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Tariff Authority for Major Ports

G.No.377 **New Delhi,** **24 September 2020**

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 rate structure of Kandla lands for categories 'A to G' of Deendayal Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

TARIFF AUTHORITY FOR MAJOR PORTS
Case No.TAMP/24/2014-KPT

Deendayal Port Trust - - - **Applicant**

ORDER

(Passed on this 7th day of September 2020)

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

2.1. The lease rental for the Kandla lands for categories 'A to G' of DPT was last revised vide our Order No.TAMP/24/2014-KPT dated 13 November 2014. The revised lease rental was implementable with retrospective effect from 01 January 2014 and valid for a period of five years, i.e. up to 31 December 2018. Since the validity of revised lease rental was to expire on 31 December 2018, DPT was, vide our letter No.TAMP/24/2014-KPT dated 05 November 2018, requested to expedite filing its proposal to avoid delay in notification of revised rates. This was followed by reminder letter dated 14 August 2019.

2.2. The validity of the existing rate structure for the Kandla lands for categories 'A to G' of DPT was extended from time to time and was last extended, based on the request of DPT, vide Order No.TAMP/24/2014-KPT dated 20 February 2020 from the date of expiry till 30 June 2020 or 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. In the said Order, DPT was directed to file its proposal for revision of rate structure of Kandla land by 15 March 2020.

2.3. In this backdrop, the DPT vide its letter dated 04 March 2020 and subsequent submission via email dated 20 March 2020 has filed a proposal for revision of rate structure of Kandla Lands at Kandla for categories 'A to G' and village Veera to Jungi (excluding Salt land and SPIC land) for the period from 01 January 2019 to 31 December 2023. The proposal of DPT has been circulated to the concerned users/ user organisations for their comments as per the prescribed consultation process. The Joint hearing in this case was held on 26 June 2020.

3.1. In the meantime, the DPT, vide its letter dated 23 June 2020 has referring to the proposal filed by the DPT vide its email dated 20 March 2020 for revision of lease rent of DPT land and bringing out the position that its proposal is taken up for consultation process by the TAMP and the joint hearing dated 26 June 2020 has stated that finalization of rates applicable with effect from 1 January 2019 will take some more time. Hence, DPT has requested to extend the validity of existing rates for further 6 months i.e. till 31 December 2020 or till the date of effect of notification of revised lease rentals, whichever is earlier, subject to the condition that revised rates will be applicable with retrospective effect.

3.2 The proposal of DPT for revision of lease rent of the port land has been circulated to the users/ user organisations for their comments as per the prescribed consultation process. The DPT has to respond on the comments of the users / user associations. A joint hearing in this case was held on 26 June 2020 through video conferencing. Flowing from the joint hearing proceeding, a few users/ user associations have been given one week's time to furnish their comments/ submission to TAMP with a copy endorsed to DPT to respond thereon. Hence, it will take some more time for this case to mature for finalisation.

3.3. In view of above position and since the validity of the rate structure for Kandla lands for categories 'A to G' expired on 30 June 2020, this Authority extends the validity of the rate structure for Kandla lands for categories 'A to G' for further period of 6 months i.e till 31 December 2020 or till the date of effect of notification of revised lease rentals based on tariff proposal filed by the DPT, whichever is earlier.

4.1. The Land Policy Guidelines of 2014 issued by the Government (based on which the rate structure for Kandla lands for categories 'A to G' of DPT has been fixed in November 2014) stipulates that the lease rentals approved by the Authority shall be escalated by 2% per annum till they are revised by the Authority. The Order approved by the Authority in November 2014 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 Rate structure already prescribes annual escalation @ 2% in the lease rentals till such time the rates are revised by the 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 Kandla lands for categories 'A to G' of DPT.

4.2. However, in this regard, it is relevant here to mention 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 Kandla lands for categories 'A to G' based on the proposal filed by the DPT in this regard may have to be given retrospective effect, as requested by the DPT.

5. In the result, and for the reasons given above, this Authority extends the validity of the existing rate structure for Kandla lands for categories 'A to G' of DPT from the date of its expiry till 31 December 2020 or the date of effect of notification of the revised lease rentals based on the tariff proposal filed by the DPT, whichever is earlier.

(T.S. Balasubramanian)
Member (Finance)