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TARIFF AUTHORITY FOR MAJOR PORTS

G. No. : 99 **New Delhi, 13 June 2006**

NOTIFICATION

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

(A.L. Bongirwar)
Chairman

TARIFF AUTHORITY FOR MAJOR PORTS

Case No. TAMP/42/2005 – NMPT

New Mangalore Port Trust (NMPT) **- - - - -** **Applicant**

O R D E R

(Passed on this 11th day of May 2006)

This case relates to a proposal received from the New Mangalore Port Trust (NMPT) for general revision of its Scale of Rates (SOR).

2.1. The Scale of Rates of the NMPT were last revised in August 2001 and following a two years validity cycle prescribed then, the SOR of the NMPT fell due for revision in August 2003.

2.2. After expiry of almost one year of the validity of its Scale of Rates, the NMPT had filed a proposal for extension of its Scale of Rates with relevant cost statements.

2.3. This Authority had accordingly passed an Order on 25 April 2005 extending the validity of its SOR till 30 September 2005. The NMPT was also directed to file its comprehensive proposal in prescribed proforma giving projections for three years in line with the revised tariff guidelines.

3.1. In this backdrop, the NMPT had filed a proposal for revision of its Scale of Rates on 30 June 2005. The proposal was, however, not found to be complete. The NMPT has subsequently filed a comprehensive proposal for revision of its Scale of Rates along with relevant cost statements and draft proposed Scale of Rates and has requested to approve it from the date of the expiry of its validity i.e. 30 September 2005. The highlights of the proposal brought out by the NMPT are as follows:

(i). (a). Deep draft multi purpose berth is expected to be ready by March 2006 at capital cost of Rs.42 crores which is already considered in the Gross block during the year 2005-06. On account of this investment, additional traffic of 2 to 3 MMT is estimated in the traffic projections from the year 2006-07 onwards.

(b). For the year 2006-07, Rs.10 crores towards capital dredging, Rs.10 crores for improving Railway facility, Rs.5 crores towards roads, etc., are also considered for capitalisation.

(c). For the year 2007-08, it has considered addition of Rs.41 crores towards roads, buildings / sheds, purchase of tug, etc.

(ii). Additional levy of Rs.45 lakhs imposed for recovery of outstanding dues on account of wage arrears relating to Registered Cargo Handling Wing (RCHW) is excluded from cargo handling income.

(iii). Income on account of vessel related charges for KIOCL ore shipment is included under NMPT since no adjustment of such charges are made in the fixation of wharfage charges.

(iv). Income on account of vessel related charges for MRPL cargo is apportioned as income against the MRPL cost head in line with TAMP Order to set off such earnings against the total cost of handling of Jetty 10 and Jetty 11.

(v). Management and General Administration overheads is apportioned to various activities in proportion to respective operating expenditure. Finance and Miscellaneous Expenses (only related items) excluding of Interest of Loan has been apportioned to various activities in proportion to respective operating expenditure.

(vi). The revision of Pay Scales is due with effect from 1 January 2007, the effect of which is considered in the calculation for the year 2007-08.

(vii). It has furnished consolidated cost statement for the port as a whole and a cost statement excluding MRPL and KIOCL activities. It has also furnished cost statement of principal activities i.e. cargo handling port and dock services excluding MRPL and KIOCL, and the cost position with reference to each of the MRPL and KIOCL activities. Cost statement furnished by NMPT depicts the following position:

Sl. No.	**Particulars**	**2005-06**		**2006-07**		**2007-08**	
		Rs. in lakhs	**% of surplus (after cost and 15% ROCE) as a % of income**	**Rs. in lakhs**	**% of surplus (after cost and 15% ROCE) as a % of income**	**Rs. in lakhs**	**% of surplus (after cost and 15% ROCE) as a % of income**
1.	Port as a whole	3270.15	12.43%	3215.07	12.26%	2082.39	7.92%
2.	Port as a whole (excluding MRPL and KIOCL)	2790.54	19.31%	2894.18	19.11%	2073.07	13.19%
3.	Cargo handling and storage (excluding MRPL and KIOCL)	2467.46	27.82%	2656.26	28.21%	2183.50	22.37%
4.	Port and Dock services (excluding MRPL)	- 560.88	(-) 15.76%	- 564.75	(-) 14.89%	- 925.34	(-) 22.94%
5.	Estate (excluding MRPL and KIOCL)	969.48	54.77%	1035.51	55.67%	1017.78	53.79%
6.	Railway working	- 133.07		- 273.81		- 233.88	

3.2. The NMPT has admitted that it is able to achieve Return on Investment in excess of the prescribed norm of 15%. However, the deficit incurred by the port during the past years is proposed to be adjusted against the surplus that are to likely to accrue during the ensuing tariff review / revision cycle. It has, therefore, requested to retain the existing rates for this current tariff validity cycle subject to some modifications proposed in its Scale of Rates. Wharfage for dedicated cargo of MRPL and KIOCL are excluded from proposed SOR since they are notified annually based on separate MOUs signed in this regard.

3.3. Some of the major modifications proposed by the NMPT in its SOR are summarised below:

(i). Single slab rate is proposed for port dues and berth hire and three tier slab rates proposed for pilotage fee in line with the revised tariff guidelines.

(ii). Concession proposed in port dues and berth hire in respect of container and cruise vessels @ 25% and 50% respectively.

(iii). Based on representations received from the HPCL and Stevedores Association, it has proposed to introduce volume discount on LPG. The rate for foreign bound cargo is proposed at Rs.250/- per PMT with volume discount. The effective rate with volume discount works out to Rs.200/- PMT approximately.

(iv). (a). The levy on RCHW wing is proposed to be reduced (200% levy reduced to 160% and 250% levy reduced to 180%).

(b). In addition to this basic levy, the existing additional levy of 15% and 20% is proposed to be increased to 20% and 25% respectively of basic wages for recovery of wage arrears of Rs.1.97 crores.

(c). Further, it has proposed to introduce one more additional levy – II, at 20% and 25% on the basic wages of RCHW for recovery of DA arrears of Rs.1.42 crores as pointed out by Audit.

(v). Concessional wharfage rate is proposed in case of coastal cargo including LPG in line with revised tariff guidelines.

(vi). Tug hire charges is proposed to be levied based on capacity instead of existing tariff for individual tugs.

(vii). New tariff item is proposed for water sprinkling and dosing charges for coal and ore @ Re.1/- per MT in order to provide sprinkling treatment to control dust generated while handling such cargo.

(viii). At present there is no rate for bunkering alongside berths by fixed pipelines or flexible hoses provided by the users or bunkers brought in through trucks / tankers. Hence, 50% of the wharfage presently applicable for POL is proposed in the Scale of Rates for bunkering of tankers alongside the berths.

4. In accordance with the consultative procedure prescribed, the NMPT proposal was forwarded to the concerned user organisations seeking their comments. The comments received from them were forwarded to the NMPT as feedback information / comments. The NMPT has furnished its reply on the comments of the most of the user organisations.

5.1. A joint hearing in this case was held on 8 February 2006 at the NMPT premises. At the joint hearing, the NMPT and the various users have made their submissions.

5.2. As decided in the joint hearing, the NMPT was requested to furnish the requisite information and file its revised proposed draft Scale of Rates and modified cost statements alongwith all additional information / clarification.

6.1. Based on a preliminary scrutiny of the proposal, the NMPT was requested to furnish additional information / clarification on various points. As decided in the joint hearing the NMPT has furnished the requisite information alongwith modified cost statements. It has also filed a revised draft proposed Scale of Rates proposing reduction in wharfage rate as announced in the joint hearing.

6.2. A summary of queries raised by us and the clarification / additional information furnished by NMPT is tabulated below:

	Queries raised by the TAMP	NMPT's Reply
I.	**Financial / Cost statements.**	
1.	Please furnish a statement indicating the variations in the income expenditure and capital employed estimated for the years 2001-02 and 2002-03 at the time of the last general revision vis-à-vis the actuals for these two years. Also, furnish an analysis explaining the reasons for these variations. A cost statement in the prescribed format may also be drawn up for the years 2003-04 and 2004-05 to quantify the surplus / deficit after accounting for admissible expenditure and return	The requisite details are furnished.
2.	The traffic forecast for the year 2005-06 and also the income and expenditure projections may be adjusted with reference to Revised Estimates 2005-06. Consequently, the projections for the succeeding years may also be reviewed.	The traffic forecast for the year 2005-06 is in accordance with RE / MOU. However, the Port may not achieve the projected targets due to various constraints such as diversion of IOF to Karwar Port due to proximity to the mine heads. Consequently the projections for the succeeding years needs to be reviewed. However, for 2006-07 BE figures have been adopted.
3. (i).	Please confirm whether the traffic forecast for the current financial years 2005-06 and the projections for the succeeding years are in accordance with the five years / Annual Plan and current expected growth. Furnish a copy of the MOU signed for the year 2005-06 or target fixed by the Government for the years 2005-06 to 2007-08 may be furnished.	The traffic projection for X Five year Plan is furnished. The actuals exceeded the projections of the X plan. The projections in the RE at 37.5 MMT for the year 2005-06 and BE 38.5 MMT for 2006-07 has been planned considering the trend of cargo handled during the year 2004-05. However, it is not possible to achieve even 34 MMT during 2005-06 and accordingly the projections for further years may have drastic effect. The impact due to this decrease in the cargo is estimated to reduce the cargo handling income (excluding MRPL and KIOCL) by 3.90 crores and Rs.2.20 crores for port and dock facility excluding the MRPL activity.
(ii).	The reasons for not projecting any increase in the cargo volumes during the year 2006-07 and 2007-08 except for iron ore fines and fertilizer may be explained. Vessel traffic projections may also be furnished.	This port strategically can handle iron ore and POL which are getting saturated. Hence no much increase in the cargo volume is expected unless there is vital change in the economic scenario. There will be marginal increase in GRT due to increase in parcel size for carrying Iron Ore Fines / POL. There may be possibility of decrease in number of vessels due to increased parcel size of

		the vessel and the New berth having facility to berth higher GRT vessels. Hence proportionate GRT with reference to traffic is considered for the purpose of estimations.
(iii).	Traffic projections do not explicitly indicate the additional traffic likely to be handled at the deep draft multipurpose berth proposed to be operational from March 2006 onwards. Additional cargo-wise traffic anticipated to be handled at the deep draft multipurpose berth may be furnished.	Deep Draft Multipurpose Berth (DDMB) cannot be fully utilised unless and until mechanical handling equipment is in position both at Marshalling Yard and at the berth, the increase in IOF and other General Cargo expected to be handled at this berth have already been included in the tariff submissions. In view of the draft constraints at other berths, some cargo is likely to be shifted to the DDMB.
4. (i).	The reasons for scaling down the cargo handling income (excluding MRPL and KIOCL activities) by 3.17% for the year 2005-06 over the previous year despite projecting 17% growth in the traffic excluding the traffic of dedicated cargo of MRPL and KIOCL may be explained. Likewise, income from Port and dock facilities (excluding MRPL and KIOCL) for the year 2005-06 is estimated to increase by 2.7% only over the previous year as against 17% increase projected in traffic. The reasons for such wide variations in the income and traffic projections may be explained.	The revised computation of cargo handling income/ port and dock income has been furnished.
(ii).	Furnish analysis of average dwell time of cargo / containers for the past two years. Also indicate average dwell time considered for estimating the demurrage and storage income for the years 2005-06 to 2007-08.	Total demurrage collected in 2003-04 and 2004-05 is Rs.14.4 lakhs and Rs.15 lakhs respectively. Container wharfage / storage income during 2003-04 and 2004-05 is Rs.39.15 lakhs and Rs.38.30 lakhs respectively. Since the associated income is negligible, no analysis is done at this stage.
(iii).	Indicate the foreign exchange rate considered for computation of dollar denominated tariff. The additional income, if any, on account of fluctuation in foreign exchange rate may also be computed and shown separately.	Exchange rate of Rs.43.52 as on 1.2.2005 is considered for the calculations of coastal rates. The projected income is based on the previous year's income in which the fluctuation is already included. There may be marginal changes in the income due to fluctuation in Forex rate which is not computed at this stage.
5.(i).	Explain why the cargo handling income with reference to cargo handled by the MRPL is estimated to reduce by 5.5% during the year 2005-06 over the corresponding previous year even though the traffic is projected to increase by 14% during the relevant year. Also, explain the reasons for further scaling down the income from this cargo by 6.7% for each of the years 2006-07 and 2007-08 over the previous years despite the estimated traffic remaining at the same level of 2005-06.	Since the income booked on cargo handled by MRPL is based on the net cost involved, no improvement in income occurs unless there is increase in cost itself. Rather it may be noticed that reduction in certain cost such as interest on loan, repayment of principal loan amount and provision for Pension and Gratuity will have an effect of reducing the per ton wharfage rate in accordance with the guidelines of TAMP. Detailed calculation is furnished.

(ii).	Likewise, explain the reasons for estimating 6.7% reduction in the income from cargo handled by KIOCL for the year 2006-07 over the previous year though the traffic is projected to remain same 2005-06.	The wharfage rate of KIOCL is also arrived at based on MOU conditions. Certain expenditure is based on the traffic ratio which will decrease due to overall traffic increase even if the volume of KIOCL remains same.
(iii).	The NMPT has assumed that recategorisation of vessels will lead to reduction in pilotage income to the extent of Rs.200 lakhs for the MRPL activities. It is relevant to mention that wharfage rate for jetty No.10 dedicated for MRPL activity is arrived at taking into account the expenditure allocated to this activity and vessel related income from this jetty, as per the guidelines already prescribed. Hence, reduction in income, if any, on account of such re-categorisation will automatically get adjusted since wharfage on cargo handled by MRPL will increase to that extent. That being so, the NMPT's contention about reduction in income from MRPL due to re-categorisation of vessel may not be correct.	The vessel related income is deducted from gross expenditure for determining the wharfage. The reduction in pilotage income to the extent of Rs.200 lakhs has already been considered in deriving at wharfage rates. It is reiterated that due to reduction in interest payment, loan repayment and contribution to pension / gratuity payments the wharfage rates are drastically reduced. Since the calculations have the circular effect, approximate rate has been adopted for the purpose of wharfage calculations and the effect is analysed in the statement of deviations.
6. (i).	Furnish the basis of estimating the pension liability alongwith the detailed computation for the years 2005-06 to 2007-08. It may be noted that pension payments to the extent not drawn from the pension fund and contribution made to the pension fund for the relevant years towards pension liability of existing employees based on actuarial valuation will be allowed in tariff fixation process	The amount as required in accordance with the Actuarial valuations as on 31-3-2005 has already been provided. However, nominal contribution may have to be made to the Fund on yearly basis which will be in all probability less than the actual outgo of pension. The actual payment of Pension during 2004-05 is Rs.6.09 crores. No actuarial valuation is made for the years 2005-06 and onwards. Hence a token provision of Rs.5 crores only is considered.
(ii).	Confirm that the one time expenses like arrears in wages / pension, VRS compensation, etc, are not included in the cost statement for tariff revision as per clause 2.5.2 of Revised Tariff Guidelines.	No provision has been made for the VRS or arrears of pay, etc., for the years 2005 to 2009. However, additional levy-II on RCHW has been proposed as a special levy to recover the arrears of DA based on the audit objection. The proposed additional levy will be discontinued immediately after recovery of the determined amount.
7.(i).	The railway activity shows an average deficit of 231% for the years 2005-06 to 2007-08. Explain why should this deficit be subsidised by the other activities.	Railway activity is an infrastructure found as a necessity to attract traffic. As port do not own and operate Rolling stock there is no scope for levy of terminal / haulage charges. A nominal income by way of Marshalling yard charge is levied to set off the establishment charges billed by the Railways for their personnel at the Yard office. The railway activity may contribute indirectly to the increase in traffic. In the absence of railway connectivity to hinterland where mine heads and thermal power generating units are situated, over the years, the income has not been

		achieved as envisaged. Once HMRD is fully commissioned, the income position will improve. In view of more investments being made to develop the marshalling yard etc., increase in the rates have been proposed.
(ii).	Please clarify whether any proposal to revise the Railway charges have been filed with the Railway Board to gradually make this activity self reliant	Railway marshalling yard charges is proposed to be increased from Rs.8/- per tonne to Rs.12/- per tonne to reduce the deficit on this activity. After approval of TAMP, the matter will be taken up with Railways.
8.	The expenditure for the year 2005-06 relating to cargo handling and storage is estimated to increase by 11%, Port and Dock by 43% Railway by 12.5% and management and general overheads is also estimated to increase by 23% over the 2004-05 actuals. Further, the expenditure for the year 2007-08 is estimated to increase further by 15% in case of cargo handling and storage and 9% in case of Railways and management and general overheads. Recognising that most of the expenditure of the port are generally fixed in nature and also recognising that clause 2.5.1 of the revised tariff guidelines specifically mentions that escalation in expenditure projection should be with reference to the current movement of Whole Sale Price Index, the escalation in cost considered beyond the stated level may be justified.	The increased cost of many items of expenditure will not be commensurate with WPI, such as payment of wages, incentive, levy of RCHW labour, maintenance and dry-dock of floating crafts, Dredging expenses, Pump-house, deballasting and fire fighting expenses, engagement of additional security and other expenses are not of fixed nature. It has furnished detailed clarification for the variation in the estimates of 2005-06 as against the 2004-05 actuals. In case of cargo handling activity, the increase is mainly on account of increase in the incentive to RCHW labour, and under the port and dock facility, it is on account of dredging expenditure. The pay revision is due w.e.f. 1.1.2007, and the impact thereof is taken in 2008-09.
9.	Please confirm whether the depreciation has been computed as per clause 2.7.1 of the revised tariff guidelines i.e. on straight line method following the life norms adopted as per the Companies Act in case of major ports. In this context, please clarify:	Depreciation is computed as per Govt. guidelines and as adopted in the Annual Accounts. Even though the depreciation as per Companies Act is advantageous to the port, the same has not been considered since the calculations may add to further complications in the reconciliation of depreciation in KIOCL and MRPL assets.
10. (i).	Furnish a list of assets likely to be completed and commissioned during the years 2006-07 2007-08 and 2008-09 for each activity / sub-activity. Only such assets which will be completed and commissioned within this period should be counted.	Requisite details have been furnished.
(ii).	Indicate the reduction in unit operating costs, if any, additional traffic / business projection, improvement in operational efficiency on account of each of the proposed additions to the gross block for each of the projects	Except the economies on account of mechanised handling at the Deep Draft Multi purpose berth, there may not be any reduction in unit operating cost. The proposed addition in the assets are basically roads and buildings within the port and as such there may not be any addition to the capacity.

(iii).	Capital assets may be classified into business assets, business related assets and social obligation assets in terms of Clause 2.9.5. 2.9.7. and 2.9.8. of the revised tariff guidelines for the purpose of computation of ROCE. The basis of such segregation may also be explained.	The Net Block as on 31st March 2005 of quarters, school buildings, hospital and stadium, etc., is Rs.975.07, 78.99, 73.77 and 77.48 lakhs respectively. The stadium is being used wholly for the employees of the Port.
(iv).	The basis of apportionment of capital employed i.e. net fixed assets and working capital between various activities and sub-activities may be indicated.	It has furnished the requisite details.
(v).	This Authority in its Order number TAMP/11/2005-NMPT dated 6 May 2005 while extending the validity of the Scale of Rates of the NMPT had categorically observed that if the NMPT did not achieve maximum permissible ROCE in the MRPL and KIOCL activities because of the specific methodology agreed in the respective MOUs, it could not seek other activities to top up the ROCE deficit of these two activities by claiming full ROCE for the port as a whole. The NMPT has not considered this point and computed ROCE @15% even for the MRPL and KIOCL assets also. The permissible ROCE for the Port as a whole may be restricted to the aggregate of permissible ROCE under individual major activities.	The port has not computed ROI on these two activities @ 15% but shown calculations separately. The ROI in case of MRPL is more than the stated level and more or less equal to 15% in case of KIOCL and hence there is no topping up of the deficit.
11.	Furnish the capacity utilisation of the port for the years 2002-03 to 2004-05 including MRPL and KIOCL and excluding these two dedicated berths. Also, furnish the assessed capacity of the port during the each of the years 2005-06 to 2008-09 duly considering the additional capital investment envisaged and productivity improvements anticipated alongwith detailed computation. While doing so, the designed capacity of the dedicated berths i.e. MRPL and KIOCL may be shown separately.	The capacity of NMPT indicated by the Ministry of Shipping (MOS) is Rs.30.30 MMT where as the port has handled 33.89 MMT in the year 2004-05. The capacity addition of DDMB is 5 MMT per annum. The port is likely to handle about 34 MMT in 2005-06 which is also more than the capacity.
12. (i).	Please confirm whether allocation of expenditure between the MRPL and the KIOCL and other cargo has been done on the basis of respective guidelines available for this purpose. Furnish the detailed computation of allocation of expenses between NMPT, MRPL and KIOCL for the years 2005-06, 2006-07, 2007-08 and 2008-09.	The detailed calculations of wharfage rate of MRPL and KIOCL are furnished.
(ii).	The fixation of final wharfage rate for Jetty No.10 for the years 2000-01 to 2004-05 is still pending. This Authority has already advised the NMPT and MRPL (Order No.TAMP/62/2004-NMPT dated 20 January 2005) to sit together and finalise the wharfage rate for Jetty No.10 for the years 2000-01 to 2004-05 and submit the proposal. Despite several reminders in this regard we have not received any concrete proposal so far. In this context, explain the basis of projecting income for MRPL cargo.	The port has finalised the rates in accordance with the guidelines and requested MRPL to verify and consent so as to refer it to TAMP for notification. In spite of repeated reminders, MRPL is not finalising the same. The reminders issued to MRPL have been endorsed to TAMP also on various occasions. Now, the MRPL have agreed to finalise the rates for 2000-02 shortly. The income in respect of MRPL has been projected as per guidelines and the expected volumes /

		expenditure.
(iii).	It may be clarified whether the special tariff arrangement envisaged by the MOU with MRPL will continue till end of 2008-09 for both Jetty Nos.10 and 11. If not, suitable adjustment in income estimates should be made considering the charges leviable on such cargo after the expiry of MOU.	The special tariff would continue till loan is fully repaid. Under the schedule of repayment, it is likely that 2008-09 will be the last year of repayment for J 10. The final loan repayment for J 11 will be 2011.
13. (i).	The cost statement relating to Registered Cargo Handling Wing (RCHW) appears to have been included in the cargo handling activity itself. Please furnish a separate statement of RCHW wing and cargo handling activity excluding the RCHW to understand the extent of cross subsidisation flowing from cargo handling to RCHW.	Since RCHW cost is part and parcel of the Cargo Handling activity it is included there. However a separate statement for 2004-05 is enclosed indicating income and expenditure on account of this activity. It is to state that even though RCH labour is shown as separate activity, without the labour, bulk cargo cannot be discharged in NMPT.
(ii).	Clause 2.11.4 of the revised tariff guidelines stipulates that cross subsidisation shall be restricted with the objective to ultimately phasing it out. The NMPT, is, therefore, requested to show the flow of cross subsidisation from surplus generating activities to the activities which are in deficit are restricted at the level obtained at the time of last general revision of its Scale of Rates in August 2001.	Except Rly & Port / Dock Activity, other activities are not deficit activities. The activity of KIOCL appears to be deficit but with the inclusion of Vessel income related to KIOCL handling, it also becomes the profitable activity. The deficit in Rlys. is being phased out gradually. The P& D activity may gradually gain with the increase in the number of vessels.
14.	The cost statement of the NMPT for the years 2005-06, 2006-07 and 2007-08 (excluding MRPL and KIOCL) show an average surplus of more than 17% and as per the cost plus return formula prescribed by this Authority there is a clear case for reduction in tariff to that extent. The deficit during the years 2002-03 and 2003-04 referred by the NMPT is mainly due to reckoning pension contribution pertaining to the past period as a cost item. It is the stated policy of this Authority that arrears in wages / pension, VRS compensation and contribution to pension fund for past liability will not be allowed as admissible cost for determining tariff. In the light of the above observation, the NMPT's argument to continue with the existing tariff level in view of the deficit of position of the past two years is not found to be justified. The NMPT is advised to file a revised draft SOR proposing suitable reduction in the existing tariff based on its commercial consideration. The impact of such reduced tariff (to be) proposed may also be indicated alongwith detailed working.	The cost statements for 2005-06, 2006-07 and 2007-08 are based on the projected traffic. If the projected traffic is not materialised (excluding MRPL and KIOCL) the port will not be able to achieve the surplus of even 15%. Since the Pension contribution during 2002-03 and 2003-04 is as per the actuarial valuation, the port had no other option but to comply with the requirement since ports are brought under IT ambit. Since the funds are matching with the actuarial valuation as on 31st March 2005, there may not be any need to contribute much now except marginal contribution of less than Rs.5 crores per year. It has submitted revised draft proposed Scale of Rates proposing reduction in wharfage rate for most of the cargo items in the range of Rs.5/- to Rs.25/- PMT.
15.	Please clarify, why should there be an additional charge for controlling pollution in the light of surplus position reflected by the cost statement. If the port's argument that "Polluters pay" is to be accepted, then, to that extent, the NMPT may propose reduction in other items of tariff.	The proposed rate towards water sprinkling and dosing charges is deleted in view of the request of the port users.

16.	Please confirm whether the revision in the lease rentals accorded by this Authority vide its Order No.TAMP/33/2003-NMPT dated 20 January 2005 has been considered while estimating the lease rentals	The incremental effect of revision of lease rentals has been considered.
II. GENERAL		
1.	At the time of last general revision of its SOR, this Authority had advised the NMPT (in Para 7(ii) of the Order No.TAMP/19/2001) to reconsider the working of wharfage rate in case of KIOCL and follow the principles set out in case of the MRPL for determining the wharfage rate for KIOCL cargo to enable comprehensive review of cost position relating to iron ore handled at the KIOCL dedicated berth. This suggestion of this Authority is not given effect in the proposal in reference. Cost statements may be modified giving effect to the suggestion already made.	The wharfage rates for KIOCL and MRPL are worked out independently based on the terms governing in the respective MOU / discussions duly getting it verified by the concerned parties. KIOCL being a PSU, any change in the MOU may not be possible.
2.	This Authority in its Order No.TAMP/19/2001-NMPT dated 9 August 2001 relating to revision of rates of levy applicable to the services of RCHW, has expressed the need to revise the datum which will have impact on the incentive payment and consequently lower the overall cost of deploying RCHW from the user point of view. Clause 2.6.2 of the revised tariff guidelines also requires that port to regularly review and adjust the manning scales / datum. The steps taken by the NMPT in this regard may be clarified and if the datum has been revised please furnish the datum prescribed for major cargo items, pre-revised datum and the effective date of revision for each of the major cargo items	The revision of manning scales for all the Major Ports is referred to an Arbitrator for adjudication by MOSRT&H which is as per the Agreement reached with the Federations of Labour employed by the respective Ports. Hence it may not be possible to revise the datum at this stage.
3.	This Authority vide Order No.TAMP/78/2003 dated 18 November 2004 while approving the special rate to recover the wage arrears of Rs.1,97,47,611.60 had advised the NMPT to transfer the amount so recovered to a separate account and inform this Authority at the end of every financial year, the quantum of collections made from the special rate. The amount so collected from levy of special rate from October 2003 onwards till the financial year 2004-05 may be indicated. The estimated amount likely to be collected for the subsequent years 2005-06, 2006-07 and 2007-08 at the existing level of tariff and at the proposed level may be furnished.	A separate accounting code has been opened to watch the recovery from this levy. An amount of Rs.10.62, lakhs Rs.45.21 lakhs and Rs.50.04 lakhs has been collected in the years 2003-04, 2004-05 and 2005-06 (upto January 2006) respectively. The entire amount with interest is likely to be recovered on or before 2008-09. It is to reconfirm that this additional levy will be stopped on recovery of the said amount.
4.	This Authority has allowed flexibility to all major ports to reduce the rates prescribed in the SOR at their discretion mainly on commercial consideration. Such reduction, if any, affected by the NMPT may be listed out and the consequential effect of such concessions granted on growth of traffic and impact on reduction of revenue may be analysed item-wise and furnished.	The effect of reduction is in container handling charges, cruise shipping. However a revised statement is submitted taking into consideration, the reduction in wharfage rates.

III	**SCALE OF RATES**	
1.	Modify the proposed provision 4 (i) relating to interest on delayed payments / refunds by prescribing a specific interest rate based on prevailing Prime Lending Rate of the State Bank of India.	This is in accordance with the TAMP guidelines. The specific rate of 12.25% (PLR 10.25 + 2%) is indicated. However, the PLR may change from time to time and accordingly the above rate may undergo change.
2.	**Chapter II – Schedule A – Port Dues:**	
(i).	Explain the reasons for proposing 33% hike in port dues for ships and equating it at the level applicable for steamers. Also justify the proposed increase in the light of the fact that the cost statement for the port as a whole shows a surplus position of 17% (excluding the MRPL and KIOCL).	Single slab as suggested by TAMP is adopted. The income derived out of service rendered to ships is Rs.0.07 lakhs which is negligible. Hence the existing rate applicable to steamers has been proposed as a single slab rate applicable to all vessels.
(ii).	The basis on which the 'Ship' and 'Steamer' are distinguished for the purpose of levy of port dues may be explicitly stated in the Scale of Rates	Prior to formation of Port Trust, the notification was issued under the provisions of Indian Ports Act 1908 wherein Mangalore Port was under Part VIII of Schedule I of the said Act. The explanation to the schedule enumerates "ship" means a vessel propelled solely by wind-power and "steamers" means any vessel other than a ship.
(iii).	In the light of the fact that the 'Port Dues' is a fee for entry of a vessel, the practice of levying port dues for coastal vessels once in 30 days may be reviewed. Adjustment in the frequency of visit should be accompanied by reduction in the unit.	In fact port dues per entry would be a preferred for coastal vessel. The average rate of the coastal vessel is Rs.2.32 per GRT in 2004-05. In case TAMP considers the rate per entry, the above rate may be considered in place of Rs.3.73 per GRT for 30 days frequency prescribed in the existing SOR.
3.	**Chapter II – Schedule B – Pilotage Fees**:	
(i).	Furnish the number of vessels handled, average GRT of vessels and the income thereof for last two years under each slab of GRT prescribed in the prevailing SOR vis-à-vis the anticipated income at the proposed tariff structure.	The detailed calculation based on 2004-05 (actuals) has been furnished.
(ii).	The minimum pilotage fee for the second slab in case of coastal vessel and for the third slab need to be modified by applying the rate proposed for the immediate preceding slab over the highest slab therein.	Necessary modifications have been made in the revised proposed SOR.
(iii).	As per clause 6.4. of the revised tariff guidelines, pilotage fee shall include one inward and one outward movement with required number of tugs / launches of adequate capacity and shifting of vessels for 'Port convenience'. In this context, the proposed note number (1) may be modified and separate the shifting element included in the composite fee for shifting done at the request of the users. Consequently, the unit rate of the composite pilotage fee may also be reduced.	Note 1 is modified suitably to indicate Pilotage-cum-towage fee will be composite and shall include one inward and one outward movement with required number of tugs / launches of adequate capacity and shifting/s of vessels for 'Port convenience'. It has accordingly reduced the pilotage fee by 10% for excluding one shifting element. Shifting at the request of vessels will attract separate shifting charges at 25% of

		the Pilotage charges prescribed above.
(iv).	Shifting charges may be proposed per GRT of a vessel with reference to cost of service provided without linking it to pilotage fee. The three tier slabs (GRT based) may be proposed as per the revised tariff guidelines.	Cost of service rendered to vessels for shifting is same as that for Pilotage based on GRT except the duration of time taken for each act of shifting. Keeping this in view, an average rate of 25% of the three tier slab (GRT based) rate proposed for Pilotage may be accepted.
4.	**Schedule C – Berth hire charges**:	
(i).	This Authority in the last general revision Order [at paragraph 7(xxiv)] had specifically advised the NMPT to recast the berth hire charge with reference to the services provided and facilities available for the group of berths having similar facilities. The NMPT has not addressed this issue in its comprehensive proposal. The NMPT is again advised to recast the berth hire charges by grouping the berths having comparable services / facilities as it is a specific requirement under clause 6.5.1. of the revised tariff guidelines.	For Berth Nos. 2 and 3, shore crane facility is extended. At berth Nos.1, 4, 5, 6, 7, and 8, no shore crane is provided. Hence, barring berth Nos. 2 and 3, where berth hire is inclusive of cranage related services, all other berths are treated equally and separate berth hire is proposed and hence the guidelines are adhered to.
(ii).	Justify the differential berth hire charge for berths having crane facility and berths without crane with reference to the cost of providing the wharf crane.	The cost of providing the wharf crane has been considered by the Ministry while approving the composite berth hire pursuant to implementation of Directing Group recommendations as accepted by the Empowered Committee. Thereafter, no cost calculations were worked out.
(iii).	Justify the proposed charge of 50% of the berth hire charge for double banking (item no.6) with reference to the cost of service provided.	Double banking is resorted to only on two contingencies viz. (i) when the vessel has no berthing facility but safe fleeting area is desired and (ii) when emergency berthing is to be resorted alongside due to reasons such as SOS calls, minor repairs etc. Hence proposed rate of 50% may be retained.
(iv).	Flowing from the principle prescribed in the Revised Tariff Guidelines (clause 2.15) that users should not be required to pay charges for delays beyond reasonable level attributable to the port, please incorporate the following conditionality - “No berth hire shall be levied for the period when the vessel idle at its berths due to break down of port equipment or power failure or any other reasons attributable to the port”.	Incorporated the proposed note in the revised SOR at Chapter II – C- Notes (6)
(v).	The proposed provision in note number 2 may be modified to state that the time limit prescribed for cessation of berth hire shall exclude the ships waiting time for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities if such contingencies are relevant to NMPT, as prescribed in clause 6.6.1. of the revised tariff guidelines.	There have been no cases where the vessels are detained for want of favorable tidal conditions or inclement weather conditions. NMPT has night navigational facilities too. However, the suggestion clause is incorporated in the revised proposed draft SOR.
(vi).	Please indicate the number of LASH barges that called the NMPT for the last three years. If the	In the past three years LASH barges have not called. The existing provision is

	tariff for this item is not found relevant, the port may consider to delete the proposal tariff alongwith the relevant conditionalities.	retained if such contingency occurs.
5. **Chapter III – Schedule of Wharfage charges**		
(i).	This Authority in its last general revision Order had advised the NMPT [in para 17 (xxvii)] to examine advalorem rate structure for break bulk cargo and convert it based on weight / unit / volume of tariff. It is observed that the NMPT has not converted any of the existing advalorem rate to tonnage based rate. Clause 4.2.2. of the revised tariff guidelines stipulates that advalorem wharfage rates shall be phased out over a maximum period of 5 years after the rates for all cargo items are fixed on the basis after the rates for all cargo items are fixed on the basis of cost of handling. The wharfage rate for bulk cargo may, therefore, be reviewed and proposed based on weight or volume of cargo with reference to cost of handling the relevant cargo.	Though it agreed with views of TAMP, however, since the collection of data and analysis thereof will take some more time, it has requested to continue the existing arrangement for one more cycle.
(ii).	Justify the basis of the proposed wharfage rate for Plant and Machinery at Sl.No.6 (d) at Rs.130/- PMT under Schedule B - Bulk cargo with reference to the cost of handling this cargo.	The earlier notified rate is retained. Since this type of cargo handling is of very rare in nature, separate costing could not be furnished.
(iii).	Unit of levy of wharfage rate for Tapioca chips, flour starch, etc, under Sl.No.18 Schedule – B-Bulk cargo is proposed to be modified from the existing 'per cubic meter basis' to 'per MT' basis, however, it has not made corresponding adjustment in the rate. Explain the reasons for effecting change in unit and indicate the conversion factor.	These are large volume/low value commodities which have not been handled since past six years. Hence conversion factor has not been taken into consideration. If converted, rates may have to be increased.
(iv).	The proposed provision at Note 5(ii) should act both ways. Insertion of a clause stating that even the NMPT will not raise supplementary or under charge bills, if the amount due to Port is Rs.100/- or less may be considered.	Incorporated at Note 5 (ii) - Chapter III-B
(v).	**Note 6 – Porterage (Handling of cargo) at wharf or jetties**:	
	(a). The proposed note number 6(i) about port not assuming custody of export cargo may be substantiated with provisions of MPT Act or Customs Act or settled position of law.	At NMPT bulk / break-bulk cargo is consolidated by the Shippers or respective C&F Agents in the leased plot / User Godown. Shippers / Agents prefer direct shipment of the cargo. This practice is in vogue right from the inception of the Port and the Port Users encourage this concept. NMPT is expected to assume custody of cargo in case the cargo is stacked in the transit area.
	(b). With reference to levy of overtime allowance, it is not understood why overtime of staff should also be levied when the Port is expected to work round the clock. The number of	No holiday wages are recovered when the workers are engaged for work on

	instances when the staff is deployed overtime for cargo handling operation at Wharf or jetties and cost involved thereat may be indicated.	holidays due to the fact that the Port works round the clock. Only when workers are engaged beyond the shift hours invariably in the case of finishing vessels, O.T. is recovered. In such instances if a gang is to be booked it will be costlier than OT allowance. Hence Stevedores are benefited by paying OT than Gang booking
	(c). Concessional tariff applicable for coastal cargo may be prescribed for handling charges also in line with our common adoption Order.	A general note to the effect has been incorporated in the revised proposed Scale of Rates.
(vi).	**Note 7 – Tranship Goods**:	
	(a). Please incorporate the following provision: "In case cargo from foreign port lands at NMPT for subsequent transhipment to an Indian Port on coastal voyages, 50% of the transhipment rate prescribed for foreign going and 50% of that prescribed for coastal leg shall be levied".	Incorporated the said provision at Chapter III – Notes 7 (vi) of the revised proposed Scale of Rates.
	(b). Explain the reasons for introducing the proposed note number (v) about levy of 50% of wharfage in case of cargo brought in / taken out of the harbour through any mode of conveyance only for storage purpose. Also, clarify what are the services provided at Wharf area for the proposed levy of wharfage at 50%.	The port land is meant to be used for port related activities of import / export by which port gets revenue in addition to Land rentals. However, some times the parties are approaching to use the tank farms installed in the port to be used for storage of cargo which is not meant for import / export. Even though no services are rendered by the port for pipe-line transfer of liquid cargo, in order to curb such transfers, the port suggested this charge. Such instances are very rare and the income derived is negligible. Hence the proposed rate may please be agreed to.
6.	**Chapter IV – Container charges:**	
(i).	Please prescribe specific number of free days in case of storage charge on containers in line with the revised tariff guidelines.	No free days have been allowed on containers. The status quo may be maintained.
(ii).	Incorporate the following condition flowing from the principle prescribed in the revised tariff guidelines that users should not be made to pay for the delays attributable to Ports *"Storage charge on container shall not accrue for the period when the NMPT is not in a position to deliver / ship container when requested by the user"*	Container operation at NMPT operates on container yard concept. The container yard operation is carried out by the MLOS deploying their own private workers. Both

	Similar condition may also be incorporated for cargo as a note under the Schedule pertaining to Demurrage charge.	LCL and FCL container is not permitted to destuff or stuff in the container yard. Hence the custody of container rests with the MLO. The container is taken out by the MLO for destuffing / stuffing on receipt of customs permission. Total operation is done under the supervision of customs. Hence status quo is sought. It has, however, incorporated the said condition under Demurrage schedule.
(iii).	Please incorporate a conditionality to state that if operational area is leased on rental to users, storage charge on containers shall not be levied again as per Clause 4.6. of the revised tariff guidelines. Similar condition may be inserted in the Schedule pertaining to demurrage charge on cargo also.	Normally lease of land is not given for container stacking inside the perimeter wall. However, the conditions stipulated by TAMP is incorporated in the revised proposed Scale of Rates.
7.	**Chapter V - Demurrage Charges (Imports / Exports):**	
(i).	Demurrage charge proposed at Sl.No.2 (Imports) may be reviewed and proposed based on the space occupied instead of prescribing it as a percentage of wharfage. The unit of levy of demurrage charge on per week or part thereof basis may also be reviewed and proposed on per day or part thereof. Please furnish detailed computation in this regard.	The existing demurrage on package or number basis is deleted from the proposed SOR as no items exist in the Scale of Rates where wharfage is charged per each package or number. In the case of cargo assessed on advalorem rate, the demurrage on per cum is equivalent to the rate applicable to Sl.No.1 is proposed.
(ii).	Sections 61 and 62 of the Major Port Trust Act 1963 prescribes various provisions for disposing of the cargo by the Major Ports if they are not cleared within the stipulated time limit. In the light of the powers available with the Major Ports, non satisfaction of the note number 4 gives an impression that demurrage would be levied on unclaimed goods after 60 days. Please confirm the correct position.	This provision existed in the SOR since inception. In the light of legal provisions available to deal with unclaimed goods, existing note number 4 is deleted from the revised proposed Scale of Rates.
(iii).	The proposed demurrage charge under Schedule B export does not clarify the demurrage charge levied on export cargo for which wharfage is prescribed on 'advalorem' basis. Please explain.	The rate proposed "per CBM" is proposed to be levied where wharfage is prescribed on advalorem basis.
(iv).	The proposed note number 2 in Schedule B exports may be modified to state that the proposed free days shall be excluding Custom's notified holidays and Port's non working days in line with clause 4.5. of the revised tariff guidelines. Suitable modification may also be done note no.3(ii),3(iii) and 6.	In view of higher number of free days allowed (30 days for Export Cargo as against 7 days for import and 3 days for salvaged goods), no additional free days for Custom's notified holidays and Port's non working days

		have been provided for export cargo This may be agreed. (If not agreed, the free days may be reduced to 21 days).
8.	**Schedule B – Charges for bunkering alongside berths:** Explain the basis of arriving at the proposed rate of Rs.40/- per M.T. for providing bunkers alongside berths through fixed pipeline or loading arms or flexible hoses of users or through mobile trucks / tankers alongwith detailed working. Also, indicate additional income from the proposed tariff item for all the three years under projections.	The Scale of Rates notified in September 1995 prescribed a rate of Rs.27/- PMT for use of bunkering pipeline provided at iron ore berth for all user agencies. The line was provided by KIOCL and as such they were charged Rs.9/- PMT only. Since that facility was discontinued, no revision was sought in the last general revision of SOR in 2001. Now, that the bunkering lines are provided by the users, fresh proposal is made on hiking the rate to 50% of the POL wharfage on the principle that the facilities provided alongside the berths shall have to bear some cost and not free of cost. Since the data for bunkers provided is not available with the port, the above charges may please be considered.
9.	**Schedule C – Marshalling yard usage charges:**	
	(i). Justify the proposed increase of 50% in the tariff for this item in the light of the fact that the cost statement for the port as a whole shows an overall surplus position. Explain the services provided under this schedule.	The proposed increased of 50% may also be not sufficient to make the activity self sufficient. The port has developed railway sidings of including Marshalling Yard. The entire expenditure on account of this infrastructure including electricity, water, and road is borne by the Port Trust. In addition Port Trust also bears operation and maintenance of these structures and permits exporters or importers to move their cargo using these facilities to various destinations. Railways provide all services connected with railway operations and collect establishment charges from the Port.

	(ii). Please confirm that these rates do not fall under the category of railway charges to be fixed by Railway Board.	It is confirmed that the rates do not fall under the category of railway charges fixed by the Railway Board.
10. (i).	**Schedule G – Charges for hire of launches and tugs within limits of the Port:** The following points need to be clarified with reference to the cost statement furnished for hire charge of the equipment and the proposed provisions in the SOR.	The rates proposed under this Schedule are for rare use of independent tugs under the unforeseen conditions and not charged for general movement of vessels which is included in the pilotage.
	(a). The basis of considering Repairs and Maintenance (R&M) uniformly at 5% of the capital cost for all the tugs / launches may be explained.	Since the R&M cost of a particular year is not indicative cost for that particular equipment, it is the general practice to calculate the same at 5% of capital cost for all purposes of evaluation.
(ii).	**Tugs Kabini and Lauch Mallya:** Return on capital employed of Launch Mallya may be computed by linking it to the capacity utilisation level of 31% for arriving at the proposed rate.	It is a Multipurpose special buoy laying tender which is very rarely used and not available in the market. Hence ROI cannot be linked to utilisation. The charges suggested are for a very rare use. In fact the equipment may be idle for more than 31% of the time. It is procured in order to avoid possible loss on account of oil spillage, holding falling fenders due to damage by the ship and other unforeseen circumstances.
(iii).	Please furnish cost calculation in respect of the two launches Tunga and Bhadra as they are found to be new entry. Also, indicate the basis of rationalising the tariff for various mooring launches and proposing a uniform tariff of US $ 114.89 per hour or part thereof. In this context, please clarify whether all these mooring launches are of similar capacity.	The craft were procured in 2002-03 and are in operation. The charges have been covered in the composite pilotage charges and so far no separate rate is fixed for the same. Both are identical launches for the same purpose.
(iv).	Since hire charges are proposed for launches / tugs based on the capacity, it may not be relevant to prescribe the names of these tugs / launches. The NMPT may, therefore, consider to delete the individual names of equipment in these schedules.	The names are indicated as additional information only. As per the guidelines the capacities are only indicated for tugs / launches except Mallya / Survey launch which are not generally required but for a rare use by a rare user.
11.	**Schedule I – Hire charges of spreaders for container handling:** Furnish detailed cost analysis of the proposed hire charge for spreader since it is a new entry.	The cost of procurement is Rs.6 lakhs and the

		maintenance cost including annual examination and testing works out to Rs.50000/-. Only nominal charges have been indicated for the use of the infrastructure made available to the port users who use this equipment as a stop gap arrangement.
12.	**Schedule K – Electricity and monitoring charges for reefer containers:** The unit of levy of this tariff item may be proposed on 4 hourly basis in line with Clause 5.7.1. of the revised tariff guidelines.	Incorporated as suggested by TAMP.
13.	**Notes 5 (iii) and 6 after Schedule K:** Since the craft / tugs etc, are insured and insurance cost are already recovered through tariff, the actual cost of damage / repair if any, to the equipment can be recovered from insurance company. That being so, modify the proposed note about recovering the cost of damage and even the replacement value of equipment in line with the revised tariff guidelines.	Unless there is a deterrent clause, the port craft may get damaged frequently. Insurance may not pay the complete amount besides there will be loss of revenue to the port. Hence it is requested to accept the proposed clause.
14.	**Item No. IV – Charges for the use of weigh bridges under schedule L – Miscellaneous Charges.**	
(i).	The tariff is levied per truck for the cargo weighed irrespective of the quantum of cargo in the truck. Explain the reason for introducing the proposed variable charge at Re.1 PMT of cargo weighed. Also, indicate additional income from the proposed tariff for each of the years 2005-06, 2006-07 and 2007-08.	It is not correct to have same charges for all trucks with different weights. When the ships carrying the same type cargo are differentiated between coastal and foreign, there should be some analogy for charging the same charges for heavy trucks also. Accordingly fixed / variable charges are proposed. In fact there is no additional income on account of the same but a readjustment in view of reduced numbers but increased weight of the trucks. However, in view of the request of the port users, the charges is revised to Rs.15/- per truck both ways (i.e. 50% of the charges in the vicinity).
(ii).	The charges levied for providing weigh bridge services at vicinity of the Port may be furnished.	The charges levied in the vicinity is in the range of Rs.30/- per trip.
15.	**Chapter VIII – Levy of charges of Registered Cargo Handling Wing:**	
(i).	The additional levy to recover the wage arrears of RCHW workers to the tune of Rs.1.97 crores for the period 1 January	In view of the reduction proposed in overall levy, the

	1998 to 31 October 2000 was approved by this Authority vide Order No.TAMP/78/2003-NMPT dated 18 November 2004 based on the consensus obtained from the concerned users. Explain the reasons for proposing to increase this levy with in a year of our earlier Order.	marginal increase is proposed so that the entire recovery would be completed within a reasonable time. So far, i.e. from October 2003 to December 2005 a sum of Rs.102.96 lakhs has been recovered. On an average, the monthly recovery towards this is at Rs.3.8 lakhs. Anticipating the labour employment at current level, it is expected that the entire recovery would be completed by end of January 2008.
(ii).	For which period is this DA arrears pertaining to and why was it not included while proposing the additional levy – I earlier? Explain the reasons why the Port did not resort to recovery of the DA arrears earlier immediately after its payment.	The Statutory Audit pointed out that the D.A. element should form part and parcel of actual wages. Hence, the management immediately took a decision to recover the D.A. However, the arrears relating to the period from October 1996 to February 2002 amounting for Rs.1.42 crores is due to be recovered. Hence, the proposal.
(iii).	A copy of the observation made by the Statutory Auditors in this regard may please be forwarded. A copy of the Audit Certificate in respect of the DA arrears for the concerned employee may be furnished.	A copy of the Audit observation wherein the amount computed for recovery is enclosed. The Audit did not work out employee-wise DA arrears as the same has already been paid.
(iv).	The basis of the proposed Additional Levy II in the range of 20% to 25% may be explained.	The percentage variation is based on the composition of gang depending upon bulk or non bulk cargo including mode of handling.
(v).	Why interest on DA arrears is also proposed to be collected by way of levy? If the DA arrears was not collected earlier, it may not be due to the fault of users.	Interest recovery included in the proposal is to avoid Audit Point later.
(vi).	It is relevant to mention that one-time expenses such as arrears of wage / pension etc, are not allowed as admissible cost while determining the tariff since it will get built in the tariff permanently. Such one time expenses are to be met by the port from past accumulated surpluses / reserves, interest income etc. The port may establish that the accumulated reserves / surpluses, interest income are not adequately available to meet this DA arrears paid to the RCHW workers.	The Scheme applicable to RCHW workers envisages to work on no profit no loss basis. However, due to inadequate employment opportunities, the scheme is unable to meet the obligations to the workers. At such contingencies supporting requirement of fund is met out of revenue earned by the port.

6.3. The net surplus / deficit for the past period i.e. from 2001-02 to 2004-05 and estimated surplus for the year 2005-06 after return of capital employed is reported to be as follow:

(Rs. in lakhs)

Sl. No.	Years	NMPT	MRPL	KIOCL	Total
1.	2001-02	-1467.02	-197.86	(-)2902.80	(-)4567.68
2.	2002-03	-1573.58	-186.23	(-)3109.85	(-)4869.66
3.	2003-04	(-)1630.03	(-) 82.40	(-)2609.48	(-)4321.92
4.	2004-05	431.62	(-)30.34	(-)199.42	201.87
5.	2005-06	2915.89	62.84	(-)55.52	2923.22
	Total	**(-)1323.21**	**-433.99**	**-8877.07**	**(-)10634.18**

6.4. The revised cost statement for the port as a whole including MRPL and KIOCL for the years 2006-07 to 2008-09 after allowable return on Capital employed is estimated as follows:

Particulars	2006-07		2007-08		2008-09		For 2006-07 to 2008-09
	Rs. in lakhs	Surplus as % of income	Rs. in lakhs	Surplus as % of income	Rs. in lakhs	Surplus as % of income	Total Rs. in lakhs (Average surplus as a % of income)
Port as a whole including KIOCL and the MRPL	2471.61	9.3%	1727.07	6.4%	2924.19	10%	7122.87 (8.60%)
MRPL	-269.68	-2.7%	451.29	4.3%	2866.94	22.5%	3048.55 (9.2%)
KIOCL	60.03	5.2%	-36.06	-3.4%	-76.75	-7.3%	-52.78 (-1.6%)
Port (excluding MRPL & KIOCL)	2681.26	17.2%	1311.84	8.5%	134	0.9%	4127.10 (8.9%)

6.5. The net surplus/ deficit position estimated for the years 2006-07 to 2008-09 excluding the MRPL and the KIOCL activity is tabulated below:

Particulars	Rs. in lakhs	Surplus as % of income	Rs. in lakhs	Surplus as % of income	Rs. in lakhs	Surplus as % of income	Total Rs. in lakhs (Average surplus as a % of income)
Port as a whole excluding KIOCL and the MRPL	2681.26	17.2%	1311.84	8.5%	134	0.9%	4127.10 (8.9%)
Cargo handling activity	2444.99	25%	1537.74	16%	738.85	8%	4721.58 (16.4%)
Port and Dock Facility	-75.58	-2%	-538.53	-13%	-949.18	-22%	-1563.29 (-12.6%)
Railways	-179.13	-297%	-313.10	-444%	-354.49	-440%	-846.73 (-403%)
Estate	710.52	43.76%	832.62	47.95%	920.88	49.80%	2464.02 (47.3%)

6.6. Highlights of modifications / reductions proposed by the NMPT and its impact thereof for the NMPT activity (excluding the MRPL and KIOCL) are tabulated below:

Sl. No.	Particulars	Impact thereof if any for 3 years 2006-07, 2007-08 & 2008-09 (Rs. in lakhs)
(i).	Port Dues: (a). Uniform rates of port dues proposed for ships and steamers at the present rates applicable for steamers. (No of ships calling the port and their income thereof is reported to be negligible at 0.07 lakhs). (b). Frequency of payment of port dues for coastal vessel proposed to be modified to per entry basis as against the existing levy once in 30 days. Consequently, the tariff has been adjusted and proposed at Rs.2.32 per GRT based on the average rate in 2004-05 instead of Rs.3.13 and Rs.4.70 per GRT prescribed for ships and steamer for 30 days frequency in the existing Scale of Rates.	(-) 34.69
(ii).	Pilotage fee and shifting charge. (a). Three tier slab rates proposed in line with the revised tariff guidelines as against the existing 2 tier slab. (b). One shifting component at vessel's request included in the pilotage fee is excluded by reducing the existing pilotage fee by 10%. (c). The proposed pilotage fee will result in 6% increase in pilotage fees in respect of vessels upto 10000 GRT. There will be a reduction of 28% and 37% for vessels in the range of 30001 to 60000 GRT and vessels above 60000 GRT respectively. (d). The various circumstances prescribed in the existing Scale of Rates as shifting for port convenience are deleted from the revised proposed Scale of Rates. Shifting charge proposed on all shifting at the vessels request at 25% of the applicable pilotage fee.	-714.67 511.30
(iii).	Berth hire: A uniform berth hire rate proposed for various categories of vessels taking the existing lower rate as the base.	-31.34
(iv).	Wharfage rate for most of the cargo items is proposed to be reduced in the range of Rs.5/- to Rs.25/- per MT. In case of Iron & Steel, Ores/Metals (except Limestone), gypsum, cement, others, ricebran, the existing wharfage rate is proposed to continue. Wharfage for LPG is proposed to be reduced from existing Rs.250/- per MT to Rs.180/- per MT.	-2557.76
(v).	(a).The levy on RCHW wing is proposed to be reduced (200% levy reduced to 160% and 250% levy reduced to 180%). (b). In addition to this basic levy, the existing additional levy of 15% and 20% is proposed to be increased to 20% and 25% respectively of basic wages for recovery of wage arrears of Rs.1.97 crores. (c). Further, it has proposed to introduce one more additional levy – II, at 20% and 25% on the basic wages of RCHW for recovery of DA arrears of Rs.1.42 crores as pointed out by Audit.	-515 80
	Total	**(-) 3262.16**

Other modifications in the proposed Scale of Rates:

(i). Proposed to levy 50% of the applicable wharfage in case of cargo brought in only for storage purpose and taken out of harbour through any mode of conveyance from / to tank form.

(ii). Concession proposed in port dues and berth hire in respect of container and cruise vessels @ 25% and 50% respectively.

(iii). The charges proposed for wet dust suppression system in its initial proposal is deleted based on he request made by the users.

(iv). Tug hire charges is proposed to be levied based on capacity instead of existing tariff for individual tugs.

(viii). Proposed to levy Rs.35/- PMT (i.e. 50% of the wharfage applicable for POL) for providing bunkers along side through fixed pipelines or loading arms or flexible hoses provided by the users through mobile trucks / tankers. The rate proposed in its initial proposal was Rs.40/- PMT.

7. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details are also available at our website http://tariffauthority.gov.in

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

(i). The NMPT had initially proposed to maintain status quo of the existing tariff except some rationalisation in the vessel related charges to comply with the revised tariff guidelines. It has requested that the surplus anticipated during the ensuing tariff revision cycle may be adjusted against the deficit position of the past period.

Subsequently, in deference to the demand made by the users and based on the advice rendered by this Authority, the NMPT has readily agreed to review its initial proposal and accordingly filed a revised Scale of Rates proposing reduction in the wharfage rate for most of the cargo items. The NMPT deserves to be complimented for taking such a user friendly step. The revised proposal filed by the NMPT in March 2006 duly incorporating the requests made by various user organisations and many of the suggestions made by this Authority is taken up for consideration.

(ii). Jetty numbers 10 and 11 are dedicated exclusively for the cargo of Mangalore Refinery Petrochemicals Limited (MRPL) based on a separate Memorandum of Understanding (MOU) entered between both the parties. Likewise, one of the berths is dedicated to the Kudremukh Iron Ore Company Limited (KIOCL). In both the cases, the wharfage realisable is calculated annually based on the methods prescribed in the respective MOUs.

Since a specific methodology is prescribed to arrive at the wharfage rate for the cargo handled at these dedicated berths and such charges are to be fixed outside the regular Scale of Rates based on the provisions of the respective MOUs, the cost position to be analysed for the purpose of determining the Scale of Rates should obviously exclude the KIOCL (cargo) and MRPL activities.

(iii). The total actual traffic handled by the NMPT during the year 2004-05 is reported at 33.89 MT. As against this, the traffic for the port as a whole is projected at 37.5 MT for the year 2005-06 , 38.5 MMT for the year 2006-07, 39.0 MMT in 2007-08 and 41.0 MMT during the year 2008-09.

The NMPT has subsequently stated that that the projections for the years 2005-06 and 2006-07 in the Revised Estimates and Budget Estimates are done considering the trend of growth achieved during the year 2004-05; however, it would be possible to achieve around 34 MMT during 2005-06. (Infact, the provisional figure available for 2005-06 indicates that 34.45 MT of cargo was handled during that year). This will have implications on the income estimation done for the subsequent year based on 37.5 MMT of traffic for the year 2005-06. It expects a reduction of Rs.11.90 crores in cargo handling income and Rs.5.56 crores in port and dock facility on account of the expected decrease in the traffic projections for the year 2005-06. The reduction in the revenue excluding the MRPL and KIOCL is estimated at the level of Rs.6.10 crores. The impact of this reduction in income on account of decrease in the traffic level is analysed in the subsequent part.

The traffic projections excluding KIOCL and MRPL cargo are at 11.64 MMT, 12.64 MMT, 12.88 MMT and 13.40 MMT for the years 2005-06 to 2008-09. The traffic growth is estimated at the level of 8.6%, 1.9% and 4.0% for the years 2006-07, 2007-08 and 2008-09 over the respective previous years.

Though the Deep Draft Multipurpose Berth (DDMB) is expected to be operational from March 2006 with additional capacity of handling 5 MMT, the NMPT does not expect the facility to be fully utilised until the mechanical handling equipment is in position both at the berth and at the marshalling yard. The NMPT has not furnished any cargo-wise additional traffic anticipated to be handled at the DDMB. It has, however, confirmed that the increase in the iron ore fines traffic and general cargo expected to be handled at this berth is included in the traffic estimations.

The traffic projections as furnished by NMPT in the cost statement are, therefore, relied upon for the purpose of this analysis. However, if any undue advantage is found to have accrued to the NMPT due to wrong estimation, adjustment will be made in the tariff at the time of next review of tariff in line with the revised tariff guidelines. Likewise, the NMPT also has an option to seek an ahead- of- schedule review, if there is any adverse change in the financial model considered due to non-actualisation of traffic estimates.

(iv). (a). The estimated income from the cargo handling activity for the year 2007-08 is projected to decrease by 4.7% over the previous year’s estimation though the overall traffic is almost the same for this year. The decrease is mainly due to the anticipated decline in the LPG traffic by about 1 million tonne in 2007-08 over the previous years estimates. The concerned users have not countered this estimation. The NMPT has furnished detailed computation of cargo handling and port and dock income estimations. The income estimation as furnished by the NMPT is relied upon in this analysis, subject to verification of actuals at the time of the next review.

(b). The revised guidelines for tariff fixation require the income projections should take into account the effect of foreign exchange fluctuations on income from dollar denominated tariff items. With reference to our specific query to indicate the additional income on account of fluctuation in the exchange rate, the NMPT has clarified that the income projection is based on the previous year’s income which reckons the fluctuation in the exchange rate and that impact, if any, will only be a marginal additional income. In the absence of availability of the exact exchange rate considered by the NMPT for computation of the vessel related income it is not possible to estimate the additional income on account of the exchange rate fluctuation. The income estimation as furnished by the NMPT is, therefore, considered for the purpose of this analysis.

If it is observed at the time of the next review that the actual income varies substantially from the estimations considered herein, the advantage accrued on account of such wrong estimation will be set off in future tariff revision/ review as per the revised tariff guidelines.

(v). The revised tariff guidelines require computation of depreciation on straight line method following the life norms adopted as per the Companies Act in case of major ports. The NMPT has computed the depreciation on assets based on straight-line method following life norms prescribed as per the Ministry of Shipping. The difficulty faced by NMPT is to furnish a different depreciation analysis when its books of accounts are maintained based on the norms prescribed by the Government in this regard. Since this is the first exercise of the port filing the proposal as per the revised tariff guidelines, this Authority accepts the computation of depreciation as furnished by the NMPT for this tariff validity period. The NMPT is, however, advised to comply with the revised tariff guidelines for computing the depreciation while formulating its next tariff review / revision proposal.

(vi). The income and expenditure relating to the Registered Cargo Handling Wing (RCHW) are considered under the cost statement relating to the cargo handling and storage activity (excluding the MRPL and the KIOCL). The RCHW shows a deficit of Rs.2.07 crores during the year 2004-05. The NMPT has not furnished the financial position of the RCHW separately for the subsequent years. The inclusion of the RCHW in the cargo handling activity tantamounts to the deficit being sought to be cross–subsidised by the cargo handling activity. The NMPT has clarified that bulk cargo cannot be discharged in the port without the deployment of labour from the RCHW. This Authority in the last tariff Order had allowed the deficit in the RCHW to be cross-subsidised against the cost position of the cargo handling activity That being so, similar treatment is followed this time also.

In last general revision Order (2001) this Authority had stressed the need to revise the datum since it will have an impact on the incentive payment and consequently lower the overall cost of deploying RCHW from the user's point of view. Even clause 2.6.2 of the revised tariff guidelines requires the port to regularly review and adjust the manning scales / datum. With reference to this point the NMPT has clarified that the revision of the manning scales for all the Major Ports is referred to an Arbitrator for adjudication and hence it cannot be revised at this stage. It is not clear why periodic adjustment of datum cannot be made even under the prevailing manning scales. The NMPT is, therefore, advised to take necessary steps to review the datum periodically bearing in mind the settlement and agreements relevant in this regard.

(vii). (a). The operating expenditure including management and general overheads is estimated to escalate by 6% in the year 2006-07 and 1% in the year 2007-08. In terms of the revised guidelines for tariff fixation, expenditure is to be projected in line with traffic adjusted for price fluctuation with respect to the current movement of Wholesale Price Index (WPI) for all commodities announced by the Government of India. The WPI which was at the level of 6.44% for the financial year 2004-05 has reduced to 4.47% for the financial year 2005-06.

It is relevant to mention that all the operating expenditure will not vary proportionately with increase in the traffic. In the absence of availability of variable and fixed component of expenditure, around 20% of its operating expenditure may be presumed to be varying with the traffic fluctuations. Based on this presumption, the escalation in the estimated operating expenditure and management and general overheads taken together for the years 2006-07 and 2007-08 is found to be within the admissible limit after adjusting for the traffic growth. That being so, the expenditure as estimated by the NMPT for the years 2006-07 and 2007-08 is accepted. In this context, it is relevant here to point out that the management and general expenses is found to be around 25% of the total expenditure. The port should initiate steps to control and reduce the expenditure under this head.

(b). The operating expenditure and the management and general overheads for the year 2008-09 for the port as a whole is estimated to increase by around 10% over the estimates of the previous year.

The NMPT has clarified that this is on account of the provision made for wage revision due from 1 January 2007 and the impact thereof has been considered in the estimates of 2008-09. The NMPT has not indicated the exact provision made for wage revision in the estimation and hence an analysis is done to understand the reasonableness of this estimates.

The Visakhapatnam Port Trust in their general revision proposal have estimated the impact of wage revision at 25% of the total wage cost. None of the other major ports which have come for revision of their tariff have considered the impact for the wage revision and hence it is difficult to assess the reasonableness of the wage revision impact. In the absence of any reliable data and recognising that this item is only a provision, it may be sufficient to consider the impact of wage revision at 15% of the total salaries and wages cost estimated during the year 2006-07. The total salaries as per its Revised Estimate 2005-06 are estimated at around Rs.52.41 crores and after allowing annual escalation at 4.47% per annum it will work out to Rs.57.20 crores for the 2008-09. The impact of 15% wage revision on this estimate will work out to Rs.8.6 crores. If the annual escalation of 4.47% in the operating cost is considered as per the revised tariff guidelines, then the increase in the total operating expenditure will work out to Rs.14.5 crores as against Rs.12.7 crores considered by the NMPT. Based on this position, the estimates of operating expenditure and management and general overheads for the year 2008-09 are considered without any amendment. In case the actual operating expenditure for the year 2008-09, varies substantially from the estimates allowed in this analysis, suitable adjustment will be made in the next tariff review in terms with the revised tariff guidelines.

(viii). The pension liability has been estimated at Rs.5 crores per annum for the port as a whole for each of the years 2005-06 to 2008-09. The Annual Accounts for the year 2004-05 show that the sufficient balance is built up in the Pension fund to meet the fund balance required as per the actuarial valuation as on 31 March 2005.

The NMPT has admitted that nominal contribution may have to be made to the fund on yearly basis which will be less than the actual outgo of the pension for the respective years. The actual payment of pension during 2004-05 is reported at Rs.6.09 crores which is not claimed under the cost statement. Since no double counting of actual payment and contribution to pension fund is involved the estimates made by the NMPT towards the pension fund contribution is accepted.

The arithmetical error noticed in apportionment of the finance and miscellaneous expenditure and management and general overheads has been corrected in the revised cost statement prepared by us. Further, arithmetical error noted in the summing up the figures of the activity-wise cost statement with the consolidated cost statement is also corrected.

(ix). (a). The port has projected addition to the gross block to the extent of Rs.73.28 crores in 2005-06 which includes capital expenditure of Rs. 44 crores on the deep draft multipurpose berth. The NMPT has further estimated addition to the tune of Rs.35.11 crores in 2006-07, Rs.62.00 crores in 2007-08 and Rs.44.40 crores in 2008-09 to the gross block of assets.

The NMPT could not furnish any analysis on reduction in the operating cost or increase in throughput on account of proposed addition to the gross block except the economies available on account of mechanised handling at deep draft multi purpose berth. Nevertheless, the list of capital projects furnished by NMPT indicates that substantial portion of the proposed expenditure will be incurred on infrastructure development.

The proposed capital expenditure is recognised as estimated by the NMPT for allowing ROCE, subject to review based on actuals at the time of the next general review of tariff.

(b). The computation of working capital is not found to be in line with the norms prescribed by the revised tariff guidelines. The NMPT has not adjusted the current liability with its current assets. The computation of the working capital has been modified as per the norms prescribed by the revised tariff guidelines. The revised computation of working capital shows a negative balance. That being so, working capital is considered as nil.

(c). The NMPT has claimed return on capital employed at 15% for all the assets. The assets are not classified into business assets, business related assets and social obligation assets in terms of clause 2.9.5. 2.9.7. and 2.9.8. of the revised tariff guidelines. The NMPT has, however, reported that the net block as on 31 March 2005 includes Rs.1205.31 lakhs towards employees quarters, school building, hospital, stadium, etc. The NMPT has confirmed that the stadium is being used wholly for the employees of the port. That being so, all these assets are categorised as business related assets and the return is allowed at the market risk free rate of 6.35% per annum as per the revised tariff guidelines. The depreciation of these assets are computed at the rate applied by the NMPT for buildings to arrive at the written down value for each of the years 2005-06 to 2008-09.

In the absence of breakup of these assets activity-wise, the written down value of the assets is apportioned to all the activities based on the ratio of management and general overheads assuming that these are management and general administration assets.

(d). The capacity of the port is reported at 30.3 MMT for the year 2004-05 whereas the port has handled 34.0 MMT which is more than its capacity. The NMPT estimates 5 MMT addition to its capacity after commissioning of the deep draft berth in March 2006. The full benefit of the deep draft berth is expected to be reaped only after all the necessary infrastructure and mechanical equipment are deployed at the marshalling yard as well at berth.

In any case the capacity utilization level will be more than 60% even if 5 MMT capacity additions on account of DDMB is considered. No adjustment of ROCE is, therefore, made for capacity under utilisation in line with the revised tariff guidelines.

(x). The last review of the Scale of Rates of NMPT was done in August 2001 relying on the estimated cost position for the years 2001-02 and 2002-03. The NMPT has operated its facilities at the tariff level approved in August 2001. As per the revised tariff guidelines, the actual physical and financial performance has to be reviewed at the end of the prescribed tariff validity period with reference to the projections relied upon at time of fixing the prevailing tariff and has to be adjusted while revising the tariff if the performance variation is more than (+) or (–) 20%. The NMPT has furnished a statement of variation in the estimates vis-à-vis the actuals for the years 2001-02 and 2002-03. In this statement the NMPT has computed the percentage of variation over the actuals instead of estimates which is corrected. Analysis of this statement reveals the following position for the port as a whole including the MRPL and KIOCL activities:

(a). The actual traffic handled by the NMPT during the years 2001-02 was less by 8.14% whereas for the year 2002-03 it has handled 7.15% more traffic than the estimates considered in the last tariff revision Order.

(b). The operating expenditure including management and general overheads for these two years was lower by about Rs.56 crores than the estimates allowed during the last tariff revision. In terms of percentage, the actual expenditure for the years 2001-02 and 2002-03 are found to be 36% and 13% lower than the estimates considered during the last revision.

(c). As against the decrease in the operating expenditure of Rs.56 crores for the years 2001-02 and 2002-03, it is observed that the actual FME has increased by around Rs.49 crores for these two years mainly on account additional contribution to the pension fund to meet the pension liability.

(d). The NMPT has considered return @ 19.5% even for the MRPL and KIOCL assets as against quantum of return admissible as per the terms of the MOU. Even during the last general revision, the return computed by the NMPT in excess of the terms of the MOUs were disallowed. The NMPT has not considered this adjustment. That being so the variation in net surplus / deficit position prior to computation of return on capital employed is analysed.

(e). The net surplus for the port as a whole (before return on capital employed) is 12.2% lower than the estimates allowed in 2001-02 and 14% more for the year 2002-03 as against the financial position considered during the last revision. Since the variation is less than (+) / (-) 20% at this level, no adjustment is required to be done in the future tariff as per the revised tariff guidelines.

(xi). The NMPT has also furnished the actual position for the years 2003-04 and 2004-05. The return on capital employed is computed at 19.5% for the year 2003-04 and at 15% for the year 2004-05. It is relevant to mention that this Authority prior to issue of the revised tariff guidelines on 31 March 2005, allowed the return on capital employed on the basis of the then prevailing lending rate and contribution @ 3% each towards the two mandatory funds i.e. development, repayment of loan and fund for replacement, rehabilitation and modernisation of capital assets. The computation of return on capital employed is accordingly modified for the years 2003-04 and 2004-05 by allowing the then prevailing lending rates and 3% each towards the contribution to two mandatory funds. The interest has been double counted once as an item of expenditure and again as a part of the capital employed in its actual computation. This double counting of the interest component is excluded.

The net surplus/deficit after allowable return on capital employed (excluding the MRPL and KIOCL activities) subject to the above modification is as follows for the years 2001-02 to 2005-06:

(Rs. in lakhs)

2001-02	(-) 1351.05
2002-03	(-)1474.53
2003-04	(-) 1391.44
2004-05	109.29
2005-06	3130.71
Total	**(-) 977.02**

As stated earlier, the deficit in the years 2001-02 to 2003-04 is mainly on account of the contribution to the pension fund to meet the pension fund liability. The stated policy of this Authority is not to consider such one time liability for the purpose of tariff computation. It has to be met from the accumulated surpluses / reserves. In view of this position and also recognising that the variation in the estimates is less than +/ (-) 20% for the years 2001-02 and 2002-03, it is not found necessary to effect any adjustment for the past period in the future tariff as per the revised tariff guidelines.

(xii). As stated earlier, the analysis is restricted to the NMPT excluding the MRPL and the KIOCL scheme. However, it may be useful to understand the comprehensive position for the port a whole including these two activities.

The wharfage computation of the MRPL and KIOCL are governed by the terms of the separate MOUs. This Authority has also prescribed the guidelines for computation of wharfage rate of the MRPL. The NMPT has furnished a detailed analysis of allocation of expenses between NMPT, MRPL and KIOCL and confirmed that it has followed the guidelines prescribed by this Authority for computation of wharfage rate for the MRPL. A detailed scrutiny of the computation is not made since a separate proceeding for fixation of wharfage rate for jetty No.10 and 11 for the period since 2000-01 will be initiated when such proposal is received from NMPT. Likewise, wharfage rate for KIOCL are also fixed separately every year in terms of its MOU. That being so, for the purpose of this analysis the estimates furnished by the NMPT as regards the MRPL and KIOCL are relied upon except the modification in the return on capital employed under the scenario of port as a whole. While estimating the wharfage rate for the dedicated jetty, the NMPT has computed the return on the MRPL assets and the NMPT assets allocated to the MRPL activity in line with the guidelines prescribed by this Authority through various Orders, however, in the consolidated statement it has claimed the return @ 15% on entire capital employed. Since the return on the assets deployed for the MRPL and the KIOCL scheme is governed by the terms of the agreement / guidelines prescribed earlier, the return on capital employed needs to be aggregate of admissible returns under such activities and, therefore, the port as a whole scenario should reflect this position correctly.

(xiii). In light of the analysis given above, the cost statements for the port as a whole and the main activities have been modified. The modified cost statements are attached as **Annex-I (a)** to **(e)**.

The consolidated cost statement including the MRPL and KIOCL is also attached as **Annex–II.**

(a). The summarised position of the results disclosed by the financial / cost statements for the port as a whole excluding MRPL and KIOCL are tabulated below:

Sl. No.	Particulars	(Net Surplus (+) / Deficit (-) (Rs. in lakhs)			Net Surplus (+) / Deficit (-) as % of Operating Income			Total Surplus (and % average)
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	
1.	Port as a Whole (excluding MRPL and KIOCL)	2886.98	1512.86	338.45	18.47%	9.85%	2.18%	4738.29 (10.19%)
2.	Cargo handling activity	2438.21	1536.54	731.48	24.5%	16.2%	7.9%	4706.23 (16.39%)
3.	Port & Dock activity	-84.55	-543.66	-958.09	-2.1%	-13.3%	-22.5%	-1586.3 - (12.82%)
4.	Railway activity	-178.51	-312.85	-354.85	-296%	-444%	-441%	-846.21 -(403.0%)
5.	Estate activity	711.83	832.82	919.91	43.84%	47.96%	49.74%	2464.56 (47.31%)

(b). The summarised position of the results disclosed by the financial / cost statements for the port including the MRPL and KIOCL is tabulated below:

Sl. No.	Particulars	(Net Surplus (+) / Deficit (-) (Rs. in lakhs)			Net Surplus (+) / Deficit (-) as % of Operating Income			Total Surplus (and % average)
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	
1.	Port as a Whole (including MRPL and KIOCL)	4758.40	3632.02	4571.62	17.89%	13.55%	15.59%	12962.04 (15.67%)
2.	MRPL	1618.38	1968.88	4129.76	16.49%	18.96%	32.36%	7717.02 (23.4%)
3.	KIOCL	253.04	150.28	103.41	21.85%	14.23%	9.85%	506.73 (15.5%)
4.	NMPT activities Other than MRPL and KIOCL	2886.98	1512.86	338.45	18.47%	9.85%	2.18%	4738.29 (10.19%)

It is evident from the table above that the port as a whole shows an average surplus of 15.7%. The cost position excluding the MRPL and the KIOCL shows an average surplus of 10.2%.

The cost statement for estate activity discloses a surplus position. This Authority has always held that port estate should be optimally and commercially exploited so that estate revenue can supplement the port's core functioning. That being so, the cost position including estate is considered for the purpose of arriving at the overall surplus position of the port

It is relevant here to note that the surplus position reflected in the MRPL activity is to be transferred to the Escrow Account for repayment of loan. Like wise, the surplus in the KIOCL will go towards payment of interest on loan which has not been counted while arriving at the surplus position.

It is clear that the deficit in the port and dock facility is cross-subsidised by the cargo handling activity and still the port as a whole is in surplus. Since the port does not levy any terminal / haulage charge except for some marshalling yard charges, the results shown by the railway activity has to be reviewed along with the cargo handling activity in the instant case.

Based on the overall cost position and recognising the flow of cross subsidisation between activities, there is a case for reduction in the Scale of Rates of NMPT. The NMPT has accordingly based on the demand made by the users and applying is commercial judgement, proposed to reduce wharfage rates for most of the cargo items. The reduction proposed in the wharfage and RCHW levy under the cargo handling activity is estimated to reduce the revenue of the port by around Rs.30 cores as against the net surplus of Rs.38.60 crores for the three years for this activity after adjustment of deficit under railway activity.

Apart from the proposed reduction in the cargo handling activity these, the port has estimated reduction in the revenue of pilotage fee and berth hire due to the proposed rationalisation. The net reduction in revenue is estimated to be around Rs.2.62 crores in the vessel related charges.

To summarise, the total reduction in the revenue of the NMPT (excluding the MRPL and KIOCL) due to downward revision of tariff is estimated at Rs.32.62 crores as against the overall surplus of Rs.47.38 crores which still leaves a surplus of Rs.14.76 crores for the period under review.

The NMPT has proposed to introduce additional levy – II, at 20% and 25% on the basic wages of RCHW for recovery of DA arrears including interest for the period from October 1996 to February 2002 amounting for Rs.1.42 crores in view of the objection raised by the Auditors. It is not shown that this short recovery of the DA arrears for the past period is due to any fault attributable to the users. The port trust has even built in an element of interest on delayed payment to quantify the recoverable amount in anticipation of possible audit objection in future. As per the revised tariff guidelines, such wage arrears and one time liability need to be first adjusted from the accumulated surplus/reserves. The revenue position for the years 2006-07 to 2008-09 show an overall surplus even after effecting the reduction in tariff as proposed by NMPT. It is, therefore, not found appropriate to introduce any additional levy to recover the past DA arrears. This DA arrears pertaining to the RCHW wing for the past period will be adequately covered from the overall surplus position of the port.

The NMPT has apprehended that the traffic estimated for the year 2005-06 in the cost statement will not materialise. Consequently, the income estimations for the subsequent years are also anticipated to decline. In view of the apprehension expressed by NMPT with regard to the cargo projections considered in this analysis, the balance surplus is left without effecting any further adjustment in the tariff, subject to review and adjustment at the time of the next review. The NMPT should also furnish the actuals of the pension fund alongwith actuarial valuation at the time of the next review.

(xiv). The NMPT has proposed the penal interest on delayed payment by users and delayed refunds by the port shall be at 2% above the Prime Lending Rate of the State Bank of India applicable from time to time. The proposed provision relating to penal interest on delayed payments by users and refunds by major ports has been updated with interest rate of 12.25 % being 2% above the prevailing Prime Lending Rate of State Bank of India. This is in line with the prescription made in case of the other major port like the CHPT.

(xv). Users should not be required to pay charges for delays beyond a reasonable level attributable to the port as stipulated in Clause 2.15 of the revised guidelines. A suitable note in this regard is incorporated in the Scale of Rates at General Terms and Conditions.

(xvi). The NMPT has proposed concessional tariff for coastal vessels not exceeding 60% of the tariff prescribed for foreign-going vessels in line with the policy directions of the Government. Likewise, all coastal cargo other than thermal coal, crude oil including POL and iron ore and iron ore pellets are also allowed concessional tariff in respect of cargo related charges in line with the revised tariff guidelines.

The concessional tariff in respect of vessel related charges for coastal vessels is arrived at based on the exchange rate of Rs.43.52 as prevailing of 1 February 2005 for the purpose of conversion of dollar denominated rate into rupee terms. The revised tariff guidelines stipulate that restatement of rates for coastal vessel may not be resorted to with reference to prevailing exchange rate at the time of each general revision of Scale of Rates. The objective of this clause is to ensure that the coastal vessels are not burdened on account of fluctuation in the exchange due to such restatement. The exchange rate considered at the time of the last general revision of the Scale of Rates of the NMPT was at a higher level in comparison to the prevailing rate. If the coastal vessel rates are not restated with reference to the current level of exchange rate, it will not comply with the Government guideline requiring such tariff to be prescribed at the concessional level at 60% of the tariff applicable for the foreign-going vessels. That being so, restatement in the present situation of falling exchange rate is necessary to maintain the minimum prescribed coastal concession.

The current exchange rate is around Rs.44.55 (at the time of finalising this analysis) and, therefore, the tariff for coastal vessels is derived accordingly.

In case of handling charge involving ship to shore transfer and transfer quay to from storage yard and vice versa, the NMPT has not prescribed concessional tariff for eligible coastal cargo in terms of the revised tariff guidelines. A suitable clause is incorporated in the revised Scale of Rates in line with the revised tariff guidelines.

(xvii). The existing Scale of Rates prescribes port dues for foreign going ship at US $ 0.095 and for steamers at US $ 0.143. In the proposed Scale of Rates, the NMPT has proposed a uniform port dues of US $ 0.143 both for ships and steamers. This will result in 17% increase in the existing port dues levied for the vessels categorised under 'ship'. The NMPT has, however, clarified that only 3 ships had called the port during the last financial year and the income derived therefrom was negligible. Based on the clarification furnished by the NMPT and also recognising that none of the users have raised any objection, the proposal of the NMPT to levy the existing rate applicable to steamers as a single slab rate applicable to both ships and steamers is accepted.

The NMPT has defined the terms ‘ship’ and ‘steamer’ based on explanation furnished in the schedule under the Indian Ports Act 1908. The port has been following this definition for the purpose of levy of the port dues for the past period, and hence the same is allowed to be incorporated in its SOR.

The frequency of levy of port dues in respect of coastal vessels is once in 30 days as per its existing Scale of Rates. Since ‘Port Dues’ is a fee for entry of a vessel, the NMPT was advised to review the existing practice of levying port dues for coastal vessels once in 30 days. The NMPT has also welcomed our suggestion and has stated that the port would also prefer to levy port dues on entry basis. Accordingly, it has proposed that the rate for coastal vessel at Rs.2.32 per GRT per entry based on the average rate in 2004-05 instead of Rs.3.13 and Rs.4.70 per GRT prescribed for ships and steamer respectively for 30 days frequency. At most of the other major ports, the port dues is levied on entry basis. That being so, the proposed modification in the frequency of levy of port dues for coastal vessel along with corresponding adjustment in the unit rate is accepted.

(xviii). (a). The existing pilotage fee is a composite charge levied for various relevant activities including one act of shifting within the harbour. In its initial proposal, the NMPT proposed to continue with the same arrangement. Since this grouping was not found to be in line with the revised tariff guidelines, the NMPT was advised to modify the same by separating the element for shifting done at the request of the users included in the composite fee.

In fact most of the user organisation like the Kanara Chamber of Commerce and Industry (KCCI), Mangalore Steamer Agents Association (MSAA), Shipping Corporation of India (SCI), etc., have also reiterated that one act of shifting should be delinked from the composite pilotage charge and every act of shifting at vessels request is charged separately.

The NMPT had initially expressed its inability to unbundle the composite pilotage rate. However, subsequently in view of the strong objection made by the users, the NMPT agreed to exclude the shifting component from the composite pilotage fee and thereby has reduced the composite pilotage fee by 10% in the revised proposed Scale of Rates. The shifting charge for shifting done at vessel’s request is proposed to be levied at 25% of the applicable pilotage fee.

Some of the users have argued that the pilotage fee should be reduced by 25% by de-linking this component. Though the point made by the SCI may appear technically correct, this simple arithmetic won’t hold good when tariff is fixed based on cost of the whole sub activity and not exclusively based on cost of rendering individual itemised services. The proposed reduction of 10% in the pilotage fee proposed by the NMPT for excluding the shifting component is accepted.

Shifting charge is proposed at 25% of the applicable pilotage fee at the level prescribed in the existing Scale of Rates; the proposed quantum of rate is accepted. However, this item of tariff need not be prescribed in the SOR as a percentage of pilotage fee. It should be prescribed in absolute number without having any linkage to the pilotage fee.

(b). The pilotage fee is redefined to include one inward and one outward movement with the services of port’s pilots, towage and with required number of tugs / launches of adequate capacity and shifting of vessels for 'Port convenience' within the harbour and supply of mooring boats. This definition is in terms of the revised tariff guidelines and hence is accepted.

(c). The existing Scale of Rates prescribes two tier slab for pilotage fee i.e. for vessels upto 10000 GRT and for vessels above 10000 GRT. The NMPT in the revised proposed Scale of Rates has proposed three tier slabs with sliding rates for the incremental GRT in line with the revised tariff guidelines. While doing so, it has adopted the highest of the existing two rates for the first slab on which a 10% reduction is applied to exclude the shifting element included in the composite pilotage fee. The rates for the second and third slab are prescribed at 80% and 70% of the first slab for the incremental GRT in line with the revised tariff guidelines. The revised proposed pilotage fee will have an impact of 6.6% increase in the pilotage fee for vessels upto 10000 GRT, whereas all the other vessels will be benefited by the sliding rates. It is relevant to mention that any rationalisation will impose a financial impact on some category of vessels while providing relief to some other categories. From the statistical information furnished by the NMPT for the year 2004-05, it is found that the vessels upto 10,000 GRT constitute around 4% of the total GRT handled by the port. Since the majority of the vessels will be benefited from the sliding three tiers pilotage fee proposed in line with the revised tariff guidelines, the same is accepted.

Pilotage fee for barges, tugs and fishing vessels are maintained at the existing level which is allowed to continue.

(xix). (a). In the revised proposed Scale of Rates, some of the movements of vessels which are listed as "port convenience" in the existing Scale of Rates are proposed to be deleted. Shifting of vessels due to draft / LOA restriction, shifting to accommodate hazardous cargo vessel which needs vacant adjacent berth, and shifting of vessel to accommodate an ousting priority vessel etc., which are presently treated as shifting for 'Port convenience' are proposed to be deleted from this definition. When a working vessel is shifted for undertaking dredging work, hydrographic survey work or for allotting berth for the dredger or for attending the repairs and maintenance and similar works, such movements are categorised as shifting for port convenience. It has proposed to levy shifting charge for all the other movements of vessel. The shifting / pilotage fee is proposed to be levied on the vessel for whose convenience/ benefit the other working vessel is shifted and also for repositioning the vessel shifted. It is noteworthy that the revised tariff guidelines permit levy of charges for shifting done at the request of the user. It is also relevant to mention that at present vessels pay for the shifting element included in the composite fee irrespective of whether the vessel availed this facility whereas the revised arrangement will benefit the vessels on account of eliminating the shifting component from the pilotage charges. Further, the proposed definition of port convenience is more or less in line with similar provisions proposed at some other ports like VPT. That being so, the modification proposed in the definition of port convenience is approved.

(b). The existing condition clarifying that no charges for shifting shall be levied for shifting done for port convenience is found to have been not included in the revised proposed Scale of Rates. The proposed definition of pilotage fee amply clarifies that it includes shifting done for port convenience and hence no charges should be levied for such shifting. Nevertheless, the existing clause about not levying shifting charge for shifting done for port convenience is retained in the revised Scale of Rates.

(c). The Association of New Mangalore Port Stevedores (ANMPS) has pointed out that when a vessel for higher draft loading is accommodated at a lower draft berth for accommodating other vessels and then subsequently shifted to the appropriate draft berth after any number of shifting, all these shifting should be treated as for 'port convenience'. In this regard, the NMPT has clarified that generally, when a vessel with higher draft for loading opt for initial berthing at lower draft berths and then shifting to higher draft berths for optimum loading, only such vessels are berthed / shifted for vessel's convenience.

The ANMPSA has also requested that shifting of a vessel to the outer anchorage should be treated as shifting for port convenience and no pilotage fee should be levied for such movements. As rightly stated by the NMPT, movement of vessels from / to anchorage outside the dock basin cannot be classified as shifting and such movements are to be taken as qualifying for a second set of pilotage fee. The existing Scale of Rates also prescribes this tariff arrangement. That being so, the requests made by the ANMPSA cannot be acceded to.

(d). The NMPT has proposed not to levy shifting charge when the movement of vessel is aborted due to reasons like tug failure, insufficiency of length, lack of proper fenders, etc. The proposed provision is accepted since it is in line with the principle that the users should not be penalised for the delays attributable to the port.

(e). In case of change in the status of a vessel during its stay in the port from foreign run to coastal run of vice versa, it has proposed that the consolidated pilotage will be divided into two equal halves and will be charged according to the status of the vessel prevailing at the time of taking place of the relevant movement. This is in line with the general clarification earlier given by this Authority and hence is accepted.

(f). It has also proposed to offer 50% concession in the shifting charge when tugs are not used for shifting. The proposed clause will benefit the users and hence is accepted.

(xx). (a). The NMPT has proposed a single rate of berth hire on per hour basis in line with the revised tariff guidelines as against existing two tier rate. While doing so, the lower rate which is applicable for the predominant category of vessels has been proposed. Since the proposed berth hire is in line with the revised tariff guidelines and will not have any adverse impact on any category of the vessels, the same is accepted. Clause 6.5.1. of the revised tariff guidelines stipulates that berth hire charges shall be prescribed by grouping berthing having comparable services / facilities with rebate for major components of services / facilities not provided. The NMPT has clarified that the separate berth hire charges are proposed for berths where crane related services are provided and for non crane berths. The composite berth hire charges proposed by the NMPT is, therefore, approved.

In case of tankers, sailing vessels, barges, fishing vessels, the existing tariff is prescribed without any increase and hence the same is allowed to continue.

(b). The revised tariff guidelines specifies that the users will not pay for delays beyond the reasonable level attributable to port. The NMPT has accordingly, accepting our suggestion, and incorporated a provision not to levy berth hire for the period when a vessel idles due to break down of port equipment or power failure or any other reasons attributable to the port.

(c). Some of the users have suggested that the levy of berth hire should stop 2 hours after the vessel signals its readiness to sail as against the existing provision prescribing it as 4 hours. The suggestion made by the users is not as per the revised tariff guidelines and hence cannot be accepted.

(xxi). (a). The Kanara Chamber of Commerce Industry had suggested reduction in wharfage rate for many commodities. As stated earlier, the NMPT has itself in the revised Scale of Rates proposed to reduce the wharfage rate for most of the cargo items in the range of Rs.5/- to Rs.25/- per MT. In case of Iron & Steel, Ores/Metals (except Limestone), gypsum, cement, others, rice-bran, the existing wharfage rate is proposed to continue. Wharfage for LPG is proposed to be reduced from existing Rs.250/- per MT to Rs.180/- per MT. The proposed reduction will substantially meet the demands of the users. It has to be recognised that the exercise of review of the Scale of Rates has to balance the revenue requirement of the port and the wishlist of the users.

The proposed reduction in the wharfage rates is allowed in view of the surplus position expected in the cargo handling activity.

(b). A wharfage rate of Rs.130/- per MT for Plant and Machinery is proposed to be introduced. The port has requested not to insist on cost details, as volume of this cargo is negligible. In view of this position and also recognising that none of the users have raised any objection, the proposed wharfage rate for plant and machinery is accepted.

(c). Unit of levy of wharfage rate in case of tapioca chips, flour starch, etc, is proposed to be modified from the existing ‘per cubic meter basis’ to ‘per MT’ basis. However, no corresponding adjustment in the unit rate is made. The NMPT has clarified that if the conversion factor is considered, the rates will have to be increased. This indirectly means reduction in the rate on account of the proposed modification in the unit of levy. Since these are reported to be low value items and will benefit the users, the proposed modification in the unit of levy is accepted.

(d). The NMPT has proposed to continue with advalorem wharfage rate for the break bulk cargo. This Authority, in its Order approving the last general revision, had categorically advised the NMPT to examine the advalorem rate structure for break bulk cargo and convert it based on weight / unit / volume of tariff. The NMPT has clarified that collection of data and analysis thereof will involve some more time and hence has requested to allow the existing arrangement to continue for the current tariff cycle. It is relevant to mention that the revised tariff guidelines also recommends phasing out the advalorem structure in five years. In view of this position, and also recognising that there are many items under this category, the NMPT is advised to file a separate proposal for conversion of the advalorem rate structure to specific wharfage rate based on weight / unit / volume within one year from the date of implementation of this Order. Till that time, the advalorem structure proposed by the NMPT for break bulk cargo is allowed to continue.

(e). The NMPT has proposed to introduce a levy of 50% of wharfage in case of cargo brought in only for storage purpose and taken out of the harbour through any mode of conveyance from/to tank farm. It has clarified that that sometimes the parties use the tank farms installed in the port for storage of cargo which is not meant for import / export. Even though no services are rendered by the port for pipe-line transfer of liquid cargo, in order to curb such transfers, the port has suggested the proposed charge.

In this context it is relevant to mention that the port has leased out the area to tank farms for which lease rentals and possibly way leave charges for the cross country pipelines are collected. If the lessee keeps the cargo in the area leased out to him, it cannot not be considered as storage for the purpose of introducing levy of a charge. If such storage is found to be not desirable, the NMPT as landlord should introduce appropriate conditions to that effect in the relevant lease agreement.

Clause 4.6. of the revised tariff guidelines also categorically states that if operational area is leased on rental to users, storage charges on containers / demurrage on cargo stored therein shall not be levied again. Since the proposed levy contradicts the provision in the revised tariff guidelines, it is not found appropriate to approve the proposed tariff without understanding the implications in details.

If, however, the NMPT apprehends that such storage is detrimental to its interest and it cannot be regulated by the provisions of the lease agreement, it may come up with a well analysed proposal after examining the legal position without bunching this proposed tariff item with the general revision proposal.

(f). Though the NMPT has proposed concessional rate for all the eligible coastal cargo, it has not proposed concessional tariff in respect of coal and coke and for other ores. It is relevant to mention that only POL, thermal coal and iron ore are not entitled for concessional tariff as per the revised tariff guidelines. That being so, the tariff item 'coal and coke' need to be split and concessional tariff is prescribed for coal other than thermal coal and ore other than iron ore in terms with the revised tariff guidelines.

(xxii). (a). The NMPT has also proposed to provide relief in the demurrage charge for import cargo by increasing the existing free period of 3 days to 7 days. Further, the demurrage charge from the second week onwards is also reduced from Rs.7/- per unit of wharfage to Rs.5/- per unit. Further, in the case of cargo assessed on advalorem rate, the demurrage is proposed to be levied on per cubic metre basis as against the existing levy as a percentage of the wharfage. The proposed reduction / rationalisation in demurrage charge of import cargo will benefit the users and hence it is approved.

(b). For export cargo, the free days are proposed at the existing level of 30 days. However, the free period includes Custom's notified holidays and Port's non-working days. As per the revised tariff guidelines, the free period should exclude Customs' holidays and Port's non-operating days. The NMPT has agreed to modify the provisions relating to free period in line with the revised tariff guidelines with corresponding reduction in the number of free days to 21 days. The proposed modification is accepted since it is in line with the revised tariff guidelines.

(c). The existing provision about levy of demurrage on unclaimed goods is proposed to be deleted from the revised Scale of Rates since the Major Port Trust Act prescribes the provisions to deal with such unclaimed goods.

(d). Based on our suggestion, the NMPT has introduced a provision not to levy storage charge on cargo / container for the period when the port is not in a position to deliver / ship container / cargo when requested by the user. It has also clarified that storage charge on cargo / containers shall not be levied if operational area where such commodities are stored is leased on rental to users. Since these provisions are in terms of the revised tariff guidelines, the same is allowed to be incorporated in its Scale of Rates.

(xxiii). The port has not proposed any free period for storage of containers. It is relevant to mention that as per the revised tariff guidelines, free days excluding the Customs' Holidays and port non-operating days are to be allowed beyond which the storage charge can be levied. Despite specific mention, the NMPT has not considered to prescribe any free period for containers. It is relevant to mention that at most of the ports / private operators, free period is prescribed in the range of three days to ten days beyond which storage charge is levied. This Authority therefore, decides to introduce one day free period for import and export containers for the purpose of levy of storage charge. In any case, this may not have any adverse financial impact on NMPT as the container volume handled is not significant.

(xxiv). The NMPT has proposed to levy charge for providing bunkers alongside berths through fixed pipeline or loading arms, etc., at Rs.35/- PMT being 50% of the wharfage rate applicable for POL. The user organisations have raised objection on re-introduction of the proposed levy. They have not furnished any specific comment but have requested to with draw this tariff item.

In this regard, it may be relevant to note that the pre-revised Scale of Rates notified in September 1995 prescribed a rate of Rs.27/- PMT for use of bunkering pipeline provided at iron ore berth for all users. The line was provided by KIOCL and as such they were charged at Rs.9/- PMT. Subsequently, since this facility was discontinued, it was not included in its Scale of Rates during the last general revision as reported by the NMPT.

The port has again started providing the bunkers to the users for along side berthing. It has therefore, proposed to levy 50% of the POL wharfage based on the principle that the facilities provided alongside the berths shall have to bear some cost and not free of cost. The NMPT has not furnished any details for the proposed rate. During the last revision made in August 2001, this Authority had not allowed any upward revision of any rates. This means, the bunkering charges, but for its deletion at the request of NMPT, would have continued at the earlier level of Rs.27/-PMT. In view of this position and also in the absence of any cost details to justify the proposed rate, it is found appropriate to prescribe the tariff for using the bunkering facilities alongside the berth at the level prescribed in the pre-revised Scale of Rates of 1995.

(xxv). The NMPT has proposed to increase the existing marshalling yard usage charges by 50%. The NMPT does not own and operate rolling stock and hence there is no scope for levy of terminal / haulage charges. A nominal income by way of

Marshalling yard charge is levied to set off the establishment charges billed by the Railways for their personnel at the Yard office. It has argued that the proposed increase is due to increase in the investment proposed at the marshalling yard and also to meet operation and maintenance cost of these structures. The NMPT at one place states that Railway Board does not have the jurisdiction to fix the rates for the marshalling yard charge whereas on the other hand agrees to submit the proposal to the Railway Board after the approval of the TAMP. It is, therefore, not clear whether the marshalling yard charges will come under the purview of this Authority or the Railway Board. In any case in view of the surplus in the cargo handling activity with which this activity has to be reviewed and also recognising the overall surplus position of the port, there is no case for any upward revision in the existing tariff. That being so, the existing tariff for marshalling yard is to continue.

(xxvi). (a). The hire charge for tugs are proposed based on the capacity of the tugs as against the existing arrangement based on the names of the tugs. The names of the tugs against the individual capacity range have also been indicated as additional information. It has also proposed a rate for new tug of 50 BP capacity and has furnished detailed computation in support of the proposed rate. The users have raised some objection on the cost details provided by the NMPT. In this regard the NMPT has clarified that the rates proposed are for rare use of independent tugs under the unforeseen conditions and are not charged for general movement of vessels. In view of this position and also recognising that the proposed hire charge are lower than the existing tariff for most of the item, it may not be necessary to go into a detailed analysis of cost details. The proposed hire charge for the tugs is, therefore, accepted.

(b). The existing individual rates for various mooring launches and pilot launches along with the new equipment has been rationalised and a uniform rate has been proposed. Since this are not regular tariff items and also as stated by the NMPT that these are for rarest individual use, the proposed rationalisation in the tariff of mooring launch is accepted. For survey launch, the proposed rate is higher by 4.5%. In view of the overall surplus position, the increase proposed by NMPT cannot be accepted. The existing tariff for survey launch is therefore allowed to continue subject to modification in the concessional tariff for coastal vessel to comply with the revised tariff guidelines.

A new tariff for new multipurpose launch is proposed and a detailed working in support of the proposed rate is also furnished. The proposed charges are for casual use and has been procured in order to avoid possible loss on account of oil spillage, holding falling fenders due to damage by the ship and other unforeseen circumstances. Since this is not a regular tariff item but for rare use, the rate proposed by the NMPT is accepted.

(c). The hire charges for spreader for container handling is newly introduced at Rs.150/- for a 20’ container and Rs.225/- for a 40’ container. It has clarified that the cost of procurement is Rs.6 lakhs and the maintenance cost including annual examination and testing works out to Rs.50000/-. Only nominal charges have been proposed for the use of the infrastructure made available to the port users who use this equipment as a stopgap arrangement. Based on the clarification furnished by the NMPT, the rate proposed by the port is accepted.

(d). The NMPT has proposed to recover the entire cost of damage or the replacement value of the equipment from the users. The port has clarified that this clause is to act as deterrent so that the port craft are used cautiously.

It is relevant to mention that the premium payable to the insurance company or contribution to Insurance Fund is recognised as an item of cost for the purpose of tariff computation. That being so, the cost of repairs for damages to port assets covered by such insurance will have to be claimed from the insurance company and the actual cost of damage / repairs of property to the extent not admitted by the Insurance Company can only be recovered from the concerned user. The proposed provision is, therefore, suitably modified to clarify that the cost of damage received from the insurance company on admittance of its claim will be refunded to the port user.

As prescribed under clause 2.14. of the revised tariff guidelines, in the event of replacement of such assets due to total damage, return will be allowed only on the actual capital cost incurred which is in excess of the amount recovered from insurance.

(e). The existing Scale of Rates prescribes a fixed rate of Rs.5/- per trip both ways for weighment of cargo. As against this, it has proposed a fixed rate of Rs.4/- per truck both ways and Re.1/- per MT for the cargo weighed in its revised proposed Scale of Rates. To a specific query for introducing the variable rate, the NMPT has clarified that it is not correct to have same charges for all trucks with different weights and hence fixed and variable charges are proposed. In fact the NMPT has reported that there will be no additional income on account of the same but it is only readjustment in view of reduced numbers but increased weight of the trucks. In view of the request made by the port users, it has agreed to revise the charge at Rs.15/- per truck both ways. The charges for such weighment in the nearby vicinity is reported to be Rs.30/- per truck. Since the proposed rate is lower than the rates levied in the vicinity for similar service and also recognising that this is not a regular tariff item which is taken up for revision after a long gap of time, the revised rate proposed by the NMPT is accepted.

(xxvii). The NMPT has proposed to reduce the basic RCHW levy from existing 200% reduced to 160% and 250% levy is proposed to be reduced to 180%. The existing additional levy of 15% and 20% of the basic wages approved by this Authority to recover of wage arrears of Rs.1.97 crores of this RCHW wing has, however, been proposed to be increased to 20% and 25% respectively. The NMPT has clarified that in view of the reduction proposed in the basic levy, a marginal increase is proposed in the additional levy so that the entire recovery would be completed within a reasonable time. Since the reduction proposed in the basic levy is more than the increase proposed in the existing additional and also recognising that the net effect is not adverse, this Authority approves the proposed tariff. The NMPT has reported that Rs.102.96 lakhs has been recovered till December 2005 and expects to recover the entire arrears by the January 2008. This NMPT should therefore to stop this levy immediately when the wage arrears of Rs.1.97 crores is recovered.

In addition to the existing two levies, the NMPT has proposed to introduce one more additional levy – II, at 20% and 25% on the basic wages of RCHW for recovery of DA arrears for the period from October 1996 to February 2002 amounting for Rs.1.42 crores as pointed out by Audit. As stated earlier, this arrears for the past period can be adequately covered from the overall surplus position of the port. That being so, the proposal of the NMPT for introduction of the additional levy–II is not accepted.

(xxviii). The NMPT has stated that it has no authorised service providers at present. The NMPT is, however, advised to comply with Clause 7 of the revised tariff guidelines as and when the port authorises anybody to provide service under Section 42 (3) of the MPT Act, 1963.

Even though the port has confirmed that no activity qualifying under Section 42 (3) of the MPT Act is being carried out in the port limits, it is worthwhile for the port to examine further to see whether stevedoring activity, private equipment deployed for port activity, etc. fall under the identified activities under Section 42. If found so, the port should initiate action in terms of revised tariff guidelines to regulate such tariff items.

(xxix). Some of proposed provisions which are not in line with the common prescription at other major ports / private terminals and the revised tariff guidelines have been modified.

(xxx). In line with the direction issued by the Government under Section 111 of the Major Port Trusts Act, 1963 the rates approved by this Authority will be ceiling level and the rebates/discounts will be at the floor level. The NMPT will have the flexibility to charge lower rate, if it is so desires, based on the commercial judgement of the port.

(xxxi). The NMPT have requested for according retrospective approval of its proposal w.e.f. September 2005 from the date of expiry of the prevailing Scale of Rates. This Authority does not approve retrospective revision of rates unless extraordinary circumstances emerge warranting any exceptional treatment. Most of the users have also raised objection on this point and have stated that the revised rates should have prospective effect only. The revised tariff guidelines also recommends prospective implementation of the rates. That being so, the revised Scale of Rates approved by this Authority will come into effect after expiry of 30 days from the date of gazette notification of this Order as per the revised tariff guidelines.
The prevailing Scale of Rates is, however, deemed to have been extended till the effective date of implementation of this Order.

(xxxii). The revised tariff guidelines prescribe tariff validity cycle of three years. Since the financial position considered for the purpose of this analysis is only till 31 March 2009, the validity of the revised Scale of Rates will also expire on 31 March 2009.

9.1. In the result, and for the reasons given above, and based on a collective application of mind this Authority approves the revised Scale of Rates of the NMPT attached as **Annex-III**.

9.2. The revised Scale of Rates will become effective after expiry of 30 days from the date of notification of this Order in the Gazette of India**.**

(A.L. Bongirwar)
Chairman

Annex-I (a)

Cost statement of the NMPT excluding MRPL and KIOCL

(Rs. in lakhs)

Particulars	As furnished by NMPT				As modified by us			
	2005-06	2006-07	2007-08	2008-09	2005-06	2006-07	2007-08	2008-09
Traffic (in lakh Tonnes)	**116.40**	**126.40**	**128.80**	**134.00**	**116.40**	**126.40**	**128.80**	**134.00**
Operating income								
Cargo handling and Storage	9380.41	9934.47	9461.50	9312.75	9380.41	9934.47	9461.50	9312.75
Port & Dock	3853.64	4010.34	4096.03	4266.69	3853.64	4010.34	4096.03	4266.69
Railways	55.00	60.00	70.00	80.00	55.00	60.00	70.00	80.00
Estate Rentals	1650.25	1623.83	1736.33	1849.33	1650.25	1623.83	1736.33	1849.33
Sub Total	**14939.29**	**15628.64**	**15363.86**	**15508.77**	**14939.29**	**15628.64**	**15363.86**	**15508.77**
Finance & Misc income	95.00	105.00	105.00	105.00	95.00	104.99	105.00	105.00
Total - I	**15034.29**	**15733.64**	**15468.86**	**15613.77**	**15034.29**	**15733.63**	**15468.86**	**15613.77**
Operating Cost								
Cargo handling and Storage	3112.56	3294.27	3302.14	3580.09	3112.56	3294.27	3302.14	3580.09
Port & Dock	2035.56	2136.07	2148.53	2346.25	2035.56	2136.07	2148.53	2346.25
Railways	33.00	35.00	45.00	50.00	33.00	35.00	45.00	50.00
Estate Rentals	247.14	244.92	249.20	263.20	247.14	244.92	249.20	263.20
Sub Total	**5428.26**	**5710.26**	**5744.87**	**6239.55**	**5428.26**	**5710.26**	**5744.87**	**6239.55**
Depreciation	661.25	721.10	1031.05	1125.94	661.25	721.10	1031.05	1125.94
Finance & Misc expr	591.01	601.26	601.26	601.21	591.01	601.26	601.26	601.21
Total - II	**6680.53**	**7032.62**	**7377.18**	**7966.70**	**6680.53**	**7032.62**	**7377.18**	**7966.70**
Surplus (I-II)	**8353.77**	**8701.02**	**8091.68**	**7647.07**	**8353.76**	**8701.01**	**8091.68**	**7647.07**
Mgmt & Gen Admn Exps	2070.21	2286.56	2313.73	2584.82	2070.21	2286.56	2313.73	2584.82
Net Surplus before interest (III-IV)	**6283.55**	**6414.45**	**5777.94**	**5062.26**	**6283.55**	**6414.44**	**5777.94**	**5062.26**
Interest on Loans	49.70	33.50	25.00	19.00	0.00	0.00	0.00	0.00

Net surplus after interest	**6233.85**	**6380.95**	**5752.94**	**5043.26**	**6283.55**	**6414.44**	**5777.94**	**5062.26**
Capital Employed	22119.74	24664.62	29607.31	32728.40	21494.87	23998.22	28935.76	31993.03
Business Assets					20669.57	23162.79	28065.44	31124.22
Business Related Assets					825.30	835.43	870.32	868.81
Return on capital employed	3317.96	3699.69	4441.10	4909.26				
Business Assets @ 15%					3100.44	3474.42	4209.82	4668.63
Business Related Assets @ 6.35%					52.41	53.05	55.27	55.17
Total Return on Capital Employed	**3317.96**	**3699.69**	**4441.10**	**4909.26**	**3152.84**	**3527.47**	**4265.08**	**4723.80**
Net surplus after ROI (VII-IX)	**2915.89**	**2681.26**	**1311.84**	**134.00**	**3130.71**	**2886.98**	**1512.86**	**338.45**
Net surplus after return as % age of Op.Income	**19.52%**	**17.16%**	**8.54%**	**0.86%**	**20.96%**	**18.47%**	**9.85%**	**2.18%**
Average Net Surplus/ Deficit for the year 2006-08 to 2008-09 as a percentage of the Operating Income			**8.88%**				**10.19%**	

									Annex-I (b)
NEW MANGALORE PORT TRUST									
Cost Statement for Cargo Handling and Storage activity (excluding MRPL & KIOCL)									
								(Rs. in lakhs)	
				As furnished by NMPT				**As modified**	
S.No	**Particulars**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2005-06**	**2006-07**	**2007-08**	**2008-09**
I	**Operating Income**								

a	Handling & Storage of general cargo incl. containers	3905.41	4259.47	3993.50	4192.75	3905.41	4259.47	3993.50	4192.75
b	Storage of goods in warehouse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c	Demmurrage	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
d	Cranage	60.00	65.00	66.00	67.00	60.00	65.00	66.00	67.00
e	Wharfage on POL/LPG	2920.00	2920.00	3000.00	2750.00	2920.00	2920.00	3000.00	2750.00
f	Sundries, weighment, etc.	125.00	140.00	150.00	150.00	125.00	140.00	150.00	150.00
g	Plug point charges	30.00	30.00	32.00	33.00	30.00	30.00	32.00	33.00
h	Wages, Incentives, Levies	2320.00	2500.00	2200.00	2100.00	2320.00	2500.00	2200.00	2100.00
	Sub total	**9380.41**	**9934.47**	**9461.50**	**9312.75**	**9380.41**	**9934.47**	**9461.50**	**9312.75**
i	FMI allocated	59.65	66.74	64.66	63.05	59.65	66.74	64.66	63.05
	Total I	**9440.06**	**10001.21**	**9526.16**	**9375.80**	**9440.06**	**10001.21**	**9526.16**	**9375.80**
II	**Operating Cost**								
a	Handling & Storage of general cargo	122.51	102.51	104.20	111.60	122.51	102.51	104.20	111.60
b	Operation & Mntn. Of cranes	55.05	48.05	48.85	48.85	55.05	48.05	48.85	48.85
c	Expenditure on general facilities	147.13	154.66	160.65	170.72	147.13	154.66	160.65	170.72
d	Admn. & General expenses	184.72	190.85	188.44	248.92	184.72	190.85	188.44	248.92
e	Labour	2603.15	2798.20	2800.00	3000.00	2603.15	2798.20	2800.00	3000.00
	Sub total	**3112.56**	**3294.27**	**3302.14**	**3580.09**	**3112.56**	**3294.27**	**3302.14**	**3580.09**
f	Depreciation	361.31	388.37	569.88	619.21	361.31	388.37	569.88	619.21
g	Finance & Misc. Expr.	252.34	260.81	256.57	253.89	338.89	346.87	345.61	344.96
	Sub total	**613.65**	**649.17**	**826.45**	**873.10**	**700.20**	**735.24**	**915.48**	**964.17**
	Total II	**3726.21**	**3943.44**	**4128.59**	**4453.20**	**3812.76**	**4029.51**	**4217.62**	**4544.26**
III	**Surplus (I-II)**	**5713.84**	**6057.77**	**5397.57**	**4922.60**	**5627.30**	**5971.70**	**5308.54**	**4831.54**
IV	Allocated Mgmt & Gen Admn Exps	1169.18	1300.13	1324.65	1475.76	1187.06	1319.13	1329.93	1483.10
V	Net Surplus before interest (III-IV)	4544.66	4757.64	4072.92	3446.84	4440.24	4652.58	3978.60	3348.44
VI	Interest on Loans	29.69	20.97	14.58	10.79	0.00	0.00	0.00	0.00
VII	**Net surplus after**	**4514.98**	**4736.66**	**4058.34**	**3436.05**	**4440.24**	**4652.58**	**3978.60**	**3348.44**

	interest								
VIII	Capital Employed	12915.32	15277.84	16804.04	17981.33	12671.23	15040.38	16581.89	17750.40
	Business Assets					12198.01	14558.42	16059.08	17223.17
	Business Related Assets					473.23	481.96	522.81	527.23
IX	ROI on capital employed	1937.30	2291.68	2520.61	2697.20				
	Business Assets 15%					1829.70	2183.76	2408.86	2583.47
	Business Related Assets @ 6.35%					30.05	30.60	33.20	33.48
	Total Return on Capital Employed	**1937.30**	**2291.68**	**2520.61**	**2697.20**	**1859.75**	**2214.37**	**2442.06**	**2616.95**
X.	**Net surplus after ROI (VII-IX)**	**2577.68**	**2444.99**	**1537.74**	**738.85**	**2580.49**	**2438.21**	**1536.54**	**731.48**
XI	**Net surplus after return as % age of Operating Income**	**27.5%**	**24.6%**	**16.3%**	**7.9%**	**28%**	**24.5%**	**16.2%**	**7.9%**
XII	**Average Net Surplus/ Deficit for the year 2006-08 to 2008-09 as a percentage of the Operating Income**							**16.39%**	

NEW MANGALORE PORT TRUST **Annex-I (c)**

Cost Statement for Port and Dock facility (excluding MRPL)

(Rs. in lakhs)

				As furnished by NMPT				**As modified**	
S.No	**Particulars**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2005-06**	**2006-07**	**2007-08**	**2008-09**
I	**Operating Income**								
a	Pilotage	2024.68	2103.66	2199.50	2279.14	2024.68	2103.66	2199.50	2279.14
b	Towage and Mooring	218.00	231.00	275.00	300.00	218.00	231.00	275.00	300.00
c	Berth Hire	809.49	842.57	789.23	820.51	809.49	842.57	789.23	820.51
d	Port Dues	688.67	713.71	705.79	733.04	688.67	713.71	705.79	733.04
e	Water supply and miscellaneous	112.80	119.40	126.50	134.00	112.80	119.40	126.50	134.00
	Subtotal	**3853.64**	**4010.34**	**4096.03**	**4266.69**	**3853.64**	**4010.34**	**4096.03**	**4266.69**
g	FMI allocated	24.51	26.94	27.99	28.89	24.51	26.94	27.99	28.89
	Total I	**3878.15**	**4037.28**	**4124.02**	**4295.58**	**3878.15**	**4037.28**	**4124.02**	**4295.58**
II	**Operating Cost**								

a	Towage, Berthing & Mooring	573.04	594.88	478.18	521.57	573.04	594.88	478.18	521.57
b	Pilotage	123.52	125.91	134.87	154.88	123.52	125.91	134.87	154.88
c	Water supply to ships	124.85	129.30	132.00	133.00	124.85	129.30	132.00	133.00
d	Fire fighting	74.99	79.36	84.10	86.56	74.99	79.36	84.10	86.56
e	Dredging & Marine Survey	993.82	1051.17	1155.90	1241.95	993.82	1051.17	1155.90	1241.95
f	Harbour Patrol & Mtce. Nav Aids	42.70	33.10	33.65	35.33	42.70	33.10	33.65	35.33
g	O&M Survey Launch	45.32	33.98	39.58	50.06	45.32	33.98	39.58	50.06
h	Maintenanceof Docks/Harbour Walls	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i	Admn & Gen Exps &	57.32	88.37	90.25	122.90	57.32	88.37	90.25	122.90
j	O&M deballasting Exps/Pollution control								
	Subtotal	**2035.56**	**2136.07**	**2148.53**	**2346.25**	**2035.56**	**2136.07**	**2148.53**	**2346.25**
k	Depreciation	188.62	206.41	328.25	364.18	188.62	206.41	328.25	364.18
l	Finance & Misc. Expr.	165.03	169.11	166.94	166.39	221.63	224.92	224.87	226.07
	Total II	**2389.20**	**2511.59**	**2643.71**	**2876.83**	**2445.80**	**2567.39**	**2701.64**	**2936.51**
III	Surplus (I-II)	**1488.94**	**1525.69**	**1480.30**	**1418.75**	**1432.34**	**1469.89**	**1422.37**	**1359.07**
IV	Allocated Management & Gen. Overheads	764.62	843.03	861.88	967.16	776.32	855.35	865.32	971.97
V	**Net Surplus before interest (III-IV)**	**724.32**	**682.66**	**618.42**	**451.59**	**656.03**	**614.54**	**557.06**	**387.10**
VI	Interest on Loans	11.51	7.15	6.50	5.36				
VII	Net surplus after interest	**712.81**	**675.51**	**611.92**	**446.23**	**656.03**	**614.54**	**557.06**	**387.10**
VIII	Capital Employed	5020.97	5007.29	7669.69	9302.78	4857.04	4840.82	7514.37	9141.73
	Business Assets					4547.55	4528.30	7208.70	8840.38
	Business Related Assets					309.48	312.51	305.66	301.35
IX	ROI on capital employed	753.15	751.09	1150.45	1395.42				
	Business Assets 15%					682.13	679.25	1081.31	1326.06
	Business Related Assets @ 6.35%					19.65	19.84	19.41	19.14
	Total Return on Capital Employed	**753.15**	**751.09**	**1150.45**	**1395.42**	**701.79**	**699.09**	**1100.72**	**1345.19**

IX	**Net surplus after ROCE**	**-40.34**	**-75.58**	**-538.53**	**-949.18**	**-45.76**	**-84.55**	**-543.66**	**-958.09**
X	**Net surplus after return as % age of Op.Income**	**-1.0%**	**-1.9%**	**-13.1%**	**-22.2%**	**-1%**	**-2.1%**	**-13.3%**	**-22.5%**
X	**Average Net Surplus/ Deficit for the year 2006-08 to 2008-09 as a percentage of the Operating Income**							**-12.82%**	

NEW MANGALORE PORT TRUST								**Annex- I(d)**	
Cost Statement for Railway activity									
							(Rs. in lakhs)		
			As furnished by NMPT					**As modified**	
S.No	**Particulars**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2005-06**	**2006-07**	**2007-08**	**2008-09**
I	**Income**								
a	Railway working	55.00	60.00	70.00	80.00	55.00	60.00	70.00	80.00
b	FMI allocated	0.35	0.40	0.48	0.54	0.35	0.40	0.48	0.54
	Total Income	**55.35**	**60.40**	**70.48**	**80.54**	**55.35**	**60.40**	**70.48**	**80.54**
II	**Operating Cost**								
a	Station Admn & maintenance	33.00	35.00	45.00	50.00	33.00	35.00	45.00	50.00
b	Depreciation	20.00	25.00	48.74	56.24	20.00	25.00	48.74	56.24
c	FME Apportioned	2.68	2.77	3.50	3.55	3.59	3.69	4.71	4.82
	Sub total	**55.68**	**62.77**	**97.24**	**109.79**	**56.59**	**63.69**	**98.45**	**111.06**
III	**Surplus (I-II)**	**-0.33**	**-2.37**	**-26.76**	**-29.25**	**-1.24**	**-3.29**	**-27.97**	**-30.52**
IV	Allocated Mgmt & Genl. Overheads	12.40	13.81	18.05	20.61	12.59	14.02	18.12	20.71
V	**Net Surplus (III-IV)**	**-12.72**	**-16.18**	**-44.81**	**-49.86**	**-13.83**	**-17.30**	**-46.10**	**-51.23**
VI	Interest on Loans	1.84	1.27	1.29	1.02				
VII	**Net surplus after interest**	**-14.56**	**-17.45**	**-46.10**	**-50.87**	**-13.83**	**-17.30**	**-46.10**	**-51.23**
VIII	Capital Employed	**947.68**	**1077.85**	**1779.94**	**2024.12**	**946.11**	**1077.66**	**1782.04**	**2027.83**
	Business Assets					**941.09**	**1072.54**	**1775.63**	**2021.41**
	Business Related Assets					**5.02**	**5.12**	**6.40**	6.42

IX	ROI on capital employed	142.15	161.68	266.99	303.62				
	Business Assets 15%					141.16	160.88	266.35	303.21
	Business Related Assets @ 6.35%					0.32	0.33	0.41	0.41
	Total Return on Capital Employed	**142.15**	**161.68**	**266.99**	**303.62**	**141.48**	**161.21**	**266.75**	**303.62**
X	**Net Surplus after Interest & Return (VII-IX)**	**-156.71**	**-179.13**	**-313.10**	**-354.49**	**-155.31**	**-178.51**	**-312.85**	**-354.85**
XI	Net surplus after return as % age of Operating Income	**-283%**	**-297%**	**-444%**	**-440%**	**-281%**	**-296%**	**-444%**	**-441%**
XII	**Average Net Surplus/ Deficit for the year 2006-08 to 2008-09 as a percentage of the Operating Income**							**-403.0%**	

	NEW MANGALORE PORT TRUST							**Annex-I(e)**	
	Cost Statement for Estate activity								
							(Rs. in lakhs)		
			As furnished by NMPT					**As modified**	
S.No	**Particulars**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2005-06**	**2006-07**	**2007-08**	**2008-09**
I	**Operating Income**								
a	Ground rent icluding leasing	1,410.22	1,420.20	1,500.20	1,600.20	1,410.22	1,420.20	1,500.20	1,600.20
b	Rent on residential bldgs.	16.03	13.53	14.03	15.03	16.03	13.53	14.03	15.03
c	Rent on non-residential bldgs.	108.00	68.00	100.00	110.00	108.00	68.00	100.00	110.00
d	Other income	116.00	122.10	122.10	124.10	116.00	122.10	122.10	124.10
	Sub total	**1,650.25**	**1,623.83**	**1,736.33**	**1,849.33**	**1,650.25**	**1,623.83**	**1,736.33**	**1,849.33**
e	FMI allocated	10.49	10.91	11.87	12.52	10.49	10.91	11.87	12.52
	Total I	**1,660.74**	**1,634.74**	**1,748.20**	**1,861.85**	**1,660.74**	**1,634.74**	**1,748.20**	**1,861.85**
II	**Operating Cost**								

a	Residential buildings	68.59	58.08	60.20	66.20	68.59	58.08	60.20	66.20
b	Non-residential buildings	94.57	95.73	96.00	100.00	94.57	95.73	96.00	100.00
c	Other Expenditure	83.98	91.11	93.00	97.00	83.98	91.11	93.00	97.00
	Sub total	**247.14**	**244.92**	**249.20**	**263.20**	**247.14**	**244.92**	**249.20**	**263.20**
d	Depreciation	91.33	101.33	84.18	86.30	91.33	101.33	84.18	86.30
e	Finance & Misc. Expr.	20.04	19.39	19.36	18.67	26.91	25.79	26.08	25.36
	Sub total	**111.36**	**120.72**	**103.54**	**104.97**	**118.24**	**127.12**	**110.26**	**111.66**
	Total II	**358.50**	**365.64**	**352.74**	**368.17**	**365.38**	**372.04**	**359.46**	**374.86**
III	**Surplus (I-II)**	**1,302.24**	**1,269.10**	**1,395.46**	**1,493.68**	**1,295.36**	**1,262.70**	**1,388.74**	**1,486.99**
IV	Allocated Management & General Overheads	92.83	96.66	99.97	108.49	94.25	98.07	100.36	109.03
V	**Net Surplus (III-IV)**	**1,209.41**	**1,172.44**	**1,295.49**	**1,385.19**	**1,201.11**	**1,164.63**	**1,288.37**	**1,377.95**
VI	Interest on Loans	6.66	4.10	2.63	1.83				
VII	**Net surplus after interest**	**1,202.74**	**1,168.34**	**1,292.86**	**1,383.36**	**1,201.11**	**1,164.63**	**1,288.37**	**1,377.95**
VIII	Capital Employed	**3,037.36**	**3,052.12**	**3,068.30**	**3,083.16**	**3,020.50**	**3,039.35**	**3,057.47**	**3,073.07**
	Business Assets					**2,982.92**	**3,003.52**	**3,022.02**	**3,039.27**
	Business Related Assets					**37.57**	**35.83**	**35.45**	**33.80**

IX	ROI on capital employed	455.60	457.82	460.24	462.47	-	-	-	-
	Business Assets 15%					447.44	450.53	453.30	455.89
	Business Related Assets @ 6.35%					2.39	2.28	2.25	2.15
	Total Return on Capital Employed	**455.60**	**457.82**	**460.24**	**462.47**	**449.82**	**452.80**	**455.55**	**458.04**
X	**Net Surplus after Interest & Return (VII-IX)**	**747.14**	**710.52**	**832.62**	**920.88**	**751.29**	**711.83**	**832.82**	**919.91**
XI	**Net surplus after return as % age of Op.Income**	**45.27%**	**43.76%**	**47.95%**	**49.80%**	**45.53%**	**43.84%**	**47.96%**	**49.74%**
XII	**Average Net Surplus/ Deficit for the year 2006-08 to 2008-09 as a percentage of the Operating Income**							**47.31%**	

Consolidated Cost Statement of the New Mangalore Port Trust Including KIOCL and MRPL

S.No	Particulars	2005-06	2006-07	2007-08	2008-09	2005-06	2006-07	2007-08	2008-09
	Traffic (in lakh tonnes)	**375.00**	**385.00**	**390.00**	**410.00**	**375.00**	**385.00**	**390.00**	**410.00**
I	**Operating income**								
a	Cargo handling and Storage	18018.41	17692.47	17523.50	19520.75	18018.41	17692.47	17523.50	19520.75
b	Port & Dock	6944.70	7224.71	7475.29	7870.69	6944.69	7224.71	7475.29	7870.69
c	Railways	55.00	60.00	70.00	80.00	55.00	60.00	70.00	80.00
d	Estate Rentals	1650.25	1623.83	1736.33	1849.33	1650.25	1623.83	1736.33	1849.33
	Sub Total	**26668.35**	**26601.01**	**26805.12**	**29320.77**	**26668.35**	**26601.01**	**26805.12**	**29320.77**
e	Finance & Misc income	95.00	105.00	105.00	105.00	95.00	105.00	105.00	105.00
	Total - I	**26763.35**	**26706.01**	**26910.12**	**29425.77**	**26763.35**	**26706.01**	**26910.12**	**29425.77**
II	**Operating Cost**								
a	Cargo handling and Storage	3288.97	3472.74	3496.05	3820.49	3288.97	3472.74	3496.05	3820.49
b	Port & Dock	5438.26	5471.83	5609.00	6163.40	5438.26	5471.83	5609.00	6163.40
c	Railways	33.00	35.00	45.00	50.00	33.00	35.00	45.00	50.00
d	Estate Rentals	247.14	244.92	249.20	263.20	247.14	244.92	249.20	263.20
	Sub Total	**9007.37**	**9224.49**	**9399.25**	**10297.09**	**9007.37**	**9224.49**	**9399.25**	**10297.09**

e	Depreciation	1760.00	1810.00	2192.70	2297.98	1760.00	1810.00	2192.70	2297.98
f	Finance & Misc expr	730.25	730.30	730.30	730.25	730.25	730.30	730.30	730.25
	Total - II	**11497.62**	**11764.79**	**12322.25**	**13325.32**	**11497.62**	**11764.79**	**12322.25**	**13325.32**
III	**Surplus (I-II)**	**15265.73**	**14941.22**	**14587.87**	**16100.45**	**15265.73**	**14941.22**	**14587.87**	**16100.45**
IV	Mgmt & Gen Admn Exps	2962.98	3166.97	3207.46	3576.59	2962.98	3166.97	3207.46	3576.59
V	**Net Surplus before interest (III-IV)**	**12302.75**	**11774.25**	**11380.41**	**12523.86**	**12302.75**	**11774.25**	**11380.41**	**12523.86**
VI	Interest on Loans pertaining to the	1249.70	933.50	682.13	293.71	1200.00	900.00	657.13	274.71
	MRPL project								
VII	**Net surplus after interest**	**11053.05**	**10840.75**	**10698.28**	**12230.15**	**11102.75**	**10874.25**	**10723.28**	**12249.15**
VIII	ROI on capital employed	8129.83	8369.14	8971.21	9305.96	5786.79	6115.85	7091.26	7677.54
IX	Net surplus after ROI (VII-VIII)	2923.22	2471.61	1727.07	2924.19	5315.96	4758.40	3632.02	4571.62
X	**Net surplus after return as % age of Op.Income**	**10.96%**	**9.29%**	**6.44%**	**9.97%**	**19.93%**	**17.89%**	**13.55%**	**15.59%**
XI.	**Average Net Surplus/ Deficit for the year 2006-08 to 2008-09 as a percentage of the Operating Income**						**15.67%**		

Annex-III

NEW MANGALORE PORT TRUST

SCALE OF RATES

CHAPTER – I

Definitions and General Terms and Conditions

1.1. Definitions – General

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

(i). "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 licence issued by the competent authority.

(ii). "Foreign - going vessel" shall mean any vessel other than coastal vessel.

1.2. General Terms & Conditions

(i). The Status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for its classification as 'coastal' or 'foreign-going' for the purpose of levy of vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

(ii). (a). Vessel related charges shall be levied on ship owners/steamer agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the Market Buying Rate notified by the Reserve Bank of India, State Bank of India or its associates or any other Public Sector Banks as may be specified from time to time. The date of entry of the vessel into the port limits shall be reckoned with as the day for such conversion.

(b). Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees. For this purpose, the Market Buying Rate prevalent on the date of entry of the vessel in case of import containers and on the date of arrival of containers in the port premises in the case of export containers shall be reckoned as the day for such conversion of dollar denominated charges.

(iii). 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.

(iv). (a). A foreign going vessel of Indian flag having a General Trading Licence can convert to coastal run on the basis of a Customs Conversion Order.

(b). A foreign going vessel of Foreign flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.

(c). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.

(d). In cases of such conversion, coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations; immediately thereafter, foreign going rates shall be chargeable by the discharge Ports.

(e). For dedicated Indian Coastal vessels having a Coastal Licence from Director General of Shipping, no other documents will be required to be entitled to coastal rates.

(v). (a). The vessel related charges for all Coastal vessels should not exceed 60% of the corresponding charges for other vessels.

(b). The cargo / container related charges for all coastal cargo / containers, other than thermal coal, POL including crude oil, Iron Ore and Iron pellets, should not exceed 60% of the normal cargo / container related charges.

(c). In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship-shore transfer and transfer from / to quay to / from storage yard including wharfage.

(d). In case of container related charges, the concession will be applicable 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.

(e). Cargo/ container from a foreign port which reaches an Indian Port ‘A’ for subsequent transhipment to Indian Port ‘B’ will be levied the concession 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.

(f). The charges for coastal cargo/ containers/ vessels shall be denominated and collected in Indian Rupee.

(vi). Interest on delayed payments/refunds:

(a). The user shall pay interest at the rate of 12.25% per annum, 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 12.25% per annum on delayed refunds.

(c). The delay in refunds will be counted beyond twenty days from the date of completion of services or on production of all the documents required from the user whichever is later.

(d). Delay in payments by user will be counted only 10 days after the date of raising the bills by NMPT. This provision will, however, not apply to the cases where payment is to be made before availing the services/use of port properties as stipulated in the MPT Act. 1963 and/or where payment of charges in advance is prescribed as a condition in the Scale of Rates.

(vii). No refund shall be made unless the amount refundable is Rs.100/- or less. Likewise, NMPT will not raise any supplementary or under charge bills, if the amount due to port is Rs. 100/- or less.

(viii). All charges worked out shall be rounded off to the next higher rupee in each category.

(ix). (a). The rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The NMPT may, if they so desire, charge lower rates and/or allow higher rebates and discounts.

(b). The port may also, if they so desire rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the users in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling level.

(c). The ports should notify the public such lower rates and/or rationalisation of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and/or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.

(x). The users shall not be required to pay charges for delays beyond a reasonable level attributable to the NMPT.

CHAPTER-II

VESSEL RELATED CHARGES

2.1. Port Dues

Vessels chargeable **(Sea going vessels of 15 tonnes and above)**	Rate per GRT		**Frequency of payment in respect of the same vessel**	
	Foreign-going vessel (in US $)	**Coastal vessel (in Rs.)**	**Foreign-going vessel**	**Coastal vessel**
(i). Ships/ steamers	0.143	2.32	Each entry	Each entry
(ii). Tugs, Launches, Barges, etc. Not included above	0.040	1.07	Each entry	Each entry

Notes:

1. 'Ship" means a vessel propelled solely by wind power and 'Steamer" means any vessel other than a ship. In respect of sailing vessels fitted with auxiliary engines charges shall be levied at the rate applicable to ships.

2. A vessel entering the port in ballast and not carrying passengers shall be charged with only 75% of the port dues with which she would otherwise be chargeable.

3. A vessel entering the port but not discharging or taking in any cargo or passenger (with the exception of such un-shipment and reshipment as may be necessary for the purpose of repairs) shall be charged with only 50% of the port dues with which she would otherwise be chargeable.

4. A LASH vessel making a 'second call' to pick up empty and/or laden fleeting LASH barges shall be treated as a vessel entering the Port but not discharging or taking any cargo or passengers therein, as described in Section 50B of the Major Port Trusts Act, and shall not be charged any Port Dues.

5. No Port dues shall be levied in respect of:
   (i). any pleasure yatch; or,

   (ii). any vessel which having left the port is compelled to re-enter it by stress of weather or in consequence of having sustained any damage.

6. For oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the remarks column of its International Tonnage Certificate will be taken to be its gross tonnage for the purpose of levying port dues.

2.2. Pilotage:

Classification of the vessels	Rate per GRT	
	Foreign-going Vessel (in US $)	**Coastal vessel (in Rs.)**
(i). For Pilotage both inward and outward		
(a). Upto 30,000 GRT	0.320 subject to a minimum of US$ 960	8.55 subject to a minimum of Rs.25,661.00
(b). 30,001 to 60,000 GRT	US $ 9600 + US $ 0.256 per GRT over 30,000 GRT	Rs.2,56,608 + Rs.6.84 per GRT over 30,000 GRT
(c). 60,001 GRT and above	US $ 17280 + 0.224 per GRT over 60,000 GRT	Rs.461894 +Rs.5.99 per GRT over 60,000 GRT
	Rate per vessel	
(ii). (a). Barges, Tugs, Launches, etc., not specified above and sailing vessels [with/without auxiliary engines] and fishing vessels upto GRT 199	US $ 71.34 per vessel	Rs. 1907.00 per vessel
(iii). 200 GRT and above	US $ 107.00 per vessel	Rs.2860.00 per vessel

Notes:

1. Pilotage-cum-towage fee will be composite fee and shall include one inward and one outward movement with services of Ports' pilots for to and fro pilotage and towage with required number of tugs/launches of adequate capacity and shifting/s of vessel for 'Port convenience' and supply of mooring boats.

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

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

      (a). If a working cargo vessel at berth or any vessel at mooring is shifted / unberthed for undertaking dredging work/hydrographic survey work or for allotting a berth for the dredger or for attending to repairs to berths, maintenance and such other similar works whereby shifting/pilotage is necessitated, such shifting/pilotage shall be considered as "shifting for port convenience". The shifting/pilotage made to reposition such shifted vessel shall also be considered as "shifting for port convenience"

(b). For shifting/pilotage of any vessel for the convenience of /benefit of another vessel, the vessel benefited is liable to pay the shifting/pilotage charges for shifting and repositioning of the vessel shifted.

3. (i). Shifting at the request of vessels will attract separate shifting charges as prescribed below:

Shifting Charges:

Classification of the vessels	**Rate per GRT**	
	Foreign-going vessel (in US $)	**Coastal vessel (in Rs.)**
(i). (a). Upto 30,000 GRT	0.08 subject to a minimum of US$ 240	2.14 subject to a minimum of Rs.6415.20
(b). 30,001 to 60,000 GRT	US $ 2400 + US $ 0.064 per GRT over 30,000 GRT	Rs.64152 + Rs.1.71 per GRT over 30,000 GRT
(c). 60,001 GRT and above	US $ 4320 + 0.056 per GRT over 60,000 GRT	Rs.115474 +Rs.1.50 per GRT over 60,000 GRT
	Rate per vessel	
(ii). (a). Barges, Tugs, Launches, etc., not specified above and sailing vessels [with/without auxiliary engines] and fishing vessels upto GRT 199	US $ 17.84 per vessel	Rs. 477.00 per vessel
(b). 200 GRT and above	US $ 26.75 per vessel	Rs. 715.00 per vessel

(ii). When tugs are not used for shifting, 50% concession shall be given on shifting charges.

4. The shifting charges prescribed above are for the movement of vessels within the dock basin. Movement from / to anchorage outside the dock basin qualifies for a second set of pilotage fee.

5. If the status of the vessel is changed during its stay in the Port, from foreign run to coastal run or vice-versa, then the consolidated pilotage should be divided into two equal halves (i.e. one for inward and other for outward pilotage) which should be charged according to the status of the vessel prevailing at the time of taking place of relevant movement.

6. Where a movement of a vessel is aborted or had to be changed due to reasons like tug failure, insufficiency of length, lack of proper fenders, etc., for which the vessel is not at fault, no charge shall be levied for the unsuccessful operation involved till she occupies allotted berth.

7. For piloting a vessel on cold move as certified by the Master of the vessel namely without the power of the engine of the vessel partly or fully in any operation, a surcharge of 20% shall be levied over the rates payable as per the Schedule of pilotage charges prescribed above.

8. During the course of hot movements, if a vessel fails to offer its full power for a duration not exceeding five minutes, it shall not be considered as cold move.

9. In the event of the vessel carrying a pilot outside the port limits for unavoidable reasons, the Master shall be bound to leave the pilot at the next nearest port and Master, Owner or his representatives shall be responsible for the repatriation and all connected formalities thereof and also be liable to pay all expenses incurred in the matter of boarding, lodging, other reasonable expenses and repatriation of the Pilot thus over carried. In addition, compensation at the rate of Rs.76.00 for coastal vessels or US$ 2.84 for foreign going vessel per hour shall be payable by the Master of the vessel till the pilot reports back to duty at the port.

2.3. Detention charges of the vessels:

Sl. No.	Description	Foreign-going vessel (in US $)	Coastal vessel (in Rs.)
(i).	For cancellation of a requisition for the services of a Pilot with less than 2 hours notice for pilotage between 0600 hours to 1800 hours or with less than 6 hours notice for pilotage between 1800 hours and 0600 hours.	71.34	1907.00
(ii).	For detention of Pilot by a Steamer for more than 30 minutes beyond the		

	for more than 30 minutes beyond the time for which the requisition was made.		
	(a). For 1st hour or part thereof (b). For every subsequent hour or part thereof.	35.66 29.73	953.20 794.70

Note:
In case where a pilot boards a Steamer but has to return on being informed that his services are not required, cancellation charges specified in sub-item (i) above shall be levied. If a Pilot is made to wait for more than 30 minutes after boarding the vessel before being informed that his services are not required, charges specified in sub-item (ii) above shall be levied in addition to cancellation charges.

2.4. Berth hire Charges:

2.4.1. Berth Hire charges for occupation of berths where wharf cranes are installed

Classification of the Vessel	**Rate per hour or part thereof per GRT**	
	Foreign-going vessel (in US $/cents)	**Coastal vessel (in Rs).**
Vessel other than oil tanker		
All Vessels irrespective of GRT	0.21 cents subject to a minimum of US $ 7.50	0.056 subject to a minimum of Rs.200.50

2.4.2. Berth Hire charges for occupation of berths where wharf cranes are not installed

Classification of the Vessel	**Rate per hour or part thereof per GRT**	
	Foreign-going vessel (in US $/cents)	**Coastal vessel (in Rs).**
Vessel other than oil tanker		
All Vessels irrespective of GRT	0.17 cents subject to a minimum of US $ 6	0.045 subject to a minimum of Rs.160.40

2.4.3. Oil Tankers and Other Vessels:

Classification of the Vessel	**Rate per hour or part thereof per GRT**	
	Foreign-going vessel (in US $/cents)	**Coastal vessel (in Rs).**
(i). Tankers / Oil Tankers	0.25 Cents subject to a minimum of US $ 4.95	0.067 subject to a minimum of Rs.132.30

(ii). Sailing vessels, Barges, Tugs (vessels other than steamer & Tankers)	**US $ 3.096** Per vessel/ hour	82.75 Per vessel/ hour
(iii). Fishing vessels/ Trawlers	US $ 0.495 Per vessel/ hour	13.25 Per vessel/ hour
(iv). Double Banking	Whenever a vessel is double banked with other vessel occupying a berth, it will be charged 50% of the berth hire specified above.	

(v). **Mother ships:**

(a). If the mother ships are berthed alongside a wharf, all the charges as applicable to other merchant vessels shall be recoverable.

(b). If anchored at outer anchorage, there will be no pilotage fees, berth hire, mooring charges and tug hire charges.

(c). If anchored at inner anchorage, all applicable vessel related charges excluding berth hire shall be recovered.

(vi). **Lash Barges:**

(a). The berth hire charges shall be levied at the rate of Rs.12.05 per barge per hour or pert thereof for coastal vessel or US$ 0.45 per barge per hour or part thereof for foreign going during the process of loading and unloading of cargo.

(b). When the barges wait at the safe fleeting area, they shall be charged at Rs.4.00 per barge per hour or part thereof for coastal vessel or US$ 0.15 per barge per hour or part thereof for a foreign going vessel.

(c). The charges for towing of barge shall be according to the rate prescribed for tugs or launches, as the case may be.

Notes:

1. Berth hire shall be levied per hour from the time of completion of mooring of a vessel in a berth or when its anchoring is completed, whichever is later.

2. (i). Berth hire shall stop 4 hours after the time of the vessel signaling its readiness to sail. A penal berth hire equal to berth hire charges for one day's berth hire charge (i.e.24 hours) shall be levied for a false signal.

"False signal" would be when a ship signals readiness and asks for a pilot in anticipation even when she is not ready for un-berthing due to engine not being ready or cargo operation not completed or such other reasons attributable to the vessel. This excludes the signalling readiness when a ship is not able to sail due to unfavourable tide, lack of night navigation or adverse weather conditions."

(ii). The time limit prescribed for cessation of berth hire shall exclude the ship's waiting time for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

3. A vessel which owing to an impending cyclone, elects to stay in the Port after being duly warned by the Port authorities, shall be charged at the specified rates for the period covered by warning and commencing in the case of a vessel which has not completed its loading or unloading at the time of warning, from the day after the loading or unloading has been completed.

4. The vessel for whose convenience an adjacent berth(s) is (are) kept vacant due to the nature of cargo to be handled at that particular berth shall be charged berth hire charges applicable to the berths kept vacant in addition to berth hire charge for the berth occupied by the vessel.

5. Penal charges for unauthorised occupation of berths; without prejudice to any other course of action in accordance with the relevant provisions of law, rules and regulations, berth hire charges for the unauthorised occupation of a berth in the Port shall be levied at the following rates after giving 8 hours advance intimation or notice in writing to the agents / owner of the vessels concerned:

(i).	Upto 3 days or part thereof	:	At three times the rate of berth hire charges .
(ii).	Above 3 and upto 6 days	:	At four times the rate of berth hire charges .
(iii).	Above 6 and upto 9 days	:	At five times the rate of berth hire charges.
(iv).	Above 9 days and so on for subsequent days	:	At six times the rates of berth hire charges and so on.

6. No berth hire shall be levied for the period when the vessels idle at its berths due to break down of port equipment or power failure or any other reasons attributable to the port.

7. **Priority Berthing or Ousting priority**

(i). For providing priority berthing to any vessel, a fee equivalent to berth hire charges for single day (24 hours) or 75% of the berth hire charges calculated for a total period of actual stay of the vessel at the berth, whichever is higher, shall be charged.

(ii). For providing ousting priority berthing to any vessel, a fee equivalent to berth hire charges for single day (24 hours) or 100% of the berth hire charges calculated for a total period of actual stay of the vessel at the berth, whichever is higher, shall be charged.

(iii). The fee for according 'priority' /ousting' as indicated above shall be charged from all vessels, except the following categories:

(a). Vessels carrying cargo on account of the Ministry of Defence.

(b). Defence vessels coming on goodwill visits.

(c). Vessels hired for the purpose of Antartica expedition by the Department of Ocean Development.

(d). Any other vessel for which special exemption has been granted by the Ministry of Shipping.

8. **Berth Reservation**

(i). A shipping line requiring advance reservation for a container ship should give its scheduled arrival of ships at least 3 months in advance. In the case of other vessels, a minimum notice of 1 month should be given. The shipping line should also intimate the expected stay of the ship at the berth at the time of asking for berth reservation.

(ii). A berth reservation equal to berth hire charges for single day (24 hours) or 25% of the berth hire for the expected stay of the ship at the berth, whichever is higher, will be charged.

(iii). If the shipping line does not bring the ship at the pre-reserved time, then the berth reservation fee paid in advance will be forfeited.

(iv). Liner ships should arrive within 6 hours of the commencement of the time reserved for the berths and non-liner ships should arrive within 24 hours of the time indicated for arrival of the ship.

CHAPTER – III

SCHEDULE OF WHARFAGE CHARGES

The rates to be paid for the use of wharves, jetties and landing places (hereinafter referred to as Wharfage dues) on goods landed at or shipped from the Port of New Mangalore shall be as specified below: -

3.1. Break-Bulk Cargo:

		Advalorem Rates	
Sl.No.	**Description of cargo Break Bulk Cargo**	**Foreign**	**Coastal**
1.	Spices (cardamom, ginger, turmeric, corriander seed, pepper, chillies, etc.)	0.02%	0.012%.
2.	Fish dried, fresh, salted preserved or frozen prawns, frog legs and lobsters preserved or frozen	0.08%	0.048%
3.	Yarn, cotton and wool raw waste or manufactured staple fibre	0.08%	0.048%
4.	Arecanuts, beedi leaves and beedies, coffee instant, coffee essence or powder, mangnesite illuminates monozite bauxite rutile sand, sandal wood logs, and product, Tea, Coffee/Coffee husk, tobacco	0.10%	0.060%
5.	Asphalt, Bitumen	0.32%	0.192%
6.	Artificial silk piece goods twists or yarn, beer in cases/casks, Clothes textile and hosiery etc., Cycles, Distempers color paints polishes etc., Electrical goods, Disinfectant, Motor cars, Lorries, Tractors, Motor-cycle, Scooter, Three wheelers etc., Soap bars laundry and household, Wine and Liquor, Machine and Machinery not otherwise rated, Fruits in can bottle	0.40%	0.240%
7.	Bricks and tiles, Chemicals, Soda-ash, vegetables	0.60%	0.360%
8.	Any other non-bulk items	0.40%	0.240%

Note:

1. Advalorem rates shall be based on FOB value for exports, CIF value for imports and the value as given in Coastal bill of lading for coastal cargo.

3.2. Bulk cargo

Sl.No	Cargo	Unit	Rate (in Rs)	
			Foreign	Coastal
1	**(a).Finished Fertilizers**			
	MOP, Urea, DAP NPK, CAN Ammonia Sulphate and any other Finished fertilizers	MT	35	21
	(b).Fertilizer Raw Materials			
	Sulphur/Rock phosphate	MT	40	24
2	**Food Grains and Food Products**			
	(a). Rice, Wheat, Maize, Pulses (bags/bulk)	MT	40	24
	(b). Sugar, Sugarcandy or Cube (bags/bulk)	MT	40	24
3	**P.O.L.**			
	(a).Motor spirit	MT	70	70
	(b). Superior Kerosene Oil	MT	70	70
	(c).Diesel oil	MT	70	70
	(d). Crude oil	MT	70	70
	(e). Naphtha	MT	70	70
	(f). Furnace oil	MT	70	70
	(g). Grease	MT	65	65
	(h). Asphalt/coaltar/bitumen	MT	65	65
	(i). Others	MT	70	70
4	**Other Chemicals**			
	(a). Ammonia Liquid or Gas	MT	70	42
	(b).Phosphoric Acid	MT	60	36
	(c).Sulphuric Acid	MT	60	36
	(d).Orthoxylence	MT	60	36
	(e). Styrene Monomer	MT	60	36
	(f). Ethylene Dichloride (E.D.C)	MT	60	36
	(g). Cycloheyanone	MT	60	36
	(h). Cumene	MT	60	36
	(i). Methanol	MT	60	36
	(j) Phenol	MT	60	36
	(k). Caustic Soda Dye	MT	60	36
	(l). Acids/Chemicals of all kinds in crystals liquids not specified above	MT	60	36
5	**Edible Oil & Other Liquids**			
	(a) Palm oil, vegetable oil etc,	MT	50	30
	(b). Oil seeds	MT	50	30
	(c). Molasses	MT	50	30

Sl.No	Cargo	Unit	Rate (in Rs)	
			Foreign	Coastal
6	**Iron & Steel Materials**			
	(a) Iron and steel plates, pipes, tubes steel wire coils (irrespective of the weight of individual piece)	MT	50.00	30.00
	(b) Iron and steel scraps and drops	MT	40.00	24.00
	(c) Pig iron/Sponge iron	MT	50.00	30.00
	(d)Plant and Machinery	MT	130.00	78.00
7	**Granite in any form**	MT	45.00	27.00
8	**Ores /Metals**			
	(a) Manganese ore	MT	30.00	18.00
	(b) Perlite ore	MT	30.00	18.00
	(c) Chromate ore	MT	30.00	18.00
	(d) Bentonate & ballclay, sand/ clay of any class	MT	20.00	12.00
	(e) Zinc concentrate	MT	105.00	63.00
	(f) Copper concentrate	MT	40.00	24.00
	(g)Copper cathode	MT	125.00	75.00
	(h)Copper wire, rods, cables, bars blocks	MT	100.00	60.00
	(i) Limestone	MT	35.00	21.00
	(j) Aluminium and Tin	MT	110.00	66.00
	(k) Iron ore other than KIOCL	MT	35.00	35.00
	(l) Any other ore in bulk	MT	35.00	21.00
9	**Gas**			
	LPG/LNG or any other gas in any other form	MT	180.00	108.00
10	**Timber & Allied Products**			
	(a)Timber of all kinds of logs including plywood.	CBM	50.00	30.00
	(b) Wood pulp and wood chips	MT	40.00	24.00
	(c) Papers of all kinds including waste papers	MT	50.00	30.00
11	**Coal and Coke in bulk**			
	(a) Thermal Coal	MT	25.00	25.00
	(b) Coal (other than Thermal coal) and coke	MT	25.00	15.00
12	**CEMENT**			
	(a) Upto 3.00 lakh tonnes per annum	MT	60.00	36.00
	(b) Above 3.00 lakhs tonnes and upto 4.00 lakhs tonnes per annum	MT	50.00	30.00
	(c)Above 4.00 lakh tonnes per annum	MT	40.00	24.00
13	**Gypsum / Clinker**	MT	30.00	18.00
14	**Others**			
	(a) Raw cashew nuts	MT	35.00	21.00
	(b) Cashew kernels	MT	55.00	33.00
	(c) Cashew shell liquid	MT	40.00	24.00
	(d) Coir and coir products	MT	55.00	33.00
	(e) Ferro silicon	MT	40.00	24.00
	(f) Jute and Jute products	MT	100.00	60.00

Sl.No.	Cargo	Unit	Rate (in Rs)	
			Foreign	Coastal
	(g) Defence stores equipment	MT	130.00	78.00
	(h) Oil cakes and fodder of all kinds	MT	30.00	18.00
	(i) Unaccompanied personal effects	MT	100.00	60.00
	(j) Baggages accompanying passengers or Seamen free and personnel baggages, Horses and carriages/accompanying Military personnel moving on duty Embarking from vessels and the Animal meats for providing food for them.		Nil	Nil
15	Structures loaded at MDL jetty	MT	100	60
16	Salt	MT	30	18
17	Rice Bran	MT	30	18
18	Tapioca chips, flour starch, waste & tamarind seed powder in bags	MT	50	30
19	Onion	MT	30	18

Notes:

1. No export cargo shall be admitted into the port premises without the permission in writing of the authorised official of the port. Normally export cargo for a vessel shall be admitted only after the vessel is opened for export.

2. Wharfage shall be in addition to any charges towards rent for storage of goods in the quays, warehouses, transit sheds or landing places of the port of New Mangalore.

3. Request for amendment in import / export applications or documents shall be accompanied by a fee of Rs.10/- which shall not be refunded.

4. The cargo/container related charges for all coastal cargo/containers, other than thermal coal, POL including crude oil, iron ore and iron ore pellets, should not exceed 60% of the corresponding charges for normal cargo/container related charges.

5. **Method of calculating wharfage:**

   (i). All goods intended for shipment shall be assessed on export application and wharfage shall be paid before the goods are shipped.

   (ii). All goods landed within the limits of the port of New Mangalore shall be assessed on import application and the wharfage shall be paid before the goods are delivered.

   (iii). The wharfage dues shall be calculated on the manifested tonnage of the vessel's cargo in the case of imports, iron and steel scrap, ores and other goods in bulk.

(iv). In the case of cargo other than that mentioned in sub-rule (iii), the wharfage shall be calculated in accordance with the unit specified against each item of the goods in the Schedule of Wharfage given above.

(v). The wharfage dues shall be calculated on the total tonnage of each item of goods. For this purpose, the gross and not the net tonnage of each package as specified in the relative invoice or other shipping document shall be taken, subject to fresh check by the Port if the circumstances so require. In the absence of these documents or in the absence of the specification of gross tonnage therein the tonnage arrived at by actual test-check shall be taken as gross tonnage.

(vi). For the purpose of calculating the dues in the Scale of rates –

(a). One unit by weight means 1 tonne (1000 kilograms)
(b). One unit by measurement means 1 cubic meter
(c). One unit by liquid measurement (capacity) means 1000 liters

(vii). In calculating the gross weight or measurement by volume or capacity of an individual item, fractions upto and including 0.50 shall be reckoned as 0.50 and fractions over 0.50 shall be reckoned as one unit.

(viii). Assessment on packages containing articles of a miscellaneous character shall be levied based on the rate applicable for individual cargo items.

(ix). Where marks are indistinguishable and the cargo is landed in bulk or under such conditions that the tonnage is not readily ascertainable in that case;

(a). if the cargo is landed at the Wharf, the tonnage shall be ascertained by taking the actual measurement and converting it at one cubic meter to a tonne,

(b). if the cargo is conveyed by craft from a vessel at the outer roads, the licenced carrying capacity of the craft shall be taken as the tonnage.

(x). Before classifying any cargo as 'unenumerated goods' the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in the Schedule given above.

6. **Refund:**

(i). No refund of dues shall be made in respect of goods lost over board or jetties within the limits of the Port. However, in the case of goods thrown over board or jettisoned but not salvaged, refund of wharfage will be considered on production of a certificate from the authorised official of the Port Trust, justifying the circumstances under which the goods were jettisoned or thrown over board. In case the goods are salvaged and landed within the port limits, the wharfage dues would be charged on a pro-rata basis.

7. **Porterage (Handling of Cargo) at wharf or jetties.**

(i). The port shall not assume custody of any export cargo and handle the same at the wharf or jetties.

(ii). The port may assume custody at shore and convey to transit space and sort for delivery all import general cargo and other cargo for which overside delivery direct from ships is permitted in special case by the port and the Customs except the bulk cargo and for this service in addition to wharfage, the following charges shall be levied namely.

(a). Actual labour charges incurred by the port plus 20% overhead

(b). Crane hire charges as per rates prescribed in the Scale of Rates, if crane is provided by the port

(c). Fork lift hire charges as per rates prescribed in the Scale of Rates, if Forklift is provided by the port

(d). Overtime allowance admissible

(iii). In case of ship to shore transfer and transfer from quay / to storage yard operations in respect of coastal cargo eligible for concessional tariff, 60% of the rates prescribed in the above schedule will be levied.

8. **Tranship Goods**

(i). Cargo landed on and shipped from the wharf, except as otherwise provided shall be charged full wharfage. The transhipment charges in respect of coastal cargo/vessel shall be at the concessional rate as prescribed for coastal cargo.

(ii). Though cargo originally manifested at Port of shipment for transhipment landed on the Wharf and cargo manifested for local and subsequently amended at the port of New Mangalore for transhipment shall be charged 85% of the applicable wharfage.

(iii). Cargo discharged overside or shipped overside (ship to ship) shall be charged 50% of the applicable wharfage rate except in respect of food grains manifested for Indian Ports and transhipped to smaller vessels from cargo tankers or bulk carriers within the port limits.

(iv). Wharfage shall be levied at Re.1/- per tonne on food grains manifested for Indian Ports and transhipped into a smaller vessel from tanker or bulk carrier at the Port. This charge shall not be levied in respect of transhipped quantity landed at this port.

(v). In case cargo from foreign port lands at NMPT for subsequent transhipment to an Indian Port on coastal voyages, 50% of the transhipment rate prescribed for foreign going and 50% of that prescribed for coastal leg shall be levied

9. **Goods exempted from wharfage**

The following categories of goods shall be exempted from the wharfage charges:

(i). Bonafide consumable/non consumable ship stores.

(ii). Passenger and seaman’s bonafide baggage and personal effects accompanying them.

(iii). Empty gunnies and twines sent to ship to facilitate landing or loading of cargoes in bulk or for replacing wet or torn bags.

(iv). Goods consigned to or by the New Mangalore Port Trust.

(v). Postal mail bags.

CHAPTER - IV

CONTAINER CHARGES

4.1. Wharfage Charges:

Sl.No.	Container Size	Rate per container			
		Empty		Loaded	
		Foreign (in Rs).	Coastal (in Rs.)	Foreign (in Rs).	Coastal (in Rs.)
1.	Upto 20’	60.00	36.00	300.00	180.00
2.	Above 20’ and upto 40’	90.00	54.00	450.00	270.00
3.	Above 40’	120.00	72.00	600.00	360.00

4.2. Storage Charges

Sl. No.	Container Size	Rate per container Per day or part thereof	
		Foreign (in US $)	Coastal (in Rs)
1.	Upto 20’	0.214	9.53
2.	Above 20’ and upto 40’	0.321	14.30
3.	Above 40’	0.428	19.07

Notes:

1. 1 day free period shall be allowed on containers whether landed/shipped either empty or stuffed.

2. Free period prescribed above excludes Customs notified holidays and port’s non-working days.

3. The storage charges on abandoned FCL containers/shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the date of landing of container, whichever is earlier subject to the following conditions:

   (i). The consignee can issue a letter of abandonment at any time

   (ii). If the consignee chooses not to issue such letter of abandonment, the container Agent/MLO can also issue abandonment letter subject to the condition that,

      (a). the line shall resume custody of container alongwith cargo and either take back it or remove it from the Port premises; and

      (b). the line shall pay all port charges accrued on the cargo and container before resuming custody of the container.

(iii). The container Agent/MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charge on container shall be continued to be levied till such time all necessary actions are taken by the shipping lines for destuffing the cargo.

(iv). Where the container is seized/confiscated by the Custom Authorities and the same cannot be destuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the date the Custom orders for release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and destuffing. Otherwise, seized/confiscated containers should be removed by the line/consignee from the Port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the date of such removal.

4. Storage charge on container shall not accrue for the period when the NMPT is not in a position to deliver/ship container when requested by the user.

5. If operational area is licenced on rental terms to users, storage charge on containers/demurrage on cargo stored thereat shall not be levied again.

4.3. Rehandling Charges:

Container manifested for other destination, unloaded and reloaded in the same vessel in the same voyage, the following rates will be levied:

Sl.No.	Container Size	Rate per container			
		Empty		Loaded	
		Foreign (in Rs).	Coastal (in Rs.)	Foreign (in Rs).	Coastal (in Rs.)
1.	Upto 20’	30.00	18.00	50.00	30.00
2.	Above 20’ and upto 40’	45.00	27.00	75.00	45.00
3.	Above 40’	60.00	36.00	100.00	60.00

General Notes:

1. Wharfage on containers is collected irrespective of the contents of the containers.

2. The stuffed cargo removed from the container and cargo meant for stuffing in the container stacked in transit area other than the space allotted on lease for that purpose will be liable for demurrage as applicable to the cargo specified in Chapter V Demurrage.

(i). Containerised import cargo
For levy of demurrage, the free days for import cargo destuffed from the container shall count from the date following the date of destuffing.

(ii). Containerised Export cargo

For levy of demurrage, the free days for export cargo shall be reckoned from the date on which cargo is admitted in the transit area and demurrage leviable, if any shall be computed from the day following the completion of free days till the cargo has been stuffed into containers.

3. The applicant shall accept all risks and responsibilities for goods stored at the rental space allotted and shall make his own arrangement for security of the goods stored in such spaces. Hire charges for port equipment whenever utilised by the shipper will be charged separately according to the Scale of rates in force from time to time.

4.4. Hire Charges of Spreaders for Container Handling:

Sl.No.	Description	Rate per hour or part thereof
1.	20’ Spreader	150.00
2.	40’ Spreader	225.00

4.5. Container Handling Charges:

Sl.No.	Description	Empty Container		Laden Container	
		Foreign (in Rs).	Coastal (in Rs.)	Foreign (in Rs).	Coastal (in Rs.)
1.	20’ Container	122.00	73.20	256.00	153.60
2.	Above 20’ and upto 40’ container	183.00	109.80	384.00	230.40
3.	Above 40’ Container	244.00	146.40	512.00	307.20

4.6. Electricity and Monitoring charges for Reefer container:

Sl.No.	Description	Rate per 4 hours or part thereof
1.	Upto 20’ container	Rs 117.00
2.	Above 20’ and upto 40’ containers	Rs.142.00
3.	Above 40’ containers	Rs.167.00

Notes:

1. No private equipment shall be permitted into the port premises without prior permission of the NMPT.

2. The hire charges shall commence from the time the equipment is made available for use.

3. If the equipment is detained without use, detention charges shall be leviable at the rate of Rs.100 per hour or part thereof.

4. A charge of Rs.300 per equipment will be recovered if a requisition is cancelled in writing before the commencement of the period of hire, provided no such charges shall be recovered if the notice of cancellation was received before action was taken by the

NMPT to comply with the requisition. In case where no written notice of cancellation is received before the commencement of the period of hire or where the equipment is used only for a portion of the period applied for, charges payable for the full period of requisition shall be recovered. If the NMPT is unable to supply the equipment to suit their convenience either for the entire period of requisition or for a part thereof, no charge shall be recovered for the period of non-supply of the equipment.

5. (i). The hirer shall not put on the equipment hired or cause to be put on them by his agents or employees or other persons working under such hirer, any load heavier than the lifting capacities of the said equipment.

(ii). The hirer shall be liable to pay a penalty of Rs.500 per every breach of the above condition whenever he is found guilty of such breach by the NMPT.

(iii). The cost of damage, if any, caused to the equipment by its being used in contravention of the above condition, shall, in addition to the penalty referred to above, be recovered from the hirer and shall include even the replacement value of the equipment if the damage caused makes such a recovery necessary. On admittance of the claim of damages of the equipment from the Insurance Company, the same shall be refunded to the hirer from whom the cost of the damage was collected.

6. The NMPT shall not be responsible to the hirer or any person for any loss or damage or injury to the life of the person arising directly or indirectly from the use of the equipment during the period of its supply for hire. The hirer shall indemnify the NMPT against all loss or damage or injury to life arising directly or indirectly from the use of the equipment during the period of the supply on hire to any property belonging to the Port including the equipment, or to any other person or property. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the port. The hirer shall also indemnify the NMPT for all liabilities under the Workmen's Compensation Act, 1923.

7. When equipment are requisitioned for a specified number of hours but are made available not continuously but at different times to suit the convenience of the Port, charges shall be calculated as if the hire was for a continuous period by totaling up the broken periods of work instead of rounding off each spell of work separately.

8. In case of breakdown of equipment due to mechanical defects, the period taken to repair shall be deducted in calculating the hire charges.

9. Wherever separate rate for coastal container handling are not prescribed, the admissibility and the extent of concession will be governed by clause (v) of Schedule 1.2. – General Terms and Conditions.

CHAPTER-V

DEMURRAGE

5.1.1. Imports

Demurrage charges at the following rates shall be levied in respect of all goods left in the port's transit sheds or open space after the expiry of the free days and free periods till their delivery is effected.

Sl.No.	Classification	Unit	Rate
1.	Goods lying in the Transit sheds or in the open transit space except on which the rate of wharfage dues is fixed for each or by number.	Per wharfage unit per day	(a) 1st week Rs.3.00 (b) 2nd weekRs.5.00 (c) Succeeding period Rs.7.00
2.	Goods lying in the transit shed on which wharfage is charged on advalorem basis	Per CBM per day	(a) 1st week Rs.3.00 (b) 2nd weekRs.5.00 (c) Succeeding period Rs.7.00

Notes:

1. Free days

(i). Free days prescribed below shall exclude Custom's holidays and Port's non-working days.

(ii). Seven working days (excluding Customs holidays and Port's non working days) following the date of the complete discharge of the goods from the vessel on to jetties, quays or wharves shall be allowed as free period.
When goods are landed from the vessel into lighters, barges or other floating craft, the seven working days shall be calculated from the date of complete discharge of goods from the lighters, barges or other floating craft on the jetties, quays or wharves.

(iii). In the case of salvaged goods, the free days shall be reckoned from the day following the date of notification of salvage by the Receiver or wrecks in the Official Gazette of Karnataka State.

2. Free period : The following free periods shall be allowed in addition to the free days prescribed above:

(i). Periods during which the goods are detained by the Collector of Customs for examination under sub-section (3) and (4) of section 144 of the Customs Act 1962 (152 of 1962), other than the ordinary process of than appraisement and certified by the Collector of Customs to be not attributable to any fault or negligence on the part of importers, plus one working day. The Customs holidays shall also be treated as free periods in addition.

(ii). Periods during which the goods are detained by any public Health Authority whether cleared or destroyed.

3. **Survey of Goods**

If the goods are detained for survey, then a period not exceeding seven days excluding Customs holidays and Port's non-working days, from the date of completion of discharge from the vessel may be excluded while calculating the demurrage charges provided the goods are removed within twenty four hours after the completion of the survey.

4. **Empty or partially empty packages.**

Demurrage charges shall be payable on packages landed empty or partially empty.

5. **Demurrage Charges on Sunday and Port Holidays**

Once demurrage charges begin to accrue, no allowance shall be made for Sundays and port holidays

6. **Delivery of Goods**

Goods shall not be delivered to owners or consignees unless all dues leviable thereon, including demurrage charges are paid

7. **Congestion of Goods.**

If at any time the Port apprehends a serious congestion in the transit area which may affect rapid transit of goods through the Port, it may direct the owners or consignees of any specified goods to remove such goods from the port premises within a specified period.

8. If the goods are not removed within a specified period, the Port may cause them to be removed and restacked in any other place within the Port premises at the expense and the sole risk of the owner or consignees. Goods so removed shall be charged demurrage charges at the rates prescribed in the Schedule of Demurrage (Imports) at (c) in Sl.No.1 or 2 whichever is applicable.

5.1.2. Exports

Demurrage at the rate of Rs.3.00 per wharfage unit and/or at Rs.3.00 per CBM per day for all cargo charged at Advalorem rate, shall be levied after the expiry of the free days.

Notes:

1. **Free days**

(i). Free days shall exclude the Customs holidays and Port's non-working days.

(ii). All cargo except salvaged goods (a) Twenty one days free days (excluding Customs holiday and Port's non-working days) from the actual date of receipt of the goods in the transit area. (b) From the date the vessel is berthed for working cargo to the date the vessel completes loading.

(iii). For salvaged goods, three days free days (excluding Customs holiday and Port's non-working days) from the date on which the goods were actually salvaged.

2. **Shut out cargo**

(i). In the case of goods shut out from shipment and if removed outside, in addition to the free days mentioned in Note 1, the working day next to the date of completion of taking in of the exports by the vessel will also be allowed as a free day.

(ii). In the case of goods shut out by one vessel and subsequently shipped by another vessel, the free days shall count from the date of the first shut out, upto ten days excluding Customs holiday and Port's non-working days. The total free period, however, shall not be more than 21days as specified in Note 1.

(iii). Cargo intended for export but not actually shipped will be allowed free days upto only seven days excluding Customs holiday and Port's non-working days from the actual date of receipt of the goods in the transit area.

3. **Free Periods**

In addition to the free days, prescribed above the periods, that is periods during which goods are detained by the Collector of Customs for examinations under Sub section (3) and (4) of Section 17 and for chemical test under Section 144 of the Customs Act, 1962, other than the ordinary processes or appraisement and certified by the Collector of Customs to be not attributable to any fault or negligence on the part of the exporters, plus one working day shall also be allowed as free period. The Customs holidays shall also be treated as free periods in addition.

4. **Congestion of Goods**

If at any time the Port apprehends a serious congestion in the transit sheds or other spaces allotted for the goods in transit to the detriment of the rapid transit of goods through the Port, it may direct the owner or consignor or Agents of any specified goods to remove such goods from the Port premises within a specified period. If the goods are not removed within such period, Port may cause them to be removed and restacked in any other place within the Port premises at the expense and the sole risk of the owner or shipper/agents. Demurrage charges shall be levied on such goods in accordance with the rate specified for demurrage on export cargo.

5. **Transhipment of Goods**

The free period shall be allowed for the transhipment cargo up to 28 days excluding Customs holiday and Port’s non-working days from the date of receipt of the goods.

General Notes:

1. Demurrage charge on both import and export cargo shall not accrue for the period when the NMPT is not in a position to deliver/ship cargo when requested by the user.

2. If operational area is licenced on rental terms to users, demurrage charge on cargo stored thereat shall not be levied again.

CHAPTER – VI

OTHER CHARGES

6.1. Charges for supply of water

Description	Rate per K.L./Tonne	
	Foreign-going vessels (in US $)	Coastal Vessels (in Rs.)
Water Charges	3.50	93.55

6.2. Charges for use of bunkering facility alongside berths

Sl.No.	Description	Rate per M.T. (in Rs).
1.	For providing bunkers alongside berth (s) through fixed pipelines or loading arms or flexible hoses of users or through mobile trucks / trailers.	27.00

6.3. Marshalling yard usage charges

Sl. No.	Description	Rate per M.T. (in Rs).
1.	Use of Marshalling yard only	8.00
2.	Use of Marshalling yard including private sliding inside the wharf	10.00

6.4. Fees for issue of licence to C & F Agency

Sl.No.	Description	Rate (in Rs.)
1.	New Licence	5000.00 for two calendar years
2.	Renewal within the period of licence for a further period of two calendar years.	1000.00 per licence
3.	For issue of duplicate licence when the original is lost or defaced	200.00 per licence

Note:
Renewal of licence shall be effected only if the licence was utilised and transacted activities at the port during the pervious licence period. Failure to renew the licence within the specified period entails cancellation of the licence.

6.5. Fees for issue of licence to Steamer Agency

Sl.	Description	Rate (in Rs.)

No.		
1.	New Licence	5000.00 per licence
2.	Renewal within the period of licence for a further period of two calendar years.	1000.00 per licence
3.	For issue of duplicate licence when the original is lost or defaced	200.00 per licence

Note:
Renewal of license shall be effected only if the licence was utilised and transacted activities at the port during the pervious licence period. Failure to renew the licence within the specified period entails cancellation of the licence.

6.6. Charges for hire of launches and tugs within the limits of the port

I. Tugs

Sl.No.	Name of the vessel	Rate per hour or part thereof	
		Foreign-going vessels (in US $)	**Coastal vessels (in Rs.)**
1.	**22.50 T.B.P** Hemavathi	612.75	16,379.00
2.	**32.50 T.B.P.** Varahi/Shambhavi/Swarna	1,187.20	31,734.00
3.	**50.00 T.B.P** Kabini	1,761.64	47,089.00

Note:
For use of the above tugs by Indian Navy and Coast Guard, only 60% of the rate prescribed above shall be levied.

II. Launches

Sl.No.	Name of the vessel	Rate per hour or part thereof	
		Foreign-going vessels (in US $)	**Coastal vessels (in Rs.)**
(a).	**Multi purpose vessel** M.V. Mallya	1148.90	30,710.00
(b).	**Mooring Launches**		
	Tunga/Bhadra/ Shalini/Mohini/Padmini	114.89	3071.00
(c).	**Pilot Launches**		
	Kavery/Kapila/Mallika	291.05	7780.00
(d).	**Survey Launch**		
	Anveshana	230.82	6170.00

6.7. Hire Charges for cargo handling equipment

Sl.No.	Equipment	Rate per hour or part thereof (in Rs).	
1.	Coles Husky 680S of 75 MT capacity	2,100.00	
2.	TIL – GROVE 75 MT capacity Mobile Crane (RT 880)	3619.00	
3.	10 MT capacity Fork Lift Truck	530.00 subject to a minimum of Rs. 2120.00	
4.	Tata Truck Model LPT 909/36	417.00 subject to a minimum of Rs.3336.00	
5.	Escorts Model 8100, 10MT capacity Hydraulic crane	Rs.650.00 subject to a minimum of Rs.1300.00	
		Foreign-going (in Rs.)	**Coastal (in Rs.)**
6.	Hindustan 2021 Pay loader	780.00	468.00
7.	3 ton Forklift Trucks	90.00 subject to a minimum of Rs.180	54.00 subject to a minimum of Rs.108

Notes:

1. No private equipment shall be permitted into the port premises without prior permission of the NMPT.

2. The hire charges shall commence from the time the equipment is made available for use.

3. If the equipment is detained without use, detention charges shall be leviable at the rate of Rs.100 per hour or part thereof.

4. A charge of Rs.300 per equipment will be recovered if a requisition is cancelled in writing before the commencement of the period of hire, provided no such charges shall be recovered if the notice of cancellation was received before action was taken by the NMPT to comply with the requisition. In case where no written notice of cancellation is received before the commencement of the period of hire or where the equipment is used only for a portion of the period applied for, charges payable for the full period of requisition shall be recovered. If the NMPT are unable to supply the equipment to suit their convenience either for the entire period of requisition or for a part thereof, no charge shall be recovered for the period of non-supply of the equipment.

5. (i). The hirer shall not put on the equipment hired or cause to be put on them by his agents or employees or other persons working under such hirer, any load heavier than the lifting capacities of the said equipment.

(ii). The hirer shall be liable to pay a penalty of Rs.500 per every breach of the above condition whenever he is found guilty of such breach by the NMPT.

(iii). The cost of damage, if any, caused to the equipment by its being used in contravention of the above condition, shall, in addition to the penalty referred to above, be recovered from the hirer and shall include even the replacement value of the equipment if the damage caused makes such a recovery necessary. On the recovery of the claim of damages of the equipment from the Insurance Company, the amount admitted by the Insurance Company shall be refunded to the hirer.

6. The NMPT shall not be responsible to the hirer or any person for any loss or damage or injury to the life of the person arising directly or indirectly from the use of the equipment during the period of its supply for hire. The hirer shall indemnify the NMPT against all loss or damage or injury to life arising directly or indirectly from the use of the equipment during the period of supply on hire to any property belonging to the Port including the equipment, or to any other person or property. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the Port. The hirer shall also indemnify the NMPT for all liabilities under the Workmen's Compensation Act, 1923.

7. When equipment are requisitioned for a specified number of hours but are made available not continuously but at different times to suit the convenience of the Port, charges shall be calculated as if the hire was for a continuous period by totaling up the broken periods of work instead of rounding off each spell of work separately.

8. In case of breakdown of equipment due to mechanical defects, the period taken to repair shall be deducted in calculating the hire charges.

9. Wherever coastal rate are not prescribed for cargo/ container handling, the admissibility and extent of concession will be governed by clause (v) of Schedule 1.2. – General Terms and conditions.

6.8. Miscellaneous Charges.

1. **Charges for taking photographs or shooting films in the harbour premises:**

Sl.No.	Classification	Rate (in Rs).
1.	For shooting of films by film making company or private parties	10,000 per day or part thereof
2.	For still photographs of export/import cargoes	400 per day or part thereof
3.	For taking photographs of the parties or of the crew on Board the ships and in case not covered in clauses (1) & (2) above.	50.00 per each time for each party

Notes:

1. The permission shall be issued by the NMPT or any official authorised by it.

2. Still photographs taken and shooting film by the State and Central Govt. for education and scientific purposes and in connection with Govt. publicity and shipping activities are exempted from paying charges.

3. Any other cases of taking still photographs and shooting of films within the perimeter wall or in the Port premises shall be at the discretion of the NMPT on merit of each case.

4. The charges shall be paid in advance and no refund of such payments shall be allowed for any failure/cancellation of the programme.

5. If the cancellation of programme is at the instance of the Port or under extraordinary circumstances the charges paid shall be refunded subject to the claim in time.

6. The hire charges for any craft and or appliance of the Port if any, that are supplied and used by the film making company or by those taking photographs shall be levied as per the respective provisions of the Scales of Rates in addition to charges payable under this scale.

II. FEES FOR ISSUE OF PASSES / LICENCE FOR ENTRY INTO THE WHARF:

SL.NO.	CLASSIFICATION	RATE (IN RS.)
1.	FOR ISSUE OF TEMPORARY PASS FOR ADMISSION INTO THE HARBOUR (PER HEAD, PER DAY)	2.00
2.	TEMPORARY PASS FOR BUS, AUTHORISED TRUCKS CARRYING PASSENGERS (PER VEHICLE PER DAY)	50.00
3.	Temporary pass for trucks/trailors/tipper (per day)	10.00
4.	TEMPORARY PASS FOR CAR/JEEP/VAN (PER DAY)	6.00
5.	FOR PRIVATE CARGO HANDLING EQUIPMENT (PER DAY)	75.00
6.	ISSUE /RENEWAL OF PERMANENT PHOTO PASS (PER HEAD)	100.00
7.	ISSUE OF DUPLICATE PHOTO PASS (PER HEAD)	250.00
8. (A).	PERMANENT VEHICLE PASS FOR TRUCKS/TRAILORS /TIPPERS FOR SIX MONTHS FOR ONE YEAR FOR DUPLICATE	 500.00 800.00 250.00
(B).	Permanent vehicle pass for car/jeep/van FOR SIX MONTHS FOR ONE YEAR for duplicate	 380.00 600.00 250.00
9.	PERMANENT PASS FOR PRIVATE CARGO HANDLING EQUIPMENTS FOR SIX MONTHS FOR ONE YEAR	 2500.00 4000.00
10.	ENTRY FEES FOR CARGO TRUCKS ENTERING THE BOUNDED AREA OF THE PORT - PAYABLE BY C&F AGENT PER ENTRY	10.00

Notes:

1. The licence shall be issued by the NMPT or any official authorised by it.

2. The payment of the charge will not automatically entitle a person to get a pass.

3. The temporary pass shall be valid for a day for which it is obtained from zero to zero hours.

4. The NMPT may issue temporary passes free of charge to the distinguished guests to the port, visiting staff of other Major Ports and other Govt. Officers/officials connected with the Port Trust and visiting the wharf on official duty. No charges shall also be collected from the employees of the Port holding valid identity cards and other shipping interests holding valid photo passes issued by the NMPT.

5. Only persons who have harbour entry passes will be issued with temporary vehicles licence on payment of the above prescribed fee and it is not transferable.

6. No refund will be allowed for the charges once paid for temporary vehicle licences issued by the port.

7. Drivers of vehicles (with permanent licence) are exempted from the payment for entry into the wharf.

8. No refund will be allowed for the charges once paid for the licences issued for the vehicles covered by item above for unexpired period of licence.

9. Failure to apply for the renewal of the annual or half yearly licence within 15 days, before the day of expiry thereof may entail cancellation of the licence or levy of penalty of Rs.30/- per vehicle in addition to the renewal fee.

10. A fee of Rs.30/- shall be charged for transfer of each annual or half yearly licence due to change of ownership of the carriers.

11. A sum of Rs.30/- shall be charged for the issue of a duplicate annual or half yearly licence when the original is defaced or illegible or is lost.

12. Vehicles i.e. carriers of goods belonging to the New Mangalore Port Trust and other Major Port Trusts alone shall be exempted from holding a licence.

13. Any other vehicles not covered by above may be exempted from charge under the scale of Rates at the discretion of the NMPT.

14. No refund is permissible for the unexpired period of licence.

15. Whenever damage to the NMPT property is caused by any vehicle plying within the NMPT foreshore premises, the owner of the vehicle shall accept liability thereof and pay the damages resulting therefrom.

III. Fees for the hire of weighing scale and for the issue of certificates of weights:

(1).	For hire of weighing scales	:	Rs.1.00 per tonne or part thereof.
(2).	For issue of certificate of total tonnage of cargo	:	Rs.3.00 per tonne or part thereof for weighment of consignment (i.e. for goods covered by one application) subject to a minimum of Rs.15/- per certificate.

Notes:

1. The attendant labour shall be supplied by the parties concerned in all cases.

2. Charges shall be levied in accordance with the above scale when it is necessary for the port to weigh goods, e.g. for the purpose of assessing the amount of wharfage payable in respect of the goods.

3. No refund of hire charges shall be allowed in case a notice of cancellation of requisition is not sent to the authorised officer of the NMPT in writing so as to reach him at least 2 hours prior to the commencement of the period of hire.

4. A fee of Rs.10/- each shall be levied for a duplicate certificate of payment issued by the port authorities.

IV. Charges for the use of weigh bridges

(1).	Weighment of cargo on the Port Lorry weigh bridge	:	Rs.15 per truck both ways.
(2).	For issue of weighing certificate	:	Rs.25/- per certificate in addition to the charge prescribed at (1) above.
(3).	Charges for weighing wagon in Railway weigh bridge	:	Rs.45 per Broad gauge wagon.

Notes:

1. The weighbridge shall be used only for weighing lorries or carts etc, with or without loads.

2. The fee under item (1) above shall cover hire charges of passing the cart or lorry etc, both empty and loaded over the weighing platform. The fee under item (2) above shall be payable in addition for the issue of certificate showing both the tare and loaded weight of the vehicle.

3. If any empty lorry after recording the tare weight on the ports weigh bridge within the wharf area is not brought to the ports weigh bridge during the same day with a load for recording the gross weight, a fee of Rs.5.00 per lorry shall be payable by the party on whose behalf the tare weight is asked to be recorded.

4. The weigh bridge shall be manned by the NMPT.

5. The NMPT shall not be responsible to the hirer or any person for any loss or damage or injury to life arising directly or indirectly from the use of the weigh bridge during the period of its hire. The hirer shall indemnify the NMPT against all loss or damage or injury to life arising directly or indirectly from the use of the weigh bridge to any other person or property. The liability of the hirer shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the port. The hirer shall also indemnify the NMPT for all liabilities under the Workmen's Compensation Act, 1923.

V. Charges for issue of entry and clearance Certificate:

Charges for issue of entry and clearance certificate to Master/Owner/Agent of vessel which calls at the Port for crew change and anchor within or beyond port limits without discharging or loading any cargo or passenger.	Rs.1000.00 per Certificate

CHAPTER – VIII

Levy of charges for registered cargo handling wing.

The charges for obtaining services of cargo handling worker from New Mangalore Port Trust Registered Cargo Handling Workers' Administrative Wing shall be as follows:

8.1. Levy on basic wages of the concerned workers.

Sl. No.	Description	Percentage of levy on the basic Wages of the workers concerned
(i).	All export containerized cargo only.	160%
(ii).	All gangs consisting of 8 or more hatch workers and its corresponding shore gangs for discharge/loading of cargo	160%
(iii).	All other gangs consisting of less than 8 Hatch workers and its corresponding shore gang	180%
(iv).	All other cargo handling operations in the Port like unloading from transit shed, Stack yard, open stack yard, etc.	180%

Note:

The levy at the rates indicated above is in addition to the actual wages earned by the worker including incentive wages calculated as per the respective clauses of prevailing settlement/scheme and payable to the NMPT by the licenced stevedores.

Additional special levy

Sl.No.	Particulars	Percentage of levy
1.	All gangs consisting of 8 or more Hatch workers and its corresponding shore gangs for discharge/loading of cargo	15%
2.	All gangs consisting less than 8 Hatch workers and its corresponding shore gangs.	20%
3.	All other cargo handling operations in the Port like unloading from transit shed, Stack yard, open stack yard, etc.,	20%

Notes:

1. The special levies prescribed above will be levied in addition to the normal levy for deployment of RCHW workers for general cargo and bulk cargo except for container handling.

2. Additional levy - I will automatically cease to be in operation once the wage arrears liability of Rs.1,97,47,611.60 is fully recovered by the Port through this levy.

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