

‘The Central Port Authorities Act’ 2016’ to replace the ‘Major Port Trust Act, 1963’

The Ministry of Shipping has prepared a draft bill ‘The Central Port Authorities Act’ 2016 ’ to replace the ‘Major Port Trust Act, 1963’. This step is being taken keeping in view the need to give more autonomy and flexibility to the Major Ports and to bring in a professional approach in their governance.

Salient Feature of the ‘The Central Port Authorities Act’ 2016

The salient features of the new Bill are:

- a) Composition of board has been simplified. The board will consist of 9 members including 3 to 4 independent members instead of 17-19 under the Port Trust Model. Provisions has been made for inclusion of 3 functional heads of Major Port as Members in the Board apart from a Government Nominee Member and a Labour Nominee Member. (Section 3(2)).
- b) The disqualification of the appointment of the Members of the Board, duties of the Members and provision of the meetings of the Board through video conferencing and other visual means have been introduced on the lines of Companies Act, 2013. (section 5,10 & 12)
- c) Port related and non-port related use of land has been defined. A distinction has been made between these two usages in terms of approval of leases. The Port Authorities are empowered to lease land for Port related use for upto 40 years and for non-port related use upto 20 years beyond which the approval of the Central Government is required. (Section 21)
- d) The need for Government approvals for raising loans, appointment of consultants , execution of contracts and creation of service posts have been dispensed with. The Board of Port Authority have been delegated power to raise loans and issue security for the purpose of capital expenditure and working capital requirement. (Section 30)
- e) The provision for maintenance of books of account and financial statements in accordance with the accounting standards notified under the Companies Act, 2013 or as prescribed by Central Government has been provided. (Section 44)
- f) Concept of internal audit of the functions and activities of the Central Ports has been introduced on the lines of Companies Act, 2015 (Section 25)
- g) The Board of the Port Authority has been delegated the power to fix the scale of rates for service and assets. The regulation to tariff by TAMP has been removed. (Section 25)

h) An independent Review Board has been proposed to be created to carry out the residual function of the erstwhile TAMP for Major Ports, to look into disputes between ports and PPP concessionaries, to review stressed PPP projects and suggest measures to review stressed PPP projects and suggest measures to revive such projects and to look into complaints regarding services rendered by the ports/private operators operating within the ports would be constituted. At present, there is no independent body to look into the above aspects and the Review Board will reduce the extent of litigation between PPP Operators and Ports. (Section 59)

i) Power of Central Govt. to take over the control of the Port Authority is limited to the event of grave emergency or in case of persistent default by Port Authority in performance of their duties. (Section 53)

j) Provisions of CSR & development of infrastructure by Port Authority have been introduced. (Section 65)

k) The status of Port Authority will be deemed as 'local authority' under the provisions of the General Clauses Act, 1887 & other applicable Statutes so that it could prepare appropriate regulations in respect of the area within the port limits to the exclusion of any Central, State or local laws. (Section 66).

The detailed draft bill has been uploaded on the website of the Ministry of Shipping (www.shipping.nic.in) for review and comments from various stakeholders.

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