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Tariff Authority for Major Ports

G.No. 255

New Delhi,

04 July 2018

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/20/2010-KPT

Deendayal Port Trust

Applicant

QUORUM:

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

ORDER

(Passed on this 8th day of June 2018)

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 lease rental for the Gandhidham Township Land of DPT was last revised by this Authority vide Order dated 09 April 2012. The lease rental revised by this Authority was given retrospective effect from 01 January 2009 and validity was prescribed for a period of five years, i.e. upto 31 December 2013. Thereafter, this Authority has extended the validity of the existing rate structure for Gandhidham Township Land of DPT from time to time at the request of DPT.

3. 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 14 November 2017 from the date of expiry till 31 March 2018 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.

4. The DPT, vide its email dated 11 April 2016 submitted its proposal for revision of rate structure for Gandhidham Township Land. The proposal was taken on consultation with the stakeholders. A joint hearing on the case in reference was held on 30 July 2016. The DPT has vide its letter dated 02 December 2016 submitted additional information/ clarifications sought by us vide our letter dated 02 August 2016.

5.1. Para 5.7 of Amended Land Policy Guidelines (LPG) 2014 states that the Policy is applicable for all Major Ports except for land relating to the Township areas of DPT, Mumbai Port Trust (MBPT) and Kolkata Port Trust (KOPT) for which separate policy will be formulated. Hence, vide our letter No.TAMP/8/2014-Genl. dated 10 April 2014 and 9 February 2016 the MOS was requested to clarify under which LPG the revision of Township area of Kandla will be governed till separate policy is formulated. This was followed up by letters No.TAMP/25/2016-KPT dated 22 April 2016, 28 June 2016 and 14 July 2016.

5.2. In the context, the MOS vide its letter no.8/(19)/2016-TAMP dated 02 August 2016 has informed that a proposal seeking approval of the Union Cabinet on Land relating to Gandhidham Township is being prepared by the MOS. The MOS has, therefore, requested to keep on hold the proposal of DPT for revision of rate structure of Gandhidham Township of DPT and take up after the MOS conveys the policy in this regard. The policy from MOS in this regard is awaited.

5.3. Since the case was pending for disposal since April 2016 and also recognising that the case cannot be kept open indefinitely, this Authority vide Order No.TAMP/25/2016-KPT dated 21 July 2017 closed the proposal dated 11 April 2016 of DPT. This Authority has held that the revised proposal as and when received from DPT based on new policy to be communicated by MOS, will be treated afresh. The Order was notified in the Gazette of India vide Notification no.320 dated 17 August 2017.

6.1. Since the validity of existing rates of Gandhidham Township expired on 31 March 2018, the DPT has, now, vide its letter dated 06 April 2018 requested this Authority to allow it to continue to charge at the existing rates for a further period of 6 months i.e. upto 30 September 2018, subject to condition that revised rates will be made applicable with retrospective effect.

6.2. In view of the above and since the validity of the rate structure for Gandhidham Township Land has expired on 31 March 2018, this Authority extends the validity of the existing rate structure of the Gandhidham township land from the date of its expiry till 30 September 2018 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 as sought by DPT.

7.1. The Land Policy Guidelines of 2010 issued by the Government (based on which the rate structure for Gandhidham Township Land has been fixed in April 2012) stipulates that the lease rentals approved by this Authority shall be escalated by 2% per annum till they are revised by this Authority. The Order approved by this Authority in April 2012 also prescribes a specific condition in this regard. This condition also prevails in the amended Land Policy Guidelines, 2014 issued by the Ministry of Shipping. Since, the existing Schedule of lease rent already prescribes annual escalation @ 2% in the lease rentals till such time the rates are revised by this Authority and in line with the guidelines issued by the Government, the annual escalation @ 2% will continue to apply during the extended validity period of the rate structure for Gandhidham Township Land.

7.2. However, it is to be noted in this regard that the extension of the existing 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.

8. In the result, and for the reasons given above, and based on the collective application of mind, this Authority extends the validity of the existing rate structure for Gandhidham Township Land from the date of its expiry till 30 September 2018 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)