

(Published in Part – III Section 4 of the Gazette of India, Extraordinary)

No. 138

New Delhi, the 4th July 2002

Tariff Authority for Major Ports

Notification

In exercise of the powers conferred by Sections 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal of the Chennai Port Trust for fixation of hire charges of 20 Ton Gantry crane as in the Order appended hereto.

(S. Sathyam)
Chairman

Chennai Port Trust (CHPT)

Applicant

O R D E R

(Passed on this 28th day of June 2002)

This case relates to a proposal received from the Chennai Port Trust (CHPT) for fixation of hire charges for 20 tonne gantry cranes newly acquired by the CHPT.

2.1. In its proposal, the CHPT has made the following main points:

- (i). It has acquired 3 Nos. of 20 tonne wharf electric cranes of gantry type with a lifting capacity of 9 to 10 tonnes for handling finished fertilizers like Urea, MOP and cargoes like Barytes, Quartz, heavy steel material and scrap.
- (ii). A separate hire rate of Rs. 35/- per tonne per crane has been proposed. The proposed rate has been arrived at based on the capital cost of the gantry crane and the estimated cost of operation and maintenance of them. The proposal for fixation of hire charges for these gantry crane is on a 'per tonne' basis which is different from the rates applicable for the other cranes.
- (iii). It has proposed to insert the following new clauses in its Scale of Rates:

(a). The hire charge of Rs. 35/- per tonne per crane for hiring 20T Gantry Crane

shall be inserted in a new Sl. No. 150 in Annexure-Charges levied on Plants and Appliances which are available with the Board for hire to the public, in Book II of the Scale of Rates.

(b). A new clause as Item No. 6 after Item No. 5 in Berth Hire Charges under Chapter XI of Book I of the Scale of Rates may be inserted as follows to exclude the above 20T gantry crane charge from the Berth Hire Charges:

“Hire of 20T gantry crane shall be levied as provided under item No. 150, in Annexure - Charges levied on plants and appliances which are available with the Board for hire to the public in Book II of the Scale of Rates. “

2.2. The CHPT has also requested that the cost sheet furnished along with the proposal may not be circulated to the users so to as to maintain confidentiality of the cost data. .

3. In accordance with the prescribed procedure, a copy of the CHPT proposal (excluding cost data) was forwarded to all concerned port users and representative bodies of port users for comments. The comments received from them are summarised below:

The Tamil Chamber of Commerce (TCC)

It is difficult to determine the reasonability of cost in absence of the costing details. If the cost data is confidential, the Authority may consider approving a reasonable rate.

Chennai Port Stevedores' Association (CPSA)

(i). The CHPT normally provides crane at all the berths and the cranage component is included in the Berth Hire Charges as per the tariffs prescribed in Category I under Chapter IX of the CHPT Scale of Rates. There is no request from any of the port users for providing such a crane. Hence it will be unreasonable to charge Rs.35/- PMT for this particular 20 tonne gantry crane, as it will be an additional burden on the port-users.

(ii). The TAMP in its Order dated 12 March 2001 relating to hire charges for 4.8 Linde make imported EFLT has observed that, Berth Hire or wharfage shall not be revised when a new berth is constructed and put into use or when a crane is installed in the existing berth and that it is to be recognised that replacement and modernisation is a continuous process and such process should not be a reason to destabilise the Scale of Rates frequently. On the same analogy the instant proposal of the CHPT to fix hire charges for newly acquired cranes may

not be acceded to.

4.1. A joint hearing in this case was held on 18 December 2001 at the CHPT premises in Chennai. At the joint hearing, the following submissions were made:

Chennai Port Trust (CHPT)

- (i). Data / information, costing, etc., need not be confidential. We will give everything. The TAMP may decide whether to circulate or not. We want to be transparent.
- (ii). 'Per tonne' basis is better. 'Per hour' basis does not take into account downtime, etc.
- (iii). The cramage should be a cargo related charge. There will be no double charge. The cramage component of composite berth hire will be removed.
- (iv). While computing the hire charges on 'per tonne' basis, the reference to 'actuals' is better than reference to 'capacity' indicated by the manufacturer.
- (v). At this berth, use of this crane must be made compulsory. They will have the option to refuse the (compulsory) berth.
- (vi). Reference to other cranes etc., will be irrelevant.

The Shipping Corporation of India (SCI)

- (i). Hire charges of a crane on per tonne basis is acceptable.
- (ii). We must be given the costing details.
- (iii). The TAMP may adopt a via media between actual vs. ultimate capacity utilisation._

The Chennai Custom House Agents Association (CCAAA)

- (i). We prefer crane hire charges on a 'per tonne' basis.
- (ii). We will comment on costing after seeing the cost sheet._

The Hindustan Chamber of Commerce (HCC)

- (i). We prefer crane hire charges on a 'per tonne' basis.
- (ii). Calculate the rate with respect to some via media.
- (iii). There should be no double charge. There should be a rebate as indicated by the CHPT._

The Tamil Chamber of Commerce (TCC)

- (i). We prefer hire charges on 'per tonne' basis.
- (ii). It cannot be with respect only to 'actuals' the rated capacity must also be taken into account.
- (iii). Have an Efficiency Linked Tariff (ELT) system. It is better than the cut off rebate and less than the cut off premium.

Madras Chamber of Commerce and Industry (MCCI)

- (i). We prefer hire charges on 'per tonne' basis.
- (ii). Adopt a via media between actual and rated capacity.
- (iii). If a separate crantage is applied, the crantage component of Berth Hire must be waived.
- (iv). We support the request for an ELTS._

The Chennai Steamer Agents' Association (CSAA)

We endorse the views of the MCCI.

Chennai Stevedores Association (CSA)

- (i). We are not in favour of 'per tonne' basis.
- (ii). There cannot be two systems for the charges levied for hire of cranes.

- (iii). The 'per tonne' basis if considered has also to be cargo-wise.
- (iv). If the proposed hire charge does not include thermal coal, the cost of Rs. 35/- is very high for 'steam coal' (it comes to only Rs. 20/-).
- (v). How will they measure the quantity? Will Bill of Lading be the guide? Their proposal for a 'survey' is not easily workable.
- (vi). If the vessel is shifted to another berth midway who will decide on how much of cargo shall be levied @ Rs.35/- and how much at the 'composite berth hire' rate?

4.2. With reference to objections raised by the users about cost details not being circulated, the CHPT agreed at the joint hearing that such details need not be held back from the concerned port users. It requested this Authority to decide the extent to which the information / data has to be circulated. The cost sheet was circulated to the port users at the joint hearing itself. The users were given two week's time to send further submissions, if any.

4.3. At the joint hearing, the CHPT had also agreed to circulate a brief note to the users giving details of the arrangement proposed and the conditionalities subject to which these gantry crane would be operated.

5.1. As agreed in the joint hearing, the port users have filed their respective written submissions which are summarised as follows:

The Chennai Steamer Agents' Association (CSAA)

- (i). Usage of the crane shall not be made compulsory.
- (ii). The charges for usage of these cranes must be restricted to the actual tonnage lifted by the crane and not on the manifested quantity of the vessel.
- (iii). In case a vessel using this crane is shifted to another berth, the usage of the crane shall be determined by an agreed methodology; and, accordingly charges shall be levied for the quantity lifted by this crane.
- (vi). The proposed rate of Rs.35/- PMT is not tenable. Currently, the entire stevedoring cost works out to less than this for most of the bulk cargoes. Levy of such a high rate shall only drive the trade away from the Chennai Port.
- (v). The computation of interest and return on investment at the rate of 20%

appears to be very high.

(v). It is suggested that the operational costs for the crane may be levied at Rs.5/- PMT to Rs.9/- PMT based on the commodity handled ; and, the balance may be cross-subsidised from other earnings of the port.

The Chennai Port Stevedores Association (CPSA)

(i). The CHPT has proposed to fix hire charges for crane on a per metric tonne rate basis. This proposal is a deviation from the present practice of charging crane charges as a component of the composite Berth Hire charge which is in practice for more than a decade.

(ii). The existing cranage component included in the composite Berth Hire is US\$ 249.90 per day (approximately Rs. 12000/- per day) whereas the CHPT has proposed crane hire charges of Rs. 35/- PMT. The increase in tariff proposed by the CHPT is in the range of 190% to 1900%.

(iii). The newly acquired gantry cranes have a better rated capacity which will enable it to handle larger volumes of cargo in a single day; but, there are no adequate evacuation / storage facilities at the CHPT to synchronise with the output that these cranes shall achieve. As a result neither the cost of handling shall decrease nor will it match with even the existing cost of handling.

(iv). The CHPT's proposal is also ambiguous as regards the onus of damage either to the crane or to the vessel due to negligent handling by its operators. The existing provision prescribes that the cost of damages shall be borne by the hirer. If the existing provision is applied then it would only serve as a deterrent to the utility of these cranes by the users, as cost of damages shall be phenomenal.

(v). These gantry cranes which are predominantly meant for discharge of fertilisers, scrap, etc., cannot lift on /lift off the payloaders or trimming dozers into / from the vessel due to a design defect. Even if it is altered, the proposal does not specify whether the cranage charge includes charges for such kind of lift on / off operations, charges for hire of contraptions like grab, magnet or tub etc.

(vi). In the present scenario of depleting traffic at the Chennai Port, any steep escalation in cost of handling shall have a drastic impact on the traffic handled by this port. This shall result in flight of cargo to the neighboring ports which are far more competitive, providing better and more professional services.

The Shipping Corporation of India (SCI)

It has stated that the CHPT had convened a meeting 20 December 2001 in which representative port users of various forums had participated to discuss the proposal. The SCI has furnished the following comments based on the various points discussed in the said meeting:

- (i). The rate of Rs.35/- PMT as proposed by the CHPT is very much on the higher side as compared to the overall handling cost of around Rs. 19/- PMT applicable at present. The handling agents cannot bear such a steep increase. The proposed hire charges shall adversely affect the trade interests; and, shall seriously affect the traffic at CHPT.
- (ii). A suitable cross subsidisation from some other profitable activity of the port may be considered so that a lesser rate for crane hire can be fixed.
- (iii). The instant proposal is silent about the present levy of US\$ 262.39 per day included in the normal berth hire charges towards crantage. The TAMP may incorporate a suitable provision prescribing a rebate in the existing Berth Hire rate while charging the proposed levy.
- (iv). The CHPT has calculated the interest and the return on capital employed @ 20% on the total cost of the plant on straight line method. The rate of interest considered in the computation and the return on investment expected by the CHPT has not been indicated separately. In case of borrowed loan, interest is paid on the reduced loan amount each year. That being so, it is not correct to compute return on investment on straight line method.
- (v). The CHPT has not furnished the repayment schedule of the cost of capital employed i.e. Rs. 36.10 crores. The SCI has furnished a detailed computation of hire charges. In its computation, the SCI has assumed that the amount borrowed shall be repaid over a period of 20 years i.e. the expected life span of the acquired crane; and, the interest has been considered @ 20% on the reducing balance of loan amount. Based on this working the hire charges on crane comes down to Rs. 24/- PMT as against the CHPT proposal of Rs. 35/- PMT. _

Madras Chamber of Commerce and Industry (MCCI)

- (i). The proposal of the CHPT is both unviable and unjustifiable.

- (ii). The entire stevedoring rate for handling of coal works out to only Rs. 24/- PMT. This includes a cranage component of approximately Rs. 9/- PMT.
- (iii). As per ports financial planning, the rate of return of 20% is simply too high in light of the fact that Reserve Bank of India itself has been instrumental in lowering institutional debts lending costs. The rate of return may ,therefor, be pegged down to 9%.
- (iv). The total charge for the use of this crane should be on ' per use' basis only. The quantity of usage shall be determined as per the survey reports furnished by the steamer agent or stevedores.
- (v). The rate shall be fixed on sliding scale from Rs. 5/-PMT to Rs. 9/- PMT depending on the commodity handled.
- (vi). Any differential in the cost suffered by the Port on account of these measures may be cross subsidized with the other cost elements.

The Chennai Custom House Agents Association (CCHAA)

It has no comments to offer on the CHPT proposal since it does not engage the services of 20 tonne gantry crane.

5.2. Copies of the comments received from the users/representative bodies of port users have been forwarded to the CHPT as feedback information and comments, if any. The CHPT has not furnished any further comments in this regard.

6.1. The CHPT was requested to furnish additional information / clarification on the following main points:

- (i). The tonnage of cargo estimated to be handled by the newly acquired cranes in the next two years.
- (ii). The rated capacity of the newly acquired cranes.
- (iii). Reasons for not considering the insurance cost for fixation of hire charges.
- (iv). Supervision cost estimated at 40% of repairs and maintenance and the estimated power cost to be validated with reference to actuals cost for similar type of equipment.
- (v). The cranage component included in the existing Berth Hire charges for the berths

where these cranes have been installed.

6.2. In response, the CHPT has furnished the additional information / clarification which are summarised as follows:

- (i). It has estimated to handle 35.55 lakh tonnes of cargo per year by installing three cranes of 20 tonne each.
- (ii). The rated capacity of all the three cranes taken together is estimated at 32.40 lakh tonnes taking into consideration the lifting capacity of each crane at 9 tonnes per lift.
- (iii). The plants and equipment are not insured separately. A General Insurance Fund is created; and, damages, if any are met out of this fund.
- (iv). The repairs and maintenance cost and power cost are taken based on the average repairs and maintenance cost of the cranes already existing prior to the procurement of these new gantry type.
- (v). Supervision cost has been fixed based on the review of management and administration overhead rates based on past years average which works out to 40% on operation, maintenance and power cost. The same was approved by the CHPT Board vide Resolution No. 214 dated 23 December 1981.
- (vi). The crange component included in the Berth Hire rate is Rs. 1837.50 for coastal vessel and US\$ 87.465 for foreign going vessel for 8 hour unit. A provision may be included to give a rebate of this crange component in respect of those berths where the Gantry cranes are supplied and no other wharf cranes are available at the berths for supply to the port users.

7. As agreed at the joint hearing, the CHPT has sent its response, after several reminders, on the issue of prescribing conditionalities subject to which the gantry crane will be operated. The CHPT in its reply has made the following main points:

- (i). Meetings were held with the Steamer Agents, Stevedores, labour unions, etc., on the issues involved in utilisation of 20 tonne gantry crane; but, desired results were not achieved despite offering various options like extra free time, reduction of manning scale etc.
- (ii). The Steamer Agents were, however, informed that if all other deep draft berths are occupied, a vessel which arrives will be regulated at JD6 where the gantry crane is provided. If this berth is not acceptable the vessel will be kept out until another berths falls vacant.
- (iii). Specific conditionalities governing operation of 20 tonne gantry crane could not be

fixed as users vehemently opposed the extra incidence of cost.

(iv). It has indicated that this crane will be operated by maintaining the same manning pattern as is applicable for cargo loaded or unloaded using ship's own grabs.

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

(i). This proposal is for fixation of charges for handling cargo using the 3 Nos. of 20 T gantry cranes newly acquired by the CHPT. These cranes will be used for handling different commodities but a uniform handling charge has been proposed. Some of the users raised objections relating to the very need to have such cranes, suitability of these cranes for some operations, non availability of corresponding evacuations facilities, etc. It is not for this Authority to go into the issue of equipment selection process; the CHPT will remain responsible for such decisions. Since these cranes are stated to be deployed for cargo operations, the issue before this Authority is to fix appropriate tariffs therefor.

(ii). The CPSA has correctly referred to an Order passed by this Authority in which it was held that modernisation/replacement of equipment should not be a reason to destabilise the Scale of Rates frequently by seeking revision of rates. This Order was passed in relation to new 5 T forklift trucks procured by the CHPT. In that case, a similar category of equipment was available with the CHPT and a hire charge for this category was prescribed in the notified Scale of Rates. This is not the position obtaining in the case now under consideration. Besides, the order of investment is also significant. Further, the proposal envisages a change in the unit of charging.

(iii). The CHPT has proposed hire charges on a 'per tonne' basis. The existing method followed at the CHPT is to levy hire charges of cranes/equipment on the basis of a shift of 8 hours. As has been pointed out by the CHPT, the proposed change of unit of charging will benefit the users as they need not bear the cost of idle time, break-down of the equipment, etc. Most of the users have endorsed the proposed unit of levying the charge on a 'per tonne' basis. It may not be inappropriate to levy a charge with reference to the direct output enjoyed by a user instead of reckoning only with the inputs going into the service provided. After all, crane is only a tool in achieving the ultimate objective of cargo loading/unloading at a Port. It is noteworthy that a major port trust (and, a Dock Labour Board also) has recently introduced a 'per-tonne' rate of charging for supply of cargo handling workers by switching over from the conventional 'wages plus levy' system.

(iv). It is strange that the CHPT has claimed its new cranes of 20 MT capacity

can lift on an average 9 MT of materials only. Significantly, these cranes are new and there is no derating factor indicated. It is a commonly accepted international practice for manufacturers to indicate only the net lifting capacity of cranes. Cases of deviation from this common practice are singled out through separate specific certification of lifting capacities. No such separate certification has been indicated in this case by the CHPT. There is, therefore, no reason why the CHPT shall pitch down the lifting capacity of the three cranes to 9 MT when they are described to be 20 MT Gantry cranes. If at all, some nominal slippages on operational considerations can be admitted. On this basis, the lifting capacity of each of the three 20 MT Gantry cranes is taken to be 18 MT.

Another factor which is relevant for estimation of the lifting capacity is the type of cargo. The CHPT has not proposed different rates for different commodities. When the crane will be deployed to handle different commodities, it may not be reasonable to assume a commodity which will restrict the maximum lifting capacity and apply such reduced lifting capacity across the board to fix hire charges.

(v). The Port has estimated to handle 35.55 lakhs tonnes per annum of cargo using these newly acquired gantry cranes; and, the rated capacity of these three cranes has been estimated at 32.4 lakh tonnes. The rated capacity has been arrived at by the port taking into consideration the lifting capacity of each crane at 9 tonnes. It has considered 20 hours working time for 300 days in a year.

The guideline on equipment availability and utilisation issued by the Government specifies an availability norm of around 90% for a gantry crane assuming 352 days per annum and 24 hours per day of working period. The capacity of these cranes in terms of cargo to be handled will, therefore, be 82.11 lakh tonnes by applying the norms prescribed by the Government and considering an average lifting capacity of each gantry crane as 18 tonnes. When compared with the utilisation estimated by the CHPT, the capacity utilisation of these cranes will be 43.3%. It is to be recognised that the maximum level of return on capital employed can be sought only when the assets are utilised nearly to their capacity levels. A port cannot seek to maximise return when capacity created is not fully utilised. Recognising this fact this Authority has already decided in cases relating to some other port trusts and private terminals to link return with capacity utilisation. Incidentally, the CHPT has considered return on capital employed at 20% as against the maximum admissible limit of 18.5%. In line with the general principle adopted by this Authority, the return on capital employed in the instant case can be allowed only to the extent of 43.3% of the maximum admissible level of 18.5%.

(vi). The CHPT has explained that the supervision cost has been fixed based on a review of management and administration overhead rates done in 1981 considering the (then) average cost position which works out to 40% on operation, maintenance and power cost. In this context it is to be pointed out the supervision cost estimated by CHPT based on the review done some twenty years back may not be relevant in the present scenario. It is noteworthy that this cost is not incremental with reference to these cranes. This is an allocable expenditure. If this item of cost is considered here without corresponding reduction elsewhere, it will amount to double counting. That being so, the supervision cost has not been included in the revised working of hire charges.

(vii). The CHPT has explained that repairs and maintenance cost and power cost have been considered taking into consideration the average repairs and maintenance cost of the cranes already existing prior to the procurement of these new gantry type cranes. These estimates have been retained without any modification for fixation of the hire charges. There can be an opinion that it will not be reasonable to adopt averages pertaining to old equipment for new cranes which in any case will also be covered by guarantee/warranty changes. In view of the fact that this item of expenditure may not be a major cost component in the computation and actual cost details are not readily available, and bearing in mind the advice proposed to be given to the CHPT to rework the rates within six months, it is proposed to retain these estimates as given.

(viii). The CHPT has not specifically included the insurance cost in its calculation for arriving at the proposed hire charges. The port has stated that the cost of damage is met out of the General Insurance Fund. This Authority has already advised the CHPT to consider insuring of its equipment and to build in the cost of insurance in the computation of hire charges. The advice rendered earlier is reiterated and the CHPT is required to consider actual insurance cost of the equipment in the computation of hire charges of equipment; and, thereafter, claim damages and compensation only from the insurance company and not from the users.

(ix). Subject to the above, the calculation of the hire charges for the 20 tonne gantry cranes has been revised. The revised calculation sheet is attached as **Annex**. The revised working indicates a hire charge of 20 tonne gantry crane as Rs. 20.30 per tonne.

(x). Many of the users have appealed to fix the hire charges duly taking into account the cross-subsidisation available. It is a fact that the entire deficit disclosed by the crange activity was not bridged by a corresponding tariff increase at the time of the last general revision of the CHPT Scale of Rates. The increase in tariffs was moderated considering all cargo-related activities together and the

incidence of cross-subsidisation between various activities/sub-activities. Given the cost details that have been made available for analysis, it may not be possible to accurately quantify the exact quantum of cross-subsidisation and the contributing activity. It will be further more difficult to exactly apportion the benefit of cross-subsidisation available to the crantage activity to individual cranes/equipment forming part of this activity. Although there can be an argument that the level of cross subsidisation obtained at the time of the last general revision may have undergone a variation due to changes in cost and traffic patterns, it cannot be conclusively established that the crantage activity has become self-reliant in a space of two years and with the existing tariffs at that. That being so, it can be reasonably presumed that the activity continues to be cross-subsidised; and, this benefit can be reasonably expected to flow to the three gantry cranes in question. It is, therefore, appropriate to reduce the cost-based tariff arrived at for these cranes by considering the incidence of cross-subsidisation.

In the light of the position explained above, this Authority finds it reasonable to fix a crane hire charge of Rs.19/- per tonne of cargo handled.

Since the entire proposal is based on estimates and the extent of cross-subsidisation cannot be quantified specifically in the context of a piece-meal tariff fixation, an option is given to the CHPT to propose review of the hire charges fixed now and propose commoditywise hire charges, when its operations using these cranes stabilise and a complete financial position of different activities emerges clearly in the exercise in progress relating to general revision of tariffs.

(xi). The users have brought out that the existing berth hire charges include an element of crantage; and, if a separate crane hire charge is introduced, it will amount to double charging. Though it did not propose anything in this regard initially, the CHPT has subsequently conceded to allow a rebate in berth hire where the gantry cranes are supplied and no other wharf cranes are available for supply to users. When the gantry cranes are supplied and a separate charge for their usage is levied, availability of some other wharf crane at the same berth may not be relevant for allowing rebate in berth hire charges.

The CHPT Scale of Rates prescribes that the berth hire charge includes a crantage element of Rs.1837.50 (\$87.465) per 8 hours in respect of vessels having GRT upto 30000. In case of vessels having GRT above 30000, it is stipulated that a wharf crane hire of Rs.1837.50 (\$87.465) per 8 hours will be added to the berth hire charge.

When the gantry cranes are used, the CHPT cannot levy a separate crantage element as a part of or along with berth hire charges. A suitable conditionality in this regard is, therefore, introduced in the Scale of Rates of the CHPT.

(xii). The CHPT has been advised to propose relevant conditionalities governing the hire of these gantry cranes. Strangely, the CHPT has expressed its inability to propose such conditionalities. In the absence of details required for framing such conditionalities, it is not possible for this Authority to introduce *suo moto* such stipulations in the Scale of Rates. The CHPT and/or the users are required to propose within six months suitable conditionalities governing the hire charges approved now. The CHPT can propose such conditionalities in consultation with its users and also bearing in mind some of the issues already raised by the users like, additional charges for attachments, measuring the quantity lifted for levying the hire charges, shifting of vessels from one berth to another, optional hiring of the gantry cranes, etc.

Till such time specific conditionalities for hire of these gantry cranes are approved, the existing conditionalities governing hire of other cranes/equipment shall continue to apply in this case also.

9.1 In the result, and for the reasons given above, this Authority approves a hire charge of Rs. 19/- per tonne for 20 tonne gantry crane and accordingly makes the following amendments in the existing Scale of Rates of the CHPT:

(i). Insert in Book-II a new Sl. No. 150 in Annex-Charges levied on Plants and Appliances which are available with the CHPT for hire to the Public, as follows:

Sl. No	Description	Rate of hire	Period of hire/unit	Minimum	Remarks
150.	20 Tonne gantry crane	Rs.19/-	Per tonne	---	---

(ii). Insert a new entry as Sl. No.(6.) in Chapter XI – Berth hire charges; Book I as follows:

“6. Hire of 20 T gantry crane as provided in Book-II under Sl.No.150 of Annex – Charges levied on Plants and Appliances which are available with the CHPT for hire to the Public.”

(iii). Insert a new entry as (H) under Note 1 in Chapter – XI – Berth hire charges; Book-I as follows:

“In case of vessels in Group I to IV of Schedule-I, when a 20 T Gantry crane is hired for cargo operations, the composite berth hire charge shall not include the wharf crane hire charge, as specified in Note 1(A)(i) above. In case of vessels in Group V to VII of Schedule-I, additional charges for wharf crane hire, as stipulated

in Note 1(B).(ii) above shall not be levied.”

9.2. This Order will come into effect immediately on its notification in the Gazette of India.

(S. Sathyam)

Chairman

Statement showing fixation of Hire charges for 20 tonne capacity gantry crane

Rated Capacity per annum (25920x352x90%)	tonnes	8211456
Tonnage to be handled per annum (as assessed by the CHPT)	tonnes	3555000
Capacity utilisation		43.3%
		(Rs.in crores)
Capital cost of the crane	Cranes	35.04
	Civil	1.06
Total capital cost for 20 tonne gantry crane		36.1
A. Annual Capital Cost		
(i) Return on capital employed @ 18.5% linked to capacity utilisation (36.1x18.5%x43.3%)		2.89
(ii) Depreciation(35.04/20 + 1.06/50)		1.77
Sub total (A)		4.65
B. Annual Operation and Maintenance Cost		
(i) Repair & Renewals (including material and labour)		
(a)Material	1.716	
(b) Labour	0.323	2.04
(ii) Power cost		0.18
(iii) Storage charges 20% of (i) (a)		0.34
Sub total (B)		2.56
Total Annual Cost (A) + (B)		7.22

Estimated tonnage to be handled

3555000

Cost per tonne	(in Rs.)	20.30	95
Note			
Working of rated capacity :			
Weight of material per lift	tonnes	18)
Number of cycle per hour @ 3 minutes per cycle	cycle	20	
Handling per hour (20*18)	tonnes	360	
Handling per day (24 hours) per crane	tonnes	8640	
For 3 cranes	tonnes	25920	
No of working days per year		352	
Rated capacity (25920*352*90%)	tonnes	8211456	