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Tariff Authority for Major Ports

G.No. 162

New Delhi,

12 April 2021

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 disposes of the proposal received from Syama Prasad Mookerjee Port (SPMP) [Erstwhile Kolkata Port Trust (KOPT)] for allowing remissions on the compensation charges as well as on the license fees on the Land allotted to the customers in the Dock Interior Zone at Haldia Dock Complex (HDC), as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/60/2020-SPMP (KOPT)

Syama Prasad Mookerjee Port (SPMP)

...

Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Sunil Kumar Singh, Member (Economic)

ORDER

(Passed on this 16th day of March 2021)

This case relates to a proposal received from Syama Prasad Mookerjee Port (SPMP) [Erstwhile Kolkata Port Trust (KOPT)] for allowing remissions on the compensation charges as well as on the license fees on the Land allotted to the customers in the Dock Interior Zone at Haldia Dock Complex (HDC).

2.1. It may be recalled that the SPMP vide its letter dated 29 September 2016 forwarded a proposal for revision of Schedule of Rent for the Lands and Buildings of KOPT at Kolkata and Haldia. After following the consultation process and joint hearing, this Authority has passed an Order No. TAMP/62/2016-KOPT dated 29 March 2017 for revision of Schedule of Rent for the Lands and Buildings of KOPT at Kolkata and Haldia. This Order was notified in the Gazette of India on 31 May 2017 vide Gazette No 224. The revised Rent Schedules has come into effect from 07 April 2016 and shall remain valid for a period of 5 years i.e. upto 06 April 2021.

2.2. In this connection, the SPMP vide its letter No. GM(T)/38/GMT-977 dated 20 November 2020 has filed its proposal for allowing remissions on the compensation charges as well as on the license fees on the Land allotted to the customers in the Dock Interior Zone at HDC.

3.1. The SPMP has made the following submissions:

- (i). Due to ongoing pandemic situation, the logistics chain related to businesses including traders, importers, exporters, port operators, shipping lines, transporters etc. are facing huge challenge in maintaining their businesses due to lower trade volume as well as cash flow issues. In view of this extraordinary situation and after considering the difficulties faced by the Trade, the Board of Trustees of SPMP has decided to propose relaxation in the compensation charges for wrongful use and occupation of land inside the Dock Interior Zone at HDC beyond License Period, for approval of TAMP.
- (ii). The proposed relaxation is shown in a tabular chart which is as follows:

(a).

Relevant Section in the existing SOR	Provision in the existing SOR	Proposed relaxation	Reasons										
HDC conditionalities under Annexure – VII in the Schedule of Rent for Land & Building of Kolkata Port Trust at Haldia at Section B, Note 11	<p>After the expiry/ termination/ determination/ forfeiture of the License, if the Licensee continues to occupy it unauthorisedly, the licensee shall be liable to pay compensation for wrongful use of an occupation at the following rates till vacant possession is obtained:</p> <table border="1"> <tr> <td>First 30 days</td> <td>3 times the rate as per prevailing SOR</td> </tr> <tr> <td>Next 30 days</td> <td>5 times the rate as per prevailing SOR.</td> </tr> <tr> <td>Continued unauthorized occupation beyond 60 days</td> <td>10 times the rate as per prevailing SOR.</td> </tr> </table>	First 30 days	3 times the rate as per prevailing SOR	Next 30 days	5 times the rate as per prevailing SOR.	Continued unauthorized occupation beyond 60 days	10 times the rate as per prevailing SOR.	<p>After the expiry/ termination/ determination/ forfeiture of License, if the Licensee continues to occupy it unauthorizedly, the Licensee shall be liable to pay compensation for wrongful use and occupation at the following rates till vacant possession is obtained:</p> <table border="1"> <tr> <td>First 60 days</td> <td>3 times the rate as per prevailing SOR.</td> </tr> <tr> <td>For further period beyond 60 days</td> <td>5 times the rate as per prevailing SOR.</td> </tr> </table>	First 60 days	3 times the rate as per prevailing SOR.	For further period beyond 60 days	5 times the rate as per prevailing SOR.	The highest slab of 10 times of Compensation charges for unauthorized occupation of land beyond the License period, is considered by the licensee to be too high and on many occasions they have abandoned their residual cargo in order to avoid high paying compensation charges.
First 30 days	3 times the rate as per prevailing SOR												
Next 30 days	5 times the rate as per prevailing SOR.												
Continued unauthorized occupation beyond 60 days	10 times the rate as per prevailing SOR.												
First 60 days	3 times the rate as per prevailing SOR.												
For further period beyond 60 days	5 times the rate as per prevailing SOR.												

(iii). The following is to be added as Sl. No. 16 of Para 'B' under 'HDC Conditionalities' in the Rent Schedule:

16. In case license of Land inside Dock Interior Zone for storage of cargo for a period upto 11 months, allotted on License, remission against license fees shall be extended as follows:

(A). For allotment of Land on Ship to Ship basis for Import Cargo

Cargo quantity imported from a ship	Period of License of Land for storage of cargo as per existing Land Policy Guideline at HDC.	Actual Time taken by the licensee to vacate the plot from the date of initial allotment.	Proposed % of Remission on the applicable license fees.
From 15000 MT upto 25000 MT	90 days	Upto 30 days From 31 days to 45 days Beyond 45 days	30% 15% Nil
From 25001 MT upto 40000 MT	90 days	Upto 45 days From 46 days to 67 days Beyond 67 days	30% 15% Nil
From 40001 MT upto 80000 MT	120 days	Upto 60 days From 61 days to 90 days Beyond 90 days	30% 15% Nil
Above 80001 MT	180 days	Upto 90 days From 91 days to 135 days Beyond 135 days	30% 15% Nil

(B). For allotment of developed land for 180 days (Import and Export)

Actual Cargo mobilization through the concerned plot during the License period of 180 days.	Proposed % of Remission on the license fees for the entire License Period.
From 12 MT per sq. mtr. to 15 MT per sq. mtr.	15%
Above 15 MT per sq. mtr.	30%

(C). For allotment of developed land for 330 days (Import and Export)

Actual Cargo mobilization through the concerned plot during the License period of 330 days.	Proposed % of Remission on the license fees for the entire License Period.
From 22 MT per sq. mtr. to 27 MT per sq. mtr.	15%
Above 27 MT per sq. mtr.	30%

(D). Allotment of Common Users land for Export Cargo

Actual Cargo mobilization during initial License period (2 months) or each subsequent renewals (2 months)	Proposed % of Remission on the license fees
From 14 MT per sq. mtr. to 20 MT per sq. mtr. during subsequent extension of license period	15%
Above 20 MT per sq. mtr. during subsequent extension of license period	30%

Note: Remission scheme is applicable subject to minimum allotment of 3,000 sq. mtrs. of plot and minimum shipment of 30,000 M.T. of Cargo.

(E). For allotment of undeveloped land for 330 days (Import and Export)

Cargo mobilization through the concerned plot	Proposed % of Remission on the license fees
From 12 MT per sq. mtr. to 15 sq. mtr.	15%
Above 15 MT per sq. mtr.	30%

(F). For allotment of undeveloped land for 180 days (Import and Export)

Cargo mobilization through the concerned plot	Proposed % of Remission on the license fees
From 8 MT per sq. mtr. to 10 sq. mtr.	15%
Above 10 MT per sq. mtr.	30%

- (iv). The approval of the Board of Trustees of SPMP is furnished by SPMP.
- (v). Further, the appropriate Authority of SPMP has decided to propose remission on the license fees on the extant fees offered by the bidder in case of allotment of undeveloped Land through Tender cum Auction for 5 years as Sl. No. 17 as shown below:

17. In case license of Land inside Dock Interior Zone for storage for cargo for a period upto 5 years, allotted on license through tender cum auction basis, remission against license fees shall be extended as follows:

Cargo mobilization through the concerned plot in one year (365 days)	Proposed % of Remission on the license fees on the extant fees offered by the bidder.
More than 13 MT per sq. mtr. upto 16.5 MT per sq. mtr.	15%
More than 16.5 MT per sq. mtr.	30%

- (vi). The approval of the Chairman of KOPT with reference to the above provision, is furnished by KOPT.
- (vii). Providing of remission of license fees of land to the deserving licensees based on their evacuation and mobilization performances, providing relaxation in compensation charges shall be beneficial for the customers who in turn are expected to increase cargo throughout through HDC, which in turn will also increase the revenue generation of the port in the present pandemic situation where the overall trade has got badly affected.
- (viii). It is requested to approve the above stated remissions and relaxations proposed by HDC on the compensation charges as well as on the License fees on the Land allotted to the customers in the Dock Interior Zone of HDC. The subject remissions and relaxations shall be effective upto the validity of the existing Schedule or Rent for Land and Buildings of Kolkata Port Trust at Haldia i.e. 06.04.2021.

3.2. Some information/ clarification was sought from SPMP vide letter dated 01 December 2020. In this regard, the SPMP vide its e-mail dated 09 December 2020 has made its submissions. The information sought from SPMP and the response of SPMP thereon is tabulated below:

Sl. No.	Information sought from SPMP	Response of SPMP
(i).	It is noted that the SPMP has sought approval of its Board of Trustees, without routing its proposal through the Land Allotment Committee (LAC).	Land Allotment Committee (LAC) has been constituted to examine and recommend proposals for allotment of land and does not have any jurisdiction or role in framing charges, extending remissions / benefits, etc. These are administratively decided upon concurrence of Finance Department. In the instant case, the proposal was approved by Chairman and subsequently by the Board of SMP, Kolkata. In view of the same, instant proposal has not been routed through the LAC.
(ii).	A list of users / user associations / lessees to be consulted in reference, to be furnished.	The list of users / users association / lessees who may be consulted regarding the instant proposal is furnished.

4. In accordance with the consultation procedure prescribed, a copy of the SPMP proposal dated 20 November 2020 and 09 December 2020 was forwarded to Users/ User Organizations/ Lessees (as per the list furnished by SPMP) vide letter dated 23 December 2020 for seeking their comments. In response, one of the users i.e. Steel Authority of India Limited (SAIL) vide its e-mail dated 05 January 2021 has furnished its comments. The comments furnished by SAIL were forwarded to SPMP for its comments. After a reminder dated 22 January 2021, the SPMP has responded vide its email dated 25 January 2021.

5. On a preliminary scrutiny of the proposal, it was seen that additional information/ clarification was required from SPMP on few points. Accordingly, additional information/ clarification was sought from SPMP. After reminders dated 22 January 2021, 04 February 2021 and 19 February 2021, the SPMP vide its e-mail dated 23 February 2021 has responded. The information sought from SPMP and the reply of SPMP thereon is tabulated below:

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP
A.	Compensation for wrongful use and unauthorized Occupation:	
(i).	The SPMP has stated that the highest slab of 10 times of compensation charges for	

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP																																								
	unauthorized occupation of land beyond license period is considered by the licensee to be too high and on many occasions, the licensees have abandoned their residual cargo in order to pay high compensation charges.																																									
(ii).	<p>In this regard, the SPMP to furnish details of the number of users/ licensees who have occupied the land unauthorisedly beyond license period for first 30 days, first 60 days and more than 60 days beyond license period in the last three years in the following format :</p> <table border="1" data-bbox="284 689 635 1043"> <thead> <tr> <th data-bbox="284 689 363 813">Year</th> <th colspan="3" data-bbox="371 689 635 813">No. of users/ licensees occupied unauthorisedly the land beyond license period</th> </tr> <tr> <td data-bbox="284 824 363 891"></td> <th data-bbox="371 824 443 891">First 30 days</th> <th data-bbox="451 824 523 891">Next 30 Days</th> <th data-bbox="531 824 635 891">Beyond 60 days</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 902 363 947">2017-18</td> <td data-bbox="371 902 443 947"></td> <td data-bbox="451 902 523 947"></td> <td data-bbox="531 902 635 947"></td> </tr> <tr> <td data-bbox="284 958 363 1003">2018-19</td> <td data-bbox="371 958 443 1003"></td> <td data-bbox="451 958 523 1003"></td> <td data-bbox="531 958 635 1003"></td> </tr> <tr> <td data-bbox="284 1014 363 1043">2019-20</td> <td data-bbox="371 1014 443 1043"></td> <td data-bbox="451 1014 523 1043"></td> <td data-bbox="531 1014 635 1043"></td> </tr> </tbody> </table>	Year	No. of users/ licensees occupied unauthorisedly the land beyond license period				First 30 days	Next 30 Days	Beyond 60 days	2017-18				2018-19				2019-20				<p>The number of cases where the users have occupied the land beyond the License period for first 30 days, first 60 days and more than 60 days beyond the license period in the last 3 years is shown in the prescribed format:</p> <table border="1" data-bbox="667 555 1385 712"> <thead> <tr> <th data-bbox="667 555 802 611">Year</th> <th colspan="3" data-bbox="810 555 1385 611">No. of users / licensees occupied unauthorisedly in the land beyond license period</th> </tr> <tr> <td data-bbox="667 622 802 656"></td> <th data-bbox="810 622 986 656">First 30 days</th> <th data-bbox="994 622 1169 656">Next 30 days</th> <th data-bbox="1177 622 1385 656">Beyond 60 days</th> </tr> </thead> <tbody> <tr> <td data-bbox="667 667 802 701">2017-18</td> <td data-bbox="810 667 986 701">239</td> <td data-bbox="994 667 1169 701">124</td> <td data-bbox="1177 667 1385 701">88</td> </tr> <tr> <td data-bbox="667 712 802 745">2018-19</td> <td data-bbox="810 712 986 745">376</td> <td data-bbox="994 712 1169 745">216</td> <td data-bbox="1177 712 1385 745">126</td> </tr> <tr> <td data-bbox="667 757 802 790">2019-20</td> <td data-bbox="810 757 986 790">336</td> <td data-bbox="994 757 1169 790">201</td> <td data-bbox="1177 757 1385 790">139</td> </tr> </tbody> </table>	Year	No. of users / licensees occupied unauthorisedly in the land beyond license period				First 30 days	Next 30 days	Beyond 60 days	2017-18	239	124	88	2018-19	376	216	126	2019-20	336	201	139
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(iii).	The SPMP to furnish the rationale for considering the reduction of compensation from existing 5 times to 3 times in case of unauthorized occupation from 31 days to 60 days, and existing 10 times to 5 times in case of beyond 60 days. The analysis made by the SPMP for proposing the above relaxation of compensation for unauthorized occupation to be furnished.	The users in various Trade Meets have compared the cost of storage of cargo incurred by them at different neighboring ports such as Dhamra and Paradip. Since the license fees of SMP, Kolkata is higher than the other neighboring ports stated above, the users are inclined to take their vessels to the ports which are more economical to them. As a result, some Haldia bound cargo have already shifted to the neighboring Ports. This situation is a threat for SMP, Kolkata. In order to retain the existing customers, the appropriate Authority of SMP, Kolkata approved to reduce the penalty provisions as well as introduce incentives schemes for the benefit of the customers. Reduction of penalty rate will ensure that the users who required more time to evacuate cargo from the port due to their business requirement, are not penalized heavily. This reduction of penalty will also facilitate them to evacuate the entire cargo from the Dock and not leave a portion of it in the plot in order to escape from paying huge compensation.																																								
B.	Allotment of land on Ship to Ship basis for Import Cargo																																									
(i).	It is seen that the SPMP, in order to encourage the customers to improve the evacuation and for gainful utilization of land, has proposed a scheme for incentivizing the licensees to vacate the licensed plots before the stipulated license period by way of providing certain percentage of remission to the license fees for various categories based on the quantity imported, period of license and	Out of about 25 MMT of Import dry bulk cargo which are required to be stored in the Dock Interior Zone (DIZ) per annum, around 40% of the said cargo is delivered by road for which the evacuation rate of cargo is very slow at HDC. Even though there is an availability of about 9,27,000 sq. mtrs. of plot for storage of Import and Export cargo inside the DIZ at HDC, yet there is acute scarcity of storage area due to long occupation. Therefore, in order to reduce the days of occupation of land and for maximum utilization of the available storage, the said incentive scheme has been proposed. It is also understood that if SMP, Kolkata had proposed for remission of License fees of plot for storage of cargo in general without keeping any performance parameter, then many of the less performing port users would have further delayed the evacuation process.																																								

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP					
(ii).	<p>Actual time taken to vacate the plot.</p> <p>In this regard, the SPMP to furnish analysis carried on the benefits to be accrued to the port vis-à-vis remission to be is granted to the licensees for each of the category of license on account of the proposed scheme and basis of arriving the percentage of remission for the each of the category of license.</p>	<p>An analysis of the remission to the licensee that may obtain against various parcel size and area of plot is given in the table below considering the evacuation rate is just enough to be eligible for the incentives.</p>					
		Cargo quantity Imported from a ship	Area allotted in sq. mtrs.	Actual time taken to surrender the plot	Time saved from schedule time of surrender	Remission gained by the licensee	Benefit for HDC by re-allotting surrendered plot to another user
		25000 MT	8,000 (Hard Stand)	45 days	45 days (90 days - 45 days)	15% of (License fees of 8000 sq. mtrs. x 45 days x ₹71.11 per month per sq. mtrs.) i.e. ₹8,53,320= ₹1,27,998/-	Additional revenue of ₹16,25,000/- from additional 12500 MT (½ * of 25,000) cargo @ ₹130/- per MT approx.. (on board + wharfage + differential MHC + Cleaning charges for coal) *Note: Being 45 days saved out of 90 days is ½ of the time saved.
		40000 MT	12,000 (Hard stand)	67 days	23 days (90 days - 67 days)	15% of (License fees of 12000 sq. mtrs. x 67 days x ₹71.11 per month per sq. mtrs.) i.e. ₹19,05,748/-= ₹2,85,862/-	Additional revenue of ₹13,00,000/- from additional 10000 MT (1/4 of 40,000) cargo @ ₹130/- per MT approx. (on board + wharfage + differential MHC + Cleaning charges for coal) *Note: Being 23 days saved out of 90 days is 1/4 th of the time saved.
		80000 MT	24,000 (Hard Stand)	90 days	30 days (120 days - 90 days)	15% of (License fees of 24000 sq. mtrs. x 90 days x ₹71.11 per month per sq. mtrs.) / 30 days i.e. ₹51,19,920= ₹7,67,988/-	Additional revenue of ₹26,00,000/- from additional 20000 MT (1/4 * of 80,000) cargo @ ₹130/- per MT approx.. (on board + wharfage + differential MHC + Cleaning charges for coal)

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP																																					
		1,20,000 MT	30,000 (Hard Stand)	135 days	45 days (180 days - 135 days)	15% of (License fees of 30000 sq. mtrs. x 135 days x ₹71.11 per month per sq. mtrs.) / 30 days i.e. ₹95,99,850/- = ₹14,39,978/-	<p>*Note: Being 30 days saved out of 120 days is 1/4 of the time saved.</p> <p>Additional revenue of ₹39,00,000/- from additional 30000 MT (1/4* of 1,20,000) cargo @ ₹130/- per MT approx. (on board + wharfage + differential MHC + Cleaning charges for coal)</p> <p>* Note:Being 45 days saved out of 180 days is 1/4 th of the time saved.</p>																																
C.	Allotment of developed land for 180 days / 330 days (both import and exports)																																						
(i).	<p>The SPMP, for the gainful utilization of the land has proposed an incentive scheme to the licensees of developed land in the form of remissions, if the actual quantity of cargo per sq. meter mobilized during the license period is more than benchmark quantity of cargo per sq. meter mobilized during the license period (as per the MGT provisions). In this regard, the SPMP to furnish the details of the actual achievement of quantity of cargo per sq. meter mobilized at the developed land for the license period of 180 days and 330 days separately during the last three years 2017-18, 2018-19 and 2019-20.</p>	<p>The Benchmark quantity of cargo per sq. mtr. for 180 days is 10 MT per sq. mtr. and for 330 days is 18 MT per sq. mtr. The users have to perform beyond the Benchmark quantity as specified in the proposal for availing the benefit of incentive.</p> <p>The actual achievement of quantity of cargo per sq. mtr. mobilized at the developed land for the license period of 180 days and 330 days during the last 3 financial years is given below:</p> <p>For 180 days allotment:</p> <table border="1" data-bbox="663 1391 1386 1861"> <thead> <tr> <th rowspan="2">Existing Licensee / Users</th> <th rowspan="2">Area in sq. mtrs.</th> <th rowspan="2">Date of allotment</th> <th colspan="4">Actual mobilization of quantity of cargo per sq. mtr.</th> </tr> <tr> <th>Yr. 2017-18 in M.T</th> <th>Yr. 2018-19 in M.T</th> <th>Yr. 2019-20 in M.T</th> <th>Yr. 2021 (till Jan'21) in M.T</th> </tr> </thead> <tbody> <tr> <td>Electrosteel Castings Ltd.</td> <td>10000</td> <td>08/05/2018</td> <td>N.A.</td> <td>30.48</td> <td>32.86</td> <td>24.61</td> </tr> <tr> <td>Adani Enterprise</td> <td>10000</td> <td>26/02/2020</td> <td>N.A.</td> <td>N.A.</td> <td>5.71*</td> <td>10.05</td> </tr> <tr> <td>Ripley & Co. Stevedoring and Handling Pvt. Ltd.</td> <td>10000</td> <td>15/02/2020</td> <td>N.A.</td> <td>N.A.</td> <td>6.65</td> <td>38.99</td> </tr> </tbody> </table> <p>* The users could utilize the plot only for 1.5 months or less.</p> <p>For 330 days allotment:</p>						Existing Licensee / Users	Area in sq. mtrs.	Date of allotment	Actual mobilization of quantity of cargo per sq. mtr.				Yr. 2017-18 in M.T	Yr. 2018-19 in M.T	Yr. 2019-20 in M.T	Yr. 2021 (till Jan'21) in M.T	Electrosteel Castings Ltd.	10000	08/05/2018	N.A.	30.48	32.86	24.61	Adani Enterprise	10000	26/02/2020	N.A.	N.A.	5.71*	10.05	Ripley & Co. Stevedoring and Handling Pvt. Ltd.	10000	15/02/2020	N.A.	N.A.	6.65	38.99
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		Existing Licensee / Users		Area in sq. mtrs.	Date of allotment	Actual mobilization of quantity of cargo per sq. mtr.														
					Yr. 2017-18 in M.T	Yr. 2018-19 in M.T	Yr. 2019-20 in M.T													
		Steel Authority of India Ltd.	82000	29/06/2018	Not applicable	27.71	29.83													
		Tata Steel	63000	20/03/2016	24.49	19.85	20.52													
		Tata Steel	6000	16/07/2016	20.07	18.16	24.82													
		Tata Steel	7000	04/12/2016	Not available	27.72	19.16													
		Tata Steel	5000	31/12/2016	Not available	29.44	20.05													
(ii).	Basis of arriving proposed mobilization of quantity per sq. meter and the percentage of remission for the each of slabs.	The basis of arriving at the proposed mobilization quantity for providing the incentive vis-à-vis the remission to be granted as per the proposed scheme is detailed in the Table below:																		
(iii).	The analysis carried on the benefits to be accrued vis-à-vis remission to be granted for each of the slabs on account of the proposed scheme to be furnished.	<p>For 180 days allotment:</p> <table border="1" data-bbox="667 831 1385 1350"> <thead> <tr> <th data-bbox="667 831 906 902">Category of allotment</th> <th data-bbox="906 831 1145 902">Qualification for availing minimum remission</th> <th data-bbox="1145 831 1385 902">Minimum Benefit of HDC and Port Users from remission</th> </tr> </thead> <tbody> <tr> <td data-bbox="667 902 906 1350">For allotment of developed plot for 180 days</td> <td data-bbox="906 902 1145 1350"> For a plot of 3000 sq. mtrs. the users need to mobilize atleast 36000 MT in 180 days for getting 15% remission of license fees. For a plot of 3000 sq. mtrs. the users need to mobilize more than 45000 MT in 180 days for getting 30% remission of license fees. </td> <td data-bbox="1145 902 1385 1350">Present MGT for the plot is 10 MT per sq. mtrs. If the user mobilizes 36000 MT, he will be mobilizing 6000 MTs more cargo. Considering net cargo related charges of coal @ ₹130/- per MT approx. (on board + wharfage + differential MHC + Cleaning) the benefit earned is ₹7,80,000/- where as 15% remission amount will be ₹1,92,000/- (approx.)</td> </tr> </tbody> </table> <p>For 330 days allotment:</p> <table border="1" data-bbox="667 1406 1385 1924"> <thead> <tr> <th data-bbox="667 1406 906 1478">Category of allotment</th> <th data-bbox="906 1406 1145 1478">Qualification for availing minimum remission</th> <th data-bbox="1145 1406 1385 1478">Benefit of HDC and Port Users from remission</th> </tr> </thead> <tbody> <tr> <td data-bbox="667 1478 906 1924">For allotment of developed plot for 330 days</td> <td data-bbox="906 1478 1145 1924"> For a plot of 5000 sq. mtrs. the users need to mobilize atleast 110000 MT in 330 days for getting 15% remission of license fees For a plot of 5000 sq. mtrs. the users needs to mobilize more than 1,35,000 MT in 330 days for getting 30% remission of license fees. </td> <td data-bbox="1145 1478 1385 1924">Present MGT for the plot is 18 MT per sq. mtrs. If the user mobilizes 90000 MT, he will be mobilizing 20000 MTs more cargo. Considering net cargo related charges of coal @ ₹130/- per MT approx. (on board + wharfage + differential MHC + Cleaning) the benefit earned is ₹26,00,000/- where as 15% remission amount will be ₹5,86,657/- (approx.)</td> </tr> </tbody> </table>							Category of allotment	Qualification for availing minimum remission	Minimum Benefit of HDC and Port Users from remission	For allotment of developed plot for 180 days	For a plot of 3000 sq. mtrs. the users need to mobilize atleast 36000 MT in 180 days for getting 15% remission of license fees. For a plot of 3000 sq. mtrs. the users need to mobilize more than 45000 MT in 180 days for getting 30% remission of license fees.	Present MGT for the plot is 10 MT per sq. mtrs. If the user mobilizes 36000 MT, he will be mobilizing 6000 MTs more cargo. Considering net cargo related charges of coal @ ₹130/- per MT approx. (on board + wharfage + differential MHC + Cleaning) the benefit earned is ₹7,80,000/- where as 15% remission amount will be ₹1,92,000/- (approx.)	Category of allotment	Qualification for availing minimum remission	Benefit of HDC and Port Users from remission	For allotment of developed plot for 330 days	For a plot of 5000 sq. mtrs. the users need to mobilize atleast 110000 MT in 330 days for getting 15% remission of license fees For a plot of 5000 sq. mtrs. the users needs to mobilize more than 1,35,000 MT in 330 days for getting 30% remission of license fees.	Present MGT for the plot is 18 MT per sq. mtrs. If the user mobilizes 90000 MT, he will be mobilizing 20000 MTs more cargo. Considering net cargo related charges of coal @ ₹130/- per MT approx. (on board + wharfage + differential MHC + Cleaning) the benefit earned is ₹26,00,000/- where as 15% remission amount will be ₹5,86,657/- (approx.)
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Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP					
		* For higher mobilization of cargo, the financial benefits of port as well as the remission to be granted will increase.					
D.	Similar details and analysis as sought at para C (ii), (iii) and (iv) may also be provided in case of the following schemes also;						
(i).	Allotment of Common Users land for Export cargo	Allotment of Common Users Land for export cargo:					
		Name of licensee / user	Possession Date	Area (in sq. mtrs.)	Shipment of export cargo per sq. mtr.		
					Yr-17-18	Yr-18-19	Yr-19-20
		Access Developers Pvt. Ltd.	01/03/2020	1000	N.A.	13.65	N.A.
		Bonai Industrial Co. Ltd.	20/03/2019	2000	N.A.	N.A.	79.5
		Bonai Industrial Co. Ltd.	13/08/2019	2000	N.A.	N.A.	1.50
		Bonai Industrial Co. Ltd.	06/04/2017	1000	25.55	N.A.	N.A.
		Bonai Industrial Co. Ltd.	31/08/2017	2000	22.73	N.A.	N.A.
		Disha Realcon Pvt. Ltd.	27/02/2019	1000	N.A.	3.72	59.13
		Disha Realcon Pvt. Ltd.	27/02/2018	1000	N.A.	8.46	N.A.
		Disha Realcon Pvt. Ltd.	26/09/2017	3000	15.82	9.34	N.A.
		Disha Realcon Pvt. Ltd.	13/12/2017	1000	16.21	N.A.	N.A.
		Disha Realcon Pvt. Ltd.	29/12/2018	2000	N.A.	18.24	9.82
		Feegrade & Co. Pvt. Ltd.	20/03/2019	2000	N.A.	N.A.	100.08
		Ghanashyam Mishra & Sons Pvt. Ltd.	06/08/2019	2000	N.A.	N.A.	8.97
		Ghanashyam Mishra & Sons Pvt. Ltd.	20/03/2019	2000	N.A.	N.A.	7.27
		Ghanashyam Mishra & Sons Pvt. Ltd.	10/05/2019	2000	N.A.	N.A.	16.41
		Ghanashyam Mishra & Sons Pvt. Ltd.	21/10/2019	1000	N.A.	N.A.	10.78
		Jindal Steel & Power Ltd.	30/01/2020	5000	N.A.	N.A.	4.00
		Jindal Steel & Power Ltd.	21/09/2017	2000	17.69	N.A.	N.A.
		Jakhodia Minerals	26/09/2019	2000	N.A.	N.A.	10.12
		JSW Steel Ltd.	08/06/2019	2000	N.A.	N.A.	48.71

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP					
		JSW Steel Ltd.	09/05/2019	3000	N.A.	N.A.	43.55
		JSW Steel Ltd.	24/02/2017	2000	24.71	N.A.	N.A.
		JSW Steel Ltd.	11/02/2018	1000	8.00	N.A.	N.A.
		JSW Steel Ltd.	30/11/2016	2000	27.84	N.A.	N.A.
		JSW Steel Ltd.	24/12/2016	4000	13.12	3.75	N.A.
		JSW Steel Ltd.	02/08/2017	2000	34.83	N.A.	N.A.
		JSW Steel Ltd.	19/11/2017	3000	9.54	6.38	N.A.
		JSW Steel Ltd.	06/01/2018	1000	7.62	N.A.	N.A.
		JSW Steel Ltd.	01/04/2018	4000	N.A.	10.00	N.A.
		JSW Steel Ltd.	17/04/2018	6000	N.A.	11.01	N.A.
		JSW Steel Ltd.	11/12/2017	1000	10.71	N.A.	N.A.
		Kaypee Enterprises	03/03/2017	2000	11.54	N.A.	N.A.
		Kaypee Enterprises	10/10/2017	2000	7.76	N.A.	N.A.
		Kaypee Enterprises	15/11/2017	2000	4.85	N.A.	N.A.
		K.K. Enterprises	20/02/2018	3000	6.25	N.A.	N.A.
		Kai International Pvt. Ltd.	25/04/2019	2000	N.A.	N.A.	7.77
		Kai International Pvt. Ltd.	01/06/2019	2000	N.A.	N.A.	39.63
		Kai International Pvt. Ltd.	27/05/2019	2000	N.A.	N.A.	28.55
		Kai International Pvt. Ltd.	30/05/2019	1000	N.A.	N.A.	50.07
		Kai International Pvt. Ltd.	30/06/2019	2000	N.A.	N.A.	10.27
		Mahaprabhu Resources Pvt. Ltd.	18/07/2019	2000	N.A.	N.A.	9.84
		Mariya Exim Pvt. Ltd.	28/06/2019	1000	N.A.	N.A.	4.80
		Mariya Exim Pvt. Ltd.	29/05/2019	2000	N.A.	N.A.	9.78
		Mahashakti Forgoing Pvt Ltd	24/06/2019	2000	N.A.	N.A.	11.15
		Mahalaxmi & Co.	23/02/2020	2000	N.A.	N.A.	11.90
		Mahalaxmi & Co.	20/01/2020	3000	N.A.	N.A.	7.19
		Om Jaibalajee Ispat Ltd.	09/05/2019	2000	N.A.	N.A.	8.95
		Om Jaibalajee Ispat Ltd.	12/06/2019	1000	N.A.	N.A.	1.95
		Orissa Metaliks Pvt. Ltd.	30/07/2019	3000	N.A.	N.A.	10.77

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP					
		Orissa Metaliks Pvt. Ltd.	06/08/2019	5000	N.A.	N.A.	9.58
		Orissa Metaliks Pvt. Ltd.	10/07/2017	6000	17.61	N.A.	N.A.
		Orissa Metaliks Pvt. Ltd.	22/08/2017	1000	19.89	N.A.	N.A.
		Orissa Metaliks Pvt. Ltd.	30/10/2017	2000	13.86	N.A.	N.A.
		Orissa Metaliks Pvt. Ltd.	19/10/2017	1000	1.93	N.A.	N.A.
		Parag Vinimoy Pvt. Ltd.	20/12/2019	1000	N.A.	N.A.	5.67
		Parag Vinimoy Pvt. Ltd.	24/06/2019	2000	N.A.	N.A.	17.55
		Parag Vinimoy Pvt. Ltd.	24/07/2019	3000	N.A.	N.A.	3.00
		Rosemary Sponge & Ispat Pvt. Ltd.	11/06/2019	2000	N.A.	N.A.	27.41
		Rosemary Sponge & Ispat Pvt. Ltd.	09/07/2019	2000	N.A.	N.A.	14.19
		Rungta Sons Pvt. Ltd.	16/08/2019	2000	N.A.	N.A.	1.75
		Rungta Sons Pvt. Ltd.	20/03/2019	2000	N.A.	N.A.	48.92
		Rungta Mines Ltd.	02/11/2016	2000	N.A.	13.67	N.A.
		Rungta Mines Ltd.	27/09/2019	4000	N.A.	N.A.	20.00
		Rungta Mines Ltd.	11/10/2019	4000	N.A.	N.A.	26.50
		Rungta Mines Ltd.	15/01/2019	10000	N.A.	N.A.	4.40
		Rungta Mines Ltd.	27/09/2019	4000	N.A.	N.A.	4.30
		Rungta Mines Ltd.	23/10/2018	2000	N.A.	29.71	112.5
		Rungta Mines Ltd.	23/11/2018	3000	N.A.	14.96	63.10
		Rungta Mines Ltd.	26/08/2019	4000	N.A.	N.A.	31.12
		S. M. Niryat Pvt. Ltd.	16/01/2020	3000	N.A.	N.A.	13.83
		S. M. Niryat Pvt. Ltd.	29/03/2019	2000	N.A.	N.A.	49.70
		S. M. Niryat Pvt. Ltd.	27/04/2019	2000	N.A.	N.A.	100.41
		S. M. Niryat Pvt. Ltd.	30/05/2019	3000	N.A.	N.A.	33.31
		S. M. Niryat Pvt. Ltd.	25/04/2019	1000	N.A.	N.A.	15.78
		S. M. Niryat Pvt. Ltd.	05/03/2019	2000	N.A.	2.50	18.29
		S. M. Niryat Pvt. Ltd.	04/11/2019	3000	N.A.	N.A.	6.46

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP					
				Sai Resources Pvt. Ltd.	09/06/2019	2000	N.A.
		Subhra Chemicals	11/11/2019	2000	N.A.	N.A.	7.58
		Swati Concast & Power Pvt. Ltd.	27/05/2019	1000	N.A.	N.A.	19.33
		Swati Concast & Power Pvt. Ltd.	11/05/2019	2000	N.A.	N.A.	6.50
		Swati Concast & Power Pvt. Ltd.	11/05/2019	1000	N.A.	N.A.	21.66
(ii).	Allotment of undeveloped land for 180 days (both import and exports)	Undeveloped plots (180 days) Benchmark Quantity: 6 MT / sq. mtrs.					
		Existing Licensee / Users	Area in sq. mtrs.	Date of allotment	Actual mobilization of quantity of cargo per sq. mtr.		
					Yr-17-18 in MT	Yr-18-19 in MT	Yr-19-20 in MT
		Rungta Mines Ltd.	10000	15/01/2019	N.A.	5.29	7.19
(iii).	Allotment of undeveloped land for 330 days (both import and exports)	Undeveloped plots (330 days) Benchmark Quantity: 10 MT / sq. mtrs.					
		Existing Licensee / Users	Area in sq. mtrs.	Date of allotment	Actual mobilization of quantity of cargo per sq. mtr.		
					Yr-17-18 in MT	Yr-18-19 in MT	Yr-19-20 in MT
		Rawment Resources Pvt. Ltd.	10000	15/01/2019	Not applicable	5.29*	7.19
		Ripley & Co Stevedoring and Handling Pvt. Ltd.	15000	14/11/2018	Not applicable	4.94*	12.29
		Orissa Metaliks Pvt. Ltd.	15000	16/11/2018	Not applicable	28.37*	12.58
		Shyam Sel & Power Ltd.	10000	12/04/2019	Not applicable	Not applicable	4.07
		* The users could utilize the plot only for 4.5 months or less.					
(iv).	License of land inside Dock Interior Zone for storage of cargo for a period upto 5 years.	Allotment through Tender Cum Auction Basis for 5 years.					
		Existing Licensee / Users	Area in sq. mtrs.	Date of allotment	Actual mobilization of quantity of cargo per sq. mtr.		
					Yr-17-18 in MT	Yr-18-19 in MT	Yr-19-20 in MT
		Shyam Ferro Alloys Limited	5000	12/09/2018	Not applicable	10.06*	26.80
		Shyam Sel & Power Ltd.	5000	12/09/2018	Not applicable	9.88*	15.26

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP					
		Rawmet Resources Pvt. Ltd.	8000	16/09/2018	Not applicable	6.76*	8.18
		Oswal Minerals Ltd.	5000	16/09/2018	Not applicable	1.71*	6.28
		Sharp Ferro Alloys Ltd.	4000	16/09/2018	Not applicable	7.19*	20.40
* The users could utilize the plot only for 6 months or less.							
The basis of arriving at the proposed scheme to incentivize the Allotment of Common users land for Export Cargo, Allotment of undeveloped plot for 180 and 330 days, allotment of undeveloped land through Tender cum Auction for 5 years, is shown below:							
	Category of allotment	Qualification for availing remission	Benefit of HDC and Port Users from remission				
	For allotment of common users land for export cargo for 2 months	For a plot of 3000 sq. mtrs. the users needs to mobilize atleast 42000 MT in 2 months for getting 15% remission of license fees. For a plot of 3000 sq. mtrs. the users needs to mobilize more than 60000 MT in 2 months for getting 30% remission of license fees.	No MGT provision is there as per existing Land guideline. However, if the exporter performs sufficiently to avail the remission, port will gain from cargo handling charges even after allowing remission on license fees.				
	For allotment of undeveloped plot for 330 days	For a plot of 5000 sq. mtrs. the users needs to mobilize atleast 60000 MT in 330 days for getting 15% remission of license fees For a plot of 5000 sq. mtrs. the users needs to mobilize more than 75000 MT in 330 days for getting 30% remission of license fees	Present MGT for the plot is 10 MT per sq. mtrs. If the user mobilizes 60000 MT, he will be mobilizing 10000 MTs more cargo. Considering net cargo related on coal @ ₹130/- per MT approx. (on board + wharfage + differential MHC + Cleaning) the benefit earned is ₹13,00,000/- where as 15% remission amount will be ₹3,77,727/- (approx.)				
	For allotment of undeveloped plot for 180 days	For a plot of 5000 sq. mtrs. the users needs to mobilize atleast 40000 MT in 180 days for getting 15% remission of license fees. For a plot of 5000 sq. mtrs. the users needs to mobilize more than 50000 MT in 180 days for getting 30% remission of license fees.	Present MGT for the plot is 6 MT per sq. mtrs. If the user mobilizes 40000 MT, he will be mobilizing 10000 MTs more cargo. Considering net cargo related charges on coal @ ₹130/- per MT approx. (on board + wharfage + differential MHC + cleaning) the benefit earned is ₹13,00,000/- where as 15% remission amount will				

Sl. No.	Information/ Clarification sought from SPMP	Reply of SPMP		
				be ₹2,05,785/- (approx.)
		For allotment of undeveloped land through Tender Cum Auction for 5 years	For a plot of 3000 sq. mtrs. the users needs to mobilize atleast 39000 MT in 12 months for getting 15% remission of license fees. For a plot of 3000 sq. mtrs. the users needs to mobilize 49500 MT in 12 months for getting 30% remission of license fees.	No MGT provision has been kept. However, if the user performs sufficiently to avail the remission, port will gain from cargo handling charges even after allowing remission on license fees.
Note: For higher mobilization of cargo, the financial benefits of port as well as the remission to be granted will increase.				
E.	The SPMP has not proposed any methodology for calculating the actual achievement of quantity of cargo per sq. meter mobilized for a plot during the license period, which to be furnished, and include as a conditionality in the proposed Scale of Rates (SOR).	<p><u>For Import Cargo:</u></p> <p>The import quantity will be ascertained from the Draft Survey Report after completion of the vessel's discharge. The total discharge quantity will be stored in the plot allotted to the concerned user and the achievement will be computed considering the total time required to evacuate the entire cargo from the plot.</p> <p>For computing the cargo mobilization per sq. m area the total quantity mobilized through a particular plot during the license period either through Import or Export, which will be ascertained from the Final Draft Survey Report, will be considered for computing the remission.</p> <p><u>For Export Cargo:</u></p> <p>HDC maintains stock records of each and every plot, which the licensees of plots updates with the volume of cargo stored by them in each plot under their possession. The cargo mobilization per sq. m from a particular plot will be computed on the basis of the quantum of cargo shipped from that particular plot which will be ascertained from the Final Draft Survey Report after completion of work of each and every vessel.</p>		
F.	The SPMP to confirm that the remissions to be granted on account of the proposal to be approved by the Authority does not have linkage to Section 53 of the Major Port Trust Act, 1963.	Section 53 of MPT Act allows provisions for exemption, remission of rates or charges on any goods or vessels or class of goods or vessels from the payment of any rate or any charge leviable in respect thereof according to any scale in force under this Act or remit the whole or any portion of such rate or charge so levied. Therefore, it does not have any provisions for exemption, remission of rates or charges on license fees of land. Hence the remission proposed by SMP, Kolkata do not have linkage to Section 53 of the MPT Act.		

6. In view of the outbreak of COVID – 19 and in pursuance of the Ministry of Shipping (MOS) letter No. 11053/30/2020-Coord. dated 16 April 2020 to hold virtual meetings, a joint hearing on the case in reference was held on 20 January 2021 through Video Conferencing. At the joint hearing, SPMP made a brief power point presentation of its proposal. The SPMP and the users/ user organizations/ Lessees have made the submissions during the joint hearing.

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

8. With reference to the totality of information furnished by the SPMP the following position emerges:

- (i). The Rent Schedule for the lands and buildings of Syama Prasad Mookerjee Port (SPMP) [erstwhile Kolkata Port Trust (KOPT)] was last approved by this Authority vide Order No.TAMP/62/2016-KOPT dated 29 March 2017 following the provisions of the Land Policy Guidelines for Major Port Trusts, 2014, as amended in July 2015. The said Rent Schedule has come into effect from 7 April 2016 and is valid for a period of 5 years i.e. upto 6 April 2021.

In this backdrop, on the ground that the logistics chain related to businesses including traders, importers, exporters, port operators, shipping lines, transporters etc. are facing huge challenge in maintaining their business due to lower trade volume as well as cash flow issues on account of the ongoing pandemic situation, the SPMP has come up with a proposal seeking approval for allowing remissions on the compensation charges as well as on the license fees on the Land allotted to the customers in the Dock Interior Zone at Haldia Dock Complex (HDC) of SPMP. The proposal of the port has the approval of its Board of Trustees.

- (ii). In this connection, it is relevant here to mention that the Land Policy Guidelines of 2014 does not specifically mandate to prescribe any remission or incentive scheme to be granted by port in case of licence fees. However, reference is drawn to the Berthing Policy, 2016, issued by Ministry of Ports, Shipping & Waterways (MOPSW) [erstwhile Ministry of Shipping] wherein the Major Port Trusts are directed to prescribe the performance norms and grant incentives / penalty in accordance with the provisions contained in the ibid policy to encourage the port users for deriving higher productivity and achieving reduction in the turnaround time and effective utilisation of port's resources. Similarly, the proposal of SPMP in reference is to encourage the lessees for the faster evacuation of the cargo and thereby encourage optimum utilization of its land resources.
- (iii). The proposal of the port was received in November 2020. Thereafter, additional information/ clarification has been furnished by the Port in February 2021. The said proposal alongwith the additional information/ clarification furnished by the Port is considered in the analysis.
- (iv). The SPMP has proposed to relax the compensation charges to be payable by the lessees for unauthorized occupation of land beyond the license period. The port has furnished statistics for the last three years, which reveals that the cargo continues to occupy the land even beyond the license period. Accordingly, the proposal of the port envisages reduction in the compensation charges for the period of occupation between 31-60 days from existing 5 times to 3 times of the prevailing SOR. Likewise, for the period of occupation beyond 60 days, the port has proposed to reduce the compensation charges from the existing 10 times to 5 times of the prevailing SOR.

The reason for the proposed relaxation is reported to be instances where the residual cargo is abandoned by the lessees, so as to avoid payment of high compensation charges by them to SPMP for unauthorized occupation, beyond the licence period. Moreover, given that the license fees of SPMP is higher than the other neighboring ports, the SPMP has reported to have experienced a shift of cargo / vessels to the neighboring ports. Thus, in order to retain the existing customers and to ensure that the users who required more time to evacuate cargo from the port due to their business requirement, are not penalized heavily, the port has come up with the proposal to relax the compensation charges.

Considering that the Board of Trustees of SPMP has approved the proposal and also since the users have expressed their support to the reduction in the compensation

charges for unauthorized occupation, this Authority is inclined to approve the proposed modification in the existing Rent Schedule.

- (v). The SPMP has introduced certain percentage of remissions on the applicable license fees to the licensees who surrender their plots early or mobilize more cargo during the specific license period.

The SPMP has stated that though there is an availability of about 9,27,000 sq. mtrs. of plot for storage of Import and Export cargo inside the Dock Interior Zone (DIZ) at HDC, yet there is acute scarcity of storage area due to long occupation, since the lessees have the tendency to continue to make use of the plot for the period for which it has been allotted and delay the evacuation process. The proposed remission of license fees based on their evacuation and mobilization performances is reported to encourage the deserving licensees to improve the evacuation process, thereby resulting in increased cargo throughout through HDC and thereby resulting in increased revenue generation to the port.

The port has also furnished workings to support that the amount of remission to be granted to the lessees of plots, would enable the port to comparatively generate more revenue due to availability of space on account of faster turnaround.

In view of the above and considering that the Board has approved the proposal, this Authority is inclined to incorporate the provisions relating to remissions against license fees for the allotment of land on license basis inside the Dock Interior Zone for storage of cargo, as proposed by the Port.

- (vi). Incidentally, though the Steel Authority of India (SAIL) has welcomed the proposal of the Port, it has also stated that the scheme appears to be an incentive scheme for increasing imports by the port rather than rendering remission to the lessees. In this regard, the port has categorically stated that the proposed scheme of allowing remission in license fees is indeed an incentive scheme through which the users, who mobilizes more volume of cargo, will be benefitted under the scheme. The port has stated that the proposal will enable the port to have a better roll over of the plots by way of providing incentives so that holding of plots by non-performers can be discouraged.
- (vii). While furnishing additional information/ clarification, the SPMP has proposed a methodology for calculating the actual achievement of quantity of cargo per sq. meter mobilized in a plot during the license period, separately for both import cargo and the export cargo. The prescription of the said methodology in the Scale of Rates would avoid any ambiguity and would give clarity to the users as to the method to be adopted by the port for calculation of the quantum of cargo that has been mobilized in a plot during the license period. The proposed methodology is in tandem to the remissions proposed by SPMP. In view of the above, this Authority approves incorporation of the methodology as proposed by the Port.
- (viii). Orders of this Authority generally come into effect prospectively after expiry of 30 days from the date of Gazette Notification unless otherwise different arrangement is specifically mentioned in the respective tariff Orders. Accordingly, this Authority is inclined to grant approval to modify the existing note at Sl. No 11 and introduce new note no. 16 and 17 in the Rent Schedule for allotment of land and buildings of SPMP at HDC prospectively after the expiry of 30 days from the date of Notification of the Order (to be passed) in the Gazette of India.

9.1. In the result, and for the reasons given above and based on a collective application of mind, this Authority approves the following:

- (i). To Replace the existing Note at Sr. No. 11 in the Para-B “For licensing of land / covered space inside Dock Interior Zone for transit storage of import / export cargo” under the ‘HDC Conditionalities’ in the existing Rent Schedule for allotment of land and buildings of SPMP at HDC with the following:

11.	After the expiry/termination/ determination/ forfeiture of the licence, if the licensee continues to occupy it unauthorizedly, the licensee shall be liable to pay compensation for wrongful use and occupation at the following rates till vacant possession is obtained: -		
	First 60 days	3 times the rate as per prevailing SOR	
	Continued unauthorized occupation beyond 60 days	5 times the rate as per prevailing SOR	

- (ii). To incorporate the following two Notes at Sr. No. 16 and Sr. No. 17 in the Para-B “For licensing of land / covered space inside Dock Interior Zone for transit storage of import / export cargo” under the ‘HDC Conditionalities’ in the existing Rent Schedule for allotment of land and buildings of SPMP at HDC:

Para	Description																																																				
16.	<p>In case license of land inside Dock Interior Zone for storage of cargo for a period up to 11 months, allotted on license, remission against license fees shall be extended as follows:</p> <p>A) For allotment of Land on ship to ship basis for Import Cargo</p> <table border="1"> <thead> <tr> <th>Cargo Quantity</th> <th>Initial license period + extension</th> <th>Time taken to vacate the plot</th> <th>Proposed % of remission on the license fees</th> </tr> </thead> <tbody> <tr> <td rowspan="2">From 15000 MT upto 25000 MT</td> <td rowspan="2">90 days</td> <td>30 days</td> <td>30%</td> </tr> <tr> <td>45 days</td> <td>15%</td> </tr> <tr> <td rowspan="2">From 25001 MT upto 40000 MT</td> <td rowspan="2">90 days</td> <td>45 days</td> <td>30%</td> </tr> <tr> <td>67 days</td> <td>15%</td> </tr> <tr> <td rowspan="2">From 40001 MT upto 80000 MT</td> <td rowspan="2">120 days</td> <td>60 days</td> <td>30%</td> </tr> <tr> <td>90 days</td> <td>15%</td> </tr> <tr> <td rowspan="2">Above 80000 MT</td> <td rowspan="2">180 days</td> <td>90 days</td> <td>30%</td> </tr> <tr> <td>135 days</td> <td>15%</td> </tr> </tbody> </table> <p>B) For allotment of developed land for 180 days (Import and Export)</p> <table border="1"> <thead> <tr> <th>Cargo mobilization through the concerned plot</th> <th>Proposed % of Remission on the license fees</th> </tr> </thead> <tbody> <tr> <td>From 12 MT per sq. mtr. to 15 MT per sq. mtr.</td> <td>15%</td> </tr> <tr> <td>Above 15 MT per sq. mtr.</td> <td>30%</td> </tr> </tbody> </table> <p>C) For allotment of developed land for 330 days (Import and Export)</p> <table border="1"> <thead> <tr> <th>Cargo mobilization through the concerned plot</th> <th>Proposed % of Remission on the license fees</th> </tr> </thead> <tbody> <tr> <td>From 22 MT per sq. mtr. to 27 MT per sq. mtr.</td> <td>15%</td> </tr> <tr> <td>Above 27 MT per sq. mtr.</td> <td>30%</td> </tr> </tbody> </table> <p>D) For allotment of common users land for Export Cargo</p> <table border="1"> <thead> <tr> <th>Cargo mobilization through the concerned plot</th> <th>Proposed % of Remission on the license fees</th> </tr> </thead> <tbody> <tr> <td>(i). From 14 MT per sq. mtr. during subsequent extension of license period.</td> <td>15%</td> </tr> <tr> <td>(ii). Above 20 MT per sq. mtr. during subsequent extension of license period.</td> <td>30%</td> </tr> </tbody> </table> <p>E) For allotment of undeveloped land for 330 days (Import and Export)</p> <table border="1"> <thead> <tr> <th>Cargo mobilization through the concerned plot</th> <th>Proposed % of Remission on the license fees</th> </tr> </thead> <tbody> <tr> <td>From 12 MT per sq. mtr. to 15 MT per sq. mtr.</td> <td>15%</td> </tr> <tr> <td>Above 15 MT per sq. mtr.</td> <td>30%</td> </tr> </tbody> </table>	Cargo Quantity	Initial license period + extension	Time taken to vacate the plot	Proposed % of remission on the license fees	From 15000 MT upto 25000 MT	90 days	30 days	30%	45 days	15%	From 25001 MT upto 40000 MT	90 days	45 days	30%	67 days	15%	From 40001 MT upto 80000 MT	120 days	60 days	30%	90 days	15%	Above 80000 MT	180 days	90 days	30%	135 days	15%	Cargo mobilization through the concerned plot	Proposed % of Remission on the license fees	From 12 MT per sq. mtr. to 15 MT per sq. mtr.	15%	Above 15 MT per sq. mtr.	30%	Cargo mobilization through the concerned plot	Proposed % of Remission on the license fees	From 22 MT per sq. mtr. to 27 MT per sq. mtr.	15%	Above 27 MT per sq. mtr.	30%	Cargo mobilization through the concerned plot	Proposed % of Remission on the license fees	(i). From 14 MT per sq. mtr. during subsequent extension of license period.	15%	(ii). Above 20 MT per sq. mtr. during subsequent extension of license period.	30%	Cargo mobilization through the concerned plot	Proposed % of Remission on the license fees	From 12 MT per sq. mtr. to 15 MT per sq. mtr.	15%	Above 15 MT per sq. mtr.	30%
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F) For allotment of undeveloped land for 180 days (Import and Export)	
Cargo mobilization through the concerned plot	Proposed % of Remission on the license fees
From 8 MT per sq. mtr. to 10 MT per sq. mtr.	15%
Above 10 MT per sq. mtr.	30%

For Import Cargo:

The import quantity will be ascertained from the Draft Survey Report after completion of the vessel's discharge. The total discharge quantity will be stored in the plot allotted to the concerned user and the achievement will be computed considering the total time required to evacuate the entire cargo from the plot.

For computing the cargo mobilization per sq. m area the total quantity mobilized through a particular plot during the license period either through Import or Export, which will be ascertained from the Final Draft Survey Report, will be considered for computing the remission.

For Export Cargo:

HDC maintains stock records of each and every plot, which the licensees of plots updates with the volume of cargo stored by them in each plot under their possession. The cargo mobilization per sq. m from a particular plot will be computed on the basis of the quantum of cargo shipped from that particular plot which will be ascertained from the Final Draft Survey Report after completion of work of each and every vessel.

17. In case license of land inside the Dock Interior Zone for storage of cargo for a period upto 5 years, allotted on license through tender cum auction basis, remission against license fees shall be extended as follows:

Cargo mobilization through the concerned plot in one year (365 days)	Proposed % of Remission on the license fees on the extant fees offered by the bidder.
More than 13 MT per sq. mtr. upto 16.5 MT per sq. mtr.	15%
More than 16.5 MT per sq. mtr.	30%

9.2. The SPMP is directed to suitably incorporate the above provisions in its Schedule of Rent.

9.3. The said charges shall come into effect after expiry of 30 days from the date of Notification of the Order passed in the Gazette of India and its validity shall remain co-terminus to the validity of the existing Schedule or Rent of SPMP i.e. upto 06 April 2021.

(T.S. Balasubramanian)
Member (Finance)

SUMMARY OF THE COMMENTS RECEIVED FROM A USER AND THE ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

TAMP/60/2020-SPMP : Proposal received from Syama Prasad Mookerjee Port (SPMP) [Erstwhile Kolkata Port Trust (KOPT)] for allowing remissions on the compensation charges as well as on the license fees on the Land allotted to the customers in the Dock Interior Zone at Haldia Dock Complex (HDC).

The comments received from one of the users i.e. Steel Authority of India Limited (SAIL) and comments of SPMP thereon are tabulated below:

Sl. No.	Comments received from Steel Authority Of India Limited (SAIL)	Reply of SPMP												
(a).	<p>SAIL has been a regular importer of bulk cargo (Coking Coal & Limestone) through Haldia port. During the year, the pandemic has impacted severely particularly during the Q-1 & Q-2 affecting steel production by 40-50% and in turn disrupted procurement of imported raw materials. Due to nature of operation at SPMP, SAIL have been predominantly allotted developed plots on long term (330 days & 180 days) suitable for evacuation by rail. The proposed remission scheme is tabulated as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Allotment Category</th> <th style="text-align: center;">Eligibility for allocation</th> <th style="text-align: center;">Remission Slab (1st)</th> <th style="text-align: center;">Remission Slab (2nd)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">330 days (Developed)</td> <td style="text-align: center;">18 MTs/Sq mtr</td> <td style="text-align: center;">22-27 Mts/Sq Mtr (15% remission)</td> <td style="text-align: center;">27 mts/Sq mtr and above 30% remission</td> </tr> <tr> <td style="text-align: center;">180 days (Developed)</td> <td style="text-align: center;">10 MTs/Sq mtr</td> <td style="text-align: center;">12-15 MTs/Sq Mtr (15 % remission)</td> <td style="text-align: center;">15 mts/Sq mtr and above 30% remission</td> </tr> </tbody> </table> <p>From the above, it may be observed that HDC has offered to give remission under the present category subject to fulfillment at a higher level by the importer. The scheme appears to be an incentive scheme for increasing import rather than rendering remission for lesser fulfillments under pandemic where 10 months have already elapsed out of usual allotment period of 330 days. It is felt that HDC to consider remission of 30% plot rent irrespective of fulfillment of cargo handling.</p>	Allotment Category	Eligibility for allocation	Remission Slab (1 st)	Remission Slab (2 nd)	330 days (Developed)	18 MTs/Sq mtr	22-27 Mts/Sq Mtr (15% remission)	27 mts/Sq mtr and above 30% remission	180 days (Developed)	10 MTs/Sq mtr	12-15 MTs/Sq Mtr (15 % remission)	15 mts/Sq mtr and above 30% remission	<p>The proposed scheme of allowing remission in license fees is indeed an incentive scheme through which the users, who mobilizes more volume of cargo, will be benefitted under the scheme. However, the scheme does not provide any benefit to non-performers.</p> <p>Such proposal has been raised by HDC, SMP Kolkata to have a better roll over of the plots so that holding of plots by non-performers can be discouraged by way of providing incentives. On the contrary, by allowing blanket discount / remission on the license fees will only encourage the non-performer to hold the plots for longer period, which is detrimental to the interest of the Port and better performing Port users like SAIL.</p>
Allotment Category	Eligibility for allocation	Remission Slab (1 st)	Remission Slab (2 nd)											
330 days (Developed)	18 MTs/Sq mtr	22-27 Mts/Sq Mtr (15% remission)	27 mts/Sq mtr and above 30% remission											
180 days (Developed)	10 MTs/Sq mtr	12-15 MTs/Sq Mtr (15 % remission)	15 mts/Sq mtr and above 30% remission											
(b).	<p>HDC is collecting Security Deposit against allotment of each plot for storage to the tune of 1 month rent which is held back throughout the tenure of the plot allotment. This is causing burden particularly on the user like SAIL having taken a</p>	<p>The contention of SAIL has got no relevance with the instant proposal. However, the request of SAIL is under active examination by the appropriate authority of SMP, Kolkata.</p>												

Sl. No.	Comments received from Steel Authority Of India Limited (SAIL)	Reply of SPMP
	large area of storage plot. It is felt that HDC should consider a fixed amount towards security to reduce burden on the users and same should be rotated periodically. A suitable scheme may be formulated accordingly to extend relief to the users.	

2. In view of the outbreak of COVID – 19 and in pursuance of the Ministry of Shipping (MOS) letter No. 11053/30/2020-Coord. dated 16 April 2020 to hold virtual meetings, a joint hearing on the case in reference was held on 20 January 2021 through Video Conferencing. At the joint hearing, SPMP made a brief power point presentation of its proposal. The SPMP and the users/ user organizations/ Lessees have made the following submissions during the joint hearing:

HDC, SPMP

- (i). Land has been allotted to various importers/ exporters in the Dock Interior Zone of HDC. The highest slab of 10 times of Compensation charges for unauthorized occupation of land is considered to be very high and on many occasions, the importers/ exporters have abandoned their residual cargo, so as to avoid paying high compensation charges.
- (ii). Considering the difficulties faced by the Trade due to the ongoing pandemic situation, it has been decided to relax the compensation charges for wrongful use and occupation of land beyond the license period. Thus, for an unauthorized occupation, instead of levying 3 times/ 5 times/ 10 times of the SOR during 1st 30 days/ next 30 days/ continued unauthorized occupation respectively, it has been decided to levy 3 times/ 5 times of the SOR during 1st 60 days/ continued unauthorized occupation respectively.
- (iii). Further, it has been decided to give remission on the applicable license fees in the range of 15% to 30%, when the licensee vacates the plot early as compared to the period for which License has been allotted Land for storage of cargo.
- (iv). At present the evacuation rate at HDC is slow due to which there is an acute shortage of storage area inside the Dock. The remission is proposed so that it would encourage importers for quick evacuation of cargo and early surrender of storage area. This will enable the port to roll over the storage area, thereby enabling catering to the requirement of more no. of vessels. This will generate more revenue to the Port.

Global Enterprises

- (i). From when will the remission begin?

HDC - We propose to implement these provisions prospectively after receipt of approval from TAMP.

TMILL

- (i). We have already entered into licence agreement with HDC. It is still on. How will the benefit of remission be passed on to us?

HDC - The provision relating to remission will be considered only when you come for renewal of the licence agreement. It cannot be made applicable in the payment of rentals as per the current licence agreement.)

SAIL

- (i). It is a welcome step.
- (ii). However, we need to highlight that HDC is collecting Security Deposit against allotment of each plot for storage to the tune of 1 month rent which is held back throughout the tenure of the plot allotment. This is causing burden who have taken a large area of storage plot. The HDC should consider a fixed amount towards security and periodically rotate the same. This will reduce burden on the users.

HDC - We have received similar requests from other users as well. We are examining it. Nevertheless, this aspect has no bearing on the subject proposal in reference.

Shyam Sel & Power Limited

- (i). The scheme appears to be an incentive scheme for increasing imports.

HDC - If you perform and mobilise more cargo, you will get the remission.

AME Group

- (i). We have no comments.

HDC, SPMP

- (i). We will respond to TAMP's queries and users comments within a week.

Dy. Chairman, HDC

- (i). The basic intention of the proposal is to get more cargo to the port. We seek co-operation and support from TAMP. TAMP Order will help the port.
