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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 81

New Delhi, 29 May, 2003

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby approves the proposal from the New Mangalore Port Trust for revision of the rate of penal interest leviable on delayed payments / refunds as in the Order appended hereto.

(A.L. Bongirwar)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/30/2003 -NMPT

The New Mangalore Port Trust

Applicant

ORDER

(Passed on this 6th day of May 2003)

This case relates to a proposal received from the New Mangalore Port Trust (NMPT) about reduction in the rate of penal interest leviable on delayed payments / refunds.

2. The NMPT has made the following points in its proposal:

- (i). Through an Order passed on 5 November 2001, TAMP has given option for the Port Trusts to choose a rate in the range between a minimum of 2% above the Prime Lending Rate (PLR) of SBI and a maximum 18%. The Port Trusts must exercise their option immediately and choose a rate within the range prescribed. Any change thereafter can only be with the approval of the Authority.
- (ii). The NMPT opted for continuation of the existing rate of 18% penal interest.
- (iii). On a review of the rate of penal interest, the NMPT considers it fair and reasonable to reduce it to the level of 2% above the PLR of SBI.

3.1. It is noteworthy that this Authority had passed an Order on 5 November 2001 prescribing the range of rates of penal interest leviable at the major port trusts.

3.2. The NMPT opted to continue with the rate of 18% penal interest in compliance with the Authority's Order passed on 5 November 2001. Now, it proposes to modify the rate of penal interest to the level of 2% above the PLR of SBI. The proposal of the NMPT is in line with the decision already taken by this Authority that the rate of penal interest will be in the range between a minimum of 2% above the PLR of the SBI and a maximum of 18%.

5. In the result, and based on a collective application of mind, this Authority approves the following prescription relating to rate of penal interest leviable in the Scale of Rates of the NMPT:

- “(i). The user shall pay interest at the rate of 2% above the Prime Lending Rate (PLR) of the State Bank of India (SBI), applicable from time to time, per annum, on delayed payments of any charge under this Scale of Rates.
- (ii). The Port Trust shall pay penal interest at the rate of 2% above the Prime Lending Rate (PLR) of the State Bank of India (SBI), applicable from time to time, per annum on delayed refunds.”

6. The NMPT is directed to amend its Scale of Rates accordingly.

7. The revised rate of penal interest will come into effect after expiry of 15 days from the date of notification of this Order in the Gazette of India.

(A.L. Bongirwar)
Chairman