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Tariff Authority for Major Ports

G.No.244

New Delhi,

11 July 2019

NOTIFICATION

In exercise of the powers conferred under Section 50 (c) of the Major Port Trusts Act, 1963 (38 of 1963) and in compliance of Clause 1.7 of the "Tariff Guidelines, 2019 for the BOT operators operating in Major Port Trusts who were governed by the Tariff Guidelines of 2005 (Tariff Guidelines 2019)" the Tariff Authority for Major Ports hereby notifies the following Working Guidelines to operationalize the Tariff Guidelines, 2019 for Determination of Tariff for BOT Operators operating in Major Port Trusts.

(T.S. Balasubramanian)

Member (Finance)

Working Guidelines, 2019 to operationalize the Tariff Guidelines, 2019 for Determination of Tariff for BOT Operators operating in Major Port Trusts and previously governed by 2005 Tariff Guidelines

Preamble

In compliance of the policy direction issued by Government of India in the Ministry of Shipping (MOS) under Section 111 of the Major Port Trusts Act, 1963 (38 of 1963), as conveyed by MOS vide its communication vide its letter No.PR-14019/20/2009-PG (P-IV) dated 5 March 2019, the Tariff Authority for Major Ports has notified the "Tariff Guidelines, 2019 for the BOT operators operating in Major Port Trusts who were governed by the Tariff Guidelines of 2005", hereinafter called as "Tariff Guidelines, 2019", vide Gazette no.92 dated 7 March 2019.

2.1. Clause 1.7. of the Tariff Guidelines, 2019 requires this Authority to issue Working Guidelines along with the formats for filing the proposal to operationalise the Tariff Guidelines, 2019 framework, in consultation with all the concerned BOT operators and Major Port Trusts. Accordingly, draft Working Guidelines was formulated by this Authority. The draft Working Guidelines was circulated amongst all the Major Port Trusts and BOT operators (governed by 2019 Guidelines), Indian Ports Association (IPA) and Indian Private Ports & Terminals Association (IPPTA) vide TAMP letter No. TAMP/61/2018-Misc. dated 24 April 2019 for their comments. Subsequently, Consultation Meeting with all Major Port Trusts and BOT operators governed earlier by Tariff Guidelines, 2005 was organized on 3 May 2019 at the Office of this Authority in Mumbai. Written comments received from all stakeholders as well as submissions made at the Meeting held were taken on record. The comments and suggestions received during the consultation process were suitably considered and Working Guidelines were finalized.

2.2. In compliance with stipulation contained in clause 1.7. of the Tariff Guidelines, 2019, the Tariff Authority for Major Ports (TAMP) hereby issues the following Working Guidelines, 2019 to operationalize the said Tariff Guidelines, 2019.

Working Guidelines, 2019 to operationalize the Tariff Guidelines, 2019, for regulation of tariff for BOT operators operating in Major Port Trusts and previously governed by 2005 Tariff Guidelines

I. GENERAL

1. PRELIMINARY

- 1.1. These Working Guidelines shall apply to all the Build, Operate, Transfer (BOT) Terminal operators operating in Major Port Trusts who are presently governed by the Tariff Guidelines, 2019 and previously governed by 2005 Tariff Guidelines.
- 1.2. The Working Guidelines shall be deemed to have come into effect from the date of implementation of the Tariff Guidelines, 2019. The validity of the Working Guidelines shall be co-terminus with the validity of Tariff Guidelines, 2019 issued for the concerned BOT operators.
- 1.3. The Working Guidelines will apply for regulating the tariff and prescription of the conditionalities governing application of the tariff for the services listed under Section 48 of the Major Port Trusts Act, 1963.
- 1.4. Unless the context otherwise requires, various terms used herein will have the same definition as in the Major Port Trusts Act, 1963, and the Indian Ports Act, 1908, as amended from time to time.
- 1.5. If any difficulty arises in giving effect to the Working Guidelines, the TAMP, in consultation with the BOT operators and Major Port Trusts will issue amendment to this Working Guidelines, not inconsistent with the basic features of the Tariff Guidelines, 2019, as may be necessary for removing such difficulty.

2. DETERMINATION OF SCALE OF RATES

- 2.1. The BOT Operators shall formulate their respective Scale of Rates (SOR) in accordance with the stipulations contained in Clause 2.1. to 2.14. of the Tariff Guidelines, 2019.
- 2.2. As regards Clause 2.6 of the Tariff Guidelines, it is to state that the advance payment of Revenue Share / royalty to the landlord port flowing from the contractual obligations and advance payment of

lease rental / license fee to landlord port flowing from the contractual obligations will be recognised as sundry debtor for computation of working capital.

3. UNADJUSTED PAST PERIOD SURPLUS, PAST PERFORMANCE ANALYSIS

The Unadjusted past period surplus and past performance analysis shall be dealt in accordance with the stipulations contained in Clause 3.1.1. to 3.2.2. of the Tariff Guidelines, 2019.

4. PROCEDURE FOR FILING AND PROCESSING THE PROPOSAL

The BOT operators shall follow the procedure for filing the Tariff Proposal as described in Clause 4 of the Tariff Guidelines, 2019. The SOR, along-with conditionalities governing them, for services rendered or facilities provided shall be formulated by the individual BOT operators in accordance with the Tariff Guidelines, 2019, as amended from time to time and as per the Checklist of documents to be filed and the formats attached as Forms 1 to 8 of this Working Guidelines alongwith such supporting details as prescribed by TAMP.

5. MANDATORY DISCLOSURES BY OPERATORS

As stipulated in Clause 7 of the Tariff Guidelines, 2019, TAMP shall publish all the information received by it from BOT Operators under clause 7 of the Tariff Guidelines, 2019 on its website. However, TAMP shall consider a request from any BOT Operator, about not publishing certain data/information furnished which may be commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data/ information in question and the likely adverse impact on their revenue/ operation upon such publication. TAMP's decision in this regard would be final.

6. OTHER ASPECTS

- 6.1. The Other aspects for determination of tariff for the BOT operators, shall be dealt in accordance with the stipulations contained in Clause no. 5.1 to 5.8 of the Tariff Guidelines, 2019.
- 6.2. As stipulated in Clause 5.9 of the Tariff Guidelines, 2019, the BOT operators may also, if they so desire, rationalize the conditionalities prescribed in the Scale of Rates by notifying the public such rationalisation, subsequent to notification of Scale of Rates with the prior approval of this Authority.

7. REVIEW OF ORDERS

Review of order will be entertained as per the provisions of the Clause 6 of the Tariff Guidelines, 2019.

II. TECHNICAL

8. CARGO RELATED CHARGES.

- 8.1. Cargo-related charges shall continue to be denominated in Indian Rupee terms.
- 8.2.1. Wharfage rates shall be on per unit of either weight or volume of cargo handled.
- 8.2.2. The BOT operators shall as far as possible do away with advalorem wharfage rate if any, in its existing SOR and determine specific wharfage rate in these cases taking into consideration special care to be taken for handling this cargo or a market determined tariff.
- 8.2.3. Before classifying any cargo under "unspecified" category under the wharfage schedule, the relevant customs classification should be referred to find out whether the cargo could be classified under any of the specific categories mentioned in the wharfage schedule.
- 8.3. Concessional tariff will be prescribed for coastal cargoes/ containers, as per the policy directions of the Government. It is prescribed that the cargo/ container related charges for all coastal cargo/ containers, other than thermal coal and POL including crude oil, iron ore and iron ore pellets should not exceed 60% of the normal cargo/ container related charges. In case of cargo related charges, the concession should be allowed on all the relevant cargo handling charges for ship-shore transfer and transfer from/to quay to/from storage yard including wharfage.

- 8.4. BOT operator may endeavour to adopt sliding scale of rates with a view to attract additional cargo and to motivate greater performance.
- 8.5. For Demurrage/ storage charges, free days allowed shall be exclusive of customs notified holidays and port/ terminal non-working days. The number of free days may, be proposed by individual BOT operators. Once demurrage/ storage charge starts accruing, no allowance will be made for the customs notified holidays and port/ terminal non-working days.

9. CONTAINER RELATED CHARGES

- 9.1. Generally, a composite box-rate, at the option of the BOT operator, will be encouraged for basic container handling services such as Ship-Shore transfer, movement between berth and the yard and lift off/ lift on at the yard, with rebate to be allowed when any of these services are not provided. Similar approach will be extended in the case of ICD containers.
- 9.2. Performance of stowage and lashing/ unlashng of containers shall be treated as essential part of operations in the interest of efficiency/safety. Charges therefor can be levied by BOT operators, if they provide the service.
- 9.3. Subject to segregation of cargo-related charges (which have to be rupee-denominated) from the composite box rate, container-related charges may continue to be US dollar-denominated (**if prescribed in US dollar in the existing SOR of BOT operator**) in the case of foreign-going vessels and rupee denominated in the case of coastal vessels.
- 9.4. Charges for storage of loaded and empty containers will continue to be the same and not different. However, higher charges for handling and storage would be allowed for containers having hazardous goods, reefer and for any special services
- 9.5. While prescribing charges for different sizes of containers, the following ratio shall be maintained:

Charge	Containers of Length upto 20'	Containers of Length above 20' but upto 40'	Containers of Length above 40'
Handling Charges	X	1.5 X	2 X
Storage Charges	Y	2 Y	3 Y

- 9.6.1. The handling charges for transshipment containers shall be concessional. Such charges shall not exceed 1.5 times the handling charges for the normal handling operation in loading or unloading cycle. In case of transshipment of coastal containers, the concession in handling charges prescribed above shall be calculated with reference to the applicable handling charges (which are subject to the concessions specified in clause 8.3 above) for coastal containers for the normal handling operation in loading or unloading cycle.

Illustration

Let X be the handling charges for normal import or export containers and Y be rate for similar operations in respect of coastal containers (where Y is arrived at based on X after giving the concessions specified in clause 8.3 above).

Handling charges for transshipment containers will not exceed 1.5X in case of exim containers and 1.5Y in case of coastal containers.

- 9.6.2. For the purpose of this concession, cargo/ container from a foreign port which reaches an Indian Port 'A' for subsequent transshipment to Indian Port 'B' will also qualify insofar as the charges relevant for its coastal voyage. In other words, cargo/containers from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.
- 9.6.3. In the example given above, the concession envisaged does not apply to the operations of loading/unloading on arrival/ departure from/ to a foreign port. Concessional cargo/container related charges will be levied only for handling the consignment in related to its coastal voyage. To amplify, in case a container from foreign port reaches Indian Port 'A' for subsequent transshipment to India Port 'B', 50% of foreign going rate and 50% of coastal rate shall be applicable for vessels permitted to undertake coastal voyage.

- 9.7. BOT operator may endeavour to adopt sliding scale of rates with a view to attract additional containerised cargo and to motivate greater performance.
- 9.8.1. Wharfage on the containerised cargo should be a fixed lump-sum amount *per TEU* without reference to individual classification in the wharfage schedule.
- 9.8.2. Demurrage can be charged separately on containerised cargo in addition to ground rent (storage charges) on loaded container, only if additional services to such cargo are required to be provided.
- 9.9.1. Charges for power supply and monitoring of reefer containers will continue to be US dollar denominated and levied on 4-hourly unit.
- 9.9.2. Charges for other services to reefer containers shall be levied if the port has rendered the service at the request of users.
- 9.9.3. Premium upto the extent of 50% on handling and storage charges can be levied in case of hazardous containers. Premium upto the extent of 50% on handling charge can be levied on over dimensional containers. The storage charge for over dimensional containers shall be based on the actual number of ground slots the respective container occupies or as per the existing practice.
- 9.10.1. Free dwell-time (storage) allowed shall be exclusive of Customs notified holidays and Port/ terminal non-working days. The number of free days may, be proposed by individual operators.
- 9.10.2. Free dwell-time (storage) period for import containers shall commence from the day after the day of landing of the container and for export containers the free period shall commence from the time the container enters the terminal.
- 9.10.3. The storage charges on abandoned FCL containers/ shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the day of landing of the container, whichever is earlier subject to the following conditions:
- (i). The consignee can issue a letter of abandonment at any time.
 - (ii). If the consignee chooses not to issue such letter of abandonment, the container Agent/ MLO can also issue abandonment letter subject to the condition that,
 - (a). the Line shall resume custody of container along with cargo and either take back it or remove it from the port premises; and
 - (b). the line shall pay all port charges accrued on the cargo and container before resuming custody of the container.
 - (iii). The container Agent/ MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charge on container shall be continued to be levied till such time all necessary actions are taken by the shipping lines for destuffing the cargo.
 - (iv). Where the container is seized/ confiscated by the Custom Authorities and the same cannot be de-stuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the day the Custom order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and de-stuffing. Otherwise, seized/ confiscated containers should be removed by the line/ consignee from the port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the day of such removal.

10. VESSEL RELATED CHARGES.

- 10.1.1. Vessel-related charges for foreign-going vessels will continue to be denominated in US dollars and recovered in Indian rupees.
- 10.1.2. However, in case of coastal vessels the vessel related charges should not exceed 60% of the corresponding charges for other vessels. Further, these charges should be denominated and collected in Indian Rupees only and restatement of coastal rates with reference to prevailing exchange rate at the time of each general revision of Scale of Rates will not be resorted to.

- 10.2. Status of a vessel as borne out by its certification is the relevant factor to decide whether vessel is 'foreign-going' or 'coastal'.
- 10.3.1. Berth hire charges shall be prescribed by grouping berths having comparable services/ facilities with rebate for major components of services/ facilities not provided.
- 10.3.2. Composite berth hire charges for general cargo or multi purpose berths will continue to include charges for use of wharf cranes (other than special purpose cranes/ handling systems) during the course of import/export operations with a provision for grant of rebate if on any occasion *no* wharf crane could be made available due to breakdown, planned maintenance, or any other reason.
- 10.3.3. Unit for levy of berth hire charges as well mooring fee, etc. which are linked to the duration of stay of a vessel shall be hourly.
- 10.4.1. Berth hire shall stop 4 hours after the time of the vessel signaling its readiness to sail. The time limit prescribed for cessation of berth hire shall exclude the ship's waiting time for want of favorable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.
- 10.4.2. There shall be a penal berth hire equal to one day's berth hire charge for a false signal.
- 10.4.3. The Master/ Agents of the vessel shall signal readiness to sail only in accordance with favourable weather conditions and tidal movements as decided by the Ports.
- 10.5. Objective criteria or loading/ unloading norms to be achieved shall be specified failing which penal berth hire charges will become payable. The norms will have to take into account cargo type, handling equipment and other facilities at the berth.
- 10.6. Hire charges of equipment/ craft need not be specified individually for the concerned equipment/ craft; they should be prescribed for a group of craft/ equipment based on different capacity ranges.
- 10.7. The unit for levying vessel related charges will be Gross Registered Tonnage (GRT) of the concerned vessel. In case of berth hire, there will be a single slab of GRT.

(T.S. Balasubramanian)
Member (Finance)

Checklist of Forms and other information/ documents to be submitted for filing tariff proposals by BOT operators operating at Major Port Trusts under Tariff Guidelines, 2019 and Working Guidelines issued by TAMP to operationalise the Tariff Guidelines, 2019.		
Sl. No.	Title of Tariff Filing Forms	Tick
1	Covering letter - including the undertaking and Separate Agreement entered with the concerned Major Port Trust to the effect that the BOT operators agrees to abide by the Tariff Guidelines, 2019	
2	Highlights of the proposal	
3	Computation of ARR - Form 1	
4	Working relating to admissibility / non admissibility of Royalty/ Revenue Share as pass through in ARR computation as per clause 2.2. of Tariff Guidelines, 2019 - Form 2	
5	Computation of Working Capital as per norms - Form 3	
6	Revenue Estimation at the proposed Scale of Rates - Form 4	
7	Audited Annual Accounts for the past three years Y1, Y2 and Y3	
8	Proposed Scale of Rates	
9	Comparison of existing SOR and conditionalities vis-à-vis proposed tariff and conditionalities - Form 5	
10	Reconciliation statement of expenses reported in Audited Annual Accounts under IND AS and expenditure considered in the cost statement as per IGAAP for each of the years under consideration - Form 6 (A)	
11	Reconciliation statement duly certified by a practicing Chartered Accountant/ Cost Accountant relating to total expenses considered in the cost statement and total expenses reflected in the Audited Annual Accounts for each of the years under consideration - Form 6 (B)	
12	Fixed assets statement as per IGAAP considered in the ARR computation giving details of the adjustment duly certified by a practicing Chartered Accountant/ Cost Accountant - Form 7	
13	Analysis of Past Period Performance - Form 8	
14	Documents specified at sl. no.1,2,3,4,5,6,8,9,10,11,12 and 13 to be furnished in soft copy as well. All forms submitted in Excel format should be with proper linkages	
15	Any other relevant information (Please specify)	

UNDERTAKING (To be furnished as a part of the covering letter)

We have carefully gone through the Tariff Guidelines, 2019 issued by the Ministry of Shipping and notified by the Tariff Authority for Major Ports (TAMP) (bearing no.TAMP/61/2018-Misc vide Gazette Notification No.92 dated 7 March 2019) and the Working Guidelines, 2019 issued by TAMP in consultation with concerned BOT operators and Major Port Trusts and have prepared the proposal for fixation of tariff in accordance with the said Tariff Guidelines and Working Guidelines, in the formats and supporting documents as prescribed by the Tariff Authority for Major Ports. The proposed tariff will have a vailidity period of three years from (specify date) to (specify date) and we would submit a suitable proposal at least three months before the expiry of the validity period.

Signature

Date

Computation of Annual Revenue Requirement under Tariff Policy, 2019 for Determination of Tariff for BOT operators operating at Major Port Trusts.					
					Rs. in lakhs
Sl. No.	Description		Y1	Y2	Y3
(1).	Total Expenditure (As per Audited Annual Accounts)	Note 1			
(i).	Operating expenses (including depreciation)				
(ii).	Finance and Miscellaneous expenses (FME)				
	Total Expenditure 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	Form 6 A and Note 2			
(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				
	Total of 3 = [3(i)+3(ii)+3(iii)+3(iv)+3(v)]				
(4).	Add: Admissible Royalty/ Revenue Share as per Clause 2.2. of the Tariff Guidelines, 2019	Form 2 and Note 3			
(5).	Total Expenditure after Total Adjustments (5 = 1+2+3)				
(6).	Average Expenses of Sl. No.5 = [Y1 + Y2 + Y3] / 3				
(7).	Capital Employed				
(i).	Gross Fixed Assets (Property, Plant & Equipment) as on 31st March Y3 or 31 December of Y3 followed by the BOT operator (As per IGAAP)				
(ii).	Add: Capital Work in Progress as on 31st March Y3 or 31 December of Y3 followed by the BOT operator (As per Audited Annual Accounts)				
(iii).	Add: Working Capital as per norms prescribed in clause 2.6 of the Tariff Guidelines, 2019	As per Form 3 & Note 4			
	(a). Inventory				
	(b). Sundry Debtors				
	(c). Cash				
	(d). Sum of (a)+(b)+(c)				
	(iv). Total Capital Employed [(i)+(ii)-(iii)]				
(8).	Return on Capital Employed 16% on Sl. No.7(iv)				
(9).	Annual Revenue Requirement (ARR) as on 31 March Y3 or 31 December of Y3 as applicable [(6)+ (8)]				
(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)				
(11).	Ceiling Indexed Annual Revenue Requirement (ARR) as given in Sr. No.10 above.				
(12).	Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.11 above	As per Form 4 & Note 5			

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 order.	
----- Authorised Signatory of the BOT Terminal	----- Chartered Accountant or Cost and Management Accountant in practice.
Date Place	Date Place

Notes

- Furnish reconciliation statement reconciling total expenses as per the Annual Accounts for the respective years with the total expenses considered in the above statement for each of the years as per the format prescribed in Form 6B.
- As stipulated in clause 2.3.2. of the Tariff Guidelines, 2019, 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. This should be supported with detailed working & reconciliation statement.
- As stipulated in Clause 2.2. of the Tariff Guidelines, 2019, 'Royalty/Revenue share' payable to the landlord port by the BOT operator will not be allowed as an admissible cost for tariff computation as decided by the Ministry of Shipping vide its Order No.PR-14019/6/2002-PG dated 29 July 2003. In those cases where bidding process was finalised before 29 July 2003, the tariff computation will take into account royalty/ revenue share as cost subject to maximum of the amount quoted by the next highest bidder for tariff fixation. The BOT operator shall furnish detailed working as per the Format given in Form 2.
- Furnish detailed working for each of the components of the working capital following the norms prescribed in clause 2.6. of the Tariff Guidelines, 2019 as per the format prescribed in Form 3.
- Based on the indexed ceiling ARR computed in the above statement at Sl. No.10 above, the BOT operators should draw the Scale of Rates (SOR) complying with clauses 2.10 to 2.11.3 of the Tariff Guidelines, 2019.

**Working relating to admissible Royalty/ Revenue Share as pass through in ARR computation
as per clause 2.2. of Tariff Guidelines, 2019**

(Rs. in lakhs)

Sl. No.	Description	Y1	Y2	Y3	Remarks, if any
(1).	Royalty/ Revenue share as reported in the Audited Annual Accounts				
(2).	Royalty / Revenue share admissible to the extent of the second quote in terms of % as considered in last Scale of Rates for Tariff Fixation (in %)				
(3).	Royalty/ Revenue share Admissible to the extent of the second quote in terms of Rupees in lakhs (1 *2)				
<p>As stipulated in Clause 2.2. of the Tariff Guidelines, 2019, 'Royalty/Revenue share' payable to the landlord port by the BOT operator will not be allowed as an admissible cost for tariff computation as decided by the Ministry of Shipping vide its Order No.PR-14019/6/2002-PG dated 29 July 2003. In those cases where bidding process was finalised before 29 July 2003, the tariff computation will take into account royalty/ revenue share as cost subject to maximum of the amount quoted by the next highest bidder for tariff fixation.</p>					

Computation of Working Capital as per norms

Rs. in lakhs

Sl. No.	Working Capital items as per norms	As reported in the Audited Annual Accounts as on Year Y3.	Norms as per clause 2.6 of the Tariff Guidelines, 2019	Considered in the Form 1
(i).	Allowable Inventory			
(a)	Capital spares		One year average consumption	
(b)	Other Inventory excluding fuel and customized spares		Six months average requirements	
	Sub-total (i) = (a)+(b)			
(ii).	Allowable Sundry Debtors *			
(a)				
(b)				
	Sub-total (ii) = (a)+(b)			
(iii).	Allowable Cash balance			
	Cash Expenses		One months Cash Expenses	
	Sub-total (iii)			
(iv).	Total Working Capital as per norms (i+ii+iii)			
Notes				
1	Advance payment of Revenue Share / royalty to the landlord port flowing from the contractual obligations will be recognised as a part of sundry debtors.			
2	Advance payment of lease rental / license fee to landlord port flowing from the contractual obligations will be recognised as part of sundry debtors. If lease rent is payable annually in advance, then recognising that the advance payment will get adjusted against the rent payable for the respective month and at the end of the year entire advance is adjusted, the average of the pre-payment at 50% of the lease rentals to be considered as Sundry Debtors for computation of working capital.			

Reconciliation statement of expenses reported in Audited Annual Accounts under IND AS and expenditure considered in the cost statement as per IGAAP for each of the years under consideration.

If the Audited Annual Accounts is reported in IND AS, this statement should reflect the expenditure reported in the Audited Accounts under IND AS and expenditure as per IGAAP (like depreciation). Wherever, there is variation, like depreciaion figure and the difference should be adjusted in ARR computation at Sl. No.2 in Form 1

Sr. No.	Particulars	Y1			Y2			Y3			Remark for variation, if any
		As per IGAAP	As per IND AS	Difference, if any, to be captured in Form 1 Sl. No.(2)	As per IGAAP	As per IND AS	Difference, if any, to be captured in Form 1 Sl. No.(2)	As per IGAAP	As per IND AS	Difference, if any, to be captured in Form 1 Sl. No.(2)	
(1).	Depreciation & Amortization										
	(a).										
	(b).										
	(c).										
	Total										
(2).	Other Expenses										
	(a).										
	(b).										
	(c).										
	(d).										
	(e).										
	(f).										
	(g).										
	Total										
	Total Expenses										

CERTIFICATE

It is certified that the information furnished in the above reconciliation statement has been verified and found to be in order.

 Authorised Signatory of the BOT Terminal

 Chartered Accountant/ Cost and Management Accountant in practice

Date
Place

Date
Place

Note: The above is a broad format. The BOT operator may suitably include any items if not covered in the format.

Reconciliation statement of Total expenses considered in the cost statement and total expenses reflected in the Audited Annual Accounts for each of the years under consideration

Sr. No.	Particulars	Y1	Y2	Y3	Remarks for variation, if any
		As per IND AS	As per IND AS	As per IND AS	
(1).	Total Expenditure as per Audited Annual Accounts				
(2).	Less: Expenditure excluded in the ARR computation				
	Royalty/ Revenue share				
	Depreciation as per INDAS				
	Total Adjustments				
(3).	ADD: Expenditure added in the ARR Computaton				
	Royalty/ Revenue share				
	Depreciation as per IGAAP				
	Total				
(4).	Total Expenditure considered in Form 1 as Sr. No.5 (1-2+3)				
<p>This should also cover variation in the expenditure reported under IND AS and IGAAP (like depreciation), with necessary adjustments done in ARR computation by excluding IND AS figure and considering figures as per IGAAP which needs to be supported with detailed working.</p>					
<u>CERTIFICATE</u>					
It is certified that the information furnished in the above reconciliation statement has been verified and found to be in order.					
<p>----- Authorised Signatory of the BOT Terminal</p>					
<p>Date Place</p>					

Note: The above is a broad format for reconciliation. The BOT operator may suitably incorporate the requisite items and reconcile the figures reported in the Audited Annual Accounts and the expenditure considered in the ARR computation.

Fixed assets statement as per IGAAP considered in the ARR computation giving details of the adjustment

S.No.	Year	Asset									Total	Capital work-in-progress	Total
		Plant and Machinery	Furniture and Fixtures	Office equipments	Computers	Hardware Network	Vehicles	Any other Fixed Assets	Total				
A.	Year 1 (Y1)												
1.	Gross Fixed Assets												
	(i). Opening balance as at year - Y1												
	(ii). Additions during the year												
	(iii). Disposal during the year												
	(iv). Closing balance as at year - Y1												
2.	Depreciation												
	(i). Opening balance as at year - Y1												
	(ii). Depreciation during the year												
	(iii). Disposal during the year												
	(iv). Closing balance as at year - Y1												
3.	Net Fixed Assets												
	(i). Opening balance as at year - Y1												
	(ii). Closing balance as at year - Y1												
B.	Year 2 (Y2)												
1.	Gross Fixed Assets												
	(i). Opening balance as at year - Y2												
	(ii). Additions during the year												
	(iii). Disposal during the year												
	(iv). Closing balance as at year - Y2												
2.	Depreciation												
	(i). Opening balance as at year - Y2												
	(ii). Depreciation during the year												
	(iii). Disposal during the year												
	(iv). Closing balance as at year - Y2												
3.	Net Fixed Assets												
	(i). Opening balance as at year - Y2												
	(ii). Closing balance as at year - Y2												
C.	Year 3 (Y3)												
1.	Gross Fixed Assets												
	(i). Opening balance as at year - Y3												
	(ii). Additions during the year												
	(iii). Disposal during the year												
	(iv). Closing balance as at year - Y3												
2.	Depreciation												
	(i). Opening balance as at year - Y3												
	(ii). Depreciation during the year												
	(iii). Disposal during the year												
	(iv). Closing balance as at year - Y3												
3.	Net Fixed Assets												
	(i). Opening balance as at year - Y3												
	(ii). Closing balance as at year - Y3												

CERTIFICATE

It is certified that the information furnished in the above fixed asset statement has been verified and found to be in order.

 Authorised Signatory of the BOT Terminal Operator

 Chartered Accountant/ Cost and Management Accountant in practice

Date
 Place

• The above is a broad format for arriving Gross Fixed Assets and Depreciation as per IGAAP. The BOT operator may incorporate the additional item of Asset Blocks as per Audited Annual Accounts.

√ Here, Y1 = Year 2016-17, Y2 = Year 2017-18 and Y3 = Year 2018-19. (For the subsequent cycle, the figures of Y1, Y2, Y3 shown herein, shall become Y-1, Y-2 and Y-3 and Y1, Y2, Y3 of next cycle shall be reflected.)

Note: Furnish reconciliation statement reconciling the Gross Block and Net Block as per INDAS as reported in Audited Annual Accounts and as per IGAAP.

Analysis of Past Period Performance

(A). Review of Past Period Performance

Sl. No. (1)	Particulars (2)	Actual average traffic, estimated ARR and the Revenue estimate considered in last tariff revision Order (3)	Actuals (4)					Variation (5)		Reasons for variation (6)
			Y1* (a)	Y2* (b)	Y3* (c)	Total (d) [(a)+(b)+ (c)]	Average (e) [(d/3)]	In absolute numbers (a) [4(e) - 3]	In % [5(a)/3]	
1.	Traffic cargo/ container (in tonnes/ TEUs)	√	√	√	√	√	√	√	√	√
2.	Annual Revenue Requirement	√	--	--	--	--	--	--	--	--
3.	Total Revenue	√ <small>(As estimated in Form 4 of the last Order)</small>	√	√	√	√	√	√	√	√

* Y1, Y2 and Y3 implies the tariff cycle years for which the tariff revision was approved in the last tariff Order. If the last tariff Order passed in April 2020 was for the tariff cycle 2020-21 (from March), 2021-22 and 2022-23, the actuals of these three years will be Y1, Y2 and Y3 for this form for comparison of actuals with the estimated Revenue and traffic considered in April 2020 Order.

Notes:

- 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.
- As stipulated in clause 3.2.1. of the Tariff Guidelines, 2019, the actual physical and financial performance will be reviewed at the end of the prescribed tariff validity period with reference to the actual traffic and ARR considered at time of fixing the prevailing tariff. If variation in both physical and financial performance is more than + or - 20% is observed as compared to the ARR and traffic considered, 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 review of past period performance, the actual income earned by the operator based on their audited accounts will be considered and not any notional income. Any non-operating income will not be considered for review of past period analysis.
- If variation in terms of % in respect of both physical (i.e. traffic) and financial (i.e. total revenue) at Sl. No.1 and 3 above are more than +/- 20%, then 20% of actual surplus/ deficit over and above admissible costs and permissible return will be allowed to be retained by the BOT operators and balance surplus/ deficit shall be shared equally between the operator and users i.e. 50% thereof shall be adjusted in the ARR estimated in Form 1 for determination of tariff for the tariff cycle under consideration.

(B). Adjustment in ARR in Form 1 to be done only if variation in both physical and financial parameters is more than +/- 20% as in Form 8(A) above

Sl. No.	Particulars	Y1	Y2	Y3	Total
1.	Actual income (other than non-operating income) as reported in Audited Annual Accounts				
(a).	Cargo related income				
(b).	Vessel related income				
2.	Average of income				
3.	Average expenses after adjustment as in Sr. No.6 of Form 1				
4.	Total Capital employed as in Sr. No.7(iv) of Form 1				
5.	16% ROCE as in Sr. No.8 of Form 1				
6.	Net Surplus/ Deficit (2-3-5)				
7.	20% of Net Surplus/ Deficit allowed to be retained (20% x 6)				
8.	Remaining additional Surplus/ Deficit (6-7)				
9.	50% of the remaining additional Surplus/ Deficit to be adjusted in ARR estimated in Form 1 after Sr. No.11				