

**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).

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**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 MOSPW.

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 x 1.0378 x 1.0229 x 1.0120 \* 1.0207 \* 1.0256 \* 1.0113 \* 1.0033 \* 1.0646 \* 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 1 April 2023 to 31 March 2024	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**  
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**From:** TARIFF\_UDC\_SP

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