

**PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA**

**Sub :** Giving permission to M/s. North Canara Sea Ports GVPREL, Consortium, Hyderabad to develop infrastructure in Honnavar Port and taking up anchorage operations.

**Read:-**

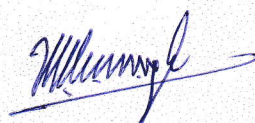
1. Government Order No. PWD 190 PSP 2009, dated 18.3.2010.
2. Letter No. NCSPL-GVPREL-CONSORTIUM/PW/DP&IWT/PORTS/2010-11/09 dated 18.5.2010 and 27.8.2010 of M/s. North Canara Sea Ports-GVPREL-Consortium, Hyderabad.
3. Letter No. PIWT 62/Land(2)/2010, dated 16.7.2010 of the Director, Ports and Inland Water Transport Department, Karwar.

**Preamble:**

Permission is given to M/s. North Canara Sea Ports-GVPREL-Consortium, Hyderabad to take up anchorage operations in Honnavar Port for a period of 10 years through the existing wharf and sanction is accorded to grant 5 acres port land within the limits of Honnavar Port for the purpose of the said anchorage operations for a period of 10 years vide Government Order dated 18.3.2010 read at Sl. No. (1) above.

M/s. North Canara Sea Ports-GVPREL-Consortium, Hyderabad in their letter read at (2) above has submitted the following proposal to the Government to make it convenient to do proper anchorage operations from Honnavar Port and to develop infrastructure to carry out import and export activities.

- i. Construction of jetty measuring 200-220 mt. length and 5-6 mts. depth in Honnavar port.
- ii. In the back up area of the said jetty developing (reclamation) of 445500 sq. mts.

  
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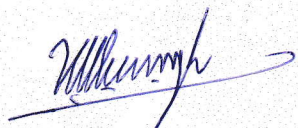


- iii. Developing (reclamation) of 36000 sq. mt. beneath Honnavar Bridge for vehicle terminal.
- iv. Filling up the pond spaces in the corner of Sharavathi bridge to construct road measuring 130x12 mtrs (total 1560 sq. mtrs) to give entry to Honnavar Port from National Highway-17.
- v. Construction of jetty measuring 200-220 mtrs length and 5-6 mtrs depth in the Kasarkod side of Honnavar Port.
- vi. Permission to improve 364500 sq. metr. land in the backup area of the Kasarkod side jetty i.e. in the south side where Sharavathi and Arabian Sea unite at the spit which is naturally filled up space for anchorage operations.
- vii. Construction of channel by dredging measuring 2.5 km. long and 5-6 mtrs. depth.
- viii. Construction of 500 mtrs. long break water.

The said company has requested for permission to develop the above said infrastructure and to take up anchorage operations for a period of 30 years. The said company has informed that it has proposed to take up this work at an expenditure of Rs. 200 crore out of its own capital and with the help of financial institutions.

The said company has informed that it has proposed to import LNG (Liquid Natural Gas), Petroleum Crude and coal and to export iron ore and other common cargos (such as Rice exports, Corn exports, Granite and wooden Logs export etc.,) and in order to manage LNG and petroleum crude it is proposed to convert Honnavar port into the Karnataka Gas and oil handling centre ; and for this purpose it has made mutual agreement with VGS Group Company of America to import LNG.

The company has further stated that anchorage operations in Honnavar port will fetch more revenue to the Government in 30 -

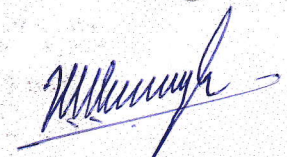
  
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years, that the Government will not have any revenue during first 3 years in which construction of infrastructure will be going on. As per the existing loading and unloading rules (Government order No. PWD 115 PSP 2006 as amended on 25.5.2007) the approximate total income earned by the Government will be Rs. 251.90 crores. The company has informed that besides, from 6<sup>th</sup> year onwards the company would pay to the Government totally Rs. 2.50 crores at Rs. 10 lakhs per year.

The Director, Ports and Inland Water Transport Department, Karwar in his letter dated 16.7.2010 read at (3) above has submitted a proposal to the Government recommending to give permission to M/s. North Canara Sea Ports-GVPREL-Consortium, Hyderabad to construct jetty as described below and carry anchorage operations and to develop port land and other infrastructure after examining the proposal submitted by the said company regarding construction of jetty and development of infrastructure in Honnavar port.

- i. Construction of jetty measuring 200-220 mt. length and 5-6 mts. depth in Honnavar port.
- ii. In the back up area of the said jetty developing (reclamation) of 445500 sq. mts.
- iii. Developing (reclamation) of 36000 sq. mt. beneath Honnavar Bridge for vehicle terminal.
- iv. Filling up the pond spaces in the corner of Sharavathi bridge to construct road measuring 130x12 mtrs (total 1560 sq. mtrs) to give entry to Honnavar Port from National Highway-17.
- v. Construction of jetty measuring 200-220 mtrs long and 5-6 mtrs depth in the Kasarkod side of Honnavar Port.
- vi. Permission to improve 364500 sq. metr. land in the backup area of the Kasarkod side jetty i.e. in the south side where Sharavathi and Arabian Sea unite at the spit which is naturally filled up space for anchorage operations.

  
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- vii. Construction of channel by dredging measuring 2.5 km. long and 5-6 mtrs. depth.
- viii. Construction of 500 mtrs. long break water.

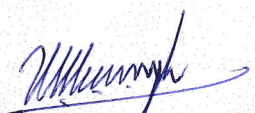
The Director has recommended to fix the rent on the port land sought by the company as per the Karnataka Ports (Loading and Unloading charges) (Amendment) Rules and further he has reported that by giving the port land to the said company on lease for a longer duration, Government can earn more revenue and it may provide employment to local people and if the vacant land is not allotted it is likely to get encroached unauthorisedly.

The company in its representation dated 27.8.2010 submitted to the Government has requested that the proposed project comprises long duration and its implementation requires bank loan and hence Honnavar port land may be given on lease for a period of 30 years to construct jetty and take up anchorage operations.

In the light of the reasons that with the project of M/s. North Canara Sea Ports-GVPREL-Consortium, Hyderabad to construct jetty to carry on anchorage operations in Honnavar port, local people will get employment and the State Government earns income in the form of rent from the use of port land and loading and unloading charges, the above proposal was considered and following order is issued.

**GOVERNMENT ORDER NO. PWD 119 PSP 2010  
BANGALORE, DATED 22.9.2010.**

In the light of the reasons explained in the proposal the below mentioned land is kept reserved to facilitate M/s. North Canara Sea Ports-GVPREL-Consortium, Hyderabad to take approval from other departments to the project of developing totally 8,47,560 sq. mt (Eight lakhs forty seven thousand five hundred and sixty only) port land to develop infrastructure in the port land shown in plan A and B by constructing jetty in Honnavar Port and at Kasarkod side of Honnavar port to carry on anchorage operations.

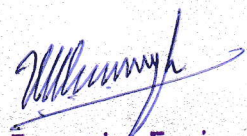
  
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Sanction is accorded to the said company to develop the infrastructure as explained below and to carry on anchorage operations in respect of the project proposed and also to carry on anchorage operations in Honnavar port and Kasarkod side of Honnavar Port for a period of 30 (Thirty) years.

- i. Permission for construction of jetty measuring 200-220 mt. length and 5-6 mtrs. depth in Honnavar Port.
- ii. Permission to develop (reclamation) 40000 (Forty Thousand) sq. mtrs. land in first phase in the back up area of the above said jetty.
- iii. Permission for developing (reclamation) of 36000 sq. mt. beneath Honnavar Bridge in Honnavar Port for vehicle terminal.
- iv. Permission for filling up the pond space in the corner of Sharavthi bridge and also to construct road measuring 130x12 mtrs(total 1560 sq. mtrs) to give entry to Honnavar Port from National Highway-17.
- v. Permission for construction of jetty measuring 200-220 mtrs. length and 5-6 mtrs. depth in the Kasargod side of Honnavar port.
- vi. Permission to improve 40000 (Forty Thousand) sq. mt. land in the backup area of the said Kasarkod jetty i.e. in the south side where Sharavathi river and Arabian sea unite at the spit which is naturally filled up space for anchorage operations in first phase.
- vii. Permission for construction of channel by dredging 2.5 km long and 5-6 mtrs. depth.
- viii. Permission for construction of 500 mtrs. long break water.

  
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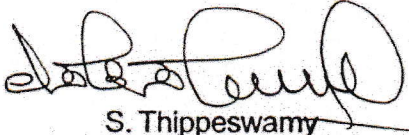
In respect of the port land of first phase mentioned in Sl. No. (ii), (iii), (iv) and (vi) the rent as per the schedule in the Karnataka Ports (Landing unloading charges) Rules, 1964 as amended as per the Government Notification No. PWD 115 PSP 2001, dated 25.5.2006 is charged and other conditions specified in the annexure of this order are stipulated.

By order and in the name of the Governor  
of Karnataka

Sd/-

(S.Thippeswamy),

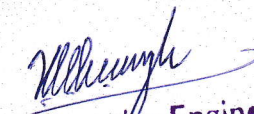
Under Secretary to Government,  
Public Works, Ports and Inland Water  
Transport Department (Ports).

  
S. Thippeswamy  
Under Secretary to Government  
Public Works, Ports and Inland  
Water Transport Department (Ports)  
Vikasa Bhudha

1. Accountant General, Karnataka, Bangalore.
2. Director, Ports and Inland Water Transport Department, Karwar.
3. M/s. North Canara Sea Ports-GVPREL-Consortium, Hyderabad.
4. Port Officer, Honnavar Port, Uttara Kannada District.

**Copies to:**

1. PS to Hon'ble Minister for Ecology, Environment, Ports and Inland Water Transport.
2. PS to Principal Secretary to Government, Public Works, Ports and Inland Water Transport Department.
3. PA to Additional Secretary to Government, Public Works, Ports and Inland Water Transport Department.
4. Extra copies / Section Guard File.

  
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