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TARIFF AUTHORITY FOR MAJOR PORTS

G.No.320

New Delhi,

17 August 2017

NOTIFICATION

In exercise of the powers conferred under Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), this Authority hereby disposes of the proposal received from the Kandla Port Trust (KPT) for revision of rate structure of Gandhidham Township of KPT, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
No. TAMP/25/2016-KPT

Kandla Port Trust (KPT)

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QUORUM:

Applicant

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

O R D E R

(Passed on this 21st day of July 2017)

This case relates to the proposal dated 11 April 2016 received from the Kandla Port Trust (KPT) for revision of rate structure of Gandhidham Township of KPT.

2.1. This Authority vide Order No.TAMP/20/2010-KPT dated 9 April 2012 had approved lease rental for KPT Gandhidham Township. The Order was notified in the Gazette of India vide Notification no.119 dated 4 May 2012. The lease rentals revised by this Authority were implementable with retrospective effect from 01 January 2009 and valid for a period of five years, i.e. upto 31 December 2013.

2.2. Thereafter, this Authority has, based on the request made by the KPT, extended the validity of the existing rate structure for Gandhidham Township Land of KPT from time to time vide its Orders dated 30 June 2014, 31 December 2014, 30 June 2015. While on each extension, this Authority has advised the port to file its proposal for revision of rate structure for Gandhidham Township Land. However, the port has not responded stating various reasons.

2.3. On each occasion while extending the validity of the rate structure for Gandhidham Township Land of KPT, as stipulated in the Land Policy Guidelines of 2010 and revised Land Policy Guidelines 2014, this Authority approved the extension of validity of the rate structure for Gandhidham Township land from time to time with 2% annual escalation till they are revised by this Authority. The extension Orders stipulated 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 extension Orders also stated the lease rentals to be fixed for the Gandhidham Township based on a proposal to be filed by the KPT may have to be given retrospective effect, as requested by the KPT.

2.4. While extending the existing rate structure for Gandhidham Township Land of KPT on the request of KPT this Authority vide its Order No.TAMP/20/2010-KPT dated 15 January 2016 also directed KPT to file its proposal for revision of rate structure for Gandhidham Township Land of KPT positively by 15 February 2016.

2.5. The last extension of existing rate structure of Gandhidham Township Land of KPT granted by this Authority vide Order No.TAMP/20/2010-KPT dated 24 May 2017 is till 30 September 2017.

3.1. The KPT vide its letter dated 11 April 2016 has submitted its proposal for revision of rate structure of Gandhidham Township of KPT for the period w.e.f., 01 January 2014 for a period of 5 years. The proposal of KPT was registered as a "tariff case" and taken on consultation with the users/ user organisations.

3.2. A joint hearing on the proposal of KPT was held on 30 July 2016 at the KPT premises. As agreed at the joint hearing, the KPT was requested vide our letter dated 23 August 2016 to take action on a few points arising out of joint hearing. The KPT vide its letter dated 02 December 2016 has furnished its response to additional information / clarification sought by us and the action point flowing from the proceedings of the joint hearing.

3.3. On preliminary scrutiny of the proposal the KPT was requested to furnish additional information/ clarifications vide our letter dated 02 August 2016.

4.1. It is relevant here to state that Para 10 of the Land Policy Guidelines, 2014 stipulates the scope of the ibid Guidelines. The said para states that the said guidelines are not applicable to the lands relating to Township areas of Kandla, Mumbai and Kolkata Ports for which separate policy will be formulated. Para 5 of the amended Land Policy Guidelines 2014 maintains the scope of applicability of the guidelines as stipulated in the para 10 of the earlier guidelines issued by the MOS in January 2014.

4.2. The MOS was, therefore, vide our letter No.TAMP/8/2014-Genl. dated 09 February 2016 requested to clarify under which Land Policy Guidelines the lease rent of Gandhidham Township area of KPT is governed till separate policy is formulated by the MOS for the township areas in these three Major Port Trusts. Since clarification from the MOS was still awaited, the MOS was again reminded vide our letter dated 22 April 2016 and subsequent letters dated 28 June 2016 and 14 July 2016. This was followed by regularly with MOS. The KPT was also requested to pursue the matter with MOS vide our dated 16 May 2016.

5. Subsequently, the KPT in its letter dated 07 July 2016 has stated that the port has formulated draft Land Policy Guidelines 2015 for Township and forwarded to MOS after approval of its Board for approval of the Central Government.

6. In response to our letters to MOS, the MOS vide its letter dated 02 August 2016 has informed with the approval of Competent Authority that a proposal seeking approval of the Union Cabinet on Land relating to Gandhidham Township is being prepared. The MOS has also informed that the proposal for revision of rate structure of Gandhidham Township of KPT may be kept on hold and taken up after the MOS conveys the policy in this regard.

7. It can be seen from the above paragraphs that the case is pending for disposal since April 2016. Land Policy on Gandhidham Township Land at KPT is not yet received from MOS. Since the proposal of KPT is registered as a "tariff case" it may not be appropriate for this Authority to keep the case pending indefinitely.

8. In view of the above position and also recognising that the case cannot be kept open indefinitely, this Authority based on collective application of mind decides to close the proposal dated 11 April 2016 of KPT. The revised proposal as and when received from KPT based on new policy to be communicated by MOS, will be treated afresh.

(T.S. Balasubramanian)
Member (Finance)