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TARIFF AUTHORITY FOR MAJOR PORTS

G. No. 224 **New Delhi,** **17 June 2015**

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 the Paradip Port Trust (PPT) for revision of Scale of Rates (SOR) for allotment of Port land and built up space, 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 - - - **Applicant**

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Chandra Bhan Singh, Member (Economic)

O R D E R

(Passed on this 15th day of May 2015)

This case relates to a proposal received from the Paradip Port Trust (PPT) for revision of Scale of Rates (SOR) for allotment of Port land and built up space.

2. The PPT had initially vide its letter dated 23 September 2014 filed a proposal for revision of Scale of Rates (SOR) for allotment of Port land and built up space. In this regard, it was seen that all information / documents as listed in the check-list of the documents / information to be submitted for filing the proposal for revision of Lease rents of Land of Major Ports was not found furnished by the PPT. Further, the proposal did not contain the copy of the Board Resolution passed by the Board of Trustees of PPT approving in toto the proposal of the PPT. The PPT was, therefore, requested vide our letter dated 13 October 2014 to furnish the requisite information.

3.1. In this connection, the PPT under cover of its letter dated 11 November 2014 has filed a proposal for revision of Scale of Rates (SOR) for allotment of Port land and built up space.

3.2. On a preliminary scrutiny of the proposal, it was seen that PPT had not furnished the draft Scale of Rates. Further, the PPT had furnished the contact details of 172 nos. of individual lease holders to whom the lease hold land has been allotted. Accordingly, the PPT was requested vide our letter dated 19 November 2014 to forward us the draft Scale of Rates and also the name and contact details of representative bodies of concerned users and major users, who have to be consulted in the case in reference.

3.3. In this connection, the PPT vide its letter dated 01 December 2014 has stated that there is no representative body of port users functioning at present and has furnished the names of 9 major users. The PPT has furnished some workings relating to its proposal.

3.4. Subsequently, the PPT vide its e-mail dated 08 December 2014 has furnished the proposed draft Scale of Rates.

4.1. The main points made by the PPT in its proposal dated 11 November 2014 are summarized below:

(i). Before implementation of Land Policy Guidelines, 2014, the SOR for allotment of land on license and lease basis is being carried out only with due approval by the Board and the Chairman, PPT. Similarly, the allotment of built up apace is also carried out as per the approved rate of the Board.

(ii). The following charges are being collected for allotment of land and built up space:-

I. Allotment of land on lease basis for a period up to 30 years:
   (i). Up front premium for the entire lease period (one time)
   (ii). Nominal ground rent to be paid annually.
   (iii). Development cost @ 240/- per 100 Sft. (one time)
   (iv). Processing fees of ₹1,500/- for preparation of documents
   (v). Other Govt. taxes such as Service Tax etc.

II. Allotment of land on license basis:

(i). Up front premium for the entire license period subject to enhancement @ 15% excess over and above the last time premium for renewal/ extension.

(ii). Ground rent for the entire license period.

(iii). Other Govt. taxes such as Service Tax etc.

III. Allotment of Built up space on license basis for the period up to 6 years:

(i). Up front premium for the entire license period and enhancement @ 15% excess over and above the last time premium for renewal/ extension.

(ii). Nominal rent on monthly basis per sft. for the entire license period.

(iii). Development cost @ 240/- per 100 Sft. (one time)

(iv). Other Govt. taxes such as Service Tax etc.

IV. On license basis for the purpose of road, conveyor, pipelines etc:

(i). Ground rent to be paid for the entire license period.

(ii). Other Govt. taxes such as Service Tax etc.

(iii). The last revision of Scale of rate for allotment of land on lease basis (upfront) was approved by the Board of Trustees on 16.04.2005 and the same is due for revision w.e.f. 04/2010. The copy of the Scale of Rates approved by the Board per acre (upfront premium and nominal annual lease rentals) for allotment of Port land on lease basis for a period up to 30 years is furnished).

(iv). Based on the tender price received in an open tender, Board of Trustees on 19.08.2005 have approved to charge ₹35.20 lakhs per acre for 30 years as upfront value for allotment of land on lease basis. However, with the due approval of Chairman, PPT, in the year 2008 the allotment period was reduced to 20 years in place of 30 years for the same upfront value and thereafter, upfront value has become ₹35.20 lakhs per acre for 20 years and the same is being followed till today.

(v). In case of allotment of land (open space) on license basis, for the period up to six years, the Scale of Rates for allotment of open spaces on license basis was approved by the Board of Trustees on 04.10.2000. Subsequently, in the year 2002, the Offset price for allotment of open space was also fixed with due approval of the Chairman, PPT on 20.05.2002. The copy of scale of rates approved by the Board in the year 2000 and the offset price by the Chairman, PPT in the year 2002 are furnished.

(vi). In accordance to the approval of the Board, the offset price has been enhanced @ 15% for the period of 6 years and the ground rent of open space was enhanced @ 5% per annum. Due to such enhancement no revision has been effected so far.

(vii). The license fees for allotment of market units for six years was approved by the Board of Trustees on 04.10.2000 and offset value for six years on 01.10.2001 The upfront value is valid for a period of six years and same is charged on sq. ft. basis with enhancement of 15% on every renewal at an interval of six years. The nominal building rent also charged on sq.ft. per month basis and the same was enhanced @ 5% per annum. The rate approved by the Board of Trustees in the year 2000 and 2001 are furnished. It is pointed out here that the allotment of land on ROW basis without offset price was covered under this SOR approval.

(viii). PPT had initiated the proposal for revision of land rates in the year 2011. However, the same could not be completed as the Ministry of Shipping intimated to wait for New Land Policy Guidelines. In the meanwhile many leases and licenses have expired. As the renewal of lease/ license could not be possible due to absence of Land Policy Guidelines, Board of Trustees in their meeting held on 26.12.2012 have instructed to collect the existing scale of rates from the lessees and licensees till the issuance of new Land Policy Guidelines subject to the condition that lessees and licensees have to give an undertaking to pay the differential rates, if any, after revision. Accordingly, existing lease and license fees have been collected from the allottees.

(ix). In accordance with the Land Policy Guidelines 2014, PPT has engaged the Valuer for collection of relevant data such as bench mark value fixed by State Government, conducting field survey etc., and to suggest the market value & SOR for allotment of Port land. The copy of the Valuer report containing with the relevant documents collected by him is furnished.

(x). The valuation report was examined by the Land Allotment Committee in their meeting dated 11.09.2014. After detailed deliberation, the Committee has approved the SOR suggested by the Valuer with some modification. The proceedings of the Land Allotment Committee along with SOR finalized by the Committee are furnished.

(xi). The SOR finalized by the Committee is for the base year of 2014, but as stated earlier this SOR shall be made applicable from retrospective date of 04/2010. In view of this, it is proposed the base price fixed by the Committee for the year 2014 for annual lease will be taken as bench mark and backward calculation will be made with 2% reduction (cumulative) to arrive at the SOR for the year 2010 and proportionate dues will be realized on annual lease basis inspite of the fact that allotment is on upfront or annual lease up to implementation of SOR**.**

(xii). The Board of Trustees have approved for implementation of Land Policy Guidelines in their meeting held on 28.03.2014 w.e.f. 1st January, 2014. In the said Memorandum, Board of Trustees has also approved that on finalization of SOR by the Land Allotment of Committee, the same shall be sent directly to TAMP to avoid delay. On approval of TAMP, the same can be placed before the Board for ratification. In accordance to the Board decision, the SOR recommended by Land Allotment Committee has been sent to TAMP before approval of the Board. However, as per the advice of TAMP, the Board of Trustees in their meeting dated 21.10.2014 has approved the SOR recommended by the Land Allotment Committee. The copy of the Board's approval is furnished.

(xiii). It is pertinent to mention here that the proposed Scale of Rate is for the areas located outside the custom bond area relating to non-Port related activities, for which no information relating to the Harbour area has been provided in Form No.1 except the area. The SOR related to harbor area will be submitted by PPT separately.

4.2 The details of draft Scale of Rates as furnished by the PPT under cover of its e-mail dated 8 December 2014 are given below:

Detail abstract of schedule of market value of land and reserve price for Paradip Port Trust land (outside the custom bond area)

Sl. No.	**Description of Category (zone-wise)**	**Market value of land on 14.08.2014 (as per reports submitted by Valuer) (in ₹)**	**Reserve price in terms of lease rent @ 6% of market value of land w.e.f. 14.08.2014 (in ₹)**
1.	Township Zone	1,82,00,000	10,92,000
2.	Industrial Zone	1,56,00,000	9,36,000

3.	Sector-21 Zone	1,37,00,000	8,22,000
4.	Haridaspur Zone	5,27,500	31,650

NOTE:

(i). The market value/ reserve price prescribed above will be effective from 01.08.2014 and remain valid till 13.08.2019. The said revised reserve price will be effected from 01.04.2010 retrospectively by reducing 2% every year as the revision of Port land is due from 01.04.2010

(ii). The above rates are exclusively for non-Port related activities. In case of Port related activities the rate applicable inside the Custom bond area will be made applicable.

(iii). The reserve price in terms of annual lease premium basis rent prescribed above shall bear an escalation factor of 5% every year and the allotment of land on upfront basis will bear escalation of 2% per annum for a period of 30 years.

(iv). The other conditions governing the lease rental/ license fee shall be as per the Land Policy Guidelines of 2014 issued by the Ministry of Shipping, Govt. of India.

(v). In addition to the above, Paradip Port Trust has worked out the proposed rates for allotment of open spaces on license basis like market units, incidental temporary allotment.

(vi). Further, Paradip Port Trust has worked out the proposed rates for grant of permission on Right of Way (ROW) for laying of pipelines, cables, conveyors etc.

(vii). Paradip Port Trust also proposed to collect the supervision charges on laying of pipelines, cables, conveyors etc, @ 15% on the cost of materials and laying as one time.

(viii). It is worked out to collect the development cost @ ₹405/- per 100 sft. on allotment of land on lease basis.

(ix). Proposed SOR for allotment of non-residential building outside the custom bond area on annual lease basis the rates are furnished.

SOR for allotment of open space on license basis for various purpose other than Non-Cargo related.

A. (Township Zone)

Sl. No.	Open Space outside the Custom Bond Area	Approved rate in the year, 2000	Revised rate effecting from the 2014 per Sqm. / day
1	Opera	₹ 0.50/- per Sqm./ day. Minimum ₹ 200/- per day or part thereof	₹ 3.87/-
2	Circus	₹ 0.30/- per Sqm./ day. Minimum ₹ 125/- per day or part thereof	₹ 2.32/-
3	Exhibition:-		
	Commercial	₹ 0.25/- per Sqm./ day. Minimum ₹ 15/- per day or part there of	₹ 1.94/-
	Non-commercial	₹ 0.15/- per Sqm. / day. Minimum ₹ 15/- per day or part thereof	₹ 1.16/-
4	(i) Sweet, Meat, Tea Stall, Hotel etc	₹ 7/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part thereof	₹ 1.86/-
	(ii) Betel Shop/Book Stall/Green Coconut/Milk Booth/Engg. Shop/ Carpentry/Lundry etc.	₹ 7/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part thereof	₹ 1.86/-
	(iii) Cold Drinks Shop	₹ 15/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part thereof	₹ 3.87/-
	(iv) Enhancement / improvement of facility to the existing units.	₹ 25/- per Sqm. / Calendar Month or part thereof	₹ 6.42/-

Sl. No.	Open Space outside the Custom Bond Area	Approved rate in the year, 2000	Revised rate effecting from the 2014 per Sqm. / day
5	For commercial use other than as indicated under Sl. No.3	₹ 0.25/- per Sqm. / day or part thereof.	₹ 1.94/-
6	Sling preparation	₹ 10/- per Sqm. / Calendar Month or part there of	₹ 2.56/-
7	Contractor side camp / labour Shed	₹ 3/- per Sqm. / Calendar Month or part there of	₹ 0.77/-
8	Cultural Functions (Non-commercial) like Communicy Puja, Drama Pendal etc.	₹ 0.15/- per Sqm. / day. Minimum ₹ 15/- per day	₹ 1.16/-
9	Fire wood / Bamboo / Coal Depot.	₹ 1/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 150/- per month or part thereof	₹ 0.23/-
10	Daily license fee from irregular Vendors	₹ 3/- per day	₹ 23/-
11	Collection of damage fee from irregular vendors during festival period	₹ 10/- per day upto 10 Sqm.	₹ 78/- per 10 Sqm. / day.
12	(i) Hoarding	₹ 20/- per Sft. / year or part there of (₹ 215.21/- per Sqm. / year or part thereof)	₹ 4.57/-
	(ii) Wall painting	₹ 4/- per Sft. / year or part there of (₹ 43.04/- per Sqm. / year or part thereof)	₹ 0.85/-

<u>SOR for allotment of open space on license basis for various purpose other than Non-Cargo related.</u>

B. (Industrial Zone)

Sl. No.	Open Space outside the Custom Bond Area	Approved rate in the year, 2000	Revised rate effecting from the 2014 per Sqm. / day
1	Opera	₹ 0.50/- per Sqm. / day. Minimum ₹ 200/- per day or part there of	₹ 3.32/-
2	Circus	₹ 0.30/- per Sqm. / day. Minimum ₹ 125/- per day or part there of	₹ 1.99/-
3	Exhibition:-		
	Commercial	₹ 0.25/- per Sqm. / day. Minimum ₹ 15/- per day or part there of	₹ 1.66/-
	Non-commercial	₹ 0.15/- per Sqm. / day. Minimum ₹ 15/- per day or part there of	₹ 1/-
4	(v) Sweet, Meat, Tea Stall, Hotel etc	₹ 7/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part there of	₹ 1.59/-
	(vi) Betel Shop/Book Stall/Green Coconut/Milk Booth/Engg. Shop/ Carpentry/Lundry etc.	₹ 7/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part there of	₹ 1.59/-
	(vii) Cold Drinks Shop	₹ 15/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part there of	₹ 3.32/-
	(viii) Enhancement / improvement of facility to the existing units.	₹ 25/- per Sqm. / Calendar Month or part there of	₹ 5.51/-
5	For commercial use other than as indicated under Sl. No.3	₹ 0.25/- per Sqm. / day or part there of.	₹ 1.66/-
6	Sling preparation	₹ 10/- per Sqm. / Calendar Month or part there of	₹ 2.19/-
7	Contractor side camp / labour Shed	₹ 3/- per Sqm. / Calendar Month or part there of	₹ 0.66/-
8	Cultural Functions (Non-commercial) like Communicy Puja, Drama Pendal etc.	₹ 0.15/- per Sqm. / day. Minimum ₹ 15/- per day	₹ 1/-
9	Fire wood / Bamboo / Coal Depot.	₹ 1/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 150/- per month or part there of	₹ 0.20/-
10	Daily license fee from irregular Vendors	₹ 3/- per day	₹ 20/-
11	Collection of damage fee from irregular vendors during festival period	₹ 10/- per day upto 10 Sqm.	₹ 66.40/- per 10 Sqm. / day.
12	(iii) Hoarding	₹ 20/- per Sft. / year or part there of (₹ 215.21/- per Sqm. / year or part there of)	₹ 3.92/-
	(iv) Wall painting	₹ 4/- per Sft. / year or part there of (₹ 43.04/- per Sqm. / year or part there of)	₹ 0.73/-

<u>SOR for allotment of open space on license basis for various purpose other than Non-Cargo related.</u>

C. (Sector-21 Zone)

Sl. No.	Open Space outside the Custom Bond Area	Approved rate in the year, 2000	Revised rate effecting from the 2014 per Sqm. / day
1	Opera	₹ 0.50/- per Sqm. / day. Minimum ₹200/- per day or part there of	₹ 2.92/-
2	Circus	₹ 0.30/- per Sqm. / day. Minimum ₹125/- per day or part there of	₹1.75/-
3	Exhibition:-		
	Commercial	₹ 0.25/- per Sqm. / day. Minimum ₹15/- per day or part there of	₹ 1.46/-
	Non-commercial	₹0.15/- per Sqm. / day. Minimum ₹15/- per day or part there of	₹ 0.87/-
4	(ix) Sweet, Meat, Tea Stall, Hotel etc	₹ 7/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part there of	₹ 1.40/-
	(x) Betel Shop/Book Stall/Green Coconut/Milk Booth/Engg. Shop/ Carpentry/Lundry etc.	₹ 7/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part there of	₹ 1.40/-
	(xi) Cold Drinks Shop	₹ 15/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 80/- per month or part there of	₹ 2.92/-
	(xii) Enhancement / improvement of facility to the existing units.	₹ 25/- per Sqm. / Calendar Month or part there of	₹ 4.84/-
5	For commercial use other than as indicated under Sl. No.3	₹ 0.25/- per Sqm. / day or part there of.	₹ 1.46/-
6	Sling preparation	₹ 10/- per Sqm. / Calendar Month or part there of	₹ 1.92/-
7	Contractor side camp / labour Shed	₹ 3/- per Sqm. / Calendar Month or part there of	₹ 0.58/-
8	Cultural Functions (Non-commercial) like Communicy Puja, Drama Pendal etc.	₹ 0.15/- per Sqm. / day. Minimum ₹ 15/- per day	₹ 0.87/-
9	Fire wood / Bamboo / Coal Depot.	₹ 1/- per Sqm. / Calendar Month or part there of subject to Minimum ₹ 150/- per month or part there of	₹ 0.17/-
10	Daily license fee from irregular Vendors	₹ 3/- per day	₹ 17.49/-
11	Collection of damage fee from irregular vendors during festival period	₹ 10/- per day upto 10 Sqm.	₹ 58.31/- per 10 Sqm. / day.
12	(v) Hoarding	₹ 20/- per Sft. / year or part there of (₹ 215.21/- per Sqm. / year or part there of)	₹ 3.44/-
	(vi) Wall painting	₹ 4/- per Sft. / year or part there of (₹.43.04/- per Sqm. / year or part there of)	₹ 0.64/-

5.1. In accordance with the consultative procedure prescribed, a copy each of the PPT proposal dated 11 November 2014 and 08 December 2014 was forwarded to the 9 major users as furnished by the PPT under cover of its letter dated 01 December 2014. With regard to the other lease holders in the absence of any representative body of port users as reported by the PPT and in the absence of any criteria suggested by the PPT, it was felt appropriate to take into consultation the lease holders who hold more than 25000 sq. ft of lease hold land (based on the details furnished by the PPT). Nevertheless, while acknowledging the proposal, this position was communicated to PPT and the PPT was requested to suggest the name of any other lease holder, who may have to be taken on consultation on the proposal. However, PPT has not suggested the name of any other user.

6. A joint hearing on the case in reference was held on 15 December 2014 at the PPT. The PPT made a brief power point presentation of its proposal. At the joint hearing, the PPT and the concerned users/ users organization and Lease holders have made their submissions.

7.1. During the joint hearing, the PPT had made a request to consider to approve differential rates for Educational Institutions, religious institutions, small time vendors and Kachha tenants and had also requested the users to give input supported by documentary evidence to the port and to the Authority for prescription of differential rates. Accordingly, the users were requested to make their submissions.

7.2. Accordingly, the PPT was requested vide our letter dated 19 December 2014 to revise its proposal suitably based on the inputs to be so received by it from the concerned users duly fitting into the Land Policy guidelines of 2014.

8. The users/ user organisations and lease holders have furnished their comments. The comments received from the users/ user organisations and lease holders were forwarded to PPT as feedback information. After a reminder, the PPT has responded to the comments of some of the users/ user organisations and lease holders-vide its e-mail dated 3 February 2015.

9.1. As brought out earlier, during the Joint hearing on the case in reference held on 15 December 2014, the PPT was requested to revise its proposal suitably based on the inputs to be received by it from the concerned users duly fitting into the Land Policy guidelines of 2014. Accordingly, the PPT appeared to have made some changes in its proposal. The PPT had, however, not furnished any draft Scale of Rates incorporating the changes. The PPT was, therefore, requested vide our letter dated 11 February 2015 to furnish a full-fledged proposed draft Scale of Rates along with conditionalities duly incorporating all the changes effected by it based on the inputs received by it from the concerned users duly fitting into the Land Policy guidelines of 2014.

9.2. In this connection, the PPT vide its letter dated 03 March 2015 has furnished a draft revised Scale of Rates.

9.3. The details of draft Scale of Rates furnished by the PPT vide its letter dated 13 March 2015 are given below:

"3.1. Allotment of land on lease basis for non-Port related activities :

3.1.1 **Upfront Basis**

(a) Allotment of Port land up to 30 years lease, on **Upfront basis** for developed and un-developed land outside the Prohibited area relating to non-Port related activities.

Sl. No.	Zone	Upfront for Developed land per acre for 30 years lease (In ₹)	Upfront for Un-Developed land per acre for 30 years lease (In ₹)	Nominal annual rent per acre for developed and un-developed land (In ₹)
1.	**Township**	1,49,51,534	1,41,30,021	4048
2.	**Industrial**	1,28,15,600	1,19,94,087	4048
3.	**Sector-21**	1,12,54,726	1,04,33,213	4048
4.	**Haridaspur**	4,33,348	--	4048

(b) Nominal ground rent would be Re.1/- (Rupee One) only per sqm./month as per the provisions of new Land Policy Guidelines, 2014.

3.1.2 **Premium basis (Annual lease):**

(a) Allotment of Port land on **premium basis** for developed and un-developed land outside the Prohibited area relating to non-Port related activities.

Sl. No.	Zone	Annual Lease for Developed land per acre (In Rs.)	Annual Lease for Un-Developed land per acre (In Rs.)	Nominal annual rent per acre for developed and un-developed land (In Rs.)
1.	**Township**	10,92,000	10,32,000	NA
2.	**Industrial**	9,36,000	8,76,000	NA
3.	**Sector-21**	8,22,000	7,62,000	NA
4.	**Haridaspur**	31,650	--	NA

(b) Annual lease has been arrived at taking 6% of transfer value assessed basing on the market value.

(c) 5% escalation will be applicable uniformly in all zones.

3.2 SoR for Port related activities (Upfront and Premium basis)

3.2.1 Allotment of Port land on upfront and premium basis outside the Prohibited area for Port cargo related activities. If the above mentioned rates are implemented for Cargo related activities of the Port outside the Port prohibited area, the same shall put the Paradip Port in disadvantage position as the proposed rates are on the higher side as compared to the nearby Ports located in the East Coast.

Hence, it is proposed the SoR applicable inside the custom bond area will also be applicable to outside the custom bond area only in case of activities related to Port cargo, business proposals relating to cargo handling & activities vital for Port operations.

3.3 Concessional SoR proposed for allotment of land on upfront or lease basis for fresh allotment in future.

3.3.1 Upfront basis

(a) Allotment of Port land for 30 years lease on concessional **Upfront basis** for developed and un-developed land outside the Prohibited area relating to setting up schools, colleges and other educational institutions for Port Township.

Sl. No.	Zone	Upfront for Developed land per acre for 30 years lease (In Rs.)	Upfront for Un-Developed land per acre for 30 years lease (In Rs.)	Nominal annual rent per acre for developed and un-developed land (In Rs.)
1.	**Township**	14,95,153	14,13,002	4048
2.	**Industrial**	12,81,560	11,99,409	4048
3.	**Sector-21**	11,25,473	10,43,321	4048
4.	**Haridaspur**	43,334	--	4048

3.3.2 Allotment of Port land on **premium basis** for developed and un-developed land outside the Prohibited area relating to setting up schools, colleges and other educational institutions for Port Township.

Sl. No.	Zone	Annual Lease for Developed land per acre (In Rs.)	Annual Lease for Un-Developed land per acre (In Rs.)	Nominal annual rent per acre for developed and un-developed land (In Rs.)
1.	**Township**	1,09,200	1,03,200	NA
2.	**Industrial**	93,600	87,600	NA
3.	**Sector-21**	82,200	76,200	NA
4.	**Haridaspur**	3,165	--	NA

3.4. Concessional SoR proposed for allotment of land on upfront basis for renewal of existing leases granted in favour of schools, colleges, mosque and temples.

3.4.1 The below SoR is applicable only those cases were concession in SoR has been granted by the Board in public interest.

Sl. No.	Zone	Upfront for Developed land per acre for 30 years lease (In	Upfront for Un-Developed land per acre for 30 years lease (In	Nominal annual rent per acre for developed and un-developed land

		Rs.)	Rs.)	(In Rs.)
1.	**Township**	0	0	1000
2.	**Industrial**	0	0	1000
3.	**Sector-21**	0	0	1000
4.	**Haridaspur**	0	0	1000

*** The scale of rates proposed at Sl. No.4 (a) (b) and 5 will be made applicable subject to relaxation by Ministry of Shipping under clause-20 (viii) of the Land Policy Guidelines, 2014 where Ministry of Shipping have the powers to relax the provisions of guidelines in public interest.**

3.5 C<u>harges for Development cost</u>

As present, PPT is levying Development charge @Rs.240/- per 100 sqft one time for allotment of land and buildings from the year 2001. Basically the development cost is charged to recover the expenditure incurred by the port on infrastructure facilities and the same can be linked to the whole sale price index. Basing on the whole sale price index of 2001 and 2014 the following enhancement is proposed in the development cost.

Whole sale price index of 2001	= 161.50
Whole sale price index of 2014	= 184.60
Linking factor	= 1.873
Index	= 184.60 X 1.873 = 345.75
Indexation	345.75 – 161.10 ÷ 161.10 x 100
	= 114.61 %
60% taken as enhancement	= 68.76%

As per this indexation it is proposed to enhance the existing development cost of Rs.240/- per 100 sq.ft @ 68.76% = Rs.405/- per 100 sqft."

10. Given that the PPT had revised its draft Scale of Rates, we have vide our letter dated 13 March 2015 forwarded a copy of the revised Scale of Rates to all the concerned users/ user organisations for their comments. The users/ user organisations and lease holders have furnished their comments on the revised Scale of Rates furnished by the PPT. These comments were forwarded to PPT as feedback information from time to time. The PPT has responded to the comments of some of the users/ user organisations and lease holders vide its letter dated 8 April 2015.

11. Subsequently, the PPT vide its e-mail dated 22 April 2015 has made the following additional submissions:

(i). The Board of Trustees of Paradip Port Trust have approved to constitute a Land Allotment Committee consisting of (i) Deputy Chairman- Chairman of the Committee, (ii) F.A. & C.A.O.-Member, (iii) Secretary-Member and (iv) Traffic Manager – Member in accordance with the Land Policy Guidelines, 2014. However, as the Deputy Chairman post was laying vacant Chairman, PPT had nominated the senior most HOD (CME) of the Port as the Chairman of the Committee to avoid delay in finalizing the SOR.

(ii). The entire SOR has been proposed in compliance to the provision of Land Policy Guidelines, 2014 except the concession in proposed SOR for allotment of land to Schools, College and Educational Institutions and to the Institutions which have availed concession during the last allotment of Port Trust land. However, the same will be applicable subject to relaxation by the Ministry of Shipping under Clause-20 (viii) of Land Policy Guidelines, 2014 where Ministry of Shipping has the powers to relax the provisions of the Guidelines in public interest. The above concession of SOR is available in Clause 3.4.1 of proposed SOR submitted to TAMP vide PPT's letter dated 03.03.2015.

12. 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.

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

(i). The lease rentals for the estates of Paradip Port Trust (PPT) have not been fixed since the inception of this Authority in 1997 in the absence of receipt of any proposal from PPT. As brought out by PPT itself in the factual position forming part of this Order, the Scale of Rates for allotment of land on licence basis and lease basis has been formulated by PPT itself with the approval of its Board of Trustees and its Chairman. As per Section 49 of the Major Port Trusts Act, 1963, the Scale of Rates at which and the statement of conditions under which any property belonging to, or in possession or occupation of, the Board, or any place within the limits of the port or the port approaches that may be used for the purposes specified under Section 49, is to be fixed by this Authority. Considering the statutory provision, the reason for PPT not approaching this Authority for fixation of lease rentals in the past remains unexplained. The PPT is advised to note that implementing tariff without the approval of this Authority is not in line with tariff setting arrangement envisaged in the statute.

(ii). The PPT in its submissions has made a mention that when it had initiated the proposal for revision of land rates in the year 2011, the Ministry of Shipping had intimated it to wait for the New Land Policy Guidelines. In this connection, it is relevant to mention here that the Government of India in the Ministry of Shipping vide its letter No.PT-11033/4/2009-PT dated 4 March 2011 had announced the 'Land Policy for Major Ports-2010' for implementation by all Major Ports with effect from 13 January 2011. Accordingly, lease rentals in respect of many of the Major Port Trusts have been fixed, following the stipulations contained in the Land Policy Guidelines of 2010. Therefore, the PPT could have referred the matter to this Authority, which could have been clarified in consultation with the Ministry of Shipping.

(iii). (a). There is a mention made by the Golden Anchor Private Limited (GAPL) as well as by the Paradeep Phosphates Limited (PPL) about some pending litigations in the Hon'ble High Court of Orissa. According to GAPL, the matter is between PPT and Government of Odisha regarding collection of ground rent, and as per PPL, the matter is between State of Orissa, PPT and PPL regarding the land occupied by the approach road. In view of the pending litigation, the GAPL as well as the PPL are of the view that since the matter is subjudice, it may not be appropriate to decide on the revision in the lease rentals.

(b). As reported by PPT, with regard to the litigation pertaining to GAPL, the matter in respect of GAPL pertains to accreted land and that GAPL is not located over the accreted land and therefore, it has no relevance in fixing the lease rentals of PPT.

(c). With regard to the litigation relating to PPL, the PPT has not furnished its comments. However, it is reasonable to assume that the PPT, as a statutory body, would have kept in view the dispute between the state of Orissa, PPT and PPL in respect of the land occupied by the approach road and only after carrying out due diligence on its part would have come up with a proposal for fixation of lease rentals before this Authority. The PPL has reported that the Hon'ble High Court of Orissa has decided to maintain status quo. However, the PPL has not stated as to in what aspect the status quo is to be maintained. Therefore, as a measure of abundant caution, it is stated that the levy of revised rental by PPT will be subject to the Orders passed by Hon'ble High Court of Orissa, to the extent it may be relevant in respect of the pending litigation.

(iv). (a). 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. As stated earlier, the Ministry of Shipping in the Government of India has announced Land Policy Guidelines for Major Ports, 2014 in January 2014 which has come into effect from 2 January 2014. The PPT has, come up with a proposal for revision of its estate rentals, based on the provisions of the Land Policy Guidelines for Major Port Trusts, 2014, as confirmed by PPT.

(b). Para 18 of the Land Policy Guidelines for Major Ports, 2014, provides for five factors for determination of Market value of port land. The methodology for determination of market value of the port land based on the five factors prescribed in para 18(a) of the Land Policy guidelines of 2014, is similar to the provisions contained in the previous Land Policy Guidelines of 2010. The 2014 guidelines, however, clearly recommends consideration of the highest of the five factors for determination of the latest market valuation of land, in the normal course. However, if the latest market value of land is not chosen based on highest of five factors, then the reasons for the same are to be recorded. Clause 18(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 18(a) and that the percentage should not be less than 6% which is to be fixed by the Port Trust Board. Further, Clause 18(c) of the Land Policy Guidelines for Major Ports 2014 requires the concerned Major Port trust to file a proposal to this Authority for fixing the market value of the land and this Authority is required to notify the market value of land. Thus, as per stipulation contained in Clause 18(c) of the Land Policy Guidelines of 2014, this Authority is required to notify the market value of the port lands.

(c). In this regard, it is noteworthy that as per Section 49 (1) of the Major Port Trusts (MPT) Act, 1963, the mandate given to this Authority is to frame Scale of Rates (SOR) and prescribe statement of conditions for use of port land and properties belonging to the Major Port Trust. The earlier Land Policy guidelines of 2004 as well as Land Policy guidelines of 2010 clearly mandated this Authority to determine the Scale of Rates of the lands of the Major Port Trust, and not the market value of land. Bringing out the position in the statute, the Ministry of Shipping (MOS) has been requested vide our letter No.TAMP/8/2014-Gen dated 18 March 2014 to consider suitable amendments in the Land Policy Guidelines of 2014 in line with the statute position. Response of the Ministry of Shipping is awaited.

(d). The draft Scale of Rates furnished by the PPT contains rates of Lease Rent for the various types of lands and built-up spaces. As brought out earlier, this Authority is mandated by the Land Policy, 2014 to notify reserve price equated to annual lease rent as well as the market value.

(e). The mandate to notify the reserve price is of course possible subject to the condition that the percentage (which should not be less than 6%) to be applied on the market value of land is approved by the Port Trust Board as per the stipulation in clause 18(b) of the Land Policy guidelines of 2014. As regards the proposal of PPT in reference, it is seen that the PPT has sought approval of this Authority to notify the Reserve Price (SOR) for the four areas/ zones of land.

(f). Since the Land Allotment committee (LAC) has recommended to adopt the rates based on the Valuation by the approved Valuer with some modification (as explained subsequently) and also since the Board of Trustees of PPT have approved the rates finalized by the LAC, the proposal of the PPT to notify the Reserve Price in terms of annual lease rent is analysed as hereinunder.

(v). As per clause 18(a) read with clause 16.2(e) of the 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 18(a). The PPT has reported that it had initially approved to constitute a LAC consisting of Deputy Chairman as Chairman of the Committee and F.A. & C.A.O., Secretary and Traffic Manager as Members of the Committee. But since the post of Deputy Chairman was lying vacant at PPT then, the Chairman of PPT had nominated the senior most Head of Department i.e. Chief Mechanical Engineer (CME) of the Port as the Chairman of the Committee to avoid delay in finalizing the SOR. Thus, LAC is seen to have been constituted with the CME being the Chairman of the Committee and Heads of Departments of Finance and Traffic and Secretary of the Port as members of the Committee. An approved land valuer was also engaged by PPT for assessing the market value of the PPT estates as per Clause 18 (a)(iv) of Land Policy Guidelines of 2014. The LAC after going through the Report of the approved valuer and after considering the parameters provided under Clause 18(a)(i) to (v) of Land Policy Guidelines, 2014 has given its recommendations. Further, the Board of Trustees of PPT have approved the rates finalized by the LAC and have given a go ahead to send the proposal to TAMP. Thus, the proposal filed by the PPT is taken up for disposal.

(vi). From the Valuation Report of the Valuer as made available by the PPT, it is seen that the Valuer has determined the market value of land in respect of five Zones viz., Harbour Zone, Township Zone, Industrial Zone, Sector – 21 Zone and the area of Haridaspur. However, the LAC, on the ground that the Scale of Rates for the Custom bound area is being worked out by the port and that the revision of Scale of Rates for the Custom bound area is yet to be finalised by the port, has decided to go ahead for finalising the rates for allotment of land for the land located outside the Custom bound area. It is in this connection, the PPT in its submissions has stated that its proposal is for fixation of Scale of Rates for the areas located outside the custom bound area relating to non-Port related activities and that the Scale of Rates related to Harbour area will be submitted by PPT separately. Accordingly, the current exercise is for fixation of Scale of Rates for the four Zones of areas located outside the custom bond area relating to non-Port related activities viz., Township Zone, Industrial Zone, Sector – 21 Zone and the area of Haridaspur, in line with the proposal of the port.

(vii). (a). As stated earlier, para 18 (a) of the Land policy guidelines of January 2014 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 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 Land Policy guidelines of 2014 also stipulate that in case the LAC is not choosing the highest factor, the reasons for the same have to be recorded.

(b). From the Valuation Report of the Valuer as made available by the PPT, it is seen that the Valuer, has taken into account the following factors in his Report, before arriving at the market value for the various Zones of Land.

(i). State Government Guideline Values.
(ii). Average value of transaction registered in the past three years.
(iii). Deriving land value from the Quotes received by PPT for allotment of land.

However, the Valuer in his Report, has not considered the above said factors to arrive at the market value of port land for the following reasons:

(i). Though the Government has revised the bench mark value with effect from 04 March 2014, the notified bench mark value is less than the prevailing market value.

(ii). The transaction value are more or less same as that of benchmark value of the registration department. The registration documents rarely reflect the real market value and always show the mandatory guideline value as transacted, due to non-transparent practices followed by the Society at large.

(iii). The rate received from the tenders cannot be taken as true reflection of the market as these offers are driven by market demand, which is varying from time to time.

(c). In view of the above position, the Valuer, by taking the Benchmark Value fixed by the Sub-Registrar Office (SRO) (State Government Guideline value) as base, has applied various multiplying factors viz., Demand multiplication factor, Distance multiplication factor, Utility multiplication factor and Modern infrastructure facilities multiplication factor to the said Benchmark Value, to arrive at the market value of the PPT lands as on 15 August 2014. The market value of the various Zones (relevant for the current exercise), so arrived by the Valuer is given below:

Sl. No.	**Description of Category (zone-wise)**	**Market value of land on 15.08.2014 (as per reports submitted by Valuer) (in ₹ per acre)**
1.	Township Zone	1,82,00,000
2.	Industrial Zone	1,56,00,000
3.	Sector-21 Zone	1,37,00,000
4.	Haridaspur Zone	5,27,500

The Valuer has also stated that the above value is for reclaimed land and that for the un-reclaimed land, the above rate may be reduced to the extent of ₹10 lakhs per acre. The extract of the relevant page of the valuation Report in this regard is attached as **Annex - I.** In the said Annex, the information pertaining to Zone-A (Harbour Area) is not relevant for the current exercise.

(d). The LAC in its Report has relied upon the above said market value of land. Thereafter, the Reserve Price in terms of the Annual Lease Rent has been derived at 6% of the market value of land so determined, as given below:

(in ₹ per acre)

Sl. No	**Particulars**	**Township Zone**	**Industrial Zone**	**Sector-21 Zone**	**Haridaspur**

		Developed	Undeveloped	Developed	Undeveloped	Developed	Undeveloped	Developed
1	Market value of land on 15.08.2014	18200000	17200000	15600000	14600000	13700000	12700000	527500
2	Reserve Price @ 6% of Market Value of Land	1092000	1032000	936000	876000	822000	762000	31650
4	Concessional lease rates for Schools, Colleges, Educational Institutions	109200	103200	93600	87600	82200	76200	3165

(e). The Reserve Price indicated at Sl. no. 2 represents the annual lease rental incase of allotment of developed and undeveloped land outside the prohibited area relating to non-port activities.

(f). The PPT in its proposed draft Scale of Rates has sought prescription of upfront premium in respect of allotment of developed and undeveloped port land outside the prohibited area relating to non-port activities on 30 year lease basis. In this regard, it is relevant to mention here that Clause 18(c) read along with clause 16.2 (d) of the Land Policy Guidelines, 2014 requires this Authority to notify the market value of the land and reserve price in terms of annual lease rental applying a minimum prescribed return of 6% on the Market value of land, as approved by the Port Trust Board. Therefore, this Authority has mandate only to fix Market value of land and reserve price under the Land Policy Guidelines, 2014. The proposal of PPT seeking approval of upfront premium for 30 years is beyond the mandate given to this Authority in the Land Policy Guidelines. In view of this position, the Scale of Rates proposed by the port is modified to reflect this position.

(g). In its proposed Scale of Rates, the PPT has proposed a note to the effect that the Scale of Rates applicable for inside the custom bound area will also be applicable to outside the custom bond area, only in case of activities related to Port cargo, business proposals relating to cargo handling & activities vital for Port operations. The port is of the view that if the rates pertaining to non-port related activities are made applicable for Cargo related activities of the Port outside the Port prohibited area, the same shall put the PPT in disadvantageous position as the said rates are on the higher side as compared to the nearby Ports located in the East Coast.

In this regard, it is relevant here to mention that the PPT is already in the process of finalising the Scale of Rates for inside custom bound area. Further, the proposal of the port is for approval of rates for the allotment of port lands outside the Custom bound area for non-port related activities. In such a scenario, the proposal of the port seeking approval to apply the rates applicable for inside the custom bound area to outside the custom bond area for port related activities appears to be beyond the proposal filed by the Port. Therefore, the proposed note can be considered for approval when the PPT files a proposal for approval of Scale of Rates for inside custom bound area. The Port is, therefore, advised to come up with a well analysed proposal for fixation of rentals for the areas/ Zones not covered within the ambit of the current estate rental revision at the earliest.

(h). All the users have objected to the increase in the rentals proposed by the PPT. The users are of the view that the market condition is very bad to pay the increased rentals. It has to be recognised that with the passage of time the market value of land increases and therefore, the increase in lease rental which is the function of market value is inevitable.

(viii). Based on the request made by the PPT during the joint hearing to consider to approve differential rates for Educational Institutions, religious institutions, small time vendors and Kachha tenants, the PPT was advised to modify its proposal duly fitting into the Land Policy guidelines of 2014. In this connection, in its revised Scale of Rates of March 2015, the PPT has proposed concessional rates at 10% of the applicable Reserve Price/ Upfront Value of normal allotment, for allotment of land on upfront basis or lease basis for fresh allotment in future in respect of setting up of schools, colleges and other educational institutions in Port Township. In other words, the PPT has proposed grant of 90% concession on the applicable Reserve Price in terms of the annual lease rentals of normal allotment in respect of setting up of schools, colleges and other educational institutions in Port Township. Further, incase of renewal of existing land allotted on upfront basis in favour of schools, colleges, mosques and temples, a nominal annual rent of ₹1000/- per acre per annum across all Zones (at both developed and undeveloped) has been proposed. However, the PPT, by way of a note below the said proposed rates, has stated that the said rates will be made applicable subject to relaxation by Ministry of Shipping under Clause 20 (viii) of the Land Policy Guidelines, 2014, where the Ministry of Shipping has powers to relax the provisions of the guidelines in public interest.

Clause 16.2.(g) of the Land Policy Guidelines of 2014, envisages concession in annual lease rent upto 75% to government schools and colleges. Thus, prescription of 90% concession in lease rent to schools, colleges and other educational institutions in Port Township and prescription of a nominal annual rent of ₹1000/- per acre per annum, is seen to be beyond the limit of concession prescribed in the Land Policy Guidelines of 2014. In view of the above position, concessional rates at 25% of the applicable Reserve Price in terms of annual lease rent of normal allotment, is approved for allotment of land for government schools and colleges in Port Township. The onus rests with PPT to ensure that the said concessional rates are granted only to government schools and colleges, as stipulated in the Land Policy Guidelines. However, in the event of receipt of approval from the Ministry of Shipping for levy of proposed concessional rates, as indicated by the PPT, the PPT may approach this Authority for notification of such concessional rates in the Gazette of India, before commencing the levy of the concessional rates.

(ix). To recover the expenditure incurred by the port in developing infrastructure facilities, the PPT (based on the Valuer's Report) has proposed to levy one time development charges at ₹405/- per 100 sq. ft., in place of the existing charges at ₹240/- per 100 sq. ft., being levied from the year 2001. The proposed rate of ₹405/- per 100 sq. ft. has been worked out by PPT based on the Wholesale Price Index (WPI) between 2001 and 2014.

As already brought out earlier, the Valuer, by taking the Benchmark Value fixed by the Sub-Registrar Office (SRO) as base, has applied various multiplying factors viz., Demand multiplication factor, Distance multiplication factor, Utility multiplication factor and Modern infrastructure facilities multiplication factor to the said Benchmark Value, to arrive at the market value of the PPT lands as on 15 August 2014. In other words, the infrastructure available in and around the various Zones has already been factored in the market value of land and based on the said market value of the land, the Reserve Price in terms of annual lease rent has been arrived. In such a scenario, prescription of a separate levy towards development charges over and above the Reserve Price in terms of annual lease rent is not found appropriate. Further, the Land Policy Guidelines of 2014 does not stipulate prescription of a separate levy to recover the Development cost incurred by the Port. In view of the above position, the proposal of the port to prescribe one time development cost is seen to be beyond the scope of the Land Policy Guidelines of 2014. Hence, the same is not approved.

(x). The PPT has proposed separate differential rates for allotment of open space on licence basis for various purposes other than non-cargo related viz., for Opera, Circus, Exhibitions, Shops like Sweet, Meat, Tea Stall, Hotel, Betel shop, Book stall, Carpentry, Laundry, Cold Drinks Shop etc., Labour shed, Non-commercial Cultural functions, Fire Wood/ Bamboo/ Coal Depot, Hoarding, Wall Painting etc., in three Zones viz., Township Zone, Industrial Zone and Sector – 21 Zone.

To arrive at the proposed rates for each of the purpose, the PPT is seen to have considered the rate approved by it in the year 2000 as base and then arrived at the proposed rate by taking into account the upfront amount of the port land at ₹19.30 lakhs per acre that had reportedly prevailed in the year 2001 and the latest upfront premium amount of ₹149.51 lakhs of the respective Zone.

In this regard, as stated earlier, the lease rentals and license fees for PPT has not been fixed by this Authority in the past. Therefore, the question of relying on the existing rates as well as the upfront amount of the port land that had prevailed in the year 2001 does not arise. Since the methodology followed by PPT does not fit into the methodology prescribed in Land Policy, 2014, which is based on market value, this Authority is not in a position to approve the proposed rates. Therefore, the PPT is advised to determine the Scale of Rates for allotment of open space on license basis for various purposes other than cargo related in the three zones following the methodology prescribed for determination of market value and license fee and file a proposal accordingly.

(xi). The PPT in its proposed Scale of Rates has proposed rentals for built up premises. From the Valuation Report, it is seen that the existing rate reported to being levied by the PPT for the various structures is based on the Replacement Cost. In this regard, it is seen that the PPT has first arrived at the Replacement value of the various structures. Thereafter, taking into account the depreciation, the PPT has arrived at the Written down value of the Replacement cost for the various structures. Further, considering the cost of land, the PPT has determined the total value of property and thereafter considered 12% return on the said value of property to arrive at the existing rental for each of the structure. Thereafter, considering the said existing rental for each of the structure and taking into account the demand multiplication factor, rent multiplication factor and the maintenance cost has arrived at the proposed rentals for the each of the various structures. Thus, it is seen that the proposed rentals for the each of the various structures has been arrived at by the PPT by taking into account the Replacement Value of the various structures adjusted for depreciation.

The Land Policy Guidelines of 2014 does not prescribe any methodology to be followed for fixing the SOR of the premises of the Board. For that matter even the earlier Land Policy Guidelines of 2004 as well as 2010 were silent about fixation of rentals for buildings. It may, however, be relevant here to recall that in the case of Kolkata Port Trust (KOPT), the rent schedule for Kolkata Dock System (KDS) which was approved by the Government of India in 1996 prior to constitution of this Authority already prescribed the rates for structures. The KOPT had, therefore, in its proposal for revision in lease rent for lands sought approval of the revised rates for structures along with revision in the rates for land. This Authority while approving the revised lease rent of the KOPT in Order No.TAMP/40/2011-KOPT dated 14 February 2012 (based on the Land Policy Guidelines of 2010) had held that if only the rentals for the land is revised based on its market value and the rentals for the structures which already existing in their rent schedule is left untouched, it may lead to an anomalous position where a lessee for an open land would pay increased rentals on account of the updation of land values whereas a lessee of the structure, who enjoys value added services at the structures, as compared to a lessee of an open land, would not be subjected to any increase in his rentals. In the KOPT case, the port had also furnished the Written Down Value (WDV) for the structures at KDS. This Authority in the said Order had approved revised lease rent on structures maximum to the extent of 30% in the then existing escalated rentals as of the year 2010 or the rate proposed by the KOPT whichever was lower.

With reference to the proposal of the PPT, as stated earlier, the lease rentals for PPT has not been fixed by this Authority in the past. Therefore, the question of relying on the existing rates of built up areas to arrive at the proposed rentals does not arise. Further the proposed rentals for the various structures has been arrived at by the PPT by taking into account the Replacement Value of the various structures. In view of the above factors, it is not found possible to extend the KOPT approach in the case of PPT. As stated earlier, The Land Policy Guidelines of 2014 does not prescribe any methodology to be followed for fixing the SOR of the premises of the Board. In this regard, we have vide its letter no.TAMP/8/2014-Gen dated 18 March 2014 has requested the Ministry of Shipping (MOS) to advise us suitably on the matter. The response of MOS is awaited. In such a scenario, prescribing rentals for the various structures at PPT by taking into account the Replacement Value of the various structures, is not felt appropriate, at this juncture. The PPT is advised to formulate a proposal based on the decision to be given by the MOS in this regard.

(xii). (a). The PPT has proposed levy of Right of Way Leave charges for grant of way leave permission for laying of conveyors, pipelines etc., outside Custom bound area. To arrive at the proposed rate of Way Leave charges at ₹1.55 per sq.m per day, the PPT is seen to have considered the rate approved by it in the year 2000 as base and then arrived at the proposed rate by taking into account the lease value of the port land at ₹19.30 lakhs per acre that had prevailed in the year 2001 and the upfront premium amount of the Township Zone.

In this regard, as stated earlier, the lease rentals for PPT has not been fixed by this Authority in the past. Therefore, the question of relying on the existing rates as well as the lease value of the port that had prevailed in the year 2001 does not arise. Since the methodology followed by PPT does not fit into the methodology prescribed in Land Policy, 2014, which is based on market value, this Authority is not in a position to approve the proposed rate for the Way Leave Charges. Therefore, the PPT is advised to determine the Way Leave Charges following the methodology prescribed by the Land Policy Guidelines of 2014 and file a proposal accordingly.

(b). The broad terms and conditions for issuance of Right of Way Permission for laying Pipelines/ Conveyors etc., issued alongwith Land Policy Guidelines of 2014, interalia, stipulate that one time supervision charges as a percentage of cost of laying of pipelines/ conveyors etc. in the port limits shall be paid. It also, interalia, stipulates that each Port Trust Board is to formulate and approve their own policy for one time supervision charges. In this connection, the PPT has proposed a note to the effect of levying Supervision charges @ 15% of the cost of materials and laying of pipelines/ conveyors in the Port limits. Given that the Way Leave Charges itself is not being approved, the question of approval for levy of supervisory charges at 15% of the cost of materials and laying of pipelines/ conveyors in the Port limits, does not arise. Hence, the same is not approved.

(xiii). The PPT is seen to have proposed various definitions/ conditions/ notes in the proposed draft Scale of Rates. In this regard, the PPT has confirmed that the entire Scale of rates has been proposed in compliance to the provision of the Land Policy Guidelines of 2014. In view of this confirmation and keeping in view that these definitions/ conditions/ notes will be in the interest of the port trust and serve the purpose of effective utilization of space and operationalize the Scale of Rates, the various definitions/ conditions/ notes as proposed by the Port is approved. Nevertheless, it is clarified that incase of any inconsistency in the definitions/conditions/ notes in the Scale of Rates vis-à-vis the Land Policy Guidelines 2014, the provisions contained in the Land Policy Guidelines of 2014 would prevail. A note to this effect is prescribed in the Scale of Rates of PPT.

(xiv). The PPT, in the Schedule of Rates prescribed for allotment of land on lease basis for non-port related activities, has proposed a note to the effect that 5% escalation to be applicable uniformly in all Zones. In this regard, it is relevant here to mention that Clause 18(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 PPT has proposed 5% annual escalation. Since the annual escalation rate of 5% is approved by the PPT Board of Trustees and is as per the provision of the Land Policy guidelines of 2014, the proposed rate of 5% annual escalation is approved. However, this note is prescribed as a general note so as to make applicable the 5% annual escalation on all the rates prescribed in the Scale of Rates of the PPT.

(xv). The Land Policy Guidelines of 2014 does not stipulate any provision relating to periodicity of revision of the lease rent of the port Trusts lands. It is relevant here to mention that clause 6.3.(1)(d) of the Land Policy of the 2010, as well as clause 5.3(I)(d) of Land Policy guidelines of 2004 stipulate that the SOR will be revised every five years. It has to be recognised that the market value of port lands under the various options prescribed under clause 18(a) of the Land Policy Guidelines of 2014 may undergo a change. In order to ensure that the lease rental/ license fee to be collected by Major Port Trusts under Land Policy guidelines of 2014 reflect the updated market value every five years, the MOS has been requested vide our letter dated 18 March 2014 to incorporate a provision prescribing revision of the Scale of Rates of port lands every five years in line with the prescription available in the Land Policy of 2004 as well as Land Policy Guidelines of 2010. Response of the MOS is awaited. In the meanwhile, a note to the effect that the base rates will be revised after five years with the approval of Competent Authority and that such revised licence fee will be effective from the effective date of implementation of the Order passed by the Competent Authority, is incorporated in the Scale of Rates of PPT, following the approach adopted uniformly in revision of estate rentals under the Land Policy, 2014 of other Port Trusts.

14.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the schedule of Reserve Price in terms of lease rent for lease for the Lands belonging to the PPT attached as **Annex - II**.

14.2. As brought out in the factual position of the Order, the PPT has sought approval for the proposed rentals with retrospective effect from April 2010. The rentals for the period of five years should have been fixed following the Land Policy Guidelines issued in March 2011. Further, it is noteworthy that the PPT has come up with a proposal for revision of its estate rentals, based on the provisions of the Land Policy Guidelines for Major Port Trusts, 2014. The said Guidelines have come into effect from 2 January 2014. In such a scenario, adopting the Land Policy Guidelines of 2014 to derive the rentals for the period from April 2010 when the said Guidelines were itself not in force would not be a correct approach. In view of the above position, the lease rentals fixed in respect of the PPT estate will have a prospective effect only. The schedule of rate structure approved for PPT Estate will become effective after expiry of 30 days from the date of notification of the Order 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 - I

Escalation multiplying Factor over the Bench mark value

The land values are taken on 15.08.2014. Hence, as being the present value, no escalation multiplying factor is required

Final value after considering all the multiplication factors as follows :

Value/Zone	Zone : A Harbour Area (In ₹.)	Zone : B Township Area (In ₹.)	Zone : C Industrial Area (In ₹.)	Zone : Sector -21 (In ₹.)	Haridaspur (Ms. Bramhapur Sasan) (In ₹.)
Basic value	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	500,000.00
Demand Modification value	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	25,000.00
Distance Modification value	4,000,000.00	3,000,000.00	2,000,000.00	1,000,000.00	-
Utility Modification value	800,000.00	1,200,000.00	600,000.00	200,000.00	2,500.00
Infrastructure Modification value	2,000,000.00	2,000,000.00	1,000,000.00	500,000.00	
Escalation Modification value					
Final value	**18,800,000.00**	**18,200,000.00**	**15,600,000.00**	**13,700,000.00**	**527,500.00**

Note : The above value is for reclaimed land, and for the un-reclaimed land the above rate may be reduced to the extent of 10 lakhs per acre.

Annex - II

PARADIP PORT TRUST

Scale of Rates (SoR) for allotment of Port land outside the custom bond area for leasing and licensing purpose for non-Port related activities.

1. SHORT TITLE, COMMENCEMENT AND APPLICATION.

a) This may be called "The Scale of Rates of Paradip Port Trust for allotment of Port land and built up space outside the custom bond area for leasing and licensing purpose for non-Port related activities".

b) The same shall come into force on such date on approval of Board Paradip Port Trust and Tariff Authorities for Major Ports (TAMP).

c) It applies to the areas located beyond the custom bond area in three zones namely i.e., Township Zone, Industrial Zone and Sector-21 Zone for allotment of Port land for non-Port related activities for a period of five years from the date of approval of the Board.

2. DEFINITION

a) **"Board",** in relation to a Port means the Board of Trustees constituted under Major Port Trust Act, 1963 for the Port.

b) **"TAMP",** means the Tariff Authority for Major Ports constituted under section 47-A of Major Port Trust Act, 1963.

c) **"Chairman",** means the Chairman of the Board and includes the person appointed to act in his place under section 14 of Major Port Trust Act, 1963.

d) **"Land",** shall have the meaning assigned to it as in Section 2 (k) of Major Port Trust Act, 1963.

e) **Commercial Unit",** the built up space owned by the Port for running business related activities excluding the built-up space used for residential and educational institution purposes.

f) **"Lease",** shall have the meaning assigned to it as in Section 105 of the Transfer or Property Act, 1982 i.e., "transfer of a right to enjoy immovable property, made for a certain time, expressly provided for, in consideration of a price paid or promised, or of money to be rendered periodically or on specified occasions to the transferor by the transferee, who accepts the transfer on such terms".

g) **"License",** shall have the same meaning assigned to it as in Section 52 of the Indian Easements Act, 1882 i.e., "a right granted to another person by the grantor, to do or continue to do upon the immovable property of the grantor, something which would, in the absence of such right, be unlawful, and such right does not amount to an easement or an interest in the property.

h) **"Upfront basis",** means allotment of land on lease basis on payment of one time upfront payment for the entire lease period and the nominal lease rent approved by the Boar from time to time.

i) **"Premium basis",** means allotment of land on annual lease basis on payment of annual lease rent with escalation approved by the Board from time to time.

j) **"Port related activities",** means those activities directly related to Cargo Handling for enhancement of Port business and other activities vital for Harbour operations.

k) **“Non Port related activities”,** means those activities related to Port and the township for smooth functioning, but at the same time indirectly supporting the business of the Port.

l) **“Development charges”,** means the onetime payment for the entire/license period charged on the lessees/licensees by the Board for recovering the investment made by the Board for creation of infrastructure facilities such as road, electricity, water supply etc. but does not include reclamation of allotted premises.

m) **“Registration charges”,** means the charges to be borne by the lessee/licensee towards the costs of preparing, stamping and registering the lease/license and also the cost of a counterpart or a copy if required.

n) **“Document preparation charges”,** means one time charges to be paid by the lessee/ licensee to the Board for preparation of lease/ license agreement.

o) **“Security Deposit”,** means refundable amount to kept with the Board by the lessee/ licensee for the entire lease/license period subject to fulfilling all the agreed terms and conditions.

p) **“Service Tax’,** means is a tax levied by the Government on service providers on certain service transaction but actually born by the customers. It is categorised under Indirect Tax and came into existence under Finance Act 1994.

q) **“Penalty”,** means the charges levied by the Board for violation of terms and conditions of allotment and wrongful use and occupation of allotted premises.

3. SCALE OF RATES FOR ALLOTMENT OF PORT LAND:

3 .1. Allotment of land on lease basis for non-Port related activities:

Allotment of Port land on premium basis (Annual lease) in developed and un-developed land outside the Prohibited area relating to non-Port related activities.

(amount in ₹ per acre)

Sl. No.	Zone	Developed land		Un-Developed land	
		Market Value of the Land	Reserve Price in terms of annual Lease Rent	Market Value of the Land	Reserve Price in terms of annual Lease Rent
1.	**Township**	1,82,00,000	10,92,000	1,72,00,000	10,32,000
2.	**Industrial**	1,56,00,000	9,36,000	1,46,00,000	8,76,000
3.	**Sector-21**	1,37,00,000	8,22,000	1,27,00,000	7,62,000
4.	**Haridaspur**	5,27,500	31,650	--	--

3.2. Allotment of land on lease basis for Government schools and colleges in Port Township:

Allotment of Port land on premium basis (Annual lease) in developed and un-developed land outside the Prohibited area for Government schools and colleges in Port Township.

(amount in ₹ per acre)

Sl. No.	Zone	Developed land	Un-Developed land
1.	**Township**	2,73,000	2,58,000
2.	**Industrial**	2,34,000	2,19,000
3.	**Sector-21**	2,05,500	1,90,500
4.	**Haridaspur**	7913	--

3.3. **Registration fees:**
Registration charges to be borne by the lessee/licensee towards the costs of preparing, stamping and registering the lease/license and also the cost of a counterpart or a copy if required.

3.4. **Document preparation charges (Processing fees):**
Document preparation charges to be paid by the lessee/ licensee to the Board for preparation of lease/license agreement.

3.5. **Service Tax:**
Service Tax levied by the Government on service providers on certain service transaction but actually born by the customers. It is categorized under Indirect Tax and came into existence under Finance Act 1994.

3.6. **Penalty**
The penalty levied by the Board for violation of terms and conditions of allotment, wrongful use and occupation of allotted premises.

4. Terms and Conditions

4.1 **Due date Payment**
The charges to be remitted within a period of one month from the date of issue of demand note.

4.2. **Mode of Payment**
The payment should be made through RTGS/NEFT/DD in favour of F.A. & C.A.O., PPT.

4.3. **Interest on delayed payment**
Any arrears of rent or other money accruing to or in favour of the Paradip Port Trust or from the lessee shall be recoverable as a public demand with interest @ 12% per annum without prejudice to any action that may be taken by the Port to recover by a suit in the court having jurisdiction over the area.

4.4. **Counting date of allotment**
The allotment will be counted from the date of taking possession of site/premises by signing in the Possession Register.

4.5. **Non-utilisation of allotted land**
If the allotted land is not utilized for the purpose for which it has allotted within a period of 18 (eighteen) months from the date of possession, the allotted land will be cancelled and all the payments made for such allotment will be forfeited.

4.6. **Penalty**

(i). If the lessee breaches / violates any provisions of lease agreement, the Board would reserve the right to impose the appropriate penalty or cancel the lease depending upon the nature and magnitude of such violation. In case of cancellation, no refund will be made.

(ii). If the lessee/licensee continue unauthorisedly beyond the approved period, will be liable to pay compensation for wrongful use and occupation at three times of the then Scale of Rates till the vacant possession is obtained.

4.7 **Observation of rules and regulations of Paradip Port Trust**
The lessee /licensee shall observe all provisions of laws, rules, bye-laws, regulations, orders and notification relating to the Port issued by the Central Government Board, Chairman or any other competent authority from time to time and shall pay the rates approved by the Board from time to time.

4.8 **Refund of proportionate value in case of resumption of the allotted premises before expiry of lease in Port interest**

The lessee/licensee is eligible to get refund on prorate basis for the left out period of lease/license without interest if the land is resumed before the expiry of allotment period for Port purpose. In case of rehabilitation in other location at the discretion of the Port, the lessee/licensee has to pay differential amount on prorate basis for the left out period as per the prevailing SoR.

4.9 All the allotments of Port land are governed by Paradip Port Trust Immovable Properties (Lands and Houses) Leasing and Licensing Regulations, 1975 and Land Policy Guidelines issued by the Ministry of Shipping, Govt. of India from time to time. Any provisions of the above which has not been specifically spelt out in the above terms and conditions deemed to be covered.

4.10. The reserve price in terms of annual lease rent prescribed above shall bear an escalation factor of 5% every year.

4.11. The reserve price in terms of annual lease rent prescribed above will be effective after expiry of 30 days from the date of notification of the Order in the Gazette of India and may remain in force for a period of five years.

4.12. Incase of any inconsistency in the definitions/conditions/ notes in the Scale of Rates vis-à-vis the Land Policy Guidelines, 2014, the provisions contained in the Land Policy Guidelines of 2014 would prevail.

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

F. No.TAMP/53/2014- PPT - Proposal received from Paradip Port Trust (PPT) for revision of Scale of Rates (SOR) for allotment of Port land and built up space

A joint hearing on the case in reference was held on 15 December 2014 at the Paradip Port Trust (PPT) premises. The PPT made a brief power point presentation of its proposal. At the joint hearing, the PPT and the concerned users/ users organization and Lease holders have made the following submissions:

Paradip Port Trust (PPT)

(i). Land Policy Guidelines of 2014 stipulates five factors to arrive at the market value of land. Since determining market value of land by other options was not found suitable, it was decided to appoint a Valuer.

(ii). The Valuer has considered the Government guideline value for Bijayachandrapur area and adjusted the value with reference to distance, utility, infrastructure and demand for the various zones of Port land. Thereafter, 6% of the market value has been determined which will be the annual lease rent.

(iii). Existing SOR for allotment of land on 30 years lease on upfront basis is approved by the Board. One time development cost at ₹240 per 100 sq. ft., processing fee of ₹1500 in each case and registration expenses are also approved by the Board for allotment of land on 30 years lease on upfront basis. We have the approval of Board for allotment of built-up space on license on upfront basis for 6 years.

(iv). The PPT estate is spread over 6500 acres.

(v). We have engaged a Valuer, who has been associated in the valuation of land of Nationalised Banks.

(vi). The Valuer has taken the Government value as base and determined the market value for the PPT lands.

(vii). Thus, the rentals have been proposed so as to reflect the market position but at the same time, it will also not pinch the users.

(viii). Paradip is an industrial area. It is because of the port that companies like IFFCO, PPL, Essar, Cargill etc., who are into port related activities are present at Paradip.

(ix). We know that the market conditions are not very good and that the people are not happy about the increased rentals. But, then we are bound by the Land Policy Guidelines of 2014, which has been issued by the Government.

(x). The interest of the Educational institutions, religious institutions, small time vendors and kachha tenants need to be protected. You please give inputs to us and TAMP supported by documentary evidance, so that we can think favorably for you.

(xi). TAMP is requested to consider to have different rates for different categories.

Aristo Hotel

(i). There is no industry in Paradip. Thus, for the past 3-4 years, the market condition is very bad. People are going to Cuttack or Bhubaneswar to buy material. There is no money to pay the increased rentals.

Kalinga Engineers Ltd.

(i). We are a small scale industry. We have supported PPT in the past.

(ii). The land value in the 80's was about ₹ 2 lakh per acre. Now, the market value of the land has been determined at ₹ 1.58 cr per acre. Has any development happened warranting an increase in rentals. If the port will not help us, who will do it?

Hotel Paradip International

(i). Paradip is totally an Industrial area. There is no infrastructure. Thus, the market value of the land determined is not correct.

Paradip Masjid

(i). We are a poor and religious institution. We request port to not increase the rentals.

Paradip College

(i). We render higher education to students, which include even poor students. Please exempt college from paying increased rentals.

Bethany School

(i). Please exempt us also from paying increased rentals.

Sisu Mandir

(i). We cater to poor students. We will not be in a position to pay rentals.

[Sr. Asst. Estate Manager, PPT: We have already extended concession]

BSNL

(i). Land line business is too costly. Proposed rates are steep. We should also be exempted from paying increased rentals.

United Bank of India

(i). We have just received the proposal. We need time to submit our comments.

2. A summary of comments received from the users/ user organisations and Lease Holders after the joint hearing and the comments of PPT thereon are tabulated below:

Sl. No.	Comments made by users/ user organisations and Lease holders	Response of PPT
I	**Golden Anchor (P) Ltd (GAPL)**	
1.	Ours is a Hotel industry and we have been engaged in the Port activity by keeping the	No specific comments furnished by the port.

	guest coming, through the Ships, from Customs, Stevedores, Clearing Agents as well as Contractors who came for repair and maintenance for Port activity.	
2.	When we had purchased the land, it was undeveloped and lot of earth filling work had been made by the company to the extent of ₹20 Lacs.	The land in favour of Golden Anchor Pvt. Ltd was allotted at the rate applicable to non-reclaimed land on nomination basis @ ₹4.00 lakhs per acre for 30 years lease. Hence, the claim of the Hotel that they had spent ₹20.00 lakhs for reclamation of the land has no relevance.
3.	In the Point no. B (V) - Estate related cost - it is mentioned that the Paradip Port Trust had paid ₹37,42,225.32 for 6,430.27 Acres of land as acquisition cost. The State Government has allotted this land for development of Port Activity which is the main object of the Paradip Port Trust. Sub-leasing the same land for ancillary object should not be having profit making intention i.e. paying ₹581.97 per Acre to the State Government and sub leasing the same land ₹1.50 Crore (Approximately) to the others.	As per the Land Policy Guidelines, 2014 the Port land is to be allotted in accordance to the prevailing market rate. Hence, the amount paid to the State Government by the Port for acquisition of land has no relevance here. Besides this, such amount has been fixed in the year 1962 which cannot be compared today.
4.	In the Point no. B (V) - Estate related cost - it is mentioned that "The Rate for transfer of accreted land is yet to be decided". Then how the Paradip Port Trust is legally allowed to sub-lease the land when it is not in the name of the Paradip Port Trust. Also it is understood that there is litigation between Paradip Port Trust and Government of Odisha which is pending before the Hon'ble High Court of Odisha for collection of ground rent. So when the matter is sub-juice and Hon'ble High Court is yet to decide who will collect the ground rent then how Paradip Port Trust take such a decision for revision of Rates which is illegal.	It is true that the rate of transfer of accreted land is yet to be decided. However, it has no relevance in fixing the SOR as PPT has not allotted any lease hold premises over the accreted land (land mass formed due to sand accumulation and wave action of the sea). In this instant case, Golden Anchor is not located over the accreted land; hence, the statement of the party is misleading.
5.	In the Point no. B (VI) - Details of Major development incurred by the Port- it is mentioned that "Investment of ₹61,29,96,262 are made on Road, Bridge, Drainage and Sewage, Water supply and Augmentation, Boundary wall, Electricity etc." However there are no Drainage and sewage system near our hotel. Also water supply is inadequate and further Paradip Port Trust is supplying Electricity and charging Electricity cost at ₹7.69 per unit. However in non-profit areas, CESU is supplying electricity and charging electricity cost at ₹5.50 per unit for general commercial purpose. Copy of both the electricity bill are enclosed.	Paradip is better placed in terms of infrastructure facilities such as road, water supply, electricity etc, even when it is compared with the major cities of Odisha Paradip Port has created the entire infrastructure facilities and maintaining the same. As per the terms and conditions between PPT and CESU, if Paradip Port exceeds the contract demand, it has to pay double the charges for excess load consumed. The consumption of electricity in the township is almost equal to that of Port operations and sometimes, it is also exceeding. Hence, PPT is compelled to charge rate accordingly to avoid loss.
6.	In the Point no. C (i) - State Government ready reckoner of land values in the area etc. As most of the Port land comes under the category of Jungle kissam, no guideline value is available with the State	It is a fact that most of the area in village Sandhakud falls in the category of Forest due to non-regularization of land records in favour of PPT by the State Government. However, it is to

	Government. The information is not correct as the land accreted cost will be decided by the Paradip Port Trust based on the nearest town/ Tahasil.	mention here that such land has been transferred for non-forest purpose in the year 1962. The forest Department had also taken compensation for such transfer. All these lessees were existing over such land for the past 30 years without any hindrance and enjoying the economic benefits of the Port land. Hence, statement made by the Golden Anchor that Port land comes under the category of Jungle Kissam is misleading.
7.	In the Point no. C (ii) - Highest rate of actual relevant transactions registered in the last three years in the Port vicinity etc. - it is mentioned that no such information is available. However the said information is not correct as the State Government has allotted Land for Hotel purpose to Ginger Hotel (A unit of TATA Group) and to Hotel LA Franklin (Laxmi Franklin Hospitality Pvt Ltd) in the Paradip Town for which constructions have already been started. Also the Paradip Port Trust is aware of the fact and have not collected their Registration Value. We have collected the information from the Land Registration Office and it is found that 1 Acre of land is allotted to Hotel LA Franklin (Laxmi Franklin Hospitality Pvt Ltd) vide Khata No. I, Plot No. 47, given on Lease during 2011, Revenue village- Nua Sandakud at a premium of ₹ 29 Lacs (Once) and ground rent and cess on yearly basis at ₹ 29,000/- and ₹ 21,750/- respectively. Further 1 Acre of land is allotted to Hotel Ginger vide Khata No. 1, Plot No. 47 (P), given on Lease during 2006, Revenue village – Nua Sadakud at a premium of ₹ 15 Lacs (Once) and ground rent and cess on yearly basis at ₹29,000/- and ₹ 11,250/- respectively. So based on the land allotment by State Government it is clear that the Ground Rent is only 10% of the Premium amount and lease period is for 99 years. They have already paid the premium amount to the Paradip Port Trust. So presently Revision of Scale of Rates for Allotment of land is not justified as the ground rent tariff presently exists is also high.	It is true that the State Government is allotting the State Govt. land @ ₹ 30.00 lakhs per acre for 99 years lease within the Port limits. However, PPT has to adhere the Land Policy Guidelines, 2014 and adopt the methodology specified thereon and allot the land as per the market value. Besides this, the entire infrastructure facilities such as electricity, water supply, road etc, are created and maintained by PPT and the State Government is not providing such facilities to the lessees.
II	**Bharat Sanchar Nigam Ltd (BSNL)**	
1.	BSNL (earlier DOT) has opened and operated the telephone exchange at Paradip Port and adjoining areas basically for port utility and benefits only. Again BSNL is only landline service provider to that area and is a Govt. of India Undertaking. Hence, premium and ground rent should not be charged at market rate to BSNL for the purpose the land is used. The same has been presented in the meeting on 15.12.2014. It is requested that nominal	As per the Land Policy Guidelines, 2014 no concession is available for PSUs and the Port land is to be allotted on latest market value.

	premium and ground rate be charged to BSNL.	
III	**Kamala Cinema (KC)**	
1.	On 27.07.1979, Plot No.48, Khata No.27, P.S. No.487, P.S. Tirtol, Area Ac. 0.75 acre (32,670 sq.ft.) un-reclaimed land was allotted for the purpose of permanent cinema hall construction, vide lease deed No.6024 dated 27.07.1979 before Sub- Registrar Office, Tirtol for 30 (thirty) years lease from the date of execution of lease deed based on certain terms and conditions as has been enumerated in the said lease agreement. A land premium of ₹ 37,500/- only and ground rent of ₹ 2,250/- only for an area measuring Ac. 0.75 acre of un-reclaimed land was paid. A land premium of ₹ 50,000/- and annual ground rent of ₹ 3,000/- per acre has been fixed by the Paradip Port Trust. Thereafter, entertainment service has been provided to public through this said cinema hall project till date.	The upfront value of ₹35.20 lakhs per acre was fixed based on the tender received by the Board of Trustees in accordance to (the then) Land Policy Guidelines, 2014 issued by the Ministry of Shipping, Govt. of India. Hence, the action taken by Paradip Port Trust is valid.
2.	The old cinema hall projects all over India are being diversified and considered for expansion into multiplex, for success in high competition. In this connection, a representation with proposed plan and estimate was given to Paradip Port Trust on 10.12.2010 for construction of guest house with other amenities to compete present film exhibiting scenario and make viable the existing project, but it was not considered by the concerned authority. So, the innovation could not be proceeded with. The cinema business is incurring heavy loss on account of paying high rate of electricity charge, salary of employees and other day to day overhead expenses. So now the existing exhibition of cinema project is not at all viable. If the scale of rates are increased, then it will adversely affect the business which has been running for over more than 30 years.	With regard to the proposed revision of SOR, it is to submit here that the last revision was effected in the year 2005 and the land premium of Port Trust land was revised from ₹16.00 lakhs to ₹30.00 lakhs (reclaimed land) and from ₹12.00 lakhs to ₹25.00 lakhs (un-reclaimed land) per acre for 30 years lease. The above rates were arrived based on the transfer value of land within the Port vicinity which was ₹1.00 crore per acre. However, while working out the lease premium (upfront) for a period of 30 years, the transfer value of ₹1.00 crore per acre has been equated to 99 years lease and the lease rental was worked out on prorata basis for the period of 30 years.
3.	Presently the Port Trust is also proposing to reduce the lease period from 30 years to 20 years, by overlooking the leasing and licensing Regulations 1975. The revision of SOR and reduction in lease period from 30 years to 20 years for allotment of port land and built up space is arbitrary and would compel closure of the 35 years old cinema business.	At present the Port land value is kept in between ₹1.82 crores to ₹1.37 crores for developed land and ₹1.72 crores to ₹ 1.27 crores for undeveloped land. The rates worked out by the PPT have been arrived based on the prevailing market conditions.
4.	The Concerned authority issued letter No.AD/EST/LAND-10/2008/1600 dated 15.06.2010, wherein the land premium was hiked from ₹50,000.00 to ₹35.20 lakhs per acre and lease duration was curtailed from 30 years to 20 years. This is a high burden to manage the existing cinema hall project. The demand of payment as per letter No.AD/	As the methodology of calculation of lease rent has already been stipulated in the Land Policy Guidelines, 2014, Port has to adopt the methodology specified in the Guidelines. In accordance with the methodology specified, the upfront value per acre for 30 years would be 82% (approximately)

	EST/LAND-1 /01/2012/2693 dated 03.10.2013 proportionate land premium @ ₹35.20 lakhs per acre for 20 years from 27.07.2009 to 31.03.2014, ₹6,27,000.00, Ground rent @ ₹25,000 per acre for 01 year from 01.04.2013 to 31.03.2014 – ₹18,750.00 and Service Tax @ 12.36°/o – ₹79,815.00 - Total ₹7,25,565.00 on 10.10.2013, has already been paid.	of the transfer value per acre, which has resulted in abnormal hike in the range of 417% to 197%, when compared with the existing rates. Any deviation from the methodology specified for calculation of SOR, would amount to violation of Land Policy Guidelines, 2014. Such amendment to the Land Policy Guidelines or any relaxation under clause 20 (viii) of Land Policy Guidelines, 2014, would require approval of Ministry.
5.	The Cinema Hall has continued since 1979. If the Scale of Rates for allotment of Port Land and built of space is increased, it will severely affect the business.	No specific comments furnished by the port.
6.	Therefore, it is proposed to withdraw the said proposal sympathetically, otherwise irreparable loss and injury will be caused to the 35 years old cinema project. It is felt that a judicious and reasonable consideration towards the revision of the Scale of Rates for allotment of port land and built up space would be taken.	
IV	**Hotel Aristocrat Private Limited (HAPL)**	
1.	The SOR proposed by Paradip Port Trust for 30 years lease period is approx. ₹ 1.5 Crores which is abnormally high. At present, Paradip Port is charging approx ₹ 35.2 Lakhs per Acre for developed land for a period of 30 years lease. It is understood that such rate was obtained from open tender in the year 2008, which means the proposed enhancement is about 425% within a span of 6 years. In other words, PPT proposes for 80% enhancement every year, which is neither possible nor acceptable to us. Further it is to submit herewith that, the transfer value (one time) of the land in the immediate vicinity of Paradip varies from approximately ₹1.5 to ₹2 Crores only. Hence the proposal of charging ₹1.5 Crores per acre for 30 years lease of leasehold land against the property having a transfer value of ₹1.5 to ₹2 Crores (one time) is not acceptable and beyond law.	As the methodology of calculation of lease rent has already been stipulated in the Land Policy Guidelines, 2014, Port has to adopt the methodology specified in the Guidelines. In accordance with the methodology specified, the upfront value per acre for 30 years would be 82% (approximately) of the transfer value per acre, which has resulted in abnormal hike in the range of 417% to 197%, when compared with the existing rates. Any deviation from the methodology specified for calculation of SOR, would amount to violation of Land Policy Guidelines, 2014. Such amendment to the Land Policy Guidelines or any relaxation under clause 20 (viii) of Land Policy Guidelines, 2014, would require approval of Ministry.
2.	Further, Paradip Port Trust has acquired land at a nominal price of ₹ 1 per Acre in case of Govt. land and ₹230.00 per acre in case of privately acquired land from the State Govt. The total amount spent by Paradip Port Trust is within ₹1 Crore for acquiring the entire Port land of 6800 acres. PPT also levied developmental charges @ ₹240.00 per 100 Sq.ft towards the expenditure incurred on the infrastructure facilities such as road, water supply lines, electricity etc. Hence, it is to conclude herewith that the entire expenditure incurred by PPT towards development of land has already been paid to them by respective	As per the Land Policy Guidelines, 2014 the Port land is to be allotted in accordance to the prevailing market rate. Hence, the amount paid to the State Government by the Port for acquisition of land has no relevance here. Besides this, such amount has been fixed in the year 1962 which cannot be compared today.

	lessees in the form of developmental charges. Hence, every lessee has the right to claim that the proposed SOR should be kept at the minimum.	
3.	At this juncture, it is worth to mention herewith that the State Govt. is still holding some portion of the land within the Port area and such land are being allotted by the State Govt. for the purpose of setting up of hotels etc. at a lease rate of approx ₹ 30 lakhs (Rupees Thirty lakhs only) per acre for a period of 99 years lease whereas PPT can give lease only for a period of 30 years & 20 years but still fix the land price nearly 500% more than the State Govt. The SOR proposed by Paradip Port Trust is very much higher than the rate fixed by State Govt. and should not be enhanced further.	No specific comments furnished by the port.
4.	The State Govt. of Odisha has recently acquired private land In the immediate vicinity of PPT for industries like IFFCO & ESSAR at a rate of approx ₹22Lakhs (Rupees Twenty Two Lakhs only) per acre for a period of 99 years lease.	
5.	Initially when PPT decided to lease out some portion of Port land to interested entrepreneurs in the year 1978, PPT had published an advertisement in the local daily stating that "Paradip Port Trust proposes to grant permanent lease of land to intending entrepreneurs and business to set up for a lease period of 30 years in the first instance with a renewable clause". All the lessees who were allotted with the leasehold land, started their construction on the said land after paying the due consideration to Paradip Port Trust and after getting their plan approved by the competent authority. All the Lease Deeds of the leasehold land have been registered in the Govt. Registration office.	
6.	Hotel Aristocrat was constructed in the year 1979-80 and at that time, there was no hotel in entire Paradip. The land was allotted by PPT in order to serve the Port employees, public of Paradip and to different Port users of Paradip. The lease land was registered in the year 1979-80 for a period of 30 years. We have been regularly paying the Ground Rent, land premium, Electricity & water charges in time.	
7.	Since last 2-3 years there is not much business activity going on at Paradip nor any industrial activities going on around Paradip as a result of which the Hotel business is going through a very bad phase. We are facing difficulties in paying even the electricity and other statutory charges to the Port Trust and other state Govt. bodies. The Hotel is running into losses and it is also getting difficult for us to clear invoices pertaining to even day to day affairs of the Hotel. Due to	

	saline climatic conditions, the building maintenance and the up keeping of the Hotel and its premises is adding to our woes. At the end of the day, it is becoming an enormous difficult task to run the Hotel. The proposed enhancement will definitely put us into trouble as it is not at all possible to pay the Ground Rent and Land Premium and other allied charges as per the proposed Scale of rates (SOR).	
8.	In view of the above, it is requested to consider our genuine grievances and not to enhance the old ground rent and land premium rates.	
V.	**Paradip Port Lease Land Owner's Society (PPLLOS)**	
	More than 90% of lessees have availed leasehold land from PPT within 5000 sqft, for conducting small trades like workshops, retail shops, fabrication units, hotels etc. Such land has been allotted by PPT in order to create these facilities for serving the Port employees, Port users as well as Port township. There are very less available business opportunities presently at Paradip. The business carried out by the lessees is in a very small scale and just enough to cater to our day to day needs only. The proposed enhancement will definitely put us into hardships and probably lead to closure of all services rendered by us, thus resulting in loss of livelihood.	No specific comments furnished by the port.
VI	**Thakur Automobile Service Station (TASS)**	
	We have been allotted leasehold land measuring A0.25dl, for operating a water servicing station along with construction of an residence cum office. Such land has been allotted by PPT in order to facilitate water servicing of vehicles of Port employees and residents of Paradip. There is absolutely very less money generated from such a small scale business and is not even enough to cater to our day to day needs also. Our entire family is dependent on me. The proposed enhancement will definitely put me and my entire family into hardships and probably closure of services rendered by me and thus resulting in loss of livelihood.	No specific comments furnished by the port.
VII	**MMTC Ltd**	
1.	MMTC Limited is a Public Sector Undertaking under Ministry of Commerce, Government of India, which was incorporated in 21.09.1963 to look after the trading activities of minerals & metals of India. MMTC Ltd had started its business operation at Paradip Port from early sixties for sea-bound trading activities. During the course of time, MMTC Ltd has	No comments.

	served the Paradip Port Trust for more than five decades as a leading port user and contributed immensely to PPT's growth and development.	
2.	During our presence in PPT, we had concluded a lease agreement with Paradip Port Trust on 21.11.1980 for a period of thirty years to avail two acres of land on lease basis by paying applicable land premium of ₹ 50,000/- per acre and ground rent of ₹ 3,000/- per acre per annum to construct a residential complex to take care of the Port operations. Subsequently, PPT had increased the Ground rent to ₹18,000/- per acre per annum on 15.02.2006 and to ₹ 25,000/- per acre per annum on 13.02.2007. Similarly, they had increase the Land premium to ₹35.20 Lakhs per acre for 20 years on 10.06.2011. Meanwhile, Service Tax @ 12.36% was also levied by PPT as per Government of India's directives, thus, increasing our overall liability significantly.	No comments.
3.	Once again PPT has come out with a proposal for further enhancement of SOR as per details below: (i). Up front Land premium for the entire lease period (one time) @ ₹ 1,49,51,533.60 per acre for the developed land and ₹1,41,30,020.76 per acre for un-developed land. (ii). Nominal ground rent to be paid annually. (iii). Development Cost @ ₹240/- per 100 sq.ft (one time). (iv). Processing fees of ₹1,500/- for preparation of documents. (v). Other Govt. taxes such as Service Tax.	As per the Land Policy Guidelines, 2014 no concession is available for PSUs and the Port land is to be allotted on latest market value. PPT has proposed to enhance the rate only in case of land allotted to non-Port related activities where the income to the Port is only at the time of initial allotment. In case of Port related activities, the rates prevailing inside the custom bond area shall be applicable.
4.	MMTC Ltd, being a partner in the progress of PPT strongly advocates to maintain status quo for continuation of the existing Scale Of Rates (SOR) for the allotment of land on lease basis for a period up to 30 years, since business across the Globe is witnessing recessionary trend and commodities prices are declining very fast. All commercial entities are struggling to survive. During the difficult business scenario, we would like to mention here that the melt down of Global economy has adversely impacted on the trading activities of the Manufacturers, Traders and also to a large great extent to the Service providers. Since MMTC Ltd is a Trading Organisation of Government of India, we have also been severely affected due to the melt down of Global economy. Moreover, due to embargo in	The reply with regard to revision of proposed SOR has already been narrated above.

	Iron Ore mining in Odisha, situation has further aggravated. Further increase in SOR for the allotment of land on lease basis for a period up to 30 years will not only increase the financial burden on the Company but also may act as a barrier to carry out normal business activities.	
5.	In view of the above, it is felt that at this point of time any enhancement in SOR as proposed by the PPT may not yield favourable and conducive business results by the port users and hence, it will be prudent to continue with the existing structure of SOR.	No specific comments furnished by the port.
6.	Moreover, MMTC continues to patronize Paradip Port for its commodities handling i.e. Pig Iron, Coal etc. for our Steel Plant and now we are already moving ahead with our expansion plan leading to more volume of business.	
VIII	**Sri Laxmi General Store (SLGS)**	
1.	The lease of our land (Plot No-48, Bhanja Sarani, Opp. to main Post office, Badapadia, Paradeep Port), has expired. Though we want the lease to be renewed, the tariff provided by Port Trust is much higher than the previous one. The market condition in Paradip is worse now a days, as all the projects have been completed and the population has decreased. Business condition is deteriorating day by day. Hence, the tariff provided by Port Trust are unaffordable.	No specific comments furnished by the port.
2.	Therefore, our grievance be considered and we be allowed to pay the port trust ground rent and land premium as per the previous rates.	In case of market units, the rates worked out by PPT are genuine because PPT proposed to charge the rates varying between ₹ 16/- to ₹ 10/- per sft. / Month which means the monthly rent per unit of 10’ X 10’ would be ₹ 1,600/- to ₹ 1,000/- only. No specific comments furnished by the port.
IX	**Sarala Gas (SG)**	
1.	We urge upon your esteemed office to consider sympathetically our grievances and allow us the status quo in Land payment renewal since the business at Paradip is very deplorable at the moment & on this account we are suffering a lot. The neighborhoods are disconnected in terms of education, health & other civic facilities compared to the Urban areas.	No specific comments furnished by the port.
2.	Hence, we solicit your kind intervention to maintain the status quo in revision of land premium which has gone up incredibly in your proposed new tariff rate.	In case of market units, the rates worked out by PPT are genuine because PPT proposed to charge the rates varying between ₹ 16/- to ₹ 10/- per sft. / Month which means the monthly rent per unit of 10’ X 10’ would be ₹ 1,600/- to ₹ 1,000/- only. No specific comments furnished by the port.

X **XI**	**Indian Fine Arts (IFA)** **Computer Point**	
1.	The enhancement in the lease land premium at Paradip Port for renewal of lease land, maybe reconsidered in the light of the following.	No specific comments furnished by the port.
2.	The cost of land prevailing in the adjacent area of Paradip is ₹ 20 lakhs approximately per Acre for sthitiban status land as per information of the Kujang / Kendrapara sub-register office.	
3.	The infrastructure facility at Paradip is very poor and the export of Iron Ore and Fishing Trawler business is not at all satisfactory for which the floating population has become very low which influences the present business activities at Paradip Port.	
4.	As we are very small business enterprisers our business is not running satisfactorily hence the existing rates i.e. ₹35,20,000/- may please be considered for the renewal of present lease land.	In case of market units, the rates worked out by PPT are genuine because PPT proposed to charge the rates varying between ₹ 16/- to ₹ 10/- per sft. / Month which means the monthly rent per unit of 10' X 10' would be ₹ 1,600/- to ₹ 1,000/- only.
XII	**Capt. Dilip Kumar Mishra**	
1.	The cost of land prevailing in the adjacent area of Paradip Port i.e, in Paradip Phosphates Limited, IOCL Refinary (Paradip), POSCO (Paradip) is ₹20,00,000/- per acre. This can be verified from Govt. sub-registrar office.	No specific comments furnished by the Port.
2.	The infrastructure facility at Paradip is very poor.	
3.	The export of Iron-ore has vanished from Paradip. All other commodities excepting coal are gradually vanishing from Paradip for which the floating population and the foot falls of various exporters and importers are minimised.	
4.	My business is not running satisfactory due to the above mentioned reasons.	
5.	Hence, I would like to request your honour to refix the above subject fees at ₹35,20,000/- per acre, which is prevailing at this time.	In case of market units, the rates worked out by PPT are genuine because PPT proposed to charge the rates varying between ₹ 16/- to ₹ 10/- per sft. / Month which means the monthly rent per unit of 10' X 10' would be ₹ 1,600/- to ₹ 1,000/- only. No specific comments furnished by the port.
XIII	**Cuttack Roman Catholic Diocesan Corporation (TCRCDC)**	
1.	The Cuttack Roman Catholic Diocesan Corporation (CRCDC) has received a communication from Sr. Asst. Estate Manager, Paradip Port Trust, about the revision of the	Board of Trustees of PPT had allotted land to Schools like Bethany Convent School, Saraswati Sishu / Vidya Mandir without charging any land premium

	Scale of Rates (SOR) for the allotment of Port land. In 1978, we were asked to come and start an English Medium School, (Bethany Convent School) at Paradip. Being a Charitable Organization, the Port Authorities gave to CRCDC five acres of land for that purpose, free of any rent. In 1993, we were asked to pay a nominal rent of ₹1,000/- per acre of land. We were paying that from that time.	(upfront) and also provided a concessional ground rent @ ₹.1000/- per acre per annum and the same is continuing as on date. In case of Bethany Convent School, the said lease has expired and the Board of Trustees of PPT has considered for renewal on the same Terms & Conditions of initial allotment and recommended to Ministry for necessary relaxation on payment against which Government approval is yet to be received. Further, regarding relaxation of rates of land premium in respect of educational institutions, there is a provision in the Land Policy Guidelines, 2014 that concession up to 75% on the annual lease for allotment of Port land on nomination basis for Govt. schools and colleges. But there is no provision for concession in respect of other private schools and colleges established over the Port land. If it is considered for relaxation, it requires the approval of Ministry.
2.	We were invited to voice our views on 15.12.2014 through letter no. AD-EST-MISC-III-06/2011/3423 dated 10.12.2014 and were informed about the increase in Tariff. Because of the quality education we impart, there is great demand for admission in our school. This year we will have to construct more class rooms. The majority of the children are of the people employed in the port. It also cares for the children of poor families as well. The school is having good results due to the dedication and competence of the staff, and the Bethany Sisters in particular.	No specific comments furnished by the port.
3.	Taking these difficulties into consideration, we request you wage off not only the revised tariff, but also the nominal tariff we were paying earlier. We do hope that you will consider this case sympathetically and on a priority basis.	It is proposed to charge 1/10 th of the proposed rates for other educational institutions irrespective of their status especially in case of new one as Paradip is situated in a remote place. In case of existing educational institutions, it is proposed to continue the existing concession i.e., no upfront and ground rent @ ₹1,000/- per acre per annum for which suitable amendment in the Land Policy Guidelines, 2014 may be made.
XIV	**Steel Authority of India Ltd**	
1.	While considering proposal for revision of the scale of rates by Paradip Port Trust, it is requested to your kind self to look into that the tariff fixed by PPT be competitive enough.	No specific comments furnished by the port.
XV	**Indian Farmers Fertilizer Cooperative Ltd (IFFCO)**	
1.	IFFCO is also making payment to Paradip Port	As per the Land Policy Guidelines, 2014

	Trust for allotment of Port land not directly for Port related activities such as use as railway siding for dispatch of Fertilisers at Rangiagarh as per below: (a) Ground Rent for 14,000 Sqr. Mtr. - ₹25,000/- per acre per annum. (b) Licence Fees for 10,345 Sqr. Mtr.- ₹0.48 per Sqr. Mtr. per day. (c) Ground Rent for laying electric cable (142 Sqr.Mtr.) - ₹0.48 per Sqr. Mtr. Per day.	there is no provisions available in the Land Policy to give concession to party like IFFCO.
2.	IFFCO Plant at Paradip was taken over from M/s. Oswal Chemicals & Fertilisers Ltd. In Oct 2005. Since then, there has been no enhancement in production capacity of fertilizer, as the plant faces serious constraints in despatch of finished fertilizer in the absence of railway siding inside the plant.	No specific comments furnished by the port.
3.	Therefore, annual tonnage of our raw material imports has only marginally increased since 2005. But IFFCO has been paying various port charges with enhancements in SOR at regular intervals as per agreement.	
4.	Further, Fertiliser prices are based on subsidy fixed & controlled by the Deptt. Of Fertilisers.	
5.	Also the subsidy on Phosphatic Fertilisers has been reduced as per new Government Policy without any additional compensation to the manufacturer for rise in price of fertiliser raw-materials. This has reduced profit margin drastically on the sale of fertilisers.	
6.	In view of the circumstances as aforementioned any increase in SOR on Port land would be an additional financial burden on IFFCO since the same cannot be passed on to consumers.	
7.	Therefore, we request that, there should be no further upward revision in SOR in Port land allotted in favour of IFFCO.	
XVI	**Paradip College**	
1.	Paradip Port Trust college, Paradip, is an Educational Institution and 90% children of the Paradip port Trust employees are reading in this college. Hence you are requested to consider & approve the differential revised rates for Educational Institution (Paradip College, Paradip) towards allotment and built up space.	In the year 1991, Paradip college was initially allotted with 3 acres of land at concessional rate of premium of ₹.10,000 per acre for 30 years lease and ground rent of 2% per acre per annum on such premium for 30 years. Subsequently, with due approval of Ministry, 2 acres of additional land in the year 2011 was allotted in their favour by giving concession @25% of Schedule Rates in case of premium as well as ground rent for a period of 30 years. First allotment is valid upto 2021 and second allotment is valid upto 2041. As per new Land Policy Guidelines, 2014,

		ground rent will be charged Re.1/- per squm. Hence, the revision has no impact as far as Paradip College is concerned.

3.1. The Paradip Phosphate Limited (PPL) has furnished comments which are given below :

(i). As per the agreement dt.03.08.1985 executed between PPT and PPL, there are two categories of land licensed in favour of PPL by PPT. One area is the Right of Way granted for the land occupied by conveyor gallery etc. and the other is the Right of Way granted upon the land in which approach road exists.

(ii). In respect of the land occupied by the approach road, it is in dispute between State of Orissa, Paradeep Port and Paradeep Phosphates Ltd. and the matter is subjudice in the Hon'ble Court of Orissa in W.P(C). No.3038/2003. Unless and until the ownership dispute is settled between the parties the payment of land revenue by PPL to PPT does not appear legally tenable. Moreover, the Hon'ble High Court of Orissa has directed to maintain the status-quo.

Furthermore as per the orders of the Collector and District Magistrate, Jagatsinghpur in 2004, the said approach road has been thrown open to general public.

Hence PPT should not insist for collection of land rent nor should propose for any revision of rent till the matter is decided by the Hon'ble High Court of Orissa.

(iii). As regards the land upon which the conveyor gallery, etc. are in existence, PPL has been paying the rent regularly as per the agreement without any interruption. As per Clause-I of the agreement dt.03.08.1985, any enhancement of rent/ rate is subject to mutual agreement. It is needless to submit that, the terms of the agreement have been acted upon continuously without interruption since the date of its execution.

(iv). It may not be out of place to bring to the notice of the TAMP that, PPT while challenging the award dt. 29.11.2010 passed by TAMP which is inclusive of the estate activities along-with other proposals for revision in the rate should not have approached the TAMP at this juncture. This amounts to over reaching the jurisdiction of the Authority. The said issue is still subjudice in the Hon'ble High Court of Orissa in W.P(C.) No.732 of 2012 filed at the instance of PPT. Further we submit that, the revision in land rent by PPT stated to have been based upon Paradip Port Trust Immovable Properties (Land & Houses) Leasing & Licensing Regulation, 1975. The agreement dt.03.08.1985 is independent of the purview of this regulation.

(v). In view of the submissions made above, we therefore state that, the unilateral proposal for revision in rate for the said land is not in accordance with the agreement dt.03.08.1985 and any proposal for revision is not liable to be accepted by TAMP to the extent concerning the issues of PPL.

3.2. The PPT has not responded to the comments of PPL.

4.1. The Kalinga Engineers Ltd. (KEL) has furnished comments which are given below:

(i). TAMP should keep in view the present situation and objectives for the allotment of land to the Industries, who are contributing and supporting the development of Port facilities as their ancillary. Accordingly, the revision of Scale of rates may be done on categorized Basis, such as:

(a). **Rate for the New Users**
The present Rate may be fixed depending upon the Type of Land to be allotted.

(b). **Rate for the Existing Users and pending for Renewal**.
Many land allotted to the Industries before 30 years back were undulated, swallowed and water logged land. Now, such lands are reclaimed and developed by the users from year to year with their own recourses. Therefore, the rate for renewal of old lease hold lands should be fixed separately and should be as per the practice followed in the cases of renewal of lease hold Government Land.

(ii). TAMP may be pleased to adopt and fix the SOR at par with the applicable Rate that is prevailing in and around Paradip Port and fixed by the Government of Odisha for the promotion of Industries. In this regard, we are enclosing the Rate fixed by the IDCO in regards to rate of Industrial Land at Paradip, which is ₹30,00,000.00 per acre for a lease period of 99 years along with Industrial Policy Resolution of Government of Odisha.

(a). Office Order dated 04.01.2011 of M/s Orissa Industrial Infrastructure Development Corporation, a Government Odisha agency is furnished.

(b). Odisha Industrial Policy-2007 of Government of Odisha is also furnished

(iii). Kalinga Engineers Limited is a SME and an old establishment situated at Paradip Port Trust since over a period of 35 years on a lease hold land of PPT. This company has supported the port activities in many ways and is still continuing as an ancillary to Port Trust. The lease hold land of the Company is under the process of renewal.

(iv). It is needless to mention that SME are the main contributor for industrial growth & local employment generation in addition to meeting the Port maintenance and Infrastructure development activities. Any arbitrary increase in the SOR for the existing units will jeopardize the functioning of the SME, who may not have sufficient cash reserve to meet the price escalation.

(v). That, it will be most judicious, prudent and proper if the Hon'ble TAMP will take reference of the Whole Sale Price Index (WPI) taking 2005 as base price and accordingly fix the SOR for the existing SME and users of the Port Land in isolation.

4.2. The PPT has not responded to the comments of KEL.

5.1. A summary of the comments received from the users/ user organisations and lease holders on the revised draft Scale of Rates of PPT and comments of the PPT thereon is tabulated below:

Sl. No.	Comments made by users/ user organisations and Lease holders	Response of PPT
I	**Hotel Aristocrat Pvt. Ltd. (HAPL)**	
1.	There is a vast disparity of about 200% between the custom bound area and outside the prohibited area. The same is also accepted by PPT in clause 3.2.1 indicating that "if the above mentioned rates are implemented for cargo related activities of the port outside the prohibited area, the same	The land rates for the Cargo related activities are kept on a lower side as compared with non-Port related activities to have the competitive edge over the other Ports located on east coast, failing which Port may lose its cargo due to higher cost involved in

<table>
<tr><td></td><td>shall put Paradip Port in a disadvantage position as the proposed rates are on higher side as compared to the nearby Ports located in the East Coast.”</td><td rowspan="5">cargo handling as it is a part of logistic cost. In view of this, the different rates have been worked out for cargo related activities and non-Port related activities.

Port has worked out the SOR in accordance with the mechanism specified in the Land Policy Guidelines 2014 and have no scope to adhere to the suggestions of the lessee for working out the SOR.

As the lease period has already been expired, the renewal is to be treated as a fresh allotment and the lessee has to pay the charges as per the revised SOR. It is not possible to have two SOR for existing lessees and fresh ones, as it will be a violation of Land Policy Guidelines, 2014.</td></tr>
<tr><td>2.</td><td>The Hotel is running into losses and it is also getting difficult for us to clear invoices pertaining to even day to day affairs of the Hotel. Due to saline climatic conditions, the building maintenance and the upkeeping of the Hotel and its premises is adding to our woes. The proposed enhancement will definitely put us into trouble as it is not at all possible to pay the Ground Rent and Land Premium and other allied charges as per the proposed Scale of rates (SOR) by Paradip Port Trust.</td></tr>
<tr><td>3.</td><td>In our earlier letter dated 22/12/2014, we had outlined the existing business conditions at Paradip and requested for non-enhancement in the proposed SOR considering the prevailing condition but we are very sorry to say that none of our requests were considered.</td></tr>
<tr><td>4.</td><td>It is understood that such abnormal rate has been arrived due to the mechanism specified in the Land Policy guidelines for calculation of the upfront value for allotment of land on lease basis. In our opinion the existing transfer value should be equated to 99 years lease and the upfront value for 30 years lease shall be worked out on pro rata basis. For example. if the transfer value of the Township is 1.82 Crore per acre, then the lease rental would be 1.82 Crore / 99 years X 30 years, which is ₹ 55,15,151.00 (Rupees Fifty Five Lakh Fifteen Thousand One Hundred Fifty One only) per acre for 30 years lease. In any case, Port is currently charging an upfront value of ₹ 52.8 Lakhs per acre for 30 years lease which was enhanced without any notification by the Port in the year 2006 as against the approved value of ₹ 30 Lakhs per acre for a lease period of 30 years and the same is being paid by all the Lessees of the Port.</td></tr>
<tr><td>5.</td><td>In view of this, it is requested to consider the existing rate of ₹ 52.8 Lakhs per acre for 30 years towards upfront value atleast from the existing lessees considering our genuine plight and grievance. We sincerely hope that justice prevails.</td></tr>
<tr><td>II
III
IV
V
VI
VII
VIII</td><td>Indian Fine Arts (IFA)
Sri Laxmi General Store (SLGS)
Kash Service Pvt Ltd (KSPL)
SK Abdul Sofian (SKAS)
Sarala Gas (SG)
Computer Point (CP)
Shri Ajendra Ray (SAR)</td><td></td></tr>
<tr><td>1.</td><td>In the year 1978 the then Paradip Port Trust authority advertised in Odiya daily</td><td>Paradip Port Trust is charging development cost (one time) from the</td></tr>
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<tr><td></td><td>"The Samaj" for the allotment of port Land on permanent lease for a period of 30 years with a renewable clause @ ₹ 50,000/- for un-reclaimed land for setting up different port base industries and accordingly we have been allotted with a small piece of land on which we constructed our permanent building as per the approved plan of the Town Planning Dept. of PPT and doing our business activities to till date and have never received any adverse remarks from PPT.</td><td rowspan="7">lessee to recover the expenditure incurred on development of infrastructures like road, electricity & water supply, drainage etc., for the lease period only. In addition to this, PPT is also incurring a huge expenditure towards maintenance of these infrastructures facilities as the Labour and constructional material cost has been increased in many folds Hence, the revised development cost has been proposed, based on whole sale price index.

It is a fact that State Government is allotting land within the Port area at lesser rate in comparison to the proposed SOR, but the State Government does not provide any infrastructure facilities to its allottees. The method of calculation of the lease adopted by the State Government may be a different one, to the method adopted in the Land Policy Guidelines 2014. Hence, Paradip Port Trust has no scope to reduce the price as suggested by the lessee.

The earlier SOR for allotment of Port land outside the custom bond area has been carried out with due approval of Board of Trustees of Paradip Port Trust up to 2004 based on the recommendation of the Committee constituted for this purpose.
As per the Land Policy Guidelines, 2004, Port land is to be allotted on market value based on the highest tender value. Accordingly, based on the tender value received in the year 2008, Board of Trustees have approved to enhance the SOR toRs.35.20 lakhs per acre for 20 years from the year 2004 as against approved rate of Rs.30.00 lakhs per acre per 30 years.

As per the Land Policy Guidelines, 2004 issued by the Ministry, the SOR is to be revised every five years. However, the same could not be undertaken due to suspension of Land Policy Guidelines, 2010. In view of this, Paradip Port Trust was advised to wait for issuance of New Land Policy Guideliens. After issue of Land policy Guidelines, 2014, Paradip Port Trust has proposed the SOR. Hence, the request of the lessee for considering the rates prevailed at 2008 for the year 2004 may not be</td></tr>
<tr><td>2.</td><td>In the meantime the period of lease has expired in 2010 and the Port Trust has not yet renewed the subject lease land although we have been paying the lease premium and ground rent annually at the prevailing rates of PPT i.e. ₹ 35,20,000/- for a period of 20 year till 2014-15.</td></tr>
<tr><td>3.</td><td>PPT has already revised the land premium @ ₹ 35,20,000/- without the approval of TAMP and we have already paid such amount as demanded by PPT for the period from the date of expiry of lease till 2014-15. Though PPT has enhanced the land premium recently considering the present market value it may not be worthwhile to enhance the rate in the middle.</td></tr>
<tr><td>4.</td><td>IFA/ SLGS/ KSPL/ SKAS/ SG being an existing leasee has already invested huge amount for development of un-reclaimed land allotted to IFA/ SGLS/ KSPL/ SKAS/ SG and infrastructure cost, keeping in the view the future development of Port. But the development of PPT such as business users related to port activities has not been attractive for which we are suffering a lot.</td></tr>
<tr><td>5.</td><td>At the time of initial allotment we have already paid the development cost and again the PPT is asking for development cost for the second time which is quite unfair. Moreover, the methodology as adopted by the PPT for revision of SOR may not be proper and as proposed by PPT will reach in high extent.</td></tr>
<tr><td>6.</td><td>Considering the above, TAMP Authority may please be kind enough to fix the SOR @ ₹35,20,000/- per acre for the period of 30 years without the development cost as proposed by PPT as IFA/ SGLS/ KSPL/ SKAS/ SG is an existing leasee.</td></tr>
<tr><td>7.</td><td>While this is so, the PPT has proposed to enhance the scale of rates of Lease Land @ ₹1,49,51,534/- per Acre for a period of 30 years which is very high and unreasonable as compared to the prevailing rates of State Government in the adjacent area and very recently the State Govt. has allotted land to</td></tr>
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	two star hotel at Paradip Port on 99 year lease @ ₹ 20 lakh per acre.	appropriate.
8.	we have been doing our business activities at Paradip for the least 40 years and rendering our services to Port/ State/ Central Government employees and Ship's Officers and Crew and foreign Tourist in various field.	
9.	Under the circumstances we would be most gratefully obliged if the Authority could extend a judicious consideration so as to fix a reasonable scale for Rates or the prevailing rates i.e. ₹ 35,20,00/- instead of proposed SOR i.e. ₹ 1,49,51,534/- .	
IX	**Bharat Sanchar Nigam Limited (BSNL)**	
1.	BSNL (earlier DOT) has opened and operated the telephone exchange at Paradeep Port and adjoining areas basically for port utility and benefits only. Again BSNL is only landline service provider to that area and is a Govt. of India Undertaking. Hence, premium and ground rent should not be charged at revised proposed scale of rates to BSNL for the purpose the land is used. The same has been presented in the meeting on 15.12.2014.	As per the Land Policy Guidelines, 2014, concession on the SOR can be extended up to 50% in case of Security Agencies and the Government Departments. In case of CPSUs and SPSUs, land can be allotted on nomination basis, but on the basis of latest market value. Hence, there is no scope to consider the request of Bharat Sanchar Nigam Ltd., for charging nominal upfront and ground rent.
2.	It is requested to charge the nominal premium and ground rate to BSNL.	
X	**Golden Anchor (P) Ltd (GAPL)**	
1.	GAPL have already given the comments through our letter dtd 22.12.2014 and E-mail on 23.12.2014 to Tariff Authority for Major Ports and also send its copy to the Paradip Port Trust accordingly.	The registered value has not been taken into consideration by the consultant for working out the SOR, because the transfer value mentioned in the registration deed never reflects the market value as there is a tendency to avoid stamp duty by quoting lower transfer value. The mechanism used by the State Government for arriving at their lease value may be a different one. But the Port has adopted the method specified in the Land Policy Guidelines, 2014. Hence, the lease value of the State Government was not considered as bench mark value for arriving at SOR as the same is not reflecting the market condition.
2.	In the abovesaid letter, GAPL had mentioned that - "The highest rate of actual relevant transaction registered in the last three years in the Port vicinity etc.- it is mentioned that no such information is available. However, the said information is not correct as the State Government has allotted Land for hotel purpose to Ginger Hotel (A unit of TATA Group) and to Hotel LA Franklin (Laxmi Franklin Hospitality Pvt. Ltd.) in the Paradip town for which constructions have already been started. Also the Paradip Port Trust is aware of the fact and have not collected their registration value. GAPL have collected the information from the Land registration Office and it is found that, One Acre of land is allotted to Hotel LA Franklin vide Khata No.-1, Plot No.-47, given on Lease during, 2011, revenue village-Nua Sandakud at a Premium of ₹ 29Lacs (once) and ground rent and cess on yearly basis at `29,000/- and ₹ 21,750/ respectively. Further, one Acre of land is allotted to Hotel Ginger vide Khata No.- 1, Plot No.-47 (P), given on Lease during 2006, revenue village-Nua Sandakud at a Premium of ₹ 15	

	Lacs (once) and ground rent and cess on year basis at ₹ 29,000/- and ₹ 11,250/- respectively. So basing on the land allotment by State Government, it is clear that, the Ground rent is only 10% of the Premium Amount and the lease period is for 99 years. We have already paid the Premium amount to the Paradip Port Trust. So, presently Revision of Scale of rates for Allotment of Land is not justified as the Ground rent tariff presently exists is also high." The copy of certified copy of land records of above mentioned allotted hotels are furnished.	
XI	**Kalinga Engineers Ltd (KEL)**	
1.	The revision of Scale of rates may be done on categorized Basis, such as: (i). **Rate for the New Users** The present Rate may be fixed depending upon the Type of Land to be allotted. (ii). **Rate for the Existing Users and pending for Renewal**. Many land allotted to the Industries before 30 years back were undulated, swallowed and water logged land. Now, such lands are reclaimed and developed by the users from year to year with their own recourses. Therefore, the rate for renewal of old lease hold lands should be fixed separately and should be as per the practice followed in the cases of renewal of lease hold Government Land. (It has reiterated other points which have already been brought out).	For the reasons stated in the foregoing paragraphs, Paradip Port Trust cannot have two SOR for the existing lessees and the fresh ones. Paradip Port Trust has also taken care while working out the SOR for reclaimed (developed) and non-reclaimed (undeveloped) land. As the Port has to work out the SOR in accordance to the Land Policy Guidelines, 2014, there is no scope to adopt any other SOR.
XII	**Hotel Paradeep International (HPI)**	
1.	Though we have paid the amount as compared to 30 years allotted to other lease holders, we were allotted for 20 years with the same amount. So please it may be considered as 30 years in favour of us.	As per the lease agreement the amount paid by the lessee is for the period 20 (twenty) years only. Hence, there is no scope to consider his request beyond the lease agreement.
2.	As we are existing lease holder, the previous leased tariff may continue instead of the new revised tariff decided by you and it is for your kind information that we have spent a substantial amount to develop the low lying area for our project.	
XIII	**Capt. Dilip Kumar Mishra (CDKM)**	
1.	The present purchase value of Govt. Land in the adjacent area of PPT fixed by Govt. of Odisha for various Mega Projects is ₹20,00,000/- per acre, whereas PPT has proposed to fixed up SOR @ ₹149,51,534/- per acre for 30 years which is abnormally high.	The reasons for difference between SOR proposed by Paradip Port Trust and the rate at which State Government allotment is being carried out has already been narrated in the foregoing paragraphs. Reasons for charging the development cost again during the extension of
2.	In my opinion the methodology adopted by PPT to fix up SOR may not be proper.	
3.	I am the Lessee since last 20 years. At the	

	time of allotment I have already paid the development cost and also borne the reclamation cost of my lease land. In proposed SOR, PPT has included all the above criteria for fixing up the SOR which is probably twice for payment by me.	lessees, if any, has already been narrated in the foregoing paragraphs. Reasons for charging Rs.35.20 laksh per acre/ 20 years has already been narrated in the foregoing paragraphs. As Paradip Port Trust has to adhere to the Land Policy Guidelines, 2014 for arriving at SOR, there is no scope to fix the SOR @ Rs.35.20 lakhs per acre/ 20 years as per the price of 2008.
4.	Since the allotment of land, no additional infrastructure development has been provided by PPT. Now, the PPT proposes to charge the development cost @ ₹405/- for 100 Sq. ft., which is extra financial burden to me.	
5.	Though PPT has proposed to fix up the SOR which will be effect from 01.04.2010 retrospectively, but PPT has collected the land premium @ ₹35, 20,000/- per acre for 20 years. It may not be required to enhance the rate in the middle without fixing up SOR.	
6.	At present scenario important export of Iron Ore and other commodities have vanished from Paradip for which the business at Paradip is not running satisfactory.	
7.	Considering the above I request TAMP to recast the methodology adopted by the PPT and to fix up of SOR of lease hold land @ ₹35,20,000/- per acre for 30 years as already enhanced by PPT and prevailing at this time without charging the development cost which will be suitable for all lease holders and also attract other users related to Port activities for future development of the Port.	
XIV	**Kamala Cinema (KC)**	
1.	That an area measuring 0.75 Acres un-reclaimed port land was allotted in my favour (B.B.Senapati) in the year 1979 on 30 years lease basis for construction of permanent cinema Hall" on payment land premium of `50,000.00 per Acre along with Development cost and other allied charges. Accordingly after allotment of 0. 75 Acres port land the lease deed was executed with PPT in the state sub-Registar Office, Tirtol on 27.07.1979. After execution of lease agreement, I had submitted the Building plan to PPT for construction one permanent cinema hall over the lease hold land of PPT. After approval of the Building plan by PPT authority I have been directed by PPT authority to proceed with the construction of permanent cinema hall over the lease hold land, according to the port approved plan. There after I am running my cinema hall Business till date without deviating/ violating any port trust rules &	

	regulations.	
2.	But it is a matter of regret that the cinema hall business is deteriorating day by day almost all over India now a days. Especially at Paradip Port the Cinema Business is very precarious. Even it is not possible to run 3 shows in a day. Presently due to continuous retirement of port trust employees about 300 to 400 in a year, the population of Paradip Township is reducing day by day unexpectedly for which it is not possible to run the Cinema Hall every day for 3 shows. Apart from this, due hike of Electricity Tarrif by port authority, near about double the rate of state Govt. rate, like other adjacent, town i.e Cuttack & BBSR, I am sustaining heavy loss in the Cinema Business since long.	No specific comments furnished by the Port.
3.	In order to compensate the losses in my business I had submitted a separate project/ Building plan to PPT on 10.12.2010 for construction of one Guest House along with other amenities & allied facilities to compete the present film exhibiting scenario & make viable the existing project. But the project plan was not considered by the Port Trust Authority. Due to this, I was not able to expand my film business along with other allied facilities.	The reasons for difference between SOR proposed by Paradip Port Trust and the rate at which State Government allotment is being carried out has already been narrated in the foregoing paragraphs. M/s ESSAR Steel is acquiring lands around 5 kms. away from the Port town. The lands acquired by M/s ESSAR are marshy agricultural undeveloped land without any infrastructures. Hence, the rural land cannot be compared with the urban land of Paradip Port Trust. The land acquired by M/s IFFCO adjacent to their plant also along the National Highway-5 is that of same nature of land acquired by M/s ESSAR. These lands do not have even proper road of access and currently under lot of encroachments. Though M/s IFFCO acquired the land as on date, no physical possession could be taken by them. It is worth to mention here that the other side of the National Highway opposite to M/s ESSAR, popularly known as Tarini Gada, where lands are owned by private individuals, the price of land varies between Rs.2.00 lakhs to 5.00 lakhs per decimal depending upon the locations. Hence the cost at which, IFFCO acquisition of land has no relevance
4.	Apart from this I like to draw your kind attention over the recent land premium of Govt. of ODISHA against leased out of land to some private corporate sectors, which is adjacent to my lease hold land at Paradip in the same Mouza/ Village (SANDHAKUD) the details of which are furnished below.	
i.	That the Govt of ODISHA, has leased out 1 Acre of land (nearby to my lease hold land)	No specific comments furnished by the Port.

	for aperiod of 99 years @ ₹.15.00 lakhs per acre in favour of Mr. Dhanraj Mulki, MUMBAI together will all rights for construction of GINGER HOTEL at Paradip, Staff Qtrs. for officers & Staff of the Hotel. This land has been leased out for Ginger Hotel by the Govt. of ODISHA, out of the reserved land I Ear marked for Govt. of Odisha, by the Paradip Port, The land has been leased out in the year 2006. A copy of the lease deed is furnished.	
ii.	Secondly in the year 2011, the Govt. of Odisha has again leased out 1.00 Acre land in 610 KC Mahapatra, BBSR the partner/ proprietor of 2, 7 acre society, Gopi Road, Baroda Gujrat for construction of one Hotel, for a period of 99 years @ `29,00,000 (Twenty Nine lakhs) only per acre. This land is also near to the above GINGER HOTEL land and also from the reserved/earmarked land for Govt. of Odisha, by PPT The copy of 99 years lease deed is enclosed herewith for your kind reference.	No specific comments furnished by the Port.
iii.	Recently M/s ESSAR STEEL LTD have acquired about 200-300 Acres Private Land on permanent sale deed basis for construction of steel plant at Paradip. This Projects land is also adjacent to port land and M/s. ESSAR STEEL LTD have purchased the above land @ ₹ 25, 00,000.00 (Rupees twenty five lakhs) per Acre for entire life time.	No specific comments furnished by the Port.
iv.	Moreover, M/s IFFCO Ltd has also established a Fertilizer Plant at Paradip which is very adjacent to port land over an area of about 300Acres. Recently M/s. IFFCO LTD has also acquired about 50-100 Acres of private land at Musadia & Handia which is also by the side of the port land for expansion of his existing fertilizer plant. The private land has been acquired by M/s IFFCO LTD @ ₹ 25, 00,000.00 per Acre.	No specific comments furnished by the Port.
5.	Considering the above facts it is not understood how the port Trust Authority has decided to enhance the land premium from ₹ 35.20 lakhs to ₹ 1,49,51,534.00 per Acre for 30 years. Further it is a fact that, the land rate & other market rate has been going high within the 30 years, but in comparison, the hike of land premium from ₹ 50,000.00 (Rupees fifty thousand) only per Acre to ₹ 1,49,51,534.00 per acre during 1979 to 2015 seems to be un-practicable. The market rate of other components has not been hiked/ enhanced in equal percentage to the enhanced land premium ratio at this stage i.e. from 1979 to 2015. Keeping in view of the above facts it is humbly submitted that, if the land premium of port land will be enhanced to ₹ 1,49,51,534,00 per acre for 30 years, it is not at all possible on my part to run the present cinema business, in the present sick film	No specific comments furnished by the Port.

	Industry Business,	
6.	In view of the facts and keeping in view the proposal of the PPT & considering the interest of Govt. of India, the land premium of the port land may considerably be enhanced in such a manner that it will not affect my Cinema Hall business which provides entertainment to general public of Paradip Port as well as port employees of PPT, since my film Hall (Kamala Cinema Hall) is the only entertainment place at Paradip Port Township, where the officers/ crews of various ships are being entertained, who are coming to Paradip for international business purpose.	No specific comments furnished by the Port.

6.1. The comments of Paradip Port Lease Land Owner's Society (PPLLOS) and Thakur Automobile Service Station (TASS) are summarized below:

(i). On scrutiny of proposed SoR by Paradip Port Trust for allotment of Port land and built up space outside the custom bound area for leasing and licensing purpose for non-Port related activities, it is understood that, there is a vast disparity of about 200% between the custom bound area and outside the prohibited area. The same is also accepted by Paradip Port Trust in the clause 3.2.1 indicating that "if the above mentioned rates are implemented for cargo related activities of the Port outside the prohibited area, the same shall put Paradip Port in a disadvantage position as the proposed rates are on higher side as compared to the nearby Ports located in the East coast".

(ii). More than 90% of lessees have availed leasehold land from PPT within 5000 sq.ft. for conducting small trades like workshops, retail shops, fabrication units, water servicing station, hotels etc. Such land has been allotted by PPT in order to create these facilities for serving the Port employees, Port users as well as Port township. Since last 6-7 years there is not much business activity going on at Paradip nor any industrial activities going on around Paradip because all the nearby industries operating around Paradip Port Trust have completed their construction work and there is absolutely no floating population at Paradip, as a result of which business is at an all-time low. There are very less available business opportunities presently at Paradip. The business carried out by the lessees is in a very small scale and just enough to cater to our day to day needs only. The proposed enhancement will definitely put us into hardships and probably lead to closure of all services rendered by us and thus resulting in loss of livelihood. In our earlier letter, the existing business conditions at Paradip was outlined and it was requested for a non-enhancement in the proposed SoR considering the prevailing conditions but it is a matter of regret that none of our requests have been considered.

(iii). It is understood that such abnormal rate has been arrived due to the mechanism specified in the Land Policy guidelines for calculation of the upfront value for allotment of land on lase basis. The existing transfer value should be equated to 99 years lease and the upfront value for 30 years lease shall be worked out on pro rata basis. For example, if the transfer value of the Township is ₹ 1.82 crore per acre, then the lease rental would be ₹ 1.82 crore / 99 years x 30 years which is ₹.55,15,151/- per acre for 30 years lease. In any case, Port is currently charging an upfront value of ₹.52.8 lakhs per acre for 30 years lease which was enhanced without any notification by the Port in the year 2006 as against the approved value of ₹.30 lakhs per acre for a lease period of 30 years and the same is being paid by all the lessees of the Port.

(iv). In view of this, it is requested to consider the existing rate of ₹.52.8 lakhs per acre for 30 years towards upfront value atleast from the existing lessees considering their genuine grievance.

6.2. The PPT has not furnished its comments on the above users comments.

7.1. The Indian Farmers Fertiliser Cooperative Limited (IFFCO) has furnished the following comments:

(i). The existing SOR of PPT is already very high as compared to other Indian Ports.

(ii). Further, hike in SOR for allotment of Port land & built-up space as proposed by PPT is 6 to 10 times the existing rate. The existing rate vis-à-vis the proposed rates of PPT for use of port land / built-up premises are as under :-

Sr	**Particulars**	**Existing rate**	**Proposed for revision**
1	Land premium for use of port land-outside prohibited area (non-port related activities)	₹.35,20,200/- per acre for 30 years lease	₹.1,28,15,600/- per acre for 30 years lease
2	Licence fees for use of port land-outside prohibited area (port related activities)	₹.0.48 per sqm per day	₹.1.66 per sqm per day
3	ROW for laying conveyer / pipeline	₹.0.48 per sqm per day	₹.1.55 per sqm per day
4	Rent for built-up premises	₹.6.90 per sqm per month	₹.10.25 per sqm per month

(iii). Any increase in SOR on port land as proposed by PPT would be an additional financial burden on IFFCO.

(iv). Requesting that considering the existing high SOR, there may not be any revision as proposed by PPT authorities.

7.2. The PPT has not responded on the comments of IFFCO.

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