

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)

Tariff Authority for Major Ports

G.No.448

New Delhi,

08 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 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)

O R D E R

(Passed on this 15th day of September 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.

2.1. The lease rental for the Gandhidham Township Land of DPT was last approved by this Authority vide Order No.TAMP/39/2020-DPT dated 16 March 2021 which was notified in the Gazette of India vide Gazette No.167 dated 12 April 2021 based on the proposal dated 3 September 2020 filed by the DPT and after following the usual consultation process with the stakeholders. The revised lease rental was implementable with retrospective effect from 01 January 2014 and valid for a period of five years, i.e. upto 31 December 2018.

2.2. In the meantime, at the request of DPT, the validity of the lease rent for Gandhidham Township was extended by this Authority for the period from 01 January 2019 till 31 December 2020 from time to time after applying annual escalation clause.

2.3. At the request of the DPT, this Authority vide its Order No.TAMP/39/2020-DPT dated 16 March 2021 has approved extension of validity of lease rent of Gandhidham Township land 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. Para 4.1 of the said Order states that to arrive at the lease rent as on 1 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.

3. The DPT has, now, vide its email dated 22 June 2021 under cover of which letter No.FA/COST/1197/1170/328 dated 22 June 2021 is attached, again requested for extension of validity of Gandhidham Township land. The main points made by the DPT are:

- (i). The TAMP vide Order dated 16th March, 2021, notified vide Gazette No.167 dated 12 April 2021 has approved the lease rent rates of Gandhidham township land for the period from 01.01.2014 to 31.12.2018 with annual escalation of 2%.
- (ii). Further, the TAMP has, vide Para 5 of the Order dated 16/03/2021 notified vide Gazette No.206 dated 28/05/2021, extended the revised lease rental for Gandhidham township land of DPT approved by authority vide Order No.TAMP/39/2020-DPT dated 16/03/2021 for period from 1st January 2021 till 30th June 2021 or till the date of effect of notification of revised lease rental based on tariff proposal to be filed by DPT whichever is earlier.
- (iii). The proposal for revision of lease rent of Gandhidham Township land for period 2019 to 2023 is under process. Hence, Deendayal Port Trust may be allowed to continue at the rates approved by Authority vide Order dated 16 March 2021 notified vide Gazette No.167 dated 12 April 2021 with annual escalation @ 2% on lease rent as on 31 December 2018, for each of the years, for a further period of six months i.e. till 31 December 2021, subject to the condition that revised rate will be made applicable with retrospective effect.

4. In view of the above submissions made by the DPT and since the validity of the rate structure for Gandhidham Township Land is expiring on 30 June 2021, this Authority extends of the

validity of the lease rent prevailing as on 30 June 2021 for a further period of six months i.e. from 01 July 2021 till 31 December 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 as sought by DPT. The DPT is advised to file its proposal for revision of lease rent for Gandhidham Township land before 31 October 2021.

5.1. The 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% will continue to apply during the extended validity period of the rate structure for Gandhidham Township Land as requested by DPT. As stated in the last extension of validity of the lease rent in the Order dated 16 March 2021, the 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 to arrive at the lease rent as on 1 January 2021. Thus, the lease rent after the said annual escalation applicable as on 30 June 2021 shall apply for the extended validity period from 1 July 2021 till 31 December 2021.

5.2. However, in this regard, it is relevant to mention here 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 land based on the proposal filed by the DPT in this regard shall have to be given retrospective effect, as requested by the DPT.

6. In the result, and for the reasons given above, this Authority extends the validity of the lease rent prevailing as on 30 June 2021 for a further period of six months i.e. from 01 July 2021 till 31 December 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. The DPT is advised to file its proposal for revision of lease rent for Gandhidham Township land before 31 October 2021.

(T.S. Balasubramanian)
Member (Finance)