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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 376

New Delhi,

24 September 2020

NOTIFICATION

In exercise of the powers conferred by Section 49 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby extends the validity of the existing Scale of Rates (SOR) for allotment of Port land and built up space outside the Custom Bond area for leasing and licensing purpose for non-port related activities for Paradip Port Trust (PPT) as in the Order appended hereto.

(T.S. Balasubramanian)

Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/53/2014- PPT

The Paradip Port Trust

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QUORUM

Applicant

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

ORDER

(Passed on this 8th day of September 2020)

This case relates to the extension of validity of the existing Scale of Rates (SOR) for allotment of Port land and built up space outside the Custom Bond area for leasing and licensing purpose for non-port related activities for Paradip Port Trust (PPT).

2.1 The existing Scale of Rates (SOR) of PPT Estate was approved by the Authority vide Order No. TAMP/53/2014- PPT dated 11 June 2015 under the Tariff Guidelines of 2005. As per the Order, the schedule of rate structure approved for PPT Estate had come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and was to remain in force for a period of five years. Accordingly, the Order prescribed a tariff validity till 16 July 2020.

3.1. In this backdrop, the PPT vide its letter dated no. AD/EST/MISC-III-06/2011 (Vol-II) dated 06 July 2020 has stated that, the valuer appointed to assess the market value of the port land outside Customs Bonded area in March 2020 has not been able to make any progress in valuation, due to lockdown imposed by Government due to COVID-19 pandemic. As such the PPT has expressed its inability to submit a proposal for revision of SOR of PPT Estate.

3.2. In the meanwhile, the PPT has requested to extend the validity of the existing Scale of Rates of PPT Estate for a further period of 6 months w.e.f. 11 July 2020.

4.1. The PPT in its letter has conveyed that the validity of PPT Estate expired on 10 July 2020. However, it is relevant to mention here that the Order notifying SOR for PPT Estate was notified in the Gazette of India on 17 June 2015. The revised SOR was to come into effect after expiry of 30 days from the date of notification of Order. Accordingly, the validity of SOR of PPT Estate has expired on 16 July 2020 and not 10 July 2020, as conveyed by PPT.

4.2. Since the validity of the existing tariff of PPT Estate has already expired on 16 July 2020 and based on the request made by PPT for the reasons cited by it and in order to avoid a vacuum in the tariff, it is felt appropriate to extend the validity of the existing tariff of PPT Estate for a further period of 6 months beyond 16 July 2020 or till effective date of implementation of the revised SOR, whichever is earlier.

4.3. In view of the above, this Authority is inclined to extend the validity of the existing SOR of PPT for allotment of port lands and built space for a period of 6 months with effect from 17 July 2020 to 16 January 2021 or till the effective date of implementation of the revised SOR, based on the proposal to be filed by PPT, whichever is earlier, as requested by PPT.

4.4. Further, the existing SOR of PPT for allotment of port lands and built space already prescribe an annual escalation @ 5% in the rentals, based on the stipulation contained in the Land Policy Guidelines, 2014. Therefore, the said annual escalation @ 5% shall continue to apply during the extended validity period of the SOR as applicable for allotment of port lands and built space of PPT.

5. In the result and for the reasons given above and based on the collective application of mind, this Authority extends the validity of the existing SOR of PPT for allotment of port lands and built up space outside the custom Bond area for leasing and licensing purpose for non-port related activities of PPT from 17 July 2020 till 16 January 2021 or till the effective date of implementation of the revised SOR based on the proposal to be filed by PPT, whichever is earlier. The annual escalation of 5% in the rental shall continue to apply during the extended validity period. With regard to submission of the proposal, considering that the validity extended upto 16 January 2021, the PPT is advised to file its proposal for revision of its Estate tariff by 31 October 2020.

(T.S. Balasubramanian)
Member (Finance)