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TARIFF AUTHORITY FOR MAJOR PORTS

G. No. 117

New Delhi, 23 July, 2003

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 approves the proposal of the Kolkata Port Trust for extension of the validity of the existing schedule of rates for the lands and buildings of the Kolkata Port Trust at Haldia as in the Order appended hereto.

(A.L. Bongirwar)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/103/2001 - CPT

The Kolkata Port Trust

Applicant

ORDER

(Passed on this 8th day of July 2003)

This case relates to a proposal received from the Kolkata Port Trust (KOPT) for extension of the existing Rent Schedule for lands and buildings at Haldia upto 31 December 2003 or the date of Notification of the revised Rent Schedule whichever is earlier.

2. In October 2002, the KOPT had requested for an extension of the validity by one year with effect from 2 December 2002 praying that the Rent Schedule was working well and any upward revision at that stage would affect the traffic growth. Recognising the commercial judgement of the port, this Authority passed an Order on 4 February 2003 approving extension of the validity of the existing rent schedule for a further period from 2 December 2002 to 30 June 2003 subject to the condition that no further extension of the validity period would be allowed without undertaking a comprehensive review of the existing rate structure. The KOPT was also advised to submit its proposal for a fresh review of the existing rates by 30 April 2003 so that new rates could be notified well in time before expiry of the validity of the existing rates on 30 June 2003.

3.1. The KOPT has now requested for an extension of the validity period of the existing Rent Schedule upto 31 December 2003 or the date of Notification of the revised Rent Schedule, whichever is earlier.

3.2. The KOPT has brought out the following points in support of its proposal:

- (i). The Indian Ports Association (IPA) has recently submitted the Draft Valuation Report as well as proposed rate structure after undertaking fresh comprehensive valuation of land and buildings.
- (ii). As per the Government guidelines, the Valuation Report and the proposed rate structure are to be examined by a Committee headed by the Chairman. The Committee consists of officials of Ministry of Shipping and State Authorities.
- (iii). The Board of Trustees has to approve the Valuation Report and the proposed rate structure so recommended by the Committee and then submit to TAMP for approval.
- (iv). The completion of the exercise is time consuming and the availability of Committee Members who are officials other than of the KOPT is important.
- (v). Despite their best efforts, the KOPT could not submit its proposal for revision of rent schedule within the time limit stipulated by the TAMP. The KOPT is trying to submit the proposal by 31 July 2003 for approval of TAMP.

4. It is significant that a fresh comprehensive valuation of land and buildings has already been done at KOPT. The relevant report and new rate structure are under its consideration. It is to be recognised that the procedural aspects specified in the Government guidelines cannot be dispensed with. The port has also assured that it is putting its best efforts to submit the proposal by 31 July 2003. In any case, there cannot be a vacuum in lease rentals for land and buildings after 30 June 2003. That being so, it is inevitable to accede to the request of the KOPT to extend the validity of the existing Rent Schedule beyond 30 June 2003.

5. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves extension of the validity of the existing Rent Schedule for land and buildings of the KOPT at Haldia upto 31 December 2003 or the date of Notification of the revised Rent Schedule by this Authority, whichever is earlier. The KOPT is advised to file its revised proposal by 30 September 2003 latest.

(A.L. Bongirwar)
Chairman