

# **Tariff Authority for Major Ports**

Case No. TAMP/90/2016-PPT

**Paradip Port Trust**

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**Applicant**

## QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Sunil Kumar Singh, Member (Economic)

## ORDER

(Passed on this 15<sup>th</sup> day of September 2021)

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

2.1. The existing SOR of PPT was approved by this Authority vide Order No. TAMP/90/2016-PPT dated 15 September 2017 which was notified in the Gazette of India on 1 November 2017 vide Gazette No. 422. The Order prescribed the validity of the SOR till 31 March 2019. Thereafter, the validity of the existing SOR of PPT was extended till 30 September 2019.

2.2. Subsequently, based on the request of PPT, this Authority vide its Order No. TAMP/90/2016-PPT dated 10 October 2019 and Order no. TAMP/90/2016- PPT dated 08 September 2020 has extended the validity of the existing tariff of PPT for a period of 1 year each i.e. from 01 October 2019 to 30 September 2020 & from 01 October 2020 to 30 September 2021 respectively.

3.1. In this backdrop, the PPT vide its letter no. FA/RE/123/2019/204 dated 18 June 2021 has submitted as follows:

- (i). In response to the request of Paradip Port Trust, the TAMP was kind enough to extend the validity of the existing Scale of Rates of Paradip Port Trust for further period of one year from 01.10.2020 to 30.09.2021.
- (ii). In this regard, it is further submitted before the Authority that the COVID-19 pandemic has impacted World Economy including the economy of our country. No sector has been insulated so far from its impact. Due to the unprecedented challenges posed by this global pandemic the logistic chain related businesses are still going through an unusual and massive shock from the disruptions on supply side as well as demand side in all categories i.e. dry bulk, break bulk, liquid and containerized cargo. The logistic related businesses including traders, importers, exporters, port operators, shipping lines, transporters are facing huge challenges in maintaining their businesses due to lower trade volume as well as cash flow issues. The overall growth of a port is fully dependent on the progress of the logistic chain related businesses. Considering these difficulties, Ministry has also extended relief measures to support and rebuild the logistic chains. In


addition PPT also extended the remissions in order to cop-up the business. After the adverse impact on the maritime trade by the shock of COVID-19 pandemic it will take further time to recover fully. Also the dynamics of the trade in the changing mechanism will take more time to gear up as seen prior to outbreak this pandemic.

- (iii). The PPP projects under construction at Paradip Port are also getting delayed. The impact of COVID-19 Pandemic on the overall business scenario globally is very difficult to access the actual reversion of the business volume.
- (iv). In such a situation, it will be harsh on the part of PPT to levy the new SOR at this juncture. In view of the above circumstances, it is requested to extend the validity of the present SOR for a further period of one year w.e.f. 01.10.2021.

3.2. Subsequently, the PPT vide its email dated 16 July 2021 has furnished the proceedings of the Board of the Trustees Meeting No. 01/2021-22 of PPT held on 13 July 2021 approving the proposal for extension of validity of the present SOR of PPT for a period of 1 year w.e.f. 1.10.2021 to 30.09.2022.

4. Since the extended validity of the existing Scale of Rates of PPT is about to expire on 30 September 2021 and considering the time required for processing the proposal (to be) filed by the PPT and in order to avoid a vacuum in the Scale of Rates of PPT, it is felt appropriate to extend the validity of the existing Scale of Rates of PPT beyond 30 September 2021.

5. In the result and for the reasons given above and based on the collective application of mind, this Authority is inclined to extend the validity of the existing Scale of Rates of PPT for a period of one year i.e. from 1 October 2021 to 30 September 2022 or till approval of new Scale of Rates for general revision of its SOR based on the proposal to be filed by the PPT, whichever is earlier, as requested by PPT and as approved by its Board of Trustees. The PPT is also advised to file its proposal latest by 30 July 2022, following Tariff Policy, 2018.

  
**(T.S. Balasubramanian)**  
Member (Finance)