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Tariff Authority for Major Ports

G.No. 134 **New Delhi** **13 April 2016**

NOTIFICATION

In exercise of the powers conferred under 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 Mormugao Port Trust (MOPT) for fixation of lease rentals for the various port structures, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/32/2015-MOPT

The Mormugao Port Trust **- - -** **Applicant**

QUORUM

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

O R D E R

(Passed on this 27th day of February, 2016)

This case deals with the proposal dated 27 April 2015 received from the Mormugao Port Trust (MOPT) for fixation of lease rentals for the various port structures. The MOPT has filed the proposal under the Land Policy Guidelines, 2014 announced by the Government and made effective from 02 January 2014.

2.1. The main points made by MOPT in the aforesaid proposal dated 27 April 2015 are summarized below:

(i). The Port owns various structures for which the rentals have to be fixed in order to lease out the premises. The method of fixation of lease rent has to be as per clause 18 (b) based on the market value determined as per clause 18 (a) of the Land Policy Guidelines, 2014. The market value of the land has to be assessed as per the five factors prescribed in clause 18 (a) of the Land Policy Guidelines.

(ii). As such, the Port has appointed M/s. Kanti Karamsey & Co., the approved land valuer to value various lands and the structures constructed on them. The valuer has valued the lands and the structures. The detailed valuation report submitted by the valuer is furnished alongwith the proposal.

(iii). (a). The highest land value for Mormugao as per the Government of Goa notification is ₹3,500/- per sq. mtr. for all the 36 structures.

(b). In respect of land valuation as per second and third method viz. relevant transaction in port's vicinity and highest rate of similar transaction, the valuation of land is reported to be Nil for each of the 36 port structures.

(c). The valuation of land has been assessed under the fourth method by the approved valuer.

(d). As regard the fifth method for valuation of land as per any other relevant factors, the current lease rent, wherever, available is considered by the approved valuer.

(iv). A statement showing the valuation for 36 port structures assessed by the approved valuer is attached as Annex – I.

(v). The Land Policy Guidelines considers premises also to be part of land and stipulates the rentals to be fixed at a minimum of 6% of the market value fixed. Based on the above valuations, the monthly rentals for the various port structures excluding special rate levy and service tax have been worked out at 6% of the highest valuation of land and structures arrived as per the Land Policy Guidelines, 2014 or the current rent / license fee as per SoR, whichever is higher.

(vi). The MOPT has forwarded a copy of the Minutes of the meeting of the Land Allotment Committee (LAC) comprising of Chairman, FA & CAO, Chief Engineer (I/c) and Traffic Manager held on 27 March 2015, for fixation of lease rent for various port structures. The main observation / recommendations contained in the said minutes of the meeting of the LAC are given below:

(a). As per the Land Policy Guidelines, 2014, the Reserve Price is to be fixed on the latest market value of Port land to be determined as per Para 18 (a) of Land Policy Guidelines.

(b). M/s. Kanti Karamsey & Co., approved land valuer has valued the lands and structres.

(c). The LAC has observed that the land value as per the State Govt ready reckoner is less than the valuation arrived at by the approved valuer. The LAC also noted that there are no similar transactions in the Port's vicinity.

(d). The LAC concluded that 6% is a reasonable rate of return and accordingly recommended to fix the reserve price at 6% of the valuation arrived at by the valuer or the current rent/ Licence Fee as per SoR whichever is higher for 36 structures.

(e). The LAC has also decided that the rent so fixed be escalated by 5% every year.

2.2. Accordingly, based on the recommendations of the LAC, the MOPT has proposed lease rent for following premises for approval alongwith the proposed lease rent schedule:

(i). Proposed Lease Rent Schedule for Premises to be inserted as schedule IV in the existing schedule of Estate Rentals:

Sr. No.	**Description Of Property**	**Proposed lease rentals for the premises per month or part thereof (in ₹)**
1.	Commercial Building Near Railway Station at Vasco	2,01,698.00*
2.	Ground floor R.C.C. framed structure, building known as V1 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa.	1,53,150.00 #
3.	Basement+ground+upperground+first floor R.C.C framed structure, 100 bedded hospital building near garbage treatment plant at Headland, Sada for MPT at Goa	2,367,800.00
4.	Ground floor R.C.C framed structure, building known as V3 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa	152,400.00
5.	Ground floor R.C.C framed structure, building known as V2 shed, opp Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa	153,150.00
6.	Ground floor R.C.C framed structure, building known as T1 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, Vasco at Goa.	5,836,650.00
7.	Ground floor R.C.C framed structure, building known as T2 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Goa	381,675.00
8.	Ground floor R.C.C framed structure, building known as T3 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Vasco-Goa	381,675.00

Sr. No.	Description Of Property	Proposed lease rentals for the premises per month or part thereof (in ₹)
9.	Ground+2 upper floor, building which is known as G.C.B building near berth no.11 at Harbour, MPT, Goa.	395,100.00
10.	Ground floor with balcony R.C.C framed structure, building known as Sayantara Auditorium, MPT, Headland Sada, Vasco-Goa.	206,240.00
11.	Ground +2 upper floor building which is known as old CME's office building, MPT at Jetty, Goa.	346,680.00
12.	Ground +2 upper floor R.C.C framed structure, building known as Sports Academy, MPT at Baina, Goa.	296,027.00
13.	Ground+3+partly 4th upper floor R.C.C framed structure, building known as "Old Administrative Building" inside custom bound area at Harbour, MPT, Vasco.	944,865.00
14.	Ground floor R.C.C framed structure, building known as MPT shopping complex at Harbour, MPT, Sada, Vasco, Goa.	122,080.00
15.	Three No's of Ground+1 upper floor R.C.C framed structure Commercial cum Residential building known as MPT Shopping Complex at Headland, MPT, Sada, Vasco.	1,060,900.00
16.	Ground floor R.C.C framed structure, building known as old Primary Health Centre, MPT at Headland Sada, Goa.	70,380.00
17.	Ground floor R.C.C framed structure, building known as Dr. Ambedkar Vocational Centre at Headland, MPT, Goa.	96,660.00
18.	Ground floor R.C.C framed structure, known as CHLD Community Building at Headland, MPT, Goa.	47,520.00
19.	Ground+2 upper floor R.C.C framed structure building known as Port Users Building inside custom bound area, Major Bunder, MPT at Vasco, Goa.	82,560.00
20.	Ground floor R.C.C framed structure, known as 'Old Power House" building near berth No.11 at Harbour, Mormugao Port Trust, Vasco, Goa.	110,160.00
21.	Ground floor load bearing structure, building known as Sub Standard Quarters at Desterro, Mormugao Port Trust (MPT), Goa.	37,725.00
22.	Ground floor R.C.C framed structure, Building known as Information Centre (SBI ATM) at Headland, Mormugao Port Trust(MPT), Goa.	8,580.00
23.	Ground +1 upper floor R.C.C framed structure, Building known as HRD Centre, Mormugao Port Trust (MPT) at Headland, Goa	154,200.00
24.	Ground floor load bearing & Ground +1 upper floor R.C.C framed structure known as Office Club Buildings, near main bus- Stopat Headland, Mormugao Port Trust (MPT) at Vasco, Goa.	178,200.00
25.	Flat No 191/1/4 on ground floor, building known as "A" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	5,880.00
26.	Flat No 205 (2/2) on 1st floor, building known as "B" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	8,540.00
27.	Ground floor R.C.C framed structure, building known as T4 shed (Transit Shed), Near Gate No.1, inside custom bound area, Mormugao Port Trust (MPT) at Vasco, Goa.	517,500.00
28.	Flat No 148 on ground floor, building known as "C" type Quarters at Headland, Mormugao Port Trust (MPT), Vasco, Goa.	12,740.00
29.	Flat No A on ground floor, building known as "D" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	29,540.00
30.	Ground + 1 upper floor bunglow for Head of Department at Headland, Vasco Goa.	63,800.00
31.	Developed land parcel, proposed used for C.F.S, which is owned by 'Mormugao Port Trust', near AC plant, Ganesh Benzo Plast Tanks, at Bogda, Mormugao Port Trust (MPT), Goa.	1,350,000.00
32.	Ground+3 upper floor building, R.C.C framed structure building known as Cruise Business Centre (Old CHLD Building) at Harbour, Mormugao Port Trust, Vasco, Goa.	247,050.00
33.	Ground floor R.C.C framed structure, building known as Civil Engineering Maintenance Site Office at Headland, Mormugao Port Trust (MPT), Goa.	102,420.00

Sr. No.	Description Of Property	Proposed lease rentals for the premises per month or part thereof (in ₹)
34.	Land with existing old structure which is known by 'Old MPT Hospital Building', behind Sanjeevani Hospital and Anandf Square Building, at Baina, Mormugao Port Trust (MPT), Goa.	833,175.00
35.	Land with existing old structure which is known by 'Old Palace Hotel Building', inside custom bound area at Harbour, Mormugao Port Trust (MPT), Goa.	1,10,350.00
36.	Developed land with existing building, which is known as 'MPT Institute', adjacent to Swatantra Path, Next to Bank of Baroda, Mormugao Port Trust (MPT), Vasco, Goa.	814,710.00
37.	Stilt + 6 Upper floor R.C.C framed Structure, building known as " IOCL/Port Users Building", inside custom bound area at Harbour, Mormugao Port Trust (MPT) at Vasco, Goa	231,413.00

*****As regards Sr. No.1 above, the MOPT had filed a separate proposal which has already been approved by this Authority vide Order no.TAMP/57/2014-MOPT dated 10 June 2015. Hence the current proposal is for approval of 36 structures i.e. from Sr. No.2 to 37.

\# A sample calculation in respect of structure mentioned at Sr. No. 2 in the above table from the valuation report is given below :

<u>Valuation</u>

Mentioned below are the factors considered for the purpose of valuation.

a. Location and Road Frontage
b. Present Physical states of structure
c. Surrounding occupants in vicinity
d. Present use of the subject property
e. Unit Operational / Non Operational
f. Proximity to civic Amenities
g. Connectivity & Accessibility

Considering a *base rate of ₹.90,000 per sq. mt. of constructed area,* suitable premium/discounts to the above mentioned influencing factors is considered in order to arrive at a FSI rate for the subject property.

Influencing Factors		**Premium / Discount**
Location and Main Road Frontage	:	10%
Existing Infrastructure-Road, Rail, Sea and Arial	:	5%
Extent of Constructed Area	:	-35%
Maintenance of structures/premises	:	-33%
Present use (warehouse)	:	-30%
Total	:	-83%
Base rate for FSI (₹./sq.ft.)	:	90,000
Discount	:	-83%
Adjusted rate (₹./sq.mt.)	:	15,300
say	:	15,000

Hence considering all the above mentioned factors, considering the location, type of construction, specification of building materials used and making enquiries in the vicinity a rate of ₹.15,000/- per sq.mtr. of built-up area is considered to be reasonable as on date of valuation.

So the composite value of shed V1 will be :
2042 x ₹.15,000 = ₹.3,06,30,000/-

Construction cost of shed V1 will be :
2042 x ₹.1500 = ₹.30,63,000/-

Thus, considering all the above mentioned factors, the valuer is of the opinion that the reinstatement value of the said property is ₹.3,06,30,000/- (Rupees Three crores Six Lac Thirty Thousand only) as on the date of valuation i.e. 04 November 2014.

Applying 6% on ₹.30,63,000/-, Lease rent comes to ₹.18,37,800/- per annum for the said structure. When converted into per month it works out to ₹.153,150/- per month. (₹.18,37,800/-/ 12 months)

(ii). Based on the recommendations of the LAC, the MOPT has proposed to escalate the proposed lease rents by 5% per annum for the above premise. In this context, Note 5 prescribed in Order No.TAMP/8/2012-MOPT dated 2 May 2012 while approving the lease rent for port land is proposed to be amended. The existing note prescribed in the said order vis-à-vis the proposed note are given below:

(a). The existing amended note no.5 in the Estate Rental approved vide Order No.TAMP/57/2014-MOPT dated 10 June 2015 relating to fixation of lease rent for commercial building near railway station at Vasco is as follows :

" 5. *The rates provided in the Scale of Rates shall get automatically escalated by 2% per annum for land at I, II and III and by 5% per annum for lease rentals for Premises at IV after expiry of each year from the effective date of implementation of the Scale of Rates and the escalated rates shall be considered as the prevailing scheduled rent for the concerned year. The rate so arrived shall be rounded off to nearest Rupee".*

(b). The MOPT has now proposed to amend the existing note 5 as given below :

"5. *The rates provided in the Scale of Rates shall get automatically escalated by 2% per annum for land at I, II and III and by 5% per annum for Lease Rentals for Premises at IV after expiry of each year from the effective date of implementation of the Scale of Rates and the escalated rates shall be considered as the prevailing Schedule of Rent for the concerned year. The rate so arrived is rounded off to nearest Rupee*".

[The note now proposed by the port is same as approved in June 2015 Order. It appears the MOPT has not taken into consideration the fact that the amended note approved in the Order dated 10 June 2015].

2.3. The lease rent is proposed to be implemented by the MOPT after expiry of 30 days from the date of notification of the Order in the Gazette.

2.4. The MOPT has stated that the Board of Trustees vide Resolution No.99 of 08 April 2015, has approved the proposed lease rent.

2.5. In this backdrop, the MOPT has requested to approve the proposed lease rentals for the 36 port structures at 6% of the highest valuation arrived at as per the Land Policy Guidelines, 2014 or the current rent / license fee as per the SOR whichever is higher, excluding special rate of levy.

3.1. It is seen that the MOPT had not furnished list of users/ user organizations/ lessees along with its proposal to be furnished as per our checklist of documents for filing the proposal forwarded to all the Major Port Trusts including MOPT vide our letter dated 12 September 2014. On our request the MOPT vide its email dated 2 June 2015 has forwarded the list of users/ user organization/ lessees to be consulted on its proposal.

3.2. Though the proposal of MOPT indicated the current rate as per the scale of rates as one of the factors (i.e., any other factor), the statement showing the current lease rent and proposed lease rent required to be filed as per format at Serial No.2 of the prescribed form 1 is not furnished. Further, form 2A and 2B are also not furnished as per the checklist of documents. While acknowledging the proposal, vide our letter dated 05 June 2015, the MOPT was requested to furnish a copy of Comparative position of the Current and proposed SOR, Form 1, Form 2A & 2B. The MOPT was also requested to simultaneously forward the same to the users/ user organizations/ lessees for their comments by 15 June 2015.

4. In the meanwhile, in accordance with the consultative procedure prescribed, a copy of the MOPT proposal dated 27 April 2015 along with all the enclosures was circulated vide our letter dated 05 June 2015, to all concerned users/ user organisations and lessees seeking their comments. The comments received from the users / user organisations / lease holders were forwarded to MOPT as feedback information. The MOPT has furnished its comments on the comments of users/ user organisations / lessees vide its letter dated 3 July 2015.

5.1. In response to our letter dated 05 June 2015, the MOPT vide its email dated 23 July 2015 has furnished Form 1 - Details relating to the Estate Activity, Form 2A - Cost Statement for Estate Activity A and Form 2B - Capital employed for Estate Activity duly filled by it.

5.2. In the said letter, the MOPT has stated that in its proposal dated 27 April 2015, the Port had proposed the rate on per month or part thereof basis for the whole area of the structure. However, it is observed that sometimes part of the structure is rented out. Therefore, the Port has now proposed to levy the rate on per sq. meter per month or part thereof basis.

5.3. Further, the port has stated that, the rate proposed at Sr.No.18 and 34 (i.e. Sl. No. 19 – Ground + 2 upper floor RCC frame structure known as Port Users Building inside custom bound area, Major Bunder, Vasco and 35 – and with existing old structure known as "old palace Hotel Building" inside custom bound area at Harbour, MOPT in the 27 April 2015 proposal) was ₹160/- and ₹50/- per sq. mtr. per month or part thereof respectively in its April 2015 proposal. However, while preparing the proposal, present lease rent was not considered by the port inadvertently. Therefore, it has now proposed to revise the rates for these two structures to ₹367/- and ₹100/- per sq. mtr. per month or part thereof respectively, which reflects the present lease rent paid by lessees.

(*Note: In April 2015 proposal, the MOPT had proposed rate on the premises and not on per sq.mtr.basis. The Annex – II to the proposal indicating the valuation of structures by the approved valuer indicate lease rent both on per sq. mtr and per month basis.*)

5.4. The MOPT has forwarded the revised proposed Scale of Rates. The revised lease rent proposed by MOPT on per sq. mtrs / per month or part thereof basis after incorporating corrections in the lease rent earlier proposed by it at Sr.No.18 (i.e. Port Users Building) and 34 (Old Palace Hotel Building) is tabulated below:

Sr. No.	Description	Proposed lease rent per sq. mtr. per month or part thereof (in ₹)
1.	Ground floor R.C.C. framed structure, building known as V1 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa.	75.00
2.	Basement+ground+upperground+first floor R.C.C framed structure, 100 bedded hospital building near garbage treatment plant at Headland, Sada for MPT at Goa	200.00
3.	Ground floor R.C.C framed structure, building known as V3 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa	75.00
4.	Ground floor R.C.C framed structure, building known as V2 shed, opp Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa	75.00
5.	Ground floor R.C.C framed structure, building known as T1 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, Vasco at Goa.	75.00
6.	Ground floor R.C.C framed structure, building known as T2 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Goa	75.00
7.	Ground floor R.C.C framed structure, building known as T3 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Vasco-Goa	75.00
8.	Ground+2 upper floor, building which is known as G.C.B building near berth no.11 at Harbour, MPT, Goa.	180.00
9.	Ground floor with balcony R.C.C framed structure, building known as Sayantara Auditorium, MPT, Headland Sada, Vasco-Goa.	160.00
10.	Ground +2 upper floor building which is known as old CME's office building, MPT at Jetty, Goa.	180.00
11.	Ground +2 upper floor R.C.C framed structure, building known asSports Academy, MPT at Baina, Goa.	275.63
12.	Ground+3+partly 4th upper floor R.C.C framed structure, building known as "Old Administrative Building" inside custom bound area at Harbour, MPT, Vasco.	202.50
13.	Ground floor R.C.C framed structure, building known as MPT shopping complex at Harbour, MPT, Sada, Vasco, Goa.	140.00
14.	Three No's of Ground+1 upper floor R.C.C framed structure Commercial cum Residential building known as MPT Shopping Complex at Headland, MPT, Sada, Vasco.	485.76
15.	Ground floor R.C.C framed structure, building known as old Primary Health Centre, MPT at Headland Sada, Goa.	180.00
16.	Ground floor R.C.C framed structure, building known as Dr.Ambedkar Voacational centre at Headland, MPT, Goa.	180.00
17.	Ground floor R.C.C framed structure, known as CHLD Community Building at Headland, MPT, Goa.	180.00
18.	Ground+2 upper floor R.C.C framed structure building known as Port Users Building inside custom bound area, Major Bunder, MPT at Vasco, Goa.	367.00
19.	Ground floor R.C.C framed structure, known as 'Old Power House" building near berth No.11 at Harbour, Mormugao Port Trust, Vasco, Goa.	135.00
20.	Ground floor load bearing structure, building known as Sub Standard Quarters at Desterro, Mormugao Port Trust (MPT), Goa.	75.00
21.	Ground floor R.C.C framed structure, Building known as Information Centre (SBI ATM) at Headland, Mormugao Port Trust(MPT), Goa.	390.00
22.	Ground +1 upper floor R.C.C framed structure, Building known as HRD Centre, Mormugao Port Trust (MPT) at Headland, Goa	300.00
23.	Ground floor load bearing & Ground +1 upper floor R.C.C framed structure known as Office Club Buildings, near main bus- Stopat Headland, Mormugao Port Trust (MPT) at Vasco, Goa.	225.00

24.	Flat No 191/1/4 on ground floor, building known as "A" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	140.00
25.	Flat No 205 (2/2) on 1st floor, building known as "B" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	140.00
26.	Ground floor R.C.C framed structure, building known as T4 shed (Transit Shed), Near Gate No.1, inside custom bound area, Mormugao Port Trust (MPT) at Vasco, Goa.	75.00
27.	Flat No 148 on ground floor, building known as "C" type Quarters at Headland, Mormugao Port Trust (MPT), Vasco, Goa.	140.00
28.	Flat No A on ground floor, building known as "D" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	140.00
29.	Ground + 1 upper floor bunglow for Head of Department at Headland, Vasco Goa.	275.00
30.	Developed land parcel, proposed used for C.F.S, which is owned by 'Mormugao Port Trust', near AC plant, Ganesh Benzo Plast Tanks, at Bogda, Mormugao Port Trust (MPT), Goa.	67.50
31.	Ground+3 upper floor building, R.C.C framed structure building known as Cruise Business Centre (Old CHLD Building) at Harbour, Mormugao Port Trust, Vasco , Goa.	202.50
32.	Ground floor R.C.C framed structure, building known as Civil Engineering Maintenance Site Office at Headland, Mormugao Port Trust (MPT), Goa.	180.00
33.	Land with existing old structure which is known by 'Old MPT Hospital Building', behind Sanjeevani Hospital and Anand Square Building, at Baina, Mormugao Port Trust (MPT), Goa.	75.00
34.	Land with existing old structure which is known by 'Old Palace Hotel Building', inside custom bound area at Harbour, Mormugao Port Trust (MPT), Goa.	100.00
35.	Developed land with existing building, which is known as 'MPT Institute', adjacent to Swatantra Path, Next to Bank of Baroda, Mormugao Port Trust (MPT), Vasco, Goa.	1,158.90
36.	Stilt + 6 Upper floor R.C.C framed Structure, building known as " IOCL/Port Users Building", inside custom bound area at Harbour, Mormugao Port Trust (MPT) at Vasco, Goa	247.50

The amendment to Note 5 proposed by MOPT earlier is retained without any modification.

5.5. Despite advise, the MOPT has not forwarded Form 1, 2A and 2B and comparison of existing lease rent and proposed lease rent vide its email dated 23 July 2015 to users/ users organizations/ lessees.

5.6. Subsequently, all the above-mentioned documents and revised proposed SOR of MOPT forwarded by MOPT vide its e-mail dated 23 July 2015 were also circulated by us to all concerned users / user organizations / Lessees vide our letter dated 28 July 2014 giving them three days' time to furnish its comments.

5.7. A comparative position of current lease rent (wherever indicated by the Port) vis-à-vis proposed lease rent for the port structures and proposed percentage increase in the lease rentals over the existing lease rent is tabulated below:

Sr. No.	**Description Of Property**	**Built up area in Sq. mts**	**Current Rent/ SOR per annum as indicated by MOPT wherever structure is given on rent**	**Current lease rent converted into per sq.mtr per month for comparison with the proposed lease rent [(col. no. 4/col. no.3)/12 months]**	**Revised proposed lease rent per sq.mtr. per month (in ₹.)**	**Percentage increase over the current lease rent (col. no. 6 - col. no. 5/ col. no. 5)* 100**
1	2	3	4	5	6	7

Sr. No.	Description Of Property	Built up area in Sq. mts	Current Rent/ SOR per annum as indicated by MOPT wherever structure is given on rent	Current lease rent converted into per sq.mtr per month for comparison with the proposed lease rent [(col. no. 4/col. no.3)/12 months]	Revised proposed lease rent per sq.mtr. per month (in ₹.)	Percentage increase over the current lease rent (col. no. 6 - col. no. 5/ col. no. 5)* 100
1	Ground floor R.C.C. framed structure, building known as V1 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa.	2042	13,05,276	53.27	75	40.79%
2	Basement+ground+upperground+first floor R.C.C framed structure, 100 bedded hospital building near garbage treatment plant at Headland, Sada for MPT at Goa	11839	-	-	200	-
3	Ground floor R.C.C framed structure, building known as V3 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa	2032	12,98,909	53.27	75	40.79%
4	Ground floor R.C.C framed structure, building known as V2 shed, opp Menezes Braganza Road, Mormugao Port 0Trust, Baina (0MPT), at Goa	2042	13,05,276	53.27	75	40.79%
5	Ground floor R.C.C framed structure, building known as T1 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, Vasco at Goa.	77822	4,95,55,918	53.07	75	41.32%
6	Ground floor R.C.C framed structure, building known as T2 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Goa	5089	32,40,905	53.07	75	41.32%
7	Ground floor R.C.C framed structure, building known as T3 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Vasco-Goa	5089	32,40,905	53.07	75	41.32%
8	Ground+2 upper floor, building which is known as G.C.B building near berth no.11 at Harbour, MPT, Goa.	2195	32,52,463	123.48	180	45.77%

Sr. No.	Description Of Property	Built up area in Sq. mts	Current Rent/ SOR per annum as indicated by MOPT wherever structure is given on rent	Current lease rent converted into per sq.mtr per month for comparison with the proposed lease rent [(col. no. 4/col. no.3)/12 months]	Revised proposed lease rent per sq.mtr. per month (in ₹.)	Percentage increase over the current lease rent (col. no. 6 - col. no. 5/ col. no. 5)* 100
9	Ground floor with balcony R.C.C framed structure, building known as Sayantara Auditorium, MPT, Headland Sada, Vasco-Goa.	1289	-	-	160	-
10	Ground +2 upper floor building which is known as old CME's office building, MPT at Jetty, Goa.	1926	-	-	180	-
11	Ground +2 upper floor R.C.C framed structure, building known as Sports Academy, MPT at Baina, Goa.	1074	35,52,319	275.63	275.63	-
12	Ground+3+partly 4th upper floor R.C.C framed structure, building known as "Old Administrative Building" inside custom bound area at Harbour, MPT, Vasco.	4666	73,46,150	131.2	202.5	54.34%
13	Ground floor R.C.C framed structure, building known as MPT shopping complex at Harbour, MPT, Sada, Vasco, Goa.	872	-	-	140	-
14	Three No's of Ground+1 upper floor R.C.C framed structure Commercial cum Residential building known as MPT Shopping Complex at Headland, MPT, Sada, Vasco.	2184	1,27,30,798	485.76	485.76	-
15	Ground floor R.C.C framed structure, building known as old Primary Health Centre, MPT at Headland Sada, Goa.	391	-	-	180	-
16	Ground floor R.C.C framed structure, building known as Dr. Ambedkar Vocational Centre at Headland, MPT, Goa.	537	-	-	180	-
17	Ground floor R.C.C framed structure, known as CHLD Community Building at Headland, MPT, Goa.	264	-	-	180	-

Sr. No.	Description Of Property	Built up area in Sq. mts	Current Rent/ SOR per annum as indicated by MOPT wherever structure is given on rent	Current lease rent converted into per sq.mtr per month for comparison with the proposed lease rent [(col. no. 4/col. no.3)/12 months]	Revised proposed lease rent per sq.mtr. per month (in ₹.)	Percentage increase over the current lease rent (col. no. 6 - col. no. 5/ col. no. 5)* 100
18	Ground+2 upper floor R.C.C framed structure building known as Port Users Building inside custom bound area, Major Bunder, MPT at Vasco, Goa.	516	-	367	367	-
19	Ground floor R.C.C framed structure, known as 'Old Power House" building near berth No.11 at Harbour, Mormugao Port Trust, Vasco, Goa.	816	6,52,049	66.59	135	102.73%
20	Ground floor load bearing structure, building known as Sub Standard Quarters at Desterro, Mormugao Port Trust (MPT), Goa.	503	-	-	75	-
21	Ground floor R.C.C framed structure, Building known as Information Centre (SBI ATM) at Headland, Mormugao Port Trust (MPT), Goa.	22	96,632	366.03	390	6.55%
22	Ground +1 upper floor R.C.C framed structure, Building known as HRD Centre, Mormugao Port Trust (MPT) at Headland, Goa	514	-	-	300	-
23	Ground floor load bearing & Ground +1 upper floor R.C.C framed structure known as Office Club Buildings, near main bus-Stopat Headland, Mormugao Port Trust (MPT) at Vasco, Goa.	792	-	-	225	-
24	Flat No 191/1/4 on ground floor, building known as "A" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	42	-	-	140	-
25	Flat No 205 (2/2) on 1st floor, building known as "B" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	61	-	-	140	-

Sr. No.	Description Of Property	Built up area in Sq. mts	Current Rent/ SOR per annum as indicated by MOPT wherever structure is given on rent	Current lease rent converted into per sq.mtr per month for comparison with the proposed lease rent [(col. no. 4/col. no.3)/12 months]	Revised proposed lease rent per sq.mtr. per month (in ₹.)	Percentage increase over the current lease rent (col. no. 6 - col. no. 5/ col. no. 5)* 100
26	Ground floor R.C.C framed structure, building known as T4 shed (Transit Shed), Near Gate No.1, inside custom bound area, Mormugao Port Trust (MPT) at Vasco, Goa.	6900	43,93,368	53.06	75	41.35%
27	Flat No 148 on ground floor, building known as "C" type Quarters at Headland, Mormugao Port Trust (MPT), Vasco, Goa.	91	-	-	140	-
28	Flat No A on ground floor, building known as "D" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	211	-	-	140	-
29	Ground + 1 upper floor bunglow for Head of Department at Headland, Vasco Goa.	232	-	-	275	-
30	Developed land parcel, proposed used for C.F.S, which is owned by 'Mormugao Port Trust', near AC plant, Ganesh Benzo Plast Tanks, at Bogda, Mormugao Port Trust (MPT), Goa.	20000	-	-	67.5	-
31	Ground+3 upper floor building, R.C.C framed structure building known as Cruise Business Centre (Old CHLD Building) at Harbour, Mormugao Port Trust, Vasco, Goa.	1220	24,90,557	170.12	202.5	19.03%
32	Ground floor R.C.C framed structure, building known as Civil Engineering Maintenance Site Office at Headland, Mormugao Port Trust (MPT), Goa.	569	-	-	180	-
33	Land with existing old structure which is known by 'Old MPT Hospital Building', behind Sanjeevani Hospital and Anandf Square Building, at Baina, Mormugao Port Trust (MPT), Goa.	11109	-	-	75	-

Sr. No.	Description Of Property	Built up area in Sq. mts	Current Rent/ SOR per annum as indicated by MOPT wherever structure is given on rent	Current lease rent converted into per sq.mtr per month for comparison with the proposed lease rent [(col. no. 4/col. no.3)/12 months]	Revised proposed lease rent per sq.mtr. per month (in ₹.)	Percentage increase over the current lease rent (col. no. 6 - col. no. 5/ col. no. 5)* 100
34	Land with existing old structure which is known by 'Old Palace Hotel Building', inside custom bound area at Harbour, Mormugao Port Trust (MPT), Goa.	2207	-	100	100	-
35	Developed land with existing building, which is known as 'MPT Institute', adjacent to Swatantra Path, Next to Bank of Baroda, Mormugao Port Trust (MPT), Vasco, Goa.	703	-	-	1158.9	-
36	Stilt + 6 Upper floor R.C.C framed Structure, building known as " IOCL/Port Users Building", inside custom bound area at Harbour, Mormugao Port Trust (MPT) 0at Vasco, Goa	935	-	-	247.5	-

Note : The lease rent given in column no. 4 by MOPT is with reference to structure presently rented by the Port.

6. Based on the preliminary scrutiny of the proposal, the MOPT was requested to furnish additional information / clarifications vide our letter dated 31 July 2015. The MOPT, subsequent to the joint hearing, vide its letter dated 11 September 2015 had furnished its reply on additional information/ clarifications sought by us. The summary of additional information/ clarifications sought by us and the response of the MOPT is brought out in the subsequent paragraph.

7. A joint hearing in this case was held on 29 July 2015 at the MOPT premises. The MOPT made a brief presentation of its proposal. At the joint hearing, the MOPT and the concerned users/ organization bodies / lessees have made their submissions.

8.1. As decided at the joint hearing, the MOPT was requested, vide our letter dated 06 August 2015 followed by reminder dated 10 September 2015, to initiate action on the following points:

(i). As agreed at the joint hearing, the Mormugao Ships' Agents' Association (MSAA) has vide its letter dated 31 July 2015 addressed to MOPT with a copy endorsed to this Authority furnished the submissions made by them at the joint hearing. A copy of the said letter was forwarded to MOPT. The MOPT to respond on comments of MSAA within two days i.e. by 2 August 2015.

(ii). The users/ lessees are allowed to furnish their comments, if any, to MOPT and to this Authority in a week's time i.e. by 5 August 2015. The MOPT to respond on the comments, if any, received from users within 2 days on receipt of their comments.

(iii). MOPT to Furnish additional information / clarification sought by us under cover of our letter of even number dated 31 July 2015 latest by 04 August 2015.

(iv). As agreed by the MOPT at the joint hearing, MOPT to re-look at its proposal in view of the points made by the users / user organisations /lessees at the joint hearing in consultation with the valuer and respond within 10 days i.e. by 8 August 2015.

8.2. As decided at the joint hearing, the users / user organisations/ lessees were also requested, vide our letter dated 06 August 2015 to furnish comments, if any, on the subject proposal within a week's time i.e. by 5 August 2015 to Mormugao Port Trust (MOPT) and to this Authority.

9. With regard to first and second point of action as decided at the joint hearing, the MOPT vide its letter dated 11 September 2015 has furnished its reply.

10. With regard to third point of action of the joint hearing proceedings, the MOPT vide its letter dated 11 September 2015 has furnished its response to the additional information/ clarifications sought by us vide our letter dated 31 July 2015. The summary of the additional information/ clarifications sought by us and reply furnished by the port are tabulated below:

Sr. No.	Additional information / clarification sought by us	Reply furnished by MOPT
I.	General	
(i)	Please confirm that the market valuation undertaken by the MOPT of 36 structures is in conformity with the Land Policy Guidelines, 2014 issued by the Ministry of Shipping. If the proposal of the MOPT with regard to the valuation of the said 36 structures deviates from these guidelines, please furnish the details thereof and the reasons therefor.	The market valuation undertaken by MOPT of 36 structures is in conformity with Cl. 18 (a) and (b) of the Land Policy Guidelines, 2014 issued by the Ministry of Shipping.
(ii)	On perusing the Form 1 sl. no.2 furnished by MOPT vide its letter dated 23 July 2015, it is seen that the column relating to the current lease rent and % increase/ decrease at the proposed lease rent are left blank. The MOPT to furnish revised Form I indicating the current lease rent as well as the % increase/ decrease for all the 36 structures at Sl. No.2.	Except structures at Sr. Nos. 8, 11, 12, 14, 18, 19, 21, 24, 31, 31, 32 and 34, the rest have neither been rented/ leased out nor any rates have been fixed for the structures. Hence the column relating to the current lease rent and percentage increase/ decrease at the proposed lease rent have been left blank. For the structures which have been rented out, there are multiple parties occupying different areas of each property at different rates. The highest rent paid on the properties are given. A statement showing structurewise and party wise rates is furnished.
(iii)	As mentioned in Note 2 of Form – 1, the MOPT is requested to furnish a Certificate to the effect that the land leased zone wise is in accordance with port's land use plan.	The certificate to the effect that the land leased zone wise is in accordance with the Port's land use plan is furnished.
(iv)	The proposal of the MOPT states current lease rent as per SOR as one of the factors for valuation of the structures. In this regard it needs to be noted that the MOPT has not sought approval of lease rent for the 36 structures covered in the current proposal earlier nor this Authority has approved any rate for these 36 structures.	Before the issue of the Land Policy Guidelines, 2014 by the Ministry of Shipping, the lease rentals in respect of all Port premises were fixed by the Port itself and approved by the Board of Trustees of MOPT. Copies of Board Resolution approving the lease rentals of properties at Sr. Nos. 8, 11, 12, 14, 18, 19, 21, 24, 31, 32 is furnished..

	That being so, indicate the basis followed by the MOPT for levy of lease rent for the 36 structures. A copy of the authorization/ sanction under which lease rent on the 36 structures, if any, is being collected presently by the MOPT is also furnished. If the authorization/ sanction was given by the Board of Trustees of the MOPT, the powers under which such authorization/ sanction was given may also be indicated.	
II.	Valuation	
(i).	(a) There is wide variation noticed in the market value of land as per the State Government ready reckoner (Government of Goa notification) reported at ₹3500/sq. mtr. and valuation of land given by the approved valuer which varies in the range of ₹13,500/sq. mtr. to 50,000/sq. mtr. (excluding the cost of construction of premises). Please clarify the reason for the wide variation in these two land valuations.	Clarification was sought from the approved valuer M/s. Kanti Karamsey & Co. and the reply furnished by the valuer is as follows: The stamp duty ready reckoner for any state is a guideline rate for the purpose of stamp and registration issued by the Inspector General of Stamp and Registration for the specific state. It may or may not reflect the market rate for properties (land and builtup space) in the particular region. But, it generally forms a minimum benchmark rate for property below which the stamp and registration department shall not register any property transaction.
	(b) Please confirm that the valuation of the land considered by the approved valuer for arriving at land value in the subject 36 Port structures is representative enough in terms of physical features, development, facility, proximity to road etc.	b). Clarification was sought from the approved valuer M/s. Kanti Karamsey & Co. and the reply furnished by the valuer is as follows : We confirm that the approach and methodology followed for the valuation of the said properties is as per the principles of valuation and prevailing market practice.
	(c). It is seen that the valuer in its report has taken uniform base value of ₹90,000/sq. mtr. (except Sl. No. 14, 17, 18, 20, 21, 24, 25, 27, 28, 29, 30, 32 and 33 for which different base value is considered) for constructed area and adjusted it with suitable premium/discounts for various influencing factors and arrived at the adjusted rate per sq. mtr for each of the structures. From the adjusted per sq. mtr. rate, the construction cost of each of the structures is arrived at. The valuer report in the concluding para has stated that the value is the reinstated value as on 4 November 2014. With reference to the above methodology adopted by the MOPT, the following points is to be clarified:	
	(i). The Land Policy Guidelines 2014 stipulate five factors for arriving at valuation of Land. Please clarify as to how the approach adopted by the MOPT of taking the base value of constructed area (i.e. land and constructed area) as the base and from that separating the construction cost and land value fits into the five factors specified in the Land policy Guidelines.	The Land Policy Guidelines is actually formulated only for lands to be leased / licensed, but by virtue of Sec. 2(k) of the MPT Act, 1963 which stipulates “land” includes the bed of the sea or river below high-water mark, and also things attached to the earth or permanently fastened to anything attached to the earth, premises or structures also qualify as land as per the Land Policy Guidelines. Hence the port has considered the total value of land and constructed areas as the base for arriving the valuation of the structures as stipulated in the five factors.

	(ii). The basis of arriving at different cost of construction for each of the premises is neither explained in the proposal nor in the valuation report. Please explain the basis thereof and also clarify the period to which the construction cost pertains to.	Clarification was sought from the approved valuer M/s. Kanti Karamsey & Co. and the reply furnished by the valuer is as follows : Following are some of the key factors considered in order to arrive at the cost of construction of each of the premises. Type of Construction – RCC/ load bearing/ steel framed, etc. Specifications of the building materials used, Height of the structure, Type of roofing, Year of Construction, In order to assess the cost of construction – “Cost Approach” has been adopted. Under the cost approach, the replacement/ reinstatement cost i.e. the cost of constructing a new structure with same type of construction, same or similar specifications, design, building materials, etc. is computed. To this reinstatement cost, a suitable discount/ allowance towards the age of the structure, locality and other factors, considering a balance economic life based on the present state, strength, maintenance, is considered. After considering all the discount/ allowance/ depreciation from the cost of a new construction, fair market value of the property is arrived at. This is a standard method for valuation of properties. Hence the construction cost pertains to the current date, but after considering depreciation for the age of the structure to the cost of a new structure with same or similar type, etc.
	(iii). (a). Please clarify the meaning of the term “reinstated value” referred in the valuation report in the concluding para for valuation done for each of its structures.	Clarification was sought from the approved valuer M/s. Kanti Karamsey & Co. and the reply furnished by the valuer is as follows: The word reinstated value in the concluding para of the valuation report is a typographical error; please read the same as “fair market value” of the said property instead of the reinstatement value of the said property.
	(b). It is clarified whether the “reinstated value” implies current cost of construction or replacement value.	
	(iv). (a). These premises are old and depreciated, on which the Port would have already considered repairs and maintenance cost, depreciation and return thereof in its general revision proposal last approved vide Order no.TAMP/43/2012-MOPT dated 14 June 2013 and earlier general revision orders. In view of the above observation, please establish and certify that considering the return in terms of lease rent on the value of premises in the current proposal and that too at reinstated value will not tantamount to duplication of return on the same assets.	The Port had considered the maintenance cost, depreciation and return thereof in its general revision proposal. The return considered was on Net Book value and not the reinstated value and also no rates were fixed by TAMP for the said structures. However, as per Cl.13(b) of the Land Policy Guidelines, the reserve price in terms of the annual lease rent would be a minimum 6% of the market value of the land determined as per the five factors stipulated in Cl.13(a) and there is no provision of fixing the same based on book value, depreciation or cost which are already factored in the valuation by the approved valuer.
	(b). If return in terms of lease rent on the premises tantamount to duplication of return on the same assets, the MOPT to effect suitable adjustments in the proposed rates of lease rent supported with calculations.	The Port is not in a position to make any adjustments in the proposed rates of lease rent as the same have been arrived at as per the provisions of the Land Policy Guidelines which do not allow the rates to be fixed as per any methodology other than that stipulated in Cl.13(a) and (b). Discussions

		were held with the valuer in this regard and the valuer has expressed that the market value arrived are reasonable and not exorbitant.
	(v). Since the valuer has drawn reference to the quoted price for apartment development and commercial development in the market within approximately 4 to 5 km radius of MOPT while arriving at the base rate of the constructed area it appears prima facie that the valuation considered is based on the current construction cost. For reasons already explained in the para 12.1. (v) (c) and (d) of the Order no.TAMP/57/2014-MOPT, dated 10 June 2015, the MOPT may like to note that this Authority may not be in a position to accept the valuation of structures based on the current construction cost.	Clarification was sought from the approved valuer M/s. Kanti Karamsey & Co. and the reply furnished by the valuer is as follows: Depreciated cost of construction i.e. the cost of construction for new construction less the discount / depreciation / allowance for the age, locality and other factor of the said structure has been considered for the valuation of Port premises.
	(d). It appears that 36 structures are owned and constructed by the MOPT. If so, the MOPT to furnish the following details: (i). Date of capitalisation and addition to each of the structures in its Books of Account. (ii). Gross Value of each of the 36 structures as on 31 March 2015. (iii). Cumulative Depreciation on each of the 36 structures till 31 March 2015. (iv). Net Value of the Asset in its Books of Account as on 31 March 2015.	The detailed statement is furnished.
	(e). The MOPT has under the method "Any other relevant factor" which is the current lease rent indicated the figure as zero for many of the structures. The MOPT is requested to indicate the current lease rent for each of the 36 structures.	The MOPT has clarified while responding to Point I (ii) that except structures at Sr. Nos. 8, 11, 12, 14, 18, 19, 21, 24, 31, 31, 32 and 34, the rest have neither been rented/ leased out nor any rates have been fixed for the structures. Hence the column relating to the current lease rent and percentage increase/ decrease at the proposed lease rent have been left blank. For the structures which have been rented out, there are multiple parties occupying different areas of each property at different rates. The highest rent paid on the properties are given.
	(f). (i). The MOPT in its letter dated 23 July 2015 has stated that the current rent paid by lessees for structures at sl. nos. 18 and 34 which was higher than the lease rent now arrived based on valuation by the approved valuer was not considered in the proposal dated 27 April 2015. The MOPT has thus, proposed revised lease rent of 367/sq. mtr./month and ₹100/sq. mtr./month instead of ₹160/sq. mtr./month and ₹50/sq. mtr./month arrived by it earlier for the premises at these two Sl. Nos. In this regard, the current lease rent for the structures at sl. no.18 and 34 based on which the revised lease rent is proposed need to be furnished indicating the period	A statement in this regard is furnished which indicates lease rent from individual lessees allotted land by the MOPT. As per the said statement, existing lease rent for Port Users Building (Sl. No. 18) is ₹.366.86/sq.mtr/month and for 'Old Palace Hotel Building' at (Sl. No. 34) it is ₹.99.41/sq.mtr/month.

	to which the lease rent pertains to.	
	(ii). The basis for proposing the rates of 367 and 100 is furnished supported by calculations.	The rates have been fixed as per the tender bids.
	(g). As regards, Sl. No. 35 lease rent for "MPT institute", the valuation report indicates land value at 50,000 per sq. mtr for land area and construction cost for building at ₹14,000 per sq. mtr. However, the composite rate indicated in the comparative statement (Annexure – II to the proposal) is ₹2,31,781 per sq. mtr. which is found to be higher than the composite per sq. mtr. rate working out to ₹64,000/- (₹50,000/- per sq. mtr. + 24000/- per sq. mtr.). The MOPT to examine this mismatch and make necessary correction in the said annexure.	The total land area of the property "MPT Institute" is 3062m2 valued at a rate of 50,000 per m2 whereas the actual built up area admeasures 703 m2 valued at a rate of 14,000 per m2. Thus, the total valuation amounts to ₹16,29,42,000/- (3062 x 50000 + 703 x 14000).
	(h). As regard Sl. No.21 (Information centre – SBI ATM) the valuation report at one place states rate of 50,000 per sq. mtr. of built up area to be reasonable on the date of valuation. However, the computation shows that an amount of ₹78,000 per sq. mtr. is considered for arriving at the proposed lease rent for that premise. Similar discrepancy is observed in Sl. No.14, 20, 27 and 28. The MOPT to examine and indicate the correct position.	Clarification was sought from the approved valuer M/s. KantiKaramsey & Co. and the reply furnished by the valuer is as follows: A base rate of ₹50,000/- per sq. mt. of built-up area has been considered based on the finding and analysis of the market research. However, considering factors such as lack of ATM facility in the neighbourhood, availability of limited commercial space in the residential area of MPT Township, etc., a rate of ₹78,000/- per sq. mt. of built-up area has been adopted to assess the composite value of the subject property.
III	(a). The proposal of MOPT proposes lease rent for Hospitals (sl. no.2), Sayantara Auditorium (sl.no.9), CME's office building (sl.no.10), Sports Academy (sl.no.11), Old Administrative Building (sl.no.12), Primary Health Centre (sl.no.15), HRD centre (sl.no.22) and few flats nos. (sl.no.24, 25, 27, 28). From the description, it is appears that these premises would be in use by the Port for its own purpose or by its employees. That being so, the reason for seeking reserve price in terms of annual lease rent for these premises which are for own use of Port or Port employees is not clear. Please elaborate.	(a). The mentioned premises would be in use by the Port for its own purpose or by its employees, but the same could be leased / rented out at a future date to outside parties. E.g. the Port hospital services could be outsourced with the Port hospital being taken over by outside parties. Hence the reserve price is sought to be known for future use.
	(b). It is clarified whether fixation of lease rent for port quarters allottable to its own employees is covered by the Land Policy Guidelines. License fee for port quarters may have to be fixed following the relevant provision of Fundamental Rules/ Supplementary Rules of Central Government.	(b). The reason for seeking valuation of Port quarters is not for charging the employees. Employees are charged license as per the rules in force. Port has many surplus quarters, which can be rented out to Government Institutions, Private Organizations for residential purpose for their employees. Therefore, base rent needs to be fixed.

11.1. With regard to the fourth point of action of joint hearing proceedings, the MOPT vide its e-mail dated 05 October 2015 under a cover of its letter No. FA/COST/125/2015/147 dated 05 October 2015 has forwarded the revised proposed Scale of Rates retaining the lease rent as proposed by it inserting a note not to apply the special rate (i.e. pension levy) to the 36 structures. The main points made by the MOPT are as follows:

(i). The JS (Ports) vide his d.o. Letter No. PD-13017/2/2014-PD.IV. dated 08 July 2015 had also advised the Port against fixing the lease rentals on the basis of inflated and unrealistic market value which results in poor response to tender cum auctions and subsequently loss of business to the Port.

(ii). Accordingly, a discussion was held with the Valuer, wherein the valuer justified the valuations done by him to be in order, based on the condition, location of the premises and various other factors considered by him to reflect the fair market value.

(iii). The subject matter was placed before the Land Allotment Committee for deliberation and decision to revise the proposed lease rentals for the various port structures. The Land Committee in its meeting held on 29 September 2015 deliberated on the issue and noted the fact that as per the Policy for determination of Tariff Authority for Major Port, 2015, there is no provision for the Special Rate (Pension Levy) which is currently at 9% and valid only upto 31.03.2016 and after 01.04.2016, the special rate (pension) levy cannot be charged separately as per the revised tariff guidelines and accordingly, the LAC has recommended to dispense with the proposed levy of 9% towards special rate (pension levy) on the above proposed lease rentals for 36 port structures. The same has been approved by the Land Committee during the meeting.

(iv). The TAMP is requested to consider the proposed change and fix the lease rentals for the 36 port structures. The special rate (i.e. pension levy) at 9% of the lease rent proposed by MOPT earlier is now withdrawn and hence to be ignored.

11.2. Thus, in short the MOPT has proposed to dispense with the levy of special rate (pension levy) at 9% of the lease rent. The MOPT has furnished revised draft proposed Scale of Rates maintaining the proposed lease rentals for 36 structures and amendments proposed to existing Note 5 as proposed by it earlier. The only modification proposed by the port is insertion of the following note to do away with the Special rate (pension levy) for structures:

"*6. The Special Rate as specified at PART – V of this Scale of Rates shall not be applicable to Part III – Estate Rentals – IV Lease Rentals for premises*."

12. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website http://tariffauthority.gov.in

13. With reference to the totality of the information collected during processing of the case the following position emerges:

(i). The Mormugao Port Trust (MOPT) has filed a proposal vide its letter dated 27 April 2015 for fixation of the lease rentals for the 36 structures following the Land Policy Guidelines, 2014.

(ii). Para 18(a) of the Land Policy Guidelines of 2014 stipulates that the Land Allotment Committee (LAC) to be appointed by the Port Trust should normally take into account highest of the following five factors listed in the guidelines to determine the market value of the land.

(a). State Government's ready reckoner of land values in the area, if available for similar classification/ activities.

(b). Highest rate of actual relevant transactions registered in last three years in the Port's vicinity (the vicinity of the Port is to be decided by the respective Port Trust Boards), with an appropriate annual escalation rate to be approved by the Port Trust Board.

(c). Highest accepted tender-cum-auction rate of Port land for similar transactions, updated on the basis of the annual escalation rate approved by the Port Trust Board.

(d). Rate arrived at by an approved valuer appointed for the purpose by the Port.

(e). Any other relevant factor as is identified by the Port.

Para 18 (a) of the Land Policy Guidelines 2014 also stipulates that if the highest of the five factors is not adopted then reasons for the same are to be recorded in the writing.

When the proposal was already processed and the entire consultation process and joint hearing was over, the Ministry of Shipping(MOS) in October 2015 has forwarded revised Land Policy Guidelines 2014, which was issued by the MOS to all the Major Port Trusts in July 2015 as understood from the proposal of V.O. Chidambarnar Port Trust (VOCPT). In the revised Land Policy Guidelines 2014, the methodology for determination of market value of the land based on the five factors as prescribed in the Land Policy Guidelines of 2014 is retained. The revised guidelines of the 2014 prescribes the same condition that in no case the lease rent will be less than 6% of the latest market value recommended by the Port Trust and the rate of annual escalation in the lease rental to be fixed by the Port Trust Board will also not be less than 2% as in the Land Policy Guidelines, 2014. The revised Land Policy Guidelines 2014 states that this Authority will notify the latest Scale of Rates (SoR) instead of notification of market value of land stipulated in the earlier Land Policy Guidelines 2014. Further, it also stipulates that the SoR will be revised every five years.

Thus, in short, the broad principles for determination of latest Scale of Rates for port lands in the Land Policy Guidelines of 2014 are retained in the Revised Land policy guidelines of 2014 except for the main modifications explained above. Hence, this analysis proceeds ahead to fix lease rent for the 36 premises based on the proposal filed by the MOPT and following the revised Land Policy Guidelines of 2014 issued in July 2015 which is broadly same as the Land Policy Guidelines of 2014 issued in January 2014.

(iii). (a). Before proceeding ahead with the analysis of the case it is relevant to state that the MOPT has for first time approached this Authority for fixation of lease rent for the 36 structures. The MOPT has reported that till now the Rates for allotment of port premises was being fixed by the MOPT itself with the approval of its Board of Trustees.

(b). Clause 13 (c) of the revised Land Policy Guidelines 2014 mandates this Authority to notify the scale of rates of the Port Land based on the methodology prescribed in Clause 13(a) of the ibid Guidelines. No specific Guidelines are prescribed in Land Policy Guidelines 2014 and the revised Land Policy for fixation of lease rent for the structures owned and constructed by a Port Trust.

(c). It is relevant here to state that the MOPT had earlier in September 2014 approached this Authority seeking approval for lease rent for commercial premise owned and constructed by the MOPT near railway station at Vasco. Upon a request made by the MOPT vide its earlier letter dated 12 February 2014 regarding the methodology to be followed for fixation of lease rent of premises, the MOS was requested to advise us in the matter vide our letter dated 18 March 2014, followed up with a reminder dated 04 April 2014. The methodology adopted by the MOPT in its revised proposal dated 30 January 2015 for fixation of lease rent for the above said commercial premise near railway station at Vasco was also brought to the attention of MOS vide our letter dated 26 February 2015 with a request to share with us any views that are different from the methodology followed by MOPT. The response of the MOS was not received till that case was finalised.

(d). As per section 49 (1) of the Major Port Trusts (MPT) Act, 1963 this Authority is mandated to fix lease rent of the property of the port. The commercial building is the property of the MOPT. Further, Section 2 (k) of the MPT Act, 1963 as referred by the MOPT, defines land as including, amongst others, things attached to the earth or permanently fastened to anything attached to the earth implying that building premises also comes under the definition of land. Even the MOPT had at that time rightly argued that building premises comes under the definition of land. In view of the above mentioned mandate, this Authority had taken up the proposal of the MOPT and approved the lease rent for structure under the then applicable Land Policy Guidelines 2014 vide Order No TAMP/57/2014-MOPT dated 10 June 2015.

(e). As stated earlier, the revised Land Policy Guidelines 2014 also stipulate five factors for arriving at valuation of Land and the methodology for fixation of Scale of Rates for Port Land is same as the Land Policy Guidelines 2014. In the current exercise also, for the 36 structures, the MOPT has again referred to Section 2(k) of the MPT Act, 1963 which stipulates "land" includes the bed of the sea or river below high-water mark, and also things attached to the earth or permanently fastened to anything attached to the earth, premises or structures and justified that it also qualifies as land as per the Land Policy Guidelines. The port has stated that it has arrived at valuation of structures considering the total value of land and constructed areas adopting the five factors prescribed in the Land Policy Guidelines 2014. For the reasons cited by the MOPT brought out above, the methodology prescribed in clauses 13(a) to 13(c) of the revised Land Policy, 2014 to determine the lease rent will have to be applied mutantis-mutandis for determination of lease rent for 36 premises also.

In view of the above position, and the submissions made by the port in the current proceedings and also keeping in view that this Authority had approved the lease rent for commercial building owned and constructed by the MOPT near railway station at Vasco on the same principle based on the proposal filed by the MOPT following the then applicable Land Policy Guidelines, 2014, the current proposal of MOPT is proceeded further to fix the lease rental for the 36 structures following the methodology prescribed in revised Land Policy, 2014.

(iv). In the original proposal of April 2015, the MOPT had proposed lease rent for the built up area of the 36 structures on per month or part thereof basis. Subsequently, the MOPT vide its letter dated 5 June 2015 has filed revised proposal wherein lease rent is proposed on per sq. mtr/ per month or part thereof with correction in the lease rent for the two structure viz. Port Users Building and Old Palace Hotel. The proposed lease rent is excluding the special rate i.e. 9% leviable on the lease rent towards pension levy as per the provision prescribed in the existing Scale of Rates of the MOPT. Subsequent to the joint hearing, when the MOPT was requested to re-look at its proposal in view of the objections made by the users / user organisations /lessees in consultation with the valuer, the MOPT has in its final revised proposal dated 5 October 2015 proposed to delete the special rate of pension levy at 9% on the lease rent proposed for 36 structure. The MOPT has, however, retained the lease rent proposed by it in June 2015 proposal. The final revised proposal filed by the MOPT dated 5 October 2015 along with information and clarification furnished during the processing of the case is considered while analysis the case.

(v). As per clause 11.2(e) of the revised Land Policy Guidelines 2014, a Land Allotment Committee (LAC) shall be constituted by the Port Trust Board consisting of Deputy Chairman of the Port, and Heads of Departments of Finance, Estate and Traffic.

It is seen from the minutes of the Land Allotment Committee (LAC) forwarded by MOPT that Port has constituted the LAC under the Chairmanship of Chairman, MOPT and comprising of other members viz. Chief Engineer I/c., Traffic Manager, Financial Advisor and Chief Accounts Officer which held a meeting on 27 March 2015 to recommend the lease rent for the 36 structures. Even the subsequent report of LAC dated 29 September 2015 which reviewed the lease rent proposal comprises of the same composition. Thus, the MOPT has complied with the stipulation of the formulation of the LAC as per the revised Land Policy Guidelines, 2014 with a change that instead of Deputy Chairman it was headed by Chairman, MOPT.

(vi). Valuation:

(a). As per section 49 (1) of the MPT Act, 1963 this Authority is mandated to fix lease rent of the property of the port. The 36 structures are property of the MOPT. Further, section 2 (k) of the MPT Act, 1963 defines land as including, amongst others, things attached to the earth or permanently fastened to anything attached to the earth implying that building premises also comes under the definition of land. Even the MOPT has rightly argued that building premises come under the definition of land. In view of the above mentioned mandate, this Authority will have to fix the lease rentals of the 36 structures belonging to the MOPT.

(b). As per Clause 13(a) of the revised land policy guidelines of 2014, the LAC shall determine the market value of land taking into account highest of the five factors.

As per clause 13 (c) read with clause 13(a) and (b) of the revised land policy guidelines of 2014, the port shall file a proposal to this Authority for fixation of latest SOR of the land at the rate not less than 6% to be decided by the Port Trust based on the market value of land recommended by the LAC which will normally take into account the highest of the five factors for market value of land stipulated in Para 13 (a) of revised land policy guidelines of 2014. In case the LAC is not choosing the highest factor, the guidelines require the reasons for the same have to be recorded in writing.

(c). Of the five factors prescribed in the revised Land Policy Guidelines, 2014 for arriving at the market value of the land, the MOPT has clarified that the valuation of land based on two factors viz., highest rate of actual relevant transactions registered in last three years in the Port's vicinity and highest accepted tender-cum-auction rate of port land for similar transaction are not available.

(d). The port has clarified that land valuation from State Government's Ready Reckoner is available. The port had furnished the market value of land as per State Government's Ready Reckoner uniformly at ₹3500/- per sq. mtr for all the 36 structures.

As regards wide variation in the market value of land as per the State Government ready reckoner (Government of Goa notification) reported at ₹3500/sq. mtr. and valuation of land given by the approved valuer which varies in the range of ₹13,500/sq. mtr. to ₹50,000/sq. mtr., the port has clarified that the stamp duty ready reckoner for any State is a guideline rate for the purpose of stamp duty and registration. It may or may not reflect the market rate for properties (land and built-up space) in the particular region. The approved valuer has stated that valuation of land under this method. It generally forms a minimum benchmark rate for property below which the stamp and registration department shall not register any property transaction.

(e). The port has engaged an approved valuer for valuation of structures as per the fourth method prescribed in the Land Policy Guidelines. The port has reported that the valuer has considered the total value of land and constructed areas as the base for arriving the valuation of the structures.

The port has clarified that Cost Approach is adopted for valuation of 36 structure. Under the cost approach, the replacement/ reinstatement cost i.e. the cost of constructing a new structure with same type of construction, same or similar specifications, design, building materials, etc. is computed. To this reinstatement cost, a suitable discount/ allowance towards the age of the structure, locality and other factors, considering a balance economic life based on the present state, strength, maintenance, is considered. The fair market value of the property is reported to have been arrived at after considering all the discount/ allowance/ depreciation from the cost of a new construction for each of the 36 structures.

(f). Under the fifth method, the port has considered the highest current lease rent for the structures whichever are rented out by the port. It is noted that in this method, only the current lease rent collected by the port is indicated; it does not indicate the market valuation of structures.

(g). (i). It is relevant here to state that the Kolkata Port Trust (KOPT) had proposed revision of its rent schedule for land and buildings at Kolkata and at Haldia based on the current cost of replacement. Since this Authority was not inclined to follow the method proposed by the KOPT for revision for the reasons mentioned in the Order, the lease rentals for the land and buildings at Kolkata and at Haldia were increased on adhoc basis vide Order no. TAMP/7/2010-KOPT dated 19 January 2011.

(ii). In the proposal of the Paradip Port Trust (PPT), disposed of by this Authority vide its Order dated 15 May 2015, for revision of Scale of Rates for allotment of port land and built up space, the PPT arrived at the rentals for various structures taking into account the written down value of the Replacement cost. This Authority did not find it appropriate to approve the rentals for the structures taking into account the replacement value thereof.

(iii). In the case of the lease rent proposed by MOPT for commercial building near railway station at Vasco the Port had proposed it based on current construction cost. This Authority while disposing the said proposal of MOPT has categorically stated that following the decision taken in KOPT and PPT cases, the methodology adopted by MOPT to value the building based on the Current Construction Cost is not considered. The monthly lease rent of ₹2,01,698 as proposed by the MOPT was approved by this Authority vide TAMP/57/2014-MOPT dated 10 June 2015 only because the proposed lease rent was found closer to the lease rent offer received by MOPT at ₹2,01,000 per month from Life Insurance Corporation of India (LIC) for the same building.

(h). In the current proceedings, the MOPT was specifically requested to clarify whether the term "reinstated value" referred to in the valuation report in the concluding para of valuation report for each of the 36 structure implies current cost of construction or replacement value.

The MOPT has clarified that the word "reinstated value" in the concluding para of the valuation report is a typographical error and requested to read the same as "fair market value" of the said property instead of the reinstatement value of the said property. The MOPT has stated that the approved valuer has considered suitable discount/ allowance on market values for certain structures towards age of structure, locality and other factors, considering a balance economic life based on the present state, strength, maintenance and fair market value of the property to arrive at the valuation of port structures The approved valuer has confirmed that the methodology followed by them is a standard method for valuation of properties. The MOPT has categorically stated that the valuation of structures is not the current construction cost. It is the present value of the premises. In view of the above the clarification furnished by the MOPT and relying on the same, the proposal is proceeded further to fix lease rent for 36 structures based on the valuation of the structures given by the approved valuer.

(i). It is relevant here to state that most of the users/lesees consulted during the case like Mormugao Ship's Agents Association (MSAA), M/s. Indian Molasses Company (IMC), Adani Mormugao Port Terminal Pvt. Ltd. (AMPTPL) and other have objected the proposed lease rent and stated that it is very much on the higher side. The MOPT was, therefore, requested to re-look at its proposal in consultation with the valuer.

In this context, the MOPT has clarified that taking into consideration the objection raised by users it had a discussion with the Valuer to consider the possibility of reducing the land valuation. The port has reported that valuer has justified that the valuations done is in order and is arrived taking into consideration the condition, location of the premises and various other factors considered to reflect the fair market value. The approved valuer has clarified that the methodology followed by them is a standard method for valuation of proprieties and represent present value of the structures.

(j). The MOPT has also reported that the Land Allotment Committee (LAC) constituted by the MOPT again met on 29 September 2015 to review the market value and the license fee recommended by it earlier in view of the objection from users/ lessees.

The LAC has also taken note of the d.o. letter dated 8 July 2015 received from J.S. (Ports), MOS, the contents of which have already been brought out earlier in detail.

The LAC has also noted that since most of the users have objected to the proposed rates and considering the objections into account, a meeting was held with the approved Valuer to evaluate the possibility of reducing the high market valuation. The Valuer has justified the valuations done by him to be in order based on the condition, location of the premises and various other factors considered by him reflect the fair market value.

The LAC, hence, on such review has recommended to retain the market value of the 36 port structures and lease rentals as recommended by the approved valuer earlier.

(k). Thus, in short, the port has conclusively clarified that the valuation of structure is not the current construction cost or replacement cost of structures. The port has also clarified that approved valuer has, on review of the land valuation, confirmed that the methodology followed by them for valuation of 36 structures is the standard method for valuation of properties and the valuation of structure is recommended by the LAC and also approved by its Board.

In the light of the analysis in the preceding paragraphs and bearing in mind that the LAC headed by Chairman (MOPT) and comprising of Head of the Departments of the port trust has, after considering the market valuation of 36 port structures given by the valuer has arrived at the proposed lease rentals and also recognising that the Board of Trustees of MOPT has approved the valuation of structures and the revised lease rentals, and that the proposal filed by MOPT is in line with the revised land policy guidelines 2014, this Authority likes to go with the proposal of the port. Incidentally, none of the users though they raised objection on the valuation of structure, has come up with any other method for valuation of the same.

As regards the request made by Coast Guard not to revise the lease rent for the premises allotted to them, the Port may examine their request as agreed by the Port at the joint hearing.

(vii). As per clause 13 (b) of the revised Land Policy Guidelines 2014, the lease rent should not be less than 6% of the market value of land recommended by Port Trust. For arriving at the proposed lease rentals for port structures, the approved valuer has applied 6% on the fair market value of port structures as per stipulation in clause 13 (b) of the revised Land Policy Guidelines. The LAC has concluded that 6% is a reasonable rate of return and accordingly recommended to fix the reserve price for 36 port structures 6% of the valuation of structures given by approved valuer or the current lease rent whichever is higher. This recommendation of the LAC is also approved by the Board of Trustees of the Port. The proposed lease rent is in line with the revised Land Policy Guidelines.

(viii). It is relevant here to state that this Authority while approving the general revision of the Scale of the Rates of the MOPT vide Order No. TAMP/43/2012-MOPT dated 14 July 2013 has revised the special rate of pension levy to meet the short fall in the Pension Fund Liability assessed in the said Order. Special rate @ 9% is applicable on the charges prescribed in the Scale of Rates including the Estate Rental incorporated in the SOR. The said levy is applicable from the date the revised SOR came into effect and is valid till the Financial Year 2015-16.

The LAC while reviewing its earlier report has proposed to dispense with special rate i.e. pension levy @ 9% for 36 structures. The LAC has recorded that there is no provision for the Special Rate (Pension Levy) as per the Policy for Determination for Tariff for Major Port Trusts, 2015. Further, citing that special rate (pension Levy) @ 9% is applicable only upto 31 March 2016 as per the rates approved, the LAC has recommended to dispense with the pension levy proposed for the 36 structures. The port has proposed a note stating that the Special Rate as specified at PART – V of the existing Scale of Rates shall not be applicable to Lease Rentals for premises prescribed in schedule IV under Part III – Estate Rentals. Since the above proposal of MOPT is based on recommendations of LAC and approved by the Board, the proposed note is approved with slight modification without changing the substance of the note proposed.

It is relevant here to state that the provision for lease rent for commercial building near railway station at Vasco was inserted at Schedule –IV as Lease rent for premises vide Order No TAMP/57/2014 – MOPT dated 10 June 2015. That being so, the lease rent for 36 structures now proposed to be inserted as Schedule V under Part III – Estate Rentals. Consequently, the proposed note is slightly modified giving the reference to Schedule V Lease rent for 36 structures.

(ix). The MOPT has proposed lease rent for Hospitals (sl. no.2), Sayantara Auditorium (sl.no.9), CME's office building (sl.no.10), Sports Academy (sl.no.11), Old Administrative Building (sl.no.12), Primary Health Centre (sl.no.15), HRD centre (sl.no.22) and few flats nos. (sl.no.24, 25, 27, 28). When sought the reason for seeking reserve price in terms of annual lease rent for these premises which are for own use of Port or Port employees, the MOPT has clarified that these premises could be leased / rented out at a future date to outside parties and hence reserve price is sought to be known for future use. As regards port quarters also for which lease rent is proposed, port has clarified that it has many surplus quarters, which can be rented out to Government Institutions, Private Organizations for residential purpose for their employees. Therefore, lease rent is sought based on the market valuation. In view of the clarification furnished by the port, the lease rent as proposed by the MOPT for these structures is also approved.

(x) (a). The MOPT has proposed annual escalation of 5% which has the approval of the Board of Trustees of the MOPT. It is relevant here to mention that M/s. Goa Mineral Ore Exporters' Association has objected for escalation of lease rentals by 5%. As per clause 13 (c) of the revised Land Policy Guidelines, 2014 the annual escalation in the lease rent should not be less than 2%. Thus, 2% annual escalation is the minimum cap. The port has the flexibility to choose annual escalation higher than 2%. Since the annual escalation for the 36 structure proposed by the MOPT at 5% has the approval of the Board of Trustees of the MOPT, the same is approved as it is well within the frame work of the revised Land Policy Guidelines, 2014. It is relevant to state here that this Authority has, in the another proposal filed by the MOPT for fixation of lease rentals commercial building at Vasco approved vide Order dated 10 June 2015 approved annual escalation @ 5% as proposed by the port for that commercial building in line with the Land Policy Guidelines, 2014.

(b). The port has proposed a note stating that the rates provided in the Scale of Rates shall get automatically escalated by 2% per annum for land at I, II and III and by 5% per annum for lease rentals for Premises at IV after expiry of each year from the effective date of implementation of the Scale of Rates and the escalated rates shall be considered as the prevailing scheduled rent for the concerned year. The rate so arrived shall be rounded off to nearest Rupee. It is relevant to state that while approving the Order dated 10 June 2015, the then existing note was modified incorporating 5% annual escalation for lease rent for premises (i.e. commercial building) prescribed at schedule IV. In view of insertion of the lease rent for the proposed 36 structures at schedule V, the amended note is slightly modified to include Schedule V also which is in line with the proposal of the MOPT.

14. The MOPT has proposed to implement the proposal after expiry of 30 days from the date of notification. It is to state that the Orders of this Authority generally come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India unless otherwise different arrangement is specifically mentioned in the respective tariff orders. Hence, the lease rent for 36 structures and amendment proposed to existing note 5 and the new note no. 6 proposed under Part III, is made effective after expiry of 30 days from the date of notification of the Order in the Gazette of India.

15.1. In the result, and for the reasons given above and based on a collective application of mind, this Authority approves prescription of the lease rentals for the 36 port structures at Schedule – V under Part III, Estate and Rental of the existing Scale of Rates and amendment to the existing note (5) and new note nos.6 and 7 under the Part III. Estate rental of the existing SOR as attached at **Annex - II.**

15.2. The MOPT is directed to accordingly amend the Scale of Rates (SoR).

(T.S. Balasubramanian)
Member (Finance)

Annex – I

Comparative statement of valuation of Port structures as furnished by approved valuer

Sr. No.	Description Of Property	Built up area (Sq. mts)	Rate as per State Govt. Reckoner ₹.Per Sq. Mtr.	Relevant transactions in port's vicintiy	Highest rate of similar transactions	Rate As Per Approved Valuer ₹. Per Sq. Mtr.	Any Other Relevant factor (Current Rent/ SOR) per annum	Break up of valuation of Port structures by approved valuer for the built up area given in col.3			Reserve price for annual lease rent @6% on valuation of structure by approved valuer. i.e 6% *(col.11)	Monthly rent of the property	Monthly rent per sq. mtr.
								Land (Value)	Premises/ Cost of Construction (Value)	Composite Value as on 04.11.2014 (col. No.9 + col.no. 10)			
1	2	3	4	5	6	7	8	9	10	11(9+10)	12	13	14
1.	Ground floor R.C.C. framed structure, building known as V1 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa.	2042	3,500	0	0	15,000	13,05,276	2,75,67,000	30,63,000	3,06,30,000	18,37,800	1,53,150	75.00
2.	Basement+ground +upperground+first floor R.C.C framed structure, 100 bedded hospital building near garbage treatment plant at Headland, Sada for MPT at Goa	11839	3,500	0	0	40,000	0	17,75,85,000	29,59,75,000	47,35,60,000	2,84,13,600	23,67,800	200.00
3.	Ground floor R.C.C framed structure, building known as V3 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa	2032	3,500	0	0	15,000	12,98,909	2,74,32,000	30,48,000	3,04,80,000	18,28,800	1,52,400	75.00
4.	Ground floor R.C.C framed structure, building known as V2 shed, opp Menezes Braganza Road, Mormugao Port 0Trust, Baina (0MPT), at Goa	2042	3,500	0	0	15,000	13,05,276	2,75,67,000	30,63,000	3,06,30,000	18,37,800	1,53,150	75.00
5.	Ground floor R.C.C framed structure,	77822	3,500	0	0	15,000	4,95,55,918	1,12,84,19,000	3,89,11,000	1,16,73,30,000	7,00,39,800	58,36,650	75.00

Sr. No.	Description Of Property	Built up area (Sq. mts)	Rate as per State Govt. Reckoner ₹.Per Sq. Mtr.	Relevant transactions in port's vicintiy	Highest rate of similar transactions	Rate As Per Approved Valuer ₹. Per Sq. Mtr.	Any Other Relevant factor (Current Rent/ SOR) per annum	Break up of valuation of Port structures by approved valuer for the built up area given in col.3			Reserve price for annual lease rent @6% on valuation of structure by approved valuer. i.e 6% *(col.11)	Monthly rent of the property	Monthly rent per sq. mtr.
								Land (Value)	Premises/ Cost of Construction (Value)	Composite Value as on 04.11.2014 (col. No.9 + col.no. 10)			
1	2	3	4	5	6	7	8	9	10	11(9+10)	12	13	14
	building known as T1 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, Vasco at Goa.												
6.	Ground floor R.C.C framed structure, building known as T2 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Goa	5089	3,500	0	0	15,000	32,40,905	7,37,90,500	25,44,500	7,63,35,000	45,80,100	3,81,675	75.00
7.	Ground floor R.C.C framed structure, building known as T3 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Vasco-Goa	5089	3,500	0	0	15,000	32,40,905	7,37,90,500	25,44,500	7,63,35,000	45,80,100	3,81,675	75.00
8.	Ground+2 upper floor, building which is known as G.C.B building near berth no.11 at Harbour, MPT, Goa.	2195	3,500	0	0	36,000	32,52,463	3,95,10,000	3,95,10,000	7,90,20,000	47,41,200	3,95,100	180.00
9.	Ground floor with balcony R.C.C framed structure, building known as Sayantara Auditorium, MPT, Headland Sada, Vasco-Goa.	1289	3,500	0	0	32,000	0	2,32,02,000	1,80,46,000	4,12,48,000	24,74,880	2,06,240	160.00
10.	Ground +2 upper floor building which	1926	3,500	0	0	36,000	0	3,65,94,000	3,27,42,000	6,93,36,000	41,60,160	3,46,680	180.00

Sr. No.	Description Of Property	Built up area (Sq. mts)	Rate as per State Govt. Reckoner ₹.Per Sq. Mtr.	Relevant transactions in port's vicintiy	Highest rate of similar transactions	Rate As Per Approved Valuer ₹. Per Sq. Mtr.	Any Other Relevant factor (Current Rent/ SOR) per annum	Break up of valuation of Port structures by approved valuer for the built up area given in col.3			Reserve price for annual lease rent @6% on valuation of structure by approved valuer. i.e 6% *(col.11)	Monthly rent of the property	Monthly rent per sq. mtr.
								Land (Value)	Premises/ Cost of Construction (Value)	Composite Value as on 04.11.2014 (col. No.9 + col.no. 10)			
1	2	3	4	5	6	7	8	9	10	11(9+10)	12	13	14
	is known as old CME's office building, MPT at Jetty, Goa.												
11.	Ground +2 upper floor R.C.C framed structure, building known as Sports Academy, MPT at Baina, Goa.	1074	3,500	0	0	45,000	35,52,319	3,22,20,000	1,61,10,000	4,83,30,000	28,99,800	2,96,077	275.63
12.	Ground+3+partly 4th upper floor R.C.C framed structure, building known as "Old Administrative Building" inside custom bound area at Harbour, MPT, Vasco.	4666	3,500	0	0	40,500	73,46,150	10,49,85,000	8,39,88,000	18,89,73,000	1,13,38,380	9,44,865	202.50
13.	Ground floor R.C.C framed structure, building known as MPT shopping complex at Harbour, MPT, Sada, Vasco, Goa.	872	3,500	0	0	28,000	0	1,83,12,000	61,04,000	2,44,16,000	14,64,960	1,22,080	140.00
14.	Three No's of Ground+1 upper floor R.C.C framed structure Commercial cum Residential building known as MPT Shopping Complex at Headland, MPT, Sada, Vasco.	2184	3,500	0	0	26,000	1,27,30,798	4,65,92,000	1,01,92,000	5,67,84,000	34,07,040	10,60,900	485.76
15.	Ground floor R.C.C framed structure, building known as old Primary Health Centre, MPT at	391	3,500	0	0	36,000	0	86,02,000	54,74,000	1,40,76,000	8,44,560	70,380	180.00

Sr. No.	Description Of Property	Built up area (Sq. mts)	Rate as per State Govt. Reckoner ₹.Per Sq. Mtr.	Relevant transactions in port's vicintiy	Highest rate of similar transactions	Rate As Per Approved Valuer ₹. Per Sq. Mtr.	Any Other Relevant factor (Current Rent/ SOR) per annum	Break up of valuation of Port structures by approved valuer for the built up area given in col.3			Reserve price for annual lease rent @6% on valuation of structure by approved valuer. i.e 6% *(col.11)	Monthly rent of the property	Monthly rent per sq. mtr.
								Land (Value)	Premises/ Cost of Construction (Value)	Composite Value as on 04.11.2014 (col. No.9 + col.no. 10)			
1	2	3	4	5	6	7	8	9	10	11(9+10)	12	13	14
	Headland Sada, Goa.												
16.	Ground floor R.C.C framed structure, building known as Dr. Ambedkar Vocational Centre at Headland, MPT, Goa.	537	3,500	0	0	36,000	0	1,18,14,000	75,18,000	1,93,32,000	11,59,920	96,660	180.00
17.	Ground floor R.C.C framed structure, known as CHLD Community Building at Headland, MPT, Goa.	264	3,500	0	0	36,000	0	58,08,000	36,96,000	95,04,000	5,70,240	47,520	180.00
18.	Ground+2 upper floor R.C.C framed structure building known as Port Users Building inside custom bound area, Major Bunder, MPT at Vasco, Goa.	516	3,500	0	0	32,000	0	1,03,20,000	61,92,000	1,65,12,000	9,90,720	82,560	160.00
19.	Ground floor R.C.C framed structure, known as 'Old Power House" building near berth No.11 at Harbour, Mormugao Port Trust, Vasco, Goa.	816	3,500	0	0	27,000	6,52,049	1,55,04,000	65,28,000	2,20,32,000	13,21,920	1,10,160	135.00
20.	Ground floor load bearing structure, building known as Sub Standard Quarters at Desterro, Mormugao Port Trust (MPT), Goa.	503	3,500	0	0	15,000	0	71,67,750	3,77,250	75,45,000	4,52,700	37,725	75.00

Sr. No.	Description Of Property	Built up area (Sq. mts)	Rate as per State Govt. Reckoner ₹.Per Sq. Mtr.	Relevant transactions in port's vicintiy	Highest rate of similar transactions	Rate As Per Approved Valuer ₹. Per Sq. Mtr.	Any Other Relevant factor (Current Rent/ SOR) per annum	Break up of valuation of Port structures by approved valuer for the built up area given in col.3			Reserve price for annual lease rent @6% on valuation of structure by approved valuer. i.e 6% *(col.11)	Monthly rent of the property	Monthly rent per sq. mtr.
								Land (Value)	Premises/ Cost of Construction (Value)	Composite Value as on 04.11.2014 (col. No.9 + col.no. 10)			
1	2	3	4	5	6	7	8	9	10	11(9+10)	12	13	14
21.	Ground floor R.C.C framed structure, Building known as Information Centre (SBI ATM) at Headland, Mormugao Port Trust(MPT), Goa.	22	3,500	0	0	78,000	96,632	13,86,000	3,30,000	17,16,000	1,02,960	8,580	390.00
22.	Ground +1 upper floor R.C.C framed structure, Building known as HRD Centre, Mormugao Port Trust (MPT) at Headland, Goa	514	3,500	0	0	60,000	0	2,31,30,000	77,10,000	3,08,40,000	18,50,400	1,54,200	300.00
23.	Ground floor load bearing & Ground +1 upper floor R.C.C framed structure known as Office Club Buildings, near main bus- Stopat Headland, Mormugao Port Trust (MPT) at Vasco, Goa.	792	3,500	0	0	45,000	0	2,37,60,000	1,18,80,000	3,56,40,000	21,38,400	1,78,200	225.00
24.	Flat No 191/1/4 on ground floor, building known as "A" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	42	3,500	0	0	28,000	0	8,82,000	2,94,000	11,76,000	70,560	5,880	140.00
25.	Flat No 205 (2/2) on 1st floor, building known as "B" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	61	3,500	0	0	28,000	0	13,42,000	3,66,000	17,08,000	1,02,480	8,540	140.00
26.	Ground floor R.C.C framed structure, building known as	6900	3,500	0	0	15,000	43,93,368	10,00,50,000	34,50,000	10,35,00,000	62,10,000	5,17,500	75.00

Sr. No.	Description Of Property	Built up area (Sq. mts)	Rate as per State Govt. Reckoner ₹.Per Sq. Mtr.	Relevant transactions in port's vicintiy	Highest rate of similar transactions	Rate As Per Approved Valuer ₹. Per Sq. Mtr.	Any Other Relevant factor (Current Rent/ SOR) per annum	Break up of valuation of Port structures by approved valuer for the built up area given in col.3			Reserve price for annual lease rent @6% on valuation of structure by approved valuer. i.e 6% *(col.11)	Monthly rent of the property	Monthly rent per sq. mtr.
								Land (Value)	Premises/ Cost of Construction (Value)	Composite Value as on 04.11.2014 (col. No.9 + col.no. 10)			
1	2	3	4	5	6	7	8	9	10	11(9+10)	12	13	14
	T4 shed (Transit Shed), Near Gate No.1, inside custom bound area, Mormugao Port Trust (MPT) at Vasco, Goa.												
27.	Flat No 148 on ground floor, building known as "C" type Quarters at Headland, Mormugao Port Trust (MPT), Vasco, Goa.	91	3,500	0	0	28,000	0	14,56,000	10,92,000	25,48,000	1,52,880	12,740	140.00
28.	Flat No A on ground floor, building known as "D" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	211	3,500	0	0	28,000	0	27,43,000	31,65,000	59,08,000	3,54,480	29,540	140.00
29.	Ground + 1 upper floor bunglow for Head of Department at Headland, Vasco Goa.	232	3,500	0	0	55,000	0	81,20,000	46,40,000	1,27,60,000	7,65,600	63,800	275.00
30.	Developed land parcel, proposed used for C.F.S, which is owned by 'Mormugao Port Trust', near AC plant, Ganesh Benzo Plast Tanks, at Bogda, Mormugao Port Trust (MPT), Goa.	20000	3,500	0	0	13,500	0	27,00,00,000		27,00,00,000	1,62,00,000	13,50,000	67.50
31.	Ground+3 upper floor building, R.C.C framed structure building known as Cruise	1220	3,500	0	0	40,500	24,90,557	2,74,50,000	2,19,60,000	4,94,10,000	29,64,600	2,47,050	202.50

Sr. No.	Description Of Property	Built up area (Sq. mts)	Rate as per State Govt. Reckoner ₹.Per Sq. Mtr.	Relevant transactions in port's vicintiy	Highest rate of similar transactions	Rate As Per Approved Valuer ₹. Per Sq. Mtr.	Any Other Relevant factor (Current Rent/ SOR) per annum	Break up of valuation of Port structures by approved valuer for the built up area given in col.3			Reserve price for annual lease rent @6% on valuation of structure by approved valuer. i.e 6% *(col.11)	Monthly rent of the property	Monthly rent per sq. mtr.
								Land (Value)	Premises/ Cost of Construction (Value)	Composite Value as on 04.11.2014 (col. No.9 + col.no. 10)			
1	2	3	4	5	6	7	8	9	10	11(9+10)	12	13	14
	Business Centre (Old CHLD Building) at Harbour, Mormugao Port Trust, Vasco, Goa.												
32.	Ground floor R.C.C framed structure, building known as Civil Engineering Maintenance Site Office at Headland, Mormugao Port Trust (MPT), Goa.	569	3,500	0	0	36,000	0	1,25,18,000	79,66,000	2,04,84,000	12,29,040	1,02,420	180.00
33.	Land with existing old structure which is known by 'Old MPT Hospital Building', behind Sanjeevani Hospital and Anandf Square Building, at Baina, Mormugao Port Trust (MPT), Goa.	11109	3,500	0	0	15,000	0	16,66,35,000	-	16,66,35,000	99,98,100	8,33,175	75.00
34.	Land with existing old structure which is known by 'Old Palace Hotel Building', inside custom bound area at Harbour, Mormugao Port Trust (MPT), Goa.	2207	3,500	0	0	10,000	0	2,20,70,000	-	2,20,70,000	13,24,200	1,10,350	50.00
35.	Developed land with existing building, which is known as 'MPT Institute', adjacent to Swatantra Path, Next to Bank of Baroda, Mormugao Port Trust (MPT), Vasco, Goa.	703	3,500	0	0	2,31,781	0	15,31,00,000	98,42,000	16,29,42,000	97,76,523	8,14,710	1158.90

Sr. No.	Description Of Property	Built up area (Sq. mts)	Rate as per State Govt. Reckoner ₹.Per Sq. Mtr.	Relevant transactions in port's vicintiy	Highest rate of similar transactions	Rate As Per Approved Valuer ₹. Per Sq. Mtr.	Any Other Relevant factor (Current Rent/ SOR) per annum	Break up of valuation of Port structures by approved valuer for the built up area given in col.3			Reserve price for annual lease rent @6% on valuation of structure by approved valuer. i.e 6% *(col.11)	Monthly rent of the property	Monthly rent per sq. mtr.
								Land (Value)	Premises/ Cost of Construction (Value)	Composite Value as on 04.11.2014 (col. No.9 + col.no. 10)			
1	2	3	4	5	6	7	8	9	10	11(9+10)	12	13	14
36.	Stilt + 6 Upper floor R.C.C framed Structure, building known as " IOCL/Port Users Building", inside custom bound area at Harbour, Mormugao Port Trust (MPT) 0at Vasco, Goa	935	3,500	0	0	49,500	0	2,75,82,500	1,87,00,000	4,62,82,500	27,76,950	2,31,413	247.50

Annex-II

PART – III

ESTATE RENTALS

(i). Insert Schedule V - Lease rent for premises (36 structures) after Schedule IV – Lease rent for Premises in the existing Part III – Estate Rental

"**(v). Lease Rent for Premises (36 structures)**

Sr. No.	Description	Lease rent per sq. mtr. per month or part thereof (in ₹)
1.	Ground floor R.C.C. framed structure, building known as V1 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa.	75.00
2.	Basement+ground+upperground+first floor R.C.C framed structure, 100 bedded hospital building near garbage treatment plant at Headland, Sada for MPT at Goa	200.00
3.	Ground floor R.C.C framed structure, building known as V3 shed, off. Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa	75.00
4.	Ground floor R.C.C framed structure, building known as V2 shed, opp Menezes Braganza Road, Mormugao Port Trust, Baina (MPT), at Goa	75.00
5.	Ground floor R.C.C framed structure, building known as T1 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, Vasco at Goa.	75.00
6.	Ground floor R.C.C framed structure, building known as T2 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Goa	75.00
7.	Ground floor R.C.C framed structure, building known as T3 shed (Transit Shed), Near Berth No.10, inside custom bound area, Mormugao Port Trust, at Vasco-Goa	75.00
8.	Ground+2 upper floor, building which is known as G.C.B building near berth no.11 at Harbour, MPT, Goa.	180.00
9.	Ground floor with balcony R.C.C framed structure, building known as Sayantara Auditorium, MPT, Headland Sada, Vasco-Goa.	160.00
10.	Ground +2 upper floor building which is known as old CME's office building, MPT at Jetty, Goa.	180.00
11.	Ground +2 upper floor R.C.C framed structure, building known asSports Academy, MPT at Baina, Goa.	275.63
12.	Ground+3+partly 4th upper floor R.C.C framed structure, building known as "Old Administrative Building" inside custom bound area at Harbour, MPT, Vasco.	202.50
13.	Ground floor R.C.C framed structure, building known as MPT shopping complex at Harbour, MPT, Sada, Vasco, Goa.	140.00
14.	Three No's of Ground+1 upper floor R.C.C framed structure Commercial cum Residential building known as MPT Shopping Complex at Headland, MPT, Sada, Vasco.	485.76

15.	Ground floor R.C.C framed structure, building known as old Primary Health Centre, MPT at Headland Sada, Goa.	180.00
16.	Ground floor R.C.C framed structure, building known as Dr.Ambedkar Voacational centre at Headland, MPT, Goa.	180.00
17.	Ground floor R.C.C framed structure, known as CHLD Community Building at Headland, MPT, Goa.	180.00
18.	Ground+2 upper floor R.C.C framed structure building known as Port Users Building inside custom bound area, Major Bunder, MPT at Vasco, Goa.	367.00
19.	Ground floor R.C.C framed structure, known as 'Old Power House" building near berth No.11 at Harbour, Mormugao Port Trust, Vasco, Goa.	135.00
20.	Ground floor load bearing structure, building known as Sub Standard Quarters at Desterro, Mormugao Port Trust (MPT), Goa.	75.00
21.	Ground floor R.C.C framed structure, Building known as Information Centre (SBI ATM) at Headland, Mormugao Port Trust(MPT), Goa.	390.00
22.	Ground +1 upper floor R.C.C framed structure, Building known as HRD Centre, Mormugao Port Trust (MPT) at Headland, Goa	300.00
23.	Ground floor load bearing & Ground +1 upper floor R.C.C framed structure known as Office Club Buildings, near main bus- Stopat Headland, Mormugao Port Trust (MPT) at Vasco, Goa.	225.00
24.	Flat No 191/1/4 on ground floor, building known as "A" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	140.00
25.	Flat No 205 (2/2) on 1st floor, building known as "B" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	140.00
26.	Ground floor R.C.C framed structure, building known as T4 shed (Transit Shed), Near Gate No.1, inside custom bound area, Mormugao Port Trust (MPT) at Vasco, Goa.	75.00
27.	Flat No 148 on ground floor, building known as "C" type Quarters at Headland, Mormugao Port Trust (MPT), Vasco, Goa.	140.00
28.	Flat No A on ground floor, building known as "D" type Quarters at Headland, Mormugao Port Trust (MPT), Goa.	140.00
29.	Ground + 1 upper floor bunglow for Head of Department at Headland, Vasco Goa.	275.00
30.	Developed land parcel, proposed used for C.F.S, which is owned by 'Mormugao Port Trust', near AC plant, Ganesh Benzo Plast Tanks, at Bogda, Mormugao Port Trust (MPT), Goa.	67.50
31.	Ground+3 upper floor building, R.C.C framed structure building known as Cruise Business Centre (Old CHLD Building) at Harbour, Mormugao Port Trust, Vasco , Goa.	202.50
32.	Ground floor R.C.C framed structure, building known as Civil Engineering Maintenance Site Office at Headland, Mormugao Port Trust (MPT), Goa.	180.00
33.	Land with existing old structure which is known by 'Old MPT Hospital Building', behind Sanjeevani Hospital and	75.00

	Anand Square Building, at Baina, Mormugao Port Trust (MPT), Goa.	
34.	Land with existing old structure which is known by 'Old Palace Hotel Building', inside custom bound area at Harbour, Mormugao Port Trust (MPT), Goa.	100.00
35.	Developed land with existing building, which is known as 'MPT Institute', adjacent to Swatantra Path, Next to Bank of Baroda, Mormugao Port Trust (MPT), Vasco, Goa.	1,158.90
36.	Stilt + 6 Upper floor R.C.C framed Structure, building known as " IOCL/Port Users Building", inside custom bound area at Harbour, Mormugao Port Trust (MPT) at Vasco, Goa	247.50

”

(ii). The existing note no. 5 under Part III Estate Rental to be replaced with the following:

“(ii). The rates provided in the Scale of Rates shall get automatically escalated by 2% per annum for land at I, II and III and by 5% per annum for Lease Rentals for Premises at IV at V after expiry of each year from the effective date of implementation of the Scale of Rates and escalated rates shall be considered as the prevailing Scheduled Rent for the concerned year. The rate so arrived is rounded off the nearest Rupee”.

(iii). Insert the following note no 6 after note no. 5 in the existing Part III Estate Rental:

“The Special Rate prescribed at PART – V of the general revision of Scale of Rates approved by the Authority vide Order No. TAMP/43/2012-MOPT dated 14 June 2013 shall not be applicable to the Lease Rent for Premises (36 structures) prescribed at Schedule V above”.

(iv). Insert the following note no 7 in the existing Part III Estate Rental:

“The lease rent prescribed for structures at V above shall be valid for 5 years from the date this order comes into effect”.

SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / USER ORGANISATIONS / LESSEES AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

F. No.TAMP/32/2015- MOPT - Proposal received from Mormugao Port Trust (MOPT) for fixation of lease rentals for the various Port structures.

A summary of the comments furnished by the users/ user organisations / lessees and comments of the Mormugao Port trust (MOPT) thereon are tabulated below:

Sl. No.	Comments of user organization and Lessees	Response of MOPT
I.	**Goa Mineral Ore Exporters' Association**	
(i).	The role of Major Ports should be to serve and facilitate the Trade by providing efficient operations at reasonable charges while ensuring necessary rate of return as provided for by the Authorities, rather than maximising revenue.	No comments furnished by MOPT
(ii).	In the present case, the MOPT has sent a proposal for fixation of Lease rentals for various Port Structures as listed out in the relevant Annexures. From the data provided, in cases where the premises are presently given on rent, we observe that the proposal raises the existing tariffs for lease rentals by over 40%.	
(iii)	The Mining industry per se does not utilize the listed structures, except for a sampling shed in old power house which will be subject to an escalation in rent by around 100% as per the revision proposal. However, from the point of policy, we would like to submit the following:	
(a).	In the report of the Valuer, it is mentioned that the rate of valuation has been determined based on discussions with Brokers / Developers, as 40,000-45, 000/m2 for residential apartment, ₹1,50, 000 – ₹2,00, 000/m2 for Ground Floor Shops, and ₹60,000 – 70,000/m2 for office space prevailing in the nearby Vasco-da-Gama city, resulting in an average base rate of ₹90,000/m2. Using such a composite rate to determine the valuation is misleading and results in very high valuation. The properties need to be separately classified as land, storage shed, residential, ground floor shop, office, etc. and depending on the type of the property, only the relevant rate for such premises in the vicinity should be the basis for valuation. Besides, the value of only higher-end premises in the vicinity appears to have been considered rather than the premises of average construction quality, resulting in higher valuation. Moreover, selling rates of such new residential complexes taken as a base may have certain modern amenities (which is missing in older structures) apart from the motive of	Clause 18 (a) (iv) of the Land Policy Guidelines states that the Land Allotment Committee has to take into account the highest of the five factors one of which is the "Rate arrived at by an approved valuer appointed for the purpose by the Port". The Port appointed the approved valuer M/s Kanti Karamsey & Co. through an open tendering process. As such the Port has no comments to offer on the basis/methodology adopted by the valuer.

	charging for residential complexes etc. by such developers.	
(b).	It is to be noted that since Mormugao Port lies in the vicinity of urban area, considering commercial values in the heart of the city for determining the rates is not proper. Rates should be considered for locations outside the main city i.e. in the suburbs of the city.	Same as above.
(c).	Some of the structures appear to be for dedicated use of the Port including some structures i.e. Hospital, Vocational Centre, etc., which appear to be Corporate Social Responsibility (CSR) works undertaken by the MOPT. It is not clear as to the purpose of determining the rental value of such structures being used by the Port themselves and its further impact on tariff charges to port users.	The Port has decided to value all the major properties even if the same cannot be leased out immediately. Attaching a value to the same shall enable the Port to explore other options as well
(d).	From Annexure II, it appears that in the 36 structures, columns relating to a) Relevant Transactions in Ports Vicinity and b) Highest Rate of Similar Transactions are indicated as Zero or perhaps data is not available in many cases. Valuation exercise would appear to be incomplete without these.	The columns relating to a) Relevant Transactions in Port Vicinity and b) Highest Rate of similar transactions are indicated as zero as there are either no transactions or the details are not available with the Port. If any details are available with the GMOEA, the same could be made available to the Port or the Authority directly.
(e).	For the port to go by either a percentage of the valuation of the property or the present rental as per scale of rates, whichever is higher, may not be logical as a uniform methodology should be used for determining rentals to ensure that neither the port nor users lose. Proper weightage needs to be given to rentals for similar properties in the vicinity of the port.	If the GMOEA has a better methodology of arriving at the appropriate lease rentals without violating the Land Policy or any other applicable guidelines, the same is shared with the Port or the Authority.
(f).	Besides the valuation, the logic for charging a rent of 6% uniformly for all cases is not clear as different types of properties would have different percentages for rental e.g. residential property may fetch a rent of merely 2-3% of the value.	(a). As admitted by the GMOEA in their letter that they per se do not utilize any of the Port structures other than a shed of 9m2 which itself is not among the listed structures. It appears that the GMOEA is raising objections for the sake of raising objections even on issues in which they are not stakeholders. This is evident from the fact that GMOEA is not even aware that clause 18 (b) of the Land Policy Guidelines stipulates that the Reserve Price in terms of the annual lease rent would in no case be less than 6% of the market value arrived at as per clause 18(a) and that
(iv).	Similarly, escalating rents at 5% every year seems very high especially in the current depressed market when rentals are actually sliding. These factors have to be reviewed and reduced suitably by TAMP.	

		the Port has fixed it at the base minimum level. (b). Also, it is stated that the Port has been uniformly applying the annual escalation at the rate of 2% for all lands and 5% for all premises (except dilapidated sampling sheds).
(v).	It would be prudent to review the need for grossly escalating lease rentals, which is high for the Users to bear.	No comments forwarded by the port.
II.	**Coast Guard District, GOA**	
(i).	Lease rental for buildings and land leased to non-commercial organisations such as Coast Guard should not be enhanced and should be continued on old rates.	The method of fixation of lease rent has to be as per clause 18(b) based on the market value determined as per clause 18(a) of the Land Policy Guidelines, 2014. The market value of the land has to be assessed as per the five factors prescribed in clause 18(a) of the Land Policy Guidelines. The Land Policy does not differentiate between commercial and non-commercial organisations and as such concessions cannot be given on the premise that the organization is a non-commercial organization. It is but natural that every party will object to any rate revision but as long as the rate fixation proposal is based on the principles of the Land Policy guidelines, no party has any basis for raising objection to the rate revision proposal even if it is not to their liking.
(ii).	Lease rental for old and dilapidated structures should not be raised.	If the structures are old and dilapidated then their valuations shall also be very less thus automatically resulting in very less or no increase in lease rentals.

2. A joint hearing in this case was held on 29 July 2015 at the MOPT premises. The MOPT made a brief presentation of its proposal. At the joint hearing, the MOPT and the concerned users/ organization bodies / lessees have made the following submissions:

<u>Mormugao Port Trust (MOPT):</u>

(i). We own various structures for which rent was fixed by us till date. Buildings/ structures are considered as part of land and Land Policy Guidelines apply. Rent is to be fixed by TAMP.

(ii). As per the Land Policy Guidelines, 2014, building/ structures are to be rented/ leased out on tender cum auction basis. The lease rent has to be based on the market value of the property as per the five factors prescribed in the guidelines. We, therefore, require approval of the Authority for lease rent for various structures.

(iii). We appointed approved land valuer to value the 36 structures.

(iv). Current rent/ license is also considered as one of the factors to arrive at the market value of land.

(v). Our proposal is based on the report of the valuer or the current lease rent whichever is higher.

(vi). Monthly lease rent is arrived for various structure at 6% of market value of the premises as per the Land Policy Guidelines.

(vii). We have proposed lease rent for 100 Bedded Hospital also. Presently, the Hospital is not leased. But in future, port may explore the possibility of leasing it out. Hence, we need lease rent approved for this premise also.

(viii). We have quarters which are in surplus. We want to give it on rent for commercial purposes. Hence, we want lease rent for few quarters as well.

(ix). There are few vacant premises also available with the port. But, no lease rent is available so we cannot use it. Hence, we need lease rent approved by TAMP.

(x). As regards the MPT Institute Building at Swatanra Path, the lease rent proposed is ₹1158.90/ sq. mtr./ month. This building is in the prime area.

(xi). There was error in the lease rent earlier proposed at Sl.No.18 – Port users' Building and Sl.No.34 – Old Palace Hotel. We have revised it and forwarded it to TAMP.

(xii). We are offering small premises only. Very few premises are large.

(xiii). The valuation is done by an independent approved valuer. The valuation of structures is not the current construction cost. It is the present value of the premises.

Coast Guard:

(i). We have taken premises on rent. We are under the Ministry of Defence. We request port not to increase lease rent for our premises.
[MOPT – We can examine the request for consideration of our Board.]

Mormugao Ships' Agents' Association:

(i) The proposed lease rent for structures are high and not attractive. Base rate should not be high. For prime area in Vasco city, lease rent will be less than the lease rent proposed by MOPT.

[MOPT – Land valuer has assessed the valuation. User may give some other basis of valuation and substantiate it, if necessary.]

(ii). Land valuer has in the report stated that there has been no transactions in last six months.

Adani Mormugao Port Terminal Pvt. Ltd.:

(i). The lease rent for the land allotted to us is already subject to annual escalation.

(ii). Some of the buildings are very old. The proposed lease rent is high in comparison to the rent in the Vasco city. It is not feasible. We are now paying ₹145 per sq. mtr. per month. The proposal is to increase it to ₹200 per sq. mtr. per month. We have to think whether we should continue in the port.
[Chairman, MOPT: Our area is small. In the market the rate is in the range of ₹300 to ₹350 per sq. mtr. Users can represent to TAMP.]

Indian Molasses Company:

(i). The buildings of MOPT are old. At the proposed rate, new building are available on lease rent. MOPT may review its proposal. Otherwise we have to think alternatives.

South West Port Limited:

(i). The existing lease rent may be considered as the base rate to invite tender. Tender process will discover the market rate.
[MOPT – In some cases, there is only one lessee. In such case, market discovery mechanism may not work. We will get the existing rent only. Port should have base rate which is realistic. The rate should not be low in comparison to the market rent.]

(ii). In case of tendering process, the first right of refusal should be given to the existing licensee/ lessee to match the highest bid.

Goa Mineral Ore Exporters Association:

(i). Valuation of premises is on the higher side. For valuation purpose, shops should be compared to shops, office building to building and so on.

3. The MOPT was requested to furnish its comments on the written submissions made by users/ user organisations and lessees on the proposal of MOPT at the joint hearing. The MOPT vide its letter dated 11 September 2015 has furnished its reply. A summary of the written submissions received from users/ user organisations and lessees and reply furnished by MOPT thereon is tabulated below:

Sl. No.	Comments of users/ lessees	Response of MOPT
1.	**Mormugao Ship's Agents Association (MSAA)**	
1.	The proposed base rentals is very much on the higher side and thus we feel that this will eventually force the present occupants to surrender their occupancy and will also not allow	

	any new party from participating in the bidding process.	
2.	This will eventually defeat the essential purpose of this exercise as the port will not earn much from these assets.	
3.	The base rental rates arrived at are quite in excess to the prevailing rentals presently available in commerce and location wise better places in Vasco City. It also must be noted that most of the Port buildings on offer are quite old and cannot compare to the newer buildings in town to which the valuer is seen making a comparison to.	
4.	The basis of these calculations is the valuation we look at the figures arrived at with some doubt.	
5.	The valuers acknowledged that, he has for purposes comparison taken rates from other builder in town. We think, in this he errs, in following : (i). It seems that he is valuing the MPT Building structure as comparable to a newer structure. (ii). He also states that no transactions have been done elsewhere at the projected rates for the past 6 months. But pays no heed to this fact for arriving at this valuations.	
6.	The valuer has ignored the most basic fact in real estate market. That the chargeable price can be only be as much as the market will bear and no more. This has always to be substantiated by actual and current records of sale and purchase activity.	
7.	The valuations should be looked at again and a more reasonable base rental price must be arrived at. As finally the premises on offer are to be allotted by a bidding process you are sure to then arrive at a maximum rental which is reflective of the present market dynamics.	
8.	The fact that in this exercise being performed no consideration seems to be given to the fact that some of present tenants have been connected with the landlord for multiple years and have all along been very prompt in paying dues on time and which have been regularly increased from time to time. We feel that this fact is not reflective of a good business process.	The Port has strictly followed the Land Policy Guidelines and has arrived at the rate based on the valuation done by the approved valuer. The Port does not have flexibility to change the rates as per rates have been arrived at as per Clause 18 (a) & (b) of the Land Policy Guidelines.
2.	**M/s. Indian Molasses Company (IMC)**	
	As discussed during the meeting on 29.07.2015 regarding the base rentals for our office is very much on higher side as the building is very old and request your goodself to kindly minimize the base rentals for our office space.	A discussion was held with the Valuer, wherein he has justified the valuation done for the Port Users Building in which all the above mentioned are interested parties. The Port Users Building is the only revenue generating premises in the vicinity of Port operations. The Valuer also
3.	**Chandra Shipping & Trading Services (CSTS)**	
	No Hike/ increase to be made. Present scale to be maintained as last couple of years business in Goa port has been suffering due to no work.	

	Such a hike in lease is not affordable hence present scale to be retained.	stated that as on date of inspection, the condition of the said building was good and well maintained and the valuation of the property is reasonable and reflects the fair market value. As such the valuation and consequently, the rate proposed for the Port Users Building stands.
4.	**Adani Mormugao Port Terminal Pvt. Ltd. (AMPTPL)**	
(i).	After leasing the subject premise, which was totally shabby, depreciated, deteriorated and unmaintained, the area is developed by AMPTPL for its office usage by making an expenditure of over ₹1.00 Crore.	
(ii).	The prevailing lease rental itself is already very high and nowhere near the market reality when compared to the available commercial spaces in Vasco town. Proposed steep increase in tariff for lease rentals by MPT will make them uncompetitive and might literally drive them out of this revenue, if forced. This increase is not acceptable to AMPTPL as the existing rental structure is in itself as abnormal.	
(iii).	Hence, MPT should reduce the proposed base rates in order to encourage business community and lease out all their premises and have sufficient revenue in that account.	
5.	**South West Port Ltd. (SWPL)**	
(i).	This premise is being used by us to manage our operations at berth no. 5A & 6A which have been handed over to us for 30 years on Build, Own, Operate and Transfer (BOOT) basis.	
(ii).	The Licensee for berth nos. 5A and 6A for a period of 30 years, are using this premise for managing the operations of the berths, it is requested that we should be allowed to use the premises on existing terms and conditions. If the same is not feasible and the premises are to be leased out through some other arrangement, it is requested that : 1. Base rate, if being proposed, should not be more than the existing rate. 2. Existing occupants of the premise should be given first right of refusal to match the highest bid.	

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