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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 405

New Delhi,

15 November 2016

NOTIFICATION

In exercise of the powers conferred by Section 49 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby extends the validity of Rent Schedule for the lands and buildings of Kolkata Port Trust at Kolkata and Haldia as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/7/2010-KOPT

Kolkata Port Trust

Applicant

QUORUM

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

ORDER

(Passed on this 25th day of October 2016)

This case relates to a proposal received from the Kolkata Port Trust (KOPT) for extension of the validity of Rent Schedule for the lands and buildings of KOPT at Kolkata and Haldia.

2. The rate structure for Land and Buildings of KOPT at Kolkata Dock System (KDS) and Haldia Dock Complex (HDC) was approved by this Authority vide Order No.TAMP/7/2010-KOPT dated 19 January 2011. This Order was notified in the Gazette of India on 8 March 2011 vide Gazette No 47. The Rent Schedule came into effect from 07 April 2011 after expiry of 30 days period from the date of notification of the Order in the gazette and was valid for a period of 5 years i.e. upto 6 April 2016.

3. Acceding to the request made by KOPT, this Authority had extended the validity of the Rent Schedule for the lands and buildings of KDS and HDC for a period of 6 months upto 6 October 2016 or till the date of notification of revised lease rentals based on a proposal to be filed by KOPT, whichever is earlier vide its Order No. TAMP/7/2010-KOPT dated 30 March 2016 for the reasons stated in the Order dated 30 March 2016. This Order was notified in the Gazette of India on 21 April 2016 vide Gazette No 139. Vide the same Order the KOPT was also directed to file its proposal for revision of Rent Schedule, latest by 30 June 2016, following the revised Land Policy Guidelines, 2014, issued by the Government of India.

4. In this backdrop, the KOPT vide its letter no. Lnd/464/F/RFC/XVII/Addl/16/2287 dated 29 September 2016 has filed its proposal for the revision of Rent Schedule. Vide the said letter, the KOPT has, interalia, submitted that as the extended validity of existing Rent Schedule is expiring on 6 October 2016, the KOPT has requested this Authority to extend the validity of Rent Schedule for the further period of time, suitably.

5.1. Since the extended validity of the existing Rent Schedule of KOPT has expired on 6 October 2016 and recognising that the proposal of KOPT will have to be taken up on consultation and since it will take some time for the case to mature for consideration of this Authority, this Authority extends the validity of the existing Rent Schedule of KOPT from the date of its expiry till 31 December 2016 or till the effective date of implementation of the revised Rent Schedule based on the proposal filed by KOPT, whichever is earlier.

5.2. Further, the Land Policy Guidelines of 2010 issued by the Government (based on which the rate structure for the lands and buildings of KOPT at Kolkata and Haldia has been fixed in 2011) stipulates that the lease rentals approved by this Authority shall be escalated by 2% per annum till they are revised by this Authority. The Order of January 2011 of KOPT also prescribes a specific condition in this regard. This condition also prevails in the revised Land Policy Guidelines of 2014 issued by the Government. Since the existing Rent Schedule already prescribes an annual escalation @ 2% in the lease rentals and in line with the Land Policy Guidelines, the annual escalation @ 2% will continue to apply during the extended validity period of the Rent Schedule for the Lands and Buildings of KOPT at Kolkata and Haldia, as was prescribed by this Authority during the last extension Order dated 30 March 2016.

6. In the result, and for the reasons given above and based on a collective application of mind, this Authority extends the validity of the existing Rent Schedule for the Lands and Buildings of KOPT at Kolkata and Haldia till 31 December 2016 or till the effective date of implementation of the revised Rent Schedule based on the proposal filed by KOPT, whichever is earlier.

(T.S. Balasubramanian)
Member (Finance)