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Tariff Authority for Major Ports

G.No.206

New Delhi,

28 May 2021

NOTIFICATION

In exercise of the powers conferred by Section 49 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby extends the validity of the existing rate structure for Gandhidham Township land of Deendayal Port Trust (DPT) as in the Order appended hereto.

(T.S. Balasubramanian)

Member (Finance)

Tariff Authority for Major Ports
Case No.TAMP/39/2020-DPT

Deendayal Port Trust

Applicant

QUORUM:

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

ORDER

(Passed on this 16th day of March 2021)

This case relates to a proposal filed by Deendayal Port Trust (DPT) for extension of the validity of the rate structure for Gandhidham Township Land of DPT.

2. The validity of the existing rate structure for Gandhidham Township Land of DPT was last extended based on the request of DPT vide Order No.TAMP/20/2010-KPT dated 07 September 2020 from the date of expiry till 31 December 2020 or till the date of effect of notification of the revised lease rentals based on the tariff proposal filed by the DPT, whichever is earlier. The said extension was granted with annual escalation @2% on the rates applicable as on 31 December 2013.

3.1. Subsequently, the DPT has filed the proposal for revision of rate structure of Gandhidham Township land for the period from 01 January 2014 upto 31 December 2018. The prescribed consultation process with stakeholders was done and joint hearing with all concerned was held. This Authority vide Order No.TAMP/39/2020-DPT dated 16 March 2021 approved revised lease rent for Gandhidham Township land at DPT from 01 January 2014 upto 31 December 2018 as proposed by the Port. The revised lease rent approved by this Authority in the said Order is subject to annual escalation @2% from 01 January 2015 till 31 December 2018. Hence, the lease rent applicable as on 31 December 2018 shall be revised lease rent approved by this Authority vide Order dated 16 March 2021. During the proceedings of the said case, the DPT has stated that they shall file the proposal for revision of lease rent beyond 31 December 2018 separately. The DPT is yet to file the proposal for revision of rates of Gandhidham township land for the period beyond 31 December 2018.

3.2. Filing of proposal by the DPT for the period beyond 31 December 2018 and processing of the case will take some time and since the validity of the last extended rate structure for Gandhidham Township Land has expired on 31 December 2020, this Authority extends the validity of the revised lease rent as approved in the said Order dated 16 March 2021 from 01 January 2021 till 30 June 2021 or till the date of effect of notification of the lease rentals to be approved based on the tariff proposal to be filed by the DPT for the period beyond 31st December 2018, whichever is earlier as sought by DPT.

4.1. The amended Land Policy Guidelines of 2014 i.e. Policy Guidelines for Land Management 2015(PGLM 2015) issued by the Government (based on which the rate structure for Gandhidham Township Land of DPT has been revised by this Authority) stipulates that the lease rentals approved by this Authority shall be escalated by 2% per annum till they are revised by this Authority. The revised rate structure prescribes annual escalation @ 2% in the lease rentals till 31 December 2018 in line with the guidelines issued by the Government. That being so, the annual escalation @2% may continue to apply during the extended validity period of the rate structure for Gandhidham Township Land as proposed by the DPT. Thus, to arrive at the lease rent as on 01 January 2021, DPT needs to apply annual escalation @2% on the lease rent as on 31 December 2018 for each of the years viz. 1 January 2019, 1 January 2020 and 1 January 2021.

4.2. It is to be noted in this regard that the extension of the revised lease rentals with an annual escalation of 2% is only a provisional arrangement to avoid a vacuum in the current scenario. The lease rentals to be fixed for the Gandhidham Township based on the proposal to be filed by the DPT in this regard will have to be given retrospective effect, as requested by the DPT.

5. In the result, and for the reasons given above, and based on the collective application of mind, this Authority extends the validity of the revised lease rent for Gandhidham Township Land of

DPT approved by this Authority vide Order No.TAMP/39/2020-DPT dated 16 March 2021 for the period from 01 January 2021 till 30 June 2021 or till the date of effect of notification of the revised lease rentals based on the tariff proposal to be filed by the DPT, whichever is earlier.

(T.S. Balasubramanian)
Member (Finance)