KOLKATA PORT TRUST
Traffic Department

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No. Tfc/355/Land Policy

Dated: 16.01.2019

TRADE CIRCULAR

Sub: Policy for Medium Term License allotment upto 11 (eleven) months inside the Dock Area, KDS for transit storage of cargo.

The policy for medium term license allotment upto 11 (eleven) months inside the Dock Zone at KDS as approved by the competent authority for transit storage of import / export dry bulk and break bulk cargo is enclosed.

The fresh allotments as well as renewals of the licenses in the Dock Zone shall be guided in terms of the said policy with immediate effect.

The existing policy for short-term allotment of Shed / Yard license for storage of cargo in the Dock Zone for one month (30 days) shall however continue.

Enc: As stated.

(P. Kumar)
Sr. Dy. Traffic Manager
For Traffic Manager

Distribution:

Hon’ble Chairman for kind information please.
Hon’ble Deputy Chairman, KDS for kind information please.
FA&CAO/CE- for kind information and necessary action please.
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Jt. Director (P&R) with a request to upload the Circular on KoPT website.
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Calcutta Customs House Agents Association (CCHAA), Kolkata for wide circulation.
NECHAA with a request for wide circulation.
MSA with a request for wide circulation.
Policy for Medium Term License allotment upto 11 months inside the Dock

1. The policy will cover all types of import/export of dry bulk and break bulk cargo.

2. (a) Plots will be allotted in favour of importers/exporters for a period of upto 11 months.

(b) However, the plots may also be allotted in favour of cleaning and forwarding agents on ship to ship basis for upto 2 months with fresh license for one month provided the party evacuates 50% of the cargo in the first 2 months. The old licence would then be terminated on 60 days

3. At 2.5 Tons/sq. meter, 1000 sq. of space can hold 2500 T (approx. two barge capacity) of bulk cargo which typically takes 5-6 days for evacuation. Hence, for a period 11 months, a handling of about 1,65,000 Tons can be obtained from 1000 sq. meters of area. With a utilization factor of 50%, the realistic handling per 1000 sq. meters will be 80000 Tons. Hence, for allotment of license upto 11 months,

i. Minimum allotment shall be 1000 sq. meter and allotments will be in multiple of 1000 sq. meters.

ii. Minimum period of allotment shall be 60 days (for a guaranteed tonnage of 15000).

iii. Minimum Guaranteed tonnage (MGT) by the importer/exporter/party shall be 80,000 Tons for every 1000 sq. meters for 11 months (330 days).

4. As per Scale of Rates, S.10.2, at KDS Importer/Exporter shall be granted a rebate on wharfage on the basis of each of the cargo handled by them through KDS as mentioned below, during a financial year.

<table>
<thead>
<tr>
<th>Type of Cargo</th>
<th>Tonnage handled</th>
<th>Quantum of rebate on applicable wharfage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooking Coal, Sugar,</td>
<td>Upto 75000 Tonnes</td>
<td>NIL</td>
</tr>
<tr>
<td>Pulses, Wheat, Rice, Jute</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Jute Products, Iron &amp; Steel, Log, Sulphur, Rock Phosphate, Finished Fertilizer, Vegetable Oil, C.I. Goods, LPG</td>
<td>75001 to 100000 tonnes</td>
<td>10%</td>
</tr>
<tr>
<td>Above 100000 Tones</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

The above said rebate shall be granted in the form of refund of wharfage at the end of every financial year (i.e. 1st April to 31st March) on submission of documents by the importers / exporters in support of the throughput achieved.

5. For importers of Coal and Limestone.

i. If an importer achieves a combined cargo MGT of 0.5 million Tons per year, handling at the anchorage shall be charged at 50% of the wharfage instead of 90% as per Scale of Rates. This rebate shall also be granted in the form of refund at the end of every financial year on submission of documents by the Importers / Exporters in support of the throughput achieved. The rebate shall be applicable on the entire volume of the cargo.

ii. 25% upfront rebate will be provided in the CDLB charges applicable for vessel cargo (non-barge cargo).

6. Chairman / Dy. Chairman (K) may grant allotment of license upto 11 months without MGT/ Cargo Commitment if the activity is vital to Port Operations, aids in Port activities or opens new avenues of trade, on the basis of the recommendation by Traffic Manager.

7. Fresh license as renewal shall be allowed for a period of upto 11 months further only if the occupier has removed/evacuated at least 50% of MGT per 1000 sq. meters of allotted license area for 11 months. The request for renewal should be given at least 15 days before the expiry of the license period and the old 11 months license need to be terminated at the end of 330 days.

8. In case of failure to renew the license as per (7), the license shall be determined and the cargo lying in the plot has to be removed within a period of maximum 60 days failing which action will be taken for disposal of the cargo as per Rules. The license will attract compensation charge @3 times in such cases after expiry of license for 330 days.

9. The Licenses has to pay the total license fee towards the initially granted license period, in advance. One month’s license fee (plus all taxes) is to be deposited as Security Deposit. This is applicable in both cases of two months and 11 months licence.
10. Failure to Honour the MGT will deprive the party of the concessions mentioned at (5)(i). Additionally, security deposit will also be forfeited.

**Terms and Conditions**

1) Subletting/underletting/parting/transfer/assignment of the license space shall not be allowed under any circumstances. The license 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 license is terminable on 7 days’ notice on either side. No claim for any compensation for such termination of license will be entertained.

3) The security deposit will be released after completion of the license period subject to fulfilment of MGT and/or adjustment of dues and damages, if any.

4) The license fee will be charged from the date of allotment of the yard.

5) In addition to payment of license fee as per SoR, Licensee shall pay all applicable taxes, electricity charge.

6) Encroachment or unauthorized occupation of land and Railway tracks, etc. by licensee will involve a liability to pay a penalty at the rate of three times the scheduled license fee for the first month and thereafter at the rate of 4 times the SOR.

7) If the license fails to remove cargo from the encroached area in spite of notice to do so, licensee will be evicted and the cargo will be auctioned as per Major Port act and licensee fee will be recovered.

8) After the expiry/termination/determination/forfeiture of the license, if the licensee continues to occupy the space, the licensee shall be liable to pay compensation for wrongful occupation at 3 (three) times of SoR rates till possession is obtained.

9) Rate of license fee shall get automatically escalated from 7th April every year as per SoR. Licensee has also to bear the license fee if SOR is revised.

10) The Licensee shall not cause any damage to Port Properties. If any damage is caused, the license shall be liable to make good the damages at his own cost and arrangement to the satisfaction of KoPT.

11) The license should agree to comply with all rules and directions issued by KoPT from time to time.
12) 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.

13) 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 license shall obtain all statutory clearances required during the license period. KoPT would not take any responsibility in the matter.

14) The Licensee shall not construct any building, erection or convenience on the allotted land.

15) 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.

16) The Licensee has to take all necessary measures to cover / secure the cargo and follow anti-pollution and environmentally friendly measures. Failure to observe the environmental and safety norms can lead to penalties including cancellation of license.