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Tariff Authority for Major Ports

G.No. 86 **New Delhi,** **13 March 2015**

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Paradip Port Trust (PPT) for general revision of its Scale of Rates, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/55/2012-PPT

Paradip Port Trust - - - **Applicant**

QUORUM:

(i). Shri. T. S. Balasubramanian, Member (Finance)
(ii). Shri. C. B. Singh, Member (Economic)

O R D E R

(Passed on this 13th day of February 2015)

This case relates to the proposal received from the Paradip Port Trust (PPT) for general revision of its Scale of Rates (SOR).

2. The existing SOR of the PPT was last approved by this Authority vide Order No. TAMP/62/2009-PPT dated 25 March 2011. This Order was notified in the Gazette of India on 23 May 2011 vide Gazette no. 111. The said Order prescribed a tariff validity period till 31 March 2013.

3.1. The PPT filed its proposal for revision of the existing SOR on 27 August 2012. The proposal was registered as a tariff case and taken on consultation. The comments received from user/ user organization was forwarded to the Port as feedback information. The proposal was internally scrutinized and joint hearing in this case was held on 25 February 2013.

3.2. 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 is already over and the actual figures for the year 2012-13 are available. The PPT also stated that the cargo mix estimated to be handled has undergone change and the oil cargo has increased substantially. Further, the PPT submitted that due to the severe cyclone on 12 October 2013, port has suffered damages to its properties and incase if the Government of India does not consider the request of PPT for a grant to restore the damages caused, the PPT will have to meet the restoration cost from its internal resources which will affect its internal resources. In view of the above position, the PPT sought three months' time to submit a revised proposal for general revision of its SOR and requested for continuation of levy of tariff as per existing SOR.

3.3. Based on the request made by the PPT, this Authority vide its Order dated 10 January 2014, extended the validity of the existing SOR of the PPT from the date of its expiry till 31 March 2014, subject to full adjustment of any additional surplus over and above the admissible cost and permissible return accruing to the PPT post 1 April 2013, in the tariff to be fixed for the next cycle. The PPT was also directed to file its revised proposal for general revision of its existing SOR by 31 January 2014, as agreed by the Port.

3.4. Since the proposal was not received, the PPT was reminded vide our letter dated 17 February 2014, to file its revised proposal. The PPT vide its letter dated 28 February 2014 stated that it would submit its proposal as per new guidelines likely to be finalised by the Government. In this regard, the PPT was advised vide our letter dated 1 May 2014 to file its proposal under the applicable tariff guidelines of 2005.

3.5. Thereafter, noting that the PPT has not filed its revised proposal and that it would take time for the case to mature for final consideration after receipt of the revised proposal (to be) filed by the PPT, this Authority vide its Order dated 4 April 2014, extended the validity of the existing SOR of the PPT from the date of its expiry till 30 June 2014, subject to full adjustment of any additional surplus over and above the admissible cost and permissible return accruing to the PPT post 1 April 2013, in the tariff to be fixed for the next cycle.

3.6. However, the PPT had not submitted its proposal. Recognizing that it would take time for the case to mature for final consideration after receipt of the revised proposal (to be) filed by the PPT, this Authority vide its Order dated 4 July 2014, extended the validity of the existing SOR of the PPT from the date of its expiry till 30 September 2014, subject to full adjustment of any additional surplus over and above the admissible cost and permissible return accruing to the PPT post 1 April 2013, in the tariff to be fixed for the next cycle. The PPT was also advised to file its revised proposal by 31 August 2014 under the applicable tariff guidelines of 2005.

3.7. Subsequently, since the extended validity of the existing SOR of PPT has expired on 30 September 2014 and recognizing that the PPT had not filed its revised proposal and that it would take time for the case to mature for final consideration after receipt of the revised proposal (to be) filed by the PPT, this Authority vide its Order dated 30 September 2014 extended the validity of the existing SOR of the PPT from the date of its expiry till 31 December 2014, subject to full adjustment of any additional surplus over and above the admissible cost and permissible return accruing to the PPT post 1 April 2013, in the tariff to be fixed for the next cycle. The PPT was also advised to file its revised proposal at the earliest.

3.8. Thereafter, this Authority vide its Order dated 02 January 2015 has extended the validity of the existing SOR of the PPT till 31 March 2015, subject to full adjustment of any additional surplus over and above the admissible cost and permissible return accruing to the PPT post 1 April 2013, in the tariff to be fixed for the next cycle.

4. In the meantime, the Ministry of Shipping (MOS) vide its letter No. 8(1)/2014-TAMP dated 13 January 2015 has issued the new “Policy for determination of Tariff for Major Port Trusts, 2015. This has been 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.

5.1. Given that this Authority is yet to receive the revised proposal from PPT and also since the new Tariff Policy, 2015 has come into effect, the PPT would have to formulate its revised proposal in accordance with the new Tariff Policy of 2015 announced by the MOS. The proposal of PPT as and when received would have to be processed following the new Tariff Policy, 2015.

5.2. In view of the above position this Authority decides to close the current proposal of PPT. The PPT is advised to file its revised proposal based on the Tariff Policy, 2015. The revised proposal as and when received from PPT, would be treated afresh.

(T.S. Balasubramanian)
Member (Finance)