Subject: Rate of return of Capital Employed and Annual Escalation factor for expenditure projections allowable for the major ports and private terminals operating thereat for the year 2014-15.

As stipulated in the tariff guidelines of 2005, this Authority, at the beginning of every financial year, undertakes an exercise to review the rate of Return on Capital Employed (ROCE) and the escalation factor to be considered for the expenditure projections to be applied in the tariff cases of the Major Port Trusts and Private terminals operating thereat, to be decided during the said year.

2. Accordingly, based on the review made by the Authority in this regard, the existing maximum ROCE of 16% will continue and an escalation factor of 6% for the expenditure projections will be applied in all tariff cases of major port trusts and private terminals operating thereat to be decided in the financial year 2014-15.