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TARIFF AUTHORITY FOR MAJOR PORTS

G No. 241

New Delhi,

19 August 2014

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 rate structure for Gandhidham Township Land of Kandla Port Trust (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 (KPT)

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Applicant

QUORUM:

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri C.B. Singh, Member (Economic)

ORDER

(Passed on this 4th day of August 2014)

The lease rentals for Gandhidham Township Land of Kandla Port Trust (KPT) were last revised by this Authority vide Order dated 9 April 2012. The said Order was notified in the Gazette of India on 4 May 2012 vide Gazette No.119. The lease rentals revised by this Authority were implementable with retrospective effect from 1 January 2009 and with a validity period of five years, i.e. upto 31 December 2013.

1.2. Based on the request of Kandla Port Trust vide its letter dated 27 December 2013, this Authority has, vide its Order No. TAMP/20/2012- KPT dated 21 February 2014, extended the validity of the existing rate structure for Gandhidham Township Land of KPT till 30 June 2014 with an annual escalation of 2%. This extension Order has been notified on 4 March 2014 vide Gazette No. 77.

1.3. While extending the validity till 30 June 2014, the KPT was also advised to file its proposal for revision of lease rentals within 30 days from the date of notification of the Order in the Gazette of India. However, the KPT has not filed its proposal for revision of rate structure for Gandhidham Township Land of KPT.

2. In this backdrop, the KPT has sought extension of the validity of the rate structure of Gandhidham Township land for a period upto 31 December 2014 on the ground that its proposal for revision of rates for Gandhidham Township land is under consideration and will take some time. In view of this position, the KPT has requested this Authority to allow it to continue to charge at existing rates for a further period 6 months i.e. upto 31 December 2014, subject to condition that revised rates will be made applicable with retrospective effect.

3.1. The KPT has not indicated the timeframe within which it will file its proposal. Considering the position that the proposal for revision of rates for Gandhidham township land is already under consideration of KPT, as confirmed by it, the KPT is advised to file its proposal latest by 30 September 2014.

3.2. Since the extended validity of the existing rate structure for Gandhidham Township Land of KPT has expired on 30 June 2014 and based on the position that the KPT has been given time upto 30 September 2014 to file its proposal for revision of rate structure for Gandhidham Township Land of KPT, and considering the time involved in processing and consultation proceeding on the proposal to be filed by KPT, the validity of the rate structure for Gandhidham Township Land of KPT is extended from the date of its expiry for a period upto 31 December 2014.

3.3. Further, the land policy guidelines of 2010 issued by the Government (based on which the rate structure for Gandhidham Township Land of KPT 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. Since the existing Schedule of lease rent already prescribes annual escalation @ 2% in the lease rentals till such time the rates are revised by the competent 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 of KPT.

3.4. However, in this regard, it is relevant to mention here 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 of KPT based on a proposal to be filed by the KPT in this regard will have retrospective effect, to comply with the stipulation contained in the land policy guidelines regarding revision of the base rate once in five years.

4. In the result, and for the reasons given above, and based on a collective application of mind, this Authority extends the validity of the existing rate structure for Gandhidham Township Land of KPT beyond 30 June 2014 i.e. upto 31 December 2014 with an annual escalation of 2%. The KPT is also advised to file its proposal for revision of rate structure for Gandhidham Township Land of KPT, latest by 30 September 2014.

(T.S. Balasubramanian)
Member (Finance)