- (v). The port has, subsequently modified its traffic projection for the years 2006-07 and 2007-08 at 50.91 million tonnes and 53.96 million tonnes respectively as against its earlier estimates of 48.76 million tonnes and 51.69 million tonnes for respective years. The traffic projections furnished by CHPT are relied upon for the purpose of this analysis. However, if any undue advantage is found to have accrued to the CHPT due to wrong estimation, adjustment will be made in the tariff at the time of next review of tariff in line with the revised tariff guidelines.
- (vi). (a). The estimated iron-ore traffic for the year 2007-08 is at a level higher than the estimated traffic for the year 2006-07. Despite the anticipated increase in traffic, the CHPT has maintained the same level of estimated income for the years 2006-07 and 2007-08. The cost statement is, however, updated with the estimated income projections for the year 2007-08 separately furnished by the CHPT.
- (b). There is drop in the estimated POL income for the years 2005-06 to 2007-08 as compared to the actual POL income realized for the year 2004-05 due to reduction in wharfage effected based on a mutual agreement between CHPT and CPCL. The CHPT has clarified that it has estimated the income based on the rate applicable to the cargos of relevant consigners. The port has not furnished detailed working of income, despite reminders. The position reported by the CHPT is relied upon in this analysis, subject to verification of actuals at the time of the next review.
- The existing ceiling rate of wharfage on POL is Rs.33/- per 1000 liters. The CHPT proposes to maintain the existing rate of Rs.33/- as the ceiling rate as the rate of Rs.10/- will be applicable only on CPCL cargo. This Authority is inclined to accept the differential position in view of the specific MOU arrangement between the port and CPCL.
- (c). The CHPT receives revenue share from the private terminal operator, CCTL. Creation of a separate escrow account for revenue share receipts is mandated by the Government policy as contained in Clause 2.8.3. of revised tariff guidelines. Initially the CHPT showed reservations on maintaining an escrow account arguing that it is not as per the accounting policy of the port. On being pointed out about the government policy guidelines in this regard, the CHPT has agreed to

create and maintain such an escrow account for recording inflows of royalty receipts from private operator and the outflows to meet expenditure on account of infrastructure development.

The port has confirmed that it does not have surplus labour. Since it will not require to meet the cost of surplus labour from the revenue share income, atleast 50% of the royalty receipts is to be transferred to the escrow account. Therefore, the remaining 50% of the estimated royalty receipts is taken as current income for the respective years under consideration. The CHPT should utilise the accruals in the escrow account in the manner prescribed in the revised tariff guidelines and furnish the details of the transaction in the escrow account (to be) maintained by it during the next general review of its tariff.

After setting aside 50% of the royalty receipts to the escrow account (to be) maintained by the CHPT, the balance 50% royalty receipt is applied to cross-subsidise the deficit making activities of the CHPT. In the existing arrangement, cargo handling, marine services and railway activity are in deficit. Under the main activity of cargo handling, the sub-activities of general cargo including storage, crantage & FLT, FC Vaigai/ Thangam and iron ore are in deficit. In marine services, berthing & mooring is the only activity which is in deficit.

The iron ore activity shows an average deficit of 51.57%. Rates of iron ore handling activity need to be revised to bring them closer to the cost of rendering service. The CHPT has proposed an increase of 46.65% in consultation with users, which is closer to the average deficit. In view of this position, the revenue share related income is not considered for allocation to the iron ore handling activity. In respect of other deficit making activities, the allocable portion of revenue share income is apportioned to the other deficit making activities in the ratio of the deficit of the respective activity to the aggregate deficit.

- (d). The estimated railway earnings is less than the level of actual income realised in the year 2002-03. The reduction in railway earnings is mainly due to drop in terminal charges. The CHPT has explained that there is reduction in the rate of terminal charges reimbursed by the Railways to the port. It appears that the efforts taken by the CHPT subsequently with the Indian Railways have not yielded the desired result. The burden of cross-subsidisation arising in the context of Railway working is borne by other commodities / activities which may not use railway services of the port. Bearing in mind this position, and as agreed by it, the CHPT should take up the issue with appropriate authorities for necessary correction in the rates.
- (e). At the time of the last revision of tariff in October 2002, this Authority advised the CHPT to correctly classify the lease rentals receivable from the private operator CCTL under the Estate activity. The CHPT has stated that it has already taken action to classify the lease rentals receivable from CCTL under Estate activity from the year 2005-06. However, the Budget estimate (2005-06) does not reflect the position reported by the CHPT. In the absence of any other information available for the subsequent years 2006-07 and 2007-08, the lease charges receivable from CCTL estimated by the CHPT for the year 2005-06 is considered for classification under Estate activity for the subsequent years 2006-07 and 2007-08 reckoning with the escalation factor in lease rental. This is done for the purpose of proper allocation of income under the relevant head and should not be construed as any value judgement passed by this Authority in the dispute between

CHPT and CCTL which is reportedly referred to arbitration. Accordingly, the estimated income under Estate activity for the year 2005-06 to 2007-08 is modified with corresponding reduction in the container handling activity.

- (f). Despite repeated request for detailed working for computation of estimated operating income, the CHPT did not furnish any such working excepting a confirmation that the port has considered the cargo mix and tariff in force in the computation of income. Information furnished by the CHPT is not found to be sufficient for verification of the accuracy of estimated income. Subject to the adjustments required in the estimated income as explained in the earlier paragraphs, the operating income as estimated by the CHPT is considered for the purpose of this analysis. At the time of the next review, if it is found that the actual estimated income varies widely from the estimates furnished, the additional accrual will be set-off against future tariff revision in line with the revised tariff guidelines.
- (g). According to the revised tariff guidelines coastal cargo / container / vessel related charges should not exceed 60% of the normal cargo / container / vessel related charges. Importantly, the revised guidelines do not permit restatement of coastal rates with reference to prevailing exchange rate at the time of each general revision of Scale of Rates.

The CHPT has proposed concessional tariff for coastal vessels / cargo not exceeding 60% of the tariff prescribed for normal cargo / container/ foreign-going vessels in line with the revised tariff guidelines. While prescribing the concessional tariff in respect of vessel related charges, the CHPT has considered the exchange rate of Rs.43.52 prevailing as on 1 February 2005 for the purpose of conversion of dollar denominated rate into rupee terms. Such restatement of rates is not in line with the tariff guidelines. The objective of the relevant guidelines is to ensure that the coastal vessels are not burdened periodically on account of the accumulated effect of fluctuation in the exchange rate. The exchange rate considered at the time of last general revision of Scale of Rates of CHPT was at a higher level in comparison to the prevailing exchange rate. If the coastal vessels / containers are required to pay the existing concessional rates without any restatement, then, such concessional rates will be more than 60% of the rupee equivalent of dollar denominated rates which, will not violate the stipulation of minimum quantum of the concession. Therefore, the rates of coastal vessels / containers are prescribed at 60% of dollar denominated rates applying the exchange rate of Rs.44.02, wherever the present tariff is found to be not in line with the coastal concession policy.

- (vii). (a). The CHPT has estimated the operating cost relating to cargo handling activity for the year 2005-06 with around 10% hike over the actual expenditure for the said activity for the year 2004-05. The annual escalation admissible for the year 2005-06 is 6.44% as per the tariff guidelines. The CHPT has, however, clarified that it has considered the cost of procurement of certain maintenance spares for the year 2005-06 apart from considering 6% increase in the annual employee cost. In the light of the clarification of CHPT, the estimate for the year 2005-06, as furnished by the port, is considered in this analysis. The annual escalation considered by the port in respect of this item of expenditure for the years 2006-07 and 2007-08 is within the admissible limit.
- (b). In the past two general revision cases of the CHPT, this Authority advised the port to follow correct allocation of cost of dredging to the

port service and berth hire on the basis of number of days the dredger has worked for each service or the quantity dredged. The port has not followed such apportionment and instead the cost of dredging is applied in equal proportions to port service, pilotage and berthing. The CHPT has, however, assured to follow the correct allocation of dredging expenditure. The projections of expenditure made by the CHPT in respect of the port and dock activity for the years 2005-06 to 2007-08 is accepted, subject to slight moderation made in the projected expenditure for the year 2006-07 by limiting the annual escalation to 6.44% over the estimate for the year 2005-06.

- (c). Citing the reason of major repair work envisaged for the port's quarters and more allocation required for maintenance of lawns & gardens, the CHPT has estimated the estate activity expenditure for the year 2005-06 at an annual escalation of around 26% over the year 2004-05. The annual escalation considered by the port for estimation of this expenditure for the year 2006-07 is also not within the admissible annual escalation of 6.44%. The additional provision envisaged for maintenance of lawns & gardens is not justified by the port sufficiently. The estimates on this activity is, therefore, moderated allowing annual escalation of 6.44% for the years 2005-06 to 2007-08.
- (viii). The CHPT has confirmed that the computation of depreciation for all the years under consideration is in line with clause 2.7.1. of the revised tariff guidelines.
- (ix).
 - (a). The explanation of CHPT that it has not considered the contribution made to the Pension Fund/Gratuity Fund in the finance & miscellaneous expenditure shown in the cost sheet is found to be not correct in respect of the actual finance & miscellaneous expenditure shown for the years 2003-04 and 2004-05. The finance & miscellaneous expenditure shown by the port in the cost statement for these two years were cross checked with the port's annual accounts and this comparison establishes that the port has considered the contribution to Pension Fund/Gratuity Fund in the cost statement. Since no double counting of actual payment of pension and contribution to pension fund is made in finance and miscellaneous expenses, the proposed contribution to pension is accepted in this analysis.
 - (b). The budget estimates for 2005-06 include a sum of Rs.35 lakhs towards special ex-gratia payable to employees who opt for VRS. The estimates also include "items relating to previous year" to the extent of Rs.200 lakhs for the year 2005-06. Clause 2.5.2 of the revised guidelines does not permit consideration of one-time expenses like VRS compensation as an admissible item of cost. The expenses relating to previous years also cannot be considered as an admissible item of cost for tariff fixation. Therefore, these two items of expenditure considered by the port under finance & miscellaneous expenditure for the year 2005-06 are excluded. Since the cost estimates for the succeeding years are made as a percentage increase of the base year i.e., 2005-06, they also undergo moderation to this effect.
- (x). The average estimated management and general overheads is around 27% of the total cost for the years 2005-06 to 2007-08. It appears that the port's contribution to Tsunami relief has been included in the estimated management and overheads. The CHPT should take effective steps to reduce overheads. The estimated annual increase for the year 2006-07 and 2007-08 with reference to the year 2005-06 and 2006-07 are, however, within the admissible limit of annual increase.

- (xi). (a). The net block shown in the cost statement from the year 2003-04 to 2007-08 is exclusive of value of land amounting to Rs.3.51 crores for the reasons not clarified by the port. The CHPT has, however, confirmed this omission. That being so, the value of land has been included in the net block in this analysis. It is relevant to mention here that the CHPT has confirmed that it has excluded the cost of assets handed over to CCTL.
- (b). The addition to capital of Rs.97.47 crores shown in the cost statement for the year 2004-05 differs from the capital addition (of Rs.91.98 crores) as shown in the annual accounts for the year 2004-05. The figure shown in the annual accounts is considered for the purpose of this analysis, since the explanation furnished by CHPT is found to be not relevant.
- (c). The net block forming part of capital employed is projected at Rs.489.21 crores for the year 2005-06, Rs.483.46 crores for the year 2006-07 and Rs.451.20 crores for the year 2007-08. The net block shown for the year 2006-07 includes capital addition of Rs.28.42 crores. Despite our request, the port has not furnished the details of such additions envisaged. The effect of such addition in traffic and operational efficiency are not explained. However, the CHPT has confirmed that those assets that are likely to be commissioned and the assets which are likely to be completed during the year have been taken into account.
- (d). The income arising out of handling containers at its own terminal is considered by CHPT under cargo handling activity. That being so, the net block of fixed assets apportioned by the CHPT to container handling activity is considered under cargo handling activity for the purpose of determination of ROCE.
- (e). The revised guidelines for tariff setting stipulates assessment of reasonableness of the various items of working capital, like inventory, sundry debtors, cash balances, etc. In spite of repeated request to furnish breakup of the working capital, the response of the CHPT is found not helpful to assess the working capital requirement for the port. In the absence of requisite details, the working capital is taken as nil for assessment of capital base of the port. In fact, such a position relating to working capital emerged in respect of many of the major port trust at the time of the last revision of Scale of Rates.
- (f). The revised tariff guidelines stipulate that return on capital employed allowed should be linked to the utilization factor of the capacity of the port. The CHPT has assessed the capacity of the port at around 42.5 million tonnes and 44 million tonnes for the year 2006-07 and 2007-08 respectively. When traffic estimated by the CHPT for the relevant two years is compared with the assessed capacity, it is seen that the port will be operating at more than 100% capacity in the relevant two years. Since no detailed computation of designed capacity is made available, the correctness of this position reported by the CHPT could not be verified. Nonetheless, minimum capacity utilisation limit of 60% is prescribed as cut off level for allowing the maximum permissible ROCE. It can be reasonably presumed that this level would be achieved in CHPT.
- (g). There is no scientific classification of the fixed assets into the three categories prescribed in the revised tariff guidelines. When repeatedly reminded to do such classification, CHPT has indicated that it possesses business related assets such as hospital and port quarters

valued at around Rs.10 Crores. This is also an adhoc position without any serious attempt to derive a realistic figure. A return at risk free rate of 6.35% is allowed on Rs.10 Crores and the remaining net block of fixed assets will enjoy 15% on ROCE. In spite of our repeated request the CHPT has not furnished any other details regarding the social obligation assets. The port should undertake the exercise of classifying its assets and furnish the details at the time of next review based on which the (adhoc) position considered now will be also reviewed and adjustments, if necessary, will be effected.

- (h). The users have pointed out underutilisation of some of the newly acquired cranes. Likewise, a gross underutilisation of 150 Tonne floating crane was also brought to the notice of this Authority in the relevant tariff proceedings. The CHPT is urged to immediately, in any case within the next 6 months, analyse the underutilisation of such facilities and take corrective measures. The users are also advised to furnish their suggestion to CHPT in this regard. If tariff for such facilities is turned out to be a deterrent to achieve optimal capacity utilisation, the port should exercise the flexibility already given to it to reduce the rates below the ceiling levels prescribed in the Scale of Rates. If the CHPT does not undertake such a review within the stipulated time limit, the users can approach this Authority for adjustment in tariff with a well analysed proposal. If *prima facie* grounds emerge for reduction of tariff, this Authority may initiate *suo motu* review of such tariff items.
- (xii). In light of the analysis given above, the cost statements for the port as a whole and different main activities have been modified. The modified cost statements are attached as **Annex-I (a) to (f)**.

- (a). Summarized results of the main activities of the port as a whole are as follows:

Sr. No.	Particulars	Operating Income (Rs. in Crores)		(Net Surplus (+) / Deficit (-) (Rs. In Crores)		Net Surplus (+) / Deficit (-) as % of Operating Income		Average Surplus / Deficit%
		2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	
1	Port as a Whole	402.91	427.01	-50.83	-44.62	-12.62	-10.45	-11.53
2	Cargo handling activity	209.88	223.30	-30.68	-28.74	-14.62%	-12.87%	-13.75%
3	Port & Dock activity	137.01	144.02	-17.56	-14.29	-35.19%	-26.95%	-31.07%
4.	Container activity	0.00	0.00	1.50	1.58	0.00	0.00	0.00
5.	Railway activity	39.44	42.25	-9.76	-9.40	-24.74%	-22.25%	-23.50%
6.	Estate activity	16.58	17.44	5.67	6.23	34.19%	35.70%	34.95%

- (b). Summarized results of the various sub-activities under cargo handling and vessel related activities are given below:

Sr. No.	Particulars	Operating Income (Rs. in Crores) (at the existing tariff)		Net Surplus(+) / Deficit (-) (Rs. in Crores)		Net Surplus(+) / Deficit (-) as % of Operating Income		Average Surplus / Deficit%
		2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	
1	Cargo Handling Activity							
	General Cargo Incl. Storage	107.35	114.37	-20.51	-20.20	-19.11%	-17.66%	-18.39%
	Crannage and FLT	13.11	14.12	-6.83	-6.76	-52.10%	-47.88%	-49.99%
	FC Vaigai / Thangam	3.92	4.18	-4.71	-4.49	-120.15%	-107.42%	-113.79%
	Warehouse	17.5	18.55	10.73	11.39	61.31%	61.40%	61.36%
	POL	23.80	25.23	13.82	15.07	58.07%	59.73%	58.90%
	Iron Ore	44.20	46.85	-23.18	-23.75	-52.44%	-50.69%	-51.57%

Sr. No.	Particulars	Operating Income (Rs. in Crores) (at the existing tariff)		(Net Surplus(+)/ Deficit (-) (Rs. in Crores)		Net Surplus(+)/ Deficit (-) as % of Operating Income		Average Surplus / Deficit%
		2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	
2	Ports & Dock activity							
	Berthing & Mooring	45.48	47.00	-36.61	-37.95	-80.50%	-80.74%	-80.62%
	Port Dues	29.73	31.51	20.29	22.63	68.25%	71.82%	70.03%
	Towage & Pilotage	61.80	65.51	18.42	21.88	29.81%	33.40%	31.60%
	Salvage & Divers	0.00	0.00	-0.12	-0.12	0.00	0.00	0.00%

- (c). Since the CHPT has estimated the additional revenue generation on the basis of its initially proposed increases in rates, the information furnished by the CHPT in this regard is not found to be relevant with reference to the consensus proposal filed by it later on.

We have estimated the additional revenue generation applying the proposed agreed percentage of increase in rates on the estimated level of income at the existing tariff as furnished by the port. The details of such additional revenue generation anticipated from the consensus proposal are as follows:

Sl. No.	Activity/ Sub-activity	% increase as per Consensus	Additional Income (Rs. in crores)		
			2006-07	2007-08	Total
1.	General Cargo incl Storage	10%	9.44	10.07	19.51
2.	Cranage & FLT	20%	1.76	1.87	3.63
3.	Berthing & Mooring	5%	1.70	1.80	3.50
4.	Port dues	5%	1.49	1.58	3.07
5.	Towage & Pilotage	5%	3.09	3.28	6.37
6.	Iron Ore	46.65% *	20.62	21.86	42.48
7.	Estate	20% *	3.32	3.49	6.81
[* Not agreed by all users]					85.37

Since the 10% hike in the wharfage rate of Rs.23/- leviable on coal is not approved for the reasons stated at the later part of this analysis, the additional revenue generation of Rs.85.37 crores will get reduced by around Rs.3.55 crores on account of the estimated 154.50 lakh tonnes of coal handling during the years 2006-07 and 2007-08. Therefore, the effective additional revenue generation anticipated from the consensus proposal may be around Rs.82 crores.

- (xiii). Though the proposed upward revision of tariff has emerged out of consensus reached between the CHPT and the user organisations, the proposed increase in rates require to be justified in terms of the revised tariff guidelines with reference to the cost position obtaining at the CHPT. The CHPT has not proposed across-the-board increase in the tariff. Since the quantum of proposed hike varies with different sub-activities, the summarised results brought out at paragraph (xii) (a)&(b) above are analysed below for admissibility of the proposed hike in rates for the respective sub-activities of the CHPT, reckoning with the estimated additional revenue position brought out at paragraph (xii) (c) above.
- (a). The estimated financial position at the existing level of tariff for the port as a whole shows an aggregate deficit of Rs.95.45 crores for the next

two years against the additional revenue generation of Rs.82 crores due to the consensus proposal.

- (b). Of the cargo related services, the general cargo and storage shows an aggregate deficit of Rs.40.71 Crores; Cranage and FLT shows an aggregate deficit of Rs.13.59 Crores. Iron ore shows an aggregate deficit of Rs.46.93 Crores. Warehouse shows an aggregate surplus of Rs.22.12 Crores. POL shows an aggregate surplus of Rs.28.89 Crores. The cargo handling activity as a whole shows an aggregate deficit of Rs.59.42 Crores.

The subactivity general cargo and storage may generate an additional income of around Rs.19 crores, if the rates are revised upwards by the agreed 10% subject to rationalisation. This is well within the deficit position reported under this sub-activity.

If the agreed percentage hike of 20% is granted in respect of cranage and FLT, the estimated aggregate additional income on account of this activity may be around Rs.3.63 crores against the aggregate deficit of Rs.13.59 crores. Therefore, the proposed hike of 20% for cranage and FLT is approved.

As stated earlier, the iron ore handling activity shows an aggregate deficit of Rs.46.93 Crores. If the proposed package of rates are approved, the estimated additional revenue generation will be at Rs.42.48 Crores which will still leave a gap in the revenue position. Therefore, the proposed agreed rates are approved.

- (c). The vessel related activity as a whole shows an aggregate deficit of Rs.31.85 Crores. Of vessel related charges the berthing and mooring activity shows an aggregate deficit of 74.56 Crores. The salvage activity shows a meagre deficit of Rs.0.24 Crores. The pilotage and towage services and port services show aggregate surplus.

With reference to the vessel related activity in a port, it has to be recognised that more or less all the vessels entering a port pay the port dues, pilotage & towage fee and berth hire charges. That being so, sub-activitywise financial position may not be the sole guiding factor. It is noteworthy that the estimated additional revenue in vessel related charges due to the consensus proposal works out to Rs.12.94 crores against the aggregate deficit of Rs.31.85 crores. In view of this, this Authority is inclined to approve agreed 5% hike each over the existing rates of port dues, towage & pilotage and berthing & mooring though port services and pilotage activity are in surplus position.

The CHPT does not anticipate any income from salvage and diving operation during the year 2006-07 and 2007-08. However, the cost position shows an aggregate deficit of Rs.0.24 Crores. When the port does not project any income on account of this activity, there may not be a need to consider the agreed increase of 60% over the existing rates.

- (d). The agreed proposal for an increase of 50% in special port service charges for rail borne cargo (other than iron ore) over the existing rate of Rs.5 per metric tonne is approved.
- (e). The review of the rates of estate rentals will be based on the revised Land Policy guidelines announced by the Government of India recently. Accordingly, the rates of rent will be 6% yield per annum on the market value of land. The CHPT has not furnished any such

analysis and requested to revise the rates based on cost position. In the present general review of tariff of CHPT, this Authority is constrained to rely upon the traditional cost plus approach to decide the revision of rates under estate activity. Since the estate activity shows an aggregate surplus, there is no need to revise the existing rates of estate rentals.

- (f). The Railway activity shows an aggregate deficit of Rs.32.87 crores. The drop in Railway earnings is mainly due to drop in realisation of income on account of terminal charges. The movement of coal was done by Railways. While major portion of coal handling was shifted to the Ennore Port, the Railways have reversed the increase in the rates of the terminal charges. Significantly, other activities are infact cross-subsidising the Railway activity as revealed from the statistics furnished by the CHPT. The CHPT is advised to take up the matter with the Railways for appropriate action.
- (g). The increase in rates allowed will result in an additional revenue generation of about Rs.78 crores for the two years under consideration as against the additional revenue of about Rs.82 crores sought by the Port Trust. Further there will be an additional revenue of about 20 crores on account of the newly introduced pollution levy.

The cost position and the estimated additional revenue generation are based on the estimates of CHPT which contain many gaps. Further, the port has not made any provisions for productivity improvements. The port trust should partly meet the revenue gap by improving productivity / efficiency of operation and initiating cost reduction drive seriously. The port should also review utilisation of its various facilities and attempt to improve their capacity utilisation. Obsolete and dead assets should be disposed off, which will reduce the capital cost as well as overheads. In short, the gap in revenue left uncovered by tariff increase should be bridged by effective operational and managerial control by CHPT.

- (xiv). The CHPT has proposed a new definition of 'Port Limit' in its Scale of Rates. Though the port modified the said definition subsequently at our instance, the modification does not reflect the relevant provision of Indian Ports Act, 1908. The proposed definition is, therefore, modified to reflect the relevant provision of Indian Ports Act.
- (xv). Though the port was advised to update the proposed note vi (b) regarding interest on delayed payments / refunds with reference to the prevailing PLR, the CHPT has maintained the rate of interest 13.50% per annum proposed by it earlier. Since the rate of penal interest should be 2% above the PLR of State Bank of India as stipulated in Clause 2.18.2. of the revised tariff guidelines the proposed note vi (b) is suitably modified with reference to the prevailing PLR of 10.25%.
- (xvi). A conditionality is already prescribed at Note 1, Scale 1.0, Port Dues, to govern the levy of Port dues on oil tankers with segregated ballast tanks. The CHPT has proposed a new conditionality at Note (x) to Scale 1.2 General terms & Conditions in this regard including a definition for oil tanker under the Merchant Shipping Act, 1958. It may not be necessary to define a term in the Scale of Rates which is already defined in the relevant Act. The proposed note is, therefore, deleted.
- (xvii). The CHPT has proposed new notes (xi) (a), (b), (c) under Clause 1.2 (General Terms and Conditions) to indicate the time of incidence of wharfage on import and export cargo as well as the time of incidence of port dues on the vessels

entering into the port limits. These arrangements are already governed by the provisions of the Major Port Trusts Act, 1963; and, therefore, there is no need for defining such provisions afresh in the Scale of Rates.

- (xviii). The revised tariff guidelines stipulate the procedure to be followed by major ports and private terminals operating therein for introduction of a tariff item on adhoc basis. Since the proposed note xii(ii) under Clause 1.2 (General Terms and Conditions) does not fully reflect the procedure stipulated in the revised tariff guidelines, the proposed note xii (ii) is suitably modified in line with the relevant clauses of revised tariff guidelines which is approved.
- (xix). The proposed note (xiv) to Schedule 1.2 requiring the CHPT to collect service tax, Educational Cess and any taxes and duties imposed by the State / Central Government for collection from the users is approved.
- (xx). Users should not be required to pay charges for delays beyond a reasonable level attributable to the port as stipulated in Clause 2.15 of the revised guidelines. A suitable note in this regard is incorporated in the Scale of Rates at Sl. No.(xiv), General Terms and Conditions.
- (xxi). There is a provision in the existing arrangement not to levy port dues on lash vessel making a 'second call' to pick up empty and/or laden fleeting lash barges but not discharging or taking any cargo or passenger therein. The CHPT proposes to prescribe a time limit of 30 days within which the 'second call' by the lash vessel should occur by amending the existing note as proposed at Note 5 to Schedule 1.0 (Port Dues). Prescription of time limit for second call will remove (avoidable) dispute regarding levy of port dues. The port also wants to clearly state in the proposed modification to the said note that if the lash vessel in the event of discharging or taking of any cargo or passenger during the second call shall attract port dues at the applicable rates. The proposed modifications are found to be reasonable, and hence, is approved.
- (xxii).
 - (a). In the existing arrangement, berth hire shall stop four hours after the time of the vessel signaling its readiness to sail. The HCC has suggested an amendment to this prescription to the extent that berth hire should stop within one hour of a vessel's readiness to sail. The suggestion of HCC is beyond the scope of Clause 6.6.1. of the revised tariff guidelines which stipulate that berth hire shall stop 4 hours after the time of the vessel signaling its readiness to sail. The existing note in this regard does not specify the manner of a vessel indicating its signaling by the readiness to sail. Therefore, the proposed modification to the note 2 of Schedule 2 (berth hire charges) that a vessel 'shall call for the pilot for sailing' is approved. Delegation of powers to the officers of CHPT to grant extension for a vessel to stay in the berth beyond four hours is an internal administrative matter concerning the port. As per the general practice adopted by this Authority, the words 'Traffic Manager' is replaced by the words "CHPT or persons authorised by it" in the Note 2 of Schedule 2. This correction is uniformly made at all such places in the Scale of Rates, where such delegation is proposed to individual officers.
 - (b). The existing provision in the Scale of Rates of CHPT prescribing a time limit for cessation of berth hire is based on the common adoption order issued by this Authority vide order dated 4 February 2000. Apart from this prescription, this Authority approved the definition of False Signal for incorporation in the Scale of Rates of CHPT during the last revision in October 2002. Though, CHPT maintained these approved provisions in its initial proposal, it has modified these provisions in its revised proposal. The modification proposed by CHPT relates to the mode of

vessel signaling its readiness to sail. The mode of signaling for the vessel's readiness to sail has been described as the vessel "calling for the pilot for sailing".

The term 'False Signal' is also defined in the Scale of Rates of CHPT. The port wants to apply existing definition of "False Signal" to "False Call for Pilot". This Authority with reference to a proposal of Mormugao Port Trust (MOPT) prescribed an elaborate definition for 'False Signal' in its Order dated 15 March 2004.

Since the proposed changes reflect the definition approved by this Authority in the MOPT case, the existing conditionality is suitably amended and included in the revised Scale of Rates.

- (c). The inclusion of a new note 6 under Schedule 2 to enable the CHPT to levy berth reservation charges on vessels coming under Berth Reservation Scheme as per the scheme and direction issued by the Government from time to time is approved.
- (d). The CHPT was advised to incorporate a conditionality in its Scale of Rates to refund berth hire charges to the vessels for the period when the vessels idle at CHPT berths when operations cannot take place due to breakdown of port equipment or power failure or any other reasons attributable to CHPT. This flows from the principle of not requiring user to pay for delays beyond the reasonable level attributable to port. The CHPT has argued that waiver is allowed whenever a vessel is compelled to idle at berth due to reasons attributable to CHPT and there is no need to include a specific conditionality in the Scale of Rates. It is relevant to mention here that incorporation of a specific conditionality in the Scale of Rates will be necessary to ensure transparency in the matter and to avoid possible exercise of discretion on case to case basis. A similar condition is already included in the Scale of Rates of COPT, PPT (MCHP), VCTPL, VSPL, etc. A conditionality that no berth hire charges shall be payable for the period when a vessel is compelled to idle at berth due to breakdown of port equipment or power failure or any other reasons attributable to CHPT is, therefore, included in the Scale of Rates.
- (e).
 - (i). Berth hire charge includes use of one wharf crane. The proposed anchorage fee is linked with the proposed rate of berth hire charges. There is no justification for requiring a vessel at anchor to pay for the crange element also. To a query in this regard, the CHPT has quantified the anchorage fee leviable for foreign going vessels and coastal vessels and proposed revised rates delinking the anchorage fee from berth hire charges. However, the port has not furnished any cost calculation for the proposed revised rates of anchorage fee. But, it has scaled down the rate of anchorage fee from the earlier proposed rates. Therefore, the proposed rates of anchorage fee for foreign-going vessels and coastal vessels is approved without any increase in rates.
 - (ii). In the existing arrangement, the anchorage fee is leviable separately for vessels which anchor at mooring point and vessels which anchor at any point other than mooring point. The CHPT has proposed to elaborate these descriptions of tariff items stating that the anchorage fee is leviable at mooring point within the enclosed harbour and at any point other than the mooring point outside the enclosed harbour. Since the proposed elaboration is for the purpose of defining with clarity

the location of mooring point, the modified descriptions of tariff item is approved.

- (iii). The proposed note about restricting levy of anchorage fee only on vessels at any point other than mooring point outside the enclosed harbour, which are shifted out of the enclosed harbour for any reasons and re-berthed is an agreed conditionality and this Authority is inclined to accept it.
- (f). Clause 6.5.1. of the revised tariff guidelines stipulates that berth hire charges shall be prescribed by grouping berths having comparable services / facilities with rebate for major components of services / facilities not provided. As already stated, the tariff proposal is an agreed proposal. The CHPT has fixed a single rate by combining different services and removed the itemised rebate Clauses at the request of the users. The proposed composite rate of berth hire is approved.
- (xxiii). (a). In the existing arrangement, the rates of pilotage fees for Iron ore vessels and other than Iron ore vessels have been prescribed separately in six GRT slabs. The revised tariff guidelines stipulate prescription of a three slab structure for pilotage fee. Further, and as per this stipulation, the unit rate of pilotage fee should reduce for increasing GRT slabs so that it would remain attractive to larger size vessels.

Even though the initial proposal of CHPT followed the slab structure rationalisation prescribed in the tariff guidelines, the users have unanimously opposed such rationalisation in view of the impact on smaller size vessels. Based on a consensus emerged subsequently the port has proposed to maintain the existing six-slabs structure for non-iron ore vessels.

- (b). In respect of the Iron ore vessels, the proposed slab structure is in line with the revised tariff guidelines but the proposed unit rate is not. The CHPT has clarified that the proposed slab structure and rates are agreed by the users and a deviation in the unit rate has to be made to maintain a revenue neutral position. However, the CHPT has conceded that the existing six slab structure with the proposed (agreed) quantum of hike in the rates can be maintained for iron ore vessels also.
- (c). As per the provisions in the existing Scale of Rates, the bigger size vessels pay more pilotage fee as compared to the smaller size vessels because the unit rate of pilotage fee increases with the increase in GRT of the vessels. Against this existing position, the rationalisation as envisaged in the revised tariff guidelines, if effected, will require the smaller size vessels to bear a burden of steep increase in revenue charges.

The review of tariff of the CHPT is being done for the first time after implementation of revised tariff guidelines. Recognizing that rationalization of existing pilotage slab structure at one go will cause hardship to the CHPT and the users, this Authority is inclined to approve the continuance of existing six slab structures for levy of pilotage fee on non-Iron ore vessels jointly proposed by the port and users with appropriate adjustments in the rates of pilotage fee.

As brought out earlier, the proposed formulation of pilotage fee leviable on Iron ore vessels is not fully in line with the revised tariff guidelines,

though it is an agreed formulation. The position of requiring larger size iron ore vessel to pay more to meet the loss suffered elsewhere is not only against the tariff guidelines but also discriminatory. If the existing six slab structure is allowed to continue for iron ore vessels, the impact can be smoothened. Notably, the CHPT has no objection to continue with the existing slab structure. In this circumstance, this Authority is inclined to approve the continuance of existing slab structure for Iron ore vessels also with appropriate adjustment in the existing base rate applying the agreed quantum of hike.

- (d). While deviation from the guidelines may be allowed under special circumstance as a one time measure, the need to rationalise this tariff item cannot be ignored for ever. The CHPT should attempt to introduce suitable rationalisation of this tariff item at the time of the next review by suitably prescribing the base rate so that the impact of increase, if at all necessary, will be gradual across all categories
- (e).
 - (i). The existing general note 1 to pilotage fee is proposed to be modified slightly to state that one shifting operation in hot move at users' request will include in the proposed pilotage fee. The proposed modification is not in line with the relevant provision of the revised tariff guidelines since shifting at the request of users attracts separate shifting charges. When pointed out, the CHPT has explained that the proposed modification is at users' request and conceded that the proposed modification is not in line with the revised tariff guidelines. Subsequently, the CHPT has pointed out that since its initial proposal to hike pilotage fee by 15% is scaled down to 5% as mutually agreed rate after discussing the non-inclusion of one shifting operation in pilotage fee, the proposed general note 1 to scale 3.2 may be modified. Accordingly, the said note is suitably modified.
 - (ii). In the existing arrangement, the CHPT does not consider the shifting of vessels to outer anchorage as shifting but treats such shifting as a complete pilotage act. Re-entry by the vessel under the same port entry shall attract pilotage fees afresh. This position is maintained under general note 3 to schedule 3.2 with the exception that such shifting of vessel to outer anchorage for "port's convenience" will not be treated as a pilotage act. Shifting for port convenience cannot be a chargeable service irrespective of whether such act is within the breakwaters or outside. Hence, the proposed modification is approved.
- (f).
 - (i). The slab structure for levy of shifting charges proposed by the CHPT under schedule 4.1 is in line with the revised tariff guidelines. However, the unit rate of shifting charges proposed for the third slab is not in line with stipulation given under tariff guideline. In spite of our request in this regard for necessary modification, the port has not done the modification in the Scale of Rates though it has stated so in its relevant correspondence. The shifting charges relevant for the third slab for foreign going vessels and coastal vessels are suitably modified. Since the consensus proposal is silent about increase in the rates of shifting charges, the proposed rates are retained subject to modification in the rates of second slab and third slab as per the revised tariff guidelines.

- (ii). Earlier, pilotage fee included inward pilotage, outward pilotage and one shifting operation at users' convenience in the Scale of Rates of CHPT. However, the charges for first shifting and subsequent shiftings for cold move operations were separately leviable at 50% of pilotage charges prescribed. Now, the CHPT has incorporated a specific note 2 under schedule 4.1 to govern the shifting charges in cold move which have linkage to the shifting charges instead of the existing system of linkage to rate of pilotage fees. The rate of shifting charges for cold move has also been enhanced from the existing 50% to 100% for first shifting in cold move and 200% for subsequent shifting in cold move. Considering the fact that of shifting charges are lower than the pilotage fee, the increase in percentage of charge may not necessarily result in higher tariff burden to the concerned vessels. The agreed formulation is, therefore, approved.
 - (iii). While maintaining the existing provisions of "port convenience", the CHPT has proposed new situation of shifting for port convenience at note 4 (vii) under Scale 4.1. of the Scale of Rates. This relates to shifting of "any other cargo vessel" from berth designated for specific cargo vessel to any other berth to accommodate the specific cargo vessel in the designated berth. Whether this situation arises for the port's convenience or not is a debatable point. Nevertheless, relying on the judgement of the port in this regard, the proposed inclusion is approved.
- (xxiv). The existing wharfage schedule is a basket of tonnage/volume based rates and Ad-valorem rates. With slight modification, the CHPT has proposed the existing rates of wharfage as base rates. The proposed changes in the wharfage schedule is analyzed below:
- (a). In the existing arrangement the unit of measurement for levy of wharfage on acids of all kinds is levied on tonnage and volume, depending on packaging. The wharfage rates also vary. The CHPT has proposed a single rate of Rs.58/- as base rate to be levied on per tonne basis. Since the port has rationalized the levy of wharfage on acid and the proposed base rate being the agreed rate, this Authority has no reservation to approve the proposed rationalisation.
 - (b). With reference to the existing wharfage rate of Rs.13/- per tonne leviable on coal & coke, the CHPT has proposed a higher rate of Rs.23/- per tonne as the base rate. When asked to justify the hike, the port has clarified that it has clubbed the basic wharfage rate of Rs.13/- and the additional levy of Rs.10/- for coal handling in the inner harbour towards cleaning charge. In fact, this additional levy of Rs.10/- is a new entry to be included in the Scale of Rates.

As reported by the CHPT, it has been collecting this additional levy since 1 May 1996 for improvement of coal handling and for cleaning of wharfs and roads. Therefore, the clubbing of rates will not add any additional burden to the users. Notably, the port has considered the income arising out of the cleaning charge in its income estimation. In view of this position, this Authority is inclined to approve the merger of the cleaning charge of Rs.10 with the existing wharfage rate of Rs.13/-. While the users have agreed to the merger of these two tariff items, there is no consensus for any hike on the merged rate of Rs.23. The wharfage rate of Rs.23/- will continue.

- (c). Thermal coal does not enjoy concessional tariff prescribed for coastal cargoes in terms of clause 4.3 of the revised tariff guidelines. In order to extend concessional tariff for coastal cargo of charcoal of all kinds, the CHPT has proposed a separate tariff item in this regard prescribing the base rate of Rs.23/- and applicable rate for coastal cargo. In the light of the analysis made for the tariff item for coal, coke of all kinds in the preceding paragraph, the base rate of Rs.23/- for charcoal of all kinds is also approved. Since coal other than thermal coal and coke of all kinds are also eligible for coastal concession the nomenclature of this tariff item is modified to reflect the correct position.
- (d). In the existing provision wharfage for POL products is leviable at Rs.33/- per 1000 litres. The CHPT has a bilateral arrangement with CPCL whereby a concessional rate of Rs.10/- is being levied, the existing provision being a ceiling rate. At the request of the CHPT, the wharfage rate of Rs.10/- per 1000 litres leviable on CPCL cargo is also incorporated in the Scale of Rates appropriately as a note.
- (e). In the existing schedule of wharfage, the item "food & flour of all kinds" attracts wharfage of Rs.40.20 per tonne and "fruits and vegetables" are chargeable with a wharfage rate of Rs.26/- per tonne. Apart from these tariff items, another tariff item covering groceries, sugar, etc. attracts a wharfage of Rs.32.50 per tonne. The CHPT has merged all these three items and proposed one single tariff item with a base rate of Rs.32.50 per tonne at Sl. No. 28, Scale-1, Chapter-III. The proposed merger of the existing food items into one tariff item and the proposed base rate of Rs.32.50 per metric tonne has emerged out of consensus which is approved.
- (f). This Authority advised the CHPT in October 2002 to examine ad-valorem rate structure and propose, as far as possible, conversion of some of the regular items into a tonnage based wharfage rates with reference to the cost of handling such commodities. No definite progress in this connection is seen. The CHPT should note that Ad-valorem wharfage rates shall have to be phased out over a maximum period of five years from 2005 as stipulated in revised tariff guidelines. It should, therefore, positively eliminate advalorem method of charging while formulating its proposal for the next review.
- (g). The term "wharfage" is continued to be defined as the basic dues recoverable on all cargo handled at the port, which means wharfage is a fee for providing general facility by the port. In that case it is not clear why differential rates of wharfage for different cargo are proposed by the CHPT. It has to be recognised that rationalising such differential rates at one go will have serious financial implications to both port and users; and, therefore, such attempts should be made gradually. The CHPT is advised to initiate the process of rationalising wharfage schedule.
- (xxv). (a). The FIMI has objected to the initial proposal of the CHPT to hike the existing rates of iron ore handling charge and system clearing charge by 110%. The FIMI has produced statistics for its objection and has argued for adequacy of the current tariff. The objection of the FIMI is based on an analysis of cost and financials of the iron ore handling activity with some approximations and adjustments in cost details.

As rightly pointed by the CHPT, the analysis furnished by the FIMI are with reference to actual cost against the estimates. The CHPT has addressed the concerns voiced by the FIMI on allocation of F & M expenditure and apportionment of Management and General

overheads to the iron ore handling activity. It is to be noted that the recommendations of FIMI to maintain *status quo* of current tariff is based on its working for the past years 2003-04 to 2005-06 and the FIMI has estimated the iron ore traffic at 10 million tonnes against the capacity of 7.5 million tonnes. The FIMI is right in pointing out that capacity remaining constant the higher output will reduce the unit cost of handling, thus negating the need for an increase in tariff. The CHPT, however, has estimated iron ore traffic at 7.5 million tonnes and 7.95 million tonnes only during the years 2006-07 and 2007-08. With this estimates of traffic the iron ore handling activity depicts a deficit of Rs.23.18 crores for the year 2006-07 and Rs.23.75 crores for the year 2007-08 after ROCE. This deficit position warrants increase in the level of current tariff. It is to be recognised that the CHPT has scaled down the proposed hike of 110% to around 46.65% in consultation with the users. Looking at the projected aggregated additional revenue of Rs.42.48 crores on account of the proposed increase as against the aggregate deficit revenue position of Rs.46.93 crores as revealed by the cost statement for the activity in reference, the proposed quantum of increase is within the deficit position.

- (b). The CHPT has introduced a new tariff item to levy "special port charges including haulage" at Rs.15/- per metric tonne or part thereof at Sl. No.4, Scale-4, Chapter-III. This is a consensus rate agreed by the users, which is approved.
 - (c). In consultation with concerned users the port has proposed a separate pollution levy of Rs.5/- per metric tonne apart from Iron ore handling charges of Rs.85/- per metric tonne. The HCC has subsequently informed that the agreed rate of handling charge of Rs.85/- is inclusive of pollution levy of Rs.5/-. Given the revenue deficit under the iron ore handling activity, the proposed handling charges of Rs.85/- PMT is approved. Pollution levy at Rs.5/- PMT is to be levied separately. The other agreed charges for clearing the Mechanised Ore Handling Plant and special charges for rail borne cargo are also approved.
 - (d). The existing provision allows a rebate of 40% on the "handling charges" and "handling system cleaning charges" when Iron ore is manually unloaded from wagons at the Royapuram Railway Yard and intercarted to the Mechanical Ore Handling Plant for shipment at the cost of exporters. Since the existing charges for handling Iron ore through MOHP are revised, the resultant rebate in rupee terms also stands revised.
- (xxvi). The pollution levy is proposed to be imposed on some other dry bulk cargo like coal, coke, fertiliser, etc. This Authority does not have any reservation to approve such levy in the light of the 'Polluters pay' principle applied in some other major ports. It is relevant here to point out that the cost details to justify the quantum of pollution levy are not furnished by CHPT. Even though the consensus rate is allowed to be implemented, the CHPT is advised to maintain a separate account showing the income from pollution levy and the expenditure incurred to control pollution. This account should be furnished by the CHPT at the time of the next review to decide any adjustment in the rate of pollution levy.

While the port has specified some of the existing dry bulk cargo which will be subjected to the pollution levy, it has left its application on new cargo which may come in future entirely to its discretion. Such unguided discretion to the port is not desirable. When CHPT proposes to impose this levy on a new cargo, it can do so with the consent of the concerned users. In case of disagreement, the port should refer the issue to this Authority for its decision.

- (xxvii). As per the existing provision the CHPT levies special port service charge at Rs.5/- per tonne or part thereof and the service provided by the port to levy this service charges is not listed in the Scale of Rates. The CHPT has, however, clarified that it collects this service charge for other maintenance of railway system.

As part of the consensus proposal, the CHPT has enhanced the existing rate of Rs.5/- by 50% which is approved.

- (xxviii). (a). With reference to the charges for hire of mobile cranes for landing, shipment and delivery, the port shall not recover cranaage charges when port's crane/ship's own derricks are used in case of direct delivery/direct shipment for stacking and delivery of cargo as per the existing provision listed in Note (3)(b) to Scale-8. The port has amended this provision to include the services for offloading and feeding the cargo to the hatch apart from stacking and delivery of cargo. Since the port has liberalized the existing provision, the proposed amendment to note 3(a) of Scale 8, Chapter-III (cargo related charges) is approved.
- (b). Double the prescribed crane hire charges are leviable when the cargo is stacked and delivered or the cargo is offloaded and fed to the hatch in the cases of normal delivery/normal shipment as per the existing note (3)(a) to Scale-8. The CHPT wants to explicitly state that such charges are leviable when the cargo is routed through transit area to clarify its operational procedure. The proposed amendment at note 3(c) of Scale 8 is approved.
- (c). Another amendment proposed by the port is to levy the cranaage charge only once when the cargo is directly delivered or shipped from the hook point without stacking or routing through the transit area. As pointed out by CCHAA, when the cargo is off loaded from a vessel to wharf and to a vehicle, there is no stacking operation. Since the one operation of "stacking and delivery" is eliminated in the transit area, there is no justification to levy twice the prescribed charges. Therefore, the proposed note 3(b) to levy cranaage charges only once is in order, as proposed by the CHPT, which is approved.
- (d). In the existing arrangement, the port is authorised to allow private cranes at the request of the users for port operations on payment of 10% of the charges specified in the Scale of Rates. However, if the port is not in a position to provide suitable equipments for the reasons attributable to the port, the port is barred from collecting 10% charge. The CHPT has decided at the request of the users to allow the users to bring any private equipments and levy 10% of the charges for such equipments even when such equipments are available with the port and accordingly it has proposed a modified provision at note 4 to Scale 8 and note 6, clause 1 to Scale 11 of Chapter-III. The intention of allowing a 10% recovery was to protect the investment made by the port in its fleet of equipment.

In the revised arrangement proposed by CHPT, it would allow private equipment irrespective of whether such equipment are available with the port or not. It is not clear how the port will ensure utilisation of the equipment already available with it. Underutilisation of such equipment will only add to tariff burden to users. Since allowing private equipment is a managerial decision, this Authority may not like to interfere in the decision except cautioning the port trust about ensuring full utilisation of its investment. The port should formulate transparent procedure

about allowing private equipment and regulating the associated activities and notify it to the trade.

Even though the users had earlier raised a demand to scrap the 10% charge for allowing private equipment, they have subsequently reached an agreement with the port and endorse the proposal to extend such levy even in case of equipment not available with the port. The consensus proposal is approved for time being. Since the levy is of the nature of a fee for entry of private equipment, the port should delink the charge from hire charges of port equipment. This aspect should be borne in mind by the port while formulating its proposal for the next review of tariff.

- (xxix). (a). The existing provision in the Scale of Rates of CHPT with reference to charges for hire of wharf cranes has three categories under Scale-9. The categories are charges for "upto 5 tonne capacity", "5 tonne to 10 tonne capacity" and "over 10 tonne to 15 tonne capacity". Since the CHPT does not have wharf cranes of 5 tonne capacity as reported by the port, it has deleted the first category. Its proposal to maintain the existing hire charges applicable for the existing second category to cranes "upto 10 tonne capacity" proposed in the revised arrangement at item No.1, Scale-9 is approved.
- (b). With reference to the third category of cranes in the existing arrangement, the CHPT has proposed a new rate of Rs.7000 per shift reportedly grouping all equipments including the new 15 tonne electric level luffing wharf cranes. It is relevant to mention here that with reference to its earlier proposal for fixation of hire charges for 15 tonne ELL wharf cranes, the CHPT was advised to recast its proposal in consultation with the users bearing in mind the adoption of existing rates in the Scale of Rates for similar capacity equipments and the various points raised by this Authority in the relevant proceedings. Now, the port has reported that it has revised the rates by grouping other capacity cranes including the new 15 tonne ELL wharf cranes. The agreed rates for "over 10 tonnes but not exceeding 15 tonnes cranes" is approved.
- (xxx). The cost of repair and damage caused to the port equipment is recovered from users when such damaged equipments are repaired by outsourcing. Now, the port wants to modify the existing provision to govern the recovery of such damage cost when the repair work is carried out departmentally also. The cost elements proposed to be recovered are direct cost, indirect charges and 20% overhead thereon. When the equipment is fully damaged by the party, the CHPT intends to recover the value as ascertained by an independent valuer appointed by the CHPT. The proposed addition at general note 3 to Scale 9 & 10 of Chapter-III is approved. A similar amendment proposed to the existing general note 6 to Clause-I and II of Scale 11 is also approved.

In this regard, this Authority reiterates its earlier advice to the port to insure its assets and claim damages to such assets from the insurance company. As per the tariff guidelines, the difference in the actual cost of repair and reimbursement received from the insurance company only may be recovered from the users. The port should explore the possibilities of introducing such an arrangement and address this issue frontally at the time of the next review.

- (xxxi). This Authority fixed charges for use of 150 tonne floating crane vide Order dated 22 October 2003. Subsequently, the CHPT filed a separate proposal for fixation of overtime charges for the crew of the 150 tonne floating crane. As agreed by the port in August 2004, the CHPT has revised the proposal in consultation with the users and has proposed a fee of Rs.10,000 per shift for

the working of the said crane during the second and third shift on any working day and during any shift on a Sunday or a CHPT Holiday. The earlier proposal was returned by this Authority for CHPT to reformulate it after addressing the queries raised in this regard. Port is supposed to work round the clock. Even though it is not denied that the cost incurred by port should not be recovered, a specific shift based additional charge will generally deter usage of such facilities in the second and third shifts. The cost of overtime, if any, should, therefore, be spread evenly while fixing the base rate itself. Given the underutilisation of the 150 T floating crane, it may not be a right step to introduce any tariff deterrent. At the same time, the CHPT's argument that the cost of over time was not included by it in the base rate cannot also be ignored. In the absence of any cost analysis to support the proposed rate, the agreed rate of Rs.10,000/- per shift is approved, subject to the condition that this tariff item should be removed at the time of the next review by effecting suitable adjustment in the base rate itself.

Even though there was no provision in the existing Scale of Rates to levy overtime charges separately, it has been reported that the CHPT had introduced a charge of around Rs.23,000/- and levying it from the users. This action of CHPT is not supported by the tariff setting arrangement envisaged by the Statute and this Authority strongly advises the CHPT to refrain from introducing new tariff without the explicit approval of this Authority or contrary to the provisions prescribed in the revised tariff guidelines for adhoc tariff arrangement.

A request has been made to ratify the earlier levy introduced by the CHPT. In the absence of any cost analysis and consensus from the concerned users, this Authority cannot ratify a charge just because the port trust had introduced and levied it. However, considering the fact that the base rate did not include over time cost and a consensus has now been reached to charge Rs.10,000/- per shift for overtime in the 2nd and 3rd shifts, this Authority approves this rate retrospectively. The CHPT should adjust its billing made in this regard and refund the excess collection. In this regard, the apprehension of the port about the refund reaching the actual importers / exporters is genuine. The port may process the application for refund and release payment direct to the importers / exporters. In case of any procedural problems in implementing this arrangement, the port may refund to the applicants but should send an intimation of payment to the concerned importer / exporters to whose consignment the concerned refund relates to.

- (xxxii). It is not necessary for the Scale of Rates to define the administrative action of the port on its own employees or on the users if the operating procedure of port's equipment is not adhered to. These are managerial issues and not a tariff matter to be included in the Scale of Rates. Therefore, the proposed amendment to general note (i) to Clause-II of Scale-11 is deleted.
- (xxxiii). (a). The existing notes 3 (a) and (b) to Scale 1 of Chapter-IV (Demurrage Charges) do not reflect the relevant guideline insofar as exclusion of Customs notified holidays and port non-working days from free days. The notes in reference are modified suitably in line with the revised tariff guidelines.
- (b). Clause 4.5 of the revised tariff guidelines permits individual ports to propose number of free days before the cargo stored in the port's storage area attracts demurrage. The CHPT has proposed to increase the existing two free working days to seven free working days for coastal cargo which is approved since the port has liberalised the existing conditionality. However, the note 8 (a) to Scale 1, Chapter-IV (Demurrage Charges), where the increase in number of free days has been proposed, does not reflect the relevant guidelines insofar as

exclusion of Customs notified holidays and port non-working days from free days. Therefore, this note 8 (a) is modified suitably.

- (c). In the existing provision governing the levy of demurrage on the cargo declared as unfit for human consumption by the Port Health Officer (PHO), the notified cargo will attract demurrage up to the date prior to the date of condemnation of by the PHA. The CHPT has proposed to modify the existing note (9) (c) to Scale – I, Chapter – 4 to limit the levy of demurrage to 6 months from the date of its accrual or the date prior to the date of condemnation by the PHA, whichever is earlier. The port has also proposed to delete the existing sentence “or cleared as cattle/ poultry feed” from the existing provision. The proposed modification is approved.
- (d). The revised tariff guidelines stipulate that users will not pay for delays beyond the reasonable level attributable to port. It is, therefore, appropriate to incorporate a provision in the Scale of Rates of CHPT stating that storage charge shall not accrue in the period during which the CHPT is not in a position to deliver the cargo / containers for reasons attributable to it when requested by the users. It is noteworthy that such a provision has been recently incorporated in the Scale of Rates of the private terminal operator in Cochin Port Trust. A similar provision is included in the Scale of Rates of CHPT.

(xxxiv). The Government of India in the Ministry of Shipping, Road Transport & Highways (MSRTH) has announced a revised Land Policy for Major Ports including CHPT on 31 March 2004. This Authority follows the Land policy guidelines issued by the Government in the matter of regulating lease rentals at the major ports.

It has to be recognised that the method of fixing licence fee / lease rentals for port lands is specifically prescribed in the Government policy guidelines. It does not follow the traditional cost plus approach. In the present case, in the absence of any such analysis made by the port and based on its request to review the rates on the basis of cost deficit in this activity, it has been decided not to allow any increase in lease rentals / licence fees for lands.

Much after the filing of its proposal in May 2005 for general revision of its Scale of Rates, the CHPT has taken a decision in December 2005 to implement the Land Policy guidelines announced by the Government. Some of the conditionalities for allotment of land may require modifications in the light of the land policy announcement. The CHPT may come up with a proposal formulated in line with the Government policy guidelines, and till such time the CHPT can implement the conditions prescribed in the policy guidelines like annual escalation, security deposit, etc.

(xxxv). The Scale of Rates of CHPT contains provision to levy licence fee for issue of stevedoring licenses and labour licenses. The CHPT has proposed revised rates for these two category of tariff items in consultation with the stevedores association. The port has confirmed that the proposed new rates have the consent of the stevedores association. The agreed rates proposed for issue of stevedoring licenses and labour licenses at Scale-V, Chapter – VI (Miscellaneous charges) are approved.

(xxxvi). (a). Apart from the relevant provisions under cargo related charges to levy charges for hire of port's equipments for cargo operation, there are provisions under Chapter-VI (Miscellaneous charges) in the Scale of Rates of CHPT for levy of charges for hiring the port's equipment to the outside public whenever the port can spare such equipments and appliances. In this connection, a general conditionality exists under

category-I to the effect that the users shall not have option to hire the equipments from outside and should hire only from the port. The CHPT has deleted this conditionality in the revised proposal. Since the users have the option to hire equipments from outside even if equipments are available with the port in the revised arrangement, the existing note has become redundant.

- (b). In the existing arrangement, hire charges are prescribed for Tug "Matchless and Mighty", Tug "Netaji and Singaravelar" and Tug "Bharathiar" separately. The Tug "Matchless and Mighty" have been phased out as reported by the CHPT.

In August 2004, the CHPT filed a proposal before this Authority for fixation of hire charges in new Tug "Sundaranar & Sekkizahar". However, the CHPT withdrew its proposal and decided to include it in the general revision proposal.

The CHPT has proposed a single rate of hire charges for Tugs upto 45 BP capacity by grouping the approved hire charges applicable for Tugs "Matchless & Mighty", "Netaji & Singaravelar" and the earlier proposed rates for Tug "Sundaranar & Sekkizahar". Since the Tug "Matchless & Mighty" have been phased out, as reported by the port, it is not correct to include the hire charges applicable for Tug "Matchless & Mighty" in the workings furnished by port. This apart, the existing approved hire charges applicable for Tug of 45 BP capacity "Bharathiar" has not been considered in the calculation. The workings furnished by the CHPT is modified by including the hire charges applicable for Tug "Bharathiar" and the hire charges applicable for Tug "Matchless & Mighty" are excluded. The resultant average hire charges for Tugs upto 45 BP capacity of US\$ 604.15 as against the proposed hire charge of US\$ 663.30 is approved. The hire charges applicable for coastal vessels are modified suitably at concessional rates applying the exchange rate of Rs.44.02.

With reference to the minimum rates, 50% of the reworked rates will be the minimum rates as per the method adopted by the CHPT for calculating minimum rates.

- (c). This Authority passed an Order on 20 January 2005 approving the proposal of the CHPT for inclusion of hire charges for 3 tonne capacity Pay Loader in its Scale of Rates. A new conditionality is proposed to charge 10% of the prescribed Pay-Loader charge, if the user does not take the Pay-Loader from the port to handle export cargo. It is not clear why the option given to users is limited to handling of export cargo alone. That being so, the proposed note is modified suitably to include import operations also.
- (d). With reference to fixation of rates of hire charges for grabs up to 5 cubic meter capacity, grabs of 8 cubic meter capacity, 75 tonne tyre mounted mobile crane, survey launch and DGPS survey instrument, the CHPT was requested to furnish the working for fixation of charges for these equipments except the hire charges of Survey Launch-IV and DGPS Survey Instrument. The calculation sheet in respect of these equipments do not support the charges proposed for these equipments. In fact, the charges proposed are found to be lower than the charges derived in the calculation sheet. The CHPT has again clarified that the proposed rates are agreed rates. Though the cost position does not support the proposed lower rates, this Authority is inclined to approve the agreed rates, as suggested by the port. The

proposed rates of hire charges for Survey Launch-IV and DGPS Survey Instrument is also approved, being the agreed rates.

- (e). (i). Despite our request to furnish the range of capacity of all the motor launches, the capacity details furnished by the CHPT do not cover all the launches stated at Sr. No. 6 of Scale 18. The CHPT should adjust this tariff item with reference to the range of capacity of the motor launches instead of the existing individual motor launches.
 - (ii). In the existing Sr. No. 6 of Scale – 18 relating to charges levied on motor launch, the CHPT has added ML Pioneer, ML Vetri and ML Veeramani to the existing fleet of motor launches clarifying that the rates for these launches are not available in the Scale of Rates though the equipments are available. Since these rates are for optional hiring of the launches, the proposed addition to the tariff item is approved.
 - (f). With respect to the proposed hire charges for the pilot launches "Progress, Muthu and Utility", the CHPT withdrew the proposals earlier filed by it and decided to include the proposal in the general revision of its Scale of Rates. The proposal included in the general revision of its Scale of Rates maintains the rates earlier proposed by the port. It does not appear that the CHPT has recast the proposal for fixation of charges for the launches in reference. Fresh workings for the proposed rates bearing in mind the points earlier raised by this Authority are required to consider the proposed charges for the launches in reference. Mere reference to the correspondence made by the CHPT earlier in this regard will not suffice. The CHPT is, therefore, advised to file the fresh proposal in this regard supported by cost details and detailed working.
 - (g). The CHPT has changed the nomenclature of the existing entry of mooring boat to mooring crew at Sr. No. 7 of Scale 18. There is no change in the existing rates of hire charges and the change in nomenclature of the tariff item is approved.
- (xxxvii). The CHPT has proposed for inclusion of the rates of hire charges of the tipper lorry and gas cutting plant prescribed in the 2000 edition of the Scale of Rates. The proposal of the CHPT will not cause any additional burden on the users as it is only reinstatement of the earlier tariff items. The proposal of the CHPT for inclusion of already existing rates is approved.
- (xxxviii). This Authority had approved vide its Order dated 22 October 2003 the proposal of the CHPT for revision of levy for stevedoring activity and this Order was notified in the Gazette of India on 7 November 2003 with a validity period of 2 years from the date of the notification of the Order. Accordingly, the validity of the existing rates of stevedoring levy has already expired on 6 November 2005. The general revision proposal in reference includes review of the existing stevedoring levy. The CHPT in consultation with the users has proposed to file a separate proposal for this activity and requested for continuance of existing arrangement. Since the CHPT has agreed to file a separate proposal in this regard, this Authority is inclined to extend the validity of the existing levy for stevedoring activity for a period of one year with effect from 7 November 2005 and the CHPT is directed to file its proposal by 31 July 2006.
- (xxxix). (a). With reference to linking tariff to benchmark levels of productivity, the CHPT has not indicated about productivity levels to be maintained for various operations / services except mentioning that the tariff is fixed

based on the volume of traffic and "what the traffic can bear". The CHPT is advised to make a beginning and evolve productivity levels for various operations / services.

- (b). The CHPT has stated that it has no authorised service providers in terms of Section 42 of the Act at present. As agreed by it, the CHPT is advised to comply with Clause 7 of the revised tariff guidelines as and when the port authorises anybody to provide service under Section 42 (3) of the MPT Act, 1963.

Even though the port has confirmed that no activity qualifying under Section 42 (3) of the MPT Act is being carried out in the port limits, it is worthwhile for the port to examine further to see whether stevedoring activity falls under the identified activities under Section 42.

Further, the new development of the port allowing private equipment of cargo handling work should also be taken into consideration. The port should keep a close watch on deployment of private equipment does not result in creation of a few dominant suppliers of equipment having significant influence on hire charges. The port should also examine further to see the hiring of private equipment falls under Section 42 of the MPT Act. If found so, the port should initiate action in terms of revised tariff guidelines to regulate the hire charges for such equipment. Till such exercise is completed, the port must ensure that the hire charges of such private equipment do not exceed the hire charges of comparable equipment available with the port for which rates are prescribed in the Scale of Rates.

- (c). The revised tariff guidelines prescribe tariff validity cycle of three years. Since the financial position considered for the purpose of this analysis is only till 31 March 2008, the validity of the revised Scale of Rates will also expire on 31 March 2008.

13.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the revised Scale of Rates of the CHPT attached as **Annex- II**.

13.2. The revised Scale of Rates will come into effect after expiry of 30 days from the date of its notification in the Gazette of India and shall remain in force till 31 March 2008. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

13.3. The CHPT is directed to file its proposal latest by 31 July 2006 for revision of the levy of stevedoring activity.

(A.L. Bongirwar)
Chairman

		Chennai Port Trust								
						(Rs. in Crores)				
Consolidated Cost Statement for the Port As a Whole										
Sr. No.	Particulars	Actuals				Curr ent year	Estimates furnished by CHPT		Estimates moderated by TAMP	
		2002-03	2003-04	2004-05	2005-06		2006-07	2007-08	2006-07	2007-08
	Traffic Handled (Million Tonnes)	33.69	36.71	43.81	49.00	50.91	53.96	50.91	53.96	
I	Operating Income									
	Cargo handling activity	154.07	165.35	185.27	189.61	189.66	198.39	209.88	223.30	
	Port & Dock activity	81.05	103.64	113.53	122.34	125.44	132.96	137.01	144.02	
	Container handling activity	51.03	65.11	68.65	0.00	90.10	95.51	0.00	0.00	
	Railway activity	45.51	31.72	32.72	32.60	33.00	34.98	39.44	42.25	
	Estate activity	3.81	2.73	3.47	15.93	2.93	3.11	16.58	17.44	
	Total Operating Income	335.47	368.55	403.64	360.48	441.13	464.95	402.91	427.01	
II A	Operating Cost									
	Cargo handling activity	98.83	91.18	95.68	104.67	108.50	115.00	108.50	115.00	
	Port & Dock activity	42.64	38.03	46.65	46.90	50.01	53.01	49.92	53.01	
	Container handling activity	3.55	1.25	0.14	0.15	0.15	0.16	0.15	0.16	
	Railway activity	20.83	18.18	17.71	24.27	22.26	23.60	22.26	23.60	
	Estate activity	2.61	2.15	3.04	3.24	4.32	4.58	3.44	3.67	
	<i>Total A)</i>	168.46	150.79	163.22	179.23	185.24	196.35	184.27	195.44	
B	Depreciation									
	Cargo handling activity	5.13	6.30	8.69	8.71	9.23	9.78	9.23	9.78	
	Port & Dock activity	8.04	9.89	18.09	18.12	19.21	20.37	19.21	20.34	
	Container handling activity	2.14	1.68	2.39	2.40	2.54	2.70	2.54	2.7	
	Railway activity	1.72	1.71	2.41	2.42	2.56	2.71	2.56	2.71	
	Estate activity	0.43	0.37	0.59	0.59	0.63	0.66	0.63	0.66	
	<i>Total B)</i>	17.46	19.95	32.17	32.24	34.17	36.22	34.17	36.19	
	Total Operating Cost (A + B)	185.92	170.74	195.39	211.47	219.41	232.57	218.44	231.63	

III	Gross Operating Surplus	149.56	197.81	208.25	149.01	221.72	232.38	184.47	195.38
IV	A Finance & Miscellaneous Income (excluding Interest)								
	Cargo handling activity	26.05	6.64	14.35	8.49	9.14	9.69	8.28	8.78
	Port & Dock activity	13.70	4.16	8.79	6.03	6.04	6.41	6.04	6.41
	Container handling activity	8.63	2.62	5.32	3.92	4.34	4.60	4.34	4.60
	Railway activity	7.70	1.27	2.53	1.61	1.59	1.69	1.59	1.69
	Estate activity	0.64	0.11	0.27	0.14	0.14	0.15	0.14	0.15
	<i>Total A)</i>	56.72	14.80	31.26	20.19	21.25	22.54	20.39	21.63
	B Finance & Miscellaneous Expenses (excluding Interest)								
	Cargo handling activity	26.01	43.16	38.56	39.91	44.92	47.61	43.01	45.93
	Port & Dock activity	12.19	20.44	21.06	18.93	20.70	21.94	20.70	21.94
	Container handling activity	1.13	0.92	0.64	0.06	0.06	0.06	0.06	0.06
	Railway activity	5.52	8.85	7.70	9.80	9.21	9.76	9.21	9.76
	Estate activity	0.89	1.65	1.77	1.55	1.79	1.90	1.79	1.90
	<i>Total B)</i>	45.74	75.02	69.73	70.25	76.68	81.27	74.77	79.59
	C Allocated Management & General Overheads								
	Cargo handling activity	49.73	54.39	61.30	64.00	64.00	67.83	64.00	67.83
	Port & Dock activity	21.32	22.32	23.52	28.68	29.50	31.26	29.50	31.26
	Container handling activity	0.99	0.25	0.17	0.09	0.09	0.10	0.09	0.10
	Railway activity	10.08	10.52	12.15	14.84	13.13	13.92	13.13	13.92
	Estate activity	2.21	3.14	3.78	2.35	2.55	2.70	2.55	2.70
	<i>Total C)</i>	84.33	90.62	100.92	109.96	109.27	115.81	109.27	115.81
	Total (A - B - C)	-	-	-	-	-	-	-	-
		73.35	150.84	139.39	160.02	164.70	174.54	163.65	173.77
V	Net Surplus (III - IV)	76.20	46.98	68.86	-11.01	57.02	57.84	20.82	21.61
VI	Capital Employed	588.41	507.02	612.83	632.24	683.79	721.39	483.46	447.24
VII	Return on Capital Employed	108.86	93.80	107.25	93.97	102.57	108.21	71.65	66.23

VII	Net Surplus/ Deficit after Return	-	-	-	-	-	-	-	-
I		32.65	46.82	38.39	104.98	45.55	50.37	50.83	44.62
IX	Net Surplus/ Deficit after Return as a % of Operating Income	-	-	-	-	-	-	-	-
		21.19%	28.32%	20.72%	29.12%	10.33%	10.83%	12.62%	10.45%
X	Average Surplus/ Deficit	-	-	-	-	-	-	-	-
		23.41%			29.12%	10.58%		11.53%	

		Chennai Port Trust					
						(Rs. in Crores)	
Cost Statement for the Cargo Handling Activity							
Sr. No.	Particulars	Actuals			Current year	Estimates	
		2002-03	2003-04	2004-05		2005-06	2006-07
I	Operating Income						
	General Cargo including Storage	59.44	68.65	86.35	95.36	107.35	114.37
	Cranage and FLT	5.82	7.28	8.59	8.65	13.11	14.12
	FC Vaigai/ Thangam	0.25	0.80	0.65	0.90	3.92	4.18
	Warehouse	14.84	17.22	18.01	17.5	17.5	18.55
	POL	29.46	27.56	30.32	23.00	23.80	25.23
	Iron Ore	44.26	43.84	41.35	44.20	44.20	46.85
	Total Operating Income	154.07	165.35	185.27	189.61	209.88	223.30
II	A Operating Cost						
	General Cargo including Storage	53.21	49.95	45.28	58.63	61.31	64.99
	Cranage and FLT	9.29	7.04	10.91	7.65	7.71	8.17
	FC Vaigai/ Thangam	0.77	0.74	0.76	1.79	1.54	1.63
	Warehouse	5.30	5.17	5.37	3.34	3.64	3.86
	POL	1.76	1.81	3.21	2.61	3.39	3.59
	Iron Ore	28.50	26.47	30.15	30.65	30.91	32.76
	<i>Total A)</i>	98.83	91.18	95.68	104.67	108.5	115
	B Depreciation						
	General Cargo including Storage	0.85	0.89	0.83	0.83	0.88	0.94
	Cranage and FLT	2.12	1.99	2.93	2.94	3.12	3.30
	FC Vaigai/ Thangam	-	1.40	2.02	2.02	2.15	2.27
	Warehouse	0.07	0.09	0.14	0.14	0.14	0.15
	POL	0.83	0.83	1.21	1.22	1.29	1.37
	Iron Ore	1.26	1.10	1.56	1.56	1.65	1.75
	<i>Total B)</i>	5.13	6.30	8.69	8.71	9.23	9.78
	Total Operating Cost (A + B)	103.96	97.48	104.37	113.38	117.73	124.78

		B)						
III		Gross Operating Surplus	50.11	67.87	80.9	76.23	92.15	98.52
IV	A	Finance & Miscellaneous Income (excluding Interest)						
		General Cargo including Storage	10.05	2.76	6.69	3.85	3.69	3.91
		Cranage and FLT	0.99	0.29	0.67	0.43	0.42	0.45
		FC Vaigai/ Thangam	0.04	0.03	0.05	0.04	0.05	0.05
		Warehouse	2.51	0.69	1.39	0.86	0.84	0.89
		POL	4.98	1.11	2.35	1.13	1.15	1.22
		Iron Ore	7.48	1.76	3.20	2.18	2.13	2.26
		<i>Total A)</i>	26.05	6.64	14.35	8.49	8.28	8.78
	B	Finance & Miscellaneous Expenses (excluding Interest)						
		General Cargo including Storage	12.75	20.20	14.97	21.32	23.47	25.22
		Cranage and FLT	2.56	3.53	4.50	3.09	3.19	3.38
		FC Vaigai/ Thangam	0.18	0.75	0.82	0.72	0.64	0.68
		Warehouse	1.16	1.98	1.70	1.35	1.51	1.60
		POL	0.59	1.07	1.90	1.05	1.40	1.48
		Iron Ore	8.77	15.63	14.67	12.38	12.80	13.57
		<i>Total B)</i>	26.01	43.16	38.56	39.91	43.01	45.93
	C	Allocated Management & General Overheads						
		General Cargo including Storage	21.29	22.08	20.75	35.85	36.16	38.33
		Cranage and FLT	3.72	3.11	5.00	4.68	4.55	4.82
		FC Vaigai/ Thangam	0.32	0.46	0.65	1.09	0.91	0.96
		Warehouse	1.48	1.52	1.62	2.04	2.15	2.28
		POL	0.87	1.06	3.53	1.60	2.00	2.12
		Iron Ore	22.05	26.16	29.75	18.74	18.23	19.32
		<i>Total C)</i>	49.73	54.39	61.3	64.00	64.00	67.83
		Total (A - B - C)	-49.69	-90.91	-85.51	-95.42	-98.73	-104.98
V		Net Deficit (III - IV)	0.42	-23.04	-4.61	-19.19	-6.58	-6.46
VI		Capital Employed	166.42	128.91	138.56	142.95	162.64	150.45
VII		Return on Capital Employed	30.79	23.85	24.25	21.25	24.10	22.28
VIII		Net Surplus/ Deficit after Return	-30.37	-46.89	-28.86	-40.44	-30.68	-28.74
IX		Net Surplus/ Deficit after Return as a % of Operating Income	-19.71 %	-28.36 %	-15.58 %	-21.33 %	-14.62 %	-12.87 %
X		Average Surplus/ Deficit	-21.21 %			-21.33 %	-13.75 %	

			Chennai Port Trust				
							(Rs. in Crores)

Cost Statement for the Port and Dock facility							
Sr. No.	Particulars	Actuals			Current year	Estimates	
		2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
I	Operating Income						
	Berthing & Mooring	22.43	29.65	30.95	33.54	45.48	47.00
	Port Dues	18.81	24.74	26.74	28.75	29.73	31.51
	Towage & Pilotage	39.81	49.24	55.84	60.05	61.80	65.51
	Salvage & Divers	0.0036	0.011	-	-	-	-
	Total Operating Income	81.05	103.64	113.53	122.34	137.01	144.02
II	A Operating Cost						
	Berthing & Mooring	17.12	14.78	17.38	28.39	30.22	32.13
	Port Dues	3.59	3.52	5.81	0.06	0.06	0.06
	Towage & Pilotage	21.93	19.73	23.45	18.41	19.60	20.78
	Salvage & Divers	0.0005	0.0001	0.0067	0.04	0.04	0.0424
	<i>Total A)</i>	42.64	38.03	46.65	46.90	49.92	53.01
	B Depreciation						
	Berthing & Mooring	3.07	2.72	6.74	6.75	7.15	7.58
	Port Dues	0.73	0.79	2.55	2.55	2.70	2.84
	Towage & Pilotage	4.22	6.36	8.78	8.80	9.33	9.89
	Salvage & Divers	0.0163	0.0165	0.02	0.02	0.03	0.03
	<i>Total B)</i>	8.04	9.89	18.09	18.12	19.21	20.34
	Total Operating Cost (A + B)	50.68	47.92	64.74	65.02	69.13	73.35
III	Gross Operating Surplus	30.38	55.72	48.79	57.32	67.88	70.67
IV	A Finance & Miscellaneous Income (excluding Interest)						
	Berthing & Mooring	3.79	1.19	2.40	1.65	1.63	1.73
	Port Dues	3.18	0.99	2.07	1.42	1.43	1.52
	Towage & Pilotage	6.73	1.98	4.32	2.96	2.98	3.16
	Salvage & Divers	0.0006	-	-	-	-	-
	<i>Total A)</i>	13.70	4.16	8.79	6.03	6.04	6.41
	B Finance & Miscellaneous Expenses (excluding Interest)						
	Berthing & Mooring	5.12	8.58	8.60	11.46	12.55	13.3
	Port Dues	0.81	1.38	2.21	0.02	0.02	0.02
	Towage & Pilotage	6.26	10.47	10.25	7.43	8.11	8.6
	Salvage & Divers	0.003	0.005	0.0001	0.02	0.02	0.0212
	<i>Total B)</i>	12.19	20.44	21.06	18.93	20.70	21.94
	C Allocated Management & General Overheads						
	Berthing & Mooring	10.05	12.00	11.91	17.36	17.88	18.95
	Port Dues	0.44	0.42	0.90	0.04	0.04	0.04
	Towage & Pilotage	10.83	9.9	10.71	11.26	11.56	12.25
	Salvage & Divers	0.0014	0.0015	0.0046	0.02	0.02	0.0212
	<i>Total C)</i>	21.32	22.32	23.52	28.68	29.50	31.26
	Total (A - B - C)	-19.81	-38.60	-35.79	-41.58	-44.16	-46.79
V	Net Deficit (III - IV)	10.56	17.13	13.00	15.74	23.72	23.88
VI	Capital Employed	288.86	261.67	353.11	364.30	278.57	257.70
VII	Return on Capital Employed	53.44	48.41	61.79	54.15	41.28	38.16

VIII	Net Surplus/ Deficit after Return	-42.88	-31.28	-48.80	-38.41	-17.56	-14.29
IX	Net Surplus/ Deficit after Return as a % of Operating Income	-100.55%	-82.25%	-104.61%	-81.89%	-35.19%	-26.95%
X	Average Surplus/ Deficit	-95.80%			-81.89%	-31.07%	

		Chennai Port Trust					
						(Rs. in Crores)	
Cost Statement for the Container Handling Activity							
Sr. No.	Particulars	Actuals			Current year	Estimates	
		2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
I	Operating Income (Royalty)	51.03	65.11	68.65	0.00	0.00	0.00
II	Operating Cost						
	Operating Cost	3.55	1.25	0.14	0.15	0.15	0.16
	Depreciation	2.14	1.68	2.39	2.40	2.54	2.70
	Total Operating Cost	5.69	2.93	2.53	2.55	2.69	2.86
III	Gross Operating Surplus (I - II)	45.34	62.18	66.12	-2.55	-2.69	-2.86
IV	A Finance & Miscellaneous Income (excluding Interest)	8.63	2.62	5.32	3.92	4.34	4.60
	B Finance & Miscellaneous Expenses (excluding Interest)	1.13	0.92	0.64	0.06	0.06	0.06
	C Allocated Management & General Overheads	0.99	0.25	0.17	0.09	0.09	0.10
	Total (A - B - C)	6.51	1.45	4.51	3.77	4.19	4.44
V	Net Deficit (III - IV)	51.85	63.63	70.63	1.22	1.50	1.58
VI	Capital Employed	71.19	69.36	67.60	69.74	0.00	0.00
VII	Return on Capital Employed	13.17	12.83	11.83	10.36	0.00	0.00
VIII	Net Surplus/ Deficit after Return	38.68	50.80	58.80	-9.14	1.50	1.58
IX	Net Surplus/ Deficit after Return as a % of Operating Income	75.80%	78.02%	85.65%	-NA-	-NA-	-NA-

I		Operating Income	3.81	2.73	3.47	15.93	16.58	17.44
II		Operating Cost						
		Operating Cost	2.61	2.15	3.04	3.24	3.44	3.67
		Depreciation	0.43	0.37	0.59	0.59	0.63	0.66
		Total Operating Cost	3.04	2.52	3.63	3.83	4.07	4.33
III		Gross Operating Surplus (I - II)	0.77	0.21	-0.16	12.10	12.51	13.11
IV	A	Finance & Miscellaneous Income (excluding Interest)	0.64	0.11	0.27	0.14	0.14	0.15
	B	Finance & Miscellaneous Expenses (excluding Interest)	0.89	1.65	1.77	1.55	1.79	1.90
	C	Allocated Management & General Overheads	2.21	3.14	3.78	2.35	2.55	2.70
		Total (A - B - C)	-2.46	-4.68	-5.28	-3.76	-4.2	-4.45
V		Net Deficit (III - IV)	-1.69	-4.47	-5.44	8.34	8.31	8.66
VI		Capital Employed	22.85	19.88	22.55	23.27	17.79	16.46
VII		Return on Capital Employed	4.23	3.68	3.95	3.46	2.64	2.44
VIII		Net Surplus/ Deficit after Return	-5.92	-8.15	-9.39	4.89	5.67	6.23
IX		Net Surplus/ Deficit after Return as a % of Operating Income	-	-	-270.51%	30.67%	34.19%	35.70%
			155.31%	298.45%				
X		Average Surplus/ Deficit	-			30.67%	34.95%	
			241.42%					

The Chennai Port Trust **Scale of Rates**

CHAPTER - I

1.1. Definitions - General

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

- (i). **“Coastal vessel”** shall mean vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal licence issued by the competent authority.
- (ii). **“Consignment”** shall mean the goods covered by one import or export application’.
- (iii). **“Enclosed Harbour”** shall mean the area within the breakwater upto buoy No.9.
- (iv). **“Foreign-going vessel”** shall mean any vessel other than coastal vessel.
- (v). **“Shift”** shall mean the shift of such hours as may be prescribed by the CHPT from time to time. The shift hours so prescribed by the CHPT are as under:-

I Shift	:	0600 to 1100 hours
	:	1200 to 1400 hours.
II Shift	:	1400 to 1900 hours
	:	1930 to 2200 hours.
III Shift	:	2200 to 0200 hours
	:	0230 to 0600 hours

Unless otherwise specified 'Day' shall be reckoned with from 06.00 a.m. of a day to 06.00 a.m. on the following day.

For purpose of recovering service charges as provided in the various chapters in the Scale of Rates, half-a-shift shall be 4 hours or less in a shift and any period in excess of 4 hours in a shift shall be treated as a full shift. Unless otherwise specified 'half-a-shift' shall be reckoned with as detailed below:

I Shift	First Half	:	0600 to 1000 hours
	Second Half	:	1000 to 1400 hours
II Shift	First Half	:	1400 to 1800 hours
	Second Half	:	1800 to 2200 hours
III Shift	First Half	:	2200 to 0200 hours
	Second Half	:	0200 to 0600 hours

- (vi). 'Wharfage' shall mean the basic dues recoverable on all cargo imported or exported or transhipped or passing through the port, whether porteraged by the CHPT or not.
- (vii). "Port Limit" shall mean Port Limit of CHPT notified by the Central Government in terms of Section 4(2) of the Indian Ports Act, 1908.

1.2. General Terms & Conditions

- (i). 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.
 - (b). A foreign going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.
 - (c). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.
 - (d). In cases of such conversion coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations; immediately thereafter, foreign-going rates shall be chargeable by the discharge ports.
 - (e). 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.
- (ii). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for classifying into 'coastal' or 'foreign-going' category for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

- (iii). (a). Vessel related charges shall be levied on shipowners / steamer agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the market buying rate notified by the Reserve Bank of India, State Bank of India or its subsidiary or any other Public Sector Banks as may be specified from time to time. The date of entry of the vessel into the port limit shall be reckoned with as the day for such conversion.
- (b). Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees based on the market buying rate prevalent on the date of entry of the vessel in case of import containers; and on the date of arrival of the containers into the port in case of export containers.
- (c). The Vessel related charges for all Coastal vessels should not exceed 60% of the corresponding charges for other vessels.
- (d). The cargo / container related charges for all Coastal cargo / containers, other than thermal coal, POL including crude oil, Iron Ore and Iron pallets, should not exceed 60% of the normal cargo / container related charges.
- (e). 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.
- (f). In case of container related charges, the concession is applicable on composite box rate. Where itemized charges are levied, the concession will be on all the relevant charges for ship-shore transfer, and transfer from / to quay to / from storage yard as well as wharfage on cargo and containers.
- (g). For the purpose of this concession, cargo/ container from a foreign port which reaches an Indian Port 'A' for subsequent transshipment to Indian Port 'B' will also qualify insofar as the charges relevant for its coastal voyage. In other words, cargo/containers from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.
- (h). The charges for coastal cargo/ containers/ vessels shall be denominated and collected in Indian Rupee.
- (iv). A regular review of exchange rate shall be made once in thirty days from date of arrival of the vessels in cases of vessels staying in the port for more than thirty days. In such cases the basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.
- (v). (a). For the purpose of calculating the dues the unit by weight shall be 1 tonne or 1,000 kilograms, the unit by volume measurement shall be 1 cubic metre and the unit by capacity measurement for liquids in bulk shall be 1,000 litres.
- (b). In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto 0.5 shall be taken as 0.5 unit and fractions of 0.5 and above shall be treated as one unit, except where otherwise specified.
- (vi). Interest on delayed payments / refunds:
 - (a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the CHPT shall pay penal interest on delayed refunds.

- (b). The rate of penal interest will be 12.25% p.a. The penal interest will apply to both the CHPT and the port users equally.
 - (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 CHPT. 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 aggregate of all charges (including demurrage) payable on any one consignment shall be subject to a minimum of Rs.100. Further, the charges payable shall also be rounded off to the next higher rupee on the grand total of each application / bill etc.
- (viii). No refund shall be made if the amount refundable is less than Rs.100. This limit of Rs.100 shall also be applied for supplementary claims for under charges. This however shall not apply for the provisional Deposits collected for the services in advance.
- (ix). In the case of coal, coke, ores (other than Iron ore by Mechanical handling), Edible oils and other goods in bulk, charges (Wharfage, crantage, demurrage and special services, if any) shall be recovered as per manifested quantity of the vessel.

For purpose of recovery of the charges, except in cases otherwise specified hereinafter the gross and not the net units of each package as specified in the relative invoice or other shipping document shall be taken, subject to a test-check by the CHPT. In the absence of these documents or in the absence of the specification of gross units therein, the units arrived at by actual test-check shall be taken as the gross units.

- (x). Vessel related charges shall be collected based on GRT of the vessel. Deck cargo includes container on deck. Deck cargo shall be exempted from assessment of all vessel related charges.
- (xi) a) Wharfage on Import cargo shall be paid at the rate applicable on the date of commencement of landing of the cargo.
- b) Wharfage on Export cargo shall be paid on admittance of the cargo in to the custom bounded area at the rate prevailing on the date of admittance
- c) The vessels shall pay the port dues on entering in to the port-limits at the rate applicable on the date of entering in to port limit.
- (xii) (i). Wherever a specific tariff for a service/cargo is not available in the notified Scale of Rates, the CHPT can submit a suitable proposal to the TAMP.
- (ii). Simultaneously with the submission of proposal, the proposed rate can be levied on an ad hoc basis till the rate is finally notified.
- (iii). The ad hoc rate to be operated in the interim period must be derived based on existing notified tariffs for comparable services/ cargo; and, it must be mutually agreed upon by the Port/ Terminal and the concerned user(s).

- (iv). The final rate fixed by the TAMP will ordinarily be effective only prospectively. The interim rate adopted in an ad hoc manner will be recognised as such unless it is found to be excessive requiring some moderation retrospectively.
- (xiii) (i). "The rates prescribed in this Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The CHPT may, if it so desires, charge lower rates and/ or allow higher rebates and discounts.
- (ii) The CHPT may also, if it so desires, rationalize 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.
- (iii) Provided that the CHPT should 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."
- (xiv) Service Tax, Educational Cess and any taxes and duties to be levied by the state/ central government shall be collected at the prescribed rate.
- (xv). The users shall not be required to pay charges for delays beyond a reasonable level attributable to the CHPT.

CHAPTER- II

VESSEL RELATED CHARGES

PORT DUES

1.0 Rate of Port Dues for vessels calling at the Port:-

Particulars	Rate Per GRT		Frequency of payment in respect of the same vessel	
	Foreign Going Vessel (in US\$)	Coastal Vessel (in Rs.)	Coastal Vessels	Foreign vessel
Vessels chargeable (All types of sea going vessels including Lash Barges)	0.2300	6.075	The due is payable once in 30 days	The due is payable on each entry into the Port

Notes:

- (1). For oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the 'Remarks' column of its International Tonnage Certificate will be taken to be its gross tonnage for the purpose of levying Port Dues.
- (2). Port dues shall not be levied on the following:

- (i). Any pleasure yacht;
 - (ii). Any vessel, which, having left the port, is compelled to re-enter by stress of weather or in consequence of having sustained any damage.
 - (iii). The following categories of naval vessels are exempted from payment of Port Dues.
 - (a). Vessels of war flying the white ensign belonging to or in the service of the Republic of India.
 - (b). Vessels flying the blue ensign.
 - (c). Men of war belonging to any foreign Prince or State entering the Port.
 - (iv). Vessels belonging to other Indian Ports except private port.
- (3). A vessel entering the Port but not discharging or taking in any cargo or passengers therein (with the exception of such unshipment/reshipment as may be necessary for purposes of repair) shall be charged with only 50% of the Port Dues with which she would otherwise be chargeable.
 - (4). A vessel entering the port in ballast and not carrying passengers shall be charged with only 75% of the Port Dues with which she would otherwise be chargeable.
 - (5). A LASH vessel making a 'second call' to the Port within 30 days to pick up empty and / or laden fleeting LASH barges, but not discharging or taking any cargo or passengers therein shall not be charged any Port Dues. In the event of discharging or taking of any cargo or passenger during the second call, shall be treated as a Vessel entry to the Port and shall pay the Port Dues as applicable.
 - (6). All vessels owned by State/Central Governments other than those specified under note 2 (iii) above are liable for payment of port dues.
 - (7). A coastal vessel, which after paying 50% of the Port Dues as per provisions prescribed at 3 above, re-enters the port within the period of exemption of 30 days with cargo or passengers or in ballast shall be charged the difference viz., 50% of the Port Dues previously conceded.
 - (8). A coastal vessel, which, after paying 75% of Port Dues as per provisions prescribed at 4 above, re-enters the port within the period of exemption of 30 days with cargo or passengers or in ballast, shall be charged the difference, viz., 25% of the Port Dues previously conceded.
 - (9). A vessel landing a passenger at the port without anchoring and proceeding on her voyage is liable to Port Dues in full.

2.0 BERTH HIRE CHARGES

A. Rate of Berth hire charges for Vessels called at the Port excluding Boat Basin & Timber Pond

GRT	Rate per hour or part thereof	
	Foreign-going Vessel (in US\$)	Coastal vessel (in Rs.)
Any volume of GRT	0.00289 per GRT	0.0763 per GRT

- (1). All vessels of war flying the white ensign in the service of the Republic of India but including in times of war, mine sweepers and patrol vessels shall be exempted from the payment of berth hire charges when they occupy berth for a period not exceeding one

month in any case and for a period exceeding one month if there are other moorings available for ordinary steamers, but becomes liable for payment of Berth Hire Charges when they occupy alongside berths. All other vessels belonging to the Central Government or State Government shall pay Berth Hire Charges as per the rates specified in the schedule above.

- (2). A vessel after completion of discharge or loading or ballasting shall call for the Pilot for sailing within 4 Hours (or within such extension granted by the Chennai Port Trust in writing for stated reasons). If the vessel do not call for the Pilot for sailing within the period of 4 Hours after completion of discharge or loading or ballasting or within such extension granted by the Chennai Port Trust or officials authorized by it, the vessel shall pay Additional Berth Hire Charges at the rate of Rs.9983.73 per hour or part thereof for Coastal vessel and US\$ 378 per hour or part thereof for Foreign going vessels for the period from the time of expiry of four hours or such extended time granted by Chennai Port Trust or officials authorized by it till the time of calling the Pilot.
- (3). The Additional Berth Hire Charges specified in Note 2 shall not be charged for the following cases:
 - a. Vessel waiting for tide, draft etc. to sail for the safety of the vessel.
 - b. Strike by the Port employees.
 - c. Loading arm disconnection problem.
 - d. Usage of idle berth with concurrence of Chennai Port Trust or officials authorized by it.
- (4).
 - (i). The Berth Hire Charge shall not be levied after the expiry of 4 Hours from the time of calling for the Pilot for sailing.
 - (ii). A penal berth hire equal to one day's berth hire charge shall be levied for a False call for Pilot.

'False call for Pilot' means when vessel is not ready in all respects but has called for pilot and after boarding the vessel, the Pilot could not sail the vessel, as it was not ready resulting in disembarkation of the pilot from the vessel without sailing/shifting.
- (5). Priority / Ousting Priority Charges in addition to Normal Berth Hire Charges as stated below or as and when changed by the Govt. or appropriate authority will be applicable:
 - (a) For providing the "priority berthing" to any vessel, a fee equivalent to berth hire charges for a single day or 75 percent of the berth hire charges calculated for the total period of actual stay at the berth, whichever is higher shall be levied.
 - (b) For providing the "ousting priority" to any vessel, a fee equivalent to berth hire charges for a single day or 100 per cent of the berth hire charges calculated for the total period of actual stay at the Berth whichever is higher shall be levied. In addition, for providing "Ousting priority" to any vessel, the charges for 'shifting in' and 'shifting out' of the vessels shall be collected.
 - (c) The fee for according priority / ousting priority as indicated above shall be charged for all the vessels except the following categories:
 - (i). Vessels carrying cargo on account of Ministry of Defence.
 - (ii). Defence vessels coming on goodwill visits.

- (iii). Vessels hired for the purpose of Antarctica expedition by Department of Ocean Development.
 - (iv). Any other vessel for which special exemption has been granted by the Ministry of Shipping.
- (6) In respect of Vessels coming under Berth Reservation Scheme the berth reservation charges shall be paid as per the scheme and direction issued by the government from time to time.
- (7) No berth hire will be charged when the vessels idle at the CHPT's berths when operations cannot take place due to breakdown of the port equipment or power failure or any other reasons attributable to CHPT.

B. Berth Hire Charges for vessels berthed at Timber Pond and Boat Basin:-

- (1) Vessels belonging to Coast Guard Service and any other vessels which are not registered under the Harbour Craft Rules for the Port of Chennai, other than the Merchant Vessels and the non-commercial powered harbour crafts belonging to the Central Government or a State Government such as the launches of the Defence Service, the Customs, the Police and the Port Health Department that are plying and stationed at the said port for their Departmental use concerning the Port Operations, shall pay:-

Berth hire charges at the rate of Rs.65.62 per hour or part thereof per vessel or craft, or barge etc as the case may be, for occupying Boat basin and Timber Pond.

C. Charges for the Harbour Craft registered under Harbour Craft Rules for berthing at anywhere in the Port:-

- (1) Any powered harbour craft registered under the Harbour Craft Rules for the Port of Chennai other than non-commercial powered harbour craft belonging to the Central Government or a State Government, plying in the Port shall pay berth hire charges either at the rate of Rs.2100/- per calendar month or part thereof or Rs.3.93 per hour or part thereof per craft at the option of the owner of the craft and the said option once exercised by the owner shall be final.

D. ANCHORAGE FEE

Sl. No.	Particulars	Rate applicable	
		Foreign going (US\$)	Coastal (Rs.)
1.	For anchoring at mooring point within the Enclosed Harbour	0.0011	0.0291
2.	For anchoring at any point other than mooring point outside the Enclosed Harbour	0.0006	0.0158

Note: The above charges at Sl.No.2 will be collected, for the vessel shifted out of the Enclosed Harbour for any reasons and re-berthed. No vessel shall be allowed to anchor in the outer anchorage without a designated Steamer Agent.

3.0 PILOTAGE FEES

3.1. a) RATE OF PILOTAGE FEES FOR OTHER THAN IRON ORE VESSELS CALLED AT THE PORT

Item No.	Size of vessel	Rate per GRT	
		Foreign-going vessel (in US\$)	Revised Coastal vessel (in Rs.)
I.	Upto 3,000 GRT	0.389	10.27
II.	3,001 to 10,000 GRT	0.269	7.10
III.	10,001 to 15,000 GRT	0.310	8.19
IV.	15,001 to 30,000 GRT	0.357	9.43
V.	30,001 to 60,000 GRT	0.507	13.39
VI.	Over 60, 000 GRT	0.587	15.50

b) RATE OF PILOTAGE FEES FOR IRON ORE VESSELS BERTHED AT THE IRON ORE BERTH AT BHARATHI DOCK

	Size of vessels	Rate per GRT	
		Foreign-going vessel (in US\$)	Coastal vessel (in Rs.)
I.	Upto 3,000 GRT	0.267	7.05
II.	3,001 to 10,000 GRT	0.185	4.89
III.	10,001 to 15,000 GRT	0.213	5.63
IV.	15,001 to 30,000 GRT	0.247	6.52
V.	30,001 to 60,000 GRT	0.349	9.22
VI.	Over 60,000 GRT	0.402	10.62

3.2. Rate of Pilotage Charges for Hot move/ Cold move operations

Sl. No.	Particulars	Operations	
		Hot Move	Cold Move
1.	Inward Pilotage	50%	100%
2.	Outward Pilotage	50%	100%

Note: The above percentage of charges shall be applied on the rates of Pilotage Fee prescribed at 3.1 (a) and 3.1 (b).

General Notes:

- (1). Pilotage fee shall include services of ports' pilot(s); and, provision of required number of tug/tugs, launches with the crew for inward and outward pilot(s) movement.
- (2). In case of any shifting made on the request of the Steamer Agent shifting charges shall be levied as per the rates prescribed.
- (3). Shifting of a vessel to outer anchorage other than port convenience shall be considered as a pilotage action. Hence, reentry of the vessel under the same port entry, pilotage fees afresh shall be payable.
- (4). If a vessel is shifted to the outer anchorage at the request of the user, the user shall pay an Additional Pilotage Fee.
- (5). For vessels upto 3000 GRT i.e., in Item No.I of Clause 3.1.(a) the Minimum charges under this Schedule shall be US\$ 714.42 for foreign-going vessels and Rs.18,869.26 for Coastal Vessels.
- (6). For vessels of 3,001 GRT and upto 10,000 GRT in Item No.II of Clause 3.1. (a) the Minimum charges under this Schedule shall be US\$ 865.25 for foreign-going vessels and Rs.22,852.98 for Coastal vessels.
- (7). A fee at half the rates payable for pilotage shall be levied in respect of the following vessels:
 - (i). For mooring a vessel outside the limits of port when it does not enter or leave it for example VLCC vessels and giant tankers. This provision is not applicable for vessels that are shifted to outer anchorage from berth and again from outer anchorage to berth.
 - (ii). If in case of any vessel in her voyage at this port, only one way Pilotage is involved.
 - (iii). In cases of vessels, where the services of either the Pilot or the Tug alone are involved.
- (8). In the case of pilots whose services have been requisitioned but not utilised within 30 minutes from the time of boarding the vessel, the following charges shall be levied:

Services	Rate	
	Foreign-going vessel (in US\$)	Coastal vessel (in Rs.)
Pilots whose services have been requisitioned but not utilised after the Pilot has boarded a vessel.	89.30	2358.59

The rates specified above shall be levied not only in cases of cancellations of requisition for outward pilotage of vessels but also for the cancellations of requisitions for shifting of berths of vessels and re-mooring or for turning a vessel around in her berth or for re-mooring a vessel in the same berth due to position of heavy lifts.

- (9). Special Charges:

- (i). A fee of US\$ 45.379 in respect of a foreign-going vessel and Rs.1198.55 in case of coastal vessel shall be levied for each hour or part of an hour that a pilot is kept waiting on board any vessel at the Port of Chennai beyond thirty minutes after boarding such vessel.
- (ii). The charge for towage of a sailing vessel within the limits of the Port of Chennai shall be US\$ 22.75 for foreign going vessel and Rs.600.87 for coastal vessel per hour subject to a minimum of US\$ 11.38 for foreign going vessel and Rs.300.57 for coastal vessel for a duration of 30 minutes and less. Charges for the period in excess of this duration shall be levied at the rate fixed for one hour or part thereof.

4.0 OTHER CHARGES

4.1 Rate of Shifting Charges

Item No.	Size of vessels	Rate per GRT	
		Foreign-going vessel (in US\$)	Coastal vessel (in Rs.)
I.	Upto 30,000 GRT	0.0515	1.360
II.	30,001 to 60,000 GRT	0.0515*30000 + 0.0411*GRT exceeding 30000	1.360 * 30000 + 1.086*GRT exceeding 30000
III.	Over 60,000 GRT	0.0515*30000 +0.0411*GRT exceeding 30000 0.0360*GRT exceeding 60000	1.360 * 30000 + 1.086*GRT exceeding 30000+0.951*GRT exceeding 60000

Notes:

- (1). For shifting a vessel from stream to berth or from berth to stream or change of berths or anchorages, shifting charges shall be levied. The shifting charges shall be levied on all acts of shiftings, which exclude the inward and outward movements connected with the pilotage.
- (2). In case of first shifting on the User's request, 100% Shifting Charge shall be levied, if the shifting is in Cold Move. Any subsequent shifting on User's request on Cold Move, 200% Shifting Charge shall be levied.
- (3). Turning round of a vessel within berth on the request of the Agent shall also be considered as a shifting.
- (4). No separate charges shall be levied for shifting of any vessel for port convenience.
 - (a). Port convenience is defined to mean of the following:
 - (i). If a working cargo vessel at berth or any vessel including transhippers at anchorage / mooring buoys is shifted / in berthed for undertaking work / hydrographic survey work or for allotting a berth for the dredger or for attending to repairs to berths, maintenance and such other similar works whereby shifting is necessitated, such shifting shall be considered as "SHIFTING FOR PORT CONVENIENCE". The shifting made to

reposition such shifted vessel shall also be considered as "SHIFTING FOR PORT CONVENIENCE".

- (ii). If a working cargo vessel is shifted from berth to accommodate, on ousting priority vessels which are exempted from bearing shifting charges, such shifting shall be treated as PORT CONVENIENCE.
- (iii). In case of transhippers, however, all acts of shifting are chargeable.
- (iv). Whenever a vessel is shifted form berth to accommodate another vessel on ousting priority, the vessel shifted is exempted from the payment of shifting charges since the same is paid by the vessel enjoying the ousting priority or the shifting is treated as for PORT CONVENIENCE when the priority vessel is exempted from payment of such charges. However, this benefit will not be applicable in the following cases:
 - (a). Non-cargo vessels which in any case have to vacate the berth when cargo vessels arrive.
 - (b). Vessels using the berth exclusively for overside loading / discharge.
 - (c). Vessels which are idling at berth without doing any cargo handling operations.
- (v) Whenever a vessel is shifted to accommodate another vessel which cannot be berthed at other berths, due to LOA / Draft restrictions.
- (vi) Whenever a vessel is shifted to accommodate another vessel having priority at the adjacent berth and unless that vessel is shifted, the vessel enjoying priority cannot be berthed at the adjacent berth due to length restrictions
- (vii) In the event of occupying of 'any other cargo vessel' in a designated berth for a specific cargo due to non-availability of vessel for the specific cargo, the other cargo vessel working at the designated berth may be shifted to any other berth fallen vacant after the berthing of the other cargo vessel in the designated berth to accommodate the specific cargo vessel in the designated berth, provided no other cargo vessel waiting for the vacant berth shall be berthed in the said vacant berth in the normal turn. In the event of normal turn of berthing of the specific cargo vessel, if the designated berth is not vacant, the shifting of other cargo vessel from the designated berth shall be made as Port convenience to accommodate the specific cargo vessel.

4.2 Rate for supply of water to shipping

Item No.	Description	Unit	Rate	
			Foreign-going vessel (in US\$)	Coastal vessel (in Rs.)
1.	Water supplied to shipping by the CHPT alongside quays except at Bharathi Dock	Per 1,000 litres or part thereof	3.00	79.23
2.	Water supplied to shipping at moorings including tanker moorings and Bharathi Dock	-do-	4.00	105.64

4.3 Fees for salvage of goods:

Item No.	Value of Goods Salvaged	Rate of Salvage Charges	Minimum Charges payable
1.	Less than Rs.1,000	58.08 Per Cent ad valorem	Subject to a minimum of Rs.475.20
2.	Rs.1,000 and more but less than Rs.5,000	47.52 Per Cent ad valorem	Rs.1056.00
3.	Rs.5,000 and more but less than Rs.10,000	39.6 Per Cent ad valorem	Rs.4224.00
4.	Rs.10,000 and more but less than Rs.20,000	31.68 Per Cent ad valorem	Rs.7128.00
5.	Rs.20,000 and more but less than Rs.50,000	18.48 Per Cent ad valorem	Rs.10692.00
6.	Rs.50,000 and over	13.20 Per Cent ad valorem	Rs.14916.00

Note: These charges include the cost of ordinary diver's charges but are exclusive of any special charge which may be necessary in certain case, such as the use of tugs, barges or other crafts which will be charged at actual cost or at the rates set forth in the Port's Scale of Rates, as the case may be. In case of goods liable to damage by water, the above percentage shall be recovered on the sale value or Customs valuation, as the case may be.

4.4 DIVER'S CHARGES:

Item No.	Period	Rate per hour or part of an hour (in Rs.)	Week days between 6 a.m. to 6 p.m.	Sundays and Board's Holidays between 6 a.m. to 6 p.m.	Minimum Charges (in Rs.)
			Minimum Charges (in Rs.)	Rate per hour or part of an hour(in Rs.)	
1.	Upto a maximum of four Indress hours	792.00	1584.00	1188.00	2296.80
2.	In excess of the above	1188.00	-	1742.40	-

Note: (1). The Diver's charges specified above shall be levied in all cases of diving work carried out on special requisitions for the services of the Port Submarine Diver irrespective of the results of search or examinations by the Divers. Where a search is undertaken for recovery of goods lost over board and such goods are recovered, charges as for salvage shall be levied.

- .(2). When the diving boat is towed by a launch, the towage charges shall be levied extra

CHAPTER - III

CARGO RELATED CHARGES

SCALE 1 - Schedule of wharfage charges

Item no.	Nomenclature	Unit	Rate (in Rs.)	Revised Rate for Coastal Vessel (in Rs.)
1.	Acids of all kinds :	1 Tonne	63.80	38.28
2.	Animals, birds and reptiles alive (per animal)	Each	28.60	17.16
3.	Asbestos, Cement, Clinker lime and limestone and Product.	1 Tonne	28.60	17.16
4.	Baggage and personal effects not accompanying bonafied passengers and seamen	Per Package	71.39	42.83

5.	Bricks and tiles - ordinary	100 or part thereof	5.72	3.43
6.	Cereals and pulses of all kinds	1 Tonne	28.60	17.16
7	Chemicals of all sorts including Carbon black and gas of all kinds except medicines, chemical manures - Not in Bulk	Ad valorem	0.65%	0.39%
7-A	Chemicals of all sorts including Carbon black and gas of all kinds except medicines, chemical manures - in Bulk	1 Tonne	96.80	58.08
8.	Thermal Coal	1 Tonne	23.00	23.00
8-A	Coal other than thermal coal, coke of all kinds and charcoal of all kinds	1 Tonne	23.00	13.80
9.	Common Salt	1 Tonne	17.16	10.29
10.	Conveyance - Various types, parts and accessories:-			
	a) Powered two wheeled vehicles	Each	285.56	171.33
	b) Jute, Hemp and their manufactures Auto Rickshaws and other three wheeled vehicles including their chassis on wheels	Each	713.90	428.34
	c) (i). Motor cars, Jeeps, Van and Tourist Caravans loaded or unloaded by the RORO system	Ad valorem	0.33%	0.20%
	(ii). Motor cars, Jeeps, Vans and Tourist Caravans loaded or unloaded other than by RORO system	Each	2855.60	1713.36
	d) (i). Motor vehicles like buses, dumpers, lorries, tractors, trucks, chassis & trawlers - without load - By RORO system	Ad valorem	0.33%	0.20%
	(ii). Motor vehicles like buses, dumpers, lorries, tractors, trucks, chassis & trawlers - load - By RORO system	Ad valorem	0.43%	0.26%
	e) Motor vehicles like buses, dumpers, lorries, tractors, trucks, & trawlers - Other than RORO system	Each	5711.20	3426.72
	f) Chassis of vehicles in item No.(e) above on wheels	Each	2855.60	1713.36
	g) Railway coaches and wagons	Each	14278.00	8566.80
	h) Locomotives	Each	21417.00	12850.20
	i) Vehicles not specified above and parts and accessories of conveyances, tubes and all earth moving equipments like Excavators, Pay loaders Bulldozers, Dozers, Poclainers, FLT's, TLT's, Reach Stackers etc. excluding rubbers tyres and tubes	Ad valorem	0.43%	0.26%
11	Cotton - Raw, Jute, Hemp and their manufactures	1 Tonne	85.69	51.41
12.	Drugs, medicines and medical stores and appliances	Ad valorem	0.14%	0.08%
13.	Fish,fresh-dried-salted-others, Fish maws, Shrimps and prawn-fresh-dried-salted - others, Frog legs and other similar items Fresh and processed	1 Tonne	27.17	16.30
14.	Hides and Skins-Clippings and Cuttings-Tanned and Untanned	1 Tonne	28.60	17.16

15	Iron and steel materials including Galvanized Steel, Pig iron and ingots, Tin plates, Lead material of all types	1 Tonne	42.90	25.74
15-A	Alloy steel, Stainless Steel and Metals not otherwise specified - Ingots and products	1 Tonne	71.39	42.83
16.	Leather, Leather goods including footwear of all kinds	Ad valorem	0.14%	0.08%
17.	Machinery of all kinds including Electrical, Electronic goods, wires, cable and parts & accessories thereof	Ad valorem	0.22%	0.13%
18.	Manure of all kinds-Fertilisers-Fertiliser Raw Materials, Rock phosphate, MOP, SOP and sulphur etc.	1 Tonne	28.60	17.16
19.	Metal scrap of all kinds	1Tonne	28.60	17.16
20.	Metals-Precious-Silver, Gold and Platinum	Ad valorem	3.22%	1.93%
21.	Molasses in bulk	1,000 Litres	34.32	20.59
22.	Oil-Animal or Vegetables - Not in Bulk	Ad valorem	0.65%	0.39%
22-A	Oil-Animal or Vegetables - In Bulk	1 Tonne	55.00	33.00
23.	Oil-Dangerous-Mineral-Crude-in bulk	1 Tonne	36.30	36.30
24.	Oil-POL Products in liquid including Kerosene, Lubricating oil and Lube base stock in bulk other than Crude Note: Wharfage @ Rs.10/- for 1000 litres shall be leviable on the cargo of CPCL	1,000 Litres	36.30	36.30
25	Oil-Heavy petroleum, i.e. petroleum products having flash point above 65 °C (149 °F)- in bulk	1,000 Litres	32.67	32.67
25-A	Oil-Heavy Petroleum, i.e.petroleum products having flash point above 65 °C (149 °F) - Not in bulk	1 Cubic Metre	53.24	53.24
25-B	Oil-Lubricating including Lube-base-stock-Not in bulk	1 Cubic Metre	55.66	55.66
26	Ores and minerals of all kinds including sized kerb stones / cobble stones for Export	1 Tonne	16.50	16.50
26-A	Ores and minerals of all kinds in bulk for imports	1 Tonne	28.60	28.60
27.	Paper of all kinds	1 Tonne	42.90	25.74
28.	Provisions, groceries, oilman stores including sugar, condiments, food and flour of all kinds, fruits & vegetables including coconuts, onions, spices and garlic other than cereals & pulses of all kinds	1 Tonne	35.75	21.45
29.	Rubber, Raw	Ad valorem	0.43%	0.26%
29-A	Rubber - Manufactured	Ad valorem	0.14%	0.08%
30.	Stones-Sculptural, engraved slabs, dressed	1 Tonne	49.94	29.96
31.	Stores - Naval and Military including arms, ammunitions and explosives of all kinds, Tank and Tank parts	1 Tonne	85.69	51.41
32.	Textiles and yarn of all kinds and all manufactures thereof	Ad valorem	0.14%	0.08%
33.	Timber (in logs)	1 Cubic Metre	25.30	15.18
34.	Timber of all kinds other than in logs including plywood, wood pulp and Boards.	1 Tonne	42.90	25.74
35.	Tobacco - raw, leaf and manufactured	Ad valorem	0.14%	0.08%

36	Items not otherwise specified – in Bulk	1 Tonne	47.08	28.24
36-A	Items not otherwise specified - Other than Bulk	Ad valorem	0.57%	0.34%

N.A. - NOT APPLICABLE

Notes:

- (1). Import cargo covered by Oversight Delivery Order (ODO) and all Bulk cargoes (Import/Export) are not taken charge by the CHPT.
- (2). In respect of palletised cargo on the export side the unit of pallets used for palletisation shall be excluded for reckoning the unit for purposes of recovery of (a) Wharfage, and (b) Demurrage and crange, if any.
- (3). (i). Ad valorem Levy:- The percentage rate of 'Ad valorem' unit shall be as follows :
 - (a). Goods imported:- The percentage levy shall be on C.I.F. value as assessed by Customs for import goods.
 - (b). Goods exported:- The percentage levy shall be on F.O.B. value as assessed by Customs for export goods.
 - (c). Coastal goods:- The value to be taken for Ad valorem levy shall be as given in the Coastal Bill of Lading / Invoice.
- (ii). In case of the goods not otherwise specified, where the value of the cargo could not be assessed, the wharfage shall be collected on weight under Item 36 & 36-A.
- (4). In cases, where unit of wharfage has to be assessed on ad valorem basis, the value of the cargo to be reckoned with shall be rounded off to the next higher rupees.
- (5). Before classifying any cargo under 'goods not otherwise specified, the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in the schedule given above.
- (6). Wharfage at 66.67% of the rates prescribed in the schedule shall be levied for oil fuel shipped for bunkers.
- (7). In respect of Iron Ore including Pellets, other ores, all types of Coal and Coke, shredded scrap, fertilizer of all forms and if any other new Dry Bulk cargo creating pollution, handled in Bulk in the inner harbour, a Pollution Levy @ Rs5/- per MT shall be collected in addition to normal wharfage charges as specified under Scale-1. In case of new Dry Bulk cargoes, as regards creation of pollution, the decision of Board of Chennai Port Trust shall be final.

- (8). In case of cargo for other ports landed from vessel in distress and reshipped without having left the CHPT's premises, wharfage shall be levied only once on landing.
- (9). In case cargo loaded into a vessel and subsequently unloaded due to various reasons, no wharfage shall be levied if the cargo is reshipped in the same vessel without leaving the port's premises. Wharfage shall, however, be levied again if the cargo is reshipped in another vessel.

SCALE - 2 - Wharfage on Transshipment goods

Sl. No.	Category	Rate
1.	of other ports landed and reshipped / transshipped.	7 per tonne
2.	other than mineral oil in bulk, of other ports transshipped direct from ship to ship.	2 per tonne
3.	manifested for 'local' and subsequently amended at Chennai for 'transshipment'.	Wharfage rate as prescribed in Scale 1 both on landing and on shipment.
(a).	Mineral in bulk, transshipped direct from ship to ship.	Wharfage rate as prescribed in Scale 1 on the transshipped units.
b).	Pumped from the vessel to the terminal tanks of oil companies and then pumped to vessels for shipment to another Port in India.	Wharfage as per Scale 1 only on the Oil discharged and 'NIL' at the time of export.
c).	Petroleum products / oil pumped into the Terminal Tank of oil companies from the hinter land, when shipped later / for shipment to other countries	Wharfage as per Scale 1 at the time of export from this Port on the quantity shipped.
It is the responsibility of the Steamer Agents to shift transshipment cargo for shipment when the vessel on carrier vessel is berthed at a berth different from the one where the transshipment cargo is landed and lying.		

SCALE - 3 - GOODS FREE OF WHARFAGE

No.	Classification for purposes of this Scale
1.	Goods imported by rail and sent out by rail or road, which have been stored in any space, open or covered licensed on monthly or annual basis.
2.	Goods consigned to or by the CHPT and goods consigned in the name of Government of India

	on Chennai Port Trust account.
.	accompanying livestock and not manifested as cargo.
.	ng collected from the Board's premises.
.	rejections.
.	belonging to the oil installations passing through the CHPT's premises in railway wagons without being unloaded.
.	rne goods missent to the harbour or rejected by the consignee.
.	Containers (Empty or Loaded) not manifested for transshipment but merely transferred from one hatch to another of the same vessel without being landed on the quay or on the barge/lighter.
.	le ships' fittings, ships' stores, unmanifested dunnage and provisions for the use of ships other than bunkers.
0.	le passengers' and seamen's baggage and personal effects accompanying them.
1.	bags or packets, manifested or unmanifested.
2.	al baggage, horses and carriages accompanying the Defence Personnel, other than Civil Staff moving on duty embarking or disembarking and animals meant for providing food.

SCALE 4 - CHARGES FOR HANDLING IRON ORE THROUGH MECHANISED ORE HANDLING PLANT

Item No.	Description	Unit	Rates (in Rs.)
1	Ore shipped through mechanical ore handling system at Bharathi Dock	per tonne or part thereof	85.00
2.	Charges for cleaning the ore handling system for receiving and shipment of iron ore fines/calibrated iron ore.	tonne or part thereof	2.00
3.	Port Levy	tonne or part thereof	5.00
4.	Port Charges including Haulage	tonne or part thereof	15.00

Notes :

- (1). The rate specified at item (1) is inclusive of all operations from the time of tipping the iron ore from the wagon by the wagon tippler to putting it into the holds of the vessel, cleaning the system, cleaning the spillages, dust and trimming operations of the Ship if

any required and Wagon damages, but exclusive of all the Railway Operations connected with the movement of iron ore for which charges are leviable as per the Scale of Rates.

- (2). A rebate of 40% in item (1) and (2) at Rs.34.80 per tonne shall be given for the quantity of Iron Ore manually unloaded from Wagons at the Royapuram Railway Yard or any place and intercarted to the mechanical ore handling plant through trucks for shipment at the cost of exporters.
- (3). This rebate will be allowed only when the wagon tippler and stacker can not be spared by the Port for reasons like maintenance, overhaul and repairs or non-availability of these equipment because of being hired by another party.

**SCALE 5 - Wharfage on containers and containerised cargo.
Charges against masters, owners or agents of vessels or importers or shippers for services rendered to containers and containerised cargo passing through the port.**

Item No.	Classification	Rate per Container (in Rs.)		
		Upto 20 feet in length	Above 20 feet and Upto 40 feet in length	Above 40 feet in length
1.(i).	Wharfage on cargo containerised in ONE FCL CONTAINER (Import or Export)	500	750	1,000
(ii). (a)	Wharfage on cargo containerised in ONE LCL CONTAINER (Import or Export) in cases when no destuffing / stuffing is done inside the port premises	500	750	1,000
(ii). (b)	Wharfage on cargo containerised in ONE LCL CONTAINER in cases when the cargo is destuffed / stuffed for delivery / shipment inside the port premises.	Wharfage as per classification under Scale 1 in Chapter-III.		
(iii).	Wharfage on container BOX ONLY (Import or Export)	40	60	80

SCALE 6 - CHARGES FOR CONTAINER STORAGE

No.	Particulars	Rate per container per day or part thereof (in US\$)
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		upto 20' in Length	20' and upto 40' in length	Above 40' in length
1.	- FCL, LCL & Empty			
	upto 3 days	Free	Free	Free
	4-15 days	2.50	5.00	7.50
	16-30 days	5.00	10.00	15.00
	Beyond 30 days	10.00	20.00	30.00
2.	- FCL, LCL & Empty			
	upto 7 days	Free	Free	Free
	8-15 days	2.50	5.00	7.50
	16-30 days	5.00	10.00	15.00
	Beyond 30 days	10.00	20.00	30.00
3.	Import & Export - Loaded & Empty			
	upto 15 days	Free	Free	Free
	16-30 days	2.50	5.00	7.50
	31-45 days	5.00	10.00	15.00
	Thereafter	10.00	20.00	30.00
4.	Shipment - Loaded & Empty			
	upto 30 days	Free	Free	Free
	31-45 days	2.50	5.00	7.50
	46-60 days	5.00	10.00	15.00
	Thereafter	10.00	20.00	30.00
5.	Out - Loaded & Empty			
	upto 15 days	2.50	5.00	7.50
	16-30 days	5.00	10.00	15.00
	Thereafter	10.00	20.00	30.00
6.	Change of status to local delivery			
	upto 3 days	Free	Free	Free
	4-15 days	2.50	5.00	7.50
	16-30 days	5.00	10.00	15.00
	Beyond 30 days	10.00	20.00	30.00

Notes:

- (1). Storage period for a container shall be reckoned with from the day following the day of landing upto the day of loading / delivery / removal of container.

- (2). For purposes of calculation of free time, Customs notified holidays and port's non working days shall be excluded.
- (3). Transshipment containers whose status is subsequently changed to local FCL/LCL/ICD shall lose the concessional storage charges. The storage charges for such containers shall be recovered at par with the relevant import containers storage tariff.
- (4). Normal import containers subsequently changing the mode to either LCL or ICD containers will enjoy the free period applicable to local FCL Containers.
- (5). Total storage period for a shut out container shall be calculated from the day following the day when the container has become shut out till the day of shipment / delivery.
- (6). The storage charges on abandoned FCL containers/shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the date of landing of container, whichever is earlier subject to the following conditions:
 - (i). The consignee can issue a letter of abandonment at any time.
 - (ii). If the consignee chooses not to issue such letter of abandonment, the container Agent/MLO can also issue abandonment letter subject to the condition that:
 - (a). the Line shall resume custody of container along with cargo and either take back it or remove it from the port premises; and,
 - (b). the Line shall pay all port charges accrued on the cargo and container before resuming custody of the container.
 - (iii). The container Agent / MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charge on container shall be continued to be levied till such time all necessary actions are taken by the shipping lines for destuffing the cargo.
 - (iv). Where the container is seized/confiscated by the Custom Authorities and the same cannot be destuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the date the Customs Order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and destuffing. Otherwise, seized/confiscated containers should be removed by the Lines/consignee from the port premises to the Customs bonded area and in that case the storage charges shall cease to apply from the date of such removal.

SCALE - 7

Special Port Service Charges on Rail borne goods passing through the Port other than Iron Ore handled at MOHP

Classification for purpose of this Scale	Unit	Charge payable
Railborne goods passing through the Port other than Iron Ore handled at MOHP, both inwards and outwards	Per tonne or part thereof	Rs.7.50

Notes:

The above charge does not include the charges payable on the railborne goods towards Haulage, demurrage, etc.

The above charges are not applicable to rail borne containerised goods.

SCALE - 8

Charges for hire of Mobile cranes and fork lift trucks for landing, shipment and delivery

Item No.	Classification for purposes of this Scale	Unit	Rate per hoist (in Rs.)	Coastal Rates (in Rs.)
(i)	Upto 1 tonne per package	per tonne or part thereof	46.32	27.79
	Over 1 Tonne and upto 5 Tonnes per package	-do-	79.92	47.95
	Over 5 Tonnes and upto 10 Tonnes per package	-do-	142.80	85.68
	Over 10 Tonnes and upto 15 Tonnes per package	-do-	210.00	126.00
	Over 15 Tonnes and upto 30 Tonnes per Package	-do-	279.00	167.40
(ii)	Items on which wharfage is quoted 'per each' in Scale-1 of Chapter III	25% of the wharfage		

Notes:

- (1). The charges specified under the sliding scale above shall be subject to a minimum of Rs.64.80/- per consignment.
- (2). No charge shall be levied for the goods consigned to or by the CHPT and goods consigned in the name of Government of India on Chennai Port Trust Account.
- (3). (a) In case of direct delivery / shipment from the ship's own derricks or Port's wharf crane, no crange charges shall be levied for stacking and delivery / off loading and feeding to the hatch.
 (b) In case of delivery / shipment directly from hook point without stacking / routing through the Transit Area, one crange charge for delivery / shipment shall be recovered in the event of supply of Port's equipment.
 (c) In case of normal delivery / shipment routed through Transit Area, two crange charge for stacking and delivery / off loading and feeding to the hatch shall be levied when Port's crane is used.
- (4). The Private cranes shall be allowed on the request of the party for port operations on payment of 10% of the charges specified in the Scale of Rates.

SCALE - 9

Charges for hire of wharf cranes for landing and shipment

Cranes over and above one wharf crane that is included in Berth Hire shall be provided on requisition on payment of following charges.

Item No.	Category	Charge payable per Crane requisitioned by each applicant and supplied	
		Foreign-going Vessel	Coastal Vessel
1	Upto 10 tonne capacity	Rs.3822.00 per shift subject to a minimum of Rs.1974.00 per half of a shift or part thereof.	Rs.2293.20 per shift subject to a minimum of Rs.1184.00 per half of a shift or part thereof.
2	Over 10 tonnes but not exceeding 15 tonnes capacity	Rs.8400 per shift subject to a minimum of Rs.4200.00 per half of a shift or part thereof.	Rs.5040.00 per shift subject to a minimum of Rs.2520.00 per half of a shift or part thereof.

Note:

1. Any plant or equipment lifted on or lifted off aiding the process of landing from or landing of cargo into the vessels shall not be charged separately provided the charge has been recovered as part of the Berth Hire Charges in the case of first crane or separately hired in the case of additional wharf cranes.
2. However, for work unrelated to cargo handling operations carried out using wharf cranes, necessary charges shall continue to be recovered on per shift / half shift basis as per the Scale of Rates.

SCALE - 10

Charges for hire of Mobile cranes and fork lift trucks for purposes other than landing, shipment and delivery

Item Number and Description	Unit	Charges payable
1. Upto 5 tonnes capacity	Crane or Fork Lift Truck per shift	6 subject to a minimum of Rs.1638.00 per half shift.
2. Over 5 tonnes but not exceeding 10 Tonnes capacity	Crane or Fork Lift Truck per shift	8 subject to a minimum of Rs.2184.00 per half shift.
3. Over 10 tonnes but not exceeding 15 tonne	Crane or Fork Lift Truck per shift	4.00 subject to a minimum of Rs.4998.00 per half shift.
4. Over 15 tonnes and upto 30 tonnes	Crane or Fork Lift Truck per shift	90.00 subject to a minimum of Rs.7,266.00 per half shift.

General notes for Scale 9 and 10 above:

- (1). Grab Hire Charges according to the grab capacity as prescribed else where in the Scale of Rates shall be collected in addition to charges recovered under Scale 1, Chapter III of Scale of Rates.
- (2). If cancellation order is not received before the commencement of the shift charges for one shift shall be levied where requisition is for one and more shift and charges for half a shift shall be levied where requisition is for half a shift.

- (3). Supply of cranes/fork lift trucks normally hired out by the CHPT is not guaranteed. They will be supplied only if available. The CHPT shall not be responsible to the hirer or any person for any loss or damage or injury to life or property arising directly or indirectly from the use of the cranes/fork lift trucks or breakdown of any sort or any demurrage which may occur or result from non-supply or delay in supply or by the use or due to failure of the cranes/fork lift trucks at any stage during the period of its supply on hire. The hirer is liable for any damage caused to the Cranes/Fork Lift Trucks during the subsistence of hire and shall make good all damages, whether by accident, by fire or otherwise (fair wear and tear excepted). The hirer shall indemnify the CHPT against all loss or damage or injury to life arising directly or indirectly from the use of the cranes/fork lift trucks during the period of hire to any property belonging to the CHPT including the cranes/fork lift trucks under hire or to any other person or property or breakdown or any demurrage incurred on cargo. The hirer shall also indemnify the CHPT for all liabilities under the Workmen's Compensation Act.

The cost of repair and damage cost to the port equipment shall be recovered by the Port trust.

When the repair is made through a contractor, the actual amount paid to the contractor plus 20% overhead charge shall be collected from the party who caused the damage.

While the repair is made departmentally, the direct cost, indirect charges and 20% overhead thereon (direct cost and indirect cost) shall be collected from the party. When the party has fully damaged the equipment, the value as ascertained by an Independent Loss assessor / Valuer appointed by the Trust shall be recovered from the party including the cost of such survey or valuation.

- (4). Whenever the CHPT's Cranes are used in carrying out the repairs by the CHPT of the plants, machinery, floating crafts, etc., of outside parties, charges leviable shall be reckoned on hourly basis for the actual number of hours involved (per hour or part thereof) i.e., the charges for the above services shall be reckoned with at one - eighth of the shift rates prescribed in the scale above for each hour or part thereof of the actual services involved.

SCALE - 11

Charges against masters, owners or agents of vessels or importers or shippers for the use of 50 tonne crane at SQ 1 and floating crane

I. 50 Tonne Crane at SQ 1 :

Weight of each package	Rate per tonne or part thereof (in Rs.)	Coastal rate per tonne or part thereof (in Rs.)
Upto 10 tonnes	374.40	224.64
Over 10 tonnes and but not exceeding 15 tonnes	421.20	252.72
Over 15 tonnes but not exceeding 30 tonnes	558.00	334.80
Over 30 tonnes but not exceeding 50 tonnes	882.00	529.20

Notes:

- (1). Except when hired for delivery, a minimum charge of Rs.3715.20 per requisition will be levied for the use of crane.

- (2). When the crane is requisitioned but not utilised, a charge of Rs.3715.20 will be levied, unless 4 hours clear notice is given during the CHPT's ordinary working hours cancelling the requisition.
- (3). Only one lift at a time shall be slung for discharge or loading; but when two or more lifts made up into one sling are discharged or loaded by the crane, then the cramage charges are recoverable at the rate applicable to the total weight of such lift.
- (4). Whenever packages weighing above 30 tonnes are landed or shipped or directly delivered or directly loaded by Ship's own derricks at SQ 1 only without the use of the CHPT's 50 Tonne crane, charges shall be recovered at 50% of the rates as specified above excepting for export of granites stones".

This charge shall not however be levied in the following cases:-

- (a). In cases where the heavy lift is discharged by derricks into or loaded by derricks from barges, subject to the barge being released or loaded by the use of the CHPT's heavy lift cranes on payment of the normal heavy lift crane charges as per Scale above.
 - (b). In cases where the heavy lift cranes though requisitioned for landing or shipment of package weighing above 30 tonnes, but could not be spared by the CHPT for reasons like maintenance, overhaul repairs, non-availability of the cranes because of being hired by another party etc., as certified by the CHPT or the official authorized by it, and when the heavy lifts have to be landed or shipped necessarily by the use of the ship's own derricks.
 - (c). In case of containers either empty or loaded with cargo landed or shipped by the use of the Ship's own derricks / private cranes.
- (5). (a). In cases of 'normal delivery', charges shall be recovered for the actual services rendered.
(b). In case of 'direct delivery' by Port's 50 Tonne crane, cramage charges shall be recovered from Steamer Agents for landing.
 - (6). The Private cranes shall be allowed on the request of the party for port operations on payment of 10% of the charges specified in the Scale of Rates.

II. 150 tonne Floating Crane

Weight of each package	Rate per tonne or part thereof (in Rs.)	Coastal rate per tonne or part thereof (in Rs.)
Upto 30 tonnes	1002.00	601.20
Over 30 tonnes, but not exceeding 60 tonnes	1670.00	1002.00
Over 60 tonnes, but not exceeding 100 tonnes	2338.00	1402.80
Over 100 tonnes	3257.00	1954.20

Notes:

- (1). Except when hired for delivery, a minimum charge of Rs.2322/- per requisition will be levied for the use of crane.

- (2). When the crane is requisitioned but not utilised, a charge of Rs.2322/- will be levied, unless 4 hours clear notice is given during the CHPT's ordinary working hours cancelling the requisition.
- (3). Only one lift at a time shall be slung for discharge or loading; but when two or more lifts made up into one sling are discharged or loaded by the crane, then the cramage charges are recoverable at the rate applicable to the total weight of such lift.
- (4). Whenever packages weighing above 30 tonnes are landed or shipped or directly delivered or directly loaded by Ship's own derricks without the use of the 150 Tonne F.C., charges shall be recovered at 50% of the rates as specified above excepting granites stones for Export".

This charge shall not however be levied in the following cases:-

- (a). In cases where the heavy lift is discharged by derricks into or loaded by derricks from barges, subject to the barge being released or loaded by the use of the CHPT's heavy lift cranes on payment of the normal heavy lift crane charges as per Scale above.
 - (b). In cases where the heavy lift cranes though requisitioned for landing or shipment of package weighing above 30 tonnes, but could not be spared by the CHPT for reasons like maintenance, overhaul repairs, non-availability of the cranes because of being hired by another party etc., as certified by the CHPT's Chief Mechanical Engineer, CHPT and when the heavy lifts have to be landed or shipped necessarily by the use of the ship's own derricks.
 - (c). In case of Containers either empty or stuffed with cargo landed or shipped by the use of the ship's own derricks / private cranes.
- (5). (a). In cases of 'normal delivery', charges shall be recovered for the actual `services rendered.
 - (b). In case of 'direct delivery' by Port's floating crane, cramage charges shall be recovered from Steamer Agents for landing.
- (6). The Private cranes shall be allowed at the request of the party for port operations on payment of 10% of the charges specified in the Scale of Rates. The parties shall be allowed to bring their own equipment if those equipments are not available with the port trusts. If the equipments are available with the Port Trust and not made available to the party due to its break down planned maintenance or having been hired to other party, the 10% charge specified above shall not be collected.
 - (7) For working of 150 Ton FC during the 2nd and 3rd shifts on any working day and during any shift on a Sunday or a CHPT Holiday, a fee of Rs10000/-- per shift or part thereof shall be levied. This fee will be in addition to the cramage charges as per Scale-11 above or as per Scale-6 (Category-I) of Chapter-VI.

General note applicable for 50 tonne crane and 150 tonne floating crane.

- (1). Loads heavier than the Safe Working Load shall not be put on the equipment hired out or on the auxiliary hooks provided to the equipment.
- (2). The hirer shall be liable for the damages, if any, as specified under note (6) below, which will include as well the compensation, if any, payable by the Port under its rules,

regulations, practices, or any settlement or otherwise for injury or loss of life sustained by any employee or any other person as also medical expenses, if any, incurred due to the accident.

- (3). (a). The cramage charge on packages discharged from or loaded into a ship by the Floating Crane shall cover the use of the crane for moving the package from the ship to shore or shore to ship, as the case may be.

(b). When barges are supplied for conveyance or heavy lift packages lifted by the floating Crane between the ship and the shore, no charges will be levied towards hire of the barges.
- (4). If the crane hired by the Steamer Agents for discharge or shipment of packages, lands or lifts any such package directly into or from the road or rail vehicles for purpose of delivery or taking over for the shipment, then the importers or shippers will not be charged separately for the use of the crane in respect of any such package.
- (5). The discharge or loading of lifts from or into vessels will be performed under the directions of the Stevedores employed on the vessels. All other handlings of lifts will be performed under the supervision of CHPT or any such official to whom power may be delegated by it who may refuse to work the crane, if in his opinion, the safe and proper precautions are not being taken.
- (6). Supply of cranes normally hired out by the CHPT is not guaranteed. They will be supplied only, if available. The CHPT shall not be responsible to the hirer or any person for any loss or damage or injury to life or property arising directly or indirectly from the use of the crane or breakdown of any sort or any demurrage which may occur or result from non-supply or delay in supply or by the use or due to failure of the cranes at any stage, during the period of its supply on hire. The hirer is liable for any damage caused to the cranes during the subsistence of hire and shall make good all damages, whether by accident, by fire or otherwise (fair wear and tear excepted). The hirer shall indemnify the CHPT against all loss or damage or injury to life, arising directly or indirectly from the use of the crane during the period of hire to any property belonging to the CHPT including the crane under hire or to any other person or property or breakdown or any demurrage incurred on cargo. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the CHPT. The hirer shall also indemnify the CHPT for all liabilities under the Workmen's Compensation Act.

The cost of repair and damage cost to the port equipment shall be recovered by the Port. When the repair is made through a contractor, the actual amount paid to the contractor plus 20% overhead charge shall be collected from the party who caused the damage. While

the repair is made departmentally, the direct cost, indirect charges and 20% overhead thereon (direct cost and indirect cost) shall be collected from the party. When the party has fully damaged the equipment, the value as ascertained by an Independent Loss assessor / Valuer appointed by the Trust shall be recovered from the party including the cost of such survey or valuation.

- (7). The cranes hired shall not be used by the hirer for purposes other than that for which application was made, except in cases of direct loading or unloading as specified in condition (4) above.

CHAPTER IV

Demurrage Charges

Demurrage is chargeable on all goods left in the CHPT's transit sheds or Yards beyond the expiry of the free days. After demurrage begins to accrue no allowance is made for Customs notified holidays or port's non working days 'Day' for purposes of this Chapter shall be reckoned with as from 6 a.m to 6 a.m.

SCALE 1 Free Days (Imports)

- (1). Dangerous / Explosive goods:- The demurrage will accrue from the day following the complete discharge of the dangerous / explosive cargo.
- (2). Sweepings collected from the CHPT's premises:- Ten days excluding Customs notified holidays and port's non working days are allowed free for sweepings of a particular commodity of a particular vessel, collected from the port's premises after the last date of clearance of the original commodity of that vessel which has caused the sweepings.

- (3). Goods landed in excess, or under 'Nil' mark, etc.: -
- (a). Goods landed in excess of the manifested quantity are free for six days calculated from the date following the issue of vessel's out turn, by the CHPT excluding customs notified holidays and port non-working days.
 - (b). Goods under 'Nil' mark or with marks differing from the manifest which are adjusted against the manifested quantity on amended delivery orders issued by the Steamer Agents are free upto six working days in the case of coastal cargo and seven working days in the case of foreign cargo excluding customs notified holidays and port non-working days after the date of complete discharge of a vessel's cargo.

- (4). Abandoned goods:

Abandoned and uncleared/unclaimed goods sold by the CHPT in public auction:- In respect of abandoned and uncleared/unclaimed goods listed for public auction by the CHPT, the demurrage leviable shall be limited to six months from the date of its accrual, or to the date of receipt of intimation of abandonment in the Harbour Office, in writing, whichever is earlier.

The limiting of demurrage to six months, as per the above provision, is not admissible in cases of abandoned uncleared / unclaimed goods listed for public auction by the CHPT, where there is a request from the Steamer Agent concerned for withdrawing the goods from the sale at any stage in the process of arranging the auction sale of goods, by the CHPT. In such cases demurrage shall be reckoned with upto the date of receipt of intimation of abandonment, if any, in the Harbour Office, in writing, tendered to the CHPT by the Steamer Agents concerned after the request for withdrawing the goods from the sales, or upto the date of sale by the CHPT, whichever is earlier.

- (5). Salvaged goods:- The free period of two working days in the case of coastal and three working days in the case of foreign cargo will count from the day following the notification of salvage by the Receiver of Wrecks in the Tamil Nadu Government Gazette, or from the day following the date on which the advice of the salvage of goods is sent, by the Receiver of Wrecks to the Steamer Agent concerned, or the consignee of the goods or their Clearing Agent, whichever is earlier.

- (6). Direct Delivery of cargo:

Whenever packages are directly delivered on to the parties vehicle and not moved out of port premises within 24 hours from the time of directly loading on to the parties vehicle, demurrage charges shall be collected for such packages after expiry of 24 hours from the time of directly loading on to the parties vehicle at the rates specified in Scale 6 below in this Chapter.

(7). Goods sold in Auction:

Goods sold in auction shall be allowed three free days excluding Customs notified holidays and port's non working days from the date of confirmation of sale and thereafter the successful bidder shall be charged at daily rates as per Scale 4 of this Chapter upto and including the date of clearance by the successful bidder.

(8). Cargo other than mentioned above:

- (a). Seven working days in the case of coastal cargo and seven working days in the case of foreign cargo excluding customs notified holidays and port non-working days are free after complete discharge of a vessel's cargo, or the date when the last package was put over side.
- (b). Different Free days shall also be declared in respect of coastal cargo or foreign cargo as the case may be ex. one vessel in the same voyage at different berthings.
- (c). Whenever discharge of Import cargo is suspended or stopped for more than 48 hours for any reason not attributable to CHPT, free days shall also be declared for the cargo already handled. Free days for the balance cargo shall be declared after discharge.
- (d). Sweepings collected on Board the vessel:- The number of free days excluding Customs notified holidays and port's non working days as applicable to (a) above.
- (e). Survey goods:
 - (i). The same number of days is free as is allowed under (a) above.
 - (ii). In respect of goods surveyed on the last free day, no demurrage will be levied if such goods are removed on the working day next succeeding that on which they were surveyed.

(iii). In the case of salvaged goods detained for survey, seven days excluding Customs notified holidays and port's non working days will be allowed from the day following the notification of salvage by the Receiver of Wrecks in the Tamil Nadu Government Gazette, or from the day following the date on which the advice of the salvage of goods is sent by the Receiver of Wrecks to the Steamer Agent concerned, or the consignee of the goods or their Clearing Agent, whichever is earlier.

(9). The following free periods are allowed in addition to the free periods applicable as per description of goods:

(a). For periods of detention during which goods are detained by the Commissioner of Customs for the purpose of special examination involving analytical or technical tests other than the ordinary process of appraisement and certified by the Commissioner of Customs to be not attributable to any fault or negligence on the part of the Importers and

(b). Where goods are detained by the Commissioner of Customs on account of Import Control formalities and certified by the Commissioner of Customs to be not attributable to any fault or negligence on the part of the Importer, for such period of detention under 9 (a) and (b), the demurrage charges shall be recovered as under:

First 45 days	: Free
46 days to 60 days	: 25% of actual demurrage charges
61 days to 90 days	: 50% of actual demurrage charges
Beyond 90 days	: 100% of actual demurrage charges

Actual demurrage charges at full rate shall be worked out as per Scale of Rates at the appropriate slab as applicable after 45 days and the concessional rate mentioned above shall be applied thereon on the full demurrage charges leviable.

The first 45 days shall be reckoned with as follows:

- (i). first 45 days after expiry of free days if cargo detained by the Customs before expiry of free days and
- (ii). first 45 days from the date of detention if cargo is detained by the Customs after accrual of demurrage charges.

The detention certificate for availing the above concession shall be submitted within a period of six months from the date of clearance of goods.

- Note :**
1. The above time limits will be inclusive of all holidays.
 2. The time limits can be relaxed in case of Acts of God or of extraordinary circumstances beyond human control.
- (c). In case the cargo is condemned as unfit for human consumption by the PHO and destroyed ultimately by the Chennai Port Trust, levy of demurrage is limited to six months from the date of its accrual or the date prior to the date of condemnation by the PHO, whichever is earlier.
- (d). Three working days shall be given free for tracing the packages from the date of receipt of enquiry in Harbour office in writing, for the packages unable to be traced owing to congestion of accommodation, wrong sorting or incorrect tallying.
- (10). Unserviceable empty drums and empty bottles and similar unmanifested articles, sold by Captains of vessels frequenting the Port, are free for a period of six working days excluding Sundays and CHPT non-operational days Holidays after the date of their landing.

SCALE 2 - Free Days (Exports)

- (1). (a). Export cargo for a vessel other than containerised Export Cargo shall be allowed.
- (i). A free period of thirty days (excluding customs notified holidays and port non-working days) from the actual day of receipt of the goods in transit area restricted to the day prior to the date the vessel commences Loading of Export Cargo
 - (ii). From the day the vessel commences loading of Export cargo; to the day the vessel completes loading shall also be free period.

- (b). The free days admissible on containers and export cargo, awaiting stuffing into the containers shall be as provided under Clause 1 (a) supra read with the provision for Dwell Time charges on containers prescribed elsewhere.

(2). Goods not shipped and removed outside:-

- (a). Goods shutout by the ship or prevented from shipment by Act of God, such as cyclone, grounding of vessels, etc., and removed outside, shall be allowed in addition to the free days referred to under Clause 1 above, two days (excluding customs notified holidays and port non-working days) next to the day of completion of taking in of exports by the vessel.
- (b). Goods not shipped for any other reasons than above excluding sweepings, shall be allowed the same free days as under item 1.
- (c). Three days excluding customs notified holidays and port non-working days-are allowed free for sweepings of a particular commodity of a particular vessel collected from the CHPT's premises after the last date of shipment of the original commodity of that vessel which has caused the sweepings.

(3). Salvaged Goods:-

Three days excluding customs notified holidays and port non-working days will count as free, from the day following the notification of salvage by the Receiver of Wrecks in the Tamil Nadu Government Gazette or from the day following the day on which the advice of the salvage of the goods is sent by the Receiver of Wrecks to the Steamer Agent concerned or the Shipper of the goods or the Shipping Agent, whichever is earlier.

Note: - Export cargo may be admitted without reference to the vessel by which the cargo is to be exported.

(4). Goods detained by Customs:-

For periods of detention - during which the goods are detained by the Commissioner of Customs for the purpose of analytical test or technical tests, other than the ordinary process of appraisal and certified by the Commissioner of Customs to be not attributable to any fault or negligence on the part of the Exporter, for such periods of detention, the demurrage charges shall be recovered as under:

First 45 days : Free

46 days to 60 days	: 25% of actual demurrage charges
61 days to 90 days	: 50% of actual demurrage charges
Beyond 90 days	: 100% of actual demurrage charges

Actual demurrage charges at full rates shall be worked out as per Scale of Rates at the appropriate slab as applicable after 45 days and the concessional rate mentioned above shall be applied thereon the full demurrage charges leviable.

The first 45 days shall be reckoned with as follows;

- (i) first 45 days after expiry of free days if cargo detained by the Customs before expiry of free days; and,
- (ii) first 45 days from the date of detention if cargo is detained by the Customs after accrual of demurrage charges.

The detention certificate for availing the above concession shall be submitted within a period of six months from the date of clearance of goods.

- Note :** (i). The above time limits will be inclusive of all holidays.
(ii). The time limits can be relaxed in cases of Acts of God.

SCALE 3 - Confiscated goods

- (1). For the goods confiscated by Customs, the normal dues accrued on the goods from the date of expiry of the free days upto the date of confiscation (or) for the first four months from the date of expiry of free days whichever is earlier shall be recovered from the Customs as pre-confiscation charges on the goods.
- (2). Post-confiscation charges shall also be recovered on the confiscated goods from the Customs as Storage charges from the date of confiscation upto the date of removal of goods to Custom Warehouse on daily rate basis as per rates given in Scale 4 below. In addition to the Storage charges, removal charges @ Rs.20/- per package weighing upto half-a-tonne and Rs.230/- per tonne or part thereof for packages weighing more than half-a-tonne shall also be recovered.
- (3). The CHPT dues accrued on the confiscated goods upto the date of confiscation shall also be limited to the extent of amount available from the Customs from the proceeds of sale of confiscated goods and the balance dues may be treated as remitted.

SCALE 4 - Due on goods confiscated by customs / goods sold in auction

Item No.	Description of packages	Charge payable per day or part thereof
1.	Bags, Bales, Cases, Crates, Casks, kegs, drums, jars, Machinery unpacked and articles not enumerated	Rs.30 per tonne or part thereof
2.	Carriages and motor cars	Rs.150.00 each

SCALE 5 - Free days (Transshipment goods)

Transshipment goods shall be allowed a free period of fifteen days (excluding Customs notified holidays and port's non working days) from the date following the date of expiry of free days admissible as import cargo as per classification under Scale '1' of this Chapter.

SCALE 6 - Demurrage charges

When recoverable	Charge payable per wharfage unit per day or part thereof
Import goods left lying in the CHPT Transit area beyond the expiry of the free days	---
the first 7 days after the expiry of the free days	Rs.11.80
the next 10 days	Rs.23.60
(iii) For the next 30 days	Rs.35.40
thereafter	Rs.59.00
Import goods and transship goods left lying in the Transit Area beyond the expiry of the free days	Rs. 3.60
Imports awaiting stuffing in the containers in the transit area.	Rs. 3.60
In cases where the wharfage is based on per each unit and on Ad valorem demurrage shall be reckoned with on gross weight (per tonne or part thereof.)	

Notes:

- (1). If at any time CHPT should apprehend serious congestion in its transit areas to the detriment of the rapid transit of goods through the Port, it may direct the owners or consignees of any specified goods to remove such goods from the CHPT's premises within a given time; and should the goods not be so removed the CHPT may charge them demurrage thereon upto Rs.72 per unit per day until the goods shall have been

removed from the CHPT's premises. Also, if the aforesaid charge should prove inadequate to ensure the removal of the goods, the CHPT may itself remove them from the transit areas at the expense of the owners and shall stack them in any space within its premises at the risk of the owners.

- (2). Goods sold in auction and lying in the Returned Stores Yard shall be allowed three free days excluding Sundays and CHPT's non-operational days from the date of confirmation of sale and thereafter shall be charged storage charges at Rs.16 per 100 Sq. Metres or part thereof, per day or part thereof including the date of clearance by the successful bidder.
- (3). No demurrage shall be charged on goods consigned to or by the CHPT and goods consigned in the name of Government of India on Chennai Port Trust account.
- (4). The demurrage shall not accrue for the period during which the CHPT is not in a position to deliver cargo/ containers for reasons attributable to it when requested by the user.

CHAPTER V

CHARGES FOR SPECIAL SERVICES

SCALE - 1

LABOUR CHARGES FOR THE SUPPLY OF MAZDOORS FOR PURPOSES OTHER THAN LANDING AND SHIPMENT

Particulars	Charges payable
(1). Charges to be recovered per mazdoor per shift or part thereof	Existing daily wages of mazdoors

SCALE - 2
CHARGES IN RESPECT OF CHPT LABOUR REQUISITIONED FOR WORKS INCLUDING CONTAINERS AND SUPPLIED BUT NOT FULLY OR PROPERLY UTILISED.

Item No.	Classification for purposes of this scale	Charges Payable	
		Foreign-going vessel	Coastal vessel
1.	Port CHPT mazdoor sent away or not required, after shore work shall have commenced at the start of each shift.	Existing daily wages of Mazdoors	Existing daily wages of Mazdoors
2.	Allowances for working of two hooks simultaneously at a vessel's hatch.	Rs.21.20 per each CHPT Shore Mazdoor employed at the hooks.	Rs.14.20 per each CHPT Shore Mazdoor employed at the hooks.
3.	Allowances for working of more than two hooks simultaneously at a vessel's hatch.	Rs.39 per each CHPT Shore Mazdoor employed at the hooks.	Rs.26.60 per each CHPT Shore Mazdoor employed at the hooks.

Note: If the labour requisitioned for work at hooks / container for a shift is to be cancelled, one and a half hours' prior notice must be given in writing to the CHPT, before the commencement of the shift. If cancellation orders are not received in time, charge will be levied for the full period requisitioned.

SCALE - 3
CHARGES FOR REMOVAL OF GOODS

Particulars	Unit	Charges Payable
Goods removed by the CHPT from the Transit Area in the case of import and exports after the expiry of the free days in the case of import and export.	Per Unit or part thereof for each removal	Rs.100/-

Notes:

1. The above charge is inclusive of the charges for the Cranes/Fork Lift Trucks involved in the removal operation in the Transit Area and in the Overflow Area.
2. The above fees are not chargeable in the case of imports lying in the Transit area, which are removed within free days to overflow area.

CHAPTER VI
MISCELLANEOUS CHARGES

SCALE 1 - Scale of licence fee for space allotted under monthly licence and under annual licence

Item No.	Description of space	Unit	Licence Fee
1(a)	Open space	100 Sq.mtrs.or part thereof	Rs.2,000/- per calendar month or part thereof
(b)	Open space hardened with water bound		Rs.3,800/- per calendar month

	Macadam Surface.	"	or part thereof.
2.	Open space in the Transit Area for Export Cargo (Barytes, Lumps, Quartz, etc.)	100 Sq.mtrs. or part thereof	Rs.1,300/- for every ten days or part thereof of a calendar month
3.	Track length at any of the CHPTs Railway Sidings	1 running metre or part thereof	Rs. 600/- per calendar month or part thereof.
4..	Covered Space	10 Sq.mtrs. or part thereof	Rs. 600/- per calendar month or part thereof
5.	Open sided shed	10 Sq. mtrs. or part thereof	Rs. 400/- per calendar month or part thereof
6.	Buildings allotted for use as office accommodation		
(a).	Buildings on Rajaji Salai or adjacent to Port's limits.	Per Sq.mtrs. or part thereof	Rs.200/- per calendar month or part thereof.
(b).	Buildings with RCC Roof and terrace within the port used for office use.	"	Rs.160/- per calendar month or part thereof.
(c).	Buildings with ACC sheet and any other similar roofing like G I sheet within the Port.	"	Rs.120/- per calendar month or part thereof.
7.	Covered space declared as private bonded area (by arrangements between the custom and private Agencies)	Rs.3500/- per calendar month or part thereof	Per 50 sq.mtr. or part thereof.
8.	Open space declared as private bonded area (by arrangements between the custom and private Agencies)	Rs.2400/- per calendar month or part thereof	Per 100 sq.mtr. or part thereof.

Note: 1. The rate of Rs.1300/- under item number 2 above shall be applicable for a period of every ten days, i.e. 3slabs of 1st to 10th, 11th to 20th and 21st to the last day of the month or part thereof of every such slab period.

General Note:

All the conditions/ notes stated hereinunder to govern the rates prescribed in Scale 1 and Scale 2 (Miscellaneous Charges) of Chapter VI shall apply to the extent they are not inconsistent with the conditions prescribed in the Land Policy guidelines announced by the Government in February/ March 2004. Incase of disagreement, the conditions prescribed by the government in the Land Policy guidelines shall prevail.

CONDITIONS FOR LICENSING OF SPACE

1. Applications for the allotment of space should be made in writing by the owners before the deposit of goods, stating their acceptance of all risks and responsibility for goods so stored. Transit area within 100 metres from the berth shall not be licensed for storage of import/ export cargo.
2. It shall be in the CHPT's discretion to consent or to refuse to allot space on terms of Licence.

CONDITIONS FOR LICENSING OF SPACE BY THE CHPT UNDER MONTHLY LICENCE UPTO ELEVEN MONTHS:

- (i). Licensed space shall not be sub-let.
- (ii). Encroachment or unauthorised occupation of the Trust's land and stacking of cargo on the Trust's land and stacking of cargo on the Trust's Railway tracks, plants, equipment, etc., causing obstruction to the movement of traffic by the licensee will involve a liability to pay a penalty at the rate not exceeding ten times the licence fee laid down in the Trust's Scale of Rates, in addition to the cost of rectifying damages caused to the Trust's properties. If the licensee fails to remove the cargo, from the encroached area in spite of notice to do so, the cargo will be removed elsewhere by the Trust at the risk and cost of the licensee and penal licence fee at the rate not exceeding ten times the normal rate will be levied on the space occupied by the cargo so removed.
- (iii). Goods stored under the monthly licence shall be at the entire risk and responsibility of the licensees. The licensees shall post their own watch to safeguard the goods stored at their allotted space and to prevent any unauthorised occupation of such space by others.
- (iv). The licensees shall not construct or put up any building, erection or convenience on space occupied under monthly licence except on the written permission of the CHPT. The licensees shall agree to remove such building, erection or convenience on the space, restore the space to its original condition at the time of termination of the licence and if the licensees fail, the Trust will arrange for removal of such erection at the cost, risk and responsibility of the licensees.
- (v). Fees or charges shall be paid from the date of allotment of space in accordance with the rate laid down in the CHPT's Scale of Rates and shall be remitted for each calendar month in advance to the CHPT.
- (vi). The Licensees shall vacate the space occupied by them if the monthly licence is not renewed and in case the licensees fail to hand over the space in vacant possession on the date of expiry of the monthly licence granted after removing such of the structures or constructions put up, the CHPT shall have the right to remove such structures and the goods stored in such space to any other alternative open or covered space in any part of the CHPT's premises at the cost, risk and responsibility of the licensees and in addition, the CHPT shall charge a penalty at rates not exceeding ten times the normal fees leviable under the CHPT's Scale of Rates for the period the goods may have remained within the CHPT's premises beyond the period for which the monthly licence was granted.
- (vii). The monthly licence shall lapse automatically at the expiry of the calendar month for which it has been issued. If the licensee requires a renewal of the licence, an application for renewal duly accompanied by the receipt for payment of the advance fee must be made seven days before the expiry of the period of the monthly licence. Failure to apply for renewal of the monthly licence within the stipulated time, forwarding the required receipt for the remittance of the fees and charges, will involve a liability to pay a penalty at rates not exceeding ten times the rate of the normal fees leviable under the CHPT's Scale of Rates.
- (viii). No licensee shall convert the space allotted to him/them into private bonded area except with the written permission of the CHPT. The CHPT, shall, in addition to the fees leviable for such space, levy such penalty not exceeding ten times the normal fees leviable under the CHPT's Scale of Rates on their failure to obtain the prior written permission from the CHPT.
- (ix). "Subject to the provisions of section 59 of the Major Port Trusts Act, 1963, in this regard, all licensees shall deposit with the CHPT an amount equivalent to 3 months fee on space allotted to them under the monthly licence as a guarantee for the due and faithful performance of the conditions set forth in the monthly licence and the deposit will be

returned when the space is vacated finally, less any amount that may be due to the CHPT.

- (x). The CHPT shall have the right at any time to resume possession of space wholly or partly which is not occupied by the licensees, in which event a proportionate reduction in fee will be allowed.
- (xi). The licensees shall agree to comply with all rules or directions issued by the CHPT from time to time. Should the licensees neglect to comply with such rules or directions, the CHPT may terminate the licence.
- (xii). The licensees shall comply with all rules or regulations that may from time to time be issued by the Corporation of Chennai or the Inspector of Explosives, Department of Explosives, Government of India, or whomsoever concerned in relation to the storage of the goods under the monthly licence.
- (xiii). " Under monthly licence, the licence period shall not exceed 11 months at a time. Subsequently, the licence could be renewed for a maximum period of 22 months at two terms of 11 months each. Security deposit equal to 3 months licence fee shall be collected in advance. The Port may at any time with a notice of 2 months resume the property for good and sufficient reasons to be recorded. The licence fee is subject to revision of rates by TAMP from time to time."

General conditions in respect of Licensing of Space for period of one year and above but below 3 years, Covered Space (Warehouse) and Covered Space other than warehouse.

1. The licensee shall be liable for the following:

- (a) To pay the licence fees for three months in advance as security deposit which shall be repaid on the termination of the licence, provided that should the licensee be in arrears of licence fee, the arrears are liable to be deducted from the advance made under this Clause.
- (b) In the event of the licence being terminated by the licensee by giving the required notice within the period of the first year of the licence to make good the difference in the licence fee between the rate of licence fee per 100 /10 square metres allotted or part thereof per calendar month or part thereof leviable for occupation for a period less than one year and licence fee per 100 /10 square metres allotted or part thereof per calendar month or part thereof mentioned in the licence, from the date of commencement of the licence to the date of vacation of the space allotted.
- (c) In the event of a new or increased tax, rate assessment or outgoing of any description payable either by licensor or licensee being imposed in future upon the said premises by any other authority than the licensor to pay the new imposition, or the amount by which the present imposition, is increased, as the case may be.

- (d) To give the Port Trust Fire Service the right of unrestricted access to the said premises.
- (e) Not to use the said premises or any part thereof or suffer the same to be used otherwise than for the purpose for which the premises has been licensed without the consent in writing of the licensor first had and obtained.
- (f) To apply and pay for all licenses and permits that may from time to time be required under the provisions of the law for the time being in force for the purpose of using the said premises as aforesaid.
- (g) Not to sublet or underlet, transfer or Mortgage, assign to or induct into create a charge on or part with the use possession of the said premises or any part thereof to any person or persons whomsoever.
- (h) Not to carry on any business, occupation or operation within the said premises or any part thereof outside the working hours from time to time laid down by the licensor except and until they shall have received permission so to do from the CHPT or any such official to whom powers may be delegated by it.
- (i) Not to keep or permit to be kept in the said premises any materials of a dangerous nature or the keeping of which may contravene any Act or local regulations.
- (j) **Not to carry on or permit upon the said premises or any part thereof any offensive, noisy or dangerous trade, business or occupation or use the same for any other purpose than that for which the premises has been licensed.
- (k) To comply with any rules or regulations which may be framed by the licensor in connection with the checking of goods entering or leaving the said premises.
- (l) To hold the licensor free from all risk and responsibility in respect of the goods stored in the said premises whether the same shall be lost or damaged by any cause whatsoever.
- (m) To vacate the space occupied by the licensee if the licence is not renewed and in case the licensees fail to hand over the space in vacant possession on the date of expiry of the licence granted after removing such of the structures or constructions put up, the CHPT shall have the right to remove such structures and the goods stored in such

space to any other alternative open or covered space in any part of the CHPT's premises at the cost, risk and responsibility of the licensees, and in addition, the CHPT may charge a penalty at rates not exceeding ten times the normal fees leviable under the CHPT's Scale of Rates for the period the goods may have remained within the CHPT's premises beyond the period for which the licence was granted.

** Applicable only to plots adjoining the petroleum installation on the south side of the Licensor's premises.

2. PROVIDED ALWAYS and it is hereby mutually agreed as follows:-

- (a) If the licensee shall make default in payment of the whole or any part of the said monthly licence fee in advance on the days herein before mentioned whether formally demanded or not or shall become insolvent or shall go into liquidation whether voluntarily or compulsorily other than for purposes of re-construction or shall make any arrangement with their creditors or shall assign, underlet, transfer or part with the possession of the said premises or any part thereof or shall allow any offensive or dangerous goods to be stored or stacked in the said premises or shall allow any offensive or dangerous business to be carried on therein or shall neglect to perform or observe any other stipulation on their part herein contained then and in any of such events it shall be lawful for the licensor at any time thereafter to re-enter upon the said premises or any part thereof in the name of the whole and re-possess and enjoy the same and thereupon this licence shall absolutely cease and determine but without prejudice to any right of action of the licensor in respect of any breach of the licensee's covenants herein contained.
- (b) If there shall be any licence fee due and owing to the licensor at the time of such re-entry and the licensee shall fail to pay the same on demand it shall be lawful for the licensor to distrain upon any monies which may have been deposited with the licensor by the licensee or upon any goods of the licensee remaining in the said premises.
- (c) In case of encroachment on the CHPT's property and/or stacking of cargo by the licensee on the CHPT's Railway tracks, plants, equipment, etc., causing obstruction to the movement of traffic the licensor is entitled to charge a penal licence fee at the rate not exceeding ten times the licence fee laid down in the CHPT's Scale of Rates for the encroached area from the date of encroachment, in addition to the cost of damages caused to the CHPT's properties. If the licensee fails to remove the cargo from the

encroached area in spite of advice to do so the cargo will be removed elsewhere by the licensor at the risk and cost of the licensee and penal licence fee at the rate not exceeding ten times the normal rate will be levied on the space occupied by the cargo so removed.

3. **AND IT IS FURTHER AGREED** that the licensor shall not be considered to have parted with the possession of the said premises by this agreement so as to deprive it of any lien notwithstanding anything contained in the licence on all goods stored therein for charges leviable under the Major Port Trust Act, 1963 as subsequently amended or otherwise incidental thereto and incurred within the licensor's premises and for such purpose it shall be lawful for them at all times during the continuance of this licence to have free access to the said premises and should the licensor deem it advisable so to do to remove any such goods from the said premises to the premises of the licensor for the purpose of enforcing such lien.
4. Any change in the constitution at the licensee firm or business shall in no way affect the terms of the licence.
5. The rules and regulations framed by the licensor from time to time shall be deemed to be part of the provisions of the licence.

Additional General conditions in respect of Covered Space (Warehouse) and Covered Space other than warehouse.

1. The licensees shall be liable for the following:

- (a). To the said licence fee being revised in accordance with the amendments to the CHPT's Scale of Rates from time to time, affecting the rates of licence fee laid down in the said Scale.
- (b). To pay the said licence fee herein before reserved or the revised licence fee under Clause (a) above, as the case may be, from the date of allotment of space and shall be remitted for each calendar month in advance.
- (c). To pay in addition to the licence fee stipulated above, the cost of water and electricity consumed every month at the rates fixed by the CHPT from time to time, together with the installation and maintenance charges on electrical installations every month as may be fixed by the licensor from time to time.
- (d). To keep the doors of the said premises locked and secured outside the working hours laid down by the CHPT.
- (e). To permit the CHPT or its Agents with or without workmen or others at all reasonable hours to enter the said premises and to view the condition thereof and to effect all necessary repairs and to carry into effect if necessary the provisions of clause (2) & (3) in the general conditions.

- (f). To yield up the said premises at the determination of the licence in goods and tenantable repair.
 - (g). Not to use the premises as Private Bonded area without prior permission from the CHPT and in the event of premises being used as Private Bonded area higher rate of licence fee as may be fixed from time to time shall be payable by the licensee.
2. The CHPT agrees that the licensee paying the licence fee hereby reserved and observing and performing the covenants and stipulations herein on their part contained shall peaceably enjoy the premises during the said term without interruption by the CHPT;
- Provided that during the period of licence the CHPT or any such official to whom powers may be delegated by it may take over on a written demand the premises or any portion thereof temporarily for its use or for urgent repairs, in which case the licensee shall be entitled to proportionate abatement of licence fee for the period of such occupation by the licensor.
3. The licensees shall be liable to stock goods in the said warehouse so as not to exert any side pressure on the walls of the said warehouse and in the event of a wall cracking or collapsing due to the non-observance of this condition to be solely responsible for any damage caused thereby to person or property.

CONDITIONS FOR LICENSING OF SPACE BY THE CHPT FOR PERIODS OF ONE YEAR AND ABOVE BUT BELOW 3 YEARS.

1. **The licensee shall be liable for the following:-**
- (a) To pay the increased licence fee as approved by TAMP from time to time and such increased licence fee be effective from the date of notification by TAMP.
 - (b) To allow such officer or servant of the licensor as may be deputed in that behalf at reasonable times during the said terms to enter upon the said premises or any part thereof and any buildings, works or conveniences thereon whether completed or in the course of erection for the purpose of viewing and examining the state repair and condition thereof and to keep readily available at the premises for the reference of such officer or servant the approved drawings and communications of approval from the licensor. And upon notice in writing being given by the licensor to the

licensee by leaving the same upon the said premises to pull down rebuilt, repair or replace any part or parts of the said premises, buildings, works or conveniences whether the same are completed or in the course of erection and that in case default be made for one calendar month after such notice shall have been given as aforesaid in complying with such notice it shall be lawful for licensor to enter upon the said premises, buildings, works or conveniences, whether the same are completed or in the course of erection or any part or parts thereof and to pull down, rebuilt, repair or replace such part or parts thereof as are specified in such notice and forthwith to recover the amount expended in such pulling down, rebuilding, repairing or replacement from the licensee as liquidated damages PROVIDED ALWAYS that the licensor shall not be liable for any damage caused to the property of the licensee in the course of such pulling down, rebuilding, repairing or replacement as afore-said.

- (c) Not to use the premises as private bonded area without prior permission from the CHPT and in the event of premises being used as private Bonded area higher rate of licence fee as may be fixed from time to time shall be payable by the licensee.
- (d) To keep at all times free from timber or other inflammable matter such space at the north of the neighbouring petroleum installation as may be specified by the CHPT or any such official to whom powers may be delegated by it.
- (e) To yield and deliver up unto the licensor at the expiration or sooner determination of the license the said premises in good order and condition and in the same or substantially the same state in which it was immediately before the allotment.
- (f) The license fee shall bear an escalation @ 2% per annum.
- (g) Licence less than one year but below 3 years licence cannot be renewed for more than two years and eleven months. If the licensee likes to renew beyond two years and eleven months the conditions applicable for long-term lease shall automatically apply such as the licensee shall pay a premium equivalent to one year's lease rentals and shall deposit an amount equivalent to one year's lease rentals as refundable Security Deposit etc.

2. **The licensor shall be liable for the following:**

- (a). To permit the licensee to erect or cause to be erected in the said premises or any part thereof any buildings, works or conveniences which the licensee may consider necessary for the purpose of storage of goods or otherwise on the premises licensee first having obtained the sanction in writing of such officer of the licensor as may be specified for the purpose to the plans and full specifications of the said buildings, works and conveniences PROVIDED ALWAYS that the licensee shall not deviate in the course of the erection of the said buildings, works or conveniences from the said plans and specifications sanctioned in writing by the said officer as aforesaid AND the licensees will during the term keep such buildings, works or conveniences tidy and in good repair and condition.
- (b). That the licensee paying the licence fee hereby reserved and observing and performing the covenants and agreements on their part herein contained may peaceably and quietly held and enjoy the said premises during the said term herein specified without any interruption by the licensor; Provided that during the period of licence, the CHPT or any such official to whom powers may be delegated by it may take over on a written demand the premises or any portion thereof temporarily for its use or for urgent repairs, in which case the licensee shall be entitled to proportionate abatement of licence fee for the period of such occupation by the licensor.

3. PROVIDED ALWAYS and it is hereby mutually agreed as follows:-

- (a) Either party shall be at liberty to terminate the licence at any time by giving to the other three calendar months notice in writing of its or their intention of terminating the same.
- (b) In the event of the licensor giving the licensee notice to terminate the licence under clause 3(c) thereof the licensor shall not be bound to pay any compensation whatsoever.
- (c) The licensee shall not at any time during the currency of the licence put up any construction over the land licensed to him except with the written permission in writing of the licensor.
- (d) If the licensee puts up a construction without the written permission of the licensor the construction so put up shall become the property of the licensor and the licensee is not entitled to any compensation therefor.

- (e) If the licensor does not require the construction so put by the licensee without the permission of the licensor, the licensee shall remove the construction at his cost and restore the property in as good a condition as it was at the time he was put in possession, within a reasonable time during the currency of the licence failing which the licensor shall have the right to remove the construction at the cost and expense of the licensee.
- (f) If the licensee puts up a construction with the written permission of the licensor, the licensor shall have the option to possess the construction so put up and in case the licensor requires the construction, the licensor shall pay compensation to the licensee in a sum mutually agreed upon at the expiry of the licence.
- (g) If the licensor does not require the construction put up with the permission of the licensor or if the licensor and licensee fail to settle the quantum of compensation to be paid, the licensor is entitled to call upon the licensee to remove the construction so put up at his cost and restore the property in as good a condition as it was at the time the licensee was put in possession, within a reasonable time, failing which the licensor shall have the right to remove the construction at the cost and expense of the licensee.

General conditions for Long Term Lease:

- a) The lease shall not be automatically renewable.
- b) The lease rent shall bear an escalation at a rate of 2% per annum.
- c) The Port Trust shall have an option to refix the base of lease every five years.
- d) The lessee shall pay a premium equivalent to one year's lease rentals to the Port.
- e) The lessee shall deposit an amount equivalent to one year's lease rentals as refundable Security Deposit with the Port which shall be maintained till the end of lease period or shall provide an irrevocable bank guarantee for an amount equivalent to three year's lease rentals which shall remain valid for the lease period.
- f) The lessee shall create the facilities for which land / waterfront is leased within the time as may be specified by the Board of Trustees. In case lessee fails to do so, the lease shall be liable for termination.
- g) The lessee shall obtain all statutory clearances as may be required by law including environmental clearance.
- h) The leased property can be resumed at any time before the expiry of the lease period if required by the Government in the national interest by the Port for its own use with six months notice on payment of compensation in accordance with the formulations as may be approved by the Government. If the lease is cancelled for

not complying with the conditions of the lease, no compensation shall be payable by the Port.

- i) No compensation shall be payable by the Port in the event of refusal to renew the lease.
- j) Whenever the land/waterfront is being given for the Port related activity(ies) / industry(ies) in accordance with the land use plan, a minimum guaranteed performance indicating the minimum guaranteed traffic, berth hire quantum shall be provided in the agreement. The time frame for achieving the minimum guaranteed performance shall be three years from the date of commissioning of the facility. In case lessee fails to achieve the minimum guaranteed performance, he shall be liable to pay the wharfage / berth hire charges, etc., for the minimum guaranteed traffic/berth hire.

In case, the lessee improves upon the minimum guaranteed performance, he shall be liable to pay the charges as per actuals.

- k) If there are some genuine reasons like change in the Government policy regarding import/export of a particular commodity as a result of which the required throughput could not be achieved in a year, suitable relaxation may be made with the approval of the Government.
- l) The lease shall be liable for termination if the lessee fails to pay the wharfage / berth hire charges etc., for the minimum guaranteed traffic / berth hire or if he fails to achieve the minimum guaranteed performance for three consecutive years without any genuine reason.

m) Allotment of land within 500 Metres :

The allotment of land within 500 metres of waterfront shall be considered only for the activities as may be declared permissible by the Ministry of Environment and Forests, Government of India or any competent authority.

- n) The leased premises may not be resumed in the normal course from the lessee except for the violation of the terms and conditions of the lease agreement.
- o) The land to Government Departments / Organisations may be allotted on scheduled rate only and the land to local bodies / development authorities for public purposes like construction of roads, bus terminal-cum-deports, schools (not run on commercial basis) may be allotted by charging 25% of the scheduled rate only.
- p) The land/waterfront may be leased to a Public Sector Undertaking for commercial purpose at the prevailing market rates after examination on case-to-case basis.
- q) Wherever the lands have to be allotted for a commercial activity which is open to both in public and private sector, the Public Sector Undertakings may also be required to participate in the competitive bidding process. But wherever the activity is restricted to the Government sector only like the Import of Crude oil and certain petroleum products, the Port Trust should consider the proposal either by calling competitive bidding between the Government oil companies only or should lease the land on the advice of the Ministry of Petroleum and Natural Gas/OCC.
- r) The lease property shall not be transferred by the lessee to any third party either by way of sub-lease, rent or any other means.

Conditions for Long - Term lease allotted on premium up-front

- a) The Port Trusts will charge land premium up-front based on tender. In the case of captive facilities, the premium shall not be below the commercial value of the land either obtained through tender in the vicinity or notified by the Port.
- b) The lease rental will be nominal value of Re.1 per square metre/year, with 30% escalation in the licence fee after every 5 years.
- c) The lease agreement will not incorporate any clause for renewal of the lease.
- d) Port will obtain statutory clearances before giving effect to the lease agreements.
- e) Port will not insist on minimum throughput guarantees.
- f) The common user facilities such as pipelines, etc, will be provided by the Port Trust

SCALE 2- Licence fees for the pipe lines passing through the CHPT's premises under way leave agreements.

Item No.	Classification for purpose of this Scale	Charge payable
1.	Pipelines upto 20.32 Cms.,(8 inches) diameter	Rs.40/- per running metre or part thereof per calendar year or part thereof
2.	Pipelines above 20.32 Cms.,(8 inches) diameter	Rs.80/- per running metre or part thereof per calendar year or part thereof
Note: For pipe lines used for non-commercial purpose such as domestic water supply, the rate shall be 50 percent of the above rates.		

Notes:

- (1). The pipelines shall be laid only in the alignment as approved by the CHPT.
- (2). The pipe shall be of such size and material and laid at such depths below the surface and such a manner as the CHPT shall determine from time to time.
- (3). No damage shall be caused to any of the Railway tracks, roads or other property of the CHPT. If any damage occurs, it shall be rectified by the licensee at his own cost to the satisfaction of the CHPT.
- (4). On completion of the laying of the pipelines, the surface shall be restored to its original condition.
- (5). The licensee shall with the prior permission of the CHPT have the liberty from time to time to enter upon the said land of the CHPT and open up the said pipe for the purpose of repairing the same as occasion may require doing no damage to any of the Railway

Tracks, road or other property of the CHPT and the surface shall be restored whenever opened up without any obstruction to traffic in that area.

- (6). Should any inspection or repairs of diversion to a pipeline lying below the Railway Tracks or other areas belonging to the CHPT arise, the work involved in excavating and filling shall be carried out by the CHPT at the cost and expenses of the licensee.
- (7). The licensee shall also take sufficient precautions in respect of excavation made by them by barricading and in addition the excavation made by them by properly lit and necessary danger lights (Red lights) provided at night to the satisfaction of the CHPT. The CHPT shall have no liability in any event in this regard.
- (8). The Way Leave Agreement shall be terminated by either party giving to the other three calendar month's notice in writing. The CHPT reserves the right of terminating the Agreement without assigning any reason or payment of compensation. The licence fee will be payable by the licensee as per the Scale of Rates as amended from time to time.
- (9). If any cable is passing through, the cable shall be laid with a minimum earth cushion of 76.2 cm (2'6") depth wherever it crosses Railway tracks or roads.

SCALE 3 - WEIGHMENT CHARGES

Item No.	Services	Charge payable
1.	Weighment of coal, coke, ores, scrap iron and minerals on the CHPT's weighbridges in all cases except on the automatic wagon weighbridges when passed out of the harbour by rail.	Rs.1.70 per tonne or part of a tonne.
2.	Weighment of bales, skins and hides (including handling charges)	Rs.10.90 per Bale.
3.	Weighment of all other cargo on the CHPT's weighbridges or scales	Rs.2.80 per tonne or part of a tonne.

Notes:

- (1). The weighment charges leviable as per the scale above, under items (1) and (2) shall be on the total weight of the cargo weighed by the CHPT on the CHPT's weighbridges or weighing scales under each application for weighment, duly rounded off to the next higher tonne.
- (2). A fee of Rs.11.80 per lorry shall be payable by the party on whose behalf the tare weight was recorded.

SCALE 4 - PASSENGER TOLL

Item No.	Classification for purposes of this Scale	Charge payable
1.	All Passengers disembarking and embarking at	Rs.19.50 per head payable by

	this Port from and to any Foreign Port.	steamers landing or embarking.
2.	All Passengers disembarking and embarking at this Port from and to any Indian Port.	Rs.1.30 per head payable by steamers landing or embarking.

Notes:

- (1). This toll shall be levied on all deck and saloon passengers embarking and disembarking at this Port. The Agents of the vessels shall collect the toll from such passengers and shall remit the collected amount to the CHPT along with a statement showing the number of passengers embarked or disembarked class wise. This statement shall be for each voyage separately. For this service, the Agents of vessels shall be allowed to retain a commission of 5% of the total collection made by them.
- (2). Defence Personnel other than Civil Staff moving on duty disembarking and/or embarking at this Port are exempted from payment of the "Passenger Toll"

SCALE 5- Fees for issue of licences

(a). STEVEDORING LICENCES

Item No.	Licence	Charge Payable
1.	New Licences	Rs.4,500/- for two calendar years. Licence issued after 1st January shall be valid till the end of the next calendar year.
2.	Renewal within the period of licence for a further period of two calendar years.	Rs.4,500/- per licence.
3.	Renewal application not made before one month prior to expiry thereof.	Rs.50/- per licence (In addition to renewal fee)
4.	For the issue of a duplicate Licence when the original is lost or defaced.	Rs.100/- per licence.

(b) LABOUR LICENCE

Item No.	Licence	Charge Payable
1.	New Licence	Rs.1,000/- for one year from the 1 st January of each year. Licence issued after 1 st January shall be valid till the end of that calendar year.
2.	Renewal within the period of licence for a further period of one calendar year.	Rs.500/- per licence.
3.	Renewal application not made before one month prior to expiry thereof.	Rs.50/- per licence (In addition to renewal fee)
4.	For the issue of a duplicate licence when the original is lost or defaced.	Rs.100/- per licence.

Note: The above rates shall apply for employing labour for handling certain cargo and for employing labour for chipping and painting work.

SCALE - 6 CHARGES FOR FLOATING CRAFT, APPLIANCES, ETC.

The charges for the hiring out to the outside public of the CHPT's Floating Craft within the limits of the Port and of other appliances whenever they can be spared from their legitimate duties.

CATEGORY I

Serial Number and description	Rate of hire Rs.	Period of hire	Minimum Rs.	Remarks
1. Diver's services with equipment between 6.00 a.m. and 6.00 p.m.:-				
a). Up to a maximum of four indress hours:-				
(i). Weekdays	1146	Per indress hour or part thereof	2,254	When the diving boat is towed by one of the launches, the towage charges will be levied extra.
(ii). Sundays and CHPT's Holidays	1702	-do-	3,364	-do-
(b). Any period in excess of four indress hours:-				
(i) Weekdays	1702	Per indress hour or part thereof	---	-do-
(ii) Sundays and CHPT's Holidays	2532	-do-		-do-
2. Non-perishable part or parts of diving equipment consisting of:- (a). air pump (b). helmet (c). lifeline (d). corslet (e). lead weight (f). air pipe and (g). boots	320	Per period of 24 hours or part thereof		
3. Rate of destruction charges of unserviceable articles from the public in the CHPT's incinerators				
(a) Articles measuring upto and below 250 cubic decimetres	54	Per Package	54	The articles are to be transported to the incinerator site by the party.
(b) Articles measuring over 250 cubic decimetres	106	Per package	106	Charges under this item are payable in addition to the charges payable under

Serial Number and description	Rate of hire Rs.	Period of hire	Minimum Rs.	Remarks
				Scale-13 of this Chapter in cases of destructions by using the CHPT's incinerators.
4. A.C. supply 110 volts or 55 volts for lighting to Ships or Ship's repair	98	Per period of 24 hours or part thereof	98	The charge does not include cost of electric energy at lighting rates, which will be extra.
5. Electrical power connection from the CHPT's A.C. Supply system.	98	Per period of 24 hours or part thereof	98	The charge does not include cost of electric energy consumed, which will be extra.
6. Tugs upto 45BP capacity (For towing barges and lighters and for services other than berthing and unberthing of vessels).	Rs. 15956.80 coastal vessel US\$ 604.15 foreign-going vessel	Per hour or part thereof per Tug	Rs.7978.27 for coastal vessel US\$ 302.07 for foreign-going vessel	The minimum charge is for duration of 30 minutes and less. Hire charges exceeding this period will be levied at the rate fixed for one hour or part thereof.
7. Oil pollution vessel	Rs.11817.78 for coastal vessel US\$ 447.44 for foreign-going vessel	Per hour or part thereof	Rs.5908.89 for coastal vessel US\$ 223.72 for foreign-going vessel	The minimum charge is for duration of 30 minutes and less. Hire charges exceeding this period will be levied at the rate fixed for one hour or part thereof. The rate is subject to pro-rata variation of costs of fuel and lubricant over the costs in 1995.
8 Fire engine and gear	956	Per hour or part thereof	956	Appliances brought in from outside the Port CHPT Fire Service must be paid for at the rates laid down by the owner of the appliances. The rate does not include the cost of the foam compound, which will be charged extra if used.
9 Chute Wagons	834 (Per Wagon)	Per shift or part thereof	834	A minimum notice of four hours is essential for the supply. The hirer shall return the

Serial Number and description	Rate of hire Rs.	Period of hire	Minimum Rs.	Remarks
				wagons to the CHPT or to such other authority to whom power may be delegated by it in the same condition as received by him at the end of the hire period applied for and obtain an acknowledgement for the same.
<p>10 i) Pay Loader of 3 tonne capacity (on shift basis)</p> <p>ii) Pay loader of 3 tonne capacity (on hourly basis)</p>	<p>Rs.6,354/- per shift with a minimum of Rs.3,178/- per half of a shift per unit requisitioned by each applicant and supplied.</p> <p>Rs.1,600/- per hour part thereof for the first hour and Rs.796/- for the subsequent hour of part thereof per unit requisitioned by each applicant and supplied for the specific purpose of clearing the Railway track and also for stock piling.</p>			<p>The conditions from (1) to (5) prescribed in the remarks column against Sl. No. 11 will apply.</p> <p>In case of Export/ Import cargo, it is not compulsory to take the Payloader from the Port. But 10% of the Payloader charge shall be paid to the Port at the rate of 1 Payloader for 2 Hooks of operation in a vessel, subject to a maximum of 2 Payloaders, for not indenting the Port's Payloader.</p>

Serial Number and description	Rate of hire Rs.	Period of hire	Minimum Rs.	Remarks
11.(a) Pay Loader of 6 tonne capacity (on shift basis)	Rs.9,530 per shift with a minimum of Rs.5,082 per half of a shift per unit requisitioned by each applicant and supplied.			<p>(1) The hiring out of pay loaders on hourly basis will be limited to two hours at a time. Beyond this, it will be only on half-shift basis or shift basis as the case may be.</p> <p>(2) The Plants will be supplied only if available.</p> <p>(3) The Plants shall be hired out subject to the conditions that the CHPT undertakes no responsibility for any loss or damage to life or property which may be due to the failure of the Plant at any stage.</p> <p>(4) One hour's clear notice in writing must be given of cancellation of requisition for these Plants. If cancellation orders are not received in time, charges will be levied for the full period applied for and for the full number of Plants requisitioned.</p>
(b) Pay loader of 6 tonne capacity (on hourly basis)	Rs.2,542 per hour or part thereof for the first hour and Rs.1,272 for the subsequent hour or part thereof per unit requisitioned by each applicant and supplied for the specific purpose of clearing the Railway track and also for stock piling.			<p>(5) The Plants hired out shall not be used by the hirer for purposes other than that for which application was made.</p>
12. 150 tonne Floating Crane	1,26,638	Per period of 4 hours from the time of hire	1,26,638	(1) The hire rates under these items are applicable only to the Contractors of the CHPT for carrying out the CHPT's work awarded to them. The minimum charges leviable for hire of these cranes under these items shall be for a period of 4 hours or part thereof from the

Serial Number and description	Rate of hire Rs.	Period of hire	Minimum Rs.	Remarks
				<p>time of hire.</p> <p>(2). For hire of these cranes to the Masters, Owners, Agents of Vessels, or Importers or Shippers, the charges leviable shall be under Scale 11 of Chapter III of the Scale of Rates.</p> <p>(3) However, for conditions for the hire of these cranes to the CHPT's Contractors, the conditions as provided under Scale 11 of Chapter III of the Scale of Rates that could be commonly applied for both cargo work and for contractor's work shall apply, except for the fact that the CHPT or to such other authority to whom power may be delegated by it shall be the Authority for allotting and regulating the hire of these cranes</p> <p>(4) However if these cranes are used in carrying out the repairs by the CHPT of the Plants, machinery, floating craft, etc., of private parties, the charges leviable shall be reckoned with on hourly basis, i.e. per hour or part thereof of the actual number of hours involved at one-fourth of the rate prescribed for the first period of four hours.</p>
		For hire beyond 4 hours per block of 8 hours or part	2,53,276	

Serial Number and description	Rate of hire Rs.	Period of hire	Minimum Rs.	Remarks
		thereof		
13. 50 - Tonne Crane	10,396	Per period of 4 hours or part thereof from the time of hire.	10,396	
	20,790	For hire beyond 4 hours per period of 8 hours or part thereof.		
14. Oil Skimmer	2,714	Per period of 8 hours or part thereof.	2,714	
15. Oil Barrier	4,026	<i>Do</i>	4,026	
16. "PRESTIGE" Multipurpose vessel	Rs.8171.87 / 309.40 US Dollar	Per Hour or Part thereof	Rs.8171.87 / 309.4 US Dollar	
17. Hopper	Rs.2590/-	Per Shift or part thereof	Rs.2590/-	

CATEGORY II

PLANTS AND APPLIANCES, WHICH ARE AVAILABLE WITH THE CHPT AS WELL AS WITH OTHER PARTIES. NEVERTHELESS, THE CHPT WILL INSIST ON PARTIES TO USE FIRST THE CHPT'S PLANT OR APPLIANCE.

SL.NO. AND DESCRIPTION	RATE OF HIRE (IN RS.)	PERIOD OF HIRE	MINIMUM (IN RS.)	RE
1 (A). 10 TONNE TRACTORS	956	PER HALF OF A SHIFT OR PART THEREOF	956	(1) RI FOR AND SHALL OUT QUAD IN PRESC FORM THE

	1,590	PER SHIFT IN CASE OF HIRE EXCEEDING HALF OF A SHIFT.		SHOW CAPAC TRAIL REQUI THE C SUCH
(B). 10 TONNE TRAILERS	348	PER HALF OF A SHIFT OR PART THEREOF	348	AUTHO WHOM MAY DELEG
	578	PER SHIFT IN THE CASE OF HIRE EXCEEDING HALF OF A SHIFT.	---	IT. REQUI SHOU SUBMI WRIT CLEAR ADVA THE TRACT TRAIL REQUI (2) TRACT TRAIL REQUI

<p>(C). 6 TONNE TRAILERS</p>	<p>232 348</p>	<p>PER HALF OF A SHIFT OR PART THEREOF. PER SHIFT IN CASE OF HIRE EXCEEDING HALF OF A SHIFT.</p>	<p>232</p>	<p>LONGER THAN REQUIRE FOR, REQUIRE SHALL SUBMIT LEAST HOURS THE E OF TH MENT THE REQUIRE (3) OF CLEAR IN MUST FOR CANCE OF AP OF AND FAILIN CHARGE BE LE THE NUMB TRAIL TRACT ORDEE FOR PERIOD FOR.</p>
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				<p>(4) MANN THE TRAIL DOES IT LI LOSS DAMA GOOD CARRI TRAIL</p> <p>(5) T WILL RESPO FOR T LOADI TRAIL</p> <p>(6) DA THE AND/O TRAIL SHOUL FOR HIRER</p> <p>(7) T WILL RESPO FOR OF COMP UNDE WORK COMP ACT DRIVE INVOL ANY DURIN PERIOD</p> <p>(8) TRACT TRAIL OUT PERMI WITHI CHPT'S ONLY.</p> <p>(9) TH TRACT TRAIL PUBLIC ENTIR THE D OF TH</p> <p>(10) T CHARG COMM FROM THE AND</p>
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2. TRAYS OF 10 TONNE CAPACITY AND BELOW	60	PER TRAY PER SHIFT OR PART THEREOF	...	
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3. CRAWLER CRANE	16,462	PER PERIOD OF 8 HOURS	8,232	MINIMUM CHARGES SHALL BE FOUR HOURS OR THEREOF. WHENEVER THIS CRANE IS ENGAGED IN CARRYING LOADS, THE RATES BY THE CONTRACTOR OF PLANTS, MACHINERY, FLOATING CRAFTS, OF PRIVATE PARTIES, CHARGES LEVIABLE SHALL BE RECKONED HOURLY I.E. PER HOUR OR THEREOF THE ABOVE NUMBER OF HOURS INVOLVED ONE-EIGHTH OF THE PRESCRIBED
4. GRABS UPTO 5 CU. METRE FITTED TO SHORE CRANE OF ANY CAPACITY	1120	PER PERIOD OF 8 HOURS	560	MINIMUM CHARGES SHALL BE FOUR HOURS OR THEREOF. THE CHARGES SHALL BE IN ADDITION TO THE CHARGES FOR THE HIRE OF CRANE WHICH GRAB IS FITTED EXCEPT WHEN USED ON SHORE (WITH SHORE CRANE INCLUDED) THE HIRE CHARGE
5. GRABS OF 8 CU. M CAPACITY	RS.2500	PER SHIFT OR PART THEREOF	RS.1250	
6. 75 TON TYRE MOUNTED MOBILE CRANE	RS.15000	PER SHIFT OR PART THEREOF	RS.7500	
7. A) SURVEY	RS.20660	PER PERIOD	RS.10330 PER	

NOTES:

- (1). THE HIRE OF FLOATING CRAFTS AND APPLIANCES BY THE CHPT TO THE PUBLIC IS NOT GUARANTEED NORMALLY. THE CRAFT AND APPLIANCES SHALL BE HIRED OUT ONLY IF AVAILABLE. THE CHPT SHALL NOT BE RESPONSIBLE TO THE HIRER OR ANY PERSON FOR ANY LOSS OR DAMAGE OR INJURY TO LIFE OR PROPERTY ARISING DIRECTLY OR INDIRECTLY FROM THE USE OF THE CRAFTS OR APPLIANCES OF ANY SORT OR ANY DAMAGE WHICH MAY OCCUR AS A RESULT OF NON-SUPPLY OR DELAY IN SUPPLY OR BY THE USE OF THE CRAFTS OR APPLIANCES OF THE CHPT OR DUE TO FAILURE OF THE CRAFTS OR APPLIANCES AT ANY STAGE DURING THE PERIOD OF HIRE. THE HIRER SHALL KEEP THE CRAFTS AND APPLIANCES IN GOOD ORDER AND CONDITION AND SHALL BE LIABLE FOR ANY DAMAGE CAUSED TO THE CRAFTS OR APPLIANCES DURING THE SUBSISTENCE OF HIRE AND SHALL MAKE GOOD ALL DAMAGES, WHETHER BY ACCIDENT, BY FIRE OR OTHERWISE, (FAIR WEAR AND TEAR EXCEPTED). THE HIRER SHALL INDEMNIFY THE CHPT AGAINST ALL LOSS OR DAMAGE OR INJURY TO LIFE ARISING DIRECTLY OR INDIRECTLY FROM THE USE OF THE CRAFTS OR APPLIANCES DURING THE PERIOD OF HIRE TO ANY PROPERTY BELONGING TO THE CHPT INCLUDING THE CRAFTS OR APPLIANCES UNDER HIRE OR TO ANY OTHER PERSON OR PROPERTY OR BREAKDOWN OR ANY DEMURRAGE INCURRED ON CARGO. THE LIABILITY OF THE HIRER SHALL NOT BE AFFECTED BY THE FACT THAT SUCH LOSS OR DAMAGE OR INJURY TO LIFE MAY HAVE ARISEN DUE TO ANY ACT OR DEFAULT OF ANY EMPLOYEE OF THE CHPT. THE HIRER SHALL ALSO INDEMNIFY THE CHPT FOR ALL LIABILITIES UNDER THE WORKMEN'S COMPENSATION ACT. THE COST OF REPAIRING THE DAMAGES SUSTAINED BY THE CRAFTS OR APPLIANCES OR PART THEREOF THAT MIGHT BE BROKEN, MISSING OR SPECIALLY DAMAGED OR LOST

DURING THE PERIOD OF HIRE SHALL BE THAT ACTUALLY INCURRED FOR THE PURPOSE BY THE CHPT INCLUDING THE USUAL INDIRECT CHARGES, CENTAGE CHARGES AND PROFIT ELEMENTS, WHILE THE COST OF REPLACEMENT, IF NECESSARY, OF A PART OR IN FULL OF THE CRAFTS OR APPLIANCES WILL BE EITHER THE BOOK VALUE OR THE CURRENT MARKET VALUE, WHICHEVER IS HIGHER.

- (2). THE CHPT MAY, AT ITS DISCRETION, HIRE OUT THE FLOATING CRAFTS OR APPLIANCES OUTSIDE THE PORT LIMITS AT THE RATES OF HIRE MENTIONED IN THE SCALE ABOVE.
- (3). THE CHPT SHALL, REQUIRE THE HIRERS TO EXECUTE AN AGREEMENT RELATING TO THE HIRE, WHETHER IT BE WITHIN OR OUTSIDE THE PORT LIMITS, IN SUCH FORM AS MAY BE PRESCRIBED BY THE CHPT FROM TIME TO TIME AND UPON SUCH TERMS AND CONDITIONS AS MAY BE LAID DOWN.
- (4). THE RATE SPECIFIED AGAINST THE FLOATING CRAFTS OR APPLIANCES IN THE COLUMN 'PERIOD OF HIRE' MEANS FOR ONE INDIVIDUAL CRAFT OR APPLIANCE.

SCALE 7- CHARGES FOR THE USE OF THE SLIPWAY

Item No.	Classification for purposes of this Scale	Charges payable
1.	Sail, steam or motor vessel (including taking up and launching)	Rs.100 per lineal metre of overall length per day for the first two days which shall be the minimum charge.
		Rs.120 per lineal metre of overall length for every additional day of 24 hours or part thereof.
2.	Barges and lighters and similar vessels (including taking up and launching)	Rs.80 per lineal metre of overall length per day for the first two days, which shall be the minimum charge.
		Rs.100 per lineal metre of overall length for every additional day of 24 hours or part thereof.

Conditions:

1. Applications to put vessels on the Slipway shall be made to the CHPT or any such officials to whom powers may be delegated by it.

2. The CHPT shall issue a regulation order as to the time and manner of putting the vessel on the Slipway.
3. No ballast or weight shall be shifted or taken on Board during the time a vessel is on the Slipway except with the permission of the C.M.E.
4. The Slipway shall be cleaned and cleared previous to launching at the vessel's expense.
5. Twenty-four hours' notice in writing shall be given to the C.M.E. of the readiness of a vessel to leave the Slipway.
6. The CHPT shall not be liable for any delay caused to or damage suffered by a vessel either in taking up or in launching or while of the Slipway.
7. No person shall boil or heat pitch, tar or other combustible matter, or light a fire near the Slipway except in the places provided for the purpose.
8. No vessel, unless by special arrangement at the time of regulating, shall remain on the Slipway for a longer period than three days and all charges shall be payable in accordance with the CHPT's Scale of Rates.

Notes:

- (1). Where a vessel is not ready to leave the slipway by the time for which she was originally regulated and thereby delays another vessel already regulated to go on the slipway, double the rates for every day or part thereof she overstays her regulated time shall be levied.
- (2). The above charges are inclusive of shore labour and materials required in preparing the cradle in hauling up and in launching the vessels and also the use of blocks and shores. But vessels shall supply all other materials such as ropes, etc. Blocks and shores cut or destroyed shall be charged for according to damage done. Caps split out shall be charged for at the rate of Rs.40 each.
- (3). If work is done on Sundays and CHPT's holidays, charges at double the ordinary rates shall be payable.
- (4). In cases where the vessels are to be taken on slipway at short notice without sufficient time for preparation of the cradle to suit the tidal conditions, overtime allowance incurred for the labour employed to hasten up the preparation of the cradle shall also be levied in addition to the charges payable under the Scale specified above.

SCALE 8 - CHARGES FOR THE USE OF BOAT REPAIR RAMP IN THE BOAT BASIN/SLIPWAY CRADLE AT DEPUTY PORT CONSERVATOR'S BUOY YARD

The charges cover only the use of the ramp/slipway cradle and of such gear as is provided by the CHPT; occupiers shall provide their own Labour. The days of taking up and launching shall be each count as one day.

1.	Barges and lighters Rs.50 per lineal metre of overall length per day for the first two days, which shall be the minimum charges.	Rs.60 per lineal metre of overall length per every additional day of 24 hours or part thereof.
2.(a).	Small crafts Jolly boats and boats less than one tonne	Rs.20 per lineal metre of overall length per day for the first two days, which shall be the minimum charges.
(b).	Launches, Cutters, etc., one tonne and above	Rs.20 per lineal metre of overall length for every additional day of 24 hours or part thereof, for all crafts.

Conditions:

1. The use of this ramp/slipway cradle shall not be allowed to firms who already have the use of other lighter repair ramp/slipway cradle from the CHPT.
2. Applications to put a craft of any kind on the ramp/slipway cradle, shall be made to the CHPT or any such official to whom powers may be delegated by it who when practicable shall issue a permit for the purpose.
3. Crafts on the ramp/slipway cradle shall be placed so as to occupy a minimum space in the position allotted for them.
4. The CHPT shall not be liable for any delay caused or damage suffered by a vessel either in taking up or in launching or while on the ramp/slipway cradle.
5. No person shall boil or heat pitch, tar or other combustible matter, or light a fire, near the ramp/slipway cradle except in the places provided for the purpose.
6. The repairs on all crafts placed on the ramp/slipway cradle shall be carried out expeditiously. No craft shall remain idle on the ramp/slipway cradle. Any crafts which, in the opinion of the CHPT or any such official to whom powers may be delegated by it is not being dealt with expeditiously and thereby delays other crafts, shall be removed from the ramp/slipway cradle at the owner's sole risk.
7. Charges for the use of the ramp/slipway cradle shall be paid at the time of making applications for such use. Crafts remaining on the ramp/slipway cradle longer than week without payment of the charges incurred shall be liable to be sold by auction. The sale proceeds after deducting the charges and the expenses of sale due to the CHPT shall be made over to the owners on application.

Notes:

- (1). The Labour charges including the overtime allowance to the labour, if incurred, for taking up and launching of each craft will be levied separately.
- (2). The Boat repair ramp and the slipway cradle can be spared to the outside parties subject to the availability at the time of receipt of the request from outside parties and also based on the immediate requirements of the ramp/cradle for departmental use.

CHARGES FOR THE USE OF THE DEBALLAST TANK PROVIDED BY THE CHPT AT THE OIL JETTY

Period	Rate	Minimum charge
Per period of 8 hours or part thereof	Rs.3150	Rs.3150

Note : The period for the purpose of above charges shall be from the time the deballast tank facilities are made available by the CHPT to the parties on their requisitions till the deballast tank is emptied of the ballast water product.

SCALE 10

CHARGES FOR LEAVING THE SEA WATER IN THE PRODUCT PIPELINES FOR MORE THAN EIGHT HOURS

Classification	Period	Rate
Charges for leaving the sea water in the product pipelines beyond eight hours	Per day or part thereof	Rs.6300

Notes:

- (1). The users of the mineral oil pipelines of the CHPT shall ensure that the salt water used for flushing is not left in the pipeline for more than 8 hours.
- (2). 'Day' for this purpose shall be calendar day.
- (3). For the purpose of levy under this Scale, time shall be reckoned from the time of expiry of eight hours after completion of flushing the pipeline with sea water till the time the sea water is emptied or replaced by products in full.

SCALE 11

CHARGES FOR THE ISSUE OF WEIGHMENT OR STOCK CERTIFICATES AND COPIES THERE OF AND COPIES OF 'B' CERTIFICATES, ETC.

Item No	Particulars of the Certificate	Charge Payable (in Rs.)
1.	Weighment certificate (original)	59.00 each
2.	Stock Certificate (original)	29.50 each
3.	Certificates in respect of timber exported or shortlanded at the port (original)	23.60 each
4.	Copies of items 1,2 or 3 above, or copies of 'B' Certificate or the Trust's out-turn statement or copies of Import or Export Application or Bills or copies of survey reports.	23.60 each
5.	Copies of idle time and Multiple hook certificates or any other piece rate documents.	23.60 each
6.	Copies of cargo casualty reports	23.60 each
7.	Copies of tally sheets	23.60 each
8.	Any other Shipping or Railway documents not covered in any of the above items.	23.60 each

SCALE 12

CHARGES FOR THE DESTRUCTION OF CONDEMNED CARGO

Description	Charges Payable
Condemned cargo	Actual charges incurred by CHPT

Note: In cases of destruction by the Trust's incinerators, charges as prescribed under item 3 of Category I in Scale 6 of this Chapter is recoverable in addition to the charges prescribed under the above Scale.

SCALE 13

CHARGES ON ILLUMINATED SIGN BOXES, HOARDINGS, ENAMELLED PLATES, PAINTED BOARDS, NEON SIGN ETC., DISPLAYED IN THE CHPT'S PREMISES

Item No.	Classification for purposes of this scale	Charge payable
1.	Illuminated sign Boxes : (i) Single sided: (ii) Double sided:	Rs.196 per square foot per annum Rs.294 per Square foot per annum
2	Hoardings, Enamelled Plates and Painted boards: For the first 100 square feet For the next 400 square feet For the next 500 square feet For the next 1000 square feet For the 2001 square feet and Above	Rs.40 per Square foot per annum Rs.34 per Square foot per annum Rs.24 per Square foot per annum Rs.18 per Square foot per annum Rs.10 per Square foot per annum
3.	Neon Signs: Single sided Double sided	Rs.196 per annum per Square foot Rs.294 per annum per Square foot

Notes:

1. The CHPT is not responsible for any loss or damage caused to the above displays in the CHPT's premises.
2. The CHPT will receive the application for the above displays and allot the necessary space required in the CHPT's premises.
3. The installation of the displays will be in the manner stated and also will be subject to conditions prescribed by the CHPT in each case.
4. In the case of displays illuminated, the electric energy consumed will be charged extra at rates in force from time to time.

5. The advertiser/owner of the displays will be held liable for any loss or damage caused to the CHPT's property by the display and shall also be held liable for any compensation that may arise under the Workmen's Compensation Act on account of the display. For this purpose the advertiser/owner of the display shall deposit with the CHPT an amount equivalent to three months charges on the advertisement displayed by him as a guarantee for the due and faithful performance of the conditions set forth for the purpose and the deposit will be refunded after the removal of the displays less any amount that may be due to the CHPT.
6. Advertiser will not be allowed to change the advertised matter without the specific approval of the CHPT.
7. The Trust reserves the right to refuse to accept display of any advertisement without assigning any reasons.
8. Advertiser will not be allowed to sublet either the space allotted for display or any space in the display material or undertake display of matter other than their own.

SCALE 14

CHARGES FOR SEGREGATION OF CARGO LANDED IN MIXED MARKS AND NUMBERS

Charges as under for the labour and the staff employed by the CHPT shall be levied on the Masters, Owners or Agents of Vessels for receiving and segregating of cargo landed by vessels in a disorderly manner, i.e., not according to the marks and numbers of the packages or consignments with reference to the Import General Manifest. These charges shall also be levied in respect of cargo which do not have proper description or distinguishing marks, requiring segregation.

(Please see By-law/Regulation 3(a) of the General Regulation of the Chennai Port Trust)

Category	Charges
Shore Labour (Maistry and Mazdoor), Deployable Cargoman, Tally Clerk, Labour Supervisor, Assistant Shed Master, Shed Master	Actual wages / Salaries payable by CHPT

SCALE 15

SURVEYS, REGISTRATION etc.

Item No.	Description	Harbour Craft other than Canoes, Shoe Dhonies and Catamarans (Refer Part II of Harbour Craft Rules). Rs.
1.	For each survey and measurement as required by the Harbour Craft Rules where the harbour craft is found sea worthy.	120
2.	On each occasion of a Harbour craft being found un-seaworthy on being inspected or surveyed.	48
3.	For registration on each of the occasions prescribed by	48

	the Harbour Craft Rules.	
4.	For granting a licence on each of the occasions prescribed by the Harbour Craft Rules.	48
5.	For each annual inspection where the harbour craft is found seaworthy.	48
6.	For endorsing change of syrang or sukhany or tindal or driver.	6
7.	For minor amendments of Licence/Register.	6

- Notes:** (i). Half of the fees specified by this rule shall be levied for the grant of a duplicate licence when it has been proved to the satisfaction of the CHPT that there is good and sufficient reason for such grant.
- (ii). Fee for Survey of a steam or motor vessel:- Every application made to the Licensing Officer for a Steam or Motor Vessel in respect of which a certificate of survey under the Merchant Shipping Act, 1958 (44 of 1958) or the Inland Vessels Act 1917 (1 of 1917), is not held by the Owner or Master shall be accompanied by a fee of Rs.100 for surveying the vessel.

SCALE 16 - BOAT HIRE CHARGES.

Schedule of Maximum Rates of Hire of Licensed mechanised Boats, owned by private parties at the Port of Chennai.

Particulars	Rate per hour or part thereof	
	Outside the enclosed Harbour	Within the enclosed Harbour
Between 6 a.m. and 6 p.m.	Rs.180	Rs.120
Between 6 p.m. and 6 a.m.	Rs.240	Rs.180

Notes:

- (1). No special rates are to be charged for taking provisions and the like since the rates provided above are inclusive of the same.
- (2). If a mechanised boat has been ordered and not used, full charges will be recovered on hourly basis for detention.
- (3). All goods carried on board the mechanised boats are at the hirer's risk.
- (4). The charges for mechanised boat service do not include the wages of the mazdoors carried on it for handling cargo or stores or both on board the mechanised boat.
- (5). No mechanised boat can be employed after 5.00 p.m. for landing or shipment of heavy lifts.

SCALE 17

Charges for removal of garbage from ships

Schedule of maximum rate of charge for removal of garbage from ships lying at moorings by licensed row boats owned by private parties and transporting the same to the City Garbage Dump.

Classification	Rate
Per Boat load in full or part thereof per ship	Rs.360

Note: The above rate is inclusive of all charges incurred towards Boat Hire from shore to ship in mooring and back to shore at the appointed place, labour for loading of garbage from vessel and unloading of garbage from Boat to Shore, charges for the use of lifting gear, if any, transporting from landing point to the City Garbage Dump.

SCALE 18

CHARGES LEVIED ON THE PLANTS AND APPLIANCES WHICH ARE AVAILABLE WITH THE BOARD FOR HIRE TO THE PUBLIC

Serial Number and Description (1)	Rate of hire (2)	Period of Hire (3)	Minimum Charge (4)	Remarks (5)
1.	Diesel Road Roller 168	Per hour or part thereof	1002	Rate does not include fuel and water.
2.	Welding set, electric or petrol-driven 78	-- do --	602	The Charge does not include cost of providing connections for electric supply in the case of electric welding plant and operating cost plus overhead charges which will be extra.
3.	Portable air compressor diesel engine - driven 7.350 cubic metres per minute. 868	Per period of 8 hours or part thereof	868	The charge does not include operation cost and overhead charges which will be extra.
4.	Portable air compressor diesel engine - driven 10.300 cubic metres per minute. 1040	-- do --	1040	-- do --
5.	Diesel engine-driven "WinGet" concrete mixer 396.436/282.168 cubic decimeters capacity 336	-- do --	336	-- do --
6.	Motor Launch 'Vigil' or M.L. 'Venture' or M.L. 'Valour' or M.L. 'Vitruve' or 'Pioneer' or 'Vetri' and 'Veeramani' Rs.960.34 for coastal vessel US\$ 60.60 for foreign-going vessel	-- do --	Rs.960.34 for coastal vessel US\$ 60.60 for foreign-going vessel	The charges for the launch pulling cutter and mooring boat are only for special services. Their ordinary services of attending on pilots and ships are not to be charged for

					under this scale.
7.	Mooring Crew	Rs.145.79 for coastal vessel US\$ 9.20 for foreign-going vessel	Per hour or part thereof	Rs.240/- for coastal vessel US\$ 9.20 for foreign-going vessel.	
8.	Chain slings				
	(a) Capacity not exceeding 5 tonnes	22	Per Shift or part thereof	---	'Shift' means shift of such hours as will be in force from time to time for landing and shipment of cargo, as the case may be.
	(b) Over 5 tonnes but not exceeding 10 tonnes	40	-- do --		-- do --
	(c) Over 10 tonnes but not exceeding 15 tonnes	56	-- do --		-- do --
	(d) Over 15 tonnes but not exceeding 20 tonnes	74	-- do --		-- do --
	(e) Over 20 tonnes but not exceeding 40 tonnes	96	-- do --		-- do --
9.	Wire rope slings :-				
	(a) Capacity not exceeding 5 tonnes	40	-- do --	---	-- do --
	(b) Over 5 tonnes but not exceeding 10 tonnes	56	-- do --	---	-- do --
	(c) Over 10 tonnes but not exceeding 15 tonnes	74	-- do --	---	-- do --
	(d) Over 15 tonnes but not exceeding 20 tonnes	112	-- do --	---	-- do --

	(e) Over 20 tonnes but not exceeding 40 tonnes	134	-- do --	---	-- do --
10.	Shackles :-				
	(a) Capacity not exceeding 5 tonnes	12	-- do --		-- do --
	(b) Over 5 tonnes but not exceeding 10 tonnes	22	Per Shift or part thereof		
	(c) Over 10 tonnes but not exceeding 20 tonnes	56	-- do --		-- do --
	(d) Over 20 tonnes but not exceeding 40 tonnes	96	-- do --		-- do --
11.	Locomotives lifting beam with shackles	232	-- do --	---	-- do --
12.	Gear Hobbing Machine	1446	-- do --	726	-- do --
13.	12 ½ Tons Test Loads	74	Per day of 24 hours or part thereof	74	
14.	Sea Fix Equipment	15750	For a period of 8 hours	15750	
15.	60 tonne - Spreader with Shackles attached to F.C. Vaigai	106	For 8 hours or part thereof	106	
16.	GO-4 Fire Fighting Pump	2520	Per shift or part thereof	2520	
17.	Trucks mounted Tank to receive slop/bilges/oily residues and oily mixtures from ships to tank farm at the Ore Berth.	3500	Per Trip	3500	
18	20 Tonne Gantry crane	Rs.19/-	Per tonne		

19	Tanker Trailer of 8 KL capacity	Rs.8250/-	Per trip - 4 hours shall be given to load the sludge. Detention charges of Rs.1375/- shall be levied per hour or part thereof, if the users detain the trailer beyond four hours.	---	The time of 4 hours shall commence, on reporting of the trailer at the vessel. The timing of taking the sludge from alongside the ship to the dumping ground or storage places shall not be considered as time detained by the user.
20	Tipper Lorry	Rs.1156/-	Per period of 8 hours	Rs.578/-	Per period of 4 hours
21	Gas Cutting Plant	Rs.144/-	Per period of 8 hours or part thereof	---	---

Notes :

- (1). The hire of floating crafts and appliances by the CHPT to the public is not guaranteed normally. The craft and appliances shall be hired out only if available. The CHPT shall not be responsible to the hirer or any person for any loss or damage or injury to life or property arising directly or indirectly from the use of the crafts or appliances of any sort or any damage which may occur as a result of non-supply or delay in supply or by the use of the crafts or appliances of the CHPT or due to failure of the crafts or appliances at any stage during the period of hire. The hirer shall keep the crafts or appliances in good order and condition and shall be liable for any damage caused to the crafts or appliances during the subsistence of hire and shall make good all damages, whether by accident, by fire or otherwise (fair wear and tear excepted). The hirer shall indemnify the Board against all loss or damage or injury to life arising directly or indirectly from the use of the crafts or appliances during the period of hire to any property belonging to the Board including the crafts or appliances under hire or to any other person or property or breakdown or any demurrage incurred on cargo. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the CHPT. The hirer shall also indemnify the CHPT for all liabilities under the Workmen's Compensation Act.

The cost of repairing the damages sustained by the crafts or appliances or part thereof that might be broken, missing or specially damaged or lost during the period of hire shall be that actually incurred for the purpose by the CHPT including the usual indirect charges, centage charges while the cost of replacement, if necessary, of part or in full of the crafts or appliances will be either the book value or the current market value, whichever is higher.

- (2). The CHPT may require the hirers to execute an agreement relating to the hire, whether it be within or outside the Port limits, in such form as may be prescribed from time to time and upon such terms and conditions as may be laid down in each case.
- (3). The rate specified against the floating crafts or appliances in the column 'Period of hire' is for one individual craft or appliance.

CHAPTER - VII

Charges for Supply of Cargo Handling Workers and Supervisory Staff

Scale 1 - Stevedoring Operations:

(1) The time rate wages of different categories of workers for the purpose of stevedoring operations are as follows:

S. No	Category	Wage rate per shift of 8 hours (in Rs.)
1.	On Board Supervisor	725.37
2.	Tally Clerk	626.02
3.	Tindal	513.13
4.	Maistry	517.48
5.	Winch Driver	491.71
6.	Signal Man	488.44
7.	Mazdoor	513.17

(2) The Stevedores shall pay charges comprising time rate wages and 192% levy on wages for stevedoring operations prior to the engagement of labour.

(3) (a). The levy structure mentioned at clause (2) shall not apply in case of agricultural produce such as wheat, rice, maize, pulses, etc., including sugar in bags or jumbo bags or pallaties.

(b). Such commodities will pay a charge of Rs.7.50 PMT for deployment of cargo handling workers and supervisory staff for stevedoring operations.

(4) The piece-rate incentive shall be paid at actuals separately.

(5) Time limit for payment of charges by users / refund of excess collection by port as well as levy of penal interest for delay will be governed by the provisions prescribed in Chapter - I of this Scale of Rates.

(6) Whenever any additional man power is required by stevedores, actual wages in respect of the category of the workers intended shall be payable by them in addition to the levy.

(7) While calculating the piece-rate, the datum will not be adjusted, according to effective hours of working, i.e., there will be no idle hour concept. The datum will be taken as full tonnage for the entire shift without any deduction.

(8) The tonnage of heavily lift cargoes will be taken as 7 tons/unit for calculation of piece rate and for other purposes hitherto adopted.

(9) The Mazdoor posted in the Gang will be distributed for on shore and on board work as per the operational convenience.

(10) In case of shortage of Maistry, the Tindal may be posted in his place. Whenever Tindal is in shortage, Maistries will be posted only to bulk vessels of Fertilizers and Ore, where shore crane is put into use (where there is no posting of Winch Drivers.)

(11) One reliever up to 3 Hooks and 2 reliever for 3 Hooks and above will be posted in the categories of Winch Drivers/Signallers/Tally Clerk per shift per vessel.

(12) One Supervisor will be posted upto 1 Hook and 2 Supervisors for 2 or more hooks per shift per vessel.

Scale 2 - Clearing & Forwarding Operations

Nature of Cargo	Levy per tonne (in Rs.)
Delivery / Receipt	
(a). General Cargo	40.00
(b). Bulk cargo, ore and timber / logs	3.75

Conditions:

1. The applicable C&F will be collected through Import applications and Export applications when there is actual deployment of labour for C&F operations and no separate wages will be collected for this work.
2. The above rates do not include piece rate incentive. The piece rate incentive shall be calculated by CHPT, after completion of delivery / receipt and this is payable by the users, in addition to the above C&F charges.
3. A sum of Rs.4/- per tonne will be collected in advance in addition to the above towards piece rate incentive for C&F operations which will be adjusted against the actual piece rate calculated by CHPT. Time limit for refund / payment and payment of penal interest in case of delay will apply as prescribed by TAMP in the General condition in Chapter - I of this Scale of Rates.
4. Whenever any additional man power is required by stevedores, actual wages in respect of the category of workers indented shall be payable by them in addition to the levy.
5. For inter-carting operations, the same rates as applicable for C&F operation will be collected.
6. For receipt delivery work of general cargo, gangs will be posted at various points and will work for different employers in the given shift. However, a separate gang of 4 mazdoors for bagged cargo will be deployed on request from the employer with prior intimation to the shift section.
7. Whenever CHPT has permitted Direct Delivery / Direct Shipment, no charges towards C&F operation is payable for such quantity, which is directly delivered from the hook point or directly shipped without the use of CHPT labour.

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

F. No. TAMP/36/2005-CHPT **Proposal from the Chennai Port Trust for general revision of its Scale of Rates.**

1. The comments received from the port users / representative bodies of port users are summarised below:

Chennai Container Terminal Private Limited (CCTL)

- (i). Lease rental is currently under dispute and is paid by CCTL under protest. This is assumed to have been disclosed under Container Handling activity.
- (ii). The income from container handling activity is presumed to include royalty, lease rental currently paid by CCTL under protest and income earned from container handling operations carried out by CHPT. We are pleased to note that CHPT is not requesting any increase in what it believes are charges collectable from CCTL under the License Agreement.
- (iii). It is evident from Clause 2.8.3. of the revised tariff guidelines that the surplus generated from the Container Terminal in the form of royalty should be used for improvement and modernisation of port infrastructure facilities. Adequate funds may be allocated for improvement of facilities like roads within the port and truck halting area and provision of adequate tugs and pilot boats.
- (iv). The amount of royalty earned should be utilised to first subsidise the vessel related charges (berthing and mooring charges and pilotage) for vessels calling the Container Terminal. CHPT's Vessel Related Charges are the highest in the region and these high charges hamper main line vessels from calling the Port. The increase of 45% to 90% in the vessel related charges are not sustainable and will cause loss to the Trade.
- (v). A very sharp increase of 175% for rentals from lands and buildings defies all logic and cannot be justified by any means and is totally unwarranted. Revenue proposed to be generated by 175% in rentals from lands and building can be recovered by a very small increase either in volume or in price from other operation.
- (vi). It is not understood how the working capital has increased from Rs.44.77 crores in 2003-04 to Rs.396 crores in 2005-06, Rs.660.28 crores in 2006-07 and Rs.836.41 crores in 2007-08. The working capital is higher than the Net Block of Fixed Assets and the increase of around 20 times in 4 years is extremely large.
- (vii). CHPT has added new tariff items 7 and 8 in Chapter VI of the Scale of Rates under the head "Miscellaneous Charges":

Some of these items were originally included in CHPT tariff Order dated 5 October 2002. Hence, further clarifications are needed.

Federation of Indian Mineral Industries (FIMI)

- (i). Management and General Administration (M&GA) Overheads has been overstated by 54.55% for the years 2005-06 when compared to BE/RE. The aggregate of M & GA overheads allocated to individual activities is far in excess of the total M & GA overheads for the port as a whole.
- (ii). Finance and Miscellaneous Expenditure has been overstated by 5.11% for the year 2005-06 when compared to BE/RE.
- (iii). There is a high level of inconsistency in the allocation of overheads to iron-ore facility during the year 2000-01 to 2003-04.
- (iv). For the year 2005-06, retirement benefits, ex-gratia payments, performance award and other benefits work out to about 36% of salaries and allowances of all departments which is excessive.
- (v). The Auditor's Report for period ended 2003-04 had opined that the VRS expense may require amortizing over a five year period. Appropriate adjustment has not been carried out in the proposal.
- (vi). Though the operating expenses for the years 2005-06 to 2007-08 project an increase of 6% over the previous years, the CAGR (period 2000-04) of the operating expenses is negative at -3.72%.
- (vii). (a). The year end for 2002-03 and 2003-04 have been over stated in the proposal, the average overstatement of capital employed is 26.20%. The projected capital employed for the iron ore segment needs to be proportionately scaled down.
(b). CHPT's reserves for Replacement, Rehabilitation and Modernisation of Capital assets is a cost already paid for by the users through tariffs. The cost, therefore, should be treated as fully subsidized and no return should be sought.

Based on the above, if expenditure projections and the consequential increase in tariff are reworked, the additional revenue needed to arrive at the targeted ROCE will be Rs.(623.88) lakhs. This translates to a tariff hike of about (3.10%).

Since the current tariff is adequate to provide the targeted ROCE, an increase is not recommended.

- (viii). Though, the iron ore handling capacity currently estimated at 7.50 Million Tonnes (BE 2005-06) has been considered, the capacity handled is likely to be 9.0 Million Tonnes for 2005-06 and to 10.0 Million Tonnes in 2006-07 due

to technical advancements at the Port. If these capacity increases are considered for estimating the tariff hike, then the corresponding increase on revenue would result in a further increase in surplus and hence further negating the need for an increase in tariff.

Chennai Petroleum Corporation Limited (CPCL)

The proposed increase of 90% on Berthing & Mooring charges and 45% on Towage & Pilotage charges will indirectly affect CPCL by way of increase in Freight Charges by the vessel Owners to the extent of about Rs.9 Crores per annum.

The Chennai&Ennore Ports Steamer Agents' Association (CEPSAA)

- (i). A meeting was held on 9 February 2005 between the CHPT and the representatives of Chambers and users. Anomalies in the conditionalities in the proposed Scale of Rates were discussed and corrections agreed and recorded. But, the CHPT has put forth the old conditionalities rather than presenting the corrected and agreed conditionalities.
- (ii). An increase of the quantum suggested by the port is unjustified. The increase, if any, should be restricted to less than 10%.
- (iii). The Scale of Rates format is outdated and a complete revamp of the Marine charges section is necessary to reflect current scenario prior to any changes in the level of tariff.
- (iv). With regard to the berth hire charges in the new proposal, the highest rate from the previous Scale of Rates has been adopted and the different GRT sizes have been removed, which indirectly would increase the charge paid by the user.
- (v). The port should have a single Scale of Rates for all berths and should do away with the concessions given on the Night and Holiday Charges and also on Cranage.
- (vi). The Authority is requested to introduce a common tariff for port dues for all areas of the port with reference to GRT only.
- (vii). It is shocking to find that different clauses have been introduced under the anchorage fee head wherein vessels that arrive at outer anchorage need to pay berth hire at the rate where the vessel is supposed to be berthed which is in absolute contravention of TAMP directives on the subject in its order dated 12th August 2002. Anchorage fee introduced by the Authority is relevant only in the context of vessels shifted to outer anchorages after berthing or to be re-berthed subsequently. It is recommended that anchorage fee would be charged at 25% of the berth hire of the last berth occupied by the vessel.

- (viii). The highest tariff from the old scale of rate has been applied across all size of the vessel for pilotage fee. There need not be a differential tariff between Iron ore and Non Iron ore vessels since the services rendered are similar.
- (ix). The increase of 35% on wharfage charges for all cargoes is not justified. There has been substantial increase in the volume of cargoes being handled by CHPT, especially export cargoes. The Port should consider reducing its tariffs for export commodities. Introduction of volume discounts on wharfage for bulk cargoes over 5 lakh MT per year is unfair as this cannot be achieved and the very concept of providing volume discounts is defeated.
- (x). With reference to cleaning charges, during the last hearing, Chennai Port Trust had expressed that a charge to take care of Pollution would be sought by the port for bulk cargoes especially Coal and Iron Ore at a rate of 6 per MT. However, Rs.10 per M.T. has been proposed. The Trade had recommended to the port that the charge could be Rs.4/- per M.T. All dry bulk cargoes do pollute the environment in the Port in some fashion or the other, hence this levy of 'Cleaning Charges' should be classified as 'Pollution Levy' and charged to all dry bulk cargoes and not selectively, thereby enabling the further reduction in tariff under this head.
- (xi). The proposed tariff being sought for Iron Ore handled at MOHP is exorbitant and unjust. The port is trying to encash on the boom in Iron Ore Exports. Though the Port has revamped and replaced the tipping system, a steep increase of 110% on the present tariff is not called for and cannot be justified.
- (xii). The port has proposed 330% increase in the tariff for hire of 10-20 MT SWL shore cranes for landing and loading operations. They have also deleted one existing tariff structure/slab for shore cranes with SWL 10-15 MT. Three gantry cranes installed in J.D. east are lying unused and the budget also projects nil usage for these cranes. The Trade should not be made to bear the cost of dead investments. The newly installed L & T Shore Cranes are also not being utilized by the Users due to its exorbitant tariff. The Port should restore the previous tariff slabs for Shore Cranes between 10-15 MT as predominantly these are the categories of shore cranes available with the Port. An additional clause may be included to permit Users to use their own shore-based cranes without a notional fee being paid to the Port. Such steps in the long run will enable the Port in reducing their investment towards these types of cranes.
- (xiii). When the Port maintains and operates the shore cranes by its own personnel, even though they are on hire to the users, the port should be made accountable and responsible for their own lapses. The user shall be liable to compensate the Port when the damage has occurred due to misuse or negligence by the user, without providing for an opportunity to the Hirer/ user to evaluate the case/ cost of damage. The port may insure the cranes/ equipments if necessary where by the insuring company would not only ascertain the cause of damage and also the compensation to be paid.

- (xiv). The port has proposed Rs.774/- per hour or part thereof towards detention charges if the crane is kept idle. This would lead to a situation where the user would be blackmailed in paying increased speed money and no user would engage a crane without proper planning, as any user would desire that the cargo is discharged or loaded at the earliest considering high vessel cost. Last line of the para states that '5 minutes grace time will be allowed for each lift'. It would be impossible to sling heavy lift package with shackles and ropes safely and adequately within the time stipulated.
- (xv). CHPT is presently debiting the users with a tariff for 2nd and 3rd shift on any working day and during any shift on Sunday or CHPT Holiday for working of 150 tonne floating crane that they have proposed to TAMP, which is a clear violation of TAMP guidelines. The proposed tariff can only be charged after notification of the same by TAMP.
- (xvi). The port has proposed a penal charge whenever a user handles the cargo beyond the safe working load of the equipment. It may be noted that no cargo should be handled above the safe working load under any circumstances. The levy of penalty shows that the port likes to encourage misuse of its own equipment. To encourage increased investment by private entrepreneurs and to increase the availability of additional equipments in port, the system of collecting 50% charge for heavy lifts even though the crane is not used should be done away with and the users should be permitted to have their own equipments.
- (xvii). Chapter 4 Scale-1 Clause 8(a): For the purpose of calculation of free days Sundays, customs holidays and ports non-operational days are excluded. While Customs are closed on all Saturdays the port does not extend the free days for the Saturdays when Customs are not functional and it is necessary to point out that Port does not function on 2nd and 4th Saturdays.
- (xviii). The port is proposing to increase the tariff on Lands & Buildings by a preposterous 175% from its present tariff. The Port has already been provided a 100% increase in its tariff during the last general revision. Such measures would certainly act as counter productive steps and, if implemented, would most certainly drive away these exports from Chennai Port.
- (xix). Chennai Port has proposed that piece rate incentive should be paid in advance based on the actual tonnage handled in the previous shifts. Any piece rate payment to dock/ port workers is based on a productivity parameter called datum. Only if a worker achieves more than the datum fixed for any cargo, is he liable for a piece rate wage or incentive.

Hindustan Chamber of Commerce (HCC)

It has reiterated most of the comments furnished by CEPSAA and furnished the following additional comments:

- (i). Chennai Port has sought an upward revision of 140% on the Port Railway services rendered like Wagon Haulage and Special Port charges.

Unfortunately the proposals submitted to TAMP does not list them in detail under any Chapter of the Scale of Rates. Free time/ demurrage for unloading/ loading of wagons is to be listed in detail. The liabilities on derailments of wagons/ rakes on tracks maintained by Port's own personnel within the Port premises is to be borne by the users for no fault of theirs. Instances like damage of wagons while tipping are still being thrust upon and debited to the users. The Authority should take a policy decisions on such fixation of liabilities when the Port maintains and operates tracks/ tipping equipments, etc. The port should be made responsible/ accountable for services being rendered for a charge/ tariff and also provide a minimum throughput guarantee for any service and the respective tariff being charged.

(ii). Remarks on the Profit and Loss Account

- (a). Income of Rs.29,850/- lakhs from Rental and vessel related income are not accounted for the year 2004-05. However, all the expenses pertaining to this income are fully accounted. Taking this into account the profit for the year will be Rs.21,445/- lakhs.
 - (b). Administration expenses have been increased by Rs.1028 lakhs during 2004-05 only on account of increase in the Engineering and Workshop Overheads amounting approximately to Rs.878 lakhs.
 - (c). Most of the cash generation is kept as cash/ bank balance. The huge Bank/Cash balance indicates poor financial management of the port.
- (iii).
- (a). Though the port trust appropriates a substantial portion of the profit every year towards Capital Asset Replacement, the funds are not utilised to the extent of appropriation. Out of the Rs.54 Crores appropriated in the year 2004-05, only Rs.27.24 crores has been spent on capital assets.
 - (b). Appropriations in the income are in addition to the depreciation. Depreciation is normally provided to cover the replacement. However, the port has done both.
 - (c). The perusal of the accounts does not indicate any reduction either in the volume of business or profitability due to income tax application.
- (iv).
- (a). While calculating the income from port activities the Unaccounted Income and Interest and Miscellaneous Income are not considered. This has underestimated the profitability and thereby a reduction in the Return on Capital Employed.
 - (b). While computing the Return on Capital Employed it is wrong to take the net fixed assets as capital employed, as a substantial portion of the profit has been allotted for replacement of assets which are not considered. The Reserve as on 31.3.2005 amounting to Rs.93.23 crores has to be adjusted to arrive at the capital employed.

The Container Shipping Lines Association (India) (CSLA)

- (i). CHPT is asking for a very steep hike of 90% in Berthing and mooring charges and 45% in towage and pilotage without any commensurate improvement in service levels associated with this cost increase.
- (ii). A comparison with a few major ports in India shows that the marine costs in Chennai Port are one of the most expensive in India. Any further increase in the marine costs in Chennai Port will only be detrimental for its existing traffic as well for attracting any new traffic. The CHPT's proposed hike in marine costs may be rejected.

The Tamil Chamber of Commerce (TCC)

- (i). There should not be any increase in the rates since the increase in the volume of traffic will compensate the increase in the operation cost. If tariff is increased, there is a possibility of diversion of cargo to other adjoining Ports.
- (ii). Increase in tariff in lands and buildings about 175% are not advisable since the Port has already been given an increase of 100% during the last revision. The proposed increase in rates will also affect the trade in respect of bulk cargo and possibility of diverting the cargo from Chennai Port.
- (iii). TCC endorses the views of CEPSAA on the CHPT proposal.

The Chennai Custom House Agents Association (CCHAA)

It has reiterated most of the comments made by Chennai and Ennore Ports Steamer Agents' Association (CEPSAA) and has furnished the following additional comments:

- (i). The Authority should introduce a common port dues for all areas of the port with reference to GRT only.
- (ii). Though a distinction is made between Normal Delivery/ Normal Shipment and Direct Delivery/ Direct Shipment, there is still a grey area. There should be conditionality for deliveries taking place from the wharf to specify that would not attract stacking as this operation is not carried out by the port.

The Andhra Chamber of Commerce (ACC)

- (i). There should not be any increase in the rates since the volume of traffic had increased and the operational cost would come down naturally. In the event of increase in tariff, there is a possibility of diversion of traffic to other adjoining ports.

- (iii). The proposed increase of 175% in the tariff on land and buildings, 35% increase on wharfage for all cargo and 110% increase for iron ore is not at all justified. Export cargo which requires 30 free days on storage for transshipment would be affected, as there would be a steep hike in transactional cost for both import and export cargo.

Chennai Port Stevedores Association (CPSA)

The CHPT arranged a discussion on 7 July 2005 regarding the proposal and reached a consensus to facilitate the job of TAMP. It is noticed that the old conditionalities have been put forth rather than presenting the corrected and agreed conditionalities.

- (i).
 - (a). It is the primary duty of port authorities to supply equipments and provide more facilities to handle cargo, which helps quick turn round of vessels. This helps the port, as cranes and FLT are used for more number of times and thereby raising the port revenue on increased productivity. The present rate was arrived by taking into account the cost of equipment and its random usage period, etc. Under the circumstances, a steep increase of 110% over the present tariff of cranes and FLT is unwanted and unjustified.
 - (b). Three gantry cranes installed in J.D. east are lying unused and the budget also projected 'Nil' usage for these cranes. The trade should not be made to bear the cost of dead investments. The newly installed L&T Shore Cranes are also not being utilised by the users due to its exorbitant tariff.
 - (c). The performance of the port's shore cranes is poor. These cranes are being enforced upon the hirers with liabilities, even though the shore cranes are maintained and operated by the port. The Trade urges TAMP to introduce an additional clause by permitting users in using their own shore-based cranes without a notional fee being paid to the port.
- (ii). The port is proposing to increase the tariff on Lands & Buildings by a preposterous 175% from its present tariff. Only two years ago, 100% increase was effected in the last general revision.
- (iii). Regarding supply of 'Pay Loader', it is observed that the Users are forced to use Port's pay loaders for every two hooks in respect of export cargoes which are not only lesser in capacity (3 tonne) but also found not in condition on many occasions. It is therefore urged that unless the users place indent, the port should not enforce the users to use pay loaders; rather the users should be allowed to use private pay loaders for smooth stevedoring operation.
- (iv). Any piece rate payment to dock / port workers is based on a productivity parameter called datum. Only if a worker achieves more than the datum fixed for any cargo, he is liable for a piece rate wage or incentive. Hence,

this does not qualify under section 58 of the Major Ports Act, for the port to seek an advance payment for services to be rendered to the stevedores, unless and until the port guarantees a fixed productivity over and above the datum for that particular shift(s) and cargo(s).

- (v). TAMP may please regulate the conditionalities governing the tariff with a view to facilitating the operational efficiency of the port, which would result in cost reduction.
- (vi). TAMP has chosen cost plus modern for tariff fixation. In the cost plus approach any reduction in cost will have the effect of reduced tariff in the next cycle. The proposal from the CHPT for over all increase of the tariff implies that no tangible cost reduction has been done since the last revision of tariff.
- (vii). The cost of inefficiencies, uneconomical uses / practices should not be passed on to the users.
- (viii). Capacity utilisation factor is very relevant to the computation of return on capital employed. If the capacity is under utilised, the return on capital employed should be in proportion to the under utilisation of the capacity. In the proposal of the CHPT, such exercise is not done.
- (ix). The details with regard to the actual physical and financial performance at the end of the tariff validity cycle are not made available.
- (x). The inefficiencies, uneconomic uses and other shortcomings, which need to be addressed by the port trust before seeking revision, are as follows:
 - (a). The open land is expected to be handed over to the user in a developed condition. But the open land is developed and maintained by the user at the Chennai Port. The users also provide the security guards.
 - (b). Increased tonnage indicated by the port while arriving at the revenue is negligible when compared with the forecasts.
 - (c). For each sq. mtr. of the open land used by the user, upfront payment of 2 months rent is paid and in addition 3 months rent in the form of deposit is also paid. Interest on deposit is not taken into account.
 - (d). While arriving ROCE, deposit amount has not been deducted from Working Capital.
 - (e). Management costs, wages & salaries and their direct and indirect contribution to the services rendered to the users in the usage of land should be explicit.
 - (f). The port forces the users to engage certain categories of employees like Tindal, Tally Clerk, Labour and Supervisor, pay their salaries and

wages including levy. This notional posting is adding to the total cost of the operation.

- (g). Because of the handling systems and technology, the tonnage handled per shift per gang has increased manifold, whereas the datum continues to remain at a very low tonnage without being revised leading to hefty incentive payment to the labour, for the work carried out by the technology. This further adds to the total port cost.
- (h). Port handling equipments both on the water front and on the land have their own life period. Even after exhausting the time period and harvesting back the investment and the ROI, the handling charges of these equipments have been continuously increased.
- (i). Equipments acquired due to incorrect decisions and evaluation have become white elephants and dead stock for which the users are compelled to pay the increased tariff.
- (j). It is the time that port carries out a detailed study of the ports officers, employee and labour requirement and offer attractive VRS to trim and slim the port workforce. It is not fair on the part of the port to continue to raise the tariff without reducing the redundant employees.

Tamil Nadu Electricity Board (TNEB)

It has no comments to offer.

Engineering Export Promotion Council

Such huge hike in the tariff under some of the heads proposed by CHPT would adversely affect the export competitiveness and the trade should be consulted before finalising such increase.

2. The CHPT has responded to the comments furnished by the users on its proposal. The main comments furnished by CHPT on the comments of the users are summarised below:

On the Comments of the Chennai Custom House Agents' Association (CCHAA):

- (i). At present the port dues are classified under two categories of berths by grouping berths having comparable services. This is in tune with clause 6.5.1. of revised tariff guidelines.
- (ii). The pilotage fee has been brought under a three slab rate as per clause 6.10 of TAMP's revised guidelines. Vessels of higher capacity will have to pay less as concession is given for higher capacity vessels.

The CHPT has proposed the higher slab rate to offset the loss of income on coastal vessels that has been reduced from 70 to 60 percentage of the foreign rates. As regards fixation of rate, instead of the higher rate earlier proposed, a revised rate is now being proposed (0.424 instead of 0.559) so that the existing revenue under pilotage is being maintained.

- (iii). The increase of 35% of the wharfage is based on actual cost incurred for the activity. The wharfage for export cargoes is much less than the import cargoes and works out approximately to 50% of the import rate in respect of certain cargo like Ores and Minerals. With regard to volume discounts on wharfage for bulk cargoes over 5 lakh tonnes, the CHPT is at liberty to fix threshold limit for offering any rebate based on average throughput achievable in respect of any cargo. The above subject will be discussed further.
- (iv). A charge of Rs.5/- per M.T. towards pollution levy has already been accepted by Iron ore Exporters in the meeting held on 6 July 2005. This charge is now being proposed only to Coal and Ore since these are two major dry bulk categories. CCHAA suggestion to extend the levy to all dry bulk cargoes will be discussed further.
- (v). An increase of 46.65% in Iron Ore handling has already been accepted by Iron Ore Exporters in the meeting held on 6 July 2005.
- (vi). A separate rate for hire of 15T ELLW crane was fixed and forwarded to TAMP for approval. In the joint hearing held by TAMP with user agencies and CHPT on 14 February 2005 it was suggested that instead of fixing separate rates for new equipment the rates can be merged with equipment of similar range / capacity. Accordingly the rate for ELLW crane was brought under Chapter III Scale – 9.
- (vii). The suggestion is taken into account and the words “the value as ascertained by Trust” shall be modified as “the value as ascertained by the Trust in consultation with the user or approved valuer”.
- (viii). With reference to the proposed detention charges for crane if the crane is kept idle, the clause for detention charges in Chapter 3, Scale 11 was available in earlier Scale of Rates and now re-entered.

The levy of crew OT for FC Thangam which was originally worked out on shift basis was modified to hourly basis based on TAMP / user suggestions vide TAMP's joint hearing held on 14 February 2005.

- (ix). The general Note under Scale 11 in Chapter 3 provides for levy of penal charges for handling the cargo beyond the safe working load of the equipment and hence will be retained.
- (x). It is clarified that the last revision in tariff of Land and Buildings was effected four year ago i.e., in 2000 revision and during the last revision in 2002, the TAMP had not given any increase in tariff for land allotments.

- (xi). The piece rate incentive payment to the workers is based on the productivity parameter called Datum. Only if a worker achieves more than the datum fixed for any cargo, he is eligible for a Piece Rate Incentive.

The CHPT has prepared a statement based on actuals for 16 months i.e., from April 2004 to July, 2005. The statement shows that the Piece Rate Incentive amounts were recovered through on line in 955 stevedoring final bills out of 1007 stevedoring final bills. Only 52 remaining bills were not covered for the Piece Rate Incentive.

In view of the above, the TAMP may approve the CHPT's proposal of collection of the Piece rate Incentive in advance based on the actual tonnage handled in the previous shift.

- (xii). With reference to Port Railway Tariff, it is informed that most of Iron Ore exporters have already accepted for a revision of Haulage and Special Port Service Charges from Rs.5/- per tonne to Rs.15/- per tonne and the users' acceptance have already been forwarded to TAMP.

On the comments of Tamil Chamber of Commerce (TCC)

The percentage of revision proposed is just to offset the loss till next revision.

On the comments of Hindustan Chamber of Commerce and Chennai and Ennore Ports Steamer Agents' Association:

- (i). HCC & CEPSAA have suggested a three slab rate. As the slab rates are fixed as per Government guidelines communicated through TAMP letter dated 31 March 2005, the CHPT has no say in the matter.
- (ii). At present the port dues are classified under two categories of berths by grouping berths having comparable services. This is in tune with Clause 6.5.1. of TAMP' revised guidelines for tariff fixation.
- (iii). In the meeting held on 7 July 2005 relating to general revision of Scale of Rates it was decided to hold a separate meeting with major user agencies to discuss on anchorage fee and arrive at a consensus.

On the comments of Container Shipping Lines Association (India) [CSLA]

- (i). The marine charges are collected on the various services rendered at each port and will differ from port to port based on the logistic nature of the port.
- (ii). The proposed percentage of revision is based on the cost data.
- (iii). It can be inferred from the marine cost comparison statement furnished by the CSLA that the marine cost per day is much lower compared to the prevailing / existing rates at other major ports even after the proposed revision.

- (iv). The CSLA has observed that any further increase would be detrimental to the existing traffic at Chennai Port. In this connection, it is pointed out that with respect to pilotage fee a revised rate which is less than higher rate proposed is now being proposed (0.424 instead of 0.559).

On the comments of Chennai Container Terminal Limited (CCTL):

- (i). Though the CHPT has not proposed any increase in Container Activity, the increase proposed under the head Rentable Land and Buildings will be applicable to land allotted / leased to CCTL also.
- (ii). The surplus generated under Container Activity is cross subsidized to other deficit activities on the basis of the deficit in those activities. It is pointed out that such surpluses have been allotted to Vessel Related Charges like Berthing & Mooring and Towage and Pilotage and thereby the quantum of increase for these activities has been minimized. Further, in order to improve the supporting facilities for the container operation the following projects have been proposed for implementation:

Second Container Terminal (SCT) – (Rs.495 Crores)

- (a). Providing fencing along revetment from sand screen upto FCI godown–Rs.0.15 Crores.
- (b). Laying of Crane track and railway line for SCT Rs.4.70 Crores.
- (c). Modification and strengthening of CQ & SQ III – Rs.62.73 crores.
- (d). Fabrication and Erection of fencing along revetment from sand screen to FCI godown near hazardous cargo shed – Rs.0.05 Crores.

To facilitate formation of SCT the following evacuation plans have also been envisaged.

- (a). Widening of fire fighting road from gate no. 8 to gate no. 10 including the road adjacent to the office of DC(OSD) – Rs.2.30 Crores.
- (b). Widening of peripheral road in Bharathi Dock area – Rs.1.85 Crores.
- (c). Widening of Ore Berth road in Bharathi Dock area – Rs.2.47 Crores.
- (d). Widening of existing concrete road in Ex(c)F zone from gate no. 6 to north pipeline shop – Rs.5.40 Crores.
- (e). Demolition of HODs quarters LHS 9, 11 & 13 located in the spring haven road – Rs.0.05 Crores.

Further in respect of VRC, namely Port Dues, no increase has been proposed.

- (iii). The proposed increase of 175% in the Rentals from Land and Buildings is based on the deficit generated from this activity even after cross-

subsidization to the extent of Rs.4 Crores. The increase is warranted due to non-receipt of income from users who have been allotted land on lease basis including M/s. CCT and who have been avoiding legitimate payment to the CHPT in the disguise of arbitration.

- (iv). The working capital is only a balancing figure. It is only the capital employed that has shown substantial increase due to proposed implementation of NMD projects:

(Rs. in lakhs)

S. No.	Particulars	2005-06	2006-07	2008-09
01	Ennore – Manali Express way	1300	1300	--
02	Purchase of Land from CMDA for Maritime Project	1100	1100	--
03	Maduravoyyal Highway	7000	7000	6000
04	Creation of Additional Open Storage yard by reclamation	7000	7000	6000
05	Modernization of Chennai Port	2000	2000	1000
06	Captive Power plant of 15 MW	2000	2000	1000
07	Second Container terminal	5000	5000	--

Hence, there is increase in work-in-progress in respect of new projects envisaged and corresponding increase in return on capital employed.

On the comments of Federation of Indian Mineral Industries:

- (i). The Management & General Administration Overhead (M&GA) for the past 5 years as the percentage of the total operating expenditure are furnished below:

Year	2000-01	2001-02	2002-03	2003-04	2004-05
M&GA%	32.87	28.92	31.21	34.67	35.23

Hence the contention that Management Overhead has been overstated is not correct.

- (ii). The contention of FIMI that the M&GA overhead expenses for other than iron ore activity is on the negative side whereas for iron ore the growth is at 9.11% is wrong. There is increase in allocation of M&GA expenses to all the activities.
- (iii). It is pointed out the number of pensioners have increased substantially both on account of superannuation and VRS. Hence funds have to be provided for making pension payment for which purpose a separate fund has been created and contribution is being made every year to this fund to meet the liability. Therefore, there is an increase in FME. Incidentally, the number of pensioners is double that of the working strength of the port trust.

- (iv). The one time payment has not been considered as cost in the calculation. However, the contribution to retirement benefits has been considered which has been explained in para (iv) above.
- (v). The VRS payment has been considered as expenditure in the year in which it is incurred. However, the audit observation will be complied for VRS payments that may be incurred in future years.
- (vi). The Operating Expenses have been projected with an increase of 6% over the previous year for 2006-07 & 2007-08. However, the Operating Income has been projected at Rs.44.05 Crores for all the years since the Ore handling plant is already operating at its optimum capacity.
- (vii). The capital employed is worked out based on the format given by TAMP.
- (viii). There is an increase in capital employed in Iron Ore activity due to procurement of 1 number rotary wagon tippler at an estimated cost of Rs.4.98 Crores.
- (ix). The observation that the users through tariff have already paid "Replacement, Rehabilitation and Modernization of capital assets" cost is incorrect. It is stated that an Annual contribution is made to this reserve in proportion to the surplus generated in each year. The contributions to mandatory reserves are not taken into account for calculation of capital employed.
- (x). The CHPT proposed an increase of 110% in Iron Ore handling. However, based on a meeting held on Iron Exporters on 6 July 2005 a consensus has been reached to fix the new rate at Rs.85/- per tonne.

On the comments of Chennai Petroleum Corporation Limited (CPCL):

The increase proposed is on cost basis. CPCL will gain on towage and pilotage since concession is being extended for bigger vessels as per the TAMP's guidelines.

3. A joint hearing in this case was held on 26 October 2005 at the CHPT premises. The CHPT and the users made the following submissions in the joint hearing.

Chennai Port Trust

- (i). We have subsequently held discussion with users to arrive at a consensus.
- (ii). In VRC we agree with users to prescribe uniform rate of port dues without differentiating the location of berthing.
- (iii). Users have demanded a uniform rate of \$0.384 per GRT across all slabs of pilotage rates. We endorse this view because smaller size vessels will have to bear steep increase, if TAMP guidelines are applied. Rationalisation at one go will have serious financial implications to the Port as well the users.

[CEPSA : We request the existing rates to continue for upto 15000 GRT. Please introduce this as the fourth slab]

- (iv). We would like to revise our proposal to 7.5% increase in marine charges. But users agree to 5%. On reconsideration we also agree with users and restrict the increase in VRC to 5%.
- (v). We will review the proposed concessions to Mainline vessels in consultation with CCTL and users. For time being, we withdraw the proposed concession.
- (vi). In railway special charges, we agree to restrict the proposed increase to 40% and in crane charges to 20%.
- (vii). We agree with HCC. We will maintain the existing categorization for cramage and apply the proposed increase to the existing rates without any regrouping.
- (viii). We withdraw the proposed increase on lease rentals on buildings. For land, we will restrict the increase to 20% or the existing effective rates, whichever is higher.
- (ix). In iron ore, there is a consensus for levying a revised rate of Rs 85/- PMT.
- (x). Salvage charges increase is revised to 15%.
- (xi). We propose all dry bulk cargo should pay Rs 5/- PMT towards pollution charges. We will maintain an escrow account and make adjustments in levy, if any surplus is made by this fund.
- (xii). Wharfage on coal will be increased to Rs 26/- PMT from the present level of Rs 13 PMT.
- (xiii). In case of all other cargo, we propose a uniform increase of 10% in the cargo related charges.
- (xiv). We agree to streamline the 10% charges levied for allowing private equipment.
- (xv). We will rationalize the charges levied for direct delivery/shipment using floating cranes.

Chennai Container Terminal Limited

- (i). We agree with the proposal for VRC. But, CHPT should continue with the concessional package marine charges for the main line vessels.

- (ii). Annual escalation in licence fee is not applicable to us. The matter is under arbitration. No revision of rate for CCTL lands should be made, as container handling activity of CHPT is admitted to be in surplus.

Hindustan Chamber of Commerce

- (i). We request berth hire should stop within 1 hour of a vessel's readiness to sail.
- (ii). The CHPT delays refund and still do not pay penal interest as per SOR.
- (iii). We agree with the port. In case of crantage, the port should, however, have a re-look at the proposed slabs.

Indian Oil Corporation Limited (IOCL)

- (i). Rate for old petroleum berth needs review retrospectively. The port does not allow refund under the pretext that the matter has been referred to TAMP.
- (ii). We do not agree for any increase in the bunkers. Bunkers should not be made to pay wharfage.

Federation of Indian Mineral Industries (FIMI)

We have already furnished our detailed written submission. Our analysis shows there is no merit in increase in iron ore charges. We are not a party to the consensus referred by CHPT. Our share of traffic is 70%.

M/s. Mineral Sales Private Limited (MSPL)

The port charges Rs.10/- for clearing in addition to wharfage on coal. They do not provide any services for clearing.

4. Subsequent to the joint hearing, the HCC vide its letter dated 17 November 2005 furnished the following comments:

- (i). The users agreed in the meeting held in January 2005 convened by the port that the port could charge Rs.85/- per metric tonne including a pollution levy of Rs.5 per metric tonne as MOHP handling charge.

The users who had agreed for an increase had signed minutes without noticing the error in the factual recording of the proceedings and the insertion of a separate pollution levy of Rs.5 per metric tonne in addition to the MOHP handling charge of Rs.85 per metric tonne. TAMP may please make note of this.

- (ii). With the majority of the users having agreed to revise rate, TAMP may please notify the rates prospectively as per guidelines and not

retrospectively as being collected by CHPT with respect to the pollution levy of Rs.5 per metric tonne.

The CHPT vide its letter dated 20 December 2005 has stated that it has no comments to offer on the HCC letter dated 17 November 2005.

5. After the joint hearing, the CPSA and CEPSAA have also furnished the following comments:

Chennai Port Stevedores Association (CPSA)

At the time of merger of the Dock Labour Board the Government advised that the notional allotment / dummy posting should be disposed away forthwith. In view of this, the proposed conditionality requiring to pay time rate wages and 192% levy on time rate wages for plot work operation in respect of Clause (B) of Scale – II prior to the engagement of labour will go against the Government of India policy.

Only bulk cargoes like coal, fertilizers etc., are being handled at the plots mechanically by using tipper trucks for unloading / loading cargo on to tippers / trucks for delivery using Pay Loaders. As such, the element of physical manpower requirement does not arise.

The Chennai and Ennore Port Steamer Agents' Association (CEPSAA)

- (i). We have considered to the minutes of the meeting based on the understanding that the following figures which were furnished by the CHPT to all the participants are the rates agreed by all through consensus.
 - (a). Port Dues US \$ 0.229 (After 5% increase agreed by CHPT)
 - (b). Berth hire US \$ 0.0288 (After 5% increase agreed by CHPT)
 - (c). Pilotage to maintain at the existing 12 slabs (6 slabs for iron vessels and 6 slabs for non-iron vessels) with 5% increase in each slab.
- (ii). In the hearing held on 26 October 2005 CESAA had represented that there will be a severe imbalance if as per the revised tariff guidelines for slabs pilotage are adopted. It was also explained that the vessels in the range of 15000 GRT would be severely affected.
- (iii). Even though there will be an increase of 100 to 150% in the berth hire for container vessels ranging around 15,000 GRT in the revised tariff having single slab of US \$ 0.00288 per GRT per hour, CESAA has considered of this enormous hike in berth hire because of TAMP's guidelines and also in view of the CHPT's acceptance for a rationale increase of 5% in the case of

pilotage and port dues, which will result in a over all increase of 15 to 20% in marine charges put together.

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