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TARIFF AUTHORITY FOR MAJOR PORTS

G. No.239 **New Delhi,** **6 June 2016**

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 existing Scale of Rates of the Paradip Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No.TAMP/62/2009-PPT

The Paradip Port Trust --- Applicant

QUORUM

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

O R D E R

(Passed on this 6th day of May 2016)

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

2.1. The existing Scale of Rates (SOR) of PPT was last approved by this Authority vide Order No. TAMP/62/2009-PPT dated 25 March 2011 which was notified in the Gazette of India on 23 May 2011. The Order prescribed the validity of the SOR till 31 March 2013.

2.2. The validity of the SOR was extended by this Authority at periodic intervals vide Orders dated 10 January 2014, 4 April 2014, 4 July 2014, 30 September 2014 and 2 January 2015 for the reasons recorded in the said Orders. While extending the validity at each occasion, the PPT was advised by this Authority to file the general revision proposal immediately.

2.3. In the meanwhile, the Tariff Policy, 2015, applicable for Major Port Trusts has come into effect from 13 January 2015. Consequently, as stipulated in Clause 1.5 of the Tariff Policy, this Authority in June 2015 has issued the Working Guidelines to operationalize the said Tariff Policy, 2015. The PPT was advised to file a revised proposal in accordance with the new Tariff policy of 2015. At the same time, to avoid a vacuum in the tariff, this Authority has, on regular intervals, extended the validity of the existing SOR of PPT. On the last occasion, the validity of the existing SOR of PPT has been extended till 31 March 2016.

3.1. In this backdrop, PPT was reminded vide a d.o letter dated 06 April 2016, to expedite filing of the general revision proposal of PPT as per Tariff Policy, 2015.

3.2. In response Chairman PPT, vide his d.o letter dated 25 April 2016 addressed to Member (Finance) has made the following submissions:

(i). During the last SOR revision, there was a reduction of 32% in 2011. This had an adverse effect on the Operating Ratio of the Port.

(ii). In the meeting held by the Ministry of Shipping (MOS) for finalizing the RFD, it was agreed to maintain the operating ratio at the level of 57%. It was accordingly decided not to revise the existing tariff. Accordingly, the SOR of PPT was not revised and the same rates continued.

(iii). Further revision of SOR of PPT may not be insisted upon and the same SOR may continue at least up to 31 March 2017.

(iv). However, a revised proposal for continuing with the same SOR will be sent by PPT within a month’s time.

4. The validity of the existing SOR of PPT has already expired on 31 March 2016. Considering the time required for processing the proposal (to be) filed by the PPT and in order to avoid a vacuum in the SOR of PPT, the validity of the existing SOR of PPT needs to be extended for the period beyond 31 March 2016.

5. In view of the above position, this Authority extend the validity of the existing SOR of PPT upto 30 September 2016. The PPT is advised to file its proposal positively within the time limit agreed by the port. The treatment of additional surplus, if any, accruing to the PPT for the period beyond 1 April 2013 will be governed by the new Tariff Policy for Major Port Trusts, 2015.

(T.S. Balasubramanian)
Member (Finance)