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Tariff Authority for Major Ports

G No. 24 New Delhi 29 January 2013

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 off the proposal filed by the Kandla Port Trust for review of the upfront tariff fixed vide Order No.TAMP/45/2011-KPT dated 18 June 2012 for the Barge handling facility at Bunder Basin at Kandla Port Trust in pursuance of the guidelines for upfront tariff setting at Major Port Trusts vide this Authority's Notification No.TAMP/52/2007-Misc. dated 26 February 2008 as in the Order appended hereto.

(Rani Jadhav)
Chairperson

Tariff Authority for Major Ports

Case No. TAMP45/2011-KPT

Kandla Port Trust **…** **Applicant**

QUORUM:

(i). Smt. Rani Jadhav, Chairperson
(ii). Shri. T.S Balasubramanian, Member (Finance)

O R D E R

(Passed on 11th day of January 2013)

This case relates to a proposal received from the Kandla Port Trust (KPT) for review of the upfront tariff of the Barge handling facility at Bunder Basin at Kandla Port Trust.

2. This Authority has passed an Order on 18 June 2012 disposing of the proposal received from the KPT for fixation of upfront tariff for the upgradation of the Barge handling facility at Bunder Basin at KPT. This Order has been notified in the Gazette of India Extraordinary (Part III Section 4) on 16 August 2012 vide Gazette No. 173.

3. In this context, the KPT vide its letter dated 18 September 2012 has made following submissions:-

(i). To determine the upfront tariff, the license fee of the land area of 12 Hectares (including custom bound area of 7 Hectares) has been considered at ₹117.16/Sqm/annum (including escalation up to January 2012) as per para A of chapter VI of approved KPT SOR.

(ii). In this regard, in para 11(vii)(a)(vi) of TAMP order, it is mentioned that *"It is ascertained from KPT that the lease rental prescribed for the category 'land having water front and upto half mile from shore i.e. the west bank of Kandla creek' is relevant for determining the licence fee for the project at Bunder basin. The lease rental prescribed for the said area in the said Order is ₹110.40 per sq. m. per annum with effect from 1 January 2009 subject to annual escalation of 2%. The license fee in the instant case is estimated adopting the rate of ₹117.16 per sq. m. per annum by applying annual escalation of 2% to arrive at the 2012 rate. Accordingly, lease rentals are estimated for the 12 hectares of land."*

(iii). In this context, it is clarified that in the tariff proposal submitted by KPT to TAMP for approval, the following licence fee for land area was proposed:

(a). Existing custom bounded area 07 Ha-₹ 15.97/Sqm/month (180.60/12 + 2% escalation of 3 years) as per category E of Ch VI of approved KPT SOR.

(b). Land area of 05 Ha – ₹ 12.60/Sqm/month as per category 2.5A of approved KPT Scale of Rates (Rate of kutchha plot beyond 180 Days).

(iv). As in respect of land within the custom bound area, the rates of "Land having water front and upto half mile from the shore i.e the west bank of kandla creek " is not applicable.

(v). It is requested to reconsider the decision and that the rates proposed by KPT may be considered for tariff proposal.

(vi). Further, it is informed that the Valuation of existing structures at Bunder Basin has been carried out by Government Registered Valuer and the value of which is less than the upfront amount considered in TAMP proposal i.e ₹ 10.14 Cr. Hence, it is in line with para 8(iv) of approved tariff order.

(vii). In the meantime, in line with approved tariff, KPT has modified the earlier SFC memo along with bidding documents. Accordingly, Modified documents have been sent to Ministry for their approval subject to outcome of the TAMP on license fee, if any.

4.1. With regard to the licence fee, it appeared that the KPT requested for reviewing the licence fee considered in case of the 7 hectares of custom bounded area. While the rate stipulated in the Rent Schedule of KPT at Sl. No. A relating to ‘land having water front and upto half mile from shore i.e. the west bank of Kandla creek’ had been considered, the KPT requested to consider the rate stipulated in the Rent Schedule of KPT at Sl. No. E relating to ‘land within the docks’. While determining the upfront tariff in the case in reference, while finalizing the case, the position relating to the rate of licence fee was ascertained from KPT itself. However, since the KPT had requested for review of the licence fee based on a different categorization of the land, it was felt necessary to request KPT to reconfirm the position in this regard.

4.2. With regard to the Valuation of existing structures at Bunder Basin, the KPT had reported that the value of the existing structures at Bunder Basin based on the valuation is lower than the valuation of ₹.10.14 crores considered while fixing the upfront tariff for Bunder basin. However, the KPT did not indicate the lower value of existing structure.

4.3. In view of the position as brought out at para 4.1 and 4.2 above, the KPT was requested vide our letter dated 26 September 2012 to furnish the requisite information.

5. The KPT vide its letter dated 26 October 2012 has responded. The information sought by us and the reply of KPT thereon is tabulated below

Sr. No.	Information sought from KPT	Reply of KPT
(i).	With regard to the licence fee considered while determining the upfront tariff in the case in reference, the KPT has requested for reviewing the licence fee considered in case of the 7 hectares of custom bounded area based on the rate stipulated in the Rent Schedule of KPT at Sl. No. E relating to ‘land within the docks’. In this connection, it is relevant to mention here that before finalizing the case, the position about the licence fee to be considered for the entire 12 hectares of land was ascertained from KPT and accordingly the rate stipulated in the Rent Schedule of KPT at Sl. No. A relating to ‘land having water front and upto half mile from shore i.e. the west bank of Kandla creek’ from the Rent Schedule of Kandla Port Trust (KPT) was considered. Therefore, the KPT is requested to reconfirm the position to consider the licence fee for the 7 hectares of custom bounded area based on the rate stipulated in the Rent Schedule of KPT at Sl. No. E relating to ‘land within the docks’.	In this regard, it is to submit that out of 12 Ha of land area 7 Hectare is custom bounded area and remaining 5 Hectare is outside custom bounded area, but both areas are contiguous. Moreover, the remaining 5 Hectare land area will also be custom bounded area with start of commercial Operation within 18 months of award of concession. Hence, it is reconfirmed that the license fee for the entire back-up area i.e 12 hectares of Bunder Basin is to be considered as ₹191.65/Sq mt/Annum –the lease rent for “Land within docks” as per Chapter VI at Sl No E of KPT SOR approved by TAMP
(ii).	With regard to the Valuation of existing structures at Bunder Basin relating to civil works like stacking area, SWD, roads, fencing wall replacement and water supply line, the KPT has not indicated the amount arrived by Government Registered Valuer for the valuation of above mentioned structures	The Valuation of existing Port assets at Bunder Basin to be handed over to the concessionaire has been got worked out by Government Registered Valuer, M/s K.M Thacker & Associates, Gandhidham, which comes to ₹9,60,44,000/- against the ₹10.14 Cr the actual expenditures incurred by KPT to create such assets .A copy of same is

	at Bunder Basin. The KPT is, therefore, requested to indicate the amount arrived by Government Registered Valuer for the valuation of the said structures at Bunder Basin supported by documentary evidence.	enclosed

6.1. With regard to the licence fee considered while determining the upfront tariff in the case in reference, the following is pertinent:

(i). The KPT in its proposal had calculated licence fee for 12 hectares of land in the following manner:

(**₹ in lakhs**)

On 7 hectares @ Rs.1.597 per hectare per month for 12 months)	134.15
On 5 hectares @ Rs.1.260 per hectare per month for 12 months)	75.60

(ii). While finalizing the case in reference, based on the position ascertained from the KPT, the licence fee for the entire area of 12 hectares was considered based on the rate stipulated in the Rent Schedule of KPT at Sl. No. A relating to 'land having water front and upto half mile from shore i.e. the west bank of Kandla creek', as recorded in paragraph no.11(vii)(a)(vi) of the Order dated 18 June 2012.

(iii). Now, the KPT vide its letter dated 26 October 2012 has reconfirmed and categorically stated that the license fee for the entire back-up area of 12 hectares of Bunder Basin is to be considered at ₹191.65/Sq mt/Annum, being the lease rent for "Land within docks" as per Sl No E of Chapter VI of KPT SOR approved by TAMP.

(iv). The licence fee for the category 'Land within the Docks' has been prescribed at ₹180.60 per sq. m. per annum with effect from 1 January 2009 subject to annual escalation of 2%. By applying an annual escalation of 2%, the license fee for the said category applicable for the year 2012 works out to ₹191.65 per sq. m. per annum, as mentioned by KPT in its letter dated 26 October 2012.

(v). Given that the KPT has now proposed to consider the licence fee for the 12 hectares of land @ ₹191.65 per sq. m. per annum, it is appropriate to build the same in the upfront tariff.

6.2. With regard to the Valuation of existing structures at Bunder Basin, it is relevant here to recollect the position as recorded in paragraph no.11(v)(a)(i)(c) of the Order of June 2012 that the KPT had considered upfront payment as an item of capital civil cost. The said upfront payment represents recovery of the cost of civil works like stacking area, SWD, roads, fencing wall replacement, water supply line, etc., already incurred by KPT and which are to be handed over to the BOT operator. The KPT had confirmed that the cost of the assets to be handed over to the BOT operator is as per the current market rates.

When the KPT was requested during the proceedings relating to the Order of June 2012, to relook at the valuation of the facilities proposed to be handed over to the BOT operator and to certify that method of valuation adopted by it conforms to the Government instructions, the KPT had categorically replied that there are no guidelines prescribed by the Government and that it has considered the upfront premium based on the actual cost incurred for the facilities. The KPT had further stated that the valuation by Registered Government Valuer was being obtained and the higher value will be incorporated by KPT. The KPT did not furnish the Valuation Report till the finalization of the case. It was not clear how a different value of assets could be factored at a later stage by KPT. The values reported by KPT were relied upon at that material point of time.

6.3. Now, the KPT has communicated the valuation of existing port assets at Bunder Basin to be handed over to the Concessioanire valued by the Government registered Valuer at ₹9.60 crores instead of ₹10.14 crores communicated earlier.

6.4. Subsequently, at our request, the KPT vide its letter dated 27 December 2012 has communicated the current book value of each of the port assets to be handed over to the Concessionaire aggregating to ₹8.81 crores. The current book value is found to be lower than the value assessed by the valuer. Consideration of lower value in costing will end up in loss to the KPT. It is noteworthy that KPT had also intended to consider higher value as and when available. Therefore, the value as assessed by the Valuer at ₹9.60 crores is taken into account.

6.5. It may be relevant here to mention that in the tariff Order of June 2012, the valuation amount of ₹10.14 crores has been trifurcated between civil and equipment capital costs relating to cargo handling activity at barge jetty and Berth hire activity in the ratio of 27.6 : 20 : 52.4. Accordingly, the amount of ₹9.60 crores is also trifurcated among the civil and equipment capital costs relating to cargo handling activity at barge jetty and Berth hire activity in the above mentioned ratio.

7. In view of the position as brought out in the preceding paragraphs, the Cost statement forming part of the tariff Order of June 2012 requires to be modified to reflect the revised licence fees and upfront payment relating to valuation of the existing structures. The modified Cost statement is attached as **Annex - I**. As can be seen from the Cost statement, incorporation of the above changes in the Cost statement has led to a revision in the upfront tariff fixed vide tariff Order of June 2012.

8. In the result, for the reasons given above and based on a collective application of mind, this Authority approves the revised Scale of rates for handling dry bulk cargo, steel and bagged cargo and timber at the Bunder Basin at the Kandla Port Trust which is attached as **Annex - II**, in supersession of the earlier Scale of Rates approved in the Order No.TAMP/45/2011-KPT dated 18 June 2012.

(Rani Jadhav)
Chairperson

ANNEX - I

UPFRONT TARIFF CALCULATION FOR UPGRADATION OF BARGE HANDLING FACILITY AT BUNDER BASIN AT KANDLA PORT TRUST.

₹ in Lakhs

Sr. No.	Particulars	Estimates furnished by KPT in its proposal of August 2011	Revised Estimates furnished by KPT in its proposal of April 2012	Estimates modified by TAMP
I	**Optimal capacity of the Barge handling facility**			
	Number of excavators (4.5 cum bucket capacity)	3	3	3
	Moves per hour per Excavator	100	100	100
	Operating load factor(Cargo lifted in a single move as percentage of maximum possible volume)	0.7	0.7	0.7
	Dry bulk cargo handled in one hour by three excavators	(4.5 cum)*(1 Ton/cum)*0.7*(100 moves/hour)*3 = 945 Tonnes/hour	(4.5 cum)*(1 Ton/cum)*0.7*(100 moves/hour)*3 = 945 Tonnes/hour	(4.5 cum)*(1 Ton/cum)*0.7*(100 moves/hour)*3 = 945 Tonnes/hour
	Operating hours in a day	16.8 hours i.e. 24 hours *0.7	16.8 hours i.e. 24 hours *0.7	24 hours
	Handling Rate of 3 excavators			
	- Handling rate/day for bulk cargo	(945 Tonnes/hour)*(16.8 hours) = 15,876 Tonnes/day	(945 Tonnes/hour)*(16.8 hours) = 15,876 Tonnes/day	(945 Tonnes/hour)*(24 hours) = 22680 Tonnes/day
	- Handling rate/day for steel and bagged cargo	53.33% of 15,876 = 8467 Tonnes/day	53.33% of 15,876 = 8467 Tonnes/day	53.33% of 22680 = 12095 Tonnes/day
	- Handling rate/day for timber logs	33.33% of 15876 = 5,292 Tonnes/day	33.33% of 15876 = 5,292 Tonnes/day	33.33% of 22680 = 7559 Tonnes/day
	Percentage of cargo to be handled			
	- All kinds of Bulk Cargo	71.29%	71.29%	71.29%
	- Steel and Bagged cargo	1.70%	1.70%	1.70%
	- Timber Logs	27.01%	27.01%	27.01%
	Optimal Capacity of the of the Barge Jetty	365*0.7*(71.29%*15,876 + 1.70%*8,467 + 27.01%*5,292) = 32,93,759 Tonnes	365*0.7*(71.29%*15,876 + 1.70%*8,467 + 27.01%*5,292) = 32,93,759 Tonnes	365*0.7*(71.29%*22680 + 1.70%*12095 + 27.01%*7559) = 47,05,256 Tonnes
	Thus, Optimal capacity of the Barge Jetty (in Million tonnes per annum)	**3.29**	**3.29**	**4.71**
II	**Optimal Capacity of the Floating crane at Outer Tuna Buoy**			
	Number of floating cranes	1	1	1
	Max per hour volume	1300 tonnes/ hour	1300 tonnes/ hour	1300 tonnes/ hour
	Operating Load factor	70%	70%	70%
	Dry bulk (tonnes/ hour)	910 tonnes per hour	910 tonnes per hour	910 tonnes per hour
	Break bulk (tonnes/ hour)	485 tonnes per hour	485 tonnes per hour	485 tonnes per hour
	Timber logs (tonnes/ hour)	303 tonnes per hour	303 tonnes per hour	303 tonnes per hour
	Operating hours in a day	16.8 hours	16.8 hours	24 hours
	Cargo handling ratio			
	Dry bulk	71.29%	71.29%	71.29%
	Break bulk	1.70%	1.70%	1.70%
	Timber logs	27.01%	27.01%	27.01%
	Cargo handling rates per day (tonnes/ days)			
	Dry bulk	15288 tonnes per day	15288 tonnes per day	21840 tonnes per day
	Break bulk	8153 tonnes per day	8153 tonnes per day	11640 tonnes per day
	Timber logs	5096 tonnes per day	5096 tonnes per day	7272 tonnes per day
	Optimal Capacity of the floating cranes	365*0.7*(71.29%*15,288 + 1.70%*8,153 + 27.01%*5,096) = 3171768 tonnes	365*0.7*(71.29%*15,288 + 1.70%*8,153 + 27.01%*5,096) = 3171768 tonnes	365*0.7*(71.29%*21840 + 1.70%*11640 + 27.01%*7272) = 45,30,471 tonnes
	Optimal Capacity of the floating cranes (in Million tonnes per annum)	**3.17**	**3.17**	**4.53**
III	**Capital Cost**			
A.	**Cargo Handling Activity at Barge Jetty**			
	(i). Civil Cost			
	- RCC work Dismantling	0.06	0.06	0.06
	- Temporary Fencing Wall	41.72	41.72	41.72
	- Asphalt Paving	19.88	19.88	19.88
	- Development of the backup area (Civil Works)	2564.96	2331.78	2356.49
	- Ancillary Infrastructure Works	100.00	100.00	100.00
	- DPR Preparation	37.50	37.50	0.00
	- Upfront payment to KPT (for stacking area, SWD, roads, fencing wall replacement and water supply line)	279.87	279.87	265.08
	- Miscellaneous Cost @ 5%	152.20	140.54	139.16
	Total	**3196.19**	**2951.35**	**2922.39**

	(ii). Equipment Cost			
	- Excavators (4.5 cum) – 4 Nos by KPT, 3 Nos by TAMP.	2108.00	2108.00	1821.64
	- Fork Lift Truck (5MT)- 4 Nos.	96.00	96.00	96.00
	- Fork Lift Truck (10MT)- 2 Nos.	73.00	73.00	73.00
	- Pay Loader (10MT)- 9 Nos.	328.50	328.50	328.50
	- Excavators for cargo handling at backup area—3 nos.	100.22	100.22	100.31
	- Firefighting	28.00	28.00	28.00
	- Electrification	100.00	100.00	100.00
	- Weighbridge	70.00	70.00	70.00
	- Upfront payment to KPT (for firefighting, electrification and existing weighbridge)	202.88	202.88	192.09
	- Miscellaneous Cost @ 5%	155.33	155.33	140.48
	Total	**3261.93**	**3261.93**	**2950.01**
	Total Capital Cost for Barge Jetty (i + ii)	**6458.12**	**6213.28**	**5872.40**
B.	**Floating crane at Outer Tuna Buoy**			
	- Floating Crane including dumped barge, tug and other required components - 1 No.	2380.00	2380.00	2602.88
	- Miscellaneous Cost @ 5%	119.00	119.00	130.14
	Total	**2499.00**	**2499.00**	**2733.02**
C.	**Berth Hire Activity**			
	- Pile Foundation	552.70	686.92	686.92
	- Super structure	228.86	325.20	325.20
	- Bollards and Fenders	8.51	11.46	11.46
	- Upfront payment to KPT (for south wharf and its extension)	531.56	531.56	503.32
	- DPR preparation	37.50	37.50	0.00
	- Capital Dredging	547.50	547.50	547.50
	- Miscellaneous Cost @ 5%	95.33	107.01	103.72
	Total capital cost for Berth hire Activity	**2001.96**	**2247.15**	**2178.13**
	Total Capital Cost (A + B + C)	**10959.08**	**10959.43**	**10783.55**
IV	**Operating Cost**			
A.	**Cargo Handling Activity at Barge Jetty**			
	(a). Fuel Cost			
	- Excavators	253.04	253.04	272.26
	(KPT - 32 ltrs/ hour/ excavator* Rs.46.06 per litre * 4292 hours pa for 4 Excavators) (TAMP - 32 ltrs/ hour/ Excavator * Rs.46.25 per litre * 6132 hours pa for 3 Excavators)			
	- Fork Lift trucks (5 MT)	55.35	55.35	79.41
	(KPT - 7 ltrs/ hour/ truck * Rs.46.06 per litre * 4292 hours pa for 4 trucks) (TAMP - 7 ltrs /hour /truck * Rs.46.25 per litre * 6132 hours * 4 Trucks)			
	- Fork Lift trucks (10 MT)	39.54	39.54	56.72
	(KPT - 10 ltrs/ hour/ truck * Rs.46.06 per litre * 4292 hours pa for 2 trucks) (TAMP - 10 ltrs /hour /truck * Rs.46.25 per litre * 6132 hours * 2 Trucks)			
	- Pay Loaders (10 MT)	213.50	213.50	306.29
	(KPT - 12 ltrs /hour/ loader * Rs.46.06 per litre * 4292 hours pa for 9 pay loaders) (TAMP - 12 ltrs /hour /loader * Rs.46.25 per litre * 6132 hours * 9 pay loaders)			
	- Excavators (for handling backup cargo)	71.17	71.17	102.10
	(KPT - 12 ltrs/ hour/ excavator * Rs.46.06 per litre * 4292 hours pa for 3 excavators) (TAMP - 12 ltrs/ hour/ excavator * Rs.46.25 per litre * 6132 hours * 3 excavators)			
	- Trucks & Trailers	494.06	494.06	705.79
	(KPT - Rs.15 per tonne) (TAMP - Rs.15 per tonne)			
	(b). Power consumption	168.00	201.60	201.60
	(KPT - 12 hectares * 240000 units per hectare/ annum @ Rs.7/-per unit)			
	(c). Repair & Maintenance			
	- Civil Assets (1% on civil work)	31.96	29.51	29.22
	- Mechanical & Electrical Equipment including spares (5% on equipment cost)	163.10	163.10	147.50
	(d). Insurance (1% on Gross fixed assets)	64.58	62.13	58.72
	(e). Depreciation			
	- Civil Work @ 3.34%	106.75	98.58	97.61
	- Mechanical Work @ 10.34%	337.28	337.28	305.03
	(f). License Fee			
	As per KPT			
	- On 7 hectares @ Rs.1.597 per hectare per month for 12 months)	116.64	134.15	-
	- On 5 hectares @ Rs.1.260 per hectare per month for 12 months)	83.16	75.60	-
	- On Water 1.437 hectares @ Rs.0.7985 per hectare per month for 12 months)	5.45	13.77	-
	As per TAMP			
	- On 120000 sq. mtrs @ Rs.191.65 per sq. mtr per annum	-	-	229.98
	- On Water 14370 Sq. mtrs @ Rs.58.58 per sq. mtr per annum)	-	-	8.42
	(g). Other Expenses (5% on gross value of assets)	322.91	310.66	293.62
	Total Operating Cost for Barge Jetty	**2526.49**	**2553.05**	**2894.28**

B.	**Floating crane at Outer Tuna Buoy**			
	(a). Fuel Cost			
	- Floating crane	304.44	304.44	286.85
	(KPT - 154 ltrs/ hour/ crane * Rs.46.06 per litre * 4292 hours pa for 1 crane)			
	(TAMP - (For Working hours - 96 ltrs/ hour/ crane * Rs.46.25 per litre * 6132 hours pa for 1 Crane) + (For Idle hours - 12 ltrs/ hour/ crane * Rs.46.25 per litre * 2628 hours pa for 1 Crane))			
	- Tugs	197.69	197.69	283.61
	(KPT - 100 ltrs/ hour/ tug * Rs.46.06 per litre * 4292 hours pa for 1 tug) (TAMP - 100 ltrs /hour /tug * Rs.46.25 per litre * 6132 hours * 1 Tug)			
	(b). Repair & Maintenance on Mechanical assets (5% on equipment cost)	124.95	124.95	136.65
	(c). Insurance (1% on Gross fixed assets)	24.99	24.99	27.33
	(d). Depreciation (10.34% on equipment cost)	258.40	258.40	282.59
	(e). Other Expenses (5% on equipment cost)	124.95	124.95	136.65
	Total Operating Cost for Floating crane	**1035.42**	**1035.42**	**1153.68**
C.	**Berth hire activity**			
	(a). Repairs & Maintenance Charge (1% on captial cost for berth)	20.02	22.47	21.78
	(b). Depreciation (3.34% of berth cost)	66.87	75.05	72.75
	(c). Insurance (1% on total cost for berth hire service)	20.02	22.47	21.78
	(d). Maintenance dredging (90% of the cost of capital dredging)	492.75	492.75	492.75
		599.66	**612.75**	**609.06**
V	**Estimated Revenue Requirement & Apportionment**			
A.	**Cargo Handling Activity at Barge Jetty**			
(i).	**Revenue Requirement**			
	(a). Total Operating Cost	2526.49	2553.05	2894.28
	(b). Return on capital Employed @ 16%	1033.30	994.12	939.58
	(c). Total Revenue requirement from cargo handling activity	**3559.79**	**3547.17**	**3833.86**
(ii).	**Apportionment of Revenue Requirement**			
	(a). Cargo Handling Charges (90% of ARR)	3203.81	3192.46	3450.48
	(b). Storage Charges (5% of ARR)	177.99	177.36	191.69
	(c). Miscelleneous Charge (5% of ARR)	177.99	177.36	191.69
	(d). Total Revenue requirement from cargo handling activity	**3559.79**	**3547.17**	**3833.86**
(iii).	**Upfront tariff at Barge Jetty**			
	(a). Cargo Handling Charge (Note 1)			
	- Revenue Requirement (₹ in lakhs)	3203.81	3192.46	3450.48
	- % share of Revenue requirement by each type of cargo based on cargo working days			
	- Bulk cargo (45.84%)	1468.74	1463.53	1581.82
	- Steel and bagged cargo (2.05%)	65.67	65.44	70.73
	- Timber logs (52.11%)	1669.40	1663.49	1797.93
	- Per tonne handling rate of foreign cargo (in Rs.)			
	- Bulk cargo	65.16	64.93	49.12
	- Steel and bagged cargo	122.18	121.74	92.10
	- Timber logs	195.47	194.78	147.37
	- Per tonne handling rate of coastal cargo (in Rs.)			
	- Bulk cargo	39.09	38.96	29.47
	- Steel and bagged cargo	73.31	73.04	55.26
	- Timber logs	117.28	116.87	88.42
	(b). Storage Charge (Note 3)			
	- Revenue Requirement (₹ in lakhs)	177.99	177.36	191.69
	- % of Cargo to attract storage charge	40%	40%	40%
	- Cargo attracting storage charges	1317492	1317492	1882102
	- Approximate % Cargo to be cleared in first week	50%	50%	50%
	- Storage charges for seven days	27.02	26.92	-
	- Storage charges for one day in first week (in Rs. Per tonne)	**3.86**	**3.85**	**0.83**
	(c). Miscelleneous Charge			
	- Revenue Requirement (₹ in lakhs)	177.99	177.36	191.69
	- Capacity (Lakh Tonnes per annum)	3293729	3293729	4705256
	- Miscellenous Charge (₹ per tonne)	**5.40**	**5.38**	**4.07**

B.	**Floating crane at Outer Tuna Buoy**			
(i).	**Revenue Requirement**			
	(a). Total Operating Cost	1035.42	1035.42	1153.68
	(b). Return on capital Employed @ 16%	399.84	399.84	437.28
	(c). Total Revenue requirement from cargo handling activity	**1435.26**	**1435.26**	**1590.96**
(ii).	**Apportionment of Revenue Requirement**			
	Floating crane charges (100% of ARR)	**1435.26**	**1435.26**	**1590.96**
(iii).	**Upfront tariff for Floating crane (Note 2)**			
	- Revenue Requirement (₹ in lakhs)	**1435.26**	**1435.26**	**1590.96**
	- % share of Revenue requirement by each type of cargo based on cargo working days			
	- Bulk cargo (45.8%)	657.97	657.97	729.35
	- Steel and bagged cargo (2.05%)	29.42	29.42	32.61
	- Timber logs (52.1%)	747.87	747.87	829.00
	- Per tonne handling rate of foreign cargo (in Rs.)			
	- Bulk cargo	30.33	30.33	23.51
	- Steel and bagged cargo	56.87	56.87	44.11
	- Timber logs	90.98	90.98	70.61
	- Per tonne handling rate of coastal cargo (in Rs.)			
	- Bulk cargo	18.20	18.20	14.11
	- Steel and bagged cargo	34.12	34.12	26.47
	- Timber logs	54.59	54.59	42.36
C.	**Berthing activity**			
(i).	**Revenue Requirement**			
	(a). Total Operating Cost	599.66	612.75	609.06
	(b). Return on capital Employed @ 16%	320.31	359.54	348.50
	(c). Total Revenue requirement from Berthing activity	**919.97**	**972.29**	**957.56**
(ii).	**Apportionment of Revenue Requirement**			
	Berth hire charges (100% of ARR)	**919.97**	**972.29**	**957.56**
(iii).	**Upfront berth hire**			
	- No. of Barges handled by excavators	4	4	4
	- Average GRT of Barge	1500	1500	1500
	- No. of available hours at the jetty (365 days * 24 hours * 0.7)	6132	6132	6132
	- Total GRT hours (4 barges * 1500 GRT * 6132 hours)	36792000	36792000	36792000
	- Berth hire charge (Rs. Per GRT hour)	2.50	2.64	**2.60**
	- GRT Hours Foreign (90%)	33112800	33112800	-NA-
	- GRT Hours Coastal (10%)	3679200	3679200	-NA-
	- Berth hire per GRT per hour for foreign vessel	**2.60**	**2.75**	-NA-
	- Berth hire per GRT per hour for coastal vessel	**1.56**	**1.65**	-NA-

Annex - II

KANDLA PORT TRUST

UPFRONT TARIFF SCHEDULE FOR UPGRADATION OF BARGE HANDLING FACILITIES AT BUNDER BASIN, KANDLA

1.1. Definitions

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

(i). "Coastal Vessel" means any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal license issued by the competent authority.

(ii). "Foreign Vessel" means any vessel other than a coastal vessel.

(iii). “Free period” shall mean the period during which cargo shall be allowed storage free of demurrage charges/ ground rent and this period shall exclude Customs notified holidays and Terminal’s non-operating days.

(iv). “Port” shall mean Kandla Port Trust.

(v). "Per day" means per calendar day unless otherwise stated.

(vi). “TAMP” shall mean the Tariff Authority for Major Ports constituted under Section 47A of the Major Trusts Act, 1963.

(vii). “Tonne” shall mean one metric tonne or 1,000 kilograms or one cubic metre.

1.2. General Terms and Conditions

(i). Interest on delayed payments / refunds:

(a). The user shall pay penal interest on delayed payments under this Scale of Rates.

Likewise, the terminal operator shall pay penal interest on delayed refunds.

(b). The rate of penal interest will be 2% above the Prime Lending Rate of the State Bank of India.

(c). The delay in refunds will be counted only 20 days from the date of completion of services or on production of all the documents required from the users, whichever is later.

(d). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the Terminal operator. This provision shall, however, not apply to the cases where payment is to be made before availing the services where payment of charges in advance is prescribed as a condition in this Scale of Rates.

(ii). All charges worked out shall be rounded off to the next higher rupee on the grand total of the bill.

(iii). Users will not be required to pay charges for delays beyond reasonable level attributable to the terminal operator.

(iv). In case a barge idles due to breakdown or non-availability of the shore based facilities of Terminal or any other reasons attributable to Terminal, rebate equivalent to berth hire charges payable to the concessionaire accrued during the period of idling of barge shall be allowed by Terminal.

2. Berth Hire Charges:

The berth hire charge shall be payable by masters/ owners/ agents of the barge and other floating craft approaching or lying alongside the berth at the rate of ₹.2.60 per GRT per hour.

Notes:

(i). The period of berth hire shall be calculated from the time barge occupies the berth.

(ii). Berth hire includes charges for services rendered at the berth, such as occupation of berth, rubbish removal, cleaning of berths, fire watch, etc.

(iii). No berth hire shall be levied for the period when the barge idles at its berth for continuous one hour or more due to breakdown of terminal operator's equipment or power or for any other reasons attributable to the terminal operator,

3. Cargo Handling Charges:

3.1 Tariff for the handling cargo at Bunder Basin Barge Jetty

(Those vessels which are not using floating crane provided by the concessionaire at OTB)

The cargo handling charges for the handling of multipurpose cargo at Bunder Basin Barge Jetty at the rates specified below:

Sl. No.	Commodity	Rate in ₹ per tonne	
		Foreign	Coastal
1	All types of dry bulk cargo	49.12	29.47
2	Steel	92.10	55.26
3	Timber	147.37	88.42

Note:

The cargo handling charges shall include the charge for:

(i). unloading of the cargo from barges and transfer of the same upto the point of storage, storage at the stackyard upto a free period of 5 days and loading on to rakes/trucks in respect of import cargo and

(ii). unloading of the cargo from the rakes/trucks at the stackyard in respect of export cargo, storage at the stackyard upto a free period of 15 days, transfer the cargo to the loading point, loading onto the barges.

3.2 Tariff for handling cargo by floating crane at Outer Tuna Buoy

Sl. No.	Commodity	Rate in ₹ per tonne	
		Foreign	Coastal
1	All types of dry bulk cargo	23.51	14.11
2	Steel	44.11	26.47

3	Timber	70.61	42.36

*Tariff for cargo handling by floating crane includes the following defined scope of work: Unloading of the cargo from the mother vessel to barge at OTB and vice versa. Stevedoring charges shall be separately borne by the user/vessel owner and the amount of stevedoring charges shall be paid to the licensed stevedores.

Note:
If a self-geared vessel uses the floating crane at OTB for unloading/ loading of cargo, then it has to pay the charges of floating crane for the cargo handled through floating crane. To make it more clear there should be masters certificate which clearly notifies that this much amount of cargo shall be handled through floating crane only at OTB.

4. Storage Charges:

The storage charges for the cargo stored in the stackyard beyond the free period allowed shall be as below:

Particulars	Rate per tonne/ day
Storage charge	1st to 7th day – ₹0.83
	8th to 14th day – ₹1.245
	15th day onwards – ₹1.66

Note:

(i). Five free days for import cargo and fifteen free days for export cargo shall be allowed.

(ii). For the purpose of calculation of free period, Sundays, Customs notified holidays and the port's non- working days shall be excluded.

(iii). Free period for imports shall be reckoned with from the date of complete discharge of vessel's cargo.

(iv). Free period in respect of cargo discharged in lighters in stream shall commence from the date of complete landing of the cargo on the wharf from the lighters.

(v). When import cargo is stored in transit terms and then converted into re-export, free period will be considered from the date of filing of export documents like shipping bill.

(vi). Free period for exports shall commence from the date on which the cargo is brought in the transit / port area. In case of stream loading, the demurrage will cease from the day of loading of first barge. Demurrage will cease for the total cargo actually loaded through barges to the vessel in the same voyage.

(vii). Free period for export cargo taken back for any reason shall commence from the time the export cargo is brought into the port area.

(viii). Sundays and Holidays shall be included for the purpose of calculation of free period for hazardous cargo both for imports and exports The demurrage charges on hazardous goods shall be levied at double the normal rates specified in above schedule.

(ix). Storage charges shall be payable for all days including Terminal's nonworking days and Customs notified holidays for stay of cargo beyond the prescribed free days.

(x). Storage charge on cargo shall not accrue for the period when the terminal operator is not in a position to deliver/ship the cargo when requested by the user due to reasons attributable to the terminal operator.

5. Miscellaneous Charges

The miscellaneous charge at the rate of ₹4.07 per tonne is a composite charge for provision of all miscellaneous services such as sweeping of cargo on the wharf, weighment of cargo, dust suppression, environment and management, lift on-lift off charges, safety measures, weigh bridge, etc.

6. General Note to Section 2 to 5 Above

The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2012 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31 March of the following year.

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