(Published in Part - III Section 4 of the Gazette of India, Extraordinary)

Tariff Authority for Major Ports

G.No.392 **New Delhi,** **8 December 2015**

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

Paradip Port Trust - - - **Applicant**

O R D E R

(Passed on this 10th day of November 2015)

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

2. The existing Scale of Rates (SOR) of the 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. This Authority has extended the validity of SOR of PPT on couple of occasions; the last extension being till 30 September 2015 vide Order dated 28 April 2015.

3. The PPT had filed its proposal for revision of the existing SOR on 27 August 2012 under 2005 guidelines which was taken on consultation. The proposal had been internally scrutinized and joint hearing in this case was held on 25 February 2013.

4.1. When the case was being firmed up for final consideration of this Authority, the PPT, vide its communication dated 30 October 2013, submitted that the financial year 2012-13 was already over and the actual figures for the year 2012-13 are available which may have to be considered since the cargo mix estimated to be handled has undergone a change and the oil cargo has increased substantially. Moreover, due to severe cyclone on 12 October 2013, port has suffered damages to its properties which is estimated to be around ₹82.71 crores. The PPT had stated that if its request to Government of India for a grant to restore the damages caused is not considered, the PPT will have to meet the restoration cost from its internal resources which will affect its internal resources.

4.2. In view of the above position, the PPT sought three months' time to submit a revised proposal for general revision of its SOR. For the reasons stated by PPT, the port was allowed time till 31 January 2014 to file its revised proposal. Since the proposal was not received, the PPT was reminded to file its revised proposal vide our letter dated 17 February 2014. Correspondence was exchanged with PPT advising port to file its revised proposal. While extending the validity of the existing SOR till 30 September 2014, the PPT was again advised to file its revised proposal by 31 August 2014 under the applicable tariff guidelines of 2005. The revised proposal from PPT was still awaited. The PPT was, therefore, advised to file its revised proposal following applicable tariff guidelines.

5.1. In the meantime, the Ministry of Shipping (MOS), vide its letter No. 8(1)/2014-TAMP dated 13 January 2015 issued the new "Policy for determination of Tariff for Major Port Trusts, 2015" which was notified in the Gazette of India vide Gazette No. 30 dated 27 January 2015 by this Authority. The new "Policy for determination of Tariff for Major Port Trusts, 2015" has come into effect from 13 January 2015.

5.2. The tariff fixation process envisaged in the new Tariff Policy of 2015 for Major Port Trust by MOS, is significantly different from the tariff fixation method stipulated in the Tariff Guidelines of 2005. Hence, the proposal filed by PPT could not be processed under 2005 guidelines. In view of this, this Authority vide its Order dated 13 February 2015 had closed the PPT proposal for general revision of its Scale of Rates. The PPT was advised to file a revised proposal in accordance with the new Tariff policy of 2015 announced by the MOS.

6. As per Clause 1.5 of Tariff Policy, 2015, this Authority has notified the working guidelines to operationalise the Tariff Policy, 2015 in consultation with all Major Port Trusts in the Gazette of India on 4 June 2015 vide Gazette No.207. The PPT, is yet to file its proposal following new Tariff Policy, 2015. The PPT has, however, not filed its proposal for revision of SOR under

Tariff Policy 2015. The proposal when received from the PPT will have to be processed following the new Tariff Policy, 2015.

7.1. The extended validity of the existing SOR of PPT, however expired on 30 September 2015 and the proposal (to be) filed by the PPT for general revision of its Scale Rates under new Tariff Policy, 2015 will have to be taken up for fresh consultation, following the new Tariff Policy, 2015 and it will take some more time for the case to mature for final consideration of this Authority.

7.2. This Authority, therefore, extends the validity of the existing SOR of PPT from the date of its expiry till 31 March 2016 or till the effective date of implementation of the revised Scale of Rates, whichever is earlier.

7.3 The Government has issued the Tariff Policy to the Major Port Trusts (and to this Authority) under Section III of the Major Port Trusts Act, 1963 as a Policy Direction. Therefore, the PPT is bound by the Policy direction of the Government; and, accordingly, the PPT is directed to file its proposal for general revision of its SOR by 31 December 2015.

8. 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)