

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

Tariff Authority for Major Ports

G.No.176

New Delhi,

25 May 2015

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby fixes the wharfage charges for shipment of iron ore fines from Jetty No.8 by the Kudremukh Iron Ore Company (KIOCL) through the NMPT during year 2013-14 as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/10/2015-NMPT

New Mangalore Port Trust

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Applicant

QUORUM:

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. C.B. Singh, Member (Economic)

ORDER

(Passed on this 15 day of May 2015)

This case relates to the proposal dated 6 February 2015 received from the New Mangalore Port Trust (NMPT) for fixation of final wharfage charges for shipment of iron ore fines from Jetty No.8 by the Kudremukh Iron Ore Company Limited (KIOCL) through the NMPT during year 2013-14 through NMPT.

2. The wharfage rate for the iron ore/pellets exported by the KIOCL through the NMPT is calculated annually with reference to actual expenditure following the methodology decided in the Inter-Secretarial meeting held on 27 May 1992 between the Secretary (Ministry of Surface Transport) and the Secretary (Steel). Accordingly, the following components are included for calculation of wharfage for shipment of iron ore or pellets of KIOCL from NMPT:

- (i). Share of operating expenditure of Traffic Department.
- (ii). Dredging expenditure proportionate to the traffic handled.
- (iii). Depreciation.
- (iv). Share of Management and Administration overheads.
- (v). Interest on Capital.
- (vi). Return on Capital @6%.

3. The proposal for fixation of final wharfage rate of ₹45.933 per MT for iron ore fines exported by KIOCL during the year 2013-14, follows the methodology agreed in the inter-Secretarial meeting. The statement of calculation of wharfage for the year 2013-14 submitted by NMPT has been accepted by KIOCL and a copy of the consent letter No. KIOCL/FAC/MR/4421 dated 2 February 2015 of KIOCL is also made available to us.

4. However, in accordance with the consultation process prescribed, a copy of the proposal received from the NMPT alongwith detailed cost calculation was forwarded to KIOCL. The KIOCL has vide its letter dated 2 March 2015 has requested this Authority to approve the final wharfage rate at ₹45.933 per MT for shipment / receipt of iron ore fines by KIOCL through Jetty No.8 during the year 2013-14.

5. Since both the parties have undergone the process of mutual consultation between them and the correspondence exchanged between them reflects the views of both the parties, a separate hearing in this case is not considered necessary.

6. The proposed wharfage rate is based on agreed methodology. Since both the parties have agreed to the proposed wharfage rate, this Authority is inclined to approve the rate proposed by the NMPT.

7. Accordingly, based on a collective application of mind, this Authority approves the proposed wharfage rate for iron ore fines exported by the KIOCL at Jetty No.8 of the NMPT during the year 2013-14 from New Mangalore Port at ₹45.933 PMT.

(T.S. Balasubramanian)
Member (Finance)