

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

TARIFF AUTHORITY FOR MAJOR PORTS

G No. 8

New Delhi,

11 January 2011

NOTIFICATION

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

(Rani Jadhav)
Chairperson

Tariff Authority for Major Ports
Case No. TAMP/45/2008 – CHPT

The Chennai Port Trust

- - -

Applicant

ORDER

(Passed on this 10th day of November 2010)

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

2. The existing Scale of Rates of CHPT was approved in March 2006 vide order dated 7 March 2006 with the validity till 31 March 2008. At the request of the CHPT in April 2008, this Authority vide its Order dated 14 July 2008 had extended the validity of the Scale of Rates at CHPT till 30 September 2008 and had advised CHPT to file its general revision proposal immediately.

3.1. The CHPT vide its letter dated 18 September 2008 filed its general revision proposal. Since the proposal filed by CHPT was incomplete and did not contain the draft Scale of Rates, we, vide our letter dated 3 October 2008, requested the CHPT, among other things, to furnish its proposed draft Scale of Rates.

3.2. In the meanwhile, at the requests of CHPT, this Authority extended the validity of the Scale of Rates at CHPT from time to time, the latest extension being up to 30 September 2010 vide its Order No.TAMP/36/2005-CHPT dated 31.3.2010, with a condition that the surplus over and above the admissible cost and permissible return accruing to CHPT for the period from 1 April 2008 will be fully set off in the tariff to be fixed for the next cycle.

3.3. The CHPT vide its letter dated 24 October 2008 furnished the other details sought by us vide our letter dated 3 October 2008 and stated that it would furnish the draft Scale of Rates shortly. After reminders, the CHPT under cover of its letter dated 9 January 2009 had furnished the draft Scale of Rates.

3.4. On a preliminary scrutiny of the draft Scale of Rates furnished by CHPT, it was observed that the CHPT had not effected any change in the existing rates to reflect its proposal dated 18 September 2008, except additions/ deletions/ modifications in some of the conditionalities governing the levy of charges. We, therefore, while acknowledging the proposal, requested the CHPT to furnish the revised draft Scale of Rates.

4.1. The main points made by CHPT in its general revision proposal dated 18 September 2008, 24 October 2008 and 9 January 2009 are summarized below:

- (i). After the general revision of Scale of Rates of CHPT in 2006, there has been increase in the expenditure towards salary, repairs &

maintenance of equipments and berth, electricity and water charges, fuel prices, dry docking of dredger and floating crafts etc.

- (ii). Though the port is generating operating surplus and net surplus, the total plan expenditure of the port is met from its internal resources. The major projects that the port proposes to undertake in the XI Plan period are as follows:

(Rs. in Crores)

Sr. No.	Name of the Project	Expenditure
1	Ennore – Manali Road Improvement Project	309
2	Deepening of channel basin and berths	143
3.	Modernization of Chennai Port	200
4.	Construction of RORO jetty	40
5.	Shore protection	50
6.	Container Screening equipment	40
7.	Semi-mechanized Coal Conveyor	48
	Total	830

- (iii). In addition, the Port has to meet 50% of the rehabilitation and relocation cost of the elevated corridor project for providing smooth and uninterrupted flow of cargo traffic due to congestion in the city roads and the restriction imposed on cargo movement for the convenience of the public.
- (iv). The port also has to spend around Rs.25 Crores for dredging Ambedkar Dock to provide a draft of 15.5 Metres for development of Second Container terminal.
- (v). Further, due to the wage revision of the port employees with effect from 1.1.2007, the port estimates an additional annual burden of around Rs.45 crores to Rs.60 Crores.
- (vi). The cost statements for the purpose of general revision of Scale of Rates have been worked out by taking into account the wage revision impact, accounting for the tax implications, by taking the percentage increase for expenditure at 4.6% and by considering return on investment at 16%
- (vii). The proposed increase (after cross-subsidization) over the present tariff for each activity / sub-activity based on the projections for three years viz. 2008-09, 2009-10 and 2010-11 is as follows:

Sl. No.	Activity / Sub-activity	Proposed % of revision
1.	General Cargo	20%
2.	Cranage & FLT	5%
3.	FC Thangam	-
4.	Iron Ore	45%
5.	POL	-
6.	Warehouse	-
7.	Port Dues	-
8.	Towage & Pilotage	10%

9.	Berthing & Mooring	10%
10.	Salvage & Divers	-
11.	Railways	110%*

* The percentage revision does not include increase in Terminal Charges.

- (viii). Additional Revenue of Rs.130.70 crores, Rs.137.10 crores and Rs.143.80 Crores is proposed to be generated during 2008-09, 2009-10, 2010-11, respectively with the proposed revision.
- (ix). The proposal of the CHPT has been approved by the Board of Trustees vide Resolution No.55 dated 30 August 2008. The CHPT has furnished a copy of the Minutes of the Board Meeting held on 30 August 2008.
- (x). The Port is not maintaining an Escrow Account for the Royalty / Revenue share received from the Private Terminal Operators.
- (xi). The CHPT has proposed certain additions/modifications/deletions in the conditions in the draft SoR forwarded.

4.2. The financial / cost implication as shown in the consolidated cost statement furnished by the CHPT for the port as a whole is summarized below:

(Rs. in Lakhs)

Particulars	Estimates at Existing Tariff		
	2008-09	2009-10	2010-11
Traffic (in MTs)	64.00	67.20	70.57
Operating Income (excluding Cross Subsidization)	64649.08	67692.85	70815.04
Net Surplus after Return	15381.84	13977.32	12202.01
Provision for Taxation	(4572.99)	(4318.79)	(3770.42)
Net Surplus after Tax	10628.85	9658.33	8431.59
Net surplus as % of Operating Income	16.44%	14.27%	11.91%
Average % of Net surplus	14.21%		

5. In accordance with the consultative procedure prescribed, a copy of the proposal from the CHPT was forwarded to the Chennai Container Terminal Limited (CCTL), Chennai International Terminal Private Limited (CITPL) and also to the concerned user organizations for their comments. The comments received from the various users / user organisations were forwarded to CHPT for its comments. We have not received the reaction of the CHPT on the comments of users till finalization of this case.

6.1. Based on a preliminary scrutiny of the proposal, the CHPT was requested to furnish additional information / clarifications on various issues. The CHPT has furnished its reply. The main queries raised by us and the clarifications furnished by the CHPT are tabulated below:

Sr. No.	Queries raised by us	Reply of CHPT																																																																		
1.	<u>Our letter dated 3.10.2008</u> The CHPT to furnish details of the transaction in the escrow account maintained by it, recording inflows of royalty receipts from the private operator and the outflows on account of the infrastructure development expenditure. The CHPT is also to furnish the account showing the income from pollution levy and the expenditure incurred by CHPT to control the pollution, as required by paragraph no.12(xxvi) of Order dated 7 March 2006.	No Escrow Account is opened and maintained by CHPT for Royalty receipts from private operators. (CHPT has furnished the details of royalty receipts and infrastructure development expenditure) <u>Royalty receipts and infrastructure development expenditure</u> <u>Year 2007-08 (Actuals)</u> <table> <tr> <td>1.</td><td>Royalty Receipt from CCTPL</td><td>Rs.11880.66 lakhs</td></tr> <tr> <td>2.</td><td>Expenditure</td><td></td></tr> <tr> <td></td><td>(a). Plan</td><td>Rs.4671.71 lakhs</td></tr> <tr> <td></td><td>(b). Non-Plan</td><td><u>Rs. 914.43 lakhs</u></td></tr> <tr> <td></td><td></td><td>Rs.5586.14 lakhs Rs.5586.14 lakhs</td></tr> </table> <u>Year 2008-09 (Actuals upto September 2008)</u> <table> <tr> <td>1.</td><td>Royalty Receipt from CCTPL</td><td>Rs.2326.92 lakhs</td></tr> <tr> <td>2.</td><td>Expenditure</td><td></td></tr> <tr> <td></td><td>(a). Plan</td><td>Rs.1924.97 lakhs</td></tr> <tr> <td></td><td>(b). Non-Plan</td><td><u>Rs. 346.55 lakhs</u></td></tr> <tr> <td></td><td></td><td>Rs.2271.52 lakhs Rs.2271.52 lakhs</td></tr> </table> CHPT furnished the details of income from pollution levy and expenditure on control of pollution as follows: i. Income from Pollution Levy: <u>Income from Pollution levy and expenditure on Pollution Control</u> <u>Year 2007-08 (Actuals)</u> <table> <tr> <td>1.</td><td>Income</td><td>Rs.689.42 lakhs</td></tr> <tr> <td>2.</td><td>Expenditure</td><td></td></tr> <tr> <td></td><td>(a). Revenue Exp.</td><td>Rs. 48.73 lakhs</td></tr> <tr> <td></td><td>(b). Capital Exp.</td><td><u>Rs. 255.78 lakhs</u></td></tr> <tr> <td></td><td></td><td>Rs. 304.51 lakhs <u>Rs.304.51 lakhs</u></td></tr> <tr> <td></td><td>Balance</td><td>Rs.384.91 lakhs</td></tr> </table> <u>Year 2008-09 (Actuals upto September 2008)</u> <table> <tr> <td>1.</td><td>Income</td><td>Rs.141.70 lakhs</td></tr> <tr> <td>2.</td><td>Expenditure</td><td></td></tr> <tr> <td></td><td>(a). Revenue Exp.</td><td>Rs. 21.00 lakhs</td></tr> <tr> <td></td><td>(b). Capital Exp.</td><td><u>Rs. 73.86 lakhs</u></td></tr> <tr> <td></td><td></td><td>Rs. 94.86 lakhs <u>Rs.94.86 lakhs</u></td></tr> <tr> <td></td><td>Balance</td><td><u>Rs.46.84 lakhs</u></td></tr> </table>	1.	Royalty Receipt from CCTPL	Rs.11880.66 lakhs	2.	Expenditure			(a). Plan	Rs.4671.71 lakhs		(b). Non-Plan	<u>Rs. 914.43 lakhs</u>			Rs.5586.14 lakhs Rs.5586.14 lakhs	1.	Royalty Receipt from CCTPL	Rs.2326.92 lakhs	2.	Expenditure			(a). Plan	Rs.1924.97 lakhs		(b). Non-Plan	<u>Rs. 346.55 lakhs</u>			Rs.2271.52 lakhs Rs.2271.52 lakhs	1.	Income	Rs.689.42 lakhs	2.	Expenditure			(a). Revenue Exp.	Rs. 48.73 lakhs		(b). Capital Exp.	<u>Rs. 255.78 lakhs</u>			Rs. 304.51 lakhs <u>Rs.304.51 lakhs</u>		Balance	Rs.384.91 lakhs	1.	Income	Rs.141.70 lakhs	2.	Expenditure			(a). Revenue Exp.	Rs. 21.00 lakhs		(b). Capital Exp.	<u>Rs. 73.86 lakhs</u>			Rs. 94.86 lakhs <u>Rs.94.86 lakhs</u>		Balance	<u>Rs.46.84 lakhs</u>
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2.	<u>Our letter dated 15.5.2009</u> <u>I. GENERAL:</u> 1. The CHPT to furnish in Form – 7 an analysis of the variations between actuals and the projections based on which tariff was fixed for the years 2006-2007 and 2007-08 duly explaining the reasons for variations. Likewise, an analysis of variations between the actuals and projections for the year 2005-06 may also be furnished. 2. This Authority vide Order dated 7 March 2006 reviewing the Scale of Rates of Chennai Port Trust (CHPT) made some observations and	The form 7 furnishing the variations between actuals and the Projections based on which tariff was fixed for the years 2006-07 and 2007-08 duly explaining the reasons for variations is furnished.																																																																		

	requested the CHPT to initiate action. The observations made by this Authority are briefly listed below. The CHPT to intimate the action taken on the observations made by this Authority:													
	(i). Since the Railway earnings of CHPT were less than the expenditure, this Authority vide paragraph 12 (vi) (d) of its Order dated 7 March 2006 had advised the Port to take up the matter with the Railways for upward revision of the railway charges. It will not be appropriate for other activities to continue to cross subsidize the railway activity.	CHPT has informed that the rate of Haulage Charges collected by Chennai Port is lesser in comparison with other Ports.												
	(ii). This Authority in its Order dated 7 March 2006 vide paragraph 12 (vii) (b) had advised CHPT to correctly allocate the cost of dredging amongst the port services and berth hire, either based on the number of days the dredger worked for each services or based on the quantity dredged.	The Dredging work is being carried out through out the Port i.e., at all berths to facilitate free movement of ships. The quantity dredged at each berth will differ based on the sludge & its location and the number of days of dredging will also vary accordingly. However, since the dredging work mainly relates to Port and Dock activity the dredging cost is apportioned to Port Dues, Towage & Pilotage and berthing & mooring in equal proportions in cost sheet though it is shown separately under Dredging & Marine Survey in the Annual Accounts.												
	(iii). This Authority in its Order dated 7 March 2006 vide paragraph 12 (xi)(h) had advised CHPT to address the underutilization of few of its newly acquired cranes, especially that of 150 tonnes floating crane and take corrective measures. CHPT to furnish the details of utilization of 150 tonne floating crane for the last 3 years.	The utilization of 150 Tonne Floating Crane for the last 3 years is as follows: <table border="1"> <thead> <tr> <th>Year</th><th>Average demand per day</th><th>Average supply per day</th></tr> </thead> <tbody> <tr> <td>2005-06</td><td>0.28</td><td>0.28</td></tr> <tr> <td>2006-07</td><td>0.21</td><td>0.21</td></tr> <tr> <td>2007-08</td><td>0.41</td><td>0.41</td></tr> </tbody> </table>	Year	Average demand per day	Average supply per day	2005-06	0.28	0.28	2006-07	0.21	0.21	2007-08	0.41	0.41
Year	Average demand per day	Average supply per day												
2005-06	0.28	0.28												
2006-07	0.21	0.21												
2007-08	0.41	0.41												
	(iv). CHPT has been directed vide para 12 xxviii (d), of the Order dated 7 March 2006 to formulate a transparent procedure in respect of deployment of private equipment inside the Docks and regulating the associated activities with due notice to the trade.	Private equipments are freely allowed to operate inside the docks by Chennai Port Trust on payment of 10% crange as per the existing provisions in the Scale of Rates. TAMP vide its letter No.TAMP/03/2006-Misc. dt.29.09.06 stated that the hire charges for private cranes are being fixed arbitrarily by equipment owners and does not come under the purview of Chennai Port Trust Scale of Rates nor under the approval of TAMP. Upon seeing the above letter of TAMP, Port addressed the users to get their hire charges for the cranes approved by TAMP. In turn several crane & equipments owners forwarded their proposal seeking approval of TAMP. Now, TAMP vide their letter No.TAMP/53-2002-Misc. dt.04.6.09 enclosing the proposals of the crane operators directed the Port to initiate appropriate action as per the tariff guidelines of 2005 and further stated that Chennai Port Trust may advise the parties to interact with it instead of approaching the TAMP. In this regard it is suggested that the Tariff to be fixed for private crane operators for providing services inside the Port shall be on par with the rates levied by the Trust for similar range of cranes.												

	(v). As regards the recovery of cost of repairs and damage to the port equipment from users, this Authority in para 12 (xxx) of its order dated 7 March 2006 had advised CHPT to explore the possibilities of insuring its assets. Action taken in this respect may be elucidated.	The Trust's assets have not been insured with Insurance Companies. However, an Insurance Fund available with the Trust is being utilized to meet out any contingencies.																												
	(vi). This Authority in its order dated 7 March 2006 {Paragraph No. 12(xxxi)} had accorded approval to the recovery of a fee of Rs.10,000/- per shift for the working of 150 tonne floating crane during the second and third shifts on any working day and during any shift on a Sunday or a Port holiday with a specific condition that this rate should be removed at the time of the next review by effecting suitable adjustment in the base rate. It appears no action in this respect has been taken by the Port.	<table><tr><th colspan="4">No. of occasions F.C. Thangam worked in 2nd & 3rd shifts</th></tr><tr><th>Year</th><th>Vessel Work</th><th>Non-Vessel work</th><th>Total</th></tr><tr><td>2006</td><td>25</td><td>9</td><td>34</td></tr><tr><td>2007</td><td>8</td><td>0</td><td>8</td></tr><tr><td>2008</td><td>19</td><td>1</td><td>20</td></tr><tr><td>2009</td><td>14</td><td>3</td><td>17</td></tr><tr><td>Total</td><td>66</td><td>13</td><td>79</td></tr></table> The number of occasion Floating Crane Thangam utilized for 2nd and 3rd Shift is much less. Therefore the tariff of Rs.10,000/- per shift for working of 150T Floating Crane during the 2nd and 3rd shifts may be continued as the additional rate fixed was based on users request during last revision wherein they objected to levy at a higher rate stating that the charges available on tonne basis is already a burden to the trade.	No. of occasions F.C. Thangam worked in 2 nd & 3 rd shifts				Year	Vessel Work	Non-Vessel work	Total	2006	25	9	34	2007	8	0	8	2008	19	1	20	2009	14	3	17	Total	66	13	79
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Total	66	13	79																											
	(vii). CHPT was advised vide para 12 (xxxvi) (f) of this Authority's Order dated 7 March 2006 to file fresh proposals for hire charges in respect of its pilot launches "Progress", Muthu and Utility supported by cost details and detailed working. No such proposal was received from CHPT so far.	The CHPT has informed that a common rate has been proposed for hire of Pilot and Mooring launches under scale 18 Chapter VI of the Scale of Rates. As such, the need for fixing a separate rate for pilot launches "Progress", Muthu and Utility does not arise.																												
	(viii). As per clauses 5.9 & 6.8 of the revised tariff guidelines of March 2005, the tariff should be linked to the benchmark levels of productivity. In this regard, CHPT was advised to make a beginning and evolve productivity levels for various operations / services vide paragraph No. 12 (xxxix)(a) of Order dated 7 March 2006. CHPT's proposal, however, does not indicate anything about the productivity levels to be maintained for various operations/ services.	The productivity level depends upon the Traffic handled during a year. The services utilized for the Traffic handled depends upon the nature of Cargo and its movement based on user requirements. In the circumstances, it is not possible to indicate the productivity levels for the various operations/services.																												
3.	The CHPT has stated that it has to meet 50% of the Cost of Rehabilitation and Relocation of the Elevated corridor project for providing smooth and uninterrupted flow of cargo traffic from the port to National Highways. In this context CHPT to elucidate whether any separate SPV has been formed for the proposed project and whether any decision has	A letter has been sent to MoSRT&H on 3.3.09 seeking: (i) in-principle approval of the Ministry for participation of Chennai Port Trust in the implementation of the Elevated Expressway from Chennai Port to Maduravoyal, contributing towards the entire cost based on claims raised by Government of Tamil Nadu and getting 50% of the cost reimbursed from Government of Tamil Nadu at a later date as per the G.O.Ms. No.63 dt.7.3.08 of the Highways Department, Government of Tamil Nadu.																												

	been taken by the Government of India regarding sharing the cost thereon to the extent of 50% by the Port.	(ii) permit CHPT to bear the amount to be paid to Government of Tamil Nadu as interest-free advance, pending reimbursement by Government of Tamil Nadu at a later date; and (iii) permit Chennai Port Trust work jointly with NHAI for sending proposals to the concerned State Government departments/agencies for necessary clearance and implementation of the Project.																		
4.	(a). The cost statement (Form – 3A) filed by CHPT shows that it has generated actual additional surplus after maximum permissible return on capital employed aggregating to Rs.398.81 Crores for the years 2005-06 to 2007-08.	The Cost sheets have been revised excluding the tax liability and enclosed. The actual additional surplus before tax, maximum permissible return on capital employed as per the revised cost statement form (3A) for the years 2005-06 to 2007-08 is as follows: <table><tr><th>Years</th><th>Amount (Rs. In Crores)</th></tr><tr><td>2005-06</td><td>22.00</td></tr><tr><td>2006-07</td><td>90.31</td></tr><tr><td>2007-08</td><td>241.95</td></tr><tr><td>Total</td><td>354.26</td></tr></table> <table><tr><td>Additional surplus before tax for the year 2008-09</td><td>46.40</td></tr><tr><td>Projected additional surplus before tax for the year 2009-10</td><td>227.67</td></tr><tr><td>Projected additional surplus before tax for the year 2010-11</td><td>150.78</td></tr><tr><td>Aggregate of additional surplus before tax for the years 2008-09 to 2010-11</td><td>424.85</td></tr></table> It is estimated that the tax liability of the Port will be in the order of Rs.80 to 100 Crores per year which has to be taken into account to arrive at the surplus available.	Years	Amount (Rs. In Crores)	2005-06	22.00	2006-07	90.31	2007-08	241.95	Total	354.26	Additional surplus before tax for the year 2008-09	46.40	Projected additional surplus before tax for the year 2009-10	227.67	Projected additional surplus before tax for the year 2010-11	150.78	Aggregate of additional surplus before tax for the years 2008-09 to 2010-11	424.85
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	(b). The CHPT has estimated additional surplus of Rs.153.82 Crores for the year 2008-09. Further, it has projected an aggregate additional surplus of Rs.261.79 Crores after return at the existing Scale of Rates for the years 2009-10 and 2010-11. Thus, the additional surplus for the years 2008-09 to 2010-11 aggregates to Rs.415.61 Crores which works out to around 19.10 % as a percentage of operating income for the years 2008–09 to 2010–11. This position may further increase if past surplus of Rs.398.81 Crores for the years 2005-06 to 2007-08 is adjusted as per the tariff guidelines.																			
	(c). Prima facie, it appears that the proposed increase in the existing tariff is not justified and on the contrary, there may be a case for downward revision of the existing tariff at the CHPT, subject of course, to scrutiny of the Escrow Account to be furnished by the CHPT recording actual and estimated inflows of revenue share receipts from BOT operators and actual and estimated outflow for development of infrastructure projects at the port from the year 2005-06 onwards. (The CHPT may refer to the separate para in this regard in the later part of this Annex). That being so, the CHPT to justify continuance of the existing rates for all the activities.	The Port has to follow the common frame work of accounting as per the Billimoria Report. The Revenue share / Royalty received from the CCTPL has been accounted separately by allotting a separate account code. This forms part of the Port Operating Income. In view of that, it is considered that, creation of separate Escrow account is not as per the accounting policy of the Port. No separate Escrow account is maintained for royalty received from the BOT operator The entire royalty is treated as income of the container Terminal Activity and the consequent surplus arising on such inclusion is cross-subsidized to other deficit activities.																		

5.	It is seen from the proposal filed by CHPT that the port has framed its tariff proposal by taking into account the port's Income Tax liability, among other things. It may be noted that Income Tax is not allowed as pass through for fixing / revising tariff of the major port trusts and the private terminals operating thereat.	The cost sheets have been revised excluding the tax liability.
6.	This Authority has allowed a general flexibility to all the major port trusts to reduce the rates at their discretion on commercial consideration. Such reduction, if any, effected by CHPT may be listed out and the consequential effect of such concession granted on growth of traffic may be analyzed item wise.	CHPT has informed that the reduction in rates have been extended to import of Oil by M/s.CPCL. A copy of the concession agreement is furnished.
7.	The CHPT has identified 29 surplus employees as a consequence of Licence Agreement (LA) entered between the CHPT and the CITPL as noted from Article 10 of the said LA. A brief note on surplus manpower may be furnished and allocation of expenditure on such manpower may be explained keeping in mind Clause 2.6.1. of the tariff guidelines of March 2005.	The working strength in the year 2006 was 306 which has reduced to 292 as on 01.07.2009. This reduction in working strength of 14 is adjusted against the surplus staff strength of 29 as on 07.03.2007. The remaining 15 surplus staff is utilized for the function of SQ2 which was part of Area-V after the emergence of IInd Container Terminal at SQ3, SQ4 & EQ and this SQ2 the part of erstwhile Area-V is merged with Area-IV and the staff are utilized for the function of Area-IV.
8.	As per Clause 2.6.2. of the guidelines of March 2005 it is necessary to regularly adjust manning scales / datum in view of technological changes. The award of the National Industrial Tribunal on manning scales for port operations have since been notified by the Ministry of Labour in the Gazette of India vide Notification No. L-3/011/1/2000-IR(M), dated 23 May 2006. The CHPT was already engaged with the concerned parties on the revision of manning scales / datum as reported by it vide its earlier letter No. T2/14170/2005/AR, dated 20 February 2008 relating to the proceedings of revision of Stevedoring & C&F levy and agreed to incorporate the revised manning scales in its Scale of Rates after finalization. In this context, CHPT to furnish the following:	The Tribunal Award is yet to be implemented. On implementation of the Tribunal Award, revision of Manning Scale/Datum etc., action will be taken for revision of Stevedoring and C&F Levy.
	(i). When the manning scale / datum for port operations were last revised.	
	(ii). CHPT to confirm whether the proposal is in line with the revised manning scales.	
	(iii). The manning scales revised as per Tribunal award may be incorporated in the draft Sale of Rates.	

	(iv). CHPT to furnish a comparative statement showing the existing manning scale and the revised manning scale as per the Tribunal award along with the cost thereof cargowise for the throughput projections for the years 2009-10 to 2011-12.	
9.	This Authority passed an Order dated 3 July 2008 disposing of the proposal of the CHPT for revision of Stevedoring and Clearing & Forwarding Levy. In the proceedings relating to the said Order dated 3 July 2008 the CHPT agreed to merge the revision of Stevedoring and C&F Levy with the general revision proposal so that a comprehensive assessment could be made and the validity of the reviewed charges for Stevedoring operations and C&F operations will be co-terminus with the Scale of Rates of the CHPT as a whole for the further tariff cycle. It is, however, seen that the Stevedoring Levy and C&F Levy approved vide Order dated 3 July 2008 do not appear to have been reviewed. CHPT to clarify the position.	As furnished at point 8 above.
10.	Copies of the MOUs entered into between CHPT and the Government for the years 2006-07, 2007-08 and 2008-09 may be submitted for perusal.	Copies of MOUs between Chennai Port Trust and the Government for the years 2006-07, 2007-08 and 2008-09 are furnished.
11.	Since the year 2009-10 has already commenced and the prescribed tariff validity period is 3 years, the revised tariff to be approved may spill over to the year 2011-12. Therefore, the cost estimates and statements for 2011-12 may also be furnished. While preparing the revised statements, the figures for 2008-09 need to be updated with reference to the actual and projection for the future years revised in the light of BE 2009-10 and the target fixed by the Ministry.	In the cost statements the actual figures for the year 2008-09 has been updated and in the light of projection for the year 2009-10, the projection for the future years have been projected.
II.	<u>Financial / Cost statement (Port as a whole)</u>	
1.	CHPT to furnish cost statements in the prescribed format for all activities excluding Estate and Railway activities.	The cost statement in the prescribed format for all activities/sub activities have been furnished vide Annexure 5 A(i), 5 B (i), 5 C(i), 5 D(i), 5 a(iii), 5 b(iii)
2.	Capacity: The designed capacity of the port as a whole has been mentioned as 48.80 Million Tonnes (MT), 50.00 MT, 51.08 MT, 52.61 MT, 55.24 MT and 58.00 MT respectively for the years 2005-06, 2006-07, 2007-08,	The Ministry consolidates the commodity-wise capacity of the specific berth cargoes of Major Ports individually based on our inputs and sets up the designed capacity for each Port as on 31 st March of the corresponding financial year. A copy each of the letter received from the Ministry along with the statement furnishing the capacity of Major Ports as

	2008-09, 2009-10 and 2010-11. In this context, CHPT to furnish the following:	on 31 st March 2006, 2007 & 2008 are furnished. (The Commodity-wise capacity communicated by the Ministry as given by CHPT for the years 2005-06 to 2008-09 as of 31 st March of the respective years are shown below: (In Million .T.)																																													
	(i). The berth-wise design capacity as on 31 March 2007 stated to have been computed as per Ministry's guidelines is not found attached with the proposal.	<table><tr><th>Commodity</th><th>05-06</th><th>06-07</th><th>07-08</th><th>08-09</th></tr><tr><td>POL</td><td>11.25</td><td>11.25</td><td>11.80</td><td>11.39</td></tr><tr><td>Iron Ore</td><td>8.00</td><td>8.00</td><td>8.00</td><td>9.75</td></tr><tr><td>Coal (Thermal)</td><td>0</td><td>0</td><td>0</td><td>2.49</td></tr><tr><td>Fertilizer</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>General Bulk Cargo</td><td>17.55</td><td>15.55</td><td>16.10</td><td>9.83</td></tr><tr><td>Container In Million T.</td><td>12.00</td><td>15.20</td><td>17.45</td><td>19.15</td></tr><tr><td>Total</td><td>48.80</td><td>50.00</td><td>53.35</td><td>52.61</td></tr><tr><td>Container (in Lakh TEUs)</td><td>10.00</td><td>12.66</td><td>14.54</td><td>0</td></tr></table>	Commodity	05-06	06-07	07-08	08-09	POL	11.25	11.25	11.80	11.39	Iron Ore	8.00	8.00	8.00	9.75	Coal (Thermal)	0	0	0	2.49	Fertilizer	0	0	0	0	General Bulk Cargo	17.55	15.55	16.10	9.83	Container In Million T.	12.00	15.20	17.45	19.15	Total	48.80	50.00	53.35	52.61	Container (in Lakh TEUs)	10.00	12.66	14.54	0
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Container (in Lakh TEUs)	10.00	12.66	14.54	0																																											
	(ii). The CHPT to furnish break-up for the design capacity for the port as a whole with detailed computation for facilities for major commodity groups like iron ore, coal, POL and other port specific cargoes for the years 2005-06 to 2011-12 considering the capital investments made and proposed to be made during the years under consideration and the productivity improvement achieved / expected to be achieved thereby.																																														
3.	Traffic: (i). CHPT has projected traffic of 64.00 MT, 67.20 MT and 70.56 MT for the years 2008-09, 2009-10 and 2010-11 respectively. The figures published by IPA states that Chennai Port Trust has handled 57.49 MT during 2008-09. The Traffic figures for 2008-09 may, therefore, be updated with reference to the actuals and the traffic estimates for the subsequent years may be reviewed. The CHPT to confirm that the projections for the years subsequent to 2008-09 are in line with the projections in the Five Year/ Annual Plan and the current/ expected growth.	The projections are in line with the projections in the Five Year Plan and the current/expected growth. <table><tr><th>Year</th><th>Ministry's Target</th><th>Traffic Handled in Million Tonnes.</th></tr><tr><td>2008-09</td><td>64.00</td><td>57.49</td></tr><tr><td>2009-10</td><td>64.00 *</td><td>1.41 (up to June 2009)</td></tr><tr><td>2010-11</td><td>64.00 *</td><td></td></tr></table> * As per Ministry's direction vide ref.No.PT/11033/18/2009/PT dt.23.4.09.	Year	Ministry's Target	Traffic Handled in Million Tonnes.	2008-09	64.00	57.49	2009-10	64.00 *	1.41 (up to June 2009)	2010-11	64.00 *																																		
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2009-10	64.00 *	1.41 (up to June 2009)																																													
2010-11	64.00 *																																														
	(ii). In the absence of a copy of the Budget Estimate 2009-10, the traffic projected in the cost statements for that year could not be verified. CHPT to submit a copy of this document for perusal.	Copy of the Budget Estimate 2009-10 is enclosed. However it is submitted that the traffic projected for the year 2009-10 as furnished during the Rationalised Distribution of Cargo (RDC) Meeting is 64 MT. As such the operating income has been projected for the year 2009-10 based on the above tonnage. Further a proportionate increase in tonnage has been targeted for the years 2010-11 and 2011-12.																																													
	(iii). The number of vessels handled/ proposed to be handled during 2005-06 to 2010-11 has been furnished. The aggregate GRT of such vessels in each group with break-up into foreign-going and coastal may be furnished.	The number of vessels handled during 2005-06 to 2007-08 are available under Table 7 of the Administrative Report.																																													
	(iv). Since the container terminal at the CHPT is being operated by the Chennai Container Terminal Limited (CCTL), kindly include in the tariff forecast only the cargo that is to be handled by the Chennai Port.	The Tariff forecast has been furnished only for the Cargo to be handled by the CHPT and does not include that of CCTPL.																																													

4.	Operating Income: (i). Note – 3 to Form 2 B of the formats prescribed for filing of tariff proposal requires the major port trusts to provide detailed computation of Income with reference to the estimated traffic. No such computation has been furnished by CHPT. CHPT to furnish detailed computations of operating income with reference to the estimated traffic for the years 2008-09 to 2011-12 at the existing Scale of Rates and proposed Scale of Rates.	The computation of income with reference to estimated Traffic for the year 2009-10 to 2011-12 is furnished.																																																																							
	(ii). The CHPT has considered revenue share received / receivable from the CCTPL and shown as container handling income for the years 2005-06 to 2010-11. In this context, CHPT to furnish / clarify the following:																																																																								
	(a). It appears that the CHPT has considered some other income apart from revenue share and shown as container handling income. CHPT to furnish details of such other actual / estimated income considered under container handling income for all the years under consideration.	The details of actual/estimated income considered under container handling income for all the years are as follows. <table><tr><th rowspan="2">Description</th><th colspan="4">Actuals</th><th colspan="3">Projections</th></tr><tr><th>05-06</th><th>06-07</th><th>07-08</th><th>08-09</th><th>09-10</th><th>10-11</th><th>11-12</th></tr><tr><td>Compensation from CCTPL for non-achievement of Non-Transshipment Traffic</td><td>-</td><td>-</td><td>1707.14</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Wharfage charges on containers</td><td>3.85</td><td>3.38</td><td>9.68</td><td>4.32</td><td>4.67</td><td>4.67</td><td>5.67</td></tr><tr><td>Storage charges on containers</td><td>0.96</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Demurrage charges on containers</td><td>0.13</td><td>0.20</td><td>0.35</td><td>0.94</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Royalty Income CCTPL</td><td>7196.67</td><td>8600.07</td><td>10173.52</td><td>11570.13</td><td>11250</td><td>11815</td><td>12400</td></tr><tr><td>Upfront premium – From CITPL amortized</td><td>-</td><td>-</td><td>33.33</td><td>33.33</td><td>33.33</td><td>33.33</td><td>33.33</td></tr><tr><td>Total</td><td>7201.61</td><td>8603.65</td><td>11924.02</td><td>11608.72</td><td>11288</td><td>11853</td><td>12439</td></tr></table>	Description	Actuals				Projections			05-06	06-07	07-08	08-09	09-10	10-11	11-12	Compensation from CCTPL for non-achievement of Non-Transshipment Traffic	-	-	1707.14	-	-	-	-	Wharfage charges on containers	3.85	3.38	9.68	4.32	4.67	4.67	5.67	Storage charges on containers	0.96	-	-	-	-	-	-	Demurrage charges on containers	0.13	0.20	0.35	0.94	-	-	-	Royalty Income CCTPL	7196.67	8600.07	10173.52	11570.13	11250	11815	12400	Upfront premium – From CITPL amortized	-	-	33.33	33.33	33.33	33.33	33.33	Total	7201.61	8603.65	11924.02	11608.72	11288	11853	12439
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	(b). The CHPT has awarded a Concession to the Chennai International Container Terminal Pvt Ltd., (CITPL) for development and operation of a container terminal at CHPT. The CITPL in its tariff proposal filed before this Authority under cover of its letter No. CIPTL/TAMP/2009/002 dated 5 March 2009 (A copy of CITPL tariff proposal was forwarded to CHPT vide our letter No. TAMP/10/2009-CITPL dated 25 March 2009 for the comments of port) has, inter alia, stated that the CITPL is going to commence its operations partly from May 2009. Therefore, the revenue share receivable from the CITPL for all the years under consideration should also be considered and treated as per Clause 2.8.3 of the tariff guidelines of March 2005.	As per the terms of Licence Agreement, the construction phase shall be completed on or before 24 months from the Date of Award of Licence (1.5.07). However, the Licensee has been granted extension of time by 161 days with effect from 30.4.09 and hence, the construction period shall end on 8.10.09. Thereafter during the operations phase, the MGT shall come into force. Hence, for the time being only the lease rentals from CITPL have been taken into consideration and not the revenue share from the Licensee. [The CHPT has considered the revenue share receipts from CITPL also in its revised proposal dated 24 June 2010.]																																																																							

(c). It is noteworthy that this Authority vide paragraph No. 12 (vi) (c) of Order dated 7 March 2006 considered 50% of the estimated revenue share receipts as income for the respective years while deciding the tariff at CHPT and the remaining 50% of the revenue share receipts is to be transferred to Escrow Account by CHPT. Although the CHPT had agreed to create and maintain such an year-wise Escrow Account for the royalty/revenue share receipts and the infrastructure development expenditure and furnish such an account to this Authority during the next review of the tariff of the CHPT, the CHPT has not yet opened the requisite Escrow Account till date as stated by the port in its letter dated 24 October 2008. The cost statements furnished by the CHPT do not show any withdrawal from the escrow account. The CHPT has considered the entire revenue share receipt as income for the respective years without setting aside 50% of such receipts for the Escrow Account. In order to have a even comparison between the estimated income and actual income, for the years 2005-06 to 2007-08, 50% of the actual revenue share receipt should only be considered as income for the respective years in the cost statements. The CHPT has not furnished the details of escrow account for the years 2005-06 and 2006-07. Therefore, 50% of the accrued revenue share receipt of Rs.71.97 Crores and Rs.86 Crores as reflected in the annual accounts of CHPT for the year 2005-06 and 2006-07, respectively, may be added back as revenue of the port to the estimated operating income for the year 2010-11 and 2011-12, respectively. If any infrastructure asset is created out of the revenue share amount which should have been transferred to the escrow account, the value of such assets may be excluded from the capital employed for the purpose of	As furnished in item 4(c) under the heading General.
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	claiming ROCE as asset created out of escrow account fund will not qualify for return.	
	(iii). Note – 1 to Form – 2 requires the major port trusts to furnish analysis of average storage time of cargo in line with demurrage categories in the port's Scale of Rates. No such analysis has been furnished. CHPT to furnish the analysis and computation of income on account of the storage income at the existing storage charges and proposed storage charges.	The storage/demurrage charges are recovered based on the area occupied by the users. The occupation of the area for storage purposes will depend on various factor like the importer/exporter, nature of cargo, type of cargo, etc.; and the steamer agents.
	(iv). (a). The CHPT has proposed anchorage fee in its draft Scale of Rates. However, no income from anchorage appears to have been considered in the income statement.	The Income from Anchorage is booked and accounted under the head Berth Hire Charges in the cost statements.
	(b). The CHPT has estimated income arising out of operating Dry Dock facilities. However, no rates have been proposed in draft Scale of Rates.	The estimated income is for the Dry Docking area.
	(v). CHPT has considered under operating income Rs.46.49 crores, Rs.47.89 crores and Rs.49.13 crores as cross subsidization for the years 2008-09, 2009-10 and 2010-11 respectively. In the absence of any supporting workings, the flow of cross subsidization from surplus generating activities to the activities which are in deficit could not be linked. The Port to furnish workings showing flow of cross subsidization from surplus generating activities to the activities which are in deficit for all the years under consideration. The basis for apportionment of surplus so generated to the activities and sub-activities which are in deficit may also be explained.	The working sheet of cross subsidization from surplus generating activities to the activities which are in deficit is furnished.
	(vi). (a). The prior period income for 2005-06, 2006-07 and 2007-08 are shown as Rs.11.75 crores, Rs.16 crores and Rs.102 crores respectively. Item wise details of this income may be furnished especially in respect of the prior period income of Rs.102 crores for the year 2007-08. The reason for projecting prior period income only at Rs.5 Crores each for the years 2008-09 to 2010-11 may be furnished.	Item-wise details of the Prior Period Income for the year 2005-06 to 2007-08 is furnished (The list furnished by CHPT generally shows that items of prior period income relate to receipts towards license fee, wharfage, vessel related income, supply of well water, penal interest, electricity charges, hire of equipment etc.) Item-wise breakup details for Rs.102 crores towards Prior Period Income during 2007-08 is furnished. The main reasons for the above sum is Interest amount on cost of land received from M/s EPL, Pollution Levy, compensation amount and interest on compensation amount paid by M/s CCTL for non achievement of Non-transshipment traffic & Refund of Income Tax received from Income Tax Department related to FY 2003-04.

		(The income towards above stated items are given below as taken out from the list furnished by CHPT (Rs. In Lakhs)																												
		<table><tr><td>Items</td><td>2006-07</td><td>2007-08</td><td>Total</td></tr><tr><td>Income Tax Refund</td><td>784.39</td><td>160.70</td><td>945.09</td></tr><tr><td>Interest on Deposits held with TNEB</td><td>23.53</td><td>24.85</td><td>48.38</td></tr><tr><td>Interest received from Ennore Port Ltd upto 31.03.2007 on land cost</td><td>--</td><td>1582.04</td><td>1582.04</td></tr><tr><td>Compensation and Interest on Compensation received from CCTPL for non-achievement of Non-Transshipment Traffic for FY 2004-05 - 1193.62 FY 2005-06 - 1942.04 FY 2006-07 - 2068.59</td><td>--</td><td>5204.25</td><td>5204.25</td></tr><tr><td>Other items of prior period income like arrears of licence fees, berth hire charges, pollution levy, interest and penalty on income, disputed terminal handling charges from Southern Railway, rectification of erroneous / misclassified entries, etc.</td><td>792.29</td><td>3227.48</td><td>4019.77</td></tr><tr><td>Total</td><td>1600.21</td><td>10199.32</td><td>11799.53</td></tr></table>	Items	2006-07	2007-08	Total	Income Tax Refund	784.39	160.70	945.09	Interest on Deposits held with TNEB	23.53	24.85	48.38	Interest received from Ennore Port Ltd upto 31.03.2007 on land cost	--	1582.04	1582.04	Compensation and Interest on Compensation received from CCTPL for non-achievement of Non-Transshipment Traffic for FY 2004-05 - 1193.62 FY 2005-06 - 1942.04 FY 2006-07 - 2068.59	--	5204.25	5204.25	Other items of prior period income like arrears of licence fees, berth hire charges, pollution levy, interest and penalty on income, disputed terminal handling charges from Southern Railway, rectification of erroneous / misclassified entries, etc.	792.29	3227.48	4019.77	Total	1600.21	10199.32	11799.53
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Other items of prior period income like arrears of licence fees, berth hire charges, pollution levy, interest and penalty on income, disputed terminal handling charges from Southern Railway, rectification of erroneous / misclassified entries, etc.	792.29	3227.48	4019.77																											
Total	1600.21	10199.32	11799.53																											
(b). The details of estimated miscellaneous income of Rs.48.72 Crores each for the years 2008-09 to 2010-11 may be furnished.	The details of Miscellaneous income for the years 2008-09 to 2010-11 is furnished. (The CHPT has referred to Annex – V of its relevant communication with regard to details of miscellaneous income. The details of miscellaneous income furnished in Annex – V are with regard to finance and miscellaneous income from profit on disposal of assets, items relating to previous year, miscellaneous income, recovery towards electricity, water, etc., penalties and lapsed deposit harbour entry fees. The total actual finance & Miscellaneous income for the years 2005-06 to 2008-09 and projection for the years 2009-10 to 2011-12 are as given below: (Rs. In Lakhs)																													
	<table><tr><td>Year</td><td>Actuals</td><td>Estimates</td></tr><tr><td>2005-06</td><td>3875.67</td><td>-</td></tr><tr><td>2006-07</td><td>5190.17</td><td>-</td></tr><tr><td>2007-08</td><td>15367.01@</td><td>-</td></tr><tr><td>2008-09</td><td>5097.48</td><td>-</td></tr><tr><td>2009-10</td><td>-</td><td>4095.29</td></tr><tr><td>2010-11</td><td>-</td><td>4100.00</td></tr><tr><td>2011-12</td><td>-</td><td>4100.00</td></tr></table>			Year	Actuals	Estimates	2005-06	3875.67	-	2006-07	5190.17	-	2007-08	15367.01@	-	2008-09	5097.48	-	2009-10	-	4095.29	2010-11	-	4100.00	2011-12	-	4100.00			
Year	Actuals	Estimates																												
2005-06	3875.67	-																												
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2009-10	-	4095.29																												
2010-11	-	4100.00																												
2011-12	-	4100.00																												
	@ includes Rs.10200 lakhs pertaining to prior period income as explained earlier.																													
(vii). CHPT to update the income arising out of dollar denominated tariff with reference to the current exchange rate.	The vessel related charges of Foreign vessels are denominated in US Dollar tariff with reference to the exchange rates prevailing on the date of arrival and such charges include Berth Hire Charges, Port Dues, Pilotage, shifting etc.																													
(viii). With reference to the charge of pollution levy at Rs.5 per Metric tonne, this Authority advised the CHPT to maintain a separate account showing the income from pollution levy and the expenditure incurred to control pollution and furnish such account to this Authority vide paragraph No. 12(xxvi) of Order dated 7 March 2006. As per the actuals for the year 2007-08 and estimates for the year 2008-09, the pollution levy account shows	The Pollution levy is made applicable only to bulk cargoes handled at Port that create Pollution. These bulk cargoes being continued to be handled at Chennai Port though Ennore Port has come into operation. Therefore it has become necessary to contain pollution for which CHPT has taken action like sprinkling water through tankers, providing wind screen curtains etc. (The CHPT has furnished an updated position of income and expenditure on account of pollution levy, along with its proposal for fixation of tariff for handling coal through semi-mechanised conveyor system, vide its letter dated 31 July																													

	actual surplus of Rs.384.91 lakh for the year 2007-08 and estimated surplus of Rs.560.41 lakhs for the year 2008-09. In view of the general surplus position and disproportionate income with reference to corresponding expenditure, CHPT should justify continuance of the pollution levy.	2010.) The updated position is as follows: <table><tr><th colspan="6">STATEMENT OF YEARWISE INCOME & EXPENDITURE ON ACCOUNT OF POLLUTION LEVY FOR THE PERIOD 2006-07 TO 2009-10</th></tr><tr><th colspan="6">Amount in lakhs</th></tr><tr><th>A. INCOME</th><th>2006-07</th><th>2007-08</th><th>2008-09</th><th>2009-10</th><th>Total</th></tr><tr><td>Income collected by way of pollution levy - coal and dry bulk</td><td>637.55</td><td>727.66</td><td>680.21</td><td>776.84</td><td>2,822.26</td></tr><tr><td>Income from pollution levy - iron ore *</td><td>404.50</td><td>266.92</td><td>377.28</td><td>402.01</td><td>1,450.71</td></tr><tr><td>Total-A</td><td>1,042.05</td><td>994.58</td><td>1,057.49</td><td>1,178.85</td><td>4,272.97</td></tr><tr><td>B. EXPENDITURE</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Maintenance contract work (including sweeping & cleaning charges)</td><td>189.06</td><td>193.62</td><td>128.99</td><td>156.44</td><td>746.87</td></tr><tr><td>Purchase of Spares and equipment @</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>Providing wind screen curtain / Green house net barrier/ wind barrier @</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>ADD : Supervision Overheads at 20% of total expenditure #</td><td>37.81</td><td>38.72</td><td>25.80</td><td>31.29</td><td>149.37</td></tr><tr><td>ADD : Overheads at 20% of total expenditure (towards water charges, power cost, legal expenses, etc..) #</td><td>37.81</td><td>38.72</td><td>25.80</td><td>31.29</td><td>149.37</td></tr><tr><td>Total -B</td><td>264.68</td><td>271.07</td><td>180.59</td><td>219.02</td><td>1,045.62</td></tr><tr><td>Net Surplus (A - B)</td><td>777.37</td><td>723.51</td><td>876.90</td><td>959.83</td><td>3,227.35</td></tr></table> * Since the port has not furnished the details of receipts on account of pollution levy in respect of iron ore for the year 2006-07, the same has been derived by taking the volume of iron ore handled as furnished by port in Form 2A with the applicable rate of Rs.5 per ton. Income for the years 2007-08 to 2009-10 considered as per details furnished by the port. @ The expenditure considered by the port towards purchase of spares and equipment and providing wind screen etc. being capital expenditure for which depreciation and return are already captured in the general revision proposal, these expenditure have not been taken into account in this statement. # The supervision and overheads each @ 20% of expenditure as considered by CHPT has been modified accordingly.	STATEMENT OF YEARWISE INCOME & EXPENDITURE ON ACCOUNT OF POLLUTION LEVY FOR THE PERIOD 2006-07 TO 2009-10						Amount in lakhs						A. INCOME	2006-07	2007-08	2008-09	2009-10	Total	Income collected by way of pollution levy - coal and dry bulk	637.55	727.66	680.21	776.84	2,822.26	Income from pollution levy - iron ore *	404.50	266.92	377.28	402.01	1,450.71	Total-A	1,042.05	994.58	1,057.49	1,178.85	4,272.97	B. EXPENDITURE						Maintenance contract work (including sweeping & cleaning charges)	189.06	193.62	128.99	156.44	746.87	Purchase of Spares and equipment @	0.00	0.00	0.00	0.00	0.00	Providing wind screen curtain / Green house net barrier/ wind barrier @	0.00	0.00	0.00	0.00	0.00	ADD : Supervision Overheads at 20% of total expenditure #	37.81	38.72	25.80	31.29	149.37	ADD : Overheads at 20% of total expenditure (towards water charges, power cost, legal expenses, etc..) #	37.81	38.72	25.80	31.29	149.37	Total -B	264.68	271.07	180.59	219.02	1,045.62	Net Surplus (A - B)	777.37	723.51	876.90	959.83	3,227.35
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	(ix). (a). The CHPT has estimated income arising out of Estate activity at Rs.19.78 Crores, Rs.21.76 Crores and Rs.23.17 Crores for the years 2008-09 to 2010-11 at the existing tariff and at the proposed tariff as compared to the actuals of Rs.24.77 Crores for the year 2007-08. CHPT to state the reason for drop in the estimated estate income for the years 2008-09 to 2010-11 as compared to that of the year 2007-08.	The actual income earned for the Estate Rental activity for the year 2007-08 and 2008-09 was Rs.24.71 Crores and 18.63 Crores respectively. The drop in the estimated income is mainly due to non receipt of Annual Land lease Rent from M/s.CCTPL consequent to the Arbitration award which has been challenged by Chennai Port Trust in the Hon'ble High Court of Madras. Further, non-refundable premium on land lease and way leave charges received from M/s.CITPL during 2007-08 is one time payment payable prior to commencement of the Licence period which has not been projected in subsequent two years.																																																																																				
	(b). CHPT to confirm whether it has considered the estate income receivable from the CITPL in the estimates for all the years under consideration.	The estate income receivable from M/s CITPL has been considered in the estimates for all years.																																																																																				
	(c). The CHPT has filed a proposal separately before this Authority vide its letter No. TAMP/47/2008-CHPT, dated 18 September 2008 for upward revision of its estate rentals. The impact of the proposed upward revision of estate rentals may be considered in the cost statements.	The revision separately proposed for Estate Rentals based on New Land Policy have not been considered in the cost statements since many of the users have objected to it stating that the rate is on higher side.																																																																																				
	(x). The CHPT has stated that the port will be generating additional revenue of Rs.130.70 Crores, Rs.136.10 Crores and Rs.143.80 Crores due to the proposed revision of its Scale of Rates for the year 2008-09 to 2010-11 respectively. However, the financial / cost implications as shown in the consolidated cost statement furnished	The additional revenue originally proposed was applied as a percentage of revision on the income earned on the activities / sub-activities during the year 2007-08, whereas the revenue now projected is based on the volume of cargo that can be handled and by applying the % of revision after due cross-subsidisation.																																																																																				

	by CHPT shows a revenue increase of Rs.99.18 Crores, Rs.104.10 Crores and Rs.109.27 Crores for the said three years respectively at the proposed tariff level.	
5.	<u>Operating Expenditure</u> (i). Generally, the estimated total operating cost for the year 2008-09 is found to be around 40% more than actuals for the year 2007-08. Further, the operating cost estimated for the year 2009-10 and 2010-11 is more by around 12% over the respective previous years. The expenditure projections should be in line with the traffic adjusted for price fluctuation with reference to current movement of Wholesale Price Index vide Clause 2.5.1 of the tariff guidelines of March 2005. Since the year 2008-09 is already over actuals for 2008-09 may be furnished. The estimates for the subsequent years may be reviewed based on the actuals for the year 2008-09.	The estimates of operating expenditure have been reviewed based on the actuals for the year 2008-09. Accordingly Expenditure has been projected from 2009-10 to 2011-12 assuming an increase of 5.8% over 2008-09.
	(ii). Form – 3B requires major port trusts to furnish workings for the actual / estimated power cost and fuel cost. No such workings have been submitted. CHPT to furnish workings for the estimates of power cost and fuel cost for all the years under consideration.	As per the accounting system the required particulars of the actual/estimated power cost and fuel cost for various equipments are not available and hence the same could not be furnished.
	(iii). The actual / estimated dredging cost has not been furnished in Form – 3B.	The actual/estimated dredging cost is now furnished in Form – 3B.
	(iv). The break-up of the actual / estimated Repairs & Maintenance cost in terms of Repairs to Machinery, Repairs to Buildings and others, as stipulated in Form – 3B, may be furnished.	As per the present accounting system the break-up of repairs and maintenance cost in terms of repairs to Machinery, Buildings are not available.
	(v). (a). CHPT to confirm whether the computation of depreciation for all the years under consideration is as per Clause 2.7.1. of the tariff guidelines of March 2005.	The computation of depreciation of assets is done by straight line method following the life norms adopted as per the Companies Act. (However, the CHPT in it revised proposal of June 2010 stated that depreciation is calculated on straight line method as per the life norm fixed by the Ministry of shipping and depreciation as per the Companies Act could not be adhered in view of the difficulty in comparing the same with the books of account).
	(b). CHPT to furnish a detailed working for computation of depreciation for all the activities separately and the port as a whole.	The computation of depreciation for all the activities is enclosed which is based on the V.R. Mehta Committee recommendations. The relevant extracts of the Committee's recommendation is furnished. (Information furnished by CHPT is with reference to assetwise / activitywise depreciation. No workings have been furnished)
	(c). The total depreciation shown in Form – 3B(Details of Expenditure) and Form – 4A (capital employed) for	The total depreciation shown for the year 2010-11 in Form 3B (Details of Expenditure) corrected as per the depreciation shown in Form 4A. The depreciation shown in

	each of the years 2006-07 to 2010-11 do not tally with the depreciation shown in Form – 3A (consolidated cost statement for the port as a whole). Likewise, the total depreciation shown for the year 2010-11 in Form – 4A do not tally with the depreciation shown in Form – 3B for the year 2010-11. CHPT to reconcile the differences.	Form 3A (column III) (consolidated cost statement for the Port as a whole) represents the depreciation for the main activities namely, Cargo Handling, Port & Dock, Estate Rentals and Railway. The depreciation pertaining to Management & General Overheads activity is included in column IV and apportioned to all activities/sub activities.
	(vi). (a). CHPT to indicate the basis of allocation of management & General overheads to various activities / sub-activities.	The basis of apportionment of Management and General Overheads to various activities and sub activities is according to V.R. Mehta Committee recommendations. The relevant extracts of the Committee's recommendation is enclosed and cost sheet for the year 2008-09 prepared as per the V.R. Metha Committee's recommendation is also furnished for reference.
	(b). During the last general revision of its Scale of Rates in March 2006, the estimates of Management and General Overheads for the years 2005-06, 2006-07 and 2007-08 was 61%, 59% and 59% of estimated operating cost of the respective year. While the actual operating cost for the said three years is more or less comparable with the estimated operating cost of the respective years, the actual Management & General Overheads for the respective years has shot upto 68%, 76% and 79% respectively. Further, the estimated overheads for the years 2008-09 to 2010-11 works out to 62%, 58% and 55% of the estimated operating cost. CHPT to furnish the reason for steep increase in Management & General Overheads especially when this authority advised CHPT to take effective steps to reduce overheads vide para 12 (xxx) of order dated 7 March 2006.	The reason for steep increase in Management & General Overheads is due to increase in Salaries & Wages on account of implementation of 50% D.A. Merger to the trust employees of management departments w.e.f. 1.1.2007, increase in expenditure towards contribution to CISF and Provision towards audit fees due to implementation of 6 th Pay Commission, increase in contribution of IPA on account of increase in estimated expenditure of Indian Institute of Port Management, National Maritime Academy and Major Ports Sport Council Board, increase in Medical expenditure due to increase in no. of patients, increase in Advertisement expenses for auction/tender notice etc.
	(vii). CHPT to furnish the basis of apportionment of Finance & Miscellaneous Income and Finance & Miscellaneous Expenditure to the main activities and sub activities.	Apportionment of F&M Income to the Principal activities / sub-activities is in proportion to the direct income allocated to such activities/sub-activities. The apportionment of F&M expenditure to the activities/sub- activities is in proportion to Direct expenditure including depreciation of such activities / sub-activities.
	(viii). (a). The nature of prior period income accounted for the years 2005-06 to 2007-08 and prior period charges booked for the years 2005-06 to 2007-08 may be brought out.	Statement showing the nature of Prior Period Income & Expenditure for the years 2005-06 to 2007-08 is furnished. (Nature of prior period income is indicated in the earlier part of this note. Prior period expenditure is generally found to be relating to Pay & Allowances, over time, travelling allowance claims, Haulage charges payable to Southern Railway, Bank Charges, Vehicle hire charges, etc., It also includes provision for payment of Income Tax for the year 2006-07 to the tune of Rs.147.16 lakhs)
	(b). The reason for estimating Rs.5 Crore each for the years 2008-09 to 2010-11 towards prior period income	The Prior Period Income of Rs.102 Crs. for the FY 2007-08 is not likely to be received during 2008-09 to 2011-12, hence an estimate of Rs.5.00 Crs. has been made as

	as against the actual of Rs.102 Crores for the year 2007-08 may be clarified.	provision for the future years 2008-09 to 2011-12.
	(ix). The items considered under "others" in Finance & miscellaneous expenditure may be listed out with values for all the years under consideration.	The items considered under "others" in F&M expenditure has been listed out and furnished. (The Separate Annex furnished by CHPT in this regard lists out the items considered under finance & miscellaneous expenditure. It does not make any mention about "others")
	(x). (a). It appears from the actuals for the year 2005-06 to 2007-08, the estimated expenditure towards Pension Fund and Gratuity Fund for the year 2008-09 to 2010-11 are the contributions to Pension Fund and Gratuity Fund. In this regard, the CHPT may clarify whether the contributions to Pension Fund and Gratuity Fund are annual contribution to the Pension / Gratuity Fund to meet the current liability of the existing pensioners towards pension payment and future liability towards pension and gratuity to the existing employees based on actuarial valuation.	The Trust agrees to make contributions to the Fund as provided in the relevant regulations framed & approved by Ministry and also based on the actuarial valuation as per the Life Insurance Corporation to meet future liabilities and the Trustees shall utilize the same for payment of Pension in accordance with the rules.
	(b). Contribution to Gratuity Fund for the year 2006-07 is shown as Rs.500 lakh in the cost statement as against the actuals of Rs.905 lakhs reflected in the annual accounts for the year 2006-07.	Contribution to Gratuity Fund for the year 2006-07 has been erroneously shown as Rs.500 lakhs in the cost statement as against the actuals of Rs.905 lakhs and the same has been rectified in the revised cost statement.
III.	<u>Cost Statement (General Cargo including storage)</u>	
1.	The cost statement for this sub-activity includes the cost position for on-board stevedoring and clearing & forwarding operations. CHPT to furnish a separate cost statement for on-board stevedoring and Clearing & Forwarding operations.	As per the Accounting system the expenditure towards on board stevedoring and clearing & forwarding operations are not accounted separately and hence, a separate cost statement for the said activity could not be furnished.
2.	The CHPT has estimated to handle 39.50 Million Tonnes of cargo other than POL and iron ore in the year 2008-09 as compared to 33.65 million tonnes in the year 2007-08. This works out to around 17% increase in traffic during the years 2008-09 as compared to the year 2007-08. However, the increase in the estimated cost of fuel, Repairs & Maintenance and others in the year 2008-09 works out to 100%, 60% and 50%, respectively. CHPT to justify the increase considered in the estimates keeping in view the projected traffic.	The estimated operating expenditure for the years 2009-10 to 2011-12 in respect of General Cargo including storage activity has been reviewed in the light of actuals for the year 2008-09 and as per Tariff guidelines. The operating expenditure for this activity has been considered by assuming an increase of 5.8% over actuals 2008-09 under Expenditure head. Hence, the operating expenditure projection has not been linked to the traffic projections as indicated by TAMP.
3.	The total estimated operating expenditure for each of the years 2009-10 and 2010-11 is more around 19% and 18% over the respective previous years. The estimated operating expenditure for the year 2009-10 and 2010-11 may be	

	reviewed in the light of actuals for the year 2008-09.	
IV.	<u>Cost Statement (Iron Ore)</u>	
1.	The CHPT has estimated to handle 12.08 Million Tonnes of iron ore during the year 2008-09. This works out to around 6.60% increase over the actual iron ore traffic for the year 2007-08. Though there is no substantial increase in the estimated iron ore traffic in the year 2008-09, the salary and wages, Repairs & Maintenance and others have been estimated more by 37%, 86% and 41% respectively as compared to the actuals of the corresponding expenditure items for the year 2007-08. CHPT to review the estimates and furnish the actuals for the year 2008-09. The estimates for the subsequent years may be modified, if necessary.	The actual tonnage of Iron ore handled during 2008-09 is 11.50 MT of iron ore, which has been wrongly mentioned as 12.08 MT in TAMP letter. The cost sheet for the said activity has been updated with Actuals 2008-09 and the estimates for the subsequent years have been modified accordingly.
2.	The apportioned Management & General overheads to this sub activity works out to 44% of the estimated Management & General Overheads of the main activity each for the year 2008-09 to 2010-11, which may be justified.	As the actual operating expenditure in respect of iron ore activity has shown increase every year, the estimates for the future years also have been projected accordingly. Based on the estimated increased projection, the Apportionment of Management & General Overheads pertaining to this activity has been done. The operating expenditure for this activity has been considered by assuming an increase of 5.8% over actual 2008-09 under Expenditure head. Hence, the operating expenditure projection has not been linked to the traffic projections as indicated by TAMP.
3.	The actual apportioned Management & general Overheads of this sub-activity as a percentage of total operating cost of this sub-activity was 103%, 117% and 127% for the year 2005-06 to 2007-08. In the estimates for the years 2008-09 to 2010-11, this is seen to be at 93% each for the said three years. CHPT to explain the reasons for high level of incidence of the overheads.	
V.	<u>Cost Statement (POL)</u>	
1.	The CHPT has estimated the POL traffic at a higher level of 13 million tonnes for the year 2008-09 as compared to the actuals of 12.72 Million tonnes for the year 2007-08. That being so, the reason for drop in the estimated operating income for the year 2008-09 as compared to the actual operating income for the year 2007-08 may be explained.	The operating income estimated in the years 2009-10 to 2011-12 has been reviewed based on revised traffic projection for the corresponding year. The projection towards operating expenditure for the future years also reviewed based on actuals 2008-09 and as per Tariff guidelines.
2.	Though no substantial increase in traffic is estimated for the year 2008-09 as compared to the actual traffic for the year 2007-08, the reason for estimating salary & wages, power, fuel, repairs & maintenance and others more by 38%, 17%, 28%, 14% and 69%, respectively, as compared to the actuals for the year 2007-08 of	The operating expenditure for this activity has been considered by assuming an increase of 5.8% over actual 2008-09 under Expenditure head. Hence, the operating expenditure projection has not been linked to the traffic projections as indicated by TAMP.

	the respective expenditure items may be explained.	
VI.	<u>Cost Statement (Berthing & Mooring)</u> CHPT to explain the reason for steep fall in the estimates of fuel cost and Repairs & Maintenance cost for the year 2008-09 by around 25% and around 69% respectively as compared to the actuals for the year 2007-08 in the Berthing activity.	The cost statement for Berthing Mooring activity has been reviewed based on actuals 2008-09 and furnished vide Form 5 B (iii).
VII.	<u>Cost Statement (Railway activity)</u>	
1.	CHPT to explain the reasons for drop in the estimates of operating income for the year 2008-09 as compared to the actuals for the year 2007-08.	The cost statement for Railway activity has been reviewed based on revised Traffic Projection and actuals 2008-09 and furnished vide Form 5 c (i).
2.	CHPT to furnish actuals for the year 2008-09 and review the estimates for the subsequent years, if necessary.	
VIII.	<u>CAPITAL EMPLOYED:</u>	
1.	The cost statement shows that Rs.16.39 crores each is proposed to be invested on plant & machinery and buildings, sheds and other structures during 2008-09 to 2010-11. It is not clear how the same amount of Rs.16.39 crores have been estimated under all categories for all the three years. The list of assets to be added to the gross block and the yearwise commissioning of the assets may be furnished.	The list of assets added to the Gross Block and details of year-wise commissioning of assets are furnished. (A separate statement furnished by CHPT in this regard gives details of items capitalised during the year 2008-09.)
2.	Details of project/feasibility reports relied upon for taking the investment decisions referred to at para 1 above along with the summary of the recommendations contained in those reports may be furnished for perusal.	
3.	CHPT to furnish documentary proof for the assets added during the year 2008-09. Also furnish the present status of the execution of projects envisaged in 2009-10 to 2010-11.	The documentary proof for the addition of the asset during the year 2008-09 and the present status of the execution of Projects envisaged in 2009-10 to 2010-11 are furnished.
4.	The basis of apportionment of capital employed i.e. net fixed assets and working capital amongst various activities and sub activities may be indicated.	The working showing the basis of apportionment of capital employed to various activities/sub activities is furnished. (The information furnished by CHPT in this regard relates to the year 2008-09 listing out the activitywise value of assets. It does not give the basis of apportionment of capital employed to various activities / sub-activities).
5.	CHPT is advised that in case the working capital shows a negative figure, it can be treated as zero.	The working capital showing a negative figure has been treated as zero and no adjustment to the net fixed assets have been carried out in the Form 4A – Capital employed for the Port.
6.	Form – 4B of tariff filing forms requires the major port trusts to furnish details of additions to Gross Block. No such details have been furnished by CHPT.	The details of additions to the gross block for the year 2008-09 available in the depreciation book enclosed. The execution of projects envisaged in 2009-10 to 2010-11 are as per the XI Plan and the details are furnished.
7.	It may be noted that only completed and commissioned assets alone will be counted for capital employed and	Completed and commissioned assets alone are counted for capital employed.

	work-in-progress should be excluded. A confirmation in this regard may be furnished.	
8.	Assets handed over to BOT operators and in their control should not be included in the cost statements. CHPT to confirm this position.	The Assets handed over to BOT operators have not been included in the cost statements.
IX.	SCALE OF RATES	
1.	Clause 6.10 of the tariff guidelines of March 2005 stipulates prescription of a three slab structure for pilotage fee. Further, the unit rate of pilotage fee should reduce for increasing GRT slabs so that it would remain attractive to larger size vessels. In the last revision of Scale of Rates of CHPT in March 2006, this Authority while allowing as a one time measure to continue with the (then) existing six GRT slabs for Iron Ore vessels and non-Iron Ore vessels advised the CHPT to introduce suitable rationalization of this tariff item at the time of the next review. In this regard, paragraph No. 12 (xxiii) of Order dated 7 March 2006 may be referred to. However, the CHPT has not proposed the pilotage fee as per the requirement of the tariff guidelines of March 2005. CHPT to rationalize this tariff item as per the stipulation of revised tariff guidelines.	The present six slab rate for Pilotage has been arrived at based on users consensus during the last revision of Scale of Rates since a single rate was objected to by users.
2.	CHPT has proposed to introduce a clause, with conditionalities, for lodging deposits by the parties for withdrawal of the goods from auction sale. The port has stated that a clause akin to it was in existence in its SOR of the year 1992. The circumstances under which the clause said to have been in existence in the past was deleted may be elaborated. The present arrangement in this respect may also be informed. Since auction sale is not an activity covered under the existing SOR, CHPT to review its proposal in this regard.	The Trade as and when they are ready to clear the cargo, which are already included in the auction list. In absence of relevant provision in the Scale of Rates, Trade is not coming forward to deposit the demurrage charges up to the probable date of clearance. But they insist port to remove the cargo from auction list or to withhold the cargo from auction stating that the provision of making the deposit is not available in the Scale of Rates. Therefore, the clause is required to be incorporated in the Scale of Rates.
3.	For calculating the gross weight or measurement by volume or capacity of any individual item, in the existing arrangement fraction upto 0.5 is taken as 0.5 unit and fraction of 0.5 and above is taken as one unit. The problems faced in the existing arrangement may be highlighted.	There is no problem faced in the existing arrangements of rounding off and hence the existing system may continue.
4.	Against the existing rate of Rs.46.32, Rs.79.92, Rs.142.80 and Rs.210.00 (all for foreign)for packages weighing upto 1 Tonne, 5 Tonnes, 10 Tonnes and 15 Tonnes respectively, the Port	The proposed single rate is based on TAMP's guidelines to make the tariff structure simple and also for administrative reasons. For example, for utilization of Cranes of different capacities permission have to be granted by the officials concerned for utilization of Cranes under each category.

	has proposed a single rate of Rs.162 per hoist as hire charges for mobile cranes and fork lift trucks. It is stated that the proposal is for simplifying the tariff structure and to remove different interpretations by different persons with regard to the supply and use of the cranes and also to eliminate the need for obtaining various permissions by the users. The difficulties encountered in interpreting the existing slab rates and the different permissions that have to be obtained by users now may be elucidated.	The proposed clause/rate shall obviate the need for the above. [In draft Scale of Rates submitted with revised proposal dated 24 June 2010, CHPT retained the slabs, as per existing Scale of Rates and revised the rates to Rs.60.25, Rs.103.90, Rs.185.65 and Rs.273.00 respectively]
5.	In para 12 (xxiv) (f) of this Authority's Order dated 7 March 2006, CHPT has been informed about the requirement of phasing out, within a maximum period of five years from 2005, the advalorem wharfage rates. In the draft Scale of Rates submitted by CHPT, the wharfage schedule still appears to be a basket of tonnage / volume based / advalorem rates. CHPT to explain why it could not adhere to the requirements as specified in the revised tariff guidelines.	This rationalization of Wharfage charges, converging the Wharfage Schedule from three different unit based in to one single unit based has to be done taking into account various costing. There is no objection to rationalize the wharfage schedule into single unit based. This would lead to simplification, easy to understand and will be user friendly.
6.	The CHPT has proposed differential rates of wharfage for different cargo. In this regard, this Authority advised CHPT to initiate the process of rationalizing wharfage schedule gradually vide paragraph no.12 (xxiv) (g) of Order dated 7 March 2006. The CHPT to intimate the steps taken for rationalizing the wharfage schedule.	Though rationalization of Wharfage is a welcome step there are some difficulties in combining all the three categories viz., Weight based, Volume based and Value based in to a single common rate.
7.	To allow private cranes at the request of the users for port operations the CHPT has proposed charges at 10% of the proposed hire charges. The proposed charge may be delinked from the proposed hire charges for port equipment as advised by this Authority vide paragraph no. 12 (xxviii) (d) of Order dated 7 March 2006.	The levy of 10% of hire charges for utilization of private cranes at the request of the users for Port operation cannot be de-linked as the levy of 10% is made on the specific category / capacity of the Cranes. As such, the present clause may be retained.
8.	CHPT has proposed to cancel the license and to levy ten times penalty on the normal license fee where the licensed space is subjected to subletting by the allottee. In this context, CHPT to verify whether subletting the licensed space is permissible as per the land policy of the Government of India communicated under Letter No. PT-17011/55/87-PT dated 8 March 2004.	As per the Land policy, areas falling under the Custom Bound area are allotted on monthly licence basis for a maximum period of 11 months and no sub-let is allowed.

X.	MISCELLANEOUS	
1.	The action taken by CHPT with reference to clause 7 (Regulation of charges by other authorized service providers) of the revised tariff guidelines may be explained. It is relevant here to invite attention of CHPT to the d.o. letter No. TAMP/3/2006-Misc. dated 29 September 2006 of Shri A.L. Bongirwar, the (then) Chairman (TAMP) addressed to the Chairman, CHPT in this regard. Further, we have vide our letters No. TAMP/52/2002-Misc, dated 15 October 2007, 15 July 2008, 21 July 2008, 31 July 2008, 25 August 2008, 26 November 2008 and 12 March 2009 forwarded to CHPT the requests received from the private parties to approve tariff for equipments deployed by them for operations at CHPT. We have not received the response of CHPT either to the d.o. letter of the (then) Chairman (TAMP) or to our subsequent letters. The CHPT is again to intimate the action on the matter in reference.	It is to state that the Tariff to be fixed for private crane operators for providing services inside the Port shall be on par with the rates levied by the Trust for similar range of cranes. As anything less than the existing Tariff rate of the Trust will wean away the users to utilize private cranes resulting in under utilization of Port's assets.
2.	The comments received from some of the user organizations on the CHPT's rate revision proposal were forwarded to the Port under this office letters dated 13 February, 17 February, 4 March, 12 March and 24 March 2009. The Ports comments thereon are still awaited.	The CHPT has not furnished its feedback on the user comments.

6.2. The CHPT while furnishing its reply to our queries has modified the proposal and cost statements. The main points made by the CHPT in the modified cost statements and the revised proposal are as follows:

- (i). The cost statements have been modified taking the actuals for the year 2008-09 into consideration. The traffic projections and cost statements have been made for the year 2011-12 additionally as the year 2008-09 has already passed by. The traffic projection is as per the Five Year Plan;
- (ii). The expenditure have been projected with an increase of 5.8% over 2008-09 for the subsequent three years;
- (iii). For estimation of income, only the lease rentals of the Second Container Terminal have been taken into account even though the revenue share will become due when the operational phase of the project starts after 8 October 2009;
- (iv). The computation of depreciation is as per the Companies Act;

- (v). The basis of apportionment of Management and General Overheads (MGO) among various activities and sub-activities is done according to V.R. Mehta Committee recommendations. A steep increase in MGO expenses is due to the increase in salaries and wages on account of implementation of 50% DA merger, increase in expenditure towards contribution to CISF, increase in contribution to IPA and others; and
- (vi). The details on the capital assets completed during the year 2008-09 are provided and the schemes proposed for the years 2009-10 to 2011-12 are given. Only the completed and commissioned assets are counted for inclusion in the capital employed.
- (vii). The cost statements furnished exclude the tax liability;
- (viii). The actual surplus before tax and ROCE, as per the revised cost statement for the three years is as below:

Year	Surplus (Rs. crores)
2005-06	22.00
2006-07	90.31
2007-08	241.95
Total	354.26

The surplus for the year 2008-09 is Rs.46.40 crores. The estimated additional surplus for the years 2009-10 and 2010-11 are Rs.227.67 crores and Rs.150.78 crores respectively.

- (ix). The Revenue share / Royalty received from the CCTPL has been accounted separately by allotting a separate account code. The amount received is treated as Port operating income and a separate escrow account is not made as per the accounting policy of the Port.
- (x). The capacity utilisation is linked to ROCE and as per the Guideline, a minimum of 60% capacity utilisation of assets is to be realised to qualify for full ROCE. As per the statement provided by the Port, the capacity utilisation during the years 2005-06 to 2007-08 is more than 90%.

6.3. With the above changes, the net surplus/deficit arising on the basis of the revised cost statements furnished by the Port is tabulated below:

STATEMENT OF SURPLUS/DEFICIT AND TARIFF REVISION PROPOSED (21 august 2009)									
Sl. No	Activities/ Sub activities	Surplus/Deficit						Total surplus/ deficit	Average Surplus /deficit as % of income
		2009-10		2010-11		2011-12			
		Rs. Lakhs	As %of income	Rs. Lakhs	As % of income	Rs. Lakhs	As % of income		
I	Port as whole	24797.73	29.49	21376.82	23.80	14375.30	15.38	60549.85	22.89
II	Cargo Handling	20252.40	37.64	19371.47	34.41	17792.92	30.38	57416.79	34.14333
	a) General cargo	6503.56	31.16	6258.96	28.85	6759.77	28.97	19522.29	29.66
	b) Cranage	0.00	0.00	-109.08	-6.54	-309.95	-19.62	-419.03	-8.72
	c)FC Thangam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
	d) Iron Ore	0.00	0.00	-944.52	-7.54	-2865.75	-24.30	-3810.27	-10.6133
	e)POL	0.00	0.00	-131.68	-4.48	-612.54	-18.66	-744.22	-7.71333
	f)Warehouse	3096.18	72.85	3122.00	71.61	3137.39	70.19	9355.57	71.55
	g)Container Handling	10652.67	94.37	11175.79	94.29	11683.99	93.93	33512.45	94.19667
III	Vessel Related	2271.47	11.28	758.22	3.25	-3106.69	-12.37	-77.00	0.72
	a) Port Dues	2271.46	53.83	1756.43	39.69	1107.24	23.81	5135.13	39.11
	b) Towage and Pilotage	253.67	2.45	-716.31	-6.10	-2785.48	-22.29	-3248.12	-8.64667
	c)Berthing and Mooring	-253.67	-4.57	-281.90	-3.94	-1428.46	-17.96	-1964.03	-8.82333
	d)Salvage and divers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
IV	e) Railways	2050.00	25.12	1272.74	15.77	-220.36	-2.99	3102.38	12.63333
V	f) Estate	223.86	11.17	-25.64	-1.22	-90.57	-3.76	107.65	2.063333

6.4. In the revised proposal dated 21 August 2009, the proposed tariff revision in respect of general cargo was dropped, revision for POL was sought and the percentage of revision proposed in respect of other cargo were modified.

7.1. As the financial year 2009-10 was already completed, the CHPT was requested to update the cost statements with actuals for the year 2009-10 and review the estimates for the years 2010-11 and 2011-12, if necessary. The CHPT was also requested to furnish the estimates for the year 2012-13 so that the revised tariff can be prescribed for the full tariff cycle of 3 years.

7.2. The CHPT submitted the updated cost statements with the actuals for the year 2009-10 and revised the estimates for the years 2010-11 to 2011-12. The projection for the year 2012-13 was also made to take advantage of the three year tariff validity cycle. The main submissions made by the CHPT in the updated proposal are as follows:

- (i). The CHPT updated the cost statements with actuals 2009-10, revised estimates for 2010-11 and 2011-12 and also furnished the estimates for 2012-13.
- (ii). Wage revision impact have been taken into account.
- (iii). Increase for expenditure considered at 5%.
- (iv). Return on capital employed is considered at 16%.
- (v). Depreciation is calculated on straight line method as per the life norm fixed by the Ministry of shipping. The depreciation as per the Companies Act could not be adhered in view of the difficulty in comparing the same with the books of account.
- (vi). The CHPT has sought increase on a few items only based on the projections for the years 2010-11, 2011-12 and 2012-13. The

details of the proposed increase with their financial impact are given below:

Sl. No.	Details	Present rate (in Rs.)	Proposed Rate (in Rs.)	Increase in rate (Rs. / %)	Increase due to revision (Rs. In lakhs)		
					2010-11	2011-12	2012-13
1.	Coal	23.00	30.00	7.00	756.00	793.80	833.00
2.	Fertilizer	28.60	35.00	6.40	68.48	71.68	75.52
3.	Levy	-	-	40% *	1839.00	1929.66	2025.10
4.	Iron ore	85.00	120.00	35.00	3501.75	3678.50	3861.20
5.	Other ores	16.50	20.00	3.50	52.33	54.95	57.68
6.	Cranage	-	-	30%	300.00	330.00	330.00
7.	Berth hire charges	-	-	10%	470.14	494.22	519.25
8.	Towage and pilotage	-	-	10%	1061.89	1114.78	1169.89
9.	Railway haulage charges	-	-	35%	441.35	489.30	515.55
10.	Railway Misc. charges	-	-	35%	399.42	442.05	462.35
11.	Estate Rentals			40%	619.50	689.99	789.68
	Total				9509.86	10088.92	10639.21

- (vii). The rates in respect of some of the commodities / services / equipments have been rounded off to the nearest rupee.
 - (viii). The following rebates have been given on vessel related charges in order to attract container main line vessels, with the approval of the Board with effect from 18 January 2010:
 - (a). 50% concession for vessels of GRT of 50,001 tonnes and above.
 - (b). 30% concession for vessel of GRT of 35,000 tonnes to 50,000 tonne.
 - (ix). The CHPT is committed to contribute to few road connectivity projects like Ennore Manali Express Way (Rs.250 Crores), dedicated Elevated Corridor on NH4 from Port to Maduravoyal (Rs.310 Crores) etc. in order to evacuate the cargo by Truck / Tractor mainly containers. Hence, the royalty received from the container terminals may not even be sufficient to meet the said expenditure.
 - (x). The CHPT has also envisaged various development schemes for improvement / modernisations of the port for which the expenditure has to be met from internal resources.
 - (xi). The revision of pay of Class-I and II Officers is also due to be settled and expected additional annual burden on account of pay would be around Rs.7 Crores apart from the arrears to be paid from 1 January 2007.
- 7.3. The net surplus / deficit position reflected in the revised cost statement for port as a whole as well as for main / sub-activities is tabulated below:

STATEMENT OF SURPLUS/DEFICIT AND TARIFF REVISION PROPOSED (24 JUNE 2010)									
Sl. No	Activities/ Sub activities	Surplus/Deficit						Total surplus/ deficit	Average Surplus/ deficit as % of income
		2010-11		2011-12		2012-13			
		Rs. Lakhs	As % of income	Rs. Lakhs	As % of income	Rs. Lakhs	As % of income		
I	Port as whole	-10848.8	-14.46	-13192.8	-16.71	-16071.3	-19.49	-40112.9	-16.8867
II	Cargo Handling	-4469.02	-9.21	-5913.75	-11.62	-7638	-14.35	-18020.8	-11.7267
	a) General cargo	-3972.29	-24.69	-4803.13	-28.43	-5731.84	-32.35	-14507.3	-28.49
	b) Cranage	-778.56	-77.86	-814.44	-74.04	-965.66	-87.79	-2558.66	-79.8967
	c)FC Thangam	-923.75	-659.82	-1003.62	-669.08	-1096.18	-730.79	-3023.55	-686.563
	d) Iron Ore	-2453.25	-23.49	-2915.43	-26.63	-3420.15	-29.82	-8788.83	-26.6467
	e)POL	984.56	34.44	977.07	32.52	968.36	30.71	2929.99	32.55667
	f)Warehouse	2674.37	62.93	2645.8	60.68	2607.46	58.33	7927.63	60.64667
	g)Container Handling	13026.89	94.72	13641.17	94.47	14291.99	94.27	40960.05	94.48667
III	Vessel Related	-1969.31	-9.71	-2684.78	-12.6	-3618.18	-16.3	-8272.27	-12.87
	a) Port Dues	2358.3	47.51	2402.71	46.03	2260.61	42.61	7021.62	45.38333
	b) Towage and Pilotage	-1349.88	-12.71	-1732.35	-15.54	-2131.01	-18.22	-5213.24	-15.49
	c)Berthing and Mooring	-2976.04	-63.3	-3353.29	-67.85	-3745.76	-72.14	-10075.1	-67.7633
	d)Salvage and divers	-1.69	0	-1.86	0	-2.03	0	-5.58	0
IV	e) Railways	-3597.44	-76.8	-3397.64	-76.83	-4139.93	-81.56	-11135	-78.3967
V	f) Estate	-813	-52.49	-779.88	-45.21	-675.2	-34.2	-2268.08	-43.9667

7.4 The CHPT has also modified the quantum of revision sought earlier in the Scale of Rates vide proposals dated 18 September 2008 and 21 August 2009. A comparative position of tariff revision sought by the CHPT in its earlier proposals mentioned above and its revised proposal dated 24 June 2010, are tabulated below:

Sl. No.	Activity / Cargo	Revision proposed over existing SOR		
		Original Proposal (18 Sep. 2008)	Modified proposal (21 Aug. 2009)	Updated proposal (24 June 2010)
1.	General Cargo	20%	--	--
2.	Coal	--	--	30%
3.	Fertiliser	--	--	22%
4.	Levy	--	--	40%
2.	Cranage & FLT	5%	30%	30%
3.	FC Thangam	--	--	--
4.	Iron ore	45%	40%	41%
	Other ores	--	--	21%
5.	POL	--	30%	--
6.	Warehouse	--	--	--
7.	Port Dues	--	--	--
8.	Towage & Pilotage	10%	30%	10%
9.	Berthing & Mooring	10%	30%	10%
10.	Salvage & Divers	--	--	--
11.	Railways (Haulage & Misc. Charges)	110%	15%	35%

8.1. A joint hearing in this case was held on 29 June 2010 at the Chennai Port Trust premises. The CHPT made a power point presentation of its revised proposal. At the joint hearing, CHPT and the concerned user organisations/ bodies made their submissions.

8.2. At the joint hearing, the CHPT was advised to furnish the analysis of past performance and setting off the past surplus, if arises, in future tariff. The CHPT has also agreed to circulate its revised proposal to users on the same day. Subsequently, the CHPT has informed that the revised proposal of the CHPT has been circulated to the concerned users for comments.

8.3. We have not received any comments from the users / user organisation on the updated proposal of the CHPT.

9. Subsequently, the CHPT has furnished the following details vide its e-mails dated 11 October 2010 and letter dated 12 October 2010:

- (i) Date-wise US\$ buying rates from 1 April 2009 to 30 September 2010 reportedly considered by the port for levy of vessel related charges in terms of Indian Rupees. The CHPT also furnished the vessel related income earned from foreign going vessels in the year 2009-10 in US \$ terms.
- (ii) Details of actual prior period income and prior period expenses for the years 2008-09 and 2009-10 as given below:

(Rs. In crores)

Year	2008-09	2009-10
Prior period Income	13.15	5.07
Prior period Expenses	76.02	21.97

- (iii) Details of income received on account of pollution levy and expenses incurred therefor during the years 2007-08 to 2009-10.

(Rs. in lakhs)

Particulars	2007-08	2008-09	2009-10	Total
Income	1109.87	1057.49	1178.85	3346.21
Expenses	710.20	624.86	760.99	2096.05
Supervision overheads @ 20% of expenses	142.04	124.97	152.20	419.21
Overheads @ 20% towards water charges, power cost, etc.)	142.04	124.97	152.20	419.21
Total Expenses	994.28	874.80	1065.39	2934.47
Net Surplus	115.59	182.69	113.46	411.74

- (iv) The actual salaries shown in Form 3 B for 2009-10 does not include the impact / provision for pay revision of Class-I & II officers. The officers' salary revision has been finalised only during July 2010 and the annual increase in salaries on this account is around Rs.10 crores. The CHPT has requested to consider this impact in the estimates for the year 2010-11 while finalising the proposal.

10. 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 will also be made available at our website <http://tariffauthority.gov.in>

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

- (i). The existing Scale of Rates (SOR) of CHPT was approved in March 2006 with the validity till 31 March 2008. At the request of the CHPT in April 2008, the validity of the SOR approved in March 2006 was extended till 30 September 2008 advising the port to file the proposal immediately for general revision of its SOR. The proposal filed by the CHPT for general revision of its tariff in piecemeal in September 2008 and January 2009 with estimates for the years 2008-09 to 2010-11 was taken up for consultation with the concerned users in February 2009. The users furnished their comments on the proposal of CHPT and the comments of the users were forwarded to the port as feedback information. However, we do not have the benefit of the views of CHPT on the issues raised by the users.

The port while responding to the queries on its proposal raised by us in May 2009, furnished a revised proposal in August 2009. As the financial year 2009-10 was over, and at our request, the CHPT filed a further revised proposal dated 24 June 2010 updating the cost statements with actuals for the year 2009-10 and including estimates for the year 2012-13. The port has reported that it has circulated the revised proposal of June 2010 to the concerned users as per the decision taken in the joint hearing held on 29 June 2010. None of the users have furnished their comments on the revised proposal. Incidentally, the validity of the existing SOR was extended at the request of the CHPT from time to time, till 30 September 2010, with a condition that the additional surplus over and above the admissible cost and permissible return accruing to the CHPT for the period after 1 April 2008 will be setoff fully in the tariff to be fixed for the next cycle. The revised proposal of June 2010 is taken up for consideration in this analysis.

- (ii). The existing tariff of the CHPT was fixed in March 2006 relying on the estimated financial / cost position for the years 2006-07 and 2007-08. As mandated by clause 2.13 of the tariff guidelines of March 2005, this Authority is required to review the actual physical and financial performance of the Major Ports / Private Operators thereat, at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing prevailing tariff. Incidentally, the cost position for the year 2005-06 was at the estimate stage while passing the tariff Order of March 2006. The CHPT has operated the facilities during the years 2008-09 and 2009-10 applying the tariff fixed in March 2006. Therefore, the actual physical and financial performance of the CHPT during the years 2006-07 to 2009-10 are discussed in the following paragraphs along with the position for the year 2005-06.
- (iii). The actual financial / cost position for the years 2005-06 to 2009-10 are considered as reflected in the audited annual accounts of the port. The working capital is considered as per the norms prescribed in the tariff guidelines of March 2005. The return on capital

employed at the applicable rates in relation to business assets and business related assets for the respective years is considered. The following position emerges:

- (a). In respect of the year 2005-06, the actual position shows that the port had handled a total traffic of 35.49 million tonnes as compared to the estimated traffic of 38 million tonnes. The actual net deficit after return works out to around Rs.1 crore showing improvement in the estimated net deficit of Rs.105 crores. There is no significant variation in the traffic, operating income and operating expenses. The actual capital employed position has come down to around Rs.564 crores as against the estimated position of around Rs.632 crores. Consequently, the depreciation and return on capital employed has come down and account for Rs.19 crores in the variation. The variation in Finance and Miscellaneous expenses (Net) account for Rs.50 crores and the remaining Rs.36 crores is towards receipt of royalty / revenue share from the BOT operator. This explains the reason for improvement in the deficit position from Rs.105 crores to Rs.1.22 crore.
- (b). In respect of the years 2006-07 to 2007-08, the aggregate actual traffic handled by the port is reported at 78.35 million tonnes, as against the estimated aggregate traffic of 78.81 million tonnes, registering marginal negative variation of 0.58%. The actual net surplus after return for the said two years comes to Rs.233.25 crores as against the estimated deficit position of around Rs.1 crore.

The main reason for such huge improvement in the surplus position is due to the prior period income of about Rs.102 crores accounted in the year 2007-08 under Financial & Miscellaneous income. Further scrutiny of the prior period income for the year 2007-08 revealed that it comprised of the following two major items apart from receipts like income tax refund, etc.

- (i) Compensation for non achievement of non-transshipment traffic received from CCTPL for the years from 2003-04 onwards with interest amounting to Rs.52.04 crores
- (ii) Interest received from the Ennore Port Limited (EPL) on land cost to the tune of Rs.15.82 crores.

The compensation and interest received from CCTPL relating to arrear receipts from the year 2003-04 onwards cannot be considered as a regular item of income arising from the tariff fixed earlier. The cost of land which appears to have been allotted to EPL is not covered under this exercise. That being

so, the above two items of prior period income, totally amounting to Rs.67.86 crores, accounted by the ChPT in the year 2007-08 appear to be on account of unusual and abnormal receipts besides the tax refund of Rs.9.45 Crores in 2006-07 and 2007-08. It is to be noted that tax liability is not recognised while fixing tariff and, therefore, tax refund is also not considered.

If the comparative position in respect of the parameters relating to financial performance excluding the above abnormal items is seen, the positive variation in operating income, operating expenses and capital employed works out to 15.34%, 4.15% and 16.70% respectively. Clause 2.13 of the tariff guidelines of March 2005 while prescribing performance variation of + or – 20% for adjustment of past surplus, stipulates review of both physical and financial performance. In this case, while the physical performance shows a negative variation of 0.58%, the key parameters of financial performance like operating income, operating expenses and capital employed shows a positive variation ranging from 4% to 16%.

- (c). The validity of the existing SOR expired on 31 March 2008 and the extension granted beyond this date was subject to the stipulation of setting off of the full benefit accruing to the port, if any. Keeping this stipulation in view the actual performance of the port during the years 2008-09 and 2009-10 is analysed.

During these two years, the port has handled actual traffic of 36.91 MT and 37.59 MT respectively. The operating income, operating expenditure, overheads, finance & miscellaneous income and finance & miscellaneous expenditure, depreciation and net fixed assets are considered as reflected in the audited annual accounts of the CHPT for the two years. The finance and miscellaneous expenses over the finance and miscellaneous income is Rs.78.09 crores and Rs.104 crores respectively during the said two years. The main reason for this huge negative variation is due to accounting of Rs.70 crores as prior period expenditure during 2008-09 as refund be made to the CCTPL towards lease rental charges based on the Arbitration Award in a dispute between the Port and the CCTPL and payment of Wage Revision Arrears to Class III & IV employees to the tune of Rs.53 crores and enhancing the pension contribution and gratuity contribution by about Rs.33 crores in 2009-10 compared to the contributions made during the previous year. Accordingly, the position of net surplus / (deficit) before return shows a surplus of Rs.22.19 crores for the year 2008-09 and a deficit of

Rs.52.76 crores for the year 2009-10, resulting in a aggregate net deficit of Rs.30.57 crores for the said two years.

The Net block of fixed assets for the year 2008-09 is reckoned with as per the position reflected in the audited annual accounts.

Clause 2.8.3 of the tariff guidelines March 2005 stipulates that the revenue share / royalty receivable by the landlord Port Trust should be applied first to meet cost of surplus labour, if any and atleast 50% of the balance should be maintained in an Escrow Account for creation / modernization of port infrastructure facilities within a period of 5 years. The accruals in Escrow Account will not be treated as revenue of the port for tariff fixing exercise and the expenses incurred for infrastructure development out of this Escrow Account will not qualify for ROCE. The guideline further stipulates that the entire accrual will be taken as revenue of the port for tariff fixation if the funds in the Escrow Account are found to have been not utilized for the stated purpose within the stipulated time.

During the last general revision of its SOR, the CHPT had agreed to create and maintain an Escrow Account for recording inflows of royalty receipts from private operator and the outflows to meet expenditure on account of infrastructure development. Accordingly, 50% of the estimated royalty / revenue share receipts were considered as income of the port in the tariff order of March 2006 and the balance amount was required to be maintained in Escrow Account by the port. This Authority had advised the CHPT to utilize the accruals in the Escrow Account in the manner prescribed in the revised tariff guidelines and furnish the details of the transactions in the Escrow Account during the next general review of its tariff. However, the CHPT has not furnished details of the Escrow Account. To a specific query the CHPT has stated that creation of separate Escrow account is not as per the accounting policy of the port and hence no Escrow Account is maintained.

The CHPT has not furnished details linking the actual expenditure incurred on infrastructure development to the actual royalty / revenue share receipts from the years 2005-06. The tariff guidelines are binding on this Authority. Therefore, at least 50% of the royalty / revenue share receipt are required to be adjusted against expenditure incurred towards infrastructure development.

The tariff to be fixed for CHPT for the next tariff cycle is upto the year 2012-13. Tariff guidelines stipulate a time limit of 5

years for utilisation of the royalty / revenue share receipts transferred to Escrow Account. That being so, 50% of the royalty / revenue share receipt pertaining to the years 2005-06, 2006-07, 2007-08 and 2008-09 should be utilised for creation of infrastructure assets atleast by the years 2009-10, 2010-11, 2011-12 and 2012-13 respectively. Accordingly, 50% of the royalty / revenue share receipts for the years 2005-06 to 2008-09 which works out to Rs.3598.34 lakhs, Rs.4300.04 lakhs, Rs.5086.76 lakhs and Rs.5785.07 lakhs respectively have been adjusted against the capital expenditure incurred / estimated to be incurred in the respective 5th year, i.e. from 2009-10 to 2012-13. The actual and estimated revenue share receipts, its utilisation and the balance available in the Escrow A/c as at the end of the year for all the years under consideration are given in the following table:

(Rs. in lakhs)

Particulars	Actuals					Estimates		
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Royalty / Revenue share receipts	7196.67	8600.07	10173.52	11570.13	13431.54	14027.06	14923.50	15786.79
Less: 50% considered as income	3598.34	4300.04	5086.76	5785.07	6715.77	7013.53	7461.75	7893.4
Balance transferred to Escrow A/c	3598.33	4300.03	5086.76	5785.06	6715.77	7013.53	7461.75	7893.39
Cumulative balance of Escrow A/c at the end of the year	3598.33	7898.36	12985.12	18770.18	25485.95	32499.48	39961.23	47854.63
Considered towards infrastructure Development	0.00	0.00	0.00	0.00	3598.33	4300.03	5086.76	5298.50
Cumulative position of utilisation	0.00	0.00	0.00	0.00	3598.33	7898.36	12985.12	18283.62
Balance available in Escrow A/c	3598.33	7898.36	12985.12	18770.18	21887.62	24601.12	26976.11	29571.01

As per the annual accounts for the year 2009-10, the actual additions to the gross block for the year 2009-10 is seen to be Rs.63.94 crores. 50% of the actual royalty / revenue share receipt pertaining to the year 2005-06, which is Rs.3598.34 lakhs as stated above, is adjusted against the actual addition of Rs.6394.00 lakhs to the gross block in the year 2009-10 and the balance amount of Rs.2795.66 lakhs will qualify for return thereon. For the subsequent years 2010-11 to 2012-13, the Written Down Value of Rs.3598.34 lakhs is adjusted against the estimated capital employed for the respective years for the purpose of allowing return. There is difficulty in specifically identifying the amount of Rs.3598.34 lakhs to a particular item of addition to the gross block during the year 2009-10. Hence, for the purpose of arriving at the Written Down Value, the annual depreciation on Rs.3598.34 lakhs is calculated at Rs.94.69 lakhs considering the weighted average life period of assets added during the year 2009-10 which works out to 38 years.

Similar approach is adopted for adjustment of 50% of royalty / revenue share receipt relating to the years 2006-07 to 2008-09 in the estimated additions to the gross block in 2010-11 to 2012-13 respectively. The utilisations from Escrow Account for the years 2010-11 to 2012-13 is adjusted against the additions to the gross block for the respective years as shown in the above table and the adjusted value of additions is considered for the purpose of allowing return. Considering the weighted average life period of estimated additions to the gross block of the years 2010-11 to 2012-13, which uniformly works out to 30 years, the Written Down Value of utilisations from Escrow Account for the respective subsequent years is arrived at and adjusted against the estimated capital employed for the respective subsequent years.

The income from cargo handling activity for the year 2009-10 includes an amount of Rs.414.78 lakhs towards handling of coal through semi-mechanised coal handling system. The existing SOR of CHPT does not contain a rate for this service. Incidentally, the CHPT vide its letter dated 11 September 2009 filed a proposal for fixation of rate for handling coal through semi-mechanised closed coal conveyor system, which inter-alia, conveyed that the port is levying Rs.20/- per MT towards this service on ad hoc basis. Since the proposal filed by the CHPT was not in the prescribed format and did not contain the conditionalities governing the application of rate, it was returned to the port with an advice to resubmit the proposal in full shape. The port submitted the revised proposal vide its letter dated 31 July 2010 in the prescribed format requesting this Authority to fix a rate of Rs.44/- per MT for handling coal through semi-mechanised closed coal conveyor system. The port stated that the income arising out of this facility at Rs.20/- per MT has been included in the income estimates of the proposal submitted for general revision of Scale of Rates. Accordingly, the actual and estimated financial / cost position considered in this proposal includes both income and expenditure pertaining to semi-mechanised coal handling system from the year 2009-10 onwards. However, the rate for the new facility is included in the SOR at Rs.20/- per MT which is considered in the income estimate.

Since the net surplus after return for the two years 2008-09 and 2009-10 shows an aggregate deficit of Rs.91.07 crores, no question of adjustment of surplus arises. The deficit is not carried over as it is taken to have been covered by the past surplus for the block of 2006-07 to 2007-08.

- (d). The net surplus after return position the years 2005-06 to 2009-10 fluctuates between surplus and deficit. While the

year 2005-06 shows marginal deficit of Rs.1.22 crores, the years 2006-07 and 2007-08 shows surplus of Rs.45.45 crores and Rs.187.80 crores. Again the position for the years 2008-09 and 2009-10 shows deficit to the tune of Rs.130 crores and Rs.78 crores respectively. In view of fluctuations in the surplus / (deficit) position, the average financial performance of the port during the years 2005-06 to 2009-10 is considered. Apart from evaluating the financial performance based on the parameters like operating income, operating expenses and capital employed, as explained earlier, the financial performance of the port during the years 2005-06 to 2009-10 is evaluated on the basis of the actual return achieved by it. For this purpose, the capital employed position excluding business related assets and social obligation assets and actual surplus position after deducting return on business related assets for the respective years is considered. The average capital employed and average actual surplus excluding certain receipts which were discussed earlier, for the said five years works out to Rs.55189.53 lakhs and Rs.10073.87 lakhs respectively. In percentage terms, the actual return earned by the ChPT works out to 18.25% which is variation of 17% between the permissible and actual return.

Clause 2.13 of the tariff guidelines of March 2005 while prescribing performance variation of + or – 20% for adjustment of past surplus, stipulates review of both physical and financial performance. In this case, the variation in the physical as well as financial performance for the years 2005-06 to 2009-10 is less than 20%; and, therefore, the question of adjustment of past surplus in the future tariff of ChPT does not arise.

However, since the analysis of variation does not consider the abnormal income of Rs.67.86 crores reported in the year 2007-08, the ChPT is advised that it shall utilise this abnormal income amounting to Rs.67.86 crores towards development of infrastructure facilities in the port and furnish details to this Authority, for verification, during the next review of its tariff.

- (iv). The actual traffic handled by the CHPT during 2009-10 is 37.59 Million Tonnes (MT). The projection for the next three years 2010-11 to 2012-13 is 41.32 MT, 43.39 MT and 45.54 MT respectively. The projection for the year 2010-11 considered by the Port is 9.92% higher than that of the actual tonnage handled during the previous year. For the years 2011-12 and 2012-13, an increase of 5% is assumed by the port uniformly. The annual growth in the traffic handled by CHPT during the past four years from 2006-07 to 2009-10 is given under:

(Traffic in Million Tonnes)

Traffic	2006-07		2007-08		2008-09		2009-10	
	Traffic	% Increase	Traffic	% Increase	Traffic	% Increase	Traffic	% Increase
Traffic	39.25	10.60	39.10	-0.38	36.91	-5.60	37.59	1.80

As can be seen from the above table, in the past period, the growth in cargo handled by CHPT had been erratic and the growth in the year 2009-10 was 1.8%. Considering this factor, the projection for the future years with 9.92%, 5.0% and 5.0% respectively appears to be reasonable and therefore, the traffic projections estimated by the CHPT is relied upon in this analysis.

- (v). The CHPT has estimated the operating income for the years 2010-11 to 2012-13 based on the actual income earned from the respective activities during the year 2009-10 and furnished workings for the same. The income from import / export wharfage in respect of major commodities like general cargo including coal, iron ore, POL, etc. and levy from stevedoring and C&F activities are estimated based on actual income from the respective cargo groups for the year 2009-10, adjusted for the estimated traffic volume for the years 2010-11 to 2012-13. The income from other tariff items under cargo handling activity like Storage, Cranage, Semi-mechanised coal handling system, demurrage and miscellaneous charges are estimated on adhoc manner based on the actual income for the past one to three years. The estimates of income from cranage from Heavy Lift and demurrage are estimated at a lower level than the actual income for the year 2009-10. The CHPT has estimated the pollution levy from Iron ore on adhoc basis at Rs.425.00 lakhs uniformly for all the 3 years. This has been revised considering the estimated volume of iron ore to be handled during the years 2010-11 to 2012-13 based on the existing rate of Rs.5/- per MT, which works out to Rs.575.00, Rs.604.00 and Rs.634.00 lakhs respectively during the said 3 years. The operating income estimated by the Port from the cargo handling activity is considered subject to this modification and rectification of some minor rounding off errors.

The CHPT has considered the estimated revenue share to be received from the BOT operators along with the income earned by the port by handling miscellaneous containers under the cargo handling activity as a separate sub-activity, viz. container handling activity. Since the revenue share receipts from the BOT operators cannot be considered as container handling income of the port, we have excluded the revenue share from the container handling activity which is dealt with separately for infrastructure development and cross-subsidizing the deficit making port activities.

Accordingly, the income estimates from cargo handling activity for the years 2010-11 to 2012-13 is considered at Rs.349.64 crores, Rs.366.74 crores and Rs.383.07 crores as against the estimates of

CHPT at Rs.485.30 crores, Rs.508.97 crores and Rs.532.20 crores respectively.

- (vi). The CHPT has estimated vessel related income also on the basis of actual income earned during the year 2009-10. The aggregate GRT of vessels under four major groups, viz. POL vessels, Iron Ore vessels, Container vessels and other vessels for the years 2010-11 to 2012-13 is estimated based on the actual aggregate GRT of respective group of vessels obtained during the year 2009-10 adjusted for estimated traffic volume for the years 2010-11 to 2012-13. The actual income earned by the port during the year 2009-10 under major vessel related tariff items like Berthing & Mooring, Port Dues and Pilotage are extrapolated for the subsequent years 2010-11 to 2012-13 using the actual aggregate GRT for 2009-10 and estimated aggregate GRT for the subsequent 3 years on proportionate basis.

Since the port has considered the total vessel related income earned during 2009-10 in Indian Rupees, the revenue impact due to variation in exchange rate of US\$ prevailed during the year 2009-10 and current market rate is not reflected in the income estimated for the years 2010-11 to 2012-13.

As per clause 6.1.1 of the tariff guidelines of March 2005, vessel related charges for foreign going vessels will be denominated in dollars and recovered in Indian Rupees. Hence, the income estimation furnished by the port without recognizing the exchange rate variation needs adjustment with reference to the exchange rate prevailing at the time of analysis of this case.

At our request, the port has subsequently furnished the details of exchange rates considered by it during the year 2009-10 and for the first half-year (April 2010 to September 2010) of 2010-11. The port has also furnished the actual income realized from foreign vessels during the year 2009-10. The vessel related income for the first half of the year 2010-11 is adjusted considering the average exchange rate of Rs.45.63 per US\$ based on the actual exchange rate details furnished by the CHPT for levy of vessel related charges for the period from April 2010 to September 2010. The vessel related income for the future period commencing from second half of the year 2010-11 to 2012-13 is adjusted considering the exchange rate of Rs.45.05 per US\$ prevailing at the time of analysis of this case.

With the above changes, the income from vessel related activities for the years 2010-11 to 2012-13 is considered at Rs.200.56 crores, Rs.207.48 crores and Rs.216.11 crores as against the estimates of CHPT at Rs.202.85 crores, Rs.213.10 crores and Rs.221.97 crores respectively.

- (vii). The CHPT has estimated the income from railway activities applying the existing rates on the estimated volume of rail borne traffic. While the total iron ore traffic is considered for railway movement, a portion of estimated coal traffic is considered for railway movement. The port has assumed 3 MT, 3.5 MT and 3 MT of coal for railway handling during the years 2010-11 to 2012-13 respectively on ad hoc basis for estimating railway income. The port has not explained the reasons for higher railway movement of coal in the year 2011-12 compared to the other two years. The workings furnished by the CHPT for estimation of income from railway activities did not match with the income considered in the cost statement. The income considered in the cost statement is updated as per the workings furnished by the port.

Strictly speaking, tariff for railway activity is not within the purview of this Authority. But, there are certain tariff items like special services for Rail borne cargo fixed by this Authority are included in the railway activity. Since the railway activity is to be viewed as a supporting activity to the cargo handling operations, the financial / cost position arising out of the railway activity is also considered in this exercise.

Notwithstanding, it is relevant to mention here that the Railway Authority has reportedly taken a policy decision to review the Terminal Charges every two years. Even during the last revision of tariff of CHPT in March 2006, this Authority had advised the port to take up the matter with the Railways for upward revision of Railway charges since the activity was in deficit. To a query raised in this regard, the CHPT has not furnished any feedback information. The CHPT is once again advised to take up the matter with the Railways for upward revision of the Railway charges.

- (viii). The CHPT has estimated estate rental income based on the actual income earned during the year 2009-10. The port has not furnished detailed workings in support of its estimation in terms of area allotted and rate considered under each category of land. The annual lease charges receivable from CITPL is considered at par with the amount considered as lease rental expenses in the proposal filed by the CITPL for fixation of tariff for its container terminal operations at CHPT. Except this the estimates furnished by the port are relied upon in this analysis. Nevertheless, the income from estate rentals are considered in this proposal only to ascertain the overall financial/ cost position of the port and to see whether the surplus, if any arising from this activity could be utilized to cross-subsidize other deficit making activities, as provided in clause 2.11.5 of the tariff policy guidelines.
- (ix). The royalty / revenue share estimates considered by the CHPT for the years 2010-11 to 2012-13 applying the actual per TEU revenue share received during the year 2009-10 on the estimated container traffic for the years 2010-11 to 2012-13 appear to be incorrect,

especially when the revenue share payable by the two BOT container operators are different. The revenue share from CITPL is estimated applying the percentage of revenue share payable by CITPL on the estimated revenue considered by us for the next three years, in its proposal for fixation of tariff which is disposed off simultaneously along with this proposal. The revenue share from CCTPL is estimated based on the percentage revenue share payable by it considering the total container traffic estimated by the port minus the container traffic estimated to be handled by the CITPL in the next 3 years considered by us in the proposal of CITPL for fixation of its tariff.

- (x). The CHPT has estimated the operating expenses for the years 2010-11 to 2012-13 applying an annual escalation factor of 10% for salaries & wages, 5% for all other expenses and 8% for management & general overheads taking the actuals for the year 2009-10 as base. The estimates of CHPT for the years 2010-11 to 2012-13 are moderated applying the annual escalation factor of 3.76% adopted by this Authority for the tariff cases to be decided during the year 2010-11 taking the actuals for the year 2009-10 as base.

The actual expenditure towards salary for the year 2009-10 does not include the impact of revision of pay of Class-I & II officers since the revision has been finalised only during July 2010, as reported by the CHPT. As confirmed by the CHPT, the annual impact in this regard is around Rs.10 crores excluding arrears and the port has made a request to consider this impact in the estimates for the year 2010-11. Since the pay revision of class-I & II officers is already implemented in the port, the impact of Rs.10 crores is considered in the salary estimate for the year 2010-11 and estimates for the years 2011-12 and 2012-13 are moderated applying the annual escalation factor of 3.76%.

- (xi). Clause 2.7.1 of the Tariff guidelines of March 2005 stipulates that for the purpose of depreciation of assets, straight line method following the life norms adopted as per the Companies Act will be allowed in the case of Port Trusts. The port has stated that it has calculated the depreciation on straight line method as per the life norms fixed by the Government expressing difficulties in computing depreciation as per the rates stipulated in the Companies Act. The approach adopted by the CHPT is not found to be in line with the tariff guidelines. While the estimates of depreciation furnished by the port are relied upon in this analysis, the CHPT is advised to adhere to the norms prescribed in the tariff guidelines during the next review of its tariff. As the capital asset addition is modified as explained in the later part of this analysis, the depreciation estimate is modified in line with the changes made in the additions to the gross block.

- (xii). The estimates of Finance & Miscellaneous income and expenses considered by the CHPT for the years 2010-11 to 2012-13 includes an amount of Rs.5 crores each towards prior period income and prior period expenses for each of the year. Generally prior period income & expenses are not considered at the estimate stage. Therefore, the estimated prior period income and expenses are excluded.
- (xiii). The CHPT has proposed additions to the gross block to the tune of Rs.8731.00 lakhs for the year 2010-11. They relate to civil works (Rs.5759.00 lakhs), Plant & Machinery (Rs.277.50 lakhs), Flotilla and Floating Crafts (Rs.60.00 lakhs), Cranes & vehicles (Rs.520.50 lakhs), Water, electrical, telecom & fire fighting installations (Rs.1424.00 lakhs), oil pipeline installation (Rs.65.00 lakhs) and Railways & Rolling stock (Rs.625.00 lakhs) aggregating to Rs.8731.00 lakhs. IMU has reported that some schemes for which token provision to the tune of Rs.96 lakhs has been made are not likely to take off. The Chennai Ennore Port Road Connectivity Project (Rs.100.00 lakhs) and the dedicated elevated expressway (Rs.2500.00 lakhs) cannot be considered fixation of tariff as they are reportedly executed through joint venture. The IMU has reported that there are other capital expenditure earmarked for BOT projects to the tune of Rs.353.00 lakhs towards development of Mega Container Terminal, second container terminal, etc. The estimated expenditure of Rs.353.00 lakhs cannot be considered as they relate to development of BOT projects. In addition, there are other schemes to the tune of Rs.383.50 lakhs which have been excluded on the ground that they are not likely to be completed in the year 2010-11. On the whole, an amount of Rs.5298.50 lakhs has been considered as additions to the gross block during the year 2010-11.
- (xiv). The projections for the year 2011-12 and 2012-13 are estimated by the port by increasing the additions proposed for the year 2010-11 by 5% each over the previous year respectively. However, the details of the schemes that will be completed during these years are not available. In the absence of details, same quantum of Rs.5298.50 lakhs for the next two years 2011-12 and 2012-13 is considered on adhoc basis subject to verification with actuals during the next review of the tariff of CHPT.
- (xv). As stated earlier, the 50% of royalty / revenue share receipt from the BOT operator pertaining to the years 2006-07 to 2008-09 has been considered as utilisation for the proposed additions to the gross block for the years 2010-11 to 2012-13 and the balance amount of the proposed additions are only considered for the purpose of allowing return. The position in this regard is given in the following table:

(Rs. in lakhs)

Sr. No.	Particulars	2009-10 (Actuals)	2010-11 (Estimates)	2011-12 (Estimates)	2012-13 (Estimates)
A	Capital Employed at the end of the year	62345.72	64453.02	66274.08	67663.37
B	Utilisations from Escrow A/c				
(i)	Assets funded from Escrow A/c during the year	3598.34	4300.04	5086.76	5298.50
(ii)	Cumulative utilisation	3598.34	7898.38	12985.14	18283.64
	Less: Depreciation on assets funded from Escrow A/c				
(iii)	Depreciation during the year	0.00	94.69	238.02	407.58
(iv)	Cumulative depreciation	0.00	94.69	332.71	740.29
(v)	Written Down Value of assets funded from Escrow A/c (ii) - (iv)	3598.34	7803.69	12652.43	17543.35
C	Balance capital employed qualifying for return [A-B (v)]	58747.38	56649.33	53621.65	50120.02

- (xvi). The classification of gross block of assets into business-assets, business-related assets and social obligation assets furnished by the CHPT is relied upon. CHPT has further confirmed that only completed and commissioned assets alone are counted for capital employed. It has also confirmed that the assets handed over to the BOT operators have not been considered in the proposal.
- (xvii). The CHPT has estimated the working capital for the years 2010-11 to 2012-13 at par with the actuals for the year 2009-10. The CHPT has not considered income and expenditure estimates for the years 2010-11 to 2012-13 for computing working capital for the respective years. The estimates of current assets have been modified following the norms prescribed in the tariff guidelines for Sundry Debtors, Inventory and Cash balance. The current liability as estimated by the CHPT is taken into account.
- (xviii). The moderated capital employed for the years 2010-11 to 2012-13 works out to Rs.566.49 crores, Rs.536.22 crores and Rs.501.20 crores respectively as compared to the estimates of CHPT at Rs.678.40 crores, Rs.736.37 crores and Rs.789.29 crores for the corresponding years.
- (xix). The CHPT has conveyed the design capacity of the port as a whole at 71.99 MT, 75.59 MT and 79.37 MT for the years 2010-11 to 2012-13 respectively, which includes the capacity of the container terminals operated by the private operators. The capacity of the facilities operated by the CHPT alone is seen to be 33.87 MT, 35.56 MT and 37.34 MT for the years 2010-11 to 2012-13 respectively. Considering the estimated traffic position of 41.32 MT, 43.39 MT and 45.54 MT for the respective years, the capacity utilisation works out to 122% uniformly for all the three years. As per clause 2.9.10 of tariff guidelines of March 2005, maximum permissible return will be allowed for capacity utilisation of 60% and above. Since the estimated capacity utilisation is more than 60%, the CHPT is eligible for maximum permissible return. The rate of return fixed for the year 2010-11 is 16% for business assets and 8.4% for business-related assets. Maximum permissible return of 16% for business assets

and 8.40% for business related assets are considered for all the years 2010-11 to 2012-13.

- (xx). Subject to the discussion above, the cost statements for the port as a whole and different main activities have been modified. The modified cost statements are attached as **Annex-I (a) to (e)**.

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

(Rupees in lakhs)

Sr. No.	Particulars	Operating Income			Net Surplus / (Deficit)			Total	Net Surplus / (Deficit) as a % of operating income			Average Surplus / Deficit %
		2010-11	2011-12	2012-13	2010-11	2011-12	2012-13		2010-12	2011-13	2012-14	
1	Port as a whole	61315.72	64267.34	67100.59	-1262.97	579.79	2407.10	1723.92	-2.06%	0.90%	3.59%	0.89%
2	Cargo handling activity	34964.30	36673.95	38307.08	-3790.75	-3101.92	-2442.34	-9335.01	-10.84%	-8.46%	-6.38%	-8.49%
3	Port & Dock activity	20056.25	20748.24	21611.20	-404.00	32.14	714.47	342.61	-2.01%	0.15%	3.31%	0.55%
4	Railway activity	4683.35	5013.45	5125.82	-3446.45	-3360.16	-3498.97	10305.58	-73.59%	-67.02%	-68.26%	-69.53%
5	Estate activity	1611.82	1831.70	2056.49	-635.30	-452.02	-259.45	-1346.78	-39.42%	-24.68%	-12.62%	-24.49%

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

Sr. No.	Particulars	Operating Income			Net Surplus / (Deficit)			Total	Net Surplus / (Deficit) as a % of operating income			Average Surplus / Deficit %
		2010-11	2011-12	2012-13	2010-11	2011-12	2012-13		2010-12	2011-13	2012-14	
1	Cargo handling activity as a whole	34964.30	36673.95	38307.08	-3790.75	-3101.92	-2442.34	9335.01	-10.84%	-8.46%	-6.38%	-8.49%
(a)	General Cargo incl. storage	16085.19	16895.14	17715.51	-3146.56	-2922.71	-2669.22	8738.49	-19.56%	-17.30%	-15.07%	-17.24%
(b)	Cranage & FLT	1000.00	1100.00	1100.00	-713.24	-664.50	-721.40	2099.14	-71.32%	-60.41%	-65.58%	-65.60%
(c)	FC Thangam / Vaigai	140.00	150.00	150.00	-807.63	-798.21	-794.66	2400.50	-576.88%	-532.14%	-529.77%	-545.57%
(d)	Warehouse	4250.00	4360.00	4470.00	2782.71	2852.75	2924.64	8560.11	65.48%	65.43%	65.43%	65.44%
(e)	POL	2858.83	3004.33	3153.67	1152.26	1275.93	1410.09	3838.29	40.31%	42.47%	44.71%	42.57%
(f)	Iron Ore	10592.33	11126.55	11679.20	-1756.28	-1579.70	-1373.84	4709.82	-16.58%	-14.20%	-11.76%	-14.10%
(g)	Container handling activity	37.95	37.93	38.71	-1302.02	-1265.48	-1217.95	3785.45	3430.89%	3336.37%	3146.34%	3303.48%
2.	Port & Dock Activity	20056.25	20748.24	21611.20	-404.00	32.14	714.47	342.61	-2.01%	0.15%	3.31%	0.55%
(a)	Berthing & Mooring	4665.08	4841.40	5089.83	-2354.89	-2245.41	-2036.22	6636.52	-50.48%	-46.38%	-40.01%	-45.47%
(b)	Port Dues	4903.07	5072.81	5151.61	2613.63	2802.72	2906.19	8322.54	53.31%	55.25%	56.41%	55.02%
(c)	Towage & Pilotage	10488.09	10834.02	11369.76	-661.18	-523.53	-153.81	1338.52	-6.30%	-4.83%	-1.35%	-4.09%
(d)	Salvage & Divers	0.00	0.00	0.00	-1.56	-1.64	-1.69	-4.89	--	--	--	--

- (xxi). (a). The estimated financial position at the existing level of tariff for the years 2010-11 to 2012-13 shows an aggregate surplus of Rs.17.24 crores, which includes 50% of the estimated royalty / revenue share receipts for the years 2010-11 to 2012-13 amounting to Rs.223.69 crores. Therefore, the

proposal of the CHPT seeking increase in the rates of various tariff items is rejected.

- (b). Of the cargo related services, the general cargo including storage shows an aggregate deficit of Rs.87.38 crores; crange and FLT shows an aggregate deficit of Rs.45.00 crores; the warehouse shows an aggregate surplus of Rs.85.60 crores; POL shows an aggregate surplus of Rs.38.38 crores; Iron ore shows an aggregate deficit of Rs.47.10 crores and container handling activity shows an aggregate deficit of Rs.37.85 crores. The cargo handling as a whole shows an aggregate deficit of Rs.93.35 crores.
- (c). The vessel related activity as a whole shows an aggregate surplus of Rs.3.43 crores. Of the vessel related charges, the berthing & mooring activity shows an aggregate deficit of Rs.66.37 crores; towage & pilotage shows an aggregate deficit of Rs.13.39 crores and salvage activity shows a meager deficit of Rs.4.89 lakhs. The port dues shows an aggregate surplus of Rs.83.23 crores.
- (d). The railway activity shows an aggregate deficit of Rs.103.06 crores and estate activity shows an aggregate deficit of Rs.13.47 crores.
- (e). The aggregate net deficit of all the activities listed above works out to Rs.206.45 crores. As stated earlier, 50% of the estimated royalty / revenue share receipts for the years 2010-11 to 2012-13 works out to Rs.223.69 crores. If this amount of Rs.223.69 crores is used to cross-subsidize, as was done in the previous review, surplus available in the hands of CHPT works out to Rs.17.24 crores.

As stated earlier, the estate activity shows deficit position for the years 2010-11 to 2012-13. A separate proposal filed by the CHPT for revision of its estate rentals is subsequently withdrawn by the port and this matter is simultaneously considered by this Authority for disposal. When the existing estate rentals are revised based on the revised proposal (to be) filed by the CHPT, at least the aggregate deficit of Rs.7.11 crores for the years 2011-12 and 2012-13 will be wiped out. This means the CHPT is having a total additional surplus of Rs.24.35 crores during the period covered under this tariff cycle. This additional surplus is considered for adjustment in the existing tariff as shown below:

- (f). As per the advice given by this Authority to furnish a separate account showing the income from pollution levy and expenses on control of pollution, while approving the Pollution Levy of Rs.5/- per tonne in the last tariff order of March 2006,

the CHPT has furnished details of income and expenditure for the years 2007-08 to 2009-10 which shows surplus even after meeting capital expenditure and allocated overheads. The pollution levy approved in other ports like Visakhapatnam Port Trust (VPT), Mormugao Port Trust (MOPT) and the South West Port Limited (SWPL) at MOPT is in the range of Rs.1.50 per tonne to Rs.2.15 per tonne. Since the cost position at CHPT in this regard shows a surplus, the existing rate of Rs.5/- per Metric Tonne is reduced to Rs.3/- per Metric Tonne. The total income estimated by the CHPT from pollution levy during years 2010-11 to 2012-13 is at Rs.12.25 crores, Rs.12.74 crores and Rs.13.14 crores respectively. At the reduced rate, the estimated revenue for the period from January 2011 to March 2013 would be reduced by Rs.11.58 crores approximately.

- (g). It has been the general concern of the users that the vessel related charges at the CHPT are on the higher side. With reference to the vessel related activity in a port, it has to be recognised that more or less all the vessels entering a port pay the port dues, pilotage & towage fee and berth hire charges, the impact of which flows to the importer / exporters. In the vessel related activity, the only sub-activity showing surplus even before the benefit of cross-subsidisation from royalty / revenue share receipts is 'Port Dues'. Therefore, the balance of surplus of Rs.12.77 crores available for adjustment is considered for reduction in the existing rates of port dues.

The estimated operating income on account of port dues for the period from January 2011 to March 2013 works out to Rs.114.50 crores. The additional surplus of Rs.12.77 crores as a percentage of the port dues income of Rs.114.50 crores works out to 11.16%. The existing rates of port dues is, therefore, reduced by 11%.

- (xxii). The CHPT has maintained the penal rate of interest at 12.25% per annum stipulated in the last review of its Scale of Rates in March 2006. Since the rate of penal interest should be 2% above the PLR of State Bank of India as stipulated in Clause 2.18.2 of the tariff guidelines of March 2005, the proposed note (vi)(b) is suitably modified with reference to the prevailing PLR of 12.25%.
- (xxiii). (a). The tariff guidelines of March 2005 stipulate prescription of a three slab structure for pilotage fee. Further, and as per the stipulation, the unit rate of pilotage fee should reduce for increasing GRT slabs so that it would remain attractive to larger size vessels.
- (b). In the Scale of Rates existing prior to March 2006, the rates of pilotage fee for iron ore vessels and other than iron ore

vessels were prescribed separately in 6 GRT slabs. The bigger size vessels paid more pilotage fee as compared to the small size vessels because of the unit rate of pilotage fee increases correspondingly with the increasing GRT of the vessels. Against this provision, the rationalization as envisaged in the tariff guidelines, if effected, would have required the smaller size vessels to bear a burden of steep increase in revenue charges. Since the tariff of CHPT was reviewed for the first time in March 2006 after implementation of the tariff guidelines of March 2005 and recognizing that rationalization of then existing pilotage slab structure at one go will cause hardship to the CHPT and the users this Authority approved the continuation of then existing six slab structure for levy of pilotage fee on iron ore vessels at the request of the CHPT and six slab structure for levy of pilotage fee on non-iron ore vessels then proposed jointly by the CHPT and users as one time measure subject to the condition that the CHPT should introduce suitable rationalization of this tariff item at the time of next review.

- (c). The port while submitting its proposal for revision of its Scale of Rates fixed in 2006, despite a specific advice to the port vide the tariff Order of 2006 to attempt to implement the provisions of tariff guidelines of March 2005, does not appear to have moved in that direction. On the other hand, the port has proposed this time also to continue with the slab structure as approved vide 2006 tariff Order as the existing slab structure was a 'consensus structure'. Incidentally, none of the users have voiced any grievance over the existing slab structure.
- (xxiv) (a). During the last general revision of Scale of Rates of the CHPT in March 2006, while maintaining the then existing provision of 'port convenience' CHPT sought to insert a new provision. That new provision related to shifting of "any other cargo vessel" from berth designated for "specific cargo vessel" to any other berth to accommodate the "specific cargo vessel" in the designated berth.
- (b). While approving the said provision, as had been proposed by the port, this Authority was of the view that whether the situation arises for port convenience or not is a debatable point. Nevertheless relying on the judgment of the port, the proposed new provision proposed at that point of time was approved.
- (c). Now, the port itself wants to simplify the then inserted provision by removing a part of then inserted provision of 'port convenience'. The simplified provision, proposed to be retained reads that 'in the event of normal turning of berth of

the specific cargo vessel, if the designated berth is not vacant, the shifting of other cargo vessel from the designated berth shall be made as port convenience to accommodate the specific cargo vessel. Though the CHPT has not assigned any reason for the proposed simplification, the proposed formulation is approved.

- (xxv). The existing Scale of Rates provides for collection of pollution levy on cargo creating pollution like iron ore, coal and coke shredded scrap, fertilizer etc., in addition to normal wharfage charges. In the original proposal of CHPT filed in January 2009 the CHPT proposed to include minerals in the list of cargo that attract pollution levy. It further proposed to include all liquid bulk passing through the pipe lines or by trucks on the ground that the liquid bulk spill and pollute the water area. However, the port in its updated proposal of June 2010 has dropped aforesaid both inclusions without assigning any reasons therefor. Hence, the existing list of cargo that attract pollution levy remain unaltered, subject to reduction of the existing rate of Rs.5/- per tonne to Rs.3/- per tonne.
- (xxvi). As per Government's coastal concession policy prescribed in the tariff guidelines of March 2005, cargo related charges for coastal cargo should not exceed 60% of the normal cargo related charges. The rates for handling coastal packages by 150 tonne floating crane are prescribed accordingly in the existing arrangement. However, the coastal rates proposed by CHPT in its revised proposal exceed the limit of 60% of the normal cargo related charges. Hence, they are moderated in line with the coastal concession policy.
- (xxvii). This Authority in its last tariff Order of March 2006 had accorded approval to the recovery of a fee of Rs.10,000/- per shift for working of 150 tonne floating crane during the 2nd & 3rd shifts on any working day and during any shift on a Sunday or a port holiday with a condition that this rate should be removed at the time of next review by effecting suitable adjustment in the base rate. Notwithstanding the CHPT has retained the original provision without carrying out any suitable adjustment in the base rate. On a query posed to the CHPT the port has stated that the number of occasions the said floating crane pressed into service during 2nd or 3rd shift is very minimal, to the tune of only 79 occasions for the last 4 years from 2006 to 2009. The CHPT has also stated that provision for levy of Rs.10,000/- per shift is a move brought in by the port in consultation with the users during the last revision.

Considering the position that the instances of engagement of 150 tonne floating crane during the 2nd and 3rd shifts appearing to be not significant and keeping in view that adjustment in the base rate in order to remove the fee of Rs.10,000/- may cause additional burden to the users, this Authority is inclined to let the judgement of port prevail.

- (xxviii). This Authority vide its Order No. TAMP/13/2008-CHPT, dated 13 August 2010, while disposing of a reference received from the Hindustan Chamber of Commerce with regard to collection of crantage charges by the CHPT on granite blocks amended the relevant provisions in the Scale of Rates of CHPT. However the CHPT has not incorporated the said amendments in the draft Scale of Rates. The relevant provisions should be updated as ordered by this Authority.
- (xxix). In the Draft Scale of Rates made available to us by CHPT in January 2009 after submission of its original proposal, the port proposed some conditions, if a consignee / clearing agent / owner of the cargo requests to withdraw the cargo previously abandoned / uncleared / unclaimed cargo from auction sale by the port. While proposing the conditions the port reasoned this as a mere restatement of the conditions that were prevailing in the Scale of Rates of 1992. The circumstances under which the said Clause was deleted in 1992 was not clarified by CHPT despite a query in this regard. However, the draft Scale of Rates subsequently submitted by the CHPT along with its updated proposal of June 2010 is silent in this regard. Hence, it is deemed that the port does not want to propose the earlier insertion.
- (xxx). This Authority passed an Order dated 22 September 2009 amending the schedule relating to demurrage charges / license fee in respect of sugar and pulses levied at the Major Port Trusts in compliance of the Order dated 17 September 2009 issued by the Government of India under Section 54 of the MPT Act, 1963. While passing the Order dated 22 September 2009, this Authority prescribed that the amended schedule of rates shall remain in force till 31 March 2010 or until further orders, as stipulated by the Government in its order dated 17 September 2009.

The Ministry of Shipping vide its letter No.PT-11033/46/2009-PT dated 1 October 2010 has advised that the punitive demurrage charges on sugar and pulses be discontinued with effect from 1 October 2010.

As such, the provision pertaining to sugar and pulses inserted by CHPT in its Scale of Rates based on the decision of this Authority vide its Order dated 22 September 2010 stands deleted.

- (xxxi). Initially the CHPT has proposed to merge the hire charges of Mobile Cranes and forklift trucks from the existing 4 slabs to single slab on the grounds of simplification of tariff structure and to remove different interpretations by different persons with regard to the supply and use of the cranes and also to eliminate the need for obtaining various permissions by users. To a query to elucidate the difficulties encountered in interpreting the existing slabs rates and

the number of permissions the users have to obtain under the existing slab structure, the CHPT has simply reiterated the reasons previously put up by it. However, while furnishing the revised proposal in June 2010, the CHPT has altogether dropped its attempt to merge the slab structure and retained the existing 4 slab structure without assigning any reason. The existing arrangement will continue.

- (xxxii). In the existing arrangement demurrage charges are prescribed for the period beyond free days in slabs for import cargo lying in the transit area of the CHPT. The existing span of second slab i.e., 10 days is proposed to be reduced to 3 days and the existing third slab of 'for the next 30 days' is proposed to be altogether removed. This apart, the port has proposed to increase the existing rates of the respective slabs that have been rejigged and retained by CHPT by 10% over the existing rates and the rate of the slab for the 'beyond thirty days' is proposed to be increased by around 36%. However, the modifications proposed are not supported by dwell time analysis and the corresponding financial implications are not furnished by the port. In the absence of above information, this Authority is not in a position to consider the proposed changes in the slab structure. The existing arrangement will continue.
- (xxxiii). Reportedly, the CHPT appears to have levied penalties on the users for not achieving Minimum Guaranteed Throughput (MGT) in respect of iron ore export. Though the matter reported to us by MMTC in this regard was referred to CHPT during the proceedings relating to the case, the CHPT has not furnished its comments. Neither the existing Scale of Rates of CHPT prescribe any conditionalities to govern the application of MGT on iron ore exports nor has the port proposed in draft Scale of Rates. Though for justifiable reasons a port can seek MGT, recovery of penalty for shortfall will have the effect of expanding the unit tariff fixed by this Authority. The port should, therefore, file a proposal in this regard.
- (xxxiv). The issues raised by the CONCOR about the unit of levy of Terminal Service Charges by the CHPT are not clear. We do not have the benefit of the views of CHPT in this regard. As far as the another point made by the CONCOR regarding application of annual escalation appears to be based on the agreement entered between CHPT and CONCOR. This Authority has already clarified the issues arising in this regard based on a representation filed by CHPT & CITPL.
- (xxxv). The CHPT allows private equipment, as per the provisions available in its Scale of Rates, for port operation inside the port on payment of 10% of the charges prescribed for hire of port equipment. If the private operator is allowed to collect the hire charge for such equipment, then he should specifically be authorised to do so. Clause No.7.1 and 7.2 of the tariff guidelines of March 2005 stipulate

that charges levied by various service providers authorised by the major port trusts under Section 42 (3) of the MPT Act, 1963 to provide port services specified in Clauses (a) to (e) of Section 48 shall be regulated by this Authority. In cases where authorisation arrangement to the service provider under Section 42 (3) is other than by way of BOT concession agreement, ceiling rates will be prescribed based on a proposal from the port trusts for such services to be applied commonly at the concerned ports without reference to the individual service provider. This statutory provision was brought to the notice of CHPT way back in September 2006 advising the port to initiate appropriate action followed by reminders. The CHPT has so far not filed any proposal in this regard. On the other hand it has suggested during the proceeding relating to this case that the rates to be fixed for private equipment operators for providing services inside the port should be on par with the rates levied by the CHPT for similar range of equipment.

In this regard, it is relevant here to mention that the rates fixed for various types of equipment in the existing Scale of Rates of CHPT are not based strictly on the cost of providing individual services, as a general activity based approach is adopted. The flow of cross-subsidisation from one activity to another is also a factor. Therefore, the suggestion that the rates (to be) fixed for private equipment should be at par with the rates available in the existing Scale of Rates for port equipment cannot be accepted. The CHPT is again advised to file a proposal immediately for prescription of ceiling rates for such services to be applied commonly at the CHPT. In this regard, the port can refer to the Orders passed by this Authority recently fixing common rates for mobile harbour cranes on normative basis at the Paradip Port Trust (PPT), New Mangalore Port Trust (NMPT), Tuticorin Port Trust (TPT) and Visakhapatnam Port Trust (VPT).

(xxxvi). As per clause 2.6.2 of the tariff guidelines of March 2005, it is necessary to regularly adjust manning scales / datum in view of the technological changes. The award of the National Industrial Tribunal on manning scales for port operations has been notified by the Ministry of Labour in the Gazette of India in May 2006. Though the CHPT was already engaged with the concerned parties on the revision of manning scales / datum as reported by it in February 2008 as conveyed to us in the proceedings relating to revision of Stevedoring & C&F levy and agreed to incorporate the revised manning scales in its SOR, the Tribunal Award is not yet implemented by the port. The CHPT is advised to revise the manning scales/ datum as per Tribunal Award and propose amendment to the relevant provision of its Scale of Rates early.

(xxxvii). The existing rates of Stevedoring and Clearing & Forwarding levy were approved in July 2008 vide tariff Order No.TAMP/34/2007-CHPT dated 3 July 2008 with a validity period till 31 March 2011.

In the revised proposal of June 2010 filed by the CHPT for general revision of its SOR, the CHPT has proposed increase in the range of 62.32% to 77.84% over the existing rates prescribed for stevedoring operations keeping the existing rates prescribed for Clearing & Forwarding operations in tact. However, no cost statement relating to these operations has been furnished by the CHPT. That being so, the financial impact of the increase proposed could not be ascertained. Since a comprehensive assessment of the financial / cost position of the port as a whole has been made in this exercise, the existing rates for these operations will continue without any change.

(xxxviii). As brought out earlier, the separate proposal filed by the CHPT for revision of its estate rentals is subsequently withdrawn by the port. Till such time the revised proposal is filed by the CHPT and disposed off by this Authority revising the estate rentals, the existing rates prescribed in the SOR of CHPT will continue. Nonetheless, while applying the rates of estate rentals prescribed in the SOR, the clarification given by this Authority vide Order dated 3 September 2010 regarding the base year and the rate of escalation to be applied from time to time should be considered by the CHPT.

(xxxix). As stated earlier, the validity of the existing SOR fixed in March 2006 expired on 30 September 2010. Since the process of notification of the Order passed in this case may take some more time, the validity of the existing SOR of CHPT shall be deemed to have been extended till the effective date of implementation of the Order passed.

12.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the following changes in the existing Scale of Rates of CHPT:

- (i) The existing clause prescribed in Schedule 1.2 (vi) (b) of Chapter-I is replaced with the following:
“(b) The rate of penal interest will be 14.25% p.a. The penal interest will apply to both the CHPT and the port users equally.”
- (ii) The existing schedule 1.0, Port Dues prescribed in Chapter-II – Vessel Related Charges is replaced with the following:

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

Particulars	Rate Per GRT		Frequency of payment in respect of the same vessel	
	Foreign Going Vessel (in US\$)	Coastal Vessel (in Rs.)	Coastal Vessels	Foreign vessel
Vessels chargeable (All types of sea going vessels including Lash Barges)	0.2047	5.407	The due is payable once in 30 days	The due is payable on each entry into the Port

- (iii) The existing Note 4 (vii) to Schedule 4.1 – Rate of Shifting Charges in Chapter-II – Vessel Related Charges is replaced with the following:

‘In the event of normal turn of berthing of the specific cargo vessel, if the designated berth is not vacant, the shifting of other cargo vessel from the designated berth shall be made as Port convenience to accommodate the specific cargo vessel.’

- (iv) The existing Note 7 under Scale-1 (Schedule of Wharfage Charges) in Chapter-III – Cargo Related Charges is replaced with the following:

“(7) In respect of Iron Ore including Pellets, other ores, all types of Coal and Coke, shredded scrap, fertilizer of all forms and if any other new Dry Bulk cargo creating pollution, handled in Bulk in the inner harbour, a Pollution Levy @ Rs.3/- per MT shall be collected in addition to normal wharfage charges as specified under Scale-1. In case of new Dry Bulk cargoes, as regards creation of pollution, the decision of Board of Chennai Port Trust shall be final. “

- (v) The rate of pollution levy prescribed in item No.3 in Scale-4 (Charges for Handling Iron Ore through Mechanised Ore Handling Plant) in Chapter-III – Cargo Related Charges stands revised to Rs.3/- per tonne or part thereof.

- (vi) The following new schedule is inserted after the existing Schedule 4 (Charges for Handling Iron Ore through Mechanised Ore Handling Plant) in Chapter-III – Cargo Related Charges and the existing Schedule 4 is renumbered as 4A:

SCALE 4 B – CHARGES FOR HANDLING COAL THROUGH MECHANISED CLOSED COAL CONVEYOR SYSTEM AT JAWAHAR DOCK

Item No.	Description	Unit	Rates (in Rs.)
1	Charges for handling coal through mechanised closed coal conveyor system at Jawahar Dock	per tonne or part thereof	20.00

- (vii) The existing schedule No.7(a) – Sugar & Pulses under Scale-1 Free Days (Imports) in Chapter-IV – Demurrage Charges of the Scale of Rates is deleted.

12.2. The revised Scale of Rates and Conditionalities governing the rates of the CHPT will come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and shall be in force till 31 March 2013. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

12.3 The validity of the existing SOR of CHPT shall be deemed to have been extended beyond 30 September 2010 till the effective date of implementation of the Order passed.

12.4. The tariff of the CHPT has been fixed relying on the information furnished by the port and based on the assumptions made as explained in the analysis.

12.5. In this regard, the CHPT is requested to furnish a report of the actual physical and financial performance within 15 days of completion of each quarter of a year i.e. for the period ending on 30 June, 30 September, 31 December and 31 March of each of the years in the same format in which the cost statement for the tariff proposals are filed. The report should also be accompanied with the reasons for variation from the estimates relied upon for fixing the tariff in force. If a variation of (+)/(-)20% is observed between the actual and the estimates for two consecutive quarterly periods, this Authority may call upon the CHPT to submit its proposal for an ahead of scheduled review. If the CHPT fails to file a tariff proposal within the time limit to be stipulated by this Authority, this Authority may proceed suo-motu to review the tariff. This apart, analysis of variations will also be made at the time of the next general review at the end of the usual tariff validity period and adjustment of additional surplus, if any, will be made as per the tariff guidelines of March 2005.

(Rani Jadhav)
Chairperson

CHENNAI PORT TRUST - GENERAL REVISION OF SCALE OF RATES

Annex-I (a)

CONSOLIDATED COST STATEMENT FOR THE PORT AS A WHOLE

(Rupees in lakhs)

Sr. No.	Particulars	Actuals					Estimates furnished by ChPT			Estimates moderated by TAMP		
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
I	Traffic (Million Tonnes)	47.25	53.41	57.15	57.49	61.06	65.51	68.79	72.21	65.51	68.79	72.21
	Less: Container traffic (by BOT Operators)	11.76	14.16	18.05	20.58	23.47	24.19	25.40	26.67	24.19	25.40	26.67
	Traffic - ChPT (Million Tonnes)	35.49	39.25	39.10	36.91	37.59	41.32	43.39	45.54	41.32	43.39	45.54
II	Operating Income											
	Cargo handling activity	19145.75	24603.22	30394.93	31930.53	32866.36	48530.38	50896.88	53219.68	34964.30	36673.95	38307.08
	Port & Dock activity	11975.07	14325.78	14695.87	16951.27	19597.07	20284.61	21309.50	22196.92	20056.25	20748.24	21611.20
	Railway activity	3491.72	4766.51	5073.98	4834.60	4271.93	4684.40	4943.20	5076.20	4683.35	5013.45	5125.82
	Estate activity	1360.15	1201.61	2471.15	1862.85	1668.15	1548.75	1724.97	1974.19	1611.82	1831.70	2056.49
	Total - II	35972.69	44897.12	52635.93	55579.25	58403.51	75048.14	78874.55	82466.99	61315.72	64267.34	67100.59
III	Operating Cost											
	Cargo handling activity	10439.44	11596.43	12994.23	15496.97	17502.24	19150.79	20943.62	22909.54	18615.01	19314.93	20041.17
	Port & Dock activity	4224.38	4267.79	5078.96	5677.68	6784.43	7356.94	7981.39	8662.74	7179.49	7449.44	7729.54
	Railway activity	2242.38	2183.20	2553.15	2581.53	3565.61	3743.89	3931.09	4127.64	3782.52	3924.74	4072.31
	Estate activity	392.77	404.85	466.67	526.62	698.79	733.73	770.42	808.94	739.51	767.32	796.17
	Total - III	17298.97	18452.27	21093.01	24282.80	28551.07	30985.35	33626.51	36508.85	30316.53	31456.43	32639.20
IV	Depreciation											
	Cargo handling activity	762.65	791.71	704.85	806.63	817.58	927.65	1043.26	1164.65	905.89	993.63	1081.61
	Port & Dock activity	1328.68	1323.37	1317.47	1295.07	1156.86	1312.64	1476.23	1647.99	1281.83	1405.99	1530.48
	Railway activity	166.44	166.04	162.98	199.48	212.57	241.19	271.25	302.81	235.53	258.34	281.21
	Estate activity	41.17	56.08	57.04	37.52	37.52	42.57	47.88	53.45	41.57	45.60	49.64
	Total - IV	2298.94	2337.20	2242.34	2338.70	2224.53	2524.05	2838.62	3168.90	2464.82	2703.56	2942.94
V	Management & General Administration Overheads											
	Cargo handling activity	6662.12	8593.23	9825.72	11947.45	13218.86	14276.37	15418.48	16651.96	13896.85	14419.36	14961.54
	Port & Dock activity	2678.10	3199.29	4123.65	4027.58	5342.32	5769.72	6231.30	6729.81	5616.32	5827.50	6046.60
	Railway activity	1825.40	1587.61	2088.20	2159.25	2951.43	3187.54	3442.54	3717.94	3102.81	3219.47	3340.52
	Estate activity	531.00	638.72	712.57	795.48	991.25	1070.55	1156.19	1248.69	1042.09	1081.27	1121.93
	Total - V	11696.62	14018.85	16750.14	18929.76	22503.86	24304.18	26248.51	28348.40	23658.07	24547.60	25470.59
VI	Operating Surplus											
	Cargo handling activity	1281.54	3621.85	6870.13	3679.48	1327.68	14175.57	13491.52	12493.53	1546.56	1946.03	2222.76
	Port & Dock activity	3743.91	5535.33	4175.79	5950.94	6313.46	5845.32	5620.58	5156.38	5978.60	6065.30	6304.58
	Railway activity	-742.50	829.66	269.65	-105.66	-2457.68	-2488.22	-2701.68	-3072.19	-2437.51	-2389.10	-2568.22
	Estate activity	395.21	101.96	1234.87	503.23	-59.41	-298.10	-249.52	-136.89	-211.35	-62.49	88.75
	Total - VI	4678.16	10088.80	12550.44	10027.99	5124.05	17234.56	16160.91	14440.84	4876.30	5559.74	6047.86
VII A	Finance & Miscellaneous Income (excluding Interest)	3875.68	4405.75	15206.31	5097.46	5367.12	4700.00	5050.00	5400.00	4200.00	4550.00	4900.00
B	Finance & Miscellaneous Expenses (excluding Interest)	3899.63	6107.73	5582.96	12906.50	15767.64	8902.05	9007.05	8991.55	8402.05	8507.05	8491.55
VIII	Net Financial & Misc. Income VII (A) - VII (B)	-23.95	-1701.98	9623.35	-7809.04	-10400.52	-4202.05	-3957.05	-3591.55	-4202.05	-3957.05	-3591.55
IX	Net Surplus (VI - VIII)	4654.21	8386.82	22173.79	2218.95	-5276.47	13032.51	12203.86	10849.29	674.25	1602.69	2456.31
X	Capital Employed	56406.54	54783.95	53831.15	58976.94	58747.38	67839.98	73637.13	78928.88	56649.33	53621.65	50120.02
XI	Return on Capital Employed	8374.48	8141.59	8481.02	9304.79	9245.76	10854.40	11738.74	12628.62	8950.75	8484.65	7942.61
XII	Capacity utilisation	96.80%	106.80%	111.88%	107.76%	109.52%	91.00%	91.00%	91.00%	122.00%	122.02%	121.96%
XIII	ROCE adjusted for capacity utilisation	8374.48	8141.59	8481.02	9304.79	9245.76	10854.40	11738.74	12628.62	8950.75	8484.65	7942.61
XIV	Net Surplus/ Deficit after Return (IX - XI)	-3720.27	245.23	13692.77	-7085.84	-14522.23	2178.11	465.12	-1779.33	-8276.50	-6881.96	-5486.30
XV	Revenue share/Royalty (50%)	3598.34	4300.04	5086.76	5785.07	6715.77	13026.89	13641.17	14291.99	7013.53	7461.75	7893.40
XVI	Net Surplus/ Deficit after Return and Revenue share (XII)	-121.93	4545.27	18779.53	-1300.77	-7806.46	-10848.78	-13176.05	-16071.32	-1262.97	579.79	2407.10
XVII	Net Surplus/Deficit after Return as a % of Operating Income	-0.34%	10.12%	35.68%	-2.34%	-13.37%	-14.46%	-16.71%	-19.49%	-2.06%	0.90%	3.59%
XVIII	Aggregate Surplus/ Deficit	-121.93	23324.80		-9107.23		-40096.15			1723.92		
XIX	Average Surplus/ Deficit as a % of Operating Income	-0.34%	23.91%		-7.99%		-16.96%			0.89%		

COST STATEMENT FOR CARGO HANDLING ACTIVITY												
Sr. No.	Particulars						(Rs. in lakhs)			Annex-I (b)		
		Actuals					Estimates furnished by ChPT			Estimates moderated by TAMP		
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
I	Operating Income											
	(i) General Cargo including Storage	9690.33	10672.09	13749.82	16595.14	17315.85	16085.40	16895.25	17715.75	16085.19	16895.14	17715.51
	(ii) Warehousing	2202.50	3057.60	4272.12	4638.70	4209.30	4250.00	4360.00	4470.00	4250.00	4360.00	4470.00
	(iii) POL including crude oil	2105.16	2258.47	2219.85	2291.55	2635.69	2858.95	3004.35	3153.70	2858.83	3004.33	3153.67
	(iv) Iron ore	3609.57	7012.10	6884.32	6943.23	7396.92	10442.35	10947.55	11470.20	10592.33	11126.55	11679.20
	(v) F.C.Thangam	231.77	81.08	79.66	148.20	138.92	140.00	150.00	150.00	140.00	150.00	150.00
	(vi) Cranage	1301.48	1518.30	1438.66	1275.12	1134.07	1000.00	1100.00	1100.00	1000.00	1100.00	1100.00
	(vii) Container Handling	4.94	3.58	1750.50	38.59	35.61	13753.68	14439.73	15160.03	37.95	37.93	38.71
	Total - I	19145.75	24603.22	30394.93	31930.53	32866.36	48530.38	50896.88	53219.68	34964.30	36673.95	38307.08
II	Operating Expenses											
	(i) General Cargo including Storage	5944.00	6331.22	7441.26	8142.87	9877.57	10842.82	11903.40	13068.79	10530.83	10926.79	11337.63
	(ii) Others - Cranage	601.45	663.36	645.97	914.43	866.55	946.48	1034.08	1130.07	921.10	955.73	991.66
	(iii) F.C.Thangam	69.91	119.35	114.22	156.60	161.15	176.04	192.35	210.23	171.31	177.75	184.43
	(iv) POL including crude oil	247.80	406.83	449.59	503.75	479.09	519.08	562.68	610.22	506.73	525.78	545.55
	(v) Iron Ore	2959.24	3443.88	3633.72	4580.23	5173.68	5613.76	6093.99	6618.18	5477.05	5682.99	5896.67
	(vi) Warehousing	602.09	618.77	702.61	788.28	943.36	1051.72	1156.19	1271.07	1007.13	1045.00	1084.29
	(vii) Container Handling	14.95	13.02	6.86	410.81	0.84	0.88	0.93	0.97	0.87	0.90	0.94
	Total - II	10439.44	11596.43	12994.23	15496.97	17502.24	19150.79	20943.62	22909.54	18615.01	19314.93	20041.17
III	Depreciation	762.65	791.71	704.85	806.63	817.58	927.65	1043.26	1164.65	905.89	993.63	1081.61
IV	Allocated share of Management and General overheads	6662.12	8593.23	9825.72	11947.45	13218.86	14276.37	15418.48	16651.96	13896.85	14419.36	14961.54
V	Operating Surplus/ Deficit (I) – (II) - (III) - (IV)	1281.54	3621.85	6870.13	3679.48	1327.68	14175.57	13491.52	12493.53	1546.56	1946.03	2222.76
VI	Allocated share of FMI	2062.75	2414.32	8780.97	2928.52	3020.31	3025.67	3245.76	3466.31	2394.98	2596.45	2797.37
VII	Allocated share of FME	2229.02	3639.50	3277.49	7904.23	9384.50	5334.01	5430.86	5455.54	5003.32	5057.56	5040.88
VIII	FMI Less FME (VI) - (VII)	-166.27	-1225.18	5503.48	-4975.71	-6364.19	-2308.34	-2185.10	-1989.23	-2608.34	-2461.11	-2243.51
IX	Surplus / deficit (V) + (VIII)	1115.27	2396.67	12373.61	-1296.23	-5036.51	11867.23	11306.42	10504.30	-1061.78	-515.08	-20.75
X	Capital Employed for the activity	18416.00	17888.61	16412.33	17981.21	17911.22	20683.43	22368.56	24064.27	17271.56	16348.46	15280.86
XI	RoCE - Maximum permissible (16 % / 8.40 %)	2734.15	2658.48	2585.73	2836.90	2818.89	3309.35	3578.97	3850.28	2728.97	2586.84	2421.59
XII	Capacity Utilization (%)	96.80%	106.80%	111.88%	107.76%	109.52%	91.00%	91.00%	91.00%	122.00%	122.02%	121.96%
XIII	RoCE adjusted for Capacity utilization	2734.15	2658.48	2585.73	2836.90	2818.89	3309.35	3578.97	3850.28	2728.97	2586.84	2421.59
XIV	Net surplus / (Deficit) (IX) - (XIII)	-1618.88	-261.81	9787.88	-4133.13	-7855.40	8557.88	7727.45	6654.02	-3790.75	-3101.92	-2442.34
XV	Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)	-8.46%	-1.06%	32.20%	-12.94%	-23.90%	17.63%	15.18%	12.50%	-10.84%	-8.46%	-6.38%
XVI	Aggregate Net Surplus / (Deficit)	-1618.88	9526.07		-11988.53		22939.35			-9335.01		

								(Rs. in lakhs)				Annex-I (b)
Sr. No.	Particulars	Actuals					Estimates furnished by ChPT			Estimates moderated by TAMP		
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
XVII	Average Net Surplus / (Deficit) as a % of Operating Income	-8.46%	17.32%		-18.50%		15.03%			-8.49%		

Cost Statement for vessel related activity (AC)												
									(Rs. in lakhs)		Annex-I (c)	
Sr. No.	Particulars	Actuals					Estimates furnished by ChPT			Estimates moderated by TAMP		
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
I	Operating Income											
	(i) Port dues	2972.47	3344.26	3438.22	4081.76	4744.12	4964.28	5219.60	5305.60	4903.07	5072.81	5151.61
	(ii) Berth Hire including water supply	3020.93	3843.08	3721.95	4271.41	4628.88	4701.41	4942.15	5192.46	4665.08	4841.40	5089.83
	(iii) Dry Docking	---	---	---	---	---	---	---	---	---	---	---
	(iv) Pilotage & Towage	5981.67	7138.44	7535.70	8598.10	10224.07	10618.92	11147.75	11698.86	10488.09	10834.02	11369.76
	(v) Ship breaking											
	(vi) Anchorage											
	(vii) Salvage & Divers fees	---	---	---	---	---	---	---	---	---	---	---
	(viii) Others	---	---	---	---	---	---	---	---	---	---	---
	Total - I	11975.07	14325.78	14695.87	16951.27	19597.07	20284.61	21309.50	22196.92	20056.25	20748.24	21611.20
II	Operating Expenses											
	(i) Port Dues	428.91	432.69	454.35	531.53	629.93	684.15	743.35	808.01	667.25	692.34	718.37
	(ii) Berthing & mooring including water supply	1312.30	1053.84	1289.88	1414.48	1792.52	1951.78	2125.96	2316.51	1901.70	1973.20	2047.39
	(iii) Pilotage & Towage	2482.45	2781.08	3334.28	3676.81	4311.57	4668.08	5056.51	5479.86	4558.24	4729.63	4907.47
	(iv) Dry Docking	0.00	0.00	0.00	54.86	50.41	52.93	55.58	58.36	52.31	54.27	56.31
	(v) Ship breaking	---	---	---	---	---	---	---	---	---	---	---
	(vi) Anchorage	---	---	---	---	---	---	---	---	---	---	---
	(vii) Administration & General expenses	---	---	---	---	---	---	---	---	---	---	---
	(viii) Others	---	---	---	---	---	---	---	---	---	---	---
	b. Salvage & Divers fees	0.72	0.18	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - II	4224.38	4267.79	5078.96	5677.68	6784.43	7356.94	7981.39	8662.74	7179.49	7449.44	7729.54
III	Depreciation	1328.68	1323.37	1317.47	1295.07	1156.86	1312.64	1476.23	1647.99	1281.83	1405.99	1530.48
IV	Allocated share of Management and General overheads	2678.10	3199.29	4123.65	4027.58	5342.32	5769.72	6231.30	6729.81	5616.32	5827.50	6046.60
V	Operating Surplus/ Deficit (I) – (II) - (III) - (IV)	3743.91	5535.33	4175.79	5950.94	6313.46	5845.32	5620.58	5156.38	5978.60	6065.30	6304.58
VI	Allocated share of FMI	1290.19	1405.78	4245.58	1554.68	1800.93	1264.65	1358.91	1445.73	1373.81	1468.93	1578.15
VII	Allocated share of FME	1104.95	1642.63	1530.34	3380.49	4070.55	2303.14	2336.07	2336.58	2168.68	2205.30	2209.87
VIII	FMI Less FME (VI) - (VII)	185.24	-236.85	2715.24	-1825.81	-2269.62	-1038.49	-977.16	-890.85	-794.87	-736.37	-631.72
IX	Surplus / deficit (V) + (VIII)	3929.15	5298.48	6891.03	4125.13	4043.84	4806.83	4643.42	4265.53	5183.73	5328.93	5672.86
X	Capital Employed for the activity	33049.74	33198.16	33605.60	36818.00	36674.69	42350.99	45801.47	49273.55	35364.92	33474.81	31288.82
XI	RoCE - Maximum permissible (16%/8.40%)	4906.79	4933.67	5294.51	5808.78	5771.93	6776.16	7328.24	7883.77	5587.73	5296.79	4958.39
XII	Capacity Utilization	96.80%	106.80%	111.88%	107.76%	109.52%	91.00%	91.00%	91.00%	122.00%	122.02%	121.96%
XIII	RoCE adjusted for Capacity utilization	4906.79	4933.67	5294.51	5808.78	5771.93	6776.16	7328.24	7883.77	5587.73	5296.79	4958.39
XIV	Net surplus / (Deficit) (IX) - (XIII)	-977.64	364.81	1596.52	-1683.65	-1728.09	-1969.33	-2684.82	-3618.23	-404.00	32.14	714.47
XV	Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)	-8.16%	2.55%	10.86%	-9.93%	-8.82%	-9.71%	-12.60%	-16.30%	-2.01%	0.15%	3.31%
XVI	Aggregate Net Surplus / (Deficit)	-977.64	1961.33		-3411.74		-8272.39			342.61		
XVII	Average Net Surplus / (Deficit) as a % of operating income		6.76%		-9.33%		-12.97%			0.55%		

Cost statement for Railway Activity												
Sr. No.	Particulars	Actuals					Estimates furnished by ChPT			Estimates moderated by TAMP		
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
I	Operating Income											
	(i) Haulage	810.84	1149.74	1154.84	1051.46	901.38	1261.00	1398.00	1473.00	1399.50	1488.00	1578.00
	(ii) Terminal charges	1929.86	2316.85	2600.53	2577.48	2282.19	2282.20	2282.20	2282.20	2156.15	2316.75	2331.62
	(iii) Others - Misc. Income	751.02	1299.92	1318.61	1205.66	1088.36	1141.20	1263.00	1321.00	1127.70	1208.70	1216.20
	Total - I	3491.72	4766.51	5073.98	4834.60	4271.93	4684.40	4943.20	5076.20	4683.35	5013.45	5125.82
II	Direct Operating Expenses											
	(i) Operational Maintenance of Locomotives & Wagons	709.65	765.02	769.53	868.37	1150.19	1207.70	1268.08	1331.49	1220.16	1266.04	1313.64
	(ii) Maintenance of Permanent Way, Signal & Interlocking fac.	471.18	313.28	388.33	401.84	493.26	517.92	543.82	571.01	523.27	542.94	563.36
	(iii) Operational Maintenance of Yards & Stations	1061.55	1104.90	1395.29	1311.32	1922.16	2018.27	2119.18	2225.14	2039.09	2115.76	2195.32
	Total - II	2242.38	2183.20	2553.15	2581.53	3565.61	3743.89	3931.09	4127.64	3782.52	3924.74	4072.31
III	Depreciation	166.44	166.04	162.98	199.48	212.57	241.19	271.25	302.81	235.53	258.34	281.21
IV	Allocated share of Management and General overheads	1825.40	1587.61	2088.20	2159.25	2951.43	3187.54	3442.54	3717.94	3102.81	3219.47	3340.52
V	Operating Surplus/ Deficit (I) – (II) - (III) - (IV)	-742.50	829.66	269.65	-105.66	-2457.68	-2488.22	-2701.68	-3072.19	-2437.51	-2389.10	-2568.22
VI	Allocated share of FMI	376.20	467.74	1465.85	443.41	392.58	313.12	335.33	359.38	320.80	354.94	374.31
VII	Allocated share of FME	479.31	690.18	649.83	1348.28	1935.41	1058.67	1038.00	1004.00	1029.85	1041.74	1038.95
VIII	FMI Less FME (VI) - (VII)	-103.11	-222.44	816.02	-904.87	-1542.83	-745.55	-702.67	-644.62	-709.05	-686.80	-664.64
IX	Surplus / deficit (V) + (VIII)	-845.61	607.22	1085.67	-1010.53	-4000.51	-3233.77	-3404.35	-3716.81	-3146.56	-3075.90	-3232.86
X	Capital Employed for the activity	2903.02	1845.85	1803.54	1975.94	1968.25	2272.89	2458.07	2644.40	1897.96	1796.52	1679.20
XI	RoCE - Maximum permissible (16%)	431.00	274.31	284.15	311.74	309.77	363.66	393.29	423.10	299.89	284.26	266.11
XII	Capacity Utilization											
XIII	RoCE adjusted for Capacity utilization	431.00	274.31	284.15	311.74	309.77	363.66	393.29	423.10	299.89	284.26	266.11
XIV	Net surplus / (Deficit) (IX) - (XIII)	-1276.61	332.91	801.52	-1322.27	-4310.28	-3597.43	-3797.64	-4139.91	-3446.45	-3360.16	-3498.97
XV	Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)	-36.56%	6.98%	15.80%	-27.35%	-100.90%	-76.80%	-76.83%	-81.56%	-73.59%	-67.02%	-68.26%
XVI	Aggregate Net Surplus / (Deficit)	-1276.61	1134.43		-5632.55		-11534.98			-10305.58		
XVII	Average Net Surplus / (Deficit) as a % of Operating Income	-36.56%	11.53%		-61.85%		-78.45%			-69.53%		

Cost statement for Estate activity

Only indicative for assessing the financial statement of the port. Not for the purpose of fixing charges for lease rentals

										(Rs. in lakhs)		Annex-I (e)
Sr. No.	Particulars	Actuals					Estimates furnished by ChPT			Estimates moderated by TAMP		
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
I	Operating Income											
	(i) Rent from land and Buildings	367.96	444.52	455.27	387.48	710.52	549.00	704.00	904.00	549.00	704.00	904.00
	(ii) Others	992.19	757.09	2015.88	1475.37	957.63	999.75	1020.97	1070.19	1062.82	1127.70	1152.49
	Total	1360.15	1201.61	2471.15	1862.85	1668.15	1548.75	1724.97	1974.19	1611.82	1831.70	2056.49
II	Direct Expenses	392.77	404.85	466.67	526.62	698.79	733.73	770.42	808.94	739.51	767.32	796.17
III	Depreciation	41.17	56.08	57.04	37.52	37.52	42.57	47.88	53.45	41.57	45.60	49.64
IV	Allocated share of Management and General overheads	531.00	638.72	712.57	795.48	991.25	1070.55	1156.19	1248.69	1042.09	1081.27	1121.93
V	Operating Surplus/ Deficit (I) – (II) - (III) - (IV)	395.21	101.96	1234.87	503.23	-59.41	-298.10	-249.52	-136.89	-211.35	-62.49	88.75
VI	Allocated share of FMI	146.54	117.91	713.91	170.85	153.30	96.56	110.00	128.58	110.41	129.68	150.17
VII	Allocated share of FME	86.35	135.42	125.30	273.50	377.18	206.23	202.12	195.43	200.20	202.45	201.85
VIII	FMI Less FME (VI) - (VII)	60.19	-17.51	588.61	-102.65	-223.88	-109.67	-92.12	-66.85	-89.79	-72.77	-51.68
IX	Surplus / deficit (V) + (VIII)	455.40	84.45	1823.48	400.58	-283.29	-407.77	-341.64	-203.74	-301.14	-135.26	37.07
X	Capital Employed for the activity	2037.78	1851.32	2009.68	2201.79	2193.22	2532.67	2739.02	2946.66	2114.89	2001.86	1871.13
XI	RoCE - Maximum permissible	302.54	275.13	316.63	347.37	345.17	405.23	438.24	471.47	334.16	316.76	296.52
XII	Capacity Utilization											
XIII	RoCE adjusted for Capacity utilization	302.54	275.13	316.63	347.37	345.17	405.23	438.24	471.47	334.16	316.76	296.52
XIV	Net surplus / (Deficit) (IX) - (XIII)	152.86	-190.68	1506.85	53.21	-628.46	-813.00	-779.88	-675.20	-635.30	-452.02	-259.45
XV	Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)	11.24%	-15.87%	60.98%	2.86%	-37.67%	-52.49%	-45.21%	-34.20%	-39.42%	-24.68%	-12.62%
XVI	Aggregate Net Surplus / (Deficit)	152.86	1316.17		-575.25		-2268.08			-1346.78		
XVII	Average Net surplus / (Deficit) as a % of Operating Income	11.24%	35.84%		-16.29%		-43.22%			-24.49%		

The Chennai Port Trust

Scale of Rates

CHAPTER - I

1.1. Definitions - General

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

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

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

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

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

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

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

1.2. General Terms & Conditions

- (i). a). A foreign going vessel of Indian Flag having a General Trading Licence can convert to Coastal run on the basis of a Customs Conversion Order.

- (b). A foreign going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.
- (c). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.
- (d). In cases of such conversion coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations; immediately thereafter, foreign-going rates shall be chargeable by the discharge ports.
- (e). For dedicated Indian coastal vessels having a Coastal Licence from the Director General of Shipping, no other document will be required to be entitled to Coastal rates.
- (ii). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for classifying into 'coastal' or 'foreign-going' category for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.
- (iii). (a) Vessel related charges shall be levied on shipowners / steamer agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the market buying rate notified by the Reserve Bank of India, State Bank of India or its subsidiary or any other Public Sector Banks as may be specified from time to time. The date of entry of the vessel into the port limit shall be reckoned with as the day for such conversion.
- (b) Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees based on the market buying rate prevalent on the date of entry of the vessel in case of import containers; and on the date of arrival of the containers into the port in case of export containers.
- (c) The Vessel related charges for all Coastal vessels should not exceed 60% of the corresponding charges for other vessels.
- (d) The cargo / container related charges for all Coastal cargo / containers, other than thermal coal, POL including crude oil, Iron Ore and Iron pallets, should not exceed 60% of the normal cargo / container related charges.
- (e) In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship-shore transfer and transfer from / to quay to / from storage yard including wharfage.
- (f) In case of container related charges, the concession is applicable on composite box rate. Where itemized charges are levied, the concession will be on all the relevant charges for ship-shore transfer, and transfer from / to quay to / from storage yard as well as wharfage on cargo and containers.
- (g) For the purpose of this concession, cargo/ container from a foreign port which reaches an Indian Port 'A' for subsequent transshipment to Indian Port 'B' will also qualify insofar as the charges relevant for its coastal voyage. In other words, cargo/containers from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.

- (h) The charges for coastal cargo/ containers/ vessels shall be denominated and collected in Indian Rupee.
- (iv) A regular review of exchange rate shall be made once in thirty days from date of arrival of the vessels in cases of vessels staying in the port for more than thirty days. In such cases the basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.
- (v) (a) For the purpose of calculating the dues the unit by weight shall be 1 tonne or 1,000 kilograms, the unit by volume measurement shall be 1 cubic metre and the unit by capacity measurement for liquids in bulk shall be 1,000 litres.
- (b) In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto 0.5 shall be taken as 0.5 unit and fractions of 0.5 and above shall be treated as one unit, except where otherwise specified.
- (vi) Interest on delayed payments / refunds:
 - (a) The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the CHPT shall pay penal interest on delayed refunds.
 - (b) The rate of penal interest will be 14.25% p.a. The penal interest will apply to both the CHPT and the port users equally.
 - (c). The delay in refunds will be counted only 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.
 - (d). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the CHPT. This provision shall, however, not apply to the cases where payment is to be made before availing the services / use of Port Trust's properties as stipulated in the Major Port Trust Act and / or where payment of charges in advance is prescribed as a condition in this Scale of Rates.
- (vii) The aggregate of all charges (including demurrage) payable on any one consignment shall be subject to a minimum of Rs.100. Further, the charges payable shall also be rounded off to the next higher rupee on the grand total of each application / bill etc.
- (viii) No refund shall be made if the amount refundable is less than Rs.100. This limit of Rs.100 shall also be applied for supplementary claims for under charges. This however shall not apply for the provisional Deposits collected for the services in advance.
- (ix) In the case of coal, coke, ores (other than Iron ore by Mechanical handling), Edible oils and other goods in bulk, charges (Wharfage, crantage, demurrage and special services, if any) shall be recovered as per manifested quantity of the vessel.

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

- (x) Vessel related charges shall be collected based on GRT of the vessel. Deck cargo includes container on deck. Deck cargo shall be exempted from assessment of all vessel related charges.
- (xi) a) Wharfage on Import cargo shall be paid at the rate applicable on the date of commencement of landing of the cargo.
- b) Wharfage on Export cargo shall be paid on admittance of the cargo in to the custom bounded area at the rate prevailing on the date of admittance
- c) The vessels shall pay the port dues on entering in to the port-limits at the rate applicable on the date of entering in to port limit.
- (xii) (i). Wherever a specific tariff for a service/cargo is not available in the notified Scale of Rates, the CHPT can submit a suitable proposal to the TAMP.
- (ii). Simultaneously with the submission of proposal, the proposed rate can be levied on an ad hoc basis till the rate is finally notified.
- (iii) The ad hoc rate to be operated in the interim period must be derived based on existing notified tariffs for comparable services/ cargo; and, it must be mutually agreed upon by the Port/ Terminal and the concerned user(s).
- (iv) The final rate fixed by the TAMP will ordinarily be effective only prospectively. The interim rate adopted in an ad hoc manner will be recognised as such unless it is found to be excessive requiring some moderation retrospectively.
- (xiii) (i). "The rates prescribed in this Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The CHPT may, if it so desires, charge lower rates and/ or allow higher rebates and discounts.
- (ii) The CHPT may also, if it so desires, rationalize the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalization gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels.
- (iii) Provided that the CHPT should notify the public such lower rates and / or rationalization of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and / or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP."
- (xiv) Service Tax, Educational Cess and any taxes and duties to be levied by the state/ central government shall be collected at the prescribed rate.
- (xv) The users shall not be required to pay charges for delays beyond a reasonable level attributable to the CHPT.

CHAPTER- II

VESSEL RELATED CHARGES

PORT DUES

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

Particulars	Rate Per GRT		Frequency of payment in respect of the same vessel	
	Foreign Going Vessel (in US\$)	Coastal Vessel (in Rs.)	Coastal Vessels	Foreign vessel
Vessels chargeable (All types of sea going vessels including Lash Barges)	0.2047	5.407	The due is payable once in 30 days	The due is payable on each entry into the Port

Notes:

- (1). For oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the 'Remarks' column of its International Tonnage Certificate will be taken to be its gross tonnage for the purpose of levying Port Dues.
- (2). Port dues shall not be levied on the following:
 - (i) Any pleasure yacht;
 - (ii). Any vessel, which, having left the port, is compelled to re-enter by stress of weather or in consequence of having sustained any damage.
 - (iii) The following categories of naval vessels are exempted from payment of Port Dues.
 - (a). Vessels of war flying the white ensign belonging to or in the service of the Republic of India.
 - (b). Vessels flying the blue ensign.
 - (c). Men of war belonging to any foreign Prince or State entering the Port.
 - (iv). Vessels belonging to other Indian Ports except private port.
- (3). A vessel entering the Port but not discharging or taking in any cargo or passengers therein (with the exception of such unshipment/reshipment as may be necessary for purposes of repair) shall be charged with only 50% of the Port Dues with which she would otherwise be chargeable.
- (4). A vessel entering the port in ballast and not carrying passengers shall be charged with only 75% of the Port Dues with which she would otherwise be chargeable.
- (5). A LASH vessel making a 'second call' to the Port within 30 days to pick up empty and/ or laden fleeting LASH barges, but not discharging or taking any cargo or passengers therein shall not be charged any Port Dues. In the event of discharging or taking of any cargo or passenger during the second call, shall be treated as a Vessel entry to the Port and shall pay the Port Dues as applicable.

- (6) All vessels owned by State/Central Governments other than those specified under note 2 (iii) above are liable for payment of port dues.
- (7) A coastal vessel, which after paying 50% of the Port Dues as per provisions prescribed at 3 above, re-enters the port within the period of exemption of 30 days with cargo or passengers or in ballast shall be charged the difference viz., 50% of the Port Dues previously conceded.
- (8) A coastal vessel, which, after paying 75% of Port Dues as per provisions prescribed at 4 above, re-enters the port within the period of exemption of 30 days with cargo or passengers or in ballast, shall be charged the difference, viz., 25% of the Port Dues previously conceded.
- (9) A vessel landing a passenger at the port without anchoring and proceeding on her voyage is liable to Port Dues in full.

2.0 BERTH HIRE CHARGES

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

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

- (1). All vessels of war flying the white ensign in the service of the Republic of India but including in times of war, mine sweepers and patrol vessels shall be exempted from the payment of berth hire charges when they occupy berth for a period not exceeding one month in any case and for a period exceeding one month if there are other moorings available for ordinary steamers, but becomes liable for payment of Berth Hire Charges when they occupy alongside berths. All other vessels belonging to the Central Government or State Government shall pay Berth Hire Charges as per the rates specified in the schedule above.
- (2). A vessel after completion of discharge or loading or ballasting shall call for the Pilot for sailing within 4 Hours (or within such extension granted by the Chennai Port Trust in writing for stated reasons). If the vessel do not call for the Pilot for sailing within the period of 4 Hours after completion of discharge or loading or ballasting or within such extension granted by the Chennai Port Trust or officials authorized by it, the vessel shall pay Additional Berth Hire Charges at the rate of Rs.9983.73 per hour or part thereof for Coastal vessel and US\$ 378 per hour or part thereof for Foreign going vessels for the period from the time of expiry of four hours or such extended time granted by Chennai Port Trust or officials authorized by it till the time of calling the Pilot.
- (3). The Additional Berth Hire Charges specified in Note 2 shall not be charged for the following cases:
 - a. Vessel waiting for tide, draft etc. to sail for the safety of the vessel.
 - b. Strike by the Port employees.
 - c. Loading arm disconnection problem.
 - d. Usage of idle berth with concurrence of Chennai Port Trust or officials authorized by it.

- (4). (i). The Berth Hire Charge shall not be levied after the expiry of 4 Hours from the time of calling for the Pilot for sailing.
- (ii). A penal berth hire equal to one day's berth hire charge shall be levied for a False call for Pilot.
- 'False call for Pilot' means when vessel is not ready in all respects but has called for pilot and after boarding the vessel, the Pilot could not sail the vessel, as it was not ready resulting in disembarkation of the pilot from the vessel without sailing/shifting.
- (5). Priority / Ousting Priority Charges in addition to Normal Berth Hire Charges as stated below or as and when changed by the Govt. or appropriate authority will be applicable:
- (a) For providing the "priority berthing" to any vessel, a fee equivalent to berth hire charges for a single day or 75 percent of the berth hire charges calculated for the total period of actual stay at the berth, whichever is higher shall be levied.
- (b) For providing the "ousting priority" to any vessel, a fee equivalent to berth hire charges for a single day or 100 per cent of the berth hire charges calculated for the total period of actual stay at the Berth whichever is higher shall be levied. In addition, for providing "Ousting priority" to any vessel, the charges for 'shifting in' and 'shifting out' of the vessels shall be collected.
- (c) The fee for according priority / ousting priority as indicated above shall be charged for all the vessels except the following categories:
- (i). Vessels carrying cargo on account of Ministry of Defence.
- (ii). Defence vessels coming on goodwill visits.
- (iii). Vessels hired for the purpose of Antarctica expedition by Department of Ocean Development.
- (iv). Any other vessel for which special exemption has been granted by the Ministry of Shipping.
- (6) In respect of Vessels coming under Berth Reservation Scheme the berth reservation charges shall be paid as per the scheme and direction issued by the government from time to time.
- (7) No berth hire will be charged when the vessels idle at the CHPT's berths when operations cannot take place due to breakdown of the port equipment or power failure or any other reasons attributable to CHPT.

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

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

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

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

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

D. ANCHORAGE FEE

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

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

3.0 PILOTAGE FEES

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

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

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

Item No.	Size of vessels	Rate per GRT	
		Foreign-going vessel (in US\$)	Coastal vessel (in Rs.)
I.	Upto 3,000 GRT	0.267	7.05
II.	3,001 to 10,000 GRT	0.185	4.89
III.	10,001 to 15,000 GRT	0.213	5.63
IV.	15,001 to 30,000 GRT	0.247	6.52
V.	30,001 to 60,000 GRT	0.349	9.22
VI.	Over 60,000 GRT	0.402	10.62

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

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

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

General Notes:

- (1) Pilotage fee shall include services of ports' pilot(s); and, provision of required number of tug/tugs, launches with the crew for inward and outward pilot(s) movement.
- (2) In case of any shifting made on the request of the Steamer Agent shifting charges shall be levied as per the rates prescribed.
- (3) Shifting of a vessel to outer anchorage other than port convenience shall be considered as a pilotage action. Hence, reentry of the vessel under the same port entry, pilotage fees afresh shall be payable.
- (4) If a vessel is shifted to the outer anchorage at the request of the user, the user shall pay an Additional Pilotage Fee.
- (5) For vessels upto 3000 GRT i.e., in Item No.I of Clause 3.1.(a) the Minimum charges under this Schedule shall be US\$ 714.42 for foreign-going vessels and Rs.18,869.26 for Coastal Vessels.
- (6) For vessels of 3,001 GRT and upto 10,000 GRT in Item No.II of Clause 3.1. (a) the Minimum charges under this Schedule shall be US\$ 865.25 for foreign-going vessels and Rs.22,852.98 for Coastal vessels.
- (7) A fee at half the rates payable for pilotage shall be levied in respect of the following vessels:

- (i) For mooring a vessel outside the limits of port when it does not enter or leave it for example VLCC vessels and giant tankers. This provision is not applicable for vessels that are shifted to outer anchorage from berth and again from outer anchorage to berth.
- (ii) If in case of any vessel in her voyage at this port, only one way Pilotage is involved.
- (iii) In cases of vessels, where the services of either the Pilot or the Tug alone are involved.
- (8) In the case of pilots whose services have been requisitioned but not utilised within 30 minutes from the time of boarding the vessel, the following charges shall be levied:

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

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

(9) Special Charges:

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

4.0 OTHER CHARGES

4.1 Rate of Shifting Charges

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

Notes:

- (1) For shifting a vessel from stream to berth or from berth to stream or change of berths or anchorages, shifting charges shall be levied except for shifting carried out on Ports convenience. The shifting charges shall be levied on all acts of shiftings, which exclude the inward and outward movements connected with the pilotage.
- (2) In case of first shifting on the User's request, 100% Shifting Charge shall be levied, if the shifting is in Cold Move. Any subsequent shifting on User's request on Cold Move, 200% Shifting Charge shall be levied.
- (3) Turning round of a vessel within berth on the request of the Agent shall also be considered as a shifting.
- (4) No separate charges shall be levied for shifting of any vessel for port convenience.
 - (a). Port convenience is defined to mean of the following:
 - (i) If a working cargo vessel at berth or any vessel including transhippers at anchorage / mooring buoys is shifted / in berthed for undertaking work / hydrographic survey work or for allotting a berth for the dredger or for attending to repairs to berths, maintenance and such other similar works whereby shifting is necessitated, such shifting shall be considered as "SHIFTING FOR PORT CONVENIENCE". The shifting made to reposition such shifted vessel shall also be considered as "SHIFTING FOR PORT CONVENIENCE".
 - (ii) If a working cargo vessel is shifted from berth to accommodate, on ousting priority vessels which are exempted from bearing shifting charges, such shifting shall be treated as PORT CONVENIENCE.
 - (iii) In case of transhippers, however, all acts of shifting are chargeable.
 - (iv) Whenever a vessel is shifted 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. However, this benefit will not be applicable in the following cases:
 - (a) Non-cargo vessels which in any case have to vacate the berth when cargo vessels arrive.
 - (b) Vessels using the berth exclusively for overside loading / discharge.
 - (c) Vessels which are idling at berth without doing any cargo handling operations.
 - (v) Whenever a vessel is shifted to accommodate another vessel which cannot be berthed at other berths, due to LOA / Draft restrictions.
 - (vi) Whenever a vessel is shifted to accommodate another vessel having priority at the adjacent berth and unless that vessel is shifted, the vessel enjoying priority cannot be berthed at the adjacent berth due to length restrictions
 - (vii) In the event of occupying of 'any other cargo vessel' in a designated berth for a specific cargo due to non-availability of vessel for the specific cargo, the other cargo vessel working at the designated berth may be shifted to any other berth fallen vacant after the

berthing of the other cargo vessel in the designated berth to accommodate the specific cargo vessel in the designated berth, provided no other cargo vessel waiting for the vacant berth shall be berthed in the said vacant berth in the normal turn. In the event of normal turn of berthing of the specific cargo vessel, if the designated berth is not vacant, the shifting of other cargo vessel from the designated berth shall be made as Port convenience to accommodate the specific cargo vessel.

4.2 Rate for supply of water to shipping

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

4.3 Fees for salvage of goods:

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

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

4.4 DIVER'S CHARGES:

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

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

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

CHAPTER - III
CARGO RELATED CHARGES
SCALE 1 - Schedule of wharfage charges

Item no.	Nomenclature	Unit	Rate (in Rs.)	Rate for Coastal Vessel (in Rs.)
1.	Acids of all kinds :	1 Tonne	63.80	38.28
2.	Animals, birds and reptiles alive (per animal)	Each	28.60	17.16
3.	Asbestos, Cement, Clinker lime and limestone and Product.	1 Tonne	28.60	17.16
4.	Baggage and personal effects not accompanying bonafied passengers and seamen	Per Package	71.39	42.83
5.	Bricks and tiles – ordinary	100 or part thereof	5.72	3.43
6.	Cereals and pulses of all kinds	1 Tonne	28.60	17.16
7	Chemicals of all sorts including Carbon black and gas of all kinds except medicines, chemical manures - Not in Bulk	Ad valorem	0.65%	0.39%
7-A	Chemicals of all sorts including Carbon black and gas of all kinds except medicines, chemical manures - in Bulk	1 Tonne	96.80	58.08
8.	Thermal Coal	1 Tonne	23.00	23.00
8-A	Coal other than thermal coal, coke of all kinds and charcoal of all kinds	1 Tonne	23.00	13.80
9.	Common Salt	1 Tonne	17.16	10.29
10. Conveyance – Various types, parts and accessories:-				
	a) Powered two wheeled vehicles	Each	285.56	171.33
	b) Jute, Hemp and their manufactures Auto Rickshaws and other three wheeled vehicles including their chassis on wheels	Each	713.90	428.34
	c) (i). Motor cars, Jeeps, Van and Tourist Caravans loaded or unloaded by the RORO system	Ad valorem	0.33%	0.20%
	(ii). Motor cars, Jeeps, Vans and Tourist Caravans loaded or unloaded other than by RORO system	Each	2855.60	1713.36
	d) (i). Motor vehicles like buses, dumpers, lorries, tractors, trucks, chassis & trawlers – without load – By RORO system	Ad valorem	0.33%	0.20%
	(ii). Motor vehicles like buses, dumpers, lorries, tractors, trucks, chassis & trawlers – loaded – By RORO system	Ad valorem	0.43%	0.26%
	e) Motor vehicles like buses, dumpers, lorries, tractors, trucks, & trawlers – Other than RORO system	Each	5711.20	3426.72
	f) Chassis of vehicles in item No.(e) above on wheels	Each	2855.60	1713.36

	g) Railway coaches and wagons	Each	14278.00	8566.80
	h) Locomotives	Each	21417.00	12850.20
	i) Vehicles not specified above and parts and accessories of conveyances, tubes and all earth moving equipments like Excavators, Pay loaders Bulldozers, Dozers, Poclainers, FLTs, TLTs, Reach Stackers etc. excluding rubbers tyres and tubes	Ad valorem	0.43%	0.26%
11	Cotton - Raw, Jute, Hemp and their manufactures	1 Tonne	85.69	51.41
12.	Drugs, medicines and medical stores and appliances	Ad valorem	0.14%	0.08%
13.	Fish,fresh-dried-salted-others, Fish maws, Shrimps and prawn-fresh-dried-salted -others, Frog legs and other similar items Fresh and processed	1 Tonne	27.17	16.30
14.	Hides and Skins-Clippings and Cuttings- Tanned and Untanned	1 Tonne	28.60	17.16
15	Iron and steel materials including Galvanized Steel, Pig iron and ingots, Tin plates, Lead material of all types	1 Tonne	42.90	25.74
15-A	Alloy steel, Stainless Steel and Metals not otherwise specified – Ingots and products	1 Tonne	71.39	42.83
16.	Leather, Leather goods including footwear of all kinds	Ad valorem	0.14%	0.08%
17.	Machinery of all kinds including Electrical, Electronic goods, wires, cable and parts & accessories thereof	Ad valorem	0.22%	0.13%
18.	Manure of all kinds-Fertilisers-Fertiliser Raw Materials, Rock phosphate, MOP, SOP and sulphur etc.	1 Tonne	28.60	17.16
19.	Metal scrap of all kinds	1Tonne	28.60	17.16
20.	Metals-Precious-Silver, Gold and Platinum	Ad valorem	3.22%	1.93%
21.	Molasses in bulk	1,000 Litres	34.32	20.59
22.	Oil-Animal or Vegetables - Not in Bulk	Ad valorem	0.65%	0.39%
22-A	Oil-Animal or Vegetables - In Bulk	1 Tonne	55.00	33.00
23.	Oil-Dangerous-Mineral-Crude-in bulk	1 Tonne	36.30	36.30
24.	Oil-POL Products in liquid including Kerosene, Lubricating oil and Lube base stock in bulk other than Crude Note: Wharfage @ Rs.10/- for 1000 litres shall be leviable on the cargo of CPCL	1,000 Litres	36.30	36.30
25	Oil-Heavy petroleum, i.e. petroleum products having flash point above 65 °C (149 °F)- in bulk	1,000 Litres	32.67	32.67
25-A	Oil-Heavy Petroleum, i.e.petroleum products having flash point above 65 °C (149 °F) - Not in bulk	1 Cubic Metre	53.24	53.24
25-B	Oil-Lubricating including Lube-base-stock-Not in bulk	1 Cubic Metre	55.66	55.66
26	Ores and minerals of all kinds including sized kerb stones / cobble stones for Export	1 Tonne	16.50	16.50
26-A	Ores and minerals of all kinds in bulk for imports	1 Tonne	28.60	28.60

27.	Paper of all kinds	1 Tonne	42.90	25.74
28.	Provisions, groceries, oilman stores including sugar, condiments, food and flour of all kinds, fruits & vegetables including coconuts, onions, spices and garlic other than cereals & pulses of all kinds	1 Tonne	35.75	21.45
29.	Rubber, Raw	Ad valorem	0.43%	0.26%
29-A	Rubber – Manufactured	Ad valorem	0.14%	0.08%
30.	Stones-Sculptural, engraved slabs, dressed	1 Tonne	49.94	29.96
31.	Stores – Naval and Military including arms, ammunitions and explosives of all kinds, Tank and Tank parts	1 Tonne	85.69	51.41
32.	Textiles and yarn of all kinds and all manufactures thereof	Ad valorem	0.14%	0.08%
33.	Timber (in logs)	1 Cubic Metre	25.30	15.18
34.	Timber of all kinds other than in logs including plywood, wood pulp and Boards.	1 Tonne	42.90	25.74
35.	Tobacco – raw, leaf and manufactured	Ad valorem	0.14%	0.08%
36	Items not otherwise specified – in Bulk	1 Tonne	47.08	28.24
36-A	Items not otherwise specified - Other than Bulk	Ad valorem	0.57%	0.34%

N.A. – NOT APPLICABLE

Notes:

- (1) Import cargo covered by Overside Delivery Order (ODO) and all Bulk cargoes (Import/Export) are not taken charge by the CHPT.
- (2) In respect of palletised cargo on the export side the unit of pallets used for palletisation shall be excluded for reckoning the unit for purposes of recovery of (a) Wharfage, and (b) Demurrage and crange, if any.
- (3) (i). Ad valorem Levy:- The percentage rate of 'Ad valorem' unit shall be as follows :
 - (a). Goods imported:- The percentage levy shall be on C.I.F. value as assessed by Customs for import goods.
 - (b). Goods exported:- The percentage levy shall be on F.O.B. value as assessed by Customs for export goods.
 - (c). Coastal goods:- The value to be taken for Ad valorem levy shall be as given in the Coastal Bill of Lading / Invoice.
- (ii). In case of the goods not otherwise specified, where the value of the cargo could not be assessed, the wharfage shall be collected on weight under Item 36 & 36-A.
- (4) In cases, where unit of wharfage has to be assessed on ad valorem basis, the value of the cargo to be reckoned with shall be rounded off to the next higher rupees.
- (5) Before classifying any cargo under 'goods not otherwise specified, the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in the schedule given above.
- (6) Wharfage at 66.67% of the rates prescribed in the schedule shall be levied for oil fuel shipped for bunkers.

- (7) In respect of Iron Ore including Pellets, other ores, all types of Coal and Coke, shredded scrap, fertilizer of all forms and if any other new Dry Bulk cargo creating pollution, handled in Bulk in the inner harbour, a Pollution Levy @ Rs.3/- per MT shall be collected in addition to normal wharfage charges as specified under Scale-1. In case of new Dry Bulk cargoes, as regards creation of pollution, the decision of Board of Chennai Port Trust shall be final.
- (8) In case of cargo for other ports landed from vessel in distress and reshipped without having left the CHPT's premises, wharfage shall be levied only once on landing.
- (9) In case cargo loaded into a vessel and subsequently unloaded due to various reasons, no wharfage shall be levied if the cargo is reshipped in the same vessel without leaving the port's premises. Wharfage shall, however, be levied again if the cargo is reshipped in another vessel.

SCALE - 2 - Wharfage on Transshipment goods

Item No.	Category	Rate
1.	Cargo of other ports landed and reshipped / transshipped.	Rs.65.67-per tonne
2.	Cargo, other than mineral oil in bulk, of other ports transshipped direct from ship to ship.	Rs.34.32 per tonne
3.	Cargo manifested for 'local' and subsequently amended at Chennai for 'transshipment'.	Wharfage rate as prescribed in Scale 1 both on landing and on shipment.
4. (a).	Oil, mineral in bulk, transhipped direct from ship to ship.	50% of Wharfage rate as prescribed in Scale 1 on the transhipped units.
(b).	Oil pumped from the vessel to the terminal tanks of oil companies and then pumped to vessels for shipment to another Port in India.	100% of Wharfage as per Scale 1 only on the Oil discharged and 'NIL' at the time of export.
(c).	Indigenous products / oil pumped into the Terminal Tank of oil companies from the hinter land, when shipped later / for shipment to other countries	100% of Wharfage as per Scale 1 at the time of export from this Port on the quantity shipped.
Note:- It is the responsibility of the Steamer Agents to shift transshipment cargo for shipment when the on carrier vessel is berthed at a berth different from the one where the transshipment cargo is landed and lying.		

SCALE - 3 - GOODS FREE OF WHARFAGE

Item No.	Classification for purposes of this Scale
1.	Goods imported by rail and sent out by rail or road, which have been stored in any space, open or covered licensed on monthly or annual basis.
2.	Goods consigned to or by the CHPT and goods consigned in the name of Government of India on Chennai Port Trust account.
3.	Fodder accompanying livestock and not manifested as cargo.
4.	Sweeping collected from the Board's premises.
5.	Survey rejections.
6.	Goods belonging to the oil installations passing through the CHPT's premises in railway wagons without being unloaded.

7.	Rail-borne goods missent to the harbour or rejected by the consignee.
8.	Cargo/Containers (Empty or Loaded) not manifested for transshipment but merely transferred from one hatch to another of the same vessel without being landed on the quay or on the barge/lighter.
9.	Bonafide ships' fittings, ships' stores, unmanifested dunnage and provisions for the use of ships other than bunkers.
10.	Bonafide passengers' and seamen's baggage and personal effects accompanying them.
11.	Mail in bags or packets, manifested or unmanifested.
12.	Personal baggage, horses and carriages accompanying the Defence Personnel, other than Civil Staff moving on duty embarking or disembarking and animals meant for providing food.

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

Item No.	Description	Unit	Rates (in Rs.)
1	Iron Ore shipped through mechanical ore handling system at Bharathi Dock	per tonne or part thereof	85.00
2.	Charges for cleaning the ore handling system for receiving and shipment of iron ore fines/calibrated iron ore.	per tonne or part thereof	2.00
3.	Pollution Levy	per tonne or part thereof	3.00
4.	Special Port Charges including Haulage	per tonne or part thereof	15.00

Notes :

- (1) The rate specified at item (1) is inclusive of all operations from the time of tipping the iron ore from the wagon by the wagon tippler to putting it into the holds of the vessel, cleaning the system, cleaning the spillages, dust and trimming operations of the Ship if any required and Wagon damages, but exclusive of all the Railway Operations connected with the movement of iron ore for which charges are leviable as per the Scale of Rates.
- (2) A rebate of 40% in item (1) and (2) at Rs.34.80 per tonne shall be given for the quantity of Iron Ore manually unloaded from Wagons at the Royapuram Railway Yard or any place and intercarted to the mechanical ore handling plant through trucks for shipment at the cost of exporters.
- (3) This rebate will be allowed only when the wagon tippler and stacker can not be spared by the Port for reasons like maintenance, overhaul and repairs or non-availability of these equipment because of being hired by another party.

SCALE 4 B - CHARGES FOR HANDLING COAL THROUGH MECHANISED CLOSED COAL CONVEYOR SYSTEM AT JAWAHAR DOCK

Item No.	Description	Unit	Rates (in Rs.)
1	Charges for handling coal through mechanised closed coal conveyor system at Jawahar Dock	per tonne or part thereof	20.00

SCALE 5 - Wharfage on containers and containerised cargo.

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

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

SCALE 6 - CHARGES FOR CONTAINER STORAGE

Sl. No.	Particulars	Rate per container per day or part thereof (in US\$)		
		Upto 20' in Length	Above 20' and upto 40' in length	Above 40' in Length
1.	Import - FCL, LCL & Empty			
	First 3 days	Free	Free	Free
	4 - 15 days	2.50	5.00	7.50
	16 - 30 days	5.00	10.00	15.00
	Beyond 30 days	10.00	20.00	30.00
2.	Export - FCL, LCL & Empty			
	First 7 days	Free	Free	Free
	8 - 15 days	2.50	5.00	7.50
	16 - 30 days	5.00	10.00	15.00
	Beyond 30 days	10.00	20.00	30.00
3.	ICD - Import & Export - Loaded & Empty			
	First 15 days	Free	Free	Free
	16 - 30 days	2.50	5.00	7.50
	31 - 45 days	5.00	10.00	15.00
	Thereafter	10.00	20.00	30.00
4.	Transshipment - Loaded & Empty			
	First 30 days	Free	Free	Free
	31 - 45 days	2.50	5.00	7.50
	46 - 60 days	5.00	10.00	15.00
	Thereafter	10.00	20.00	30.00
5.	Shut out - Loaded & Empty			
	First 15 days	2.50	5.00	7.50
	16 - 30 days	5.00	10.00	15.00
	Thereafter	10.00	20.00	30.00

6.	Change of status to local delivery			
	First 3 days	Free	Free	Free
	4 – 15 days	2.50	5.00	7.50
	16 – 30 days	5.00	10.00	15.00
	Beyond 30 days	10.00	20.00	30.00

Notes:

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

SCALE - 7

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

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

Notes:

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

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

SCALE - 8

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

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

Notes:

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

SCALE - 9

Charges for hire of wharf cranes for landing and shipment

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

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

Note:

1. Any plant or equipment lifted on or lifted off aiding the process of landing from or landing of cargo into the vessels shall not be charged separately provided the charge has been recovered as part of the Berth Hire Charges in the case of first crane or separately hired in the case of additional wharf cranes.

2. However, for work unrelated to cargo handling operations carried out using wharf cranes, necessary charges shall continue to be recovered on per shift / half shift basis as per the Scale of Rates.

SCALE - 10

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

Item Number and Description	Unit	Charges payable
1. Upto 5 tonnes capacity	Per crane or Fork Lift Truck per shift	Rs.3,276 subject to a minimum of Rs.1638.00- per half shift.
2. Over 5 tonnes but not exceeding 10 Tonnes capacity	Per crane or Fork Lift Truck per shift	Rs.4,368 subject to a minimum of Rs.2184.00 per half shift.
3. Over 10 tonnes but not exceeding 15 tonne	Per crane or Fork Lift Truck per shift	Rs.9,954.00 subject to a minimum of Rs.4998.00 per half shift.
4. Over 15 tonnes and upto 30 tonnes	Per crane or Fork Lift Truck per shift	Rs.14490.00 subject to a minimum of Rs.7,266.00 per half shift.

General notes for Scale 9 and 10 above:

- (1) Grab Hire Charges according to the grab capacity as prescribed else where in the Scale of Rates shall be collected in addition to charges recovered under Scale 1, Chapter III of Scale of Rates.
- (2) If cancellation order is not received before the commencement of the shift charges for one shift shall be levied where requisition is for one and more shift and charges for half a shift shall be levied where requisition is for half a shift.
- (3) Supply of cranes/fork lift trucks normally hired out by the CHPT is not guaranteed. They will be supplied only if available. The CHPT shall not be responsible to the hirer or any person for any loss or damage or injury to life or property arising directly or indirectly from the use of the cranes/fork lift trucks or breakdown of any sort or any demurrage which may occur or result from non-supply or delay in supply or by the use or due to failure of the cranes/fork lift trucks at any stage during the period of its supply on hire.

The hirer is liable for any damage caused to the Cranes/Fork Lift Trucks during the subsistence of hire and shall make good all damages, whether by accident, by fire or otherwise (fair wear and tear excepted). The hirer shall indemnify the CHPT against all loss or damage or injury to life arising directly or indirectly from the use of the cranes/fork lift trucks during the period of hire to any property belonging to the CHPT including the cranes/fork lift trucks under hire or to any other person or property or breakdown or any demurrage incurred on cargo. The hirer shall also indemnify the CHPT for all liabilities under the Workmen's Compensation Act.

The cost of repair and damage cost to the port equipment shall be recovered by the Port trust. When the repair is made through a contractor, the actual amount paid to the contractor plus 20% overhead charge shall be collected from the party who caused the damage. While the repair is made departmentally, the direct cost, indirect charges and 20% overhead thereon (direct cost and indirect cost) shall be collected from the party. When the party has fully damaged the equipment, the value as ascertained by an Independent Loss assessor / Valuer appointed by the Trust shall be recovered from the party including the cost of such survey or valuation.

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

SCALE - 11

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

I. 50 Tonne Crane at SQ 1 :

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

Notes:

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

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

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

II. 150 tonne Floating Crane

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

Notes:

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

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

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

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

- (1) Loads heavier than the Safe Working Load shall not be put on the equipment hired out or on the auxiliary hooks provided to the equipment.
- (2) The hirer shall be liable for the damages, if any, as specified under note (6) below, which will include as well the compensation, if any, payable by the Port under its rules, regulations, practices, or any settlement or otherwise for injury or loss of life sustained by any employee or any other person as also medical expenses, if any, incurred due to the accident.
- (3)

 - (a) The crange charge on packages discharged from or loaded into a ship by the Floating Crane shall cover the use of the crane for moving the package from the ship to shore or shore to ship, as the case may be.
 - (b) When barges are supplied for conveyance or heavy lift packages lifted by the floating Crane between the ship and the shore, no charges will be levied towards hire of the barges.

- (4) If the crane hired by the Steamer Agents for discharge or shipment of packages, lands or lifts any such package directly into or from the road or rail vehicles for purpose of delivery or taking over for the shipment, then the importers or shippers will not be charged separately for the use of the crane in respect of any such package.
- (5) The discharge or loading of lifts from or into vessels will be performed under the directions of the Stevedores employed on the vessels. All other handlings of lifts will be performed under the supervision of CHPT or any such official to whom power may be delegated by it who may refuse to work the crane, if in his opinion, the safe and proper precautions are not being taken.
- (6) Supply of cranes normally hired out by the CHPT is not guaranteed. They will be supplied only, if available. The CHPT shall not be responsible to the hirer or any person for any loss or damage or injury to life or property arising directly or indirectly from the use of the crane or breakdown of any sort or any demurrage which may occur or result from non-supply or delay in supply or by the use or due to failure of the cranes at any stage, during the period of its supply on hire. The hirer is liable for any damage caused to the cranes during the subsistence of hire and shall make good all damages, whether by accident, by fire or otherwise (fair wear and tear excepted). The hirer shall indemnify the CHPT against all loss or damage or injury to life, arising directly or indirectly from the use of the crane during the period of hire to any property belonging to the CHPT including the crane under hire or to any other person or property or breakdown or any demurrage incurred on cargo. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the CHPT. The hirer shall also indemnify the CHPT for all liabilities under the Workmen's Compensation Act.

The cost of repair and damage cost to the port equipment shall be recovered by the Port. When the repair is made through a contractor, the actual amount paid to the contractor plus 20% overhead charge shall be collected from the party who caused the damage. While the repair is made departmentally, the direct cost, indirect charges and 20% overhead thereon (direct cost and indirect cost) shall be collected from the party. When the party has fully damaged the equipment, the value as ascertained by an Independent Loss assessor / Valuer appointed by the Trust shall be recovered from the party including the cost of such survey or valuation.

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

CHAPTER IV

Demurrage Charges

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

SCALE 1 Free Days (Imports)

- (1) Dangerous / Explosive goods:- The demurrage will accrue from the day following the complete discharge of the dangerous / explosive cargo.
- (2) Sweepings collected from the CHPT's premises:- Ten days excluding Customs notified holidays and port's non working days are allowed free for sweepings of a particular commodity of a particular vessel, collected from the port's premises after the last date of clearance of the original commodity of that vessel which has caused the sweepings.
- (3) Goods landed in excess, or under 'Nil' mark, etc.: -
 - (a) Goods landed in excess of the manifested quantity are free for six days calculated from the date following the issue of vessel's out turn, by the CHPT excluding customs notified holidays and port non-working days.
 - (b) Goods under 'Nil' mark or with marks differing from the manifest which are adjusted against the manifested quantity on amended delivery orders issued by the Steamer Agents are free upto six working days in the case of coastal cargo and seven working days in the case of foreign cargo excluding customs notified holidays and port non-working days after the date of complete discharge of a vessel's cargo.
- (4) Abandoned goods:

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

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

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

(6) Direct Delivery of cargo:

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

(7). Goods sold in Auction:

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

(7 a) Sugar and Pulses:

Description		Charges
Sugar and Pulses (Import)		
i)	Free period	3 days
ii)	4-10 days	Twice the rate applicable after the free period in the Port
iii)	11-20 days	Three times the rate applicable after the free period in the Port
iv)	21-30 days	Four times the rate applicable after the free period in the Port
v)	No Cargo shall be allowed to remain after 30 days	

(8) Cargo other than mentioned above:

- (a) Seven working days in the case of coastal cargo and seven working days in the case of foreign cargo excluding customs notified holidays and port non-working days are free after complete discharge of a vessel's cargo, or the date when the last package was put over side.
- (b) Different Free days shall also be declared in respect of coastal cargo or foreign cargo as the case may be ex. one vessel in the same voyage at different berthings.
- (c) Whenever discharge of Import cargo is suspended or stopped for more than 48 hours for any reason not attributable to CHPT, free days shall also be declared for the cargo already handled. Free days for the balance cargo shall be declared after discharge.

- (d) Sweepings collected on Board the vessel:- The number of free days excluding Customs notified holidays and port's non working days as applicable to (a) above.
 - (e) Survey goods:
 - (i) The same number of days is free as is allowed under (a) above.
 - (ii) In respect of goods surveyed on the last free day, no demurrage will be levied if such goods are removed on the working day next succeeding that on which they were surveyed.
 - (iii) In the case of salvaged goods detained for survey, seven days excluding Customs notified holidays and port's non working days will be allowed from the day following the notification of salvage by the Receiver of Wrecks in the Tamil Nadu Government Gazette, or from the day following the date on which the advice of the salvage of goods is sent by the Receiver of Wrecks to the Steamer Agent concerned, or the consignee of the goods or their Clearing Agent, whichever is earlier.
- (9) The following free periods are allowed in addition to the free periods applicable as per description of goods:
- (a) For periods of detention during which goods are detained by the Commissioner of Customs for the purpose of special examination involving analytical or technical tests other than the ordinary process of appraisement and certified by the Commissioner of Customs to be not attributable to any fault or negligence on the part of the Importers and
 - (b) Where goods are detained by the Commissioner of Customs on account of Import Control formalities and certified by the Commissioner of Customs to be not attributable to any fault or negligence on the part of the Importer, for such period of detention under 9 (a) and (b), the demurrage charges shall be recovered as under:
 - First 45 days : Free
 - 46 days to 60 days : 25% of actual demurrage charges
 - 61 days to 90 days : 50% of actual demurrage charges
 - Beyond 90 days : 100% of actual demurrage charges

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

The first 45 days shall be reckoned with as follows:

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

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

Note : 1. The above time limits will be inclusive of all holidays.

2. The time limits can be relaxed in case of Acts of God or of extraordinary circumstances beyond human control.

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

SCALE 2 – Free Days (Exports)

- (1) (a) Export cargo for a vessel other than containerised Export Cargo and other than cars meant for Export through RORO Vessel shall be allowed.
 - (i). A free period of thirty days (excluding customs notified holidays and port non-working days) from the actual day of receipt of the goods in transit area restricted to the day prior to the date the vessel commences Loading of Export Cargo.
 - (ii) In the case of Export of Cars through RORO Vessel a free period of Ten days allowed (Excluding Customs certified holidays and Port non-working days) from the actual day of receipt of the goods in transit area.
 - (iii) From the day the vessel commences loading of Export cargo; to the day the vessel completes loading shall also be free period.
 - (b) The free days admissible on containers and export cargo, awaiting stuffing into the containers shall be as provided under Clause 1 (a) supra read with the provision for Dwell Time charges on containers prescribed elsewhere.
- (2). Goods not shipped and removed outside:-
- (a) Goods shutout by the ship or prevented from shipment by Act of God, such as cyclone, grounding of vessels, etc., and removed outside, shall be allowed in addition to the free days referred to under Clause 1 above, two days (excluding customs notified holidays and port non-working days) next to the day of completion of taking in of exports by the vessel.
 - (b) Goods not shipped for any other reasons than above excluding sweepings, shall be allowed the same free days as under item 1.
 - (c) Three days excluding customs notified holidays and port non-working days are allowed free for sweepings of a particular commodity of a particular vessel collected from the CHPT's premises after the last date of shipment of the original commodity of that vessel which has caused the sweepings.

(3). Salvaged Goods:-

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

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

(4). Goods detained by Customs:-

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

First 45 days : Free

46 days to 60 days : 25% of actual demurrage charges

61 days to 90 days : 50% of actual demurrage charges

Beyond 90 days : 100% of actual demurrage charges

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

The first 45 days shall be reckoned with as follows;

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

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

Note : (i). The above time limits will be inclusive of all holidays.

(ii). The time limits can be relaxed in cases of Acts of God.

SCALE 3 - Confiscated goods

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

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

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

SCALE 5 - Free days (Transshipment goods)

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

SCALE 6 – Demurrage charges

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

Notes:

- (1) If at any time CHPT should apprehend serious congestion in its transit areas to the detriment of the rapid transit of goods through the Port, it may direct the owners or consignees of any specified goods to remove such goods from the CHPT's premises within a given time; and should the goods not be so removed the CHPT may charge them demurrage thereon upto Rs.72 per unit per day until the goods shall have been removed from the CHPT's premises. Also, if the aforesaid charge should prove inadequate to ensure the removal of the goods, the CHPT may itself remove them from the transit areas at the expense of the owners and shall stack them in any space within its premises at the risk of the owners.
- (2) Goods sold in auction and lying in the Returned Stores Yard shall be allowed three free days excluding Sundays and CHPT's non-operational days from the date of confirmation of sale and thereafter shall be charged storage charges at Rs.16 per 100 Sq. Metres or part thereof, per day or part thereof including the date of clearance by the successful bidder.
- (3) No demurrage shall be charged on goods consigned to or by the CHPT and goods consigned in the name of Government of India on Chennai Port Trust account.
- (4) The demurrage shall not accrue for the period during which the CHPT is not in a position to deliver cargo/ containers for reasons attributable to it when requested by the user.

CHAPTER V

CHARGES FOR SPECIAL SERVICES

SCALE - 1

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

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

SCALE - 2

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

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

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

SCALE - 3

CHARGES FOR REMOVAL OF GOODS

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

Notes:

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

CHAPTER VI

MISCELLANEOUS CHARGES

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

Item No.	Description of space	Unit	Licence Fee
1(a)	Open space	100 Sq.mtrs.or part thereof	Rs.2,000/- per calendar month or part thereof
(b)	Open space hardened with water bound Macadam Surface.	"	Rs.3,800/- per calendar month or part thereof.
2.	Open space in the Transit Area for Export Cargo (Barytes, Lumps, Quartz, etc.)	100 Sq.mtrs. or part thereof	Rs.1,300/- for every ten days or part thereof of a calendar month
3.	Track length at any of the CHPTs Railway Sidings	1 running metre or part thereof	Rs. 600/- per calendar month or part thereof.
4..	Covered Space	10 Sq.mtrs. or part thereof	Rs. 600/- per calendar month or part thereof
5.	Open sided shed	10 Sq. mtrs. or part thereof	Rs. 400/- per calendar month or part thereof
6.	Buildings allotted for use as office accommodation		
(a).	Buildings on Rajaji Salai or adjacent to Port's limits.	Per Sq.mtrs. or part thereof	Rs.200/- per calendar month or part thereof.
(b).	Buildings with RCC Roof and terrace within the port used for office use.	"	Rs.160/- per calendar month or part thereof.
(c).	Buildings with ACC sheet and any other similar roofing like G I sheet within the Port.	"	Rs.120/- per calendar month or part thereof.
7.	Covered space declared as private bonded area (by arrangements between the custom and private Agencies)	Per 50 sq.mtr. or part thereof.	Rs.3500/- per calendar month or part thereof
8.	Open space declared as private bonded area (by arrangements between the custom and private Agencies)	Per 100 sq.mtr. or part thereof	Rs.2400/- per calendar month or part thereof

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

General Note:

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

CONDITIONS FOR LICENSING OF SPACE

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

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

- (i) Licensed space shall not be sub-let.
- (ii) Encroachment or unauthorised occupation of the Trust's land and stacking of cargo on the Trust's land and stacking of cargo on the Trust's Railway tracks, plants, equipment, etc., causing obstruction to the movement of traffic by the licensee will involve a liability to pay a penalty at the rate not exceeding ten times the licence fee laid down in the Trust's Scale of Rates, in addition to the cost of rectifying damages caused to the Trust's properties. If the licensee fails to remove the cargo, from the encroached area in spite of notice to do so, the cargo will be removed elsewhere by the Trust at the risk and cost of the licensee and penal licence fee at the rate not exceeding ten times the normal rate will be levied on the space occupied by the cargo so removed.
- (iii) Goods stored under the monthly licence shall be at the entire risk and responsibility of the licensees. The licensees shall post their own watch to safeguard the goods stored at their allotted space and to prevent any unauthorised occupation of such space by others.
- (iv) The licensees shall not construct or put up any building, erection or convenience on space occupied under monthly licence except on the written permission of the CHPT. The licensees shall agree to remove such building, erection or convenience on the space, restore the space to its original condition at the time of termination of the licence and if the licensees fail, the Trust will arrange for removal of such erection at the cost, risk and responsibility of the licensees.
- (v) Fees or charges shall be paid from the date of allotment of space in accordance with the rate laid down in the CHPT's Scale of Rates and shall be remitted for each calendar month in advance to the CHPT.
- (vi) The Licensees shall vacate the space occupied by them if the monthly licence is not renewed and in case the licensees fail to hand over the space in vacant possession on the date of expiry of the monthly licence granted after removing such of the structures or constructions put up, the CHPT shall have the right to remove such structures and the goods stored in such space to any other alternative open or covered space in any part of the CHPT's premises at the cost, risk and responsibility of the licensees and in addition, the CHPT shall charge a penalty at rates not exceeding ten times the normal fees leviable under the CHPT's Scale of Rates for the period the goods may have remained within the CHPT's premises beyond the period for which the monthly licence was granted.
- (vii) The monthly licence shall lapse automatically at the expiry of the calendar month for which it has been issued. If the licensee requires a renewal of the licence, an application for renewal duly accompanied by the receipt for payment of the advance fee must be made seven days before the expiry of the period of the monthly licence. Failure to apply for renewal of the monthly licence within the stipulated time,

forwarding the required receipt for the remittance of the fees and charges, will involve a liability to pay a penalty at rates not exceeding ten times the rate of the normal fees leviable under the CHPT's Scale of Rates.

- (viii) No licensee shall convert the space allotted to him/them into private bonded area except with the written permission of the CHPT. The CHPT, shall, in addition to the fees leviable for such space, levy such penalty not exceeding ten times the normal fees leviable under the CHPT's Scale of Rates on their failure to obtain the prior written permission from the CHPT.
- (ix) "Subject to the provisions of section 59 of the Major Port Trusts Act, 1963, in this regard, all licensees shall deposit with the CHPT an amount equivalent to 3 months fee on space allotted to them under the monthly licence as a guarantee for the due and faithful performance of the conditions set forth in the monthly licence and the deposit will be returned when the space is vacated finally, less any amount that may be due to the CHPT.
- (x) The CHPT shall have the right at any time to resume possession of space wholly or partly which is not occupied by the licensees, in which event a proportionate reduction in fee will be allowed.
- (xi) The licensees shall agree to comply with all rules or directions issued by the CHPT from time to time. Should the licensees neglect to comply with such rules or directions, the CHPT may terminate the licence.
- (xii) The licensees shall comply with all rules or regulations that may from time to time be issued by the Corporation of Chennai or the Inspector of Explosives, Department of Explosives, Government of India, or whomsoever concerned in relation to the storage of the goods under the monthly licence.
- (xiii). " Under monthly licence, the licence period shall not exceed 11 months at a time. Subsequently, the licence could be renewed for a maximum period of 22 months at two terms of 11 months each. Security deposit equal to 3 months licence fee shall be collected in advance. The Port may at any time with a notice of 2 months resume the property for good and sufficient reasons to be recorded. The licence fee is subject to revision of rates by TAMP from time to time."

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

1. The licensee shall be liable for the following:

- (a) To pay the licence fees for three months in advance as security deposit which shall be repaid on the termination of the licence, provided that should the licensee be in arrears of licence fee, the arrears are liable to be deducted from the advance made under this Clause.
- (b) In the event of the licence being terminated by the licensee by giving the required notice within the period of the first year of the licence to make good the difference in the licence fee between the rate of licence fee per 100 /10 square metres allotted or part thereof per calendar month or part thereof leviable for occupation for a period less than one year and licence fee per 100 /10 square metres allotted or part thereof per calendar month or part thereof mentioned in the licence, from the date of commencement of the licence to the date of vacation of the space allotted.

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

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

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

- (a) If the licensee shall make default in payment of the whole or any part of the said monthly licence fee in advance on the days herein before mentioned whether formally

demande or not or shall become insolvent or shall go into liquidation whether voluntarily or compulsorily other than for purposes of re-construction or shall make any arrangement with their creditors or shall assign, underlet, transfer or part with the possession of the said premises or any part thereof or shall allow any offensive or dangerous goods to be stored or stacked in the said premises or shall allow any offensive or dangerous business to be carried on therein or shall neglect to perform or observe any other stipulation on their part herein contained then and in any of such events it shall be lawful for the licensor at any time thereafter to re-enter upon the said premises or any part thereof in the name of the whole and re-possess and enjoy the same and thereupon this licence shall absolutely cease and determine but without prejudice to any right of action of the licensor in respect of any breach of the licensee's covenants herein contained.

- (b) If there shall be any licence fee due and owing to the licensor at the time of such re-entry and the licensee shall fail to pay the same on demand it shall be lawful for the licensor to distrain upon any monies which may have been deposited with the licensor by the licensee or upon any goods of the licensee remaining in the said premises.
 - (c) In case of encroachment on the CHPT's property and/or stacking of cargo by the licensee on the CHPT's Railway tracks, plants, equipment, etc., causing obstruction to the movement of traffic the licensor is entitled to charge a penal licence fee at the rate not exceeding ten times the licence fee laid down in the CHPT's Scale of Rates for the encroached area from the date of encroachment, in addition to the cost of damages caused to the CHPT's properties. If the licensee fails to remove the cargo from the encroached area in spite of advice to do so the cargo will be removed elsewhere by the licensor at the risk and cost of the licensee and penal licence fee at the rate not exceeding ten times the normal rate will be levied on the space occupied by the cargo so removed.
3. AND IT IS FURTHER AGREED that the licensor shall not be considered to have parted with the possession of the said premises by this agreement so as to deprive it of any lien notwithstanding anything contained in the licence on all goods stored therein for charges leviable under the Major Port Trust Act, 1963 as subsequently amended or otherwise incidental thereto and incurred within the licensor's premises and for such purpose it shall be lawful for them at all times during the continuance of this licence to have free access to the said premises and should the licensor deem it advisable so to do to remove any such goods from the said premises to the premises of the licensor for the purpose of enforcing such lien.
4. Any change in the constitution at the licensee firm or business shall in no way affect the terms of the licence.
5. The rules and regulations framed by the licensor from time to time shall be deemed to be part of the provisions of the licence.

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

1. The licensees shall be liable for the following:

- (a) To the said licence fee being revised in accordance with the amendments to the CHPT's Scale of Rates from time to time, affecting the rates of licence fee laid down in the said Scale.
- (b) To pay the said licence fee herein before reserved or the revised licence fee under Clause (a) above, as the case may be, from the date of allotment of space and shall be remitted for each calendar month in advance.

- (c) To pay in addition to the licence fee stipulated above, the cost of water and electricity consumed every month at the rates fixed by the CHPT from time to time, together with the installation and maintenance charges on electrical installations every month as may be fixed by the licensor from time to time.
 - (d) To keep the doors of the said premises locked and secured outside the working hours laid down by the CHPT.
 - (e) To permit the CHPT or its Agents with or without workmen or others at all reasonable hours to enter the said premises and to view the condition thereof and to effect all necessary repairs and to carry into effect if necessary the provisions of clause (2) & (3) in the general conditions.
 - (f) To yield up the said premises at the determination of the licence in goods and tenable repair.
 - (g) Not to use the premises as Private Bonded area without prior permission from the CHPT and in the event of premises being used as Private Bonded area higher rate of licence fee as may be fixed from time to time shall be payable by the licensee.
2. The CHPT agrees that the licensee paying the licence fee hereby reserved and observing and performing the covenants and stipulations herein on their part contained shall peaceably enjoy the premises during the said term without interruption by the CHPT;

Provided that during the period of licence the CHPT or any such official to whom powers may be delegated by it may take over on a written demand the premises or any portion thereof temporarily for its use or for urgent repairs, in which case the licensee shall be entitled to proportionate abatement of licence fee for the period of such occupation by the licensor.

3. The licensees shall be liable to stock goods in the said warehouse so as not to exert any side pressure on the walls of the said warehouse and in the event of a wall cracking or collapsing due to the non-observance of this condition to be solely responsible for any damage caused thereby to person or property.

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

1. The licensee shall be liable for the following:-
- (a) To pay the increased licence fee as approved by TAMP from time to time and such increased licence fee be effective from the date of notification by TAMP.
 - (b) To allow such officer or servant of the licensor as may be deputed in that behalf at reasonable times during the said terms to enter upon the said premises or any part thereof and any buildings, works or conveniences thereon whether completed or in the course of erection for the purpose of viewing and examining the state repair and condition thereof and to keep readily available at the premises for the reference of such officer or servant the approved drawings and communications of approval from the licensor. And upon notice in writing being given by the licensor to the licensee by leaving the same upon the said premises to pull down rebuilt, repair or replace any part or parts of the said premises, buildings, works or conveniences whether the same are completed or in the course of erection and that in case default be made for one calendar month after such notice shall have been given as aforesaid in complying with such notice it shall be lawful for licensor to enter upon the said premises, buildings, works or conveniences, whether the same are completed or in the course of erection or any part or parts thereof and to pull down, rebuilt, repair or replace such part or parts thereof as are specified in such notice and forthwith to recover the amount

expended in such pulling down, rebuilding, repairing or replacement from the licensee as liquidated damages PROVIDED ALWAYS that the licensor shall not be liable for any damage caused to the property of the licensee in the course of such pulling down, rebuilding, repairing or replacement as afore-said.

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

2. The licensor shall be liable for the following:

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

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

- (a) Either party shall be at liberty to terminate the licence at any time by giving to the other three calendar months notice in writing of its or their intention of terminating the same.

(b) In the event of the licensor giving the licensee notice to terminate the licence under clause 3(c) thereof the licensor shall not be bound to pay any compensation whatsoever.

(c) The licensee shall not at any time during the currency of the licence put up any construction over the land licensed to him except with the written permission in writing of the licensor.

(d) If the licensee puts up a construction without the written permission of the licensor the construction so put up shall become the property of the licensor and the licensee is not entitled to any compensation therefor.

(e) If the licensor does not require the construction so put by the licensee without the permission of the licensor, the licensee shall remove the construction at his cost and restore the property in as good a condition as it was at the time he was put in possession, within a reasonable time during the currency of the licence failing which the licensor shall have the right to remove the construction at the cost and expense of the licensee.

(f) If the licensee puts up a construction with the written permission of the licensor, the licensor shall have the option to possess the construction so put up and in case the licensor requires the construction, the licensor shall pay compensation to the licensee in a sum mutually agreed upon at the expiry of the licence.

(g) If the licensor does not require the construction put up with the permission of the licensor or if the licensor and licensee fail to settle the quantum of compensation to be paid, the licensor is entitled to call upon the licensee to remove the construction so put up at his cost and restore the property in as good a condition as it was at the time the licensee was put in possession, within a reasonable time, failing which the licensor shall have the right to remove the construction at the cost and expense of the licensee.

General conditions for Long Term Lease:

- a) The lease shall not be automatically renewable.
- b) The lease rent shall bear an escalation at a rate of 2% per annum.
- c) The Port Trust shall have an option to refix the base of lease every five years.
- d) The lessee shall pay a premium equivalent to one year's lease rentals to the Port.
- e) The lessee shall deposit an amount equivalent to one year's lease rentals as refundable Security Deposit with the Port which shall be maintained till the end of lease period or shall provide an irrevocable bank guarantee for an amount equivalent to three year's lease rentals which shall remain valid for the lease period.
- f) The lessee shall create the facilities for which land / waterfront is leased within the time as may be specified by the Board of Trustees. In case lessee fails to do so, the lease shall be liable for termination.

- g) The lessee shall obtain all statutory clearances as may be required by law including environmental clearance.
- h) The leased property can be resumed at any time before the expiry of the lease period if required by the Government in the national interest by the Port for its own use with six months notice on payment of compensation in accordance with the formulations as may be approved by the Government. If the lease is cancelled for not complying with the conditions of the lease, no compensation shall be payable by the Port.
- i) No compensation shall be payable by the Port in the event of refusal to renew the lease.
- j) Whenever the land/waterfront is being given for the Port related activity(ies) / industry(ies) in accordance with the land use plan, a minimum guaranteed performance indicating the minimum guaranteed traffic, berth hire quantum shall be provided in the agreement. The time frame for achieving the minimum guaranteed performance shall be three years from the date of commissioning of the facility. In case lessee fails to achieve the minimum guaranteed performance, he shall be liable to pay the wharfage / berth hire charges, etc., for the minimum guaranteed traffic/berth hire.

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

- k) If there are some genuine reasons like change in the Government policy regarding import/export of a particular commodity as a result of which the required throughput could not be achieved in a year, suitable relaxation may be made with the approval of the Government.
- l) The lease shall be liable for termination if the lessee fails to pay the wharfage / berth hire charges etc., for the minimum guaranteed traffic / berth hire or if he fails to achieve the minimum guaranteed performance for three consecutive years without any genuine reason.
- m) Allotment of land within 500 Metres :

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

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

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

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

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

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

Notes:

- (1) The pipelines shall be laid only in the alignment as approved by the CHPT.
- (2) The pipe shall be of such size and material and laid at such depths below the surface and such a manner as the CHPT shall determine from time to time.
- (3) No damage shall be caused to any of the Railway tracks, roads or other property of the CHPT. If any damage occurs, it shall be rectified by the licensee at his own cost to the satisfaction of the CHPT.
- (4) On completion of the laying of the pipelines, the surface shall be restored to its original condition.
- (5) The licensee shall with the prior permission of the CHPT have the liberty from time to time to enter upon the said land of the CHPT and open up the said pipe for the purpose of repairing the same as occasion may require doing no damage to any of the Railway Tracks, road or other property of the CHPT and the surface shall be restored whenever opened up without any obstruction to traffic in that area.
- (6) Should any inspection or repairs of diversion to a pipeline lying below the Railway Tracks or other areas belonging to the CHPT arise, the work involved in excavating and filling shall be carried out by the CHPT at the cost and expenses of the licensee.
- (7) The licensee shall also take sufficient precautions in respect of excavation made by them by barricading and in addition the excavation made by them by properly lit and necessary danger lights (Red lights) provided at night to the satisfaction of the CHPT. The CHPT shall have no liability in any event in this regard.
- (8) The Way Leave Agreement shall be terminated by either party giving to the other three calendar month's notice in writing. The CHPT reserves the right of terminating the Agreement without assigning any reason or payment of compensation. The licence fee will be payable by the licensee as per the Scale of Rates as amended from time to time.

- (9) If any cable is passing through, the cable shall be laid with a minimum earth cushion of 76.2 cm (2'6") depth wherever it crosses Railway tracks or roads.

SCALE 3 - WEIGHMENT CHARGES

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

Notes:

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

SCALE 4 - PASSENGER TOLL

Item No.	Classification for purposes of this Scale	Charge payable
1.	All Passengers disembarking and embarking at this Port from and to any Foreign Port.	Rs.19.50 per head payable by steamers landing or embarking.
2.	All Passengers disembarking and embarking at this Port from and to any Indian Port.	Rs.1.30 per head payable by steamers landing or embarking.

Notes:

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

SCALE 5- FEES FOR ISSUE OF LICENCES

(a). STEVEDORING LICENCES

Item No.	Licence	Charge Payable
1.	New Licences	Rs.4,500/- for two calendar years. Licence issued after 1st January shall be valid till the end of the next calendar year.

2.	Renewal within the period of licence for a further period of two calendar years.	Rs.4,500/- per licence.
3.	Renewal application not made before one month prior to expiry thereof.	Rs.50/- per licence (In addition to renewal fee)
4.	For the issue of a duplicate Licence when the original is lost or defaced.	Rs.100/- per licence.

(b) LABOUR LICENCE

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

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

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

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

CATEGORY I

Serial Number and description	Rate of hire Rs.	Period of hire	Minimum Rs.	Remarks
1. Diver's services with equipment between 6.00 a.m. and 6.00 p.m.:-				
a) Up to a maximum of four indress hours:-				
(i). Weekdays	1146	Per indress hour or part thereof	2,254	When the diving boat is towed by one of the launches, the towage charges will be levied extra.
(ii). Sundays and CHPT's Holidays	1702	-do-	3,364	-do-
(b). Any period in excess of four indress hours:-				
(i) Weekdays	1702	Per indress hour or part thereof	---	-do-
(ii) Sundays and CHPT's Holidays	2532	-do-		-do-
2. Non-perishable part or parts of diving equipment consisting of:- (a). air pump (b). helmet (c). lifeline (d). corslet (e). lead weight (f). air pipe and (g). boots	320	Per period of 24 hours or part thereof		
3. Rate of destruction charges of unserviceable articles from the public in the CHPT's incinerators				
(a) Articles measuring upto and below 250 cubic decimetres	54	Per Package	54	The articles are to be transported to the incinerator site by the party.
(b) Articles measuring over 250 cubic decimetres	106	Per package	106	Charges under this item are payable in addition to the charges payable under Scale-13 of this Chapter in cases of

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

				rate does not include the cost of the foam compound, which will be charged extra if used.
9. Chute Wagons	834 (Per Wagon)	Per shift or part thereof	834	A minimum notice of four hours is essential for the supply. The hirer shall return the wagons to the CHPT or to such other authority to whom power may be delegated by it in the same condition as received by him at the end of the hire period applied for and obtain an acknowledgement for the same.
10 i) Pay Loader of 3 tonne capacity (on shift basis) ii) Pay loader of 3 tonne capacity (on hourly basis)	Rs.6,354/- per shift with a minimum of Rs.3,178/- per half of a shift per unit requisitioned by each applicant and supplied. Rs.1,600/- per hour part thereof for the first hour and Rs.796/- for the subsequent hour of part thereof per unit requisitioned by each applicant and supplied for the specific purpose of clearing the Railway track and also for stock piling.	The conditions from (1) to (5) prescribed in the remarks column against Sl. No. 11 will apply. In case of Export/ Import cargo, it is not compulsory to take the Payloader from the Port. But 10% of the Payloader charge shall be paid to the Port at the rate of 1 Payloader for 2 Hooks of operation in a vessel, subject to a maximum of 2 Payloaders, for not indenting the Port's Payloader.		

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

12. 150 tonne Floating Crane	1,26,638	Per period of 4 hours from the time of hire	1,26,638	(1) The hire rates under these items are applicable only to the Contractors of the CHPT for carrying out the CHPT's work awarded to them. The minimum charges leviable for hire of these cranes under these items shall be for a period of 4 hours or part thereof from the time of hire. (2). For hire of these cranes to the Masters, Owners, Agents of Vessels, or Importers or Shippers, the charges leviable shall be under Scale 11 of Chapter III of the Scale of Rates. (3) However, for conditions for the hire of these cranes to the CHPT's Contractors, the conditions as provided under Scale 11 of Chapter III of the Scale of Rates that could be commonly applied for both cargo work and for contractor's work shall apply, except for the fact that the CHPT or to such other authority to whom power may be delegated by it shall be the Authority for allotting and regulating the hire of these cranes (4) However if these cranes are used in carrying out the repairs by the CHPT of the Plants, machinery, floating craft, etc., of private parties, the charges leviable shall be reckoned with on hourly basis, i.e. per hour or part thereof of the actual number of hours involved at one-fourth of the rate prescribed for the first period of four hours
		For hire beyond 4 hours per block of 8 hours or part thereof	2,53,276	

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

CATEGORY II

Plants and appliances, which are available with the CHPT as well as with other parties. Nevertheless, the CHPT will insist on parties to use first the CHPT's plant or appliance.

Sl. No. and description	Rate of hire (in Rs.)	Period of hire	Minimum (in Rs.)	Remarks
1(a) 10 Tonne tractors	956	Per half of a shift or part thereof	956	(1) Requisition for trailers and tractors shall be made out in quadruplicate in the prescribed form signed by the hirer showing the capacity of trailers required, to the CHPT or to such other authority to whom power may be delegated by it. Such requisition should be submitted in writing a clear hour in advance of the time the tractors and trailers are required. (2) When tractors and trailers are required for longer periods than requisitioned for, a fresh requisition shall be submitted at least two hours before the expiration of the period mentioned in the original requisition (3) One hour's clear notice in writing must be given for cancellation of application of trailers and tractors failing which charges will be levied for the full number of trailers and tractors ordered and for the full period applied for. (4) The manning of the CHPT's trailers hired does not make it liable for loss or damage to goods, etc. carried in the trailers. (5) The hirer will be held responsible for the over loading of the trailers. (6) Damage to the tractors and/or Trailers should be paid for by the hirers. (7) The hirer will be held responsible for payment of compensation under Workmen's Compensation Act to the driver involving in any accident during the period of hire. (8) The tractors and trailers hired out shall be permitted ply within the CHPT's premises only. (9) The hire of tractors and trailers to the public will be entirely at the discretion of the CHPT. (10) The hire charges will commence from the time the tractors and trailers are made available for use.
	1,590	Per shift in case of hire exceeding half of a shift.	--	
(b). 10 Tonne trailers	348	Per half of a shift or part thereof	348	
	578	Per shift in the case of hire exceeding half of a shift.	---	
c). 6 Tonne trailers	232	Per half of a shift or part thereof.	232	
	348	Per shift in case of hire exceeding half of a shift.	--	

Sl. No. and description	Rate of hire (in Rs.)	Period of hire	Minimum (in Rs.)	Remarks
2. Trays of 10 Tonne capacity and below	60	Per tray per shift or part thereof	--	
3. Crawler Crane	16,462	Per period of 8 hours	8,232	Minimum charges shall be for four hours or part thereof. Whenever this crane is engaged in carrying out the repairs by the CHPT of the plants, machinery, floating, crafts, etc. of private parties, the charges leviable shall be reckoned on hourly basis, i.e. per hour or part thereof of the actual number of hours involved at one-eighth of the rate prescribed.
4. Grabs upto 5 Cu. Metre fitted to shore crane of any capacity	1120	Per period of 8 hours	560	Minimum charges shall be for four hours or part thereof. The hire charges for the grab shall be in addition to the charges for the hire of crane to which the grab is fitted except where the use of shore(wharf) crane is included in the Berth Hire Charges.
5. Grabs of 8 Cu. M capacity	Rs.2500	Per shift or part thereof	Rs.1250	
6. 75 Ton Tyre Mounted Mobile Crane	Rs.15000	Per shift or part thereof	Rs.7500	
7. a) Survey launch - IV b) DGPS Survey	Rs.20660 Rs.13000	Per period of 8 hours	Rs.10330 per period of 4 hours Rs.6500 per period of 4 hours	

Notes:

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

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

- (2). The CHPT may, at its discretion, hire out the floating crafts or appliances outside the Port limits at the rates of hire mentioned in the scale above.
- (3). The CHPT shall, require the hirers to execute an agreement relating to the hire, whether it be within or outside the port limits, in such form as may be prescribed by the CHPT from time to time and upon such terms and conditions as may be laid down.
- (4). The rate specified against the floating crafts or appliances in the column 'period of hire' means for one individual craft or appliance.

SCALE 7 - CHARGES FOR THE USE OF THE SLIPWAY

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

		Rs.100 per lineal metre of overall length for every additional day of 24 hours or part thereof.
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Conditions:

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

Notes:

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

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

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

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

Conditions:

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

Notes:

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

SCALE 9

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

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

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

SCALE 10

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

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

Notes:

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

SCALE 11

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

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

SCALE 12

CHARGES FOR THE DESTRUCTION OF CONDEMNED CARGO

Description	Charges Payable
Condemned cargo	Actual charges incurred by CHPT

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

SCALE 13

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

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

Notes:

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

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

SCALE 14

CHARGES FOR SEGREGATION OF CARGO LANDED IN MIXED MARKS AND NUMBERS

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

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

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

SCALE 15
SURVEYS, REGISTRATION etc.

Item No.	Description	Harbour Craft other than Canoes, Shoe Dhonies and Catamarans (Refer Part II of Harbour Craft Rules). Rs.
1.	For each survey and measurement as required by the Harbour Craft Rules where the harbour craft is found sea worthy.	120
2.	On each occasion of a Harbour craft being found un-seaworthy on being inspected or surveyed.	48
3.	For registration on each of the occasions prescribed by the Harbour Craft Rules.	48
4.	For granting a licence on each of the occasions prescribed by the Harbour Craft Rules.	48
5.	For each annual inspection where the harbour craft is found seaworthy.	48
6.	For endorsing change of syrang or sukhany or tindal or driver.	6
7.	For minor amendments of Licence/Register.	6

Notes: (i) Half of the fees specified by this rule shall be levied for the grant of a duplicate licence when it has been proved to the satisfaction of the CHPT that there is good and sufficient reason for such grant.

(ii) Fee for Survey of a steam or motor vessel:- Every application made to the Licensing Officer for a Steam or Motor Vessel in respect of which a certificate of survey under the Merchant Shipping Act, 1958 (44 of 1958) or the Inland Vessels Act 1917 (1 of 1917), is not held by the Owner or Master shall be accompanied by a fee of Rs.100 for surveying the vessel.

SCALE 16 - BOAT HIRE CHARGES.

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

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

Notes:

(1) No special rates are to be charged for taking provisions and the like since the rates provided above are inclusive of the same.

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

SCALE 17

Charges for removal of garbage from ships

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

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

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

SCALE 18

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

Serial Number and Description (1)		Rate of hire (2)	Period of Hire (3)	Minimum Charge (4)	Remarks (5)
1.	Diesel Road Roller	168	Per hour or part thereof	1002	Rate does not include fuel and water.
2.	Welding set, electric or petrol-driven	78	-- do --	602	The Charge does not include cost of providing connections for electric supply in the case of electric welding plant and operating cost plus overhead charges which will be extra.
3.	Portable air compressor diesel engine - driven 7.350 cubic metres per minute.	868	Per period of 8 hours or part thereof	868	The charge does not include operation cost and overhead charges which will be extra.
4.	Portable air compressor diesel engine - driven 10.300 cubic metres per minute.	1040	-- do --	1040	-- do --
5.	Diesel engine-	336	-- do --	336	-- do --

	driven "WinGet" concrete mixer 396.436/282.168 cubic decimeters capacity				
6.	Motor Launch 'Vigil' or M.L. 'Venture' or M.L. 'Valour' or M.L. 'Vitruv' or 'Pioneer' or 'Vetri' and 'Veeramani'	Rs.960.34 for coastal vessel US\$ 60.60 for foreign-going vessel	-- do --	Rs.960.34 for coastal vessel US\$ 60.60 for foreign-going vessel	The charges for the launch pulling cutter and mooring boat are only for special services. Their ordinary services of attending on pilots and ships are not to be charged for under this scale.
7.	Mooring Crew	Rs.145.79 for coastal vessel US\$ 9.20 for foreign-going vessel	Per hour or part thereof	Rs.240.00 for coastal vessel US\$ 9.20 for foreign-going vessel	
8.	Chain slings				
	(a) Capacity not exceeding 5 tonnes	22	Per Shift or part thereof	---	'Shift' means shift of such hours as will be in force from time to time for landing and shipment of cargo, as the case may be.
	(b) Over 5 tonnes but not exceeding 10 tonnes	40	-- do --	-- do --	
	(c) Over 10 tonnes but not exceeding 15 tonnes	56	-- do --	-- do --	
	(d) Over 15 tonnes but not exceeding 20 tonnes	74	-- do --	-- do --	
	(e) Over 20 tonnes but not exceeding 40 tonnes	96	-- do --	-- do --	
9.	Wire rope slings :-				
	(a) Capacity not exceeding 5 tonnes	40	-- do --	---	-- do --
	(b) Over 5 tonnes but not exceeding 10 tonnes	56	-- do --	---	-- do --
	(c) Over 10 tonnes but not exceeding 15 tonnes	74	-- do --	---	-- do --
	(d) Over 15 tonnes but not exceeding 20 tonnes	112	-- do --	---	-- do --
	(e) Over 20 tonnes but not exceeding	134	-- do --	---	-- do --

	40 tonnes				
10.	Shackles :-				
	(a) Capacity not exceeding 5 tonnes	12	-- do --	--	-- do --
	(b) Over 5 tonnes but not exceeding 10 tonnes	22	Per Shift or part thereof	--	-- do --
	(c) Over 10 tonnes but not exceeding 20 tonnes	56	-- do --	--	-- do --
	(d) Over 20 tonnes but not exceeding 40 tonnes	96	-- do --	--	-- do --
11.	Locomotives lifting beam with shackles	232	-- do --	---	-- do --
12.	Gear Hobbing Machine	1446	-- do --	726	-- do --
13.	12 ½ Tons Test Loads	74	Per day of 24 hours or part thereof	74	
14.	Sea Fix Equipment	15750	For a period of 8 hours	15750	
15.	60 tonne – Spreader with Shackles attached to F.C. Vaigai	106	For 8 hours or part thereof	106	
16.	GO-4 Fire Fighting Pump	2520	Per shift or part thereof	2520	
17.	Trucks mounted Tank to receive slop/bilges/oily residues and oily mixtures from ships to tank farm at the Ore Berth.	3500	Per Trip	3500	
18.	20 Tonne Gantry crane	Rs.19/-	Per tonne	--	
19.	Tanker Trailer of 8 KL capacity	Rs.8250/-	Per trip – 4 hours shall be given to load the sludge. Detention charges of Rs.1375/- shall be levied per hour or part thereof, if	---	The time of 4 hours shall commence, on reporting of the trailer at the vessel. The timing of taking the sludge from alongside the ship to the dumping ground or storage places shall not be considered as time detained by the user.

			the users detain the trailer beyond four hours.		
20	Tipper Lorry	Rs.1156/-	Per period of 8 hours	Rs.578/-	Per period of 4 hours
21	Gas Cutting Plant	Rs.144/-	Per period of 8 hours or part thereof	---	---

Notes :

- (1) The hire of floating crafts and appliances by the CHPT to the public is not guaranteed normally. The craft and appliances shall be hired out only if available. The CHPT shall not be responsible to the hirer or any person for any loss or damage or injury to life or property arising directly or indirectly from the use of the crafts or appliances of any sort or any damage which may occur as a result of non-supply or delay in supply or by the use of the crafts or appliances of the CHPT or due to failure of the crafts or appliances at any stage during the period of hire. The hirer shall keep the crafts or appliances in good order and condition and shall be liable for any damage caused to the crafts or appliances during the subsistence of hire and shall make good all damages, whether by accident, by fire or otherwise (fair wear and tear excepted). The hirer shall indemnify the Board against all loss or damage or injury to life arising directly or indirectly from the use of the crafts or appliances during the period of hire to any property belonging to the Board including the crafts or appliances under hire or to any other person or property or breakdown or any demurrage incurred on cargo. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the CHPT. The hirer shall also indemnify the CHPT for all liabilities under the Workmen's Compensation Act.
The cost of repairing the damages sustained by the crafts or appliances or part thereof that might be broken, missing or specially damaged or lost during the period of hire shall be that actually incurred for the purpose by the CHPT including the usual indirect charges, centage charges while the cost of replacement, if necessary, of part or in full of the crafts or appliances will be either the book value or the current market value, whichever is higher.
- (2) The CHPT may require the hirers to execute an agreement relating to the hire, whether it be within or outside the Port limits, in such form as may be prescribed from time to time and upon such terms and conditions as may be laid down in each case.
- (3) The rate specified against the floating crafts or appliances in the column 'Period of hire' is for one individual craft or appliance.

CHAPTER - VII
Charges for Supply of Cargo Handling Workers and Supervisory Staff
Scale 1 – Stevedoring Operations:

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

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

- (2) The Stevedores shall pay charges comprising time rate wages and 192% levy on wages for stevedoring operations prior to the engagement of labour.
- (3) (a) The levy structure mentioned at clause (2) shall not apply in case of agricultural produce such as wheat, rice, maize, pulses, etc., including sugar in bags or jumbo bags or pallaties.
- (b) Such commodities will pay a charge of Rs.7.50 PMT for deployment of cargo handling workers and supervisory staff for stevedoring operations.
- (4) The piece-rate incentive shall be paid at actuals separately.
- (5) Time limit for payment of charges by users / refund of excess collection by port as well as levy of penal interest for delay will be governed by the provisions prescribed in Chapter – I of this Scale of Rates.
- (6) Whenever any additional man power is required by stevedores, actual wages in respect of the category of the workers intended shall be payable by them in addition to the levy.
- (7) While calculating the piece-rate, the datum will not be adjusted, according to effective hours of working, i.e., there will be no idle hour concept. The datum will be taken as full tonnage for the entire shift without any deduction.
- (8) The tonnage of heavily lift cargoes will be taken as 7 tons/unit for calculation of piece rate and for other purposes hitherto adopted.
- (9) The Mazdoor posted in the Gang will be distributed for on shore and on board work as per the operational convenience.
- (10) In case of shortage of Maistry, the Tindal may be posted in his place. Whenever Tindal is in shortage, Maistries will be posted only to bulk vessels of Fertilizers and Ore, where shore crane is put into use (where there is no posting of Winch Drivers.)
- (11) One reliever up to 3 Hooks and 2 reliever for 3 Hooks and above will be posted in the categories of Winch Drivers/Signallers/Tally Clerk per shift per vessel.
- (12) One Supervisor will be posted upto 1 Hook and 2 Supervisors for 2 or more hooks per shift per vessel.

Scale 2 – Clearing & Forwarding Operations

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

Conditions:

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

TAMP/45/2008-CHPT

: Proposal from the Chennai Port Trust for general revision of its Scale of Rates.

A Summary of the comments received from the users / user organizations are summarised below:

M/s. MMTC Limited

- (i). As a result of global economic slump, steel producers have drastically cut their production leading to lower demand for iron ore in the spot as well as international markets. The FOB sale realization of iron ore has come down substantially and trading concerns, such as MMTC, are working on very thin margins. Any increase in handling charges at this stage would have direct impact on its margins.
- (ii). The port has introduced a concept of Minimum Guaranteed Tonnage (MGT) according to which iron ore exporters have to commit minimum export turnover and shortfall in the committed turnover attracts hefty penalty. In view of various reasons such as handling of multiple grades of iron ore, sluggish demand in the spot / international markets, etc., MMTC has not been able to achieve the MGT and as a result, CHPT has levied penalties on the shortfall quantities which run into crores of rupees. The CHPT has not been receptive to the requests of MMTC for waiving the penalties. Increase in port charges would also lead to increase in penalties for shortfall quantities.
- (iii). Under present situation of reduced economic activities, the CHPT must try to bring in efficiency in its all operations and resort to cost cuts so that tariff structure can be maintained at the existing level. Any increase in rates at this stage would adversely affect iron ore exports business.

Hindustan Chamber of Commerce (HCC)

&

Andhra Chamber of Commerce (ACC)

- (i). Berthing & mooring:

The number of vessel calls since last revision in SOR has increased significantly resulting in higher berth utilisation levels. With the present global slowdown, there has been a decline in ocean movement of cargoes / tonnage thereby resulting in a steep fall in vessel freight rates. This can also be inferred from the fall in Baltic Freight Index. There is no justification in any increase in charges

being sought for. Whereas, there has to be a further reduction in charges for coastal vessels.

(ii). Towage & pilotage

Most of the new generation of vessels do not require the assistance of many tugs. Therefore an option has to be provided to vessels for requisition of number of tugs they require which is also an internationally prevalent practice. There is inordinate delay in supply of pilots to vessels and a transparent booking and supply system needs to be put in place. In view of severe attrition in the category of pilots in the port, use of private pilots by the vessel could be allowed to ease this situation, thereby reducing costs due to delays, etc., especially with the prevailing global economic slowdown. HCC / ACC do not see any justification for an increase in charges being sought for.

(iii). General cargo

The projected growth rate of Indian industry at 7% and with decline in imports and exports, neighbouring ports are offering substantial discounts in the existing tariff of their ports in order to attract traffic and offset any decline in volume of tonnage being handled. Any increase in charges will seriously jeopardize the volume of tonnage being handled in CHPT. The charge of wharfage is an outdated concept as the port recovers a charge under berth hire for the use of a berth which necessarily includes the adjoining wharf / quay / pier, therefore, HCC request this category of wharfage be scrapped. HCC do not agree to any increase in charges being sought for.

(iv). Cranage & FLT

Classification in the category of FLT is to be maintained as prevailing in the present SOR. FLT charges are to be per package / per MT and not per hoist. For direct delivery / shipment no charges are to be recovered as prevailing in CHD C&F levy charges. HCC do not agree to any increase in these charges.

(v). Iron ore:

Internationally, the demand for iron ore has fallen quite sharply which is due to the global economic slow down. Exporters of this cargo had voluntarily agreed for an increase in order to arrive at a consensus on the proposal of CHPT during the last revision. Since then, there has been tremendous increase in volumes of iron ore handled in the MOHP. Absolutely no justification in the present scenario to seek any increase in charges. HCC do not agree to any increase being sought for in this regard.

(vi). Railways

The users had voluntarily agreed to a revision in port haulage & special port charges with regard to rail borne traffic in CHPT during the last revision. The increase in tonnage of rail borne traffic in CHPT has to be reckoned since the last revision. The railways have increased its freight rates and are also charging a port terminal charge in addition to the freight which we are given to understand is for the development and maintenance of rail infrastructure within the port. HCC see no justification in the port seeking an increase in this regard.

Federation of Indian Mineral Industries (FIMI)

The FIMI has no comments to offer on the proposal of CHPT.

Chennai Petroleum Corporation Limited (CPCL)

- (i). The outlook for the current and next year is bleak warranting tight financial control and belt tightening on the part of CPCL.
- (iii). The major slow down in demand for products and recession conditions across the globe has not spared CPCL (stand alone Refinery) also.
- (iii). CPCL has requested not to revise the rates for both pilotage and berth hire charges for the period 2008-09 and 2009-10. With the expected turnaround in the economy in the later part of 2010, CHPT may consider make a general revision in its Scale of Rates for both pilotage and berth charges from April 2010.

Chennai Custom House Agents Association (CHAA)

- (i). The land inside the port is meant for the port users at an affordable rates, so that users can carry out the handling of their export and import cargos and maintain the volumes of the port. Hence, the land rentals should be at affordable price to facilitate the trade community with lesser burden.
- (ii). The port land rentals cannot be compared to the city rentals. The port land rentals are meant to support the handling of cargoes within the port with a combined goal of increasing the throughput and moreover port land rentals are not meant for commercial use.
- (iii). If the port land rental charges are increased, this will add up to the migration of cargoes and the result will be in lesser throughputs, which is against the goal of the port trust.
- (iv). In the present scenario there is recession in the Trade market where by the exports prices have been slashed down and the imports price

have been increased substantially for which the trade can not afford to absorb any increase in the tariff charges. To-day the actual position of many importers / exporters are just staying in the business and are carrying out their respective business at nil margins and some are at even marginal loss.

Container Corporation of India Limited (CONCOR)

- (i). CONCOR occupies 13,750 sq. mts. on lease, since April 1997, paying the lease rent @ Rs.1900/- per hundred sq. mtrs. per month, as the base rate. In 2001, there was a 100% increase in the base rate amounting to Rs.3800/- per hundred sq. mtrs. per month. As per the agreed terms and condition, CONCOR pays with an escalation of 5% per annum which is being levied every year and the current lease rent paid in 2008-09 is Rs.92,90,769/-.
- (ii). Apart from the land license fee, CONCOR has paid haulage charges (Rs.125/- per TEU plus service tax) to the tune of Rs.87,48,125 for utilizing the Port Loco for placement of rake, excluding the incentives paid to the port labourers on rake basis for placement in the year 2008-09. The CONCOR has also spent a huge sum of money for pavement and the maintenance thereafter.
- (iii). Port is insisting that CONCOR should pay the Terminal Service Charges on per tonne basis. It is to be mentioned here that, CONCOR already pays the haulage charges on per tonne basis to Railways and in turn the same was paid by Railways to Port earlier.
- (iv). As per the agreement executed between CHPT and CONCOR on 9 July 2001, there is a clear guidelines for applying the newly revised Scale of Rates as and when it is done so. Clause (h) under Article-III says that "If there is any change in port tariff or the Board's Scale of Rates which shall also undergo changes periodically, the new rates as and when approved by the TAMP / Government shall be made applicable to the above areas."
- (v). Based on the above facts the following are requested by CONCOR:
 - (a). An escalation at the rate of 2% per annum on the open area may be implemented with retrospective effect for CONCOR as CONCOR occupies only open area and not covered spaces and buildings.
 - (b). CONCOR may be exempted from the levy of TSC.

Chennai Port Stevedores Association (CPSA)

- (i). The recession being faced world over is having its diminishing effect at sea and ashore. Almost all the sectors in the industry, both public and private, have already resorted to adopting cost-cutting

measures which include elimination of all unproductive elements, reduction in pay, retrenchment of staff, etc.

- (ii). Under the scenario, it is not justifiable on the part of the CHPT claiming a disproportionate upward revision of Scale of Rates on most of the items especially estate rentals nearly for 10 times increase (i.e. 1000%) over and above the existing rates. An increase in the Scale of Rates is highly unimaginable and has no merit from any quarter.
- (iii). In view of the above, CPSA request to drop the proposal of any revision in the existing Scale of Rates including revision in estate rentals once for all and allow the trade and industry survive.

National Association of Container Freight Stations (NACFS)

- (i). The CHPT should take into account the increased tonnage handled from the last revision as well as the present global recession resulting in drop in tonnage. The rebates and discounts offered by the neighbouring ports should be considered before making any increase to retain the present volume of cargoes.
- (ii). The second terminal is also proposed to start its operation and the trade will definitely expect competitive rates to choose the economical tariff.
- (iii). The port has increased estate rentals exorbitantly and the same should be considered for reducing, to promote the Trade for better utilization in the present global recession.

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

- (i). Comparing the rates charged at the ports of Chennai and Nhava Sheva, Chennai rates are phenomenally high when services rendered are the same. They need to be primarily brought in line so that India is viewed as a Whole regardless of the number of ports within. Pilotage cost in Chennai is 34% more than Nhava Sheva and 100% more than Cochin. The Port Dues in Chennai is 50% more than Nhava Sheva and 80% more than Cochin.
- (ii). The growth of Chennai container traffic had been unprecedented over the past few years evidencing the confidence of international trade as being an efficient gateway for cargo movements in and out of India. This needs to be strengthened by reduction in vessel related charges at a time when global recession has had its greatest impact on container operators. Any increase at a time when several large vessels have been grounded would only add to the existing woes of operators and can have devastating effect on their continuance of usage.

- (iii). The second terminal by PSA has to commence very soon and plans for the Mega Terminal outside the present harbour is taking shape. Chennai port would need to attract mega size ships and that would happen only if port charges are competitive and on par with terminals within vicinity.
- (iv). The size of vessels catering to the trade currently range from 7000 GRT to 22000 GRT in the Colombo Sector and between 15000 GRT to 26000 GRT between Singapore / Port Kelang feeders and from 12000 GRT to 55000 GRT for mainline vessels. It is necessary that the distinction be made between only on the basis of GRT and not on feeders/ main line vessels as the business scenario has changed with Indian products becoming competitive and in demand across the world and they could serve the remotest part of the world with multiple connections.
- (v). The volume increase in the terminal experienced in the last 7 years (2001 – 2008) is enormous and has resulted in the port getting a higher revenue from the terminal on the basis of their agreement. The volume has increased from 3,40,000 to 1.2 million TEUs.
- (vi). The number of vessels that called has also increased from 300 to 765 from the period 2001 to 2008. With more number of vessels, the vessel related charges that the port receives has also increased multifold.
- (vii). The average size of vessels also increased due to operators deploying bigger vessels with more ports in their rotation. The average GRT has gone up from 9,500 in 2001 to 20,400 in 2008.
- (viii). The charges are abnormal at Chennai in contrast to ports of Singapore, Colombo and Kelang. The charges should be brought on the lines of Nhava Sheva / Cochin and thereafter view reductions to make our terminals internationally competitive. (CEPSAA has furnished a comparative position of vessel related charges at various foreign / Indian ports).

The Chennai Container Terminal Private Limited (CCTPL)

- (i). In the estate rental revision, CHPT has taken the guideline value of Rajaji Salai which is primarily an office building area and with a high FSI and hence has a high guideline value. The nature of work carried out on Rajaji Salai is completely different from that carried on in the port. The closest area where the nature of work is similar to Royapuram, where the guideline value is only Rs.10,765 per sq. mtr. Hence it is only appropriate that CHPT uses this guideline value and not that for Rajaji Salai.
- (ii). It would be prudent to evaluate the effect that such escalation will have on CHPT's finances for estate rental escalation.

- (iii). There is no proposal for a vessel related charges rebate for mainline container vessels, similar to iron ore vessels being offered preferential vessel related charges. There should be a proposal for vessel related charges rebate for container vessels.
- (iv). The vessel related charges in CHPT is very high when compared to other ports in the vicinity and other ports in India (CCTPL has furnished a comparative position of vessel related charges at various foreign / Indian ports in the vicinity).

2. A joint hearing in this case was held on 29 June 2010 at the Chennai Port Trust premises. At the joint hearing, CHPT and the concerned users / organisation bodies have made the following submissions:

Chennai Port Trust

- (i). In the year 2009-10, we have handled about 61 million tones, which is a 10% growth. Handling of motor cars has also increased to around 2.78 lakh cars in 2009-10.
- (ii). Details the various development plans envisaged were presented. Most of the schemes are for development through PPP mode.
- (iii). Powerpoint presentation of the tariff proposal. Hardcopy is given.
- (iv). We have updated the cost position and accordingly revised our proposal. Please consider them.
- (v). Revised proposal was explained.
- (vi). In the Ennore-Manali Road project, part of the expenditure projected is our investment in the SPV. Rest are our expenses on land acquisition and rehabilitation and resettlement of PAPs.
- (vii). Railway activity – we don't have any surplus labour. The deficit is because of low utilisation.

Hindustan Chamber of Commerce

- (i). When port privatises many of its existing facilities, it is but natural that their direct operating revenue will shrink. Since labour cannot be retrenched, operating cost increases. So, the port cannot set aside the entire revenue share and burden its users with steep tariff increase. Revenue share should be applied towards excess labour cost and necessary cross-subsidisation.
- (ii). Datum for productivity levels are not revised regularly. Henceforth, tariff revision should be linked to datum revision.

- (iii). The proposed increase in iron ore is not warranted. This is a mechanised operation and, therefore not hit by high labour cost due to recent pay revision.
- (iv). Port should take up with Indian Railways to revise Railway rates. The other cargo need not subsidise Railway operation.

Chennai Port Stevedores Association

- (i). Tariff increase, if allowed, should only be prospective. While revision, upcoming port facilities in the neighbourhood should be borne in mind to maintain competitiveness of Chennai Port.

Chennai & Ennore Ports Steamer Agent's Association

- (i). The VRCs at Chennai are already high and are about 250% more than Colombo. The increase proposed, if allowed, will have serious implications.
- (ii). There is no justification in allowing any increase in vessel related charges proposed. Port should rationalise operations and reduce its costs.

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