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TARIFF AUTHORITY FOR MAJOR PORTS

G. No. 14 **New Delhi, 14 January , 2004**

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 Cochin 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/75/2002-COPT

The Cochin Port Trust - - - - Applicant

O R D E R
(Passed on this 16th day of December 2003)

This case relates to the proposal received from the Cochin Port Trust (COPT) relating to the general revision of its Scale of Rates.

2.1. The COPT has made the following main points in its proposal:

(i). The last revision of the container/cargo related charges were approved in December 1998 and the vessel related charges were approved in January 1999. This revision excluded revision of certain items like POL and lease rentals.

(ii). Based on the financial position of the port during the year 2000-01 which showed a revenue deficit of Rs. 47.26 crores, a general revision proposal was placed before its Board of Trustees on 21 March 2002 for an upward revision of 25% in the tariff. The Board of Trustees of the COPT, however, resolved to continue with the existing tariff on the ground that upward revision may not be advisable from marketing angle with coming up of new generation ports like PSASICAL, Chennai Container Terminal Ltd., and Ennore Port and also in view of the fact that the existing tariff at the Cochin port itself is higher compared to the neighbouring ports of Tuticorin, New Mangalore and Chennai.

(iii). In view of the above, the port had not proposed any revision in tariffs at that point of time but, had just forwarded a copy of the Board Resolution to this Authority.

2.2. In this context, it was clarified to the COPT that the Board of Trustees of a Port Trust cannot decide on a tariff issue and it was for this Authority to decide whether the existing rates should continue unaltered. It was also clarified that review at the end of the tariff validity period need not necessarily result in any (upward) revision at all. Review is essential to enquire into the requirements of tariff adjustments which may become necessary due to changes in the traffic pattern, cost structure, etc., since the last review / revision. Further, such periodic reviews provide an opportunity to remove irrelevancies and to introduce new conditionalities, if any. In view of this, the COPT was advised to submit a proposal for review/revision of its Scale of Rates by 31 July 2002.

3.1. Pursuant to this advice, the COPT has placed its earlier proposal relating to general revision of the Scale of Rates before its Board of Trustees on 26 June 2002 and the same has been approved except for revision in wharfage on POL and Crude.

3.2. The highlight of the COPT proposal are summarised below:

(i). Upward revision of 25% is proposed to cover up the deficit of Rs.47.26 crores incurred during the year 2000-01 and to earn a reasonable return on investment.

(ii). No increase is proposed in wharfage rate of POL and crude at the request of the Kochi Refineries Limited whose representative is also a member of the Board of Trustees of the port.

(iii). Volume discount scheme on containers discontinued from 31 March 2003. The incentives to cargo is, however, proposed to be continued. (The COPT has submitted a separate proposal for discontinuation of volume discount/ incentive scheme for both container/cargo).

(iv). Tariff for container handling equipment has been rationalised.

3.3. Subsequently, the COPT has furnished the relevant documents, the MOS signed with the Ministry, revised traffic projections, activity wise/ sub-activity-wise cost statements and a reconciliation statement of the cost statements with its Annual Accounts.

4.1. In accordance with the consultative procedure prescribed, the COPT proposal was forwarded to concerned user organisations for their comments.

4.2. A copy each of the comments received from the users was forwarded to the COPT for comments/information. In response, the COPT has furnished its observations.

5. Based on a preliminary scrutiny of the proposal and examination of information furnished by the COPT, the port was requested to furnish additional information/ clarification on various points. In response to the queries raised by us, the COPT has furnished the following additional information / clarification:

(i). Initially, the port stated that the capital/ maintenance dredging cost for deepening the channels for Vallarpadam project and for bringing in higher GRT vessels by KRL has already been considered while preparing the cost statement. To our query to indicate this figures separately, the port has clarified that since the work is in progress no addition to net block is envisaged in 2004-05 as regards capital dredging cost for Vallarpadam project. As regards maintenance dredging, since the container terminal and oil berths share the common channel, the depth increase under the Vallarpadam project will be beneficial to the KRL cargo also. It proposes to fix separate vessel related charges for the upcoming private container terminal at Vallarpadam and the incremental cost of maintenance dredging will be considered while framing the new vessel related charges. The cost of maintenance dredging including additional dredging considered for the year 2003-04 and 2004-05 are Rs.40 crores and Rs.43 crores respectively.

(ii). With reference to maintain the disparity in tariffs for coastal vessel at 70% the tariff for foreign going vessel the port has clarified that income estimate will not undergo any revision since non increase of rates for foreign-going vessel will be off-setted by the increase in the rates for coastal vessel (more than 25% normal increase).

(iii). A statement showing the main/sub-activity wise capital employed and return on capital employed can not be generated under the present accounting system. On being advised to furnish this information based on the allocation of depreciation amount between various activities/ sub-activities, it has clarified that for the purpose of preparation of financial statements, certain depreciation items which are readily ascertainable have been directly allocated to sub-activities for eg. Depreciation on capital dredging has been allocated equally between port dues and berth hire, whereas depreciation on other items are apportioned among all the sub-activities on direct cost basis as the details for specific apportionment to various sub-activities is not readily available.

(iv). The deficit of fisheries harbour is not met by the Port. The port trust is only extending some financial assistance by way of interest free advances to the fisheries harbour in times of emergency. The fish harbour accounts are maintained separately and presented alongwith the accounts of COPT for audit. The port has, however, not furnished the cost statement of fishery harbour for the relevant period under consideration.

(v). The list of additional investment for the years 2003-04 and 2004-05 has been furnished. These are mainly intended for replacement of existing assets; no additional traffic is expected because of the investment. The basis of allocation for majority of additional investment is stated to be 50% for estate and the balance is proposed to be allocated on direct cost to all sub-activities.

(vi). The assessed capacity of the port is reported as 19.71 MMT.

(vii). Since the port tariff is already on the higher side, interest element is not included in the computation of return and only 6% return on capital employed has been considered to meet the two statutory reserves of 3% each towards Development and Renewal fund.

(viii). It has not agreed to delete levy of vessel related charges on deck cargo/ container. It has clarified that if a general cargo vessel is carrying containers on its deck, the weight/volume of the deck will be added alongwith the GRT of the vessel for levy of vessel related charges.

(ix). No additional/separate facilities have been provided to the foreign cruise vessel. Hence, the existing provision of providing 33 1/3 % rebate is to be continued to attract more foreign cruise vessels to Cochin Port. A separate tariff based on cost shall be fixed after it sets up a Passenger Terminal.

(x). Inland water barges are not sea going vessels; they do not use the dredged channels of the port. So, traditionally inland water barges are exempted from levy of port dues.

(xi). The proposed provision of levying 50% of pilotage fee when a sailing vessel is shifted to inner harbour has been withdrawn and the existing arrangement will continue. Likewise, the provision prescribing fee for exempting sailing vessel from compulsory Pilotage fee is deleted since number of such vessels calling the port is practically nil for past five years.

(xii). The basis of arriving at the proposed Pilotage fee for dredgers has been furnished. It includes the existing detention charges of pilot for eight hours plus overhead component at the level of 50% of direct cost (i.e. Rs.1700/-).

(xiii). Due to practical difficulty in calculating the cost of service for shifting a vessel from one berth to another berth and in view of the fact that the effort to shift the vessel from one berth to another is more or less similar to the original pilotage movement, shifting charges are kept as a percentage of pilotage fee.

(xiv). The rate for the new BTP berth is proposed same as the Q10 – fertilizer berth since both are dedicated berths. The port has subsequently furnished the cost of providing service at the BTP berth. The cost works out to Rs. 3485 per GRT on an investment of Rs.20.85 crores assuming average GRT of vessel berthed at BTP berth is 4000.

(xv). With reference to not recovering berth hire from barges other than ammonia barges it is clarified that such barges do not require any separate berths. They are engaged only for second operation. Even if they are berthed, the actual working of the berth is not affected. Further, to promote the traffic of inland water barges they have been exempted from the payment of vessel related charges.

(xvi). The port has been traditionally collecting extra wharfage @ 50% in cases where adjacent berths are kept vacant due to the hazardous nature of the cargo. However, in the view of the observation of the TAMP, that no other port levies such an additional charge, it has agreed to delete this provision.

(xvii). With the emergence of Vallarpadam Container Terminal, the flow of new cargo will be more and in such a situation the volume discount scheme will be detrimental to the port interest. So the existing volume discount scheme for containers is discontinued.

(xviii). Since the activities done by the various containers handling equipment are the same, the rates have been consolidated and same rate has been fixed irrespective of the type of equipment used. This helps in speedy movement of containers.

(xix). (a). Ground rent for hazardous container is fixed at 1.5 times the rate applicable to the laden container plus the general hike proposed by it. Separate rate is fixed for hazardous container since certain guidelines have to be followed for safety reasons.

(b). Ground rent for coastal container is introduced to discourage the use of port's container yard as a storage area. No free time is proposed for coastal container to ensure/encourage immediate removal of such containers. The term coastal container has also been defined.

(xx). Though a Committee was not constituted while fixing the lease rent as per the Govt. guidelines, it has clarified that the market value of land was obtained from the State Revenue authorities to arrive at the proposed lease rent. During the year 1996, the revision was implemented after obtaining approval of TAMP vide Order No.TAMP/6/98-COPT dated 30.12.98. The current revision is also based on the inputs about land value obtained from Greater Cochin Development Authority.

(xxi). In the absence of penal clause, there is every chance to rent out the premises without the knowledge of Port Authorities for activities other than for which the land was specifically allotted. Hence it is proposed to levy three times the sublease levy in case of unauthorised occupation. When asked to justify the proposed levy with reference to Govt. guideline of 1 April 1995 which stipulates that transfer of lease property to any third party by way of sub-lease, rent or any other means is not permissible, it has clarified that as per this Govt. guideline, sub lease is not a transfer but, only a permission for lessee to allot space available with them to boost port related activity.

(xxii). Free days of 10 days including Sundays, Customs holidays and port non-operating days is prescribed to facilitate easy counting of free days at the time of billing. It has pointed out that this system is in vogue even in Chennai Port Trust.

(xxiii). Previously the hire charges of floating crafts was not based on the cost of the services. In the instant proposal cost of services provided is considered to arrive at the proposed rate. The cost of providing service of dredger Nehru Shatabdi works out to Rs.24088 per hour.

(xxiv). It has clarified that Writ appeal filed by it against the Order of the High Court of Kerala to levy license fee of Rs.375/- per month from Sri Salkir Hussin for bunk is still pending with the High Court.

(xxv). The charges for new bunks is calculated as Rs.116.89 lakhs as against Rs.115 proposed earlier.

6.1. Subsequently, the COPT have requested this Authority to incorporate two conditionalities in the existing Scale of Rates relating to collection of berth hire from the period of berthing to unberthing the vessels. In respect of container vessel availing the window facility, it is proposed that the berth hire shall be collected from the period of window allocated to the vessel to the actual period of occupation whichever is higher.

6.2. The COPT has also requested to delete the existing provision in the SOR listing the various components of composite berth hire on the ground that berth hire charges are fully recoverable from the vessel agents.

6.3. The COPT has furnished revised cost statement after making necessary corrections in the net block figures of the individual groups to tally the same with the figures indicated in Annual Accounts 2002-03. It has clarified that the cost statement and Annual Accounts show different figures in particular the gross block and depreciation because of some accounting adjustments done by the port.

7.1. A joint hearing in this case was held on 6 August 2003 at the COPT premises. At the joint hearing, the COPT and the concerned users have made their submissions.

7.2. At the joint hearing, the Indian Chamber of Commerce and Industry (ICCI), Cochin Chamber of Commerce and Industry (CCCI) and Cochin Port Leaseholders' Association (CPLA) have made their written submissions. The users have reiterated the points made by them earlier. The CPLA was advised to make a detailed written submission in this regard.

8.1. With reference to various points decided in the joint hearing, the COPT has furnished the following information/modification in its proposal:

(i). Revised financial statement with reference to actuals for the year 2002-03 and revised estimates for the year 2003-04.

(ii). (a). Free days of three days from the date of landing is proposed (including Sundays and Holidays) in case of coastal container arriving on coastal vessel alongwith foreign import/export containers.

(b). Coastal container arriving on purely coastal container vessels and permitted direct delivery by the port from the hook point of a conventional berth shall have no free period and the ground rent as applicable to foreign boxes shall be recoverable from the very next day from the date of landing.

(iii). As regards the analysis of the interim order passed by the High Court with reference to the litigation filed by the Cochin Port Lease Holders Association relating to lease rentals it has clarified that the port can revise the base rent of lease once in five years and this should be published in the official Gazette. The annual increase of 5% on the lease rent shall be on the base rent and shall not have cumulative effect.

8.2. As decided in the joint hearing the CPLA has filed a written submission about high electricity charge levied by the COPT. Some of the main points made by the CPLA are summarised below:

(i). In existing tariff schedules, there is no provision for an industrial tariff on the Willingdon Island. All consumers are charged under the commercial tariff which are much higher than the industrial tariff of the KSEB despite the fact that the port gets its power from the KSEB at the industrial rates.

(ii). Cold storages on the Willingdon Island approximately pay Rs.9.62 per unit as against Rs.3.25 per unit + surcharges levied for cold storages outside this area.

(iii). The electricity tariffs on the Willingdon Island have been revised in October 1997, November 1999 and January 2001 and the rates have more than doubled since 1997 rates.

(iv). In view of the above, the electricity tariffs need to be reviewed and scaled down to a reasonable level.

9. 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 www.tariffauthority.org.

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

(i). The container/cargo-related charges and vessel related charges of the COPT were last revised in December 1998 and January 1999 respectively. Following the usual tariff validity cycle of review/revision of two years prescribed, the general review/ revision of tariffs was due in January 2001. The Board of Trustees of COPT in March 2002, however, resolved to continue with the existing tariffs for the reasons mentioned. Since the Board of Trustees of a port trust cannot finally decide on a tariff issue under the present statutory arrangements, the COPT was requested to submit a detailed proposal for review / revision of its SOR. It has to be recognised that review undertaken at the end of the tariff validity period need not always result in upward revision of earlier tariff. Nevertheless, the port has proposed upward revision of 25% (except in wharfage on POL and crude) based on the deficit figures reflected for the year 2000-01. They have also proposed rationalisation of some tariff items and conditionalities.

It may be relevant here to mention that average deficit for the years 2003-04 and 2004-05 reflected in the cost statements submitted by the COPT after considering return on capital employed @ 18.5% is 10.4%.

(ii). The traffic forecast made by the COPT indicates that vessel and cargo traffic for 2003-04 and 2004-05 will decrease after the proposed revision of tariff. The port had also explained that certain cargo would not be diverted to other ports even after upward tariff revision. In reply to a query about this apparent contradiction, the port has clarified that enhancement of vessel related charges will have direct impact on the nature of ships calling at the port. Handling POL for Kochi Refinery Ltd accounts for 50 % of the vessel traffic and 60% of the cargo traffic. With the increase in rates KRL might bring in larger vessels with full load and that will lead to decrease in the number of vessels and GRT.

(iii). As per the policy of the Government, coastal vessel rates are prescribed at 70% of the foreign-going vessel rates. Further, coastal vessel rates are prescribed in Rupee terms whereas foreign-going vessel rates are denominated in US dollar terms. This Authority has already decided in cases relating to other major ports that the disparity, which may have widened due to depreciation of Indian Rupee vis-à-vis US dollar since the last revision, should be restored to the level of 30% at the time of tariff revision. This necessitates adjustment of the coastal vessel rates even if there is no revision of the rates for the foreign-going vessels. This Authority has been making such adjustments at the time of the review/revision of the tariffs at other ports and considering the estimated additional income on account of such adjustment of tariffs. The COPT has stated that such an upward revision of the rates for coastal vessels, which are already higher as compared to the rates at nearby ports, will entail a heavy burden on coastal vessels and this will in turn have an adverse impact on the traffic of the port. Hence, the port is not in favour of such adjustment of the rates for coastal vessels. Even though such restatement of rates for coastal vessels may result in increase in the rates wherever general revision is undertaken after a long time, this method has been applied by this Authority at all other ports and there does not appear to be any reason to deviate from this approach in the instant case. It is noteworthy that such adjustment is necessary to ensure that burden more than the level envisaged by the Government policy is not passed on to foreign-going vessels and / or rates for other services are increased to cover the deficit on this account. If the restated costal vessel rates are found to be causing diversion of coastal vessel traffic, the COPT in any case has the flexibility to offer a lower rate, if it so desires, since the rates approved by this Authority at all the major port trusts are the 'ceiling' rates.

The port has not specifically indicated additional income likely to be generated by restoration of the coastal vessel rates. It has clarified that no change in the projected revised income is necessary since reduction due to not allowing the 25% increase in the foreign-going vessel related charges proposed by it earlier will off set the additional income likely to be generated by restoration of coastal vessel tariff. Based on the explanation furnished by the port, the additional vessel related income estimated by the port with the proposed revision has been considered as the additional income to be generated due to restatement of rates for coastal vessels.

(iv). The capital dredging cost for the Container Terminal at Vallarpadam has reportedly not been considered in the cost / financial statement since the work is still in progress. The port has indicated about fixing separate rates of vessel related charges for the upcoming private container terminal at Vallarpadam and the incremental cost of maintenance dredging will be considered at that time. The maintenance dredging cost considered in the cost statement for the year 2003-04 is Rs.39 crores as per the Budget Estimates and Rs.43 crores for the year 2004-05 as projected by the COPT. This estimate is well within the range of the maintenance dredging cost incurred by the port in the recent past at the level of Rs.41.85 crores for 2001-02 and Rs.37.67 crores for the year 2002-03. The estimates of the COPT in this regard are, therefore, accepted.

(v). The operating expenditure projections (excluding depreciation) for the years 2003-04 and 2004-05 are higher by 9.2 % and 5.3 %, in comparison with the figures of the respective previous years. In view of the present trend of inflation, this Authority has been allowing an annual escalation of 6% in the tariff revision proposals of other ports which are decided recently. The projected cost for 2003-04 has, therefore, been modified accordingly by restricting the escalation to 6% of the corresponding figures for the previous year.

While the composite berth hire include charges for use of wharf cranes, it is observed that the expenditure relating to wharf cranes has not been allocated in the cost statements for the berth hire activity. Likewise, the expenditure on maintenance of dock sea-walls has also not been apportioned to the relevant sub-activity to which it is related. Since exact figures relating to these items are not available, it has not been possible to make any adjustments in the cost statements. If the port as a whole situation is considered, such adjustments will not have any significant impact. The estimates of the port are, therefore, accepted subject to the general moderation mentioned above.

(vi). The management and general overhead for the year 2003-04 is estimated to increase by 20.6% over the actuals for 2002-03 and further by 4.75 % in 2004-05. The management and general overhead, which was 39.29% of the operating cost in the year 2002-03, is thus projected to increase to 43.64 % of the operating cost during the years 2003-04 and 2004-05. The port has explained that the disproportionate increase in the management and general overhead as compared to the increase in the operating cost is due to one time expenditure like additional dredging in front of dry dock, abnormal hike in hospital expenses, increase in establishment cost of administrative sections, hectic activity in planning and implementation of certain key projects like Vallarpadam Transhipment Container Terminal, bunkering terminal, LNG Terminal, etc. Even though the port has indicated certain cost reduction measures, these are not quantified. As rightly pointed out by the users, the port needs to take effective steps to reduce unproductive management and general overhead expenses. In any case, substantial one time expenditure cannot be admitted in the exercise of revision of tariff as it will have the permanent effect in tariff. One-time expenditure relating to projects to be undertaken in future should legitimately form part of preliminary cost of the project concerned and be considered while fixing the tariff of those specific facilities. In the absence of details of such expenditure, it is not possible to adjust the estimate by excluding them. The management and general overhead estimate is, therefore, moderated by allowing escalation of 6% only over the previous year's figures as in the case of operating expenditure.

(vii). The Annual Accounts and Budget Estimates of the port show a separate statement pertaining to income and expenditure of Cochin Fisheries harbour, which reports gross deficit during the years 2001-02 and 2002-03. The port has neither submitted a separate cost statement for fisheries harbour nor has it included in the consolidated cost statement for the port as a whole. In reply to a query, the port has clarified that fisheries harbour was constructed out of grant-in-aid given by the Ministry of Agriculture and the Port has been vested with the duty to supervise implementation of the project. The budget, accounts and SOR of the fisheries harbour are kept separate. To a specific query raised by us, the port has also clarified that the deficit of the fisheries harbour is not met by the port but the port is only granting some financial assistance by way of interest free advances in times of emergency. It is relevant to state that the fisheries harbour either has to be self-sufficient or the deficit thereof must be made good by the concerned Ministry. The port is advised to examine the issue further and ensure that no burden on tariff arises on this account.

(viii). Pension payments are estimated to be Rs.40 crores and Rs.41 crores during 2003-04 and 2004-05 respectively, as against actuals of Rs.31.15 crores for 2002-03. The port has explained that pension liability is increasing year to year and no adequate investments to service such payments. The estimated liability is stated to be Rs.482 crores against which the port is having investments of Rs.84 crores only as on 31 March 2003. The port has, however, clarified that only the annual liability for pension and gratuity payments has only been considered in the financial/cost statements which are allowed in this analysis.

(ix). The port has projected addition to the gross block to the extent of Rs.14.96 crores in 2003-04 and Rs.12.40 crores in 2004-05 which is mainly intended for replacement of the existing assets. No additional capacity will be created nor is the traffic expected to increase. Additional investment should result in additional traffic or reduction in unit cost of operation or improvement in efficiency. Even though no such changes are even envisaged with the proposed capital expenditure, the investment is recognised for tariff fixation since it is stated to be for replacement of the existing assets.

(x). The working capital is reported by COPT to be negative. For the purpose of this analysis, however, working capital is considered as nil.

(xi). The port has not furnished activitywise / sub-activitywise capital employed and return thereon. These details are required to arrive at the net surplus/deficit position after return for each activity/sub-activity. The port has clarified that break up of capital employed is not generated by them at present and could be generated when revised accounting system/formats are implemented in the current financial year. They have further clarified that depreciation on assets is allocated to the sub-activities wherever the assets can be identified with a particular sub-activity and the balance depreciation is apportioned among the sub-activities on the basis of direct cost. The approach of determining sub-activitywise depreciation adopted by the COPT is not found to be sound. The assets need to be identified with each activity/sub-activity and the depreciation and return must be computed on that basis. It is noteworthy that most of the other major ports have been in a position to furnish the activity-wise/sub-activity wise as per the format prescribed by this Authority. The COPT is, therefore, advised to come up with cost statements in the format prescribed by this Authority following the proper method of allocation at the time of the next revision / review of tariff.

In the absence of relevant break up of capital employed for activity/ sub-activity furnished by COPT and in order to assess the cost position of major activities, the net block of assets as per 2002-03 Annual accounts has been allocated on an adhoc basis to vessel related activity, cargo handling activity and estate related activity based on the broad categorisation; net block of land is allocated 20% to cargo handling activity, 80% to estate, building and sheds are allocated 40% to cargo handling and 60% to estate and installation of water, electricity, pipelines cost allocated 50% to estate and 25% each to vessel and cargo related activities. For the purpose of arriving at net block of 2003-04 and 2004-05, the additions to the block have also been allocated to these main activities on the same ratio and depreciation has been considered proportionately. This adhoc apportionment is done only for the purpose of analysis of the net surplus /deficit position of atleast the main activities and for allowing return on capital employed and this approach cannot be quoted as a precedence.

(xii). The maximum permissible return on capital employed allowed in the case of the major port trusts at present comprises of the rate at which Government of India loans are available to the Port Trusts plus 3 % to each of the two mandatory funds. Since the lending rate of loan by the Government to the major port trust has been revised to 11.5% from this year, the maximum permissible return on capital employed is 17.5% as against 18.5% considered by the port in the cost statements. Necessary corrections have been made in the cost statements accordingly.

The port has indicated that against the assessed capacity of the port as a whole of 19.71 MT, the cargo traffic estimated to be handled is 13.50 MT for the year 2003-04 and 14.04 MT for the year 2004-05. The underutilisation of the capacity, therefore, works out to around 30% on an average for both these years. Accordingly, the maximum permissible return on capital employed of 17.5% is moderated with reference to the capacity utilisation, as has been generally done in the other tariff cases.

Initially interest on loan was indicated separately in the consolidated cost statement prepared by the COPT and was also included as a part of return on capital employed. The COPT in the revised cost statement has deleted the separate entry relating to interest on loan to eliminate double counting of interest on loan. It is relevant to mention that since the activitywise/ sub-activitywise cost statements did not include return on capital employed, the port was requested to indicate the interest on loan for each activity/ sub-activity and for the port as a whole to ensure that these activitywise cost statements atleast cover all the cost elements evenif the port is not in a position to allocate capital employed and return thereon for each of the activity/sub-activity. The interest amount estimated by the port has been incorporated in the activity wise cost statement and it is ensured that interest on loan is not double counted in the consolidated cost statement and the activity wise cost statement.

(xiii). Subject to the analysis given above, the consolidated cost statement and main activity-wise cost statements have been modified. The modified cost statements are attached as **Annex - I (a)** to **(d)**. The summarised position of the results disclosed by the financial/cost statements for the years 2003-04 and 2004-05 are shown in the following table:

Sr. No.	**Activity**	**Surplus(+)/ Deficit(-) 2003-04 Rs. Lakhs**	**Surplus(+)/ Deficit(-) 2004-05 Rs. Lakhs**	**Surplus(+)/ Deficit(-) as percentage of operating income 2003-04**	**Surplus(+)/ Deficit(-) as percentage of operating income 2004-05**
(i).	Port as a whole	(+) 160.09	(+) 776.49	(+) 0.7 %	(+) 3.2 %
(ii).	Port as a whole (excluding estate activity)	(+) 97.88	(+) 590.09	(+) 0.5 %	(+) 2.8 %
(iii).	Port and Dock facility	(-) 3329.08	(-) 3450.94	(-) 42.3%	(-) 42.3 %
(iv).	Cargo Handling activity	(+) 3461.98	(+)4041.03	(+) 28.5 %	(+) 30.6 %
(v).	Estate activity	(+) 62.22	(+) 186.40	(+) 2.5 %	(+) 7.1 %

It is evident from the table that the port as a whole shows an average surplus of 2% of the operating income for the year 2003-04 and 2004-05 even after considering working capital as nil figure instead of negative working capital stated by the port.

The vessel-related activity shows an average deficit of 42.3% which is perhaps met by surplus of the cargo handling activity which is 29.6% for the years 2003-04 and 2004-05.

In view of the existing cross-subsidisation between the activities, any upward revision of tariffs except revising charges for coastal vessels to maintain the concessions to them at the accepted level does not appear to be justified.

This Authority has recently introduced hourly berth hire charges due to which there may be some reduction in income from the berth hire. The port has not provided for this reduction in the income in its estimates. The overall surplus position of 2% reflected here may come down on account of reduction in the berth hire income due to change in the unit of levy. Further, the port has indicated that restatement of coastal vessel rates will have adverse impact on traffic. In view of the flexibility available to the port to operate at tariff levels lower than the ceilings prescribed by this Authority, it can be reasonably presumed that the port would take recourse to such reductions which will mean further reduction in the projected revenue surplus. That being so, it is not found necessary to alter the existing tariff, even though the surplus position warrants reduction of tariff to that extent.

Apart from the cost position explained above, as correctly suggested by the Board of Trustees of COPT, the various other environmental factors are to be taken into consideration. The COPT is apprehensive of traffic diversion if tariff is revised upwards. The COPT is actively considering privatisation of its container handling operations and development of a transhipment terminal. The changing scenario in Petroleum industry is also to be borne in mind. Taking both cost and non cost factors together, it is justifiable not to revise the existing rates and allow the port to reduce these rates, if it so desires, depending on the market conditions and emerging opportunities.

This Authority has always endorsed the view that port estate should be optimally and commercially exploited so that estate revenue can supplement the port's core functioning. The normal cost plus method does not fully apply in case of fixing estate rentals and these are governed by market rates, as per the relevant Government guidelines.

It is understood that the Government is actively considering new guidelines on port land management based on the recommendations of Budhiraja Committee. Notwithstanding the revenue surplus position in the Estate activity, the COPT is allowed an option to come up with a separate proposal for review of estate rentals, after the revised guidelines of the Government in this regard are announced.

(xiv). The COPT has proposed to levy vessel related charges with reference to the GRT of the vessel plus the weight/volume of deck cargo/containers carried by the vessel. This provision is not in line with the practice followed at most of the major ports; in fact wherever such provision existed it has been deleted. That being so, similar prescription is made applicable in this case also and the provision prescribing levy of vessel related on the deck cargo/ containers is deleted.

(xv). This Authority vide its Order dated 12 May 2000 had approved the proposal of the port to grant a rebate of 33.33 % of vessel related charges on foreign cruise vessels calling at the port with a direction to propose a specific rate based on the cost of service at the time of the next general revision. The port in this proposal has not proposed a separate rate for this category of vessels. The port has clarified that no additional/separate facilities have been provided to foreign cruise vessels. The existing rebate is proposed to be continued to attract more foreign cruise vessels to Cochin Port. The port has agreed to propose a separate cost based rate when an exclusive passenger terminal is set up. The explanation furnished by the COPT is accepted and the existing rebate to foreign cruise vessels is allowed to continue.

(xvi). The Cochin Steamer Agents Association has pointed out that ammuniation cargo is handled at berth Q 4 both in break bulk and containers. Since container handling facilities are not available at Q 4, such vessels have to shift to Q 8 necessitating adjacent berths Q7 and Q9 to be kept vacant for which two additional vessel related charges are levied. The contention is that additional charges should not be levied because change of berth is required due to absence of infrastructure to handle containers at Q4. The COPT in reply has stated that it is not economically feasible for the port to create container handling facilities at Q4. The port has suggested that the customers can handle containers at Q4 provided they have necessary equipment. It is true that a port cannot create container handling facilities at all berths. The COPT is willing to allow container handling at Q4 provided the users bring his own equipment for handling. If the shipping lines want to avoid shifting to Q8, they can accept this suggestion of COPT. If they choose to shift to Q8, additional vessel related charges are payable by them. In any case the burden of additional charges arising in this context is ultimately passed on by the vessel owner / agent to the actual importer of the cargo.

The Cochin Steamer Agents Association and the Shipping Corporation of India have also questioned levy of additional vessel related charges for keeping adjacent berths vacants and suggested that such a levy should be made only if some other vessel is waiting for the berth which is kept vacant.

This Authority in its Order passed on 5 January 2001 has already clarified that payment of port dues and pilotage fees are incidental to the vessels stay in the port (at berth). Services covered under port dues and pilotage are not optional service, which the vessel may decide not to avail of. These services being mandatory in nature, loss of revenue to the port include port dues, pilotage apart from berth hire which it would have earned, if the berth requested to be kept vacant was occupied by other vessel. That being so, it is not found necessary to modify the existing provision in this regard.

(xvii). The composite berth hire includes provision of various facilities / services other than use of the berths. Such facilities / services are listed out in the SOR. The COPT wants to delete this provision on the ground that berth hire charges are fully recoverable from vessels. It is noteworthy that this Authority has already held that composite berth hire is payable by vessels and even refused to accede to a request made to separately indicate vessel and cargo related components included in this tariff element. While this position will equally apply in COPT case also, there is no justification to delete the list of services included in the composite berth hire. The request of COPT in this regard is, therefore, not agreed to.

(xviii). A new provision has been proposed to exempt all Inland Water Barges carrying cargo to and from the port from payment of port dues and barges other than ammonia barges from payment of berth hire charges. The port has clarified that these barges do not use the dredged channels of the port; they are few in number; they do not require a separate berth, nor do they disturb working of a vessel at the berth if berthed at the same berth. The port has clarified that though there is no explicit provision in the existing Scale of Rates, it has not been charging any vessel-related charges on such barges in order to promote inland waterway traffic. It is now proposed to include an explicit provision to that effect. Since this exemption already exists at present as reported by the port, this provision as proposed by the port is included in the Scale of Rates.

(xix). The berth hire for BTP berth which has been recently modernised at a cost of about Rs.21 crore has been prescribed at the same level as the rate proposed for the dedicated berth Q-10 for handling Fertiliser berth. The port has clarified that no shore cranes / godowns or back-up area has been provided at this berth. The cost based tariff worked out at Rs.3485 per GRT which cannot be fixed as the BTP berth is heavily under utilised. The port expects the utilisation of this berth to improve since the back up area is leased out for cement unloading and packing. Till such time, it proposes to continue to levy the rate applicable for Q10 berth. Ideally, the rate must be based on the cost of facilities provided. Nevertheless, the proposed rate is approved considering it to be the commercial judgement of the port.

(xx). A new conditionality is proposed to the effect that berth hire charges will not be charged if any vessel is compelled to idle at container berths for eight hours or more due to breakdown of port equipment or power failure for such idle eight hours. The Cochin Steamer Agents Association have suggested that berth hire should not be charged even if the idle period during the entire stay of the vessel aggregates to eight hours. The CSLA has also endorsed this views. The argument of the users merits consideration. Since the unit of berth hire has been reduced from eight hour to hourly basis, the proposed clause is modified to state that no berth hire would become payable for that block of one hour if the vessel idles during that period due to breakdown of the port equipment or power failure.

(xxi). Pilotage fee shall cover services of pilot and provision of required number of tugs/launches for inward and outward movement and one shifting within the same dock system/basin at the request of the vessel. The definition of pilotage fee proposed by the port is not in accordance with the general formulation approved in respect of some other ports. The port has subsequently agreed to modify it. The definition of pilotage fee proposed by the port is modified in accordance with the general formulation prescribed at the other ports. If it is decided commonly to unbundled the composite pilotage fees at all ports, the same arrangement will apply at COPT also.

(xxii). Shifting of vessels for the 'port convenience' is not chargeable separately. It is, therefore, necessary to define what is 'port convenience'. The general formulation approved by this Authority at other major ports listing out the circumstances in which shifting can be considered as for port convenience is incorporated in the Scale of Rates to avoid any ambiguity in this regard.

(xxiii). The port has proposed charges for shifting at the request of the vessel at 50% of the pilotage charges instead of GRT rate based on the cost of service provided. The port has clarified that it is difficult to compute cost of shifting a vessel from one berth to another and secondly the effort involved in shifting operation is more or less similar to the original pilotage movement. Even if the charge is allowed as a percentage of pilotage fee in view of the difficulties expressed by the port, the quantum of the proposed charge appears to be very high. Shifting charges are levied at 25% of Pilotage fees in the KPT and the NMPT while it is 20% at the TPT. In the absence of any detailed cost analysis available, it is found reasonable to restrict the shifting charges to 25% of Pilotage fees. The port may consider to prescribe separate shifting charges on GRT basis based on the cost of service at least at the time of formulating the next general revision proposal.

(xxiv). The existing Scale of Rates prescribes levy of a fee for exemption of sailing vessels from compulsory pilotage. The port has clarified that only pleasure craft are calling at the port under the classification of sailing vessels and their number is very meagre or nil during the last five years. The port has abolished the post of sailing vessel pilots and has, therefore, proposed deletion of the provision. The proposed deletion is accepted.

(xxv). The port has proposed a separate 8-hourly rate of pilotage fee for dredgers (other than for port dredging). In reply to a query, the port has clarified that Cochin Shipyard Ltd and Naval Base used to hire port dredgers to dredge their channels whereas now they are hiring outside dredgers for which port provides pilots on 8-hourly basis. The proposed rate is arrived at based on the hourly charges for detention of a pilot on board a vessel plus 50% overhead charge. The proposed pilotage fee for dredgers (other than for port dredging) is approved.

(xxvi). The Cochin Steamer Agents Association has suggested that charges for detention of pilot or for cancellation of requisition for pilot for vessels calling at RGT Gantry Berth should not be levied in case the delay is on account of cargo operations handled by the port. One of the guidelines adopted in the Workshop held in Chennai in February 1998 is that users shall not be made to pay for the delay caused by ports. It is reasonable to provide that such charges should not be levied in case the delay or cancellation is for reasons directly caused by/attributable to the port.

(xxvii). There is a provision in the proposed Scale of Rates for charging 100 % / 50 % additional wharfage from the vessel at any particular berth in case adjacent berth is required to be kept vacant due to nature of cargo handled at that berth or any other reason. While it may be appropriate to charge extra for vessel related charge to compensate the loss of revenue due to keeping the adjacent berth hire vacant, the port has not been able to substantiate levy of additional wharfage in case adjacent berth is kept vacant. The port has subsequently agreed to delete this provision based on a suggestion made by us.

(xxviii). The port has proposed to recover 75% of the wharfage in case of cargo discharged from a vessel to lighter vessel other than alongside berth. In this context, it is relevant to mention that at a few other major ports like Tuticorin, Kandla and the Chennai, 50% of the wharfage is levied for similar operation. That being so, the proposed rate is reduced to 50% in line with the tariff prescribed at other ports.

(xxix). The proposed wharfage schedule does not contain any provisions for classification of the cargo under ‘unspecified category’ for the purpose of levy of wharfage. It is relevant to mention that this issue has been deliberated in one of the case relating to CHPT wherein it was decided that before classifying any item under ‘unspecified category’, the Customs classification should be referred to find out whether the cargo can be classified under any of the specific categories in the wharfage schedule. Since there is a gap in the proposed Scale of Rates in this regard it is found appropriate to introduce this provision.

(xxx). The Scale of Rates proposed by the port stipulates that free period allowed will be inclusive of Sundays, Customs holidays and port non-working days. The port has attempted to justifiy the provision by stating that the number of free days allowed is more and that the existing practice helps in easy counting at the time of billing. In this context, it is relevant to mention that at all the other major ports and private terminals, free days are allowed exclusive of Sundays, Customs Holidays and port non-working days. The port has not furnished any exceptional reasons to deviate from the general prescription adopted at the other ports. The proposed clause is modified to bring it in line with the provision stipulated at the other major ports. The number of free days may, however, vary from port to port depending upon the local conditions. In view of the modification in this clause the number of free days is reduced from 10 to 7 in the case of import cargo and from 15 to 12 in the case of export cargo. If the COPT wants to propose different free periods, it can come up with an well analysed proposed separately.

(xxxi). The tariff provides for concession in demurrage on goods landed in excess of the manifested quantity. In these days of quick communication facilities, there is no justification for any concession in such cases. Such concessions which were available earlier have been withdrawn from the Scale of Rates of the Tuticorin Port Trust, Kandla Port Trust and Mumbai Port Trust. The existing provision is, therefore, deleted from the Scale of Rates.

(xxxii). (a). The existing conditionalities governing demurrage free period in special cases are proposed to be retained. The provisions relating to treating the period of detention by Customs (other than ordinary process of appraisal) and other public authorities, free period when port is unable to trace packages, etc., require further rationalisation keeping in mind the fact that the port will be responsible only for those delays attributable to it. Since the existing provisions are in vogue for long time, these are allowed to continue.

(b). The port has proposed a new clause for levy of demurrage charges on shut out cargo from the date of entry of cargo into the port's premises till date of amendment of ship's name by which subsequent shipping will take place. This proposal is approved.

(c). The existing Scale of Rates contains guidelines for remission of demurrage charges. These are based on the guidelines issued by the Government for such remission.

It is noteworthy that these guidelines are issued by the Government to regulate exercise of powers given under Section 53 of the MPT Act by the Board of Trustees of a major port trust. It is not necessary to include such guidelines in the SOR framed by this Authority under Section 48, 49 and 50 ibid Scale of Rates of other major ports do not include these guidelines. That being so, the clauses relating to remission of demurrage is deleted from the SOR.

(xxxiii). The Cochin Custom House Agents Association has complained about levy of demurrage on certain break bulk cargo on ad valorem. This position arises due to the practice followed by the COPT of charging demurrage as a percentage of wharfage. When wharfage is ad valorem, demurrage also becomes value based. This Authority has held on many occasion that port charges should be prescribed more based on weight/ volume/ unit rather than value of cargo. But, such rationalisation at one go will have impact on port revenue. In the absence of a well analysed position with respect to revenue implication due to demurrage levied on value basis, we are unable to make any *suo motu* adjument in this regard. The COPT is advised to seriously consider the objection of CCHAA in this regard and propose rationalisation of wharfage and demurrage schedules at least during the next general revision of tariff.

(xxxiv). The COPT has proposed that when the grabs belonging to users are fitted to port shore cranes for purposes other than during the course of import/export operation, the prescribed charges shall also be payable. The port has clarified that this is to cover the cost of idle investments in the port equipment. It is not found appropriate to levy a charge for the port equipment not actually provided by the port. Viewed from this perspective, the relevant provision is deleted. The port may not permit the use of private grabs unless port's grabs are not available due to breakdown, maintenance or being hired by some other parties.

(xxxv). The port has proposed to introduce a charge for cancellation of requisition for port equipment at Rs.250/- for cancellation two hours before availing the equipment on working days and Rs. 1500/- for cancellation of requisition within two hours of availing the equipment on Sundays/Holidays. The port has also proposed that if cancellation on Sundays/ holidays arises due to port's decision then no cancellation requisition charges shall be levied. The proposed provision is mainly a deterrent and have been made to ensure a discipline in equipment planning. These charges are, therefore, approved.

(xxxvi). (a). In the proposed SOR, the COPT has rationalised some of the container handling charges by consolidating the existing charges which are based on individual equipment operations. This rationalisation appears to be logical when viewed from the present trend of prescribing box rates for container handling operations.

(b). The COPT has proposed a new charge for handling heavy cargo containers requiring 60 T cargo beam of the gantry crane. Change of beam certainly consumes more time besides the efforts of lifting heavy load. Considering the average rate for normal loaded containers, the proposed hourly rate is found reasonable and is approved subject to the moderation required in such rates due to the general decision of not allowing 25% increase proposed by the port for container/cargo handling.

(c). In the existing SOR, container handling charges are prescribed in Indian Rupee. The COPT has now proposed denomination of handling charges (for foreign-going vessels) in US dollar terms. This proposal is in line with the practice of currency denomination allowed at other major container terminals and hence is approved in the COPT case also.

(xxxvii). The port has proposed to reduce the duration of slabs of ground rent charges and has also proposed to revise the charges by 25%. While no revision in rates is found to be necessary in line with the general decision, the revision of slabs proposed by the port to induce early clearance of containers is approved. As per the standard practice followed at all the other major ports/ private terminals, the ground rent (dwell time charges) on containers of 40’ and above is prescribed at 200% of the rates applicable for 20’ containers. The port has not followed this standard practice. The tariff for 40’ container is amended in line with the standard practice followed at all the other ports.

(xxxviii). Ground rent for hazardous containers has been newly proposed by the port at about 50% higher than the rate applicable for normal loaded containers. The port has justified the proposed rate by stating that these containers occupy more space because certain guidelines have to be followed for safety reasons, fire fighting equipment have to be stationed near the hazardous containers, etc. A separate hire rate has, therefore, been proposed. It may be relevant to state that at some other container terminals, rates for hazardous cargo containers has been fixed 25% higher than the rates for normal laden containers. This Authority approves the proposal of the port to fix separate ground rent for hazardous container. The differential in the rate as compared to a normal laden container is, however, maintained as prescribed at other ports/ container terminals. That being so, the proposed rate is modified and prescribed at 25% higher than the existing rate applicable for normal laden container.

A separate ground rent has been proposed for the first time for coastal containers to discourage the use of port’s container yard as a storage area. Users have objected that no free time is allowed for coastal containers. Subsequently, the port has prescribed free period of three days from the day of landing including Sundays and holidays in case of coastal container arriving on coastal vessel along with foreign import /export container. According to the port coastal containers arriving purely on coastal container vessel and permitted direct delivery are not subjected to any Customs regulation and in view of this no free time has been allowed. It is relevant to mention that no separate free time for coastal containers exists at other ports/private terminals. That being so, it is not found reasonable to introduce such differentiation in the instant case.

(xxxix). Free period for import containers commences from the day following the date of landing of last container of the vessel and includes Sundays and holidays, etc. Users have suggested that the free period in case of import containers should commence from the day following the day of landing of the respective container. It is admitted that there is no uniform approach in this regard at all the container terminals but, the existing practice at COPT does not appear to be very different from the user demand. Till a uniform approach is evolved, the existing practice is allowed to continue. Nevertheless, the standard practice of excluding Sundays, Customs holidays and port’s non-working days while computing the free period as stipulated at all other major ports / private terminals will apply in this case also.

(XL). The Shipping Corporation of India has pointed out that in the case of abandoned containers levy of ground rent should be restricted to 75 days only as it is for the port to destuff the cargo and dispose it off according to the laid down procedure if it is not cleared. This Authority has passed an Order on 19 July 2000 clarifying various issues on the abandoned container.

The COPT has recently submitted a separate proposal to modify the provision about levy of ground rent on abandoned containers in view of the practical difficulty faced by the port in implementing the Order. This is being processed as a separate case.

Be that as it may, the provision about limiting the ground rent on abandoned FCL containers/shipper-owned containers included in the proposed Scale of Rates is not in accordance with the condition prescribed in the common Order passed by this Authority and hence this provision is amended accordingly.

(XLi). The Cochin Steamer Agents Association has suggested that in the case of export containers shut out from a vessel and shipped by another vessel, shifting charges should not be applicable in case no physical shifting is involved. This is a reasonable request and the relative provision is incorporated suitably.

(XLii). This Authority in its Order dated 27 November 2000 had advised the port to incorporate an Efficiency Linked Tariff Scheme in its next general revision proposal. The port has not proposed any such scheme. They have clarified that it is now in the process of fixing new standards for various revenue earning activities of port as a part of the ISO upgradation programme. Once the standards have been fixed, steps will be taken to frame a rate structure directly related to the efficiency of operations.

(XLiii). Charges for floating crane 'Periyar', pilot launches, other launches and other fire floats are proposed to be increased by 140%, 700%, 67% and 1400%. The port has not furnished any cost details in support of such exorbitant increase proposed. The proposed revision is, therefore, not accepted. Instead of prescribing separate rate for each of the floating crane the port is advised to propose rates based on the capacity of the equipment at the time of the next general revision.

(XLiv). Hire charges for dredger 'Nehru Shatabdi' are proposed to be reduced from Rs.40,000 to Rs.25,000 per hour or part thereof. The port has clarified that the rate has been reduced to make it more competitive as modern equipment are available at a lower rate. No cost details have been furnished to indicate the extent of concession offered. The proposed reduction in the rate is accepted based on the commercial judgement of the port. In any case the rates prescribed by this Authority are ceiling rate and the port has the flexibility to charge lower rate if it so desires. Since the port has specifically asked to reduce the rate for this item, this Authority approves the reduced rate in the Scale of Rates.

(XLv). The licence fee for the use of port's bunks is now proposed to be levied "per sq. mtr. per month or part thereof" instead of "per month". In the case relating to license fee, it was stated that one of the allottees had challenged the license fee of Rs.827/- p.m. for the bunk allotted to him and the High Court of Kerala had ordered the port to levy Rs.375/- p.m. from him prospectively. The port had filed a Writ appeal against this judgement of the High Court and the matter is still pending as admitted by the port. Since the matter is subjudice, no change is considered at this juncture in the licence fee structure already approved for old and new bunks.

(XLvi). The charges for the use of port's dry dock for the first day is proposed to increase by 58% and charges for slipway is increased by 87.5%. For the use of fire pump, increase is 300%. The port has clarified that frequent dredging is essential in front of slipway and for this purpose, new dredging pump worth Rs. 8 lakhs has been acquired. Likewise, fire tenders have been renovated and equipped with modern fire fighting equipment at a cost of Rs.11 lakhs. There has been increase in labour cost due to wage revision. Despite our request, the port has not furnished the cost details to substantiate the abnormal increase proposed by it. That being so, it is not found reasonable to allow the proposed increase at this juncture. The port is advised to come up with separate proposal for revision of rates for this item based on the cost of service provided with all the relevant cost details.

(XLvii). The definition of day is proposed to be modified so as to mean period of 24 hours starting from 6 A. M. to 6 A. M. the following day. The existing Scale of Rates defines day as a period of 24 hours to be reckoned with from the time the service is rendered/utilised except otherwise specified. The CSAA have requested that definition of the day should be maintained as prescribed in the existing Scale of Rates. The COPT also acceded to the request of the CSAA. That being so, the existing definition of the day is retained.

The definition of inner harbour and outer anchorage as proposed by the COPT is incorporated in the revised Scale of Rates.

(XLviii). There are provisions stipulating general terms and conditions and operational matters under various heads of miscellaneous charges. Such provision which are not tariff related issues have been deleted from the proposed Scale of Rates. Commonly accepted definition of various terminology used in the Scale of Rates and various common adoption Orders passed by this Authority have been incorporated in the revised Scale of Rates.

(XLix). There is a provision that the cost of damage to the equipment caused by users shall be recovered from them in addition to the penalty and shall include even replacement value of the equipments. The Port may endeavor to insure its equipment against such risks and include the premium in the hire charges for equipment instead of recovering cost of damages separately from the users.

(L). The proposed Scale of Rates incorporates a provision that rate for any other services and facilities not covered therein will be fixed by the Chairman of the Port and that in case of any dispute relating to interpretation of any rates or definitions or terms and conditions, the decision of the Chairman of the Port will be final and binding on all parties concerned. These provisions are not consistent with the tariffs setting arrangement prescribed in the Statute. These provisions is, therefore, be deleted in line with the statutory provisions.

(Li). The SCI has suggested that the minimum charge for collection of charges by the port and for allowing refund should be the same as Rs.50 and not Rs.50 and Rs.500 as proposed by the port. The argument of the SCI is found reasonable and hence is accepted. The relevant provision in the Scale of Rates are modified accordingly.

(Lii). The port has not followed the procedure prescribed under the Govt. guidelines while proposing revision in the lease rentals. The Govt. guidelines No.PT-17011/55/87-PT dated 1 April 1995, specifically stipulates that all port trusts shall constitute a Committee under the Chairmanship of the respective Chairman, and representatives of the Ministry of Shipping, District Revenue Authorities etc., for recommending the rates for estate rentals. The lease rent need to be revised taking into consideration the market value of the land, development cost, and a return on that. The port is advised to come up with a separate proposal for revision of lease rentals after following the procedure prescribed in the government guidelines and also taking into account the observation made by this Authority in this case.

The proposed Scale of Rates provides levy of penal rent at three times the sublease levy in the case of unauthorised occupation. As per the Govt. guidelines dated. 1April 1995 transfer of the leased property to any third party by way of sub-lease, rent or any other means is not permissible. In reply to a query, the port has argued that sub-leasing is not a transfer as per the guidelines; it is only a permission to the lessee for space available with them so as to boost the port's activities as godown/office is limited. This interpretation of the port is not found to be correct and the relative clauses need to be modified while submitting its proposal.

Sub-lease is not permitted under the existing guidelines; levy of additional rent/interest has the effect of compounding the unauthorised sub-leasing. The provision has therefore to be deleted.

Since the COPT is advised to submit a separate proposal for revision of lease rental in line with the Government guidelines it may not be necessary to modify the lease rentals and conditionalities governing the lease rentals at this point of time. Till that time, the existing lease rentals schedule as prescribed by this Authority at the time of last general revision is allowed to continue.

The Cochin Port Lease holders Association has pointed out high overhead charges on electricity supply recovered by COPT. While formulating its revised proposal for estate rentals the COPT may frontally address this issue. Since no revision in estate rentals is allowed now, the existing schedules are included in the revised Scale of Rates. Annual escalation in the lease rentals, will, however, continue to be applied on the base rental rates as hithertofore with reference to the date of initial notification of these rate.

(Liii). In line with the direction issued by the Government under Section 111 of the Major Port Trusts Act, 193 the rates approved by this Authority will be ceiling level and the rebates/discounts will be at the floor level. The COPT will have the flexibility to charge lower rate it is so desires based on the commercial judgement of the port.

(Liv). The (revised) Scale of rates approved by this Authority will remain valid for period of two years from the date of notification of the Order. This Authority will, however, entertain general revision proposal from the COPT ahead of schedule for good and valid reasons, if any.

11.1. 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 Cochin Port Trust attached as **Annex - II.**

11.2. The revised rates and conditionalities relating to vessel-related charges will become effective after expiry of 30 days from the date of notification of this Order in the Gazette of India.

11.3. The revised rates and conditionalities relating to cargo-related charges and other miscellaneous charges will become effective after expiry of 15 days from the date of notification of this Order in the Gazette of India.

(A.L. Bongirwar)
Chairman

						ANNEX - I(a)

COST STATEMENT OF THE COCHIN PORT TRUST FOR THE PORT AS A WHOLE

Rs. in lakhs

Sl. No.	Particulars	Actuals	Actuals	Actuals	Budget Estimtes	Estimates
		2000-01	2001-02	2002-03	2003-04	2004-05
	Traffic in (MMT)	**13.14**	**12.06**	**13.00**	**13.50**	**14.04**
I.	**Operating Income**					
	1. Cargo Handling & Storage	11,295.23	10,810.01	11,991.62	12,147.79	13,191.21
	2. Port & Dock Charges	5,367.04	5,989.38	5,946.80	6,686.05	6,937.57
	3. Additional income from vessel related charges by restoration the tariff of coastal vessel				1,176.20	1,221.51
	4. Lease and Rentals	1,698.17	1,906.96	2,130.09	2,442.20	2,625.56
	Total operating income (I)	**18,360.43**	**18,706.34**	**20,068.51**	**22,452.24**	**23,975.85**
II.	**Operating Cost**					
	1. Cargo Handling & Storage	3,798.95	3,634.92	3,249.16	3,444.11	3,650.75
	2. Port & Dock Facilities	4,789.74	5,600.96	5,138.11	5,437.80	5,737.75
	3. Railway Workings	40.29	18.18	14.28	15.14	0.00
	4.Rentable Land & Buildings	1,018.62	1,021.56	1,025.82	1,087.37	1,152.61
	5.Depreciation	1,292.72	1,120.91	1,141.20	1,165.00	1,165.00
	Sub Total	**10,940.32**	**11,396.52**	**10,568.57**	**11,149.41**	**11,706.12**
III.	**Gross operating surplus/deficit**	**7,420.11**	**7,309.83**	**9,499.94**	**11,302.82**	**12,269.74**
IV.	Allocated Mgt & Genl. Overheads	4,405.83	4,176.96	4,152.90	4,401.17	4,661.94
V.	Add: Finance & Misc Income	**212.02**	**167.59**	**549.07**	**145.00**	**130.50**
	Less Finance & Misc. Expenditure					
	- Pension Payments	3,665.52	4,875.00	3,115.00	4,000.00	4,100.00

	- Ex-gratia payment PLB	0.00	1,445.66	0.00	0.00	0.00
	- Others	78.87	44.87	66.35	65.00	70.00
	Sub Total FME	**3,744.39**	**6,365.53**	**3,181.35**	**4,065.00**	**4,170.00**
VI.	**Net surplus/deficit before interest on loan**	**-518.09**	**-3,065.07**	**2,714.76**	**2,981.66**	**3,568.30**
VII	Interest on Loans	10.47	10.33	9.03	8.90	8.00
VIII.	**Net Surplus after interest on loan**	**-528.57**	**-3,075.40**	**2,705.73**	**2,972.76**	**3,560.30**
IX.	Capial Employed			**22,971.06**	**23,033.17**	**22,790.25**
X.	Expected Return on capital employed @ 17.5% from the year 2002-03. (2000-01 19.5%, 2001-02 18.5%)			**4,019.94**	**4,030.80**	**3,988.29**
XI.	Capacity utilisation			**66%**	**70%**	**70%**
XII.	Return on capital employed linked to the capacity utilisation less interest in loan			**2,653.16**	**2,821.56**	**2,791.81**
XIII.	**Net Surplus/Deficit after return [VIII-(XII-VII)]**			**61.60**	**160.09**	**776.49**
XIV.	**Surplus/Short fall as a % on total income**			**0.3%**	**0.7%**	**3.2%**
XV.	**Average Surplus/shortfall as a % of the total income**				**2.0%**	

ANNEX -I(b)

COST STATEMENT OF THE COCHIN PORT TRUST FOR THE PORT & DOCK FACILITY AS A WHOLE

Rs. in lakhs

Sl. No.	Particulars	Actuals	Actuals	Actuals	Budget Estimtes	Estimates
		2000-01	2001-02	2002-03	2003-04	2004-05
I.	**Operating Income**					
	1. Port Dues	981.70	1,230.70	1,022.55	1,350.00	1,400.00
	2. Pilotage fees	2,760.18	3,084.25	3,074.04	3,423.00	3,560.00
	3.Berth hire	1,304.10	1,470.30	1,437.83	1,550.00	1,600.00
	4. Others	321.06	204.13	412.38	363.05	377.57
	5.Additional income by maintaing the disparity in the tariff of coastal vessel	0.00	0.00	0.00	1,176.20	1,221.51
	Total operating income (I)	**5,367.04**	**5,989.38**	**5,946.80**	**7,862.25**	**8,159.08**
II.	**Operating Cost**					
	Operating Cost (excluding Depreciation)	4,789.74	5,600.96	5,138.11	5,437.80	5,737.75
	Depreciation	472.41	540.34	479.60	561.00	561.00
	Sub Total	**5,262.15**	**6,141.30**	**5,617.71**	**5,998.80**	**6,298.75**
III.	**Gross operating surplus/deficit**	**104.89**	**-151.92**	**329.09**	**1,863.45**	**1,860.33**
IV.	Allocated Mgt & Genl. Overheads	2,193.24	1,918.99	1,907.94	2,022.00	2,146.90
V.	Add: Finance & Misc Income	61.98	53.66	162.70	45.57	41.01
	Less Finance & Misc. Expenditure	1,801.00	3,430.23	1,691.04	2,128.00	2,188.04

VI.	**Net surplus/deficit before interest on loan**	**-3,827.38**	**-5,447.48**	**-3,107.20**	**-2,240.98**	**-2,433.60**
VII.	**Interest on loan**	**7.00**	**6.90**	**5.43**	**5.15**	**4.32**
VIII.	**Net surplus/deficit after interest on loan**	**-3,834.38**	**-5,454.38**	**-3,112.63**	**-2,246.13**	**-2,437.92**
IX.	Capial Employed			**9,092.36**	**8,882.44**	**8,304.80**
X.	Expected Return on capital employed @ 17.5% from the year 2002-03. (2000-01 19.5%, 2001-02 18.5%)			**1,591.16**	**1,554.43**	**1,453.34**
XI.	Capacity utilisation			**66%**	**70%**	**70%**
XII.	Return on capital employed linked to the capacity utilisation less interest in loan			**1,050.17**	**1,088.10**	**1,017.34**
XIII.	**Net Surplus/Deficit after return [VIII-(XII-VII)]**			**-4,157.36**	**-3,329.08**	**-3,450.94**
XIV.	**Surplus/Short fall as a % on total income**			**-69.9%**	**-42.3%**	**-42.3%**
XV.	**Average Surplus/shortfall as a % of the total income**				**-42.3%**	

					ANNEX -I(c)	
	COST STATEMENT OF THE COCHIN PORT TRUST FOR CARGO HANDLING & STORAGE FACILITY					
					Rs. in lakhs	
Sl. No.	**Particulars**	**Actuals**	**Actuals**	**Actuals**	**Budget Estimtes**	**Estimates**
		2000-01	2001-02	2002-03	2003-04	2004-05
I.	**Operating Income**					
	1. Container related income	3,813.12	3,945.56	4,475.74	4,400.86	5,132.51
	2. Liquid bulk	6,146.64	5,433.51	6,120.75	6,139.91	6,385.51
	3.General cargo	1,335.47	1,430.94	1,395.13	1,607.02	1,673.19
	Total operating income (I)	**11,295.23**	**10,810.01**	**11,991.62**	**12,147.79**	**13,191.21**
II.	**Operating Cost**					
	Operating Cost (excluding Depreciation)	3,798.95	3,634.92	3,249.16	*3,444.11*	*3,650.75*
	Depreciation	730.89	475.93	557.14	495.00	495.00
	Sub Total	**4,529.84**	**4,110.85**	**3,806.30**	**3,939.11**	**4,145.75**
III.	**Gross operating surplus/deficit**	**6,765.39**	**6,699.16**	**8,185.32**	**8,208.68**	**9,045.46**
IV.	Allocated Mgt & Genl. Overheads	2,017.28	2,047.15	2,035.36	2,157.04	2,290.28
V.	Add: Finance & Misc Income	130.43	96.85	328.09	82.79	74.51
	Less Finance & Misc. Expenditure	1,550.37	2,296.12	1,145.77	1,480.23	1,522.00
VI.	**Net surplus/deficit before interest on loan and ROCE**	**3,328.17**	**2,452.74**	**5,332.28**	**4,654.20**	**5,307.68**
VII.	**Interest on loan**	3.47	3.43	3.60	3.75	3.68

VIII.	**Net surplus/deficit after interest on loan**	**3,324.70**	**2,449.31**	**5,328.68**	**4,650.45**	**5,304.00**
IX.	Capial Employed			**10,149.31**	**9,732.39**	**10,340.05**
X.	Expected Return on capital employed @ 17.5% from the year 2002-03. (2000-01 19.5%, 2001-02 18.5%)			**1,776.13**	**1,703.17**	**1,809.51**
XI.	Capacity utilisation			**66%**	**70%**	**70%**
XII.	Return on capital employed linked to the capacity utilisation less interest in loan			**1,172.25**	**1,192.22**	**1,266.66**
XIII.	**Net Surplus/Deficit after return [VIII-(XII-VII)]**			**4,160.03**	**3,461.98**	**4,041.03**
XIV.	**Surplus/Short fall as a % on total income**			**34.7%**	**28.5%**	**30.6%**
XV.	**Average Surplus/shortfall as a % of the total income**				**29.6%**	

ANNEX -I(d)

COST STATEMENT OF THE COCHIN PORT TRUST FOR ESTATE ACTIVITY

Rs. in lakhs

Sl. No.	Particulars	Actuals	Actuals	Actuals	Budget Estimtes	Estimates
		2000-01	2001-02	2002-03	2003-04	2004-05
I.	**Operating Income**					
	1. Staff & office quarters	9.05	11.89	13.94	15.10	15.86
	2.Other rentable land & building	832.35	877.53	962.32	1,202.10	1,262.21
	3.Others	856.76	1,017.53	1,153.83	1,225.00	1,347.50
	Total operating income (I)	**1,698.17**	**1,906.96**	**2,130.09**	**2,442.20**	**2,625.56**
II.	**Operating Cost**					
	Operating Cost (excluding Depreciation)	1,018.62	1,021.56	1,025.82	1,087.37	1,152.61
	Depreciation	89.42	104.64	104.46	109.00	109.00
	Sub Total	**1,108.04**	**1,126.20**	**1,130.28**	**1,196.37**	**1,261.61**
III.	**Gross operating surplus/deficit**	**590.13**	**780.76**	**999.81**	**1,245.83**	**1,363.95**
IV.	Allocated Mgt & Genl. Overheads	177.79	200.89	199.74	211.68	224.75
V.	Add: Finance & Misc Income	19.61	17.08	58.28	16.64	14.98
	Less Finance & Misc. Expenditure	379.23	629.04	340.24	447.34	459.96
VI.	**Net surplus/deficit before interest on loan and ROCE**	**52.71**	**-32.08**	**518.12**	**603.46**	**694.22**
VII.	**Interest on loan**	0.00	0.00	0.00	0.00	0.00

VIII.	**Net surplus/deficit after interest on loan and before ROCE**	**52.71**	**-32.08**	**518.12**	**603.46**	**694.22**
IX.	Capial Employed			**3,729.39**	**4,418.34**	**4,145.40**
X.	Expected Return on capital employed @ 17.5% from the year 2002-03. (2000-01 19.5%, 2001-02 18.5%)			**652.64**	**773.21**	**725.44**
XI.	Capacity utilisation			**66%**	**70%**	**70%**
XII.	Return on capital employed linked to the capacity utilisation less interest in loan			**430.74**	**541.25**	**507.81**
XIII.	**Net Surplus/Deficit after return [VIII-(XII-VII)]**			**87.37**	**62.22**	**186.40**
IX.	**Surplus/Short fall as a % on total income**			**4.1%**	**2.5%**	**7.1%**
X.	**Average Surplus/shortfall as a % of the total income**				**4.8%**	

ANNEX - II

COCHIN PORT TRUST

Scale of Rates

CHAPTER – I

1.1. Definitions –General

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

(i). **“Coastal vessel”** shall mean any vessel exclusively employed in trading between any port or place India to any other port or place in India having a valid coastal licence issued by the competent authority.

(ii). **“Cruise vessel”** shall mean any vessel carrying passengers for an ocean trip taken for pleasure calling at ports.

(iii). “**Cold move”** shall mean movement of vessel without power of the engine of the vessel.

(iv). **“Day”** shall mean a period of 24 hours and shall be reckoned from the time the service is rendered/utilised except where otherwise stated.

(v). **“Foreign–going vessel”** shall mean any vessel other than coastal vessel**.**

(vi). **“Free period”** shall mean the period during which cargo/container shall be allowed storage free of demurrage charges/ground rent and this period shall exclude Sunday(s), Customs holidays and port’s non-operating days.

(vii). **“Inland water barge”** shall mean barge which plies only in inland waterways.

(viii). **"Inner Harbour"** shall mean dredged area and deep-water channels navigated by sea going vessels between 9 -10 outer channel buoys to Mattancherry Bridge in the Mattancherry channel and to Venduruthy Bridge in the Ernakulam Channel.

(ix). **"Outer Anchorage"** shall mean area west of 9-10 outer channel buoys not within the navigational outer channel but within Cochin Port limits.

(x). **“Power driven vessel”** shall mean any vessel other than a sailing vessel.

(xi). “**Sailing vessel’** shall mean a vessel propelled solely by wind power.

(xii). **“Shifting”:** shall mean the movement of a vessel from one berth to another berth or from one berth to anchorage / mooring or vice versa within the port limits.

(xiii). **“Shut out cargo”** shall mean any cargo brought into the port for shipment but not shipped by the designated vessel and is lying in the port premises.

(xiv). **“Shut out container”** shall mean any container which enters into the port as an export intake for a particular vessel as indicated by the Vessel Identification Advice Number and, is not connected to the particular vessel.

(xv). **“Transhipment”** shall mean any cargo not originally manifested for the port of Cochin, but, landed at Cochin and subsequently re-shipped to other ports.

(xvi). **“Transhipment Container”** shall mean any container which is discharged from one vessel, stored in the yard and transported through another vessel.

1.2. General Terms & Conditions

(i). 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 its classification as ‘coastal’ or ‘foreign-going’ 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.

(ii). (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.

(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 shall be applied for re-conversion of dollar denominated charges.

(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 COPT shall pay penal interest on delayed refunds.

(b). The rate of penal interest will be 15% p.a. The penal interest will apply to both the COPT 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 COPT. 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). All charges worked out shall be rounded off to the next higher rupee on the grand total of each bill.

(viii). The minimum charge recovered in any application/bill shall be rupees fifty only (Rs.50.00).

(ix). No claim of refund shall be entertained unless the amount refundable is rupees fifty (Rs.50.00) or more. This limit of Rs.50.00 shall also be applied for supplementary claims of under charge.

(x). The vessel related charges are collected on the basis of GRT of the vessel.

(xi). Vessels carrying simultaneously break-bulk cargo and containers entering the port for simultaneous loading/unloading of containers as well as break bulk cargo, shall be treated as break bulk vessels for the purpose of levy of port dues, pilotage and berth hire charges. The status of the vessel will be determined based on the first visit of the vessel on a particular month for the purpose of levy of port dues.

(xii). A rebate of 33 1/3% on the vessel related charges prescribed in the Scale of Rates will be granted to foreign-cruise vessels calling at the port.

(xiii). A ship will be considered as a scrap vessel from the date it is sold to breakers. Provided that the ship actually undergoes scrap in Cochin Port itself, dues shall be leviable at rates specified.

(a). When such a vessel occupies a normal stream or alongside berth, charges at coastal rates will be levied.

(b). The hire charges for bed of backwaters away from the dredged channels used by ships undergoing scrapping in Cochin shall be 25% of the normal berth hire applicable for coastal vessel provided they utilise their own mooring.

(xiv). (a). A sailing vessel shifting from a Low Wharf berth/jetty at Willingdon Island/Fort Cochin Wharf Berth to a stream or wharf berth or vice versa shall be liable to pay the fees chargeable for the stream or wharf berth as the case may be.

(b). Sailing vessels will be allowed to be shifted in the inner harbour only under tow which should be arranged by the owners at their cost, and with the prior written permission of the Deputy Conservator.

(c). Sailing vessels of 200 tons (net) and above for shifting within the inner harbour with a sailing vessel's Pilot on board shall pay a fee of Rs.300/-.

(d). If sailing vessels of less than 200 tons (net) require the services of a sailing vessel's Pilot for shifting in the inner harbour, the same may be provided on the payment of fee of Rs.250/-.

(xv). (a). The cost of damage caused to the equipment or any other property shall be recovered from the user in addition to the penalty.

(b). The Port shall not be responsible to the user or any person for any loss or damage or injury to life arising directly or indirectly from use of the equipment during the period of requisition. The user shall indemnify the port trust administration against all loss or damage or injury to life arising directly or indirectly from use of the equipment during the period of requisition, to any property belonging to the port including the equipment, or to any other persons or property. The liability of the user 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 port. The user shall also indemnify the port for all liabilities under the Workmen's Compensation Act.

(xvi). (a). Wherever a specific tariff for a service/cargo is not available in the notified Scale of Rates, the COPT can submit a suitable proposal to this Authority.

(b). Simultaneously with the submission of proposal, the proposed rate can be levied on an ad hoc basis till the rate is finally notified by this Authority.

(c). 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 and the concerned user.

(d). The final rates fixed by this Authority 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.

(xvii). The rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The Port Trust may, if it so desires, charge lower rates and/ or allow higher rebates and discounts.

The Port Trust may also, if it so desires, rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation 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.

Provided that the Port Trust should notify the public such lower rates and / or rationalisation 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 this Authority.

CHAPTER –II
VESSEL RELATED CHARGES

2.1. Schedule of Port Dues.

Sl No.	Type of vessel	Rate per GRT		Frequency of payment in respect of the same vessel	
		Coastal vessel (in Rs.)	**Foreign - going vessel (in US $)**	**Coastal** Vessel (in Rs.)	**Foreign-going vessel (inUS $)**
1.	P.O.L.	6.75	0.21	The dues is payable once in 30 days	The dues is payable on each entry into the port
2.	Container	6.40	0.20		
3.	Other bulk,break bulk & Passengers	5.15	0.16		

Notes:

1. Port dues are chargeable for sea going vessels of 15 tons and above

2. 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**.**

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. Port dues shall not be levied on:

(i). Vessel belonging to other major Indian ports.

(ii). Any pleasure Yachts.

(iii).Any vessel which having left this port, is compelled to reenter by stress of weather or in consequence of having sustained any damage.

(iv).Vessels belonging to the President of India, the State Government, Union Territories and Foreign Sovereign.

(v). Defence vessels.

(vi). Inland water barges carrying cargo to and from the port.

6. (i). Whenever mother vessels carrying lash barges, discharge the barges at the outer anchorage and sail out from there without entering the inner harbour will not attract port dues. In such cases, port dues will be collected from the lash barges entering the inner harbour based on their GRT.

(ii). In cases where the mother vessels enter the inner harbour and attract port dues, then the port dues will not be leviable on the lash barges.

7. A LASH vessel making a '**second call**' **to pick up empty and / or laden fleeting LASH barges shall be treated as vessel entering a Port**, **but not discharging or taking any cargo or passenger therein**, **and shall not be charged any Port Dues**.

2.2.Pilotage Fees

2.2.1.Schedule of Pilotage fees

Sl. No.	Size of the vessel	Rate per GRT			
		Container vessel		Other vessel	
		Coastal vessel (in Rs.)	Foreign going vessel (in US $)	Coastal vessel (in Rs.)	Foreign - going vessel (in US $)
1.	Upto 3000 GRT	9.95	0.31	10.60	0.33
2.	3001 to 10000 GRT	14.10	0.44	15.10	0.47
3.	10001 to 15000 GRT	15.40	0.48	16.35	0.51
4.	15001 to 30000 GRT	16.35	0.51	17.65	0.55
5.	30001 and above.	15.40	0.48	16.35	0.51

2.2.2. Schedule of Miscellaneous Pilotage fees.

Sl. No.	Particulars	Coastal vessel (in Rs.)	Foreign going-vessel (in US $)
1.	Pilotage fee for sailing vessels (i). Vessels enter with cargo or Ballast (for pilotage inward or outward) (a). Vessel below 200 Tons.	548.25 each way per vessel	17.10 each way per vessel
	(b). Vessel of 200 tons & above	812.70 each way per vessel	25.35 each way per vessel
2.	Detention charges for power driven vessels for detention of a pilot for more than 30 minutes beyond the time for which the requisition is made (i). For first one hour or part thereof (ii). For every subsequent hour or part thereof	1869.10 812.70	58.30 25.35
3.	Cancellation charges for power driven vessels for the cancellation of the requisition for a service of a pilot with less than 2 hrs. notice to the Dy. Conservator.	3209.20	100.10
4.	Pilotage fee for dredgers other than for port dredging	Rs.6250.00 per eight hour or part thereof.	

Notes:

1. Pilotage fee shall include services of the Port's pilot (s); and provision of required number of tug/tugs, pilot launch/launches and mooring boat charges for inward and outward movement; and, one shifting operation at the request of the users within the dock basin.

2. In case of requisition for the cancellation of the services of the pilot due to power failure or due to break down of port's equipment, within two hours before the scheduled time of the sailing of the vessel, no cancellation charges will be levied based on a certificate issued to this effect by the concerned officer duly authorised by the port**.** Likewise, charges for detention of pilot will also not be levied in case the delay is for reasons directly attributable to the Port.

3. Every vessel, not under own power, including dumb barges will be charged 50% extra pilotage fee.

4. In case of second and subsequent shifting made at the request of the user for shifting the vessel from one berth to another or for any other purposes for the vessel's convenience within the port limits, shifting charges @ 25% of the normal pilotage shall be chargeable.

5. No charges shall be levied for shifting of a vessel for port convenience.

   (a). "Port convenience" is defined to mean the following:

      (i). If a working cargo vessel at berth or any vessel at mooring is shifted/ inberthed for undertaking dredging 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 PORT CONVENIENCE.

      (iii). Whenever a vessel is shifted to accommodate another vessel which can not be berthed at other berths due to draft and LOA restrictions such shifting shall be considered as "SHIFTING FOR PORT CONVENIENCE"

      (iv). Whenever a vessel is shifted to accommodate another vessel having priority at the adjacent berth and unless that vessel shifts, another vessel can not be berthed at the adjacent-berth due to length restrictions, such shifting shall also be considered as "SHIFTING FOR PORT CONVENIENCE".

      (v). Whenever a vessel is shifted from berths to accommodate another vessel carrying hazardous cargo which needs adjacent-berth to be kept vacant for safety reasons such shifting shall also be considered as " SHIFTING FOR PORT CONVENIENCE ".

   (b). Whenever a vessel is shifted from 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. This benefit will, however, not be applicable in the following cases:

      (i). Non-cargo vessel which in any case have to vacate the berth when cargo vessels arrive.

      (ii). Vessels using the berth exclusively for overside loading/discharge.

      (iii). Vessels which are idling at berth without doing any cargo handling operations.

2.3. BERTH HIRE CHARGES

2.3.1. Schedule of berth hire charges.

Sl. No.	Vessel size (grt)	Rate per GRT per hour or part thereof									
		General Cargo berths Q 1 to Q 7		Container Berths Q 8 and Q 9		Oil berths Cochin Old Terminal, North Tanker berth, South Tanker berth		North and South Coal Berths		Stream Mooring	
		Coastal Vessel (in Rs.)	**Foreign-going Vessel (in US$)**	**Coastal Vessel (in Rs.)**	**Foreign-going Vessel (in US$)**	**Coastal Vessel (in Rs.)**	**Foreign-going Vessel (in US$)**	**Coastal Vessel (in Rs.)**	**Foreign-going Vessel (in US$)**	**Coastal Vessel (in Rs.)**	**Foreign-going Vessel (in US$)**
1	UPTO 3000	0.282	0.0088	0.266	0.0083	0.173	0.0054	0.106	0.0033	0.093	0.0029
2	3001 TO 10000	0.173	0.0054	0.173	0.0054	0.122	0.0038	0.093	0.0029	0.093	0.0029
	MINIMUM CHARGE	**846.40**	**26.40**	**798.00**	**24.90**	**519.00**	**16.20**	**318.00**	**9.90**	_	_
3	10001 TO 15000	0.106	0.0033	0.106	0.0033	0.106	0.0033	0.093	0.0029	0.067	0.0021
	MINIMUM CHARGE	**1730.00**	**54.00**	**1730.00**	**54.00**	**1220.00**	**38.00**	_	_	**930.00**	**29.00**
4	15001 TO 30000	0.093	0.0029	0.08	0.0025	0.093	0.0029	0.067	0.0021	0.067	0.0021
	MINIMUM CHARGE	**1590.00**	**49.50**	**1590.00**	**49.50**	**1590.00**	**49.50**	**1395.00**	**43.50**	_	_
5	30001 TO 60000	0.093	0.0029	0.08	0.0025	0.093	0.0029	0.067	0.0021	0.054	0.0017
	MINIMUM CHARGE	_	_	_	_	_	_	_	_	**2010.00**	**63.00**
6	60001 AND ABOVE	0.106	0.0033	0.106	0.0033	0.106	0.0033	0.054	0.0017	0.041	0.0013
	MINIMUM CHARGE	-	-	-	-	-	-	**4020.00**	**126.00**	**3240.00**	**102.00**

2.3.2. Schedule of Berth Hire Charges for other vessels.

Sl No.	Classification	Rate per GRT per hour or part thereof	
		Coastal vessel (in Rs.)	**Foreign -going vessel (in US $)**
1.	Fertiliser Berth-Q 10 & New BTP berth	0.186	0.0058
2.	Lash Barges (i).Berth hire for occupying any berth (ii).Fleeting charges when barges wait at fleeting areas	 0.131 0.041	 0.0041 0.0013
		Rate per vessel per hour or part thereof	
3.	Any vessel anchoring with their own gear anywhere in the dredged area and deep water channels navigated by sea going vessels.	16.924	0.5279

Sl. No.	Classification	Rate per vessel per hour or part thereof			
4.	Other vessels	Sailing vessel		Fishing vessels & trawlers	
		Coastal vessel (in Rs.)	Foreign - going vessel (in US $)	Coastal vessel (in Rs.)	Foreign - going vessel (in US $)
	(i). Occupying a wharf berth or a stream berth	16.924	0.5279	27.075	0.8445
	(ii). Occupying a low Wharf Berth/Fort Cochin wharf berth/jetty at Willington Island or other shallow water area for anchoring with their own gear anywhere within port limits.	8.467	0.2641	13.53	0.422
	(iii). Pleasure yachts: For occupying Pathemari anchorage at Fort Cochin wharf or anchorage in the stream under its own moorings.	-	-	8.467	0.2641

Notes:

1. (i). Berth Hire Charges shall be collected for the period from berthing to unberthing of the vessels.

   (ii). In respect of container vessels availing the window facility, berth hire charges shall be collected for the period of window allocated to the vessels or the actual period of occupation whichever is higher.

2. Berth hire charge includes the charges for wharf cranes, for first operation (subject to availability), part of cost of Cochin Port Trust labour supply wherever necessary and overtime fees payable by vessels at berths within port limits.

3. No berth hire will be charged on the vessel after expiry of four hours from the time the vessel signals its readiness to sail. There shall be a 'penal rate ' equal to one day's berth hire charge for a false signal.

4. If any vessel is compelled to idle at container berths for continuous one hour or more due to breakdown of port equipment or power failure, no berth hire shall be levied for such period of idling.

5. (a). Any vessel occupying a berth or berths and requesting for any other adjacent berth or berths to be kept vacant for their convenience or due to the nature of the cargo to be handled at that particular berth or for any other reasons, shall be charged with additional Port Dues, Pilotage and Berth Hire for each such berth or berths kept vacant. The GRT of the vessel actually berthed shall be reckoned with for computation of the dues to the Port.

   (b). The requisition for keeping the adjacent berth vacant may be given either by the vessels' agent or by the consignee / consigner, or the berth(s) may be kept vacant by the Port considering the nature of the cargo handled, provided advance notice of such action is given by the Port to the vessel-agent. In all such cases, the additional Port Dues, Pilotage and Berth Hire shall be collected from the vessel agent / steamer agent, along with the normal charges, since they are vessel related charges.

6. If the port is not in a position to utilise the berth/berths because of the presence of the classified cargo in the shed/sheds, the consignee of the classified cargo will pay to the port an amount equal to the normal berth hire charges recoverable from the ship which has landed such cargo till the last packet from the shed/sheds is cleared.

7. Berth hire charges will not be recovered when fishing vessels/trawlers are anchored at private jetties paying licence fees under the Cochin Port Trust Licensing of Jetties, Slipway and Boatpen Regulations 1968, as amended from time to time.

8. No berth hire shall be recovered from barges except ammonia barges engaged in carrying cargo to and from the port and operated in the inland water ways

9. Lash barges

   (i). Whenever a barge occupies any stream mooring the rate applicable to such mooring as per the Scale of Rates will apply.

   (ii). Low wharf, Muraf Jetty and Fort Cochin Jetty are declared as fleeting areas for barges.

2.3.3. Supply of fresh water to vessels

Sl. No.	Description	Coastal Vessel (in Rs.)		Foreign-going Vessel (in US $)	
		Rate per 1000 Lts.	Minimum charge	Rate per 1000 Lts.	Minimum charge
1.	Supply through Barges**:**				
	(i).At inner harbour	224.40	5610.50	7.00	175.00
	(ii).At outer harbour	897.70	22,442.00	28.00	700.00
2.	Water supply through shore	128.25	3206.00	4.00	100.00

CHAPTER –III

CARGO RELATED CHARGES

3.1. Schedule of wharfage for bulk and break bulk cargo

Item No.		Description of commodity	Unit	Rate (in Rs.)
1		Animals, birds, reptiles, animal products & derivatives	MT	77.00
2		Asbestos	MT	84.00
3		Cashew, nuts and fruits		
	(i).	Raw cashew nut	MT	35.00
	(ii)	Cashew kernels	"	45.00
	(iii)	Fruits, tamarind seeds, tapioca, coconut, copra	"	48.00
4		Coal, coke, wood charcoal, firewood	MT	40.00
5		Coir, coir products, jute, jute products	MT	48.00
6		Construction and building materials		
	(i).	Sand, Stones	MT	52.00
	(ii).	Granite , Marble	"	67.00
	(iii)	Cement, Clinker, Clay, Chalk	"	52.00
7		Cotton, cotton waste, twist yarn, wool , clothes & Cotton piece goods	CUM	35.00
8		Defence goods	MT	111.00
9		Fertilizer - raw material & finished		
	(i)	Sulphur	MT	62.00
	(ii)	Rock phosphate	"	57.00
	(iii)	Finished fertilizers	"	57.00
10		Food grains, oilseeds, cereals, pulses, bran of all kinds	MT	44.00
11		Liquid cargo, acids		
	(i)	Crude oil	MT	65.00
	(ii)	POL products	"	65.00
	(iii)	Liquid ammonia	"	85.00
	(iv)	Phosphoric acid	"	78.00
	(v)	Molasses, edible oils & other liquids	"	65.00
12		Metals and metal scrap	MT	80.00
13		Minerals and ores	MT	52.00
14		Oil cakes & fodder	MT	56.00
15		Paper, newsprint	CUM	52.00
16		Salt	MT	10.00
17		Sugar	MT	52.00
18		Synthetic resin	MT	41.00
19		Unaccompanied personal baggage	CUM	56.00
20		Wood and timber products		
	(i)	Wood, timber, bamboo, wood products	MT	56.0
	(ii)	Wood Pulp	MT	41.00
21		Coffee	Advalorem	0.12%
22		Motor cars,trucks and other motorized vehicles	Advalorem	0.20%
23		Oleoresins of all types and sandal oil	Advalorem	0.02%
24		Tea & Spices	Advalorem	0.15%
25		Any item other than those specified above.	Advalorem	0.20%

Notes:

(1). Assessment of cargo shall be done on the basis of the description of the cargo as given in the bill of entry/coastal bill of lading in case of import cargo and shipping bill in the case of export cargo, that best fits the item description covered under the schedule.

(2). Before classifying any cargo under unspecified category in the wharfage schedule, the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in those schedules.

(3). Wharfage dues shall be collected at the rates specified in the schedule on the basis of :

(i). Manifested tonnage/measurement, unit of weight/volume of cargo;

(ii). Quantity/tonnage shown in bill of lading or relevant title to goods in case of crude oil and P.O.L. products; or

(iii). Ad valorem wharfage on imports shall be collected on the C.I.F. value; in case of export cargo, on F.O.B. value and in case of coastal cargo on value indicated in the bill of coastal goods.

(4). In case of 2 (i) and (ii) specified above, gross tonnage/measurement shall be reckoned with as specified in related document, such as out-turn report for export cargo, intake certificate duly signed by central excise, ullage certificate issued by ship's surveyor. In the absence of these details, the tonnage/measurement arrived at by actual test check by the port trust administration shall be taken as gross tonnage/measurement.

(5). Requests for amendments in the import or export application or import general manifest or delivery order shall be accompanied by a fees of rupees two hundred (Rs.200.00) which shall not be refunded.

(6). Goods free of wharfage:

(i). Cargo consigned to or by the Cochin Port Trust.

(ii). Bonafide passengers' and seamen's baggage and personal effects accompanying them.

(iii). Cargo temporarily landed from a vessel under repairs and reshipped into the same vessel after completion of repairs.

(iv). Cargo temporarily landed from a vessel which has entered the port owing to stress of weather and reshipped into the same vessel during the same voyage.

(v). Bonafide ships fittings of the same vessel.

(vi). Ships' sweeping provided that the entire cargo is landed at the port and that satisfactory proof is produced to the effect that the sweepings formed part only of the consignments for which dues have been paid. Porterage of such sweepings shall be arranged by the Steamer Agent or the owner of the consignment.

(vii). Sweepings collected on shore.

(viii). Sand or stone ballast.

(ix). Fodder accompanying livestock and not manifested as cargo.

(x). Cargo which have been shipped after wharfage have been paid to the port but re-landed and reshipped in the mooring by another vessel to suit the original vessel's convenience.

(xi). Pallets used for the export of palletised cargo from the wharves.

(7). Cargo meant for transhipment, reshipment or shut out cargo shall be assessed for each handling @75% of the wharfage applicable to the particular item (cargo).

(8). Ship stores, provisions for use of ship for consumption during voyage and coal or oil for bunker of the vessel shall be charged at 50% of the wharfage applicable to these items.

(9). Port shall not arrange for the porterage at the wharf for the following bulk cargo items and the owners shall make their own arrangements for handling them at their expense and risk:

(i). Animal, birds, reptiles
(ii). Cashew shell liquid
(iii). Chemicals
(iv). Coal, coke, wood charcoal & fire wood
(v). Edible oil
(vi). Fertilizer and fertilizer raw material handled at Q 10 berth
(vii). Goods free of wharfage
(viii). Palm/coconut fatty acid
(ix). P.O.L. & P.O.L. products except bitumen
(x). Any other cargo handled through pipelines

(10). Any cargo discharged from the vessel to lighter vessels other than through alongside berth, 50% wharfage shall be recovered on such cargo at the rate specified for that cargo.

3.2. Demurrage Charges

3.2.1. Free Period

Sl. No.	Description	Free Period
1.	Import Cargo	7 days
2.	Export & transhipment cargo	12 days

Notes:

(1). (i). Free period for import cargo shall be reckoned from the day following the date of last cargo discharged/landed from the vessel.

(ii). Free period for export cargo shall commence from the date of admission of the cargo into the port.

(iii). In case of salvaged goods free period shall commence from the day following the notification of salvage by the receiver of wreck.

(iv). In the case of export cargo after the free period demurrage shall accrue till the date of commencement of loading.

(2). Both export and import cargo shall enjoy only one set of free period.

(3). Demurrage shall be chargeable on all goods/cargo left in the port's transit sheds or yards beyond the expiry of free days at the rates prescribed in the respective schedule.

3.2.2. Schedule of Demurrage charges

Sl. No.	Description	For cargo assessed on unit rate	For cargo assessed on ad valorem basis
		Rate per wharfage unit per day or part thereof (in Rs.)	**Rate prescribed as % of wharfage applicable**
I.	**Import**		
1.	For the first 5 days	20.00	20%
2.	For the next 10 days	40.00	25%
3.	For the next 30 days	68.00	35%
4.	Thereafter,	135.00	45%
II.	**Export & Transhipment**		
1.	From 13 th day onwards	15.00	25%

Notes:

(1). **Demurrage when adjacent berth kept vacant:**

Demurrage leviable on other consignments lying at the particular berth or adjacent berth/berths which cannot be cleared during the period when the adjacent berth/berths is/are kept vacant on account of the nature of cargo to be handled at a particular berth or for any other reason, shall be borne by the respective consignee of the cargo requiring such safeguard.

(2). Demurrage @ 50% of the rates applicable will be charged on unaccompanied personal baggage/personal effects. All other conditions regarding free period etc. shall remain the same.

(3). Demurrage for shut out cargo

(i). Any cargo brought into the port for shipment subsequently amended to another vessel and shipped out shall pay demurrage from the date of carting of the cargo into the port till the date of amendment of the vessel's name on which the cargo is alternatively shipped out.

(ii). Demurrage on export goods brought in for shipment by a particular vessel and shut out though no fault of the shipper but subsequently shipped by another vessel shall be charged at the rates applicable for export cargo as per the schedule in the scale of rates for the entire period till the goods are shipped or removed from the port wharves.

(4). Free period in special cases:

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

(a). Any period when the Commissioner of Customs/head of the Customs Department at the port certifies that the goods were detained for examination/test under Section 17(1) of the Customs Act, 1962 (52 of 1962) read with Section 144 of the said act other than for the ordinary process of appraisement and that the detention was not attributable to any fault or negligence on part of the importers and exporters plus two working days.

(b). Any period during which goods are detained by the Health Officer or any other officer duly authorised by him in this behalf by the Board of Trustees, Cochin Port Trust, before being destroyed.

(c). In case of goods detained for analytical tests under Drug (Control) Aact, 1950 on recommendation of the assistant drugs controller or an officer duly authorised by him and certified by the Commissioner of Customs/Head of Customs Department at the port or an officer duly authorised by him, demurrage shall be levied during the period of such detention at the first week's/slab's rate subject to a maximum period of 30 days.

(d). In case of goods detained due to import trade control formalities and certified by the Commissioner of Customs/Head of Customs Department at the port or any competent officer authorised by him, as not due to any fault on part of the importer, demurrage shall be levied during the period of such detention at the following graduated scale, subject to a maximum period of 150 days:

* At 1/6th of normal rate from the date of detention upto the 60th days;

* At 1/3rd of the normal rate after the expiry of the 60th day upto the 90th days;

* At 1/2(half) the normal rate after expiry of 90th day upto 120th days; and

* At 2/3rd of the normal rate after the expiry of 120th day upto 150th day.

(e). In case of the goods detained due to loss or misplacement of documents in the Customs house without any fault on the part of importer, and for which detention certificate in a form approved by the Central Board of Revenue is issued by the Commissioner of the Customs at the port or the Assistant Commissioner duly authorised by him, demurrage incurred during the period of detention shall be waived by the Board of Trustees, Cochin Port Trust either wholly or partly on the merits of each case.

(f). In case of detention covered by items 5(c), 5(d), & 5(e) above, the concession shall be given for the period covered by the detention certificate plus one working day.

(g). Period during which the port is unable to trace the package owing to congestion of accommodation, wrong sorting or incorrect tallying.

This period will be reckoned from seven days after the date of receipt of confirmation of the intimation to the party. Of the fact that the , fact will be announced by a notice affixed to the notice board in the concerned transit shed.

(h). Goods detained for survey:

Goods detained for survey and actually surveyed by the steamer agents or a recognised surveyor authorised by them or by the Cochin Port Trust shall, on production of the certificate of survey, be allowed free storage accommodation for a period not exceeding seven days excluding Sunday(s) and holiday(s) from the day following the complete discharge of the wharf cargo by the vessel concerned.

Provided that -

(aa). The application for survey giving full details of the quantity, description, marks and numbers of goods to be detained for survey is received by the concerned Officer duly authorized by the port within the free days prescribed for tranship goods.

(bb). The actual survey is completed within the seven days thus allowed;

(cc). Such goods are removed on or before the working days following that on which the survey was completed.

(dd). In respect of goods surveyed on the last free days, no demurrage will be levied if such goods are removed on the next working day succeeding that on which they were surveyed. in the case of salved goods detained for survey, the seven days excluding Sunday(s)/holiday(s) shall be calculated from the day following the notification of salvage by the receiver of wreck.

3.3. Charges for use of wharf electric crane other than during the course of import/export operation. (second operation)

Sl. No.	Description	Unit	Rate (in Rs.)
1	**Cargo on which wharfage is collected** For lift upto 10 MT	Rate per ton or part thereof	100.00
2	**Cargo on which wharfage is not collected and for any other use.** For lift upto 10 MT	Rate per ton or part thereof per hoist	200.00
3	**For opening or closing the hatch**	Rate per shift of eight hours per hatch	400.00

Notes:

1. The charges for opening or closing the hatch are recoverable only in the shift in which the hatch is worked.
2. The charges for the use of grab fitted to the crane shall be levied separately in addition to the charges.

3.4. Charges for using the port's grabs fitted to the shore cranes.

Sl No.	Description	Unit	Rate (in Rs.)
1	Upto 5 CuM. capacity grab	Per hour or part thereof	150.00 subject to a minimum of Rs.750.00
2	Above 5 CuM capacity grab	Per hour or part thereof	250.00 subject to a minimum of Rs.1250.00

3.5. Charges for light duty forklift truck

Sl No.	For second & subsequent operations	Unit	Rate (in Rs.)
1.	For cargo handling or any other operations inside the wharf premises	Per forklift truck per hour or part thereof	300.00 subject to a minimum of Rs.600.00

3.6. Requisition cancellation charges.

Sl No.	Particulars	Unit	Rate (in Rs.)
1	**In working days** Two hours before availing the equipment.	Per equipment per requisition	250.00
2	**In Sundays and holidays** Within two hours of availing the equipment	- do -	1500.00

Note:

If the cancellation of equipment on Sundays and holidays arises out of Port's decision, no cancellation charges shall be recovered.

3.7. Removal Charges.

Sl. No.	Description	Within transit shed or open transit shed accommodation (in Rs.)	From transit shed or transit accommodation to other sheds or import warehouse or to open storage area (in Rs.)

	In the case of goods on which Wharfage is charged on the basis of:		
1.	Per ton / Per cum :	100.00	300.00
2.	Per each item :		
	(i).Motor car	75.00	150.00
	(ii). Motor cycle with or without side car, cycle & other carriages	50.00	75.00

Notes:

1. After the expiry of the free storage period, the goods are liable to be removed at the discretion of the port which shall attract the charges as per the schedule.

2. Baggage or personal effects not accompanying passengers or seamen if landed at Ernakulam wharf shall be removed direct to overflow shed or baggage hall at Ernakulam wharf and removal charge at Rs.50.00 (Rupees fifty only) per cubic metre shall be recovered.

3. Removal charges leviable on other consignments lying at the particular berth or adjacent berth/berths which cannot be cleared during the period when the adjacent berth/berths is/are kept vacant on account of the nature of cargo to be handled at the particular berth, or any other reason shall be borne by the respective consignee of the cargo requiring such a safeguard.

CHAPTER –IV
CONTAINER RELATED CHARGES

4.1. Gantry Crane Charges

Sl. No.	**Description**	Unit	**Coastal Vessel (in Rs.)**	**Foreign-going Vessel (in US $)**
1.	Charges for Handling Hatches. For opening or closing or shifting the hatch cover	Per hatch cover per lift	1500.00	32.75
2	Bay shifting charges (i). Shifting containers within the bay itself (a) 20 feet (empty & laden container) (b) 40 Feet(empty & laden container)	Per container - do -	1000.00 1500.00	21.83 32.75
	(ii). Shifting containers from one bay to another. (a) 20 feet(empty & laden container) (b) 40 feet (empty & laden container)	Per container - do -	2225.00 3337.50	48.58 72.87
3	For Handling Import/Export Container (i). 20 feet (empty & Laden container) (ii). 40 feet (empty & Laden container) (iii). 45 feet (empty & Laden container)	Per container - do – - do -	1000.00 1500.00 2000.00	21.83 32.75 43.67

Notes:

(1). (i). Gantry crane charges for handling multi-dimension containers, over high containers etc., by using extension piece will be charged at the rate prescribed for 45 feet containers.

(ii). Gantry crane charges for handling containers by using slings put on spreader will also be charged at the rate prescribed for 45 feet containers.

(2). Gantry crane charges for handling any item of heavy cargo/ container which requires usage of 60 tonne hook (cargo beam) of the gantry crane, will be charged as follows:

Sl. No.	Particulars	Coastal vessel (in Rs.)	Foreign-going vessel (in US$)
(i).	**First one hour or part thereof.**	**Rs.10,000/-**	**218.34**
(ii).	**For each 30 minutes or part thereof.**	**Rs. 5,000/-**	**109.17**

(3). For the purpose of calculating the total time taken, in the case of 2 (i) & (ii) above, the total deployment time of the crane for the particular work will be taken.

(4). If containers are handled by ship's own gear, no gantry crane charges will be collected.

(5). In case of export containers shut out from a vessel and shipped by another vessel, shifting charges will not be levied in case no shifting is involved.

4.2. Charges for use of prime mover and chasis and other container handling equipment

Sl. No.	**Description**	**Unit**	**Rate (in Rs.)**			
			Empty		**Laden**	
			20'	**40' & above**	**20'**	**40' & above**

1	For use of prime mover and chasis	Per container	200.00	300.00	225.00	337.50
2	For use of other container handling equipment (includes transfer crane, reach stackers, mobile crane, heavy duty fork lift & top lift truck).	Per Container	150.00	225.00	480.00	630.00

4.3. Wharfage for Containers

Item No.	Type of containers	Unit	Rate in Rs.	
			20'	40' & above
1	Empty	Per Container	105.00	157.50
2	Laden	Per Container	500.00	750.00
3	House stuffed/de-stuffed	Per Container	800.00	1200.00
4	ICD containers –Laden	Per Container	500.00	750.00

4.4. Reefer Charges

Sl. No.	Description	Rate per eight hours or part thereof per container			
		Coastal Vessel		Foreign-going Vessel	
		20' (in Rs.)	40' (in Rs.)	20' (in US $)	40' (in US $)
1.	Electricity supply and monitoring Charges	233.00	349.50	5.08	7.63

4.5. Composite rate for transhipment container handling

Sl. No.	Flow of operation	Coastal Vessel				Foreign-going Vessel			
		20'		40' & above		20'		40' & above	
		Empty (inRs.)	Loaded (in Rs.)	Empty (in Rs.)	Loaded (in Rs.)	Empty (in US $)	Loaded (in US $)	Empty (in US $)	Loaded (in US $)
1	Gantry charges for containers handled both ways under Gantry.	2600.00	3000.00	3900.00	4500.00	56.77	65.50	85.15	98.25
2	Handled both ways in conventional Berths	820.00	1800.00	1170.00	2600.00	17.90	39.30	25.55	56.77
3	Handled in conventional berths one way and by Gantry the other way.	1720.00	2560.00	2520.00	3720.00	37.55	55.90	55.02	81.22

Note:

1. The composite rates given above cover gantry charges (at gantry berths only), charges for transportation from quay to yard and vice-versa, charges for grounding and lifting by transfer crane at the yard and wharfage on container as well as containerised cargo.

2. If any of the services covered by the composite rates are not provided by the port, a rebate equivalent to the notified charges for that service shall be allowed on the composite rates.

4.6. Ground Rent.

Sl. No.	Period of occupation	Rate per container Per day or part thereof	
		20' US $	**40' & above US $**
1.	**For empty containers**		
	(i). First 3 days	Free	Free
	(ii). 4th day to 10th day	3.00	6.00
	(iii). 11th day to 15th day	6.00	12.00
	(iv). Thereafter,	12.00	24.00
2.	**For loaded containers**		
	(i). First 5 days	Free	Free
	(ii). 6th day to 15th day	3.00	6.00
	(iii). 16th day to 30th day	6.00	12.00
	(iv). Thereafter,	12.00	24.00
3.	**For transhipment containers**		
	Empty Container		
	(i). First 15 days	Free	Free
	(ii). 16th day to 30th day	6.00	12.00
	(iii). Thereafter,	9.00	18.00
	Laden container		
	(i). First 30 days	Free	Free
	(ii). 31st day to 45th day	6.00	12.00
	(iii). Thereafter,	9.00	18.00
4.	**Hazardous containers**		
	(i). First 5 days	Free	Free
	(ii). 6th day to 15th day	3.75	7.50
	(iii). 16th day to 30th day	7.50	15.00
	(iv). Thereafter	15.00	30.00

Note:

(1). Free Period.

(i). The free period for import containers starts from the day following the date of last container landed from the vessel.

(ii). The free period for export containers starts from the date of admission of the container.

(2). For the purpose of calculation of free period Sundays, Customs holidays and port non-working days shall be excluded.

(3). 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 day of landing of the 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 day the Custom 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 line/consignee from the port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the day of such removal.

4.7. Stuffing and Destuffing charges.

Sl. No.	Description	Rate per container (in Rs.)	
		20'	40' and above.
1	For half container-Loaded	1150.00	1875.00
2	For a full container-loaded	2300.00	3750.00

Notes:

1. A container which is stuffed or de-stuffed 50% or less of its normal capacity, such a container is treated as half a container and if the container is more than 50% stuffed or de-stuffed it is treated as a full container for the purpose of levying stuffing/de-stuffing charges.

2. When cargo is stuffed/de-stuffed in the container within the wharf premises or container freight station, the wharfage for containerised cargo as well as containers will be charged separately. Wharfage on containerised cargo will be levied as per the rates mentioned in the schedules of wharfage for bulk and break bulk cargo and wharfage for containers will be charged as per the rates prescribed in Schedule 4.3.above.

General note relating to container related chares.

(i). Charges for container handling equipment shall be applicable for the operations inside the wharf. In case of stack amendments, the equipment shall be charged based on the actual operation.

CHAPTER –V
MISCELLANEOUS CHARGES

5.1. Floating craft charges

Sl. No	Category	Unit	Rate (in Rs.)
1.	Floating Crane		
	F.C. Periyar and Oil Skimmer M.V. Venad		
	Fixed booking charges	-	**5000.00**
	Lifting charges	Per ton	150.00

2	Dredger – Nehru shatabdi	Rate per hour or part thereof	25,000.00
3	Mooring tug	Rate per tug per hour or part thereof	9,500.00
4	Pilot launch	Rate per launch per hour or part thereof	250.00
5	Other launches	-do-	250.00
6	Fire float	Rate per equipment per hour or part thereof	400.00

5.2. Charges for use of Barge Jetties

Sl. No.	Description	Unit	Rate in Rs.
1.	At Q 10 Area	per jetty per month or part thereof.	82,000.00
2.	Near South Coal Berth	- do -	90,000.00

5.3. Charges for Erecting Hoardings

Sl. No.	Description	Rate (in Rs.)	Minimum charge Per annum (in Rs.)
1.	For single sided hoardings		
	Per Sq. mtr / per year	1615.00	2000.00
	Per Sq. feet /per year	150.00	
2.	For double sided hoardings	50% over and above the rate for single sided hoarding	3000.00
3.	For dealer board	25% the rate for single sided hoarding	500.00

Notes:

1. The security deposit of Rs. 2500.00 should be paid in advance irrespective of the location of hoardings within the port limits.

2. **The permission for the hoardings will be renewable annually and the rent will be payable in advance. The Port may, however, require at any time, on three months notice that the hoardings should be removed if the land is required for other purposes. In such cases proportionate charges will be refunded.**

3. **The grant of permission for putting up of hoarding will not confer any title or right in respect of the land.**

4. If the hoarding are not removed on the expiry of the period of permission, the Port shall be entitled to remove such hoardings and sell them by public auction. The Port shall also have the right to recover the cost of such removal and other incidental expenses from the deposit amount or the sale proceeds of such materials used for hoarding.

5.4. Fumigation charges

Description	(in Rs.)
For cotton	
(i). - Rate per square bale	9.00
(ii). - Rate per round bale	6.00

5.5. Charges for issue of entry and clearance certificate

Sl. No.	Description	Unit	Rate (in Rs.)

1.		**Vessels not entering the port limits**		
	(i)	For Lash vessels anchored at outer sea	Per Certificate	3375.00
	(ii)	For other vessels anchored at outer sea and proceeding with out discharging or taking in any cargo or passengers.	Per Certificate	1700.00

5.6. License fee for the use of port's bunks

Sl. No.	**Description**	Rate per month or part thereof (in Rs.)
	Old Bunks	
1.	Bunk Measuring 2.5 M X 2.5 M	375.00
2.	Bunk measuring 2.5 M X 1.5 M	300.00
3.	Bunk Measuring 3.0 M X 2.5 M	875.00
4.	Security deposit for two months	1060.00
	New Bunks	
5.	T – Bunks 3 M X 1.5 M	526.00
6.	C- Bunks 2.5 M X 1.5 M	438.00
7.	Security deposit in case of Sl.No. 5 and 6 will be 2 months licence fee at the prescribed rates.	

Note:

1. New bunks are those bunks existing between the EDC building and Ernakulam Wharf gate, Western Side of rubber board building and southern side of Porterage Office.

5.7. License fees for jetties, piers etc.

Sl. No.	**Description**	**Unit**	**Rate (in Rs.)**
1.	Jetties & piers	Rate per unit per annum	515.00
2.	Slipways	- do -	453.00
3.	Boatpen	-do -	215.00
4.	Inspection fees	Each Jetty / slipway from each applicant	250.00

Note:

1. The rate is effective from 1.07.1996.

2. There will be an annual enhancement in rates of 5% as per the discussions the Chairman, COPT held with the Vypin Jetty and Slipway Owners Association on 04.06.1997.

5.8. Charges for Oil pumping facilities

Sl. No.	**Description**	**Unit**	**(Rate in Rs.)**
1.	For use of port's berth, jetties, pipelines, pumping facilities for operation of transferring P.O.L products. (other than landing & shipping)	Rate per ton per month or part thereof	10.00
2.	Exchange PIT facilities for transferring POL products from one installation to another through pipelines at Cochin Oil Terminal.	-do-	5.00

5.9. Charges for the use of Port's Dry Dock

Sl. No.	Description	Coastal Vessel (in Rs.)	Foreign-going Vessel (in Rs.)
1.	For the first day	12,650.00	19,000.00
2.	For every subsequent days	6,350.00	9,500.00

5.10. Charges for use of Port's Plants and Appliances

Sl. No.	Description	Unit	Rate per equipment (in Rs.)
1	Fender pontoons	Per day or part thereof	3500.00
2	12 ton stationary crane at dry dock	-do-	1600.00
3	Slipway	-do-	800.00
4	Fire tender or fire pump	Per hour or part thereof	250.00
5	Portable welding plant	-do-	200.00

Note:

1. Equipment shall be spared for use subject to availability during the working hours notified by the Cochin Port Trust from time to time, based on the priority of requisition determined by the cochin port trust. Equipment shall be used normally within the limits of port.

2. The charges will commence from the time equipment are moved (unless otherwise specified in the schedule) till the time they are discharged.

3. When the equipment requisitioned is required for a longer period than initially required, fresh requisition shall be filed one hour before the expiry of the initial requisition period.

4. Cancellation of requisition:

   (i). Cancellation of requisition shall be made atleast 2 hours before the commencement of period for which the service is requisitioned.

   (ii). Cancellation charge of requisition shall be as per the rate as specified in the respective schedule or a minimum of Rupees one hundred (Rs.100), whichever is higher. Cancellation charges shall not be refunded. However, if the port, in order to suit its' convenience, does not supply the equipment as per the requisition, requisition cancellation charge shall not be collected.

5. If an equipment is intended to be used for any purpose outside the port limits , the rates for such use shall be 200% of the respective rates for the equipment, unless otherwise specified.

6. The port shall only man and work the cranes. The labour for slinging and un-slinging the cranes shall be provided by the user concerned.

5.11. For taking photography, videography or shooting film/documentary

Sl. No.	Description	Unit	(Rate in Rs.)
1.	By film making companies, individuals etc.	Per day or part thereof per party	8000.00
2.	For taking photographs of wharf operations	Per day or part thereof per party	250.00

5.12. Vehicle parking fee

Description	Unit	Rate (in Rs.)
Parking fee for vehicles parked on the roads of Willingdon Island	Rate per vehicle per day or part thereof	25.00

Note:

(1). Vehicle parking fee will be collected for heavy vehicles like tanker lorries, prime movers & chassis, cargo lorries at the rates specified.

5.13. Way leave charges

Description	Unit	Rate (in Rs.)
Way leave charges for laying pipelines through Port's land.	Rate per sq.mtr. per year.	100.00

5.14. Weighing charges

Sl. No.	Description	Unit	Rate (in Rs.)
1.	Weighing scale		
	(i). For using weighing scale	Rate per ton or part thereof	5.50
	(ii). Issue of weight certificate	Per vehicle per day.	22.00
	Minimum charges per certificate		65.00
2.	Weigh bridge		
	(i). For bulk cargo	Rate per ton or part thereof	3.00
	(ii). For other cargo	Rate per ton of part thereof	7.00
3.	Issue of weight certificate	Per vehicle per day	22.00

5.15. Charges for wharf equipment

Sl. No.		Description	Rate per hour or part thereof (in Rs.)	Minimum charges (in Rs.)
1.		**Light duty mobile crane**		
	(i).	Inside wharf premises		
		(a).Upto 10 tons crane capacity	750.00	1500.00
		(b).Above 10 tons crane capacity	1250.00	2500.00
	(ii)	Outside wharf premises		
		(a).Upto 10 tons crane capacity	1500.00	3000.00
		(b).Above 10 tons crane capacity	2500.00	5000.00
2.		**Reach stacker**		
	(i).	Outside wharf premises	2000.00	-
	(ii).	Outside Willingdon Island	9000.00	-

5.16. Toll charges

Sl. No.	**Vehicle**	**Per day charge per vehicle (in Rs.)**	**Annual charge per vehicle (in Rs.)**
1	Two wheelers	2.00	150.00
2	Three wheelers	3.00	200.00
3	Four wheelers & lcv	5.00	500.00
4	Buses, lorries, heavy trucks etc.	8.00	800.00
5	Tourist buses		
	(i). Capacity - less than 20 Passengers	20.00	1000.00
	(ii). Capacity - 20 or more Passengers	40.00	1000.00

CHAPTER –VI

ESTATE RENTALS

6.1. Lease rent of land – Permanent lease.

A (I)	**RATE OF LEASE RENT OF LAND APPLICABLE TO THE LESSEES AS ON 31.12.95, WITH EFFECT FROM 1.1.96**			
			Rate per acre per annum (In Rs.)	**Rate per are per annum (In Rs.)**
	(i).	Category- I :Land with water frontage	1,63,800.00	4,055.00
	(ii).	Category- II: Land with Railway siding	1,63,800.00	4,055.00
	(iii).	Category- III: Land without water frontage and railway siding	1,09,800.00	2,715.00
	(iv.	Category-IV: Land for office, Banks, shops, Hotels etc.,	1,09,800.00	2,715.00
	(v).	Category- V: Land for residence	46,800.00	1,155.00
	(vi).	Special Category	1,83,500.00	4,535.00
	The rate of lease rent shown above will be increased at a uniform rate of 5% every year from the date of original notification of these rates with an option to refix the base after every 5 years.			
(II)	**RATE OF LEASE RENT OF PORTS LAND FOR RENEWAL OF EXISTING LEASE AND ALLOTMENT OF LAND ON OR AFTER 1.1.96**			
	(i).	Category – A - Residentail Purpose	1,70,000.00	4,200.00
	(ii).	Category – B - Industrial Purpose	2,50,000.00	6,200.00
	(iii).	Category – C – Commercial Purpose	3,40,000.00	8,400.00
	The rate of lease rent shown above will be increased at a uniform rate of 5% every year from the date of original notification of these rates with an option to refix the base after every 5 years.			
	The above rates shall be made applicable to the following cases:			
	(i).	To all new leases by allotment from 1.1.96		
	(ii).	To all existing leases which are renewed on or after 1.1.96		
	(iii).	To all cases of transfer of lease granted from 1.1.96		
B	**EXTENSION OF LICENCE PER IOD**			
	Additional licence fees @ 50% of licence fee applicable shall be payable for granting extension of licence period beyond the normal 2 year period of licence.			
	Explanation Rate of licence fee will be the same as the lease rent applicable to the category of land concerned.			
C.	**RATES FOR SUB LEASING**			
	The sub lease levy shall be payable with effect from 1.1.96 at the following rates:			
			Rate per 10 sq. mtr. Per month	
	(i).	Godown space	Rs.100.00	
	(ii).	Office space accommodation	Rs.125.00	

6.2. Lease rent of land – Temporary lease.

Sr. No.			Particulars	Rate per 10 sq. mtr. or part thereof per month or part thereof (in Rs.)
I	Covered space			
	1		Fort Cochin Wharf covered storage under permit issued by the Chairman of the port of Cochin or any other Officer authorised in this behalf for period not exceeding one year.	400.00
			In future all will be treated as covered space. In case warehouse is allotted to the parties for the use of office accommodation, 20% rent will be levied in addition to the above.	
II	Open space			
			Fort Cochin wharf open storage under permit issued by the Chairman of the port of Cochin or any other Officer authorised in this behalf for period not exceeding one year.	
	1.		Commercial purpose	170.00
	2.		Industrial Purpose	100.00
	3.		Hard Surface Area	200.00
	4.		Minimum charges for 1, 2 & 3 above.	500.00
III	Warehouse			
				Rate per 10 sq. mtr. or less per month or part thereof. (In Rs.)
	1.		Under permit issued by the Chairman of the port of Cochin or any other Officer authorised in this behalf for period not exceeding one year.	400.00
	2.		Under leases for periods:	
		a	Exceeding one year but not exceeding 3 years	400.00
		b	Exceeding 3 years but not exceeding five years.	400.00
	In future all will be treated as covered space. In case warehouse is allotted to the parties for the use of office accommodation, 20% rent will be levied in addition to the above.			
IV	Shed except 'M' shed at low wharf			
	1.		Under permit issued by the Chairman of the port of Cochin or any other Officer authorised in this behalf for period not exceeding one year.	400.00
	2.		Under leases for periods:	
		a	Exceeding one year but not exceeding 3 years	400.00
		b	Exceeding 3 years but not exceeding five years.	400.00

Sr.No.	Particulars		Rate per 10 sq. mtr. or less per month or part thereof (in Rs.)
V	'M' shed at low wharf		
	Under permit issued by the Chairman of the port of Cochin or any other Officer authorised in this behalf for period not exceeding one year.		400.00
VI	Rent for open storage space on Willingdon Island		
	1.	Commercial purpose	170.00
	2.	Industrial Purpose	100.00
	3.	Hard Surface Area	200.00
	4.	Minimum charges for 1,2 & 3 above.	500.00
	5.	Pallets Rent for open storage space for storing pallets shall be charged on the basis of rates given at Sl. 1 to 4 above.	
VII	Rent for office accommodation leased to parties on area basis		
			Rate per sq.mt. or part thereof per month or part thereof. (in Rs.)
		Under permit issued by the Chairman of the port of Cochin or any other Officer authorised in this behalf for period not exceeding one year.	70.00
	Minimum charge		700.00
VIII	Rent for fumigatorium for storage of export cargo		Rs.20.00 per 10 sq.mtr. or less per day or part thereof
IX	Way leave charges		
		Way leave charges for laying pipelines through port's land	Rs.100.00 per sq.mtr. for the area occupied by pipeline/year.
	Note: The area occupied will be calculated by multiplying the actual length of the pipelines with the width which will be taken as (a). For pipelines of 80 M.M. or less: 0.3. metre (b). For other pipelines: the actual width occupied by the line plus 0.3 metre		

Note:

For the items covered under VI to IX above, in accordance with the policy guidelines communicated by the Govt. vide Ltr.dtd 1.4.95, all charges/rates will be increased every year @ 5% of the base rate from the date of original notification of these rates.

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/75/2002-COPT - Proposal from the Cochin 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:

Kochi Refineries Limited (KRL)

(i). The crude oil handled at the Cochin Port contributes 40% of the total income whereas its contribution to the operating profit is around 70%.

(ii). The other activities of the port are heavily subsidised from the POL activity.

(iii). The tariff for various items related to the POL vessels at the COPT has been one of the highest in the country. A comparison of vessel related charges at the New Mangalore Port and the Tuticorin port vis-à-vis the existing rates at the COPT has been furnished to substantiate its claim.

(iv). Despite the fact that crude oil imported by it forms substantial portion of the COPT income, the wharfage on POL is charged at Rs.65/- PMT. This is untenable and high compared to the wharfage rate levied for other commodities.

(v). It has requested to reduce the existing Port Dues on POL vessels to the rate applicable to bulk carriers; to reduce Pilotage fee and berth hire in line with the tariffs levied at the other ports; to prescribe berth hire in a sliding scale and to roll back the wharfage rate of POL to the original level as assured at the time of increasing it to Rs.65/- PMT.

Cochin Port Lease Holders Association (CPLHA)

(i). There is no basis to propose rentals at Rs.4.54 lakhs per hectare per annum. First of all an evaluation will have to be made on the land value and the rental receivable in the similar areas.

(ii). No investment is actually made by the port to claim a minimum return 25%. The reclamation of the land was done a few decades ago, perhaps sixty years ago and return, if any, has already been recovered from the lessees.

(iii). A proper categorisation of various types of land must be made by the port.

(iv). Concession should be granted for carrying out transactions relating to the port activities as long as it is not a commercial operation.

(v). By applying annual increase in the lease rentals on a fair calculation, the rent that may be charged in a span of 10 to 12 years, will even go beyond the actual market price of the land which will render all spaces (office and godown) on the Willingdon Island totally uneconomical.

(vi). The legality of sublease levy has been challenged by it which is pending before the High Court of Kerala. The port has proposed to increase sublease nearly double despite the fact that the matter is subjudice. This is unacceptable.

(vii). The rent proposed is highly exorbitant and unbearable.

(viii). The levy of a transfer fee is totally unjustified because the lessees are already subjected to a transfer fee by way of stamp duties etc., payable to the Government of Kerala. Similarly, the imposition of a mortgage fee, let alone a hike in the same is completely unjustified.

(ix). It has filed a petition before the High Court of Kerala against the Cochin Port Trust for increase in lease rates and has secured a stay in the matter. The High Court has held that the lease holders will pay only 40% of the enhanced rates until the cases are finally disposed of. In view of the above position, the proposal for a renewed hike in the lease rate is highly unfair and objectionable.

(x). The Cochin Port should instead consider curtailing its expenses and cutting down the costs of overheads in order to achieve its economic targets.

<u>The Cochin Custom House Agents' Association (CCHAA)</u>

(i). A steep hike in the range of 25% to 200 % proposed in the case of wharfage, demurrage, removal charges, container-related charges, etc, would adversely affect the export/import operations.

(ii). The wharfage rate on finished fertilizer is proposed to be increased from Rs.57/- to Rs.71/- per tonne. This is very high in comparison with the wharfage rate of Rs.27.30, Rs.43.05 and Rs.42.00 PMT prevailing in the neighbouring ports of Chennai, Tuticorin and New Mangalore.

(iii). Even the existing Terminal Handling Charges is very high in comparison with the tariff leviable at Tuticorin port. Any further increase will be detrimental to the future import/export operations.

<u>Cochin Steamer Agents Association (CSAA)</u>

(i). Pending the issue of Single Buoy Mooring proposal by the KRL, the port had assured to examine reduction in the wharfage rate for POL products at the time of the next revision of its Scale of Rates. The port has not considered this aspect but has proposed across the board hike of 25% including POL products.

(ii). With the threat from the KRL for opening an SBM and in view of the fact that the current port tariffs itself are higher than the neighbouring port, the proposed increased is not at all justified.

(iii). Instead of reducing the berth hire and pilotage for category 6 vessels (i.e. 60,000 GRT and above), vessels falling under category Nos. 2,3,4 and 5 should be offered maximum reduction in order to attract more carriers. There should not be any increase in berth hire for tanker vessels.

(iv). Pilot detention charges and cancellation for vessels calling under RGT Gantry Berth should not be levied in case the delay is on account of cargo operations done by the port.

(v). Presently it is interpreted that eight hours idling should be in the same shift to qualify for a waiver. In reality, the waiver must apply if the total of any such idling works out to more than 8 hours during the entire stay of the vessel in the port.

(vi). (a). The port is collecting two extra port dues, pilotage and berth hire for the vessel discharging at Q-8 because two adjacent berths are kept vacant. Since the port did not have infrastructure (cranes) to handle containers at Q-4 berth, container vessels are berthed at Q-8 necessitating the adjacent berths Q-7 and Q-9 to be kept vacant for safety reasons, therefore , additional charges should not be passed on to the Shipping line.

(b). Collection of pilotage and port dues for the additional berths is an anomaly since this would in any case be paid by the waiting vessels (if any). These additional charges should, therefore, be applicable only if there is another vessel waiting during the time taken by special cargo vessels.

(vii). The definition of 'day' should be retained as in the existing Scale of Rates.

(viii). In case of export containers are shut out or amended for any reason from one vessel to another, shifting charges should not be applicable if no physical shifting is involved.

(ix). Since the existing wharfage rate itself is on the higher side in comparison with the tariffs levied at neighbouring ports, the wharfage rate should reduced. Further, the forklift hire charges for stuffing/ destuffing should not be increased.

(x). Volume discount and concessions on container related charges should be extended to the shipping lines also on the existing terms and conditions.

(xi). Any increase in cost of gantry crane operations is not at all justified when compared to their productivity. For similar reasons, increase proposed for other container handling equipment and any other charges pertaining to containers is also not justified.

(xii). The increase of 240% in floating craft charges and 133% increase in lifting charges and 1500% increase in fire float charges are exorbitantly high.

(xiii). Pilot Launch is usually hired only in emergencies. Therefore, 800% increase is not justified.

(xiv). The proposed increase of 160% to 200% in sublease charges is not at all justifiable particularly in the light of the fact that presently plenty of godown / accommodation are available freely in Willingdon Island.

(xv). The existing storage rent (outside wharf) in the Cochin port is the highest in the whole country (about 300%). Any further increase will only increase the burden.

(xvi). Since in most cases, barge activity is for non-commercial purposes increase is not justified for this item.

(xvii). Since the equipment is operated by port staff, cost of damage to port equipment due to the negligence of ports' own driver/staff should be on the port's account.

The Shipping Corporation of India (SCI)

(i). The minimum charge to be collected by the port and the minimum amount for the users to claim refund should be prescribed at the same level i.e. Rs.50/-.

(ii). The proposed berth hire on eight hourly basis which should be converted into hourly rate (as per the TAMP Order).

(iii). The penal rate should be on 8 hour basis and not for one day.

(iv). Additional berth hire should be charged only if any other vessel is actually kept waiting and this should be restricted to berth hire charges only. Also, additional berth hire, pilotage, other port charges arbitrarily charged by the port so far, should be refunded.

(v). The effective date of implementation of the new vessel related and cargo related charges should be common for both instead of separate treatment applied presently.

(vi). Container-related charges

(a). The container handling charges should be in rupee terms instead of the dollar denominated tariff; A comprehensive box rate for container should be worked out.

(b). The proposed ground rent is very high which should be reduced.

(c). The free period for each container should start from the day after it was landed and not from the date the last container was landed.

(d). Once containers are abandoned or deemed to be abandoned, it is the port who can destuff the cargo and auction for recovery of its dues and not the Lines; therefore, levy of ground rent on abandoned container should be restricted to 75 days only.

United Stevedores' Association of Cochin Pvt. Ltd. (USACPL)

(i). The proposed revision may not have any direct impact on it except the impact due to resultant drift of traffic from this port. In view of this, it is not in the favour of the proposed upward revision of tariff.

The Cochin Chamber of Commerce & Industry(CCI)

(i). Any hike in the rates as proposed would in the long run, prove counter productive to the long term interests of the Cochin Port.

(ii). It has reiterated the views of the other user organisations that the COPT tariff is more than the tariffs at the neighbouring national and international ports. The proposal to increase the tariffs should be deferred.

Indian Chamber of Commerce & Industry (ICCI)

(i). It has reiterated the views of other user organisation about the existing rates of the COPT being high compared to the neighbouring ports.

(ii). The existing estate rentals at the COPT are prohibitive to the trade.

M/s. Shreyas Shipping Limited (SSL)

(i). 'Coastal container' is a new category of container. This term must be defined in the proposed Scale of Rates.

(ii). No free period has been proposed for coastal container. Since the volume of coastal container is very negligible, any amount of hike will not make effective contribution to the port revenue. No revision for this category of container should, therefore, be approved.

(iii). The composite rate for transhipment containers should be at substantial cost advantage to the users as compared to the alternate ports. Free time provided should be kept at 30 days to attract transhipment container to the Cochin port.

The Container Shipping Lines Association (India) (CSLA)

(i). The review should be towards reduction in internal cost and to increase productivity and efficiency in order to retain present business.

(ii). Even though the productivity of gantry crane is 71% lower as compared to the productivity levels of equipment at the PSASICAL and the Chennai Container Terminal, the present container handling charges including pool levy (notional in nature) are 28% and 34% higher for a 20' and 40' container respectively as compared to the charges prevailing in the corresponding private container terminals.

(iii). Return on the capital employed must be applied only on the assets that are functional and in operation. Also, the assets must be considered at a realistic market value.

(iv). The proposal does not indicate the investment made by the port on container handling equipment for the last two years and also the investment envisaged in future.

(v). The existing pilotage fee includes a component of one free shifting. It is now proposed to modify the definition of pilotage fee to include shifting at port convenience only which in any case should be free. The tariff must, therefore, be reduced if a major element of service is removed.

(vi). The new provision states that berth hire at container berths will not be charged for idle time caused due to failure of the port equipment, etc., if the idle time is for more than 8 hours. In fact, the vessels should not pay berth hire for any time when it is idling due to inability of the port to render services.

(vii). The initiative to reduce pilotage on larger container vessel is appreciated. The same logic should be applied for berth hire also.

(viii). The rates for empty container must be lower than laden container; tariff for 40' and 45' container should be 1.5 and 2 times the 20' container rate.

(ix). In absence of activity-wise cost statement for container operations, bulk operations liquid bulk cargo etc., it is not possible to clearly review or comment on specific items of the financial statement.

2. In response to the comments of the above users, the COPT has furnished its observations. Some of the main points made by the COPT are summarised below:

<u>On the comments of Kochi Refineries Limited</u>

(i). Even though the overall financial performance of the port for the last two years warrants a 25% increase in the tariff, no increase is envisaged in the wharfage rates for oil taking into consideration the points raised by Kochi Refineries Limited.

(ii). A major portion of the capital and maintenance dredging cost is incurred for oil berth. Since Oil Terminal is a dedicated berth, the rates have been fixed at a higher level to cover the dredging cost.

On the comments of the Cochin Port Lease Holder's Association

(iii). The revision effected from 1 January 1996 was based on the land value obtained from Revenue Authorities which reckoned Rs.1 lakh per cent in the commercial area, Rs.50,000/- in resident area, 75,000/- in industrial area with a provision for 5% escalation per annum and an option to refix the base lease rent in every 5 years.

(iv). Huge cost has been incurred on reclaiming Willington Island for which loan and interest thereon are still being paid. Further, the port is responsible for the maintenance of roads, sewage, supply and distribution of water and electricity, etc., for which it incurs huge recurring cost. Thus, escalation in land rent is essential to cover the expenditure.

(v). Specific classification for allotment of land such as commercial/residential/industrial has already been made by the port.

(vi). In order to minimize the utilisation of land other than for the intended purpose, sub-lease levy must be allowed to continue.

(vii). It is evident from the 1996 revision, that with 5% escalation factor per annum, the actual cost is similar to the cost in the local market. Before proposing revision in lease rentals a cross reference is always made with Revenue Authorities about the market value of the land and accordingly the revised proposal is submitted.

(viii). Stamp duty is levied by the State authorities to legalize the transaction whereas transfer fee is levied basically on account of change in the lease holds rights that are changed from time to time. The port has also proposed to charge one time upfront premium for transfer which is under consideration of the Ministry of Shipping.

(ix). Mortgage fee is also essential to know the extent of land mortgaged and liability thereto.

(x). The objections raised by the user in the petition filed before the High Court of Kerala have no locus standi which is evident from its counter statement. The port being a Government institution, it is bound to comply with the direction of the MOS issued from time to time regarding the terms and conditions of lease rentals.

On the comments of the Cochin Custom House Agent's Association.

(xi). The revision proposed in hire charges of floating crafts is more than the general hike of 25% in order to cover the increased cost of maintaining the crafts.

On the comments of the Cochin Steamer Agents Association.

(xii). Higher rate is proposed for higher GRT vessels since they need more pilotage services, deeper draft, more tugs and mooring crews.

(xiii). Separate rates for Light Duty Fork Lift Truck will be applicable only in case of second operations done on specific requirement of customer.

(xiv). The lease rent applicable at Cochin Port cannot be compared with Tuticorin/Mangalore ports where plenty of vacant land is available. The rent is fixed with reference to local market value which differs from city to city and hence cannot be compared.

(xv). Lessees are renting out the surplus space available with them based on terms separately decided with their sub lessees. The rents for similar spaces at nearby areas are much higher.

(xvi). The ICD yard has been developed after incurring a huge capital investment. It is a protected area with fences and compound walls.

(xvii). Barge jetties are mainly used for commercial purposes like loading/unloading of Ammonia.

(xviii). The movement of containers on the island is increasing day by day. In order to avoid the congestion on the road, the vehicle parking charges have been proposed in the Scale of Rates.

(xix). No charges will be collected if the pilot has to be detained or cancelled due to the delay in cargo operations on account of ports fault.

(xx). The berth hire charges is of sliding nature i.e. lower rate for higher GRT vessels to attract higher GRT vessels to the Port.

(xxi). Hazardous cargo/explosives, which are in break bulk form, are handled at Q4 and containers are handled at Q8. It is not economically viable for the port to set up container handling facilities as per customer requirements. The customers can handle the container at Q4 berth provided they have the required equipment. The request for waiver of additional vessel related charges for the adjacent berths kept vacant cannot be considered due to the complexities involved in framing a criterion for such a waiver.

(xxii). The definition for the term 'Day' is amended and retained as per the existing definition.

(xxiii). No shifting charges will be levied if there is no physical shifting of containers.

On the comments of the Shreyas Shipping Lines.

It has reiterated its earlier views about levy of ground rent on coastal container.

3.1. The Cochin Custom House Agents Association have subsequently, brought out certain issues about levy of demurrage charges by the COPT. The main points made by the CHAA are summarised below:

(i). The demurrage charges on break bulk import cargo in particular the import of cars and vehicles are collected by the Cochin Port Trust (COPT) based on the value instead of space occupied. As a result the demurrage amount works to be a substantial figure.

(ii). Of late the port does not accept detention certificate issued by the Customs for want of tests results while calculating the demurrage charges. This certificate issued by the Customs is a valid document for waiver of charges and is accepted at the other ports.

3.2. In response to this, the COPT has furnished its comments. Some of the main points made by the COPT are summarised below:

(i). The wharfage rate for imported cars in the existing SOR approved by the TAMP is prescribed @ 0.20% on advalorem basis and the demurrage is prescribed as the percentage of wharfage collected. In the general revision proposal, same methodology of levy is proposed to continue. Similar practices are in vogue in ports of Chennai and New Mangalore Port.

(ii). The Scale of Rates prescribes free period on special cases like detention of goods by Customs for examination, tests etc., and the demurrage charges are collected as per the clause prescribed in the SOR. If the party aggrieved by the Customs assessment has gone to CEGAT or other appellate authorities, that period cannot be treated as period of detention for ordinary process of appraisal, because the ordinary process of appraisal of the Customs is already completed in such cases. If detention were for bonafide reasons, the Customs could pass Order of detention in advance and not after the CEGAT verdict. Even under ordinary circumstances, the port is not expected to hold the cargo for more than 60 days and is entitled to proceed for auctioning the cargo.

4. A joint hearing in this case was held on 6 August 2003 at the COPT premises. At the joint hearing, the following submissions were made:

The Cochin Port Trust (COPT)

(i). Last revision was in 1998-99. As per the guidelines, we have initiated revision process in 2002.

(ii). Our Board has decided an across the board revision of 25%. In case of POL no revision is proposed. The quantum of revision is decided based on the revenue deficit in 2000-01.

(iii). Our berth hire is in descending scale. Only pilotage is on ascending scale. We have a peculiar problem of high maintenance dredging. We have to recover the cost.

(iv). Our gantrys are imported and paid in dollar.

(v). Our operating ratio has come down from 82% to 73% as a result of cost reduction measures taken by us.

(vi). If there is any arithmetical error due to rounding off of berth hire rate, we will rectify it and refund.

(vii). In this year, only one tanker had problem of draught. For the last 3 years we do round the year dredging and, therefore, there have been no complaint of draught.

(viii). We will give actual financial position. The revenue deficit may be accordingly worked out and TAMP may decide on the quantum of tariff increase.

(ix). The Q-4 berth is earmarked for defence cargo. The utilisation is only 2140 tonnes. We get only Rs.64 lakhs from Q-4. At Q-5 berth the revenue is around Rs.218 lakhs. Therefore, there is justification for additional charges when adjacent berth is to be kept vacant. We have to provide berth for defence cargo because our port is the nominated port for such cargo.

(x). Coastal containers do not require Customs clearance. Therefore, they do not need free time at port. They should immediately move out to private yards. Anyway, we will examine this issue further and convey our final views.

(xi). As per Govt. guidelines, lease rentals are to be re-fixed every five years. We have done that based on the current rates registered with the Registrar of land records.

Kochin Refineries Limited

(i). Wharfage of Rs.65/- per ton for POL should be reduced to Rs.12/- on par with the rate at CHPT.

(ii). Vessel related charges (VRC) for POL vessels are very high at the COPT. It is almost double even now for a tanker when compared with other bulk carrier.

(iii). We are already paying high wharfage on POL for the compulsion of the Port to cross-subsidise other activities. There is, therefore, no case for revising VRCs by 25% for POL vessels. In fact, they should be reduced.

(iv). In COPT, the unit rate of all VRC is going up with higher GRT. In fact, it should be in a descending scale.

Cochin Chamber of Commerce and Industry (CCCI)

(i). The COPT decides initially not to increase tariff for stated reasons. Strangely, within a few months time they propose 25% increase. We strongly oppose the proposed revision.

(ii). The port is now making profit. The deficit scenario no longer holds good. Therefore, no revision of tariff is required.

(iii). Privatisation of the existing container terminal and Vallarpadam is in an advanced stage. Why should we revise tariff in a hurry now?

Cochin Steamer Agents' Association (CSAA)

(i). TAMP has clarified on many occasion that review need not always result in upward increase of tariff. The COPT proposal is only to comply with the requirement of periodic review.

(ii). No increase at this juncture is warranted. We endorse the views of CCCI.

(iii). Dollar denomination of gantry charges are not justified. The COPT investments are in rupee terms. Do not compare COPT tariff with the CCTL and PSA SICAL tariffs.

(iv). Wage and pension liabilities are mounting up. They must be contained.

The Shipping Corporation of India Limited (SCI)

(i). After reducing the unit berth hire from 8 hours to 1 hour the rates have gone up by 92% for 30000 to 60000 GRT vessels.

(ii). Lot of money is spent on dredging. But, desired depth is not available yet. Our tankers face lot of problem.

(iii). The COPT letter of 3 August 2002 says revision is needed from cost point but not desirable from marketing angle. Let them stick to this aspect.

(iv). Whole proposal is based on deficit of 2000-01. But, the situation has changed subsequently.

(v). There is no justification to levy additional charges on vessels when adjacent berths are kept vacant when no other vessel is waiting. Please review TAMP's earlier Order in this regard.

(vi). We suggest free time on container should commence from the following day of landing. This practice is followed at the JNPT.

(vii). The productivity of COPT is less than 70% of the PSA SICAL. Gantry charges should not be in dollar terms, else we have to adjust frequently to account for fluctuation of exchange rate.

(viii). Please review TAMP Order on storage charges leviable in case of abandoned containers.

(ix). Why a minimum amount of Rs.500/- for refund? It should be like Rs.50/- in case of minimum charges leviable by the COPT.

Indian National Shipowners' Association & Shreyas Shipping Limited

(i). Volume discounts should be available to feeder vessel operators / carriers.

(ii). Definition of 'coastal containers' should be clearly given.

(iii). No free time for coastal container is provided.

(iv). The COPT wants to develop Vallarpadam transhipment terminal. Please provide attractive incentives so that volumes can build up.

Container Shipping Lines Association (India) (CSLA)

(i). If tariff increase is effected now, some volume will migrate to other ports.

(ii). Productivity of COPT is about 70% less than the PSA SICAL but, tariff is higher.

(iii). The COPT has not furnished activity wise cost statements. The extent of cross-subsidisation is, therefore, not easily assessable.

(iv). For ROCE purpose, the COPT should consider only the assets in service. Redundant assets should be excluded.

(v). Please reckon with berth productivity aspect while fixing berth hire charges.

(vi). Storage charges for empty and laden containers are proposed. Planning for empty stacking and wear and tear on concerned equipment are less. Please provide differential tariff.

Cochin Port Leaseholders' Association (CPLA)

(i). There is an automatic annual escalation of 5% in rentals. Why port wants further increase? After all, there is no additional capital investment on lands by port.

(ii). Categorisation of land should be made in more rational way.

(iii). Levy of mortgage fee is totally unreasonable.

(iv). Electricity charge levied by the COPT is Rs.9.62 per unit. Outside it is Rs.2.82. Please examine. We will give a detailed written submission in this regard soon.

Indian Chamber of Commerce and Industry (ICCI)

(i). Port should attempt to reduce cost instead of passing on all cost to users. (We also represent more than 60% of bulk cargo).

Cochin Custom House Agents' Association (CCHAA)

(i). All charges at the COPT are already much higher than neighbouring ports. Any further hike will result in cargo diversion.

(ii). If tariff is increased, traffic diversion is inevitable. Rather, the existing rates should be reduced; or, at least do not increase them.

(iii). Some cargo items, demurrage is levied on ad valorem. This is not rationale; demurrage should be on the space occupied.

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