

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

Tariff Authority for Major Ports

G.No. 229

New Delhi,

26 May 2016

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 for Gandhidham Township land of KPT as in the Order appended hereto.

(T.S. Balasubramanian)

Member (Finance)

TARIFF AUTHORITY FOR MAJOR PORTS
Case No. TAMP/20/2010-KPT

Kandla Port Trust

ORDER

Applicant

(Passed on this 6th day of May 2016)

This case relates to a proposal filed by Kandla Port Trust (KPT) for extension of the validity of the rate structure for Gandhidham Township Land of KPT.

2. The lease rental for the Gandhidham Township Land of Kandla Port Trust (KPT) was last revised by this Authority vide Order dated 9 April 2012. The lease rental revised by this Authority was given retrospective effect from 1 January 2009 and validity was prescribed for a period of five years, i.e. upto 31 December 2013. Thereafter, this Authority has extended the validity of the existing rate structure for Gandhidham Township Land of KPT from time to time at the request of KPT.

3. The existing rate structure for Gandhidham Township Land of KPT was last extended based on the request of KPT vide Order No.TAMP/20/2010-KPT dated 15 January 2016 from the date of expiry till 31 March 2016 or till the date of effect of notification of the revised rentals based on the tariff proposal to be filed by the KPT, whichever is earlier. While extending the validity, the KPT was directed to file its proposal for revision of rate structure for Gandhidham Township Land positively by 15 February 2016.

4. The KPT, vide its email dated 11 April 2016 has submitted its proposal for revision of rate structure for Gandhidham Township Land. The KPT in its email dated 11 April 2016 has stated that the extended validity of the existing rate structure for Gandhidham Township land of KPT has expired on 31 March 2016 and has reiterated its request to extend the validity of the rate structure for Gandhidham Township Land till 30 September 2016.

5. As the KPT has recently vide its email dated 11 April 2016 submitted its proposal for revision of rate structure for Gandhidham Township Land of KPT, it will take time for the consultation process to be over. A joint hearing is also to be set up in this case. Since the validity of the rate structure for Gandhidham Township Land of KPT has expired on 31 March 2016, this Authority extends the validity of the existing rate structure of the Gandhidham township land from the date of its expiry till 30 September 2016 or till the date of effect of notification of the revised lease whichever is earlier as sought by the KPT.

6.1. 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 approved by this Authority in April 2012 also prescribes a specific condition in this regard. This condition also prevails in the revised 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.

6.2. 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 a proposal filed by the KPT in this regard will have to be given retrospective effect, as requested by the KPT.

7. In the result, and for the reasons given above, this Authority extends the validity of the existing rate structure for Gandhidham Township Land from the date of its expiry till 30 September 2016 or date of effect of notification of the revised lease rentals based on the tariff proposal filed by the KPT, whichever is earlier.

(T.S. Balasubramanian)
Member (Finance)