

FA/Cost/125/2017/

21/04/2017

To
The Chairman,
The Tariff Authority for Major Ports,
4th Floor, Bhandar Bhavan,
M.P. Road, Mazgaon,
MUMBAI 400 010.

Sir,

Sub: Revision of Estate Rentals

The Tariff Authority for Major Ports (TAMP), vide its Order No. TAMP/8/2012-MOPT dated 8th August, 2012, has approved the Scale of Rates for the Estate Rentals of Mormugao Port Trust. The same has been notified in the Gazette of India, Extraordinary (Part III Section 4) on 01/10/2012 vide Gazette No. 215. The revised Scale of Rates of Estate Rentals of Mormugao Port Trust was effective from 16th June, 2012 and the same is valid upto 15th June, 2017.

The Scale of Rates revised during June 2012 did not include the rates for Buildings/Sheds. A separate proposal was sent to TAMP after the approval of the Board. TAMP vide its Order No. TAMP/32/2015-MOPT dated 27.02.2016 has approved the lease rentals of various Port Structures and the same has been notified in the Gazette of India, Extraordinary (Part III Section 4) on 13.04.2016 vide Gazette No. 134. The fixation of Lease Rentals of various Port Structures was effective from 13.05.2016.

It is proposed to consolidate the rate revision proposal on land rentals and rentals for various Port Structures. The method of fixation of lease rent has to be as per

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clause 18 (b) based on the market value determined as per clause 18 (a) of the Land Policy Guidelines, 2014. The market value of the land has to be assessed as per the five factors prescribed in clause 18 (a) of the Land Policy Guidelines.

As such, the Port has appointed M/s Kanti Karamsey & Co. approved land valuers to value the various land and buildings. Accordingly, the valuer has valued the land, foreshore area and buildings, the summary of which is enclosed at **Annexure – I**. The highest land rate for Mormugao as per the Govt. of Goa notification is ₹ 3,500/- per m². **(Annexure - II)**.

The Land Policy Guidelines stipulates the rentals to be fixed at a minimum of 6% of the latest market value. Based on the above valuations, the monthly rentals for Port land, foreshore area and buildings excluding Service Tax have been worked out at 6% of the highest of valuation arrived at as per the Land policy or the Current rent / Licence fee as per SoR whichever is higher. **(Annexure-III)**. The rent so fixed for land and Foreshore Area shall be escalated by 2% per annum and rent for building to be escalated by 5% per annum. The matter was placed before the Land Allotment Committee which met on 11.04.2017 and recommended revision of rentals as proposed at **Annexure - IV**.

The proposal was placed before the Board on 21.04.2016 and the same was approved by the Board. The Board Resolution is being finalized and will be submitted.

The TAMP may kindly consider the revision of Estate Rentals and the same may be included for joint hearings to be held on 2nd May, 2017 at MoPT. The draft Scale of Rates for the above proposal is placed at **Annexure – V**.

Thanking you,

Yours faithfully,

Sd/-
(Vinayaka Rao)
Financial Advisor &
Chief Accounts Officer