

NEW MANGALORE PORT AUTHORITY
FINANCE DEPARTMENT

No. NMP/FIN/REV/SOR- IRON ORE HANDLING /2023

DATED: 25.01.2024


SUB: SCALE OF RATES (SOR) FOR VARIOUS SERVICES IN "HANDLING OF
IRON ORE/DRY BULK CARGO AT THE ANCHORAGE OF NMPA" –
PUBLIC COMMENTS INVITED

Port is planning to handle Iron Ore/ other dry bulk cargo at the anchorage for 1st time. For handling Iron Ore/Dry bulk cargo at anchorage, infrastructure such as Barges, Floating cranes, Transhippers etc. will be required. However, as such handling was never been done at the Port, the Port was not having notified rates for the same.

A detailed proposal for SoR for various services applicable in "Handling of Iron ore/Dry bulk cargo at the anchorage of NMPA" is framed along with terms & conditions. The committee constituted by Board for fixation of tariff, after detailed deliberations on the proposal, recommended the SoR for various services applicable in "Handling of Iron ore/Dry bulk cargo at the anchorage of NMPA" as detailed in Annexure - 1. The proposed SOR in this regard is also attached as Annexure – 2.

Comments are hereby invited on the proposed Scale of rates of various services applicable in "Handling of Iron ore/Dry bulk cargo at the anchorage of NMPA" from all Exporters / Importers / Port Users

The comments may be submitted to the undersigned either through letter or e-mail to facao@nmpt.gov.in on or before 09.02.2024. The comments, received from the Port Users / Stakeholders will be placed before the Committee and for final recommendations to the Board. Thereafter, the approved Scale of rates will be notified as per the Major Port Authority (Fixation and Implementation of Scale of Rate) Rules 2021.


(Vinayaka Rao)

Financial Adviser & Chief Accounts Officer

Enclosures: (1) Committee's Recommendations
(2) Proposed Scale of Rates

PROCEEDINGS OF THE TARIFF COMMITTEE MEETING HELD ON 01.12.2023 TO RECOMMEND THE SOR FOR VARIOUS SERVICES APPLICABLE FOR "HANDLING OF IRON ORE/DRY BULK CARGO AT THE ANCHORAGE OF NMPA"

Members Present:

- | | | |
|------------------------------|---|------------------------------|
| 1. Deputy Chairman | - | Chairperson of the Committee |
| 2. FA& CAO | - | Member |
| 3. Deputy Conservator | - | Member |
| 4. Traffic Manager | - | Member |
| 5. Chief Engineer | - | Member |
| 6. Chief Mechanical Engineer | - | Member |

At the outset, the Dy.Chairperson informed all the members that a proposal for SOR for various services applicable in "Handling of Iron ore/Dry bulk cargo at the anchorage of NMPA" is to be deliberated by the Committee for its recommendations.

Sr.Dy.CAO explained the Proposal as under;

- 1.1 NMPA was handling export of iron ore on regular basis prior to 2011. Upon directions of State Government, the iron ore export (other than KIOCL) has not been carried out from NMPA since 2011.
- 1.2 The Hon'ble Supreme Court of India in May 2022 lifted the ban and permitted the export of iron ore fines and pellets from mines situated in the State of Karnataka to counties abroad, as is being done in the rest of the country.
- 1.3 Earlier Iron Ore was being handled in PANAMAX vessels at B.No.14. These vessels are higher draft vessels which require draft of 14 meters and above. In 2022, B.No. 14 was handed over to M/s JSW on PPP mode for container handling. Hence deep draft berth is not available at NMPA to handle PANAMAX/CAPESIZE vessels to full capacity.
- 1.4 In view of the above, given the draft constraints inside the port and non-availability of required infrastructure, NMPA decided to handle Iron Ore/ other dry bulk cargo at the anchorage for 1st time.
- 1.5 For handling Iron Ore/Dry bulk cargo at anchorage, infrastructure such as Barges, Floating cranes, Transhippers etc. will be required. However, as such handling was never been done at the Port, the Port was not having notified rates for the same.
- 1.6 Therefore, in this regard, the Board in the meeting dated 08.09.2023 has passed



the Resolution to approve the rates, recommended by the HOD level Committee, for various services applicable at the anchorage. The approved applicable rates are Ad-hoc rates valid for three months, which is summarized below.

A) Charges Payable by operator to the Port;

I. License Fee:

Particulars	Rates per annum
Transhipper	Rs.2,00,000
Floating Crane	Rs.1,50,000

Security Deposit of Rs.5,00,000 shall be deposited by the licensee before issuance of the composite license by NMPA.

II. Cargo Handling charges via Transhipper / Floating crane:

Rs.6.90 per tonne of cargo handled via Transhipper /Floating Crane, which is as per the MoPA SOR rates

III. Private crane charges:

Rs. 11.20 per tonne of cargo handling charge for using Private cranes provided by licensee which is as per the highest revenue share obtained on the SOR rate in the tender floated by NMPA in the year 2020 for engagement of private HMC.

B) Charges Payable to the Operator by the User;

- I. Ceiling tariff to be followed by Transhipper/Floating Crane/Barges and Shore Crane operator by levy of charges from exporter /importers.

Particulars	Recommended Rates				Remarks
	Transhipper	Floating	Shore	Barges	

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		Crane	Crane		
Charges For Use Of Transhipper/ Floating Crane/Barges Provided by the Licensee	Rs.160 per tonne, Rates adapted from Mormugao port SOR	Rs.126 per tonne, Rates adapted from Mormugao port SOR	Rs.55.47 per tonne, Rates as per NMPA SOR	Rs.75 per tonne Rates as per TAMP calculation sheet	Ceiling rate to be paid by exporter / importer to the port authorized operators

- II. All other applicable rates like Port dues, Pilotage, Berth hire, Anchorage charges will be levied as per NMPA SOR rates subjected to indexation and tariff related orders from time to time. .

2. Deliberations:

The Tariff Committee perused the Board approved ad hoc rates arrived on the recommendations of HOD level committee and deliberated the following:

A) Charges Payable by operator to the Port;

I. License Fee:

The Tariff Committee noted that the following rate proposed to Transhipper and Floating Crane are arrived considering the rate charged in Mormugao Port for similar activities and hence no further escalation in this regard is required.

Particulars	Rates per annum	Remarks
Transhipper	Rs.2,00,000	SOR rates at MoPA is Rs.1,71,300
Floating Crane	Rs.1,50,000	SOR Rates at MoPA is Rs.1,14,200

Considering the above, the Committee agreed with the proposal of Rs.2.0 lakh p.a. for Transhipper and Rs.1.5 lakhs p.a for Floating Crane.

Further, the Tariff Committee deliberated that the Security Deposit of Rs.5,00,000 shall be deposited by the licensee before issuance of the composite license by port. The security deposit shall be returned to the licensee without interest

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after successful completion of the license period, deducting any dues payable to the Port.

II. Royalty (Cargo Handling) charges via Transhipper / Floating crane:

The Tariff Committee noted that the Royalty Charges for loading / unloading of cargo through Transhipper / Floating Crane in Mormugao Port is Rs. 23.00 per tonne. However, as per SoR, MoPA is giving 70% concession on the charges of Rs 23.00 per tonne, which works out to Rs.6.90 per tonne of cargo.

Therefore, the Committee proposes to consider the same rate of Royalty at NMPA also.

III. Royalty charges on Shore Crane / Private Crane:

The Tariff Committee noted that the Revenue shared by the Private HMC operator M/s.StarLift to NMPA from 20/10/2020 upto 19/10/2022 is 20.19% and considering the following indexation, it comes to Rs. 11.20 per tonne of cargo

2019-20	NA	47.88
2020-21	1.13%	48.42
2021-22	0.33%	48.58
2022-23	6.46%	51.71
2023-24	7.27%	55.47
Rs.55.47 x 20.19% = Rs.11.20 per tonne of cargo		

Therefore, on perusal, the Committee found that the rate proposed below is reasonable and considerable.

Rate per tonne	Remarks
Rs. 11.20 per tonne of cargo handling charge for using Private cranes provided by licensee	Rs.55.47 x 20.19% = Rs.11.20 per tonne of cargo handled

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B) Charges Payable to the Operator by the User;

I. Transhipper Charges(32 T Capacity):-

The Tariff Committee noted that the following and since the rate of Mormugao Port is less in comparison to NMPA working, the Committee further noted to consider the rate of Mormugao Port , ie. Rs 160/-per tonne

- i. The capital cost of Transhipper was not available from the market enquiry and the cost of Mormugao Port of USD 2,60,000/-as per TAMP order No-TAMP/30/2011/MOPT dtd 2nd May 2012(G No-143 dtd 4th June 2012) and conversion rate @ Rs 82 per USD taken for computation as the operator are putting old Transhipper for operation.
- ii. The calculation sheet as per TAMP guidelines 2008 for fixation of cargo handling charges for the use of Transhipper Crane operation is Rs 217.92 per ton (Computation at Annexure-A)
- iii. However the rate computed was compared with Mormugao Port and the rate is Rs 160/-per Ton (Foreign)- w.e.f 01.05.2023 for 30 Ton Transhipper.
- iv. TAMP working guideline 2018, G.NO.30, dtd.30th January 2019, under clause 5.7.1 which empowers Major ports to consider rates available at other Major Ports.

The Committee was of the view to consider the rate of Rs.160/- per tonne for Transhipper.

II. Floating Crane (32 T Capacity):-

The Tariff Committee noted that the following and since the rate of Mormugao Port is less in comparison to NMPA working, the Committee further noted to consider the rate of Mormugao Port , ie. Rs 126/-per tonne

- i. The capital cost of Floating Crane of USD 9,00,000/- considered from market enquiry and conversion rate @ Rs 82 per USD taken for computation.
- ii. The rate per ton arrived is Rs 126.28 per ton (Foreign) as per TAMP guidelines 2008.

And

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- iii. The floating crafts to be mobilised for the activity has been considered under the Coastal service ships of all category as per companies Act 2013, mentioned under schedule II , Part-C Nature of Asset VII. The depreciation rate considered @ 9.5% on WDV method with useful life of 30 Years
- iv. However the rate computed was compared with Mormugao Port and the rate is Rs 126/-per Ton (Foreign)- w.e.f 01.05.2023 for 32 Ton Floating Crane.(Annexure-B)
- v. TAMP working guideline 2018, G.NO.30, dtd.30th January 2019, under clause 5.7.1 which empowers Major ports to consider rates available at other Major Ports.

The Committee proposed to consider the rate of Rs.126/- per tonne similar to MoPA.

III. Barge Charges:-

The Tariff Committee noted that the following and accepted the rate of Rs.75 per tonne as per calculation sheet attached at Annexure -C

- i. The capital cost of Barge of USD 1,09,000/- considered from market enquiry and conversion rate @ Rs 82 per USD taken for computation.
- ii. The barges of 3000 MT or less are considered for NMPA operation as these Barges do not require sea-going marine pilots. However if the service provider wishes to engage bigger barges of size above 3000 MT carrying capacity , then port will impose pilotage on the movement of barge.
- iii. The calculation sheet as per TAMP guidelines 2008 for fixation of cargo handling charges for the use of barging operation is Rs 75.28 per ton (Foreign) (Computation at Annexure-C)

- IV. The Tariff Committee also noted that the Shore Crane charges and all other applicable rates like Port dues, Pilotage, Berth hire, Anchorage charges will be applicable as per NMPA SOR rates subjected to indexation and tariff related orders from time to time.

- C) The Tariff Committee also deliberated and agreed to consider the tariff related orders and the indexation @ 100% notified by IPA from time to time for all tariff applicable to "Iron-ore handling at Anchorage"
- D) Further, the Tariff Committee also deliberated the Traffic Department's recommendation to finalise the notified ad-hoc rate for "Pollution Mitigation, Safety, Supervision and Infrastructure" Cess @ ₹16 per tonne on the declared Quantity for Export of Iron-ore. Moreover, the Committee unanimously agreed to rename the term "Pollution Mitigation, Safety, Supervision and Infrastructure cess" as "Pollution Mitigation Charges".

The Committee observed that the expenditure on Pollution Mitigation, Safety and other Infrastructure requirements are substantial, to keep the rates competitive, the Committee proposed to keep Rs.16/- per tonne.

3. Recommendations:

- 3.1) The committee after detailed deliberations on the Board approved ad hoc rates, recommends to consider the same charges, which are summarized below, subject to approval of Competent Authority.

A) Charges Payable by operator to the Port;

I. License Fee:

Particulars	Rates per annum
Transhipper	Rs.2,00,000
Floating Crane	Rs.1,50,000

Security Deposit of Rs.5,00,000 shall be deposited by the licensee before issuance of the composite license by port.

II. Cargo Handling charges via Transhipper / Floating crane:

Rs.6.90 per ton of cargo handled via Transhipper /Floating Crane, which is as per the MoPA SOR rates



III. Private crane charges:

Rs. 11.20 per ton of cargo handling charge for using Private cranes provided by licensee which is as per the highest revenue share obtained on the SOR rate in the tender floated by NMPA in the year 2020 for engagement of private HMC.

IV. Charges Payable to the Operator by the User;

- 1) Ceiling tariff to be followed by Transhipper/Floating Crane/Barges and Shore Crane operator by levy of charges from exporter /importers.

Particulars	Recommended Rates				Remarks
	Transhipper	Floating Crane	Shore Crane	Barges	
Charges For Use Of Transhipper/ Floating Crane/Barges Provided by the Licensee	Rs.160 per tonne, Rates adapted from Mormugao port SOR	Rs.126 per tonne, Rates adapted from Mormugao port SOR	Rs.55.47 per tonne, Rates as per NMPA SOR	Rs.75 per tonne Rates as per TAMP calculation sheet	Ceiling rate to be paid by exporter / importer to the port authorized operators

- 2) All other applicable rates like Port dues, Pilotage, Berth hire, Anchorage charges will be levied as per NMPA SOR rates subject to indexation and tariff related orders from time to time.

General Conditions:

- 1) The license shall be issued on composite basis for a period of 5 years to the licensee for providing the cargo handling service at the anchorage.
- 2) During monsoon/shut down period, the barges will not be accommodated inside the port and shall be shifted to other location outside port on licensees account & responsibility. Suitable berths for Floating crane and Transhipper shall be allocated by the Traffic Department subjected to availability.
- 3) The idling charges for the shore crane and any other charges applicable including cargo handling charges will be as per land SOR for the Shore Cranes deployed by the licensee to handle iron ore and other dry bulk cargo for barge loading/unloading for anchorage operation.



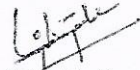
- 4) Documents related to Marine crafts like Transhipper, Floating Crane, Barges and other crafts if any shall be examined by Marine Dept, and documents related to shore cranes shall be examined by Mechanical Engineering Dept. and place to Traffic Department for issuance of license.
 - 5) Traffic Dept. will issue license with approval of Competent Authority and collect day to day recording of cargo data and shall ensure collection of CRC i.e Wharfage, Berth Hire, cargo handling charges, License fee. Marine Dept. shall collect VRC i.e Port dues, Pilotage and anchorage charges as per the procedure in vogue.
 - 6) Statement of Facts (SOF) and Draft Survey Report (DSR) shall be considered for calculating cargo handling charges.
- 3.2) The Tariff Committee after detailed deliberations, recommends to finalise the notified ad-hoc rate for "Pollution Mitigation, Safety, Supervision and Infrastructure" Cess @ ₹16 per tonne on the declared Quantity for Export of Iron-ore
- 3.3) The Committee also recommends hosting the proposed SoR in public domain to seek comments from port users before placing the final proposal to the Board for approval.



Shri. Sathish Kumar
Traffic Manager



Shri. Lagwankar
Chief Engineer



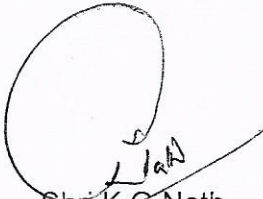
Capt. S.R. Pattanayak
Dy. Conservator



Shri. Deepak Rath
Chief Mechanical Engineer



Shri. Vinayaka Rao
FA & CAO



Shri. K.G. Nath
Dy. Chairperson

Cost calculation for fixation of cargo handling charges for use of Transhipper Crane (32 Tonnes) provided by authorised service providers at the
NEW MANGALORE PORT AUTHORITY

Sl No	Particulars	Workings	in Rs.
I	Capital Cost		
	Basic cost	USD26,000,000 x 82 (Cost received from MPT)	2132000000
	Add: Customs duty (@10%)		213200000
	Add: Towing Cost (freight)		5,00,00,000
	Add: Insurance (@1%)		2132000
	Total Capital Cost		2,39,73,32,000
II	Capacity computation		
	Available shifts per annum	365 days * 3 shifts per day	1095
	Norms for utilisation		70%
	Capacity in shifts per annum	1095 shifts * 70%	766.5
	Expected number of working hours per annum	766.5 shifts * 8 hours	6132
	Expected number of working hours for 8 months in fair season	6132 * 8 / 12	4088
	Rated capacity per hour (in tonnes)	22000/24 (22,000 Berth day output accepted during the Chairmans meeting dtd.21/06/2023)	916.67
	Rated capacity per annum	625 * 24 * 365	8030000
	Capacity considered for 8 months - fair season (tonnes)	4088 * 625	3747333.333
	Add: Traffic to be handled during monsoon season	NIL	
	Expected number of idle hours for 4 months off season no load	365*24 - 4088(Working Hours)	4672
	Volume considered for calculation of rate (tonnes)		3747333.333
	Annual Capacity (in tonnes)		3747333.333
III	Operating Cost		
	(a). Fuel Cost	Working Hours: 175 litres / hour(Taken from MPT SOR) * 4088 hours * Rs.87.13 per litre	62332802
		Idle hours: 50 litres / hour(Taken from MPT SOR) * 4672 hours * Rs.87.13 per litre	20353568
		Sub total fuel cost	82686370
	(b). Repairs & Maintenance Cost	5% of Capital cost (Rs.2397332000* 5%)	119866600
	(c). Insurance	1% of capital cost (Rs.2397332000* 1%)	23973320
	(d). Depreciation (@ 9.5%)	Capital cost x9.5%	227746540
	(e). Port charges	Vessel related charges (Port dues, Pilotage, Anchorage, Berth hire etc) (Coastal rates considered for calculation purpose)	

	Licensee Fee (As per MPT)		0	
	PORT DUES - 0.06417x82x30000 GRT		157858.2	
	Pilotage - 0.5145*82* 30,000 GRT		1265670	
	Anchorage Charges - 0.00074 * 82* 30000*24*30*8		10485504	
	Sub total port charges		1,19,09,032	
			46,61,81,862	
	(f) Other expenses			
	Rates considered from the wages paid to NMPA Tug manpower by the firm M/s. Ocean Sparkle group.		5497824	
	DECK: CAPTAIN:2,20,000 X12,Chief Officer:1,13,000, Second Officer:40,000x12,1 Cadet:8,000x12,Able Body :20,000x3Nox12, Sea Men:8,576x2x12			
	ENGINE: CHIEF ENGINEER:2,20,000X12, Second Engineer:1,10,000x12,Trainee Engineer: 40,000x12, Oiler: 12,792x3x12, Cook: 35,000x12, Wiper, Filter, Electrician officer:20,000x3x12, General Staff: 12,792x12		6194016	
	CRANE: Operator: 60,000 x 8Nos x 8months (Amount being paid by M/s. Vedanta at MPT)		3840000	
	10% on operating exp. Except depreciation and port charges -		24205813	
	Other expense total		39737653	
	TOTAL (a) to (f)		50,59,19,515	
	16% of capital Cost		31,06,94,227	
IV	Return on Capital Employed			
	NMPT : @ 16% of Avg. WDV (Written Down Value) arrived for first 3 years at Rs. 197 crores			
		Year 1	Year 2	Year 3
	Capital Cost	2397332000	2169585460	1941838920
	Depreciation	227746540	227746540	227746540
	WDV	2169585460	1941838920	1714092380
			1941838920	
	ROCE @ 16% of Avg. WDV		310694227.20	
V	Total Annual cost recovery Requirement (III + IV)			81,66,13,742
IV	Tariff per TEU TON (V / II)			217.92

Cost calculation for fixation of cargo handling charges for use of Floating Crane (32 Tonnes) provided by authorised service providers at the NEW MANGALORE PORT AUTHORITY

Sl No	Particulars	Workings	In Rs.
I	Capital Cost		
	Basic cost	\$9000000 x 82 (Cost Taken from MPT SOR)	738000000
	Add: Customs duty (@10%)	73800000	73800000
	Add: Towing Cost (freight)	5,00,00,000	5,00,00,000
	Add: Insurance (@1%)	738000	738000
	Total Capital Cost		86,25,38,000
II	Capacity computation		
	Available shifts per annum	365 days * 3 shifts per day	1095
	Norms for utilisation	70%	70%
	Capacity in shifts per annum	1095 shifts * 70%	766.5
	Expected number of working hours per annum	766.5 shifts * 8 hours	6132
	Expected number of working hours for 8 months in fair season	6132 * 8 / 12	4088
	Rated capacity per hour (in tonnes)	15000/24 (15,000 Berth day output accepted during the Chairmans meeting dtd.21/06/2023)	625
	Rated capacity per annum	625 * 24 * 365	5475000
	Capacity considered for 8 months - fair season (tonnes)	4088 * 625	2555000
	Add: Traffic to be handled during monsoon season	NIL	
III	Expected number of Idle hours for 4 months off season and no load period	365*24 - 4088(Working Hours)	4672
	Volume considered for calculation of rate (tonnes)		2555000
	Annual Capacity (in tonnes)		2555000
	Operating Cost		
	(a). Fuel Cost	Working Hours: 96 litres / hour (Taken from MPT SOR) * 4088 hours * Rs.87.13 per litre	34193994.24
		Idle hours: 12 litres / hour (Taken from MPT SOR)* 4672 hours ** Rs.87.13 per litre	4884856.32
		Sub total fuel cost	39078850.56
	(b). Repairs & Maintenance Cost	5% of Capital cost	43126900
	(c). Insurance	1% of Capital cost	8625380
	(d). Depreciation (@ 9.5%)	Capital cost x9.5%	81941110
(e). Port charges	Vessel related charges (Port dues, Pilotage, Anchorage, Berth hire etc) (Coastal rates considered for calculation purpose)		

	Licensee Fee (As per MPT)		0
	PORT DUES - 0.06417x82x30000 GRT		157858.2
	Pilotage - 0.5145*82* 30,000 GRT		1265670
	Anchorage Charges - 0.00074 * 82* 30000*24*30*8		10485504
	Sub total port charges		1,19,09,032
			18,46,81,273
	(f) Other expenses		
	MANPOWER COST		
	Rates considered from the wages paid to NIMPA Tug manpower by the firm M/s.Ocean Sparkle group.		
	DECK: CAPTAIN:2,20,000 X12,Chief Officer:1,13,000, Second Officer:40,000x12,1 Cadet:8,000x12,Able Body :20,000x3Nox12, Sea Men:8,576x2x12		5497824
	ENGINE: CHIEF ENGINEER:2,20,000X12, Second Engineer:1,10,000x12,Trainee Engineer: 40,000x12, Oiler: 12,792x3x12, Cook: 35,000x12, Wiper, Fitter, Electrician officer:20,000x3x12, General Staff: 12,792x12		6194016
	CRANE: Operator: 60,000 x 8Nos x 8months(Operational period), Amount being paid by M/s.Vedanta at MPT		3840000
	10% on operating exp. Except depreciation and port charges -		10636297.06
	Other expense total		26168137.06
	TOTAL (a) to (f)		21,08,49,410
	16% of capital Cost		11,17,84,925
IV	Return on Capital Employed		
	NMPT : @ 16% of Avg.WDV(Written Down Value) arrived for first 3 years at Rs.92.31 crores		
		Year 1	Year 2
	Capital Cost	862538000	780596890
	Depreciation	81941110	81941110
	WDV	780596890	698655780
			616714670
			698655780
	ROCE @ 16% of Avg.WDV		111784925
V	Total Annual cost recovery Requirement		(III) +
IV	Tariff per TON		(V / II)
			32,26,34,335
			126.28

Cost calculation for fixation of cargo handling charges for use of Barges (3000 MT Capacity) self propelled provided by authorised service providers at the NEW MANGALORE PORT AUTHORITY

SI No	Particulars	Workings	in Rs.
I	Capital Cost	USD1090000 X 82	89380000
	Basic cost	Indigenous Barge	0
	Add: Customs duty (@10%)	12 Hours (From MPT to NMPA) x 100 Litres/hour	10,45,560
	Add: Towing Cost (freight)		893800
	Add: Insurance (@1%)		9,13,19,360
	Total Capital Cost		
II	Capacity computation		
	Available shifts per annum	365 days * 3 shifts per day	1095
	Norms for utilisation	70%	766.5
	Capacity in shifts per annum	1095 shifts * 70%	6132
	Expected number of working hours per annum	766.5 shifts * 8 hours	4088
	Expected number of working hours for 8 months in fair season	6132 * 8 / 12	
	Rated capacity per hour (in tonnes)	6000 / 24 (3000MT capacity barges 2 trips in 24Hrs)	250
	Rated capacity per annum	250 * 24 * 365	2190000
	Capacity considered for 8 months - fair season (tonnes)	4088 * 250	1022000
	Add: Traffic to be handled during monsoon season	NIL	4672
Expected number of Idle hours for 4 months off season no load	365*24 - 4088(Working Hours)	1022000	
Volume considered for calculation of rate (tonnes)		1022000	
Annual Capacity (in tonnes)			
III	Operating Cost		
	(a). Fuel Cost	Working Hours: 100 litres / hour (Data from Barge operators) * 4088 hours * Rs.87.13 per litre	35618744
		Idle hours: 12 litres / hour (Data from Barge operators)* 4672 hours * Rs.87.13 per litre	4884856.32
		Sub total fuel cost	40503600.32
		5% of Capital cost	4565968
	(b). Repairs & Maintenance Cost	1% of capital cost	913193.6
	(c). Insurance	Capital cost x9.5%	8675339.2
	(d). Depreciation (@ 9.5%)	Vessel related charges (Port dues, Pilotage, Anchorage, Berth hire etc) (Coastal rates considered for calculation purpose)	
	(e) Port charges	Licensee Fee (As per MPT)	0

		PORT DUES - 3.0015x511000		3067.533
		Pilotage - NIL		0
		Berth hire Charges 132.872 * 4 Hrs		2172.722,944
				52,40,256
		Sub total port charges		5,98,98,357
	(f) Other expenses			
	MANPOWER COST	Rates considered from the wages paid to NMPA Tug manpower by the firm M/s. Ocean Sparkle group. DECK: Master:40,000 ,Able Body :20,000 Sea Men:8,576		68576
	Management and Administration Overheads	10% on operating exp. Except depreciation and port charges -		5129159,386
		Other expense total		5197735,386
		TOTAL (a) to (f)		6,50,96,092
		16% of capital Cost		1,18,34,989
IV	Return on Capital Employed			
	NMPT : @ 16% of Avg.WDV(Written Down Value) arrived for first 3 years at Rs.92.31 crores			
		Year 1	Year 2	Year 3
	Capital Cost	91319360	82644010.8	73968681.6
	Depreciation	8675339.2	8675339.2	8675339.2
	WDV	82644010.8	73968681.6	65293342.2
				73968681.6
	ROCE @ 16% of Avg.WDV		11834989.06	
V	Total Annual cost recovery Requirement		(III +	7,69,31,082
	IV)		(V / II)	
IV	Tariff per TON			75.28

**NEW MANGALORE PORT AUTHORITY
FINANCE DEPARTMENT**

**PROPOSED SCALE OF RATES (SOR) FOR VARIOUS SERVICES IN "HANDLING
OF IRON ORE/DRY BULK CARGO AT THE ANCHORAGE OF NMPA"**

A) Charges Payable by operator to the Port;

I. License Fee:

Particulars	Rates per annum
Transhipper	Rs.2,00,000
Floating Crane	Rs.1,50,000

Security Deposit of Rs.5,00,000 shall be deposited by the licensee before issuance of the composite license by port.

II. Royalty (Cargo Handling) charges via Transhipper / Floating crane:

Rs.6.90 per ton of cargo handled via Transhipper /Floating Crane

III. Royalty charges on Shore Crane / Private Crane:

Rs. 12.30 per ton of cargo handling charge for using Private cranes provided by licensee. This rate is arrived after considering 100% indexation ($60.92 \times 20.19\% = 12.30$)

B) Charges Payable to the Operator by the User;

- 1) Ceiling tariff to be followed by Transhipper/Floating Crane/Barges and Shore Crane operator by levy of charges from exporter /importers.

Particulars	Recommended Rates				Remarks
	Transhipper	Floating Crane	Shore Crane	Barges	
Charges For Use Of Transhipper/ Floating Crane/Barges Provided by the Licensee	Rs.160 per tonne	Rs.126 per tonne	Rs.60.92 per tonne	Rs.75 per tonne	Ceiling rate to be paid by exporter / importer to the port authorized operators

2) All other applicable rates like Port dues, Pilotage, Berth hire, Anchorage charges will be levied as per NMPA SOR rates subject to indexation and tariff related orders from time to time.

- C) The Tariff related orders and the indexation @ 100% notified by IPA from time to time shall be applicable for all tariff related to "Iron-ore handling at Anchorage"
- D) Pollution Mitigation Charges (previously termed as "Pollution Mitigation, Safety, Supervision and Infrastructure" Cess) shall be @ ₹16 per tonne on the declared Quantity for Export of Iron-ore.

General Conditions:

- 1) The license shall be issued on composite basis for a period of 5 years to the licensee for providing the cargo handling service at the anchorage.
- 2) During monsoon/shut down period, the barges will not be accommodated inside the port and shall be shifted to other location outside port on licensees account & responsibility. Suitable berths for Floating crane and Transhipper shall be allocated by the Traffic Department subjected to availability.
- 3) The idling charges for the shore crane and any other charges applicable including cargo handling charges will be as per land SOR for the Shore Cranes deployed by the licensee to handle iron ore and other dry bulk cargo for barge loading/unloading for anchorage operation.
- 4) Documents related to Marine crafts like Transhipper, Floating Crane, Barges and other crafts if any shall be examined by Marine Dept, and documents

related to shore cranes shall be examined by Mechanical Engineering Dept. and place to Traffic Department for issuance of license.

- 5) Traffic Dept. will issue license with approval of Competent Authority and collect day to day recording of cargo data and shall ensure collection of CRC i.e Wharfage, Berth Hire, cargo handling charges, License fee. Marine Dept. shall collect VRC i.e Port dues, Pilotage and anchorage charges as per the procedure in vogue.
- 6) Statement of Facts (SOF) and Draft Survey Report (DSR) shall be considered for calculating cargo handling charges.