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Tariff Authority for Major Ports

G.No.458

New Delhi,

11 December 2019

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

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Applicant

QUORUM:

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

ORDER

(Passed on this 29th day of November 2019)

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 03 May 2019 from the date of expiry till 30 September 2019 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.

3.1. 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.

3.2. On a reference made to MOS in this regard, the MOS vide its letter no.8/(19)/2016-TAMP dated 02 August 2016 informed that a proposal seeking approval of the Union Cabinet on Land relating to Gandhidham Township was being prepared by the MOS. The MOS, therefore, requested this Authority to keep on hold the proposal dated 11 April 2016 of DPT for revision of rate structure of Gandhidham Township of DPT and take up after the MOS conveys the policy in this regard. No policy from MOS in this regard was received.

3.3. 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 held that the revised proposal as and when received from DPT based on new policy to be communicated by MOS, will be treated afresh.

3.4. The Clarification Circular (Land Management) No.1 of 2018 issued by MOS vide letter No.PD-13017/2/2014-PD-IV dated 14 May 2018 relating to issues on Policy Guidelines for Land Management, 2014 is not explicit whether lease rent for Gandhidham Township at DPT is to be fixed by this Authority following para 13 of the amended Land Policy Guidelines, 2014. Therefore, the MOS was requested vide our letter No.TAMP/25/2016-KPT dated 20 July 2018 to advise us on the matter. This was followed up by our reminders dated 25 January 2019, 06 February 2019 and 18 April 2019.

3.5. In response, the MOS vide its letter No.PD-1301/1/2014-PD-IV/301170 dated 03 May 2019 has informed that a decision on fixation of SOR for Township area of Mumbai Port Trust (MBPT) by TAMP has been taken and similar action for the Township area of DPT may also be taken by TAMP. A copy of the MOS letter dated 03 May 2019 conveying decision taken on fixation of SOR for Township area of MBPT was forwarded to DPT for appropriate action by the port. This was followed up by reminder dated 21 November 2019. Response of DPT is still awaited.

4.1. Since the validity of existing rates of Gandhidham Township expired on 30 September 2019, the DPT has, now, vide its letter dated 25 October 2019 requested this Authority to allow it to continue to charge at the existing rates for a further period of 6 months i.e. upto 31 March 2020, subject to condition that revised rates will be made applicable with retrospective effect.

4.2. In view of the above and since the validity of the rate structure for Gandhidham Township Land has expired on 30 September 2019, this Authority extends the validity of the existing rate structure of the Gandhidham township land from the date of its expiry till 31 March 2020 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.

5.1. 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 passed 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.

5.2. 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.

6. 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 31 March 2020 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)