



TRAFFIC DEPARTMENT

No.TD/TM/GEN-264/673

Dated, the 28<sup>th</sup> March, 2023

TRADE CIRCULAR

**Sub:** Indexation of tariff caps fixed in the Reference tariff cases under 2013 Guidelines for PPP projects at the major port trusts with reference to the variation in Wholesale Price Index (WPI).

As per clause 2.9 (relevant for PPP operators) and clause 4.2 (relevant for Major Port Trusts owned berths) read with clause 2.2. of the Revised Guidelines for Determination of Tariff for Projects at Major Ports, 2013 notified by TAMP on 30.09.2013, the Reference tariff fixed by the TAMP under 2013 guidelines shall be automatically escalated every year to the extent of 60% of the variation in WPI with reference to the base year. In this regard, the TAMP vide email dated 27.03.2023 (copy enclosed) have announced the annual indexation factor for the FY 2023-24 (i.e. from 01.04.2023 to 31.03.2024).

As per the Tariff Policy, 2021 for tariff fixation of Major Ports, the IPA has intimated the annual indexation factor to all Major Port Authorities under the New Tariff Guidelines, 2021 (copy enclosed).

The 60% of the variation in WPI occurring between 01.01.2022 and 01.01.2023 works out to 7.27% for the year 2023-24. Accordingly, the annual indexation factor of 7.27% will be applied on the tariff of PPP operators of PPA, which shall be effective from 01.04.2023 to 31.03.2024.

*Bl*  
28/03/23  
Asst. Traffic Manager  
Paradip Port Authority

Copy to:

- (i) The TAMP for kind information.
- (ii) M/s. PICTPL/ M/s. JSWPTPL/ M/s. KICTPPL/ M/s. PEQCTPL for information and necessary action.
- (iii) All Importers/ Exporters/ Steamer Agents, PPA for kind information.
- (iv) FA & CAO,PPA, CME,PPA and CE,PPA for kind information.
- (v) SE(H), PIO, PPA for kind information.
- (vi) All Officers of Traffic Department for kind information and necessary action.
- (vii) Sr.Deputy Director, EDP Cell for kind 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 5:05:45 PM  
**Subject:** Fwd: Indexation of tariff caps fixed in the Reference tariff cases under 2013 Guidelines for PPP projects at the major port trusts with reference to the variation in Wholesale Price Index (WPI).

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

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

Date: 27 Mar 2023 16:49

Subject: Indexation of tariff caps fixed in the Reference tariff cases under 2013 Guidelines for PPP projects at the major port trusts with reference to the variation in Wholesale Price Index (WPI).

To:

amardeep@ict.in,vocaccounts@crewpl.com,senthilkumar.t@crewpl.com,contact@globalportsolutions.net,info@bmctpl.com,shipping@seapol.com,pict@ict.in,makarandn@ict.in,mumbai@jsw.in,devki.nandan@jsw.in,arun.maheshwari@jsw.in,ramanathan.s@chettina d.com,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,nalif@seapol.com,sumit.anand@bmctpl.com,billing@bmctpl.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

1. The Chairmen, All Major Port Authorities.
2. M/s Kandla International Terminal Private Limited
3. M/s Chennai Radha Engineering Works Private Limited
4. M/s Global Port Solutions Private Limited
5. Bharat Mumbai Container Terminal Private Limited
6. M/s Sea Port Shipping Private Limited
7. Paradip International Container Terminal Private Limited
8. JSW Paradip Terminal Private Limited
9. Chettinad Mangalore Coal Terminal Private Limited

**Subject: Indexation of tariff caps fixed in the Reference tariff cases under 2013 Guidelines for PPP projects at the major port trusts with reference to the variation in Wholesale Price Index (WPI).**

Sir,

As per clause 2.9 (relevant for PPP operators) and clause 4.2 (relevant for Major Port Trusts owned berths) read with clause 2.2. of the Revised Guidelines for Determination of Tariff for Projects at Major Ports, 2013 notified by the Authority on 30 September 2013, the Reference tariff fixed by the Authority under 2013 guidelines shall be automatically escalated every year to the extent of 60% of the variation in Wholesale Price Index with reference to the base year indicated in the Order notified by the Authority and 1 January 2023.

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 already 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. The Tariff Guidelines applicable for the existing PPP Concessionaires governed by the Upfront Tariff Guidelines, 2008, Reference Tariff Guidelines, 2013 and Tariff Guidelines, 2019 under the MPA Act 2021 is yet to be issued by the MOPSW.

2.6. As you may be aware TAMP has been till date announcing the annual indexation factors for PPP Concessionaire governed under the respective guidelines.

2.7. It is relevant here to state that as per Section 58(1) the MPA Act 2021, the Adjudicatory Board shall perform the functions listed in said section of the Act other than tariff setting. Clause (a) under Section 58(1) prescribes the following function to be carried out by the Adjudicatory Board:

“(a). the functions envisaged to be carried out by the erstwhile Tariff Authority for Major Ports arising from the Tariff Guidelines of 2005, 2008, 2013, 2018 and 2019 and tariffs orders issued by the said Authority.”

3.1. In view of the above position and as such, in the absence of the specific tariff guidelines for the existing PPP Concessionaires governed under the Reference Tariff Guidelines 2013 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 (in case of Reference Tariff Guidelines, 2008), this Authority decides to announce the annual indexation factor under the Reference tariff Guidelines 2013 for the year 2023-24.

3.2. 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 2.9 (relevant for PPP operators) and clause 4.2 (relevant for Major Port Trusts owned berths) read with clause 2.2. of the Revised Guidelines for Determination of Tariff for Projects at Major Ports, 2013. For this purpose, WPI for all commodities announced by the Government of India has been considered.

4.1. The WPI occurring between the relevant dates was ascertained from the Ministry of Commerce & Industry, Government of India. 60% of the variation in WPI occurring between 1 January 2022 and 1 January 2023 works out to 7.27% for the year 2023-24 in the Reference Tariff case.

To cite an example, if the reference tariff with base WPI 1 January 2014 is ₹100/- then the indexed reference tariff applying the annual indexation factor of 3.78% for the period 1 April 2014 to 31 March 2015, 2.29% indexation for 1 April 2015 to 31 March 2016, Nil indexation for the year 2016-17, 1.20% indexation for the period 1 April 2017 till 31 March 2018, 2.07% for the period 1 August 2018 to March 2019, 2.56% indexation for the period 1 April 2019 to 31 March 2020, 1.13% indexation for the period 1 April 2020 to 31 March 2021, 0.33% indexation for the period 1 April 2021 to 31 March 2022 and 6.46% indexation for the period

1 April 2022 to 31 March 2023 would be ₹121.48 as on 31 March 2023 . Now to arrive at the indexed reference tariff from 1 April 2023 for the year 2023-24, applying indexation factor of 7.27% on ₹121.48, indexed tariff would be ₹130.31 (i.e  $100 \times 1.0378 \times 1.0229 \times 1.0120 \times 1.0207 \times 1.0256 \times 1.0113 \times 1.0033 \times 1.0646 \times 1.0727$ ).

4.2. Thus, in short, the annual indexation factor announced by Authority for each of the years from 2014-15 under Reference Tariff Guidelines, 2013 is given below:

<b>Effective period of annual indexation for Reference Tariff approved under 2013 Guidelines</b>	<b>Annual Indexation factor announced by the Authority.</b>
From 1 April 2014 to 31 March 2015	3.78%
From 1 April 2015 to 31 March 2016	2.29%
From 1 April 2016 to 31 March 2017	NIL
From 1 April 2017 to 31 March 2018	1.20%
From 1 April 2018 to 31 July 2018	NIL
From 1 August 2018 to 31 March 2019	2.07%
From 1 April 2019 to 31 March 2020	2.56%
From 1 April 2020 to 31 March 2021	1.13%
From 1 April 2021 to 31 March 2022	0.33%
From 1 April 2022 to 31 March 2023	6.46%
From <u>1 April 2023 to 31 March 2024</u>	7.27%

5. Further, in respect of PPP Concessionaires whose indexed SOR is notified by the Major Port Authority after the MPA Act, 2021 has come into force w.e.f. 3.11.2021, the Major Port Authority is requested to communicate the above annual indexation factor announced by the Authority for the year 2023-24 to the concerned PPP Concessionaire for indexation of their SOR w.e.f. 1 April 2023 and valid till 31 March 2024 with a copy endorsed to TAMP for information.

6. 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, 1<sup>st</sup> Floor, South Block, NBCC Place, B.P. Marg, Load Road, New Delhi.

Sd/-


**(Anuradha Sharma)**

Director


**Tariff Authority for Major Ports, (TAMP)**

**Mumbai – 400010**

**Tel :- 022-23792000**

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**From: TARIFF\_UDC\_SP**



# Indian Ports Association

No. : IPA/MSD/WPI/Tariff/2022

Dated : 27-3-2023

The Chairmen,  
All Major Port Authorities

**Sub: Annual Escalation factor for ARR computation and computation of indexed SOR by Major Port Authorities under Tariff Policy for Major Port Authorities, 2021 (after the MPA Act. 2021 comes into effect)**

Madam/Sir

As per the clauses 2.3, 2.8.1 and 2.8.2 of the Tariff Policy for Major Port Authorities, 2021 (TP) (after the MPA Act. 2021 came into effect) issued by the Ministry of Ports, Shipping and Waterways (MOPSW) vide letter No. PD-14024/5/2020-PD-I (e343443) dated 03 November 2021, Indian Ports Association (IPA) or any other Competent Authority decided by the Government is required to announce the indexation factor considering the variation in average of the monthly Wholesale Price Index (WPI) of all commodities occurring between January to December announced by the Ministry of Commerce and Industry under the Government of India, so as to enable the Major Port Authorities to draw the indexed SOR to be applicable during the year 2023-24 and for computation of indexed ARR while revising the SOR.

2 In this context, in pursuance of the Tariff Policy, 2021 and adopting the methodology earlier followed by TAMP for announcing annual indexation factor under the then applicable Tariff Guidelines, 2018, the WPI occurring between the relevant dates i.e. January 2022 to December 2022 and year preceding to the previous year i.e. January 2021 to December 2021 were ascertained from the Ministry of Commerce and Industry, Government of India. Considering variation in WPI occurring between January 2022 and December 2022, I am directed to convey that the Governing Body of IPA has approved the following indexation factors:

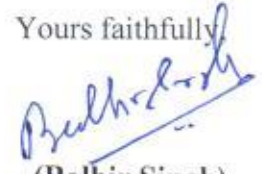
- (a) Indexation factor of 12.12% for computation of indexed ARR as per Clause 2.3 of the Tariff Policy for Major Port Authorities, 2021 for the year 2023-24.
- (b) Automatic annual indexation of SOR as per clause 2.8.1 of the Tariff Policy for Major Port Authorities, 2021 considering 60% of variation in WPI occurring 1 January 2022 and 31 December 2022 is 7.27%.
- (c) As per Clause 2.8.2 of the Tariff Policy for Major Port Authorities, 2021, Major Ports are eligible for annual indexation in the SOR @ 100% of the WPI variation as against annual indexation factor @ 60% of the variation in WPI on achievement of Performance Standards committed by the Major Ports.

The annual indexation factor at 100% of variation in the WPI under clause 2.8.2. for annual indexation in SOR for Major Ports who achieved performance standards is 12.12%.

3. A copy of the calculation sheet of indexation factors is enclosed herewith (**Annexure-1**).

4. The Major Ports may, therefore, index their SOR by applying the applicable indexation factor for the year 2023-24 effective from 01 May 2023. The indexed SOR shall be effective from 01 May 2023 and shall be valid till 30 April 2024.

Yours faithfully



(Balbir Singh)

Chief Administrative officer (i/c)

Encl.: As stated above

Copy for kind information to:

1. The Joint Secretary (Ports), MoPSW
2. The Advisor (Statistics), MoPSW
3. The Director, TAMP, Mumbai – w.r.t. their letter No.TAMP/12/2009-Misc. dated 20-3-2023
4. The FA&CAO, Major Port Authorities

Annexure-1

<b>WPI for the F.Y. 2023-2024</b>		
<b>WPI for All Commodities as announced by Office of Economic Advisor, Ministry of Commerce &amp; Industry based on 2011-12 series.</b>		
<b>Months</b>	<b>2021</b>	<b>2022</b>
January	126.5	143.8
February	128.1	145.3
March	129.9	148.9
April	132.0	152.3
May	132.9	155.0
June	133.7	155.4
July	135.0	154.0
August	136.2	153.2
September	137.4	151.9
October	140.7	152.9
November	143.7	152.5
December	143.3	150.5
Total	1619.40	1815.70
<b>Average rounded to two decimals</b>	<b>134.95</b>	<b>151.31</b>
Average WPI as on 1.1.2023		151.31
Average WPI as on 1.1.2022		134.95
Variation in the average monthly WPI of 2022 and 2021 (151.31-134.95)		16.36
Inflation as on 1.1.2023 expressed as a % (16.36/134.95)		12.12%
60% of inflation factor (i.e.12.12*60%)		7.27%
<b>Thus, automatic annual indexation factor for the year 2023-24 (60% variation)</b>		<b>7.27%</b>
<b>On achievement of performance standards committed by Major Ports, they are under Tariff Policy 2021 (clause 2.8.2.) entitled for annual indexation factor @ 100% of the variation in the WPI instead of 60% of the variation.</b>		<b>12.12%</b>