

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)
TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 408

New Delhi,

06 October 2020

NOTIFICATION

In exercise of the powers conferred by Sections 48 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby extends the validity of the existing Scale of Rates of the Paradip Port Trust (PPT) as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/90/2016-PPT

Paradip Port Trust

Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

ORDER

(Passed on this 8th day of September 2020)

This case relates to the extension of the validity of the existing Scale of Rates (SOR) of the Paradip Port Trust (PPT).

2.1. The existing SOR of PPT was approved by this Authority vide Order No. TAMP/90/2016-PPT dated 15 September 2017. This Order was notified in the Gazette of India on 1 November 2017 vide Gazette No. 422. The Order prescribed the validity of the SOR till 31 March 2019.

2.2. Thereafter, when the Ministry of Shipping (MOS) in December 2018 issued Tariff Policy, 2018 for fixation of tariff of all Major port Trusts, the validity of the existing SOR of PPT was extended till 30 September 2019, in order to enable PPT formulate its general revision proposal based on stipulations contained in Tariff Policy, 2018.

3.1. Subsequently, the PPT vide its letters dated 27/30 July 2019 and subsequent letter dated 20 August 2019 had requested to extend the validity of the present SOR for a further period of one year w.e.f. 1 October 2019 on the ground that the estimation based on the year 2018-19 as per the clause 2.5 of the Tariff Policy, 2018 is not the yardstick for revision of Scale of rates of PPT applicable for the tariff cycle upto 2021-22 due to anticipated shift of cargo from Port operated berth to PPP berths due to newly commissioned/ upcoming projects.

3.2. Since the extended validity of the existing SOR of PPT was expiring on 30 September 2019 and based on the reasoning given by PPT and in order to avoid a vacuum in the SOR of PPT, this Authority felt it appropriate to extend the validity of the existing SOR of PPT beyond 30 September 2019. Accordingly, this Authority vide its Order no. TAMP/90/2016-PPT dated 10 October 2019 extended the validity of the existing SOR of PPT for a period of one year i.e. from 1 October 2019 to 30 September 2020. Vide the said Order, the PPT was also advised to file its proposal latest by 30 June 2020, following Tariff Policy, 2018.

4.1. In this backdrop, the PPT vide its letter no. FA/RE/123/2019 dated 29 June 2020 has, interalia, submitted that due to the COVID-19 pandemic, the PPP projects under construction at PPT are getting delayed and that it is very difficult to assess the actual reversal of the business volume, the PPT has requested to extend the validity of the present SOR for a further period of one year w.e.f. 01 October 2020 without insisting for revision proposal of SOR within 30 June 2020.

4.2. In this regard, it is to state that the reason cited by PPT earlier while seeking extension of validity of SOR for a period of one year from 01 October 2019 was the probable shift of cargo to PPP berths, which were to be commissioned in the near future, due to which the traffic of 2018-19 was not felt appropriate by PPT to be considered as yard stick. Now, the Port has stated that due to COVID-19 Pandemic, the PPP Projects under construction at PPT are getting delayed. Hence, estimating the revenue based on the actual of traffic of 2018-19 for the tariff cycle 2020-21 to 2022-23 may not be realistic and it is difficult to assess the reversal of business volumes. It is noteworthy that recognising the situation arising because of COVID-19 pandemic, the Ministry of Shipping in the Government of India vide its directive issued under section-111 of the Major Port Trusts Act, 1963 by letter No. PD-14033/4/2020-PD VII dated 21 April 2020 to deal with the issues at Major Ports relating to exemption/ remission of charges and Force Majeure has inter-alia, directed all the Major Ports including PPT to extend the period of completion of any project under implementation in PPP mode or otherwise.

4.3. In view of the difficulty expressed by the PPT and for the reasons given above, and based on collective application of mind, this Authority is inclined to extend the validity of the existing SOR of PPT for a period of one year from 01 October 2020 upto 30 September 2021, as requested by the PPT.

(T.S. Balasubramanian)
Member (Finance)