(Published in Part - III Section 4 of the Gazette of India, Extraordinary) TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 84 New Delhi, 1 March 2017

NOTIFICATION

In exercise of the powers conferred under Sections 48 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from New Mangalore Port Trust (NMPT) for fixation of reference tariff for development of container terminal and for handling other cargo at berth no.8 on Public Private Partnership (PPP) mode at NMPT under the revised guidelines for Determination of Tariff for Projects at Major Ports, 2013, which were notified vide Notification No.TAMP/18/2013-Misc. dated 30 September 2013 vide Gazette No. 254, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports No. TAMP/56/2016-NMPT

New Mangalore Port Trust (NMPT)

Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

ORDER

(Passed on this 4th day of January 2017)

This case relates to the proposal received from the New Mangalore Port Trust (NMPT) for fixation of reference tariff for development of container terminal and for handling other cargo at berth no.8 on Public Private Partnership (PPP) mode at NMPT.

- 2. The main submissions made by the NMPT in the proposal are summarized below:
 - (i). (a). The proposed project is about Development of Container Terminal of Berth No. 8 for at the NMPT. A Detailed Project Report (DPR) for the project has been carried out on the basis of traffic analysis and technical assessment.
 - (b). Berth No.8 is a deep draft and multipurpose berth operated by the Port for handling various commodities like dry bulk and general cargo. The berth has a length of 350 metres, width of 35 metres, draft of 14 metres and depth of 15.1 metres.
 - (c). It is estimated that the expected traffic for Container Cargo in the first year shall be 90,000 TEUs, while that for Other Clean Cargo shall be 0.25 MTPA. Based on these expected traffic, the share of cargo between Container Cargo and Other Clean Cargo comes to 84.375%: 15.625%.

(ii). Estimation of Optimal Capacity:

(a). Optimal capacity of the terminal has been determined taking into consideration various components of the facility that will be required to be created, equipment and plant and machinery to be provided, productivity levels and utilization levels, as per the norms prescribed. Tariff shall be prescribed with reference to the optimal capacity of the terminal irrespective of any traffic forecast.

The optimal capacity of the terminal is reckoned as the lower value of the optimal quay capacity and optimal yard capacity, which has been calculated separately for Container Cargo and Other Clean Cargo.

(b). Container Cargo:

Generally, the handling capacity of Container Cargo terminal is calculated in terms of number of Twenty-Feet Equivalent containers (TEUs). However, to convert the same in tonnes, a factor of 15 tonnes per TEU has been used. This factor was derived from the data on Commodity-wise Traffic Handled at Major Ports provided in the Update on Indian Port Sector published on 31.03.2016 by Transport Research Wing, Ministry of Road Transport & Highways, Government of India.

(i). Estimation of Optimal Quay Capacity:

For the total berth length of 350 m, as per norms, three gantry cranes are required. However, due to minimal traffic envisaged,

only two gantry cranes have been considered for handling Container Cargo. The parameters considered for assessing Optimal Quay Capacity are as follows:

A = Number of gantry cranes deployed for work in an year		
B = Number of working hours of gantry cranes in an year 8,760 hrs (2		
	x 365 days)	
C = Average number of moves per gantry crane	25 nos.	
D = TEU ratio	1.3	
E = 70%	70%	
Share of Container Cargo	84.38%	

Based on the above, the Optimum Quay Capacity for Container Cargo is estimated to 3,36,302 TEUs. Further, in terms of tonnage handled, the Optimum Quay Capacity for Container Cargo is 5.04 MTPA.

(ii). Estimation of optimal yard capacity:

The backup area envisaged for Container Cargo and Other Clean Cargo is 16.3 hectares and 1 hectare respectively. The working of optimal yard capacity is given below:

Total Area	4.8 Ha	0.9 Ha	2.78 Ha
G = Total ground slot in TEUs	309.17 TEUs#	260 TEUs#	260 TEUs#
H = Average Stack height	2.5 m	2.5 m	2.5 m
P = Period in No. of days	365	365	365
S = Surge factor	1.3	1.3	1.3
D = Average Dwell Time	3 days *	3 days *	3 days*
Thus, Optimal Yard Capacity = (G * H * P) / (S * D)	2,43,055 TEUs	38,325 TEUs	1,18,382 TEUs

#Number of ground slots are lesser than the TAMP norms, owing to site constraints.

Hence, the Total Optimal Yard Capacity for Container Cargo is 3,99,762 TEUs (i.e. 2,43,055 TEUs + 38,325 TEUs + 1,18,382 TEUs). Further, in terms of tonnage handled, the Optimum Yard Capacity for Container Cargo is 6.00 MTPA.

(c). Calculation of Optimum Capacity for Other Clean Cargo:

(i). Average Parcel Size:

The parcel size of vessel as per DPR is 27000 Tonnes.

(ii). Unloading Rate:

The unloading Rate has been considered as 8,000 TPD, as against 10,000 & 7,500 TPD provided in the TAMP 2008 Guidelines for dry bulk cargo of parcel size more than 30,000 tonnes and upto 30,000 tonnes respectively. This deviation has been accepted by TAMP while fixing the tariff for Development of Mechanized Bulk Cargo Terminal at Berth No. 12 at NMPT. For more clarification, reference is drawn to *point no.12(v)(a)(ii)(b)* of the TAMP Order *No.TAMP/60/2015–NMPT* dated 16th November, 2015.

(iii). Berthing Time

The NMPT has proposed to consider an additional time of 0.125 days i.e. 3 hours towards berthing/ de-berthing. The berthing takes into account the time from boarding of pilot for inward movement to his disembarking and de-berthing takes into account the time from boarding of pilot for outward movement and his disembarking at the outer anchorage.

(iv). Ship Day Output

^{*}Average of 4 days for export & 2 days for import.

Loading/Unloading Time = Average Parcel Size / Unloading Rate = 27000 / 8000 = 3.375 days / vessel.

Turnaround Time = Loading/Unloading Time + Berthing Time = 3.375 + 0.125 = 3.5 days / vessel.

Ship Day Output = Average Parcel Size / Turnaround Time = 27000 / 3.5 = 7714 tonnes / vessel.

Share of Cargo = 15.63%

Optimum Quay Capacity: The optimal quay capacity for Other Clean Cargo is estimated to be 0.31 MTPA. (i.e. $70\% \times 7714 \times 365 \times 15.63\% = 0.31 \text{ MTPA}$)

(d). Optimal terminal capacity:

As per the Guidelines of 2008, optimal terminal capacity is the lower value of the optimal quay capacity and optimal yard capacity. According to the calculations undertaken in the earlier sections, optimal capacity is determined as below:

Parameters	For Container Cargo		For Other Clean Cargo	Total
Quay Capacity	3,36,302 TEUs	5.04 MTPA	0.31 MTPA	5.35 MTPA
Yard Capacity	3,99,762 TEUs	6.00 MTPA	NA	
Optimal Capacity	3,36,302 TEUs	5.04 MTPA	0.31 MTPA	5.35 MTPA

(iii). Capital Cost:

(a). For Container Cargo:

The estimated capital cost for container handling facilities are given below:

(₹ in crores)

Particulars Particulars	Amount
(a). Civil Construction cost	
Civil Works	51.81
Subtotal	51.81
(b). Container Handling equipment	
Rail Mounted Quay Crane (RMQC) (2 nos.)	103.44
Rubber Tyred Gantry Crane (RTGC) (6 nos.)	66.14
Reach Stacker (7 nos.)	15.56
Fork Lift (4 nos.)	2.57
Subtotal	187.71
(c). IT System/ Instrumentation Cost	4.79
(2% of civil construction and container handling equipment cost)	
(d). Other Cost incl. Financing cost and Interest during construction	23.95
(10% of civil construction and container handling equipment cost)	
Grand Total of Capital Cost for container handling	268.26

Note: Cost estimate is valid as of 2nd Quarter of 2016 price basis. All costs are reflected in INR and all foreign costs have been converted into equivalent INR using exchange rate as follows: 1 US\$ = ₹68.5

(b). For Other Clean Cargo:

The estimated capital cost for developing of facilities for handling other clean cargo is shown in the table below:

	(₹ in crores)
Particulars	Amount

Civil Construction Cost	0.00
Handling Equipment Cost	
Harbour Mobile Crane (HMC) 100 ton - 1 No.	30.00
Pay Loaders (10 ton) - 2 Nos.	0.80
Mobile hoppers - 1 No.	1.00
Dumpers - 6 Nos.	1.80
Subtotal	33.60
Miscellaneous Cost	1.68
5% of civil and equipment cost	
Total Capital Cost for Other Clean Cargo	35.28

(c). The total capital cost estimated for developing handling facilities for container cargo and other clean cargo is shown in the table below:

(₹ in crores)

Type of Cargo	Total Estimated Capital Cost
Container Cargo	268.26
Other Clean Cargo	35.28
Total	303.54

(iv). **Operating cost:**

(a). For Container Cargo: (₹ in crores)

(a).	For Container Cargo:	(₹ iı	n crores)
Sr.	Particulars	Amount	Unit
No.			
(i).	Power Costs		
(a).	Cost per Unit (KWH)	8.15	₹ / Unit
(b).	Cost of Electrical energy [3,36,302TEUs *	2.19	₹ Crore
	8KWh/TEUs * 8.15 ₹/KWh]		
(ii).	Fuel Costs		
(a).	Cost per Unit (Litre)	54	₹/KWh
(b).	Cost of Electrical energy [3,36,302TEUs * 4Ltr/TEUs	7.26	₹ Crore
	* 54 ₹/Ltr]		
(iii).	Repair & Maintenance Costs		
(a).	Civil Assets (1% on civil work) (1% * ₹51.81 crores)	0.52	₹ Crore
(b).	Mechanical & Electrical Equipment including spares	3.85	₹ Crore
	(7% on equipment cost)		
	(7% * ₹192.50 crores)		
(iv).	Insurance Costs		
(a).	Insurance Costs (1% of Gross Fixed Asset Value)	2.68	₹ Crore
	(1% * ₹268.26 crores)		
(v).	Depreciation		
(a).	Civil Work (3.34% * ₹56.99 crores)	1.90	₹ Crore
(b).	Mechanical Work [10% * ({₹187.71 crores + 10% *	21.13	₹ Crore
	₹187.71 crores} + ₹4.79 crores)]		
(vi).	License Fee for Land		
(a).	Existing Developed Land:		
(i).	Area of land available	6.60	Hectare
(ii).	Licence Fee per month	37.38	₹per sqm/
			month
(iii).	Licence Fee for Land	2.96	₹ Crore
	[(6.60Ha * ₹ 37.38 / sq. mtr. / month *12		
	months)/1000]		
(b).	New Land:		
(i).	Area of land available	7.50	Hectare
(ii).	Licence Fee per month	20.79	₹ per sqm/
			month
(iii).	Licence Fee for Land	1.87	₹ Crore
	[(7.50Ha * ₹ 20.79 / sq. mtr. / month *12		
	months)/1000]		

(vii).	License fee for Waterfront		
(a).	Area of Water front (350 m * 35m)	12250	Sqm
(b).	Licence Fee per month (50% of License fee for Land)	10.40	₹ per sqm/
			month
(c).	Percentage of Vessel Cargo	84.38 %	
(d).	Licence Fee for Waterfront [12250sqm. * ₹10.40 /	0.13	₹ Crore
	sqm / month * 84.38% * 12 months]		
(viii).	Other Expenses		
(a).	Other Expenses towards salaries and overheads	40.24	₹ Crore
	(15% on gross fixed assets) [15% * ₹268.26 crores]		
(ix).	Total Operating Costs at Optimal Capacity	84.74	₹ Crores

(b). <u>Calculation of Operating cost for other clean cargo handling:</u>

(₹ in crores)

Sr. No.	Particulars	Amount	Unit
(i).	Power Costs	Amount	Onit
	Cost per Unit (KWH)	8.15	₹ / unit
(a).	Total Power Charges [500KWh * 16.8 hrs./KWh *	0.13	₹ Crore
(b).	₹8.15 / KWh]		
(c).	Power Illumination Cost [1Ha * 2,40,000KWh p.a. * ₹8.15/KWh]	0.20	₹ Crore
(ii).	Fuel Costs		
(a).	For Trucks:		
(i).	Carrying Capacity of 1 Truck	15	tonnes
(ii).	Total Truck trips per day (8000 TPD / 15 tonnes per	533	trips / day
, ,	truck)		
(iii).	Time taken to load one truck	2	minutes
(iv).	Transit time (assuming lead distance of 2.5 km)	28	minutes
(v).	Total Time	0.5	hours
(vi).	Number of Working Hours per day (24 hrs. * 70%)	16.8	hours
(vii).	Number of Trips per hour (0.5 hrs. per trip * 16.8	33.6	nos.
' /	hrs.)		
(viii).	Number of trucks required per day (533 trips per	16	nos.
, ,	day / 33.6 trips per hr.)		
(ix).	Cost of Fuel	54	₹/ litre
(x).	Fuel Consumption	10	litres/ hour
(xi).	Fuel Cost for Trucks	0.56	₹ Crores
	[16.8 hrs. * ₹54 per ltr. * 10 ltrs. per hr. * (0.31 MTPA / 8000 TPD) * (533 trips per day / 33.6 nos.		
	of trips)]		
(b).	For Payloader:		
(i).	Unit Cost of Fuel	54	₹/ litre
(ii).	Consumption of fuel	12	Litres/ hr
(iii).	Total time of operations	16.80	Hr/ day
(iv).	Number of Payloader	1	Nos.
(v).	Fuel Cost for Payloader [₹54 per ltr. * 12 ltrs. per hr	0.04	₹ Crores
	* 16.8 hrs. per day * (0.31 MTPA / 8000 TPD)]		
(iii).	Truck Lease Cost		
(a).	Lease rate per truck per day	10,000	₹
(b).	Vessel Calls (0.31 MTPA / 27,000 tonnes per	11.41	Nos.
(-,-	vessel)		
(c).	Lease Cost (₹10,000 per truck per day * 11.41 nos.	0.64	₹ Crores
\ \ \	* 3.5 days * 16 nos.)		
(vi).	Repair & Maintenance Costs		
(a).	Civil Assets (1% on civil work)	0.00	₹ Crore
(b).	Mechanical & Electrical Equipment including spares	1.76	₹ Crore
` ′	(5% on equipment cost) [5% * (₹33.60 crores + 5%		
	₹33.60 crores)]		
(vii).	Insurance Costs		
(a).	Insurance Costs (1% of Gross Fixed Asset Value)	0.34	₹ Crore

	(1% * ₹33.60 crores)		
(viii).	Depreciation		
(a).	Civil Work (3.34% * 0.00)	0.00	₹ Crore
(b).	Mechanical Work	3.53	₹ Crore
	[10% * (₹33.60 crores * 5% * ₹33.60 crores)]		
(ix).	License Fee for Land		
(a).	Area of land available (in sqm)	1	Hectare
(b).	Licence Fee per month	20.79	₹ per sqm/
			month
(c).	Licence Fee for Land	0.25	₹ Crore
	(1 Ha. * ₹20.79 per sqm. Per month * 12 months)		
(xi).	License fee for Waterfront		
(a).	Area of Water front (=350 m x 35m)	12250	Sqm
(b).	Licence Fee per month (50% of License fee for	10.40	₹ per sqm/
	Land)		month
(c).	Percentage of Vessel Cargo	15.63%	
(d).	Licence Fee for Waterfront [12250sqm. * ₹10.40 /	0.02	₹ Crore
	sqm. / month * 15.63% * 12 months]		
(xii).	Other Expenses		
(a).	Other Expenses towards salaries and overheads	1.68	₹ Crore
	(5% on gross fixed assets) [5% * (₹33.60crores)]		
(xiii).	Total Operating Costs at Optimal Capacity	9.28	₹ Crores

(c). The total operating cost estimated for developing handling facilities for container cargo and other clean cargo is shown in the table below:

(₹ in crores)

Type of Cargo	Total Estimated operating Cost
Container Cargo	84.74
Other Clean Cargo	9.28
Total	94.02

- (v). The return on capital employed is estimated at 16% on the gross block of assets.
- (vi). Accordingly, the revenue requirement estimated by NMPT is as follows:
 - (a). Annual Revenue Requirement:

(₹ in crores)

SI. No.	Particulars	Amount
1.	For Container Cargo	
(i).	ROCE @ 16% (₹268.26* 16%)	42.92
(ii).	Operating cost	84.74
(iii).	Total Revenue Requirement	127.66
2.	For Other Clean Cargo	
(i).	ROCE @ 16% (₹35.28* 16%)	5.64
(ii).	Operating cost	9.28
(iii).	Total Revenue Requirement	14.92

(b). Apportionment of Revenue Requirement:

(₹ in crores)

			(7 111	CI OI C3)
Particulars For Container Cargo		For Other Clean Cargo		
Total Revenue Requirement	127.	66	14.9	92
Revenue apportionment for				
Cargo Handling Charges	114.89	90%	14.18	95%
Ground Rent Charges	8.94	7%	0.00	0%
Miscellaneous Charges	3.83	3%	0.75	5%

[For multipurpose cargo (other cargo), the norm prescribed in 2008 Guidelines for apportionment of ARR is 90%, 5% and 5% for cargo handling charge, Storage charge and Miscellaneous Charges respectively for arriving at the tariff. As against that port has proposed apportionment of ARR in the ratio of 95%:0%:5% respectively]

- (vii). The tariff proposed by the NMPT to meet the estimated revenue requirement is as follows:
 - (a). Container Related Charge:

(i). Handling Charges:

Sr.	Particulars		Rate per TEU (in ₹)				
No.		For	Foreign Container		Co	stal Container	
		Container not exceeding 20' in length	Container exceeding 20' but up to 40' in length	Container exceeding 40' in length	Container not exceeding 20' in length	Container exceeding 20' but up to 40' in length	Container exceeding 40' in length
(i).	Loaded Container	3,701	5,551	7,401	2,220	3,330	4,441
(ii).	Empty Container	2,960	4,441	5,921	1,776	2,664	3,552

(ii). Ground Rent Charges:

- (a). Free period:
 - (i). For import containers 5 free days.
 - (ii). For export containers 15 free days.
- (b). Ground rent charges beyond free period:

		Rate (in ₹)		
Sr. No.	Particulars	Container not exceeding 20' in length	Container exceeding 20' but up to 40' in length	Container exceeding 40' in length
(i).	Loaded Container			
	First week after free period	32.26	48.39	64.52
	Second week after free period	48.39	72.58	96.77
	Third weeks and over after free period	64.52	96.77	129.03
(ii).	Empty Container			
	First week after free period	32.26	48.39	64.52
	Second week after free period	48.39	72.58	96.77
	Third weeks and over after free period	64.52	96.77	129.03

(iii). Miscellaneous Charges:

			Rate (in ₹)	
Sr. No.	Particulars	Container not exceeding 20' in length	Container exceeding 20' but up to 40' in length	Container exceeding 40' in length
(i).	Loaded Container	103.53	155.29	207.05
(ii).	Empty Container	103.53	155.29	207.05

(b). Other Clean Cargo related charges:

(i). Cargo Handling Charges:

Ī	SI. No.	Commodity	Rate per in	n MT (in ₹)
	31. NO.	Commodity	Foreign	Coastal
	1	Handling Charges for - Fertilizer, Limestone, Gypsum, Dolomite	460.39	276.23

(ii). Storage Charges:

- (a). Free period: 5 free days.
- (b). Storage charges beyond free period:

SI. No.	Description	Rate in ₹ per MT per day or part thereof
1.	First five days after expiry of free period	3.08
2.	6th day to 10th day after expiry of free period	4.61
3.	From 11th day onwards	6.15

(viii). Performance standard:

(a). Gross Berth Output:

The parameter deals with the productivity of the terminal (Gross Berth Output) for Container cargo and Other Clean Cargo.

(i). Container Cargo.

The capability of the terminal and parcel size will determine the Gross Berth Output. Higher terminal capability and greater parcel size will lead to high productivity. The berth day output measured in terms of TEUs per day depends on the number of cranes used which is dependent on the size of the vessel. Productivity norm of the crane is 25 moves per hour.

The Gross Berth output shall be calculated as the total cargo in terms of TEUs handled (either loaded / unloaded) from the ship during a month divided by the time spent by the ship at the terminal i.e., number of working days at the berth:

Cargo Category	Indicative Norms
Container	
(Mainline vessel)	(25 moves per hour)
(Feeder vessel)	(17 moves per hour)

(ii). Other Clean Cargo:

In case of dry and break-bulk cargo, the capability of the terminal (mechanization, method of handling) and parcel size will determine the Gross Berth Output. Higher terminal capability and greater parcel size will lead to high productivity.

The Gross Berth Output shall be calculated as the total cargo handled from the ship during a month divided by the time spent by the ship at the terminal expressed in number of working days of ships in that month at that terminal. While determining the number of working days from the ship hours, the berth allowance of 5 (five) hours shall be subtracted from the total hours.

Cargo Category	Indicative Norms
Other Clean Cargo (Fertilizer, Limestone,	8,000 T/day
Gypsum, Dolomite)	-

Weightage in case of a shortfall in meeting the prescribed performance standard – 70%

(b). <u>Transit Storage Dwell Time:</u>

(i) <u>Container Cargo:</u>

The Transit Storage Dwell Time for a container shall mean the total time for which the container remains in the terminal. The Transit Storage Dwell Time for containers shall be calculated as an average and shall be the sum of the transit storage of each container handled during the month at that terminal divided by the number of containers. To further clarify, the date and time a container is discharged from the vessel till the said container leaves the out – gate of the Terminal, is the total transit storage time for import box. In case of export the time and date from which the container enters the terminal till the time and date it is loaded on to a vessel will be the storage time. The details of time of discharge, gate-in, gate-out and loaded need to be maintained in respect of each container including ICD containers.

Unclaimed cargo or any cargo that has been detained by the customs or any Government Authority may be excluded.

Transit Storage Dwell Time	
- Import Container (at terminal)	2 days
- Export Container (at terminal)	4 days

(ii). Other Clean Cargo:

The Transit Storage Dwell Time for other clean cargo shall be calculated, as half of average parcel size of above cargo vessels in a month divided by average disposal of cargo from the port per day as per the following methodology:

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Average disposal of Cargo per day (A) = OB + Received/Despatched - CB
No. of Days
OB = Opening Balance, CB = Closing Balance.
Average Parcel Sizes (B) = P1 + P2 + P3 + \dots + Pn
(no. of parcels)
P1, P2 ....... Pn are parcel size of each vessel in a month.
Transit Storage Time for Bulk Cargo = 0.5 \times (B/A)
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Transit Storage Dwell Time- Import Coal (at stackyard) 15 days on completion of vessel

Weightage in case of a shortfall in meeting the prescribed performance standard – 20%

(c). Turnaround Time for receipt/delivery operation:

The Turnaround Time for receipt / delivery operation shall be the sum of time taken for loading / unloading of cargo divided by the number of trucks / trailers / rakes deployed, as the case may be, in a month. Further, in case the truck / trailer / rake does both unloading and loading operations on a single entry into the terminal, the time allocated shall be doubled for those trucks / trailers / rakes.

(i). Container Cargo:

(a).	(i) Trailer for Containers (Single operation)	2 hours
	(ii) Trailer for Containers (Double operation)	4 hours
(b).	(i) Rake for ICD Containers (single operation)	6 hours
	(ii) Rake for ICD Containers (double operation)	12 hours

(ii). Other Clean Cargo:

(a). (i) Truck (Single operation)	10 Minutes
(ii) Truck (Double operation)	20 Minutes
(b). (i) Rake (single operation)	4 hours
(ii) Rake (double operation)	8 hours

Weightage in case of a shortfall in meeting the prescribed performance standard – 10%.

- 3.1. The NMPT has submitted the Feasibility Report, proposed Scale of Rates (SOR) and Performance Standards for the said project and Budgetary offers along with its proposal.
- 3.2. While acknowledging the proposal, the NMPT was requested vide our letter dated 23 September 2016 to furnish a copy of the Board Resolution approving its proposal. The NMPT has furnished a copy of Board Resolution as brought out in a subsequent paragraph.
- 4. In accordance with the consultative procedure prescribed, a copy of the proposal of NMPT was forwarded to the concerned users/ user organisations/ prospective bidders (as forwarded by NMPT) seeking their comments. The comments received the users/ user organisations/ prospective bidders were forwarded to NMPT as feedback information. The NMPT has responded to their comments.
- 5. A joint hearing in this case was held on 26 October 2016 at the NMPT premises. The NMPT made a brief Power Point presentation of its proposal. At the joint hearing, the NMPT and the concerned users/ user organizations / prospective bidders have made their submissions.
- 6.1. As agreed at the joint hearing, the NMPT was requested vide our letter dated 4 November 2016 to take action on the following points arising out of joint hearing proceedings:
 - (i). At the joint hearing, Kanara Chambers of Commerce & Industry (KCCI) vide its letter dated 26 October 2016, the Association of New Mangalore Port Stevedores (ANMPS) vide its letter dated 26 October 2016, the New Mangalore Port Clearing and Forwarding Agents Association (NMPCFAA) vide its letter dated nil, the Mangalore Steamer Agent's Association (MSAA) vide its letter dated 26 October 2016 and the Mangalore Custom House Agent's Association (MCHAA) vide its letter dated 26 October 2016 have furnished their written submissions. A copy of the each of the written submissions was forwarded to NMPT to furnish its comments thereon by 5 November 2016.
 - (ii). At the joint hearing, the NMPT agreed with some of the arguments of prospective bidders and proposed to revise its proposal. We have not received revised proposal from NMPT so far. The NMPT was, therefore, requested to file its revised proposal and requisite information immediately. The port was also requested to forward the revised proposal to the stakeholders for their comments within 5 days to the port and TAMP.
- 6.2. As agreed at the joint hearing, the users / user organisations were requested vide our letter dated 4 November 2016 to furnish comments to the port and to this Authority, if any, on revised proposal (to be) filed by NMPT within 5 days from the date of receipt of the revised proposal from NMPT.
- 6.3. The Kanara Chambers of Commerce & Industry (KCCI) and Mangalore Steamer Agents Association (MSAA) submit that they have not received the proposal of the port. Hence, as decided at the joint hearing, a copy of the NMPT proposal dated 16 September 2016 was forwarded to KCCI and MSAA vide our letter dated 04 November 2016.

- 6.4. With reference to point of action at para 6.1. (i) above, the NMPT vide its email dated 07 November 2016 and subsequent email dated 15 December 2016 has furnished its comments on the written submissions made by users / user organisations / prospective bidders.
- 7.1. Based on the preliminary scrutiny of the NMPT proposal dated 16 September 2016, the NMPT was requested vide our letter dated 27 October 2016 to furnish requisite information / clarification. The port was also requested to submit revised proposal in view of few gaps / deficiency observed in the proposal. Simultaneously, the port was requested that the revised proposal (to be) filed is to be circulated by the port to all the concerned users / prospective bidders consulted in this case to furnish their comments to NMPT with a copy endorsed to this Authority. The NMPT was also requested to respond on the comments of the users.
- 7.2. With reference to point of action at para 6.1.(ii) and 7.1. above, the NMPT vide its email dated 07 November 2016 and subsequent email dated 15 December 2016 has furnished its response to the information / clarification sought by us vide our letter dated 27 October 2016 on the subject proposal. The NMPT has also filed a revised proposal. A summary of the information / clarification sought by us and reply furnished by NMPT thereon is tabulated below:

SI. No.	Information / clarifications sought by us	Reply furnished by NMPT
(1).	Forward a copy of Board approval approving	A copy of Board Resolution approving the
	the subject proposal.	subject proposal is furnished.
(2).	The Feasibility Report envisages the project in 3 phases (page no.156 of the Feasibility Report). It is understood that, the proposal of NMPT for fixation of Reference Tariff is to cover all the phases together. The NMPT to confirm this position.	It is confirmed that the Proposal for fixation of Reference Tariff is to cover all the phases.
(3).	(a). The proposal of NMPT envisages to handle Other Clean Cargo viz. Fertilizer, Limestone, Dolomite and Gypsum. It is not clear whether fertilizers can be categorized as clean cargo. Please confirm.	The term Other Clean Cargo has been termed as <i>Other Cargo</i> in the revised proposal.
	(b). (i). It is understood from our past experience that fertilizer needs be bagged and then dispatched from the Port. The proposal of NMPT does not envisage bagging services for fertilizer handling nor tariff for the same, is proposed. The NMPT is well aware that reference tariff once fixed is for the entire project period subject to annual indexation; and, there is no scope for review once the bidding is done based on the reference tariff fixed on upfront basis. The NMPT to confirm that bagging facility is not envisaged in this project.	It is confirmed that bagging facility is not envisaged by NMPT for fertilizers.
	(ii). If the NMPT is responsible for storage of fertilizers in its own storage facilities, in a private shed, the NMPT may have to keep in mind that the storage charges to be levied on the fertilizers do not impact the fertilizers handling by the BOT operator at the proposed berth no.8.	Noted. A separate note is incorporated in the revised Tariff Proposal at Clause 4 (A) (ii) which states as follows: "The handling charges for Other Cargo (Fertilizer) prescribed above is a charge only for unloading of the cargo from the vessel and transfer of the same up to the Port storage sheds. The handling charges also cover other miscellaneous services not specifically included in SOR. Storage of Fertilizer is not envisaged in this project and handling charges shall not include the charges against storage."

(4). The Feasibility Report envisage movement of container / cargo by road as well as by rail in the ration of 75:25. The proposal of NMPT, however, does not propose separate rate for these two mode of movement. The NMPT may examine and suitably modify the proposed, if necessary.

(5). Estimate of optimal capacity:

(i). Optimal Quay Capacity:

Calculation of Optimum Quay Capacity for Container cargo:

The berth length envisaged is 350 meters. As

The Proposal for fixation of Tariff has been suitably revised and the following charges are now considered for Handling of Containers:

- (i). From Ship to container yard or vice versa
- (ii). From Container yard to Railway flat or vice versa
- (iii). From Container yard to Truck or vice versa

The berth length envisaged is 350 meters. As per the upfront tariff guidelines of 2008 for container terminal, the norm is 1 number of quay gantry crane for 100 meters of berth length.

The NMPT has proposed to deploy only two quay gantry cranes instead of three quay gantry cranes required as per the norms prescribed in the guidelines on the ground of minimum traffic envisaged. As the NMPT is aware, tariff should be prescribed with reference to the optimal capacity of the terminal irrespective of any traffic forecast as stipulated in Clause 3.3.2. of the guidelines of 2008.

The upfront tariff guidelines do not prescribe any norm nor does it place any restriction on the port on the area to be allotted for storage purpose. The expectation is to consider area required to handle the anticipated capacity of traffic. Out of the total back up area of 16.3 Ha available for container cargo, the NMPT has considered only 14.1 Ha for stacking and associated facilities. It is also necessary to bear in mind that upfront tariff once set will ordinarily operate in respect of a particular terminal for a period of 30 years.

Due to constraint in storage yard and the limitation of yard capacity, NMPT proposes only 2 quay cranes instead of requirement of 3 cranes as per the guidelines. The capacity of the berth is proposed to be kept with the minimum requirements in order to minimize the capital cost of the project, to optimize the productivity and minimize rate per TEU to be handled at the New Mangalore Port in comparison with other neighboring ports.

The same has been accepted by TAMP in its Order for fixation of Tariff for Container Terminal at NMPT (Case No. TAMP/33/2009-NMPT dated 30-12-2009).

(ii). Optimal Yard Capacity:

Calculation of Optimal Yard Capacity for Container cargo:

In the upfront tariff approved by the Authority vide Order no.TAMP/33/2009-NMPT dated 30 December 2009 for container terminal of NMPT, based on the justification furnished by NMPT, ground slots of 360 TEUs / Ha was considered by the Authority for assessing the optimal yard capacity. This has been adopted in the upfront / reference tariff fixed for other Major Ports as well. As against the above position, the NMPT has considered ground slots at a lower level of 309.17TEUs/Ha for Zone 1 (4.8 Ha storage area), 260TEUs/Ha for Zone 2 (0.9 Ha storage area) and 260 TEUs/Ha for existing vard (2.78 Ha storage area). The basis and the reasons alongwith working for considering reduced ground slots may be furnished for each of the storage area considered by NMPT. Consideration of lower ground slots should be fully justified.

The Stacking area required in existing yard and zone 2 of new yard (where handling is by Reach stacker / Forklift trucks) has been calculated based on 260 TEU/Ha considering internal roads. The area required in zone 1 of new yard (where handling is by RTG) is calculated as per actual stacking configuration based on RTG operation (considering the internal roads, dedicated access/exit road and UG services), which comes to 309.17 TEU/Ha.

Storage Location	No. Of TGS	Land proposed for storage, Ha	Remarks
Zone-1, New Yard (Container Handling by RTG)	1484	4.8	@ 309.17 TGS/Ha based on actual storage configuration excluding exit / access road and UG services but including internal roads

		Hand	(Container	(0.9 @ 20 includir roads.	60 TGS/Ha ng internal
		Exist (Con Hand	ing Yard 724 tainer	2.	.78 @ 20 includir roads.	60 TGS/Ha ng internal
(6).	(b). The area envisaged to be allotted by NMPT from existing yard for this project is 6.6 Ha (page no.108 of Feasibility Report). Of 6.6 Ha, the area envisaged for storage is 6.4 Ha. Whereas, the NMPT has considered only 2.78 Ha for assessing the existing yard capacity of the container cargo. The NMPT may consider to review the optimal yard capacity for container cargo in line with storage area envisaged in the feasibility report. Estimation of capital cost:	The beer [Rev subs	Calculation of calcul	d. ard capa aphs who area of 5	acity is erein NN 5.4 ha in	given in IPT has
(i).	Capital Cost for Container handling:					
(7)	(a). Please furnish the break up of Capital Cost for Civil works.	SI. No	Item	Total cost (Phase I) (in ₹ Crores)	Total cost (Phase II) (in ₹ Crores)	Total cost (Phase III) (in ₹ Crores)
		2	valves, pumps & Hydrant material shall be suitable for sea water) Pavement	28.88	9.74	_
			(Container Stack yard Associated facilities) & Road			
		3	Storm water drain & Road Crossing pipe	2.52	0.67	-
			Total	34.84	10.41	-
		Dece of ₹ resp	sequently, NMP ember 2016 has f45.25 crore (I onse to queries corrected break ws:	clarified Ph1 & 2) no. 6 is	that, the provided excludin	civil cost d in the g Taxes, cost is as
					(in Rs. Crores)	(in Rs. Crores)
		2	Fire Water (pipes pumps & Hydrant makes be suitable for sea water Pavement (Container	aterial shall ater)	3.44	9.74
		3	Associated facilities) of Storm water drain Crossing pipe	& Road	2.52	0.67
			Sub Total Taxes		34.84 5.05	10.41 1.51
			Total		39.89	11.92
	(b). Confirm that the unit rate adopted for estimating civil cost is based on the prevailing market rate.		confirmed that ailing market rate		•	n.81 Dased on
	(c). It is seen that the entire civil cost and related operating cost and return is apportioned to container handling. The NMPT may clarify whether none of the civil works is relevant for handing clean cargo. If, relevant the NMPT may apportion the capex, opex & ROCE of civil works to "clean cargo". Please furnish the detailed working in this regard.		confirmed that vant for handing			works is
	(d). Few deviations observed from the normative list of equipment prescribed in the guidelines for container terminal, are given below:	base	onsidering actua ed on layout co dled in three loc and rail lo	nstraints ations - 6	(containe existing y	ers being

(i). As per norms prescribed in the guidelines, 1 Reach Stacker is to be deployed for 9 Rubber Tyred Gantry Cranes (RTGCs). As against that, NMPT has proposed total 7 Reach stackers for 6 RTGCs (page no.156 of Feasibility Report). (ii). Norms prescribes 6 Tractor Trailers for 1 Quay Gantry Crane (QGC). The NMPT has not proposed any Tractor Trailer. Instead of that, the port has proposed 4 Forklifts. The NMPT to justify each of the above deviations from the norms prescribed in the upfront tariff guidelines.	philosophy and number of lifts practically possible, NMPT has proposed 3 (three) stack yards out of which 2 (two) stack yards are proposed to be operated exclusively with reach stackers, while the remaining 1 (one) stack yard with RTGCs. Considering the R&D requirements at stack yards exclusively operated with reach stacker and rail container depot (RCD), NMPT has proposed a total of 7 Reach stackers for 6 RTGCs. Also, Rail loading is considered through Reach stackers. (ii) The tractor trailers were included in the Opex, rather than in the Capex. However in the revised proposal, NMPT envisages 21 (twenty one) tractor trailers as part of Capex, in accordance with the DPR. Further, the forklifts have been considered in the proposal, since 2 (two) stack yards are proposed to be exclusively operated with reach stackers, only including RCD operations. Fork lifts shall be used in Yard area for handling light weight / empty containers and not in quay area.
(e). Please furnish detailed working for cost of each of the equipment indicating number of equipment and per unit cost. The per unit cost to be duly linked to the budgetary quotation / offers considered by the port to arrive at the estimates.	Container Handling equipment Unit Cost (₹ Cr.) Units (Nos.) Amount (₹ Cr.) Rail Mounted Quay Crane (RMQC) 51.72 2 103.44 Rubber Tyred Gantry Crane (RTG) 11.02 6 66.14 Reach Stacker 2.22 7 15.56 Tractor Trailers 0.37 21 7.77 Fork Lift Trucks 0.64 4 2.57 Total 195.48
(f). The NMPT to furnish budgetary quotation for estimating capital cost of forklift trucks as the same is not furnished. (g). Confirm the Capital Cost are inclusive of applicable taxes and duties. In case, the EPCG benefit is likely to be availed by the successful bidder, then NMPT to capture its effect in the Capital Cost estimates.	 This Equipment being a regular item (not a major cost component), separate Budgetary quotes were not taken, estimate based on Consultants in-house data. The Capital Cost estimate in the Tariff Proposal is inclusive of Customs duty - 26.43% of CIF cost of imported equipment (7.5% Basic Customs Duty + 12.50% CVD+ 3% Education Cess and 4% SAD). Excise Duty - 12.5% of ex-works cost of indigenously sourced equipment. Central Sales Tax (VAT) - 2% (against form C) Service Tax - 14.5% on site works Insurance - 1% of Total capital cost. NMPT has not envisaged any EPCG benefit in capital cost estimate.
(ii). Capital Cost for Clean Cargo: The guidelines prescribe the list of equipment for multipurpose berth which includes level luffing wharf cranes, fork lift truck, pay loaders,	The quantum of Other Cargo at 0.29 MTPA implies average monthly handling of 23,778 tonnes (0.29/12) and infrequent vessel calls (1

power & lighting & communication. The cargo vessel call every 30-35 days). Given the small handling equipment considered by the NMPT, and infrequent nature of cargo handling for however, includes one Harbour Mobile Crane Other Cargo, NMPT had considered one of 100 Tonne capacity (HMC), 2 nos. of Pay Harbour Mobile Crane of 100 Tonne capacity loader, 1 hopper and 6 nos. of Dumpers. The (HMC), 2 nos. of Pay loader, 1 hopper and 6 port to furnish reasons for deviation from the nos. of Dumpers. norms prescribed in the upfront tariff guidelines. Confirm that the equipment At the suggestion of prospective bidders, the proposed are adequate to handle "Clean CapEx for Other Cargo has been further optimized. It has been decided to remove cargo" (iii). It is seen that the share of other clean cargo is Harbour Mobile Crane (HMC), instead ship gears shall be used to handle Other Cargo. 15.625% of total optimal capacity of the Further, given the small nature of Other Cargo terminal. The NMPT has proposed total capital cost of `58.03 crores towards 1 HMC, 1 handling, dumpers, which would have been Hopper, 2 nos. of payloders and 6 dumpers, IT idling most of the time, have also been removed system cost and other cost exclusively for from CapEx to optimize cargo handling costs and de-risk the operations from volatility in handling clean cargo. From the proposal, it vessel calls and cargo realization. appears, that these fleet of equipment may remain highly underutilized. The NMPT to examine the proposal in the light of the above The updated list of equipments required for observation. In case, the NMPT envisages handling Other Cargo in the revised proposal is: these equipment will partially be utilized for Other Cargo Handling Unit Cost Units Amount container handling, the NMPT may consider to equipment (Cr.) (Nos.) (Cr.) suitably capture its impact in optimal capacity, capital cost and ARR. Pay Loaders (10 tonne) 0.40 2 0.80 Mobile hoppers 0.55 1.10 Total 1.90 Operating Cost: (7). (i). Operating Cost for Container handling: Copies of fuel bill of latest three months are (a). Fuel Cost: Furnish the copy of fuel bill of latest three furnished. months to justify the unit rate adopted by NMPT. Depreciation: Noted and revised the tariff proposal. (b). The NMPT may modify Depreciation for the Civil works at 3.17% and Equipment works at 9.50% as per the depreciation rate applicable under the Companies Act, 2013. This has been considered by the Authority while approving reference tariff for handling coal and other cargo at Berth no.12 at NMPT vide Order No.TAMP/60/2015-NMPT dated 16 November 2015 and also in other reference tariff Orders. There is slight error observed in the (c). Note and accordingly revised the tariff proposal. method of computation of repairs and maintenance and depreciation. The NMPT has not considered the capital cost of IT system cost and other capital cost while calculating repairs & maintenance and depreciation. The estimate considered by NMPT and correct estimation is given below: **Particulars** As estimated Correct Position No. by NMPT Total civil cost for 1. container Total equipment cost 187.71 187.71 for container IT system cost at 2% 4.79 4.79 4 Other cost at 10% 23.95 23.95 Total Capital cost of 268.26 268.26 container . Repairs and Maintenance: Civil at 1% 0.52 0.58

(ii). Mechanical and electrical equipment at 2% 7. Depreciation: (i). Civil (ii). Mechanical and electrical equipment	[1% of {1% of {751.81crores} + {751.81crores} + {751.81crores * 2%) + {751.81crores * 2%) + {751.81crores * 10%)]}} 3.85	
	npute these cost items in	
the light of the above		
(ii). Operating Cost for C (a). Power Cost:	lean Cargo handling:	
(i). NMPT hat consumption of 500 power cost at ₹0.26 both hopper and HM of the power cost hopper separately, adopted for these justified based on the consumption consider in any other major fixation.	as estimated power of units/day and estimated of crores. Confirm it is for the confirmation of the confirmation in the confirmation is confirmation in the confirmation in the confirmation in the confirmation is confirmation in the	NMPT has proposed 2 (two) No. of Tyre mounted Non Mechanized Mobile Hoppers with hydraulic sector gates and jacks. Hydraulic power pack with 11 KW motor rating is normally used in this type of hopper. Power Consumption of Hoppers: 11 KW x 2 Nos. of Hoppers x 20 Hours x load factor (0.85) = 374 Units per day Further, HMC have been removed from the CapEx in the revised Proposal for fixation of Tariff. It is confirmed that the mobile hopper will be
power operated and	not fuel.	power operated. Further, HMC have been removed from the CapEx in the revised version of the Proposal for fixation of Tariff.
(b). Truck Lease		
The following points		The guestian of Other Occurs and all the Co.
lease of equipmer prescribe normative cost to be estimated capital cost, operating Revenue Requirement is computed for the clarify as to how to how the clarify as to how to how the clarify as to how to how to how the clarify as the clarify as to how the clarify as to how the clarify as to how the clarify as	ines do not mention about int. The 2008 guidelines list of equipment for capital d by Port Trust. Based on ing cost, ROCE and Annual ent (ARR), reference tariff optimal capacity. Please the approach adopted by trucks on lease fits into the NMPT to justify with for deviation from the gard. Cost benefit analysis is purchase option of truck osal of lease of trucks may	The quantum of Other Cargo projections (0.29 MTPA) implies average monthly handling of 23,778 tonnes (0.29/12) and infrequent vessel calls (1 vessel call every 30-35 days). Given the small and temporary nature of cargo handling for Other Cargo, purchase of dumpers/ trucks is not called for since these will be idling most of the time. Hence hiring of trucks has been proposed to optimize cargo handling costs and de-risk the operations from volatility in vessel calls and cargo realization. The same has been accepted by TAMP in its Order for fixation of Tariff for Mechanized Coal
also be furnished.	considering vessel call at	Terminal at Berth No. 12 at NMPT (Case No. TAMP/60/2015-NMPT dated 16-11-2015). Since the Proposal for fixation of Tariff has been
11.41 in the computa	ation of lease of truck is not n the basis and also give	revised, the number of vessel calls is now 11; the working of the same is provided:
		DescriptionUnitsOptimal Capacity for Other Cargo0.29MTPA

		Unloading Rate per 7,560 TPD
		Day Number of Vessel (0.29 x Nos.
		Calls 1,000,000) / 7560 = 10.80 ~ 11
	(iii). Justify the basis of considering lease rent of ₹10,000/ day/ truck with documentary support / actual lease rent for trucks at NMPT. Confirm it reflects the prevailing market value.	Truck Hire Charges are hereby revised in line with NMPT Scale of Rates (Gazette No. 133, Dated 13.04.2016) - Clause 6.7 (Hire charges for cargo handling equipment), for which the working are provided:
		Description Units
		Hire charges for a Tata 555.00 * ₹ / hour Truck Model LPT 909/36 Number of hours of 16.8 hours
		operation
		Hire Charges per day (555 x 16.8) ₹ / day / per truck = 9,324 truck * (subject to a minimum of ₹4,440.00)
	(iv). In this working 533 trucks trips indicated is	Since the Proposal for fixation of Tariff has been
	for per day. Please confirm whether it is for per day. Furnish the working for the same.	revised, the number of trucks trips is now 504; the working of the same is provided: Description Units
		Unloading Rate per Day 7,560 TPD Carrying Capacity of 1 15 tonnes truck
	(I) Decreased	Total Truck trips per day (7560 / 15) = 504 trips / day
	(d). Depreciation: Point raised in this regard for container is	Noted and accordingly the tariff proposal has
	reiterated for clean cargo as well.	been revised.
(8).	Annual Revenue Requirement (ARR) & Proposed Tariff Calculation:	
(i).	Reference Tariff calculation for handling Container and Clean cargo:	
	(a). Indicate the share of foreign and coastal for clean cargo. Also, furnish the basis thereof.	The Other Cargo to be handled at the Terminal is proposed to be entirely foreign.
	(b). The NMPT has arrived at the handling charge by spreading the annual revenue requirement over optimal capacity for handling container and clean cargo. Though the NMPT has proposed concessional rate for coastal container and clean cargo at 60% of the rate arrived for foreign cargo, the impact of coastal concession is not captured while arriving at the rate proposed for foreign cargo. The impact of coastal concession to be considered while	80% of the Container Cargo proposed to handled is expected to be foreign, and the remaining 20% to be coastal. The handling rate for coastal containers has been proposed at 60% of the rate arrived for foreign container, and the impact of this concession has been captured while arriving at the proposed tariff. The Other Cargo to be handled at the Terminal is proposed to be entirely foreign. Hence, NMPT
	arriving at the proposed tariff for container / clean cargo.	has not proposed any percentage share of coastal cargo for determining the rate for handling charges. Concessional upfront rates for coastal cargo have been prescribed to comply with the Government guidelines though it does not have any impact on the revenue realization.
(ii).	Explain the basis for considering the percentage share of Container and Clean cargo moving out within free period, and percentage share of cargo attracting storage charge along with justification.	Container Cargo: Storage services would range from huge number of days intervals and for various types of containers i.e. ICD, CFS, Export, Import, etc. Due to non-availability of such data of volume of containers, it is not possible to estimate such detailed working for these activities of storage services. For Other Cargo, considered based on past experience of NMPT and also reference has been taken from other Tariff orders approved by TAMP.
(9).	Proposed SOR:	

(i).	(a). The Authority has passed common	Noted. Suitable Clause has been incorporated
()	adoption Orders, vide Order	at Annexure - I, 2 (ii & iii) in the revised tariff
	No.TAMP/53/2015-VOCPT dated 26 November 2015 and 10 June 2016 relating to	proposal.
	provision prescribed for System of	
	classification of vessel for levy of Vessel	
	Related Charges (VRC) and Criteria for levy of	
	Vessel Related Charges and Concessional	
	Coastal rate for all Major Port Trusts and BOT operators thereat. It is, however, seen that the	
	NMPT has not included the provisions	
	stipulated suitably in the proposed SOR. The	
	NMPT to incorporate the same in the SOR and	
	to consider the impact, if any, in the revenue estimates.	
	(b). Since the berth hire charges is	Noted. Suitable Clause has been incorporated
	proposed to be collected by NMPT the	at Annexure - I, Clause 2 (xiv) of the revised
	following condition be incorporated in line with	tariff proposal.
	the prescription made in other upfront tariff cases:	
	"In case a vessel idles due to breakdown or	
	non-availability of the shore based facilities of	
	the operator or any other reasons attributable	
	to operator, rebate equivalent to berth hire charges payable to the New Mangalore Port	
	Trust accrued during the period of idling of	
	vessel shall be allowed by the operator."	
	(c). The tariff guidelines of 2008 prescribes norm for free at 5 days for import cargo and 15	It is confirmed that the Other Cargo envisaged by NMPT is import only. The Proposal has been
	days for export cargo for multipurpose berth.	suitably revised.
	Whereas, NMPT has proposed only 5 days	
	free period for other cargo. The NMPT to clarify	
	whether all the items of other cargo are import. If so, explicitly state in the proposed SOR and	
	suitably modify the draft SOR.	
(ii).	The NMPT has not proposed separate tariff for	Noted. Suitable clause has been incorporated at
	handling transhipment container. It has proposed a note that rate for the handling	Annexure – I Clause No. 3.2 (D) of the revised tariff proposal.
	charges for transhipment containers shall be	tann proposal.
	concessional. Such charges shall not exceed	
	1.5 times the handling charges for the normal	
	handling operation in loading or unloading cycle. Instead of the proposed note, the NMPT	
	may consider prescription of specific rate for	
	transhipment container. Include the impact	
	thereof in revenue estimation while arriving at the tariff.	
(iii).	For the storage of other cargo (fertilizer) NMPT	Noted. A separate note is incorporated in the
(,	has stated that it will be stored either at NMPT	revised Tariff which states as follows:
	or in private shed. The NMPT has also stated	"The handling charges for Other Cargo
	that no capital cost has been considered for development of storage shed for fertilizer. In	(Fertilizer) prescribed above is a charge only for unloading of the cargo from the vessel and
	the light of the above position, the note under	transfer of the same up to the Port storage
	the schedule of Cargo Handling Charges in the	sheds. The handling charges also cover other
	draft Scale of Rates should be modified to prescribe a separate note for fertilizer stating	miscellaneous services not specifically included in SOR. Storage of Fertilizer is not envisaged in
	that service excludes storage at stackyard.	this project and handling charges shall not
		include the charges against storage."
(11).	Performance Standards:	
(i).	Gross Berth Day Output.	
	The Performance standard proposed by the	It is confirmed that the Performance Standards

	NMPT for Gross Berth Day Output states that while determining working days from ship hours, the berth allowance of 5 hours shall be subtracted from the total hours. Please furnish the basis for such a provision and confirm it is in line with the Model Concession Agreement	proposed by NMPT are in line with the Model Concession Agreement issued by Ministry of Shipping.
	issued by the Ministry of Shipping.	
(ii).	The NMPT at SI. No. B under (a) has proposed Performance Standards for transit storage dwell time of coal at 15 days. Since coal is not proposed to be handled in this project, the Performance Standards may be reviewed.	Noted and corrected in the revised tariff proposal.
(iii).	The performance standards proposed by NMPT may have to be revised in light of observation made in the earlier queries to modify the handling rate in the optimal capacity calculation.	Noted and the tariff proposal has been revised accordingly.

- 8.1. While furnishing additional information / clarification, the NMPT vide its email dated 07 November 2016 and subsequent email dated 15 December 2016 has also filed its revised proposal on the subject matter.
- 8.2. The highlights of the revised proposal alongwith information / clarification submitted by NMPT are summarized below:

(i). <u>Estimation of Optimal Capacity:</u>

(a). Container Cargo:

(i). Estimation of Optimal Quay Capacity:

The estimation of optimal quay capacity is retained as in its original proposal i.e. 3,36,302 TEUs. Further, in terms of tonnage handled, the Optimum Quay Capacity for Container Cargo is retained at 5.04 MTPA and hence not reiterated here.

- (ii). Revised Estimation of optimal yard capacity:
 - (a). The storage area of existing yard modified as 5.4 Ha as against 2.8 Ha considered in original proposal.
 - (b). Average dwell time considered as 4.5 days as against 3 days considered in the original proposal.
 - (c). The revised calculation of optimal yard capacity for container handling is given below:

		New Yard Zone 1	New Yard Zone 2	Existing Yard
Total Area	На	4.8	0.9	5.4
G = Total ground slot #	TEUs per Ha	309.17	260	260
H = Average Stack height	ratio	2.5	2.5	2.5
P = Period in No. of days	days	365	365	365
S = Surge factor	ratio	1.3	1.3	1.3
D = Average Dwell Time*	days	4.5	4.5	4.5
Thus, Optimal Yard Capacity = 0.7 * (G * H * P) / (S * D)	TEUs	1,62,037	25,550	1,53,300

*Number of ground slots are lesser than the TAMP norms, owing to site constraints.

^{*}Average of 5 days for export & 4 days for import.

Hence, the Total Optimal Yard Capacity for Container Cargo is 3,40,887 TEUs. Further, in terms of tonnage handled, the Optimum Yard Capacity for Container Cargo is 5.11 MTPA.

(c). Calculation of Optimum Capacity for Other Cargo:

(i). Average Parcel Size:

The parcel size retained as per DPR at 27000 Tonnes.

(ii). Unloading Rate:

The port envisages that the handling of Other Cargo to be undertaken using ship gears. As such, the port has stated that the unloading rate has been considered as 7.560TPD [NMPT vide its email dated 19 December 2016 has clarified that 7392 TPD in its letter dated 7 November 2016 is a typographical error which should be read as 7560 TPD and hence updated here, as against 8,000 TPD considered in the original proposal. The handling rate has been arrived by assuming 3 (three) ship gears, operating at 20 cycles per hour, each cycle of 7.5 T each, for 16.8 hours (i.e. 7.5 T * 16.8 hours). Similar methodology has been accepted by TAMP in its order for V.O. Chidambaranar Port Trust (VOCPT) for fixation of reference tariff for mechanization of evacuation of cargo from Berth No. 9 (Case No.TAMP/7/2015-VOCPT dated 21-03-2015). The average number of moves per hour have been considered as 20 based on historical data of NMPT.

(iii). Berthing Time

An additional time of 0.125 days i.e. 3 hours has been considered towards berthing/ de-berthing as considered in the original proposal.

(iv). Ship Day Output

Loading/Unloading Time = Average Parcel Size / Unloading Rate = 27000 / 7560 = 3.571 days / vessel.

Turnaround Time = Loading/Unloading Time + Berthing Time = 3.571 + 0.125 = 3.696 days / vessel.

Ship Day Output = Average Parcel Size / Turnaround Time = 27000 / 3.696 = 7304 T / vessel.

Optimum Quay Capacity (i.e. The revised optimal quay capacity for Other Cargo is estimated to be 0.29 MTPA) = $70\% \times 7304 \times 365 \times 15.63\% = 0.29$ MTPA.

(d). Optimal terminal capacity:

As per the Guidelines of 2008, optimal terminal capacity is the lower value of the optimal quay capacity and optimal yard capacity. According to the calculations undertaken in the earlier sections, optimal capacity is determined as below:

Parameters	For Container Cargo		For Other Cargo	Total
Quay Capacity	3,36,302 TEUs	5.04 MTPA	0.29 MTPA	5.33 MTPA
Yard Capacity	3,99,762 TEUs	5.11 MTPA	NA	
Optimal Capacity	3,36,302 TEUs	5.04 MTPA	0.29 MTPA	5.33 MTPA

(ii). Capital Cost:

(a). For Container Cargo:

The port in the revised proposal has considered 21 tractor trailers as against nil considered in its original proposal. This was considered in the original proposal as part of operating cost. The revised capital cost estimated by the NMPT for Container Cargo Handling Facilities are given below:

(₹ in crores) **Particulars** Amount (a). Civil Construction cost Civil Works 51.81 Subtotal 51.81 (b). Container Handling equipment Rail Mounted Quay Crane (RMQC) (2 Nos. * ₹51.72 crores / unit) 103.44 Rubber Tyred Gantry Crane (RTGC) (6 Nos. * ₹11.02 crores / unit) 66.14 Reach Stacker (7 Nos. * ₹2.22. crores / unit) 15.56 Tractor Trailers (21 Nos. * ₹0.37 crores / unit) 7.77 Fork Lift (4 Nos. * ₹0.64 crores / unit) 2.57 Subtotal 195.48 (c). IT System/ Instrumentation Cost 4.95 (2% of civil construction and container handling equipment cost) (d). Other Cost incl. Financing cost and Interest during 24.73 construction (10% of civil construction and container handling equipment cost) 276.96

Note: Cost estimate is valid as of 2nd Quarter of 2016 price basis. All costs are reflected in INR and all foreign costs have been converted into equivalent INR using exchange rate as follows: 1 USD=INR 68.50.

(b). For Other Cargo:

For reasons furnished by the NMPT as brought out earlier, the port has deleted HMC and dumpers in its estimation of Capital cost for other cargo. Further, no. of hoppers considered are two in the revised proposal instead on one as estimated in its original proposal and the unit rate also appears to have been reduced. The revised capital cost estimated for other cargo is shown in the table below:

(₹ in crores)

Particulars	Amount
Civil Construction Cost	0.00
Handling Equipment Cost	
Pay Loaders (10 ton) - 2 Nos.	0.80
Mobile hoppers - 2 Nos.	1.10
Subtotal	1.90
Miscellaneous Cost	0.10
5% of civil and equipment cost	
Total Capital Cost for Other Cargo	2.00

(c). The total estimated revised Capital cost for developing handling facilities for container cargo and other cargo is shown in the table below:

(₹ in crores)

Type of Cargo	Total Estimated Capital Cost
Container Cargo	276.96
Other Cargo	2.00
Total	278.96

(iii). Operating cost:

(a). For Container Cargo:

Calculation of Operating cost for Container Cargo:

(₹ in crores)

			,
Sr. No.	Particulars	Amount	Unit
(i).	Power Costs		
(a).	Cost per Unit (KWH)	10.98	₹ / Unit
(b).	Cost of Electrical energy	2.95	₹ Crore

	(8KWh / TEU * ₹10.98 / KWh * 336302 TEUs)		
(ii).	Power illumination cost		
(a).	Power consumption	10.98	
(b).	Power illumination cost	3.93	
	(240000 KWh / annum * ₹10.98 / KWh *		
	14.93Ha)		
(iii).	Fuel Costs		
(a).	Cost per Unit (Litre)	55.79	₹/KWh
(b).	Cost of Electrical energy	7.51	₹ Crore
(:. A	(4 ltrs. / TEU * ₹55.79 / ltr. * 336302 TEUs)		
(iv).	Repair & Maintenance Costs	0.50	Ŧ 0
(a).	Civil Assets (1% on civil work)	0.58	₹ Crore
	[1% * (₹51.58 crores + 2%*₹51.58 crores + 10%*₹51.58 crores)]		
(b).	Mechanical & Electrical Equipment including	4.38	₹ Crore
(Β).	spares (2% on equipment cost)	4.30	Clole
	[2% * (₹187.71 crores + 2%*₹187.71 crores +		
	10%*₹187.71 crores)]		
(v).	Insurance Costs		
(a).	Insurance Costs (1% of Gross Fixed Asset	2.77	₹Crore
, ,	Value) (1% * ₹276.96 Crores)		
(vi).	Depreciation		
(a).	Civil Work @ 3.17%	1.84	₹ Crore
	[3.17% * (₹51.58 crores + 2%*₹51.58 crores +		
	10% * ₹51.58 crores)]		
(b).	Mechanical Work @ 9.5%	20.80	₹ Crore
	[9.5% * (₹187.71 crores + 2%*₹187.71 crores +		
(!!\	10%*₹187.71 crores)]	F 02	Ŧ 0
(vii).	License Fee for Land [{(5.4Ha * ₹37.38/ sq.mtr. / month) + (7.5Ha *	5.03	₹ Crore
	₹20.80/ sq.mtr. / month)} + {84.38% * ((1.4Ha *		
	₹37.38/ sq.mtr. / month) + (1Ha * ₹20.80/		
	sq.mtr. / month)} * 12M * 10000 sq. mtr. Per		
	Hal		
(viii).	License fee for Waterfront		
(a).	Area of Water front (=350 m x 25m)	12250	Sqm
(b).	Licence Fee per month (50% of License fee for	10.40	₹ per sqm/
	Land)		month
(c).	Percentage of Vessel Cargo	84.38 %	
(d).	Licence Fee for Waterfront	0.13	₹ Crore
	[12250sqm. * ₹10.40 / sqm / month * 84.38% *		
/:-\	12 months]		
(ix).	Other Expenses towards calculated and	27.70	Ŧ C
(a).	Other Expenses towards salaries and	27.70	₹ Crore
	overheads (10% on gross fixed assets) [10% * ₹276.96 Crores)		
(x).	Total Operating Costs at Optimal Capacity	77.62	₹ Crores
(^/·	Total Operating Costs at Optimal Capacity	11.02	/ OIDIE3

(b). <u>Calculation of Operating cost for other cargo handling:</u>

(₹ in crores)

			(₹ in crores)
Sr.	Particulars	Amount	Unit
No.			
(i).	Power Costs		
(a).	Cost per Unit (KWH)	10.98	₹ / unit
(b).	Total Power Charges [187KWh * 2 nos. of Hoppers * 16.8 hrs./KWh * ₹10.98 / KWh * (031 MTPA / 8000 TPD)]	0.27	₹Crore
(c).	Power Illumination Cost [1.38Ha * 2,40,000KWh p.a. * ₹10.98/KWh]	0.36	₹ Crore
(ii).	Fuel Costs		
(a).	For Trucks:		
(i).	Carrying Capacity of 1 Truck	15	tonnes
(ii).	Total Truck trips per day	533	trips / day
(iii).	Time taken to load one truck	2	minutes
(iv).	Transit time (assuming lead distance of 2.5 km)	28	minutes
(v).	Total Time	0.5	hours

(vi).	Number of Working Hours per day	16.8	hours
(vii).	Number of Trips per hour	33.6	nos.
(viii).	Number of trucks required per day	15	nos.
. ,	Cost of Fuel		₹/ litre
(ix).		55.79	
(x).	Fuel Consumption	10	litres/ hour
(xi).	Fuel Cost for Trucks [16.8 hrs. * ₹55.79 per ltr. * 10 ltrs. per hr. * (0.31 MTPA / 8000 TPD) * (504 trips per day / 33.6 nos. of trips)]	0.54	₹ Crores
(b).	For Payloader:		
(i).	Unit Cost of Fuel	55.79	₹/ litre
(ii).	Consumption of fuel	12	Litres/ hr
(iii).	Total time of operations	16.80	Hr/ day
(iv).	Number of Payloader	2	Nos.
(v).	Fuel Cost for Payloader	0.09	₹ Crores
,	[2 nos. of payloaders * ₹55.79 per ltr. * 12 ltrs. per hr * 16.8 hrs. per day * (0.31 MTPA / 8000 TPD)]		
(iii).	Truck Hire Cost		T / I
(a).	Hire cost per truck per day	555	₹/hour
4. \		9,324	₹ / day
(b).	Vessel Calls	11	Nos.
(c).	Lease Cost (₹9,324 per truck per day *(0.29 MTPA / 27,000 tonnes per vessel) * 3.5 days * 16 nos.)	0.57	₹ Crores
(vi).	Repair & Maintenance Costs		
(a).	Civil Assets (1% on civil work)	0.00	₹ Crore
(b).	Mechanical & Electrical Equipment including spares (5% on equipment cost) [5% * (₹1.90 crores + 5% ₹1.90 crores)]	0.10	₹ Crore
(vii).	Insurance Costs		
(a).	Insurance Costs (1% of Gross Fixed Asset Value) [1% * ₹1.90 crores]	0.20	₹ Crore
(viii).	Depreciation		
(a).	Civil Work @ 3.17%	0.00	₹ Crore
(b).	Mechanical Work @ 9.5% [9.5% * (₹1.90 crores + 5% ₹1.90 crores)]	0.19	₹ Crore
(ix).	License Fee for Land [{(1Ha * ₹37.38/ sq.mtr. / month} + {15.63% * ((1.4Ha * ₹37.38/ sq.mtr. / month) + (1Ha * ₹20.80/ sq.mtr. / month)} * 12M * 10000 sq. mtr. Per Ha]	0.59	₹ Crore
(xi).	License fee for Waterfront		
(a).	Area of Water front (=350 m x 35m)	12250	Sqm
(b).	Licence Fee per month (50% of License fee for Land)	10.40	₹ per sqm/ month
(c).	Percentage of Vessel Cargo	15.63%	
(d).	Licence Fee for Waterfront [12250sqm. * ₹10.40 / sqm. / month * 15.63% * 12 months]	0.02	₹ Crore
(xii).	Other Expenses		
(a).	Other Expenses towards salaries and overheads (5% on gross fixed assets) [5% * ₹2.00 crores]	0.10	₹Crore

- (iv). The return on capital employed is estimated at 16% on the gross block of assets.
- (v). Accordingly, the revenue requirement estimated by NMPT is as follows:

(a). Annual Revenue Requirement: (₹ in crores)

SI. No. Particulars Amount

SI. No.	Particulars	Amount
1.	For Container Cargo	
(i).	ROCE @ 16% (₹276.96 * 16%)	44.31
(ii).	Operating cost	77.62
(iii).	Total Revenue Requirement	121.93
2.	For Other Cargo	

(i).	ROCE @ 16% (₹2.00* 16%)	0.32
(ii).	Operating cost	2.84
(iii).	Total Revenue Requirement	3.16

(b). Apportionment of Revenue Requirement:

(₹ in crores)

Particulars	For Con Carg		For Othe	r Cargo
Total Revenue Requirement	121.93		3.16	
Revenue apportionment for				
Cargo Handling Charges	109.74	90%	3.00	95%
Ground Rent Charges	8.54	7%	0.00	0%
Miscellaneous Charges	3.66	3%	0.16	5%

(vi). The port has furnished detailed computation for arriving at the proposed container related tariff so as to meet the estimated ARR from container handling charges and storage charges. The tariff proposed by the NMPT to meet the estimated revenue requirement is as follows:

(a). Container Related Charge:

In the revised proposal, the NMPT has proposed container handling rate for different types of container and separately for ship to yard, yard to truck and yard to railway flat as suggested by the prospective bidders. The port has furnished detailed estimation of revenue at the proposed rates for the optimal capacity. The container related tariff proposed by the NMPT is given below:

(i). Handling Charges:

(a). Normal Containers

(Rate per TEU (in ₹)			
SI. No.	Description	Foreign Container		Coastal Container	
110.		Loaded	Empty	Loaded	Empty
1.	From Ship to container yard or vice versa	3,025.81	2,420.66	1,815.49	1,452.39
2.	From Container yard to Railway flat or vice versa	1,512.90	1,512.90	1,512.90	1,512.90
3.	From Container yard to Truck or vice versa	453.87	453.87	453.87	453.87

(b). Reefer Containers

<u>(D).</u>	. Reeter Conta	iners			
		Rate per TEU (in ₹)			
SI. No.	Description	Foreign Container		Coastal Container	
140.		Loaded	Empty	Loaded	Empty
1.	From Ship to container yard or vice versa	3,025.81	2,420.66	1,815.49	1,452.39
2.	From Container yard to Railway flat or vice versa	1,512.90	1,512.90	1,512.90	1,512.90
3.	From Container yard to Truck or vice versa	453.87	453.87	453.87	453.87

(c). Hazardous Containers

(0).	riazaraous contanior	3		
		Rate per TEU (in ₹)		
SI. No.	Description	Foreign Container	Coastal Container	
		Loaded	Loaded	
1.	From Ship to container yard or vice versa	3,782.27	2,269.36	
2.	From Container yard to Railway flat or vice versa	1,891.13	1,891.13	

3.	From Container yard to Truck	567.34	567.34
	or vice versa		

(d). Transhipment Containers

0.			Rate per	ΓEU (in ₹)	
SI. No.	Description	Foreign Container		Coastal Container	
140.		Loaded	Empty	Loaded	Empty
1.	Transhipment container	3,782.27	3,025.81	2,269.36	1,815.49

(e). Over Dimensional Cargo Containers

(0).		J -		TEU (in ₹)	EU (in ₹)		
SI. No.	Description	Foreign (Container	Coastal (Container		
140.		Loaded	Empty	Loaded	Empty		
1.	From Ship to container yard or vice versa	6,051.64	4,841.30	3,630.98	2,904.79		
2.	From Container yard to Railway flat or vice versa	3,025.81	3,025.81	3,025.81	3,025.81		
3.	From Container yard to Truck or vice versa	907.74	907.74	907.74	907.74		

(ii). Dwell Time Charges for Container, stored in the Port Premises:

	Premises:						
			Rate per co	ntainer per	day or par	t thereof (in	₹)
			Foreign			Coastal	
S.	Particulars	Upto	Over 20'	Above	Upto	Over 20'	Above
No.	i ai ticulai s	20' in	to upto	40' in	20' in	to upto	40' in
		length	40' in	length	length	40' in	length
			length			length	
1.	Import-loaded						
	First 4 days	Free	Free	Free	Free	Free	Free
	5-8 days	186.87	373.74	560.61	186.87	373.74	560.61
	9-15 days	373.74	747.49	1,121.23	373.74	747.49	1,121.23
	Thereafter	747.49	1,494.97	2,242.46	747.49	1,494.97	2,242.46
2.	Export-						
	Loaded						
	First 5 days	Free	Free	Free	Free	Free	Free
	6-8 days	186.87	373.74	560.61	186.87	373.74	560.61
	9-15 days	373.74	747.49	1,121.23	373.74	747.49	1,121.23
	Thereafter	747.49	1,494.97	2,242.46	747.49	1,494.97	2,242.46
3.	Import/Export-						
	Empty						
	First 4 days	Free	Free	Free	Free	Free	Free
	5-8 days	186.87	373.74	560.61	186.87	373.74	560.61
	9-15 days	373.74	747.49	1,121.23	373.74	747.49	1,121.23
	Thereafter	747.49	1,494.97	2,242.46	747.49	1,494.97	2,242.46
4.	Transhipment						
	-Loaded						
	First 15	Free	Free	Free	Free	Free	Free
	days						
	16-30 days	186.87	373.74	560.61	186.87	373.74	560.61
	Thereafter	373.74	747.49	1,121.23	373.74	747.49	1,121.23
5.	Transhipment						
	-Empty						
	First 7 days	Free	Free	Free	Free	Free	Free
	8-15 days	186.87	373.74	560.61	186.87	373.74	560.61
	Thereafter	373.74	747.49	1,121.23	373.74	747.49	1,121.23

(iii). Miscellaneous Charges:

(a). Reefer Monitoring and Connection

	(a). Reefer Monitoring and Connection					
		Rate per TI		EU (in ₹)		
S. No.	Description		Foreign Going Vessel		Vessel	
		Loaded	Empty	Loaded	Empty	
1	Additional charges per 4 hours or part thereof for electricity consumption	310.88	310.88	310.88	310.88	

and monitoring of reefer		
containers		

(b). Other Services Rendered

	(2). Cuite Contidos				
			Rate per	TEU (in ₹)	
S. No.	Description		n Going ssel	Coastal Vessel	
		Loaded	Empty	Loaded	Empty
1	Shifting of containers from one yard to another yard within the terminal for customs inspection or any other purpose and subsequent loading of containers for delivery.	1507.77	1507.77	1507.77	1507.77
2	Additional service charges for stacking containers in designated yard for custom examination or for any other purpose by prior arrangement.	452.33	452.33	452.33	452.33

(c). Opening of Hatch Cover and Replacing it

		Rate per Hatch	Cover (in ₹)
S. No.	Description	Foreign Going Vessel	Coastal Vessel
		Loaded	Loaded
1	When placing it on the Quay	6031.06	3618.64
2	Without placing it on the Quay	2922.26	1753.36

(d). One Hatch to another Hatch or within the Same Hatch

				tch Cover (in ₹)			
S. No.	Description	Foreign Going Vessel Coastal Ves			Vessel		
140.		Loaded	Empty	Loaded	Empty		
1	Hatch to hatch shifting (involving 1 move only)	1507.77	1507.77	904.66	904.66		
2	Other than (1) mentioned above	6031.06	6031.06	3618.64	3618.64		

(b). Other Cargo related charges:

(i). Cargo Handling Charges:

SI.	Commodity	Rate per in	n MT (in ₹)
No.	Commodity	Foreign	Coastal
1	Handling Charges for - Fertilizer,	102.89	61.73
	Limestone, Gypsum, Dolomite		

(ii). Storage Charges:

SI. No.	Description	Rate in ₹ per MT per day or part thereof
1.	First five days after expiry of free period	0.65
2.	6 th day to 10 th day after expiry of free period	0.98
3.	From 11 th day onwards	1.30

(vii). **Performance standard:**

(a). Gross Berth Output:

Cargo Category	Indicative Norms
Container	
(Main line vessel)	[25 moves per hour]
(Feeder vessel)	[17 moves per hour]
Mixed Dry bulk cargo	

Other	Cargo	(Fertilizer,	Limestone,	Gypsum,	7560 T/day *
Dolomite) using Ship Gear					

[*NMPT vide its email dated 19 December 2016 has clarified that 7392 Tonne mentioned in its letter dated 7 November 2016 is a typographical error which should be read as 7560 Tonne and hence updated accordingly in the above table]

(b). Transit Storage Dwell Time:

Trailer Storage 2 from Fillion				
Transit Storage Dwell Time				
- Import				
Container (at terminal)	4 days			
- Export	•			
Container (at terminal)	5 days			

- 9. With reference to point of action at para 6.2. above, we have received comments from users/ user organisations / prospective bidders on the revised proposal of the port. The NMPT vide its email dated 05 December 2016 has furnished its remarks on comments made by users/ user organisations / prospective bidders.
- 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 them. These details will also be made available at our website http://tariffauthority.gov.in.
- 11. With reference to totality of the information collected during the processing of this case, the following position emerges:
 - (i). The proposal of the New Mangalore Port Trust (NMPT) is to fix Reference Tariff for development of container terminal at berth no. 8 on Public Private Partnership (PPP) mode at NMPT.
 - (ii). This Authority had passed an Order No.TAMP/33/2009-NMPT dated 30 December 2009 fixing ceiling tariff under 2008 guidelines for upfront tariff following normative approach for setting up of upfront tariff for the container terminal to be developed on Build-Operate-Transfer (BOT) basis at NMPT on common user basis based on the proposal filed by the NMPT. The said Order dated 30 December 2009 was notified in the Gazette of India on 19 January 2010 vide Gazette No.29. The said project for dedicated container terminal did not become feasible due to high level of capital investment which included development of berth by the PPP operator.

In the current proposal, existing berth no.8 constructed by the port is proposed to be handed over to the BOT operator for development of handling facilities for mainly handling container and some other cargo viz., fertilizer, dolomite, limestone and gypsum. Thus, the current proposal is for handling container and other cargo. In this backdrop, the port has filed the current proposal seeking reference tariff for container handling and four other cargoes specified by the port following the principal of 2008 guidelines. The port has not proposed berth hire charges. Since the Berth has been constructed by NMPT, the Berth Hire Charges shall be levied by NMPT.

The revised Reference Tariff Guidelines of 2013 stipulate that the port shall propose reference tariff based on the highest tariff fixed for that commodity in the concerned Major Port Trust. If no highest upfront tariff is fixed for that commodity the port can adopt highest upfront tariff fixed in any other Major Port Trust under the 2008 Tariff Guidelines. The said guidelines further stipulate that if in the view of the Major port Trust, the tariff determined for a particular commodity under 2008 guidelines at that Major Port Trust or any other Major Port Trust is not a representative Reference Tariff for that commodity, then the Major Port is free to approach this Authority with a proposal to fix Reference Tariff under 2008 guidelines for the project giving detailed and sufficient justification.

The International Cargo Terminals & Infrastructure Private Limited (ICTIPL) suggested the port to adopt the Reference Tariff notified by this Authority for the Paradip Port Trust (PPT) for multipurpose cargo berth meant for handling both containers and other clean cargo. In this regard, the NMPT has clarified that the project facility envisaged by the port in the current project is not similar with that of the PPT in terms of project facilities and commodities proposed to be handled. Hence, the proposal is filed by the port following principles of 2008 guidelines which is one of the options available under 2013 guidelines.

In view of the guidelines position and keeping in view of the submissions made by the NMPT, the proposal filed by the NMPT seeking reference tariff following the principles of 2008 guidelines is accepted.

- (iii). As brought out in the earlier paragraphs bringing out the factual position of the case, the original proposal filed by NMPT dated 16 September 2016 has been revised by the port during the consultation proceedings. The NMPT has filed revised proposal taking into consideration some of the suggestions made by the users / user associations / prospective bidders. The said revised proposal was also forwarded by NMPT to all the concerned for their comments and the port has responded to the comments of users / user associations / prospective bidders. The revised proposal of the NMPT dated 07 November 2016 along with the information/ clarifications furnished by NMPT during the processing of the case in reference is considered in this analysis.
- (iv). Before proceeding ahead with the proposal of the port there has been strong objection from some user associations like Kanara Chamber of Commerce & Industry (KCCI), Association of New Mangalore Port Stevedores (ANMPS), Mangalore Custom House Agent's Association (MCHAA) and Mangalore Steamer Agents Association (MSAA) on the subject proposal on various grounds brought out earlier.
 - (a). With reference to the objection of identifying berth no.8 for the project, it is to state that it is the prerogative of the port to decide the berth which is to be developed on PPP mode and the cargo profile for the project. In the instant case, the port has conducted the Detailed Project Report (DPR) by Engineers India Limited for development of Container Terminal at Berth No 8. Clause 2.2. of the revised Reference Tariff Guidelines mandates this Authority to fix reference tariff for the PPP projects based on the proposal filed by the concerned port. Accordingly, the port has approached this Authority seeking reference tariff after the DPR for the project. Moreover, the proposal of the port is also approved by the Board of the port. The list of PPP Projects to be awarded by the Major Ports in the year 2016-17 of the Ministry of Shipping also includes this Project of providing the handling equipment at berth No 8 for handling container. In view of the above, this Authority is bound to proceed with the proposal of the port seeking reference tariff for Berth No 8 for handling container and other cargo.
 - (b). It is seen that the Board while approving the proposal filed by the port for fixation of reference tariff has recorded to intimate this Authority the concern of the Trustees as recorded. The port while forwarding the Board approval has not specifically brought out the concern of the Trustees. On perusal of the minutes of the meeting of the Board of Trustees of the port it is seen that the two trustees have pointed out that at present the low tariff of container is attracting container traffic at the port. There would be diversion of container at the proposed reference tariff. The another point made was that the port is getting container traffic due to congestion in Chennai Port. With reduction in congestion in Chennai port and container handling in neighbouring ports, the container traffic at the NMPT will reduce. Therefore, tariff should be competitive not only to retain but to attract traffic from hinterland.

The port during the processing of the case has clarified on similar points raised by stake holders that reference tariff worked out is as per

guidelines of 2008 and is in order. In the view of the NMPT, the proposed tariff is market competitive.

The KCCI, during the processing of the case, has stated that NMPT went ahead with the project without consulting the stakeholders. KCCI feels that the decision to overrule the dissent put forth by Trustees is arbitrary and ultra vires. In this regard, the port has clarified that the current PPP project for Container terminal is taken up as per Ministry direction and also Port Board has approved the project and that the proposal is monitored by Prime Minister's Office (PMO). This Authority is mandated as per the guidelines of 2013 to determine the reference tariff based on the proposal filed by the port.

(v). The proposed facility envisages handling of two different cargo groups i.e. Container cargo and Other cargo viz. Fertilizer, Limestone, Gypsum and Dolomite in the ratio of 84.375% of container and 15.625% of other cargo. The NMPT has adopted two different set of norms viz., for container, the NMPT has adopted the norms prescribed in 2008 guidelines for container terminal and for other cargo, the port has adopted the norms prescribed for multipurpose berth in order to achieve better productivity for container and other cargo.

For reasons cited by the port and recognising that the approach adopted by the NMPT for adopting container norms for handling container and multipurpose berth norms for handling other cargo appears to be logical and hence is accepted. The NMPT has generally followed the norms prescribed in the 2008 guidelines. Deviations from the norms on a few items as prescribed in the guidelines proposed by the NMPT are, inter alia, discussed in the subsequent paragraphs.

(vi). Optimal Terminal Capacity:

- (a). Optimal Quay capacity:
 - (i). Container:
 - The berth length envisaged is 350 mtrs. for container (a). handling. As per the upfront tariff guidelines of 2008 for container terminal, the norm prescribed is 1 number of quay gantry crane for 100 meters of berth length. Thus, as per the prescribed norm, the port should deploy atleast 3 number of quay crane. As against that, the NMPT has proposed to deploy only two quay gantry cranes instead of three quay gantry cranes on the ground of minimum traffic envisaged. As per clause 3.3.2 of the upfront tariff guidelines, tariff should be prescribed with reference to the optimal capacity of the terminal irrespective of any traffic forecast. Further, the upfront tariff guidelines do not prescribe any norm nor place any restriction on the port on the area to be allotted for storage purpose. That being so, when the port was advised to reassess the optimal quay capacity following the norms prescribed in the guidelines and also reassess the optimal yard capacity so as to match the (revised) optimal quay capacity, the NMPT has clarified that due to constraint in storage yard and the limitation of yard capacity, NMPT proposes only 2 quay cranes instead of requirement of 3 cranes as per the guidelines. The port has further substantiated its argument stating that 4 berths are proposed to be developed in western dock arm which also require backup area. Allotment of any additional area to the Container Terminal will conflict with the future planning of the adjacent berths. The port has thus justified that the deviation made with reference to number of quay cranes is on account of the limited yard capacity due to limited land availability.

It is notable that if the norm of 3 quay cranes prescribed in the guidelines is considered, the optimal quay capacity would be 7.57 MTPA as against the optimal quay capacity of 5.11 MTPA and optimal yard capacity assessed at 5.04 MTPA. The port has proposed to deploy 2 quay cranes instead of 3 nos. so that the optimal quay capacity is more or less closer to the optimal yard capacity. Further, the port has argued that the optimal capacity of the berth is kept with the minimum requirements in order to minimize the capital cost of the project, to optimize the productivity and minimize rate per TEU to be handled at the NMPT in comparison with other neighbouring ports.

Since the proposal of the port to restrict the number of quay cranes to two numbers is with the intention of not unduly burdening the tariff with cost of idle investments, this Authority accepts the deviation made by the port with reference to the number of quay cranes recognising that the same deviation in the number of quay crane proposed by the port was accepted by this Authority the while setting upfront tariff for Container Terminal at NMPT Order No.TAMP/33/2009-NMPT dated 30 December 2009 for fixation of Tariff for Container Terminal at NMPT.

- (b). The productivity of the quay crane at 25 moves per hour per TEU is considered as per the norm prescribed in the guidelines.
- (c). Applying the norms and formula prescribed in the guidelines and percentage share of container at 84.375% the optimal quay capacity is assessed at 336302 TEUs per annum which is relied upon and considered. The port has also converted the optimal capacity assessed in TEUs into million tonnes at 5.04 Million Tonnes Per Annum (MTPA) applying conversion of 1TEUs = 15 tonnes. This is done only to assess the overall capacity of container and other cargo in tonnes. Conversion of optimal capacity of container in TEUs to tonnes does not have any impact as such on tariff fixation for container handling as tariff is proposed on containers and not on tonne basis.

(ii). Other cargo:

- (a). The average parcel size of vessels carrying other cargo considered by the NMPT at 27000 tonnes is accepted as it is in line with vessel parameter adopted by the port and accepted by this Authority while assessing the optimal quay capacity and upfront tariff for mechanization of Berth No.12 for handling bulk cargo at NMPT in the Order No.TAMP/60/2015-NMPT dated 16 November 2015.
- (b). The upfront tariff guidelines for multipurpose berth prescribe norms for dry bulk cargo at 7,500 T/day for parcel size of less than 30,000 T and 10,000 T/day for parcel size of vessel above 30,000 T. This norm is with reference to deployment of 3 numbers of 20 T Electrical Level Luffing (ELL) cranes aggregating to 60 T. As against the above the port envisages handling of other cargo by ship gear.

The port had earlier proposed 1 no HMC of 100T capacity for handling other cargo. M/s.Adani Ports and Special Economic Zone Ltd. (APSEZL) has pointed out that the

Tariff for fertiliser under other cargo is high because of low traffic. APSEZL has suggested that dedicated HMC to handle other cargo is not required. Instead ship gears can be used for the low share of other cargo. In view of the suggestion made by the prospective bidder, port has removed Harbour Mobile Crane (HMC) and has instead proposed handling of other cargo by ship gears in its revised proposal.

The port has considered unloading rate of 7560T/ day for the average parcel size of vessel at 27,000 T/day for handling by ship gears. There are no norms prescribed in the guidelines of 2008 for handling by ship gears. Recognising that the handling rate considered by the NMPT at 7560T / day is comparable to the norm prescribed for parcel size of vessels upto 30,000 T in the upfront tariff guidelines of 2008 for handling dry bulk cargo, the same is accepted.

By considering the parcel size of vessel of 27000 T and handling rate of 7560 T/day NMPT has arrived at unloading time of 3.571 days (i.e. 27000T/7560T/day). The NMPT has then considered 3 hours i.e. 0.125 days towards berthing/ de-berthing. After capturing the impact of 0.125 days, the NMPT has arrived at the handling rate of other cargo at 7304 T/ day [i.e.7,560 T/day / (3.571 days + 0.125 days = 3.696 days)].

In this regard, it is relevant to state the approach followed is in line with the approach followed by the NMPT for fixation of reference tariff for mechanization of Berth No. 12 for handling bulk cargo which was approved by this Authority vide Order No.TAMP/60/2015-NMPT dated 16 November 2015. In the said Order the NMPT has drawn reference to similar approach followed in fixation of upfront tariff for the riverine multipurpose jetty at Outer Terminal-I of Kolkata Port Trust where additional 6 hours had been considered towards service time to cover berthing/ de-berthing, clearance, waiting time for tide. In another Order no.TAMP/74/2012-COPT dated February 2013 approved by this Authority for fixation of upfront tariff for multipurpose berth at Cochin Port Trust (COPT) 3 hrs. additional time has been considered for berthing/de-berthing time while determining the optimal capacity. At COPT, it did not envisage additional waiting time for tide hence 3 hours additional was considered by the port as against 6 hours at KOPT. Based on the explanation furnished by the NMPT for Berth No 12 which was accepted by this Authority in the November 2015 Order and recognising that it is in line with the approach adopted in the COPT and KOPT upfront tariff cases referred above, the approach adopted by NMPT in the current proposal for arriving at ship day output of 7304 T/day for other cargo as considered by the NMPT is considered.

- (c). For the reasons stated earlier, the percentage share of other cargo at 15.625% considered by the NMPT in the capacity calculation is considered.
- (d). Considering the ship day output at 7304 tonnes and percentage share of other cargo at 15.625%, and at 70% utilisation for 365 days, the optimal quay capacity for

other cargo is assessed at 2,91,603 tonnes i.e. 0.29 MTPA by the NMPT.

- (vii). Thus, the total quay capacity of Container and Other cargo put together works out to 5.3361 MTPA i.e. 5.34 MTPA (5.0445 MTPA of container plus 0.2916 MTPA of other cargo) assessed by the NMPT which is considered in the analysis.
 - (a). Optimal yard capacity:
 - (i). Container:
 - (a). Ground slots:

The ground slot norm prescribed in the 2008 Guidelines is 720 TEUs/ Ha. The norm of 720 TEUs per hectare prescribed in the guidelines was modified in the case of upfront tariff fixation for container Terminal at JNPT based on the submissions made by the JNPT. In case of upfront tariff fixation for container Terminal at NMPT, the port had assumed ground slot of 360 TEU per Ha, since one container would require (5.90 m x 2.35 m) = 13.87 Sq mt and 100% additional area for facilitating the movement of cranes and trailers and space between the containers in longitudinal and transverse direction etc. (10000 sq mtr / 27.74sq mtr /teu = 360 Teus / ha) This was considered in the Order No.TAMP/33/2009-NMPT dated 30 December 2009 relating to fixation of upfront tariff for container terminal at NMPT. The modified ground slot has been adopted in the upfront / reference tariff fixed for other Major Ports as well.

In the current proposal, storage location for container handling is in three different zones and the ground slots considered by the port are different from the level considered in the JNPT and earlier container terminal of the NMPT. The port has considered number of ground slots lower than the prescribed norms, owing to site constraints. The area wise land proposed for storage of container and no of Grounds slot considered by the port along with the reason is tabulated below:

Storage Location	Land proposed for storage of container, (in Ha)	No of ground slots (GS)consider ed by NMPT (TEUs/ Ha)	Reasons and Basis given by NMPT	Area required for 1 TEU
Zone-1, New Yard (Container Handling by RTG)	4.8 B a s e d	309.17	309.17 GS/Ha based on actual storage configuration excluding exit / access road and UG services but including internal roads	32.345 Sq. mtr.
Zone-2, New Yard (Container Handling by Reach stacker)	o 0.9 n	260	260 GS/Ha considering internal roads.	38.462 Sq. mtr.
Existing Yard (Container Handling by Reach stacker)	t ^{5.4} h e	260	260 GS/Ha considering internal roads.	38.462 Sq. mtr.

reasoning given by the port and recognising that it is based on the Feasibility Report and taking into consideration the actual storage configuration, the position / reasons reported by NMPT is relied upon for assessing the optimal yard capacity.

Clause 3.2 of the guidelines of February 2008 permits this Authority to make necessary adjustments in the norms based on the justification furnished by the concerned port trust, keeping in view the port specific conditions.

(b). Average Stack Height:

The upfront tariff guidelines specify average stack height of 2.5 which is complied with by the NMPT.

(c). Average dwell time:

The upfront tariff guidelines specify average dwell time for export container at 4 days and for import container at 2 days. Based on the prescribed norm the average dwell time of 3 days was considered by the NMPT in its original proposal.

During the processing of the case, one of the prospective bidders M/s.Adani Ports and Special Economic Zone Ltd. (APSEZL) stated that the average dwell time for import containers is 4 days and for export containers 7 days as per standard parameter at the container terminals in Mundra and Kattupalli. Hence APSEZL suggested to modify the average dwell time for import containers at 4 days and for export containers 7 days as per standard parameter at the container terminals in Mundra and Kattupalli.

Though the port earlier stated that the performance standard of average dwell time will not undergo change in the final revised proposal, the port at the request of the APSEZL has considered modified dwell time of 4 days for import and 5 days for export container and average dwell time is considered at 4.5 days i.e. (4+5)/2 for assessing the optimal yard capacity. The port has also modified the performance standard at the level of the modified dwell time. It is relevant to state here that in all the other container terminals, the average dwell time has been considered as per the prescribed norms. Since in the instant case, the port has proposed to modify the prescribed norm flowing from the suggestion made by one of the prospective bidders, this Authority decides to go ahead with the revised proposal of the port in this In any case, the optimal quay capacity is a regard. constraint for container handling at this terminal and this modified norm considered by the port, which has the bearing only on yard capacity, will not have impact on the reference tariff fixation.

(d). The yard capacity based on the formula prescribed in the guidelines and the parameters considered by the NMPT works out to 3,40,887 TEUs. As stated earlier, the port has also converted the optimal yard capacity assessed in TEUs into million tonnes at 5.11 Million Tonnes Per Annum (MTPA) applying conversion of 1TEUs = 15 tonnes.

(ii). Other cargo:

Recognising that the 2008 guidelines do not prescribe norm for assessing optimal yard capacity for multipurpose cargo nor does it envisage assessing optimal yard capacity for multipurpose cargo

berth, it is not found necessary to determine the optimal yard capacity for other cargo. The NMPT has also rightly not assessed the yard capacity for other cargo.

- (iii). (a). For container handling, the optimal capacity is considered at 3,36,302 TEUs i.e. 5.0445 MTPA (5.04 MTPA) being the lower of the optimal quay and yard capacities as considered by the NMPT.
 - (b). Based on the above analysis, the optimal capacity for other cargo is considered at 2,91,603 tonnes i.e. 0.29 MTPA considered by the NMPT at the level of the optimal quay capacity.
 - (c). The aggregate optimal capacity in tonnes is thus 5.0445 MTPA for container handling plus 0.29 MTPA for other cargo = 5.3361 MTPA (5.34 MTPA) as considered by the NMPT based on the optimal quay capacity for both the cargo groups.

(viii). Capital Cost:

The capital cost for the project estimated by the NMPT is ₹278.96 crores of which ₹276.96 crores is estimated for container cargo and ₹2.00 crores is for equipment cost for other cargo as explained below:

(a). For Container Handling:

(i). Civil Works:

The upfront tariff guidelines broadly indicate the civil works for the container terminal and require the port to estimate civil cost. The NMPT has estimated the civil costs relating to handling of container to the tune of ₹51.81 crores for container handling. The port has furnished the break up of the civil works in two phases comprising of Fire Water (pipes, valves, pumps & Hydrant material shall be suitable for sea water), Pavement (Container Stack yard Associated facilities) & Road, Storm water drain & Road Crossing pipe aggregating to ₹51.81 crores. The port has considered the total capital cost towards civil works estimated at 51.81 towards civil work for arriving at the proposed upfront tariff. The NMPT has not furnished any documentary evidence in support of the estimates of civil work. The estimate of civil works are, however, based on DPR of the Consultants. The proposal of the port states that the capital cost reflects the market rates of the second quarter of the year 2016. The port has confirmed that it has captured the applicable taxes in the estimates.

The 2008 guidelines require this Authority to consider the civil cost estimates as furnished by the concerned port trust. Since the capital cost estimates for civil works are based on the DPR the same is relied upon and considered in the analysis.

(ii). Equipment Cost:

The NMPT has proposed few deviations from the normative list of equipment prescribed in the guidelines for container terminal which are given below:

(a). As stated earlier, the number of quay cranes is considered as two instead of three numbers which is accepted for reasons stated earlier. (b). The normative list of equipment (other than Quay Crane) as per the guidelines and that considered by the NMPT is tabulated below for ease of understanding:

Container Handling equipment	Norms	No of Equipment as per normative list applicable for NMPT container terminal	No of Equipment proposed by the NMPT
Rail Mounted (RMQC)	1 no for handling 6 rakes/ day	1 no for handling 6 rakes/ day	Nil
Rubber Tyred Gantry Crane (RTGC)	3 nos for 1 QC	6 nos	6
Reach Stacker and or top lift truck	1 for 9 RTGs	1	7
Tractor Trailers	6 nos for 1 QC	12	21
Fork Lift Trucks	-	-	4

As regards RTGCs, it is found to be as per the prescribed norm for the two no of quay crane proposed to be deployed. The port has furnished the following reasons for deviation from the normative list of equipment in respect of other equipment:

Considering actual requirement of equipment (i). based on layout constraints (containers being handled in three locations - existing yard, new yard and rail loading area), evacuation philosophy and number of lifts practically possible, NMPT has proposed 3 (three) stack yards out of which 2 (two) stack yards are proposed to be operated exclusively with reach stackers, while the remaining 1 (one) stack yard with RTGCs. Considering the R&D requirements at stack yards exclusively operated with reach stacker and rail container depot (RCD), NMPT has proposed a total of 7 Reach stackers for 6 RTGCs. The port has stated that Rail loading is also considered to be handled through Reach stackers.

Relying on the submissions made by the port and also recognising that none of the users/ bidders have raised any pointed objection on non-inclusion of the RMGC in the estimation of container handling equipment cost, the deviation proposed by the port is accepted. Further, based on the clarification furnished by the port, the deviation proposed by the port from the normative list of equipment in respect Reach stacker is also relied upon and accepted.

(ii). In the original proposal, the port had not proposed tractor trailers for container handling. However, in the revised proposal, the port has estimated 21 tractor trailers as against the normative requirement of 12. The port has stated that in the original proposal tractor trailers were included in the operating cost estimate rather than in the capital cost of the project. However, in the revised proposal, NMPT envisages 21 (twenty one) tractor trailers as part of capital expenditure in accordance with the DPR.

In this regard it is relevant to state that the original proposal of the port does not show separate estimate for tractor trailer cost as stated by the port. Secondly, the port has not furnished any revised DPR for the project reflecting the modified capital cost estimated in the revised proposal.

The APSEZ has also observed that in the revised proposal the port has inluded that additional Capex for Tractor Trailors (TTs). However, as per the market practice no container terminal owns the TTs. TTs are always taken on hire basis and it is a standard market practice followed at Mundra, Hazira, Kattupalli, JNPT and many other container terminals/ports.

In this regard, the NMPT has clarified that the Port has conducted a cost benefit analysis for hire option vis-à-vis purchase option for Tractor Trailers (TTs). Based on the outcome, the purchase of Tractor Trailers (TTs) is more feasible option than hiring. Hence Port has proposed purchase of Tractor Trailers (TTs), instead of hiring. Based on the reasoning given by the port, the no of TTs proposed by the port for container handling is relied upon and accepted.

- (iii) . As regards, Forklift trucks, the port has stated that forklifts have been considered in the proposal, since 2 (two) stack yards are proposed to be exclusively operated with reach stackers. Fork lifts shall be used in Yard area for handling light weight / empty containers and not in quay area. Based on the reasoning given by the port, the no of Fork lifts proposed by the port for container handling at the yard is relied upon and accepted.
- (iv). To summarise, the proposed numbers of RTGCs, reach stackers, Forklifts trucks and tractor trailers to complement container handling by 2 nos. of QC proposed to be deployed by the port is accepted.
- (c). It is seen that the capital cost estimated for Quay Cranes, RTGCs, Reach Stackers and Fork lift Trucks is as per the DPR and hence is accepted. As regard Tractor Trailer, the unit rate considered by the port is closer to the indicative unit rate in the tariff Guidelines of 2008. The NMPT has confirmed that the Capital Cost estimate is inclusive of applicable Customs duty for foreign sourced equipment and Duty and taxes for indigenously sourced equipment. NMPT has not envisaged any EPCG benefit in capital cost estimate. One of the bidders M/s. Bollore Africa Logistics SAS, France in consortium with the India Ports and Logistics Pvt. Ltd. has stated that though EPCG benefits are granted by DGFT, the Department of Revenue Intelligence is not accepting the duty free imports. The total equipment cost as estimated by the NMPT at ₹195.48 is relied upon and considered in the analysis.
- (d). <u>IT System Cost and Other Cost for container:</u>

The capital cost for IT systems and other items are estimated at 2% and 10% respectively of the sum of the civil cost and container handling equipment cost as per the norms prescribed in the guidelines.

(e). Thus, the total capital cost estimated for handling container is considered at ₹276.96 crores as estimated by the NMPT.

(iii). Other cargo:

(a). Civil Works:

The port has not estimated any civil works for other cargo. On being pointed out, the NMPT has categorically stated that no civil work is envisaged for other cargo. The NMPT has confirmed that none of the civil works is relevant for handing Other Cargo. The clarification furnished by the NMPT is relied upon.

(b). Equipment Cost:

For multipurpose cargo, the guidelines prescribe the list of equipment for multipurpose berth which includes level luffing wharf cranes, fork lift truck, pay loaders, power & lighting & communication.

Considering the optimal capacity of Other Cargo at 0.29 MTPA which implies average monthly handling of 23,778 tonnes (0.29/12) and infrequent vessel calls (1 vessel call every 30-35 days), NMPT had considered one Harbour Mobile Crane of 100 Tonne capacity (HMC), 2 nos. of Pay loader, 1 hopper and 6 nos. of Dumpers.

One of the prospective bidders Adani Ports and SEZ Ltd has pointed out that dedicated HMC to handle other cargo is not required. Ship gears can be used for the estimated traffic. In this back drop, the NMPT has in the revised proposal deleted one Harbour Mobile Crane of 100 Tonne capacity (HMC) at the suggestion of prospective bidder. The port envisages ship gears shall be used to handle Other Cargo. Further, given the low volume of Other Cargo handling, dumpers, which would have been idling most of the time, have also been removed. This is done to reduce the cargo handling costs of other cargo and derisk the operations from volatility in vessel calls and cargo realization.

The cargo handling equipment considered by the NMPT, in the revised proposal for handling other cargo thus comprises of two Pay loaders and two mobile hoppers. The capital cost for pay loaders is as per the DPR. As regards the hopper cost, the DPR estimated unit rate at ₹1 crore which is reduced to ₹0.55 crore in the revised proposal. In a recent proposal of the V.O. Chidambarnar Port Trust the capital cost of hopper was considered at 0.40 crores as estimated by the port. The upfront tariff guidelines of 2008 for multipurpose berth require this Authority to adopt the Equipment cost as estimated by the port. That being so, and based on the reasoning given by the port and also recognising that the modification made by the port in the equipment profile for handling other cargo in the revised proposal is in view of the suggestion

made by the prospective bidders, the equipment proposed for handling other cargo and the capital cost for same is considered at the level envisaged by the NMPT.

(iv). Miscellaneous Cost for other cargo:

The capital cost for other items is estimated at 5% of the sum of the civil cost and equipment cost for other cargo as per the norms prescribed in the guidelines.

- (v). Thus, the total capital cost estimated for handling other cargo is ₹2.00 crores as estimated by the NMPT.
- (vi). The ANMPS and the KCCI have pointed out that NMPT has allowed the prospective bidders to deploy second hand equipments for the first 5 years or till reaching the 75% of the project capacity whichever is earlier for the financial viability of the project. Thus, along with the bidders, NMPT also concedes that the Project is not financially viable and hence this deviation from the conditions set out in the RFQ. They have sought clarity as to whether this kind of concession is permissible as per the TAMP guidelines on PPP Projects at Major Port Trusts, 2008

In this context, the port has clarified that due to Container Cargo traffic estimates being on the lower side only in the initial stages, port is permitting the Concessionaire to deploy second hand equipments for 5 years or till reaching the 75% of project capacity, whichever is earlier. However, deployment of second hand equipment is permitted during the initial stage only subject to meeting the performance standards set out for new equipment and hence the productivity will not get hindered. This is as per the approval of its Board. The port has confirmed that the tariff is sought and need to be fixed for new equipment.

The tariff guidelines of 2008 prescribes norms including normative list of equipment. The port has filed the proposal following the said guidelines and explained reasons for deviation from the prescribed norms. The matter relating to allowing second hand crane for initial period of the project is the decision taken by the port on approval of its Board. The port has sought tariff and performance standards for a full fledged terminal with deployment of new equipment. For the reasons cited by the port, this Authority goes ahead with the proposal of the port.

- (ix). Based on the above analysis, the aggregate capital cost for both container handling and other cargo works out to ₹278.96 crores (₹276.96 crores +₹2 crores) as estimated by the NMPT.
- (x). Return on capital employed is calculated at 16% of the estimated revised capital cost as per the norms prescribed in the guidelines.
- (xi). Operating Cost:
 - (a). Container cargo:
 - (i). Power cost:
 - (a). Consumption of power is considered as per the norm at 8 KWH per TEU.
 - (b). The port has also considered Power consumption for general illumination at 2.4 lakh units/ hectare/ annum for 14.93 ha of area for container handling. The upfront tariff guidelines for the container terminal and multipurpose

berth do not prescribe norms towards consumption of power for illumination. Nevertheless, illumination of the yard is essential. On this premise, this Authority had accepted the estimation of power consumption towards general illumination adopting the norm of 2,40,000 units per hectare per annum for liquid terminal while arriving at the upfront tariff for handling bulk cargo at Berth No 12 in the Order No. TAMP/60/2016-NMPT dated 16 November 2015. On the same analogy, the power cost estimated by the port towards general illumination at 2.4 lakh units/ hectare/ annum for 14.93 ha of area at the unit rate of ₹ is accepted in the current exercise.

- (c). In the revised proposal, the unit cost of power considered by the NMPT is ₹10.98 per unit which is substantiated with copies of the electricity bills issued by the Mangalore Electricity Supply Company Limited. The point made by M/s. Bollore Africa Logistics SAS (BAL), France in consortium with India Ports and Logistics Private Limited that the while estimating the power cost the demand charge as shown in electricity bills to the tune of 6 lakhs / month is not taken into consideration by the port has been taken into consideration by the NMPT in the revised proposal. The port conceding the point made by the BAL has updated the unit rate of power at ₹10.98 in the revised proposal as against ₹8.15/ unit considered in the original proposal.
- (d). Accordingly, the power cost is considered at ₹2.95 crores for container handling and ₹3.93 crores for general illumination at the level estimated by the port for container handling.

(ii). Fuel cost:

Consumption of fuel is considered at 4 litres per TEU as per the consumption norm prescribed in the guidelines. The unit cost of fuel considered is considered at prevailing rate reported at ₹55.79 per litre which is substantiated with copy of the fuel bill for container handling facilities.

(iii). Repairs and Maintenance cost:

As per the norms prescribed in the guidelines for container cargo, the repairs and maintenance cost on civil work is considered at 1% on the civil cost and 2% on mechanical equipment. The NMPT has estimated the repairs and maintenance as per the prescribed norms and hence the same is considered.

(iv). Insurance cost:

Insurance cost is estimated at 1% of the gross fixed assets relevant for the container handling activity, which is in line with the norms prescribed in the guidelines.

(v). Depreciation:

As per the guidelines, should be calculated following the depreciation rates for Straight Line Method (SLM) prescribed in the Companies Act. The NMPT has computed depreciation on civil assets @ 3.17% per annum and on mechanical assets @ 9.5% per annum. The deprecation rate considered by the NMPT is in line with the depreciation considered in other reference tariff

cases wherein the port has furnished relevant extract of the Companies Act, 2013, in support of the depreciation rate considered.

While calculation depreciation, the IT cost and other capital cost are duly taken proportionately under civil and equipment cost. This is found to be in line with the approach followed in the other upfront tariff cases and hence is accepted.

(vi). License fees:

- (a). The guidelines for upfront tariff stipulate that lease rent for port land is to be estimated based on the rates prescribed in the Scale of Rates of the respective Major Port Trusts.
- (b). The port has confirmed that unit rate of the license fee at ₹37.38/ sq. mtr./ month for Existing Developed Land and ₹20.80/ sq. mtr./ month for New Land considered are as per the lease rent applicable for Panambur village prescribed in its Scale of Rates after considering the applicable annual escalation factor. The license fee for land estimated by the NMPT is considered. Apart from estimating license fee for land area, the NMPT has estimated license fee for water area also. The unit rate of license fee for water area is considered at ₹10.40/ sq.mtr./ month at 50% of the license fee for land lease rent. The estimate of license fee for water area is thus considered as estimated by the NMPT.

(vii). Other expenses:

The operating cost for other items is estimated at 10% of the gross value of fixed assets (for terminals having capacity more than 0.5 million TEUs) for container cargo as per the norms prescribed in the guidelines.

The norms prescribed for estimating other expenses is 10% of the gross value of fixed assets (for terminals having capacity less than 0.5 million TEUs) and 10% for others(i.e. terminals having capacity more than 0.5 TEUs). The port in the original proposal had estimated other expenses at 15% of the gross value of assets. APSEZ, has pointed out that the norm for other expenses at 15% is on the higher side and have suggested to consider it at 7% of gross assets value. APSEZ, has also urged this Authority to look at it not only from the point of view of realistic tariff but also to protect the interest of the user and not to unnecessary load on the tariff.

In view of the suggestion of the APSEZ, the port has reviewed this item and has felt that 15% of the Gross Fixed Asset value is a higher estimate. The Port has, based on the suggestion of the APSEZ, proposed to reduce the estimation of Other Expenses from 15% of Gross Fixed Assets to 10%, in the revised proposal adopting the norm applicable for terminal having capacity less than 0.5 mn TEUs. Since the above deviation from the norm flows from the point made by the prospective bidder, the other expenses is considered at estimated by the NMPT at 10% of the gross fixed assets value.

While calculating this item, the capital cost estimated towards other assets are duly taken proportionately under civil and equipment cost in line with the approach followed in other upfront tariff cases.

- (xii). The total operating cost based on the above analysis works out to ₹77.62 crores as estimated by the NMPT for container handling.
 - (a). Other cargo:
 - (i). Power cost:
 - (a). The NMPT has proposed 2 nos. of Tyre mounted Non Mechanized Mobile Hoppers with hydraulic sector gates and jacks. The port has confirmed that the hoppers are power operated. Power Consumption for Hoppers is estimated by NMPT at 374 units/ day i.e. 11 KW x 2 Nos. of Hoppers x 20 Hours x load factor (0.85). None of the users/ prospective bidders have made any adverse remarks on the power consumption considered by the NMPT. The port has estimated power consumption for hoppers at ₹0.27 crores [i.e. 187units * 2 nos. of Hoppers * ₹10.98 / unit * (0.29 MTPA / 7560 TPD)].
 - (b). Power consumption towards general illumination considered by NMPT at 2.4 lakh units/ hectare/ annum for 1.38 hectare of land to be allotted for other cargo is also considered for reasons explained in earlier paragraph. Applying the unit cost of power at ₹ 10.98, the power cost estimated by NMPT is ₹ 0.36 crores for other cargo towards general illumination.
 - (c). Power cost is considered at ₹0.27 crores for hoppers and ₹0.36 crores for general illumination at the level estimated by the port for handling other cargo.

(ii). Fuel cost:

- (a). The port has estimated fuel costs for 2 Nos. of 10T Pay loaders proposed for deployment in this project and for trucks proposed to be taken on hire. The fuel consumption of 12 ltrs./ hour per 10T payloader is found to be as per norms prescribed in the 2008 guidelines and hence is accepted.
- (b). For trucks on lease, the NMPT has considered fuel consumption of 10 ltrs./ hour/ truck. It is relevant to mention that no norm has been prescribed in 2008 guidelines for fuel consumption of truck. There are no norms prescribed in the guidelines for fuel consumption for trucks. Recognising that the fuel consumption considered by the NMPT for trucks in the current proposal is as per the DPR and also that it is in line with the estimates considered in the upfront tariff approved by this Authority in Order No.TAMP/60/2015-NMPT dated 16 November 2015 for handling bulk cargo based on the proposal of the port, the same is relied upon in this analysis.
- (c). The unit rate of fuel of ₹55.79 per litre is supported with copies of the recent bills and hence is relied upon.

(iii). Lease of trucks:

For handling other cargo, the NMPT has proposed 16 numbers of trucks on lease (hire) basis. The 2008 guidelines do not mention about lease of equipment.

The 2008 guidelines prescribe normative list of equipment for capital cost to be estimated by Port Trust. Based on capital cost, operating cost, ROCE and Annual Revenue Requirement (ARR) reference tariff is computed for the optimal capacity. Since the approach adopted by the NMPT was not found to be in line with the 2008 guidelines, the NMPT was requested to justify with adequate reasons for deviation from the guidelines in this regard and also furnish the cost benefit analysis done by it for hire vis-àvis purchase option of truck to arrive at this proposal of lease of trucks. The port has clarified that quantum of Other Cargo projections at 0.29 MTPA implies average monthly handling of 23.778 tonnes (0.29/12) and infrequent vessel calls (1 vessel call every 30-35 days). Given the small and temporary nature of cargo handling for Other Cargo, purchase of dumpers/ trucks is not called for since these will be idling most of the time. Hence hiring of trucks has been proposed by the port to optimize cargo handling costs and de-risk the operations from volatility in vessel calls and cargo realization. The port has stated that the same approach was adopted by this Authority for fixation of reference tariff for bulk terminal at Berth No 12 at NMPT.

Based on the clarification furnished by the NMPT and recognising that even the DPR has also recommended hire of trucks for this project the proposal of the port to consider hire of truck is considered in exercise of the power conferred on this Authority under clause 3.2. of the 2008 guidelines.

The port had earlier considered 16 number of trucks as per the DPR. Subsequently, in view of reduced optimal capacity of other cargo from 0.31 MTPA to 0.29 MTPA and modification in the per day handling rate, the port has arrived at revised number of trucks at 15 numbers which is brought out in the earlier paragraphs. Relying on the working furnished by the port the revised number of trucks as considered by the NMPT is taken into account.

The unit rate of hire charge of truck at ₹10,000 per truck per day has been revised and considered at at ₹9,324 per truck per day in the revised proposal. This is based on the truck hire charges prescribed in the general revision of the SOR of the NMPT notified on 13.04.2016) at Clause 6.7. at ₹555/- per hour by applying for 16.8 hours.

The port has estimated the hire cost of truck at 0.57 crores. In the calculation it is seen that the port has, while estimating the hire cost of truck, linked it to vessel call and turnaround time of vessel. For the purpose of estimating the hire cost of truck, linking to vessel turnaround time is not relevant. The estimate of hire cost of truck is therefore modified and considered at 0.54 crores i.e. ₹/9,324 per truck per day *(0.29 MTPA / 27,000 tonnes per vessel) * 3.5 days * 15 no of trucks. The above method is in line with the hire cost estimated by the port in its original proposal.

(iv). Repairs and maintenance cost:

No repairs and maintenance cost on civil work is estimated by NMPT as there is no civil work envisaged for other cargo. Repairs and maintenance cost on equipment and others is estimated @ 5% of the gross value of those assets following the norm prescribed in the 2008 guidelines.

(v). Insurance cost is estimated at 1% and other expenses are estimated at 5% of the gross fixed assets, which is in line with the norms prescribed in the guidelines.

(vi). Depreciation:

The rate of depreciation on equipment is considered by NMPT at 9.5% on equipment which is in line with Companies Act, 2013 and hence, considered in the analysis.

(vii). License fees:

- (a). The port has estimated license fee for land for 1 ha of land + 15.625% of the land area of 1.4 ha + 1 ha i.e. aggregating to 1.375 ha envisaged for other cargo. The port has confirmed that unit rate of the license fee for other cargo at ₹37.38/ sq. mtr./ month for Existing Developed Land and ₹20.80/ sq. mtr./ month for New Land is at the existing lease rent as already explained earlier while analysing the operating cost for container handling.
- (b). The port has estimated license fee for water front area of 12250 sq. mtrs proportionately for share of other cargo at 15.625%. The port has applied unit rate of 10.40/ sq.mtr./ month at 50% of the license fee for land lease rent as explained earlier. The license fee on land is estimated by the port for
- (c). The license fee for land and water front are estimated by the NMPT is considered.
- (xiii). The total operating cost based on the above analysis works out to ₹2.80crores as against ₹2.84 crores as estimated by the NMPT for other cargo.
- (xiv). The statement for fixing upfront tariff submitted by the NMPT has been modified in line with the above analysis. A copy of the modified statement is attached as Annex - I.

(a). Container:

- (i). The annual revenue requirement for handling container which is the sum of the operating cost and return on capital employed is considered at ₹121.93 crores as estimated by the port.
- (ii). The 2008 guidelines prescribe norm of apportionment of ARR in the ratio of 90%, 7% and 3% towards handling charge, ground rent charge and miscellaneous charge. The NMPT has also proposed to apportionment of ARR as per the prescribed norms. Accordingly, ₹109.74 crores apportioned to container handling activity and ₹8.54 crores towards ground rent and ₹3.66 crores for miscellaneous charges estimated by the NMPT is considered.
- (iii). The guidelines do not prescribe any specific methodology for deriving unit rates in the Scale of Rates for different services from the revenue requirement. In the revised proposal, the port has proposed container handling charges for various services and further the rates differ based on the type and size of containers. The Scale of Rates for upfront tariff is, therefore, to be drawn up by iteration taking the tariff structure and the pattern of various services of a similar project approved by this Authority as the base so as to achieve the normative annual revenue requirement.

The port has considered the container movement by rail at 25% and by truck at 75%. The share of foreign and coastal is considered in the ratio of 80:20 and the share of laden and empty is considered at 55:45. The port has considered 93% as normal

containers, 1% as hazardous container and 6% as reefer containers. The share of different types of containers considered by the port which is as per the DPR is relied upon.

The port has furnished detailed revenue calculation at the proposed tariff so as to meet the estimated revenue requirement. For arriving at the proposed tariff the port has considered the upfront tariff approved for the main tariff items viz. ship to container yard, Container yard to Railway flat and yard to truck as approved by this Authority in the Order No. TAMP/33/2009-NMPT dated

30-12-2009 as the base and adjusted by applying the correction factor to meet the estimated revenue from container handling charge for the optimal capacity for container assessed for this project at 336302 TEUs. As far as the tariff relating to yard to railway flat, the tariff Order of December 2009 does not prescribe any tariff for this item. Since the current proposal envisages this service, the port has considered 50% of the handling rate approved for ship to yard in December 2009 Order. The port has stated that tariff percentage adopted by the port for this service for arriving at the proposed tariff is in line with the approach followed in the upfront tariff fixed at other container terminal like the JNPT and KPT.

The revenue estimated by the port at the upfront tariff approved for container handling in the December 2009 Order for NMPT taking into consideration the container mix assumed for this project for the optimal capacity of port at 336302 is ₹68.33 crores. Whereas the apportioned revenue requirement towards contained handling charges is ₹109.74 crores. In order to match the estimated revenue requirement towards contained handling charges, the port has arrived at the proposed tariff applying the corrective multiplying factor of 1.6062 (or 160.62%) on the rate approved in the December 2009 Order. This is in line with the approach adopted in the upfront tariff fixed in the other container terminals at Kandla Port Trust (KPT), V.O. Chidambaranar Port Trust (VOCPT) and Jawaharlal Nehru Port Trust (JNPT), which have been accepted by this Authority. Based on the approach followed by the port, the tariff for container handling is approved as proposed by the port.

Similar approach has been followed while determining the upfront tariff for container terminal at VOCPT, NMPT etc. The tariff as proposed by the NMPT is, therefore, approved.

The port has proposed a general note stating that consolidated charges prescribed in the SOR include tariff for stevedoring, use of Gantry crane, use of transfer crane, wharfage on tare weight of containers, wharfage on containerized cargo & transportation. The proposed note is slightly modified to state that it also includes all other miscellaneous services not specifically prescribed in the SOR.

(iv). The port has proposed storage charges by applying the same multiplying factor of 1.6062 to the rates approved in the December 2009 Order The port was requested to explain the basis for considering the percentage share of Containers attracting storage charge along with justification for arriving at the proposed storage charge. The port has, however, stated that Storage services would range from huge number of days intervals and for various types of containers i.e. ICD, CFS, Export, Import, etc. Due to non-availability of such data of volume of containers, the port has expressed its inability to furnish such detailed working for storage services. Recognising that none of the users / prospective bidders have made any adverse comments on the same, the approach adopted by the port for arriving at the storage charges is accepted.

(v). Miscellaneous charges are proposed to be recovered through services provided for reefer monitoring, shifting containers, additional services in the container yard for hatch cover opening and replacing, etc. The port has not furnished any working to show that the proposed rates will meet the estimated revenue requirement through levy of miscellaneous charges. The port has proposed the same multiplying factor of 1.6062 to the rate approved in the December 2009 Order to arrive at the proposed rate. The approach adopted by the port for arriving at the miscellaneous service is accepted.

(b). Other cargo:

- (i). The annual revenue requirement for handling other cargo which is the sum of the operating cost and return on capital employed is considered at ₹3.12 crores as against ₹3.16 crores as estimated by the port.
- (ii). The 2008 guidelines prescribe norm of apportionment of ARR for multipurpose berth in the ratio of 90%, 5% and 5% towards handling charge, storage charge and miscellaneous charge. As against the above norm, the NMPT has proposed to apportion 95% of the estimated revenue requirement towards handling charges and 5% from storage charges. The port has not proposed miscellaneous charges. The port has, in the note relating the handling charges for other cargo, stated that amongst other services listed therein includes sweeping of cargo on the wharf, dust suppression services and all other miscellaneous services not specifically included in SOR. Thus, tariff towards miscellaneous services is proposed to be recovered as part of handling tariff.

It is relevant to state that even for the upfront tariff fixed for bulk handling at berth no.12, the port citing that it is difficult to list down services under miscellaneous services had not proposed miscellaneous charges and clubbed the normative share to be apportioned for miscellaneous services to the handling activity. This deviation was accepted by this Authority in the Order No.TAMP/60/2015-NMPT dated 16 November 2015. This Authority has, in few other upfront tariff cases, based on the proposal of the concerned port trust allowed such deviation in the apportionment of ARR. The apportionment of ARR by NMPT is, therefore, accepted. Accordingly, ₹2.96 crores is apportioned to handling activity and ₹0.16 crores towards storage based on modified ARR as against ₹3.00 crores and ₹0.16 crores estimated by the NMPT for the corresponding activities.

(iii). (a). The Other Cargo to be handled at the Terminal is proposed to be entirely foreign. Hence, NMPT has not proposed any percentage share of coastal cargo for determining the rate for handling charges. Considering the revenue requirement to be realised from handling other cargo and the total capacity of other cargo, the per tonne rate for handling other cargo works out to ₹101.63 per tonne as against ₹102.89 per tonne proposed by the port. Concessional upfront rates for coastal cargo have been proposed by NMPT to comply with the Government guidelines though it does not have any impact on the revenue realization. That being so, concessional rate for

coastal cargo is prescribed in line with the approach followed by the port.

- (b). The port has proposed a note stating that handling charges for Other Cargo (Limestone, Gypsum, Dolomite) prescribed is a composite charge for unloading of the cargo from the vessel and transfer of the same up to the point of storage, storage at the stackyard upto a free period of 5 days, reclaiming from stackyard and loading onto trucks, sweeping of cargo on the wharf, dust suppression services and all other miscellaneous services not specifically included in SOR.
- (c). As regards the point made by International Cargo Terminals & Infrastructure Private Limited (ICTIPL) that for fertiliser handling storage charge is not proposed and ICTIPL has sought clarification as to how the storage charges will be levied and by whom and which shed is being referred to. In this regard, the port has clarified that Operator shall be responsible for storage of Limestone, Gypsum and Dolomite, and not for storage of Fertilizer. Fertilizer is envisaged to be stored by the Port itself in its own shed/ godowns.

Hence, the port has proposed a separate note to state that the handling charges for Fertilizer prescribed is a charge only for unloading of the cargo from the vessel and transfer of the same up to the Port storage sheds. The handling charges also cover other miscellaneous services not specifically included in SOR. Storage of Fertilizer is not envisaged in this project and handling charges shall not include the charges against storage. The proposed note is approved.

The other point made by ICTIPL is that based on the past experience fertilizer needs to be bagged and then dispatched from the Port. But, the proposal of NMPT does not envisage bagging services for fertilizer handling nor tariff for the same, is proposed. In this regard, the port has confirmed that bagging facility is not envisaged by NMPT for fertilizers.

- (iv). As regards the storage charge, of the total optimal capacity of other cargo assessed at 0.29 MTPA, the port has assumed 2,26,800 tonnes i.e. (0.22 MTPA) cargo capacity will avail storage facility. The port has furnished detailed computation of storage charge for cargo capacity likely to avail storage facility for each of the three slabs. The rate proposed for the first slab is 0.65/tonne/day for the first slab. The rate for the second and the third slab is proposed 1.5 times and 2 times the rate for the first slab. The total revenue from the proposed storage charge estimated by the port at the proposed rate and for the cargo likely to avail storage under each of the slab comes to the estimated revenue requirement of 0.16 crores from storage services. Relying on the detailed working given by the port, the storage charge is considered as proposed by the port.
- (xv). As per clause 2.8 of the Guidelines, the tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2008 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31 March of the following year. In this context, the NMPT has proposed a general note relating to indexation factor for automatic adjustment every year giving the base WPI occurring between

January 2016 and relevant year to be considered for such indexation. Since the cost estimates considered in the reference tariff calculation are based on the market rate pertaining to the year 2016, it is found appropriate and relevant to prescribe the base WPI to be considered for automatic adjustment every year as 1 January 2016, as proposed by the Port. Thus, the note in this regard as proposed by the Port is incorporated in the reference tariff schedule.

- (xvi). The NMPT has incorporated the provisions approved by this Authority in common adoption Order No.TAMP/53/2015-VOCPT dated 26 November 2015 regarding criteria for conversion of foreign going vessel to coastal vessel and levy of applicable charges for vessel/ cargo/ container passed by this Authority based on the recommendations of Directorate General (DG) Shipping. Subsequent to the said Order, the DG Shipping vide its letter no.SD-9 CHART(309)/2016 dated 20 May 2016 has issued further clarification. Based on the clarification issued by DG) Shipping, this Authority has passed a clarificatory Order dated 10 June 2016. The slight modifications approved in the July 2016 Order is not found to have been incorporated by the NMPT which is incorporated by us in the revised tariff schedule.
- (xvii). Since the berth hire charges are not proposed in the reference tariff schedule, the conditions proposed by the port that vessel related charges shall be levied on ship owners/steamer agents and relating to concessional tariff in the vessel related charges are not found relevant and hence not included.
- (xviii). In the proposed Reference Tariff schedule, the NMPT has proposed some conditionalities governing rounding off the bills, the flexibility provided to the terminal operator to levy charges lower than ceiling rates, non-levy of charges for delay beyond a reasonable level attributable to the terminal etc., which are found to be in line with the general conditionalities prescribed in the Scale of Rates.
- (xiv). As regards the point made by the ANMPS and KCCI that tariff caps will be reviewed once in five years to adjust for any extraordinary events that could not have been foreseen by a prudent person and this aspect should be looked into, the port has rightly stated that the tariff fixed under the tariff guidelines of 2013 envisages that the Tariff shall be valid for a Concession Period of 30 years, which shall be indexed to inflation, prescribed in the Guidelines. Clause 2.7.1 of the tariff guidelines of 2008 referred by the associations stipulates review of Tariff caps once every five years for extraordinary events not have been foreseen by a prudent person. The same clause also states that these Tariff caps, as and when so reviewed and revised, will be applicable to projects that are bid out subsequently, i.e. for similar terminals at the Port.
- (xv). Clause 2.2 of the revised tariff guidelines of 2013 requires this Authority to prescribe the Reference Tariff along with the Performance Standards. Though the revised guidelines of 2013 do not require this Authority to go into the Performance Standards proposed by the port it is not unreasonable to assume that the ports would propose reasonable and achievable Performance Standards. The NMPT has proposed for performance standards in terms of Gross Berth Output for container and for other cargo. For container the port has proposed performance standards in terms for Gross Berth Output at 25 moves/hour. The handling rate for container handling considered in optimal capacity calculation is 25 moves/ hour per crane. That being so, the proposed performance standards for container handling by mainline vessel is slightly modified to state that it is per hour/ crane. The port has also proposed performance standards for feeder vessel at 17 moves/ hour. This is in line with performance standards for feeder vessel approved in other container terminals like the JNPT and hence the same is approved.

As regards other cargo, the port has proposed performance standards at 7560 T/day which is approved.

The port has also proposed another performance standards for containers in terms of Transit Dwell Time at 4 days for import and 5 days for export which is also approved. The port has not proposed any Performance Standards for cargo in terms of transit dwell time.

- (xvi). If there is any error apparent on the face of records considered or for any other justifiable reasons, the NMPT may approach this Authority for review of the reference tariff fixed, prior to completion of bidding process of the project giving adequate justification/ reasoning within 30 days from the date of notification of the Order in the Gazette of India.
- 12.1. As specified in clauses 2.9.1. and 2.9.2. of the guidelines, before commencement of commercial operations, the private operator shall approach this Authority for notification of Scale of Rates containing the approved ceiling rates and the statement of conditions, as required under Section 48 of the Major Port Trusts Act, 1963.
- 12.2. Subject to above, the Reference Tariff Schedule along with conditionalities governing the Reference Tariff has been modified.
- 12.3. The modified Reference Tariff Schedule for handling container and other cargo is attached as **Annex II** and the Performance Standards at the New Mangalore Port Trust is attached as **Annex III**.
- 12.4. In the result, and for the reasons given above, the Reference Tariff Schedule and the Performance Standards for handling container and other cargo at Berth No 8 at the NMPT which are attached as **Annex II and Annex III**, are approved.
- 12.5. As per clause 2.5 of the Revised Tariff Guidelines 2013, the Reference Tariff and Performance Standards notified by this Authority shall be mentioned in the bid document and subsequently in the Concession Agreement in respect of PPP Projects. Accordingly, the NMPT is advised to incorporate the Reference Tariff and Performance Standards, in the bid document and subsequently in the Concession Agreement in respect of PPP Projects as agreed by the port.
- 13.1. From the date of Commercial Operation (CoD) till 31st March of the same financial year, the tariff would be limited to the indexed Reference Tariff relevant to that year, which would be the ceiling. The aforesaid Reference Tariff shall be automatically revised every year based on an indexation as provided in para 2.2 of the tariff guidelines of 2013 which will be applicable for the entire concession period.

However, the PPP operator would be free to propose a tariff along with Performance Standards (the "Performance Linked Tariff") from the second year of operation onwards, over and above the indexed Reference Tariff for the relevant financial year, at least 90 days before the 1st April of the ensuing financial year. Such Performance Linked Tariff shall not be higher than 15% over and above the indexed Reference Tariff for that relevant financial year (and this will be the Tariff Cap). The Performance Linked Tariff would come into force from the first day of the following financial year and would be applicable for the entire financial year.

- 13.2. The proposal shall be submitted to this Authority along with a certificate from the independent engineer appointed under the Concession Agreement of the Project indicating the achievement of Performance Standards in the previous 12 months as incorporated in the Concession Agreement or for the actual number of months of operation in the first year of operation as the case may be.
- 13.3. On receipt of the proposal, this Authority will seek the views of the Major Port Trust on the achievement of Performance Standards as outlined in para 5 of the tariff guidelines of 2013, within 7 days of receipt.
- 13.4. In the event of Operator not achieving the Performance Standards as incorporated in the Concession Agreement in previous 12 months, this Authority will not consider the proposal for notifying the Performance Linked Tariff for the ensuing financial year and the Operator shall be entitled to only the indexed Reference Tariff applicable for the ensuing financial year.
- 13.5. After considering the views of the Major Port Trust, if this Authority is satisfied that the Performance Standards as incorporated in the Concession Agreement have been achieved, it shall notify the performance linked tariff by 15th of March to be effective from 1st of April of the ensuing financial year.

- 13.6. While considering the proposal for Performance Linked Tariff, this Authority will look into the Performance Standards and its adherence by the Operator. This Authority will decide on the acceptance or rejection of the Performance Linked Tariff proposal based on the achievement or otherwise of the Performance Standards by the operator. Determination of indexed Reference Tariff and Performance Linked Tariff will follow the illustration shown in the Appendix attached to the tariff guidelines of 2013.
- 13.7. From the third year of operation, the Performance Linked Tariff proposal from the PPP operator shall be automatically notified by this Authority subject to the achievement of Performance Standards in the previous 12 months period as certified by the Independent Engineer. The PPP operator, for the Performance Linked Tariff from the third year onwards, will submit the Performance Linked Tariff proposal along with the achievement certificate from the independent engineer by 1st March and this Authority shall notify by 20th March, the Performance Linked Tariff to be effective from the ensuing financial year.
- 13.8. In the event any user has any grievance regarding non-achievement by the PPP operator of the Performance Standards as notified by this Authority, he may prefer a representation to TAMP which, thereafter, shall conduct an inquiry into the representation and give its finding to the concerned Major Port Trust. The Major Port Trust will be bound to take necessary action on the findings as per the provisions of the respective Concession Agreement.
- 13.9. Within 15 (fifteen) days of the signing of the Concession Agreement, the concerned operator will forward the Concession Agreement to this Authority which will host it on its website.
- 13.10. The PPP operator shall furnish to this Authority quarterly reports on cargo traffic, ship berth day output, average turnaround time of ships, average pre-berthing waiting time as well as the tariff realized for each berth. The quarterly reports shall be submitted by the PPP operator within a month following the end of each quarter. Any other information which is required by this Authority shall also be furnished to them from time to time.
- 13.11. This Authority shall publish on its website all such information received from PPP operator. However, this Authority shall consider a request from any PPP operator about not publishing certain data/ information furnished which is commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data/information in question and the likely adverse impact on their revenue/ operation of upon publication. Authority's decision in this regard would be final.

(T.S. Balasubramanian)
Member (Finance)

Annex-I
COST STATEMENT FOR FIXATION OF REFERENCE TARIFF FOR DEVELOPMENT OF CONTAINER TERMINAL AT BERTH NO. 8 ON PPP
MODE AT NEW MANGLORE PORT TRUST

(₹ In Crores)

				(₹ In Crores)
Sr. No.	Particulars	Estimates by NMPT in its original proposal dated 16.09.2016	Estimates by NMPT in its final revised proposal dated 07.11.2016	As considered by TAMP
	Optimal capacity			
(i)	Container Cargo:			
	Optimal Quay Capacity			
	Berth Length	350.00	350.00	350.00
	A = Number of gantry cranes deployed for work in an year	2.00	2.00	2.00
(0).	B = Number of working hours of gantry cranes in an year	8760.00	8760.00	8760.00
(d).	C = Average number of moves per gantry crane	25.00	25.00	25.00
(/-	D = TEU ratio	1.30	1.30	1.30
(e).	E = 70%	0.70	0.70	0.70
	share of container cargo	84.375%	84.375%	84.375%
(ii).	Thus, Optimal Quay Capacity of Container (in TEUs) = A * B * C * D * E * Share of Container Cargo	336302	336302	336302
(a).	Optimal Quay Capacity of Container (in Million tonnes)	5.04	5.04	5.04
	Optimal Yard capacity			
(~).	New Yard Zone 1			
	Total Area	4.80	4.80	4.80
	G = Total ground slot in TEUs	309.17	309.17	309.17
	H = Average Stack height	2.50	2.50	2.50
	P = Period in No. of days	365.00	365.00	365.00
	S = Surge factor	1.30	1.30	1.30
	D = Average Dwell Time	3.00	4.50	4.50
	Thus, Optimal Yard Capacity = 0.7* (G * H * P) / (S * D)	243055.18	162036.79	162036.79
	New Yard Zone 2	243033.10	102030.73	102030.73
	Total Area	0.90	0.90	0.90
	G = Total ground slot in TEUs	260.00	260.00	260.00
	H = Average Stack height	2.50	2.50	2.50
	P = Period in No. of days	365.00	365.00	365.00
	S = Surge factor	1.30	1.30	1.30
	D = Average Dwell Time	3.00	4.50	4.50
	Thus, Optimal Yard Capacity = 0.7* (G * H * P) / (S * D)	38325.00	25550.00	25550.00
	Existing Developed Yard	30323.00	23330.00	25550.00
	Total Area	2.78	5.40	5.40
	G = Total ground slot in TEUs	260.00	260.00	260.00
	H = Average Stack height	2.50	2.50	2.50
	P = Period in No. of days	365.00	365.00	365.00
	S = Surge factor	1.30	1.30	1.30
	D = Average Dwell Time	3.00	4.50	4.50
	Thus, Optimal Yard Capacity = 0.7* (G * H * P) / (S * D)	118381.67	153300.00	153300.00
	Thus, Total Optimal Yard Capacity for Container Cargo	399761.85	340886.79	340886.79
	Optimal Yard Capacity of Container (in TEUs)	6.00	5.11	5.11
	Optimal Capacity for Container Cargo (in TEUs)	336302	336302	336302
	Other Cargo:	330302	330302	330302
-	Parcel size per Vessel (in tonnes) (S1)	27000.00	27000.00	27000.00
-	Unloading rate (Tonnes/day)	8000.00	7560.00	7560.00
I	Average loading/ unloading time for a vessel (no. of days)	3.375	3.571	3.571
	((i)/(ii))	3.373	3.371	3.371
	Berthing/ De-berthing time (no. of days)	0.125	0.125	0.125
	Turnaround time (no. of days)	3.500	3.696	3.696
		5.500	3.030	3.030
	Unloading rate considered in the optimal quay capacity calculation (Tonnes/day) ((i)/(v))	7714.29	7304.35	7304.35
	(1011100/44))	15.625%	15.625%	15.625%
	Optimal Quay Capacity of Other Cargo (Unloading rate per	307968.75	291603.26	291603.26
	day * 365 days * 70% * 15.63% share of Other Cargo) (B)	(7,714 / day * 365days *	(7,304 / day * 365days * 70%	(7,304 / day * 365days * 70%
<u></u>		70% *15.625%)	*15.625%)	*15.625%)
	Optimal Quay Capacity of Other Cargo (in MTPA)	0.31	0.29	0.29
	Total Optimal capacity of the facility (in MTPA) (lower of optimal quay capacity and optimal yard capacity)			
	For Container Cargo	5.04	5.04	5.04
	For other cargo	0.31	0.29	0.29
	Optimal capacity of the facility (in MTPA)	5.35	5.34	5.34
	(III WITPA)	5.35	3.34	5.34
II	Capital Cost			
	Container Cargo			
A.	Civil Construction cost			
(i)	Civil Cost	51.81	51.81	51.81
(a).	Subtotal	51.81	51.81	51.81
	Equipment Cost			2.101
(i).	RMQC - 2 nos.	103.44	103.44	103.44

(iii). R (iv). T (v). F (vi). S (c). G (d). G (iii). E (a). (ii). P	RTG - 6 nos. Reach Stacker - 7 nos. Tractor Trailers - 21 nos. Fork Lift - 4 nos. Subtotal IT System/ Instrumentation Cost Other Cost including Financing cost and Interest during construction	66.14 15.56 2.57 187.71 4.79 (2% * 51.81crores +	66.14 15.56 7.77 2.57 195.48 4.95	
(iv). T (v). F (vi). §	Tractor Trailers - 21 nos. Fork Lift - 4 nos. Subtotal IT System/ Instrumentation Cost Other Cost including Financing cost and Interest during	2.57 187.71 4.79 (2% * 51.81crores +	7.77 2.57 195.48	7.77 2.57 195.48
(v). F (vi). §	Fork Lift - 4 nos. Subtotal IT System/ Instrumentation Cost Other Cost including Financing cost and Interest during	187.71 4.79 (2% * 51.81crores +	2.57 195.48	2.57 195.48
(vi). §	Subtotal IT System/ Instrumentation Cost Other Cost including Financing cost and Interest during	187.71 4.79 (2% * 51.81crores +	195.48	195.48
(i). E (ii). P	IT System/ Instrumentation Cost Other Cost including Financing cost and Interest during	4.79 (2% * 51.81crores +		
(b). C (c). C (ii). E (a). (ii). P	Other Cost including Financing cost and Interest during	(2% * 51.81crores +		4.95
(b). C (c). C (ii). E (a).			(2% * 51.81crores + 187.71	(2% * 51.81crores + 187.71
(b). C (c). C (ii). E (a).		187.71 crores)	crores)	crores)
(b). C (c). C (ii). E (a).	construction	23.95	24.73	24.73
(b). C (c). C (ii). E (a). (i). H (ii). P		(10% * 51.81crores +	(10% * 51.81crores + 187.71	(10% * 51.81crores + 187.71
(b). C (c). C (ii). E (a). (i). H (ii). P	Total Capital Cost for Container Cargo	187.71 crores) 268.26	crores) 276.96	crores) 276.96
(c). C (ii). E (a). (i). H (ii). P	Other Cargo:	200.20	270.90	276.90
(ii). E (a). (i). H (ii). P		0.00	0.00	0.00
(a). (i). H (ii). P	Civil Construction Cost	0.00	0.00	0.00
(a). (i). H (ii). P	Equipment Cost			
(i). H (ii). P	Equipment Cost			
(ii). P	Harbour Mobile Crane (HMC) 100 ton - 1 No.	30.00		
	Pay Loaders (10 ton) - 2 Nos.	0.80	0.80	0.80
(iii) M	Mobile hoppers	1.00	1.10	1.10
(111). 110	Wobile Hoppers	(1 no. * Rs. 1 crore)	(2 nos. * Rs.0.55 crore)	(2 nos. * Rs.0.55 crore)
(iv) D	Dumpers - 6 Nos.	1.80		(=
	Subtotal	33.60	1.90	1.90
	Miscellaneous Cost	1.68	0.10	0.10
(*1). 10		[5% * (0.00 crores +	[5% * (0.00 crores + `33.60	[5% * (0.00 crores + `33.60
		`33.60 crores)]	crores)]	crores)]
T	Total Capital Cost for Other Cargo	35.28	2.00	2.00
(iv). 1	Total Capital Cost (i + ii + iii)	303.54	278.96	278.96
III C	Operating Cost			
	Container Cargo			
	(a). Power cost	2.19	2.95	2.95
		(8KWh / TEU * Rs.8.15 /	(8KWh / TEU * Rs.10.98 /	(8KWh / TEU * Rs.10.98 / KWh *
	(A) D	KWh * 336302 TEUs)	KWh * 336302 TEUs)	336302 TEUs)
(8	(a). Power illumination cost		3.93 (240000 KWh / annum *	3.93 (240000 KWh / annum *
			Rs.10.98 / KWh * 14.93Ha)	Rs.10.98 / KWh * 14.93Ha)
(t	(b). Fuel cost	7.26	7.51	7.51
\	(8). 1 46. 6661	(4 ltrs. / TEU * Rs.54 / ltr.	(4 ltrs. / TEU * Rs.55.79 / ltr. *	(4 ltrs. / TEU * Rs.55.79 / ltr. *
		* 336302 TEUs)	336302 TEUs)	336302 TEUs)
((b). Repair & Maintenance			
	- Civil Assets	0.52	0.58	0.58
		(1% * Rs.51.58crores)	[1% * (Rs.51.58 crores +	[1% * (Rs.51.58 crores +
			2%*Rs.51.58 crores + 10%*Rs.51.58 crores)]	2%*Rs.51.58 crores + 10%*Rs.51.58 crores)]
	- Mechanical & Electrical Equipment	3.85	4.38	4.38
	- 1- F	[2% * (Rs.187.71 crores +	[2% * (Rs.187.71 crores +	[2% * (Rs.187.71 crores +
		2%*Rs.187.71 crores)]	2%*Rs.187.71 crores +	2%*Rs.187.71 crores +
	() 1,	0.00	10%*Rs.187.71 crores)]	10%*Rs.187.71 crores)]
(0	(c). Insurance	2.68 (1% * Rs.268.26 Crores)	2.77 (1% * Rs.276.96 Crores)	2.77 (1% * Rs.276.96 Crores)
		(1% RS.200.20 Cities)	(1% RS.276.96 Clores)	(1% RS.276.96 Cloles)
(((d). Depreciation			
T)	- Civil Work	1.90	1.84	1.84
		[3.34% *(Rs.51.58crores	[3.17% * (Rs.51.58 crores +	[3.17% * (Rs.51.58 crores +
		+ 10% * Rs.51.58crores)]	2%*Rs.51.58 crores +	2%*Rs.51.58 crores +
+-+	- Mechanical Work	04.40	10%*Rs.51.58 crores)]	10%*Rs.51.58 crores)]
	- IVIEGNATIICAT VVOIK	21.13 [10% * ({`187.71 crores +	20.80 [9.5% * (Rs.187.71 crores +	20.80 [9.5% * (Rs.187.71 crores +
		10% ({ 167.71 cloles +	2%*Rs.187.71 crores +	2%*Rs.187.71 crores +
		crores)+`4.79 crores)]	10%*Rs.187.71 crores)]	10%*Rs.187.71 crores)]
	(e). License Fee			
L	Land Area	4.83	5.03	5.03
		[(6.60Ha * `37.38 / sq.	[{(5.4Ha * Rs.37.38/ sq.mtr. / month) + (7.5Ha * Rs.20.80/	[{(5.4Ha * Rs.37.38/ sq.mtr. /
		mtr. / month *12 months) + (7.50Ha * `20.79 / sq.	sq.mtr. / month)} + {84.375% *	month) + (7.5Ha * Rs.20.80/ sq.mtr. / month)} + {84.375% *
		mtr. / month *12	((1.4Ha * Rs.37.38/ sq.mtr. /	((1.4Ha * Rs.37.38/ sq.mtr. /
		months)]/1000	month) + (1Ha * Rs.20.80/	month) + (1Ha * Rs.20.80/
			sq.mtr. / month)} * 12M *	sq.mtr. / month)} * 12M * 10000
			10000 sq. mtr. Per Ha]	sq. mtr. Per Ha]
V	Water Front	0.13	0.13	0.13
l l'	•	[12250sqm. * `10.40 /	[12250sqm. * `10.40 / sqm /	[12250sqm. * `10.40 / sqm /
		sqm / month * 84.38% *	month * 84.38% * 12 months]	month * 84.38% * 12 months]
- "	(f) Other Evpenses towards selection and according	12 months]	07.70	07.70
(1	(f). Other Expenses towards salaries and overheads	40.24	27.70	27.70
		[4E0/ * `200 00]	[400/ * De 070 00 0 '	[400/ * De 070 00 0 '
		[15% * `268.26 crores]	[10% * Rs.276.96 Crores)	[10% * Rs.276.96 Crores)
]	
 	Total Operating cost for Container Cargo	84.74	77.62	77.62
 	Total Operating Cost for Container Cargo	04.74	11.02	11.02
(ii) C	Other Cargo:			
	(a). Power cost	0.26	0.27	0.27
(6	(a). 1 Owel 6031	[500KWh * 16.8 hrs./KWh		[187KWh * 2 nos. of Hoppers *
j I		* `8.15 / KWh * (031	16.8 hrs./KWh * `10.98 / KWh *	16.8 hrs./KWh * `10.98 / KWh *
		MTPA / 8000 TPD)]	(0.29 MTPA / 7560 TPD)]	(0.29 MTPA / 7560 TPD)]
		I		I

	(b). Power General illumination cost	0.20	0.36	0.36
		[1Ha * 2,40,000KWh p.a. * `8,15/KWh]	[1.38Ha * 2,40,000KWh p.a. * `10.98/KWh]	[1.38Ha * 2,40,000KWh p.a. * `10.98/KWh]
	(b). Fuel Cost	6.15/KVVIII	10.96/KWIII	10.96/KWIII
	- Trucks	0.56	0.54	0.54
		[16.8 hrs. * `54 per ltr. * 10	[16.8 hrs. * `55.79 per ltr. * 10	[16.8 hrs. * `55.79 per ltr. * 10 ltrs. per hr. * (0.29 MTPA / 7560
		Itrs. per hr. * (0.31 MTPA / 8000 TPD) * (533 trips per	Itrs. per hr. * (0.29 MTPA / 7560 TPD) * (504 trips per day	TPD) * (504 trips per day / 33.6
		day / 33.6 nos. of trips)]	/ 33.6 nos. of trips)]	nos. of trips)]
	- Pay loader	0.04	0.09	0.09
	- i dy loddei	[`54 per ltr. * 12 ltrs. per hr	[2 nos. of payloaders * `55.79	[2 nos. of payloaders * `55.79
		* 16.8 hrs. per day * (0.31	per ltr. * 12 ltrs. per hr * 16.8	per ltr. * 12 ltrs. per hr * 16.8 hrs.
		MTPA / 8000 TPD)]	hrs. per day * (0.29 MTPA / 7560 TPD)]	per day * (0.29 MTPA / 7560 TPD)]
	(c) Lease Cost for trucks	0.64	0.57	0.53
		(`10,000 per truck per day	(`9,324 per truck per day * 11	(`9,324 per truck per day *(0.29
		*(0.31 MTPA / 27,000 tonnes per vessel) * 3.5	vessel call * turnarround time 3.696 days * 15 nos.)	MTPA / 27,000 tonnes per vessel) * 3.5 days * 15 nos.)
		days * 16 nos.)	, ,	, ,
	(d). Repair & Maintenance			
	- Civil Assets	0.00	0.00	0.00
		(1% * 0.00 crores)	(1% * 0.00 crores)	(1% * 0.00 crores)
	- Mechanical & Electrical Equipment	1.76	0.10	0.10
L	<u> </u>	[5% * (`33.60 crores + 5% `33.60 crores)]	[5% * (`1.90 crores + 5% `1.90 crores)]	[5% * (`1.90 crores + 5% `1.90 crores)]
	(d). Insurance	0.34	0.02	0.02
Ī		[1% * (0.00 crores + `33.60 crores)]	[1% * (0.00 crores + `1.90 crores)]	[1% * (0.00 crores + `1.90 crores)]
	(e). Depreciation	55.00 GIU(8S)]	Gulesji	CIOIESI
	- Civil Work	0.00	0.00	0.00
	Mark at the state of the state	(3.34% * 0.00)	(3.17% * 0.00)	(3.17% * 0.00)
	- Mechanical equipment	3.53 [10% * (`33.60 crores *	0.19 [9.5% * (`1.90 crores + 5%	0.19 [9.5% * (`1.90 crores + 5% `1.90
		5% * `33.60 crores)]	`1.90 crores)]	[9.576 (1.90 crores)]
	(f). License Fee			
	Land Area	0.25 (1 Ha. * `20.79 per sqm.	0.59 [{(1Ha * Rs.37.38/ sq.mtr. /	0.59 [{(1Ha * Rs.37.38/ sq.mtr. /
		Per month * 12 months)	month} + {15.625% * ((1.4Ha *	month} + {15.625% * ((1.4Ha *
			Rs.37.38/ sq.mtr. / month) + (1Ha * Rs.20.80/ sq.mtr. /	Rs.37.38/ sq.mtr. / month) + (1Ha * Rs.20.80/ sq.mtr. /
			month)} * 12M * 10000 sq. mtr.	month)} * 12M * 10000 sq. mtr.
	W. E.		Per Ha]	Per Ha]
	Water Front	0.02 [12250sqm. * `10.40 /	0.02 [12250sqm. * `10.40 / sqm. /	0.02 [12250sqm. * `10.40 / sqm. /
		sqm. / month * 15.63% *	month * 15.625% * 12 months]	month * 15.625% * 12 months]
	(g). Other Expenses	12 months] 1.68	0.10	0.10
	(g). Other Expenses	[5% * (0.00 +	[5% * (0.00 + `33.60crores)]	[5% * (0.00 + `33.60crores)]
	Total Operating Cost for Other Cargo	`33.60crores)] 9.28	2.84	2.80
(iii).	Total Operating cost	94.02	80.46	80.42
\/.	Total Operating soot	04.02	00.40	00.42
,				
IV	Estimated Revenue Requirement & upfront tariff for Cargo			
	Handling Activity			
A.	Handling Activity Container Cargo			
	Handling Activity Container Cargo Estimated Revenue Requirement	84.74	77.62	77.62
A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16%	42.92	77.62 44.31	44.31
A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo			44.31
A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16%	42.92	44.31	44.31
A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity	42.92	44.31	44.31
A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo	42.92	44.31	44.31
A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost	42.92 127.66	44.31	44.31
A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16%	42.92 127.66 9.28 5.64	44.31 121.93 2.84 0.32	2.80 0.32
A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling	42.92 127.66	44.31 121.93	44.31 121.93
A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16%	42.92 127.66 9.28 5.64	44.31 121.93 2.84 0.32	2.80 0.32
A. (i). B. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity	42.92 127.66 9.28 5.64	44.31 121.93 2.84 0.32	2.80 0.32
A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling	42.92 127.66 9.28 5.64	44.31 121.93 2.84 0.32	2.80 0.32
A. (i). B. (i). A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR)	9.28 5.64 14.93	2.84 0.32 3.16	2.80 0.32 3.12
A. (i). B. (i). A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR)	9.28 5.64 14.93	2.84 0.32 3.16	2.80 0.32 3.12
A. (i). B. (i). A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR) (c). Miscelleneous Charge (3% of ARR)	9.28 5.64 14.93 114.89 8.94 3.83	2.84 0.32 3.16	2.80 0.32 3.12 109.74 8.54 3.66
A. (i). B. (i). A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR) (c). Miscelleneous Charge (3% of ARR) (d).Total Revenue requirement from cargo handling	9.28 5.64 14.93	2.84 0.32 3.16	2.80 0.32 3.12 109.74 8.54 3.66
A. (i). B. (i). A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR) (c). Miscelleneous Charge (3% of ARR)	9.28 5.64 14.93 114.89 8.94 3.83	2.84 0.32 3.16	2.80 0.32 3.12 109.74 8.54 3.66
A. (i). B. (i). A.	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR) (c). Miscelleneous Charge (3% of ARR) (d).Total Revenue requirement from cargo handling activity	9.28 5.64 14.93 114.89 8.94 3.83	2.84 0.32 3.16	2.80 0.32 3.12 109.74 8.54 3.66
A. (i). B. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR) (c). Miscelleneous Charge (3% of ARR) (d).Total Revenue requirement from cargo handling activity Other Cargo Apportionment of Revenue Requirement	9.28 5.64 14.93 114.89 8.94 3.83 127.66	2.84 0.32 3.16 109.74 8.54 3.66 121.93	2.80 0.32 3.12 109.74 8.54 3.66 121.93
A. (i). B. (i). A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR) (c). Miscelleneous Charge (3% of ARR) (d).Total Revenue requirement from cargo handling activity Other Cargo Apportionment of Revenue Requirement (a). Cargo Handling Charges (95% of ARR)	42.92 127.66 9.28 5.64 14.93 114.89 8.94 3.83 127.66	109.74 8.54 3.00	2.80 0.32 3.12 109.74 8.54 3.66 121.93
A. (i). B. (i). A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR) (c). Miscelleneous Charge (3% of ARR) (d). Total Revenue requirement from cargo handling activity Other Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (95% of ARR) (d). Total Revenue requirement from cargo handling activity Other Cargo Apportionment of Revenue Requirement (a). Cargo Handling Charges (95% of ARR)	114.89 8.94 3.83 127.66	44.31 121.93 2.84 0.32 3.16 109.74 8.54 3.66 121.93	2.80 0.32 3.12 109.74 8.54 3.66 121.93
A. (i). B. (i). A. (i).	Handling Activity Container Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from Container Cargo handling activity Other Cargo Estimated Revenue Requirement (a). Total Operating Cost (b). Return on capital Employed @ 16% (c). Total Revenue requirement from cargo handling activity Container Cargo Apportionment of Revenue Requirement (a). Container Handling Charges (90% of ARR) (b). Ground Rent Charges (7% of ARR) (c). Miscelleneous Charge (3% of ARR) (d).Total Revenue requirement from cargo handling activity Other Cargo Apportionment of Revenue Requirement (a). Cargo Handling Charges (95% of ARR)	42.92 127.66 9.28 5.64 14.93 114.89 8.94 3.83 127.66	109.74 8.54 3.00	2.80 0.32 3.12

В.	Other Cargo			
(i).	Cargo Handling charge			
(1).	(a). Cargo Handling Charge			
	- Revenue Requirement (`in crores)	14.18	3.00	2.96
	- Capacity (Million Metric Tonnes per annum)	0.31	0.29	0.29
	- Per Tonne rate for handling of cargo	460.39	102.89	101.63
	To Tollic fate for handling of eargo	400.33	102.09	101.03
	(b). Storage Charge (other that fertilizer cargo)			
	- Revenue Requirement (`in crores)	0.75	0.16	0.16
	- % of Cargo to attract storage charge	100.00%	100.00%	100.00%
	- Capacity of cargo to attract storage charge (considered by	226800.00	226800.00	226800.00
	NMPT in storage calculation) (in tonnes)	220000.00	226800.00	226600.00
	Nivir i ili storage calculation) (ili torilles)			
	(i) Storage Charge (beyond the free period)(`/tonne / day)			
	-Free period	5 days	5 days	5 days
	-First 5 days	3.08	0.65	0.65
	-6th day to 10th day	3.06 4.61	0.00	0.65
	-11th day onwards	6.15	1.30	1.30
	- i itii day driwards	6.15	1.30	1.30
	A. Workings to arrive at the per tonne	per day storage char	ge for Other Cargo:	
	Other Cargo		<u> </u>	
	Total optimal capacity of Other Cargo (in tonnes) estimated to			226,800.00
	avail storage facility beyond the free period of 5 days			,
		1st slab	2nd slab	3rd slab
		First 5 days	6th to 10th Day	11th day onwards
	No. of days under each slab	5	5	3
	Cargo availing storage facility under each slab	226,800	136,080	45,360
	Storage Rate per tonne per day	0.65	0.98	1.30
	B. Revenue Estimates from storage charge a	t the tariff proposed I	by NMPT and considered	by TAMP
	Particulars	First 5 days	6th to 10th Day	11th day onwards
(a)	Number of days availing storage under each slab	5	5	3
	. Cargo availing storage facility under each slab in tonnes	226,800	136,080	45,360
(c)	Proposed Tariff Rs. per tonne/day	0.65	0.98	1.30
(d)	[(a*b*c)/10000000]	0.07	0.07	0.02
(e)				0.16
	from this service (Rs. in crores)			0.10

REFERENCE TARIFF SCHEDULE FOR OPERATION AND MAINTENANCE OF CONTAINER TERMINAL AT BERTH NO. 8 ON BOT BASIS AT NEW MANGALORE PORT TRUST

1. **DEFINITIONS**

- (i) "Back To Town Container" shall mean a container entering the port for export but unable to be exported for whatever reason and taken back to town.
- (ii) "Coastal vessel" shall mean any vessel exclusively employed in trading between any port or place in India to any other Port or place in India having a valid coastal license issued by the Competent Authority/ Directorate General of Shipping.
- (iii) "Container" shall mean the standard ISO container, suitable for the transport and stacking of cargo and must be capable of being handled as a unit and lifted by a crane with a container spreader.
- (iv) "Day" shall mean the period starting from 6.00 am of a day and ending at 6.00 am on the next day.
- (v) "Demurrage" shall mean charges payable for storage of cargo in transit area within the Terminal premises beyond free period, as specified in the Scale of Rates.
- (vi) **"Export container"** means a container arrived by road or Train, stored in container yard and loaded on the assigned vessel.
- (vii) "Foreign-going vessel" shall mean any vessel other than Coastal vessel.
- (viii) **"Free period"** shall mean the period during which cargo/container is allowed storage free of demurrage charges/ground rent and this period shall exclude Customs notified holidays and Terminal's non-operating days.
- (ix) "Full Container Load" (FCL) shall mean a container containing cargo belonging to one consignee in the vessel's manifest.
- (x) "Hazardous container" means a Container containing hazardous goods as classified under IMO (International Maritime Organisation).
- (xi) "ICD" shall mean Inland Container Depot.
- (xii) "Import container" means a container discharged from one vessel, stored in container yard and transported out through Road or Train.
- (xiii) "Less than a Container Load" (LCL) shall mean a container containing cargo belonging to more than one consignee in the vessel's manifest.
- (xiv) "Normal Container" shall mean general type containers, not falling under special categories mentioned subsequently.
- (xv) "Other Cargo" shall mean Fertilizer, Limestone, Gypsum and Dolomite.
- (xvi) "Over dimensional Container" shall mean a container carrying over dimensional cargo beyond the normal size of standard containers and needing special devices like slings, shackles, lifting beam etc. Damaged Containers (including boxes having corner casting problem) and Container requiring special devices for lifting is also classified as Over Dimensional Container.
- (xvii) "Per day" shall mean a calendar day or part thereof unless otherwise stated.
- (xviii) "Port" shall mean New Mangalore Port Trust.
- (xix) "Port area" means the custom bound area / Port operational Area of the Port.

- (xx) "Reefer Container" shall mean a refrigerated container used for carriage of perishable goods with provision for electrical supply to maintain the desired temperature.
- (xxi) "Shut out Container" shall mean a container, which enters into the Terminal as an export intake for a particular vessel as indicated by the Vessel Identification Advice No.(VIAN) Container Advance Information List (COPRAR) and is not shipped into the particular vessel for reasons whatsoever.
- (xxii) **"Transhipment Container"** shall mean a container, which is discharged from one vessel, stored in the yard and transported through other vessel.
- (xxiii) "VIAN" shall mean Vessel Identification Advise Number.
- (xxiv) "Week" shall mean a period of 7 days.

2. GENERAL TERMS & CONDITIONS

- (i) The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for its classification as 'coastal' or 'foreign-going' for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.
- (ii) System of classification of vessel for levy of Vessel Related Charges (VRC)
 - (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. Such vessel that converts into coastal run based on the Customs Conversion Order at her first port of call in Indian Port, no further custom conversion is required, so long as it moves on the Indian Coast.
 - (b) A Foreign going vessel of foreign flag can convert to coastal run on the basis of a Licence for Specified Period or Voyage issued by the Director General of Shipping and a custom conversion order.
- (iii) Criteria for levy of Vessel Related Charges (VRC) at Concessional Coastal rate and foreign rate
 - (a) In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.
 - (b) In cases of such conversion coastal rates shall be chargeable till the vessel completes discharging operations at the last call of Indian Port; immediately thereafter, foreign going rates shall be chargeable by the discharge ports.
 - (c) 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.
- (iv) Criteria for levy of Cargo Related Charges (CRC) at Concessional Coastal rate
 - (a) Foreign going Indian Vessel having General Trading License issued for 'worldwide and coastal' operation should be accorded applicable coastal rates with respect to Handling Charges (HC) i.e. ship to shore transfer and transfer from/ to quay to/ from storage yard including wharfage in the following scenario:
 - (i) Converted to coastal run and carrying coastal cargo from any Indian Port and destined for any other Indian Port.
 - (ii) Not converted* to coastal run but carrying coastal cargo from any Indian Port and destined for any other Indian Port.
 - * The Central Board of Excise and Customs Circular no.15/2002-Cus. dated 25 February 2002 allows carriage of coastal cargo from one Indian port to another port in India, in Indian flag foreign going vessels without any custom conversion.

- (b) In case of a Foreign flag vessel converted to coastal run on the basis of a Licence for Specified Period or Voyage issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.
- (v) Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees. For this purpose, the Reference Rate as notified by the Reserve Bank of India or Market Buying Rate of State Bank of India prevalent on the date of entry of the vessel in case of import containers and on the date of arrival of containers in the Port premises in the case of export containers shall be reckoned as the day for such conversion of dollar denominated charges.
- (vi) A regular review of exchange rate shall be made once in thirty days from the date of arrival of the vessel 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 the review.
- (vii) (a) The container related charges for all Coastal containers should not exceed 60% of the normal container related charges.
 - (b) 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.
 - (c) 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.
 - (d) Container / cargo from a foreign port which reaches an Indian Port 'A' for subsequent transhipment 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.
 - (e) The charges for coastal containers / cargo shall be denominated and collected in Indian Rupee.
- (viii) Interest on delayed payments / refunds:
 - (a) The user shall pay interest at the rate of 2% above the Prime Lending Rate of State Bank of India (SBI), on the delayed payments of any charge under the Scale of Rates.
 - (b) Likewise, the Port Trust shall pay penal interest at the rate of 2% above the Prime Lending Rate of State Bank of India (SBI), on delayed refunds.
 - (c) The delay in refunds by the operator will be counted beyond 20 days from the date of completion of services or on production of the documents required from the users, whichever is later.
 - (d) The delay in payments by the users will be counted beyond 10 days after the date of raising the bills by the operator. This provision shall, however, not apply to the cases where payment is to be made before availing the services as stipulated in the Major Port Trusts Act, 1963 and / or where payment of charges in advance is prescribed as a condition in this Scale of Rates.
- (ix) Containers less than and up to 20' in length will be reckoned as one TEU for the purpose of tariff.
- (x) No claims for refund shall be entertained unless the amount refundable is Rs.100/- or more. Likewise, operator shall not raise any supplementary or under charge bills, if the amount due to Terminal is Rs.100/- or less.

- (xi) All charges worked out shall be rounded off to the next higher rupee on the grand total of each bill.
- (xii) (a) The rates prescribed in this Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The operator may, if he so desires, charge lower rates and / or allow higher rebates and discounts.
 - (b) The operator 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 users in the rate per unit and the unit rates prescribed in the Scale of Rates does not exceed the ceiling level.
 - (c) The operator 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 charges in such lower rates and/or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rate notified by the Authority.
- (xiii) Users will not be required to pay charges for delays beyond a reasonable level attributable to the operator.
- (xiv) In case a vessel idles due to breakdown or non-availability of the shore based facilities of the operator or any other reasons attributable to operator, rebate equivalent to berth hire charges payable to the New Mangalore Port Trust accrued during the period of idling of vessel shall be allowed by the operator.

3. CONTAINER RELATEDCHARGES

3.1 GENERAL TERMS AND CONDITIONS

- (i) Containers less than and up to 20' will be reckoned as one TEU (Twenty-feet Equivalent Unit) and more than 20' and up to 40' will be reckoned as one FEU (Forty-feet Equivalent Unit) for the purpose of tariff.
- (ii) All charges for containers more than 20' in length and upto 40' in length will be 150 percent of the applicable charges prescribed and for containers above 40' in length it will be200 percent of the applicable charges prescribed on per TEU basis in the Scale of Rates.
- (iii) Containers other than that of standard size requiring special devices/slings/handling will be charged twice the applicable rates. Such containers will also include damage containers and any other type requiring special devices.

3.2 Charges for Handling and Movement of Containers

The following consolidated charges for handling and movement of container shall be payable by the Shipping Lines or Agents of vessels or cargo agents for services rendered in respect of containers and containerised cargo passing through the port.

A. Normal Containers

CI CI		Rate per TEU (in ₹)					
SI. No.	Description	Foreign Container		Coastal	Container		
NO.	Loaded	Empty	Loaded	Empty			
1.	From Ship to container yard or vice versa	3,025.81	2,420.66	1,815.49	1,452.39		
2.	From Container yard to Railway flat or vice	1,512.90	1,512.90	1,512.90	1,512.90		
	versa						
3.	From Container yard to Truck or vice versa	453.87	453.87	453.87	453.87		

B. Reefer Containers

		Rate per TEU (in ₹)					
SI. No.	Description	Foreign Container		Coastal	Container		
No.		Loaded	Empty	Loaded	Empty		
1.	From Ship to container yard or vice versa	3,025.81	2,420.66	1,815.49	1,452.39		
2.	From Container yard to Railway flat or vice versa	1,512.90	1,512.90	1,512.90	1,512.90		
3.	From Container yard to Truck or vice versa	453.87	453.87	453.87	453.87		

C. Hazardous Containers

		Rate per TEU (in ₹)			
SI. No.	Description	Foreign Container	Coastal Container		
NO.		Loaded	Loaded		
1.	From Ship to container yard or vice versa	3,782.27	2,269.36		
2.	From Container yard to Railway flat or vice versa	1,891.13	1,891.13		
3.	From Container yard to Truck or vice versa	567.34	567.34		

D. Transhipment Container

CI		Rate per TEU (in ₹)			
SI. No.	Description	Foreign Container Coastal Co		Container	
NO.		Loaded	Empty	Loaded	Empty
1.	Transhipment container	3,782.27	3,025.81	2,269.36	1,815.49

Notes:

- (i) A container originally declared as transhipment container, subsequently moved by rail or road will lose its identity as a transhipment container and shall be treated as a normal import container and prescribed charges as applicable shall be payable.
- (ii) A container from foreign port landing at the container terminal for subsequent transhipment to an Indian Port on a coastal voyage or vice versa would be charged at 50% of the transhipment charges prescribed for foreign going vessels and 50% of that prescribed for coastal category.

E. Over Dimensional Cargo Containers

<u> </u>		Rate per TEU (in ₹)					
SI. No.	Description	Foreign C	Container	Coastal Container			
NO.	Loaded	Empty	Loaded	Empty			
1.	From Ship to container yard or vice versa	6,051.64	4,841.30	3,630.98	2,904.79		
2.	From Container yard to Railway flat or vice	3,025.81	3,025.81	3,025.81	3,025.81		
	versa						
3.	From Container yard to Truck or vice versa	907.74	907.74	907.74	907.74		

General Note: The consolidated charges as above include the following elements viz., stevedoring, use of Gantry crane, use of transfer crane, wharfage on tareweight of containers, wharfage on containerized cargo & transportation and all other miscellaneous services not specifically prescribed in the SOR.

3.3 Dwell Time Charges for Container, stored in the Port Premises

		Rate per container per day or part thereof (in ₹)						
S.			Foreign		Coastal			
No.	Particulars	Upto 20'	Over 20'	Above 40'	Upto 20'	Over 20'	Above 40'	
140.		in length	to upto 40'	in length	in length	to upto 40'	in length	
			in length			in length		
1.	Import-loaded							

	First 4 days	Free	Free	Free	Free	Free	Free
	5-8 days	186.87	373.74	560.61	186.87	373.74	560.61
	9-15 days	373.74	747.49	1,121.23	373.74	747.49	1,121.23
	Thereafter	747.49	1,494.97	2,242.46	747.49	1,494.97	2,242.46
2.	Export-Loaded						
	First 5 days	Free	Free	Free	Free	Free	Free
	6-8 days	186.87	373.74	560.61	186.87	373.74	560.61
	9-15 days	373.74	747.49	1,121.23	373.74	747.49	1,121.23
	Thereafter	747.49	1,494.97	2,242.46	747.49	1,494.97	2,242.46
3.	Import/Export-Empty						
	First 4 days	Free	Free	Free	Free	Free	Free
	5-8 days	186.87	373.74	560.61	186.87	373.74	560.61
	9-15 days	373.74	747.49	1,121.23	373.74	747.49	1,121.23
	Thereafter	747.49	1,494.97	2,242.46	747.49	1,494.97	2,242.46
4.	Transhipment-Loaded						
	First 15 days	Free	Free	Free	Free	Free	Free
	16-30 days	186.87	373.74	560.61	186.87	373.74	560.61
	Thereafter	373.74	747.49	1,121.23	373.74	747.49	1,121.23
5.	Transhipment-Empty						
	First 7 days	Free	Free	Free	Free	Free	Free
	8-15 days	186.87	373.74	560.61	186.87	373.74	560.61
	Thereafter	373.74	747.49	1,121.23	373.74	747.49	1,121.23

Notes:

- (1) Free dwell-time (storage) period for import containers shall commence from the day after the day of landing of the container and for export containers the free period shall commence from the time container enters the terminal.
 - (b) For the purpose of calculation of free time, Custom notified holidays and Terminal's non-operating days shall be excluded.
- (2) Transhipment containers subsequently changing the mode of dispatch locally or to the container freight station for destuffing/stuffing shall lose the concessional dwell time as prescribed in Item (4) above. Dwell time charges for such containers shall be recovered at par with import containers as prescribed in item no. 1 or 2 as applicable.
- (3) The total storage period for a shutout container shall be calculated from the day following the day when the container has become shutout till the day of Shipment/delivery.
- (4) Over high and over dimensional containers shall attract thrice the normal applicable charges.
- (5) Hazardous containers shall attract 1.25 times the normal applicable charges.
- (6) In the case of auction containers, after the auction is over, the empty containers will attract the dwell time charges as empty containers from the following day the destuffing is completed.
- (7) Free storage period for export loaded and empty containers shall commence from the time the container enters the terminal.
- (8) The storage charges shall not accrue for the period during which the operator is not in a position to deliver containers for reasons attributable to it when requested by the user.
- (9) The storage charges on abandoned FCL containers/shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the day of landing of the container, whichever is earlier subject to the following:
 - (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 the necessary actions are taken by the shipping lines for destuffing of cargo.
- (iv) Where the container is seized/confiscated by the Custom Authorities and the same cannot be destuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the day the Custom order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and de-stuffing. Otherwise, seized/confiscated containers should be removed by the line/consignee from the port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the day of such removal.

3.4 Charges for Miscellaneous Services rendered to the Container Vessels

A. Reefer Monitoring and Connection

			Rate per TI	EU (in ₹)	
S. No.	Description	Foreign Going Vessel		Coastal Vessel	
110.		Loaded	Empty	Loaded	Empty
1	Additional charges per 4 hours or part thereof for electricity consumption and monitoring of reefer containers	310.88	310.88	310.88	310.88

Note: Additional electricity charge at the prescribed rates will be applicable in case of Reefer Containers also.

B. Other Services Rendered

	Description	Rate per TEU (in ₹)			
S. No.		Foreign Going Vessel		Coastal Vessel	
NO.		Loaded	Empty	Loaded	Empty
1	Shifting of containers from one yard to another yard within the terminal for customs inspection or any other purpose and subsequent loading of containers for delivery.	1507.77	1507.77	1507.77	1507.77
2	Additional service charges for stacking containers in designated yard for custom examination or for any other purpose by prior arrangement.	452.33	452.33	452.33	452.33

C. Opening of Hatch Cover and Replacing it

	Description	Rate per Hatch Cover (in ₹)		
S. No.		Foreign Going Vessel	Coastal Vessel	
NO.		Loaded	Loaded	
1	When placing it on the Quay	6031.06	3618.64	
2	Without placing it on the Quay	2922.26	1753.36	

Note: If only one operation is carried out, half of the hatch cover handling charges as above shall be levied.

D. One Hatch to Another Hatch or within the Same Hatch

	Description	Rate per Hatch Cover (in Rs.)			
S. No.		Foreign Going Vessel		Coastal Vessel	
NO.		Loaded	Empty	Loaded	Empty
1	Hatch to hatch shifting (involving 1 move only)	1507.77	1507.77	904.66	904.66
2	Other than (a) mentioned above	6031.06	6031.06	3618.64	3618.64

4. OTHER CARGO RELATED CHARGES

A. Cargo Handling Charges

S. No.	Particulars	Rate in ₹ per metric tonne (Import)	
1.	Handling Charges for	Foreign	Coastal
(i)	Fertilizer, Limestone, Gypsum, Dolomite	101.63	60.98

Note:

- (i) The handling charges for Other Cargo (Limestone, Gypsum, Dolomite) prescribed above is a composite charge for unloading of the cargo from the vessel and transfer of the same up to the point of storage, storage at the stackyard upto a free period of 5 days, reclaiming from stackyard and loading onto trucks, sweeping of cargo on the wharf, dust suppression services and all other miscellaneous services not specifically included in SOR.
- (ii) The handling charges for Other Cargo (Fertilizer) prescribed above is a charge only for unloading of the cargo from the vessel and transfer of the same up to the Port storage sheds. The handling charges also cover other miscellaneous services not specifically included in SOR. Storage of Fertilizer is not envisaged in this project and handling charges shall not include the charges against storage.

B. Storage Charges

The storage charge for Import Other Cargo (Limestone, Gypsum, Dolomite) stored in the yard beyond a free period (5 days) after complete discharge of vessel's cargo, shall be as below:

S. No.	Description	Rate in ₹ per MT per day or part thereof
1.	First five days after free period	0.65
2.	6th day to 10th day after free period	0.98
3.	From 11 th day onwards	1.30

Notes:

- (i) (a) For the purpose of calculation of free period, Customs notified holidays and Terminal's non-working days shall be excluded.
 - (b) Free period shall be calculated from the day following the date of complete discharge of goods from the vessel on to the berth.
- (ii) Storage charges on cargo shall not accrue for the period when the operator is not in a position to deliver the cargo when requested by the User due to reasons attributable to the operator.
- (iii) Storage charges shall be payable for all days including Terminal's non- working days and Customs notified holidays for stay of cargo beyond the prescribed free days.

5. GENERAL NOTE:

(i). The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2016 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and

the adjusted tariff caps will come into force from 1 April of the relevant year to 31 March of the following year.

(ii). From the date of Commercial Operation (CoD) till 31st March of the same financial year, the tariff would be limited to the indexed Reference Tariff relevant to that year, which would be the ceiling. The aforesaid Reference Tariff shall be automatically revised every year based on an indexation as provided in para 2.2 of the tariff guidelines of 2013 which will be applicable for the entire license period.

However, the Licensee would be free to propose a tariff along with Performance Standards (the "Performance Linked Tariff") from the second year of operation onwards, over and above the indexed Reference Tariff for the relevant financial year, at least 90 days before the 1st April of the ensuing financial year. Such Performance Linked Tariff shall not be higher than 15% over and above the indexed Reference Tariff for that relevant financial year (and this will be the Tariff Cap). The Performance Linked Tariff would come into force from the first day of the following financial year and would be applicable for the entire financial year.

- (iii). The proposal shall be submitted to TAMP along with a certificate from the independent engineer appointed under the Concession Agreement of the Project indicating the achievement of Performance Standards in the previous 12 months as incorporated in the License Agreement or for the actual number of months of operation in the first year of operation as the case may be.
- (iv). On receipt of the proposal, TAMP will seek the views of the Major Port Trust on the achievement of Performance Standards as outlined in para 5 of the tariff guidelines of 2013, within 7 days of receipt.
- (v). In the event of Licensee not achieving the Performance Standards as incorporated in the License Agreement in previous 12 months, TAMP will not consider the proposal for notifying the Performance Linked Tariff for the ensuing financial year and the Licensee shall be entitled to only the indexed Reference Tariff applicable for the ensuing financial year.
- (vi). After considering the views of the Major Port Trust, if TAMP is satisfied that the Performance Standards as incorporated in the Concession Agreement have been achieved, it shall notify the performance linked tariff by 15th of March to be effective from 1st of April of the ensuing financial year.
- (vii). While considering the proposal for Performance Linked Tariff, TAMP will look into the Performance Standards and its adherence by the Licensee. TAMP will decide on the acceptance or rejection of the Performance Linked Tariff proposal based on the achievement or otherwise of the Performance Standards by the Licensee. Determination of indexed Reference Tariff and Performance Linked Tariff will follow the illustration shown in the Appendix attached to the tariff guidelines of 2013
- (viii). From the third year of operation, the Performance Linked Tariff proposal from the Licensee shall be automatically notified by TAMP subject to the achievement of Performance Standards in the previous 12 months period as certified by the Independent Engineer. The Licensee, for the Performance Linked Tariff from the third year onwards, will submit the Performance Linked Tariff proposal along with the achievement certificate from the independent engineer by 1st March and TAMP shall notify by 20th March, the Performance Linked Tariff to be effective from the ensuing financial year.

PERFORMANCE STANDARDS FOR OPERATION AND MAINTENANCE OF CONTAINER TERMINAL AT BERTH NO. 8 ON BOT BASIS AT NEW MANGALORE PORT TRUST

1. Gross Berth Output

Cargo Category	Performance Standards
Container	
(Main line vessel)	25 moves per hour per crane
(Feeder vessel)	17 moves per hour
Mixed Dry bulk cargo	
Other Cargo (Fertilizer, Limestone, Gypsum, Dolomite)	7,560 Tonnes/day
using Ship Gear	

2. Transit Storage Dwell Time:

Transit Storage Dwell Time - Import	
Container (at terminal)	4 days
- Export Container (at terminal)	5 days
