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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 302

New Delhi,

22 July 2016

NOTIFICATION

In exercise of the powers conferred under Section 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 Kolkata Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
No. TAMP/8/2013-KOPT

The Kolkata 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 5th day of July 2016)

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

2.1 The existing SOR of the KOPT was last approved by this Authority vide Order No. TAMP/8/2013-KOPT dated 21 February 2014. This Order was notified in the Gazette of India on 19 May 2014. The Order prescribed the validity of the SOR of KOPT till 31 March 2016.

2.2 Thereafter, based on the request made by KOPT, this Authority has extended the validity of SOR of KOPT upto 30 June 2016 vide Order dated 30 March 2016. The KOPT was also advised vide the said Order to file its general revision proposal by 30 April 2016.

3. Thereafter, the KOPT vide its letter dated 20 May 2016 has filed its proposal for general revision of its Scale of Rates under Tariff Policy, 2015. The proposal has been taken up on consultation with the relevant users/user organization. The proposal is under examination for seeking additional information/ clarification from KOPT. A joint hearing in this case is yet to be scheduled.

4. It may be recalled that the MOS vide its letter dated 17 September 2015 had issued a direction to this Authority partially modifying the coastal concession policy issued by the (then) MSRTH in January 2005. As per the letter dated 17 September 2015 of the MOS, vessel related charges and container related charges for coastal vessels and coastal containers should take into account the exchange rate fluctuation of Indian Rupee vis-à-vis the US \$ so that vessel related charges for all coastal vessels and the container related charges for all coastal containers should not exceed 60% of the corresponding charges. This direction of the MOS was communicated by this Authority by an Order dated 5 October 2015. However, the MOS vide its subsequent letter dated 11 May 2016 has directed to keep its earlier direction dated 17 September 2015 in abeyance. Therefore, this Authority has passed a Common Order dated 19 May 2016 to keep its Order dated 5 October 2015 also in abeyance. The said Order has been forwarded to all the Major Port Trusts including KOPT.

5. In this backdrop, the KOPT vide its letter dated Fin/162/B dated 21 June 2016 has requested to extend the validity of the existing SOR of KOPT (including Special Rate) till notification of revised SOR, on the ground that the draft Scale of Rates which was submitted earlier has been updated based on the direction issued by the Ministry of Shipping vide its letter no 8(15)/2015- TAMP dated 11 May 2016 and is being placed for consideration and approval of the Board of Trustees. The KOPT has also stated that the draft revised SOR is being hosted in the website of KOPT inviting fresh comments of the port users and that the draft updated Scale of Rates along with necessary forms, duly filled in along with Board Resolution will be sent separately.

6.1 As stated above, the KOPT in its letter has also requested to extend the special levy of 5% to enable the KOPT to meet the pension liability in respect of employees of KOPT who have retired prior to 1 April 2004. The special rate is to be levied during the validity of the Scale of Rates of KOPT. It is relevant hereto mention that while approving the said special levy of 5% (on various charges notified in the Scale of Rates under Part – 1 to Part – VIII) during the last general revision of tariff of KOPT in February 2014, this Authority had noted that during the review of tariff of KOPT in the year 2010, the pension levy was approved to be recovered by the KOPT over a period of three tariff cycles. Considering that the last tariff cycle is over, the shortfall in the fund position then had to be recovered in the remaining two tariff cycles. Since only two balance years i.e. 2014-15 and 2015-16 (in the second tariff cycle) was

available then, the shortfall in the fund was decided to be recovered by way of a special levy for a period of two years.

6.2 It can be seen that, there appears to be a need to extend the validity of the Special Levy also beyond the last tariff cycle i.e. during the extended tariff validity period of the third tariff cycle.

7.1 Since the validity of SOR of KOPT expires on 30 June 2016 and considering the time required for processing the proposal filed by the KOPT and in order to avoid a vacuum in the SOR of KOPT, it is felt appropriate to extend the validity of the existing SOR and Special rate of KOPT beyond 30 June 2016.

7.2 In view of the above, this Authority extends the validity of the existing SOR of KOPT including the special levy upto 30 September 2016 or till the effective date of implementation of the revised SOR, whichever is earlier.

(T.S. Balasubramanian)
Member (Finance)