

Clarification regarding Base price and details concerning the e-Auction on 17.02.2014:

1. The base price is determined based upon the Platts closing index of 13.02.2014.
2. Discounting for moisture content is done to the extent of 10% for 58 grade ore and 12% for 52 grade ore and accordingly the FOB price is determined for all the grades put to auction on 17th February, 2014.
3. The price for same grade of ore will differ depending upon its location. For example the ore at jetty will have lower base price than the ore of same grade at MPT because of the additional cost required for carriage of the ore till MPT.
4. Since the quantities are declared on basis of WMT, the base price is also on WMT basis as such the bids are to be on WMT basis and the term of Auction stands modified accordingly.
5. The successful bidder in addition to payment of the bid price will also have to pay Government of Goa service charge of 0.2% along with service tax payable to MSTC. He is also liable to pay 10% Royalty on the sale price, 5% non refundable VAT on sale price and royalty, 20 rupees per ton processing fee under Goa Illegal mining storage and transportation Rules 2013, Green Cess at rate of 20 rupees per ton. In case of export the export duty as applicable will also have to be paid. This is not the exhaustive list of out goings to government but inclusive in nature.
6. The base price is arrived at by discounting the FOB price with some of the factors like 30% Custom duty, handling loss at port at 2.5%, interest on investment etc., demurrage of 1 \$, freight penalty of 11 rupees, sampling cost of 10 rupees, Port charges at 155 rupees per ton, one unit grade variance about 4.17 \$, 10% royalty, 5% vat, 20 rupees per ton processing fee, barge freight taken at 99 rupees per ton, green cess at rupees 20 per ton, jetty charges at rupees 219 per ton. The above discounting is done as per the past data and only to arrive at base price and actual costs are to be worked out by the bidders as the auction is on as and where basis.

7. The Government reserves the right to dispose of the available quantity in addition to the offered quantity of ore as shown in the list of stacks for e-Auction on price cum quantity bidding to the successful bidder without conducting fresh auction for the remaining quantity.
8. Any mistake in the stack, calculation and the other details of the stack like base price can be rectified and corrected anytime before the start of e-Auction.