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Tariff Authority for Major Ports

G.No. 467 **New Delhi,** **17 December 2019**

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 disposes of the proposal received from Kolkata Port Trust (KOPT) for setting up of a floating crane at Diamond Harbour and other deep water anchorages within the limits of KOPT for lighterage/ topping of cargo including containers, for a period of 15 years, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/22/2019-KOPT

Kolkata Port Trust **…** **Applicant**

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Rajat Sachar, Member (Economic)

O R D E R

(Passed on this 29th day of November 2019)

This case relates to a proposal received from Kolkata Port Trust (KOPT) for setting up of a floating crane at Diamond Harbour and other deep water anchorages within the limits of KOPT for lighterage/ topping of cargo including containers, for a period of 15 years.

2. The submissions made by KOPT under cover of its letter no. Fin/14/B dated 12 April 2019 are as follows:

(i). In order to overcome the limitations in draft of the riverine KOPT, visiting ships are encouraged to undertake lighterage/ topping up of cargo operation midstream in the available deep water anchorages. Presently, two floating cranes are in operation at Sagar/ Sandheads for such purpose. Similar lighterage/ topping up operations of cargo including containers are also carried out at Diamond Harbor Anchorage but the same are undertaken only by geared vessels with own cranes and their output is limited.

(ii). In order to augment the capacity of the existing three anchorages at Diamond Harbor and also to allow lighterage/ topping up of cargo operation by gearless vessels, it has been proposed to set up one floating crane facility at Diamond Harbour for transfer of cargo including containers between mother vessel and barges/ daughter vessels.

(iii). After identifying a suitable party through open tender, a licence will be issued for a period of 15 years for operation of the system.

(iv). The licensee is required to install/ commission a suitable crane mounted on a dumb barge and assisted by a tug for its maneuver. The licensee will be allowed to collect charges directly from the ship/ agents/ importers/ exporters, at or below the rates prescribed by TAMP. The licensee will share a part of revenue with the KOPT.

(v). The KOPT is not required to make any investment. The license will be granted to the bidder offering maximum revenue share to the KOPT.

(vi). Setting up of the floating crane facility will reduce the TRT of vessel and in turn would augment the capacity of existing deep draft anchorages without any financial out go from the KOPT.

(vii). The licensee shall supply, install and commission minimum number of equipment / craft as follows:

Equipment	**Number to be deployed including specification**	**Primary operations to be performed**	**Other details**
Floating crane	A dumb barge with a crane mounted on the deck of minimum 35MT SWL (safe working load) with 36m outreach, capable of	Transfer of cargo between the Mother vessel and daughter vessels/ barge	The floating cranes comprising the crane, dumb barge and other associated

	handling vessels upto 32.2m beam		facilities shall be new
TUG	1 no tug with atleast 25T Bollard Pull	For movement of the floating crane, berthing / unberthing alongside / from the vessels/ barges	The Tug shall be new and have all required certificates from the authorities for the designated works
Grabs	25 cbm – 2 nos.	To facilitate cargo handling operations	New Grabs to be fitted
Launch	1 no	For transportation of men and material from work location to shore and back	The launch may be old but shall have all required certificates from the authorities for the designated works
Front end Loader	3 cbm capacity	To be utilized inside hatches for aggregation / trimming of cargo during cargo transfer operation.	
Floating fenders	3 nos. of adequate size	To be utilized between the floating crane and the vessels / barges during berthing / unberthing	
Spreader	2 nos.	To be utilized for container handling	
Generator	1.2 MVA	For power generation	

(viii). The proposed facility includes the following:

(a). A Floating Crane of 35 metric ton capacity with 36 meters out-reach with grab capacity of 25 cbm.

(b). A Dumb Barge of size 50mx20mx2.5m with the above crane mounted on the deck with Genset of 1.2 MVA.

(c). A Front End Loader with 3 CBM bucket capacity of aggregation of cargo inside the hatch.

(d). 1 No. of 25 ton Bollard Pull Tug for maneuvering and making fast the floating crane. The tug will be provided on charter hire basis.

(e). 1 set of Floating Fender to be utilized between the Floating Crane and the vessel.

(f). A suitable launch to be provided for to and fro transportation of men and material between shore and the location of operation of floating crane. The launch will be provided on charter hire basis.

(g). Two grabs of 25 cbm with spreader to facilitate cargo operation.

(ix). The Floating crane will be berthed alongside the Mother vessel with the help of the Tug. The barge will be made fast alongside the Floating Crane. The cargo between the Mother vessel and the Barge will be transferred by the Floating Cranes.

(x). There are no guidelines/ norms prescribed for assessment of Optimum Capacity, Capital and Operating and Maintenance (O&M) Cost etc. in respect of Floating Crane facilities proposed to be created by KOPT. However, the guidelines issued by TAMP in 2008 for fixing up upfront tariff for PPP project has been taken into account to the extent relevant. However, the Capital Cost as well as O&M Cost has been assessed based on calculation received from firms.

(xi). The project has been designed on the basis of the following parameters:-

(a). **Optimal Capacity**

Sl. No.	Description	Bulk	Container
i.	Crane considered: CBG 360 crane, Grab Capacity: 25CBM with 22 cycles per hour		
ii.	Maximum Handling Rate per hour (25cbm grab*0.9*22 cycles per hour)	495 tons/hr	24 TEUs /hr
iii.	Maximum Handling Rate per day [(ii) * 20hrs)]	9900 tons/day	480 TEUs/day
iv.	Operating Load factor	80%	
v.	Handling of Dry Bulk Cargo per day	7920 tons /day	480 TEUs/day
vi.	Total cargo/container working days per year (**Assumption:** 4 mob+4 demob of 1 day each i.e shifting the cranes from its anchor position and positioning alongside vessel @ 4x2 times per month: 8 days / month i.e 96 days/year) (**Utilization**: 75% while alongside. Stoppages in cargo due to shifting crane between hatches / mooring-unmooring of barges/sea and swells etc. (365-96) * 0.75 = 202 days (Sharing between container and bulk 50:50)	101 days	101 days
vii	Individual cargo capacity	800000 tons	45000 TEUs

Assumptions:

i). The total no of working days will be 202 days and will be allocated in the ratio of 1:1 between bulk cargo handling and container handling.

ii). This facility will be used to handle foreign cargo.

(b). **Capital Cost**

The estimated total capital cost of the project is ₹.6558.04 Lakhs.
Detailed breakup of cost of floating crane including dumb barge, crane, frontend loader and floating fender etc. are as given below:

Sr. no.	Equipment to be used	Reasons
1.	Cost of Dumb Barge and 1.2MVA generator	As per the cost indicated by M/s Netincon Marketing Pvt Ltd in respect of a new Dumb Barge including the cost of mounting the crane on the top of the deck and standby Generator set. The rate is also inclusive of all taxes and duties.
2.	Cost of Crane	As per the cost indicated by M/s Netincon Marketing Pvt Ltd in respect of a crane with 35 ton SWL at 36

		meter out-reach with 2 grab of capacity 25 CBM and spreader. The rate has duly converted into Indian rupees by means of conversion factor. The rate includes the taxes and duties.
3.	Cost of Loader	As per the cost indicated by M/s Netincone Marketing Pvt Ltd which includes taxes and duties.

Capital Cost as calculated by Netincon Marketing Pvt Ltd		
		₹. in lakhs
i.	Cost of CBG 360 crane including 2 nos. Grabs and Spreader (Euro 2820000*81)	2284.20
ii.	Custom Duty @ 25% of HMC	571.05
iii.	Cost of Floating Barge Plus 1.2 MVA generator – ₹. 21 crore plus GST@ 5%	2204.00
iv.	Cost of tug (25T) – ₹. 10.5 Crore plus GST @ 5%	1102.50
v.	Cost of Loader	84.00
	CAPEX	**6245.75**
vi.	Mobilization Cost plus Misc. Cost @ 5% of Capex	312.29
	Gross Capex	**6558.04**

The detailed working of Capital Estimates in the form of rate analysis, budgetary quotations of Netincon Marketing Pvt Ltd is furnished by KOPT.

(c). **Operating and Maintenance Cost:**

Fuel	1. **Tug Operation:** 150 liters per hour and stand-by -16 liters per hour (100 hours towing a month)	As pert he cost indicated by M/s Netincon Marketing Pvt Ltd
	2. **Crane Operation:** 95 liter per hour per crane when the crane is in operation (operation of main engine)	As pert he cost indicated by M/s Netincon Marketing Pvt Ltd
	3. **Loader operation:** 20 liter per hour when in operation (Assuming 1500 hrs/year) In case of container no loader operation.	As pert he cost indicated by M/s Netincon Marketing Pvt Ltd
	4. **Domestic DG set:** 6 liter per hour.	As pert he cost indicated by M/s Netincon Marketing Pvt Ltd
Repair and Maintenance	7.5% of Capital Cost for crane and Tug 5.0% of Capital Cost for deck berge	As pert he cost indicated by M/s Netincon Marketing Pvt Ltd
Insurance	1% of Capital Cost	As pert he cost indicated by M/s Netincon Marketing Pvt Ltd
Depreciation	10% of Capital Cost	As pert he cost indicated by M/s Netincon Marketing Pvt Ltd
Other Expenses	5% of Capital Cost	As pert he cost indicated by M/s Netincon Marketing Pvt Ltd

Estimation of Operating Cost

₹. in lakhs

Operating Cost as calculated by Netincon Marketing Pvt Ltd			
		Bulk	**Container**
A	**Crane Operating Cost**		
i.	Fuel (95 ltr per hr.x ₹. 64 per ltr x no of hrs	298.99	298.99
ii.	Maintenance & Repair (7.5% of Equipment Cost)	171.32	171.32
iii.	Insurance (1% on Capital Cost)	28.55	28.55
iv.	Depreciation (10% of Capital Cost)	285.53	285.53
	Total (A)	**784.39**	**784.39**
B	**Tug Operating Cost**		
i.	Fuel (Towing – 150 ltr per hr & Stand –by – 16ltr per hr) (100hrs. Towing a month) - (150*100+16*24*30)*12*64	206.86	2016.86
ii.	Maintenance & Repair (7.5% of Equipment Cost)	82.69	82.69
iii.	Insurance (1% on Capital Cost)	11.03	11.03
iv.	Depreciation (10% of Capital Cost)	110.25	110.25
v	Crew Manning & Technical Management expenses (₹. 12 lakh/ month)	144.00	144.00
	Total (B)	**554.83**	**554.83**
C	**Deck Barge Operating Cost**		
i.	Fuel – domestic DG set (6 ltr per hr * 64 per lit *24 * 365)	34.16	34.16
ii.	Fuel - Loader (assuming 1500 hrs/yr) (20 ltr per hr *34 per ltr * 1500) (in case of container no loader operation)	19.50	0.00
iii.	Maintenance & Repair (5% of Equipment Cost)	114.40	110.20
iv.	Insurance (1% on Capital Cost)	22.04	22.04
v.	Depreciation (10% of Capital Cost)	228.80	220.40
vi.	Crew Salary & Victualing (14 persons – Master-1, Operators-4, Loader Operator-2, Technicians-4, Electrician-1, Cook-1)	108.00	108.00
vii.	Rent and Fuel of Lunch (₹.5 lakhs/month)	60.00	60.00
viii.	Shore Establishment @ 6 Lakhs/month/operating Expenses of speed boat (fortnightly) Fuel expenses – ₹. 75000 per round trip)	91.50	91.50
	Total (C)	**678.40**	**646.30**
	Total Operating Cost (A + B + C)	**2017.62**	**1985.52**

Notes:

1. Depreciation is calculated under straight line method as per the depreciation rate prescribed in the Companies Act and following the TAMP guidelines.
2. Computation of Lease Rental as per the prevailing rates giving reference to the unit rates prescribed in the existing SOR is not applicable.
3. Recent copy of bill to substantiate unit rate of power are not attached as it is not applicable as all the equipments considered are fuel driven.

(d). **Estimation of Annual Revenue Requirements**

₹. in lakhs

		Bulk	Container
i.	Total Operating Cost	2017.62	1985.52
ii.	Return on Capital Employed	1049.29	1049.29
		3066.91	**3034.81**
	Cost per MT/TEU		
i.	Capacity	800000	45000
ii.	Cost per MT/TEU	191.68	3407.68

For Berthing of Mother Vessels is not applicable.

3.1. The KOPT was requested vide our letter dated 18 April 2019 and subsequent reminder dated 22 May 2019 to clarify/ furnish the following:

(i). To confirm whether KOPT's proposal is for fixation of Reference tariff for the project under reference, which would be indicated upfront in the bidding documents.

(ii). To furnish the copy of the Board Resolution approving the proposal in reference and draft Scale of Rates and conditionalities governing the proposed levy.

(iii). To furnish the list of shortlisted bidders and to furnish the names of the relevant users/ user organizations or prospective bidders alongwith their complete contact details.

3.2. In this regard, the KOPT vide its letter dated 20 June 2019 has confirmed that instant proposal is for fixation of Reference Tariff for the project under reference which would be indicated upfront in the bidding document. Vide the said letter, the KOPT has also furnished the Board Resolution approving the proposal in reference vide its resolution no. A/11/KDS/MRN/3/05/2019 dated 30.05.2019 and the list of short listed bidders' alongwith its contact details, except draft scale of rates alongwith Conditionalities governing the proposed levy.

3.3. Therefore, the KOPT was again requested vide our letter dated 25 June 2019 to furnish draft SOR. In response to our letter dated 25 June 2019, the KOPT vide its email dated 8 July 2019 has submitted draft scale of rates alongwith Conditionalities governing the proposed levy. The KOPT has taken about 3 months from its initial letter in April 2019 to give a complete proposal. The proposed Scale of Rates (SOR) alongwith the conditionalities for the said project, as furnished by KOPT are as follows:

(i). Cargo Transfer charges by Floating Crane:

Sl. No.	Commodity	Unit	Rate in ₹
(i).	Bulk Cargo	Per Metric Tonne	191.68
(ii).	Containers	Per TEU	3407.68

Note:

(i). The charges prescribed above is a composite charge for unloading of the cargo container from the mother vessel and transfer of the same to a vessel/ Barge directly in case of import or vice versa in case of export, including stevedoring & all other allied services. The charge will be applicable for the floating crane operation in the location of setting up of floating crane facility as well as any other deep drafted area within KOPT limit and shall be applicable on the quantity unloaded/ loaded by use of the Floating Crane, as determined through the Draft Survey Report. In case of handling of containers the no. of containers in TEUs will be taken.

(ii). The anchorage charge for vessels as well as wharfage and other levies applicable for handling cargo at the Anchorages shall be paid by the Vessel owner/ cargo interest separately to Kolkata Port Trust, as per Scale of Rates of KOPT time being in force.

(ii). The KOPT has also proposed Performance linked tariff as given below:

The prescribed rate is the base rate for achieving minimum level of cargo transfer rate of 7920 tonnes per day to be computed as per the formula provided in the Licence Agreement. For container handling, the prescribed rate is the base rate for achieving minimum level of container transfer rate of 480 TEUs per day to be computed as per the formula provided I the Licence Agreement.

The productivity wise slab rates shall be as follows:

(a). **For Bulk cargo**

Performance Standard in tons	**Rate in ₹. Per MT**
8501-9000	201.26
7921-8500	196.47
7920	191.68
7919-7500	186.89
7499-7000	182.10

(b). **For Container**

Performance Standard in TEUs	**Rate in ₹. Per TEU**
601-700	3578.06
481-600	3492.87
480	3407.68
479-301	3322.49
300-200	3237.30

Note:

(i). The above rates are for handling foreign cargo. Coastal rates, if required to be levied, will be 60% of the above rates.

(ii). To calculate the ceiling rates for Performance below 7920 tonnes (for Bulk Cargo) and 480 TEUs (for containers) per WWD as shown above, the base rate was reduced by 2.5% for first five hundred tonnes and for the 2nd five hundred tonnes the rate was reduced by 5% of the base rate and for containers the base rate has been reduced by 2.5% for the first one hundred TEUs and the 2nd one hundred TEUs the rate was reduced by 5% of the base rate. Likewise performance below 7000 tonnes (for bulk cargo) and 200 TEUs (for container) per WWD shall be calculated by reducing the base rate accordingly. The same methodology shall also be adopted to calculate the incremental ceiling rate beyond 7920 tonnes (for Bulk Cargo) and 480 TEUs (for containers) per WWD and in such case the base rate is increased by 2.5% for first five hundred tonnes, 5% for 2nd five hundred tonnes over the base rate and for Containers the base rate is to be increased by 2.5% for first one hundred TEUs and for the 2nd one hundred TEUs the rate is to be increased by 5% of the base rate. The same methodology shall be adopted to calculate the rate beyond 9000 tonnes (for bulk cargo) and 700 TEUs (for Containers) per WWD.

The Cargo Transfer Rate shall be computed on WWD basis as per the following formula:

$$\frac{\text{Total cargo / container transferred between mother vessel and the barges/Daughter vessels} \times 24}{\text{Cargo transfer time in hours}}$$

(iii). Immediately after completion of cargo / container transfer operations, and before the sailing of the Mother Vessel (OGV) from the Transfer Point, Statement of Facts shall be made out duly signed by Master of the Mother Vessel (OGV) and the authorized representatives of the Licensee's Floating Crane and Barge / Daughter Vessel and shall be distributed at the transfer point amongst the following concerns:

a) Master of the vessel / agents of the vessel.
b) Representative of Licensee
c) Representative of the barge / daughter vessel.
d)The consignee / consigner, if so desires, may also depute their agents / representatives for signing of the SOF.

The Cargo Transfer Time for the purpose of assessment of performance standard of the Floating Crane arrangement to fulfil the provisions of the Scale of Rates of the Floating Crane Charges shall be strictly calculated on the basis of SOF duly signed by the above said parties.

(iv). 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 2019 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.

(v). The rates approved will come into effect after expiry of 30 days from the date of notification of the Order passed in the Gazette of India and shall remain in force for a period of fifteen years, subject to indexation, as explained above.

4. In accordance with the consultative procedure prescribed, a copy each of the KOPT proposal dated 12 April 2019 and draft SOR alongwith the conditionalities as furnished by KOPT vide its letter dated 8 July 2019 was forwarded to the concerned users/ user organizations as suggested by KOPT for their comments. Some of the user organization have furnished their comments. The said comments were forwarded to KOPT as feedback information. The KOPT vide its letters dated 14 August 2019 and 10 October 2019 has responded.

5. A joint hearing on the case in reference was held on 28 August 2019 at the KOPT premises. At the joint hearing, the KOPT made a brief Power Point presentation of the proposal. The KOPT and other users/ user organizations have made their submissions at the joint hearing,

6.1. Based on preliminary scrutiny of the proposal, additional information /clarification was sought from KOPT vide our letter dated 20 August 2019. The KOPT has responded vide its letter dated 30 August 2019. The information/ clarification sought and response of KOPT thereon are tabulated below:

Sr. no.	Information/ Clarification sought by us	Reply of KOPT
A.	**General**	
(i).	The Authority vide the Order no. TAMP/6/2016-KOPT dated 30 March 2016 relating to fixation of tariff for transfer of cargo between Mother Vessel and Daughter Vessel/ barges at Sagar and	

<table>
<tr><td></td><td>other deep draft locations within the limits of KOPT by Floating Crane Facilities has, interalia, approved a rate of ₹.129.33 per MT for handling Dry Bulk Cargo. As conveyed by KOPT vide its letter no. Ad/0038/Floating Crane/9334 dated 13 January 2016, the ceiling rate was to be applied commonly without reference to any individual service provider. In this regard, the KOPT to clarify the following:</td><td></td></tr>
<tr><td>(a).</td><td>The reason for not adopting the above referred rate with applicable indexation factor for handling dry bulk cargo in the proposed project under reference and seek approval only for handling of containers by indexing the Annual Revenue Requirement (ARR) as relied upon in the above referred Order, to be clarified, considering that the operations involved in the Order of March 2016 is similar to the operations envisaged at the proposed Diamond Harbour facility.</td><td rowspan="2">The reason for separate proposal are following:
1. The rate approved by the TAMP for HDC, KOPT contained provision of Tug of 50 Ton bollard pull, whereas in this proposal, Tug of 25 Ton Bollard pull has only been envisaged. Hence, the Capital Cost and related operational cost will differ.
2. The location of the floating crane for HDC, KOPT is at Sagar whereas in the instant case, the location can be Diamond Harbor, Sagar and Sandheads. Therefore, utilization will be less i.e. @ 55% since the same is being used at multiple location unlike HDC, KOPT case.
3. Due to lower utilization of capacity, the rates of present case is higher and it is not restricted to Bulk Cargo only but the said facility will be there for Containers also.</td></tr>
<tr><td>(b).</td><td>In the proposal under reference, the KOPT has proposed a rate of ₹.191.68 per MT for handling dry bulk cargo at Diamond Harbour. However, the users already availing the facility, governed by the tariff Order of March 2016 may be presently paying a rate of about ₹.137/- per MT (i.e. base rate of ₹.129.33 per MT being indexed with the applicable escalation factor) for handling dry bulk cargo. In such a scenario, the repercussions of having two different stark contrast rates for similar facilities within the same port, to be examined in detail.</td></tr>
<tr><td>(ii).</td><td>In the proposal under reference, the KOPT has proposed to award Diamond Harbour Project on a PPP mode, wherein the Reference tariff would be incorporated in the Bid document. However, in respect of the Project governed by the Order of March 2016, the licensing arrangement was not contemplated on BOT (PPP) mode. The reason for deciding to have two different arrangements for similar facilities within the same port, to be explained.</td><td>This project is not a PPP project and it is going to be taken up on similar line as the project governed by the Order of March, 2016.</td></tr>
<tr><td>B.</td><td>Capacity of the Floating Crane:</td><td></td></tr>
<tr><td>(i).</td><td>The parameters considered by KOPT in the calculation of the optimal capacity of the floating crane in respect of Bulk cargo is seen to be as per the parameters considered by the Authority in the Order no. TAMP/6/2016-KOPT dated 30 March 2016 relating to fixation of tariff for transfer of cargo between Mother Vessel and</td><td>In our proposal dated 12.04.2019, the Maximum Handling Rate has been envisaged at 24 TEU per hour and not 24 TEU per day. It is 480 TEUs per day.</td></tr>
</table>

	Daughter Vessel/ barges within the limits of KOPT by Floating Crane Facilities. However, in respect of the optimal capacity of the floating crane in respect of Containers, the KOPT to furnish the basis to consider the handling rate of containers at 24 TEUs per day.	
(ii).	It is seen that the floating crane is envisaged to be utilized for 101 days in respect of bulk cargo and 101 days in respect of containers, aggregating to 202 days. The said period of 202 days is reported to be based on the assumption that there will be mobilization and demobilization i.e. shifting of the crane from its anchor position and positioning of it alongside the vessel for 8 days in a month, working out to 96 days in a year. Thereafter, an utilization factor of 75% is considered, to arrive at 202 working days of the floating crane. The final impact of such adjustments results in the floating crane being utilized for only 55% during the year. Vide Order dated 30 March 2016, the KOPT had considered 70% utilization factor for determination of optimal capacity for fixation of tariff for the floating crane for operation at Saugar and deep draft location at KOPT. In this context, the KOPT to clarify/ furnish the following:	Haldia Project is primarily at Sagar whereas in the instant proposal the floating crane will shuttle between Sagar and Diamond Harbour and also to Sandheads during fair-weather. Hence, the mobilization period will be higher.
(a).	Whether mobilization and demobilization of Floating crane from its anchor position and positioning of it alongside the vessel was not relevant for operation of Floating Crane at Sagar and deep draft location at KOPT, for which tariff was fixed in March 2016.	
(b).	Justify 55% utilization factor given that 2008 Upfront tariff guidelines stipulate 70% utilization factor for calculation of optimum capacity.	
(iii).	The total no. of working days at 202 allocated in the ratio of 1:1 between handling of bulk cargo and handling of containers may be justified with actuals for the past three years.	Containers is not being handled at present. The allocation ratio has been prepared on the basis of estimates based on interaction with the trade.
(iv).	The total no. of working days at 202 considered by KOPT to be justified, given that 256 working days (365 days x 70% utilisation) was considered for fixation of tariff for the floating crane for operation at Sagar and deep draft location at KOPT vide Order of March 2016.	Due to movement of vessels at different location, the utilization of Floating crane would be less than the stipulated 70%.
(v).	There appears to be a typographical error in the calculation of optimal capacity of the floating crane in respect of Bulk cargo. Considering the handling rate of bulk cargo at 7920 tonnes per day and the 101	Agreed.

	working days during the year as considered by KOPT, the individual cargo capacity of bulk cargo works out to about 8 lakh tonnes per annum and not 80 lakh tonnes, as indicated by KOPT in the proposal.	
(vi).	The KOPT has considered deployment of one no. of Floating Crane on the Dumb Barge. In this context, the KOPT to clarify whether it is technically feasible to deploy more number of cranes on the Dumb barge, thereby possibly leading to achieving higher productivity by the Floating Crane.	The deployment of Crane will only be one per Barge and not more than that.
C.	**Capital cost:**	
i.	The cost of dumb barge plus generator has been proposed by the KOPT at ₹. 22.04 crores. However, in the Order of March 2016, the cost of Dumb barge and generator was considered at ₹.11 crores. The doubling of the cost of dumb barge to be justified.	The rate has been taken from the quotation of the prospective bidders. Two of the bidders are already at the Sagar.
ii.	At Page no. 4 of the proposal, the KOPT has stated that 1 no. of 25 tonne Bollard Pull Tug will be provided on charter hire basis. However, at Page no. 8 of the proposal, the cost of 25 tonne Tug has been captured in the calculation of capital cost. If the Tug is envisaged to be hired, the capital cost should not be considered and consequently, the hire cost of tug should be factored in the estimates of the operating cost. The KOPT is to carry out necessary changes, in line with its plan of buying/ hiring of Tug, as the case may be.	The Tug is proposed at be procured and operated by the bidders instead of Charter Hire. The statement made in the page 4 is an inadvertent error and the same may be ignored. The necessary capital cost and operating cost had already been factored in. Here, the proposal has been considered for procurement but in case of hiring also the cost will remain more or less same.
iii.	1 set of Floating fender has been envisaged for the Project, to be utilized between Floating crane and vessel. However, neither capital cost of the Fender has been captured in the capital cost estimation, nor the hire cost of Fender has been factored in the operating cost estimation. The KOPT is to consider the requisite cost, in line with its plan of buying/ hiring of Fenders.	The cost of Fender had been included in the Capex cost of Tug.
iv.	The estimated capital cost of equipment to be adjusted with input tax credit on the GST payable on the purchase of equipment.	No such adjustment had been envisaged in the instant case. This would depend upon the bidder. At KOPT, we don't take GST Credit on Capital Goods.
D.	**Operating cost:**	
i.	Based on the changes as proposed in the capital cost as stated above, the estimation of the operating cost in respect of the above referred equipment, to be modified suitably.	As already stated, no hiring of Tug is being done. So, no change is envisaged.
ii. (a).	The fuel cost in respect of Crane is seen to have been considered for about 4918 hours per annum each in respect of Bulk	202 days x 22 hours + balance is idling hours which makes 4918 hours.

	cargo as well as Containers. The basis for the same to be explained.	
(b).	KOPT to clarify why 6132 hours should not be considered, as considered in the Order of March 2016.	It has been envisaged that the operation time of the crane would be 202 days only and not 365 days because the balance time may involve mobilization of crane at different places.
(c).	KOPT to clarify whether the fuel cost considered is in respect of main engine. If so, the reasons for not considering fuel cost for auxiliary engine when the main engine is not in operation to be clarified.	No auxiliary engine is being contemplated.
iii.	While estimating the maintenance & repair cost, insurance cost and depreciation in respect of Crane, the KOPT is seen to have considered only the base cost of crane. The customs duty @ 25% which will be capitalised to the cost of crane, is seen to have not been considered by KOPT while estimating the various operating cost components. The reason for the same to be explained.	Since the same had been considered on the basis of budgetary offers of three prospective bidders and out of them, two are working of HDC, KOPT, so they have considered on the equipment cost only and not on the Capital cost including Custom Duty.
iv.	With regard to operating cost for Tug: The KOPT had considered 3060 hours (12 hours x 255 days) vide Order dated 30 March 2016, in respect of estimation of operating cost for the Tug, The reason for adopting a different methodology for estimation of fuel cost now, to be explained. The basis for the following to be furnished: (i). 100 hours of towing per month considered in the estimation of fuel cost. (ii). 16 litres per hour for standby considered in the estimation of fuel cost. Crew manning and Technical Management expenses at ₹.12 lakhs per month to be justified. No such expense was considered in the Order of March 2016.	Since the same had been considered on the basis of budgetary offers of three prospective bidders and out of them, two are working of HDC, KOPT, so they have considered on their actual working. Moreover, both projects are not identical and the working are different.
v.	In respect of estimation of operating cost for the Deck Barge, the basis for the following to be furnished:	Since the same had been considered on the basis of budgetary offers of three prospective bidders and out of them, two are working of HDS, KOPT, so they have considered on their actual working. Moreover, both projects are not identical and the working are different.
(a).	(i). 6 litres per hour for DG set in the estimation of fuel cost. (ii). When the capacity for floating crane is considered for 202 days, consideration of 365 days for estimation of fuel cost needs justification.	
(b).	1500 hours per annum incase of Front end Loaders, has been considered in the estimation of fuel cost. The reason for not considering 1533 hours, as considered in the Order of March 2016 to be clarified.	
(c).	Crew manning and Victualling expenses at ₹.9 lakhs per month, in respect of 14	

	persons. [Total persons work out to only 13]	
(vi).	The basis to consider Rent and Fuel cost of Launch at ₹.5 lakhs per month to be explained. The total Launch hire charges for 255 days at 3 hours per day worked out only to ₹.10.60 lakhs in the Order of March 2016.	
(vii).	(a). The basis to consider Shore Establishment expenses at ₹.6 lakhs per month to be explained. (b). The need for Shore Establishment to be justified. No such Shore Establishment was considered in the Order of March 2016.	
(viii).	The basis for considering fuel expenses for a speed boat at ₹.75000/- per round trip to be explained with workings.	
(ix).	The basis to consider Repairs and Maintenance cost at 7.5% of the capital cost of Crane, Tug and Barge to be justified, when Repairs and Maintenance cost was estimated at 5% in the Order of March 2016.	
(x).	The KOPT to confirm that the depreciation rate of 10% considered by KOPT across all equipment, is as per the Companies Act, 2013.	Depreciation has been considered as per TAMP Guidelines and the same had been followed in the Order of March, 2016. Moreover, the Companies Act, 2013 is not applicable for Major Ports.

6.2. Since the information furnished by KOPT, as brought out above, did not pointedly address the issues raised by us, nor did KOPT furnish the information sought by us, the KOPT was requested vide letter dated 04 September 2019 to furnish the requisite information/ clarification. After a reminder dated 26 September 2019, the KOPT has responded vide its letter dated 10 October 2019. The information sought and the response of KOPT thereon, are tabulated below:

Sr. no.	Information/ Clarification sought by us	Reply of KOPT
(i).	In the proposal under reference, the KOPT has proposed a rate of ₹ 191.68 per MT for handling dry bulk cargo at Diamond Harbour. However, the users already availing the facility, governed by the tariff Order of March 2016 may be presently paying a rate of about ₹ 137/- per MT (i.e. base rate of ₹ 129.33 per MT being indexed with the applicable escalation factor) for handling dry bulk cargo. In such a scenario, the KOPT was requested to examine in detail the repercussions of having two different stark contrast rates for similar facilities within the same port. The KOPT has not responded to the said point.	The rate of ₹ 137/- per M.T. for handling of dry bulk cargo was arrived as per the Order of TAMP in March, 2016. The present tariff is likely to commence in 2020 and therefore, it may not be appropriate to apply the same rate. Since the existing rate is lower, the trade will prefer to utilize the services of existing cranes first and only after their utilization is saturated, they would fall back on the new cranes at the higher rate. Presently, ships have to suffer demurrage when both the existing cranes remain engaged and not available. It is further to point out that the new crane is expected to be mostly utilized at Diamond Harbour which is 72 Km towards Kolkata as compared to Sagar where the existing cranes are primarily deployed. This would provide an advantage to trade in terms of barge cost. Further, that the new crane is also expected to handle container.

<table>
<tr><td></td><td></td><td>In consideration of the above, no repercussion is expected by operating the cranes at two different rates.</td></tr>
<tr><td>(ii).</td><td>The Port had earlier stated that in the proposal under reference, the KOPT has proposed to award Diamond Harbour Project on a PPP mode, wherein the Reference tariff would be incorporated in the Bid document. However, now, while furnishing additional information and clarification, the KOPT has stated that the project is not a PPP project.

In cases where authorisation arrangement u/s 42(3) is other than by way of a BOT concession agreement, Clauses 8.1 and 8.2 of the Tariff Policy, 2018, require the Authority to fix ceiling rates for such services at the concerned ports without reference to individual service provider, based on a proposal to be received from the Port.

In such a scenario, the Scale of Rates of KOPT, will have two different schedules prescribing two different ceiling rates for handling of cargo by Floating Crane at KOPT, the implications of which has to be examined by KOPT.</td><td>Explained above.

(Reply not found relevant.)</td></tr>
<tr><td>(iii).</td><td>Inspite of a specific request, the KOPT has not furnished the basis to consider the handling rate of containers at 24 TEUs per hour.</td><td>The proposed terms and conditions including rate of handling of containers have been based on scrutiny of quotations received from existing / prospective bidder. No further analysis is practicable.</td></tr>
<tr><td>(iv).</td><td>Though the KOPT has reported to have considered 55% utilization factor, on account of the shuttling of Floating crane between Sagar, Diamond Harbour and Sandheads, the KOPT has not explained how the said shuttling will result in only 55% utilization.</td><td rowspan="2">Utilization of 202 days annually have been arrived by scrutiny of the bids of the existing operator. Whereas, existing cranes are operated only at Sagar during monsoon, the new crane will operate both at Sagar and Diamond Harbour separated by a distance of 72 km. Whereas, during fair weather, existing cranes shuttles between Sagar and Sandheads, the new crane will have to shuttle between Diamond Harbour and Sandheads. In any case, existing cranes with lower tariff are expected to be first option to the trade which will reduce effective utilization of the new crane.
In consideration of the above, utilization of 55% appears to be justified.</td></tr>
<tr><td>(v).</td><td>Though the KOPT has reported to have considered 202 working days, on account of the shuttling of Floating crane between Sagar, Diamond Harbour and Sandheads, the KOPT has not explained how the said shuttling will result in 202 working days.</td></tr>
<tr><td>(vi).</td><td>With reference to seeking the basis for all components of operating cost, the KOPT has merely stated that the components of operating cost have been considered on the basis of budgetary offers of prospective bidders, who are already working at HDC, and that it is also based on their actual working. However, at the</td><td>We have relied upon the offers received from the existing and prospective operators who have quoted the cost of each component separately.</td></tr>
</table>

	same time, the port has stated that both projects are not identical and the working are different. Thus, when the projects are not identical, it is not clear why the actuals of the other project are considered by KOPT as the basis for the subject project under reference. There is no clarity on the aspect. The basis for each and every cost component forming part of the operating costs, as sought by us vide our letter of even number dated 20 August 2019, may be furnished.	
(vii).	Also, it may be recalled that the KOPT in its proposal has stated that the proposed facility will be used to handle foreign cargo. However, when Netincon Marketing Pvt Ltd. in their comments had stated that in view of increasing movement of coastal cargo and containers, it is difficult to restrict the use of the Floating Crane for handling Foreign cargo and the containers only and had thus, requested the port to consider calculation of tariff by considering 70% Foreign cargo / Containers and 30% Coastal cargo / Containers, the port in its comments had agreed to the same and has also stated that the calculations may undergo change. However, the port has not furnished any revised workings to modify the tariff as applicable for coastal cargo/container and foreign cargo/container incorporating the ratio of foreign and coastal at 70:30.	70:30 ratio has been accepted based on practical handling of the existing operators over the last few years and there is no means to ascertain the exact ratio that may be prevalent in future after the new crane is commissioned.

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 will also be made available at our website http://tariffauthority.gov.in

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

(i). With a view to overcome the limitations in draft at Kolkata Port Trust (KOPT), the KOPT has been encouraging the ships to undertake lighterage/ topping up of cargo operation in the deep water anchorages of the port, with the help of Floating Cranes at Sagar. However, since the capacity of existing two cranes is inadequate and also since a large number of ships are still compelled to use its own inefficient gears or await availability of cranes, the port has felt the need to mobilise atleast one more floating crane to handle bulk and containers, particularly at Diamond Harbour.

(ii). In this connection, the KOPT has reportedly decided to engage a Service Provider by way of granting authorization under a license for a period of 15 years.

In cases where authorisation arrangement u/s 42(3) is other than by way of a BOT concession agreement, Clause 8.1 and 8.2 of the Tariff Policy, 2018, requires this Authority to fix ceiling rates for such services at the concerned ports without reference to individual service provider. For this purpose, proposals for regulating these charges should be initiated by the concerned Major Port Trust and the tariff so fixed, will not undergo a change whether the port itself provides this service or has permitted a private operator to render the services. In the case in reference, the port does not envisage rendering the service on its own and has envisaged to grant an authorization under a license to a Service Provider, other than by way of a BOT concession agreement. This case is, therefore, taken up for prescription of ceiling rates for the Floating Crane to be deployed at KOPT, following the provisions contained in Clause 8.1 and 8.2 of the Tariff Policy, 2018.

(iii). As per Clause 8.2 of the Tariff Policy, 2018, in case there is no ceiling tariff prescribed in the concerned Major Port for a particular service/ facility under such arrangement, the port shall adopt the tariff prescribed for the similar service/ facility prescribed in any other Major Port Trust. If there is no tariff prescribed in any Major Port Trust or the rate prescribed is not representative for the cargo/ service/ facility envisaged, the Port Trust may file a proposal with reference to optimal capacity following the principles of 2008 guidelines or based on rated capacity. [with reference to the technical specification of the service/ facility/ equipment].

In this regard, it is relevant here to mention that this Authority vide its Order no. TAMP/6/2016-KOPT dated 30 March 2016 relating to fixation of tariff for transfer of cargo between Mother Vessel and Daughter Vessel/ barges at Sagar and other deep draft locations within the limits of KOPT by Floating Crane Facilities has, interalia, approved rates for handling Dry Bulk Cargo.

Though the operations involved for levy of rates as approved vide the above said Order are similar to that envisaged in the subject proposal, the KOPT is not seen to have adopted the rates approved vide the above said Order. The reasons as conveyed by the port for not adopting the rates as approved vide the Order of March 2016 are the following:

(a). Change in the capacity of the Tug (lower capacity Tug is envisaged at the proposed facility resulting in a different capital cost and operating cost of the Tug).

(b). Lower utilization of the floating crane under the subject proposal as the said floating crane is envisaged to be moved between Diamond Harbor, Sagar and Sandheads, whereas the Floating Crane deployed for which tariff was fixed vide the Order of March 2016 was generally to be deployed at one location only.

(c). The new crane is also expected to handle containers as well as bulk cargo, whereas rate for handling only bulk cargo have been approved in the March 2016 Order. No rate for handling containers has been approved in the March Order.

(d). The port has stated that the new crane is expected to be mostly utilized at Diamond Harbour which is 72 Kms. towards Kolkata as compared to Sagar where the existing cranes are primarily deployed, thereby giving an advantage to trade in terms of barge cost.

Thus, the KOPT has categorically stated that no repercussion is expected by the port on account of operating two different cranes at two different rates. The judgment of the port in this regard is relied upon.

(iv). The KOPT had filed its initial proposal in April 2019. Subsequently, only after about 3 months, a complete proposal was received from KOPT in July 2019. The additional information and clarification have been furnished by KOPT in August 2019 and October 2019. The proposal of April 2019 along with the information/ clarification furnished by the port during the proceedings of the case in reference, has been considered in this analysis.

(v). Optimal Capacity of the Floating Crane:

(a). KOPT has assessed the optimal capacity of the floating crane at 8 lakh tonnes per annum in respect of dry bulk cargo and 45000 TEUs in respect of containers.

(b). By considering the handling rate of dry bulk cargo at 495 tonnes per hour with a load factor of 80% and based on 20 operating hours per crane per day, the KOPT has arrived at the handling rate of dry bulk cargo at 7920 tonnes per day. The said handling rate is seen to be as per the handling rate for handling dry bulk cargo for floating crane as considered in the Order no. TAMP/6/2016-KOPT dated 30 March 2016, and hence is considered in the analysis.

(c). By considering the handling rate of containers at 24 TEUs per hour and based on 20 operating hours per crane per day, the KOPT has arrived at the handling rate of containers at 480 TEUs per day.

As regards, handling rate of containers at 24 TEUs per hour, inspite of a specific request, the KOPT has not furnished the basis for the same. In this connection, reference is drawn to the norms prescribed in the Upfront tariff guidelines of 2008 for a container terminal, where the handling rate of containers is prescribed at 25 moves per hour. When handling by a Quay crane in a container terminal considers a handling rate of 25 TEUs per hour, consideration of 24 TEUs per hour as the handling rate by a Floating Crane is found to be reasonable and hence, considered in the analysis.

With regard to considering the operating period of the Floating Crane at 20 hours, the KOPT in the proceedings relating to the Order of March 2016, had reported that since the mother vessels will come with part load because of draft restrictions, during the cargo transfer operations, there will be occasions when the Floating Crane will have to wait for about 4 hours for aggregation of cargo by the Pay loaders inside the hatches. Based on the above reasoning and given that none of the users/ prospective applicants have objected to the operating period of the Floating Crane at 20 hours per day considered by KOPT, the judgment of the port in this regard is relied upon.

(d). In the calculation of the optimal capacity of the Floating Crane, the floating crane is envisaged to be utilized for 101 days in respect of dry bulk cargo and 101 days in respect of containers, thereby aggregating to 202 days per annum. The said period of 202 days is reported to be based on the assumption that there will be mobilization and demobilization i.e. shifting of the crane from its anchor position and positioning of it alongside the vessel for 8 days in a month, working out to 96 days in a year. During the shifting of the cranes, stoppage of cargo operation is envisaged. Thereafter, an utilization factor of 75% is considered, to arrive at 202 working days of the floating crane, in a year. In other words, by considering 202 working days in a year, the Floating Crane is proposed to be utilized for only 55% i.e. (202 days / 365 days). The ratio of 1:1 adopted by KOPT to allocate the 202 working days between handling of bulk cargo and handling of containers, is reported to be estimated based on the interaction with the trade.

Based on the reasoning furnished by the KOPT and since none of the users/ prospective bidders have objected to the 202 workings days in a year and the allocation ratio of 1:1 adopted by KOPT, the judgment of the port in this regard is relied upon.

(e). By considering the handling rate of dry bulk cargo at 7920 tonnes per day as discussed above and taking into account 101 working days allocated in respect of dry bulk cargo, the optimal capacity of the Floating Crane to handle dry bulk cargo works out to 799920 tonnes per annum. The same has been considered at 8 lakh tonnes by KOPT after rounding off. The capacity of the Floating Crane in respect of Dry Bulk Cargo at 8 lakh tonnes is considered in the analysis.

Likewise, by considering the handling rate of containers at 480 TEUs per day as discussed above and taking into account 101 working days allocated in respect of containers, the optimal capacity of the Floating Crane to handle Containers works out to 48480 TEUs per annum. The same has been considered at 45000 TEUs by KOPT after rounding off. Since the impact of rounding off is found to be substantial, the capacity of the Floating Crane in respect of Containers at 48480 TEUs is considered in the analysis.

(vi). Capital Cost:

(a). The capital cost considered by the KOPT comprises of cost of 1 no. of Floating Crane, 1 no. of Floating Barge, 1 no. of 25 tonne Tug, 1 no. of Loader and Miscellaneous Costs @ 5%.

The Floating Crane is envisaged for transfer of cargo between the Mother Vessel and Daughter Vessel/ Barge. The Floating Crane will be mounted on the Floating Barge. A Tug is envisaged for movement of Floating Crane and for berthing/ unberthing alongside from the Vessels/ Barges. A loader is envisaged to be utilized inside the hatches for aggregation and trimming of cargo during the transfer operation.

(b). The cost of Floating Crane at 2.82 million Euros is inclusive of cost of 2 no. of Grabs & Spreaders. The KOPT has considered Custom duty @ 25% on the said cost. The documentary evidence furnished by KOPT in support of the cost of the Floating Crane is a communication furnished by one of the bidders to the Project viz., Netincon Marketing Private Limited (NMPL) to KOPT. In the said communication, the NMPL is reported to have furnished the cost, based on the inputs received by it from the Crane manufacturers and from Yards. Given that the port has relied upon the cost estimates as furnished by NMPL and since none of the users/ prospective bidders have objected to the cost of the Floating Crane considered by KOPT, the same is relied upon in the analysis. The cost of Floating Crane has been updated with the exchange rate of ₹79.60 per Euro prevailing at the time of finalization of the case, as against the exchange rate of ₹ 81 per Euro considered by KOPT.

(c). The cost of Floating Barge at ₹ 21 crores is inclusive of cost of Genset. The KOPT has considered GST @ 5% on the said cost. Here also, the documentary evidence furnished by KOPT in support of the cost of the Floating Barge is a communication furnished by NMPL, wherein the NMPL is reported to have furnished the cost, based on the inputs received by it from the Crane manufacturers and from Yards. Given that the port has relied upon the cost estimates as furnished by NMPL and since none of the users/ prospective bidders have objected to the cost of the Floating Crane considered by KOPT, the same is relied upon in the analysis.

(d). The cost of the Tug inclusive of Fenders has been considered at ₹ 10.5 crores. The KOPT has considered GST @ 5% on the said cost. The total cost of tug inclusion of Fenders works out to ₹ 11.02 crores. Here also, the documentary evidence furnished by KOPT in support of the cost of the Floating Barge is a communication furnished by NMPL, wherein the NMPL is reported to have furnished the cost, based on the inputs received by it from the Crane manufacturers and from Yards. For the reasons given earlier, the same is considered in the analysis.

(e). The cost of Loader at ₹ 84 lakhs is also based on the NMPL communication. For the reasons given earlier, the same is considered in the analysis.

(f). The KOPT has considered miscellaneous capital cost @ 5% of the estimated equipment cost, which is seen to be in line with the Upfront tariff guidelines of 2008.

(g). Since loaders are not envisaged to be used for handling containers, the cost of loaders have not been factored in the capital cost relevant to containers. Such a segregation has been done by KOPT only for determination of the operating costs.

(h). Based on the above, as against the total capital cost estimated by the port at ₹ 65.58 crores, the capital cost pertaining to the dry bulk cargo has been estimated at ₹ 65.06 crores. Capital cost pertaining to containers has been estimated at ₹ 64.22 crores, owing to exclusion of capital cost of loaders to the tune of ₹ 84 crores.

(vii). Operating Cost:

(a). (i). The Fuel cost has been considered in respect of Floating Crane, Tug, Genset and Loader. The unit cost of diesel is considered at ₹ 68.20 per litre prevailing on the date of finalization of the case, instead of ₹ 64 per litre considered by KOPT.

(ii). In respect of the Floating Crane, the fuel consumption at 95 liters per hour per crane is seen to be closer to the fuel consumption of Floating Crane considered in the March 2016 Order at 96 litres per hour and hence relied upon.

The hours of operation of Floating Crane is considered at about 4918 hours per annum. The said hours of operation is reported to be based on 22 hours of working per day during each of the 202 working days and the balance is attributed towards idling hours. Since none of the users/ prospective applicants have objected to the operating hours of the Floating Crane as considered by KOPT, the judgment of the port in this regard is relied upon.

(iii). Incase of Tugs, the KOPT has considered fuel consumption of 150 litres per hour for towing and 16 litres per hour for standby. The towing has been considered for 100 hours in a month and for 12 months per annum and the standby period has been considered for 24 hours in a day for 365 days per annum. Inspite of a specific request, the KOPT has not furnished the basis for considering various parameters, but has only stated that the said parameters are as furnished by the bidders, who are already operating at Haldia. Since none of the users/ prospective applicants have objected to the fuel consumption and the operating hours of the Tug as considered by KOPT, the judgment of the port in this regard is relied upon.

A calculation error in the working of KOPT is rectified in our analysis.

(iv). The fuel consumption of the loader at 20 litres per hour is seen to be in line with the fuel consumption of Loader as considered in the March 2016 Order and hence relied upon. No Loader operation is envisaged for Containers.

The hours of operation of loader at 1500 hours per annum is seen to be closer to the operational hours considered for loaders in the March 2016 Order at 1530 hours and hence the same is relied upon.

(v). The fuel consumption of DG set at 6 litres per hour for 24 hours per day and for 365 days per annum, as estimated by the port is relied upon.

(c). The Insurance cost has been estimated at 1% of Capital Cost of Crane, Tug and Barge. The Depreciation cost has been estimated at 10% of capital Cost of Crane, Tug, Loader and Barge. The quantum of percentages considered are seen to be as per the provisions prescribed in the 2008 Upfront tariff guidelines for a multipurpose cargo berth and considered in the March 2016 Order as well.

(d). Repairs & Maintenance cost has been estimated by the Port at 6% of cost of Crane, 7.5% of Cost of Tug and 5% of capital cost of loader & Barge. This is reported to be based on the parameters as furnished by the bidders, who are already operating at Haldia. The KOPT has relied upon the estimate of Repairs and Maintenance cost. Therefore, the proposal of KOPT in this regard is considered.

(e). In addition to the above, cost of crew manning and technical management expenses at ₹ 12 lakhs per month (i.e. ₹ 144 lakhs per annum), cost of 14 nos. of crew salary at ₹ 108 lakhs per annum, cost of rent and fuel of launch at ₹ 5 lakhs per month (i.e. ₹ 60 lakhs per annum) and cost of shore establishment expenses at ₹ 91.50 lakhs per annum, aggregating to ₹ 403.50 lakhs per annum has been considered. On a specific query, this is reported to be based on the parameters as furnished by the bidders, who are already operating at Haldia. The KOPT has relied upon the estimate of man power expenditure. Therefore, the proposal of KOPT in this regard is considered. Incidentally, the KOPT has not estimated separate Miscellaneous cost at 5% of the capital cost, which is generally estimated by the Major Port Trusts, while determining the Reference Tariff.

(viii). Return on Capital Employed is allowed at 16% of the estimated capital cost of the facility.

(ix). Thus, the annual revenue requirement, which is the sum total of the operating cost and the return on the capital employed, works out to ₹ 30.86 crores in respect of dry bulk cargo and ₹ 30.40 crores in respect of containers, as against the revenue requirement of ₹ 30.67 crores in respect of dry bulk cargo and ₹ 30.35 crores in respect of containers, estimated by the KOPT.

(x). Considering the Annual revenue requirement and considering the handling rates in respect of dry bulk cargo and other cargo by Floating Crane, the rate for dry bulk cargo works out to ₹ 192.88 per tonne as against the rate of ₹ 191.68 per tonne as proposed by the port. Similarly, the rate for handling a Container works out to ₹ 3134.84 per TEU as against ₹ 3407.68 per TEU as proposed by the Port.

(xi). The KOPT in its proposal had initially stated that the proposed facility will be used to handle foreign cargo. However, one of the prospective bidder viz., Netincon Marketing Pvt Ltd. (NMPL) has specifically requested the port to consider the ratio of foreign/ coastal cargo and containers at 70:30 on the ground that there is an increase in the movement of coastal cargo and containers and that it would be difficult to restrict the use of the Floating Crane for handling only Foreign cargo and containers. Though the KOPT has agreed to the request made by NMPL, it has neither furnished revised workings to arrive at the revised handling rate for foreign/

coastal cargo and containers based on the ratio of foreign and coastal at 70:30, nor it has furnished a revised Scale of Rates incorporating the rates of coastal cargo/ containers, inspite of a specific request made to KOPT in this regard. However, an exercise to determine the revised handling rate for foreign/ coastal cargo and containers based on the ratio of foreign and coastal at 70:30, has been made.

(xii). Based on the above position, the Cost statement furnished by the KOPT has been modified. The modified Cost statement is attached as **Annex – I (a)**. The workings to determine the revised handling rate for foreign/ coastal cargo and containers based on the ratio of foreign and coastal at 70:30 is attached as **Annex – I (b).**

(xiii). The KOPT has furnished description relating to levy of Cargo Transfer Charge by Floating Crane stating that the charges prescribed is a composite charge for unloading of the cargo/ container from the mother vessel and transfer of the same to a vessel/ Barge directly in case of import or vice versa in case of export, including stevedoring & all other allied services. The note also states that the charge will be applicable for the floating crane operation in the location of setting up of floating crane facility as well as any other deep drafted area within KOPT limit and shall be applicable on the quantity unloaded/ loaded by use of the Floating Crane, as determined through the Draft Survey Report. The note also states that incase of handling of containers, the no. of containers in TEUs will be taken.

Another note is proposed by the port to the effect that the anchorage charge for vessels as well as wharfage and other levies applicable for handling cargo at the Anchorages shall be paid by the Vessel owner/ cargo interest separately to Kolkata Port Trust, as per Scale of Rates of KOPT time being in force. There is no objection from the users in this regard.

Since the proposed notes lists down the services included in the prescribed levy and also gives more clarity and reduces ambiguity, the proposed notes are approved.

(xiv). (a). Clause 8.2 of the Tariff Policy, 2018, stipulates that the Port Trust shall propose the Performance Standards to be achieved by the service provider and tariff linked to Performance Standards. Accordingly, the KOPT has proposed performance linked tariff, where lower the productivity, lower the rate and higher the productivity, higher the rate is leviable. Thus, the performance linked tariff proposed by the KOPT provides for incentive for better performance and disincentive for under performance. In this regard, it is noteworthy that cargo wise performance linked tariff has been prescribed in the case of KOPT itself, while prescribing charges for Flaoting Crane vide Order of March 2016 as well as in respect of some other major port trusts where the Harbour Mobile Cranes (HMCs) are envisaged to be deployed by the service providers and also in the Transloading facility at KOPT.

(b). The performance linked tariff structure proposed by KOPT provides for reward by way of an uniform increment in the rate by 2.50% over the previous slab for each slab and a reduction in the rate by 2.50% over the previous slab for each slab. For the purpose, the KOPT has considered the average output of 7920 tonnes per day for the dry bulk cargo and 480 TEUs per day for the containers, as considered in the optimal capacity calculation, as a cut-off point for formulating the performance linked tariff.

(c). Based on the position put forth by KOPT and given that the prescription of performance linked tariff would enhance the productivity levels and protect the interest of the users, the proposal of the port to prescribe performance linked tariff as furnished by it, is approved.

(xv). The KOPT has stated that since the Floating Crane facilities are proposed to be created on licence basis for a period of 15 years, the tariff be kept valid for a period of 15 years subject to the indexation, in line with the approach followed in respect of the Transloading facility at KOPT as well as in the Order of March 2016 for the Floating Crane facility. With regard to indexation, the KOPT has proposed a note to the effect that the Tariff will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2019 and 1 January of the relevant year and that 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.

If the validity is to be prescribed for a period of 15 years, then the initial tariff fixed now cannot remain constant without capturing the impact of the price fluctuations. Since the KOPT envisages to issue a license for a period of 15 years and have a stability in tariff for a period of 15 years, it is appropriate to prescribe validity for 15 years, as was done in the earlier occasions case at KOPT, as discussed above. Thus, in order to capture the impact of price fluctuation on the tariff fixed now, a provision is kept in the Scale of rates to index the tariff fixed now, to inflation but only to an extent of 60% of variation of WPI occurring between 60% of variation of WPI occurring between 1 January 2019 and 1 January of every succeeding years, by borrowing the norms prescribed in the 2008 upfront tariff fixation guidelines.

8. In the result, and for the reasons given above, and based on collective application of mind, the insertion of the following provision in the existing Scale of Rates of KOPT is approved:
“

	<u>**Cargo Transfer Charge by Floating Crane:**</u>			
Sl No	**Commodity**	**Unit**	**Rate in Rupees**	
			Foreign	**Coastal**
(1)	Dry Bulk Cargo	Per Metric Tonne	219.18	131.51
(2)	Containers	Per TEU	3562.31	2137.39
	Notes			
	(i) The charges prescribed above is a composite charge for unloading of the cargo/ container from the mother vessel and transfer of the same to a vessel/ Barge directly in case of import or vice versa in case of export, including stevedoring & all other allied services. The charge will be applicable for the floating crane operation in the location of setting up of floating crane facility as well as any other deep drafted area within KoPT limit and shall be applicable on the quantity unloaded/ loaded by use of the Floating Crane, as determined through the Draft Survey Report. Incase of handling of containers, the no. of containers in TEUs will be taken.			
	(ii) The anchorage charge for vessels as well as wharfage and other levies applicable for handling cargo at the Anchorages shall be paid by the Vessel owner/ cargo interest separately to Kolkata Port Trust, as per Scale of Rates of KOPT being in force.			
	Performance Linked Tariff:			

The prescribed rate is the base rate for achieving minimum level of cargo transfer rate of 7920 tonnes per day to be computed as per the formula provided in the Licence Agreement. The productivity wise slab rates shall be as follows:

For Dry Bulk Cargo:

(Rate in ₹ per MT)

Performance Standard in tonnes	**Foreign**	**Coastal**
8501-9000	230.27	138.16
7921-8500	224.66	134.79
7920	**219.18**	**131.51**
7919-7500	213.70	128.22
7499-7000	208.36	125.01

For Containers:

(Rate in ₹ per TEU)

Performance Standard in TEUs	Foreign	Coastal
601-700	3742.66	2245.59
481-600	3651.37	2190.82
480	**3562.31**	2137.39
479-301	3473.26	2083.95
300-200	3386.43	2031.86

Note:

To calculate the ceiling rates for performance below 7920 tonnes (for Dry Bulk cargo) and 480 TEUs (for Container) per WWD as shown above, the base rate was reduced by 2.5% for first five hundred tonnes and for the 2nd five hundred tonnes the rate was reduced by 5% of the base rate and for containers, the base rate was reduced by 2.5% for first one hundred TEUs and for the 2nd one hundred TEUs the rate was reduced by 5% of the base rate. Likewise performance below 7000 tonnes (for dry bulk cargo) and 200 TEUs (for container) per WWD shall be calculated by reducing the base rate accordingly.

The same methodology shall also be adopted to calculate the incremental ceiling rate beyond 7920 tonnes (for Dry Bulk cargo) and 480 TEUs (for Container) per WWD and in such case the base rate is increased by 2.5% for first five hundred tonnes, 5% for 2nd five hundred tones over the base rate and for containers the base rate was increased by 2.5% for first one hundred TEUs and for the 2nd one hundred TEUs the rate was increased by 5% of the base rate. The same methodology shall be adopted to calculate the rate beyond 9000 tonnes (for dry bulk cargo) and 700 TEUs (for container) per WWD.

The Cargo Transfer Rate shall be computed on WWD basis as per the following formula:

Total cargo/ container transferred between mother vessel and the barges / daughter vessels x 24
Cargo/ Container Transfer Time (in hours)

Immediately after completion of cargo/ container transfer operations, and before the sailing of the Mother Vessel (OGV) from the Transfer Point, Statement of Facts shall be made out duly signed by Master of the Mother Vessel (OGV) and the authorized representatives of the Licensee's Floating Crane and Barge / Daughter Vessel and shall be distributed at the transfer point amongst the following concerns:

a) Master of the vessel / agents of the vessel.
b) Representative of Licensee
c) Representative of the barge / daughter vessel.
d) The consignee / consigner, if so desires, may also depute their agents / representatives for signing of the SOF.

The Cargo/ container Transfer Time for the purpose of assessment of performance standard of the Floating Crane arrangement to fulfil the provisions of the Scale of Rates of the Floating Crane Charges shall be strictly calculated on the basis of SOF duly signed by the above said parties.

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 2019 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.

	The rates approved will come into effect after expiry of 30 days from the date of notification of the Order passed in the Gazette of India and shall remain in force for a period of fifteen years, subject to indexation, as explained above.

"

9. The rates approved shall come into effect after expiry of 30 days from the date of notification of the Order passed in the Gazette of India and shall remain in force for a period of fifteen years, subject to indexation, as explained earlier.

(T.S. Balasubramanian)
Member (Finance)

Annex - I (a)

Cost Statement for fixation of tariff for transfer of cargo and containers between Mother Vessel and Daughter Vessel / barges by Floating Crane at Diamond Harbour and other deep water anchorages.

Sl. No.	Particulars	Estimates furnished by KOPT in its proposal dated 12.04.2019 and clarification dated 30.08.2019 and 10.10.2019		Estimates Modified by TAMP	
		Cargo	Container	Cargo	Container
A	**OPTIMAL CAPACITY OF FLOATING CRANE**				
	Handling Rate per hour	495 tonnes	24 TEUs	495 tonnes	24 TEUs
	Maximum Working Hours	20	20	20	20
	Maximum Handling Rate /day	9900	480	9900	480
	Operating Load factor	80%	-NIL-	80%	-NIL-
	Handling rate (MT / Day) and (TEUs / Day)	7920	480	7920	480
	Cargo working days	101	101	101	101
	Optimal capacity Of Floating Crane (Metric Tonnes per annum)	799920	-	799920	-
	Optimal capacity Of Floating Crane (TEUs per annum)	-	48480	-	48480
	Optimal capacity Of Floating Crane (Metric Tonnes per annum) (rounded off)	**800000**	**-**	**800000**	**-**
	Optimal capacity Of Floating Crane (TEUs per annum) (rounded off)	**-**	**45000**	**-**	**48480**
			₹	**in Lakhs**	
B	**CAPITAL COST**			**Cargo**	**Container**
(i)	Floating crane	2855.25		2805.90	2805.90
	[KOPT: - (2.82 Million Euro @ 81 per Euros) + Customs duty @ 25%] [TAMP: - (2.82 Million Euro @ 79.60 per Euros) + Customs duty @ 25%]				
(ii)	Floating Barge	2204.00		2204.00	2204.00
(iii)	Tugs	1102.50		1102.50	1102.50
(iv)	Loader	84.00		84.00	0.00
(iv)	Miscellaneous Capital Costs @ 5%	312.29		309.82	309.82
	TOTAL	**6558.04**		**6506.22**	**6422.22**
C	**OPERATING COST**	**Cargo**	**Container**	**Cargo**	**Container**
(i)	Fuel cost				
	- Floating Crane	298.99	298.99	321.99	321.99
	KOPT - 95 lit/Hr x 4918 hours x Rs.64 per Litre TAMP - 96 lit/Hr x 4918 hours x Rs.68.20 per Litre				
	- Tug	206.86	206.86	217.04	217.04
	KOPT- [(150 Litres per Hour x 100 Hours towing per month)+(16 litres per hour during standby x 24 hours x 30 days per month)] x 12 months x Rs.64 per litre TAMP- [(150 Litres per Hour x 100 Hours towing per month)+(16 litres per hour during standby x 24 hours x 30 days per month)] x 12 months x Rs.68.20 per litre				
	- Loader (not envisaged for handling containers)	19.50	0.00	20.46	0.00
	KOPT - 20 lit/ hr x 1500 hours x Rs.64 per Litre TAMP - 20 lit/ hr x 1500 hours x Rs.68.20 per Litre)				
	- DG Set	34.16	34.16	35.85	35.85
	KOPT - 6 lit/ hr x 24 hours x 365 days x Rs.64 per Litre TAMP - 6 lit/ hr x 24 hours x 365 days x Rs.68.20 per Litre)				
(ii)	Insurance (1% of Capital Cost of Crane, Tug and Barge)	61.62	61.62	61.12	61.12
(iii)	Repairs & Maintenance (6% of cost of Crane, 7.5% of Cost of Tug and 5% of capital cost of	368.40	364.21	365.44	361.24
(iv)	Depreciation (10% of Capital Cost of Crane, Tug. Loader and Barge)	624.58	616.18	619.64	611.24
(v)	Miscellaneous cost (cost of crew manning & technical management expenses, cost of 14 nos. of crew salary , cost of rent and fuel of launch and cost of shore establishment expenses)	403.50	403.50	403.50	403.50
	TOTAL	**2017.62**	**1985.52**	**2045.04**	**2011.98**
D	**RETURN ON CAPITAL EMPLOYED @ 16%**	**1049.29**		**1041.00**	**1027.56**
E	**ANNUAL REVENUE REQUIREMENT**				
		Cargo	**Container**	**Cargo**	**Container**
	- Operating Cost	2017.62	1985.52	2045.04	2011.98
	- Return on Capital Employed	1049.29	1049.29	1041.00	1027.56
		3066.91	**3034.81**	**3086.04**	**3039.54**
F	**HANDLING RATE**	**191.68**	**3407.68**	**192.88**	**3134.84**
		(Rs. Per tonne)	(Rs. Per TEU)	(Rs. Per tonne)	(Rs. Per TEU)
G	**HANDLING RATE FOR FOREIGN AND COASTAL CARGO/ CONTAINER**				
	- Foreign	Not prescribed	Not prescribed	**219.18**	**3562.31**
				(Rs. Per tonne)	(Rs. Per TEU)
	- Coastal	Not prescribed	Not prescribed	**131.51**	**2137.39**
				(Rs. Per tonne)	(Rs. Per TEU)

Annex - I (b)

As per TAMP (dry bulk cargo)

	Tonnage	Foreign @ 70%	Coastal @ 30%	Handling rate	Cargo working days	Revenue Requirement	Per tonne Foreign rate	Per tonne Coastal rate
Dry Bulk	800000	560000	240000	7920	101	3086.04	219.18	131.51
	800000	**560000**	**240000**		**101**	**3086.04**		

As per TAMP (containers)

	TEUs	Foreign @ 70%	Coastal @ 30%	Handling rate	Cargo working days	Revenue Requirement	Per tonne Foreign rate	Per tonne Foreign rate
Containers	48480	33936	14544	480	101	3039.54	3562.31	2137.39
	0	**33936**	**14544**		**101**	**3039.54**		

SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / DIFFERENT USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

F. No. TAMP/22/2019-KOPT		**Proposal received from Kolkata Port Trust (KOPT) for setting up of a floating crane at Diamond Harbour and other deep water anchorages within the limits of KOPT for lighterage / topping of cargo including containers for a period of 15 years.**

A summary of the comments received from users / user organizations were forwarded to KOPT for its comments. The comments received from users / user organizations and response of KOPT thereon are tabulated below:

Sr. no.	Comments of Users / user organizations	Reply of KOPT
1.	**The Master Stevedores Association (MSA)**	
a.	The proposal is for setting up floating crane facility at Diamond Harbour and other deep Harbour Anchorages. However, at paragraph 2 of the proposal, it talks about setting up one floating crane at Diamond Harbour Anchorages only. Clarification is needed whether this facility will be extended to all Anchorage points on the River Hooghly from Sandheads to Diamond Harbour.	There will be no restriction in operating the crane at any of the deep water anchorages of Kolkata port including Diamond Harbour, Sagar, and Sandheads subject to plying certificate of the floating crane.
b.	In Para 7, it is mentioned that no feasibility report is required. MSA feels that a feasibility report may be required to justify whether the volume of cargo / containers available in the present market scenario will be able to meet the Revenue Requirement, as estimated.	Severe bunching of ships are observed for lighterage/ topping up operation at Sagar/ Sandheads and availability of adequate cargo is already established. Therefore, undertaking a feasibility study was not considered necessary. However, interested bidders may make their own assessment prior to participation in the tender.
2.	**Netincon Marketing Pvt Ltd.**	
a.	The instant proposal of KOPT is for lighterage/ topping up operations at Diamond Harbour or any other deep draft location within KoPT's limit. However, it is not clear whether the proposed Floating Crane can be utilized for full discharge or full loading of vessels at Diamond Harbour or other deep draft location.	KOPT has envisaged partial loading/ unloading and thereafter visiting the respective dock system by the concerned vessels. Full loading/ unloading may not be economical for those vessels which can enter either of the Docks. However, for vessels having dimension in excess of the docks will be allowed full loading / unloading.
b.	**Calculation of Optimal capacity for handling Dry Bulk Cargo:** For calculation of optimal capacity in respect of Dry Bulk cargo, 100% grabbing capacity has been considered, which is not possible throughout the discharge operations, as due to draft restrictions vessel comes with Import Dry Bulk cargo in partially laden condition. Further, if the vessel is allowed to discharge full cargo, then at the sweeping stage, 100% grabbing is not possible. Therefore, on an average 80% grabbing capacity may be considered for calculation of optimal capacity	

	of Floating Crane for discharging Dry Bulk cargo. Considering this: i. Maximum handling rate per hour stands at 0.8 x 25 x 0.9 x 22 cycles per hour, which translates to 396 MT. ii. Maximum handling rate per day (considering 20 hours working time) stands at 396 x 20, that is 7920 MT. iii. Considering 80% of the working time to be utilized for discharging / loading operations (balance period has been considered for shifting of Cranes from one hatch to another for maintaining stability of the vessel) handling capacity of one Floating Crane for Dry Bulk cargo stands at 7920 x 0.8, which is 6336 MT per day. iv. Considering availability of Floating Crane for 101 days in a year for handling Dry Bulk cargo, the Dry Bulk handling capacity of the Floating Crane per annum stands at 6336 x 101 MT, which is equal to 639936 MT, approx. 0.64 million MT.	The queriest were L1 in offering budgetary rates on the basis of 7920 Tons per day for Dry Bulk Cargo and 480 TEUs per day for Containers. Now they are proposing to change to 6336 Tons per day for Dry Bulk Cargo and 320 TEUs per day for Container by factoring 80% twice. The other two parties viz. M/s Bothra Shipping Services Private Limited had proposed 7920 tons per day for Dry Bulk Cargo and 480 TEUs per day for Containers and in case of M/s Tube Rose Logistics Private Limited had proposed 7860 tons per day for Dry Bulk Cargo and 440 TEUS per day for Containers. The budgetary offer of M/s Bothra Shipping Services Private Limited Cost per Ton was ₹. 193.51 per Ton for Dry Bulk Cargo and ₹. 3418.70 per TEU for Container which is well within 2% of the L1 Rate. The budgetary offer of M/s Tube Rose Logistics Private Limited was ₹. 189.51 per Ton for Dry Bulk Cargo and ₹. 3385.27 per TEU for Container. The same is also well within 2% of the L1 Rate. Moreover, the handling capacity is 7920 Tons for Dry Bulk Cargo as presently being operated by the parties at HDC, KOPT. The same was approved by the TAMP. In view of above, no change is proposed in the handling capacity both for Dry Bulk Cargo and Container.
c.	**<u>Calculation of optimal capacity of Floating Crane for handling containers:</u>** In the proposal, container handling rate per hour should be considered in terms of boxes and not TEUs. However, considering the swelling in mid-stream as well as stability of the crane, on an average 16 boxes can be handled per hour. Considering this, the maximum handling rate per day would be 20 x 16 i.e. 320 boxes per day. Assuming availability of Floating Crane for handling containers for 101 days in a year the annual capacity of the Floating Crane stands at (101 x 320), that is 32320 boxes. Thus the maximum cargo that can be handled by One Floating Crane per annum is as folllows: (a) Dry Bulk cargo 0.64 million MT (b) Container 32,000 Boxes	
d.	For calculations of tariff, handling of Foreign cargo has only been considered. However, in view of increasing movement of coastal cargo and containers, it is difficult to restrict the use of the Floating Crane for handling Foreign cargo and the containers only. Therefore for calculation of tariff, 70% Foreign cargo / Containers and 30% Coastal cargo / Containers, may be considered.	The calculation of Tariff was made based on the foreign Cargo/ container. Now, the querist is mentioning that there is a possibility of coastal cargo/ containers @ 30% which is agreed by KOPT. In that scenario, the calculations may undergo change.

2. A joint hearing on the case in reference was held on 28 August 2019 at the KOPT premises. At the joint hearing, the KOPT made a brief Power Point

presentation of the proposal. At the joint hearing, the KOPT and other users/ user organizations have made the following submissions:

<u>KOPT</u>

(i). To overcome the limitations in draft of the riverine KOPT, visiting ships are encouraged to undertake lighterage/ topping up of cargo operation in the deep water anchorages of the port. However, such operations were limited as only geared vessels undertook the said operation with their own cranes and their output was also low.

(ii). Two floating cranes were hired by KOPT in 2016 to enable lighterage/ topping up of cargo operation from geared/ gearless vessels at higher productivity. TAMP approved rates for handling cargo in March 2016.

(iii). Capacity of existing two cranes is inadequate and a large number of ships are still compelled to use its own inefficient gears or await availability of cranes. Hence, the prot has felt the need to mobilise atleast one more floating crane to handle bulk and containers, particularly at Diamond Harbour and Sagar.

(iv). TAMP rates for existing cranes could not be applied directly to the additional crane as the operating area of the new crane is wider, effective utility is expected to be lower, no rate is available for handling containers and the proposed tug will be of a lower power.

(v). Based on the budgetary quotations obtained from three prospective bidders, lowest quotation was considered to work out the rates. The rate works out to ₹ 191.68 per MT for bulk and ₹ 3407.68 per TEU.

(vi). The contract is for 15 years. A 35 T crane assisted by a tug of 25 BP, small launch for transportation, ancillary equipment like spreaders, pay loaders are proposed to be deployed. The utilization is for 202 days per annum, where 101 days is for handling bulk and 101 days is for handling containers.

<u>Bothra</u>

(i). There is no clause for fuel escalation in the tender. The same may be incorporated.

<u>Netincon</u>

(i). A clause on annual fuel escalation be incorporated in the Tender.

[KOPT: It can be considered. We will look into it.]
