

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)
Tariff Authority for Major Ports

G.No.248

New Delhi,

14 July 2015

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 disposes of the proposal received from the Visakhapatnam Port Trust (VPT) for fixation of Reserve Price in connection with calling tenders for allotment of VPT land for (a) Installation for handling storage of Alumina and Caustic soda (b) Ware houses for cargo storage (c) operations of Truck Parking in the area developed at 'Y' junction as in the Order appended hereto.

(T. S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/19/2015 - VPT

Visakhapatnam Port Trust

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Applicant

QUORUM:

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

O R D E R

(Passed on this 2nd day of July 2015)

This case relates to a proposal dated 13 March 2015 received from the Visakhapatnam Port Trust (VPT) for Fixation of Reserve Price in connection with calling tenders for allotment of VPT land for (a) Installation for handling storage of Alumina and Caustic soda (b) Ware houses for cargo storage (c) operations of Truck Parking in the area developed at 'Y' junction.

2. After exchange of series of correspondence with VPT arising due to non-submission of requisite information/documents vide our letter dated 24 March 2015, VPT letter dated 16 April 2015, our letter dated 08 May 2015 followed by reminder dated 20 May 2015, VPT replies dated 20 May 2015, 27 May 2015 and 04 June 2015, the proposal of VPT dated 27 May 2015 was registered as a separate tariff case. In accordance with the consultative procedure prescribed, a copy of each of the proposal of VPT dated 27 May 2015 and VPT's e-mail dated 4 June 2015 alongwith enclosures was forwarded to the concerned users/ user organisations (as suggested by the VPT) seeking their comments. We have received comments only from Visakhapatnam Stevedores Association (VSA), which was forwarded to VPT. The VPT has not furnished its reply. A summary of the comments received from VSA is given below:

- (i). The VPT has submitted proposal for fixation of reserve price as recommended by the Land Allotment Commitment of the Port. However, subsequently VPT is undertaking re-zoning and re-valuation process and they may submit a fresh proposal to TAMP shortly for approval in accordance with the Land Policy Guidelines 2014.
- (ii). There may be significant changes in valuation in view of re-zoning of land available with VPT which may adversely affect the present proposal.
- (iii). In view of the above, the VPT may be advised to file a revised proposal considering re-zoning and re-valuation process undertaken by VPT, in the interest of all stakeholders.

3. The proposal was scrutinized and additional information and clarification were also sought from VPT vide our letter dated 11 June 2015. As a part of consultation procedure, a joint hearing in this case in reference was held on 17 June 2015 at the VPT premises.

4.1. During the joint hearing, the VPT has stated that the port has completed entire re-zoning of port lands. The valuation of land is also completed. The VPT has agreed to file a complete proposal for revision of lease rent for all the zones including revision sought for the zones in the current proposal for the quinquennium 2013-2018. Hence, the VPT has requested to keep its proposal in abeyance.

4.2. Thereafter, the VPT has vide its e-mail dated 20 June 2015 reiterated the points made by it at the joint hearing as given below:

- (i). The survey of all the VPT lands was entrusted to an approved valuer along with the work relating to preparation of Land Use Plan of the VPT lands and to arrive at the market value of VPT lands and propose to reorganize the existing 31 zones of

VPT. The firm has also arrived at the market value of the VPT lands and has submitted its draft proposal.

- (ii). In view of the proposed reorganization of the existing 31 zones, the market value of land for the three zones i.e. VIII, IX-B and X-A for which now the LAC approved the market value and recommended to the TAMP for its approval, may undergo changes. Therefore, the approval of the market values of these three zones may be kept in abeyance till the finalization of market values for all zones by the LAC as per guidelines and approval of the Board.

4.3. The VPT has, therefore, requested that the market values of VPT's land for the above three zones i.e. VIII, IX-B and X-A which were approved by the LAC/ Board and recommended to this Authority for approval, may be kept in abeyance till the finalization of market values for all zones by the LAC as per guidelines.

5. In view of the above submissions made by the VPT and recognising that the revised completed proposal to be filed by the VPT for all the zones will have to be processed afresh following the usual consultation process, the current proposal becomes infructuous. It will be ineffectual to keep the current proposal in abeyance.

6. In the result, and for the reasons given above, this Authority decides to close this case as withdrawn. The revised proposal (to be) filed by the VPT, if any, will be processed afresh.

(T. S. Balasubramanian)
Member (Finance)