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TARIFF AUTHORITY FOR MAJOR PORTS

G No. 146 **New Delhi, 20 May 2013**

NOTIFICATION

In exercise of the powers conferred under Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby extends the validity of the Scale of Rates at the V.O. Chidambaranar Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

No. TAMP/9/2010 – TPT

The V.O. Chidambaranar Port Trust --- Applicant

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Chandra Bhan Singh, Member (Economic)

O R D E R

(Passed on this 9th day of May 2013)

This case relates to the extension of the validity of the existing Scale of Rates of the V.O. Chidambaranar Port Trust (VOCPT).

2. The existing Scale of Rates of the VOCPT was last approved by this Authority vide Order No.TAMP/9/2010-TPT dated 11 October 2011 which was notified in the Gazette of India on 11 November 2011. The Order prescribes the validity of the SOR till 31 March 2013.

3. As per the Order No. TAMP/23/2003-WS dated 30 September 2008 passed by this Authority for clarifying / refining certain areas of the existing approach/practice followed in tariff setting exercise, the major port trusts and private terminal operators have to file their tariff revision proposal by 30 June of the financial year in which the tariff revision falls due. Accordingly, the VOCPT had to file its proposal by 30 June 2012.

In view of that the port was advised vide our letter dated 7 May 2012 to file its proposal by 30 June 2012. In response, the VOCPT had filed its proposal vide letter dated 26 July 2012. Since the proposal was not complete in all respects the port was advised to file its complete proposal vide letters dated 3 August 2012 and 12 December 2012 latest by 31 December 2012. The VOCPT vide letters dated 28 February 2013 and 19 March 2013 has filed the proposal for general revision of its Scale of Rates. The proposal filed by the VOCPT for general revision of its Scale of Rates is registered as a case and is taken on consultation with the concerned port users/user organisations.

4. The VOCPT vide its letter dated 25 March 2013 has requested this Authority to extend the validity of the existing Scale of Rates approved by Order dated 11 October 2011 till revised rates are notified. Subsequently, the port has vide its letter dated 22 April 2013 clarified that its request to extend the validity of the existing SOR is meant to cover the special rate for capital dredging and Pension Fund Levy for Cargo Handling Division approved by this Authority vide Order No.TAMP/30/2009-TPT dated 11 October 2011 and incorporated in its existing SOR.

5.1. As per the existing SOR of VOCPT notified vide Order No.TAMP/9/2010-TPT dated 11 October 2011, the levy of the Special Rate for Capital Dredging prescribed in schedule 2.5. and Pension Fund Levy prescribed in schedule 6.1. of the existing SOR cease to be applicable from 1 April 2013. However, the Pension Fund Liability position analysed in para 12 (xiv) of the Order No.TAMP/30/2009-TPT dated 11 October 2011 relating to levy for labour deployed from Cargo Handling Labour Pool requires the shortfall in the Pension Fund Liability to be recovered over five years. This means it will spill over beyond 31 March 2013. In view of Pension Fund Position analysed in the said Order, this Authority is inclined to extend the validity of the Pension Fund Levy of ₹9 per M.T. beyond 1 April 2013 and the validity is made coterminous with the validity of the existing SOR.

5.2. The analysis relating to the Special Rate for Capital Dredging contained in para 17 (xxii) of the last tariff revision Order dated 11 October 2011 assumes that the estimated deficit in the capital dredging activity will be met from the approved special rate by 31 March 2013. However, the VOCPT in its general revision proposal vide its letter No.A-1/1/2012-Cost dated 28 February 2013 has submitted that the dredging activity will be in deficit to the tune of ₹2690.10 lakhs at the end of 2015-16 even if the existing dredging levy is allowed to continue. Relying on the submission made by the VOCPT, this Authority extends the validity of the special rate for capital dredging beyond 31 March 2013 co-terminus with the extension of the validity of its SOR. This tariff item will, however, be subject to review during the general revision proposal of the VOCPT.

6. In view of the above, and since the validity of the existing SOR expired on 31 March 2013 and recognising the time required for this case to reach final consideration, this Authority extends the validity of the existing SOR of the VOCPT alongwith the Pension Fund Levy for labour deployed from TPTCHLP and the Special Rate for Capital Dredging from the date of expiry till 30 September 2013 or till the effective date of implementation of the revised Scale of Rates, whichever is earlier.

7. If any additional surplus over and above the admissible cost and permissible return emerges for the period post 1 April 2013, during the review of its performance, such additional surplus will be set off fully in the tariff to be determined.

(T.S. Balasubramanian)
Member (Finance)