

As per Clause 2.8 of the Guidelines for upfront tariff setting for PPP Projects at Major Port Trusts, 2008, the tariff caps fixed by this Authority for handling various commodities or providing various services by private operators will have to be indexed to inflation to the extent of 60% of the variation in Whole-sale Price Index (WPI) occurring between 1 January 2008 and 1 January of the relevant year. For this purpose, WPI for all commodities announced by the Government of India will be considered.

2. The WPI occurring between the relevant dates was ascertained from the Ministry of Commerce and Industry Government of India. 60% of the variation in WPI occurring between 1 January 2008 and 1 January 2010 and the variation in WPI occurring between 1 January 2009 and 1 January 2010 works out to 6.85% and 1.28% respectively.

3. The base year for the upfront tariff already set and the corresponding annual escalation with effect from 1.4.2010 are given below:

<b>Tariff with base WPI as on</b>	<b>Escalation factor to be applied</b>
1 January 2009	1.28%
1 January 2008	6.85%

4. The adjusted upfront tariff will be in force for the period 1 April 2010 to 31 March 2011.