

Policy for Short/Medium Term License allotment Upto 3 months/ 11 months inside the Port for Iron Ore Export

1. The Policy will cover export of Iron Ore (Fine/Lumps/Pellets etc. other than M/s KIOCL) and will be applicable for allotments inside the customs bonded area of NMPA.
2. Land allotment will be done on application of the party on First come first serve basis on compliance of all applicable formalities.
3. Land plots will be allotted to Indian Exporters having valid registration with Dept. of Mines and Geology (DMG) and IE Code having no previous dues with the Port. Period of allotment will be for either 3 months or 11 months only. At the end of the license period, the plot is required to be handed over to Port in vacant condition.
4. For availing this facility, the licensee shall give a commitment of mobilizing through NMPA minimum of 40,000 MT/1, 50,000 MT of cargo (hereinafter referred to as MGT) during the 3 months/11 months period respectively and the minimum area for allotment will be 5000 sq.m.
5. The licensee of such plots shall provide MGT Deposit (through e-transfer to Port Bank Account) equivalent to 110% wharfage charges of the MGT applicable for Iron Ore along with GST. The MGT Deposit will be released after completion of the license period subject to fulfillment of MGT and/or adjustment of dues and damages if any.
6. If any licensee requires additional land for 3months/11 months, such land will be allotted in parcels of 1000 sq.m subject to availability. For each such allotment additional MGT (calculated pro-rata) backed by fresh MGT deposit will be required.
7. Further license will be granted subject to payment of all outstanding dues including towards shortfall of MGT and submission of fresh MGT Deposit/ renewal of the MGT Deposit for the next license.
8. If the licensee fails to fulfill the MGT, then the licensee will be required to pay the amount equivalent to the applicable wharfage including GST in respect of the shortfall quantity, failing which, the MGT Deposit will be en-cashed for the said amount.
9. In the event, the licensee fails to fulfill the MGT, fresh license of the plot may be re-allotted further for similar period against specific request of the licensee and subject to payment of shortfall amount / encashment of MGT Deposit and upon submission of the fresh MGT Deposit (in case of encashment of the earlier MGT Deposit) or renewal of the existing MGT Deposit (in case the licensee pays the shortfall amount).
10. The license fee shall be paid in advance before the allotment of the land which will also be reckoned as the date of commencement of the license period.
11. The Licensee has to pay the total license fee towards the initially granted license period, in advance. In addition, one month's License fee (plus all taxes) is to be deposited as Security Deposit.
12. Any Modifications in the Policy may be affected and implemented with the approval of the Board of the Port immediately followed by later publication in the State Gazette.

Terms and Conditions of Allotment

1. Subletting/underletting/parting/transfer/assignment of the license space shall not be allowed under any circumstances. The licensee shall be required to utilize the allotted land for the purpose of storage of cargo only. No change in purpose of utilization that is storage will be allowed.
2. The cargo is permitted for admittance based on the allotment to the assigned plot which shall be in the custody, risk and cost of respective exporter/C & F Agent on behalf of the exporter. Port does not take custody of export cargo as per of Scale of Rates.
3. Cargo Admittance shall be preferred through Rail Mode Only in the first phase **(tentatively till September 2023)** against the allotment with valid DMG permit.
4. The Exporter or the C&F Agent (on behalf of the exporter) files Shipping Bill and Online Export Application along with Indemnity Bond from Exporter indemnifying N.M.P.A. from all dispute arising out of export of the said consignment and including the consequences of the proceedings passed by Civil or Criminal courts in respect of the cargo prior to or after it shipment. Exporters should also declare that the cargo is free from all encumbrances including attachments/injunction/decrees/orders passed by any Civil or Criminal courts or statutory authorities restraining the export of the said cargo including Legal and Financial obligations also covering claims arising out of accidents and third party property damage. The indemnity Bond has to be furnished on non judicial stamp paper of value not less than Rs.100 before the allotment as well as before the shipment.
5. Cargo admittance by trucks (at a later stage) shall be through RFID system of Port and Exporter has to link his IE Code, Allotment Number, DMG Permit details to each Truck admitted.
6. The Exporter/C&F agent has to demarcate the allotted area displaying Exporter name. The cargo stacked in plot remains at parties risk and responsibility and Port is not liable for any theft or shortage of cargo.
7. The exporter/ C&F agent has to give detailed declaration of date wise aggregation of cargo in the plot every week certified by a recognised surveyor. After sailing of every vessel, within 48 hours the exporter should give the draft survey report and the statement of cargo balance in the allotted plot.
8. The exporter has to pay the wharfage charges for the entire booking quantity in advance prior to berthing of the vessel along with copies of permits issued by Dept. of Mines & Geology for the quantity of shipment.
9. After realisation of wharfage charges the vessel may be berthed and export of cargo may be permitted after receipt of Let Export Order from Customs.
10. The license fee will be charged from the date of allotment of the yard. License fee for the same shall be paid before occupation date of land / due date of the license; failing which penal interest @ SBI MCLR + 2% will be levied till the payment is received. In any case the payment should not be delayed beyond 15 days from the occupation date / due date.
11. The license is terminable on 7 days' written notice on either side. Neither party shall have any right of any claim on the other on account of such termination.
12. In addition to payment of license fee as per SOR, licensee shall pay all applicable taxes.
13. If it is observed at any stage that a licensee has indulged in corrupt/fraudulent /collusive/coercive practice or has produced forged/misrepresented documents, the license of such agency shall be terminated with immediate effect and its Security Deposit shall be forfeited and the MGT Deposit shall be encashed by the Port. Further, such agency shall be banned for future business in the Port.

14. Encroachment or unauthorized occupation of land and Railway tracks, etc. by licensee even after giving notice by the Port will involve a liability to pay a penalty at the rate of three times the scheduled license fee, in addition to the cost of rectification of damages caused to Port properties.
15. If the licensee fails to remove cargo from the encroached area in spite of notice to do so, the license will be determined and the cargo will be auctioned as per MPA Act 2021 and license fee will be recovered.
16. Licensee has to bear the license fee if SoR is revised.
17. The licensee shall not cause any damage to Port Properties. If any damage is caused, the licensee shall be liable to make good the damages at his own cost and arrangement to the satisfaction of the Port.
18. The licensee shall agree to comply with all rules and directions issued by Port from time to time. Exporters/C&F Agents should strictly adhere to Standard Operating Procedures on Safe handling as per Dock Safety Regulations.
19. The Exporters/C&F Agents have to ensure that the Workers /labourers deployed by them use the toilets and follow proper method for waste disposal in the wharf. Strict action will be taken if the workers/labourers are found indulging in open defecation.
20. The Exporters/C&F Agents have to ensure that the vehicles and equipment used for transportation and handling are having valid Fitness Certificate and are manned by the driver and cleaner/helper at all times during the stay at the Port. It must be ensured that the trucks/vehicle transporting cargo should not be overloaded beyond the stipulated load limited.
21. Cargo stored under license shall be at the entire risk and responsibility of licensee. Placards should be placed in the plot displaying the name of the occupant and the area of the plot. Infringement of the cargo of any other licensee will lead to termination of the license.
22. The licensee shall have to comply with all stipulations and requisitions which may from time to time may be made by Govt. or any other statutory authority. The licensee shall obtain all statutory clearances required during the license period. Port would not take any responsibility in the matter.
23. The licensee shall not construct any building, erection or convenience on the allotted land.
24. The licensee shall follow safety norms as may be prescribed by competent authority and take all necessary measures for ensuring safety of men, materials and machines. Save all net should be used for shore – to- ship operations which should be in good condition and properly fastened.
25. The Licensee has to take all necessary measures to cover/secure the cargo during handling and follow anti-pollution, anti-spillage and environmentally friendly measures. Failure to observe the environmental and safety norms can lead to penalties including cancellation of license. Licensee to make proper approach road to the plot and shall make arrangements to clean the road and drains falling in their jurisdiction regularly.
26. Cargo must be kept covered with tarpaulin and garland of bags in 3 layers must be placed around to prevent slippages of cargo to drain. It has to be ensured that seepage from the stack must be channeled to the settling Pond. The stack should be away from the drainage at least 2 meters and approach of plot is free from blockage of water. The height of the stack shall not be more than 4 meters failing which allotment will be cancelled.
27. Licensee should not create any inconvenience to the Port Operations, in any form.
28. Request for waiver of above said terms with regard to license fee or extension will not be accepted.
29. All operations starting from Entry of Rakes/Trucks shall be monitored through CCTV including storage of cargo and Port will deploy additional security

- personnel for supervision and mapping/monitoring of the stack through drone based surveillance may be undertaken. Port will provide adequate high mast towers for illumination for night operations.
30. Pollution Mitigation, Safety and Supervision Cess @ Rs 16 per Ton (tentative) on MGT Quantity to be deposited with Port before allotment.
 31. In case of any dispute with regard to the interpretation of any of the clauses in this policy, the licensee shall bring it to the notice of the Traffic Manager and the decision of the Port shall be final and binding on the licensee.

Checklist of Mandatory Documents to be submitted under the Policy

A. At the Time of Land Allotment

1. Application for Land Allotment of the Exporter
2. Self Attested Copy of registration with Dept. of Mines and Geology
3. Self Attested Copy of IEC Certificate
4. No dues certificate from Estate Division of NMPA
5. Receipt of payment of MGT Deposit, License fees with Security Deposit and Pollution Mitigation, Safety and Supervision Cess.
6. Indemnity Bond executed on Non Judicial Stamp paper of value of not less than Rs.100 from Exporter in the prescribed format (Annexure-A)

B. At the Time of Shipment

1. C&F agent has to give declaration of date wise aggregation of cargo every week certified by a recognised surveyor.
2. Shipping Bill and Online Export Application
3. Permits/Clearance from Dept. of Mines & Geology for the shipment.
4. Let Export Order from Customs and other statutory clearances.
5. Draft Survey Report and statement of cargo balance in the allotted plot within 48 hours of vessel sailing.
6. Indemnity Bond executed on Non Judicial Stamp paper of value of not less than Rs.100 from Exporter in the prescribed format (Annexure-B)

Policy for Allocation of Berth for Iron Ore Export at NMPA

1. **Preferred Berths:** Berthing of vessels for Iron Ore Export will be given on the principle of First Come First Serve Basis at General Cargo Berths. The berth No. 6 and Berth No.7 have been designated for handling dusty cargo and shall be the preferred berths for handling Iron Ore Exports.

2. Utilization of other berths with higher drafts:

- i. Berth No. 2, Berth No. 3 and Berth No.8 may be utilized for loading of Iron ore vessels to permissible high drafts (topping up operations). However, priority will be given for clean cargo vessels (food grains, Fertilizer, timber, project cargo, RO-RO and all other cargoes falling under this category) at Berth No.2 and Berth No.3. In case of cruise vessels berthed at Berth No.4, the cargo handling and movement of cargo vehicles will be restricted.
- ii. Berth No. 8 is a captive berth for the use of M/s KIOCL export consignments. Hence, preference/priority will be given for berthing vessels of KIOCL on arrival for the export consignment. However, if the berth is vacant and not required by M/s KIOCL, Iron Ore Export vessels shall be allowed to berth on the principle of First Come First Serve Basis.
- iii. Maximum of 36 hours will be permitted for topping at Berth No. 2, 3 & 8. Extending the time for topping up will be considered only if there is no demand for the berth.
- iv. Two Shifting of Iron ore vessel for Topping up Operations to any of the aforesaid berths will be on Port account.

3. Barge Loading at the Berth and Topping Up Operations

- i. Barge Loading will be permitted at Berth No 6 & 7 only.
- ii. Topping up operations (loading from Barge to the vessel) may be performed at Berth No. 15 (without any alterations at the jetty and utilizing only the waterfront) or at the Anchorage subject to obtaining required clearances in all respects from Dy.Conservator NMPA, Customs and other statutory authorities.
- iii. Berth No. 15 is a captive berth for the use of M/s UPCL. Hence, berthing of Iron Ore vessels shall be done only if the berth is vacant and not required by M/s UPCL. In case Iron Ore vessel is at Berth No.15 and the berth is required by M/s UPCL, then the Iron Ore Vessel will be shifted to other suitable berth/anchorage on agent account.
- iv. One shifting of the vessel for Barge Topping up Operations will be on Port account. Cargo shipped overside shall be charged 50% of the applicable wharfage rate as per Section 8 (iii) of the SoR (effective from 25 December 2022).
- v. Barge operations will be restricted in Monsoon season (June till September).
- vi. Port may consider allowing Port users for deployment of their own equipment like Mobile Harbour Cranes, Floating Crane and Transhipper if needed.

**Annexure-A
INDEMNITY BOND**

(to be executed in Non Judicial Stamp paper of not less than Rs. 100 at the time of land allotment)

This deed of indemnity is executed by (Firm Name) Represented by its (Designation) Sri Duly authorized under(board reso./ Partnership Deed dtd:..... / PoA dtd:..... having its office at....., herein after referred to as 'Indemnifier' which expression shall unless repugnant to the context or meaning thereof, include its successors, Administrator, representatives and permitted assignees in favour of New Mangalore Port Authority, Panambur, Mangalore 575010, herein after referred to as 'Indemnified' which expression shall unless repugnant to the context or meaning thereof include its representatives and assignees etc.

Whereas the indemnified herein has allotted to the indemnifier herein vacant plot/ land measuring in NMPA Yard on terms and conditions set out interalia in the allotment letter dtd.....for a period from..... toissued as per the Policy for Short/Medium Term License allotment inside the Port for Iron Ore Export.

AND Whereas, the clauses in the terms and conditions of the above mentioned allotment letter provides for indemnifying the indemnified by the indemnifier for any loss, damage, claim or action arising out of the acts of Indemnifier during the period of allotment.

AND Whereas, the Indemnifier hereby irrevocably agrees to indemnify the indemnified and keep harmless from and against all or any claims, demands, proceedings, costs, charges and expenses whatsoever in respect thereof or in relation thereto and the indemnified shall be at liberty to deduct or adjust the said loss or costs as the case may be from the security deposit amount or any other amount/s of the indemnifier by the indemnified for an amount that the indemnified may be called upon to pay towards claims, demands, proceedings, costs, charges and expenses whatsoever in respect of or in relation to the allotment referred to above without any reference to the indemnifier.

The Indemnifier agrees to comply with all rules and directions issued by Port from time to time and strictly adhere to Standard Operating Procedures on Safe handling as per Dock Safety Regulations. The Indemnifier agrees to ensure that the Workers /labourers deployed by them use the toilets and follow proper method for waste disposal in the wharf.

The Indemnifier agrees to ensure that the vehicles and equipment used for transportation and handling have valid Fitness Certificate and are manned by the driver and cleaner/helper at all times during the stay at the Port and the trucks/vehicle transporting cargo should not be overloaded beyond the stipulated load limited.

The Indemnifier shall comply with all or any other applicable legislation or other statutory Rules and Regulations whatsoever in force if these are applicable. Any obligations finding or otherwise missed under any statutory enactments rules & regulations there under shall be the responsibility of the Indemnifier and the Indemnified will have no responsibility for the same.

In addition to complying of the above, the Indemnifier hereby undertakes to indemnify the indemnified against all dispute arising out of export of the said consignment and including the consequences of the proceedings passed by Civil or Criminal courts in respect of the cargo prior to or after it shipment. The Indemnifier hereby undertakes that the cargo is free from all encumbrances including attachments/injunction/decrees/orders passed by any Civil or Criminal courts or statutory authorities restraining the export of the said cargo including Legal and Financial obligations also covering claims arising out of accidents, overloading of the vehicles and third party property damage for which the indemnified and its officers / representation are in no way responsible.

For.....

INDEMINIFIER

(Signature with Name and Designation)

Company Seal

Station:

Date:

Witness:

1.....

Signature with Name, Designation & Address

2.....

Signature with Name, Designation & Address

**Annexure-B
INDEMNITY BOND**

(to be executed in Non Judicial Stamp paper of not less than Rs. 100 at the time of shipment)

This deed of indemnity is executed by (Firm Name) Represented by its (Designation) Sri Duly authorized under(board reso./ Partnership Deed dtd:..... / PoA dtd:..... having its office at....., herein after referred to as 'Indemnifier' which expression shall unless repugnant to the context or meaning thereof, include its successors, Administrator, representatives and permitted assignees in favour of New Mangalore Port Authority, Panambur, Mangalore 575010, herein after referred to as 'Indemnified' which expression shall unless repugnant to the context or meaning thereof include its representatives and assignees etc.

Whereas the indemnified herein has allotted to the indemnifier herein vacant plot/ land measuring in NMPA Yard on terms and conditions set out inter alia in the allotment letter dtd.....for a period from..... toissued as per the Policy for Short/Medium Term License allotment inside the Port for Iron Ore Export.

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AND Whereas, the Indemnifier hereby irrevocably agrees to indemnify the indemnified and keep harmless from and against all or any claims, demands, proceedings, costs, charges and expenses whatsoever in respect thereof or in relation thereto and the indemnified shall be at liberty to deduct or adjust the said loss or costs as the case may be from the security deposit amount or any other amount/s of the indemnifier by the indemnified for an amount that the indemnified may be called upon to pay towards claims, demands, proceedings, costs, charges and expenses whatsoever in respect of or in relation to the allotment referred to above without any reference to the indemnifier.

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The Indemnifier agrees to comply with all or any other applicable legislation or other statutory Rules and Regulations whatsoever in force if these are applicable. Any obligations finding or otherwise missed under any statutory enactments rules & regulations there under shall be the responsibility of the Indemnifier and the Indemnified will have no responsibility for the same.

In addition to complying of the above, the Indemnifier hereby undertakes to indemnify the indemnified against alls dispute arising out of export of the said consignment and including the consequences of the proceedings passed by Civil or Criminal courts in respect of the cargo prior to or after its shipment in vessel (vessel name / VCN) The cargo is free from all encumbrances including attachments/injunction/decrees/orders passed by any Civil or Criminal courts or statutory authorities restraining the export of the said cargo including Legal and Financial obligations also covering claims arising out of accidents and third party property damage for which the indemnified and its officers / representation are in no way responsible.

For.....

INDEMNIFIER

(Signature with Name and Designation)

Company Seal

Station:

Date:

Witness:

1.....

Signature with Name, Designation & Address

2.....

Signature with Name, Designation & Address