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Tariff Authority for Major Ports

G.No.291 **New Delhi,** **26 August 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 extends the validity of the lease rentals for port lands of Cochin Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/33/2007-COPT

Cochin Port Trust … **Applicant**

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Chandra Bhan Singh, Member (Economic)

ORDER
(Passed on this 17th day of August 2015)

This case relates to extension of the validity of lease rentals for port lands of the Cochin Port Trust (COPT).

2.1. The lease rentals for port lands of COPT was last revised by the Authority vide Order No.TAMP/33/2007-COPT dated 4 May 2010. The said Order was notified in the Gazette of India on 11 June 2010 vide Gazette No.160. The lease rentals for the port lands of COPT revised by the Authority were valid for five years, i.e. upto 11 July 2015.

2.2. As the validity of the lease rentals for port lands was to expire, we had vide our letter dated 22 June 2015 requested the COPT to file its proposal for revision of lease rentals of port lands of COPT following the Land Policy Guidelines for Major Ports, 2014 issued by the Ministry of Shipping (MOS).

3.1. The COPT vide its letter dated 30 June 2015 has stated that the port has appointed Consultants as the land valuer for the valuation of the port lands. The COPT has further stated that as per Clause 18 (b) of the Land Policy Guidelines 2014, the Land Allotment Committee will have to deliberate and finalise the reserve price of port lands after the Consultant submits their final report. This exercise is expected to be over only by the end of September 2015.

3.2. In view of the above position, the COPT has requested for extension of time upto 30 September 2015 to file the proposal for revision of rates for lease rent and licence fee. The COPT has also requested to permit it to levy the charges as per the existing SOR till 30 September 2015.

4.1. The validity of the existing lease rentals for port lands of COPT expired on 11 July 2015. The COPT has sought time till 30 September 2015 to file its proposal for lease rentals for port lands of COPT. As the validity of the lease rentals for port lands of COPT expired on 11 July 2015, this Authority extends the validity of the existing lease rentals for port lands of COPT from the date of its expiry till 30 September 2015 or till the date of effect of notification of the revised lease rentals of port lands of COPT based on the tariff proposal to be filed by the COPT, whichever is earlier.

4.2. The General Note 1 in the Schedule of lease rent approved by this Authority in May 2010 prescribes a specific condition that the lease rent prescribed is subject to automatic annual escalation @ 2% in line with the guidelines issued by the Government. That being so, the annual escalation @ 2% will continue to apply during the extended validity period of the lease rentals for port lands of COPT. The annual escalation clause is also in line with the Land Policy Guidelines, 2014.

4.3. However, in this regard, it is relevant here to mention 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 port lands of COPT will be based on a proposal to be filed by the COPT.

5. 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 lease rentals for port lands of COPT approved vide Order No.TAMP/33/2007-COPT dated 4 May 2010 from the date of its expiry till 30 September 2015 or date of effect of notification of the revised lease rentals based on the tariff proposal to be filed by the COPT, whichever is earlier, with an annual escalation of 2%. The COPT is directed to file its proposal for revision of lease rents for port lands by 30 September 2015 as agreed by the COPT following the applicable Land Policy Guidelines of 2014.

(T.S. Balasubramanian)
Member (Finance)