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TARIFF AUTHORITY FOR MAJOR PORTS

G No. 77

New Delhi,

4 March 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)

Applicant

QUORUM:

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

ORDER

(Passed on 21st day of February 2014)

The lease rentals for Gandhidham Township Land of Kandla Port Trust (KPT) were last revised by this Authority on 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.

2. In this connection, the KPT has sought extension of the validity of the rate structure of Gandhidham Township land for a period up to 30 June 2014 on the ground that its proposal for revision of rates for Gandhidham Township land is under consideration and will take some time for finalization.

3.1. Since the validity of the existing rate structure for Gandhidham Township Land of KPT has expired on 31 December 2013, it is necessary to extend the validity of the existing lease rentals beyond 31 December 2013. Considering the position that the KPT is yet to submit a proposal and taking into account the time that may be required to dispose of the proposal to be received from KPT after following the consultation procedure prescribed, thereafter, it is felt appropriate to extend the validity of the rate structure for Gandhidham Township Land of KPT for a period of six months upto 30 June 2014, as requested by the KPT.

3.2. 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.

3.3. 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 from the date of expiry of the existing lease rentals for period of six months or date of effect of notification of the revised lease rentals based on the tariff proposal to be filed by the KPT, whichever is earlier. The KPT is also advised to file its proposal for revision of rate structure for Gandhidham Township Land within 30 days from the date of notification of the Order in the Gazette of India, in line with the stipulations contained in the applicable Land Policy guidelines.

(T.S. Balasubramanian)
Member (Finance)