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Tariff Authority for Major Ports

G No. 154 **New Delhi, 28 June 2012**

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 on iron ore / pellets exported by the Kudremukh Iron Ore Company Limited from the New Mangalore Port Trust during the year 2010-11 as in the Order appended hereto.

(Rani Jadhav)
Chairperson

Tariff Authority for Major Ports

Case No. TAMP/25/2012-NMPT

New Mangalore Port Trust ... Applicant

O R D E R

(Passed on 18th day of June 2012)

This case relates to the proposal dated 19 April 2012 received from the New Mangalore Port Trust (NMPT) for fixation of final wharfage rate for iron ore fines / pellets exported by the Kudremukh Iron Ore Company (KIOCL) through the NMPT during year 2010-11.

2. The wharfage rate for the iron ore exported by the KIOCL through the NMPT is calculated with reference to actual expenditure incurred during the year concerned. The methodology of fixation of wharfage rates in respect of the KIOCL ore is in accordance with the decision taken in the Inter-Secretarial meeting between the Secretary (MOST) and the Secretary (Steel) held on 27 May 1992. It was decided in that meeting that the wharfage rate for KIOCL should be fixed annually based on the actual expenditure towards the various components as detailed below:

(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%.

3.1. The NMPT has stated that the methodology for fixation of the wharfage rate in respect of iron ore /pellets of the KIOCL is in accordance with the decision taken in the Inter-Secretarial meeting between the Secretary (MOST) and the Secretary, Ministry of (Steel) held on 27 May 1992. The sharing of certain elements of expenditure between the MRPL, KIOCL and NMPT is duly considered as per the agreements between them. The final rate for the year 2010-11 has been worked out based on the actuals and has been fixed at ₹49.9833 PMT.

3.2. The NMPT has informed that KIOCL after verification of calculation of wharfage has confirmed in writing that the wharfage rate for iron ore fines / pellets handled by it in the year 2010-11 is ₹49.9833 PMT. It has also furnished a copy of the letter No.KIOCL/FAC/MR/5098 dated 29 March 2012 addressed by KIOCL to NMPT in this regard.

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

5. 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.

6. Accordingly, based on a collective application of mind, this Authority approves the proposal of the NMPT for fixation of wharfage rate for iron ore / pellets exported by the KIOCL during the year 2010-11 from New Mangalore Port at ₹49.9833 PMT.

(Rani Jadhav)
Chairperson