

Policy for allotment of bareland on license inside Dock Interior Zone for a period 6 months / 11 months in order to cater to the increased demand in the allotment of plots for accommodating additional cargo.

The following guidelines for allotment of bareland inside dock interior zone are proposed to be introduced:

- 1) Bare land plots will be allotted primarily to Indian Importers / Exporters. The period of allotment will be for 6 months / 11 months. The bare land plot will be suitably developed, preferably through morum top, by the licensee at his cost and arrangements. At the end of the license period including renewals, the plot is required to be handed over to KoPT on "as is where is" basis and no compensation will be paid by port for undertaking development of the plot.
- 2) For availing this facility, the licensee shall give a commitment of mobilizing through HDC minimum of 2 lakh MT/ 5 lakh MT of cargo (hereinafter referred to as MGT) by way of import / export or in combination of both during 6 months' / 11 months' period respectively.
- 3) The MGT shall commence after a period of 3 months from the date of handing over of possession of the undeveloped plot to enable the licensee to develop the plot for storage of cargo. Accordingly, the MGT, as mentioned under item (2) above, for the initial license period will be reduced proportionately. However, for the subsequent license periods as would be granted through renewals, the MGT will be equivalent to the quantity mentioned at item (2) above.
- 4) The licensee of such plots shall furnish a Bank Guarantee equivalent to wharfage and on-board charges of the MGT applicable for all types of foreign coal along with GST.
- 5) The renewal of the license will be granted subject to fulfillment of the MGT and submission of fresh Bank Guarantee or renewal of the existing Bank Guarantee.
- 6) If the licensee fails to fulfill the MGT, then the licensee will be required to pay the amount equivalent to the applicable wharfage and on-board charges including GST in respect of the shortfall quantity, failing which, the Bank Guarantee will be en-cashed for the said amount.

- 7) In the event, the licensee fails to fulfill the MGT, license of the plot may be renewed further for similar period against specific request of the licensee and subject to payment of shortfall amount / encashment of Bank Guarantee and upon submission of the fresh Bank Guarantee (in case of encashment of the earlier BG) or renewal of the existing Bank Guarantee (in case the licensee pays the shortfall amount). **However, if the licensee fails to fulfils the MGT for consecutive 3 allotment periods, then license will not be renewed further.**
- 8) The license fee will be paid from the handing over of the possession of the land which will also be reckoned as the date of commencement of the license period.
- 9) In the event, the Importers sell the cargo on High Sea Sale basis, the High Sea Sale buyer will also be allowed to store the cargo as well as take delivery of the same from the plot allotted in favour of the Importers and such cargo will also be eligible for consideration against MGT of the licensee.
- 10) In the event during renewal of the license of the plot, the rate of on board charges and wharfage as well as GST gets revised, then the amount of Bank Guarantee will be calculated at the revised rate and the licensee has to submit the Bank Guarantee accordingly.
- 11) The minimum area for allotment will be 5,000 sq.m. However, the total area to be allotted will be determined on the basis of 10 MT per sq.m. for 6 months' period and 18 MT per sq.m. for 11 months. Thus, for 6 months' license, the maximum area to be allotted will be 20,000 sq.m. and for 11 months' license, the maximum area to be allotted will be 28,000 sq.m. (rounded to the next '000 sq.m.). However, in the event the licensee is allowed to store cargo account Group Companies / Associated Companies, the maximum area to be allotted will be 30,000 sq.m. if the period of allotment is for 6 months and incase of 11 months' license, the maximum area to be allotted will be 34,000 sq.m. (rounded to the next '000 sq.m.). If any licensee requires additional land for 6 months / 11 months, then additional MGT backed by Bank Guarantee will be required.

The existing Land Policy Guidelines provides for allotment of land inside Dock Interior Zone, for storage of EXIM cargo for a period of 6 months / 11 months, on license basis, without recourse to tender. However, the said policy does not stipulate to whom the plots will be allotted. It

further states that the modalities for such allotment will be decided by the respective ports. Accordingly, to ensure proper utilization of the plots and maximize the cargo volume, the instant policy is being proposed. This will reduce the requirement of multiple plots by small Importers / Exporters and will lead to optimization of the plot inventory.