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**TARIFF AUTHORITY FOR MAJOR PORTS**

G.No. 396

New Delhi,

12 October, 2017

**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 Mumbai Port Trust (MBPT) for fixation of lease rent for allotment of land for bunkering terminal and way leave fees for laying pipelines at Marine Oil Terminal - Jawahar Dweep (MOT-JD), as in the Order appended hereto.

**(T.S. Balasubramanian)**  
Member (Finance)

**Tariff Authority for Major Ports**  
**Case No. TAMP/26/2017-MBPT**

**Mumbai 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 15<sup>th</sup> day of September 2017)

This case relates to a proposal filed by the Mumbai Port Trust (MBPT) for fixation of lease rent for allotment of land for bunkering terminal and way leave fees for laying pipelines at Marine Oil Terminal - Jawahar Dweep (MOT-JD).

2.1. The MBPT vide its letter No. FA/OEA-L/9(2015)/1376 dated 17 March 2017 has forwarded the proposal on the subject cited above. The main points made by the MBPT in its proposal are summarized below:

- (i). A large number of foreign going and coastal vessels have been visiting Mumbai Port. About 6000 ships visit the port every year. Apart from these coastal and international vessels, movement of barges in the harbor area, presence of fishing harbor, luxury yachts, and ferry services in Mumbai Harbour are also significant. In addition to these vessels, there are a number of vessels that also come to JNPT.
- (ii). If cost effective and quality service for bunker Fuel is made available at reasonable competitive pricing in India, the ships would prefer to take Bunker Fuel at Mumbai which may lead to bringing of additional cargo thereby reducing the dead freighting which will be beneficial to maritime trade.
- (iii). In addition to benefits to maritime trade, the Bunkering Terminal will bring the additional business potential in the form of services such as bunker supply, barge operation, maintenance, repairs, etc.
- (iv). Therefore, MBPT has initiated to develop Bunkering Facilities at Jetty No.2 (JD- 2) at MOT- Jawhar Dweep to increase throughput of bunker fuel by modifying JD-2 for berthing of barges for bunkering the ships/ vessels in and around Mumbai Harbour and to enable Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL) to tap market potential in Bunkering Business. Providing Fuel/ Bunker is one of the basic requirements which will be met through this project.
- (v). In this regard, the Board vide TR No.56 of 28-09-2016 has accorded sanction to the proposal to lease out two land parcels admeasuring A-14496.37 sq. m. and B-2091.96 sq. m. at Jawahar Dweep (JD) to HPCL for the bunkering activities for 30 years and way leave permission for the pipelines covering area admeasuring 341.60 sq. m. subject to the sanction of TAMP for lease Rental and Way Leave fees.
- (vi). The Lease rental has been calculated on the basis of Stamp Duty Ready Reckoner 2016. The land value at Mahul Zone is ₹19200/- per sq. mtr. Considering the letting rate of 6% p.a in terms of TR No.157 of 2014, the rate works out to ₹96/- per sq. mtr. per month and there would be 4% increase every year in the Month of October.
- (vii). The calculation of Rate of Lease Rent for Bunkering Terminal at MOT-JD as given by MBPT is as follows:

1	Rate for Open developed land (per sq.mtr. per annum (As per Zone no. 90/419 of Ready Reckoner 2016)	₹19200.00
2	6% return (per Sq.mtr. Per annum)	₹1152.00
3	Rent per month	₹96 per Sq.Mtr.
4	Area of "A" part	14496.37 Sq.Mtr.
5	Rent per month for "A" Part	₹1391651.52 (X)
6	Area of "B" part	2091.96 Sq.Mtr.
7	Rent per month for "B" Part	₹200828.16 (Y)
	<b>TOTAL RENT PER MONTH (X +Y)</b>	₹1592479.68

- (viii). The Way Leave Fees has been calculated on the basis of stamp Duty Ready Reckoner 2016 rate at Mahul Zone at ₹19200/- per sq.mtr. Considering the letting rate of 15% p.a. in terms of TR No.138 of 2009, the rate works out to ₹240/- per mtr. per month and there would be 4% increase in every year in the Month of October. Further, the rate will be revised after every 5 years or as may be decided by the competent Authority.
- (ix). The Calculation of Way Leave Fees, Security Deposit and Way Leave Agreement Charges in Respect of Bunkering Terminal at MOT-JD for Furnace Oil Pipeline, as given by MBPT are as follows:

1	Length of pipeline	122.00 mtrs, (Approx). (Subject to verification/ joint survey)
	Diameter	800.00 mm
2	Area to be considered for calculation of Way Leave Fee $122 \times ((0.800 + 0.600) = 1.4)$	170.80 sq.mtrs.
3	Rate for Open developed land per sq.mtr. per annum (As per Zone no. 90/419 of Ready Reckoner 2016)	₹19200.00 per sq.mtr.(p.a)
4	15% return on ₹ 19200.00 per Sq.mtr. Per annum	₹2880.00 per Sq.Mtr. (p.a)
5	Rent per month	₹240.00 per Sq.Mtr.
6	Way Leave Fees p.m. (for 1 pipeline) (170.80 sq.mtr. x ₹.240)	₹40992.00 p.m. (will increase by 4% every October)
7	Security Deposit (₹.40,992 x 2 x 12)	₹983808/- [81984x12 (rounded)]
8	Way Leave Agreement Charges	₹147571/- (15% of Security Deposit)

**Note:**

- 15% Onetime supervision charges on estimate of pipelines
- The calculations are subject to audit verification
- The Length and diameter subject to verification/ joint survey  
Service Tax as applicable.

2.2. Accordingly, the proposal of MBPT seeks approval for the following:

Sl. No	Location	Rate in ₹ per month per sq.m
1.	Bunkering Terminal at MOT-JD (Lease Rent)	96/-
2.	Bunkering Terminal at MOT-JD (Way Leave charges)	240/-

3. Based on initial scrutiny of the proposal, some information/ clarification were sought from MBPT vide our letter dated 30 March 2017. In response, the MBPT vide its letter dated 05 May

2017 has responded. The information/ clarification sought by us and the response of MBPT thereon are tabulated below:

Sl. No.	Information/ clarification sought by us	Response of MBPT
(i)	(a). The letting rate of 6% per p.a. for lease rentals is proposed for the land at Mahul Zone, whereas, the letting rate for the Way leave charges is proposed at 15% p.a. for the same zone of land at Mahul. The port to clarify, why the differential rate for letting is proposed for the lease rentals/ way leave charges.	Letting rate at 6% return adopting land values for Mahul Zone works out to ₹88/- per sq.mtr. per month based on Ready Reckoner 2015 in terms of TR No.157 of 2014 was incorporated in the MoU signed on 02.12.2015. Since, the lease was to be granted from the date of actual handing over of the area to HPCL i.e. in the year 2016, the lease rent was worked out on the basis of Stamp Duty Ready Reckoner 2016 i.e. adopting land value of ₹19,200/- for Mahul Zone and letting rate at 6% p.a. return works out to ₹96/- per sq. mtr. Per month with 4% annual increase every year in the month of October. Further, regarding way leave fee, as per the clause 14 of policy guidelines for Land Management for Major Port adopted by MBPT by TR No.224 of 2014, the right of permission for laying pipelines within and outside port area shall be with the approval of the Board. The said guidelines includes a provision for one-time supervision charges besides the way leave fee and it also stipulates that <u>the policy for giving the Right of Way permission and terms and conditions shall be formulated by the respective Port Trust Boards.</u> The Board by TR No.269 of 2014 has accorded sanction to follow the existing practice for the fixation of way leave charges. The existing practice is as per TR No. 138 of 2009 according to which the way leave for all new permission shall be on the basis of 15% return on the land value as per Stamp Duty Ready Reckoner.
	(b). The MBPT to examine whether clause 14 (governing Right of way permission) of the amended Land Policy Guidelines, 2014 permits MBPT to load letting rate of 15% per annum on the reported Market Value of Land i.e. ₹19,200/- per Sq. Mtr./ per annum.	
(ii)	MBPT to confirm that there are no actual relevant transactions in the last three years in the vicinity of the area under reference and no tender-cum-auction has been accepted for the similar transactions for the area under reference.	There are no actual relevant transactions in the last three years in the vicinity of the area under reference.
(iii)	MBPT to explain the reason why an approved valuer has not been appointed for the purpose by the Port.	Valuer in this case has not been appointed for following reasons :  (a). There is a provision for allotting the land to CPSU on nomination basis in the Policy Guidelines for Land Management as issued by the Ministry at para 10.1(b).  (b). The MBPT Board, has approved to allot land admeasuring 16588.33 sq. mtrs. At MOT-JD to HPCL for 30 years subject to the sanction of TAMP for lease rental.  (c). Entire island is in possession of MBPT. There is no residential or commercial use of the land at Jawahar Dweep other than the oil handling by MBPT.

		<p>(d). The rate adopted is of Mahul village from the ready reckoner as the same is nearest land to Jawahar Dweep listed in the ready reckoner.</p> <p>(e). Appointed valuers in two past cases also confirmed the same rate as per the ready reckoner in their valuation reports.</p>
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4. In accordance with the consultative procedure prescribed, a copy each of the MBPT letters dated 17 March 2017 and 05 May 2017 was forwarded to the concerned users/ user organizations vide our letter dated 22 May 2017 seeking their comments. None of the users/ user organisations have furnished their comments till the case was finalised.

5. Based on a further scrutiny of the MBPT proposal, we have vide our letter dated 06 June 2017 sought some additional information/ clarification from the MBPT. After reminders, the MBPT has responded vide its letter dated 18 July 2017. The information sought by us and the response of MBPT thereon are tabulated below:

Sl. No.	Information/ clarification sought by us	Response of MBPT
(i).	Though the MBPT has furnished the Land Allotment Committee Report, the MBPT has not furnished any document to reflect that the recommendations of the Land Allotment Committee has the approval of the Board of Trustees of the MBPT, inspite of a specific request made by us in this regard vide our above referred letter. The approval of the Board of Trustees of the MBPT to the recommendations of the Land Allotment Committee to be furnished.	Board vide TR No. 56 dated 28.9.2016 has already accorded sanction to lease out a piece of MBPT land at MOT-JD admeasuring "A"- 14,496.37 Sq.Mtrs and "B"-2091.96 Sq.mtr. For lease rent of Rs. 96/- per sq. mts. per month with 4% escalation per annum subject to sanction of TAMP for lease rental and way leave fees. However, as per the direction from TAMP vide letter dated 30.3.2017, TAMP has requested MBPT to furnish the report of LAC duly approved by the Board to comply with the Land Policy Guidelines. Accordingly, LAC recommendations are put up for the approval of Board which will be intimated in due course.  [Subsequently, the MBPT vide its letter dated 14 August 2017 has furnished the approval of the Board of Trustees of the MBPT to the recommendations of the Land Allotment Committee.]
(ii).	As per the extract of the Stamp Duty Ready Reckoner Mumbai 2016-17 furnished by MBPT, the Land value at Mahul Zone area (Zone: 90/419) is reflected at ₹19200/- per sq.m. Since this land value is applicable for the year 2016-17, the MBPT to examine whether the land value requires updation to make it applicable for the year 2017-18, given that the lease rental is being fixed in the year 2017-18.	The issue of updation of land value was examined. In this regards, it may be noted that the project was envisaged in the year 2014-15 and the MOU for Transfer, Development & Operation of existing Tank farm at Marine Oil terminal – Jawahar Dweep between HPCL and MBPT was executed on 2.12.2015 in which the lease rent was indicated as Rs.88/- per sq. mtrs. Subsequently, the agreement was executed on 18.7.2016 in which the lease rent was indicated as Rs. 96/- per sq. mtrs considering the value of land as per the Ready Reckoner 2016-17. It is to state that HPCL has invested a considerable amount for modification of JD2 for bunkering project as per Tripartite agreement. Further, it is to inform that during the joint hearing at TAMP office on 20.6.2017, HPCL has informed their point of view that the lease rent of ₹. 96/- is on higher side.
(iii).	In the draft Scale of Rates, the MBPT has proposed a note to the effect that 'Terms and Conditions as per agreement'. The MBPT to replace the proposed note with	Corrected schedule of Scale of Rates of Lease Rent and Way Leave fees for bunkering terminal at MOT-JD is furnished, which prescribes a note that All the terms and conditions as per the extant Land Policy Guidelines will be applicable

	"All the terms and conditions as per the extant Land Policy Guidelines will be applicable".	
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6. A joint hearing on the case in reference was held on 20 June 2017 at the office of this Authority in Mumbai. The MBPT and the HPCL have made their submissions.

7. As decided at the joint hearing, the Hindustan Petroleum Corporation Limited (HPCL) has furnished its comments vide its e-mail dated 21 June 2017. After reminders, the MBPT has responded to the comments of HPCL vide its letter dated 18 July 2017.

8. 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 MBPT and HPCL will be sent separately to the concerned parties. These details will also be made available at our website <http://tariffauthority.gov.in>.

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

- (i). With a view to develop the Jetty No. 2 at Jawahar Dweep of the Mumbai Port Trust (MBPT) as a Bunkering hub so as to provide bunker fuel at competitive prices, the MBPT intends to lease out two parcels of land admeasuring 14496.37 sq. m. and 2091.96 sq. m. respectively at Jawahar Dweep (JD) to Hindustan Petroleum Corporation Limited (HPCL) for a period of 30 years as well as grant Way Leave permission for laying the pipelines covering area admeasuring 341.60 sq. m. Therefore, the MBPT has come up with a proposal for fixation of lease Rental for allotment of land for bunkering terminal and Way Leave fees for the pipelines, following the provisions of the amended Land Policy Guidelines, 2014.
- (ii). The MBPT has filed its proposal vide its letters dated 17 March 2017 and 05 May 2017. The MBPT has furnished the additional information/ clarification sought by us on 14 August 2017. The proposal of MBPT along with the information/ clarification furnished by the MBPT during the proceedings of the case, is considered in this analysis.
- (iii). This Authority is mandated to follow the Land Policy Guidelines issued by the Government from time to time for the purpose of determining lease rentals for the lands belonging to the Port Trusts. The Ministry of Shipping in the Government of India has announced Land Policy Guidelines for Major Ports, 2014, which came into effect from 2 January 2014. Subsequently, the Ministry of Shipping has issued amended Land Policy Guidelines, 2014 under Section 111 of the MPT Act, 1963 for implementation with effect from 17 July 2015. The MBPT has, come up with a proposal for fixing Scale of Rates (SOR) for allotment of land for bunkering facility to HPCL and way leave charges for the pipelines based on the provisions of the Land Policy Guidelines for Major Port Trusts, 2014, as amended in July 2015.
- (iv). As per clause 13(a) read with clause 11.2(e) of the amended Land Policy Guidelines 2014, a Land Allotment Committee (LAC) constituted by the Port Trust Board consisting of Deputy Chairman of the Port, and Heads of Departments of Finance, Estate and Traffic shall determine the market value of land as per the methodology prescribed in clause 13(a). Accordingly, the MBPT has reported constitution of a Land Allotment Committee (LAC) headed by the Dy. Chairman of the Port and consisting of the Heads of Departments of Finance, Traffic and Estate as the other members.
- (v). Para 13(a) of the Land policy guidelines of July 2015 prescribes the methodology for determination of market value of the land based on the five factors as prescribed therein. In terms of the said para of the amended Land policy guidelines of 2014, the Land Allotment Committee may normally take into account the highest of the factors mentioned therein, viz. (i). State Government ready reckoner of land values in the area if available for similar classification/ activities, (ii). Highest rate of actual

relevant transactions registered in the last three years in the Port's vicinity with an appropriate annual escalation rate to be approved the Port Trust Board, (iii). 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, (iv). Rate arrived at by an approved valuer appointed for the purpose by the Port and (v). Any other relevant factor as may be identified by the Port. The amended Land Policy guidelines of 2014 also stipulates that in case the LAC is not choosing the highest factor, the reasons for the same have to be recorded.

In this connection, the MBPT has confirmed that there are no actual relevant transactions and tenders in the last three years in the vicinity of the area under reference as the entire island is in possession of MBPT and that there is no residential or commercial use of the land at Jawahar Dweep other than the oil handling by MBPT. Also, the MBPT has reported to have not engaged a Valuer on the ground that Clause 10.1(b) of the Land Policy Guidelines provides for allotting the land to Central Public Sector Undertakings (CPSU) on nomination basis. Taking note of the above factors, the LAC in its Report has recommended to take into account the value of the land as reflected in the Stamp Duty Ready Reckoner of 2016-17 for Mahul village at ₹19200/- per sq.m., on the ground that it is the land nearest to Jawahar Dweep.

Land being a valuable resource, a port must strive to ensure the maximum income from its landed estates. Even the Clause 10.1(b) of the Land Policy Guidelines provides for allotting the land to CPSU on nomination basis based on the latest Scale of Rates arrived based on the market value of the land as determined based on the five factors as listed at Clause 13(a) of the amended Land Policy Guidelines, 2014. Though the MBPT is seen to have adopted the rates based on the single factor of Stamp Duty Ready Reckoner 2016-17 amongst the five factors mentioned in para 13 (a), determining the market value of land based only on a single approach may not always reflect the correct position. Nevertheless, taking into account the position that the recommendation of the LAC has the approval of its Board of Trustees and also taking into account that the Memorandum of Understanding (MOU) for Transfer, Development and Operation of existing Tank farm at MOT- JD between HPCL and MBPT has already been executed during July 2016, based on the market value of land as per Stamp Duty Ready Reckoner 2016-17, this Authority is relying upon the approach adopted by the MBPT in this regard.

- (vi). Clause 13(b) of the guidelines stipulates that Reserve Price in terms of annual lease rent would be arrived, as a percentage of latest market value of land determined based on the five factors in accordance with para 13(a) and that the percentage should not be less than 6% which is to be fixed by the Port Trust Board. The Annual Lease Rent for the lands has been recommended by the LAC at ₹99.84 per sq.m per month. In this regard, it is relevant to mention here that the MBPT in its proposal had proposed the Annual Lease Rent at ₹ 96/- per sq.m per month worked out based on 6% of the Stamp Duty Ready Reckoner 2016-17 of ₹ 19200/- per sq.m. The LAC has updated the lease rent as of the year 2017-18.

Considering that the Annual Lease Rent derived taking into account the market value of the land as reflected by the Stamp Duty Ready Reckoner as duly updated has been recommended by the LAC and given that the Board of Trustees of MBPT has approved the recommendation of the LAC, this Authority is inclined to prescribe the Reserve Price in terms of Lease Rent for the land under reference at ₹99.84 per sq.m per month.

- (vii). With regard to Way leave charges for the pipelines, MPBT has derived the way leave fees by considering a letting rate of 15% of the market value of land, as per the Stamp Duty Ready Reckoner, 2016. The letting rate of 15% considered to derive the way leave charges is reported to be based on the decision taken by the Board of Trustees of MBPT way back in the year 2009. The amended Land Policy Guidelines of 2014 does not explicitly prescribe any specific letting rate to be adopted to arrive at the way leave charges. The broad Terms and Conditions for

issuance of Right of way Permission for laying Pipelines/ conveyors etc., forming part of the amended Land Policy Guidelines of 2014, stipulate that each Port Trust Board would formulate and approve their own policy for one time supervision charges, MGT and additional compensation charges if any for granting way leave permission. Thus, considering the Stamp Duty Ready Reckoner 2016-17 of ₹19200/- per sq.m. and considering the letting rate of 15%, the MBPT has proposed the Way Leave charges at ₹ 240/- per sq.m per month.

Considering that the reserve price in terms of the Lease Rent for the land under reference has been updated as of the year 2017 - 18, it may not be appropriate to prescribe the way leave charges based on 2016-17 Stamp Duty Ready Reckoner rate of ₹19200/- per sq.m. Hence, it is apt to update the way leave charges also from ₹240 per sq. mtr per month to ₹249.60 per sq.m per month applying 4% escalation following the approach adopted by MBPT to update the lease rent as brought out in the previous paragraph.

- (viii). The MBPT is seen to have proposed a note to the effect all the terms and conditions as per the extant Land Policy Guidelines will be applicable. Since the proposed note would ensure that the terms and conditions governing application of the rates will be in line with the Land Policy Guidelines, the proposed note is approved.
- (ix). The MBPT has proposed a note to the effect that the rates shall automatically be escalated by 4% per annum after expiry of one year. In this regard, it is relevant here to mention that Clause 13(c) of the Land Policy Guidelines of 2014 gives flexibility to the ports to fix annual escalation which would not be less than 2%. Accordingly, the annual escalation rate of 4% recommended by the LAC, and approved by the MBPT Board of Trustees is as per the provision of the Land Policy guidelines of 2014. The proposed rate of 4% annual escalation is approved.
- (x). The MBPT has also proposed a note to the effect that any levy or levies including increase therein of taxes, duties, cess and the hike on account of/ in respect of amount payable to the State Government or any statutory authority shall be met and paid by the Licensee/ lessee at actual. In this regard, it is to state that the tariff approved by this Authority is exclusive of any taxes and statutory duties. The taxes and statutory duties as applicable are to be levied by the Port at the applicable rates on the tariff so approved by this Authority. In view of this position, the note as proposed by the Port is approved.
- (xi). The annual lease rent and way leave charges shall come into effect after expiry of 30 days from the date of notification of the Order passed in the Gazette of India. Clause 13 (C) of the amended Land Policy Guidelines, 2014 stipulates that the rates will be revised once in every five years by this Authority. Accordingly, a note is prescribed in the Rent Schedule that the annual lease rentals shall remain in force for a period of five years, which is approved.

10.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority accords approval for the Schedule of lease rental for allotment of land to develop bunkering facility and way leave charges for granting way leave permission for laying pipelines at MOT-JD of MBPT, which is attached as **Annex**.

10.2. The Schedule of Lease Rentals will come into force after expiry of 30 days from the date of notification of the Order passed in the Gazette of India and shall remain in force for a period of five years. The approval accorded shall automatically lapse thereafter unless specifically extended by this Authority.

**(T.S. Balasubramanian)**  
Member (Finance)



## Annex

### Schedule of Lease Rentals for allotment of land for bunkering terminal and way leave fees for laying pipelines at Marine Oil Terminal (MOT) – Jawahar Dweep (JD), Mumbai Port Trust.

<b>Sr. No.</b>	<b>Location</b>	<b>Description</b>	<b>Rate in ₹ per Sq. mtr. Per Month</b>
1.	Bunkering Terminal at MOT-JD	Lease Rentals	99.84
		Way leave Fees	249.60

Note:-

1. All the terms and conditions as per the extant Land Policy Guidelines will be applicable.
2. All the rates provided in the above schedule shall get automatically escalated by 4% per annum after expiry of one year.
3. Any levy or levies including increase therein of taxes, duties, cess and the hike, on account of/in respect of the amount payable to the State Government or any statutory authority shall be met and paid by the Licensee/lessee at actual.
4. The lease rentals/ way leave charges shall remain in force for a period of five years from the date of effect of this schedule.

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

- F. No.TAMP/26/2017- MBPT - Proposal received from Mumbai Port Trust (MBPT) for fixation of lease rent and way leave fees for allotment of land for bunkering terminal at Marine Oil Terminal - Jawahar Dweep (MOT-JD).

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A joint hearing on the case in reference was held on 20 June 2017 at the office of the Authority in Mumbai. The MBPT and the HPCL have made the following submissions:

**Mumbai Port Trust (MBPT)**

- (i). MBPT has envisaged to allot land to HPCL on nomination basis at MOT-JD for developing Bunkering facilities at MOT JD and for the purpose, MBPT would recover lease rent for the land and way leave charges for the pipelines. We intend to transfer 4 or 5 Tanks of MBPT to M/s HPCL on as is where basis on the basis the valuation report. We have come to TAMP for fixation of rental for land and way leave charges only.
- (ii). The proposed lease rentals and Way leave fees has been calculated on the basis of Land value at Mahul Zone as per Stamp Duty Ready Reckoner 2016. If we go by 2017-18 valuation, the rate will further increase. HPCL may opt out.
- (iii). The rates have been recommended by LAC and approved by the Board. Board has approved allotment of land on nomination basis to HPCL. HPCL is a PSU.

**M/s Hindustan Petroleum Corporation Limited.**

- (i). The Lease rent of ₹ 96 per sq. mtr is very high.
- (ii). Considering the Ready Reckoner 2016 Land Value of Mahul Zone for the proposed Land is not correct, as the land at Mahul Zone is within the city limits whereas the Land under reference is an isolated area of Butcher Island and has no connectivity to the city.

[MBPT: Ready Reckoner note is not available for Butcher Island]

- (iii). M/s BPCL is paying relatively less for the land allotted to them, which is adjoining the land under reference. It is requested to adopt the same lease rental for the proposed allotment of land to HPCL also. We will give our written comments.

**Mumbai Port Trust (MBPT)**

- (i). Lease rental has been calculated as per the Land Policy Guidelines.
- (ii). There is no separate Land value for the proposed area of land at JD. Nearest place listed in the Ready Reckoner 2016 is referred.
- (iii). M/s BPCL was allotted land long back at the prevailing rates as per the agreement entered during that time. The Lease rental applicable for M/s BPCL cannot not be made applicable to M/s HPCL, as per the prevalent Land Policy guidelines.

**TAMP**

- (i). One of the notes proposed under the calculations of way leave fees is that calculations are subject to audit verification. Are the calculations audited?

**Mumbai Port Trust (MBPT)**

- (i). Yes, the calculations have been audited.
- (ii). We will reply TAMP on their queries within 2 or 3 days.

2. As decided at the joint hearing, a summary of comments received from the users/ user organisations and the comments of Mumbai Port Trust (MBPT) thereon are tabulated below:

<b>Sl. No.</b>	<b>Comments of HPCL</b>	<b>Comments of MBPT</b>
(i).	The lease rental and way leave charges have been benchmarked against Ready Reckoner rates of Mahul city whereas the Plot is in MOT (Jawahar Dweep) an island in sea approx.. 18 km away. Hence, village rates should be applied.	The lease Rentals & Way Leave Charges for the Tank farm area at MOT-JD to be handed over to HPCL for the subject project was calculated considering the Ready Reckoner Rates of Mahul village due to the non-availability of Stamp Duty Ready Reckoner Rate for MOT-JD. In 2004, in one of the cases of HPCL, the TAMP had given consideration to the rate of Mahul village for arriving at the lease rental for MOT-JD.
(ii).	The lease rentals and way-leave charges should be same for all existing and future tenants.	In the event of future allotment/ renewal of land lease at MOT-JD, the prevailing rates of Ready Reckoner of Mahul village will be made applicable to avoid ambiguity.

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