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Tariff Authority for Major Ports

G. No. 226

New Delhi,

25 July 2014

NOTIFICATION

In compliance of the direction issued by the Central Government under Section 111 of the Major Port Trusts Act, 1963 (38 of 1963) and in exercise of the powers conferred under Section 49 of the said Act, the Tariff Authority for Major Ports hereby amends the Scale of Rates of Paradip Port Trust (PPT) to prescribe a fee on the cargo transloaded at the Transloading point under the limits of PPT as in the Order appended hereto.

(T.S Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/33/2014-General

QUORUM:

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

ORDER

(Passed on this 17th day of July 2014)

The Ministry of Shipping has issued a policy direction under Section 111 of the Major Port Trusts Act, 1963, to this Authority directing it to notify the royalty at the rate of ₹10/- per tonne to be levied by the PPT on the cargo transloaded at the Transloading point under the limits of PPT.

2. Clause 3.2.6. of the tariff policy guidelines of 2005 stipulates that normal consultative process shall not be followed in a tariff case initiated to implement the Central Government policy directive issued under section 111 of the MPT Act. Hence, in line with the stipulation contained in the 2005 guidelines, consultative process in this case is not initiated. The policy direction issued by the Ministry of Shipping u/s 111 of the Major Port Trusts Act, 1963 is binding on the Authority.

3. The rate of ₹10/- per tonne leviable by PPT is akin to license fee which is payable by licensee for use of port land. In the instance case, it is a kind of fee for use of port water area at transloading point. Hence, instead of the nomenclature "Royalty" mentioned in the direction given by the Ministry of Shipping, for levy of the charge it is felt appropriate to use the nomenclature as "Fee", as the Major Port Trusts (MPT) Act, 1963 does not empower this Authority to prescribe royalty.

4.1. In the result and for the reasons given above this Authority prescribes the following provision to be inserted as Section 4.9 under Chapter IV – Miscellaneous charges in the existing Scale of Rates of PPT:

"4.9. Fee on the cargo transloaded at the Transloading point:

A fee of ₹ 10/- per tonne will be levied on the cargo transloaded from/ to the mother vessel at the Transloading point under the limits of PPT.

Notes:

- (i). An area notified under the limits of Paradip Port Trust comprising radius of 2 nautical miles around a position earmarked by Lat 20 08 12" N Long 087 14 00" E to be used exclusively for transloading operations will be called as 'Transloading Point'.
- (ii). No other charge would be levied on the cargo transloaded from/ to the mother vessel at the transloading point.

- (iii). The said fee will be valid for a period of five years from the date of commencement of transloading operations.”

4.2. The PPT is directed to make suitable amendment to its existing Scale of Rates.

4.3. The said rate will come into effect from the date of commencement of transloading operations at the Transloading Point and will be valid for a period of five years thereafter.

(T.S Balasubramanian)
Member (Finance)