



TRAFFIC DEPARTMENT

No.TD/TM/P&L-27/2021(PT-IV)/761

Dated, the 12th April, 2023

TRADE CIRCULAR

Sub: Indexation and payment of royalty by the stevedoring and shore handling agents.

As per the clause 2.10 and 3.5.5 of the Stevedoring and Shore Handling Guidelines, 2016, 60% variation in WPI is to be considered for indexation of upfront tariff and indexation of royalty in absolute terms respectively.

In this connection, TAMP vide letter No.TAMP/12/2009-Misc. dated 27.03.2023 have informed the annual indexation of 7.27% at 60% of WPI (copy enclosed). Accordingly, the applicable indexed royalty @ Rs.5.73 per MT will be collected from the stevedoring and shore handling agents for the FY 2023-24.

This trade circular is issued for information and guidance of all concerned.

Bl
12/04/23
Asst. Traffic Manager
Paradip Port Authority

Copy to:

- (i) All Stevedores/ Importers/ Exporters/ Steamer Agents, PPA for kind information.
- (ii) The Secretary, PPSA/USA, Paradip for kind information.
- (iii) FA & CAO, PPA for kind information.
- (iv) Dy.CAO, PPA for kind information.
- (v) All Officers of Traffic Department for kind information and necessary action.
- (vi) Shri.Madan Mohan Barik, ODC for information and necessary action.
- (vii) Sr.Deputy Director, EDP Cell for information with a request to upload the same in PPA website.

From: "Shri P.L. Haranadh" <chm@paradiport.gov.in>
To: "Asish Kumar Bose" <dychm@paradiport.gov.in>, "Shri G. Edison" <tm@paradiport.gov.in>, "Sri Dharmendra Nath Sondhi" <facao@paradiport.gov.in>
Sent: Monday, March 27, 2023 5:06:03 PM
Subject: Fwd: Annual Escalation factor to the extent of 60% of the variation in the Wholesale Price Index (WPI) for indexation of SOR and 100% of the variation in the Wholesale Price Index (WPI) for indexation of Performance Linked tariff under the Stevedoring and Shor

----- Forwarded message -----

From: TAMP <tariff@tariffauthority.gov.in>

Date: 27 Mar 2023 16:54

Subject: Annual Escalation factor to the extent of 60% of the variation in the Wholesale Price Index (WPI) for indexation of SOR and 100% of the variation in the Wholesale Price Index (WPI) for indexation of Performance Linked tariff under the Stevedoring and Shor

To: chairman@kopt.in,fa@kopt.in,"Shri P.L. Haranadh" <chmppt@paradiport.gov.in>,Asish Kumar Bose <dychmppt@paradiport.gov.in>,Sri Dharmendra Nath Sondhi <facaopt@paradiport.gov.in>,Chairman Visakhapatnam Port <chairman.vpt@gov.in>,"SHANTHI .S" <fa.vpt@gov.in>,chairman@chennaiport.gov.in,facao@chennaiport.gov.in,info@vocport.gov.in,fa@vocport.gov.in,ca@vocport.gov.in,DrBeena M <chairman@cochinport.gov.in>,Vikas Narwal <deputychairman@cochinport.gov.in>,Sahu S K <fa@cochinport.gov.in>,chairman@nmpt.in,fa@nmpt.in,mptgoa@mptgoa.gov.in,CHAIRMAN MPTGOA <chairman@mptgoa.gov.in>,FACAO MPTGOA <facao@mptgoa.gov.in>,chairman@mbptmail.com,CHAIRMAN JNPT <chairman@jnport.gov.in>,chairman@deendayalport.gov.in,Bhagyanath Balakrishnan <facao@deendayalport.gov.in>,kptcostsection@gmail.com
Cc: Sushil Singh <js-ports@nic.in>,Sunil Kumar Singh <sunilk.singh@nic.in>,IPA <ipa@nic.in>,"memfin.tfay" <memfin@tariffauthority.gov.in>

No. TAMP/12/2009-Misc.

27 March 2023

To

The Chairmen,

All Major Port Authorities.

Subject: Annual Escalation factor to the extent of 60% of the variation in the Wholesale Price Index (WPI) for indexation of SOR and 100% of the variation in the Wholesale Price Index (WPI) for indexation of Performance Linked tariff under the Stevedoring and Shore handling Guidelines, 2016.

Sir,

As per the Clauses 2.10. and Clause 3.5.5 of the Stevedoring and Shore handling Guidelines, 2016, 60% variation in WPI is to be considered for indexation of upfront tariff and the indexation of royalty in absolute terms respectively. Clause 7.1 of the said Guidelines stipulates that the operator can apply indexation in tariff at 100% of WPI variation instead of 60% variation in WPI on written confirmation by Major Port Trusts to the operator that it has achieved notified Performance Standards for each cargo.

2.1. The Ministry of Law and Justice has published the Major Port Authorities (MPA) Act, 2021 in the Gazette of India on 18 February 2021. As per Gazette notification No 4143 dated 29 October 2021 published by the Ministry of Ports, Shipping and Waterways (MOPSW), the MPA Act, 2021 has come into force with effect from 3 November 2021.

2.2. As per Section 54 of the MPA Act 2021, the Central Government may constitute an Adjudicatory Board to discharge the powers and functions of the Adjudicatory Board other than tariff setting listed under Section 58 (1) of the ibid Act. TAMP is to discharge the functions of the Adjudicatory Board till constitution of the Adjudicatory Board.

2.3. The MOPSW vide its letter dated 3 November 2021 has issued Tariff Policy 2021 for Tariff fixation of Major Ports and vide letter dated 21 December 2021, the MOPSW has also issued Tariff Guidelines, 2021 for future PPP concessionaires in exercise of the powers conferred under the MPA Act 2021.

2.4. As per the Tariff Policy 2021 for tariff fixation of Major Ports, the IPA has to intimate the annual indexation factor to all Major Port Authorities under the New Tariff Guidelines 2021.

2.5. No specific guidelines for the Stevedoring and Shore handling operations, after the MPA Act 2021 has come into force are issued by the MOPSW till date.

3. As such, in the absence of the specific guidelines for the Stevedoring and Shore handling operations, after the MPA Act 2021 has come into force and recognizing that their SOR is due for annual indexation in the rate w.e.f. 1 April 2023, it may be just and fair that indexation factors are announced in time for the Major Port Authorities to enable them to take appropriate action.

4. Accordingly, indexation factors with reference to the variation in Wholesale Price Index (WPI) occurring between January 2022 and December 2022 has been worked out as per the clause 2.10 and 3.5.5 of the Stevedoring and Shore Handling Guidelines, 2016. For this purpose, WPI for all commodities announced by the Office of Economic Advisor, Ministry of Commerce and Industry has been considered.

5. The WPI occurring between the relevant dates was ascertained from the Ministry of Commerce and Industry, Government of India. 100% variation in WPI occurring between 1 January 2022 and 1 January 2023 works out to 12.12% and 60% variation in WPI occurring between 1 January 2022 and 1 January 2023 works out to 7.27%.

6. The annual indexation factor approved by the Authority effective from 1 April 2023 to 31 March 2024 under the Stevedoring and Shore handling Guidelines of 2016 are as follows:

- (i). Annual indexation of 7.27% at 60% of WPI variation for indexation of SOR as per Clause 2.10 and for indexation of royalty in absolute terms as per Clause 3.5.5 of the Guidelines for Determination of Upfront Tariff for Stevedoring and Shore Handling Operations authorized by Major Port Trusts under Section 42 (3) of the Major Port Trusts Act 1963; and
- (ii). Annual indexation factor of 12.12% for indexation at 100% of WPI variation (instead of 7.27%) to arrive at Performance Linked Tariff as per Clause 7.1 of the Guidelines for Determination of Upfront Tariff for Stevedoring and Shore Handling Operations authorized by Major Port Trusts under Section 42 (3) of the Major Port Trusts Act 1963.

7. The Major Port Authorities may, therefore, take appropriate action accordingly.

8. This issues with the approval of Competent Authority.

Yours faithfully,

Sd/-

(Anuradha Sharma)

Director

Copy for kind information to:

- (i). The Joint Secretary (Ports), Ministry of Ports, Shipping & Waterways, Government of India, New Delhi.
- (ii). The Advisor (Statistics), Ministry of Ports, Shipping & Waterways, Government of India, New Delhi.
- (iii). The Managing Director, Indian Ports Association, 1st Floor, South Block, NBCC Place, B.P. Marg, Load Road, New Delhi.

Sd/-



(Anuradha Sharma)

Director

Tariff Authority for Major Ports, (TAMP)

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Tel :- 022-23792000

 Sagarmala G20 theme and logo

From: TARIFF_UDC_SP

