



सत्यमेव जयते
Government of Maharashtra



MAHARASHTRA MARITIME DEVELOPMENT POLICY - 2023



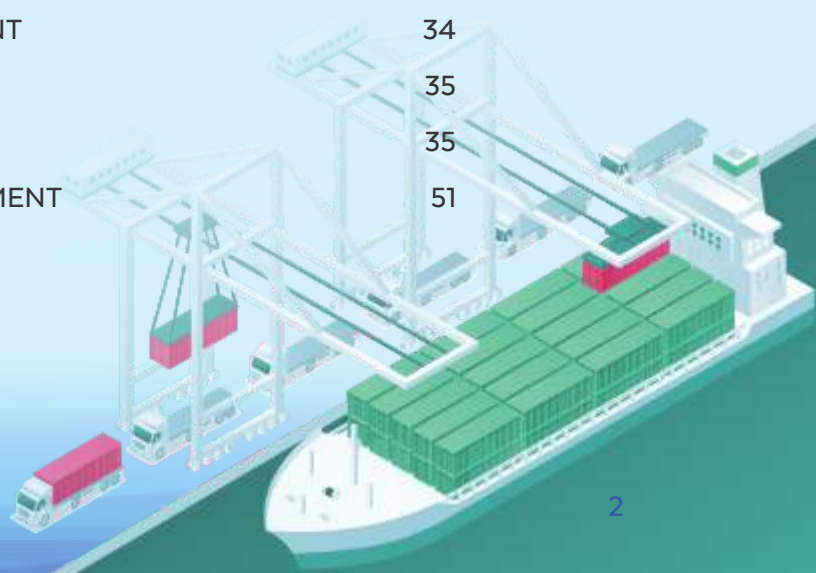
ACRONYMS

| | |
|-----------|--|
| BOT | Build, Operate and Transfer |
| CNG | Compressed Natural Gas |
| DBOOT | Design, Build, Own, Operate and Transfer |
| DPR | Detailed Project Report |
| EIAR | Environmental Impact Assessment Report |
| EXIM | Export Import |
| FCI | Fixed Capital Investment |
| FTWZ | Free Trade Warehousing Zone |
| GoM | Government of Maharashtra |
| HPC | High Powered Committee |
| INR | Indian Rupee |
| ITZ | Intertidal Zone |
| IWT | Inland Waterways Transport |
| LNG | Liquefied Natural Gas |
| LPG | Liquefied Petroleum Gas |
| MACC | Minimum Assured Captive Cargo |
| MERC | Maharashtra Electricity Regulatory Commission |
| MGC | Minimum Guaranteed Cargo |
| MIDC | Maharashtra Industrial Development Corporation |
| MMB | Maharashtra Maritime Board |
| MMDP 2023 | Maharashtra Maritime Development Policy 2023 |
| MMTPA | Million Metric Tonnes Per Annum |
| MoEF | Ministry of Environment and Forest |
| MT | Million Tonnes |
| NOC | No Objection Certificate |
| POL | Petroleum, Oil and Lubricants. |
| PPP | Public-Private Partnership |
| Ro-Ro | Roll on; Roll Off |
| ROT | Rehabilitate, Operate and Transfer |
| SEZ | Special Economic Zone |
| SGST | State Goods and Services Tax |
| SPV | Special Purpose Vehicle |
| TAT | Turn Around Time |
| TEFR | Techno-Economic Feasibility Report |
| ToR | Terms of Reference |
| WFR | Water-Front Royalty |



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> PART - A

1. TITLE

This policy may be called the Maharashtra Maritime Development Policy, 2023 (“**MMDP 2023**”).

2. PREAMBLE

2.1. Background

Maharashtra’s coastline, which extends up to approximately 720 kilometres, is the second longest in India. There are 2 notified major ports and 48 notified non-major port limits situated on this coastline. As such, there is enormous scope to develop the maritime sector of the State. Such development will open up employment opportunities for people as well as help them develop new skills. It would also support growth of the manufacturing sector and enhance Maharashtra’s competitive advantage.

Maharashtra has the highest gross state domestic product of approximately INR 27,11,685 crores. 1 The State’s non-major ports contribute significantly to its economy. In the last year, Maharashtra’s non-major ports handled more than 52 million tonnes of cargo and more than 19 million passengers. Maharashtra currently has 4 operational greenfield ports.

The State Government is responsible for the development and management of Maharashtra’s non-major ports. Since the past two decades it has issued policies for maritime development in order to boost and regulate the maritime sector. The first such policy was introduced in 1996. The most recent policy in this regard is the Maharashtra Maritime Development Policy, 2016, which was last amended in 2019.

Under these policies, the Maharashtra Maritime Board (“**MMB**”) has signed multiple concession agreements and lease agreements for the development and management of non-major ports. Some of these concession agreements are nearing their 15th year of operation, after which their terms, especially the term for water-front royalty payment will need to be decided. As such, instead of engaging in piecemeal discussions, the High- Power Committee (“**HPC**”) chaired by the Chief Secretary, Government of Maharashtra has decided to propose a new policy to the State Cabinet which would address this issue in a wholesome and comprehensive manner. As per the decision of the State Cabinet, the State Government is now introducing the MMDP 2023.

3. VALIDITY AND IMPLEMENTATION OF MMDP 2023



The MMDP 2023 shall come into effect from the date of its notification and shall remain in force until a new or revised policy is notified. Amendment to any of the clauses of the MMDP 2023 may be made with the approval of the HPC or Cabinet.

The MMB, with the prior approval of the State Government, will subsequently issue detailed guidelines to ensure the effective implementation of the schemes and incentives stated under the MMDP 2023.

The Maharashtra Maritime Development Policy, 2016, as amended by way of Government Resolution No.: Policy-0518/C.R. 19/Ports – 1 dated July 19, 2019 shall remain in force till the MMDP 2023 is notified.

4. DEFINITIONS

In the MMDP 2023, unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

4.1. “Additional Cargo” means the cargo handled over and above the cargo traffic projections mentioned in the DPR.

4.2. “Captive Jetty” means a Jetty constructed by a port-based industry located in Maharashtra for handling their captive industrial raw materials or finished products. “Coastal Berth” means a designated location in a Port or harbour used for mooring vessels and facilitating the unloading or loading of non-EXIM cargo or passengers from vessels.

4.3. “Coastal Shipping” means movement of cargo by vessels between Indian ports.

4.4. “Concession Agreement” means an agreement between MMB or the State Government and an entity or person, for building or operating an Existing Project, Port Project, Shipyard, marina project, Ship Recycling Facility, etc. which details the terms and conditions for such a project.

4.5. “Concessionaire” means an entity or person, including a private entity that has entered into a Concession Agreement.

4.6. “Erstwhile Policies” mean the maritime development policies issued by the State Government (Ports and Transport), Maharashtra till date and their respective amendments.

4.7. “Existing Project” means any existing project situated inside a Port limit for the utilisation of Water-Front and adjoining land for handling of any inbound or outbound cargo, including landing, shipping, trans-shipping of cargo, or involved in passenger water transport, etc. The Existing Projects shall include existing greenfield ports,

Multi-purpose Jetties, Captive Jetties and other such jetties as defined under the Erstwhile Policies.

4.8. “Floating Cottage” means a self-contained floating structure anchored to the bank of water bodies such as rivers, lakes, creeks, harbours, dams and coastal waters, etc., for lodging, with or without any kind of beverage or eatables being provided.

4.9. “High Power Committee” or “HPC” means such committee appointed by the State Government, as amended from time to time. “Hinterland” means part of the industrial area behind or in the environs of a Port and the geographical region over which the Port has a dominant share.

4.10. “Inland Water Transport” or “IWT” means the transportation of cargo and passengers on the Inland Waters.

4.11. “Inland Waters”, for the purpose of inland navigation, includes any—

- (i) canal, river, lake or other navigable water inward of baseline or as may be declared by notification in the Official Gazette by the Central Government;
- (ii) tidal water limit, as may be declared by notification in the Official Gazette by the Central Government;
- (iii) national waterways declared by the Central Government;
- (iv) other waters as may be declared by notification in the Official Gazette by the Central Government; and
- (v) other waters as may be declared by notification in the Official Gazette by the State Government.

4.12. “ITZ land” is the land on the shore that is underwater during high tide and exposed to the air during low tide.

4.13. “Jetty” means an artificial structure in the sea enabling passage of passengers and cargo to and from a vessel.

4.14. “Lessee” means an entity or person, including a private entity, who has entered into a lease agreement with the MMB.

4.15. “Maritime Cluster” means an agglomeration of firms, institutions, business and other industry players in the maritime sector that are geographically located close to each other and have a synergy between their activities.

4.16. “Minor Minerals” include minerals like earth, clay, sand, etc. excavated during maritime infrastructure development.

4.17. “MMB Jetty” means a Jetty that is owned and/or operated by MMB.

4.18. “MMDP 2023” means this policy, as may be amended from time to time by the State Government.

4.19. “Multi-purpose Jetty” means a Jetty of an Existing Project which is constructed or renovated or modernised by a private party with private investment or leased by MMB to the private party for handling third party cargo.

4.20. “Operator” includes a Concessionaire or a Lessee, as the case may be.

4.21. “Port” under this policy means such non-major port as notified by the State Government under clause (a) of sub-section (1) of section 4 of the Indian Ports Act, 1908 (15 of 1908).

4.22. “Port Dues” means the consideration payable for providing usage of or access to all or any part of the port under the Indian Ports Act, 1908 (15 of 1908) or any other applicable law.

4.23. “Port Project” means any new project situated inside a Port limit for the utilisation of Water-Front, jurisdictional waters and adjoining

land for handling of any inbound or outbound cargo, including landing, shipping, trans-shipping of cargo, or involved in passenger water transport once MMDP 2023 is notified.

4.24. “Ro-Ro service” means conveying of cargo or passengers being driven on or off a vessel via a ramp.

4.25. “Schedule of Rates” means a schedule detailing the various dues, levies, charges, fees and royalties, including Water-Front Royalty, etc. and the rate at which they are levied as notified by the State Government from time to time.

4.26. “Ship Recycling” means the activity of dismantling of a ship at a ship recycling facility in order to recover components and materials for reprocessing and reuse, while taking care of hazardous and other materials and includes associated operations such as storage, treatment of components and materials on site, but not their further processing or disposal in separate facilities.

4.27. “Ship Recycling Facility” means a defined area that is a site, yard or facility used for Ship Recycling.

4.28. “Shipyards” means designated areas for ship-building or ship-repair on the coastline.

4.29. “State Industrial Policy” refers to the industrial policy as notified by the State Government from time to time.

4.30. “Water-Front” means the coastline abutting a body of water which is part of a Port.

4.31. “Water-Front Royalty” or “WFR” means the royalty levied for handling cargo, containers, cars, etc., as specified under the Schedule of Rates or Concession Agreement or lease agreement, as may be applicable. Any reference to WFR under this policy would also mean monthly charges, landing and shipping fees, and wharfage charges applicable before the notification of MMDP 2023.

5. COVERAGE OF MMDP 2023

The MMDP 2023 provides for the holistic development of the maritime sector with adequate provisions for all its sub-sectors. The coverage of the new policy is as provided below:

- Port Projects
- Existing Projects
- Captive Jetties
- Connectivity Infrastructure
- Coastal Shipping and Inland Waterways
- Off-shore / Coastal Recreation and Cruise Tourism
- Shipyards
- Marina Projects
- Ship Recycling Facilities
- Valuation and Allotment of Land for Maritime Projects
- Valuation and Allotment at the time of Extension
- Asset Monetisation
- Pipeline Charges / Way Leave Charges / Other Charges / Draft Premium Charges
- Port Led Industrial Development
- Skill Development
- Sustainable Maritime Development
- Compensation to Fishermen
- Incentives for Maritime Development

The chapters under MMDP 2023 cover the following topics:

| Chapter | Description |
|--|--|
| Port Projects | Provides for the development and facilitation of Port Projects. |
| Existing Projects | Provides for the extension, resetting of WFR and expansion benefits for Existing Projects. |
| Captive Jetties | Provides for the development of Captive Jetties and their concession periods. |
| Connectivity Infrastructure connectivity for Projects. | Provides for the improvement of road, rail and Inland Water |
| Coastal Shipping and Inland Waterways | Provides for development of Coastal Shipping and Inland Waterways. |
| Off-shore/Coastal Recreation | Provides incentives for cruise tourism, floatels, fishing vessels, houseboats, amphibian buses etc. |
| Shipyards | Provides for development and facilitation of Shipyards. |
| Marina Projects | Provides for the development and facilitation of marina projects. |
| Ship Recycling Facilities | Provides for the development and facilitation of Ship Recycling facilities. |
| Valuation and Allotment of Land for Maritime Projects | Provides for valuation and allotment of existing State Government land and ITZ land. |
| Valuation and Allotment at the Time of Extension | Provides for valuation and allotment of immovable assets at the time of the extension of the maritime projects |

| Chapter | Description |
|--|---|
| Asset Monetisation | Provides for the identification and monetisation of MMB's unused and underutilised land and assets |
| Pipeline Charges/ Way Leave Charges / Other Charges / Draft Premium Charge | Provides for the basis and method of charging pipeline, way leave, optical fibre charges and premium on the draft on the use of land/ waters in MMB's jurisdiction. |
| Port Led Industrial Development | Provides for holistic development of coastal areas and Maritime Clusters. |
| Skill Development | Incentivises the development of safe and sustainable ports through skill development and also provides for the establishment of a maritime university in Maharashtra. |
| Sustainable Maritime Development | Encourages Operators to comply with the latest "Harit Sagar"- Green Port Guidelines or other guidelines issued by the Central Government. |
| Compensation to Fishermen | Provides for compensation to fishermen as per applicable policy of the State. |
| Incentives for Maritime Development | Provides for facilitation of maritime projects, cruise tourism and Coastal Shipping etc., through fiscal incentives. |

> PART - B

6. PORT PROJECTS



Development of Ports encourages industrial activity. It is therefore imperative to attract private sector investments for them. The identification, conceptualisation and allotment of Port Projects

shall be in accordance with the procedure specified in this policy.

The Concession Agreements for Port Projects shall be as per the model concession agreement of the State Government. Any deviation from this model concession agreement will require the prior approval of the State Government. The Concession Agreement would provide for detailed terms and conditions for the operation of the Port Project as well as exit of the Concessionaire from a Port Project.

6.1. Categories of Port Projects

(a) Port Projects, other than Captive Jetties, shall be classified under the following categories:

| S. No. | Category of Port Project | Minimum FCI (INR Crores) | Minimum Cargo Handling Capacity (In MMTPA) |
|--------|--------------------------|--------------------------|--|
| 1. | Micro Port | 10 | 1 |
| 2. | Small Port | 50 | 10 |
| 3. | Medium Port | 250 | 25 |
| 4. | Large Port | 750 | 50 |
| 5. | Mega Port | 3000 | 100 |

(b) Additionally, once operational, Large and Mega Ports are also required to comply with the

following productivity parameters within a period of 3 years:

| S. No | Particular | Qualifying Factor |
|-------|---|-------------------|
| 1. | Average TAT for container vessel (Max) | 36 hours |
| 2. | Average TAT for dry cargo vessels (Max) | 84 hours |
| 3. | Average ship waiting time (Max) | 8 hours |
| 4. | Average draft available at the berths (Min) | 14m |
| 5. | Container crane movement (Min) | 20 moves/hour |
| 6. | Solid cargo handling productivity (Min) | 300 MT/hour |
| 7. | Liquid cargo discharge rate (Min) | 300 MT/hour |

(c) It is clarified that the criteria mentioned in clauses 6.1(a) and 6.1(b), shall only be applicable to Port Projects handling cargo, except Captive Jetties. Port Projects handling passenger transport shall be governed by way of detailed guidelines issued by the MMB subject to the approval of the State Government. Captive Jetties shall be governed by the provisions under Chapter 8 of this policy.

(d) Categorisation of Port Projects as above shall be based on Minimum Fixed Capital Investment (“FCI”) as specified above.

(e) The MMB will formulate additional

milestones for different categories of Port Projects with the approval of the HPC. Every Port Project will have to adhere to such milestones.

6.2. Concession Period or Lease Period:

Port Projects can be developed by Operators using the models listed in the table below. For clarity purposes, the models for developing other kinds of maritime projects have also been provided below together with their concession/ lease periods.

PPP Models are Design, Build, Own, Operate and Transfer (“DBOOT”); Rehabilitate, Operate and Transfer (“ROT”); Build, Operate, Transfer (“BOT”), amongst others.

| Type of Project | Developer Responsibility | Applicability | Concession / Lease Period | Extension Period |
|-----------------------------------|--|---|--|--|
| Micro Port and Small Port | New Port Project development | Concessionaire / Lease Model for new Port Project and Jetty development | Up to 30 years | Up to 20 years |
| Medium Port and Large Port | New Port Project development | Concessionaire / Lease Model for new Port Project and Jetty development | Up to 50 years | Up to 20 years |
| Mega Port | New Port Project development | Concessionaire / Lease Model for new Port Project and Jetty development | Up to 70 years | Up to 20 years |
| MMB Jetty | Rehabilitate and operate the MMB Jetty | Concessionaire / Lease Model for new Jetty development | Up to 15 years | Up to 15 years |
| Captive Jetties | New Captive Jetty development | Concessionaire/ Lease Model for Jetty development | Up to 30 years or till the industry exists | Up to 30 years (Only for existing Captive Jetties) |
| Shipyard | Design, build and operate the facility | Concessionaire / Lease Model | Up to 30 years | Up to 20 years |
| Ship Recycling | Design, build and operate the facility | Concessionaire / Lease Model | 30 years | 30 years |
| Marina Projects | Design, build and operate the facility | Concessionaire / Lease Model | 30 years | 20 years |
| Floatel, houseboats and seaplanes | Operate and maintain at own risk | Lease Model | Up to 30 years | Up to 5 years |

6.3. Extension Policy:

(a) An Operator may seek an extension of the concession period or lease period, as the case may be, at least a year before the end of the concession period or lease period, as the case may be. The concession period or lease period for Port Projects shall be extended for the period provided in the table in clause 6.2 above subject to the Port Project

complying with the 50% cargo traffic projections, 100% investment, scope of work and the master plan provided under the DPR. This extension will be granted subject to the approval of the State Government.

(b) The Operator shall submit a quarterly report to the MMB measuring the progress on the Port Project against the cargo traffic projections,

investment, scope of work and the master plan provided under the DPR. The MMB will undertake a review of each Port Project every year in order to assess whether such project is adhering to its DPR.

(c) Any extension beyond the period specified in the table in clause 6.2 may be granted only with the approval of the HPC. Upon the expiry of the concession period or lease period, including any permissible extensions, the Port Project will be transferred to the MMB / State Government. The MMB / State Government shall operate the Port Project and allot terminals of such Port Projects through a transparent and competitive bidding process.

6.4. Water-Front Royalty

The Water-Front Royalty (“WFR”) and its escalation for Port Projects will be as per their Concession Agreement or lease agreement, as the case may be.

6.5. Resetting of WFR for Expansions

(a) If Operators of Port Projects meet the cargo

traffic projections, scope of work and the master plan as mentioned in the initial DPR and then undertake expansion of their facility by investing a minimum of 25% of the FCI required for completing the initial scope of work in the DPR, the WFR for the expanded facility will be reset in the year in which the expanded facility starts handling Additional Cargo. The reset WFR shall only be applicable to the Additional Cargo generated on account of expansion of the Port Project.

(b) The WFR will be reset to an amount equivalent to the WFR specified for the first year in the Concession Agreement or lease agreement of the Port Project. This reset WFR for the Additional Cargo shall be escalated by 20% each year for the first 15 years, Thereafter, from the commencement of 16th year onwards, it shall be escalated by 3% every 5th financial year.

(c) The resetting of WFR shall only be permissible for two expansions of the Port Project undertaken during the concession period or lease period.

6.6. Operations of the Port



The Operator will be allowed to operate the Port Project as a full-service project or enter into a sub-concession/sub-lease agreement during the subsistence of the concession period or lease period, to implement its obligations under the Concession Agreement or lease agreement. However, the Operator is entirely responsible for any acts, omissions, negligence, defaults or breaches, by any of its sub-concessionaires/sub-lessee as if such breach, act, omission, negligence or default had been caused by the Operators or its agents or workmen. The Operator will require permission from the State Government for entering into a sub-concession/sub-lease agreement during the concession period or lease period, as the case may be.

6.7. Miscellaneous

(a) The maximum equity participation by the MMB in any Major Port promoted by the Ministry of Ports, Shipping and Waterways may be up to 76% of the paid-up capital. The proportion of equity stake of MMB will be computed as a proportion of the total project cost.

(b) MMB may also develop its own maritime projects, Jetties, etc.

(c) For Port Projects under the MMDP 2023, the MMB will formulate a procedure by which a single window clearance system will be implemented for issuing licenses and No Objection Certificates (“NOC”) by the State Government / or its authorities/agencies.

6.8. Procedure for allotment

The allotment of Port Project to a bidder shall be done through a procurement process in the following manner:

- (a) Where the project is identified by the MMB, a transparent bidding process shall be followed.
- (b) Where the project is identified by a developer.
 - (i) in case the project developer / promoter is a private entity, Swiss challenge route may be followed
 - (ii) if the project developer is a government agency / entity, etc., direct nomination may be done.

7. EXISTING PROJECTS



7.1. Unless otherwise provided under MMDP 2023, the terms and conditions for Existing Projects except the concession period or lease period, as the case may be,

shall be as per their Concession Agreement or lease agreement, as the case may be.

7.2. The concession period or lease period for Existing Projects shall be as provided in clause 6.2. For the limited purpose of determining the concession period or lease period of Existing Projects, Existing Projects will be classified as per the table under clause 6.1(a).

7.3. Extension Policy

(a) An Operator may seek an extension of the concession period or lease period, as the case may be, at least a year before the end of the concession period or lease period, as the case may be. The concession period or lease period for Existing Projects shall be extended for the period provided in the table in clause 6.2 above subject to the

Project complying with the 50% cargo traffic projections, 100% investment, scope of work and the master plan provided under the DPR. This extension will be granted subject to the approval of the State Government. For the limited purpose of determining the extension in concession period or lease period of Existing Projects, Existing Projects will be classified as per the table under clause 6.1(a).

(b) From the date of notification of the MMDP 2023, the Operator shall submit a quarterly report to the MMB measuring the progress on the Existing Project against the cargo traffic projections, scope of work and the master plan provided under the DPR. The MMB will undertake a review of each Existing Project every year in order to assess whether such project is adhering to its DPR.

(c) Any extension beyond the period specified in clauses 7.3(a) will be granted with the approval of the HPC. Upon the expiry of the concession period or lease period, including any permissible extensions, the Existing Project will be transferred to the MMB / State Government. The MMB / State Government will operate the Existing Project and

allot terminals of such Existing Projects through a transparent and competitive bidding process.

7.4. Water-Front Royalty

(a) The Water-Front Royalty and its escalation for Existing Projects, except Captive Jetties, will be as per their Concession Agreement or lease agreement.

(b) Where, the WFR is subject to revision at the end of 15th year of operations (in the Concession Agreement or lease agreement) and requires a decision, in such cases, with effect from the commencement of 16th year of operations, the WFR for Existing Projects shall be escalated by 3% every 5th financial year.

(c) Notwithstanding anything provided under clauses 7.4(a) and 7.4(b), the WFR for cargo handled at existing Multi-purpose Jetties, MMB Jetties etc. and at ITZ Land, will be as per the Schedule of Rates. The WFR in the Schedule of Rates will be escalated by 3% every 5th financial year, with effect from the 1st of April.

7.5. Resetting of WFR for Expansions

(a) If Operators of Existing Projects meet the cargo traffic projections, scope of work and the master plan as mentioned in the initial DPR and then undertake expansion of their facility by investing a minimum of 25% of the FCI required for completing the initial scope of work in the DPR, the WFR for the expanded facility will be reset in the year in which the expanded facility starts handling Additional Cargo. The reset WFR shall only be applicable to the Additional Cargo generated on account of expansion of the Existing Project.

(b) The WFR will be reset to an amount equivalent to the WFR specified for the first year in the Concession Agreement or lease agreement of the Existing Project. This reset WFR for the Additional Cargo shall be escalated by 20% each year for the first 15 years. Thereafter, from the commencement of 16th year onwards, it shall be escalated by 3% every 5th financial year.

(c) The resetting of WFR shall only be permissible for 2 expansions of the Existing Project undertaken during the concession period or lease period.

(d) Notwithstanding anything contained in the existing concession agreement/s, the date of commencement of commercial operations in case of “containers” only shall be the date of issuance of first customs notification for handling container at the port.

7.6. Operations of the port

The Operator will be allowed to operate the Existing Project as a full-service project or enter into a sub-concession/sub-lease agreement during the subsistence of the concession period, to implement its obligations under the Concession Agreement or lease agreement. However, the Operator is entirely responsible for any acts, omissions, negligence, defaults or breaches, by any of its sub-concessionaires / sub-lessee as if such breach, act, omission, negligence or default had been caused by the Operators or its agents or workmen. The Operator will require permission from the State Government for entering into a sub-concession/sub-lease agreement during the concession period or lease period, as the case may be.

8. CAPTIVE JETTIES



Port based industries require huge movement of EXIM goods. To facilitate the same, the MMB allows construction of Captive Jetties by such industries to facilitate smooth movement of their cargo.

8.1. The MMB, with the approval of the State Government, will award projects to develop Captive Jetties on a nomination basis provided they fulfil the following eligibility criteria:

- (a) The project of Port based industry must qualify as a Large-Scale industry or higher category under the Maharashtra Industrial Policy as applicable at that point of time.
- (b) The industry has obtained all requisite approvals.
- (c) The industry must be fully functional.
- (d) In case of proposed or upcoming industries, the industry to be set up should have achieved financial closure.

8.2. Notwithstanding anything contained in clauses 8.1(c) and 8.1(d), where the industry has not achieved financial closure, the MMB may issue a provisional permission to develop Captive Jetties

provided the criteria mentioned in clauses 8.1(a) and 8.1(b) are met.

8.3. Concession period or Lease period:

- (a) The concession period or lease period for Captive Jetties which are built once MMDP 2023 is notified shall be for a period of up to 30 years or till the industry exists, whichever is later, subject to Concessionaire achieving Minimum Guaranteed Cargo (“MGC”) as decided by the HPC.
- (b) The extension of concession period or lease period for existing Captive Jetties shall be for a period of up to 30 years and subject to Concessionaire adhering to the Minimum Assured Captive Cargo (“MACC”) for each year of the extension period.
- (c) Minimum Assured Captive Cargo is the annual average volume of cargo handled by the Captive Jetty operator in the last five years of the concession period.
- (d) The approval shall be sought by the Operator a year before the end of the concession period or lease period.

8.4. Waterfront Royalty

- (a) The WFR for cargo handled at Captive Jetties shall be as per the Schedule of Rates.
- (b) The Schedule of Rates will be escalated by 3% every 5th financial year and come into effect on 1st April.
- (c) MMB will formulate separate guidelines, with the approval of the State Government, to explore the possibility of optimum utilisation of Captive Jetties.

8.5. Miscellaneous

- (a) Notwithstanding anything contained in this

policy, Captive Jetties shall be governed by the provisions of this Chapter. Unless otherwise provided under MMDP 2023, the terms and conditions for existing Captive Jetties shall be as per their agreements.

- (b) Where the concession period or lease period for an existing Captive Jetty has expired before or within 6 months from the notification of MMDP 2023, the MMB, with the approval of the State Government, shall complete the procedure of extension or allotment within 6 months from the date of notification of the MMDP 2023 or within 6 months from the date of expiry of concession period or lease period, whichever is later.

9. CONNECTIVITY INFRASTRUCTURE



This section provides the key provisions for the development of Hinterland connectivity for Existing Projects and Port Projects through the development of road and rail connectivity, and inland waterways.

9.1. Rail connectivity

(a) State Government shall provide rail connectivity to all Port Projects, except Mega Port Projects, as per the latest policies issued by State / Central Government.

(b) In case of Greenport Mega Port Projects, the rail connectivity projects will be implemented through a SPV as per the policies issued by State / Central Government.

9.2. Road connectivity

State Government shall provide road connectivity from the port boundary to the nearest National Highway / State Highway as per the latest policies issued by State / Central Government.

9.3. Inland Water 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 Ports through inland waterways will be instrumental in improving the evacuation infrastructure of Ports in Maharashtra. Therefore, the State Government will encourage development of Inland Waters 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, tourist potential, ease of passenger and cargo movement, etc. The identified routes (rivers and creeks) in Maharashtra will be made navigable for inland/river-sea vessels, and the State Government will encourage setting up of industries in the vicinity of such routes. The key policy provisions for development of Inland Waterways Transport (“IWT”) in Maharashtra are provided in clause 10.2.

In addition, Home Department (Transport and Ports), GoM may formulate a policy for Inland Waterways, with the approval of the HPC.

> PART - C

10. COASTAL SHIPPING AND INLAND WATERWAYS



10.1. Coastal Shipping

Coastal Shipping is an alternative mode of transportation that can address issues of poor port connectivity in the state. 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.

(a) Coastal Shipping for cargo transportation

The State Government will take the following measures to encourage Coastal Shipping in Maharashtra:

- (i) The State's Industrial Policy will emphasise the importance and utility of Coastal Shipping as an economical and environment-friendly mode of transportation. It may also incentivise industries for utilising Coastal Shipping to transport raw materials and finished products.
- (ii) To make available dedicated infrastructure for Coastal Shipping, the State Government will allow development of Coastal Berths by Operators, including MMB, that will handle only non-EXIM cargo and passengers.
- (iii) The State Government will encourage Operators, including MMB, to establish green channel facilities at Port Projects and Existing

Projects. To encourage this, adequate provisions will be incorporated in the Concession Agreement, lease agreement, etc.

(iv) The State Government shall provide a 50% concession on WFR for transportation of non-captive cargo via Coastal Shipping within Maharashtra or from any other Indian Port.

(v) The State Government will exempt VAT on High Flash High Speed Diesel used for Ro-Ro/Ro-Pax operation within Maharashtra.

(b) Coastal Shipping for passenger transportation

(i) The MMB will identify specific origin and destination points that have the potential for catamaran / hovercraft / Ro-Ro services / ferry services.

(ii) The MMB will actively explore the development of such routes.

(iii) MMB will also undertake measures to integrate the Ro-Ro services/ferry services with other modes of transportation in the State.

(iv) The infrastructure for passenger transportation may be developed by the MMB / Operator.

10.2. Inland Water 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 navigation channels, fleet and terminals. 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 State Government will encourage:

- Creation of infrastructure for the development and maintenance of navigation channels and terminals by Operators, including MMB

- Increase in IWT's fleet by Operators, including MMB
- Private sector participation in the IWT sector
- Provision of fiscal incentives to Operators, consignees and end-users in the initial stages

(a) Greater awareness among users to facilitate the shift to IWT from other modes of transportation.

(b) Development of IWT in Maharashtra

(i) The State Government will identify specific routes that can be developed as waterways for transportation of cargo and passengers. For this purpose, the coastal engineering wing of the Public Works Department of the State Government will be deputed to the MMB.

(ii) Specifically, the State Government will endeavor to develop the following waterways for transportation of cargo and passengers as well as other maritime projects:

- Kalyan-Thane-Mumbai Waterway, Vasai Creek and Ulhas River System
- Dabhol Creek -Vashishti River System
- Amba River
- Revdanda Creek - Kundalika River System
- Palghar District: Vasai Creek and Vaitarna Creek
- Thane District: Ulhas Creek and Panvel Creek
- Raigad District: Bankot Creek and Revdanda Creek
- Ratnagiri District: Jaigad Creek, Bhatya Creek and Dabhol Creek
- Sindhudurg District: Terekhol Creek, Karli Creek, Kalaval Creek Vijaydurg Creek and any other waterway as may be prioritised.

(iii) The State Government will encourage private sector participation in the areas listed below for the identified routes:

- Ownership and operation of vessels for cargo and passengers
- Development and maintenance of navigation channels
- Provision and operation of mechanised cargo handling systems
- Setting up and maintenance of navigational equipment
- Provision of pilotage services

(iv) MMB shall endeavour and explore the possibility of optimal use of all Jetties (owned, operated, etc.) of other department such as fisheries, forest, police, mangrove cell, etc. for the purpose of passenger movement, tourism, hospitality, recreation, entertainment, etc.

(v) All Jetties (owned by MMB or otherwise) will be allowed to operate 24x7 subject to Standard Operating Procedure issued by the MMB.

(vi) To reduce the infrastructure cost of developing a Jetty for water ambulance services, the MMB will permit water ambulances to use the existing infrastructure.

(c) Government support to the IWT sector

(i) A dedicated cell will be created within the MMB for undertaking deposit works for Inland Waters within the jurisdiction of Maharashtra and for undertaking relevant projects as permitted by the State Government.

(ii) Financing of IWT projects will be done through a mix of budgetary support, multilateral funding and debt funding.

11. OFF-SHORE / COASTAL RECREATION

11.1. Cruise Tourism



The Indian cruise market has the potential to grow by eight times over the next decade, driven by rising demand and disposable incomes. At the Central level, the Government of India has taken several measures to boost the growth of cruise passengers. These include measures such as introduction of e-visa facilities at five seaports (including Mumbai) across the country; reduction of port charges, with all major ports required to charge a uniform single rate for the first few hours of stay; concessions on composite port charges to domestic cruise vessels, amongst other things.

Currently, only 5 National Waterways are offering inland cruises – Ganga, Brahmaputra, Mandovi, West Coast Canal and East Coast Canal. The few challenges faced by this sector include limited inland water terminals, lack of availability and maintenance of navigation depth, limited availability of suitable vessels and difficulty in procuring approvals due to multiple stakeholders.

The State Government will take the following measures to boost cruise tourism:

(a) Lighthouses and other tourist and heritage destinations will be developed along cruise circuits

with the help of the State Tourism Department, district and municipal authorities as well as private sector participation.

(b) Assistance will be provided to cruise operators to partner with other operators in their cruising circuits for tourism activities such as water sports, guided tours at onshore sites, amongst others.

(c) Priority berthing will be offered to cruise vessels at all Ports/ Jetties in Maharashtra.

(d) The immigration procedure for international passengers will follow the internationally accepted norm of clearing all passengers at cruise terminals.

(e) A 25% concession on Port Dues payable by all cruise liners visiting the Ports in Maharashtra will be provided.

(f) A 75% concession on passenger levy for tickets issued to cruise line customers will be provided for a period of three years.

(g) It is clarified that the above-mentioned fiscal incentives shall apply only to cruise line ships and not to Ro-Ro, ferry or other regular passenger services.

11.2. Floatels, Houseboats, and Seaplanes



With an aim to encourage offshore tourism and travel, improve connectivity and to promote optimum utilisation of jurisdictional waters, MMB will encourage the operation of floatels, seaplanes and houseboats along Maharashtra's coastline and in all other water bodies in Maharashtra.

Floatel refers to a facility for recreation and leisure that is floating over water bodies such as rivers, lakes, creeks, harbours, dams and coastal waters, etc. where any kind of beverage or eatables may or may not be provided. Floatels may be anchored vessels or mobile vessels.

A houseboat means any premises or a part of a premises, floating over water bodies such as rivers, lakes, creeks, harbours, dams and coastal waters, etc. where lodging with or without any kind of beverage or eatables being provided. A houseboat may be an anchored vessel or a mobile vessel.

A seaplane means an aeroplane capable, normally, of taking off from and alighting solely on water.

(a) To promote the development and operations of floatels, houseboats and seaplanes, the MMB will adopt the following measures:

(i) If required, the lease period for new floatels, houseboats and seaplanes shall be up to a period of 30 years. This lease period may be extended up to a period of 5 years.

(ii) Assistance will be provided to operators of floatels, houseboats and seaplanes to partner with other operators in their circuits for tourism activities such as water sports, guided tours at onshore sites, amongst others.

(iii) A 25% concession on Port Dues payable by all new floatels, houseboats and seaplanes will be provided.

(iv) A 75% concession on passenger levy for tickets issued to customers will be provided for a period of three years.

(b) The allotment of a floatel to a bidder shall be done through a procurement process in the following manner:

(i) Where the project is identified by the MMB, a transparent bidding process shall be followed.

(ii) Where the project is identified by a developer,

- in case the project developer / promoter is a private entity, Swiss challenge route may be followed; and
- if the project developer is a government agency / entity, etc., direct nomination may be done.

11.3. Amphibian Buses, Fishing Vessels, Harbour/River Cruises & Floating Cottages



Maharashtra's coastline and Inland Waters have the potential to become a thriving hub for leisure activities such as a variety of cruises and amphibian buses which are a means of travel capable on land as well as on water.

(a) Fishing vessels are not conducting their business for the entire day. To encourage the fishing community to augment their revenue and to promote the recreational services along the coastline and Inland Waters, such vessels may be allowed to function subject to the condition listed below:

(i) Facilities, jetties for embarking and disembarking, timings, capacity, etc. for such activity shall be decided by MMB taking into consideration that regular movement of passengers/ cargo is not hindered.

(b) River/harbour cruise is a form of leisure travel that takes passengers to multiple landmarks along Maharashtra's coastline or inland waters. Facilities, jetties for embarking and disembarking, timings, capacity, etc. for such river/ harbour cruises shall be decided by MMB taking into consideration that regular movement of passengers/ cargo is not hindered.

(c) The standard operating procedure/detailed guidelines for amphibian buses, fishing vessels, harbour/river cruises and Floating Cottages shall be finalised by MMB which shall be approved by the State Government.

(d) The State Government will encourage the development of Floating Cottages along the creeks of Maharashtra to enhance the tourism potential of

the region, attract domestic and international tourists, create employment opportunities, and boost the local economy.

(e) The State Government will take the following measures to encourage amphibian buses, fishing vessels, harbour/river cruises and Floating Cottages:

(i) Assistance will be provided to Operators of amphibian buses, fishing vessels, harbour/river cruises and Floating Cottages to partner with other operators in their circuits for tourism activities such as water sports, guided tours at onshore sites, amongst others.

(ii) A 25% concession on Port Dues payable by amphibian buses, fishing vessels, harbour/river cruises and Floating Cottages will be provided.

(iii) A 75% concession on passenger levy for tickets issued to customers will be provided for a period of three years.

(iv) In addition to the concession in (iii) above, additional concessions will be available to Persons with Disabilities as per the prevalent policy of the State Government in this regard.

11.4. Old Submarines and Warships for Tourism

The State Government will encourage the utilization of decommissioned submarines and warships to promote tourism activities in the coastal region, recognizing their historical significance.

12. SHIPYARDS



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

12.1. The lease period for new Shipyards shall be up to a period of 30 years.

12.2. Subject to compliance with the scope of work and the master plan provided under the DPR, the lease period for existing and new Shipyards can be extended by a period of up to 20 years. This extension will be subject to the approval of the State Government and will be sought by the Operator a year before the end of the lease period.

12.3. The Operator of a Shipyard shall submit a quarterly report to the MMB measuring the progress of the Shipyard project against the scope

of work and the master plan provided under the DPR. The MMB will undertake a review of each Shipyard every year in order to assess whether it is adhering to its DPR.

12.4. The allotment of Shipyard project to a bidder shall be done through a procurement process in the following manner:

(a) Where the project is identified by the MMB, a transparent bidding process shall be followed.

(b) Where the project is identified by a developer,

(i) in case the project developer/ promoter is a private entity, Swiss challenge route may be followed; and

(ii) if the project developer is a government agency/ entity, etc., direct nomination may be done.

13. MARINA PROJECTS



The Mumbai region caters to over 200 yachts and speedboats that traverse its area. While these boats boost the State's tourism and also address its urban needs, they often cause traffic congestions in the Mumbai harbour region. This highlights the need for a well- equipped marina policy for Maharashtra.

1.1. The lease period for marina projects shall be for a period of 30 years.

1.2. Subject to compliance with the scope of work and the master plan under the DPR, the lease period for existing and new marina projects can be extended for a period of 20 years. This extension will be subject to the approval of the State Government and will be sought by the Operator a year before the end of the lease period.

1.3. The approval for an extension will be granted by the State Government considering factors such as the project's capacity augmentation and investment commitments.

1.4. The allotment of marina projects to a bidder shall be done through a procurement process in the following manner:

(a) Where the project is identified by the MMB, a transparent bidding process shall be followed.

(b) Where the project is identified by a developer,

(i) in case the project developer/ promoter is a private entity, Swiss challenge route may be followed; and if the project developer is a government agency/ entity, etc., direct nomination may be done.

14. SHIP RECYCLING FACILITIES



India is party to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, which revolutionised the practice of ship recycling by ensuring that it does not pose any unnecessary risks to human health, safety and to the environment. Ship Recycling Facilities are labour intensive and generate substantial employment opportunities. However, Maharashtra does not have a ship recycling plant till date.

14.1. Suitable locations for developing Ship Recycling Facilities along the State's coastline may be identified by the developer or the MMB/State Government.

14.2. The lease period for a Ship Recycling Facility shall be for a period of 30 years.

14.3. Subject to compliance with the scope of work and the master plan under the DPR, the lease period for the Ship Recycling Facility can be extended for a period of 30 years. This extension

will be subject to the approval of the State Government and will be sought by the Operator a year before the end of the lease period.

14.4. The approval for an extension will be granted by the State Government considering factors such as the project's capacity augmentation and investment commitments.

14.5. The allotment of Ship Recycling Facilities to a bidder shall be done through a procurement process in the following manner:

(a) Where the project is identified by the MMB, a transparent bidding process shall be followed.

(b) Where the project is identified by a developer,

(i) in case the project developer / promoter is a private entity, Swiss challenge route may be followed; and

(ii) if the project developer is a government agency / entity, etc., direct nomination may be done.

> PART - D

15. VALUATION AND ALLOTMENT OF LAND FOR MARITIME PROJECTS

15.1. A revenue cell will be created within the MMB for the valuation and allotment of land for maritime projects.

15.2. Valuation and allotment of existing government land

(a) If the project development area includes State Government land, then such land will be transferred immediately to the MMB by the State Government on a nominal lease rent of INR 1 per annum.

(b) Valuation of such State Government land will be done by the MMB in line with the ready reckoner rates.

15.3. Valuation and allotment of ITZ land

(a) The MMB will be the responsible authority for valuation and allotment of the ITZ land to maritime projects.

(b) The value of the ITZ land will be fixed as per the ready reckoner rate of non-irrigated land abutting the said ITZ land.

(c) For the ITZ land to be made available to the Operator by the MMB for Port Projects located in the districts of Mumbai City, Mumbai suburban, Thane and Navi Mumbai, payment will be taken upfront with the following valuation:

(i) One fourth ($\frac{1}{4}$) of the valuation amount calculated as per Ready Reckoner should be recovered from the Operator having agreement up to 20 years.

(ii) One third ($\frac{1}{3}$) of the valuation amount calculated as per Ready Reckoner should be recovered from the Operator having agreement up to 35 years.

(iii) Half ($\frac{1}{2}$) of the valuation amount calculated as per Ready Reckoner should be recovered from the Operator having agreement up to 50 years.

(iv) Beyond a period of 50 years, the valuation amount will be calculated in accordance with the principles identified in (i) to (iii) above.

15.4. The land will be leased to the Operator on upfront payment of an amount equal to the value of the land determined in accordance with clause 15.3(b) or clause 15.3(c), as applicable followed by nominal lease rental of INR 1 per annum.

15.5. The ownership of State Government/ITZ land will remain vested in the State Government/MMB as may be applicable.

15.6. If the Operator is not able to purchase a land parcel that lies within the project development area / layout, the State Government will assist them in the acquisition of land.

16. VALUATION AND ALLOTMENT AT THE TIME OF EXTENSION

16.1. In case of extension of concession period or lease period, as the case may be, the concessionaire / lessee can opt for one of the following for payment for land, area allotted, etc:

(a) The lessee / concessionaire continues to pay as per the procedure defined under existing lease / concession agreement.

OR

(b) As per procedure defined under chapter 15 of MMDP 2023 subject to following:

(i) Up to 10 years, 1/3rd of the valuation amount calculated as above.

(ii) Up to 20 years, 2/3rd of the valuation amount calculated as above.

(iii) Up to 30 years, 100% of the valuation amount calculated as above.

(iv) The amount calculated can be paid in annual instalments for the extended period subject to 4% escalation per annum on the valuation amount or can be paid lumpsum upfront at the time of extension

17. ASSET MONETISATION

17.1. At present, the MMB holds surplus, unused and underutilised assets in the nature of land and buildings. Monetisation of these surplus land and assets is important to unlock their value.

17.2. The MMB will endeavour to identify their surplus assets and monetise them in a professional and efficient manner to generate maximum value realisation.

17.3. Recognizing the wide range of specialised skills and expertise required for asset monetization in real estate market research, legal due diligence, valuation, master planning, investment banking, land management etc. the MMB may decide to hire professionals from the private sector to assist in the process.

17.4. MMB shall endeavour to optimally utilise Government Land, MMB owned Land and MMB Jetties in collaboration with Government, semi-government or private entities for promoting recreation, tourism, entertainment, hospitality, etc., on Maharashtra's coast. For this purpose, State Government shall transfer all land within 50 yards from the high tide line towards shoreline, to MMB at a nominal cost.

17.5. MMB shall endeavour to identify the assets in the nature of land, building or water where sources of renewable energy for instance, floating solar panels, solar grids, wave energy and tidal energy, etc. may be installed.

18. PIPELINE CHARGES/WAY LEAVE CHARGES/ OTHER CHARGES / DRAFT PREMIUM CHARGES

18.1. Pipeline/ Optical Fibre Cable charges

Category I: If pipeline or Optical Fibre Cable passes through MMB waters and land on the Maharashtra shore within the Port Limit, Facility Compensation charge will be collected as follows:

| Cargo carried in Pipeline/ Cable | Facility Compensation Charge |
|--|-------------------------------|
| Crude | 10.255 (INR/MT) |
| POL, LPG, LNG, CNG, Liquid Chemicals, etc. | 26.918 (INR/MT) |
| Optical Fibre Cable | INR 9.1 lacs/running km/annum |

Category II: If a pipeline or an Optical Fibre Cable passes through MMB waters and land on other than Maharashtra shore, a Royalty of INR 9.1 lacs/running km/annum would be payable.

Notes:

- (a) In case of Water Pipelines; only Annual way leave charges mentioned in clause 18.2 shall be applicable.
- (b) Pipeline Charges shall not be applicable for the pipeline where wharfage charges are leviable.
- (c) The above-mentioned royalty / charges will be escalated by 6% every year on 1st April.

18.2. Annual Way leave charges to be applicable on pipelines and Optical Fibre Cable mentioned above

(i) For Land side: Area occupied (within the Port Limit) X 6% of Ready Reckoner of non- irrigated land abutting ITZ land, with 4% increase per annum.

(ii) For Sea side: Area occupied X 60% of 6% of Ready Reckoner of non-irrigated land abutting ITZ land, with 4% increase per annum.

(iii) For the ITZ land located in the districts of Mumbai City, Mumbai suburban, Thane and Navi Mumbai, the 6% would be calculated on one fourth (1/4th) of the valuation amount of the ready reckonervalue.

Note: In case where ready reckoner on landside differs on both sides of the water body then ready reckoner for the side with the higher ready reckoner value would be considered.

18.3. Other Charges applicable for both Category I & II

| No. | Charging head | Basis of charges |
|-----|--|---|
| 1. | Supervision charges during commissioning | For Construction Cost (a) Up to INR 50 Crore- 1% of total cost of construction (b) more than INR 50 Crore - INR 75 Lakh |
| 2. | Scrutiny Fees | For Construction Cost (a) Up to INR 50 Crore-1% of total cost of construction (b) more than INR 50 Crore - INR 75 Lakh |
| 3. | Laying / Erection charges | Estimated cost of removal, disposal and reinstatement to original condition as a deposit |
| 4. | Proposal | approval related chargesAs per actual (Agreement preparation and service charges, agreement execution legal expenses, etc.) |

18.4. Draft premium charge

An annual draft premium charge may be levied on the development of any Port Project. The details and modalities of levying such charge will be decided by the HPC.

> PART - E

19. PORT LED INDUSTRIAL DEVELOPMENT



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.

19.1 To synchronise the development of industries and the maritime sector in Maharashtra, the State Government will:

(a) Constitute a Special Planning Authority for existing and upcoming Port Projects in Maharashtra. This authority shall be called the Port Area Development Authority or PADA. Through PADA, effective planning of ports and their surrounding areas will be carried out in a holistic manner focusing on economic, social, environmental, tourism and other relevant aspects.

(b) Encourage development of a coastal industrial corridor that will augment cargo demand.

(c) Promote development of port-based SEZs or FTWZs in Hinterland regions.

(d) Encourage development of Maritime Clusters in Hinterland regions by providing appropriate incentives to industries in such Maritime Clusters under the State Industrial Policy.

(e) Encourage port linkages with existing Maritime Clusters.

(f) Acquire land for industrial estates next to all Large, Mega and Medium Ports on a negotiated purchase basis through MMB/MIDC.

19.2 Maritime Clusters may accommodate

(a) **Export/import-based industrial cluster:** The State Government will encourage development of industries that are dependent on imported raw material for production of finished goods by assisting them in acquiring land. Export-

oriented units could be encouraged by setting up SEZs/FTWZs in the Port's vicinity in association with the Central Government.

(b) **Logistics service clusters:** The State Government will encourage, by way of assistance in land acquisition, the development of logistics service clusters in the Port's vicinity to attract more cargo to the Port.

19.3 Role of Maharashtra Industrial Development Corporation

The Maharashtra Industrial Development Corporation ("MIDC") can play a vital role in promoting port-based industrial development by leveraging port infrastructure and transport networks. MIDC can play the following role for port based industrial development:

(a) The MIDC, in negotiation with the MMB, shall acquire land for industrial clusters adjacent to Large, Mega and Medium Ports and develop infrastructure facilities.

(b) Development of Port Base Coastal Special Economic Zone will be promoted through the MIDC. It will increase additional economic activity, boost exports of goods and services, increase freight traffic and increase government revenue. The competitive position of the Coastal Special Economic Zone will help reduce logistics costs, thereby making Indian trade more globally competitive. Accordingly, it will support manufacturing and industrialization under the 'Make in India' initiative of the Government of India.

(c) Under the state's Logistics Park Policy 2018, the objective of developing 25 multi-modal integrated logistics parks in the state has been set through the MIDC. Connecting logistics parks in the state to ports, will reduce the logistics costs and encourage export-oriented investors, improve delivery times and increase efficiency.

(d) MIDC will provide help in promoting the development of Coastal Special Economic Zones and Coastal Industrial Corridors near ports, construction of new terminals, improvement of existing facilities and investment in new equipment and technology to increase cargo transfer capacity. For this MIDC will provide land, infrastructure facilities, MIDC will also facilitate obtaining permissions from related state departments for various infrastructure facilities. E.g., Mahavitaran, Public Works Department, Maharashtra Pollution Control Board, Forest Department etc.

(e) Under the State Industrial Policy, investors will be encouraged to participate in Maritime Development Industrial Clusters, and Export Oriented Units will be set up through the MIDC to promote exports. Through One District, One Product, the MIDC will promote the production of local products by establishing its industrial units near ports, supporting local businesses, creating employment opportunities and encouraging economic development by investing in the local community.

20. SKILL DEVELOPMENT



20.1 Incentive for development of safe and sustainable ports through skill development

(a) Capital assistance of up to 60% of the project cost, excluding land, or INR 50 lakhs, whichever is lower for setting up of educational institutes and skill development centres in the private sector or with the private sector participation, will be given by the MMB to meet the demand of skilled workforce and human resource development.

(b) The MMB will encourage Operators to provide funds as part of their corporate social responsibility initiatives towards skill development.

20.2 Maharashtra Maritime University

Presently, scarce availability of skilled manpower is hindering the maritime industry's development in India. There is a requirement for a global centre of excellence to enhance the capacity of the maritime

industry. Therefore, in order to spearhead maritime education, research and development, and professional training in India, the State Government will establish a Maharashtra Maritime University.

The University will offer programs catering to the commercial aspects of the maritime value chain like maritime law, shipping finance and economics, maritime management, logistics, ship broking, ship finance, chartering and ship management to name a few.

The objectives of the Maharashtra Maritime University will be as follows:

(a) To facilitate and promote maritime studies, training and research on emerging areas of maritime studies like oceanography, maritime history, maritime laws, maritime security, transportation of dangerous cargo, environmental studies and other related fields;

- (b) To provide institutional and research facilities and make provisions for integrated courses in science, technology and other allied disciplines in the educational programmes of the University;
- (c) To extend the benefits of knowledge and skills for development of individuals and society by associating the University with local, regional and national issues of development;
- (d) To pay special attention to the promotion of economic interests and welfare of the maritime industry and people of India.

21. SUSTAINABLE MARITIME DEVELOPMENT

MMB will encourage its Operators to comply with the latest “Harit Sagar”- Green Port Guidelines or other guidelines issued by the Central Government from time to time.

22. COMPENSATION TO FISHERMEN



In case of maritime projects affecting the livelihood of fishermen, the prevailing State Level Compensation Policy, issued by the Department of Fisheries, will be followed for compensation to such fishermen.

> PART - F

23. INCENTIVES FOR MARITIME DEVELOPMENT



To facilitate the private sector in undertaking maritime projects and to improve its competitive advantage compared with other coastal states, the State Government will extend incentives to maritime projects.

23.1. Incentives for Port Projects

(a) Approval of ToR for environmental impact assessment for solicited projects: On approval of the TEFR, the MMB/State Government will forward it to the MoEF along with proposed ToR for environmental impact assessment and required documents as per extant rules/ guidelines laid down by the MoEF. MMB/State Government will obtain approval of the proposed ToR for EIAR.

(b) Fiscal incentives for Port Projects: To promote development of Ports through private participation, the State Government will provide a

set of fiscal incentives to Port Projects in the State. These include:

- (i) Exemption from royalty on Minor Minerals -** Royalty will not be chargeable on Minor Minerals 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.
- (ii) Exemption from non-agricultural assessment charges -** Non-agricultural assessment charges will not be levied 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.

(iii) Exemption from electricity duty: Electricity duty will not be levied on consumption of electricity during the construction phase of Port Projects.

(iv) Exemption from stamp duty: Stamp duty will not be levied for all first instruments relating to development, operation and maintenance of Port Projects, including road connectivity, rail connectivity, water supply, electrical power supply, telecommunication and other related activities.

(v) Applicability of industrial power tariff to PPP Ports: Industrial power tariff is proposed to be charged for Port Projects. For this, the Operator must file a petition before the MERC through the MMB/Home Department. The industrial power tariff shall apply after approval from the MERC.

(vi) State goods and services tax exemption for inputs required in construction phase of Port Projects: The state goods and services tax (“SGST”) on inputs required in the construction phase of Port Projects will be exempted.

(vii) Exemption from Port Dues: Port Dues will not be chargeable for new Port Projects.

(c) Customised Incentive Package for Port Projects

(i) Taking into account their significant benefits in terms of employment, investment, and capacity, the State Government aims to incentivise Port Projects of substantial size in Maharashtra. In congruence with this, additional fiscal incentives in the form of a customised incentive package may be provided to Large and Mega Ports.

(ii) Large and Mega Ports will only receive a customised incentive package if they comply with the ToR commitments as mentioned in the DPR and Concession Agreement submitted by the Operator. The decision regarding the stage at which to provide the customised incentive package will be decided by the HPC.

(iii) The HPC will deliberate on the customised incentive package to be offered to Large and Mega Ports.

(iv) The customised incentive package may include, amongst other things, reimbursement of SGST on port related operations, concessions on WFR escalation, relaxation of the limits provided under clause 23.1(d), and other such concessions as may be decided by the HPC.

(d) Limitation on Fiscal Incentives

(i) The fiscal incentives under clause 23.1(b) shall be provided to Micro, Small and Medium Ports up until:

- the cumulative value of the incentives awarded amount up to 50% of the total FCI, or
- a period of 7 years from the date of financial closure, whichever is earlier.

(ii) The fiscal incentives under clauses 23.1(b) and 23.1(c) shall be provided to Large and Mega Ports shall be provided up until:

- the cumulative value of the incentives awarded amount up to 75% of the total FCI, or
- for a period of 7 years from the date of financial closure, whichever is earlier.

23.2. Incentives for Existing Projects

It is clarified that the fiscal incentives of upfront exemption from royalty on Minor Minerals, upfront exemption from non-agricultural assessment charges, exemption from electricity duty, upfront exemption from stamp duty, applicability of industrial power tariff to PPP ports, Value Added Tax (“VAT”) exemption for inputs required in construction phase and upfront exemption from Port Dues to Existing Projects, as provided under clause 10.2.2 of the Maharashtra Maritime Development Policy, 2016, as amended by way of Government Resolution No.: Policy-0518/C.R.

19/Ports - 1 dated July 19, 2019, shall continue to be applicable and availed by such existing Port Projects. This is to avoid any duplication of incentives.

23.3. Incentives for Expansions of Port Projects and Existing Projects

(a) If Operators of Port Projects or Existing Projects meet the cargo traffic projections, scope of work and the master plan as mentioned in the initial DPR and then undertake expansion of their facility by investing a minimum of 25% of the FCI required for completing the initial scope of work in the DPR, then the HPC may provide fiscal incentives under clause 23.1(b) to the expanded facility.

(b) However, such incentives shall be provided for only 2 expansions of the project undertaken during the concession period or lease period.

(c) For expansion, if any Operator makes an FCI more than or equal to the minimum FCI required for a Large or Mega Port, then the expanded facility will also be eligible for the customised incentive package as per clause 23.1(c).

(d) The limitations on fiscal incentives, as provided under clause 23.1(d), shall, mutatis mutandis, apply to the fiscal incentives provided to the expanded facility under clauses 23.3(a) and 23.3(c).

23.4. Fiscal incentives for manufacturing units established in Coastal Special Economic Zones and Coastal Industrial Corridors

Manufacturing units in Coastal Special Economic Zones and Coastal Industrial Corridors are dependent on port infrastructure facilities. Considering investment and employment generation made by them, manufacturing units set up in specific corridors after the MMDP 2023 comes into force will be provided one-level up

incentives of the incentives they are currently eligible for under Package Scheme of Incentives, 2019. The Department of Industries, Government of Maharashtra will issue necessary order/resolution as per the provision of prevalent industrial policy from time to time.

23.5. Fiscal incentives for Coastal Shipping

(a) The State Government will provide a 50% concession on WFR for transportation of non-captive cargo via Coastal Shipping within Maharashtra or from any other Indian Port.

(b) The State Government will exempt VAT on High Flash High Speed Diesel used for Ro-Ro/Ro-Pax operation within Maharashtra.

23.6. Fiscal incentives for Shipyards:

(a) An exemption of up to 50% of WFR for procuring raw materials used in shipbuilding will be provided to new Shipyards for 5 years from the date of commencement of commercial operations.

(b) **Exemption of stamp duty:** Stamp duty will not be leviable on 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.

(c) SGST Exemptions

(i) **For inputs required in construction phase:** SGST on inputs required in the construction phase of Shipyards will be exempted.

(ii) **On sale of ships:** SGST shall not be levied on the sale of ships and vessels, etc. manufactured within Shipyards in Maharashtra. This exemption will be for a period of 7 years from the date of commencement of commercial operations.

(d) **Applicability of industrial power tariff to Shipyards:** Industrial power Tariff shall be

applicable for a period of 7 years from the date of commissioning of Shipyard. For this, the Operator shall file a petition before the MERC through the MMB/Home Department. The industrial tariff will apply after approval by the MERC.

(e) **Reimbursement of electricity duty:** Electricity duty will not be leviable on Shipyards during construction phase.

(f) For shipbuilding industries under MMDP 2023, the Home Department, by constituting HPC and Cabinet sub-committee, will determine project -wise incentives for Large and Mega Infrastructure projects as defined in the Packaged Scheme of Incentives, 2019 as amended from time to time. Appropriate orders/decisions will be issued through the Industries Department in this regard as per the provisions of the Industrial Policy prevailing at that time.

(g) The shipbuilding industry participants can avail benefits under the State Industrial Policy and Shipbuilding Financial Assistance Policy of the Ministry of Ports, Shipping and Waterways, Government of India.

23.7. Fiscal incentives for Cruise Tourism:

(a) A 25% concession on Port Dues payable by all cruise liners visiting the Ports in Maharashtra will be provided.

(b) A 75% concession on passenger levy for tickets issued to cruise line passengers will be provided for a period of three years.

(c) It is clarified that the above-mentioned fiscal incentives shall apply only to cruise line ships and not to Ro-Ro, ferry or other regular passenger services.

23.8. Financial Incentives for floatels, houseboats and seaplanes:

(a) A 25% concession on Port Dues payable by

all new floatels, houseboats and seaplanes will be provided.

(b) A 75% concession on passenger levy for tickets issued to customers will be provided for a period of three years.

23.9. Financial Incentives for amphibian buses, fishing vessels, harbour/river cruises and Floating Cottages

(a) A 25% concession on Port Dues payable by amphibian buses, fishing vessels, harbour/river cruises and Floating Cottages will be provided.

(b) A 75% concession on passenger levy for tickets issued to customers will be provided for a period of three years.

(c) In addition to the concession in (b) above, additional concessions will be available to Persons with Disabilities as per the prevalent policy of the State Government in this regard.

23.10. Equity Participation

(a) Wherever MMB or State Government as the case maybe is planning to or has entered into a concession agreement or shareholding agreement or lease agreement and such agreement provides for an option of equity participation by MMB / State Government, in such cases - Incentives (eligible and opted for) by the project proponent (Government or Private), will be considered as an equity participation to the extent of share of equity as defined in the agreement.

(b) Provided that the option mentioned in clause 23.10(a) may not be exercised by MMB/State Government for the concession agreement where the period to subscribe for the equity participation has lapsed as specified in the concession agreement unless the Existing Project undertakes expansion and is eligible for financial incentives as per clause 23.3.

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