



THE GANDHIDHAM CHAMBER OF COMMERCE & INDUSTRY

'CHAMBER BHAVAN', Plot No. 71, Sector-8, Post Box No. 58,
GANDHIDHAM (Kachchh) Gujarat - INDIA - 370201.
Phone : +91-2836-220977, 220735 • Mobile : 99250 37814, 87585 95576 • Fax : 220888
e-mail : info@gccikandla.com • website : www.gccikandla.com

65
YEARS
OF SERVICE

Dinesh Gupta
President
M. 98252 25892

No. GCCI/361

Date:28.08.2018

Shri Sanjay Bhatia,
Chairman,
Deendayal Port Trust,

Sub: Representation for the issues of Deendayal Port Operation

Dear Sir,

We thank you for granting us personal audience today to discuss various important issues related to the operation of Deendayal Port.

We take an opportunity to submit the following issues related to the operation of Deendayal Port.

1) TO UTILISE IDLE IFFCO JETTY

As you are aware IFFCO jetty remains vacant when IFFCO's vessels are not available for berthing. Hence, there is scope to allot berthing to other vessels particularly petroleum and chemical carrying vessels. It has been observed that petroleum and chemical vessels do not get berthing when IFFCO jetty is idle in pretext of some unreasonable reason although line facility is available to line-up unloading of petroleum and chemical liquid cargo.

Therefore, we suggest to allow berthing of petroleum and chemical vessels when IFFCO jetty is vacant.

2) CARGO JETTY 14 & 16, 15

There is acute need to expedite and complete the construction of cargo jetty 14 & 16 on top most priority basis to facilitate EXIM cargo.

Similarly, cargo jetty no.15 is to be made operative by DPT on line of cargo jetty no.13. This will lead to less congestion and deep draft vessels can be comfortably accommodated.


3) DISCONTINUE THE PREVAILING PRACTICE TO CHARGE SHIPS SELF-CRANE SERVICE FOR SHORE CRANE

At Deendayal Port, there are non-crane berths where loading and unloading operation is carried out with self-crane. But as per schedule and priority allocation, they are berthing on crane berth. In this scenario, though shore cranes are not used, but they are charged for the same. This unjustifiable charge leads to increase in handling cost.

In view of the above, we hope our submission will get due consideration and necessary course corrections will be initiated in the larger interest of port traffic.

Thanking you.

Yours faithfully,


Dinesh Gupta
President

Mahadev Rajani
Vice President
M. 98252 25691

Aashish S. Joshi
Hon. Secretary
M. 98252 25143

Mahesh H. Puj
Hon. Jt. Secretary
M. 98253 61199

Jayesh R. Rajde
Treasurer
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No. GCCI/362

Date: 28.08.2018

Shri Sanjay Bhatia,
Chairman,
Deendayal Port Trust,

Sub: DPT's construction oriented policy for lease hold plots in Gandhidham Township

Respected Sir,

Adverting to the captioned subject, we at the Gandhidham Chamber of Commerce & Industry recall the time limit for construction on plots extended till 31st March, 2018. We however, feel grant of further extension for 5 years based on the following reasons as explained below:


- 1) The lease holders whose housing property sustained destruction for 2001 massive earthquake in the complex and such properties in some cases are not taken-up yet for the obvious economic reasoning of individuals. In this regard we have been brought to knowledge by our member lease holders those who are still not capable enough economically to go for reconstruction.
- 2) Similar to above some of member lease holders whose earlier constructed housing properties being very old have been destructed by the passage of time are also not economically strengthened for new construction.

We therefore, submit that the concerned lease holders admittedly were bonafide to their obligations for they had indeed constructed the property at first instance. Unfortunately due to lack of economic resources they are not able for reconstruction. In such cases further extension of construction policy for another 5 years is the need of hour.

Sir, we solicit your favourable initiative in the matter, as requested.

Thanking you,

Yours faithfully,


Dinesh Gupta
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No. GCCI/363

Date:28.08.2018

Shri Sanjay Bhatia,
Chairman,
Deendayal Port Trust,

Sub: Land Issue of Gandhidham Township –Conversion of Lease Hold to Free Hold

Dear Sir,

We thank you for granting us personal audience and patience hearing during our meeting today.

Sir, as you are aware, after prolong struggle of local public to get free hold right of the land, the Central Government declared the scheme for conversion of lease hold land in to free hold in the Gandhidham Township. The process of conversion of lease hold land into free hold started by Deendayal Port Trust and 400+ applicant got approval from Deendayal Port Trust after the completion of necessary formalities. Thereafter no registration / mutation letter is being issued to the applicant by Gujarat Government as the subject land of the Township is not on revenue record of Gujarat State resulting almost stoppage of the process of the conversion of lease land to free hold.

Also, there is long pending demand of the people of the Township to include the conversion of whole Township land including commercial and industrial from lease hold to free hold.

Now, people of the Township are in dilemma about their right of free hold of the land and day by day there is poor response to the conversion scheme.

Therefore, we request you to review the whole process of the conversion and initiate necessary measures for course correction.

Thanking you.

Yours faithfully,


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No. GCCI/364

Date:30.08.2018

To,
Shri Sanjay Bhatia,
Chairman,
Deendayal Port Trust,

Sub: Exorbitant recovery of transfer fees

Dear Sir,

We, The Gandhidham Chamber of Commerce & Industry has been working in close liaising with the Deendayal Port Trust in the overall development of this region. Deendayal Port Trust (formerly known as Kandla Port Trust) is administrator of the land of this township. The land was initially allotted on 99 years lease basis from 1955-58 onwards on auction / tender basis. The auction / tender was conducted on the basis of the rates fixed by the Kandla Port Trust which was equal to the development cost. Thus the development of the plot was the base for allotment which treated as the market value of the plot over which the tenderer was quoting a premium. In addition to above, a ground rent of 2 ½ % of the development charges and premium quoted was recovered annually.

- 1) The above system of allotment of land on the basis of development charges continued upto 1980 and thereafter the rates based on the market conditions were considered. After constitution of the Tariff Authority of Major Ports, the rates fixed by them were treated as the market rate from 01.01.1999. However, the above rates were not implemented till 2010 due to the decision taken by the Port in the aftermath of Cyclone in 1998 followed by Earthquake in 2001. The implementations of the rates were not acceptable by the general public and there were agitations and Bandh in this area.
- 2) As can be seen from above, the Board had been allotting the plots on the basis of the development cost and thereafter on the market rates fixed by the Board and from 01.01.2004, the allotment has been made on the basis of the rates fixed by the TAMP. As regards the transfer and mortgage fees, the TAMP has clarified that they are not having any authority to fix the above rates as the same are as per the contract conditions, i.e. terms of lease entered between Deendayal Port and the lessees. As per the terms and conditions of the lease deed, at the time of transfer of assignment of the premises the lessor shall be entitled to claim and recover from the lessee effecting the transfer or assignment 50% of the unearned increase i.e.

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the difference between the lump sum development charges already paid and the market at the time of transfer.

- 3) It is further submitted that as per above terms and conditions, the Board had been fixing the market values, which was always on the basis of the Development cost till 2010. Thus the Board had been fixing the market rates for the purpose of recovery of transfer fees which was always mentioned as an increase in percentage of the development cost. This system has been continuing since 1958 to 2010. As such there was no reason or cause for the Board to change from the above system by switching over to the rates fixed by the TAMP, which could be applied only for the fresh allottees. Thus the Board changed the system of fixation of market rates for the purpose of recovery of transfer fees, which was done without consulting the lessees. Not only this, but due to change in the system, the rates earlier ranging from Rs.18 – 121 per square meter as prescribed by the Board upto 2010 was increased to Rs.440-3200 with retrospective effect fixed by TAMP for allotment. Few illustrative examples are given under:

	Sq. mts	Upto 01.01.2004(DC)	01.01.2014 to 19.10.2014	2010-2014
Residence	100	900	22,000	3,90,000
NU 10 B & 3	100	1,800	40,000	12,00,000
Commercial (Sector – 8)	500	21,500	4,00,000	30,00,000
Commercial (Sector – 9)	500	26,250	6,00,000	62,50,000
Comp. Sector 1A	140	9,870	2,24,000	12,88,000

- 4) Surprisingly, it is noticed that whenever there will be again increase as and when the TAMP rates from 01.01.2014 was also approved. The issue was thereafter continuously taken up directly by the Gandhidham Chamber, etc. and considering the huge increase and opposition from the public, the rates w.e.f. 01.01.2009 was implemented prospectively w.e.f. 21.12.2014. The Board passed a resolution to waive the retrospective implementation and to work out a methodology to lessen the impact of multiple transfers of the same plot. This brought some relief to local public and appreciated by one and all.


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- 5) The recovery of transfer fees by DPT, has been examined by the Ministry in the light of agreement between the lessor (Deendayal Port Trust) and lessee and various legal opinions. It is felt that there is a written agreement between the lessor and lessee and two parties bound by the terms and conditions of the agreement. Para 6(1)A(l) of the lease deed given contractual rights to DPT to recover 50% of the unearned increase as transfer fees for approving any transfer, which has been informed to us vide letter dated 04.08.2018. We feel that the above opinion given by the Law Ministry is not in accordance with the terms and conditions of the lease deed. Our submission is that the practice of fixing market rate the basis of development cost worked out from time to time is required to be followed, which cannot be changed by accepting the market rates fixed by the other authorities.
- 6) It may not be out of place to say and submit that due to the high transfer fees coupled with the stamp duty and registration charges payable to the State Government, about 75% of the rates are required to be parted with each time a transaction takes place which will only force the public to stop taking permissions and registration and to find out some other ways to avoid the payment resulting in revenue loss.
- 7) From above submission, it is very clear that the Board has been charging the transfer fees based on the market rates fixed on the basis of the development charges till 01.01.2004 and therefore the switching over to the rates recommended by the TAMP is not tenable and reasonable as per the terms and conditions of the lease deed. Thus the longstanding practice is required to be followed, particularly when the "TAMP has clarified that they have no authority to fix transfer fee and mortgage fees". Further, the Port should not fix arbitrary rates and continue to recover more than what is permissible under the terms and conditions of the lease.

In view of the above reasons, we request you to consider the above facts and fix the market rates equal to the present-day development cost, in line with the contract conditions, and till such time no recovery based on TAMP rates, which is irrational and unscientific, may be made, which otherwise is applicable only for the purpose of allotments.

Thanking you.

Yours faithfully,


Dinesh Gupta
President