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TARIFF AUTHORITY FOR MAJOR PORTS

G.No.444

New Delhi,

8 October 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 Scale of Rates of Salt Land of Deendayal Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/79/2015-KPT

Deendayal 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 15th day of September 2021)

This case relates to the extension of the validity of the existing Scale of Rates of Salt Land of Deendayal Port Trust (DPT).

2.1. The existing Scale of Rates (SOR) of Salt land at Kandla was last approved by the Authority vide Order No.TAMP/79/2015-KPT dated 02 May 2016 which was notified in the Gazette of India on 26 May 2016. The Order prescribed the validity of the SOR till 04 July 2020.

2.2. Subsequently, at the request of the DPT, the validity of the SOR of Salt land at Kandla was extended from time to time. The SOR of Salt land was last extended vide Order No.TAMP/79/2015-KPT dated 16 March 2021 for a period of six months from 05 January 2021 till 04 July 2021 or 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. In the said Order, the DPT was requested to file its proposal for revision of lease rent of Salt land by 31 May 2021.

2.3. Now, the DPT has, vide its email dated 22 June 2021 under cover of which letter dated 22 June 2021 is attached, submitted that the DPT has appointed land valuer for assessing the market value of land as per provision 13(v) of Policy Guidelines for Land Management, 2015. The port has stated that the valuer has submitted the preview report and after receipt and acceptance of final report, the port will file the proposal for revision of rate structure of Salt land and therefore the finalization of revised rates applicable with effect from 05 July 2021 will take some time. Hence, DPT has requested to extend the validity of the existing SOR beyond 04 July 2021 i.e. for further period of six months from 05 July 2021 till 04 January 2022 with 2% escalation.

3.1. In view of the above and since the validity of the exiting SOR of Salt land at Kandla has expired on 04 July 2021 and based on the request made by the DPT, this Authority is inclined to extend the validity of the existing SOR of the Salt Lands at Kandla of the DPT from 05 July 2021 till 04 January 2022 or the effective date of implementation of the revised SOR, whichever is earlier. The DPT is advised to file its proposal for revision of lease rent for salt land before 31 October 2021.

3.2. Further, the revised Land Policy Guidelines of 2014 issued by the Government based on which the rate structure for Salt lands of DPT has been approved by this Authority in May 2016 stipulate that the lease rentals approved by this Authority shall be escalated by 2% per annum till they are revised by the Authority. The Order approved by this Authority in May 2016 also prescribes a specific condition in this regard. Since the existing Rate structure 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 and as requested by the DPT, the annual escalation @ 2% will continue to apply during the extended validity period of the rate structure for Salt lands at Kandla of DPT.

3.3. However, in this regard, it is relevant to mention here 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 Salt lands at Kandla based on the proposal to be filed by the DPT in this regard shall have to be given retrospective effect, as requested by the DPT.

4. In the result, and for the reasons given above, the validity of the existing rate structure of Salt lands at Kandla of Deendayal Port Trust is extended from the date of its expiry i.e. from 05 July 2021 till 04 January 2022 or 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. The DPT is advised to file its proposal for revision of lease rent for salt land before 31 October 2021.

(T.S. Balasubramanian)
Member (Finance)