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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 46 **New Delhi,** **10 February 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 Visakhapatnam Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

<u>Case No.TAMP/13/2009-VPT</u>

<u>QUORUM</u>

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Chandra Bhan Singh, Member (Economic)

O R D E R

(Passed on this 2nd day of January 2015)

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

2. The existing Scale of Rates (SOR) of the VPT was last approved by this Authority vide Order No. TAMP/13/2009-VPT dated 18 February 2011 which was notified in the Gazette of India on 31 March 2011. The Order prescribed the validity of the SOR till 31 March 2013. This Authority has extended the validity of existing SOR of VPT on couple of occasions; the last extension being till 31 December 2014 vide Order dated 30 September 2014.

3.1. The proposal filed by the VPT vide its letters dated 8 February 2013 along with its letter dated 22 March 2013 has been taken on consultation with the concerned users / user associations. Joint hearing on the proposal was held on 20 September 2013. The additional information / clarification sought from the VPT vide our letter dated 8 August 2013 has been furnished by the port on 19 November 2013.

3.2. Subsequently, the VPT vide its letter dated 18 December 2013 had stated that in view of latest development of signing of Concession Agreement with BOT operator, the traffic, income estimates and deficit estimates, in its proposal may undergo a change. In view of the above position, brought out by the VPT, having an impact on its general revision proposal, the VPT was advised vide our letter dated 31 December 2013 to update its proposal and submit it by 7 January 2014. Thereafter at the request of VPT, it was allowed time upto 20 February 2014 to file its revised proposal.

3.3. The VPT subsequently, vide its letter dated 2 April 2014 citing that the financial year 2013-14 is over, sought time up to 30 June 2014 to file its revised proposal updating the estimates of 2013-14 with actuals. In view of the submissions made by the VPT, the port was granted time till 30 June 2014 to file its revised proposal.

3.4. The VPT, vide its letters dated 14 August 2014, 2 September 2014 and 3 September 2014, has filed its revised proposal. The revised proposal of the VPT has been taken on consultation with concerned users on 4 September 2014 for their comments by 23 September 2014.

3.5. Subsequently, the VPT vide its letter dated 10 December 2014 has submitted a proposal for introduction of a levy to recover the cost of Capital Dredging and has requested for inclusion in its Scale of Rates. The said proposal has been circulated to the users / user organisations seeking their comments.

3.6. The revised proposal filed by the VPT in August 2014 and September 2014 and its proposal of December 2014 for levy of capital dredging involves fresh scrutiny and it will take some more time for the case to mature for final consideration.

4. In the meantime, the extended validity of the existing SOR of VPT expired on 31 December 2014. Considering the present status of the proposal as brought out in para 3.4., 3.5 and 3.6. above, this Authority extends the validity of the existing SOR of the VPT till 31 March 2015 or till the effective date of implementation of the revised Scale of Rates, whichever is earlier.

5. If any additional surplus over and above the admissible cost and permissible return emerges for the period post 1 April 2013, during the review of its performance, such additional surplus will be set off fully in the tariff to be determined.

(T.S. Balasubramanian)
Member (Finance)