Cabinet Approved Revised Policy for Award of Waterfront and Associated Land to Port Dependent Industries (PDI) in Major Ports

Revised Policy allows existing captive users to add new berth/jetty/terminal/single buoy mooring (SBM) for Enhanced Captive Requirement upto 30 years for Government entities

Competitive bidding with RoFR to unlock fresh capacity expansion at major ports

Government entities gain Direct Access to Waterfront under new policy

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NEW DELHI, July 31, 2026: The Union Cabinet has approved a revised Policy for Award of Waterfront and Associated Land to Port Dependent Industries (Captive Policy), introducing a series of reforms aimed at accelerating private investment through the Public Private Partnership (PPP) model, improving operational flexibility and strengthening infrastructure development across India's major ports.

The revised policy updates the existing Captive Policy of 2016 by enabling existing captive users to expand capacity through new berths, jetties, terminals and single buoy moorings (SBMs), while also providing a framework for extending concession agreements, awarding waterfront to eligible government entities and addressing changes arising from evolving business and regulatory conditions.

Union Minister for Ports, Shipping and Waterways (MoPSW) Sarbananda Sonowal said the revised policy reflects the government's commitment to creating a predictable, transparent and investor-friendly framework for port-led industrial growth.

"The revised Captive Policy is a major reform that balances investor confidence with public interest. By providing long-term certainty to existing operators, facilitating capacity expansion and creating a transparent framework for future investments, we are strengthening India's maritime infrastructure to support the country's rise as a global trade and logistics hub under the visionary leadership of Prime Minister Shri Narendra Modi," Sonowal said.

The policy is expected to provide greater certainty to investors, facilitate capacity augmentation and improve ease of doing business in the port sector without any financial implication for the Government.

One of the key reforms allows Major Port Authorities to renew or extend concession agreements of existing Port Dependent Industries (PDIs) for up to 30 years without requiring a fresh tender process. The renewal will be undertaken at either the prevailing market rate or the indexed revenue payable under the existing concession agreement, whichever is higher, protecting port revenues while providing long-term certainty to investors.

The policy also creates a structured mechanism for capacity expansion by existing captive users. Major Port Authorities will undertake price discovery through competitive bidding, while providing the existing concessionaire a Right of First Refusal (RoFR) to match the highest bid. Participation will be restricted to eligible Port Dependent Industries handling the same cargo profile, ensuring competitive price discovery while maintaining operational continuity. To prevent misuse of the expansion route for extending concession tenure, the concession period for any additional berth or terminal developed under the expansion proposal will remain co-terminus with the maximum permissible concession period of the existing facility.

Waterfront Access for Government Bodies

For the first time, the policy provides a framework for awarding waterfront and associated land to eligible government organisations without resorting to competitive bidding, subject to availability and prescribed safeguards. Eligible entities include Central and State Government departments, statutory authorities, autonomous bodies, Central and State Public Sector Undertakings (CPSUs and SPSUs), and government-controlled joint ventures operating in sectors such as fertilizers, food, petroleum, oil and gas, coal, steel and other sectors notified by the Ministry of Ports, Shipping and Waterways.The concessions will be awarded at the notified floor price.

Recognising the evolving nature of global trade, the revised policy introduces provisions for Change in Law and Unforeseen Events, allowing business plans and cargo profiles to be revised where regulatory changes or unforeseen circumstances affect project viability.

"The maritime sector operates in a dynamic global environment. This policy provides the flexibility needed to adapt to changing realities while ensuring continuity of investment, trade and port operations," said Union Minister **Sarbananda Sonowal**.

The revised policy addresses key gaps in the 2016 framework by providing long-term certainty for investors, enabling capacity expansion in line with industrial demand and introducing greater operational flexibility for captive facilities. It also permits changes in cargo profile after the prescribed lock-in period, or immediately where necessitated by a change in law, ensuring business continuity in a dynamic global trading environment.

The Government expects the reforms to catalyse fresh investment in port infrastructure, strengthen supply chains, reduce logistics risks for port-dependent industries and generate employment through expansion of port-led industrial activity. The policy will be implemented across all Major Ports and is expected to increase cargo throughput, improve utilisation of waterfront assets and generate sustained revenue for ports without any financial implication for the Government of India.

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