बंदर विकास धोरण 2016...

महाराष्ट्र शासन
गृह विभाग
शासन निर्णय क्रमांक: धोरण-1015/प्र.क्र.265/बंदरे-1,
मादाम कामा मार्ग हुळातमा राजगुरू चौक
2 रा मजळा, मंत्रालय,
मुंबई-400032.
दिनांक: 04/02/2016.

वाचा:
1) शासन निर्णय क्रमांक : जेइटी-1015/प्र.क्र.147/पवर-5, वद.15/03/1996.
(दिचे / रेवस बंदराच्या विकासकांशी निवड करणे बाबत)
5) शासन निर्णय क्रमांक : पीअरटी-0509/प्र.क्र.231/बंदरे-1, वद.20/08/2010.

प्रस्तावना:
महाराष्ट्र राज्याच्या 720 किमी. लांबीची वकनारपट्टी वापरून त्यांच्या 2 मोठी बंदरे आणि 48 लहान बंदरे आहेत.

2. बंदर क्षेत्राच्या विकास व नियमनाकरिता राज्य शासनाने सातत्याने प्रयत्न केले आहेत. किनारपट्टीविरिल लहान बंदराचे नियंत्रण, विकास व नियमन याच्यासाठी महाराष्ट्र मेरीटाइम बोर्ड, १९९६ अनेक व महाराष्ट्र मेरीटाइम बोर्डच्या स्थापना करण्यात आली असेल. त्यात राज्याचे बंदर धोरण टप्पप्पयाने विकसित होत गेले आहेत. सह. स्थितीत राज्याचे बंदर धोरण धोरण 2010 मेरीटाइम बोर्डमार्फत रास्त्विपणांत येते आहेत. शासनाच्या धोरणात्मक निर्णयांमुळे बंदर विकास कायम बनवताना मिळाली असेल. बंदर धोरण 2010 लागू करणे 5 वर्षांचा काळावधी उलटला आहे. त्यामुळे या धोरणाची उद्दीप्त साह्याची आहेत. त्यामुळे या मागणीच्या 3 प्रमाणदायक राष्ट्रीय/अंतर्राष्ट्रीय सर्वाधिक घडामोडी, लाजारपेदेतील मागणी यशस्वी बदल-उतरात, उघोजक्यांच्या मागण्या, केंद्र शासनाच्या व क्षेत्राच्या धोरणातील बदल आढावी विचारारांनी घेता बंदर विकास धोरणामध्ये सुधारणा करणे क्रमप्राप्त ठरते.

3. नवीन सर्वक्षेत्र बंदर धोरण तयार करण्याची जबाबदारी महाराष्ट्र मेरीटाइम बोर्डकडून सोपविधान सुटक आली होती. महाराष्ट्र मेरीटाइम बोर्डला बंदर विकास धोरण-2010 व आम्स ऑफ, त्याची बलस्थाने व उणीवाची राखी आकलन केलेली उत्तर उनीवाची एकत्र तसेच इतर किनारी राज्यांच्या बंदर धोरणाचा अन्याय केला. त्याच्यासोबत बंदर क्षेत्रातील संबंधितां समवेत (Stakeholders) त्यांच्या बंदर धोरणाच्या असलेल्या अपेक्षा जागून घेण्याकरिता.
चर्चा सत्राचे आयोजन केले. उपरोक्त प्रक्रियेअंती तयार केलेले राज्याचे बंदर विकास धोरण, 2016 मंत्रिमंडळाच्या मान्यवेकरिता सादर करण्यात आले.

शासन निर्णय:

राज्याच्या बंदर विकास धोरण, 2016 बाबत राज्य मंत्रिमंडळाच्या दिनांक 25/01/2016 रोजी जालेल्या बैठकीत सखोल चर्चा करण्यात आली व मंत्रिमंडळाने खालीलप्रमाणे निर्णय घेतले.

1) राज्याचे बंदर विकास धोरण, 2016 ला मान्यता देण्यात यावी.

2) बंदर विकास धोरण, 2016 मध्ये देण्यात आलेल्या आर्थिक संबंधी ध्यानाने ध्यान धोरणांतर्गत सवलत करारामाशी स्वाक्षरित होणाऱ्या प्रकल्पांच्या लागू असतील. ह्या पूर्वांच्या बंदर धोरणांतर्गत स्वाक्षरित जालेल्या करारामाध्यकांना त्या लागू होणार नाहीत.

3) महाराष्ट्र मेरीटाइम बोर्डांचे हरितक्षेत्र बंदरे, कंपनीचं जेटी, बहुउद्देश्य जेटी आणि शिप्यांच्या प्रकल्पांकित्यांच्या त्या-त्या वेळी प्रवचनित धोरणांना अनुसरण खाजी विकासकांशी कराराने स्वाक्षरित केले आहेत. अशा प्रकल्पांना संबंधित धोरणांतत्त्व आर्थिक तरुणी लागू राहतील.

बंदर विकास धोरण, 2016 वा सविस्तर मसूदा सदर शासन निर्णया सोबत परिशिष्ट महणून जोडला आहे.

बंदर विकास धोरण, 2016 क्रियान्वयन धीरजाती मुख्य कार्यकारी अधिकारी, महाराष्ट्र मेरीटाइम बोर्ड, मुंबई येथे ग्राहकांना प्राधिकृत करण्यात येत आहे.

हा शासन निर्णय नियोजन विभाग अनौपचारिक संदर्भ क्रमांक.366/१४६/१, दिनांक ०६/११/२०१५, विल विभाग अनौपचारिक संदर्भ क्रमांक.8५८/व्यः-८, दिनांक ०९/११/२०१५, नगर विकास विभाग अनौपचारिक संदर्भ क्रमांक.टीपीएस-१२१५/अनौ.क्र.१७५/नवि-१, दिनांक ०७/११/२०१५ व महसूल व वन विभाग अनौपचारिक संदर्भ क्रमांक.३९५२-४, दिनांक १९/११/२०१५, मदत व पुर्व विभाग अनौपचारिक संदर्भ क्रमांक.मुद्रांक-२०१६/२५०/अनौ-०२/म-१, दिनांक २०/०१/२०१६ अन्यथा निर्मित करण्यात येत आहे.
सदर शासन निर्णय महाराष्ट्र शासनाच्या www.maharashtra.gov.in या संकेतस्थळावर उपलब्ध करण्यात आला असून त्याचा संकेत 201602041735234629 असा आहे. हा आदेश डिजिटल स्वाक्षर राखून साक्षात्करण करून कार्यावर येत आहे.

महाराष्ट्राचे राज्यपाल यांच्याकडून आदेशानुसार व नावाने.

प्रत.

मा. राज्यपाल यांचे प्रधान सचिव.
मा. मुख्यमंत्री यांचे प्रधान सचिव.
मा. राज्यमंत्री (बंदरे) यांचे खासगी सचिव.
सर्व विधानसभा/ विधान परिषद सदस्य.
मुख्य सचिव यांचे उप सचिव.
अ. मु. स. (बंदरे), गृह (बंदरे) विभाग.
अ. मु. स. (वित्त), वित्त विभाग.
अ. मु. स. (नियोजन), नियोजन विभाग.
प्रधान सचिव (नवि-1), नगर विकास विभाग.
प्रधान सचिव (महसुल), महसुल विभाग.
प्रधान सचिव (ऊर्जा), उद्योग व ऊर्जा विभाग.
सचिव (मदत व पुनर्विकास), महसुल विभाग.
सर्व जिल्हाधिकारी.
मुख्य कार्यकारी अधिकारी, महाराष्ट्र मेरीटाइम बोर्ड, मुंबई.
निवड नस्ती बंदरे-१.

Sandip Shamrao Kamble

Digitally signed by Sandip Shamrao Kamble
DN: CN = Sandip Shamrao Kamble, C = IN, S = Maharashtra, O = Government Of Maharashtra, OU = Home Date: 2016.02.04 17:39:53 +05'30'

(सं.शा.कांबळे)
शासनाचे अवर सचिव, गृह विभाग.
Maharashtra Maritime Board

Maharashtra Maritime Development Policy
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOT</td>
<td>Build-operate-transfer</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DPR</td>
<td>Detailed Project Report</td>
</tr>
<tr>
<td>EIAR</td>
<td>Environmental impact assessment report</td>
</tr>
<tr>
<td>GSDP</td>
<td>Gross State Domestic Product</td>
</tr>
<tr>
<td>ITT</td>
<td>Intertidal and tidal land</td>
</tr>
<tr>
<td>IWT</td>
<td>Inland Waterways Transport</td>
</tr>
<tr>
<td>MERC</td>
<td>Maharashtra Electricity Regulatory Commission</td>
</tr>
<tr>
<td>MIDC</td>
<td>Maharashtra Industrial Development Corporation</td>
</tr>
<tr>
<td>MMB</td>
<td>Maharashtra Maritime Board</td>
</tr>
<tr>
<td>MMDP</td>
<td>Maharashtra Maritime Development Policy</td>
</tr>
<tr>
<td>PPP</td>
<td>Public-private partnership</td>
</tr>
<tr>
<td>PWD</td>
<td>Public Works Department</td>
</tr>
<tr>
<td>SPV</td>
<td>Special purpose vehicle</td>
</tr>
<tr>
<td>TEFR</td>
<td>Techno-economic feasibility report</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
</tbody>
</table>
Contents

1. Preamble ......................................................................................................................... 6
   1.1 Background .............................................................................................................. 6
   1.2 Maharashtra: Need for maritime infrastructure to retain and support high industrial activity 6
   1.3 Goals of MMDP, 2016 ............................................................................................ 6
   1.4 Validity of MMDP, 2016 ......................................................................................... 8

2. Coverage of MMDP, 2016 ............................................................................................. 9

3. Vision and key objectives of MMB .............................................................................. 10
   3.1 Vision ...................................................................................................................... 10
   3.2 Key objectives ......................................................................................................... 10

4. Greenfield ports ........................................................................................................... 11
   4.1 Port infrastructure .................................................................................................... 11
      4.1.1 Pre-development phase ..................................................................................... 11
      4.1.2 Development phase ......................................................................................... 14
      4.1.3 Operations phase ............................................................................................. 15
      4.1.4 Exit phase ......................................................................................................... 15
   4.2 Connectivity infrastructure ..................................................................................... 15
      4.2.1 Formation of Maharashtra Port Connectivity Corporation ............................ 15
      4.2.2 Hinterland connectivity of greenfield port projects ...................................... 16

5. Jetties ............................................................................................................................. 18
   5.1 Captive jetty ............................................................................................................. 18
      5.1.1 Eligibility criteria ............................................................................................. 18
      5.1.2 Awarding ......................................................................................................... 18
      5.1.3 Key provisions for operations ......................................................................... 18
   5.2 Multipurpose jetty .................................................................................................... 19
   5.3 MMB-owned jetties ................................................................................................. 19
      5.3.1 Eligibility criteria ............................................................................................. 19

6. Coastal shipping and inland waterways ....................................................................... 20
   6.1 Coastal shipping ....................................................................................................... 20
      6.1.1 Coastal shipping for cargo transportation ...................................................... 20
      6.1.2 Coastal shipping for passenger transportation .............................................. 20
   6.2 Inland waterways transport ..................................................................................... 21
7. Shipyards ................................................................. 22
   7.1 Development of shipbuilding parks ........................................ 22
   7.2 Unsolicited proposals for setting up shipyards .......................... 22
   7.3 Human resource development .............................................. 23
8. Coastal economic zones .................................................. 24
9. Compensation for fishermen .............................................. 25
10. Facilitation of maritime projects under MMDP .......................... 26
    10.1 Initiatives to fast-track approvals for maritime projects ........... 26
    10.2 Incentives for greenfield port projects ................................ 26
        10.2.1 Approval of ToR for environmental impact assessment for solicited port projects 27
        10.2.2 Fiscal incentives for greenfield port projects ..................... 27
    10.3 Fiscal incentives for coastal shipping .................................. 28
    10.4 Fiscal incentives for shipyard projects ................................ 28
    10.5 Fiscal incentives for development of industrial clusters .............. 29
11. Annexure ........................................................................ 30
    11.1 Valuation and allotment of land for maritime projects .............. 30
        11.1.1 Valuation and allotment of existing government land ............. 30
        11.1.2 Valuation and allotment of intertidal zone and tidal (ITT) land ........ 30
        11.1.3 Private land purchase ................................................. 30
        11.1.4 Acquisition of land .................................................. 30
1. **Preamble**

1.1 **Background**

Maharashtra has the second-largest coastline among all maritime states in India, studded with two major and 48 non-major ports. Currently, only 12 non-major ports handle cargo, which highlights opportunities for further improvement of maritime infrastructure in Maharashtra.

There is enormous scope to increase the maritime sector’s contribution to social and economic development in the state. Development of ports, shipyards and maritime-related enterprises opens up employment opportunities and contributes to skills development. As trade gateways, ports can support growth of the manufacturing sector and enhance Maharashtra’s competitive advantage.

1.2 **Maharashtra: Need for maritime infrastructure to retain and support high industrial activity**

Maharashtra has been a leader in industrialisation and economic growth for a considerable period of time. Its gross state domestic product (GSDP)\(^1\) grew at a compound annual growth rate of 8.9% between 2004-05 and 2013-14, and contributed 15.6% to India’s gross domestic product in 2013-14. The average share of the industrial sector in its GSDP has been 29.7%\(^2\) compared with 59.3%\(^3\) for the services sector between 2004-05 and 2013-14. Maharashtra is one of the largest exporter-states contributing about 27%\(^4\) of overall exports from India.

Of late, there have been many changes in the external environment including a sharper focus of both the central and state governments on boosting growth in the manufacturing and industrial sectors. Ambitious projects such as ‘Make in India’ and ‘Make in Maharashtra’ are expected to attract foreign investments as well as encourage domestic industries to thrive. To retain the state’s pre-eminent industrial position, and to support its vision for the manufacturing sector, there is a need for integrated infrastructure development in general and maritime sector in particular.

The Maharashtra Maritime Board (MMB), being the agency responsible for management, control and administration of non-major ports, will drive development initiatives for the state’s maritime sector. The Maharashtra Maritime Development Policy (MMDP) delineates the MMB’s policy goals and other policy measures to facilitate the development of the maritime sector.

1.3 **Goals of MMDP, 2016**

A policy for maritime development in Maharashtra was introduced in 1996 and subsequently revised in 2000, 2002 and 2010. A review of the extant policy reveals that additional measures are necessary to stimulate growth in the sector.

\(^1\) Ministry of Statistics and Programme Implementation, Economic Survey of Maharashtra 2014-15
\(^2\) Economic Survey of Maharashtra 2014-15
\(^3\) Economic Survey of Maharashtra 2014-15
\(^4\) Economic Survey of Maharashtra 2014-15
In view of this, the MMDP, 2016, is introduced herewith, which provides further facilitation and gives the sector a much-needed fillip.

The highlights of the new policy are:

**Handholding private sector in undertaking maritime projects**

Despite having specific policies for ports and jetties and also the second-largest coastline among India's maritime states, Maharashtra has made relatively less progress in terms of maritime projects. There are many projects where development work has not yet begun or has been stalled, mainly because the private sector is unable to resolve issues arising during the project lifecycle without government support. The new policy aims to provide fast-track clearances, enabling faster execution of projects, by expanding and strengthening the MMB’s role.

**Cross-sector coverage in maritime policy and adequate integration**

Appropriate measures will be taken by the state government to provide impetus to sub-sectors such as shipyards, inland waterways, coastal shipping and port-based industries to enable integrated development of maritime sector in Maharashtra.

**Ensuring transparency and fairness in awarding of projects**

So far, public-private partnership (PPP) projects in the maritime sector have been awarded on a 'direct-nomination' basis. Such a system does not ensure adequate transparency and fairness, and also has limited predictability. It sometimes results in the selection of developers inapt to undertake projects. The new policy has provisions that ensure transparency and fairness in the awarding process.

**Enhancing viability of projects awarded**

Private sector players are often reluctant to participate in maritime projects owing to commercial viability issues. The new policy introduces adequate provisions to enhance viability by providing fiscal incentives and regulating the award of new maritime projects.

**Synchronising maritime and industrial development**

The success of some ports in India and abroad point to a symbiotic relationship with industries, and underscores that synchronisation of industrial and maritime development is far more impactful than fiscal or non-fiscal incentives provided to ports. They also have a multiplier effect on the economy at large. The new policy encourages planning of industrial estates in coastal areas, which can leverage available port connectivity. It also envisages promoting development of industrial clusters/ free trade warehousing zones (FTWZs)/ Coastal economic zones (CEZs) in the vicinity of ports.

**Developing connectivity infrastructure**

A port cannot be planned in isolation, and appropriate support infrastructure is critical to its success. Therefore, the new policy incorporates provisions for developing support infrastructure such as rail/road connectivity and integration of inland waterways and coastal shipping with the existing and upcoming ports to enhance connectivity.
Adapting policies to changing external environment

Over the years, the external environment has changed considerably. Some changes that compel revision of previous port and maritime policies are:

- Industries have become mature, which calls for introduction of new provisions and processes.
- The private sector’s eagerness is often reflected in unsolicited proposals, requiring a framework to process such proposals.
- Competition from other coastal states has made it necessary to revise policies to position Maharashtra as a competitive and profitable proposition for investors.
- Shipbuilding and ship-repair facilities have developed slowly despite their economic merits. This policy envisages facilitating such sub-sectors by introducing appropriate provisions and speeding up processes.
- The central government’s initiatives such as the ‘Sagarmala Project’ and ‘Make in India’ mean that the MMDP, 2016 will need adequate provisions and flexibility to derive synergies from them.

1.4 Validity of MMDP, 2016

The MMDP 2016 will be valid for five years from the date of notification. Subsequently, it will be revised every five years to align with the changes in requirements and the external environment.
2. Coverage of MMDP, 2016

The MMDP, 2016 provides for holistic development of the maritime sector with adequate provisions for all its sub-sectors. The coverage of the new policy is depicted in the schematic below:

**Figure 1: Structure of the maritime policy**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield ports and connectivity</td>
<td>Provides for development and facilitation of greenfield port projects and their connectivity with the hinterland</td>
</tr>
<tr>
<td>Jetties</td>
<td>Provides for development of captive jetties, MMB-owned jetties and multipurpose jetties</td>
</tr>
<tr>
<td>Coastal shipping and inland waterways</td>
<td>Provides for development of coastal shipping and inland waterways</td>
</tr>
<tr>
<td>Shipyards</td>
<td>Provides for development and facilitation of shipyards</td>
</tr>
<tr>
<td>Coastal economic zones</td>
<td>Provides for development of coastal economic zones</td>
</tr>
<tr>
<td>Facilitation of maritime projects</td>
<td>Provides for facilitation of maritime projects through fiscal and non-fiscal incentives</td>
</tr>
</tbody>
</table>
3. Vision and key objectives of MMB

As the nodal body and facilitator, the Maharashtra Maritime Board (MMB) needs to play an important role in the development of the maritime sector in Maharashtra. In this context, the Maharashtra Maritime Development Policy (MMDP) 2016 lays out policy measures and the MMB’s role in effecting the policy. The MMB’s vision and objectives are set out as follows:

3.1 Vision

To be a highly effective, proficient, accountable and progressive maritime agency committed to positioning Maharashtra as the leading state in maritime activity.

3.2 Key objectives

The MMB’s objectives are:

- **To be a facilitator for the maritime sector by:**
  - Providing infrastructure support and services to marine-related activities
  - Fast-tracking clearances
  - Increasing revenues to sustain and increase the ambit of its activities
  - Enhancing skillsets of people employed in the maritime sector

- **To promote maritime infrastructure development by:**
  - Developing greenfield/brownfield ports through public-private partnerships (PPPs)
  - Developing shipyards and jetties
  - Creating a conducive policy environment for increasing private sector investments
  - Enhancing overall port connectivity through expansion of rail/road/inland waterways/coastal shipping services
  - Encouraging passenger and cargo transport via inland waterways/coastal shipping

- **To encourage port-led industrial and economic development by:**
  - Developing port-based special economic zones/industrial estates and corridors
  - Creating a conducive policy environment for maritime industries
  - Creating synergies between tourism and maritime activities
4. Greenfield ports

Development of greenfield ports encourages industrial activity. It is therefore imperative to attract private sector investments for such ports. Maharashtra's policy initiatives to encourage private sector participation are outlined herewith:

4.1 Port infrastructure

The development of a greenfield port project can be divided into four phases:

- Pre-development phase, which includes identification of project, conceptualisation, initiation of procurement process and selection of bidder
- Development phase, which includes project development and monitoring of development works
- Operations phase, which includes commencement and monitoring of operations
- Exit, which includes reduction in equity by developer and handing over of assets to the MMB

4.1.1 Pre-development phase

The pre-development phase is where a greenfield project is identified and conceptualised and a preferred bidder is selected through a procurement process. The procurement could be either through:

- Solicited proposals, includes projects identified by the MMB
- Unsolicited proposals, includes projects identified by developers

4.1.1.1 Solicited proposals

a) Identification of waterfront stretches for greenfield projects

- The MMB will conduct a study to identify potential waterfronts for development of greenfield ports. The aim is to identify a suitable stretch along which port development could be undertaken.
- The parameters that may be considered for such a waterfront will, inter alia, include:
  - Technical feasibility (availability of draft, general marine conditions)
  - Proximity to cargo generating hinterland
  - Proximity to industrial or economic corridors
  - Proximity to railway links/heads
  - Proximity to national/state highways
- Connectivity infrastructure to be developed for the port may be given utmost consideration when selecting waterfront stretches for new ports.

b) Preparing techno-economic feasibility report

- The MMB will prepare a techno-economic feasibility report (TEFR) for development of a port at a specific site along the identified waterfront. The MMB will notify the port development area/layout/limit, which may be modified after the preferred/winning bidder submits the detailed project report (DPR).
The TEFR will be sent to the Ministry of Environment and Forests (MoEF) along with the proposed terms of reference (ToR) for environmental impact assessment and required documentation as per extant rules/guidelines. The MMB will try to obtain the approval of the proposed ToR for environmental impact assessment report (EIAR) on a best-effort basis.

**c) Private participation suitability analysis**

- If the project is found to be commercially feasible and attractive enough for the private sector, a suitable PPP structure will be identified and a preferred bidder will be selected. The procedure for selection of preferred bidder is provided in the next sub-section.
- If a project is found to be commercially unviable, it will be assessed on the following parameters:
  - Economic impact
  - Social impact
  - Strategic importance
- If a project is found to be beneficial for the economy, socially desirable and/or strategically important, the MMB will explore the possibility of proceeding with it through a joint venture with a government agency. The government agency for such projects will be identified by the direct nomination mechanism.
- If a project is not undertaken through a joint venture, the MMB may explore the possibility of developing a jetty. Such jetties will be termed MMB-owned jetties. Policy provisions regarding MMB-owned jetties are provided in Section 5.3

**d) Procedure for selection and signing of concession agreement**

- Ideally, the MMB will employ a two-stage bidding process to select the preferred bidder. The first stage will involve evaluation of bidders on technical criteria specified by the MMB, while financial bid evaluation will be done in the second stage of the bidding process. Only those bidders who qualify under the first stage will be considered for financial bid evaluation.
- MMB may employ a single-stage bidding process if the credentials of prospective bidders are established.
- The MMB may also form a panel of developers for different kinds of projects. The selection criteria for the panel may be announced by MMB from time to time.
- The detailed criteria and process for selection will be laid down in the model bid documents. Preferably, the criteria for financial evaluation of the bidder will consider the prospective volume of cargo and/or applicable royalty/tariff.
- The selected bidder will be issued a letter of intent (LoI) by the MMB, which will be valid for two years from the date of issuance of LoI.

**4.1.1.2 Unsolicited proposals**

Unsolicited proposals refer to port projects identified by private sector players for development. Such proposals are classified under two categories:

- Conversion of an existing MMB-owned jetty\(^5\) to a port
- Development of port at a newly identified site

---

\(^5\) As defined under Section 5.3
4.1.1.2.1 Conversion of an existing MMB-owned jetty into a port

■ In case of receipt of a proposal for conversion of an existing MMB-owned jetty to a port, the MMB will evaluate the proposal. If suitable for conversion, the project will be awarded through a competitive bidding process. The awarding process may be similar to that for solicited proposals as defined under Section 4.1.1.1

4.1.1.2.2 Development of port at a new site

a) Submission of proposal to MMB

■ The private developer intending to undertake a port project has to submit a proposal in a format prescribed by the MMB.

■ If the project meets the conditions laid down by the MMB, its proposer has to submit a TEFR for approval in a format prescribed by the MMB. On approval, the MMB will notify the port development area/ layout/ limit, which may be modified after the preparation of DPR by the preferred/ winning bidder.

b) Procurement of projects under unsolicited route

■ Procurement of unsolicited projects will be done through the Swiss challenge route if the project promoter is a private entity. If it is a government agency/entity or public sector undertaking, the procurement will be done through direct nomination.

■ In the Swiss challenge route, the MMB may invite competitive offers from other qualified developers and provide the original project proposer an opportunity to improve upon, or match the competing offer. The process for Swiss challenge will be provided in the bid documents.

■ To ensure level playing field, the bids invited may be for development of a greenfield port at any location along the identified waterfront stretch and not for a specific location. For clarity, alternative sites may be provided by competing bidders within the identified stretch. The length of the stretch will be specified by the MMB in the bid documents.

■ The MMB will issue a LoI to the selected developer/ bidder which will be valid for two years from the date of issuance of LoI.

■ If the project is awarded to another developer instead of its proposer, the expenses incurred in TEFR preparation and other preparatory expenses will be reimbursed to the proposer by the selected developer on submission and approval of necessary documents. These expenses should not exceed 2% of the project’s capital cost.

4.1.1.3 General terms and conditions for PPP

a) Concession period

■ The concession period for greenfield port projects will be a maximum of 35 years.

b) Equity participation of MMB

■ The MMB may not participate in equity for a port project.

■ However, if it chooses to take equity stake for a port project, it shall be in the form of allotment of land. The proportion of equity stake of MMB will be computed as proportion of the value of the land as per the ready reckoner rate to the total project cost. The estimate of the total project cost will also be provided in the bid documents.

■ The maximum equity participation by the MMB in any port project will be 49% of the paid up
c) **Enhancement of viability**

- To enhance the viability of the awarded greenfield port project, the MMB will restrict development of any other port, MMB-owned jetty and captive jetty with similar cargo handling capacity within a prescribed distance from the awarded projects for 10 years from the date of signing of the concession agreement, provided the port has made significant progress. The distance will be specified by the MMB through a notification.

- Such a restricted area within the specified distance from the awarded greenfield port will be termed as ‘Port Exclusivity Zone’.

- If the awarded project does not commence commercial operations within five years from the date of signing of the concession agreement, for any reason, the provision for Port Exclusivity Zone will stand cancelled. For clarity, in such cases, the MMB may award another port project at any distance from the awarded port project.

- The developer will be allowed to fix and collect tariffs and provide cargo-related value-added services within the port premises.

d) **Operations of the port**

The developer will be allowed to operate as a full service or landlord port, and to sub-contract, during the subsistence of the concession period, to implement its obligations under the concession agreement, provided the concessionaire is entirely responsible for any acts, omissions, negligence, defaults or breaches, by any of its sub-contractors as if such breach, act, omission, negligence or default had been caused by the developer or its agents or workmen.

4.1.1.4 **Pre-requisite for award of concession**

The concession will be awarded only after the achievement of pre-requisites as prescribed in the bid documents within the stipulated timeframe. If the selected bidder is unable to achieve the pre-requisites within the prescribed timeframe, an extension may be requested from the MMB, which may extend the validity of the LoI by a year after forfeiting 20% of the amount of bid security given by the selected bidder.

4.1.2 **Development phase**

The development phase refers to the phase between beginning of construction work and commencement of commercial operations.

- To ensure timely development of the project, the MMB may take appropriate steps including, but not limited to, specifying timelines and monitoring of development works. Non-compliance to the stipulated timelines may attract penalties including, but not limited to, cancellation of the concession agreement.

- The MMB may appoint an “Independent Engineer” for supervision and monitoring of compliance by the concessionaire with the project requirements.

- The MMB will provide necessary support to the developer in getting approvals and clearances as provided under Section 10.
4.1.3 Operations phase

The operations phase is defined as the period in which the awarded port project commences commercial operations.

- The MMB will play a proactive role in this phase that may include:
  - Specifying performance standards for operations and maintenance. Such performance standards will be limited to output or outcome specifications
    - In case of discrepancies with the specified output/outcome parameters, the MMB may take appropriate measures for rectification including, but not limited to, imposition of damages or penalties.
  - Ensuring adherence to extant rules and regulations
  - Any other measure deemed suitable for ensuring efficient and effective operations.
- Developer will be required to maintain minimum equity participation as specified in the bid document during the concession period.

4.1.4 Exit phase

The exit phase will be deemed to come into force if one or more of the following events materialise, or any other event occurs where port operations cease to exist for an inordinate period of time:

- Concessionaire’s default
- Default of the concessioning authority
- Stalling of the project (due to default that could not be attributed to either of the parties)
- Force majeure
- Expiry of concession period

The detailed procedure to be followed during exit will be specified in the concession agreement.

4.2 Connectivity infrastructure

This section provides key provisions for development of connectivity infrastructure of greenfield ports.

4.2.1 Formation of Maharashtra Port Connectivity Corporation

- A company called Maharashtra Port Connectivity Corporation will be formed within the purview of MMB, as an umbrella organisation to undertake connectivity projects for ports.
- The equity for the company may be contributed by Sagarmala Development Company, multilateral/ bilateral organisations (such as DFID, Asian Development Bank and World Bank), MMB, the Industries Department of Maharashtra, and/or any other government agency.
- The company will be the holding/ parent company for individual special purpose vehicles (SPVs) incorporated for undertaking port connectivity projects.
- The company may invest in individual SPVs along with the developer and other stakeholders, including the National Highways Authority of India, PWD, and the Indian Railways as required.
- The company may raise funds through bond issuances, bank borrowings, multilateral support,
budgetary support, external commercial borrowings, etc. Revenue accruing from individual SPVs will enhance the borrowing capability of the parent company. Any funds sanctioned under the Sagarmala Project by the central government will be routed through the proposed Maharashtra Port Connectivity Corporation.

4.2.2       Hinterland connectivity of greenfield port projects

This section provides the key provisions for the development of hinterland connectivity of greenfield port projects through the development of road and rail connectivity, and inland waterways.

4.2.2.1       Road connectivity

- The port developer will be responsible for development of road connectivity to the nearest highway -- state or national. However, the MMB may provide assistance by acquiring land for road connectivity projects on a case-to-case basis. The process for acquiring land will be in line with the process defined in Annexure 11.1.4.
- Models for development of road linkage from state highways to national highways will, inter alia, include:
  - Development by PWD as per extant norms, rules and regulations. PWD may consider grant of first right of refusal to the port developer in case of a build-operate-transfer (BOT) project.
  - Development through an SPV with participation from the Maharashtra Port Connectivity Corporation (as specified in 4.2.1) and a private player (includes the port developer). Equity participation by the Maharashtra Port Connectivity Corporation will enhance the viability of the project.
    - The SPV may seek grant from the central government or state government as applicable.
    - Land for the road linkage project will be acquired by the SPV
    - The expenditure on the road linkage project can be recovered through levying of tolls on port traffic. The local traffic will be exempted.

4.2.2.2       Rail connectivity

- Rail linkage projects for greenfield ports may be structured on a joint venture or non-government railway model as per Policy No. 2011/infra/12/32 issued by the Ministry of Railways, or any new amendments or policies replacing the existing policy issued by the Ministry of Railways. The policy provides participative models for rail connectivity and capacity augmentation. The proposed Maharashtra Port Connectivity Corporation may also participate in the equity investments in both non-government and joint venture models.

4.2.2.3       Inland waterway connectivity

The presence of a number of rivers and indentation of the coastline of Maharashtra by various creeks, bays and estuaries depicts the inherent potential of the state for transportation of cargo through inland waterways. The integration of such creeks, bays and estuaries with greenfield ports through inland waterways will be instrumental in improving the evacuation infrastructure of greenfield ports in Maharashtra. Therefore, The MMB and the state government will encourage development of inland waterways and their integration with ports in the state.

The MMB will identify and prioritise inland waterway routes based on social and environmental impact assessment and commercial attractiveness. The identified routes (rivers and creeks) in Maharashtra will be made navigable for inland/river-sea vessels, and the state will encourage setting up of
industries in the vicinity of such routes. The key policy provisions for development of inland waterways transport in Maharashtra are provided in Section 6.2.
5. Jetties

This section details the provisions for the development of three categories of jetties in Maharashtra:

- Captive jetty
- Multipurpose jetty
- MMB-owned jetty

5.1 Captive jetty

The port based industries require huge movement of Exim goods, to facilitate the same, the MMB will allow the construction of captive jetties by such industries. The MMB will award projects to develop captive jetties to eligible mining industries and industries classified under secondary sectors\(^6\), on a nomination basis, to facilitate import of raw materials and export of finished goods by such industries, provided they fulfill certain conditions as defined in the eligibility criteria. The location of the jetty should not overlap with a Port Exclusivity Zone and conform to extant laws and regulations. The contract period for allotment of captive jetties will be concurrent with the operations of the industry to which it is awarded.

5.1.1 Eligibility criteria

- Type of industries:
  - Mining industry and industries classified under secondary sectors, having manufacturing facilities/production units dependent on port facilities.
- Location
  - Konkan region of Maharashtra
- Operational status
  - Fully functional facilities/industries
  - Proposed/ upcoming industries, given the industry to be set up has achieved financial closure and obtained all the required approvals.

5.1.2 Awarding

- Proposals for development of captive jetties from eligible industries will be evaluated by MMB and a LoI will be issued on approval.
- The developer will then be required to set up a captive jetty within the stipulated time as specified in the LoI. Failure to comply with the conditions in the LoI will lead to cancellation of award and imposition of other penalties and damages.

5.1.3 Key provisions for operations

- Captive jetties will be allowed to handle third-party cargo subject to the following conditions:

\(^6\) As classified by Central Statistical Organization
5.2 **Multipurpose jetty**

- As per government resolution No. JET 1303/M.NO.163/Ports-2, dated August 19, 2005, the Government of Maharashtra has permitted establishment of multipurpose jetties/terminals for handling of cargo through small boats, barges etc.

- Through this policy, multipurpose jetty is redefined as small jetties or terminals that will handle only non-Exim cargo and passengers.

- Non-major ports may be allowed to establish satellite multipurpose jetties in the vicinity of the port on a nomination basis.

- The process for identification, procurement, development, operation and exit of greenfield multipurpose jetties will similar to that of greenfield ports.

5.3 **MMB-owned jetties**

- As provided under Section 4.1.1.1. c), greenfield port projects that are not feasible on a PPP or joint venture basis may be developed as a jetty by the MMB. Such jetties will be termed as MMB-owned jetties.

- The MMB will allow allotment of such jetties for captive purposes to existing and upcoming eligible mining industries and industries classified under secondary sectors located in Maharashtra, through a competitive bidding process. The location of such a jetty should not overlap with a Port Exclusivity Zone and should conform to the extant laws and regulations. The contract for allotment of MMB-owned jetties will be for a maximum of 15 years.

5.3.1 **Eligibility criteria**

The industries eligible for allotment of captive jetty as specified in Section 5.1.1

7 As classified by Central Statistical Organisation
6. Coastal shipping and inland waterways

6.1 Coastal shipping

Coastal shipping is an alternative mode of transportation that can address issues of poor port connectivity in the state. Currently, Maharashtra ranks second after Gujarat in terms of cargo volume shipped through the coastal route. High industrialisation and huge volume of agricultural produce offer considerable potential for transportation of cargo using coastal shipping. Moreover, because Maharashtra has a long coastline with numerous creeks, coastal shipping can evolve as an effective mode of transportation for people.

6.1.1 Coastal shipping for cargo transportation

The MMB/state government will take the following measures to encourage coastal shipping in Maharashtra:

- The state’s industrial policy will emphasise the importance and utility of coastal shipping as an economical and environment-friendly mode of transportation. The industrial policy may also incentivise industries for utilising coastal shipping to transport raw materials and finished products.
- To make available dedicated infrastructure for coastal shipping, the MMB will allow development of multipurpose jetties that will handle only non-Exim cargo and passengers.
- The MMB will encourage greenfield port developers to establish green channel facilities at the awarded port projects. To encourage this, adequate provisions will be incorporated in the concession agreement.
- The MMB may take appropriate steps to extend the limit for inland waters beyond the base-line/territorial waters to facilitate the coastal/river-sea vessel to ply between locations that lie within inland waters and base line/territorial waters.
- The MMB will take appropriate steps to lower manning scales for coastal ships.
- The MMB will also provide fiscal benefits as defined in Section 10.3 to support the growth of coastal shipping in the state.

Establishment of coastal shipping promotion fund

- A Coastal Shipping Promotion Fund may be established by the government through budgetary allocations to provide an impetus to the sector.
- The MMB will be the implementing agency for the fund, whose functions would be:
  - Financing infrastructure development for coastal shipping; and,
  - Providing soft loans for building or acquisition of low-draft vessels for coastal shipping.

6.1.2 Coastal shipping for passenger transportation

- The MMB will identify specific origin and destination points that have the potential for catamaran/hovercraft/ro-ro/ferry services.
- Such routes shall be awarded preferably on a PPP basis through competitive bidding.
Alternatively, the MMB may undertake the development of such routes its own and may seek private participation at a later stage.

6.2 Inland waterways transport

Inland waterways transport (IWT) is an economical and eco-friendly mode of transportation that could be used for the movement of cargo and passengers in Maharashtra.

- IWT projects require investments for systematic development of fairway, fleet, terminals and navigational aids. Initial government support is inevitable as IWT has a long gestation period for return on investment.
- Considering the constraints faced by IWT and its growth potential, the MMB will encourage:
  - Creation of infrastructure such as fairways, terminals and navigational aids
  - Increase in IWT’s fleet
  - Private sector participation in the IWT sector
  - Provision of fiscal incentives to developers, consignees and end-users in the initial stages
  - Greater awareness among users to facilitate the shift to IWT from other modes of transportation

Development of IWT in Maharashtra

- The MMB will identify specific routes that can be developed as waterways for transportation of cargo and passengers.
- The MMB will encourage private sector participation in the areas listed below for the identified routes:
  - Ownership and operation of vessels for cargo and passengers
  - Fairway development and maintenance
  - Construction and operation of river terminals or river ports
  - Provision and operation of mechanised cargo handling systems
  - Setting up and maintenance of navigational aids
  - Provision of pilotage services

Government support to the IWT sector

- A dedicated cell will be created within the proposed Maharashtra Port Connectivity Corporation for the development of inland waterways and undertaking relevant projects.
- Financing of inland waterways projects will be done through a mix of budgetary support, multilateral funding, debt and internal accrual of the MMB or the Maharashtra Port Connectivity Corporation and/or any other means as deemed fit by Board.
7. **Shipyards**

7.1 **Development of shipbuilding parks**

- Shipbuilding and ship-repairing industries can flourish in Maharashtra if they are provided skilled labour, proximity to related industries and other relevant facilities. Maharashtra government has adopted a cluster-based approach to develop shipbuilding and ship-repairing industries.

- The intention is to develop shipbuilding parks at select locations which enable development of shipyards as well as ancillary industries and also offer the following benefits:
  - Enhancement of productivity
  - Reduction in logistics cost
  - Optimisation of production and inventory costs
  - Optimal use of common infrastructure
  - Efficient dissemination of government support

- The following facilities may be developed in the proposed shipbuilding parks:
  - Shipyards
  - Shipbuilding skills development centres
  - Industrial Training Institute (imparting specialised courses in relevance to shipbuilding and repairing)
  - Ship equipment and machinery suppliers
  - Specialist service providers and sub-contractors
  - Medical centre/ hospital

- The MMB will identify suitable locations for developing shipbuilding parks along the state’s coastline. On identification of such locations, the MMB will acquire the land and develop common infrastructure facilities for the shipbuilding park. The procedure for land acquisition will be as prescribed under 11.1.4

- Within the shipbuilding park, allotment of plots for shipbuilding, ship-repairing or other allied activities will be done through auction process wherein plots would be allotted on lease basis to the highest bidder.

- The base price for the auction will be determined on the basis of land cost and infrastructure development costs.

- The plots will be allotted on 10-year leases; the MMB may extend the lease period by another 10 years if required.

7.2 **Unsolicited proposals for setting up shipyards**

- A party interested in setting up a shipyard will need to submit a detailed project proposal along with a techno-economic feasibility study and processing fee as prescribed by the MMB.

- Once approved, bidding for the project will be done through the ‘Swiss challenge’ route as specified in bid documents.

- The selected bidder will need to prepare a detailed project report, achieve in-principle financial
closure and clearance from the MoEF within two years from the date of issuance of the LoI, following which the MMB will sign a formal agreement with the winning bidder for 10 years.

- If the private party is not able to achieve the said prerequisites for signing the formal agreement, it can seek an extension for the same from the MMB. In such a case, the MMB may extend the validity of the LoI by a year after forfeiting 20% of the amount of bid security furnished by the winning bidder.

- On signing the agreement, intertidal and tidal land, and back-up land (if needed, to be provided by the MMB) will be allotted to the winning bidder and a formal agreement will be signed between the MMB and the winning bidder for 10 years. Allotment of land will be done in line with the process defined under Annexure 11.1.

- The MMB may extend the lease period by 10 years on expiry of the original lease.

- The awarded shipyard should commence operations within 24 months from the date of signing of agreement. If operations do not commence within the prescribed timeframe, the MMB reserves the right to withdraw the allotted land.

- Payments from the winning bidder to MMB throughout the agreement period will, *inter alia*, include:
  - All statutory charges for waterfront, inter-tidal land and back-up land (in case leased by MMB).
  - Royalty charges as specified in the bid documents.
  - Any other charges specified under the schedule of rates published by MMB from time to time.

### 7.3 Human resource development

- Scarce availability of skilled manpower is one of the major constraints for the shipbuilding & ship-repairing industry. To address this issue, the state government will:
  - Establish, along with the central government, new industrial training institutes (ITIs), imparting specialised courses of relevance to shipbuilding and ship-repairing industry.
  - Introduce special courses relevant to the industry in existing ITIs along with the central government.
  - Encourage setting up of educational institutes in the private sector or with private sector participation, imparting courses relevant to the industry.
  - Establish a ‘Centre of Excellence’ for shipbuilding at the proposed Indian Maritime University campus in Maharashtra or any other reputed technical institutes supported by any government body.
8. Coastal economic zones

There is enough empirical evidence from international ports in favour of a symbiotic relationship between port systems and industries. Evidently, the synchronisation of industrial development with maritime development shall be far more impactful than any other fiscal or non-fiscal incentive provided to ports in Maharashtra due to the resultant multiplier effect. Therefore, to synchronise the development of industries and the maritime sector in Maharashtra, the MMB/state government will:

- Encourage co-ordination between planning of industrial estates and development of ports. The state government may also promote coordination between Industries department/Maharashtra Industrial Development Corporation (MIDC) and the MMB to ensure the development of industrial estates in coastal areas considering the availability of ports. Such industrial estates will preferably accommodate port-based industries.
- Encourage development of a coastal industrial corridor that will augment cargo demand.
- Promote development of port-based SEZs or FTWZs in port hinterland coastal regions.
- Encourage development of industrial clusters in port hinterland coastal regions by providing appropriate incentives as illustrated under Section 10.5. The industrial clusters can accommodate:

1. Export/import-based industrial cluster

   - The government will encourage development of industries that are dependent on imported raw material for production of finished goods.
   - Export-oriented units could be encouraged by setting up CEZs/FTWZs in the port’s vicinity in association with the central government.

2. Logistics service clusters

   - The government will encourage the development of logistics service clusters in the port’s vicinity to attract more cargo to the port.

3. Fishing clusters

   - Fishing being a regular activity in coastal areas, setting up a fishing cluster can result in higher cargo volume being handled at the port.
   - The MMB/state government will encourage development of infrastructure for fishing and allied activities in the coastal regions in coordination with the Department of Fisheries, and the National Fisheries Development Board.
9. Compensation for fishermen

Suitable compensation package will be provided at the project developer’s cost (for PPP projects) to fishermen whose livelihood has been affected by the maritime project.
10. Facilitation of maritime projects under MMDP

To facilitate the private sector in undertaking maritime projects and to improve its competitive advantage compared with other coastal states, the Maharashtra government will:

- Extend fiscal incentives to maritime projects, and
- Enable the MMB to accord incremental approvals.

10.1 Initiatives to fast-track approvals for maritime projects

Besides clearances/approvals that MMB already gives before the effective date of this policy, MMB will be empowered to give the following approvals/clearances to fast-track the approval process for maritime projects:

- Change in port layout and development plan
  - The MMB will be declared as a Special Planning Authority under provisions of Section 40 of the Maharashtra Regional and Town Planning Act, 1966. This will enable it to provide approvals related to changes in project layout and development plan.
  - The area for which the MMB will be designated as the Special Planning Authority will be within a particular distance from the maritime project. This area will be notified by the state government whenever such a project is conceived.
  - The urban development department may issue a notification in this regard.

- Valuation and allotment of government land:
  - A revenue cell will be created within the MMB headed by a competent revenue officer.
  - The MMB will conduct the valuation of government land for allotment to maritime projects.
  - If the project development area includes government land, then the government land will be transferred to the MMB by the Government of Maharashtra on a nominal lease rent of Re 1 per annum.

- Valuation and allotment of intertidal and tidal land:
  - The MMB will be responsible for valuation and allotment of intertidal and tidal land for maritime projects to fast-track the process of allotment of land to the developer.
  - The state’s revenue and forest departments will issue a notification in this regard.

- State government approval may be accorded for free right of way through government land for facilitating water and electricity supply projects for maritime projects.
  - The state’s revenue and forests departments will issue a notification in this regard.

10.2 Incentives for greenfield port projects

To promote development of ports through private participation, the MMB will provide the following specific incentives to port projects in the state:
10.2.1 Approval of ToR for environmental impact assessment for solicited port projects

- On approval of the TEFR, the MMB will forward it to the MoEF along with proposed terms of reference (ToR) for environmental impact assessment and required documents as per extant rules/guidelines laid down by the MoEF. MMB will attempt to obtain approval of the proposed ToR for environmental impact assessment report (EIAR) on a best-effort basis.

10.2.2 Fiscal incentives for greenfield port projects

a) Upfront exemption from royalty on minor minerals

- Greenfield port projects will be given 100% upfront exemption from payment of royalty charges on minor minerals (earth, sand, clay, etc.) extracted and consumed for development of port projects, related construction, road connectivity, rail connectivity, water supply, electricity supply, telecommunications and other related activities of port projects.
- This exemption will be applicable over the period of construction of the project, up to a maximum of eight years. The developers can choose the period for which they want to avail of this exemption.

b) Upfront exemption from non-agricultural assessment charges

- A 100% upfront exemption will be given from non-agricultural assessment charges in case of change of land use for operational use of port projects and related activities such as jetties, godown, control tower, electric supply, water supply, sewage treatment, administrative buildings and other port-related activities.
- The exemption will be applicable only up to a maximum of eight years. Developers can choose the period for which they want to avail the exemption.

c) Exemption from electricity duty

- 100% exemption for payment of electricity duty will be awarded on consumption of electricity during the construction phase of port projects.
- The exemption will be applicable only up to a maximum of eight years. The developers can choose the period for which they want to avail the exemption.

d) Upfront exemption from stamp duty

- A 100% exemption will be given from stamp duty for all First instruments relating to development, operation, maintenance and expansion of port projects, including road connectivity, rail connectivity, water supply, electrical power supply, telecommunication and other related activities.

e) Facilitation of expansion of port projects

- The government will provide incentives to port developers if they undertake an expansion project of sizeable capital investment.
- Incentives provided under clause 10.2.2. a) to 10.2.2.d) may be extended to expansion of operational ports to enhance financial viability on a case-to-case basis.

f) Applicability of industrial power tariff to PPP ports

- Industrial power tariff is proposed to be charged for ports (including PPP ports). The necessary
g) **Value-added tax exemption for inputs required in construction phase of port projects**

- The inputs required in construction phase of port projects will be exempted from Value-added tax (VAT). The Home Department (Ports) will devise and notify a suitable scheme in consultation with Finance Department.

h) **Upfront exemption from port dues**

- The awarded port projects will be exempted from payment of port dues to the MMB.

### 10.3 Fiscal incentives for coastal shipping

a) **Rebates for transportation of cargo via coastal shipping**

- The MMB will provide the following rebates for transportation of goods via coastal shipping:
  - A 20% rebate in wharfage charges for all goods landed or shipped from one non-major port to another non-major port within Maharashtra.
  - A 15% rebate in wharfage charges for all goods landed or shipped from one non-major port of Maharashtra to any other Indian port.
  - One time wharfage charges at a port for same cargo – One port one charge
    - The wharfage charges leviable on imported cargo for further transhipment through coastal vessels within Maharashtra will be exempted.
    - Wharfage charges leviable on transportation of goods within Maharashtra through coastal shipping will be charged only while loading.

### 10.4 Fiscal incentives for shipyard projects

a) **Upfront exemption from stamp duty**

- A 100% exemption will be given from stamp duty for all First instruments relating to development, operation, maintenance and expansion of shipyards including road connectivity, rail connectivity, water supply, electrical power supply, telecommunication and other related activities.

b) **VAT exemption on sale of ships**

- Leading shipbuilding nations like Japan, China and Korea extend substantial incentives to their shipbuilding industry. Whereas, commensurate benefits have not been extended to the Indian shipbuilding industry. Realizing this, the central government has recently exempted customs and central excise duty on the inputs with a view to reduce tax incidence on domestic sales. In addition, the Ministry of Shipping has also recommended the states to exempt value-added tax (VAT) leviable on the sale of ships and vessels in the country.

- Therefore, in accordance with the recommendations of the Ministry of Shipping, VAT applicable on the sale of ships and vessels manufactured within the port limits of non-major ports of Maharashtra will be exempted.

- The Home Department (Ports) will devise and notify a suitable scheme in consultation with
Finance Department.

c) **Applicability of industrial power tariff to shipyards**
- The power tariff for industries will be made applicable to shipyards in consultation with MERC.

d) **Exemption from electricity duty**
- 100% exemption from payment of electricity duty will be provided to shipyards.

### 10.5 Fiscal incentives for development of industrial clusters

The Government of Maharashtra has been giving package of incentives to new industrial units and expansion units set up in the developing regions of the state since 1964 under a scheme known as the “Package Scheme of Incentives”. The scheme was first introduced in 1964 and has been amended from time to time.

The last amendment in the Package Scheme of incentives was made in 2013, to align it with the industrial policy 2013. The “Package Scheme of Incentives, 2013” provides various fiscal incentives to new and expansion units on the basis of the location of the said unit. Under the scheme the talukas of the state are classified into six categories, namely:

- Group A: Denotes industrially developed areas
- Group B: Denotes areas where some industrial development has taken place, but are less developed than the areas under Group A
- Group C: Denotes areas, which are less developed than those covered under Group B
- Group D: Denotes lesser-developed areas of the state, not covered under Group A/B/C
- Group D+: Denotes least developed areas, not covered under Group A/B/C/D
- No Industry District: Denotes districts having no industries and not covered under Group A/B/C/D/D+
- Naxalism-affected area: Denotes areas affected by naxalism, as described in GR No NAVIKA-2008/C.R.209/Ka.1416 Dated 31.5.2009

To stimulate industrial development in coastal areas, a new category “Coastal Areas” will be introduced which will include talukas that lie within the immediate influence area of maritime projects.

The Industries Department will introduce a separate incentives package for “Coastal Areas”, which will have incremental incentives over the incentives currently available to D+ category. The incremental incentives for “Coastal Areas” may include:

- Subsidy on land purchased for the industrial unit on the basis of ready reckoner rates
- Subsidy on capital investment on plant and machinery for mega and ultra-mega projects
- Power tariff subsidy for mega and ultra-mega projects
- Interest subsidy for large-scale industries

---

As defined under Package Scheme of Incentives, 2013
11. Annexure

11.1 Valuation and allotment of land for maritime projects

11.1.1 Valuation and allotment of existing government land

- The MMB will notify the project development area/ layout after completion of the TEFR, which may be modified after the preparation of DPR by the winning/ preferred bidder.

- If the project development area includes government land, then the government land will be transferred immediately to the MMB by the Government of Maharashtra on a nominal lease rent of Re 1 per annum.

- Valuation of such government land will be done by the MMB in line with the ready reckoner rates.

- If the MMB chooses to participate in equity, the land will be transferred to the special purpose vehicle (SPV) in lieu of the equity stake of the MMB in the SPV. The details of equity participation by MMB in a port project are provided under section 4.1.1.3 b).

- If the MMB chooses not to participate in the equity, the land will be leased to the developer on upfront payment of an amount equal to the value of the land followed by nominal lease rentals of Re 1 per annum.

- The ownership of such government land will remain vested in the MMB.

11.1.2 Valuation and allotment of intertidal zone and tidal (ITT) land

- The value of ITT land will be fixed as per the ready reckoner rate of non-irrigated land abutting the said ITT.

- The MMB will be the responsible authority for valuation and allotment of the ITT land to maritime projects.

- If the MMB chooses to participate in equity, the ITT land will be transferred to the SPV in lieu of the equity stake of MMB in the SPV. The details of equity participation by the MMB in a port project are provided under section 4.1.1.3 b).

- If the MMB chooses not to participate in the equity, ITT land will be leased to the developer on upfront payment of an amount equal to the value of ITT land followed by nominal lease rentals of Re 1 per annum.

- The ownership of the ITT land will remain vested in MMB.

11.1.3 Private land purchase

- The developer will purchase land as per the project development area/ layout.

- The ownership of the purchased land within the notified port development area will remain vested in the project SPV.

11.1.4 Acquisition of land

- The MMB will establish a land acquisition cell within its organisation, headed by a competent revenue officer.
- If the developer is not able to purchase a land parcel that lies within the project development area/layout, the land acquisition cell of MMB will acquire the land as per the Land Acquisition, Rehabilitation and Resettlement Act, 2013 with the help of state's revenue department.

- The developer will have to make a payment equivalent to the actual acquisition cost plus 10% facilitation charges to the MMB.

- The ownership of the acquired land will remain vested in the project SPV.