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TARIFF AUTHORITY FOR MAJOR PORTS

G. No.242

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 V.O.Chidambaranar Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No.TAMP/47/2012-VOCPT

QUORUM

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

ORDER

(Passed on this 19th day of May 2016)

This Order relates to the extension of the validity of the existing Scale of Rates of the V.O.Chidambaranar Port Trust (VOCPT).

2. The existing Scale of Rates (SOR) of the VOCPT was last approved by this Authority vide Order No.TAMP/47/2012-VOCPT dated 4 August 2014 which was notified in the Gazette of India on 19 August 2014. The Order prescribed the validity of the SOR till 31 March 2016.

3.1. The VOCPT vide its e-mail dated 30 March 2016 has intimated that they are in process of preparation of the tariff revision proposal under the Tariff Policy, 2015 for submitting the same to the Authority. The VOCPT has requested to extend the validity of the existing SOR along with Pension Fund levy approved by the Order dated 4 August 2014 till revised rates are notified by this Authority.

3.2. As regards the extension sought by the VOCPT for the Pension Fund Levy, attention of VOCPT was drawn to para 19(xxii)(h) of the Order No TAMP/47/2012-VOCPT dated 4 August 2014. In the said para, the shortfall assessed in the Pension / Gratuity Fund (at sr. no. 9) was entirely taken into consideration by the Authority while approving the Pension Fund Levy of 6.5%. The Order as well as the Scale of Rates at schedule 5.2.2 - Pension Fund Levy, explicitly states that Pension Fund Levy of 6.5% will cease to apply from 01 April 2016. Hence, the VOCPT vide our letter dated 11 May 2016 was requested to justify the extension sought for the Pension Fund Levy of 6.5% for the period beyond 31 March 2016 while seeking extension of the validity of its SOR.

3.3. In response, the VOCPT vide its e-mail dated 12 May 2016 has furnished a statement showing deficit of ₹ 171.56 crores in pension fund account as on 31 March 2016. As per the statement furnished by the VOCPT, the Actuarial Valuation of pension fund as on 31 March 2016 is reported to be ₹ 626.68 crores whereas the actual pension fund balance on the corresponding date is reported to be ₹ 455.12 crores. Thus, in view of the shortfall in the pension fund balance, the VOCPT has sought extension of pension fund levy of 6.5% as well while seeking extension of validity of its existing SOR till the revised SOR are notified by this Authority. As regard the another Pension Fund Levy of ₹ 25.10 per tonne for Cargo Handling Division (CHD), approved in the last tariff Order, based on the pension fund position assessed then only part of the shortfall was met in the last tariff cycle and there was spill over. In view of the above position and based on submissions made by the VOCPT, this Authority decides to extend both the Pension Fund levy also while extending the SOR of the VOCPT as sought by the port.

3.4. It is relevant here to state that the VOCPT has recently vide its letter dated 7 May 2016 filed its proposal which is being processed separately. Hence, this Authority extends the validity of existing SOR of VOCPT including the Pension Fund Levy prescribed in the existing SOR till 31 August 2016 or till the effective date of implementation of the revised SOR, whichever is earlier.

4. The treatment of additional surplus, if any, accruing to the VOCPT for the period beyond 1 April 2016 will be governed by the new Tariff Policy for Major Port Trusts, 2015.

(T.S. Balasubramanian)
Member (Finance)