
**Gujarat Maritime Board (Conditions And Procedures For
Granting Permission For Utilising Ship Recycling Plots)
Regulation, 2006**

[30 September 2006]

CONTENTS

1. These Regulations May Be Called
2. These Regulations Shall Come Into Force With Effect From The Date Of Its Publication In The Official Gazette
3. Definition
4. Xxx
5. Xxx
6. Eligibility Criteria
7. Disqualification
- 8 . The Amounts Of Application Money, Development Charge, Security Deposit And Other Amounts Shall Be As Mentioned In Schedule-I
9. Xxx
10. Xxx
11. Any Person Applying For Permission Under These Regulations And Any Person Obtaining Permission Under These Regulations Shall Be Bound By The Terms And Conditions Specified In And Under These Regulations And In The Schedules Hereto
12. The Chief Executive Officer May Add Such Further Terms And Conditions In The Schedule/S As He May Deem Fit, For Effective Implementation Of These Regulations
13. Xxx
14. Xxx

SCHEDULE 1 :- Schedule I

SCHEDULE 2 :- Schedule II

SCHEDULE 3 :- Schedule III

SCHEDULE 4 :- Schedule IV

SCHEDULE 5 :- Schedule V

SCHEDULE 6 :- Schedule VI

**Gujarat Maritime Board (Conditions And Procedures For
Granting Permission For Utilising Ship Recycling Plots)**

Regulation, 2006

[30 September 2006]

In exercise of the powers conferred by Section No. 37, 38, 39, 41 and 110 and all other enabling provisions of the Gujarat Maritime Board Act, 1981 (Gujarat No. 30 of 1981) the Gujarat Maritime Board with the previous approval of the Government of Gujarat in Ports and Transport Department letter No. WKS-522004-942-GH-1 dated 13th September 2006 hereby makes the following Regulations; namely:-

1. These Regulations May Be Called :-

"The Gujarat Maritime Board (Conditions And Procedures For Granting Permission For Utilising Ship Recycling Plots) Regulation, 2006." [herein after referred to as "SHIP RECYCLING REGULATIONS, 2006 " for short.

2. These Regulations Shall Come Into Force With Effect From The Date Of Its Publication In The Official Gazette :-

3. Definition :-

(1) In these Regulations, unless the context otherwise requires, (a) "Act" means the Gujarat Maritime Board Act, 1981. (b) "Allotment" means allotment of a plot for the purpose of its use for beaching and ship recycling only; (c) "Appellate Authority" means a committee constituted under Ship Recycling Regulations 2006; (d) "Appointed date" means the date on which these Regulations shall come into force. (e) "Board" means the Gujarat Maritime Board constituted under Section-3 of the Gujarat Maritime Board Act, 1981. (f) "Chairman" means the Chairman of the Board and includes the person appointed to act in his place under Section-9 of the Act. (g) "Chief Executive Officer" means the Chief Executive Officer & Vice Chairman of the Board. (h) "Member" means a Member of the Board. (i) "Permission" means permission for utilizing a shipbreaking plot for beaching and recycling ships. (j) "Permission holder" means a person to whom permission is granted for utilizing ship breaking plot for beaching and recycling ships. (k) "Person" means an individual, proprietary firm, partnership firm, company or co-operative society; (l) "Plot/s" means ship recycling plot or plots in a ship recycling yard under the Gujarat Maritime Board whether they may be old plots new plots, or may be developed in future. (m) "Schedule/s" means Schedule/s to these Regulations. (n) "Ship"

includes any vessel, carrier, tanker or anything made for conveyance, mainly by water, of human being or of goods; (o) "Ship recycling or recycling activities" means all the activities of beaching, cutting, dismantling of the ship and dispatch of all dismantled materials from the ship recycling yard or plot; (p) "Ship recycling yard" means yard established by the Board or the Chief Executive Officer for recycling of ships; (q) The words not defined in these Regulations shall have the same meaning as assigned to them in the Act.

4. Xxx :-

The Chief Executive Officer may grant permission for utilizing ship recycling plots, in the following manner upon fulfillment of all the terms and conditions laid down in these Regulations and the Schedules hereto, after the applications are received by the Gujarat Maritime Board in the proforma prescribed in Schedule-VI here to;

(a) All the parties who have been utilizing ship recycling plots under the Gujarat Maritime Board Regulation 1994 as on the appointed day shall be entitled to get the permission under these Regulations subject to the fulfillment of the terms and conditions mentioned in these Regulations and the Schedules hereto, provided that;

(i) The permission holder has made all the payments towards various charges of Gujarat Maritime Board up to date on the appointed day and No Due Certificate issued by the Gujarat Maritime Board. (ii) The plot holder is otherwise eligible for getting permission under these Regulations. Explanation: For the purpose of these Regulations permission granted by the Gujarat Maritime Board pursuant to the policy contained in Circular dated 4/10/2002, are hereby regularized and such permission holders shall be considered under category (a) of these Regulations and subject to payment of development charge / betterment charge as provided under Schedule-I hereto. (b) All the parties who had participated in the auction held on 26/10/2004 pursuant to the advertisement published by Gujarat Maritime Board on 25/09/2004 and whose bid has been accepted and who have not withdrawn the earnest money deposit and subject to fulfillment of all the terms and conditions mentioned in these Regulations and Schedules hereto. Provided further that such permission shall be given on bigger sizes of plots if available that may be determined by Chief Executive Officer & Vice Chairman subject to condition that such permission holder shall pay development charges for additional area on pro-rata basis of their bid price. (c) Plots, which are, or will become, available

after the appointed day shall be permitted to be utilised for ship recycling on tender cum auction basis. Any existing plot falling vacant from the above said two categories (a) and (b) shall be permitted for utilizing for ship recycling activities on tender cum auction basis. Non Resident Indians or units having foreign collaboration shall also be permitted to utilise plot for ship recycling under these Regulations on tender cum auction basis; Save & except the permission granted under above mentioned categories (a) and (b) the Chief Executive Officer & Vice Chairman shall reserve 10 plots of the dimension admeasuring 60 sq. meters x 45 sq. meters for giving for recycling activities on ship to ship basis, subject to fulfillment of all the terms & conditions mentioned in these Regulations and Schedules thereto.

5. Xxx :-

The permission for utilizing ship recycling plots to be granted under these Regulations shall be valid for a period of 5 years with a provision for renewal for further period of 10 years subject to fulfillment of all terms and conditions stated in these Regulations and schedules hereto from the date of issue of permission letter, subject to the condition that upon expiry of the aforesaid period of five years, or upon the expiry of shorter period as may be determined in accordance with these Regulations, the permission shall come to an end without any further action by the Board. No party, which is granted permission under these regulations, shall have any right, title or interest to or in the plot, nor shall any party, which is granted such permission, be deemed to be in possession or occupation of the plot. However, if a party desires to have renewal of the permission for utilization of plots for a further period, the renewal may be granted by the Chief Executive Officer subject to the conditions as may be prescribed at the relevant time with prior sanction of the State Government and further subject to the condition that the party shall pay the charges, as may be determined at that time.

6. Eligibility Criteria :-

To be eligible for getting Permission under these Regulations a party must fulfill the following conditions (i) An application in the prescribed proforma as per Schedule-V must be submitted alongwith required documents within the stipulated time limit. (ii) As and when the import policy for importing flag vessels, so requires, a party must also possess a license and/or fulfill such other or further conditions as may be prescribed by the Import

policy which may be in force from time to time.

7. Disqualification :-

(1) The Following parties shall be disqualified from applying for permission to utilize a ship-recycling plot. (a) A party whose proprietor or any of whose partners/directors is a relative of any of the officers/employees /Board member of the Gujarat Maritime Board. (b) A party whose proprietor or any of whose partners/directors is a proprietor/partner/director in any unit having permission in respect of a plot in the same ship recycling yard. However, such parties shall not be disqualified from participation in case of application invited by the Board for granting ship recycling permission by tender cum auction. Explanation: For the purpose of these Regulations; (i) a "relative" means father, mother, husband, wife, minor brother, unmarried sister, minor sons unmarried daughter. (ii) a Director includes an office bearer or Executive Committee Member of a Co-operative Society or a Non Trading Corporation. (2) The following parties shall also be disqualified from applying for permission for utilizing a shipbreaking plot; (i) A person who is declared to be an insolvent. (ii) A person who is not having any capacity to contract under the Indian Contract Act. (iii) A person who is convicted of any offence punishable under any enactment for prevention of terrorist activities, or of any offence relating to security of the Nation or any serious offence punishable under the Indian Penal Code. (iv) Any person who has been detained under conservation of Foreign Exchange and Prevention of smuggling Activities Act, 1973, Gujarat Prevention of Anti Social Activities Act 1985 or National Security Act 1980. (3) Any party having any partner/director who is suffering from any of the disqualifications specified in sub-clause (2) hereinabove shall also be disqualified from applying for permission to utilize a ship-recycling plot. (4) A party whose proprietor or any of whose partners/directors suffers from any of the above disqualifications after obtaining the permission under these Regulations, shall not be permitted to utilize any plot for ship recycling.

8. The Amounts Of Application Money, Development Charge, Security Deposit And Other Amounts Shall Be As Mentioned In Schedule-I :-

9. Xxx :-

Out of total plots, 7 percent of these plots shall be reserved for granting permission to Co-operative Societies of all of whose

members belong to Schedule Castes, and 14% plots shall be reserved for Co-Operative Societies of all of whose members belong to Schedule Tribes. All the terms and conditions specified in the Government of Gujarat, Roads & Buildings Department Vernacular Resolution No.LPW-1290-25435-GH dated 3rd August, 1992 and Government of Gujarat, Port & Fisheries Department Resolution No. WKS-1099-CM, MLA 82(17) GH dated 4/1/2000 shall be treated as forming part of these Regulations. Explanation: For the purpose of these Regulation before calculating 7 % for the Co-operative Societies belonging to the members of Scheduled Caste and 14 % for the Cooperative Societies belonging to the members of Scheduled Tribe categories, the Chief Executive Officer & Vice Chairman shall reserve 10 plots for granting permission for ship recycling activities on ship to ship basis as provided in Regulation 4 herein above.

10. Xxx :-

The permission holders belonging to Scheduled Caste / Scheduled Tribe category under Regulations 1994 shall be permitted to continue to hold permission under these Regulations, provided that such permission holders shall pay all outstanding dues along with the interest calculated at the rate of 8 % per annum. In case of non payment of charges as aforesaid by the permission holders belonging to Scheduled Caste / Scheduled tribe category two notices will have to be issued by the Chief Executive Officer & Vice Chairman to such defaulter at an interval of 3 months, failing which the permission granted to such permission holders under Scheduled Caste / Scheduled Tribe categories will automatically come to an end and the Chief Executive Officer & Vice Chairman will be entitled to forfeit the said permission and shall be entitled to grant permission in respect of said plot to other aspiring candidates belonging to Scheduled Caste / scheduled Tribe category in the same manner as provided in these Regulations.

11. Any Person Applying For Permission Under These Regulations And Any Person Obtaining Permission Under These Regulations Shall Be Bound By The Terms And Conditions Specified In And Under These Regulations And In The Schedules Hereto :-

12. The Chief Executive Officer May Add Such Further Terms And Conditions In The Schedule/S As He May Deem Fit, For Effective Implementation Of These Regulations :-

13. Xxx :-

A permission holder shall comply with the requirements and conditions for safety and welfare of the workers, protection of environment laws laid down in Gujarat Maritime Board Ship Recycling Regulations, 2003, or any corresponding Regulations for the time being in force.

14. Xxx :-

The Guidelines contained in the Gujarat Maritime Board Notification No. GMB/T/Alang/37, 38,39,41/94/1/2812 dated 15/7/1994 and GMB/T/Alang/37,38, 39, 41 dated 2/7/1998 and amended from time to time are hereby repealed.

SCHEDULE 1

Schedule I

1. (I) The amount of application money shall be Rs. 5 lakh per permission in respect of plot on which the permission is granted and said amount will be treated as amount towards security deposit.

(ii) The permission holder falling under category 4 (a) above is required to pay amount of development charges of Rs.200/- per sq. meter per year w.e.f. 1/10/2004 as per revival package.

(iii) So far as permission holders carrying on ship recycling activities pursuant to the permission granted under policy Circular dated 4/10/2002 are required to pay development charges at the rate of Rs.500/= per sq. meter per year from the date of grant of permission till 30/9/2004 on pro-rata basis on additional space allocated to such recyclers and they shall be treated at par for the purpose of payment of development charges as provided in clause (ii) above.

(iv) The development charges for permission holders falling under category 4(b) above shall be as per their respective bid prices.

(v) The development charges for the permission granted for the plot that will be reserved by Chief Executive Officer & Vice Chairman for grant of permission on ship-to-ship basis shall have to pay development charges at the rate of Rs.400/- per sq. meter per year on pro-rata basis.

(vi) Development charges in respect of permission holder falling under category (c) who maybe granted permission on tender cum auction basis, the development charges of Rs.400/- per sq. meter per year will be treated as upset price.

2. A party desirous of obtaining permission for ship recycling shall submit an application in the prescribed form accompanied by the following.

(a) A crossed account payee demand Draft of Rs.5lakhs (Rupees Five lakhs only.) in favour of " The Chief Executive Officer & Vice Chairman, Gujarat Maritime Board Payable at Gandhinagar shall be submitted along with the application.

(b) Certificate of Financial stability to be issued by a Nationalised Scheduled Bank.

(c) Attested true copy of the Partnership Deed, in case the application is submitted by a partnership Firm. OR Anattested true copy of its Memorandum of Association and Articles of Association/Bye laws in case the application is submitted by a Company/Co-operative Society/Non Trading Corporation.

(d) Power of Attorney in favour of the person signing the application and undertaking on behalf of a partnership firm. OR An Attested true copy of other Resolution passed by the Board of Directors, authorizing the person who has signed

the application and the Undertaking on behalf of the Company/ cooperative society non Trading Corporation.

(e)Undertaking by the Applicant: -

(i) That the application and all the partners/directors of the applicant firm/company/society has read these Regulations and the terms and condition mentioned in the Schedules to the Regulations.

(ii) That these Regulations and all the terms and conditions mentioned in the Schedules to these Regulations are accepted by the applicant and the applicant is bound by the same.

(iii) That the applicant, his/its partners/directors is/are not related to any of the Officers/employees/members of the Gujarat Maritime Board.

(iv) That the applicant shall not claim any right, title or interest in or to shipbreaking plot and that he/it is not entitled to any Notice for cancellation of the permission except as provided for in these Regulations.

3. Any conditional application shall be outright rejected.

4. Over and above the payment of development charges, the party which is granted the permission for utilizing a plot for shiprecycling shall pay the plot rent at the rate of Rs. 600/- per 10 sq. mtrs. or part thereof per annum. In case if the plot rent as aforesaid is not paid within the stipulated time, the permission holder shall have to pay penalty at the rate of prevailing Prime Lending Rate (PLR) along with penal interest calculated at the rate of 4 % per annum.

5. The permission holder is also required to pay over & above payment towards development charges and charges as stipulated in clause (5), Rs.100/- per LDT (Light Displacement Tonnage) as recycling charges.

6. All the charges as provided under this Schedule shall be payable by the permission holder in advance i.e. prior to grant of beaching and cutting permission.

7. Apart from charges as provided in these Regulations, the permission holder shall pay applicable charges as prescribed under the Schedule of Port Charges framed by Gujarat Maritime Board which may be revised from time to time.

8. If the applicant fails to make the payment of charges as provided herein above the Chief Executive Officer and Vice Chairman, Gujarat MaritimeBoard, shall give one month notice by registered post A.D to make good the outstanding payment by the permission holder and at the end of said one month period, if the outstanding dues payable to the Board are not made good, the Chief Executive Officer & Vice Chairman will be at liberty to terminate the permission and in such case the security deposit of Rs.5=00 lacs will automatically stand forfeited.

9. The permission letter i.e. letter from the Chief Executive Officer and Vice-chairman granting permission for utilizing & plot for ship recycling shall be issued to an applicant only after the payment as provided in Schedule-I are made and undertaking to that effect as required under these Regulations is executed. Provided further that after said payment as required is made and the undertaking is executed by the concerned permission holder and. Gujarat Maritime Board and the permission holder shall execute an agreement within a period of one month from the date of issuance of such permission letter.

SCHEDULE 2

Schedule II

Application for plots

1. Any person, firm, company etc. intending to claim permission for utilizing a ship recycling plots for ship recycling purpose shall have to apply in the prescribed form in Schedule-VI giving full details as required therein. Incomplete applications shall

be ignored and shall stand rejected.

2. After scrutiny of applications as per para-4 herein below separate registers will be maintained for such application category wise.

3. A party which is utilizing a plot for ship recycling on the appointed date shall also be required to submit the application in the prescribed form within 30 days from the appointed date. If any party which is eligible to obtain such permission as mentioned in Regulation 4 (a) or 4 (b) fails to submit such application within the above stipulated time limit, it shall be treated that the party is not interested in getting such permission and such plot shall be made available for granting permission to the other eligible applicant.

EXPLANATION:

A party in category 4(a) which has already utilized a ship recycling plot, shall be entitled to apply for only that plot which is being utilized by it on the appointed date.

Scrutiny of applications

4. (i) The Gujarat Maritime Board will scrutinize all applications and may call for any other information at its discretion.

(ii) On satisfactory completion of scrutiny, the applications shall be entered into separate register for application received category-wise as provided in Regulation-4.

(iii) On scrutiny of an application, if any information is considered inadequate, incomplete wrong fraudulent or misleading, the application shall stand rejected and if such information is mentioned after taking the applications on Register, the application shall stand cancelled and any permission granted shall also stand cancelled and all deposits and fees shall stand forfeited to the Board.

SCHEDULE 3

Schedule III

Terms and Conditions for Permission for Utilising the Shiprecycling Plot.

Permission for utilizing a ship recycling plot shall be granted subject to the following amongst other terms and conditions and the said terms and conditions shall always be deemed to form a part of the permission letter.

(a) The party shall furnish an Indemnity Bond as prescribed by the Chief Executive Officer at the time of issuance of the permission letter.

(b) Permission to utilize a plot for ship recycling shall be granted for a period of 5 years from the date of issue of the permission letter subject to the condition that upon expiry of the aforesaid the permission shall automatically come to an end without any further action by the Gujarat Maritime Board, unless the permission is renewed within three months prior to the date of expiry of the permission period. The possession of the plot shall throughout remain with the Gujarat Maritime Board.

(c) The party shall be required to pay plot charges in advance as per the Schedule of Port charges. The schedule of Port charges may be revised from time to time.

(d) The plot charges shall be paid in advance. Plot charges for the first year shall be paid before issuance of the permission letter and the plot charges for the subsequent years shall be paid in advance before commencement of the relevant financial year. The component of plot charges by way of LDT charges shall be paid as mentioned in Clauses 5 and 6 of Schedule 1.

(e) The party shall break atleast LDT of 10000 as per revival package during a period of five years, failing which renewal of the plot for further ten years will not be granted. Provided further that the permission shall be cancelled / terminated if

the permission holder does not carry out ship recycling activity within 3 years of grant of permission.

(f) The Rules, Regulations and instructions of the Gujarat Maritime Board, Port Department or of any other Department of the Central Government or State Government or of any other public authority shall have to be observed.

(g) The permission holder shall pay the charges, fees, taxes, duties leviable under any Act, Rules, Regulations other than Regulations including amount payable to Sales Tax, VAT (Value Added Tax) at the prevailing rate which may be amended from time to time by the State Government, Central Government as the case may be. Provided further that if any intimation is received by the Gujarat Maritime Board pertaining to any outstanding dues of sales tax/VAT of State Government, the beaching and cutting permission to such permission holder shall not be granted unless he pays 25% of outstanding dues and further give an undertaking to pay the balance amount of the same to the Gujarat Maritime Board.

(h) Since the permission is for the specific purpose of ship recycling by the party to which the permission is granted, the party shall not permit any other person to use the plot for any purpose whatsoever.

(I) Ship having permissible draft, LDT and beam for Alang shall only be allowed to be beached.

(j) Beaching and cutting / recycling of the ship and storing / loading/ unloading/ transporting of the materials shall be entirely at the risk and cost of the party and the Gujarat Maritime Board shall not be liable in any manner whatsoever, for any accident, mishap or fire which may take place on or around the plot or in the course of transit.

(k) No immovable structure shall be permitted to be constructed on a ship-recycling plot without prior permission of the Chief Executive Officer. The Chief Executive Officer may grant such permission subject to such terms and conditions as may be prescribed by the Board.

(l) The party shall remove at its own risk and cost all the goods, material or structures put up on the plot upon expiry of the term mentioned hereinabove or within one month from the date the Gujarat Maritime Board cancels the permission. If the party fails to so remove the goods/materials /structures, the Gujarat Maritime Board shall be entitled to remove them at the risk and cost of the party, without any liability for any kind of compensation.

(m) For getting the Indemnity Bond discharged, the party shall have to obtain the site clearance certificate of the concerned Port Officer to the satisfaction of the Chief Executive Officer and the Chief Executive Officer shall discharge the indemnity bond after the party clears the site and makes the payment of all parties dues, plot charges, fees, compensation etc.

(n) If the party commits breach of any of the above terms and conditions, the permission granted to shall be liable to be cancelled. And the party shall not be entitled to any notice except a notice from the Port Officer on the concerned port calling upon the party to show cause why the permission should not be cancelled. Thereafter, the Chief Executive Officer shall take the decision after giving the party an opportunity of being heard. The party shall not be entitled to any other Notice.

(o) The Board may grant permission to the permission holder to have more than one plot under common partnership to the highest bidder under tender cm auction but the same will not be permitted in case of request of transfer of plot.

(p) The Chief Executive Officer may permit change in status, constitution, partners, directors etc. of the permission holder as one time measure under new policy and subsequent request of the party of such nature shall be entertained subject to permission holder paying transfer fee of Rs.400/= per sq. mtr. Explanation:

The word Director includes an office bearer/member of Executive Committee of a Co-operative Society or Non Trading Corporation.

(q) Before issuance of the permission letter, a party shall be required to file an undertaking, accepting all the above terms and conditions and that it undertakes to carry out all the Regulations instructions of the Gujarat Maritime Board and the Officers of Board, which may be general or specific and may be issued from time to time and further that the party shall not claim any right, title the interest to or in shiprecycling plot and the party is not entitled to any Notice for termination of the permission except as provided for in these Regulations and the Schedules thereto. In addition to such undertaking, the party shall also execute and agreement in the form which shall be prescribed by the Chief Executive Officer.

SCHEDULE 4

Schedule IV

(Wrong Beaching)

The charges in following specified cases will be levied as given below subject to the conditions mentioned therein.

(1) Without the prior permission of Gujarat Maritime Board, a person or a party to whom a permission for utilizing ship-breaking plot has been granted, (hereinafter referred to as permission holder), cannot beach a vessel, brought by him on the plot for which he is granted permission. In case such beaching is done without the permission of GMB, the Board may regularize at its own discretion such beaching on a condition that there is no outstanding of any dues by permission holder, to the Board, Fees to be charged for such permission for regularization shall be Rs. 10.00 lakhs.

Explanation:

The outstanding dues would, for the purpose of this clause and the subsequent clauses, mean any amount outstanding against:-

(i) Development Charges Due

(ii) Plot rent

(iii) LDT charges

(iv)Tug hire

(v)Pilotage

Or on any account whatsoever

(2) If the permission holder allows to beach the vessel no belonging to him for breaking without the prior permission of the Gujarat Maritime Board on the plot for which permission is given to him, the permission to utilise the plot for breaking the vessel shall be liable to be cancelled. However, the Gujarat Maritime Board may grant permission to beach such vessel at its own discretion, subject to a condition that there is no outstanding of any dues by the "Permission holder" as well as the vessel owner to the Board in respect of the plot on which vessel is to be beached and the party to whom vessel belongs. The fees to be charged for permission to beach the vessel in such case shall be Rs. 10.00 lakhs.

(3) If beaching of the vessel is not done on the specific plot for which permission has been given by Gujarat Maritime Board, GMB at its own discretion may regularize such beaching on a condition that there is no outstanding of any dues by such permission holder to whom the permission is given to utilise the plot and the party so beaching the vessel. The fees to be charged for permission to beach the vessel in such case shall be Rs. 10 lakhs, if the beaching on such plot is not "accidental". If the same is accidental or intentional shall be decided by the Vice-Chairman and Chief Executive Officer of the Board and his decision shall be final

and binding.

SCHEDULE 5

Schedule V

Miscellaneous

(1) The permission holder shall not employ any worker for the ship recycling activity unless the workers so employed by the permission holder has undergone basic training in the respective field of work and is holder of certificate of such training by the recognized training institute / Gujarat Maritime Board.

(2) The permission holder shall have to follow directives / guidelines issued by Ministry of Defence, Government of India, in the interest of national security viz.

(i) permission holder shall extent all necessary cooperation to the officers of Coast Guard and Navy for regular inspection of their plots.

(3) The permission holder shall produce all necessary documents of the ship which is arrived for beaching and also provide identity of sellers of the ship including the cash buyer with the name, address, designation of signatory, telephone number, e-mail address etc.

(4) Permission holder shall execute necessary undertaking to abide by terms of these Regulations, agreement executed by & between the parties in terms of the Regulations.

(5) In case of fatal accident, permission holder shall have to pay Rs. One lac to the Gujarat Maritime Board by way of penalty which will be deposited in the Workers Welfare Fund maintained by Gujarat Maritime Board. Provided further, the permission holder shall have to pay Rs.2-00 lacs to the heirs of deceased person who has lost his life in the accident.

(6) Permission holder shall use modern technology for recycling activity like use of long nozzle cutting torch, mechanised hydraulic lifting equipments, use of gas detectors, mechanized blowers, classified cutting equipments etc and which may be prescribed by Gujarat Maritime Board from time to time and according to the norms prescribed by Basal Convention shall have to be strictly observed.

(7) Ship Recyclers Association shall commence construction of Housing Colony for the purpose of providing housing facility to workers employed by each respective permission holder immediately on coming into force these Regulations and shall complete the construction within a period of one year, failing which the construction of such housing colony shall be undertaken by Gujarat Maritime Board by levying Rs.100/- per sq. meter initially for two years from each respective permission holder towards Housing Cess. This levy of housing cess will be reviewed at the end of two years. Permission holders shall execute a separate agreement for this purpose with the Board as per the format provided in a schedule hereto.

(8) The revival package mentioned in clause (ii) of clause I of schedule-I and clause (e) of schedule -- III to the Regulation shall be reviewed after a period of five years from 1/10/2004.

(9) Whenever possible or available, the Vice Chairman and Chief Executive Officer shall convert the existing smaller size plots admeasuring 30 M. x 45M. into bigger size of plots.

Appellate Authority

In case of any dispute arising out of the interpretation of the clauses of this schedule or with respect to any matter relating to or concerned with this schedule. Board of Directors of Gujarat Maritime Board shall be the sole appellate authority and decision of the Board on the dispute shall be final and binding.

SCHEDULE 6

Schedule VI

Form of application for obtaining permission for utilizing ship breaking plots under the Gujarat Maritime Board.

To

The Chief Executive Officer and Vice Chairman

Gujarat Maritime Board

Sector 10-A

Opp. Air Force Station

Gandhinagar -- 382 010.

Sub: Request for permission to utilize a plot

Dear Sir,

I/We intend to obtain permission for utilizing for ship breaking a plot in the ship-breaking Yard at Alang. Hence, I/We request you to grant me/us the permission and oblige.

I/We furnish required details as under:

1. The name and address of the Firm/Company etc. on whose behalf the application is made.
2. The name and designation of the Signatory.
3. Telephone No. If any (O) (R)
4. Fax No. if any:
5. All the documents as required by clause (2) of Schedule-I
6. Undertaking by the applicant:
 - i. That the applicant and all the partners Directors of the applicant firm/company Society have read these regulations and the terms and conditions mentioned in the Schedule to these Regulations.
 - ii. That these Regulations and all the terms Conditions mentioned in the Schedules to These Regulations are accepted by the Applicant and the applicant is bound by the Same.
 - iii. That the applicant his/its partners/directors is/are not related to any of the officers/ Employees / members of Gujarat Maritime Board.
 - iv. That the applicant, his/its partners/directors is/are not Proprietor/Partner/Director in any unit Having permission to utilize a plot for ship breaking in the same Ship breaking Yard.
 - v. That the applicant and/or any of his/its Partners/Directors is/are not related to Proprietor or to any of Partners/Directors, of a Unit having permission to utilize a plot for Ship breaking in the same Ship breaking Yard.
 - vi. That the applicant shall not claim any right, Title or interest in or to any ship breaking plot and that it is not entitled to any Notice for Canceling the permission except as provided for in these Regulations.
 - vii. That the applicant shall pay the amount of premium as specified in the Regulation; and within the time limit specified.
7. Brief not of present business (es)
8. Latest audited accounts/balance sheets.
9. Details of Sister Concerns, Subsidiary Concerns/Firms Companies etc. if any, together with names of proprietors, partners, director their shares, with place of business etc.
10. A brief note of experience if any in ship breaking industry is enclosed herewith.
11. The details if any, of proprietor, partner, director having faced or facing any criminal, customs, foreign exchange violation proceedings or detention under any law referred to in Regulations.
12. Demand draft of Rs.5,00,000/- on _____ Bank, DD

No. _____ dated _____ as application money.

Thanking you,

Yours faithfully,

Applicant, on behalf of M/s

Place:

Dated:

On behalf of Gujarat Maritime Board

H K DASH

Vice Chairman and

Date: 30th September, 2006 Chief Executive Officer