

MUMBAI PORT AUTHORITY -TRAFFIC DEPARTMENT

Policy for Erection of temporary sheds

1. Background :

- (i) To increase the covered storage space, by circular No. TM/D/4-3/23 dated 22.08.2012, trade was informed that temporary sheds can be erected by Port users viz. CHAs, Importers and Exporters subject to conditions laid down in the circular. Also by recent circular dated 15.12.2021 Vessel agents who are registered with Mumbai Port for handling foreign vessels are also permitted to erect temporary sheds.
- (ii) In line with the abovesaid circulars, temporary sheds were erected by Port users in Docks and outlying areas for use on Common User Basis. They were useful for attracting cargoes, requiring covered storage. These sheds, when vacant were also utilized for Port cargoes other than those of the Port users who erected the sheds.
- (iii) In the past, on the basis of requests, received from Port users, permissions for erection of temporary sheds were granted for such sheds at STP, MOD and 12B ID. Also, recently erection of temporary shed, has been permitted at Golden Yard and 3/5 ID.

2. Policy Objectives :

The objective of this policy for Erection of temporary shed in Docks and in outlying areas of Mumbai Port is to provide **holistic** well defined, **rationale** transparent and non-discriminatory guidelines for the permissions to be granted for erection of temporary sheds which would cater to storage requirements of cargoes handled in Mumbai Port by the stakeholders concerned.

3. Usage of temporary shed :

Definition of Temporary Shed :

Temporary shed means temporary structure which is erected by assembling any metallic structure by means of fabrication which will be inherently of a temporary nature, can be removed at short notice and dismantled within a short period.

The erection of temporary sheds will be permitted for –

- (i) Storage of cargoes,
- (ii) Mobile cargo handling equipments such as forklifts, hydra cranes, pay loaders, grabs and similar other equipments required for handling of EXIM cargo in temporary sheds.
- (iii) Material related to cargo handling such as slings, spreaders, etc.

Materials and mobile cargo handling equipments will be allowed to store in small portion of such sheds. However, such areas should not exceed 5% of the complete area of the shed.

The temporary shed will be utilised on “Common User basis”.

4. Charges for erection of temporary shed :

No charges will be recovered for erection of temporary shed. Charges will be applicable on import cargo as under –

- (i) Demurrage charges under section 3.1(B) of SOR will be applicable after expiry of free days extended from VCD.
- (ii) However, in case of nomination of the temporary shed under policy / circular from time to time, rates as per such policy / circular will be applicable.

Storage of export cargo will be permitted on recovery of charges as per SOR or as per policy / circular applicable for relevant cargoes.

Storage of materials and mobile cargo handling equipments will be charged as per Section 3.3(A)(III) of SOR (for open area)

5. Period of Temporary Shed :

Temporary shed will be permitted for a period of 11 **calendar** months from the date of **its** permission for its erection (period required for erection of temporary shed will be part of abovesaid 11 months). The above period will be extendable by four terms of 11 months each, at the discretion of the Port. Each such permission and extension will be treated as one term.

6. Criteria for applicants :

- (i) Agencies / Applicants desirous of erecting temporary sheds in Docks and Outlying area should be as below.
 - (a) Importer/ Exporter
 - (b) Custom House Broker (CHB)
 - (c) Vessel Agents
 - (d) Associations of Importer/Exporter / CHB / Vessel Agents.

Also above said applicants / Port users should be registered with Mumbai Port Authority.

- (ii) Applicant has to furnish Bank Guarantee of Rs. 2 Lakhs for each temporary shed. Bank Guarantee should be valid for a period of 1 year and renewed for further period of 1 year, if extension for use of temporary shed is granted.
- (iii) All requests for erection of temporary shed will be dealt on first-come-first serve basis.
- (iv) In case of more than one requests for erection of temporary shed at one location received at the same time, preference will be decided on the basis of cargo throughput handled in the **preceding 3 years, by the applicants concerned.**
- (v) A single Port User / applicant will be permitted to erect *maximum* 05 temporary sheds in the Port.

7. Procedure for submission of application, its processing and approval.

- (i) Applicants desirous of erection of temporary shed, will submit an application in the office of Traffic Manager furnishing the requisite and relevant details including the location where they intend to erect the temporary shed. Proforma for application is attached at Annexure-I
- (ii) Applications received will be forwarded to the concerned Divisions for examining the request and submission of report in the matter.
- (iii) Request for erection of temporary shed will be assessed by the concerned Divisions with regard, whether the location can be permitted for erection of temporary shed based on operational requirements of such area.
- (iv) After examining the request, if it is found that request for temporary shed can be considered, the Division will conduct a site visit (at the site identified for construction of temporary shed) alongwith officials of CE Deptt., applicant and if required with officials of other departments concerned.
- (v) After the site visit, the applicant will furnish shed plan with complete details of the material to be used etc. to the office of the concerned Division. The Shed Plan will be forwarded to CE Deptt., for examining the same and its approval.
- (vi) The concerned Division will submit a detail report to Traffic Manager alongwith temporary Shed Plan, comments / approval of CE Deptt., etc.
- (vii) **TRAFFIC MANAGER will decide about the grant of permission for erection of temporary shed after considering all aspects in the matter and in line with provisions of this policy. On deemed fit as per above, Traffic Manager will issue a permission letter for erection of temporary shed and the applicant should submit a letter confirming acceptance to the terms and conditions noted in the permission letter. The Board will be kept informed about permission granted for erection of temporary shed by means of Table Paper.**
- (viii) The concerned Division will ensure compliance of relevant conditions of permission letter by the applicants, prior to commencement of shed erection.
- (ix) Port reserves the right to reject the requests of erection of temporary sheds, without assigning any reasons.

8. Guidelines for erection of temporary sheds :

- (i) Temporary shed should be erected within a period of 6 months and this period will be inclusive / part of initial permission period of 11 months. Period of erection of temporary shed **may be** extended further by Traffic Manager, based on merits of the case and considering the operation exigencies and unforeseen circumstances.
- (ii) Temporary sheds will be erected and maintained by the applicant at his own risk, cost and responsibility.
- (iii) The structural design for the temporary sheds is to be approved by the MCGM empanelled Consulting Structural Engineer and CE Deptt.
- (iv) The supervision during the erection of the temporary sheds shall be carried out by the Consulting Structural Engineer.
- (v) The shed will be erected and dismantled under the supervision and upto the satisfaction of Chief Engineer. The sheds shall be dismantled and removed at the end of the permitted period.
- (vi) The structural stability certificate from the consultant and approval of CE Deptt. shall be submitted before the commencement of operations inside the temporary sheds.
- (vii) Power / water supply will be provided as per the availability and the prevailing procedure of Civil Engineering and Mechanical & Electrical Engineering Department. The bills raised for the same shall be paid directly to the department concerned immediately and intimation thereof will be submitted to the Traffic Deptt.
- (viii) **Applicant will make arrangements for firefighting equipments. They shall make arrangement for security of cargo and material stored in the shed including fixation of CCTV cameras. Feed for the CCTV cameras will be provided to Port as and when required.**
- (ix) Applicant shall absolve MbPA in terms of all risk and responsibility whatsoever related to temporary shed.
In this regard, applicant will have to Submit Indemnity Bond indemnifying the Board of Mumbai Port Authority and its employees against all claims, damages, liabilities and responsibilities arising out of use and occupation of temporary shed
- (x) Permission will be granted to erect the temporary sheds only for use on "Common User Basis".

9. Procedure / condition to be followed after erection of temporary shed

- (i) After erection of temporary shed and completion of all related formalities, permission for commencing its use for storage purpose will be granted by the Port. This permission will be initially for a period of six months or for the balance period of 11 months whichever is earlier, based on the period mentioned in the stability certificate for the shed. Applicant shall obtain and submit the fresh stability certificate at least one month before the expiry period of the earlier permission, if use of temporary sheds is required for further period.
- (ii) **Temporary shed will be utilised only for storage of Port cargo (as defined in SOR) and for related equipments / materials.** Storage of every consignment of cargo will be permitted in temporary shed subject to permission from Dy. Traffic Manager / Sr. Dy. Traffic Manager / Traffic Manager on payment of port charges due. Storage of regular cargo discharged from vessels / barges **or export cargo** inside such sheds will be solely decided by Sr. / Dy. Traffic Manager concerned. In case the cargo storage is permitted on long term storage basis as per policy / circular of the Port, such permission for cargo storage will be on monthly basis and will be as per the requirement renewed at the discretion of the Port. **However, cargo of the applicant will be given preference for storage in temporary shed.**
- (iii) At the commencement of storage operations in shed, the applicant will declare the area required / earmarked for mobile cargo handling equipments and materials in temporary shed and obtain prior permission for the same on payment of advance charges. Irrespective of storage or otherwise of abovesaid equipments / material, charges will be applicable for the abovesaid area for the complete period permitted for use of temporary shed. Such permissions will be extended as per requirement at the discretion of the Port.
- (iv) Only the area actually occupied by the cargo and the area permitted for storage of mobile cargo handling equipment shall be measured by the Shed Supdt. and will be considered for recovery of storage fees.
- (v) Export cargo stored in the temporary shed, if not shipped through Mumbai Port will attract demurrage from 1st day as in the case of shut out cargo taken back to town.
- (vi) The erection of temporary sheds will be purely on temporary basis and applicant shall have to remove the temporary sheds, its constituent materials and surrender the vacant space, as and when required by MbPA on 30 days' notice. **For any early termination, no compensation will be paid for residuary period of use of temporary shed.**
- (vii) The storage of cargo / mobile cargo handling equipment / material in the temporary sheds shall be solely at the risk, cost and responsibility of the Importer/Exporter/CHB/ Vessel Agent / (Applicant) concerned.

- (viii) In case of any requirement of the permitted area by MbPA, the Importer/Exporter/CHB/Vessel Agent(Applicant), shall shift the cargo / cargo handling equipment / material to any other location within 15 days, as indicated by the Port, for which the shifting charges shall be borne by the Importer/ Exporter/CHB/Vessel Agent (Applicant).
- (ix) The cargo / mobile cargo handling equipment / material shall be removed by the Importer / Exporter / CHB / Vessel Agent (Applicant) at their own risk and cost, to the area permitted for storage of cargo/ material before dismantling the temporary shed.
- (x) Applicant shall carry out periodic inspection of the sheds through MCGM empanelled Consulting Structural Engineer and carry out necessary repairs/replacements to ensure that the temporary sheds are stable and safe.
- (xi) Whenever these sheds are vacant, MbPA will utilise the same for storage of other cargo after prior intimation to the Port User who erected the temporary shed. However, if the shed is vacant for more than 30 days, Port will use the shed for storage of cargo without any such / abovesaid intimation.
- (xii) While dismantling the shed, the ground surface to be restored to the satisfaction of CE Deptt.
- (xiii) **Shed staff will maintain regular records of occupancy of cargo in the temporary shed.**
- (xiv) The water gully, gratings shall be protected to avoid entry of loose cargo / material inside the water gully to avoid choking up of storm water drainage system.
- (xv) The applicant will be solely responsible for safety and security of the cargo, equipment and material stored in the shed. They will also be solely responsible for safe handling of cargo and compliance of other safety measures in / for the temporary shed.
- (xvi) The applicant will ensure proper cleanliness inside and around the erected temporary shed.
The operation of temporary shed should not affect other cargo operations of the Port.

10. Default :

- (i) In case it is observed that the shed is being utilised for purpose other than the permitted, the permission will be revoked and the facility of storage in the shed will be suspended.
- (ii) In case of failure to maintain the structural stability of the shed and timely submission of structural stability certificate for continuing the usage of temporary shed, the permission will be revoked and the storage facility inside the shed will be suspended.

- (iii) Also in case of any other default due to non-compliance of condition mentioned in para 9 above, the storage facility in the shed will be suspended.
- (iv) In case of sr. No. (i), (ii) and (iii) above, Traffic Manager may restore the facility on rectification of the default after issuing a warning to avoid recurrence.
- (v) In case of lapses of serious nature and failure to rectify them despite issuance of notices, the temporary shed will have to be dismantled and the shed construction material shall be immediately removed within 30 days. In case of failure for complying above, action will be initiated for encashment of Bank Guarantee. **If part of the Bank Guarantee is encashed for any of the aforesaid defaults, the Port User / Applicant concerned shall furnish additional Bank Guarantee.**
- (vi) In case the temporary shed is not erected within the stipulated period and further extensions granted, if any, the applicant will have to remove the shed constructed material from the site and unauthorised storage will be as per the provisions under Section 3.3 (A), Notes to Tables II & III of the MbPA Scale of Rates, amended vide Circular No.TM/Z-1/30 of 2024-25 dated 09.10.2024 which reads as under :

“ Unauthorised storage – In case of unauthorized / excess occupation of areas for storage, penal charges @ 2x storage fees will be recovered from the date of occupation of unauthorized / excess occupation for a period of 01 month. The 2x license will become 3x for the subsequent month (second month) and will continue to increase by 1x for every additional month of unauthorized usage till vacation of such area or till regularizing of the unauthorised / excess storage. Also, as storage fees is recovered for per month or part thereof, such enhanced storage fees for unauthorised / excess occupation will be applicable for whole month even if unauthorised / excess occupation is for a period of less than 30 days.”

from the date of receipt of abovesaid material at the site till its removal therefrom.
- (vii) **In case, the Port User fails to vacate the area, after completion of permitted period for erection / use of temporary shed, unauthorised storage charges, will be recovered for the entire area occupied by the temporary shed as per Circular dated 09.10.2024 stated at (vi) above.**

11. Review of Policy:

The Policy will be reviewed as and when required.

12. Applicability of temporary shed policy to existing temporary shed :

The existing temporary shed will also be regulated under the temporary shed policy. Accordingly, the existing temporary sheds will have to comply with the requirement of temporary shed policy within a period of six months from such intimation to their office for compliance in the matter.

13. Disputes :

For any disputes between the parties related to temporary shed, the matter will be referred to the Chairperson, MbPA and his decision will be final in the matter.

14. Rights of Mumbai Port Authority :

Mumbai Port reserves all the rights to alter / modify / amend any of the conditions of the above policy at any time as and when required.

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