

(To be Published in Part - III Section 4 of the Gazette of India, Extraordinary)  
**TARIFF AUTHORITY FOR MAJOR PORTS**

No. TAMP/42/2021-MBPT

Mumbai, 25 November 2021

**NOTIFICATION**

This Authority, in exercise of the powers conferred by Section 49 of the Major Port Trusts Act, 1963 (38 of 1963), had disposed of the proposal received received from Mumbai Port Trust (MBPT) for fixation of Schedule of Rates and revision of rent / compensation for the period 01.10.2017 to 30.09.2022 for non-home occupations in Township Areas of MBPT on 01 November 2021. However, considering the time involved for notifying the (Speaking Order) along with the Rent Schedule prescribing Lease rentals for the 07 Ready Reckoner Zones for non-home occupations in Township Areas of MBPT for the period 01 October 2017 to 30 September 2022, approved by this Authority, this Authority decided to notify only the Rent Schedule for the 07 Ready Reckoner Zones for non-home occupations in Township Areas of MBPT for the period 01 October 2017 to 30 September 2022 immediately. Accordingly, the Rent Schedule for MBPT prescribing Lease rentals for the 07 Ready Reckoner Zones for non-home occupations in Township Areas of MBPT for the period 01 October 2017 to 30 September 2022, approved by this Authority on 01 November 2021 was notified in the Gazeetee of India on 12 November 2021 vide Gazette no. 552. It was stated in the said Notification that this Authority will notify the Speaking Order, in due course of time. Accordingly, this Authority hereby notifies the Speaking order connected with disposal of the proposal of MBPT for fixation of Schedule of Rates and revision of rent / compensation for the period 01 October 2017 to 30 September 2022 for non-home occupations in Township Areas of MBPT as in the Order appended hereto.

**(T.S. Balasubramanian)**  
Member (Finance)

**Tariff Authority for Major Ports**  
**Case No. TAMP/42/2021-MBPT**

Mumbai Port Trust

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Applicant

**QUORUM**

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

**ORDER**

(Passed on this 01<sup>st</sup> day of November 2021)

This case relates to a proposal received from Mumbai Port Trust (MBPT) vide its letter No. FA/OEA-L38(21)/Gen/166 dated 03 August 2021 for fixation of Schedule of Rates and revision of rent / compensation for the period 01.10.2017 to 30.09.2022 for non-home occupations in Township Areas of MBPT.

1.2. Subsequently, the MBPT vide its letter dated 21 August 2021 has rectified some typographical errors in its proposal dated 03 August 2021.

2.1. The submissions made by MBPT in its proposal dated 03 August 2021 and 21 August 2021 are as follows:

- (i). Government has issued Policy Guidelines on Land Management (PGLM 2015) for all Major Ports vide letter No. PD-13017/2/2014/PD.IV dated 17.07.2015. By clarification circular No. 1 of 2018 dated 14.05.2018, and clarification circular No.1 of 2019-20 dated 29.04.2019, the Ministry of Shipping extended the applicability of the PGLM 2015 to the non-home occupation/ commercial areas of the township areas of Mumbai, Kolkata and Kandla Port. Clause 13 (c) of PGLM 2015 requires the Port to re-fix the SOR once in five years and obtain TAMP's approval thereto.
- (ii). As provided in clause 13 of PGLM, LAC has recommended rates for various Ready Reckoner Zones. Same have been approved by the MBPT Board.
- (iii). In this backdrop, the MBPT has come up with the subject proposal.

2.2. The other main points made by the MBPT in its proposal dated 03 August 2021 and 21 August 2021 are summarized below:

- (i). Mumbai Port Trust owns about 944 Ha of land in Mumbai City. The land in the Mumbai city limits falls under the jurisdiction of A, B, C, M, G-North, E, F-North and F-South Wards. The said land stretches from Colaba to Wadala, Mahim, Govandi, Pir Pau, Mahul, Titwala etc. and is divided into 15 administrative units for management of these estates. The landed estate are divided into 2 main categories, viz. (i) lettable land and (ii) non-lettable land. Non-lettable land includes area occupied by offices of sister department, administrative offices of Mumbai Port Trust, Port Trust quarters, Port Trust hospital, etc. The lettable category includes areas let out on long term leases, 15 monthly leases, monthly tenancies and licenses. There are also a few plots which are vacant and can be let out. The present proposal is for approval of schedule of Rates (SOR) for the period 01.10.2017-30.09.2022.
- (ii). The Land Management Policy Guidelines for Major Ports, 2010 issued by the Ministry was adopted by the board vide TR No.21 of 2011 read with Supreme Court judgement. The Ministry subsequently, with the approval of the cabinet, issued Land Policy Guidelines for Land Management by Major Ports 2014 (PFLM), which was applicable to all ports except for the land relating to the township area of Kandla, Mumbai and Kolkata Port, for which it was stated that separate policy will be formulated. The amended policy Guidelines were issued in 2015.
- (iii). The Ministry vide Clarification Circular (Land Management) No.1 of 2018 dated 14.05.2018, Clarification No.2 of 09.03.2019 and Clarification No.1 of 2019-20 dated 29.04.2019 issued clarification circular on various issues of PGLM 2014/15 extending the applicability of the PGLM 2015 to the non-home occupation/commercial areas of the township areas of Mumbai, Kolkata and Kandla Port upto 31.03.2020 with the sunset clause. The PGLM 2015 has thus become applicable to the township areas of Mumbai Port Trust. The Ministry vide further letter dated 27.01.2021 has clarified that "since PGLM 2014 has been approved by the Cabinet, it is valid until it is revised by the Cabinet. Hence, compiled PGLM, 2015 issued on 29.04.2019 will be applicable for both land of major port trust and the township area subject to the condition mentioned in the letter dated 29.04.2019".
- (iv). TAMP had vide notification No. TAMP/10/98-Misc of 28.03.2000 issued Order dated 15.03.2000 on its jurisdiction for framing scale of rates and statement of condition on the issue of applicability of SOR to all lands of all Major Ports. The said notification was challenged by the Mumbai Port by Writ Petition 1153 of 2000.

In the Writ Petition, by interim order dated 02.05.2000, the Bombay high court have stayed the applicability of TAMP's order to the area not falling within Port limit and Port approaches. The issue of the withdrawal of writ Petition and necessary advice for the same was taken up with the Ministry in the light of PGLM 2015. TAMP has since by letter dated 15 July 2019 intimated that TAMP is required to fix the SOR for all areas of Mumbai Port including Township areas with effect from 01.10.2012 onwards in terms of advisory from the Ministry of Shipping and therefore notification dated 28 March 2000 may be seen to have become infructuous.

- (v). In terms of the PGLM, 2015, SOR has to be recommended by LAC and approved by the Board and notified by the TAMP. The Board vide TR 146 of 2014 had constituted Land Allotment Committee headed by Dy.Chairman of Traffic Manager, FA & CAO, and Estate Manager as members to recommend new Schedule of Rates for estate letting.
- (vi). As per the PGLM-2015, Land Allotment Committee is required to consider the following factors for determining the market value of the Port land:
- a). *State Government's Ready Reckoner of land values in the areas, if available for similar classification/activities.*
  - b). *Highest rate of actual relevant transactions registered in the last 3 years in the ports vicinity (the vicinity of the Port is to be decided by the respective Port Trust Boards) with an appropriate annual escalation rate to be approved by the Port Trust Board.*
  - c). *Highest accepted tender-cum auction rate of Port Land for similar transaction updated on the basis of the annual escalation rate approved by the Port Trust Board.*
  - d). *Rate arrived at by an approved valuer appointed for the purpose by the Port.*
  - e). *Other relevant factor as may be identified by the Port.*

*The Land Allotment Committee shall, while recommending the latest market value for any Land would normally take into account the highest of factors mentioned in Para 13(a) above. Reserve price in terms of the annual lease rent would be latest SoR determined in accordance with Para 13(a) and 13(c) and would in no case be less than 6% of the latest value recommended by the Port Trust.*

*The Port Trust would make a proposal as outlined in Para 13(a) of TAMP for Fixing the latest SoR of the land. The TAMP would notify the latest SoR of the land after following due process of consultation with the stake holders within 45 days of the receipt of the proposal. The Port trust board will fix a rate of annual escalation which would not be less than 2 % Sor would be refixed once in every 5 years by the TAMP."*

- (vii). In terms of Para 13 of PGLM 2015, Valuers were appointed for carrying out valuation of various plots including vacant plots falling in the Ready Reckoner Zone/Division 14/101(Dadar-Naigaum), 90/419 (Mahul), 10/79 (Mazgaon), 10/80 (Mazgaon), 2/13(Fort), 2/22(Fort) and 17/119 & 17/116 (Mahim) for determining the SOR for the period from 01.10.2017 to 30.09.2022.
- (viii). Based on the valuation carried out by the valuers, the land Allotment Committee after deliberation prepared its report recommending the new SOR with effect from 01.10.2017 to 30.09.2022. In each of the cases, the Land Allotment Committee has taken into account the Fair Market Value (FMV) of land based on highest of

the 5 factors as per PGLM for base rate for FSI 1.00 for the period from 01.10.2017 and the rate of return adopted for arriving at the SOR is 6% per annum which rate will increase by 4% annually every October over the rate for the previous year. In case the FSI utilization is above 1.00, the said rate will increase proportionately. The SOR as recommended will be applicable to all the expired leases, Fifteen Monthly leases, Monthly tenancies and Licenses along with vacant plots (for calculation of upfront premium for allotment) falling under the respective Ready Reckoner Zones.

- (ix). The recommendations of LAC on revision of SOR 2017-22 at 6% return p.a. on fair market value (FMV) of land for base rate for FSI = 1.0, based on Valuer's report for various Ready Reckoner Zones for the year 2017-18 and worked out as per five factors provided in Para 13 of PGLM 2015 policy guidelines, have been accepted by the Board by various Trustees' Resolutions. LAC has recommended 4% increase every year in October and the same was accepted by Board vide various Trustees Resolutions.
- (x). The zone-wise details of the land values with the rate of return (SOR) in terms of PGLM as recommended by the LAC and approved by the Board is as follows:

Sr.No	Ready Reckoner Zone	Unit No.	Division	Division Rates for Land per Sq.Mtr. as on 01.10.2017 (in ₹.)
A.	B	C	D	F
1.	14/101	Unit 1	Dadar-Naigaum	1,15,000/-
2.	90/419	Unit 1	Mahul	53,820/-
3	10/79	Unit 2,6,7	Mazgoan	1,71,310/-
4	10/80	Unit 4,7,8,9,13	Mazgoan	1,87,700/-
5	2/13	Unit 9,11,15	Fort	2,52,500/-
6	2/22	Unit 11	Fort	1,91,040/-
7	17/119, 17/116	Unit 14	Mahim	1,90,000/-

(All the rates for land values have been rounded off to the nearest 10 rupees)

- (xi). It was decided in the HOD meeting held by the Chairman on 15.07.2021 that computation of rentals/ compensation based on FSI consumed and areas will be likely to be contentious issue even after base SoR rates for one sq. mtr. of land are approved by TAMP. Linking of SoR rates of land to FSI consumed of the buildings / structures have several repercussions and complexities such as how to compute FSI, exemption of fungible FSI as per DC rules and permissible FSI, etc. Therefore, it is necessary to study these aspects in detail by committee of experts consisting of a retired Chief Engineer / Director of Planning of MCGM, Retired High Court Judge and a group of MbPT officials comprising Advisor (Planning), Chief Engineer, CLO, FA&CAO, Secretary and Estate Manager (I/C) alongwith Govt. registered Valuers on MbPT panel. Committee will give its recommendations on above issues and the matter will be brought before the LAC and Board for computation of actual rents/compensation on factors recommended by the Committee.

2.3. Thus, MBPT has sought TAMP's approval to the SOR approved by the Board vide various resolutions for the period from 01.10.2017 to 30.09.2022, as given below:

“ **Schedule of Rates for the period 01.10.2017 to 30.09.2022 for FSI = 1.00**

Sr.No	Ready Reckoner Zone	Unit No.	Division	Division Rates for Land per Sq.Mtr. as on 01.10.2017 (in ₹.)	Rate per Sq.Mtr. per month @ 6% return per annum as on 01.10.2017 as per PGLM 2015 (in ₹.)
A.	B	C	D	F	G
1.	14/101	Unit 1	Dadar-Naigaum	1,15,000/-	575.00
2.	90/419	Unit 1	Mahul	53,820/-	270.00
3	10/79	Unit 2,6,7	Mazgoan	1,71,310/-	856.55
4	10/80	Unit 4,7,,8,9,13	Mazgoan	1,87,700/-	938.50
5	2/13	Unit 9,11,15	Fort	2,52,500/-	1262.48
6	2/22	Unit 11	Fort	1,91,040/-	955.18
7	17/119, 17/116	Unit 14	Mahim	1,90,000/-	950.00

(All the rates for land values have been rounded off to the nearest 10 rupees)

**Notes:**

1. Rent will be worked out on the basis of actual built-Up Area, subject to minimum of FSI 1.00.
2. Above rates are exclusive of all Taxes( GST, Municipal Taxes,etc.), Service Charges, Penalties, and Interest etc. Same are separately payable by lessees/tenants/ licensees ,as may be applicable.
3. These rates are applicable for non-Home Occupations.
4. These rates are applicable to all the Expired Leases, Monthly Tenancies, Fifteen Monthly Leases and Licenses along with vacant plots (for calculation of upfront premium for allotment) falling in the respective Ready Reckoner Zones.
5. Interest would be chargeable beyond permissible period as per Board's Policy from time to time.
6. Whether demanded or not,rent/compensation/license fee for a month would have to be paid by the tenants/lessees/licensees/occupants on or before the 15<sup>th</sup> day of succeeding month.

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2.4. The MBPT has stated that the proposal is formulated in terms of the Land Policy Guidelines for Land Management 2015. Further, the MBPT has stated that under Section 49 of MPT Act, 1963 and para 13 (c) of PGLM-2015, TAMP's approval to the SOR for the period from 01.10.2017 to 30.09.2022 will be applicable to all the expired leases, fifteen monthly leases, Monthly Tenancies and Licenses along with vacant plots (for calculation of upfront premium for allotment) falling under the respective ready reckoner zones.

3.1 On perusal of the LAC report submitted by the MBPT along with proposal, the following summary of estimation of Land value on the five factors of Land Policy Guidelines:



3.2

**Summary of Conclusion derived by the LAC for each plot of land:**

(i). Ready Reckoner Zone 14/101 - Unit 1 Dadar-Naigaum:

MbPT land admeasuring 24023.05 sq.meters (RR No.1646), 42645.36 sq. meters. (RR No.1022 & 1776) and 1736.00 Sq.meters at Wadala Estate has been let out to Vegoil Industries Ltd, Hindustan Petroleum Corpn.Ltd. and Petrox Pvt.Ltd, respectively. All the three plots fall in Ready Reckonar Zone 14/101.The valuer appointed for the valuation of subject land has in his report considered five methods as per PGLM 2015

The Valuer has derived the rate of ₹ 1,15,000/- per sq.mtr. on the basis of average rate of scale and rental instances of industrial galas in the vicinity and has arrived at the land rate on the basis of Builders Method. The valuer in his recommendation has opined that for Vegoil plot rate per sq. for equal built up of ₹.115000/- is fair and reasonable and for plot used for tank farming viz. HPCL and for plot under CRZ II viz. Petrox rate per sq.mtr. for equal built up of ₹.57000/- is fair and reasonable. The highest rate based on five factors for all the three plots is ₹.115000/- per sq. mtr. for equal built up.

The LAC noted that in respect of HPCL plot, the rate being billed as on 01.10.2017 is ₹.59.24 per sq.mtr. per month in terms of TR 127 of 2006 with 4% annual increase, the rate in terms of TR No. 522 of 2015 with 4% annual increase would be ₹.146/- per sq.mtr. per month as on 01.10.2017 and the rate on the basis of the highest of the land value arrived at by the valuer would be ₹.575/- per sq.mtr. per month as on 01.10.2017 i.e. there would be a 971% jump in rate vis-à-vis the rate being billed as on 01.10.2017 and about 394% jump vis-à-vis the rate due as per TR No.227 of 2015.

The Fair Market Rate per sq. mtr. as recommended by Valuer for HPCL plot and Petrox Plot considering the restrictive usages is ₹.57000/- as against the highest rate of ₹.115000/- per sq.mtr. based on the actual instances of transaction.

The LAC has accepted Fair Market Value of ₹.115000/- per sq.mtr. based on the valuation report, which is the highest rate out of 5 factors.

(ii). Ready Reckoner 90/419 Unit 1 Mahul:

The LAC has considered the valuation report submitted by the Valuer. The Valuer in its report for the Pir Pau area has given the rate for the year 2019. The highest rate arrived at by the valuer is on the basis of income method by taking into consideration the storage charges being charges by the tank farm owners which has been ascertained by the Valuer through oral telephonic communication from the companies to be between Rs.350/- to Rs.400/- per KL per month. Based on the rate of Rs. 350/- per KL per month, the Valuer has arrived at the land value of 97,021/- per sq.mtr. The valuer has thereafter discounted the said rate by 40% after taking into consideration the occupancy of tank and development cost/expenses borrowed by lessee, etc. and recommended Rs.58213/- per sq. mtrs. as the highest rate for the subject plot as on April 2019.

The LAC has recommended to accept the land value per sq.mtr. at Rs.53,821/- for the year 2017-2018 on the basis of Valuation Report submitted by Patwardhan Consultant Pvt.Ltd. and SOR at 6% return as 3229/- per sq.mtr. which would increase by 4% per annum.

(iii). Ready Reckoner Zone 10/79 Units 2,6,7 Mazgaon :

The LAC has recommended to accept the Fair Market Rate of ₹.1,71,310/- per sq.mtr. For FSI= 1.00 for commercial use based on the Valuation Report submitted by Shri Avinash Pandse, which is the highest rate out of 5 factors.

Based on the above market rate of ₹.1,71,310/- per sq. mts, the rental @ 6% per annum on the market value in the proposed SOR would be Rs.856.55 per sq.mtr. per month. The said SOR would be applicable for the period from 01.10.2017 to 30.09.2022 which 4% annual increase every October for the land under the Ready Reckoner Zone 10/79 for commercial use.

(iv). Ready Reckoner Zone 10/80 Units 4,7,8,9,13 Mazgaon :

The subject three plots fall in Stamp Duty Ready Reckoner Zone 10/80 at Mazgaon Reclamation Estate, Mumbai-400010. The rate of said 3 plots works out to ₹.1,70,240 per sq.mtr. for FSI 1, as on 1.10.2017 for land as given by Valuer under their report dated 21.10.2019, 21.10.2019 and 7.11.2019.

It is however noted that as per the valuation report submitted by Patwardhan Consultants Pvt. Ltd. for the MbPT workshop area, the land value is ₹. 1,95,204 per sq.mtr.as on June 2018. The said land also falls in Ready Reckoner Zone 10/80. The said valuation report has been accepted by the Board vide TR No. 98 dated 2.8.2018. If the said land value rate is reduced by 4% the rate per sq.mtr. for land in Ready Reckoner Zone 10/80 works out to ₹. 1,87,696 per sq.mtr., which is higher than the rate arrived by the present Valuer. Based on the said land value for determination of SoR @ 6% p.a., the rate works out to ₹. 11,261.76 per sq.mtrs. p.a. for FSI 1 and the rate per per sq.mtr. p.m. works out to ₹. 938.48. The said rate shall be increased by 4% annually every October.

The LAC has recommended to adopt land rate derived based on the report of Patwardhan Consultants Pvt. Ltd. for the year 1.10.2017 to 30.9.2018 as ₹. 1,87,696 per sq.mtr. for FSI 1 for fixation of Schedule of Rate (SoR) being on the higher side. Based on the land rate the SoR at 6% p.a. return on land value would be ₹.11,261.76 per sq.mtr. p.a. for FSI 1 and ₹. 938.48 per sq.mtr. per month for FSI=1.

(v). Ready Reckoner Zone 2/13 Units 9,11,15 Fort :

The Valuer has derived the Fair Market Value of the land of ₹.108,52,06255.00 (including depreciated cost of construction i.e ₹7,84,595/) which is ₹.2,62,595.85/- per Sq. Meter derived by using land and building method. The value of land have been provided for FSI I and Fair Market Value of the land will increase proportional with increase in FSI as finally noticed in the final Master plan and D.C. Regulation of MbPT. As per existing Development plan remarks the subject land comes under CRZ II with Industrial II zone.

The LAC has recommended to accept the fair Market Rate of ₹.262595.85/- per sq.mtr. for FSI=1.0 in industrial zone based on the valuation Report submitted by Avinash Pendse, Govt .Registered Valuer, which is highest rate out of 5 factors. This rate has been de-escalated by 4% so as to arrive at the value as of the year 2017 at ₹ 252092/- per sq.mtr.

Based on the rate above, the SOR at 6% per annum, return would be ₹15,125.52 per Sq.mtr for FSI 1 and ₹ 1262.48 per. sq.meter per month for the period from 01.10.2017 to 30.09.2022 with 4% annual increase every October for land under ready reckoner zone 2/13.



(vi). Ready Reckoner Zone 2/22 - Unit 11 Fort

The LAC has recommended the rate of fair Market Value of ₹.1,91,036/- per sq.mtr of Built up Area for the Ready Reckoner zone 2/22 of Fort Division for the premises self-occupied by lessees & there is no subtenants in full /part of the building/ premises. The above SOR 2017-22 will be applicable to land only (not to MBPT Structures)

LAC has recommended the Schedule of Rates (SoR) in terms of rental at ₹11,463/- per sq.mtr per annum or ₹ 955.25/- per sqm per month considering 6% of market value i.e. ₹ 1,91,036/- per sq. mtr. The above SoR will be applicable from 01.10.2017 to 30.09.2022 with 4% annual escalation every October, first such increase will be on 01.10.2018.

(vii). Ready Reckoner Zone 17/119, 17/116 Units 14 Mahim:

The valuer has derived the rate of ₹ 2,25,000/- per sq. mtr. on for G+FSI 1.0, the basis of rent capitalization method on basis of three sale instances in vicinity of subject plot. The valuer has opined that the land under reference is under CRZ II and could be developed in terms of regulation no.59 of DC Regulations for Greater Bombay, 1991, hence 15% is to be reduced from the market value rate and valuation is to be done in terms of regulation no.35 of DC Regulations for Greater Bombay, 1991. The highest rate based on five factors for all the plot is ₹1,90,000/- per sq.mtr for FSI 1.0. The said Fair Market value is on entire land of Mahim Bunder.

The LAC has recommended to accept the fair Market Rate of 1,90,000/- per sq.mtr. based on the Valuation Report, submitted by Doulatani Consultants Pvt..Ltd. Consultants & Valuers, which is the highest rate out of 5 factors.

Based on the above rate, the SOR at 6% per annum return would be ₹.950/- per sq.mtr. per month. The said SOR would be applicable for the period from 01.10.2017 to 30.09.2022 with 4% annual increase every October for the land under the Ready Reckoner Zone 14/101 for industrial use. The said SOR will apply to all occupied let out land as well as vacant land in RR zone.

4.1. With regard to the proposal of the port, it may be recalled that, this Authority had passed an Order dated 15 March 2000 setting out the legal position about the Authority's jurisdiction in respect of framing scale of Rates and Statement of Conditions for use of port properties.

4.2. The Mumbai Port Trust (MBPT) filed a Writ Petition in the Bombay High Court in April 2000 challenging the Order dated 15 March 2000 and praying, *inter alia*, that the Authority has no power to fix rates of those premises belonging to the MBPT and situated outside the port limits.

4.3. The Hon'ble Division Bench of Bombay High Court passed an interim order on 2 May 2000 restraining this Authority from giving effect to the Order dated 15 March 2000 to the extent that the decision taken therein shall not apply to any property or place not within the limits of the port or port approaches.

4.4. The efforts taken by TAMP in the past with the (then) Department of Shipping, Ministry of Surface Transport suggesting to settle the issue whether or not this Authority has jurisdiction over all the properties of a Port Trust through policy direction of the Government rather than by a judicial review did not yield result. Since the matter was in the final stage of hearing and there was no response from the Government in this regard, TAMP has engaged a legal counsel to defend the order of 15 March 2000 passed by TAMP in the High Court of Bombay based on the advice rendered by the Senior Counsel.

4.5. In this backdrop, the Ministry of Shipping (MOS) under cover of its letter no. Secy(S)/Visit-Mumbai/Land management/ 2018(333951) dated 25 March 2019 had forwarded a copy of the Minutes of the Meeting held on 21 August 2018 at Mumbai under the Chairmanship of Secretary, MOS with regard to clarifications on the Land Policy Guidelines, 2015. Forwarding the copy of the Minutes, the Way forward forming part of the Minutes indicated that MBPT will withdraw the Writ Petition and Ministry will advise TAMP that consequent to PGLM 2015 read with clarifications dated 14 May 2018, the SOR with effect from 01.10.2012 onwards be fixed by TAMP for all areas of Mumbai Port including Township area.

4.6. In response to MOS letter dated 25 March 2019, we had, vide our letter dated 28 March 2019 *inter alia*, communicated to the MOS that TAMP will abide by the directions of the MOS in the matter in reference, with regard to fixation of lease rent/ license fee for the MBPT lands for the period from 01 October 2012 onwards, subject to MBPT withdrawing the Writ Petition.

4.7. In this backdrop, the MOS vide its e-mail dated 16 May 2019 had *inter alia*, directed TAMP to fix the SOR for all areas of Mumbai Port including Township Areas with effect from 01.10.2012 onwards, consequent to the Policy Guidelines for Land Management, 2015 (PGLM 2015) read with clarification on PGLM dated 14.05.2018, only after the writ Petition is withdrawn by MBPT. Vide the said letter, MOS requested MBPT to withdraw the Writ Petition no. 1153 of 2000 from the Bombay High Court and intimate the same to the MOS and TAMP.

4.8. In this connection, the MBPT has withdrawn the Writ Petition and the Hon'ble Bombay High Court vide its Order dated 08 August 2019 has passed an Order disposing off the Writ Petition as withdrawn.

4.9. Thus, the MBPT has come up with a proposal seeking approval for schedule of rates and revision of rent / compensation for the period 01.10.2017 to 30.09.2022 for non-home occupations in Township Areas of MBPT. Simultaneously, the MBPT has also filed a proposal seeking approval for schedule of rates and revision of rent / compensation for the period 01.10.2012 to 30.09.2017 for non-home occupations in Township Areas of MBPT, which is dealt separately vide Order No. TAMP/43/2021-MBPT dated 22 October 2021.

5.1. Considering the huge list of registered tenant / lessees as suggested by the MBPT, the MBPT was requested vide letter dated 06 August 2021 to upload subject proposal in its website and intimate to all the registered tenant / lessees about hosting of the subject proposal in the MBPT website and give the designated email address of Port as well as TAMP for furnishing comments within 15 days' time.

5.2. Accordingly, the MBPT has hosted proposal in reference for comments/ opinion of the users/tenants/lessees and has intimated the Tenants/ Lessees about hosting of subject proposal in the website of MBPT.

6. In this connection, large numbers of submissions/ comments have been received from various lessees/ tenants. As intimated by MBPT in its Notice, a copy of the said comments have also been forwarded by the lessees/ tenants/ users to MBPT as well. Accordingly, the MBPT was requested vide letter dated 30 August 2021 to furnish its reply on the issues raised by various lessees / tenants.

7. On initial scrutiny of the proposal of MBPT, it was seen that some information/ clarification are required from MBPT. Accordingly, MBPT was requested vide letter dated 20 August 2021 to furnish some information/ clarification. The MBPT vide its letter No. FA/OEA-L/38(21)/Gen/212 dated 01 September 2021 has responded. The information/ clarification sought and the response of the MBPT thereon is tabulated below:

Sl. No.	information/ clarification sought	Response of MBPT
(i)	As already requested vide letter dated 06.08.2021, the MBPT to furnish a comparative position of the zonewise prevailing/ existing lease rent that is being levied by the MBPT at present to various registered tenant / lessees, vis-à-vis the lease rent that has been proposed by the Port in its subject proposal.	No response furnished by MBPT.
(ii)	<p>In respect of RR Zone nos. 14/101 and 2/22 the separate Valuation Reports as furnished by the MBPT are as of April 2019. In respect of RR Zone no. 17/119, the Valuation Report as furnished by the MBPT is as of June 2019. As such, applying the valuation pertaining to the year 2019, so to determine the lease rent for the period 2017-2022 in respect of the above referred Zones, to be justified.</p> <p>It is noteworthy that in respect of RR Zone 90/419, the valuation pertaining to the year 2019 has been reduced by 4% per annum twice by MBPT, so as to determine the value of land as of the year 2017-18.</p>	<p>a) Valuers were appointed to work out the valuation of plots falling in township areas in different RR zones and they were given two types of tasks to ascertain the market value of vacant plot which can be reserved in the open market and valuation of plot occupied by lessees/tenants or where leases are expired or monthly/15 monthly tenancies or licensees who are occupying this let out land unauthorisedly without any valid extension and such revision in the SoR was due from 01.10.2017 onwards for all occupied lands wherever valuers have given specific reports based on the highest of 5 factors as provided in the para 13 of PGLM 2015 and the same was accepted by LAC and made applicable to all the let out land in the respective RR zones of the monthly/15 monthly in the said zones.</p> <p>b) In respect of RR zone 14/101, Dadar Division and RR zone 2/22 Ballard Estate the valuers have considered sales instances of 2017 &amp; furnished SOR valuation to be adopted as on 01.10.2017.</p> <p>c) Port Trust has already adopted a standard format of revising Port Trust rent/ practice of annual increase by 4% in the SoR since 1992 onwards which is also permissible under PGLM 2015. Therefore, considering the same escalation factor, SoR for the year 2017 was worked out by giving reduction in the SoR every year retrospectively. LAC deliberated on this report and their recommendations of reduction in the FMV of the 2019 has been accepted by the Board. This 4% reduction is for every year and therefore for the year 2018-19 was reduced by 4% of the rate for the year 2019-20 and the same rate was further reduced by 4% to arrive at the rate of 2017-18. This has been specifically recommended by the LAC and approved by the Board by TR 87/13.08.2019.</p>

		<p>d) In respect of RR zone 90/419 Mahul Division the valuer Patwardhan Consultants Pvt. Ltd. was assigned to furnish FMV of one vacant plot admeasuring 7150.23 sq.mtrs vacated by RCF and the said valuer had considered sale instances prevailing in 2019 and vide his report dated 20.12.2019 furnished FMV of Land of ₹.1,30,000/- per sq.mtr. To arrive at the Land Value effective from 01.10.2017 on the analogy as stated above, the FMV of 2019 was reduced by 4% (since yearly escalation is 4%) and thus the value effective from 01.10.2017 worked out to 1,20,192.31 [i.e. <math>1,30,000 \div \{(1.04) \times (1.04)\}</math>].</p>
(iii)	<p>In respect of RR Zone 2/13, the LAC Report pertaining to the said Zone indicates that the LAC has recommended the market value of the said land at ₹ 262895.85 per sq.m and has proposed the lease rent at 6% of the market value of the land at ₹ 1313/- per sq.m per month. The recommendation of LAC has been approved by the Board of MBPT. However, the MBPT in its proposal has proposed a lease rent of ₹ 1262.48 for Zone 2/13 (based on the market value of the land at ₹ 252500/- per sq.m). The reason for proposing a different lease rent in the SOR for Zone 2/13 to be explained.</p>	<p>Board vide TR 269 of 2019-20 has approved the fair market rate of Rs.2,62,595.85 per sq.mtr. and based on that SOR of Rs.1313/- per sq.m. for the period from 01.10.2018 to 30.09.2022 with 4% annual increase every October was approved for land under RR zone 2/13. The SOR 2017-2022 is applicable from 01.10.2017. Therefore, the SOR as on 01.10.2018 (Rs.1313/- per sq.mtr.p.m. based on market rate of Rs.2,62,895.85 per sq.m.) was reduced by 4% in October to arrive at the SoR as on 01.10.2017 (Rs.1262.48/- per sq.mtr.p.m. based on market rate of Rs.2,52,500/- per sq.m.).</p>
(iv)	<p>Though a common lease rent has been proposed in respect of RR Zone 17/116 and 17/119, the LAC Report, Board approval and the Valuation Report seen attached to the MBPT proposal are found to be only with respect to the land at RR zone 17/119. The LAC Report, Board approval and the Valuation Report pertaining to RR Zone 17/116 to be furnished.</p>	<p>This pertains to Mahim Division and facts of the case are as under:</p> <p>a). The major portion of Mahim bunder land falls under RR zone 17/119 &amp; a very small portion/one plot having CS no 1392 of land is shown in the RR Zone 17/116 in RR booklet.</p> <p>b) Land rate of RR of zone 17/119 (Rs.121700/-) is more than land rate of the RR Zone 17/116 (Rs.98600/-). No separate valuation report, LAC report &amp; Board approval for RR Zone 17/116 is obtained. The valuer was asked to carry out the valuation of entire land of MbPT at Mahim Bunder and valuer in his report has considered the Mahim Bunder land under RR zone 17/119. Accordingly, Board vide TR 268 of 2019-20 has approved Fair Market Rate of Rs.1,90,000/- per sqm as on 01.10.2017 for the entire land of Mahim Bunder, which includes part of RR zone 17/116. However, inadvertently the said RR zone 17/116 was not covered in the SOR</p>

		<p>2012-17 proposal submitted to TAMP for Non-Home Occupation.</p> <p>c) In view of above, to clarify and to avoid any ambiguity/unclarity of land rate/SoR to the plot/area falling under RR Zone 17/116, the land rate/SoR approved by Board for RR zone 17/119 is also applicable to the RR Zone 17/116 &amp; mentioned in proposal submitted to TAMP, as the LAC/Board has approved the land rate of Rs.1,90,000/ for entire land of Mahim Bunder. It is to state that the RR Zone 17/116 of Mahim Division remained to be mentioned in the proposal for SOR 2012-17 submitted to TAMP for Non-Home Occupation. This was brought to the notice of LAC/Board &amp; Board in its meeting dated 24.08.2021 has approved the LAC's recommendations of proposed SOR for Non-Home Occupations for all remaining RR zones not covered in earlier proposal submitted to TAMP for period 2012-2017 (as approved in Para 8 alongwith Annexure-VIII to the Board Note) (Copy enclosed).</p>
(v)	<p>The MBPT has proposed revision of rentals for the period from 01.10.2017 to 30.09.2022 in respect of all the expired leases, 15 monthly leases, monthly tenancies and licenses falling under the respective Ready Reckoner Zones. In this regard, the MBPT to confirm that the concerned lease / licence agreements entered into by MBPT with the respective lessees / licensees permit / authorize revision of lease / licence fees with retrospective effect. MBPT to also confirm that the lessees/ licensees had been well aware that the lease rent / licence fees was due for revision retrospectively.</p>	<p>a) The proposed revision of rentals w.e.f. 01.10.2017 to 30.09.2022 will be made applicable to only monthly tenancies, 15 monthly leases, expired leases and licenses, with retrospective effect. These parties were made aware by Circular No.EM/ASG/F-361/5873 dated 28.12.2012 whereby it was informed to all the lessees, tenants and occupants that revision of compensation / rent in respect of all the leases / tenancies excepting subsisting long term leases of Port Trust premises is due from 01.10.2012 onwards. They were also informed that the lessees, tenants and occupants will be informed about the revised letting rates, rates of compensation, in due course of time. Also, all the monthly tenants/fifteen monthly leases and expired lessees and tenants are billed as provisional compensation rates with footnote clearly indicating as follows – “THIS BILL IS PROVISIONAL AND WITHOUT PREJUDICE TO THE BOARD’S RIGHTS AND CONTENTIONS TO REVISE RENT/COMPENSATION w.e.f. 01/10/2012” (Sample copies of bills for each Monthly Tenancy, Fifteen Monthly Lease and Long Lease with footnote is furnished.)</p> <p>b) However, since all the running leases, i.e. leases which are not yet expired &amp;</p>

		<p>where there are no breaches, such cases are excluded from the application of proposed revision of SoR for rental / compensation since the existing agreement / terms &amp; conditions do not permit such revision in the subsisting period of the lease. In case of monthly tenancies, 15 monthly leases, expired leases and licenses, since the original lease term has already been expired and the parties have continued &amp; unauthorisedly occupied Port Trust land without any valid extension of their occupation. Therefore, all such parties are liable to pay compensation for renewal use of the premises as per the letting rates / compensation rates as determined by the Port or as per the applicable policy laid down by the Ministry of Shipping, GoI for the Ports, i.e., PGLM 2014/2015 w.e.f. 01.10.2012 date, when the Wadia Judgment Rates cease to apply. Therefore, this revision has been effected to all the monthly tenancies, 15 monthly leases, expired leases and licenses from 01.10.2012 onwards. For all prior period from 01.10.2012, Wadia Judgement rates have been applicable and are already billed.</p> <p>c) In terms of Clause 13(c) of PGLM 2015 the SOR would be refixed once in every 5 years by TAMP. Therefore, the revision of SOR 2012-2017 was due for revision w.e.f. 01.10.2017 for the period 01.10.2017 to 30.09.2022 &amp; therefore the SOR as may be approved by the TAMP for respective period will be applicable.</p>
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8. In view of the outbreak of COVID – 19 and in pursuance of the then Ministry of Shipping (MOS) letter No. 11053/30/2020-Coord. dated 16 April 2020 to hold virtual meetings, a joint hearing on the case in reference was held on 03 September 2021 through Video Conferencing. The MBPT makes a power point presentation of its proposal. At the joint hearing, the MBPT and the users/ tenants/ leasees have made their submissions.

9.1. As decided during the Joint Hearing, the MBPT was requested vide letter dated 9 September 2021 to host the powerpoint presentation in its website and inform all the concerned tenants/ lessees/ users about hosting of power point presentation in its website and also request them to furnish their comments/ submissions/ additional submissions on MBPT proposal/ presentations in reference, to TAMP as well as to MBPT.

9.2. The MBPT has hosted its presentation on its website on 08 September 2021 and has also intimated to all the concerned tenants / lessees/ users about hosting of power point presentation in its website.

9.3. In this connection, we have received large numbers of submissions/ comments from various lessees/ tenants/ users on the subject proposals/ power point presentations. As

intimated by MBPT in its Notice, a copy of the said comments have also been forwarded by the users to MBPT as well. In the instances, where the comments were sent to TAMP only, the said comments were forwarded to MBPT for its feedback information vide our letter dated 24 September 2021.

9.4. As such, the MBPT was requested vide letter dated 24 September 2021 to furnish its comments on the comments received from the lessees/ tenants/ users directly. The MBPT was intimated that where the individual lessees/ tenants/ users have made same / similar comments and raised similar issues, a common reply on such similar issues may be furnished by MBPT. However, in the instances, where the users/ tenants/ lessees have given specific comments, then such comments are to be specifically addressed by MBPT. Thus, the MBPT was requested to ensure that none of the users/ tenants/ lessees comments remain unaddressed.

9.5. In response, the MBPT vide its letters/emails dated 11 October 2021, 13 October 2021 and 14 October 2021 has responded to the comments/ observations of the lessees/ tenants/ users. The MBPT has further stated that the replies are without prejudice to its rights and contentions in the pending litigation and terminations notices served and MbPT's rights to take legal action against breaches /violations under the applicable laws/lease/Tenancy terms and to take further action as per applicable laws stipulated under PGLM Guidelines / directives issued by Ministry and as may be decided by the Board of Trustees of Port of Mumbai from time to time.

10.1. During the consultation process relating to the case in reference as well as during the joint hearing, all the tenants / lessees/users have raised serious concerns on the following major grounds and have vehemently objected to the proposal of MBPT for increasing the rentals during the period from 01.10.2017 to 30.09.2022:

- (i). the revision of rent are exorbitantly high when compared to the rentals based on the Supreme Court judgement.
- (ii). Fair Market Value arrived by the MBPT Valuer is not on scientific basis.
- (iii). Enhanced rent should not be collected retrospectively as the delay in revision of SOR is on account of MBPT.
- (iv). Due to the COVID-19 pandemic and the lockdowns, all business have gradually decreased. Hence, the lessees are not in a position to make payment of the proposed revision of SOR.

10.2. In light of the above observations of the users/tenants/lessees and since the rentals based on the Valuer's Report has been vehemently objected by all the lessees, the MBPT was requested vide letter dated 29 September 2021 to have a relook of its proposal, so as to explore other factor (i.e. Ready Reckoner Rate, being the only other factor adopted by MBPT) to determine the rentals for the said areas and to convey its decision on the matter. This was followed by a reminder dated 04 October 2021.

10.3. In this regard, the MBPT vide its letter dated 07 October 2021 has conveyed that due to paucity of time and delay in taking approval of the Board of MBPT, it is difficult for MBPT to take a reasoned review of the proposal submitted to TAMP. Accordingly, the MBPT has conveyed that the TAMP is at liberty to take appropriate decision on the matter. The MBPT has also furnished its summarized response on the common issues raised by the lessees/tenants/stakeholders, which are given below:

- (i). Present monthly rental are as per valuation report of 1980's which are no way comparable with present market rate.
- (ii). SC judgment rates were valid only for 20 years i.e. from 01.10.1992 to 30.09.2012.
- (iii). From 01.10.2012 onwards PGLM 2010, 2014-15 guidelines issued by Mos GOI are applicable to MbPT and MbPT is free to revise the rentals on the SOR based on PGLM guidelines. Thus the SOR proposed by MbPT at 6% per annum is fair,

- reasonable and MbPT is well within its rights to revise the rents/ compensation w.e.f. 01.10.2017 onwards as per the proposed SOR.
- (iv). Zone wise Comparative Statement shows the land values as of 1980's as considered by the Kirloskar consultant in their valuation report and approved by the Board vis-à-vis land values as on 2017. Average Kirloskar land values of ₹.1406/- per sqm for FSI 1.33 has increased to Rs.1,75,718/- per sqm for FSI 1.00 as on 2017, i.e. increase of almost 125 times of the land values of 1980's.
- (v). Rentals as per Supreme Court Judgement dt. 13.01.2004 as on 01.10.2017 was on an average of ₹.35/- per sqm per month for FSI 1.00 which will be revised to on an average of Rs.878 per sqm per month (175178\*06/12) for FSI 1.00 i.e. increase by almost 25 times.
- (vi). The land values in the Ready Reckoner Zones of MbPT lands are varying from Rs.19,400 to Rs.2,80,000 and average value works out to ₹.1,50,000, whereas land rates of Ready Reckoner Zones outside MbPT lands varies between ₹.19,400 to Rs. 3,77,200 and average value works out to ₹.1,98,000 Considering the mean value (RR 2017) of is ₹.1,74,000 for lands in MbPT area and outside MbPT area. The MbPT valuers have recommended FMV which are average of ₹.1,75,718 for lands which ranges between ₹.53,820 to ₹.3,31,600.
- (vii). In fact, MbPT had fixed rent as 10% return on Kirloskar land values with 4% every year from 01.10.1994 onwards in terms of Supreme Court Wadia Judgment. However, the rental returns from 01.10.2017 onwards will be just 6% of the FMV given by valuer in MbPT estate areas.
- (viii). For determining SoR for 2017-2022 MbPT had engaged Govt. approved valuers on panel and entrusted the work of valuation of MbPT land as per the jurisdiction of RR zones. The SoR rates are based on the laid down procedure under para 13 of PGLM 2015, and the same is recommended by the LAC and approved by the Board and further submitted to TAMP for approval.
- (ix). The para 13 of PGLM 2014 clearly states that the highest of 5 factors for determination of rentals on Major Port Trust land i.e.(i) State Gove. RR (ii) Average rate of actual transactions registered in last 3 years in the Port vicinity (iii) Highest accepted tender of Port land for similar transactions (iv) Rate Arrived at by an approved Valuer appointed for the purpose of the Port (v) Any other factor.
- (x). Based on LAC recommendations Board approved the said revision of SoR rates for respective zones for Monthly, Fifteen Monthly Lease (FML), Expired Leased, licenses and vacant plots (for fresh allotment) falling in the respective RR Zones.
- (xi). Exiting low rentals based on Wadia judgments and very high market rentals leading to profiteering and exploitation of MbPT land by unauthorized subletting/s constructions, u/a change of users/a transfers in violations of the tenancy/lease terms. Thus it is the lessees and tenants who have committed the violation of SC judgment and the tenancy terms are taking shelter under Wadia judgment.
- (xii). SC judgement is not a license in perpetuating or allowing lessees tenants to go on committing breaches indefinitely but restricting the MbPT rights to charge rentals based on 1980's land values. This is unfair and absurd proposition and thus MbPT has not violated SC judgment but have followed the guidelines issued by MoS, Gol which are mandatory and binding MbPT under section 111 of MPT act 1963.
- (xiii). In cases of subletting, assignment etc., by the tenants of the Port Trust ought not to be allowed to profiteer at the cost of the public exchequer and any tenant who has sublet or assigned his premises does not in any event, deserve any sympathy from this Honourable Authority.
- (xiv). The lessees/ tenants are occupying MbPT land without any authorization from MbPT and even after expiry of the leases/termination of tenancies/lease.
- (xv). Bills are sent along with footnote "THIS BILL IS PROVISIONAL AND WITHOUT PREJUDICE TO BOARDS RIGHTS AND CONTENTION TO REVISE THE RENT/COMPENSATION W.E.F 01.10.2012.



- (xvi). Circular No.EM/ASG/F-361/5873 dated 28.12.2012 vide which it was informed to all the lessees, tenants and occupants that revision of compensation/ rent in respect of all the expired leases, monthly tenancies and fifteen monthly tenancies and licenses/tenancies expecting subsisting long term leases of Port Trust premises is due from 01.10.2012 onwards. Delay in submission of SOR proposal to TAMP was on account of the fact that PGLM 2014/15 were not applicable to Township area of Mumbai Port Trust.
- (xvii). Vide clarification no 1 of 2018 dated 14.06.2018 issued under sec 111 of MoS, Gol extended the PGLM 2015 guidelines to the Township area. As per the said guideline SoR was to be determined as per the highest of five factors and TAMP has to notify the SoR for the Township areas. Matter was taken up with the Ministry for withdrawal of notification dt.15.03.2000. MoS, Gol vide their letter no secy(s)/visit-Mumbai/land management/2018 (333915) dated 15.05.2019 directed TAMP to fix the SoR for Mumbai port Trust w.e.f. 01.10.2012 onwards. Accordingly TAMP vide their letter dated 15.07.2019 issued a clarification that in view of PGLM 2015 guideline the TAMP notification 28.03.2000 has become infructuous so far as MbPT is concerned and it is not applicable for MbPT for period prior to 01.10.2012 and same may be treated as withdrawn by the TAMP. High Court Writ petition no 1153 of 2000 filed by MbPT challenging TAMP notification was withdrawn vide HC order dated 08.08.2019. Accordingly immediately after Board approval the said proposal was submitted to TAMP on 04.08.2021.
- (xviii). Revision of SoR was due from 01.10.2017 which was prior to Covid-19 pandemic. No legal provision or directions from government of India for granting concessions and relaxations during pandemic time. Delhi high court judgment dated 21.05.2020 states for no excuse in Payment of rental and no concession in rental charges. RAMANAND & ORS... Appellants versus DR.GIRISH SONI & ANR.... Respondents, JUSTICE PRATHIBA M.SINGH on CM APPL.10848/2020.

11. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received from the users / user organisations and arguments made by the concerned parties will be sent separately to them. These details will also be made available at our website <http://tariffauthority.gov.in>.

12. Further, vide the above referred letter dated 29 September 2021, the MBPT was also requested to furnish some clarification on few points. The MBPT vide its letter No. EM/ASG/F-382/1346 dated 07 October 2021 has responded. The information sought from MBPT and the response of MBPT thereon is tabulated below:

Sr. no	Additional clarification / observations made by us	Response of MBPT
(i)	The MBPT vide its letter No.FA/OEA-L/14(17)/Gen/176 dated 06 August 2021 has filed a proposal for fixation of Schedule of Rates and revision of rent / compensation for the period 01.10.2012 to 30.09.2017 for non-home occupations in Township Areas of MBPT for 23 RR Zones. Out of 23 RR Zones, the MBPT has sought revision for 19 RR Zones for a period of 2017-2022 vide its proposals dated 03 August 2021 and 22 September 2021. As such, the MBPT has not sought revision of SOR for the period 2017-22 for 4 RR Zones viz.16/110, 1/6, 96/436 and 26/81. With regard to 4 RR	(a) Regarding Zone No.16/110, 1/6 and 96/436: LAC and Board's approval has not yet been obtained for SoR 2017-2022 and the same shall be submitted after approval of LAC / Board.  (b) Regarding Zone No.26/81 (Titwala): This is vacant land without any tenancy. TAMP has already approved the SoR vide TAMP order dated 16.03.2021 notified in the Gazette of India No.165 dated 12.04.2021 for the period 01.10.2020 to 30.09.2022. Therefore, it is not included in the present proposal SoR 2017-2022 and

	Zones covered in the proposal for fixation of SOR for the period 2012-17 and not proposed for revision for the period 2017-22, the MBPT to clarify the reasons for not proposing the revision of SOR for the period 2017-22 for the said 4 RR Zones.	the same shall be submitted after approval of LAC/Board.
(ii)	Further, the MBPT has also sought for fixation for SOR for additional 7 RR Zones viz.2/13, 14/101A, 11/84A, 10/78A, 3/33B, 1/4 and 1/3A in its proposals dated 03 August 2021 and 22 September 2021 which are not included in the proposal for fixation of SOR for the period 2012-17. In this regard, the MBPT to confirm that no lease/tenancy has been granted during the period from 01.10.2012 to 30.09.2017 for the additional 7 RR Zones covered by MBPT in the proposals dated 03 August 2021 and 22 September 2021.	<p>(a). Out of the seven zones mentioned therein, the RR Zone No.14/101A and 1/3A were not in existence in the RR 2012 Government Maharashtra Publication and, therefore, was not included in SoR 2012-17 proposal. However, the leasehold/tenancy plot covered in these zones were included in RR Zone 14/101 and 1/3 respectively of the SoR 2012-17.</p> <p>(b). Regarding RR Zone No.2/13: SoR Proposal for 2012-2017 was approved by LAC and Board vide TR No.153 of 2021, was submitted to TAMP on 23.09.2021. The said proposal No.1 regarding left out RR Zones are included viz: 17/116, 1/5 &amp; 2/13.</p> <p>(c). Regarding RR Zone No.11/84A, 10/78A, 3/33B (3)/33B RR Zone needs to be corrected as 3/35B instead of 3/33B), 1/4; Covering existing leases and tenancies remained to be included in both SOR 2012-17 &amp; 2017-22 &amp; same shall be submitted after approval from LAC/Board.</p> <p>(d). Also 11/84B, 11/84E, 13/97, 7/64, 7/66 whose valuation was left out (2012-17 and 2017-22) is also being submitted for approval of LAC &amp; Board.</p>

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

- (i). The Mumbai Port Trust (MBPT) has large portions of land in the City of Mumbai. It is to state that the lease rentals for the Port estates was last fixed by the MBPT in the year 1982 i.e. more than a decade and a half, before this Authority had come into existence in the year 1997. From the submissions made by MBPT, it is understood that the revision of lease rentals carried out by the MBPT in the year 1982, gave rise to litigations, which eventually culminated in the Supreme Court passing an Order, wherein the lease rentals approved by the Board of Trustees for the lands of MBPT for the period from 1982 upto 30 September 2012 as per the Compromise formula, had been upheld by the Hon'ble Supreme Court of India. As such, the Government has advised the MBPT in May 2019 to fix the SOR for all areas of Mumbai Port including Township areas with effect from 01 October 2012 onwards. It is in this backdrop that the MBPT has come up with two different proposals seeking retrospective fixation of lease rentals for Schedule of Rates and revision of rent/ compensation for non-home occupations in Township Areas of MBPT for the quinquennial period from 01 October 2012 to 30 September 2017

and for the period from 01 October 2017 to 30 September 2022. The subject proposal deals with the quinquennial period from 01 October 2017 to 30 September 2022.

- (ii). In this connection, we have received numerous representations from various individual tenants/ lessees strongly objecting to the fixation of the lease rentals from 01 October 2017 to 30 September 2022, on the ground that there is no provision under the Major Port Trusts Act, 1963, permitting MBPT to charge the rent retrospectively. It has also been stated that retrospective revision will be highly destructive for all the occupants and it is likely that the same may be challenged in Court of law. Some lessee/ tenants have also stated that the retrospective revision would act as a financial shock to their business and it will be very difficult for them to sustain it financially. Further, considering the adverse impact that the COVID-19 pandemic had on the business, it has been stated that the retrospective revision and the payment of arrears thereon, would further strain the financial condition of the lessees/ tenants.

As pointed out by the lessees/ tenants, there is no provision under Major Port Trust Act, 1963, permitting MBPT to charge the rent retrospectively. But, at the same time, it is to be noted that the Major Port Trust Act, 1963, also does not prohibit retrospective revision of rates. In this context, it is noteworthy that this Authority also does not ordinarily give retrospective effect to the Order. But, in cases governed by special circumstances, it does require retrospective application of its Order. There are various instances, where this Authority has fixed the rates retrospectively.

To quote some few instances, in a case relating to an agreement between New Mangalore Port Trust and the Kudremukh Iron Ore Company Ltd., on the advice of Ministry of Law, the (then) Ministry of Surface Transport had vide its Communication No. PR-14011/5197-P4 dated 16 March 1998 advised this Authority to give retrospective effect. Similarly, based on a proposal received from MBPT, retrospective effect was given for recovery of way leave charges leviable as per the agreement between ONGC and MBPT. Also, based on a proposal received from MBPT, this Authority vide its Order no. TAMP/62/2019-MBPT dated 08 September 2020 has retrospectively approved levy of way leave charges for the pipelines for a period of 5 years from 01 October 2012 and upto 30 September 2017.

Further, it is to state that this Authority had passed an Order no. TAMP/15/2007-NMPT dated 16 June 2010 revising the lease rentals/ licence fee of the lands of New Mangalore Port Trust (NMPT), retrospectively with effect from 20 February 2007 i.e. on expiry of 5 years from the effective date of the implementation of the previously revised rates. The said Order was notified in the Gazette of India on 23 July 2010 vide Gazette no. 184. A batch of Writ Petitions were filed in the Hon'ble High Court of Karnataka by various parties mainly challenging the retrospective revision of the lease rentals. The Hon'ble High Court of Karnataka vide its Order dated 28 June 2013 has disposed of all the Writ Petitions. The Hon'ble High Court at paragraph no. 16 of the Order has stated the following:

*“There cannot be any dispute that collection of enhanced licence fee with retrospective effect is illegal as held by the Apex Court in the case of LALA RAM (D) by L.R. & ORS. – vs – UNION OF INDIA & ANOTHER reported in 2013 SAR (Civil) 347. But if the authority at the inception itself has made it clear to the licensees that what is being charged is only a provisional licence fee after approval by the TAMP, the action of the NMPT cannot be said to be illegal. At the*

*time of issuing the licence itself as well as the time of renewal of licence, it has been made clear by the NMPT that it has proposed revision of licence fee to the TAMP and till such time only provisional licence fee will be charged and that licensees will have to pay the revised licence fee after approval of the TAMP. The licensees having agreed for the said conditions, entered into the contract. Therefore it is not open for the licensees to go against the terms of the contract and contend that it is not open for the authorities to charge licensees revisional licence fee from 20.2.2007. In view of the above, the challenge to the Circular pertaining to revision of licence fee w.e.f. 20.2.2007 vide Annexure-H fails.”*

In this context, in the proceedings relating to the case in reference, the MBPT has categorically stated that it had intimated all the stakeholders by way of a Circular issued in December 2012 itself that the way leave charges are due for revision from 01 October 2012 onwards. The MBPT has also stated that even in the bills raised by the MBPT for the tenants/ lessees, it has been indicated by way of a footnote that the bill raised by MBPT is provisional and is subject to revision with effect from 01 October 2012.

Incidentally, reference is also drawn to the Order passed by the Gujarat High Court in March 2017, wherein the Hon'ble High Court of Gujarat has taken a view and held that TAMP would consider the proposal and follow the prescribed procedure including inviting suggestions and comments from stakeholders. The determination of Scale of Rates would take place thereafter and that because of very nature of this exercise, when the actual demand would be raised, it would relate to past period. It is the retroactiveness and not retrospectiveness. A retroactive operation of demand would not make it unsustainable in the given set of facts. Thus, the Gujarat High Court had held a view that the ground that the demand is retrospective is, therefore, prima facie not tenable.

Under these circumstances and for the reasons given in the earlier paragraphs, the proposal of the MBPT for recovery of Lease rentals for the 07 Ready Reckoner Zones for non-home occupations in Township Areas of MBPT for the period 01 October 2017 to 30 September 2022, is taken up for consideration.

- (iii). It has been repeatedly brought out by various tenants/ lessees that the revision as proposed by MBPT is contrary to the guidelines passed by the Hon'ble Supreme Court in the matter of Jamshed Hormusji Wadia vs. The Board of Trustees of the Port of Bombay, on the ground that the Hon'ble Supreme Court had upheld the "Compromise Proposals" mooted by MBPT themselves and considerably reduced the rent and interest burden on the lessees. The lessees have also stated regarding MBPT reportedly not adhering to the Compromise proposal and resultantly some Writ Petitions being still pending before the Hon'ble High Court of Bombay. Considering that the matter is subjudice, the tenants/ lessees are of the view that the question of proposed revision of SOR for the period of 2012 to 2017 and beyond, does not arise.

In this regard, it is to state that, based on the Order passed by the Hon'ble Supreme Court in the matter of Jamshed Hormusji Wadia vs. The Board of Trustees of the Port of Bombay in January 2004, the compromise proposal covered the revision for two period spans i.e. one for the period from 01 October 1982 to 30 September 1992 and the other for the period from 01 October 1992 to 30 September 2012. Thereafter, as rightly brought by the MBPT, the MBPT has the liberty to fix the lease rentals, albeit based on the Land Policy Guidelines issued by the Government. Infact, it is relevant to mention here that the 'Compromise formula' as upheld by the Hon'ble Supreme Court allowed the port

to review and revise the letting rates after 20 years (i.e. from 01 October 1992 to 30 September 2012), for good and sufficient reasons. As such, the Government has advised the MBPT in May 2019 to fix the SOR for all areas of Mumbai Port including Township areas with effect from 01 October 2012 onwards. The MBPT in its proposal has brought out in detail, the chronology of the events, which eventually has led to the submission of the present proposal under reference. Nevertheless, as a measure of abundant caution, it can be presumed that the MBPT, as a statutory body, would have kept in view the pending litigations and would have carried out due diligence on its part, before approaching this Authority with the subject proposal. Thus, the proposal filed by MBPT now for revision of rent / compensation for the period 01 October 2017 to 30 September 2022 for non-home occupations in Township Areas of MBPT, is being treated in isolation, without getting influenced by the past revision of lease rentals or the pending writ petitions.

- (iv). During the proceedings, numerous requests have been received from the various tenants/ lessees seeking more time for submitting the comments. In this regard, it is to state that Clause 18(c) of the land policy guidelines of 2014 stipulates a time period of 45 days for notifying the market value of land based on the proposal filed by the concerned port trust after following the usual consultation process. Considering the timeline as stipulated in the Land Policy Guidelines, a time period of two weeks was given to all the lessees/ tenants to submit their comments. Also, even after the joint hearing, keeping the interest of lessees/ tenants, they were again given two weeks time to make their submissions. In this backdrop, it is to state that sufficient time has been given to the users/ tenants to make their submissions/ give their comments.
- (v). A joint hearing on the case in reference was held on 03 September 2021. Subsequent to the joint hearing, we have received numerous references wherein the tenants/ lessees have made a request for another personal hearing to be accorded to them, on the ground that they were not able to make their submissions during the joint hearing. In this regard, as already stated above, Clause 18(c) of the land policy guidelines of 2014 stipulates a time period of 45 days for notifying the market value of land based on the proposal filed by the concerned port trust after following the usual consultation process. Considering the timeline as stipulated in the Land Policy Guidelines, it needs to be appreciated that it was not feasible to grant individual personal hearing to all the large number of lessees/ tenants, as requested by them. Nevertheless, even after the joint hearing, an additional opportunity was given to all the lessees to make their written submissions within two weeks, during which numerous lessees/ tenants have given their written submissions and which have been duly brought to the notice of this Authority. Thus, it is to state that the proposal of MBPT has not been dealt in a hasty manner and the decision of this Authority has been taken, after following the due consultation process and after following the principles of natural justice.
- (vi). Many of the tenants/ lessees have brought out issues relating to their particular tenancies viz., non-renewal of lease agreements, non-transfer of lease in the name of heirs, non-issuance of bills/ invoices by MBPT to lessees/ tenants etc. Even the MBPT has highlighted issues about the tenants committing breaches in their properties/ sub-letting without knowledge of MBPT and pocketing the sub-let rentals/ depriving MBPT of its rightful share/ encroachments/ carrying unauthorized constructions etc. In this regard, it is to state that this Authority is mandated under Section 49 of the Major Port Trusts Act, 1963, to frame Scale of Rates (SOR) 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 approaches may be used for the purposes specified u/s 49 of the Act. As such, this Authority is required by the Act to fix the lease rentals for the port estates. Matters relating to tenancies are in the domain of the Port. This Authority has no role to play on the said matters. As such, the tenants/ lessees are advised to approach the MBPT in matters relating to their tenancies. The MBPT is also advised to look into the grievances of the tenants/ lessees and take earnest steps to sort out the issues amicably.

- (vii). The MBPT has filed its proposal in August 2021. The said proposal alongwith the submissions made by the tenants/ lessees and the information/ clarification furnished by MBPT during the processing of the case, is considered in this analysis.
- (viii). The lessees/ tenants have extensively quoted the observations made by the Hon'ble Supreme Court in the case of Dwarkada Marfatia & Sons v/s Board of Trustees of Port of Bombay, Baburao Shantaram More v/s The Bombay Housing Board, Ratti Ji Kapadia v/s State of Maharashtra etc., so as to put forth their point that the MBPT is not expected to behave like an ordinary landlord with arbitrariness or capriciousness and indulge in rack renting, profiteering and indulging in whimsical or unreasonable bargains but is expected to behave fairly and in a reasonable manner, so as to determine the rentals.

In this regard, it is to state that 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. 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. Subsequently, the Ministry of Shipping has issued amended Land Policy Guidelines, 2014 under Section 111 of the MPT Act, 1963 for implementation with effect from 17 July 2015. The subject proposal of MBPT seeking revision of lease rentals for the period from 01 October 2017 to 30 September 2022 is based on the provisions of the amended Land Policy Guidelines for Major Port Trusts, 2015, as issued by the Government of India in the then Ministry of Shipping (MOS).

- (ix). As per clause 13(a) read with clause 11.2(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 13(a). Accordingly, the MBPT has reported about constitution of a Land Allotment Committee (LAC) headed by the Dy. Chairman of the Port and the Heads of Departments of Finance, Traffic and Estate being the other members.
- (x). (a). Para 13(a) of the Land policy guidelines of July 2015 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 amended 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 amended Land Policy guidelines of 2014 also stipulates that in case the LAC is not choosing the highest factor, the reasons for the same have to be recorded.

- (b). In connection with the Valuation as per various methods as stipulated in the Guidelines, the LAC based on the Valuation Report has analysed the market value of the lands based on the factors as listed in the Land Policy Guidelines and has recommended to choose the highest amongst all the market values of land so determined for all the 07 Ready Reckoner (RR) Zones forming part of the subject proposal.
- (c). Clause 13(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 13(a) and that the percentage should not be less than 6% which is to be fixed by the Port Trust Board. Accordingly, the lease rental has been arrived by MBPT at 6% of the market value of the land i.e. highest of the market value amongst all the factors as for the year 2017 for all the 07 Ready Reckoner (RR) Zones forming part of the subject proposal.
- (d). A summary of the market value of the lands determined under various factors for all the RR Zones and the lease rentals at the rate of 6% per annum as proposed by the MBPT thereon is tabulated below:

Sr.No	Ready Reckoner Zone	Market Value of land as per State Government Ready Reckoner per Sq.Mtr. (in ₹.)	Market value based on highest sale transaction per Sq.Mtr. (in ₹.)	Market value based on Tender cum Auction per Sq.Mtr. (in ₹.)	Market Value as determined by Valuer per Sq.Mtr. (in ₹.)	Market Value as recommended by LAC and approved by board of MBPT as on 01.10.2017 per Sq.Mtr. (in ₹.)	Lease rent @ 6% return per annum as on 01.10.2017 per Sq.Mtr. per month (in ₹.)
A.	B	C	D	E	F	G	H = G x 6% / 12
1.	14/101	40,200/-	1,15,000/-	-	1,15,000/-	1,15,000/-	575.00
2.	90/419	19,400/-	47,318/-	-	58,213/-	53,820/-*	270.00
3	10/79	69,700/-	-	-	1,71,310/-	1,71,310/-	856.55
4	10/80	27,100/-	-	-	1,70,240/-	1,87,700/-**	938.50
5	2/13	1,83,100/-	-	-	2,62,596/-	2,52,500/-***	1262.48
6	2/22	1,01,300/-	1,91,036/-	1,46,514/-	1,43,277/-	1,91,040/-	955.18
7	17/119, 17/116	98,600/-	-	-	1,90,000/-	1,90,000/-	950.00

\* Market value as derived by Valuer as of the year 2019 at ₹ 58,213/- per sq.m has been de-escalated twice by 4% per annum by the LAC, to arrive at the market value of ₹ 53,820/- per sq.m. as of the year 2017.

\*\* Instead of the Market value as determined by the Valuer at ₹ 1,70,240/- per sq.m, the LAC has decided to adopt the market value of the land at ₹ 1,95,204/- per sq.m., as determined by the Valuer then in the year 2018 relating to the proceedings relating to the Order No. TAMP/72/2018-

MBPT for the workshop area to be allotted to MDL and de-escalate it once by 4% per annum, to arrive at the market value of ₹ 1,87,700/- per sq.m. as of the year 2017.

\*\*\* Market value as derived by Valuer as of the year 2018 at ₹ 2,62,595/- per sq.m has been de-escalated once by 4% per annum by the MBPT, to arrive at the market value of ₹. 2,52,500/- per sq.m. as of the year 2017.

# All the rates for land values have been rounded off to the nearest 10 rupees.

As brought out above, the LAC for the reasons as documented in its Report has recommended to determine the market value of the land, based on the highest of the market value determined based on the various factors as listed in the Land Policy Guidelines and has recommended lease rentals thereon. The Board of Trustees of MBPT has also approved the lease rentals as per the recommendations of the LAC and the same has been proposed by the Port in its proposal.

- (xi). In this connection, all the individual tenants/ lessees who have been taken on consultation in the case in reference have strongly objected to the lease rentals proposed by the port on the ground that the proposed rentals are manifold times higher than the current rentals that are being paid by the tenants/ lessees. The tenants/ lessees have also questioned the Valuation undertaken by the Valuer(s), based on which the subject proposal has been formulated by MBPT. Further, given that the rentals is being fixed retrospectively, the tenants/ lessees fear for the arrears that would get accumulated on account of the proposed revision. Also, given that post the COVID-19 pandemic, the global economy is just struggling back to normalcy, any retrospective revision is stated to cause a huge financial shock to the tenants/ lessees. The tenants/ lessees have also submitted that they have been duly paying their rentals and taxes on time and as such, they should not be subjected to the increase in rentals as proposed by the MBPT. The tenants have also stated that since the land allotted by MBPT lacks basic facilities/ necessities, the MBPT should not go ahead with increasing the rentals and that the port should continue with the rentals based on the 'Compromise formula' as upheld by the Hon'ble Supreme Court.

In this context, it is relevant here to mention that the Land Policy Guidelines issued by the Government, requires the lease rentals to be revised every five years based on the prevailing market value of the land. The 'Compromise formula' as upheld by the Hon'ble Supreme Court allowed the port to review and revise the letting rates after 20 years (i.e. from 01 October 1992 to 30 September 2012), for good and sufficient reasons. The market value of the land is bound to go up particularly in a metropolis, with the passage of time. Moreover, in a city like Mumbai, where land is an extremely scarce resource, the rentals show an increasing trend on a year on year basis. Further, it is noteworthy that the rentals which had been paid by the tenants/ lessees during the years 2017 till date is based on the 'Compromise formula' as upheld by the Hon'ble Supreme Court. This 'Compromise formula' was not based on the then prevailing market value of the land, but was fixed at a lower level. Given that the base of the rentals fixed then was lower, even with the 4% increase in rentals per annum, the resultant rental that prevailed in the year 2017 (and based on which the tenants/ lessees have paid rentals to MBPT) is substantially lower than the rental that has been determined for the year 2017 now based on the market value of the land. Given that the rentals for the estates of MBPT is being determined based on the market value of the land following the stipulations contained in the Land Policy Guidelines, the lease rentals are bound to go up, when compared to the existing lease rentals being paid by the tenants/ lessees, which are not based on market value of the lands. It is noteworthy that the MBPT has framed its proposal



following the Land Policy Guidelines and thus, the hike in the lease rentals is inevitable.

As regards objection to the Valuation of the port land as carried out by the Valuer, it is noteworthy that Valuation of the port land is in the domain of the port and as such not within the purview of this Authority. This Authority does not have the technical expertise to delve deep into the Valuation aspects. The Land Policy Guidelines requires this Authority to fix the rentals based on the proposal filed by the port.

As regards the quantum of increase proposed by MBPT, owing to the huge objections made by the tenants/ lessees vide their written submissions as well as during the joint hearing, the MBPT was given an opportunity, subsequent to the joint hearing, to review its proposed rentals. But, the MBPT has expressed its inability to review the rentals.

Given that the proposal of the port for fixation of lease rentals is based on taking into account the Fair Market Value (FMV) of land based on highest of the 5 factors (for base rate for FSI 1.00 ) based on the stipulations contained in the Land Policy Guidelines 2015, and has been recommended by the LAC and also has been approved by the Board of Trustees, and also as this Authority is bound by the Land Policy Guidelines, 2015, this Authority approves prescription of the lease rentals for 07 Ready Reckoner Zones for non-home occupations in Township Areas of MBPT for the period 01 October 2017 to 30 September 2022, as proposed by the port.

Some tenants/ lessees have put forth an argument that given that the MBPT has been increasing the rentals at the rate of 4% per annum, the question of MBPT now proposing increase in rentals does not arise. In this regard, it is to state that, like any other products, increase in rentals per annum is to meet the rising inflationary costs. But in the case in reference, the base of the rental is being reviewed, so as to bring it to the level of market value of land that had prevailed in the year 2017.

Given that the lease rentals are being enhanced for MBPT, the MBPT, in consultation with the tenants/ lessees, is advised to look into the requirements of the basic amenities/ infrastructure/ facilities in the leased/ licensed plots, and take steps to make them available to the lessees/ tenants.

Further, considering that the lessees/ tenants will have to pay the arrears for the period 2017 till date and given that the economy is just coming back to normalcy, after it was hit by the COVID-19 pandemic, the MBPT is advised to grant a longer period of time to the lessees/ tenants, to pay the arrears of rent pertaining to the period beginning from the year 2017.

- (xii). Clause 13(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 MBPT in its proposal has indicated that the lease rental as fixed for the year 2017-18 will be subject to 4% annual escalation. However, no note is seen to have proposed by the port in the matter. Thus, a note is, therefore, prescribed in the Schedule stating that the lease rent is subject to an increase @ 4% p.a. and that first such increase shall be effective from 01 October 2018.
- (xiii). Clause 13 (C) of the amended Land Policy Guidelines, 2014 stipulates that the rates will be revised once in every five years by the Authority. Since the rental is

being prescribed with effect from 01 October 2017, accordingly, a note is being prescribed in the Rent Schedule that the annual lease rentals may remain in force for a period of five years thereon.

- (xiv). The MBPT has proposed a note to the effect that rent will be worked out on the basis of actual Built- Up Area, subject to minimum of FSI 1.00. Given that the base lease rent approved by this Authority shall remain intact and would be only proportionately increased based on the FSI, this Authority is inclined to approve the note as proposed by MBPT in this regard.
- (xv). The MBPT has proposed another note to the effect that the rates are exclusive of all Taxes (GST, Municipal Taxes, etc.), Service Charges, Penalties, and Interest etc. and that the same are separately payable by lessees/ tenants/ licensees, as may be applicable. In this regard, it is to state that the tariff approved by this Authority is exclusive of any taxes and statutory duties. The taxes and statutory duties are to be levied by the Port at the applicable rates on the tariff so approved by this Authority. In view of this position, the note as proposed by the Port is approved.
- (xvi). The MBPT has proposed notes to the effect that the rates are applicable for non – Home Occupations and are applicable to all the Expired Leases, Monthly Tenancies, Fifteen Monthly Leases and Licenses falling in the respective Ready Reckoner Zones. Since the proposed notes gives clarity on the categories of lessees/ tenants, who would be covered from the lease rentals approved vide the subject proposal, the proposed notes are approved.
- (xvii). The MBPT has also proposed notes to the effect that Interest would be chargeable beyond permissible period as per Board's policy from time to time and that whether demanded or not, rent/ compensation/ license fee for a month would have to be paid by the tenants/ lessees/ licensees/ occupants on or before the 15<sup>th</sup> day of each succeeding month. Since the proposed notes give clarity and would avoid ambiguity and would instill discipline amongst the tenants/ lessees in the payment of rentals, the proposed notes are approved.

14. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves, the Rent Schedule for MBPT prescribing Lease rentals for the 07 Ready Reckoner Zones for non-home occupations in Township Areas of MBPT for the period 01 October 2017 to 30 September 2022, which has been notified separately, vide Gazette No. 552 dated 12 November 2021.

**(T.S. Balasubramanian)**  
Member (Finance)