

KOLKATA PORT TRUST
HALDIA DOCK COMPLEX

No : Ad/E/1116/Iron Ore/5549

January 14, 2012

Guidelines for allotment of land for storage of Iron Ore inside the Dock Interior Zone (DIZ) on licence including renewals thereof

The Board of Trustees for the Port of Kolkata have approved the following guidelines for allotment of land for storage of iron ore inside Dock Interior Zone (DIZ) of Haldia Dock Complex on licence basis including renewals thereof:-

- a) The fresh licenses of iron ore plots for longer duration behind conventional berths may only be granted to the existing exporters of iron ore who have exporting iron ore by using the Common User Plots of HDC both behind Berth No. 3 and the conventional Berths inside the DIZ as well as Berth No. 12. These exporters will be asked to submit applications for allotment iron ore plots for which KoPT will publish a suitable notice.
- b) The evaluation of the applications will be based on quantity of Iron Ore actually exported by the eligible applicants through HDC using different Common User Plots of HDC (both behind Berth No. 3 and the conventional Berths inside the DIZ and Berth 12 in the fiscal year 2010-11 only.
- c) Exporters whose achievement through all Common User Plots at HDC during 2010-11 has been 1, 50,000 MTs and above as per the above evaluation may be offered plots for 11 months with MGT and other applicable provisions.
- d) Exporters who have exported less than 1,50,000 MTs but have exported 75,000 MTs and above during the said period may be offered plots for 6 months with MGT and other applicable provisions.
- e) The allotment on 6/11 month license period will be made by inviting applications from the eligible applicants.
- f) (i) In case the licensee fails to fulfill the applicable MGT within the applicable licence period (6/11 months), a sum equivalent to the cargo related charges plus Service Tax and Education Cess for quantity of shortfall in fulfilling the MGT would be encashed from Performance Guarantee of the licensee.

(ii) In case of non fulfillment of MGT in respect of licensees who will be granted 11 month licence, in addition to encashment of applicable cargo related charges from the Performance Guarantee as at f(i) above, licence of the plot concerned shall also not be renewed for 11 months.

(iii) In that event, the licensee will have an option to obtain fresh licence of the said plot for a period of 6 months with revised MGT for which he has to make a separate application with KoPT communicating his willingness to accept revised MGT and other applicable terms and conditions for 6 month licence.

(iv) In the event the licensee does not apply for exercising this option, he will have to hand over vacant and peaceful possession of the plot under licence within the valid period of licence, failing which KoPT will impose compensation as per the provisions of the Schedule of Rent.

(v) In case of licensees who will be granted 6 month licence, the licence will be renewed for a further period of 6 months even if the licensee fails to fulfill MGT during the initial 6 month licence period. However, in the event of failure on the part of the licensee concerned to fulfill MGT on two consecutive licence period of 6 months each, in addition to encashment of applicable cargo related charges from the Performance Guarantee as at 6(a) above, licence of the plot concerned shall also not be renewed for a period of 6 months.

(vi) In that event, the licensee will have an option to obtain fresh licence of the said plot for a period of 3 months with revised MGT for which he has to make a separate application with KoPT communicating his willingness to accept revised MGT and other applicable terms and conditions for 3 month licence.

(vii) In the event the licensee does not apply for exercising this option, he will have to hand over vacant and peaceful possession of the plot under licence within the valid period of licence, failing which KoPT will impose compensation as per provisions of the Schedule of Rent.

g) (i) In the event a licensee with 11 month licence fulfills MGT and complies with other terms and conditions of the licence, his licence will be renewed for a further period of 11 months with MGT and other terms and conditions of licence as applicable.

(ii) In the event a licensee with 6 month licence fulfills MGT and complies with other terms and conditions of the licence, his licence will be renewed for a further period of 6 months with MGT and other terms and conditions of licence as applicable.

(iii) In the event a licensee with 6 month licence fulfills MGT in two consecutive licence period of 6 months each and complies with other terms and conditions of licence, the licensee concerned will be eligible for grant of fresh licence of the same plot for a period of 11 months with revised MGT and

other applicable terms and conditions of licence. The fresh licence for 11 months in that event may be granted subject to submission of application thereof by the licensee concerned and his willingness to accept revised MGT and other applicable terms and conditions for 11 month licence.

- h) The excess of iron ore handled by a licensee over and above the MGT within the licence period (6/11 months) will be carried forward to the next renewed licence period (6/11 months) subject to maximum of 25% of the MGT of the licence period concerned.
- i) Apart from allotment of plots on 6/11 months license, the existing occupants of Common User Plots of iron ore who have been granted renewal of the plot concerned for 3 consecutive occasions by virtue of shipment of more than 8000 metric tons of iron ore in each of the 3 occasions, the next renewal may be granted for 3 month period with MGT. This will be given prospective effect after the approval of the current policy by the Board. After renewal of the license for the first occasion of 3 months, subsequent renewals will be allowed for 3 months each with MGT. In case of non-fulfillment of MGT during 2 consecutive periods of 3 months, apart from encashment of BG for the shortfall in the MGT, the plot will not be renewed further.
- j) In case a licensee with 3 month licence fulfills the MGT and complies with other terms and conditions of licence for two consecutive licence periods, the licensee concerned will be eligible for grant of fresh licence of the same plot for a period of 6 months with revised MGT and other applicable terms and conditions of licence. The fresh licence for 6 months in that event may be granted subject to submission of application thereof by the licensee concerned and his willingness to accept revised MGT and other applicable terms and conditions for 6 month licence.
- k) All plots may be standardized with 3,000 sq. mtrs. of area for allotment.
- l) MGT for each of the plots will be equivalent 2.5 metric tonnes per month (30 days) for bare land and 3 metric tonnes per month for hard stand plots.
- m) Preference of allotment of iron ore plot located at L-2 & L-5 will be made to those exporters who will move iron ore mainly by trucks. The preference of allotting plots located behind Berth No.4B will be made to those Iron Ore exporters who will move iron ore mainly by rail.
- n) The existing 11 month license plot holders who are having 2,000 sq. mtrs. at conventional berths will be advised to increase their plot size to 3,000 sq. mtrs. each either with immediate effect with proportionate increase in MGT or w.e.f. the next MGT period with proportionate increase in MGT. These MGT plot holders would have to exercise their option for the above increase in plot sizes to 3,000 sq. mtrs. within one month from the date of implementation of the new policy.
- o) All other conditions of allotment are given at Annexure-I.

- p) Other Iron Ore exporters including new exporters & who do not fall in the above category, however, will be given a transit plot for 30 days for fulfillment of their export requirement upon declaration of a ship as per the existing practice.

(A. K. Mukhopadhyay)
Secretary (I/C)

OTHER TERMS & CONDITIONS FOR ALLOTMENT OF LAND ON SHORT TERM LICENCE BASIS FOR STORAGE OF IRON ORE.

1. The period of licence can be renewed at the discretion of KOPT. If the licensee requires renewal of the license, an application for renewal must be made to the authority concerned of KOPT well in advance as per prescribed format.
2. The license is terminable on **7 days' notice** on either side. No claim for any compensation whatsoever for such termination of the license will be entertained.
3. Rate of licence fee shall get automatically **escalated by 2%** per annum after expiry of one year from the effective date of implementation of the revised Rent Schedule **i.e. 07.04.2011**, and the escalated rates shall be considered as the prevailing Scheduled Rent for the concerned year.
4. Non-interest bearing **Security Deposit** equivalent to the licence fee at the applicable rate for the period for which the licence inside DIZ is granted shall be recovered. The security deposit is refundable after completion of the license period subject to adjustment of dues & damages.
5. The license fee will be charged from the date of handing over possession of the land and occupation of actual area of the land to be found on demarcation by the licensee.

The amount of Security Deposit will also be determined on the actual area as found on demarcation and the licensee will be required to supplement the same by a further sum towards Security Deposit, if required.

6. In addition to payment of licence fee as per prevailing SOR, the licensee shall pay Municipal Tax & Service Tax, if required and as applicable.
7. (I) The license fee whether demanded or not shall be paid as per the following **due dates of payment:** -
 - (a) For period of license exceeding 30 days and which is exact multiple of 30 days: Within seven days of expiry of each 30 days.
 - (b) For period of license exceeding 30 days but not exact multiple of 30 days :
 - (i) For the portion of the total license period, which is exact multiple of 30 days : Same as (a) above.
 - (ii) For the balance period of the license which is not exact multiple of 30 days: Within seven days of expiry of the balance period.
 - © For period of license less than 30 days: Same as 7 (b)(ii) above.

- (II) In case of default in payment of rent / licence fee / compensation and other dues within one month from the due date of payment specified above, **interest @ 14.25%** will be charged on the outstanding dues from the due date of payment.
8. **Encroachment** or unauthorized occupation of land and Railway tracks, etc. by the licensee will involve a liability to pay a penalty at the rate of **ten times** the scheduled licence fee, in addition to the cost of rectification of damages caused to the Port properties. If the licensee fails to remove the cargo from the encroached area in spite of notice to do so, the cargo will be removed elsewhere by the Port at the risk and cost of the licensee and penal licence fee at the rate of ten times the normal rate will be levied on the space occupied by the cargo so removed.
 9. After the **expiry/termination/ determination/ forfeiture** of the licence, if the licensee continues to occupy it unauthorizedly, the licensee shall be liable to pay compensation for wrongful use and occupation at the following rates till vacant possession is obtained: -

First 30 days	3 times the rate as per prevailing SOR
Next 30 days	5 times the rate as per prevailing SOR
Continued unauthorized occupation beyond 60 days	10 times the rate as per prevailing SOR
 10. The licensee shall agree to comply with all rules and directions issued by HDC/KoPT from time to time. If the licensee neglects to comply with such rules or directions, HDC/KoPT may terminate the license.
 11. The licensee shall be required to utilize the allotted land for the purpose for which it is allotted. No change in purpose of utilization will be allowed. The space allotted shall also not be subletted/ assigned/transferred.
 12. Cargo stored under a license shall be at the entire risk and responsibility of licensee. The licensee shall post his own watchman to safeguard the cargo stored at the allotted space and to prevent any unauthorized occupation of such space by others.
 13. The licensee shall make own arrangements to keep the allotted land/covered space and its surroundings neat, clean & in proper sanitary conditions.
 14. The licensee shall comply with all rules or regulations that may from time to time be issued by the Dock Safety or the Department of Explosives or whosoever concerned in relation to storage of cargo.
 15. The licensee shall agree that all payments & expenses of whatever sort due to HDC/KoPT in respect of the licence be recovered at the rate prescribed in HDC/KoPT's rent schedule from time to time.
 16. The licensee will be required to remove the materials that may have been stored by them on the aforesaid land at its own cost and arrangement before vacating the land or revocation of the license in terms of Clause-2 above.
 17. The licensee will be required to pay and discharge all present and future rates, taxes, duties, charges, assessments, outgoings and premium in respect of policy of insurance against any risk whatsoever which are now or at any time hereafter be assessed, charged or imposed upon or payable in respect of the said land except the owner's share of municipal taxes in respect of the land.

18. The licensee shall have to observe, perform and comply with all stipulations and requisitions which may from time to time be made by Govt. or the licensor or any other statutory authority or otherwise in respect of the land or any portion thereof. The licensee shall obtain all required statutory clearances as & when required during the course of the license period HDC/KoPT would not take any responsibility whatsoever in the matter.
19. The licensee shall not construct or put up any building, erection or convenience on the allotted land.
20. The licensee shall be required to make his own arrangements for the safety and security of the allotted land.
21. The licensee shall have to ensure proper parking of Lorries etc. so as not to cause any inconvenience to movement of vehicles on the main road.
22. The licensee shall not cause any damage to KoPT properties. If, however, any damage is caused, the licensee shall be liable to make good the damages at his own cost and arrangement to the satisfaction of KoPT.

