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Tariff Authority for Major Ports

G.No. 139

New Delhi

21 April 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

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Applicant

QUORUM

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

ORDER

(Passed on this 30th day of March, 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 Kolkata Port Trust (KOPT) at Kolkata and Haldia.

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

3. Now, the KOPT, vide its letter no. Lnd.464/F/RFC/XIX/Addl/16/4001 dated 17 March 2016 has made following submissions:

- (i). The proposal for validity extension is submitted with reference to TAMP's notification no. TAMP/7/2010-KOPT dated 02 March 2011, published in the Gazette of India Extra Ordinary (Part III, Section 4) on 8 March 2011, vide Gazette no.47, in connection with revision of Rent Schedules of KDS and HDC of KOPT.
- (ii). The aforesaid Schedule of Rent for land and buildings of KDS and HDC of KOPT, approved by TAMP on 19 January 2011, has come into effect from 7 April 2011. The SOR is in force as on date and is valid till 6 April 2016.
- (iii). KOPT has engaged M/s. Colliers International for valuation of KOPT land/structure, required for revision of SOR. The valuer has started work in June 2015. From the progress of the valuation work, it is envisaged that the valuer will submit the draft report by 30 April 2016.
- (iv). In view of the above time lag & further time required for analyzing the report etc., it is requested to consider and communicate approval for extension of the validity of the current SOR by 6 months, with effect from 07 April 2016.

4.1 As stated earlier, the validity of the existing Rent Schedule of lands and buildings of KOPT at Kolkata and Haldia expires on 06 April 2016. In the result, this Authority hereby extends the validity of the existing Rent Schedule by 6 months from the date of its expiry till 6 October 2016 or till the date of effect of the revised lease rentals to be fixed based on the tariff proposal (to be) filed by the KOPT, whichever is earlier.

4.2 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 the 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.

4.3. However, in this regard, it is relevant to mention here that the extension of validity of the existing lease rentals with an annual escalation of 2% is only a provisional arrangement to avoid a vacuum in the availability of lease rentals. The lease rentals to be fixed for the Lands and Buildings of KOPT at Kolkata and Haldia, based on a proposal to be filed by KOPT in this regard, may have to be given a retrospective effect from 7 April 2016, as the Land Policy Guidelines requires this Authority to fix lease rentals for every five years.

5. In the result, and for the reasons given above and based on a collective application of mind, this Authority extends the validity of the existing Rent Schedule for the Lands and Buildings of KOPT at Kolkata and Haldia for a period of 6 months from the date of expiry till 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. The KOPT is 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.

(T.S. Balasubramanian)
Member (Finance)