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

TAMP/06/2020-CWC : Proposal received from the Central Warehousing Corporation (CWC) for general revision of its Scale of Rates for services rendered by it at the Container Freight Station (CFS) at the Deendayal Port Trust (DPT).

A summary of the comments received only from Kandla Stevedores Association Limited (KSAL) issummarized below:

Sl. No.	Comments of Kandla Stevedores Association Limited
(i).	Kandla Stevedores Association Limited have gone through the said proposal and are in broad agreement with the same and therefore they have no further comments to offer with regard the said proposal.

2. A joint hearing in this case was held on 26 June 2020 through Video Conferencing. The CWC, DPT and the concerned users / user organisationshave made the following submissions at the joint hearing:

Central Warehousing Corporation (CWC)

(i). We have submitted the proposal in the prescribed format. Only one document i.e. duly certified revenue estimation is to be submitted by CWC. We will submit in a day or two.

Deendayal Port Trust (DPT)

(i). We will furnish our comments. We need some time to furnish our comments.

Central Warehousing Corporation (CWC)

(i). Import containers have reduced. There are only coastal containers. Further, most of the containers are for Direct Port Delivery. On account of these, the traffic at our CFS has dropped drastically.

(ii). Overall volume has reduced in last two to three years.

(iii). There is J M Baxi operating Inland Container Depot (ICD) outside DPT. They are private ICDs and have lot of flexibility. They are competitors to us.

****

(To be Published in Part - III Section 4 of the Gazette of India, Extraordinary)

Tariff Authority for Major Ports

No.TAMP/06/2020-CWC **Mumbai, 01December 2020**

NOTIFICATION

This Authority, in exercise of the powers conferred on it under Section 48of the Major Port Trusts Act, 1963 (38 of 1963), had disposed of the proposal received from the Central Warehousing Corporation (CWC)for General revision of its Scale of Rates for services rendered by it in the Container Freight Station (CFS) at the Deendayal Port Trust (DPT)under Tariff Guidelines, 2019, on 28 October 2020. However, considering the time involved for notifying (Speaking) Order along with the Scale of Rates, passed by this Authority, this Authority decided to notify only the revised Scale of Rates immediately. Accordingly, the revised Scale of Rates approved by this Authority on 28 October 2020 was notified in the Gazette of India on 25 November 2020 vide Gazette No.526. It was stated in the said Notification that this Authority will notify the Speaking Order, in due course of time. Accordingly, this Authority hereby notifies the Speaking Order connected with disposal of the proposal of the CWC for general revision of its Scale of Rates as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No.TAMP/06/2020-CWC

Central Warehousing Corporation - - - **Applicant**

QUORUM:

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

O R D E R

(Passed on this 28th day of October 2020)

This case relates tothe proposal received from the Central Warehousing Corporation (CWC) for general revision of its Scale of Rates for services rendered by it in the Container Freight Station (CFS) at the Deendayal Port Trust (DPT).

2.1. The Scale of Rates(SOR) of CWC was last approved by thisAuthority vide Order No.TAMP/53/2016-CWC dated 19 January 2018 and notified in the Gazette on 26 February 2018 vide Gazette No.07. The validity of the SOR was prescribed till 31 March 2020.

3. The Ministry of Shipping (MOS) vide its letter No.PR-14019/20/2009-PG (Pt.IV) dated 05 March 2019 has issued a Tariff Guidelines for BOT operators operating in all Major Port Trusts and previously governed by 2005 Tariff Guidelines in exercise of powers conferred on it by Section 111 of the Major Port Trusts Act, 1963, and directed this Authority to act accordingly with immediate effect. The Tariff Guidelines for BOT operators operating in Major Port Trust and previously governed by 2005 Tariff Guidelines has been notified in the Gazette of India Extraordinary (Part III Section 4) on 07 March 2019 vide Gazette No.92 and communicated to all the concerned BOT operators vide our letter No.TAMP/61/2018-Misc. dated 08 March 2019. Thereafter, as per Clause 1.7 of the Tariff Policy, 2019, Working Guidelines to operationalize the Tariff Policy is notified in the Gazette of India vide Gazette No.244 dated 11 July 2019 after consultation with Major Port Trusts and the BOT operators governed under the erstwhile 2005 Tariff Guidelines which is also hosted on the website of TAMP and communicated to all the concerned BOT operators including CWC.

4.1. The CWC has filed its proposal dated 02 January 2020 for general revision of its SOR following Tariff Policy, 2019. Since there were gaps in the documents/forms submitted alongwith the proposal,the CWC was requested to furnish requisite documents/ information so as to have the proposal complete in all respect for initiating the consultation process with stakeholders.

4.2. In response, theCWC has, vide its letter dated 29 February 2020, furnished requisite documents including Form 4.

4.3. The CWC has subsequently vide its letter dated 29 June 2020, furnished the Form 4 duly certified by the practicing Chartered Accountant.

5. The main points of the CWC proposal are given below:

(i). The CWC has furnished detailed computation of Annual Revenue Requirement (ARR) under Form-1 as tabulated below:

` in lakhs

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1).	**Total Expenditure**			
(i).	Operating expenses(Including depreciation)	296.73	291.13	455.96
(ii).	Finance and Miscellaneous expenses (FME)	17.01	17.90	31.09
	Total Expenditure(1)=(i)+(ii)	296.73	291.13	455.96
	Subtotal 1=(i)+(ii)			
(2).	**Adjustments in respect of items where there is variation in figures reported as per INDAS (as per Audited Accounts) and IGAAP**			
(i).	Depreciation			
(ii).	Other expenditure items, if any, to be listed			
	Total of Adjustments (2)=(i)+(ii)+ -----	-	-	-
(3)	**Less Adjustments:**			
(i).	Actual Royalty / Revenue share paid to the port			
(ii).	Interest on loans			
(iii).	Provision for bad and doubtful debts			
(iv).	Provision for slow moving inventory			
(v).	Other provisions, if any	7.93	4.06	8.01
	Total of 3= [3(i)+3(ii)+3(iii)+3(iv)+3(v)]	7.93	4.06	8.01
(4)	**Add: Admissible Royalty/Revenue Share as per Clause 2.2 of the Tariff Guidelines, 2019**	**-**	**-**	**-**
(5)	**Total Expenditure after Total Adjustments (5=1+2+3)**	**288.79**	**287.07**	**447.95**
(6)	Average Expenses of Sl. No.5=[Y1+Y2+Y3]/3			341.27
(7)	**Capital Employed**			
	(i). Gross Fixed Assets (Property, Plant & Equipment) as on 31 March 2018 followed by the BOT operator (As per IGAAP)			3,974.39
	(ii). Add : Capital Work in Progress as on 31 March 2018 followed by the BOT operator (As per Audited Annual Accounts)			2.62
	(iii). Add: Working Capital as per norms prescribed in clause 2.6 of the Tariff Guidelines 2019			
	(a). Inventory			
	(b). Sundry Debtors			
	(c). Cash			
	(d). Sum of (a)+(b)+(c)			-
	(iv). Total Capital Employed[(i)+(ii)-(iii)]			3,977.00
(8).	**Return on Capital Employed 16% on Sl. No.7(iv)**			636.32
(9).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(6) + (8)]**			977.59
(10).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2018-19, then the applicable WPI is 3.45% and the indexed ARR for the year Y4 will be (9) x 1.0345**			**1,011.32**
(11).	**Ceiling Indexed Annual Revenue Requirement (ARR) as given in Sr. No.10 above**			**1,011.32**

(12).	Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.11 above	**44.87**

(ii). The CWC has furnished in Form 4 detailed working of revenue estimation for the existing tariff as well as the proposed tariff on the average of the actual traffic handled by the BOT operator during the years Y1, Y2 and Y3. As per the said form, the total revenue estimated at the proposed tariff is `44.87 lakhs.

(iii). The CWC has furnished a copy each of the segregated Balance Sheet and schedules forming part of it for the CFS at Kandla Unit for each of the years duly certified by its Chartered Accountant. The CWC has furnished Form nos.1 to 8.

(iv) The increase / (decrease) in tariffproposed by the CWC areas given below:

Sr. No.	Descriptions	% Increase / Decrease
I.	**Import Operations**	
(i).	Import Loaded Movement + LO	55.60%
(ii).	De-stuffing	
(a).	General cargo	
	TEU	20.00%
	FEU	1.30%
(b).	Scrap / Heavy cargo	Status quo
(iii).	Examination	
(a).	General cargo	Status quo
(b).	Scrap / Heavy cargo	Status quo
(iv).	RMS Container Examination	
(a).	TEU	77.30%
(b).	FEU	51.30%
(v).	Cargo Delivery	Status quo
II.	**Export Operations**	
(i).	Carting	Status quo
(ii).	Examination, Stuffing	20.00%
(iii).	Direct Stuffing	
(a).	General cargo	25.00%
(b).	Scrap / Heavy cargo	50.00%
(iv).	Transportation of Export loaded container	
(a).	TEU	27.80%
(b).	FEU	18.50%
(v).	General operations	
	Empty container movement	
(a).	To/From CFS- Kandla Port	
	TEU	37.50%
	FEU	25.00%
(b).	To/From any yard <15 kms	
	TEU	35.70%
	FEU	23.80%
(vi).	Inland Container Shifting	
(a).	Empty container	
	TEU	1.00%
	FEU	1.00%
(b).	Loaded container	
	TEU	6.10%
	FEU	1.00%
(vii).	Lift on / off	
(a).	Empty container	
	TEU	14.30%
	FEU	4.80%

(b).	Loaded container	
	TEU	20.00%
	FEU	13.30%
(viii).	Washing, etc.	Status quo
(ix).	Movement shifting of cargo from one place to any other place for weighment or other purpose, within same godown.	
(a).	Manual	9.10%
(b).	Mechanical	7.70%
(x).	Movement shifting of cargo from one place / godown / CY to any other place / godown / CY for weighment or other purpose, within CWC-CFS complex.	7.70%
(xi).	Palletization	7.10%
(xii).	Bagging	Status quo
(xiii).	Reworking of Container	Status quo
(xiv).	Back to town	Status quo
(xv).	Locking charges	Status quo
(xvi).	Charges for fumigation	5.90% to 16.70%

6. In the meanwhile, based on the request of the CWC vide its email dated 25 March 2020 and email dated 30 April 2020 and since the validity of the existing SOR of CWC expired on 31 March 2020 and recognizing that it will take some more time to dispose of the general revision proposal of the CWC, this Authority has vide Order dated 07 September 2020, extended the validity of the existing SOR of the CWC till 15 October 2020 or the effective date of implementation of the revised SOR, whichever is earlier.

7. In accordance with the consultation process prescribed, a copy of the CWC proposal dated 02 January 2020 (excluding Audited Annual Accounts) alongwith email dated 29 February 2020 furnished by CWC was circulated vide our letter dated 09 March 2020 to DPT and to the users/ user organisations seeking their comments. In response, only Kandla Stevedores Association Limited (KSAL) furnished its comments.

8. A joint hearing in this case was held on 26 June 2020 through Video Conferencing. The CWC, DPT and the concerned users / user organisations have made their submissions.

9.1. Based on the preliminary scrutiny of the proposal, the CWC was requestedvide our email dated 01 July 2020 and subsequent letter dated 28 July 2020 followed by reminder dated 14 August 2020 to furnish information/ clarifications on a few points by 30 July 2020. The CWC has furnished its reply on additional information/ clarification alongwith revised updated forms duly certified by the CA vide its letter dated 18 August 2020. A summary of additional information/ clarification sought by us and reply furnished by CWCthereon is tabulated below:

Sl. No.	Information/ Clarification sought by us	Reply furnished by CWC
1.	**<u>Annual Revenue Requirement (ARR) (Form No.1):</u>**	
(i).	(a). As per Clause 2.1 of Tariff Guidelines, 2019(TG 2019), the ARR is the average of the sum of Actual Expenditure as per the final Audited Accounts of the immediate preceding three years (Y1), (Y2) and (Y3) at the time of submitting the proposal plus Return at 16% of Capital Employed. The CWC has submitted the proposal on 2 January 2020 i.e. in FY 2019-20. As per clause 2.1. of TG 2019, the immediate preceding three years to be considered for ARR calculation are 2016-17(Y1), 2017-18(Y2) and 2018-19(Y3). However, the	-

	CWC has worked out ARR based on the financial years 2015-16, 2016-17 and 2017-18. Further, as per clause 2.8. of the TG 2019, the ARR so assessed as on 31 March or 31 December of Y3 need to be indexed by 100% of the Wholesale Price Index (WPI) applicable as communicated by TAMP to the BOT operators to arrive at the indexed ARR for the immediate subsequent year.	
	(b). The CWC is, therefore, requested to re-compute the ARR based on 2016-17(Y1), 2017-18(Y2) and 2018-19(Y3) and thereafter arrive at the indexed ARR after applying indexation factor @4.26% for the year 2019-20 and @1.88% for the year 2020-21 announced by this Authority and furnish revised Form-1 to comply with the said provisions of TG 2019.	ARR has been re-computed based on 2016-17(Y1), 2017-18(Y2) and 2018-19(Y3). [The updated ARR computation furnished by the CWC is tabulated in the subsequent paragraph]
	(c). Consequent to above, the other forms furnished by the CWC may also be updated with the years 2016-17, 2017-18 and 2018-19 and re-submitted.	Other forms furnished are updated with the years 2016-17, 2017-18 and 2018-19 and re-submitted.
	(d). The CWC to also furnish Audited Profit and Loss Account and Balance Sheet for the year 2018-19 as regards its CFS operation at DPT.	A copy of Audited Profit and Loss Account and Balance Sheet for the year 2018-19 as regards its CFS operation at DPT is furnished.
	(e). The CWC to furnish the revised Forms duly certified by a practicing Chartered Accountant/ Cost and Management Accountant as per the provisions of TG 2019 and prescribed format to the Working Guidelines 2019.	d Forms have been furnished and duly certified by a practicing Chartered Accountant/ Cost and Management Accountant as per the provisions of TG 2019 and prescribed format to the Working Guidelines 2019.
(ii).	The CWC has not furnished Schedules to Profit and Loss Account and the Balance Sheet for the years 2016-17 and 2017-18 so as to enable us to verify the figures considered in the ARR computation. The CWC is requested to furnish Schedules attached to the Audited Profit and Loss Account and the Balance Sheet for each of the years 2016-17, 2017-18 and 2018-19 to enable us to verify the figures considered/ adjusted in the ARR computation, Gross fixed assets for the year Y3 matches with the figures reported in the Audited Annual Accounts of the concerned years.	Schedules to Profit and Loss Account and the Balance Sheet for the years 2016-17 and 2017-18 have been furnished.
(iii).	As per clause 2.2 of Tariff Guidelines of 2019, in case of bids finalised before 29 July 2003, the tariff computation must take into account royalty / revenue share payable by the private operators to the landlord port as cost for tariff fixation, subject to maximum of the amount quoted by the next highest bidder. The L.A. was signed by the CWC in February 2002. Since there is no second bid available for comparison and as the Government did not convey its decision in this regard, royalty payable was not allowed as cost in the earlier tariff revision. In the absence of any specific direction from the Government in this regard, this Authority will not be in a position to admit royalty payable	Royalty has not been paid for the years 2016-17, 2017-18 and 2018-19.

	by CWC to DPT as cost in the current tariff revision exercise also. The CWC to, therefore, exclude the actual Royalty payments made to the DPT reported in the Audited Annual Accounts for each of the years 2016-17, 2017-18 and 2018-19 (Y3) from the total expenditure while furnishing the revised the ARR calculation.	
(iv).	As per clause 2.3.1(ii) of the Tariff Guidelines 2019, interest on loans is to be excluded from the total expenditure for computation of ARR. The CWC to confirm that there is no interest on loans for the years 2016-17, 2017-18 and 2018-19 in the expenditure reported in the Audited Accounts of the respective years.	It is confirmed that CWC has never taken loan from any third party.
(v).	The CWC has considered Gross Fixed Assets of `3974.39 as on 31 March 2018. In view of point no 1(i), the CWC to consider the Gross Fixed Assets reported in the Audited Annual Accounts for the Y3 i.e. Year 2018-19.	ed withRevised forms submitted.
(vi).	(a). As per clause 2.6 of Tariff Guidelines 2019, the limit on cash balance is one month's cash expenses. In Form-3 for Computation of Working Capital, the CWC has considered `25000/- towards Cash expenses and Note 5 below Form-3 states that Total Cash Expenses includes Imprest and Temporary Advance, rest are paid through Cheque/Online This note is not relevant for the tariff computation and ARR computation. The CWC is entitled for one month cash expense i.e. total admissible expense for Y3 less depreciation for Y3 under this item. The CWC to capture one month cash expenses as per the norm for computation of working capital in line with the above observation. (b). As per clause 2.6 of T.G.2019, advance payment of Revenue Share/ royalty and lease rental/license fee to the landlord port flowing from contractual obligations will be recognized as part of sundry debtors. During earlier tariff revision, the CWC has clarified that as per clause 5.2 of the license agreement, CWC is required to pay lease rentals in advance to DPT. Since the said advance payments are governed by LA provisions, pre-payments of lease rental need to be considered as part of working capital for the purpose of allowing return. Recognising that the advance payment will get adjusted against the rent payable for the respective month and at the year end the entire advance is adjusted, the average of the pre-payment at 50% of the lease rentals reported in the audited accounts of the year Y3 i.e. 2018-19 need to be considered as part of working capital. This is in line with the	Furnished. [The CWC has captured one month Cash expenses for Y3(2018-19) in revised Form 3 for computation of working capital.] Furnished. [(i) As regards advance payment of Revenue share/ Royalty, the CWC has, in revised Form 3 for computation of Working Capital, stated that it has not paid Royalty/Revenue share in FY 2018-19 to DPT. The DPT has also, vide its email dated 11 September 2020, confirmed that no royalty has been paid by CWC.] (ii). With respect to advance payment of lease rent, the CWC has, in Form 3 for computation of Working Capital, stated that it has paid advance lease rent in FY 2016-17 for the period from February 2017 to February 2018 and thereafter no advance lease rent has been paid by CWC.]

	approach followed in the case of CWC earlier and other BOT operators as well.	
2.	**<u>Revenue estimation (Form-4):</u>**	
(i).	<u>Traffic figures:</u>	
	Clause 2.10 of TG2019 stipulates that for drawing the SOR, the traffic to be considered would be the average of the <u>actual traffic</u> handled by the BOT operator during the years <u>Y1, Y2 and Y3</u>. For ARR computation, the CWC has considered the years 2015-16(Y1), 2016-17(Y2) and 2017-18(Y3) whereas in Form-4(A), furnished vide email dated 29 June 2020, the Traffic figures considered by CWC for the revenue estimation are pertaining to the years 2017-18(Y1), 2018-19(Y2) and 2019-20(Y3). The traffic for revenue estimation should be for the same years as considered for ARR calculation. The CWC is, therefore, requested to consider the average traffic for the years 2016-17, 2017-18 and 2018-19 in view of the observation in point 1(i) above and furnish revised Form 4A.	Considered the average traffic for the years 2016-17, 2017-18 and 2018-19 in view of the observation in point 1(i) above and furnished revised Form 4A.
(ii).	<u>Revenue Estimation</u>:	
	As regards estimation of revenue, the following points are observed: (i). The CWC has not estimated revenue from the following items though the CWC has proposed tariff in the proposed SOR: (a). Tariff items under Storage charges and Ground rent prescribed in Chapter 1.1 and 1.2 of Chapter-I (b). Revenue from Container /Cargo Handling and Transportation are estimated only for a few cargo item viz. Import Loaded Movement +LO(per TEU), De-stuffing-General Cargo-TEU, Cargo Delivery from Godown/Yard-Manual, Export Operations–Carting (Manual), Examination, Stuffing - General Cargo(TEU), Transportation of Export loaded container(TEU). For all other cargo items for which tariff are proposed and/or revised, the CWC has not estimated any revenue from container/cargo handling and transportation. (c). Tariff items are prescribed in existing SOR and also included in proposed SOR with revised tariff; but no revenue is estimated by the CWC in Form-4 for the tariff items attached as Annex-I. As regards (i).(a), (b), and (c) above, the CWC is requested to confirm that no cargo traffic / services are rendered by the CWC for the above items in the year 2018-19 and no revenue was earned during the year 2018-19. If the traffic was not handled by the CWC in the year 2018-19, the CWC may consider traffic of the years 2016-17 and / or 2017-18 as base for revenue estimation for	(a). Storage charges and Ground rent has been taken. (b). Revenue estimation has been taken for all tariff items. Revenue estimation has been taken by the CWC in Form-4 for the tariff items furnished as Annex-I. However, in some tariff items no cargo/traffic was handled during the years 2016-17, 2017-18 and 2018-19. But, proposed tariff is considered in SOR.

	the above items. The CWC may consider to simplify the Scale of Rates and delete the tariff items for which no traffic is envisaged or services proposed to be rendered by CWC.	
(iii).	It is seen from the Form-4 furnished by CWC vide its email dated 29 June 2020 that for estimating revenue from Cargo Delivery from Godown/Yard-Manual and for Carting-Manual the traffic considered is in TEUs. Since the unit of levy for the proposed tariff is 'Per QTL' basis, the traffic to be considered for estimating the revenue should also be in quintal basis. The CWC to modify the revenue estimation for these two tariff items in the light of the above observation.	In Cargo Delivery from Godown/Yard-manual and for Carting-Manual, the traffic considered as per unit of levy for the proposed tariff is 'Per QTL' basis.
(iv).	The indexed ARR estimated by the CWC based on actuals for the years 2015-16, 2016-17 and 2017-18 is `1011.32 lakhs. The revenue estimated by the CWC in Form 4A at the proposed tariff is `44.86 lakhs. This appears to be significantly lower than the actual income reported for the year 2017-18 at `151.12 lakhs at the existing tariff. The CWC to relook into the revenue estimation while furnishing the revised revenue estimation and confirm it is in order. The CWC may also furnish reasons, if any, as regards wide gap in the ARR estimation and the revenue estimation which reflects significant part of the ARR uncovered to the tune of `966.46 lakhs at the revised proposed SOR.	Furnished as desired. [The CWC has furnished revised Form-4 duly signed by CA giving details of revenue estimation in compliance to the Tariff Guidelines 2019. However, the CWC has not furnished any specific reasons as regards wide gap in ARR estimation.]
(v).	In the light of the observation in point (i). & (iii). above, the CWC to furnish revised Form 4 duly certified by practicing Chartered Accountant / Cost Accountant as per the Tariff Guidelines 2019.	Form 4 has been furnished and duly certified by practicing Chartered Accountant / Cost Accountant as per the Tariff Guidelines 2019.
3.	**<u>Past Period Performance (Form-8):</u>**	
	The CWC has furnished Form 8 giving analysis for past period performance. Reference is drawn to note no.1 of the prescribed form which states that this Form is to be filed along with other Forms in the general revision of Scale of Rates subsequent to the first tariff revision done under Tariff Guidelines, 2019. The current proposal of CWC is first revision under TG 2019 and hence reference is drawn to Clause 3.1.2 of the Tariff Guidelines, 2019 which stipulates that in case of operators who have not approached Courts, the surplus/ deficit upto the period of first tariff fixation under this Guidelines shall be dealt with as per Clause 2.13 of the 2005 Tariff Guidelines as reproduced below: *"The actual physical and financial*	Furnished as per audited sheet for the year 2018-2019. [The CWC has furnished Form-8 duly certified by CA and also furnished a separate statement showing the actual physical and financial performance vis-à-vis the estimates relied upon in the previous tariff cycle. In the said statement the CWC has considered estimate/actuals for the period from 2016-17 to 2019-20 considered in the last tariff Order dated 19 January 2018 vis-à-vis the actuals as per audited annual accounts for the years 2016-17 to 2018-19. For the year 2019-20 the CWC has furnished the actuals based on unaudited annual accounts. The CWC has not furnished the copy of unaudited annual accounts for the year 2019-20.]

	performance will be reviewed at the end of the prescribed tariff validity period with reference to the projections relied upon at time of fixing the prevailing tariff. If performance variation of more than + or - 20% is observed as compared to the projections, tariff will be adjusted prospectively. While doing so 50% of the benefit/ loss already accrued will be set off while revising the tariff." During the last tariff revision, estimates for the years 2017-18, 2018-19 and 2019-20 was considered. The CWC is , therefore, to furnish the statement showing the actual physical and financial performance vis-à-vis the estimates relied upon in the previous tariff cycle as done in earlier tariff revision exercises under erstwhile Tariff Guidelines, 2005 and make necessary adjustments from the estimated ARR in case there is variation in both physical and financial parameters by +/-20%. If the Accounts of the year 2019-20 are not audited, the requisite information may be furnished based on draft/ unaudited accounts for the year 2019-20 to avoid delay in processing of the CWC proposal.	
4.	**Scale of Rates:**	
(i).	As per clause 5.4.1. of the Tariff Guidelines 2019, penal interest for delayed payments by users and delayed refund by BOT operators is prescribed at 15%. The note 1(i) under the General Terms and conditions proposed by the CWC proposes the penal interest rate at 15.75% which may be modified to 15% to fall in line with the guideline provision.	Penal interest for delayed payments by users and delayed refund by BOT operators has been modified at 15% as per Tariff Guidelines 2019.
(ii).	In Chapter-I of proposed SOR, the CWC has furnished the existing as well as proposed rates. It is observed that some of the rates indicated under existing tariff do not match with the rates approved by TAMP vide Order No.TAMPTAMP/53/2016-CWC dated 19 January 2018. In any case the proposed SOR to be approved by this Authority need not include existing rates and hence shall be deleted.	Due to clerical mistake the existing tariff approved in TAMP Order No.TAMPTAMP/53/2016-CWC dated 19 January 2018 was included in the SOR. However, there is no change in proposed tariff in Chapter- I.
(iii).	In the proposed SOR, the CWC has not included the existing note at Sr.No.(1) under Chapter 1.1 – storage charge which prescribes 7 days free period for export cargo. The CWC to explain the reasons for proposed deletion. The CWC may consider to include the existing note for free period for export cargo.	In storage charges, 7 days free period for export cargo has already been included in the letter dated 02.01.2020 in the proposed SOR. However, same is again furnished.
(iv).	Likewise, the notes at Sr.No.3 & 4 under Chapter 1.2 Ground Rent: Loaded and Empty in the existing SOR prescribes free period for import container which is proposed for deletion in the proposed SOR. The reasons for the same may be furnished. The CWC may consider to include the said	Free period has already been included in proposed SOR under schedule 1.2 Ground Rent: Loaded and Empty for import container.However, the same is again furnished.

	existing notes.	
5.	In the existing SOR, the handling rate for 40' container under Chapter-II is prescribed 1.5 times the rate for 20' container complying with the Tariff Guidelines 2005. In the proposed SOR, the handling rates prescribed in Chapter-II for 40' container is not found to be 1.5 times the 20' container as stipulated in clause 9.6.1. of the Working Guidelines 2019 notified by TAMP. The CWC to modify the proposed rate for 40' container to comply with the guidelines position. Consequently revenue estimation may also be corrected.	The rate for 40' container has been taken 1.5 times the rate for 20' containers as per Guidelines 2019 notified by TAMP and proposed SOR has been modified, Consequently, revenue estimation has also been corrected.
6.	As per Para 16 (vii) of the last tariff revision of CWC approved by this Authority vide Order No TAMP/53/2016-CWC dated 19 January 2018, the CWC, had stated that the Audited Accounts for the year 2016-17 will be submitted once it is completed and till such time the CWC had requested this Authority to go by estimates of 2016-17 furnished by it. For the reasons stated in the said Order, the proposal of CWC was considered during the last tariff revision based on the estimates/ actuals for the year 2016-17 and the Order held that it shall be reviewed based on actuals during the next tariff revision. The CWC to,therefore, furnish a statement giving the estimates / actuals considered by this Authority in the last tariff Order for the year 2016-17 in Annex- III vis-a-vis the actuals as per the Audited Annual Accounts for the year 2016-17 along with reasons for significant variation, if any, from the estimates considered in the last tariff Order.	Statement giving the estimates / actuals considered by this Authority in the last tariff Order for the year 2016-17 in Annex- III vis-a-vis the actuals as per the Audited Annual Accounts for the year 2016-17 is furnished.
7.	As per clause 1.9. of the Tariff Guidelines 2019, the BOT operator shall continue to abide by the provisions contained in the existing Concession Agreement entered into with the concerned Major Port Trust. Simultaneously, the *BOT operator shall agree to abide by this guidelines, by way of a separate* Agreement with the concerned Major Port Trust. The CWC is requested to furnish a copy of the separate Agreement as per the prescribed format forwarded by the MOS vide letter No PR-14019/20/2009-PG (PTIV) dated 8 March 2019 to all the Major Port Trusts including the DPT duly signed by the CWC and the DPT.	CWC is operating CFS (for 30 years BOT project basis) at Kandla under License Agreement with KPT dated 12/02/2002. [The CWC has not addressed the point raised.]

9.2. While furnishing the information/ clarification, the CWC has furnished the updated cost statements based on the years 2016-17, 2017-18 and 2018-19 actuals as against 2015-16,2016-17 and 2017-18 considered by the CWC in its original proposal. The main points as regards the updated cost statement are given below:

(i). The updated Annual Revenue Requirement (ARR) under Form-1 computed by the CWC is given below:

(`in lakhs)

Sl. No.	Description	Y1 (2016-17)	Y2 (2017-18)	Y3 (2018-19)
(1).	**Total Expenditure**			
(i).	Operating expenses(Including depreciation)	291.13	455.96	409.65
(ii).	Finance and Miscellaneous expenses (FME)	17.90	31.09	59.44
	Total Expenditure(1)=(i)+(ii)	309.03	487.05	469.09
	Subtotal 1=(i)+(ii)			
(2).	**Adjustments in respect of items where there is variation in figures reported as per INDAS (as per Audited Accounts) and IGAAP**			
(i).	Depreciation			
(ii).	Other expenditure items, if any, to be listed			
	Total of Adjustments (2)=(i)+(ii)+ -----	-	-	-
(3)	**Less Adjustments:**			
(i).	Actual Royalty / Revenue share paid to the port			
(ii).	Interest on loans			
(iii).	Provision for bad and doubtful debts			
(iv).	Provision for slow moving inventory			
(v).	Other provisions, if any	4.06	8.01	8.15
	Total of 3= [3(i)+3(ii)+3(iii)+3(iv)+3(v)]	4.06	8.01	8.15
(4)	**Add: Admissible Royalty/Revenue Share as per Clause 2.2 of the Tariff Guidelines, 2019**			
(5)	**Total Expenditure after Total Adjustments (5=1+2+3)**	**304.97**	**479.04**	**460.94**
(6)	Average Expenses of Sl. No.5=[Y1+Y2+Y3]/3			414.98
(7)	**Capital Employed**			
	(i). Gross Fixed Assets (Property, Plant & Equipment) as on 31 March 2019 followed by the BOT operator (As per IGAAP)			3728.02
	(ii). Add : Capital Work in Progress as on 31 March 2019 followed by the BOT operator (As per Audited Annual Accounts)			3.07
	(iii). Add: Working Capital as per norms prescribed in clause 2.6 of the Tariff Guidelines 2019			
	(a). Inventory			
	(b). Sundry Debtors			
	(c). Cash			29.12
	(d). Sum of (a)+(b)+(c)			29.12
	(iv). Total Capital Employed[(i)+(ii)-(iii)]			3760.22
(8).	**Return on Capital Employed 16% on Sl. No.7(iv)**			601.64
(9).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(6) + (8)]**			1016.62
(10).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2019-20, then the applicable WPI is 4.26% and the indexed ARR for the year Y4 will be (9) x 1.0426**			**1059.93**
(11).	**Ceiling Indexed Annual Revenue Requirement (ARR) as given in Sr. No.10 above**			**1059.93**
(12).	Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.11 above			**103.24**

(ii). The rates proposed in the revised SOR by the CWC are same as proposed in the original proposal except for revised rates proposed for a few items which are tabulated below. Furthermore, the revenue estimateconsidered in Form 4 captures the revised rates as per the proposed SOR.

Sr. No.	Descriptions	Proposed Rate As per original CWC proposal dated 2 January 2020 ------------------------- % Increase / Decrease w.r.t. existing rate i.e. January 2018 Order	Revised Proposed Rateas perCWC letter dated 18 August 2020 ---------------------------- % Increase / Decrease w.r.t. existing rate i.e. January 2018 Order
II.(A)	**Import Operations**		
(ii).	De-stuffing		
(a).	General cargo (FEU)	3800 1.30%	4500 20%
(iv).	RMS Container Examination (FEU)	3200 51.30%	3750 77.30%
II.(B)	**Export Operations**		
(iv).	Transportation of Export loaded container (FEU)	3200 18.50%	3450 27.80%
(v).	General operations		
	Empty container movement		
(a).	To/From CFS- Kandla Port (FEU)	1500 25.00%	1650 37.5%
(b).	To/From any yard <15 kms (FEU)	2600 23.80%	2850 35.7%
(vi).	Inland Container Shifting		
(b).	Loaded container (FEU)	2000 1.00%	2100 6.1%
(vii).	Lift on / off		
(a).	Empty container (FEU)	1100 4.80%	1200 14.3%
(b).	Loaded container (FEU)	1700 13.30%	1800 20%
(xii).	Bagging	15 Status quo	16 6.7%
(xvi).	Charges for fumigation		
(a).	Fumigation Charges with Methyl Bromide (FEU)	3600 5.9%	3000 -11.8%
(b).	Fumigation Charges with Aluminium Phosphide (FEU)	1100 10%	1050 5%

(iii). The CWC has furnished Form no.1 to 8 duly certified by the practicing Chartered Accountant and has a furnished the copy of annual accounts for the year 2018-19.

10. The revised computation based on actuals of 2016-17, 2017-18 and 2018-19 furnished by CWCvide its letter dated 18 August 2020 was forwarded to DPT vide our letter dated 19 August 2020 with a request to respondby 26 August 2020. In response,DPT vide its email dated 11 September 2020 has furnished the information / comments sought by us. A summary of additional information/ clarification sought by us and reply furnished by DPT thereon is tabulated below:

Sl. No.	Information/ Clarification sought by us	Reply furnished by DPT
(i).	On perusing the proposal of the CWC, it is seen that the CWC has estimated ARR based on the financial years 2015-16, 2016-17 and 2017-18. As per clause 2.1. of Tariff Guidelines 2019, the immediate preceding three years to be considered for ARR calculation are 2016-17(Y1), 2017-18(Y2) and 2018-19(Y3). While seeking additional information/ clarification from the CWC vide our letter dated 26 June 2020 to be furnished by CWC by 5 July 2020, the CWC has also been requested to re-compute the ARR based on 2016-17(Y1), 2017-18(Y2) and 2018-19(Y3) and arrive at indexed ARR after applying indexation factor @4.26% for the year 2019-20 and @1.88% for the year 2020-21 and furnish revised Form-1 and other formats to comply with the provisions of Tariff Guidelines 2019. The CWC has	No comments furnished by DPT.

<table>
<tr><td></td><td>also been requested to simultaneously furnish a copy of the revised updated cost statement to the DPT. The DPT is requested for furnish its comments on the revised updated cost statement to be filed by the CWC in the light of the above observation.</td><td></td></tr>
<tr><td>(ii).</td><td>Further, the DPT is requested to furnish information / clarification on the following points with reference to the updated cost statement to be forwarded by the CWC to DPT:</td><td></td></tr>
<tr><td></td><td>(a). Confirm that the lease rent considered for the years 2016-17 to 2018-19 as per the figures reported in the Audited Annual Accounts for these years are in line with the L.A. provisions.</td><td>No response received from DPT.</td></tr>
<tr><td></td><td>(b). Furnish comments on the computation of ARR as furnished by CWC in its Form no. 1.</td><td>No Royalty has been paid by CWC.</td></tr>
<tr><td></td><td>(c). Furnish the actual traffic handled by CWC CFS for the years 2016-17, 2017-18 and 2018-19.</td><td>Import & Export TEUs handled at CWC
<table>
<tr><th>Year</th><th>Total Import</th><th>Total Export</th></tr>
<tr><td>2016-17</td><td>47</td><td>228</td></tr>
<tr><td>2017-18</td><td>1684</td><td>867</td></tr>
<tr><td>2018-19</td><td>848</td><td>19</td></tr>
<tr><td>2019-20 (Upto Jan 2020)</td><td>102</td><td>233</td></tr>
</table></td></tr>
<tr><td></td><td>(d). Please comment whether the traffic considered by the CWC for revenue estimation is in order.</td><td>No comments furnished by DPT.</td></tr>
<tr><td></td><td>(e). DPT to furnish its comments on the revenue estimation at the proposed level of tariff as furnished by CWC in its Form-4.</td><td>No comments furnished by DPT.</td></tr>
<tr><td></td><td>(f). As per clause 1.9. of the Tariff Guidelines 2019, the BOT operator shall continue to abide by the provisions contained in the existing Concession Agreement entered into with the concerned Major Port Trust. Simultaneously, the BOT operator shall agree to abide by this guidelines, by way of a separate Agreement with the concerned Major Port Trust. The DPT to furnish a copy of the separate Agreement as per the prescribed format forwarded by the MOS vide letter No PR-14019/20/2009-PG (PTIV) dated 8 March 2019 to all the Major Port Trusts including the DPT duly signed by the CWC and the DPT.</td><td>No response from DPT on this point.</td></tr>
</table>

11. 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.

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

(i). The Scale of Rates (SOR) of Central Warehousing Corporation (CWC) was last revised by this Authority vide Order No.TAMP/53/2016-CWC dated 19 January 2018, following the Tariff Guidelines of 2005 and the revised SOR was notified in the Gazette of India on 26 February 2018 vide Gazette No.07. The validity of the SOR was prescribed till 31 March 2020 and the validity stands extended till 15 October 2020 at the request of CWC.

(ii). The Ministry of Shipping (MOS), as a policy direction under Section 111 of the Major Port Trusts Act, 1963, has issued Tariff Guidelines, 2019, for BOT operators who were previously governed by 2005 Tariff Guidelines. Consequent to the issue of the Tariff Guidelines, 2019 by the MOS, the tariff fixation exercise in respect of the CWC is to be governed by the stipulations contained in the Tariff Guidelines, 2019 and the Working Guidelines issued to operationalize the Tariff Guidelines, 2019.

Following the Tariff Guidelines, 2019 and Working Guidelines 2019, the CWC has filed its proposal dated 02 January 2020 for general revision of its SOR followed by requisite documents vide its letter dated 29 February 2020 and 29 June 2020.

Subsequently, the CWC vide its letter dated 18 August 2020 has furnished the requisite documents/ information/ clarification sought by us vide our letter dated 1 July 2020 along with revised Annual Revenue Requirement (ARR), updated computation of ARR based on actuals as per audited Accounts of the years 2016-17, 2017-18 and 2018-19 to fall in line with clause 2.1. of the Tariff Guidelines 2019 (as against ARR computation in the original proposal which was based on actuals for the years 2015-16, 2016-17 and 2017-18), draft revised SOR and modified estimates of revenue. The final revised proposal filed by the CWC vide its email dated 18 August 2020 along with submissions made by the CWC, the DPT and comments received from users during the processing of the case are considered in this analysis. The revised cost statements and modified revenue estimates furnished by CWC are duly certified by a practicing Chartered Accountant.

(iii). (a). Clause 2.1 of the Tariff Guidelines, 2019, requires each BOT Operator to assess the ARR which is the average of the sum of Actual Expenditure as per the final Audited Annual Accounts of the immediate preceding three years (Y1), (Y2) and (Y3) at the time of submitting the proposal subject to certain exclusions as prescribed in Clause 2.2, 2.3.1 and 2.3.2 of the Tariff Guidelines, 2019 and the Working Guidelines issued by this Authority plus Return at 16% on Capital Employed obtaining as on 31st March Y3, duly certified by a practicing Chartered Accountant/ Cost Accountant.

(b). The CWC has assessed the ARR based on Audited Annual Accounts for the preceding three years i.e. 2016-17 (Y1), 2017-18 (Y2) and 2018-19 (Y3) duly certified by a practicing Chartered Accountant. While assessing the ARR, the CWC has made exclusions of the expenses not admissible in ARR computation for arriving at the Average annual expenses for the year 2016-17, 2017-18 and 2018-19, as prescribed in Clause 2.2, 2.3.1 and 2.3.2 of the Tariff Guidelines, 2019. The following adjustments done by CWC in line with provisions prescribed in Clause 2.2, 2.3.1 and 2.3.2 of the Tariff Guidelines, 2019 and the Working Guidelines are brought out for specific mention except for few modifications done by us for the reasons explained in the following paragraph:

(i). Clause 2.2 of the Tariff Guidelines, 2019, *inter alia*, stipulates that Royalty/ Revenue share payable to the landlord port by the BOT operator, in those cases where the bidding process was finalized before 29 July 2003, will be taken into account as cost to the extent of the next highest bidder in the ARR computation.

In case of CWC, the license agreement was signed in February 2002. During the proceedings relating to the earlier tariff revision, CWC had clarified that in the competitive bidding, it was the only technically qualified tenderer.In the absence of any specific direction from the Government about the treatment of royalty where no other bid is available for comparison, the royalty payable by CWC was not allowed as pass through for the past period in the last tariff Order. Following the same approach, royalty reported in the Audited Annual Accounts at nil, `4.84 lakhs and `3.67 lakhs for the years 2016-17, 2017-18 and 2018-19 respectively are excluded.

In Form 2 duly certified by CA, the CWC has reported that no royalty was paid during the period from 2016-17 to 2018-19. However, it is seen that during the years 2017-18 and 2018-19, royalty is reflected under Miscellaneous Expenditure in the Audited Annual Accounts of the corresponding period to the tune of nil, `4.84 lakhs `3.67 lakhs respectively. For the year 2016-17, the Annual Accounts reports nil royalty. Following the approach adopted in the last tariff revision for the reasons stated, royalty reported in the Audited Annual Accounts at nil, `4.84 lakhs and `3.67 lakhs for the years 2016-17, 2017-18 and 2018-19 respectively are excluded by us to arrive at the total admissible expenditure for computation of ARR.

(ii). As per Clause 2.3.1 (ii) of the Tariff Guidelines 2019, interest on loans, provision for bad and doubtful debts, provision for slow moving inventory, other provisions if any, are to be excluded.

The CWC has confirmed that it has not taken loan from any third party. Hence, exclusion for interest on loans for the years 2016-17 to 2018-19 is considered as Nil.

The CWC has excluded `4.06 lakhs, `8.01 lakhs and `8.15 lakhs towards other provisions reported in the Annual accounts for the years 2016-17 to 2018-19 respectively. It is seen from the Annual accounts of the corresponding period that these provisions relate to Gratuity, LTC, leave encashment and post-retirement medical scheme. These provisions appear to be payments flowing from statutory liability and payments as per applicable rules. More pertinently, these are not for provision for bad and doubtful debts, provision for slow moving inventory etc.,as stipulated in the clause 2.3.1. (ii) of the Tariff Guidelines 2019 and are of routine nature of expenses and hence ought to be captured in the ARR computation. That being so, these items are not shown as exclusion; but captured in the computation of ARR.

(iii). Clause 2.3.2 stipulates that in case there is variation in the expenditure reported under IND AS and IGAAP (like depreciation), then necessary adjustments to be done in ARR computation by excluding IND AS figure and considering figures as per IGAAP. Form 6A and Form 6B furnished by the CWC which is duly certified by practicing Chartered Accountant states that IND AS is not followed in the CWC and hence there is no variation in the expenditure reported under IND AS and IGAAP. The said position is relied upon.

(c). Following the provisions prescribed at Clause 2.2, 2.3.1 and 2.3.2 of the Tariff Guidelines, 2019 and the Working Guidelines and based on the adjustments as discussed above, the CWC has arrived at average expenses for the years 2016-17 to 2018-19 at `414.98 lakhs. The modified average expenses works out to `418.88 lakhs in view of modifications as explained in the above part of the analysis.

(iv). (a). As per clause 2.5 of the Tariff Guidelines, 2019 Capital Employed will comprise of Gross Fixed assets (Property, Plant & Equipment) [as arrived as per the Indian Generally Accepted Accounting Principles (IGAAP)] plus capital work in progress as on 31 March/ 31 December of the year Y3 to be restated from the figures reported under IND AS in the Audited Annual Accounts and working capital as per norms prescribed. The CWC has considered gross fixed assets at `3728.02 lakhs as per IGAAP in line with provision prescribed in Clause 2.5 of the Tariff Guidelines, 2019. The CWC has furnished the prescribed Form 7 giving computation of gross fixed assets as per IGAAP duly certified by practicing Chartered Accountant. As brought out in earlier paragraphs, the CWC has clarified that IND AS is not followed in the CWC. The Gross Fixed Assets as on 31 March 2019 considered by the CWC as per IGAAP and duly certified by the Chartered Accountant is relied upon.

The CWC has considered capital work-in-progress of `3.07 lakhs as reflected in the audited Annual Accounts for the year 2018-19.

(b). Working capital comprises of Inventory, Sundry debtors and Cash balances, as per Clause 2.6 of the Tariff Guidelines, 2019. The norm prescribed for the computation of working capital is limited to one year's average consumption of inventory for capital spares and other items of inventory at six months' average consumption of stores excluding fuels. The CWC has reported Nil capital spares consumption which is relied upon. Consumption of inventory is also not reported by CWC.

As per Clause 2.6 of the Tariff Guidelines, 2019 read with clause 2.2 of the Working guidelines to operationalise the Tariff Guidelines, 2019, advance payment of revenue share/ royalty and lease rental / license fee to landlord port flowing from the contractual obligations will be recognised as sundry debtors for computation of working capital. As per Article 5.1. of the LA, royalty is payable by CWC to the DPT on the 10th of the succeeding month.As per Article 5.2. of the LA, the CWC is required to pay lease rent to the DPT for the lands allotted to it before the end of the first month of the year to which such license fee pertains. The CWC has reported Nil advance payment of royalty or revenue share to the DPT during the F.Y.2018-19 which is certified by the CA and the same is also confirmed by the DPT vide its email dated 11 September 2020. Further, Form-3 furnished by the CWC states that it has paid advance lease rent for the period from February 2017 to February 2018 in the F.Y.2016-17 and thereafter CWC has not paid advance lease rent to the DPT. Hence CWC has reported Nil sundry debtors on account of lease rent for the year 2018-19. The DPT has not furnished comments in this regard. The position furnished by CWC and certified by the CA is replied upon.

As per the norm, limit on cash balance is one month cash expenses.The CWC has consideredone month cash expenses to the tune of `29.12 lakhs [469.09-119.61)/12=29.12 lakhs] considering the total expenditure before adjustments for the year 2018-19 less depreciation for Y3. The allowable one month cash expenses considering total allowable expenditure after adjustments for Y3(2018-19) less depreciation for Y3(2018-19) works out to `28.82 lakhs [465.42-119.61)/12=28.82 lakhs] as reflected in the audited Annual Accounts for the year 2018-19 which is considered in the analysis.

(c). Subject to modifications as explained above, the modified capital employed works out to `3759.91 lakhs as against total capital employed arrived by CWC at `3760.22 lakhs. Return on Capital Employed (ROCE) considered by CWC at 16% is `601.64 lakhs. The modified ROCE works out to `601.59 lakhs based on the modified Capital Employed.

(v). The ARR comprises of the average of the expenditure for the three financial years 2016-17 to 2018-19 plus 16% ROCE. The ARR as on 31 March 2019 arrived by CWC is `1016.62 lakhs (`414.98 lakhs + `601.64 lakhs). The modified ARR arrived by us works out to `1020.47 lakhs (`418.88 lakhs + `601.59 lakhs). Further, as per Clause 2.8 of Tariff Guidelines, 2019, the said ARR needs to be indexed @ 100% of the WPI applicable for the year 2019-20 and 2020-21 which is 4.26% and 1.88%

respectively. The indexed ceiling ARR assessed by the CWC is `1059.93 lakhs applying 4.26% indexation for the year 2019-20 (i.e. `1016.62 lakhs * 1.0426). It is relevant here to mention that the F.Y.2020-21 has already commenced and the applicable indexation factor announced by this Authority is 1.88% for the year 2020-21. Accordingly, as per the modified ARR computation done by us, the modified indexed ceiling ARR works out to `1083.94 lakhs for the year 2020-21 (`1020.47 lakhs * 1.0426 * 1.0188 = 1083.94 lakhs for the year 2020-21). This does not include past period adjustment. The analysis relating to the past period is brought out in subsequent paragraphs.

The final detailed working of ARR calculation furnished by the CWC which has been duly certified by Chartered Accountant is relied upon. This is subject to minor modification as explained above. The detailed ARR calculation furnished by the CWC and modified ARR calculation by us are attached as **Annex-I**(**a**) and (**b**)respectively.

(vi). Clause 3.1.2 of the Tariff Guidelines, 2019 stipulates that in case of the BOT operators who have not gone to the Court against the previous Order of this Authority, the surplus/ deficit for the past period till the period of tariff fixation during the first fixation of Tariff under the Tariff Guidelines of 2019 is to be done as per clause 2.13 of the Tariff Guidelines, 2005.

It is relevant here to mention that the SOR of CWC approved by this Authority vide Order No.TAMP/53/2016-CWC dated 19 January 2018 for the reasons stated in the said Order captured actuals/ estimates for the year 2016-17 and estimates for the year 2017-18 to 2019-20. Since the CWC did not furnish updated cost statement based on actuals for the year 2016-17 as per the Audited Accounts, this Authority in the last tariff Order held that actuals for the year 2016-17 shall be reviewed during the next tariff revision exercise.

Thus, the estimates considered in the last tariff Order for four years i.e. 2016-17 to 2019-20 need to be reviewed vis-à-vis the actuals for these years. .

The CWC has furnished Cost Statement for the past period 2016-17 to 2018-19 based on Audited Annual Accounts. The F.Y.2019-20 is over; however, the annual accounts of CWC are not made available. Hence, for the year 2019-20, the CWC has considered actuals based on unaudited annual accounts for comparison purpose of actuals with estimates considered in the last tariff order for the year 2019-20. Since the year 2019-20 is over; but, the Audited Accounts for this year is not made available by the CWC, this Authority, for the purpose of past period analysis, goes ahead based on the approach followed by the CWC, subject to review during the fixation of tariff for next tariff cycle based on audited accounts for 2019-2020.

The CWC has furnished a statement showing the actual physical and financial performance vis-à-vis the estimates relied upon in the previous tariff cycle for the period 2016-17 to 2019-20. The figures considered by the CWC in the past period statement are considered in the analysis subject to a few modifications as explained in the subsequent paragraphs. The actuals for the year 2019-20 shall, however, be reviewed based on the actuals as per the Audited Annual Accounts for the year 2019-20 during the next tariff revision of the CWC.

(vii). The analysis is as given below:

(a). The actual traffic handled by CWC during the period from 2016-17 to 2018-19 is 74 TEUs (as reported in Form 4 duly certified by CA), 2551 TEUs, and 872 TEUs and 336 TEUs respectively aggregating to 3833 TEUs as against the estimated traffic of 10,207, 52,300, 64,800 and 80,287 TEUs for the corresponding period aggregating to 207594 TEUs estimated in the tariff Order dated 19 January 2018.

The DPT has, vide its email dated 11 September 2020, furnished the actual traffic handled by the CWC for the corresponding period at 275 TEUs, 2551

TEUs, 867 TEUs and 335 TEUs (upto January 2020). There is slight mismatch in the actual traffic reported by the CWC particularly for the years 2016-17 and 2018-19 furnished by the DPT. The difference in traffic figures remains unexplained by the DPT. For the purpose of this analysis, the actual traffic figures furnished by the CWC are considered. This will not have any impact on the final decision in this case.

The variation in the physical performance is 98% negative which is found to be more than +/-20%.

(b). The income estimates considered in the last tariff Order for the years 2016-17 to 2019-20 are adjusted to capture the effect of tariff increase granted in the last tariff Order dated 19 January 2018 for a like to like comparison with the actual income from the date of implementation of the Order.

The opinion of Attorney General for India conveyed by Ministry of Shipping vide its letter dated 12 June 2015 is that the actual income earned by the operator based on their Audited Accounts should be considered and not any notional income. Therefore, for the purpose of analysis of the past period, the actual income as reported in the Audited Annual Accounts for the years 2016-17 to 2018-19 and for the year 2019-20 actuals/estimates based on unaudited annual accounts as furnished by the CWC are considered.

(c). It is seen that all the estimates for the year 2016-17 considered by the CWC in the past period cost statement are the figures furnished by the CWC in its proposal during the last tariff revision proposal. The modified estimates as considered by this Authority in the Order dated 19 January 2018 are considered for the years 2016-17 to 2019-20 and updated with the additional revenue on account of impact of tariff increase approved by this Authority in the said Order.

(d). Under the head Others (Storage) under the operating income, the CWC has, apart from income from warehousing charges, captured Miscellaneous receipts which do not appear to be from the operations. Hence, they are excluded from the operating income and shown under the head Finance and Miscellaneous Income. While doing so, the interest income to the tune of `0.67 lakhs and 0.94 lakhs reported in the Annual Accounts for the years 2017-18 and 2018-19 are excluded.

(e). The depreciation figures as per the IGAAP considered by the CWC are relied upon and considered.

(f). The CWC has considered lease rent at 78.20 lakhs, `82.02 lakhs and `107.73 lakhs for the years 2016-17 to 2018-19 respectively as reflected in the annual accounts for the corresponding period in the past period cost statement and for the year 2019-20 the CWC has considered `107.73 lakhs as per unaudited annual accounts. The lease rent figures reported in the Annual Accounts for the years 2016-17 to 2018-19 and from unaudited accounts for the year 2019-20 are considered.

(g). Since the revenue share was not allowed as admissible cost during the previous tariff cycle, the CWC has not considered Revenue share paid to DPT for each of the years 2016-17 to 2019-20 in line with the Tariff Guidelines, 2005 and Tariff Guidelines, 2019.

(h). There is slight mismatch in total admissible expense considered in the cost statement and the figures reported in the Audited Annual Accounts. This is corrected to match it with the figures reported in the Audited Accounts for the years 2016-17 to 2018-19. For the Year 2019-20, in the absence of copy of unaudited annual accounts, the figures as given by the CWC are considered.

(i). The CWC has reported that it has not taken loan from any third party hence adjustment for interest on loans is not required.

(j). The CWC has considered Gross Fixed assets as capital employed at `3974.38 lakhs, `3977 lakhs, `3731.09 lakhs and `3731.09 lakhs for the years 2016-17 to 2019-20 respectively for the purpose of computing ROCE.

The Capital employed considered during the last tariff revision under the then applicable Tariff Guidelines of 2005 is Net Fixed Assets + working capital as per the prescribed norms. That being so, for the past period analysis, the return on capital employed is to be considered on the net fixed assets and not on the gross fixed assets.

That being so, the net fixed assets as reported in the Audited Annual Accounts for the years 2016-17 to 2018-19 at `2637.52 lakhs, `2554.59 lakhs, `2189.06 lakhs, is considered. For the year 2019-20, in the absence of the Audited Annual Accounts for the said year, the net fixed assets is considered after excluding the depreciation for the said year at `2069.45 lakhs.

The working capital is considered as per norms. The CWC has reported Stores and spares consumption as nil. The cash balance is considered at one month cash expense in line with the guideline position. The current liabilities as reported in the audited annual accounts of the respective years is considered. Subject to the above adjustments, Working Capital works out to negative and hence treated as Nil.

During the last tariff revision, this Authority has held that since the capex is as per the LA, CWC is entitled for full ROCE of 16% as per the Tariff Guidelines of 2005. In view of the above position and as per clause 2.9.11. of the tariff guidelines 2005 for the past period analysis, full ROCE of 16% is considered in line with the decision of this Authority in the last tariff Order.

(k). A copy of the cost statement reviewing estimates of 2016-17 to 2019-20 vis-à-vis actuals of the corresponding period is attached as **Annex –II**.

(l). A summary of the comparison of the actuals vis-à-vis the estimates considered in the last tariff Order is tabulated below:

(**` in lakhs**)

Particulars	**Aggregate for the years 2016-17 to 2019-20 in absolute terms**		**Variation in %**
	Estimates as per tariff Order	**Actuals**	
Traffic (in lakh TEUs)	2.08	0.04	-98.1%
Total Operating Income	11595.43	516.63	-95.5%%
Total Expenditure including FMI less FME, Depreciation and overheads	9583.89	1717.66	-82.1%
Surplus/ deficit before Return	2011.54	-1201.03	-159.7%
Capital Employed (Average)	2662.56	2362.67	-11.3%
16% Return on Capital Employed	1704.04	1512.10	-11.3%
Net Surplus after ROCE (before adjustment of past surplus)	307.50	-2713.13	-982.31%

(m). The findings of the analysis with reference to the past period relating to the period from 2016-17 to 2019-20 are given below:

(i). The actual aggregate traffic handled by the CWC is 0.04 lakh TEUs as against the estimated traffic of 2.08 lakh TEUs during the period from 2016-17 to 2019-20. The variation in the physical parameters i.e. actual traffic handled is 98.1% negative in comparison to the estimates.

(ii). The operating income earned by the CWC is `516.63 lakhs as against estimation of `11595.43 lakhs for the corresponding period resulting in negative variance of 95.5%.

(iii). On the expenditure side, the actual aggregate expenditure for the years 2016-17 to 2019-20 is `1717.66 lakhsas against the estimated expenditure of `9583.89 lakhs considered in the last Order for the corresponding period. The total actual expenditure thus shows negative variance of 82.1% in comparison to the expenditure estimated in the last tariff Order.

(iv). The average capital employed for the period from 2016-17 to 2019-20 is `2362.67 lakhs as against average estimated capital employed of `2662.56 lakhs. The variation in the average capital employed comes to 11.26% negative.

(v). As per the modified cost statement for the past period prepared by us, the aggregate estimated surplus of CWC considered in the last tariff Order was `307.50 lakhs. As against that, the aggregated deficit is `2713.13 lakhs at actuals after admissible cost and 16% ROCE for the period from 2016-17 to 2019-20.

(vi). The average annual return earned on the average capital employed thus works out to -12.7%, as shown in the following table:

(**` in lakhs**)

Particulars	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**AVG.**
Actual Surplus/ deficit before return	-294.05	-328.59	-410.97	-167.41	-1201.02 (Total) -300.26 (Avg.)
Actual Capital Employed	2637.52	2554.59	2189.06	2069.45	2776.67 (Avg.)
Actual Return earned on capital employed	-11.1%	-12.9%	-18.8%	-8.1%	-12.7%

(vii). As per clause 2.13 of the tariff guidelines, if review of actual physical and financial performance for the previous tariff cycle shows the variation of more than +/ (–) 20%, then 50% of such accrued benefit/ loss has to be adjusted in the next tariff cycle. As per the opinion of AG also as conveyed by the MOS, variation in both physical and financial parameters should be taken into account for the purpose of clause 2.13. Further, as per the opinion of the AG, if the variation in both the physical and financial parameters is more than 20%, then 20% of the surplus is to be allowed to be retained by the operator. It is only the surplus over and above the 20% that shall be shared equally i.e.50:50 between the operator and the users. In nutshell, 60% of additional surplus is allowed to be retained with the operator and 40% additional is to be shared with users by considering adjustment in future tariff.

It can be seen from the above analysis that the variation in the physical parameter i.e., actual traffic handled is more than 20% i.e. 98% negative. In financial performance in terms of return on capital employed entitled at 16%, variation of + 20% / (-)20% comes to 19.20%(16+3.2) and 12.8%(16-3.2). In the instant case, the return earned on capital employed is -12.7%. Thus, the variation in financial parameter is also found to be more than 20% but on the negative side.

Since the variation in both the parameters are found to be more than (-) 20%, there is a case for adjustment of past period deficit in the current tariff cycle following the opinion of the AG on the interpretation of clause 2.13 of the Tariff Guidelines of 2005.

However, the CWC has not sought adjustment of past period deficit in the ARR computed in Form 1. Further, it is seen that at the proposed tariff increase sought by the CWC and revenue estimated therefrom at Rs.103.24 lakhs as against modified ARR of `1083.94 lakhs, there is already a huge gap of 980.70 lakhs. Thus, when there is already a huge shortfall in the ARR, adding the deficit of past period to the extent of 40% i.e. `1085.25 lakhs being 40% of aggregate deficit of `2713.13 lakhs for the years 2016-17 to 2019-20 will only lead to widening the gap. This huge deficit appears to arise mainly because the CWC has handled only 2% of the traffic estimated during the last tariff revision as can be seen from huge negative variation of 98.1% in the traffic. Thus, any adjustment of past period deficit in the case of CWC will only be a notional adjustment. The CWC does not propose to recover this deficit of the past period during this tariff cycle. That being so, no adjustment of the past period deficit is considered in the computation of the ARR.

(n). As stated earlier, though the F.Y.2019-20 is over, the Audited Accounts for the year 2019-20 is not available at the time of finalizing this case. Hence, the comparison of estimates for the year 2019-20 considered in the last tariff Order along with the actuals/ estimates for the year 2019-20 furnished by the CWC in the current tariff revision exercise and considered in the past period analysis shall be again reviewed with reference to the Audited Accounts for the year 2019-20 at the time of next review. Adjustment, if any, to be done in the future tariff on account of variation shall be governed by the applicable Tariff Guidelines.

(viii). Thus, the analysis is proceeded taking into consideration the modified indexed ceiling ARR of `1083.94 lakhs for the year 2020-21 as against ARR estimated by the CWC at 1059.93 lakhs.

(ix). (a). As per Clause 2.10 of Tariff Guidelines, 2019, for drawing the SOR, the traffic to be considered would be the average of the actual traffic handled by the BOT operator during the years Y1, Y2 and Y3, duly certified by the concerned port. The average traffic considered by the CWC for the years 2016-17 to 2018-19 is 1166 TEUs. The DPT has furnished the actual traffic handled by the CWC at 275, 2551 and 867 TEUs and thus the average of three years traffic works out at 1231 TEUs. The average traffic as per the traffic furnished by the DPT is 196 TEUs more that that considered by CWC (i.e. 3693-3497 TEUs). The reason for variation remains unexplained by the DPT. For the purpose of this analysis, the average traffic of 1166 TEUs for the years 2016-17 to 2018-19 considered by the CWC for revenue estimation is relied upon as it is duly certified by Chartered Accountant.

(b). Clause 2.11.1 of Tariff Guidelines, 2019, gives flexibility to the BOT Operators to determine the rates within the estimated ARR to respond to the market forces based on commercial judgment. The proposal of the CWC is within the guideline provision.

The tariff increase proposed by the CWC in the revised proposal is tabulated in the earlier paragraphs and hence not reiterated for the sake of brevity.

At the proposed tariff, CWC does not envisage to meet full ARR. The ARR gap left uncovered is to the tune of `980.70 lakhs. One of the reasons for the huge gap in the revenue estimation vis a vis the ARR is that the average traffic handled is very meager. During the joint hearing, the CWC has stated that import containers have reduced. There are only coastal containers. Further, most of the containers are for Direct Port Delivery. On account of these, the traffic at CWC-CFS has dropped drastically. Overall volume has reduced in last two to three years. M/s.J.M.Baxi is operating Inland Container Depot (ICD) outside DPT. They are private ICDs and have lot of flexibility. They are competitors to CWC.

The Tariff Guidelines 2019 requires the BOT operators to consider the average traffic handled for the last three years. The proposal of the DPT is in line with the Tariff Guidelines 2019. That being so, this Authority approves the tariff increase proposed by the CWC in revised SOR.

It is relevant here to state that Clause 3.8.1 of the License Agreement (L.A.) stipulates that the CWC shall guarantee a throughput of 36% of the impex container to be handled by the container terminal operator. The CWC may, therefore, endeavor to increase its traffic to meet the provisions of the LA which in turn will enable the CWC to reduce the wide gap in the ARR to the tune of `980.70 lakhs left unrecovered.

(c). Kandla Stevedores Association Limited have stated that it has gone through the CWC proposal and is in broad agreement with the same and, therefore, it has no further comments to offer with regard the CWC proposal.

(d). At the rates proposed in the revised Scale of Rates, the CWC has estimated revenue of `103.24 lakhs. The CWC has given detailed working of revenue estimation indicating each of the tariff items in the proposed SOR for corresponding average traffic for the years 2016-17 to 2018-19, as required as per Clause 2.11.1 of the Tariff Guidelines, 2019. The revenue estimation statement has been duly certified by a Chartered Accountant. The revenue estimation furnished by the CWC is relied upon.

The revenue estimation furnished by the CWC is attached as **Annex - III**.

(x). As per clause 1.9 of the Tariff Guidelines 2019, the BOT operator shall continue to abide by the provisions contained in the existing Concession Agreement entered into with the concerned Major Port Trust. Simultaneously, the *BOT operator* shall agree to abide by this guidelines by way of a separate Agreement with the concerned Major Port Trust. The CWC has stated that CWC is operating CFS for 30 years BOT project basis at Kandla under License Agreement with KPT dated 12 February 2002. However, the CWC has not furnished a copy of separate Agreement with the DPT as required under clause 1.9 of Tariff Guidelines 2019. The CWC, is advised to furnish a copy of the separate Agreement as per the prescribed format forwarded by the MOS vide its letter dated 08 March 2019 to all the Major Port Trusts including the DPT duly signed by the CWC and the DPT for our records.

(xi). Based on the above analysis, a summary of the ceiling indexed ARR furnished by the CWC and as considered by us based on the modified cost statement is given below:

(` **in lakhs**)

Sr. No.	Particulars	ARR computation furnished by the CWC	ARR computation modified by us
1	Average admissible Expenses for the years 2016-17, 2017-18 and 2018-19[Y1+Y2+Y3]/3	414.98	418.88
2	Capital employed as on 31.03.2019 including capital work in progress as on 31.03.2019 and working capital as per norms	3760.22	3759.91
3	Return on capital employed @ 16%	601.64	601.59
4	ARR as on 31 March 2019 (4=1+3)	1016.62	1020.47
5	Indexation in the ARR @ 100% of the WPI applicable for the year 2019-20 (4.26% for the year 2019-20) (Indexation of 1.88% for the year 2020-21 considered by TAMP. CWC has not considered this indexation factor)	1059.93 _ _ _	1063.94 1083.94
6	Ceiling Indexed Annual Revenue Requirement (ARR)	1059.93	1083.94
7	Revenue estimated by the CWC at proposed rate	103.24	103.24
8	Revenue gap	956.69	980.70

(xii). The CWC has furnished proposed SOR which includes the existing rates also. The existing rates are excluded by us from the revised SOR to be approved by this Authority.

(xiii). (a). The proposal of CWC states that no change is proposed in Chapter-I i.e.Ground rent and Storage charges. It is, however, seen that for one tariff item viz.,Schedule1.1(B).(ii)(a).Storage charge for Export operation, the proposed rate on weekly basis is `66/-per sqm per week as against the existing `60/-per sqm per week. The proposed rate is approved.

(b). The existing note at Sr.No.(1) under schedule 1.1 – storage charge prescribes 7 days free period for stuffing of export cargo and the notes at Sr.No.3 & 4 under schedule 1.2 Ground Rent prescribe notes relating to computation of free period for import container. The CWC has proposed to delete the said existing notes. When sought clarification for the proposed deletion, the CWC has stated that the free period is prescribed in the schedule itself. The proposed schedule prescribes the free period and does not explain from when the free period is to be computed. The existing notes appear to be relevant and hence may continued to be prescribed.

(xiv). As per Clause 2.12 of the Tariff Guidelines, 2019, the SOR will be indexed annually to inflation to the extent of 60% of the variation in Wholesale Price Index (WPI) announced by the Government of India occurring between 1st January to 31 December of the relevant year. Such adjusted SOR will come into force from 1st May of the relevant year to 30th April of the following year. The CWC has not proposed any note in this regard. In the current revision the annual indexation of 4.26% pertaining to the year 2019-20 and 1.88% pertaining to the year 2020-21 is captured. That being so, they are entitled for annual indexation in the tariff for the year 2021-22 i.e. from 1 May 2021. The relevant note as regards annual indexation approved in case of other BOT operators is prescribed in the SOR of the CWC.

(xv). Clause 4.9 of the Tariff Guidelines, 2019 prescribes tariff validity cycle of three years subject to annual indexation as mentioned in clause 2.12. Therefore, the validity of the revised SOR is prescribed for a period of 3 years from the date of effect of revised SOR subject to annual indexation clause prescribed in the SOR.

(xvi). Clause 4.8 of the Tariff Guidelines, 2019 stipulates that ordinarily the Order approved by this Authority shall come into effect after expiry of 30 days from the date the Order is notified in the Gazette. Accordingly, the SOR to be approved shall come into effect after expiry of 30 days from the date of notification of the Order in the Gazette. The existing SOR of CWC is valid upto 31 March 2020. At the request of CWC, the existing SOR was extended upto 15 October 2020 by this Authority. By the time the revised SOR comes into effect it may be around December 2020. Hence, the validity of the existing SOR is deemed to have been extended from the date of expiry till the revised SOR comes into effect.

(xvii). (a). As per the Tariff Guidelines, 2019, the rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The CWC may exercise the flexibility to charge lower rates and/or allow higher rebates and discounts.

(b). If there is any error apparent on the face of record considered or for any other justifiable reasons, the CWC may approach this Authority for review of the tariff fixed, giving adequate justification/ reasoning within 30 daysfrom the date of notification of the Order passed in the Gazette of India.

12.1. In the result, and for the reasons given above,and based on a collective application of mind, the revised Scale of Rates of the CWC is approved which has been notified separately.

12.2. The revised Scale of Rates and conditionalities of the CWC already notified separately shall come into effect after expiry of 30 days from the date of notification of the Order on SOR notification in the Gazette of India and shall be in force for a period of three years from the date the revised SOR comes into effect. The approval accorded shall automatically lapse thereafter unless specifically extended by this Authority.

12.3. As per clause 7 of the Tariff Guidelines 2019, the CWC shall furnish to TAMP without fail annual reports on cargo traffic handled. The annual reports shall be submitted by the CWC within 90 days following the end of each of the year. Any other information which is required by TAMP shall also be furnished to them from time to time. The CWC isadvised specifically to refrain from withholding requisite information.

12.4. During the next review of Scale of Rates of CWC, the actual revenue and actual traffic will be compared with the ARR and the traffic relied upon in the immediate previous tariff cycle. If, on such review, variation in both physical and financial parameters is more than +/- 20%, then the surplus/ deficit shall be adjusted in the Annual Revenue Requirement of the next tariff cycle as per clause 3.2.1 of the Tariff Guidelines 2019.

(T.S. Balasubramanian)
Member (Finance)

Annex-I(a)

Computation of Annual Revenue Requirement as per CWC-CFS under Tariff Policy, 2019 for Determination of Tariff for BOT operators operating at Major Port Trusts.

Rs. in lakhs

Sl. No.	Description	2016-17	2017-18	2018-19
(1).	**Total Expenditure (As per Audited**			
(i).	Operating expenses (including depreciation)	291.13	455.96	409.66
(ii).	Finance and Miscellaneous expenses (FME)	17.90	31.09	59.44
	Total Expenditure 1=(i)+(ii)	309.04	487.05	469.09
(2).	**Adjustments in respect of items where there is variation in figures reported as per INDAS (as per Audited Accounts) and IGAAP**			
(i).	Depreciation			
(ii).	Other expenditure items, if any, to be listed			
	Total of Adjustments 2=(i)+(ii)+ -----	-	-	-
(3).	**Less Adjustments:**			
(i).	Actual Royalty / Revenue share paid to the port			
(ii).	Interest on loans			
(iii).	Provision for bad and doubtful debts			
(iv).	Provision for slow moving inventory			
(v).	Other provisions, if any	4.06	8.01	8.15
	Total of 3 = [3(i)+3(ii)+3(iii)+3(iv)+3(v)]	4.06	8.01	8.15
(4).	**Add: Admissible Royalty/ Revenue Share as per Clause 2.2. of the Tariff Guidelines, 2019**			
(5).	**Total Expenditure after Total Adjustments (5 = 1+2+3)**	304.97	479.04	460.94
(6).	Average Expenses of Sl. No.5 = [Y1 + Y2 + Y3] / 3			414.98
(7).	**Capital Employed**			
	(i). Gross Fixed Assets (Property, Plant & Equipment) as on 31st March 2019 followed by the BOT operator (As per IGAAP)			3,728.02
	(ii). Add: Capital Work in Progress as on 31st March 2019 followed by the BOT operator (As per Audited Annual Accounts)			3.07
	(iii). Add: Working Capital as per norms prescribed in clause 2.6 of the Tariff Guidelines, 2019			
	(a). Inventory			
	(b). Sundry Debtors			
	(c). Cash			29.12
	(d). Sum of (a)+(b)+(c)			29.12
	(iv). Total Capital Employed [(i)+(ii)-(iii)]			3,760.22
(8).	**Return on Capital Employed 16% on Sl. No.7(iv)**			601.64
(9).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(6)+ (8)]**			1,016.62
(10).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2019-20, then the applicable WPI is 4.26% and the indexed ARR for the year Y4 will be (9) x 1.0426)**			**1,059.93**
(11).	**Ceiling Indexed Annual Revenue Requirement (ARR) as given in Sr. No.10 above.**			**1,059.93**
(12).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.11 above**			

CERTIFICATE

It is certified that the information furnished in the above statement for determination of the Annual Revenue Requirement has been verified with reference to the Audited Annual Accounts of the respective years and found to be in

Digitally signed by Vishnuvardhan Magalam
Date:2020.08.17
14:56:27+05'30'

Authorised Signatory of the BOT Terminal

Digitally signed by Rajendra R Kanabar
Date:2020.08.14
16:21:23+05'30'

Chartered Accountant or Cost and Management Accountant in practice.

Annex-I(b)

Sl. No.	Description	2016-17	2017-18	2018-19
	Computation of Annual Revenue Requirement as per TAMP under Tariff Policy, 2019 for Determination of Tariff for BOT operators operating at Major Port Trusts.			
				Rs. in lakhs
(1).	**Total Expenditure (As per Audited**			
(i).	Operating expenses (including depreciation)	291.13	455.96	409.65
(ii).	Finance and Miscellaneous expenses (FME)	17.90	31.09	59.44
	Total Expenditure 1=(i)+(ii)	309.03	487.05	469.09
(2).	**Adjustments in respect of items where there is variation in figures reported as per INDAS (as per Audited Accounts) and IGAAP**			
(i).	Depreciation			
(ii).	Other expenditure items, if any, to be listed			
	Total of Adjustments 2=(i)+(ii)+ -----	-	-	-
(3).	**Less Adjustments:**			
(i).	Actual Royalty / Revenue share paid to the port	-	4.84	3.67
(ii).	Interest on loans			
(iii).	Provision for bad and doubtful debts			
(iv).	Provision for slow moving inventory			
(v).	Other provisions, if any			
	Total of 3 = [3(i)+3(ii)+3(iii)+3(iv)+3(v)]	-	4.84	3.67
(4).	**Add: Admissible Royalty/ Revenue Share as per Clause 2.2. of the Tariff Guidelines, 2019**			
(5).	**Total Expenditure after Total Adjustments (5 = 1+2+3)**	309.03	482.20	465.42
(6).	Average Expenses of Sl. No.5 = [Y1 + Y2 + Y3] / 3			418.88
(7).	**Capital Employed**			
	(i). Gross Fixed Assets (Property, Plant & Equipment) as on 31st March 2019 followed by the BOT operator (As per IGAAP)			3,728.02
	(ii). Add: Capital Work in Progress as on 31st March 2019 followed by the BOT operator (As per Audited Annual Accounts)			3.07
	(iii). Add: Working Capital as per norms prescribed in clause 2.6 of the Tariff Guidelines, 2019			
	(a). Inventory			
	(b). Sundry Debtors			
	(c). Cash			28.82
	(d). Sum of (a)+(b)+(c)			28.82
	(iv). Total Capital Employed [(i)+(ii)-(iii)]			3,759.91
(8).	**Return on Capital Employed 16% on Sl. No.7(iv)**			601.59
(9).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(6)+ (8)]**			1,020.47
(10).	**Indexation in the ARR @ 100% of the WPI applicable for the year Y4 for example, if Y4 is 2019-20, then the applicable WPI is 4.26% and the indexed ARR for the year Y4 will be (9) x 1.0426)**			**4.26%**
(11).	**Indexation in the ARR @ 100% of the WPI applicable for the year 2020-21 @ 1.88%.**			**1.88%**
(12).	**Ceiling Indexed Annual Revenue Requirement (ARR) after applying indexation factor as given in Sr. Nos.10 and 11 above.**			**1,083.94**
(13).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.11 above**			**103.24**

Annex - II

CONTAINER FREIGHT STATION OF CENTRAL WAREHOUSING CORPORATION AT DEENDAYAL PORT TRUST
Analysis of physical and financial performance of CWC for the years 2016-17 to 2019-20

(Rs. in Lakhs)

Sr.No.	Particulars	Estimates relied upon in January 2018 Order				Total	Actuals				Total	Variation in Percentage (%)
		2016-17	2017-18	2018-19	2019-20		2016-17	2017-18	2018-19	2019-20 (Un Audited)		
	Traffic (In TEUs)	10207	52300	64800	80287	207594	74	2551	872	336	3833	-98.15%
I	**Total Operating Income**											
	(i) Container handling income	185.63	1651.05	2024.55	2481.82	6343.05	7.89	129.51	36.57	307.64	481.61	
	(ii) Cargo handling income	348.79	1281.54	1549.15	1870.74	5050.22						
	(iii) Others (Storage) income	13.97	51.30	62.01	74.89	202.17	1.13	16.80	9.39	7.70	35.02	
	Total (i to iii)	**548.38**	**2983.89**	**3635.71**	**4427.45**	**11595.43**	**9.02**	**146.31**	**45.96**	**315.34**	**516.63**	-95.5%
II	**Operating Costs (excluding depreciation)**											
	(i) Operating & Direct Labour	57.00	116.28	118.56	120.96	412.80	28.65	55.65	61.82		146.12	
	(ii) Repairs & Maintenance	20.25	20.66	21.07	21.49	83.47	1.44	35.32	19.66	2.71	59.13	
	(iii) Royalty / revenue share payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	(iv) Market Facilitation Payment (for services outsourced)	450.40	1857.26	2266.68	2765.06	7339	5.76	72.60	25.23	233.6	337.19	
	(v) Lease Rentals	161.43	169.51	177.98	186.89	696	78.20	82.02	107.73	107.73	375.68	
	(vi) Insurance	4.28	5.25	7.22	9.47	26	2.59	6.02	2.62	4.26	15.49	
	(vii) Warehouse License Fees	0.00	0.00	0.00	0.00	0	0.10	0.29	0.08		0.463	
	Total (i to vii)	**693.37**	**2168.96**	**2591.51**	**3103.87**	**8557.71**	**116.74**	**251.90**	**217.14**	**348.30**	**934.07**	-89%
III	Depreciation	**93.80**	**93.80**	**93.80**	**93.80**	**375.20**	**93.80**	**96.25**	**119.61**	**119.61**	**429.27**	14%
IV	**Overheads**											
	(i) Management & Administration overheads	35.94	36.66	37.39	38.14	148	29.57	38.96	0.00		68.53	
	(ii) General Overheads	110.00	112.20	114.44	116.73	453	33.89	45.49	44.31		123.69	
	(iii) Preliminary expenses & Upfront Payment write-off	10.70	10.70	10.70	10.70	43	10.70	10.70	10.70	10.70	42.80	
	(I) Contribution of Provident fund/Pension Fund	0.00	0.00	0.00	0.00	0	2.37	4.61	9.73	4.14	20.85	
	(iv) Others	18.00	18.36	18.73	19.10	74	17.90	**31.13**	**59.45**		108.48	
	Total (i to iv)	**174.64**	**177.92**	**181.26**	**184.67**	**718.49**	**94.43**	**130.89**	**124.19**	**14.84**	**364.35**	-49%
V	**Operating Surplus / (Deficit) (I) – (II) – (III) - (IV)**	**-413.43**	**543.21**	**769.14**	**1045.11**	**1944.03**	**-295.94**	**-332.73**	**-414.98**	**-167.41**	**-1211.07**	-162%
VI	**Finance & Miscellaneous Income (FMI) Less FME**	4.15	20.15	21.03	22.18	67.51	**1.89**	4.14	4.01	0.00	10.04	
VII	**Surplus/Deficit Before Interest and Tax (V) + (VI)**	**-409.28**	**563.36**	**790.17**	**1067.29**	**2011.54**	**-294.05**	**-328.59**	**-410.97**	**-167.41**	**-1201.03**	-159.71%
VIII	**Capital Employed**	**2819.31**	2714.81	2610.31	2505.81	2662.56	2637.52	2554.59	2189.06	2069.45	2362.66	-11.26%
						*					*	
IX	**RoCE considered as per January 2018 Tariff Order**	451.09	434.37	417.65	400.93	1704.04	422.00	408.73	350.25	331.11	1512.10	-11.26%
						*					*	
X	**Net Surplus / (Deficit) (VII) - (IX)**	**-860.37**	**128.99**	**372.52**	**666.36**	**307.50**	**-716.06**	**-737.32**	**-761.22**	**-498.52**	**-2713.13**	-982.31%
XI	Adjustment of past period deficit of the last tariff cycle for the years 2011-12 to 2013-14 i.e. 40% of Rs. 2280.09 lakhs = Rs. 912.04 lakhs spread over 2017-18 to 2019-20	**-48.00**	**-288.01**	**-288.01**	**-288.01**	**-912.04**	-					
XII	**Net Surplus / (Deficit) (XII) - (XIII)**	**-908.37**	**-159.02**	**84.51**	**378.35**	**-604.54**						
XII	**Net Surplus / (Deficit) as a % of operating income (X/I in %)**	**-165.65%**	**-5.33%**	**2.32%**	**8.55%**		**-7939%**	**-504%**	**-1656%**	**-158%**	**-525%**	
XIII	**Average Net Surplus/(Deficit) as a % of operating income**	**-40.03%**					**-2564%**					

Annex - III

Revenue Estimation at the proposed Scale of Rates

(A). Traffic details

Sl. No.	Description	Actual Traffic			Total	Average
		Y1(2016-17)	Y2(2017-18)	Y3(2018-19)		
(1).	**Total Actual Traffic handled (in Metric Tonnes/ TEUs)**	74	2551	872	3497	1166
(2).	**Actual Vessel Traffic**					
(i).	Number of vessels handled					
(ii).	Total Gross Registered Tonnage (GRT)*					

***To be furnished by BOT operators authorised to levy berth hire charges.**

(B). Revenue Estimation

Sl. No.	Description	Existing tariff	Reference to the schedule and Sl. No. in existing SOR	Proposed Tariff	Unit of levy	Reference to the schedule and Sl. No. in proposed SOR	Average of the actual traffic handled by the BOT operator during the years Y1, Y2 and Y3	Revenue estimation at the proposed tariff (Rs. in lakhs)	% increase over the existing tariff
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = 5*8	(10) = (5-3)/3
A.	Tariff Items								
	IMPORT OPERATIONS		A			A			
	Import Loaded Movement + LO:		XXI-1			XXI-1			
(i).	Providing road vehicles at Container Yard, Kandla Port and taking over loaded containers placed by Terminal operators on the vehicles provided by the contractor, after due inspection of the condition of the container, the lock & seals and on completion of the required formalities, transporting the same to the Container Freight Station, CWC, Kandla Port (under custom escort wherever / whenever required), lift-off & stacking in the CY up to three high [As mentioned in Clause No. XXI –1								
	TEU	1800		**2800**	TEU		822	2301600	55.6
	FEU	2700		**4200**	FEU		18	75600	55.6
	De-stuffing:		XXI-2			XXI-2			
(ii).	De-stuffing the container as per the procedure laid down; inventorisation of the cargo and stacking the same in the Import Warehouse / Open Yard (preferably by means of mechanical equipment) and carrying empty containers to the ECY or any other designated area within the CFS Complex and stacking them three high [Irrespective of time lag between different operations as mentioned in Clause No.XXI-(2)								
(a).	General cargo								
	TEU	2500		**3000**	TEU		658	1974000	20
	FEU	3750		**4500**	FEU		15	67500	20.0
(b).	Scrap/ Heavy cargo								
	TEU	3800		**3800**	TEU		164	623200	0
	FEU	5700		**5700**	FEU		3	17100	0
	Examination:		XXI-3(a)			XXI-3(a)			
(iii).	De-stuffing of the loaded container stacked in the yard by grounding them, wherever necessary (which may include transportation within the complex) for facilitating custom examination and stuffing the cargo back into the same container or any other containers after custom examination or loading the cargo / container on to road vehicles and stacking the loaded / empty container as the case may be in the LCY / ECY or any other designated area. [As mentioned in clause no. XXI-3 (a)]								
(a).	General cargo		I			I			
	Cargo Handling up to 25%		(i)			(i)			
	TEU	1600		**1600**	TEU		0	0	0
	FEU	2400		**2400**	FEU		0	0	0
(b).	Cargo Handling beyond 25%		(ii)			(ii)			
	TEU	2200		**2200**	TEU		0	0	0
	FEU	3300		**3300**	FEU		0	0	0
(c).	Scrap/ Heavy cargo		II			II			
	TEU	2600		**2600**	TEU		0	0	0
	FEU	3900		**3900**	FEU		0	0	0
(iv).	**RMS Container Examination**: Retrieval of the loaded container stacked in the yard by grounding (which may include transportation within the complex) for facilitating Seal Verification and loading customs cleared loaded container on trailer. As mentioned in clause XXI-3(b)]		XXI-3(b)			XXI-3(b)			
	TEU	1410		**2500**	TEU		702	1755000	77.3
	FEU	2115		**3750**	FEU		9	33750	77.3
(v).	**Cargo Delivery**: Arranging Customs examination of cargo (which would include unpacking and re-packing of packages, providing suitable straps etc, or weightment, sealing wherever required on free of charge), and placing them in the stacks / open yard, if necessary, and loading the entire consignment in to trucks / vehicles provided by the importer/CHA at the import warehouse/ open yard [As mentioned in Clause No .XXI(4)		XXI-4(a)			XXI-4(a)			
(a).	Cargo Delivery from Godown/Yard	**Per QTL**			**Per QTL**				
	Manual	8.2		**8.2**			4879.247	40009.8254	0
	Mechanical	10.2		**10.2**			5483.167	55928.3034	0
(b).	Cargo delivery from Loaded Container		XXI-4(b)			XXI-4(b)			
	Manual	8.2		**8.2**			0	0	0

	Mechanical	10.2		**10.2**			0	0	0
B.	**EXPORT OPERATIONS**		B			B			
(i).	**Carting:** Unloading the cargo from the trucks / vehicles provided by CHA/Exporter/User at CWC, CFS complex and stacking the same in the Export Godown / Open Yard by means of suitable mechanical equipment or by any other appropriate means, after due inventorisation [As mentioned in Clause No. XXI(5)]		XXI-5			XXI-5			
	Manual (PER QTL)	8.2		**8.2**	PER QTL		46896.47	384551.054	0
	Mechanical (PER QTL)	10.2		**10.2**	PER QTL		2298.133	23440.9566	0
(ii).	**Examination, Stuffing :** Providing labour or appropriate equipment and arranging custom examination (which would include unpacking and re-packing of packages providing suitable straps / scales or weighment wherever / whenever required on free of cost) and re-stacking , if necessary, and consolidating the stocks / cargo, shifting of nominated empty container after retrieving the same from CFS container yard, Placing the container , stuffing , locking & sealing and subsequent internal movement of the loaded container to make space available for keeping the next container for stuffing purpose. [As mentioned in clause no. XXI(6)		XXI-6			XXI-6			
(a).	A. General Cargo		(i)			(i)			
	TEU	2500		**3000**	TEU		283	849000	20
	FEU	3750		**4500**	FEU		4	18000	20
(b).	B. Scrap/ Heavy Cargo		(ii)			(ii)			
	TEU	3800		**4560**	TEU		14	63840	20
	FEU	5700		**6840**	FEU		0	0	20
	Direct Stuffing :		XXI-7			XXI-7			
(iii).	Unloading the cargo from the vehicles at CFS complex and stacking the same in the yard by means of suitable mechanical equipment or by any other appropriate means, after due inventorization. Providing labour or appropriate equipment for customs examination (which would include weighment wherever/whenever required on free of cost), and consolidating the nominated stocks/cargo, shifting the nominated empty container after retrieving the same from CFS container yard, Placing the container at Stuffing point, stuffing the let-export cargo in to the nominated container by use of suitable mechanical equipment or by other means, locking and sealing container on completion of required formalities after following the prescribed procedure, subsequent internal movement of the loaded container to make space available for keeping the next container for stuffing purpose. [As mentioned in Clause No. XXI(7)								
(a).	A. General Cargo		(i)			(i)			
	TEU	2800		**3500**	TEU		0	0	25
	FEU	4200		**5250**	FEU		0	0	25
(b).	B. Scrap/ Heavy Cargo		(ii)			(ii)			
	TEU	4000		**6000**	TEU		0	0	50
	FEU	6000		**9000**	FEU		0	0	50
(iv).	**Transportation of Export loaded container:** Providing road vehicles at CWC-CFS Kandla port, Lift-On, taking over the loaded Export Container and transportation of the same from CFS to CSY, Kandla Port (under custom escort wherever/ whenever required) and handing over the same to the port authorities, obtaining clear "EQUIPMENT INTERCHANGE REPORT" (EIR) & to submit the same to CWC-CFS authorities [As mentioned in Clause No XXI(8)		XXI-8			XXI-8		0	
	TEU	1800		**2300**			296	680800	27.8
	FEU	2700		**3450**			4	13800	27.8
	GENERAL OPERATIONS		C			C			
	Empty Container Movement:		XXI-9			XXI-9			
(v).	Providing suitable vehicles and arranging transportation of Empty Container after due inspection about condition of the container (A) from CSY- Kandla Port Trust to CWC-CFS Kandla Port (B) From any other CFS / Container yard within a road distance of 15 kms. from the CFS Kandla Port, to CWC-CFS Kandla Port, (Lift-on/off inside CSY Kandla Port/ Other designated Yard would not be on account of contractor) lift-off & stacking up to three high in CWC-CFS, CY or vice-versa [As mentioned in clause No. XXI (9)]								
(a).	**TO/FRO CFS-Kandla Port**								
	TEU	800		**1100**	TEU		60	66000	37.5
	FEU	1200		**1650**	FEU		0	0	37.5
(b).	**TO/FRO any Yard < 15 Kms**								
	TEU	1400		**1900**	TEU		74	140600	35.7
	FEU	2100		**2850**	FEU		0	0	35.7
(vi).	**Inland Container Shifting**: Shifting of empty / loaded containers (including lift on/ lift-off) from one location to another location within the CWC-Container Freight Station Complex at the designated place including stacking the same upto three high by use of appropriate handling equipment. [As mentioned in clause No. XXI(10)]		XXI-10			XXI-10			
(a).	EMPTY CONTAINER								
	TEU	990		**1000**	TEU		0	0	1.01
	FEU	1485		**1500**	FEU		0	0	1.01
(b).	LOADED CONTAINER								
	TEU	1320		**1400**	TEU		0	0	6.1
	FEU	1980		**2100**	FEU		0	0	6.06
	Note: Not applicable if shifting of container is required for retrieval of the container for onward movement / any delivery thereof or for normal housekeeping.								
(vii).	**Lift on / Lift off:** (including retrieval) of containers into / from road vehicles of parties at the Container Freight Station, CWC, Kandla Port. [As mentioned in clause No. XXI (11)]		XXI-11			XXI-11			

(a).	**EMPTY CONTAINER**								
	TEU	700		**800**	TEU		1209	967200	14.3
	FEU	1050		**1200**	FEU		2	2400	14.3
(b).	**LOADED CONTAINER**								
	TEU	1000		**1200**	TEU		0	0	20
	FEU	1500		**1800**	FEU		0	0	20.0
(viii).	**Washing, etc.**: Shifting of empty containers from any location within CFS complex to Washing / Cleaning / Repair Yard and back to any location in the CWC, CFS complex as prescribed (washing and cleaning to be done by the contractor with out any extra remuneration) As mentioned in clause No. XXI(12)		XXI-12			XXI-12			
	TEU	1100		**1100**	TEU		0	0	0
	FEU	1650		**1650**	FEU		0	0	0
(ix).	Movement / shifting of cargo from one place to any other place for weighment or other purpose, within same godown [As mentioned in clause No. XXI(13)(Rate Per QTL)		XXI-13			XXI-13			
	MANUAL	11		**12**	PER QTL		0	0	9.09
	MECHANICAL	13		**14**	PER QTL		0	0	7.7
(x).	Movement/ shifting of cargo from one place/ godown/ CY to any other place/ godown/ CY for weighment or other purpose, within CWC-CFS complex (As mentioned in clause no. XXI-14)		XXI-14			XXI-14			
	PER QTL	13		**14**	PER QTL		0	0	7.7
(xi).	**Palletization:** Providing the labour for palletization of cargo including preparation of pallets of appropriate size, strapping as per requirement (material i.e. ready wooden pallets, straps, nails or other material required for the purpose of preparation of pallets will be arranged by the party) & stacking the pallets in the designated stack ([As mentioned in Clause XXI (15)]		XXI-15			XXI-15			
	PER QTL	14		**15**	PER QTL		0	0	7.1
(xii).	**Bagging:** Providing labour for filling up loose cargo/ bag cargo in to the fresh bags (materials to be provided by the party), stitching them, weighment (wherever required) & stack the same at the appropriate place. [As mentioned in Clause XXI (16)]		XXI-16			XXI-16			
	PER QTL				PER QTL				
(xiii).	**Reworking of Container:** Providing the labour and appropriate equipment for destuffing of the cargo from the container and restuffing the cargo in the same or other nominated container after completing the formalities as required by Manager (CFS) [As mentioned in clause XXI (17)]		XXI-17			XXI-17			
(a).	Reworking up to 25%		a			a			
	TEU	2200		**2200**	TEU		0	0	0
	FEU	3300		**3300**	FEU		0	0	0
(b).	Reworking beyond 25%		b			b			
	TEU	2600		**2600**	TEU		0	0	0
	FEU	3900		**3900**	FEU		0	0	0
(xiv).	**Back to town** i.e. Loading of Shut out cargo								
	PER QTL	11	-	**11**	PER QTL	-	0	0	0
(xv).	**Locking Charges** (On user's request):							0	
	PER Container	54	-	**54**		-	0	0	0
(xvi).	**Charges for Fumigation**								
(a).	Fumigation Charges with Methyl Bromide								
	TEU	1800	-	**2000**	TEU	-	0	0	11.1
	FEU	3400	-	**3000**	FEU	-	0	0	-11.8
(b).	Fumigation Charges with Aluminium Phosphide								
	TEU	600	-	**700**	TEU	-	0	0	16.7
	FEU	1000	-	**1050**	FEU	-	0	0	5
1.1	**STORAGE CHARGES**								
A.	**Import Operation**								
I	Storage Charges (Covered)								
(i)	On General (per MT/Day) basis								
(a)	Up to 3 days	Free		Free					
(b)	From 4th day to 30 days	6.65		6.65			3292.61	21895.8565	0.0
(c)	31st day onwards	9.3		9.3			4127.152	38382.5136	0.0
(ii)	Area (per sq.mtr.) Basis								
(a)	Weekly tariff (per sq. Mtr. Per week*)	66		66			0	0	0
(b)	Monthly (reservation) (per sq. Mtr. Per month)	226		226			0	0	0
II	Open Bonded							0	
(i)	Area (per sq. ,tr. Basis	No free Period		No free Period					
(a)	Weekly Tariff (per sq. Mtr. Per week*)	30		30			0	0	0
(b)	Monthly (reservation) (per sq. Mtr. Per month)	100		100			0	0	0
B.	**Export Operation**								
I.	Storage Charges (Covered)								
(i)	On General (per Mt/Day) Basis								
(a)	Free Period	Up to 7 days		Up to 7 days					
(b)	From 8th day onwards	6.65		6.65			271.111	1802.88815	0.0
(ii)	Area (per sq. Mtr.) Basis							0	
(a)	Weekly Tariff (per sq. Mtr. Per week*)	66		66			0	0	0
(b)	Monthly (Reservation) (per sq. Mtr. Per month*)	226		226			0	0	0
(iii)	Volume (per CBM) Basis (Open)							0	
(a)	On Weekly Basis(per CBM per week*)	15		15			0	0	0.0
(b)	On Monthly Basis(per CBM per month*)	60		60			0	0	0.0
1.2	**Ground Rent: Loaded & Empty**								
1	**Import Operations**								
(i)	Ground rent (Loaded Containers)								
	Per Teu/Per day basis)								

(a)	1 to 5 days	Free including date of arrival		Free including date of arrival					
(b)	6 to 15 days	190		190			506	96140	0
(c)	16 to 30 days	250		250			23	5750	0
(d)	31st day onwards	500		500			2	1000	0
2	**Export Operations**							0	
(i)	Ground Rent (Loaded Containers)							0	
	(per Teu/per day basis)							0	
(a)	1 to 3 days	Free		Free					
(b)	4 dyas to 15 days	190		190			3	570	0
(c)	16 days onwards	250		250			0	0	0
(ii)	Ground Rent (Empty Containers)								
	(per Teu/per day basis)								
(a)	Free period	30 days		30 days					
(b)	31st day to 40 day	10		10			11	110	0
(c)	from 41st day onwards	30		30			174	5220	0.0
	Total estimated Revenue at the proposed tariff							**10324191.4**	

<u>CERTIFICATE</u>

It is hereby certified that the Revenue estimation furnished in the above statement has been verified and found to be in Order.

THIS CERTIFICATE HAS BEEN ISSUED SUBJET TO OUR DISCLAIMER STATEMENT ENCLOSED HEREWITH MARKED AS " ANNEX A_DISCLAIMER FROM CHARTERED ACCOUNTANT

Digitally signed by Vishnuvardhan Magalam
Date :2020.08.17
14:57:14+05'30'

Authorised Signatory of the BOT Terminal

Digitally signed by Rajendra R Kanabar
Date :2020.08.14
16:24:17+05'30'

Chartered Accountant/ Cost and Management Accountant in practice

Note:
1. The BOT operator shall give workings separately in support of the above revenue estimation.
2. For miscellaneous items, if detailed computation is not possible, Operator may estimate based on the previous year's actuals.