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TARIFF AUTHORITY FOR MAJOR PORTS

G No. 343

New Delhi,

27 December 2010

NOTIFICATION

In exercise of the powers conferred under Section 48 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 ABG Kandla Container Terminal Limited for its operation at berths no.11 and 12 in Kandla Port Trust as in the Order appended hereto.

(Rani Jadhav)
Chairperson

Tariff Authority for Major Ports
Case No. TAMP/43/2006-ABGKCTL

ABG Kandla Container Terminal Limited

Applicant

ORDER

(Passed on this 29th day of November 2010)

This case deals with the extension of the validity of the existing Scale of Rates (SOR) of the ABG Kandla Container Terminal Limited (ABGKCTL) for its operations at berths No.11 & 12 in Kandla Port Trust.

2. This Authority has approved the existing tariff at the ABGKCTL vide Order No.TAMP/43/2006-ABGKCTL dated 12 October 2007. The Order was notified on 26 October 2007 vide Gazette No. 211. The revised SOR came into effect after expiry of 30 days from the date of notification of the Order with validity prescribed for three years from the date of implementation of the Order. Accordingly, the existing SOR of ABGKCTL is valid till 25 November 2010.

3.1. In the Order dated 30 September 2008 passed by this Authority refining certain areas of the existing approach / practice to tariff setting, this Authority vide paragraph 5 (i) (a) required that the ports/terminals should file their proposals for revision of the SOR by 30 June of the financial year in which the revision falls due. Accordingly, the date of filing the proposal for revision of existing Scale of Rates of ABGKCTL was 30 June 2010. Bringing out the above position, the ABGKCTL was advised vide our letter dated 17 June 2010 to file its proposal within the stipulate date of 30 June 2010.

3.2. In response, ABGKCTL vide letter dated 9 July 2010, has informed that they are in the process of drafting the proposal. Citing that it would take some time for finalization, it had requested to extend the time limit for submission of the proposal by three months.

3.3. Considering the validity of its SOR is to expire in November 2010, the ABGKCTL was vide our letter dated 14 July 2010, advised to file the proposal for revision of its SOR latest by 3rd week of September 2010.

4. The ABGKCTL vide letter dated 15 September 2010, has reiterated that the proposal for revision of the SOR is under formulation stage and might take some more time, has requested to extend the time limit for submission of the detailed proposal by six months and to extend the validity of the existing SOR by six months.

5. The request made by ABGKCTL seeking extension of the existing Scale of Rates was forwarded to the land lord port (Kandla Port Trust) seeking their views thereon vide our letter dated 28 October 2010. The KPT has not furnished its reply despite a reminder.

6. As per the paragraph 5 (i) (b) of the Order dated 30 September 2010, the request for extension of validity of the tariff can not be entertained unless sufficient justifiable reasons are advanced for not filing the tariff proposal on time. The ABGKCTL had to file its proposal for revision of tariff by 30 June 2010. It has not filed its proposal even after extending the time limit till 3rd week of September 2010 for filing its proposal nor has furnished justifiable reasons for not filing the proposal. The ABGKCTL has, however, sought extension of the validity of the existing SOR by six months.

7.1. Recognising that the validity of the SOR will expire in November 2010, and taking into account the time required to dispose the proposal to be filed by the ABGKCTL, this Authority decides to extend the validity of the existing SOR of ABGKCTL from date of expiry till 31 March 2011 or till finalization of the revised SOR, whichever is earlier subject to adjustment of the entire additional surplus, if any, earned over and above the admissible cost and permissible return for the period after expiry of the initial validity in the tariff to be determined. The ABGKCTL is advised to file its proposal, with necessary analysis and supporting documents, for revision of the Scale of Rates latest by 31 December 2010.

7.2. If a complete proposal is not filed by ABGKCTL within the stipulated date, then the existing Scale of Rates with an across-the-board reduction of 10% will be applicable from 1 January 2011 for the operation of the ABGKCTL.

(Rani Jadhav)
Chairperson