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TARIFF AUTHORITY FOR MAJOR PORTS

G.No.223

New Delhi,

25 July 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 Scale of Rates of the Kandla lands of Kandla Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/21/2010 - 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 July 2014)

The lease rental for the Kandla lands of the Kandla Port Trust (KPT) was last revised by this Authority vide Order No.TAMP/21/2010-KPT dated 25 March 2011 which was notified in the Gazette of India on 11 May 2011 vide G. No. 106. In the said Order, lease rentals were fixed for three tariff cycles viz., July 1999 to 31 December 2003, 1 January 2004 to 31 December 2008 and 1 January 2009 to 31 December 2013.

2. The above mentioned Order dated 25 March 2011 is challenged by way of Writ Petitions by various parties before the Hon'ble High Court of Gujarat. These writ petitions are pending for disposal. The Hon'ble High Court has, however, not stayed the implementation of the said Order dated 25 March 2011.

3. In the meantime, the KPT, vide its letter dated 27 December 2013, has sought extension of the validity of the lease rentals of the Kandla lands for a period upto 30 June 2014 on the ground that its proposal for revision of rates for Kandla land is under consideration and will take some time.

4. Subsequently, the KPT has, vide its letter no. LW/PL/3267/351 dated 26 June 2014 and letter no. FA/Cost/1170/358 dated 02 July 2014, filed its comprehensive proposal for revision of its Kandla lands at Kandla which has been registered as 'tariff case' and taken on consultation with the concerned users.

5. The validity of the existing the Scale of Rates of Kandla lands of KPT expired on 31 December 2013. The KPT, vide its above referred letter dated 27 December 2013, has requested for extension of the validity of the existing lease rentals of the Kandla lands upto 30 June 2014. Since 30 June 2014 is already over and considering the time involved in consultation proceedings on the proposal filed by KPT, this Authority extends the validity of the existing lease rentals of the Kandla lands from the date of its expiry till 30 September 2014. However, the lease rentals to be fixed for the KPT lands based on the proposal filed by the KPT in this regard will have retrospective effect from 1 January 2014 as proposed by KPT. The extension of validity of SOR granted will, however, be subject to the decision of the Hon'ble High Court of Gujarat in the Writ Petitions filed by various Petitioners challenging the Authority's Order dated 25 March 2011.

6.1. Further, the land policy guidelines of 2004 issued by the Government (based on which the SOR of Kandla Lands of KPT has been fixed in March 2011) stipulates that the lease rentals approved by this Authority shall be escalated by 2% per annum till they are revised by this Authority. The SOR approved by this Authority vide Order dated 25 March 2011 also prescribes a specific condition in this regard. Since the existing SOR of lease rent already prescribes annual escalation @ 2% in the lease rentals in line with the Land Policy Guidelines, 2004 issued by the Government, the annual escalation @ 2% will continue to apply during the extended validity period of the SOR of Kandla lands of KPT.

6.2. However, in this regard, it is relevant to mention here that the extension of the validity 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 KPT lands based on a proposal filed by the KPT in this regard will have retrospective effect from 1 January 2014 as proposed by KPT.

7. 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 SOR of Kandla lands of KPT from the date of its expiry till 30 September 2014 subject to the decision of the Hon'ble High Court of Gujarat in the Writ Petitions filed by various Petitioners challenging the Authority's Order dated 25 March 2011.

(T.S. Balasubramanian)
Member (Finance)