

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

Tariff Authority for Major Ports

G.No.362

New Delhi,

22 October 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 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 10th day of October 2019)

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. The lease rental for the Kandla lands of DPT was last revised by this Authority vide Order No.TAMP/24/2014-KPT dated 13 November 2014. The lease rental revised by this Authority was given retrospective effect from 1 January 2014 and validity was prescribed for a period of five years, i.e. up to 31 December 2018. The DPT was requested vide our letter dated 05 November 2018 to expedite filing of its proposal for revision of rentals of DPT land to avoid delay in notification of rates. Further, the existing rate structure for the Kandla lands for categories 'A to G' of DPT was last extended based on the request of DPT vide Order No.TAMP/24/2014-KPT dated 29 March 2019 from the date of expiry till 30 June 2019 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.

3.1. The DPT, vide its letter dated 31 July 2019 has submitted that the port has received the Land Valuation Report from the valuer and finalisation of rates applicable with effect from 01 January 2019 will take some more time. Hence, it has requested to extend the validity of existing rates for further 6 months i.e. 31 December 2019 or till the date of effect of notification of revised lease rentals based on tariff proposal to be filled by DPT, whichever is earlier, with 2% escalation. The revised rates to be proposed for revision of rate structure of Kandla land of DPT, is to be given retrospective effect from the date of expiry of last revision or rate structure of Kandla land of DPT i.e. 01 January 2019.

It has further stated that at present, provisional lease rent / compensation bills are issued to lessees, considering the 2% annual escalation over the rate prevailing during the year 2018.

3.2. Bringing out the above position, the DPT has requested this Authority to extend the validity of existing rates for further 6 months i.e. till 31 December 2019 or till the date of effect of notification of revised lease rentals based on tariff proposal to be filed by DPT, whichever is earlier, with 2% escalation.

3.3. Since the validity of the rate structure for Kandla lands for categories 'A to G' has expired on 30 June 2019 and in view of the request made by the DPT, this Authority extends the validity of the existing rate structure of the Kandla lands for categories 'A to G' from the date of its expiry till 31 December 2019 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.

3.4. The DPT vide our letter dated 14 August 2019 has already been requested to file its proposal for revision of rate structure for the Kandla lands for categories 'A to G' positively by 30 September 2019. The DPT is, therefore, directed to file its proposal within the stipulated date. Proposal from DPT is still awaited.

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 this Authority shall be escalated by 2% per annum till they are revised by this Authority. The Order approved by this 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 MOS. 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, 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 Kandla lands for categories 'A to G' based on a proposal filed by the DPT in this regard will have to be given retrospective effect, as requested by the DPT.

5.1. 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 2019 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.

5.2. The DPT is directed to file its proposal for revision of rate structure for Kandla land by 30 November 2019.

(T.S. Balasubramanian)
Member (Finance)