

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:4144  
ANSWERED ON:14.12.2000  
FOREIGN VESSELS  
CHANDRA NATH SINGH

**Will the Minister of SHIPPING be pleased to state:**

- (a) whether Calcutta Port Trust failed to follow the directives of his Ministry of September, 1986 according to which Daughter Vessels carrying crude oil brought by another tanker from foreign country are to be treated as foreign vessels due to which port suffered revenue loss of Rs. 1.30 cr.;
- (b) if so, whether any responsibility has been fixed for the same;
- (c) if not, the reasons therefor; and
- (d) if so, the details thereof and the action taken against those officials ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF SHIPPING ( SHRI HUKUMDEO NARAYAN YADAV)

(a) to (d) In the year 1986, Ministry had issued instructions to all Major Port Trusts [including Calcutta Port Trust (CPT)] that daughter vessels for conveyance of crude oil brought to ports by mother tankers from foreign countries are to be treated as `foreign vessels`. Calcutta Port Trust has informed that the instructions issued by the Ministry did not come to their notice till the year 1997 and therefore they continued to charge daughter vessels at the rates applicable to `coastal vessels`. However, having recourse to the said instructions of the Ministry, the CPT preferred bills on M/s Shipping Corporation of India (SCI) and Indian Oil Corporation (IOC) from June, 1995, keeping in view the provisions of the Major Port Trusts Act for raising bills towards short levy of charges within a period of 2 years, from the date of payment charges. While IOC is paying the bills under protest, M/s. SCI have not paid and raised several disputes. Further, IOC has obtained the opinion of Additional Solicitor General according to which such vessel is to be treated as one engaged in coastal trade. The Port Trust have also pointed out that Tariff Authority for Major Ports (TAMP), who have been presently authorised to fix the Scale of rates, have reiterated that `for the purpose of vessel related charges in terms of provision of merchant Shipping Act, `coastal` has to be taken to mean `from one Indian port to another Indian port` and the nature of cargo or its origin will be of no relevance for the purpose of levy of vessel related charges. On the said issue, a policy decision will have to be taken by the Government which will be effective from a prospective date.

For the loss suffered by the CPT for having treated such vessels as `coastal vessel` instead of `foreign vessel`, the Port Trust have been asked to fix responsibility on the erring officials.