

Computation of Annual Revenue Requirement under Tariff Policy for Major Port Authorities 2021 (after the MPA Act 2021 Comes in to Force), for Determination of Tariff for Major Port Trusts furnished by NMPA

Rs. in lakhs

Sl. No.	Description	Rs. in lakhs		
		Y1 (2019-20)	Y2 (2020-21)	Y3 (2021-22)
(1).	Total Expenditure (As per Reconciled Audited Annual Accounts)			
(i).	Operating expenses (including Depreciation)	20,728.69	20,194.34	21,026.72
(ii).	Management & general Overheads	6,555.60	5,974.65	4,997.76
(iii).	Finance and Miscellaneous expenses (FME)	17,954.75	21,215.53	20,202.09
	Subtotal 1=(i)+(ii)+(iii)	45,239.03	47,384.53	46,226.56
(2).	Less Adjustments:			
(i).	Estate related expenses			
(a).	Operating expenses (including Depreciation)	1,206.16	1,148.62	1,038.48
(b).	Allocated Management & Administrative Overheads	381.46	339.83	246.83
(c).	Allocated FME	1,044.75	1,206.70	997.75
	Subtotal 2(i)=[(a)+(b)+(c)]	2,632.37	2,695.15	2,283.06
(ii).	Railway related expenses			
(a).	Operating expenses (including Depreciation)	337.55	112.23	66.40
(b).	Allocated Management & Administrative Overheads	106.75	33.20	15.78
(c).	Allocated FME	292.38	117.91	63.80
	Subtotal 2(ii)=[(a)+(b)+(c)]	736.68	263.34	145.98
(iii).	Interest on loans			
(iv).	2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)			
(a).	Ex Gratia Paid on SVRS	-	323.42	690.47
	Subtotal 2(iii) = [(a)+(b)+(c)]	-	323.42	690.47
(v).	2/3rd of the Contribution to the Superannuation funds (Pension Fund, Gratuity Fund and Leave Encashment Fund)	4,666.67	6,666.67	6,666.67
(vi).	Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation	1,271.39	868.62	-
(vii).	Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.2 (v) of the Tariff Policy Working Guidelines, 2021			
(a).	Operating Expenses	111.92	123.11	135.43
(b).	Depreciation	44.68	44.68	44.68
(c).	Allocated Management and Administrative Overheads and FME	912.83	1,031.78	1,235.19
	Subtotal 2(vi) = [(a)+(b)+(c)]	1,069.43	1,199.58	1,415.30
(viii).	Expenses relevant for tariff fixation of PPP Berth, if any governed under clause 2.4 of the Tariff Policy Working Guidelines, 2021			
(a).	Operating Expenses	-	-	-
(b).	Depreciation	141.63	143.97	132.19
(c).	Allocated Management and Administrative Overheads and FME	-	-	-
	Subtotal 2(viii) = [(a)+(b)+(c)]	141.63	143.97	132.19
	Total of 2 = 2(i)+2(ii)+2(iii)+2(iv)+2(v)+2(vi)+2(vii)+2(viii)	10,518.17	12,160.76	11,333.66
(3).	Total Expenditure after Total Adjustments (3 = 1 - 2)	34,720.86	35,223.77	34,892.90
(4).	Average Expenses of Sl. No.3 = [Y1 + Y2 + Y3] / 3			34,945.84
(5).	Capital Employed			
(i).	Net Fixed Assets as on 31.03.2022 (As per Audited Annual Accounts)			85,125.34
(ii).	Add:Work in Progress as on 31.03.2022 (As per Audited Annual Accounts)			694.50
(iii).	Less: Net value of Fixed assets related to Estate activity as on 31.03.2022 as per Audited Annual Accounts.			9,471.28
(iv).	Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2022 as per Audited Accounts.			
(v).	Less : Net value of fixed assets as on 31 March 2022 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.4. of the Tariff Policy, 2021			2,212.97
(vi).	Less : Net value of fixed assets as on 31 March 2022 as per Audited Accounts relevant to be considered for PPP berths, if any, under clause 2.4 of the Tariff Policy, 2021			8,451.30

		Rs. in lakhs
Sl. No.	Description	
	(vii). Add : Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines 2021	
	(a). Inventory	135.60
	(b). Sundry Debtors	1,879.89
	(c). Cash	1,829.98
	(d). Sum of (a)+(b)+(c)	3,845.47
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)-(vi)+(vii)(d)]	69,529.77
(6).	Return on Capital Employed 16% on Sl. No. 5(vii)	11,125.00
(7).	Annual Revenue Requirement (ARR) as on 31 March	46,070.84
(8).	Indexation in the ARR @ 100% of the WPI applicable for the year 2022-23	10.77%
(9).	Ceiling Indexed Annual Revenue Requirement (ARR)	51,032.67

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 of the Port Trust and found to be in order.

For Prasanna Shenoy & Associates

Chartered Accountants



Anusha S. Devadiga

CA Anusha S Devadiga

Partner

M No. 243272

UDIN :- 22243272AGDWRL
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Head of the Finance Department of the Major Port ~~Trust~~ *Authority*

Chartered Accountant ~~or Cost and~~
~~Management Accountant~~ in practice.

Date	Date	29-08-2022
Place	Place	Mangalore

Notes

1. 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.
2. Furnish detailed working reconciling the amount reported in the Audited Accounts and the amount considered for each of the one time expenses in the above statement.
3. Furnish detailed working reconciling the the amount reported in the Audited Accounts and the amount considered towards Contribution to the Pension Fund in the above statement.
4. Furnish detailed working for each of the components of the working capital following the norms prescribed in clause 2.5. of the Working Guidelines as per the format prescribed in Form 4.
5. Based on the indexed ceiling ARR computed in the above statement at SI No 11 above, the Major Ports Trust should draw the Scale of Rates (SOR) complying clauses 2.5. , 2.6., 2.7 of the Tariff Policy, 2021 and Clauses 2.9. to 2.12 of the Working Guidelines.